



Sales for the nine months ended 30 September 2012

- Consolidated nine-month sales stable on a reported basis, down very slightly (-1.0%) at constant scope and exchange rates
- Solid third-quarter performance with sales up 1.7% at constant scope and exchange rates
- Solid financial position, with a healthy balance sheet and debt under control

Paris La Défense, 5 November 2012: Vicat (NYSE Euronext Paris: FR0000031775 – VCT) has today reported its sales for the nine months ended 30 September 2012, which were stable year-on-year at €1,731 million. At constant scope and exchange rates, sales were down very slightly, falling 1.0% relative to the year-earlier period.

Consolidated sales by business:

(€ million)	30 September 2012	30 September 2011	Change	
			Reported	At constant scope and exchange rates
Cement	879	873	+0.7%	- 0.1%
Concrete & Aggregates	610	618	-1.3%	-3.1%
Other Products & Services	241	237	+1.8%	+0.9%
Total	1,731	1,728	+0.2%	-1.0%

Commenting on these figures, the Management Board stated: "Vicat's performance in the first nine months of 2012 confirms the wisdom of the Group's cautious development strategy. Investment under the 2010 Performance plan and acquisitions in India and Kazakhstan enabled Vicat to achieve growth in business volumes in the third quarter, despite a macroeconomic environment that remains mixed. After a first quarter that was affected by particularly poor weather conditions in Europe, business levels were stronger in the following two quarters due to a gradual improvement in the industry environment in Switzerland, Turkey and the United States. Despite the tough economic conditions that are currently penalising performance in France and Egypt - where the political situation remains uncertain - Vicat is fully focused on its perennial objectives: taking advantage of its strong market positions, reinforcing the geographic diversification of its sources of cash flow and continuing its profitable growth strategy."



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A FRENCH REGISTERED COMPANY WITH
SHARE CAPITAL OF €179,600,000
EU VAT IDENTIFICATION NUMBER: FR 92 -
057 505 539
RCS NANTERRE

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Consolidated sales in the first nine months of 2012 totalled €1,731 million, an increase of 0.2% or a decrease of 1.0% at constant scope and exchange rates relative to the year-earlier period.

Consolidated sales in the third quarter of 2012 totalled €602 million, up 3.5% year-on-year. At constant scope and exchange rates, the increase was 1.7%. During the same period, sales rose by 2.3% at constant scope and exchange rates in the Cement business, by 0.6% in the Concrete & Aggregates business and by 2.1% in Other Products & Services.

The breakdown of nine-month sales by business shows that the contribution of the Cement business remained stable at 52.6% of total operational sales, as opposed to 52.5% in the first nine months of 2011. The Concrete & Aggregates business accounted for 31.9% of the total, versus 32.5% in the year-earlier period. Other Products & Services accounted for a slightly larger share of operational sales, i.e. 15.4% in the first nine months of 2012 as opposed to 15.1% in the year-earlier period.

In this press release, and unless indicated otherwise, all changes are based on the first nine months of 2012 by comparison with the first nine months of 2011, and are at constant scope and exchange rates.

1. Geographical breakdown of consolidated sales in the nine months ended 30 September 2012

1.1. France

(€ million)	30 September 2012	30 September 2011	Change	
			Reported	At constant scope
Consolidated sales	663	721	-8.0%	-8.0%

Consolidated sales in France fell by 8.0% at constant scope in the first nine months of 2012. Lower business levels in France were mainly due to the fall in volumes in the early part of the year, along with a significant downturn in the construction market.

After a difficult first half, when sales were affected by a particularly harsh winter, the decline slowed to 4.2% in the third quarter. However, business levels continued to suffer from the gradual completion of major projects, heavy rainfall and the fact that September 2012 contained two fewer business days than September 2011.

- **In the Cement business**, sales were down 11.8%. This decline resulted from a near 13% fall in volumes, caused by very poor weather conditions in early 2012, the end of some large projects and the weaker economic and industry environment. Despite falling volumes, the average selling price increased. In the third quarter, volumes continued to fall significantly. This was due to particularly heavy rainfall in the Group's regions, along with a lower number of business days (2 fewer days in September).

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- **In the Concrete & Aggregates business**, consolidated sales fell by 7.3%. This business was also affected by very poor weather conditions early in the year, and by the end of major infrastructure projects. Volumes contracted by more than 7% in concrete and by almost 13% in aggregates. Selling prices increased slightly. It should be noted that the situation improved in the third quarter, with an upturn in Concrete business levels driven by renewed volume growth, although Aggregates business levels remained lower than those seen in 2011. To note, the Group reinforced its geographical network with the acquisition of specialised concrete businesses in the third quarter.
- **In Other Products & Services**, consolidated sales fell by 3.3%. The significant decline in the Transport and Large Projects business predominantly attributable to the end of a major motorway project during the second quarter of 2012 was only partly offset by growth in the Building Chemicals business.

1.2. Europe (excluding France)

(€ million)	30 September 2012	30 September 2011	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	307	303	+1.1%	-1.3%

Consolidated sales in Europe excluding France were down only 1.3%. After early 2012 performance was affected by very challenging weather conditions, this limited decline reflects a sharp rebound - particularly in Switzerland - starting in the second quarter and continuing into the third with a 2.7% increase in consolidated sales.

In Switzerland, although Group sales fell by 1.6% at constant scope and exchange rates in the first nine months of the year, they posted firm growth of 3.3% in the third quarter. As a result, after very poor weather conditions adversely affected the start of the year, the upturn in activity beginning in the second quarter continued into the third. This performance confirms the strength of the Swiss construction market.

- **In the Cement business**, consolidated sales were up 0.9% at constant scope and exchange rates. After the significant fall in volumes at the start of the year, Vicat was able to take advantage of good conditions in the building sector and regained almost all the volumes lost during the first quarter. Average selling prices posted a solid growth. The upturn seen in the second quarter accelerated in the third, with sales rising by 7.5% at constant scope and exchange rates, supported by a solid third-quarter increase in volumes (5.9%) and selling prices.
- **In the Concrete & Aggregates business**, consolidated sales were down 7.5% at constant scope and exchange rates. Concrete volumes fell by more than 7% and Aggregates volumes by more than 1%. Average selling prices were almost unchanged in Concrete, and fell slightly in Aggregates. In the third quarter, Group sales fell by 6.5% at constant scope and exchange rates. The upturn in Concrete volumes only partly offset the fall in Aggregates business.
- **The Precast business** posted sales growth of 3.8% at constant scope and exchange rates, and 13.3% in the third quarter alone. This growth was underpinned by a sharp upturn in volumes, particularly in the third quarter, and a rapid rise in average selling prices due to a better product mix.

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In Italy, sales rose by 4% in the first nine months of the year. This growth was due to a substantial increase in selling prices arising from the Group's selective sales strategy in this region, which includes a focus on export sales. Higher prices fully offset the near -9% decline in volumes. In the third quarter, however, the sharper decline in volumes was only partly offset by higher prices, and sales fell by 8.5% during the period.

1.3. United States

(€ million)	30 September 2012	30 September 2011	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	151	121	+24.4%	+13.4%

Consolidated sales in the United States posted solid growth of 13.4% at constant scope and exchange rates, including a 10.0% increase in the third quarter. This reflects the substantial upturn in the US manufacturing sector since the start of the year, with volumes rebounding sharply in both the Cement and Concrete businesses.

- **The Cement business** posted a substantial increase in business in the first nine months of 2012, with consolidated sales up 21.1% at constant scope and exchange rates (operational sales up 14%). This rebound resulted from strong growth in volumes - more than 21% - in both California and the Southeast region. Average selling prices continued to show a decline relative to the first nine months of 2011. In the third quarter, consolidated sales increased by more than 25% at constant scope and exchange rates (operational sales rose by 14%), driven by ongoing strong growth in volumes in the two regions in which the Group operates. Selling prices were still lower than the average prices seen in the third quarter of 2011.
- **In the Concrete business**, consolidated sales were up 10.3% at constant scope and exchange rates. This was due to a near 9% increase in volumes, with substantial growth in California and more modest growth in Alabama, along with a solid improvement in selling prices. In the third quarter, the Concrete business maintained its sales growth, with an increase of more than 4% at constant scope and exchange rates. This was supported by a further rise in selling prices, while volumes were stable year-on-year.



1.4. Turkey, India and Kazakhstan

(€ million)	30 September 2012	30 September 2011	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	332	262	+26.8%	+29.1%

In Turkey, consolidated sales amounted to €163 million, up 10.8% at constant scope and exchange rates. After very bad weather conditions affected first-quarter performance, business levels rebounded strongly in the second quarter (+25.6%) and the third (+13.5%), driven by strong growth in the Cement business and a positive price environment.

- **In Cement**, consolidated sales grew by 11.1%. This was the result of a sharp upturn in the market, which began in the second quarter and continued in the third. Selling prices increased strongly. In the third quarter, consolidated Cement sales were up 9.3% at constant scope and exchange rates.
- Consolidated sales in the **Concrete & Aggregates business** were up 10.4%. Volumes fell by almost 5% in Concrete, due to the sharp fall in business in early 2012 caused by poor weather conditions, but rose by almost 12% in Aggregates. The Group is maintaining its selective commercial approach, and focus on raising its selling prices. In the third quarter, consolidated sales were up 20.5% at constant scope and exchange rates, confirming the strong upturn in business levels that began in the second quarter, with higher volumes and selling prices.

In India, sales totalled €118 million in the first nine months of 2012, up 34.6% at constant scope and exchange rates. Vicat maintained its strong performance in India, with the ongoing build-up of production at Bharathi Cement's modern plant. In the first nine months, cement volumes totalled almost 1.9 million tonnes. This success vindicates Vicat's strategy, which is based on selling high-grade cement supported by a well known brand and a solid distribution network covering the whole of Southern India. Overall selling prices continued to rise during the period.

In the third quarter, sales in India were up 29.6% at constant scope and exchange rates. This growth resulted from a solid increase in volumes and slightly higher selling prices.

In Kazakhstan, the build-up of operational and commercial activity at the Jambyl Cement plant continued. Revenue in the first nine months totalled €51 million, versus €20 million in the year-earlier period. This performance was driven by very strong volume growth, with more than 770,000 tonnes sold in the first nine months of 2012 as a result of major infrastructure and housing projects. Selling prices rose rapidly throughout the period. Business levels posted very strong growth in the third quarter. The Group achieved full utilisation of its production capacity on a monthly basis during the period, while the price environment remained positive.



1.5. Africa and Middle East

(€ million)	30 September 2012	30 September 2011	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	278	321	-13.3%	-15.2%

In Africa and the Middle East, consolidated sales fell by 15.2% in the first nine months and by 14.6% in the third quarter at constant scope and exchange rates.

In Egypt, consolidated sales were down 30.3% in the first nine months of 2012. The decline resulted from a 29% drop in volumes, while average selling prices were broadly stable. Operational performance in Egypt continued to be affected by problems with security and fuel supplies. Vicat's gas supply was cut off, while the whole of Egypt experienced a serious shortage of fuel oil. In the third quarter, maintenance work on the pipeline that carries gas to Vicat's plant - following repeated problems since January 2011 - made it necessary to continue using fuel oil to fire the Group's kilns. As a result, it was impossible to operate the production plant normally, and so volumes fell again by more than 32%, while consolidated sales were down 25.9% at constant scope and exchange rates. Selling prices increased very slightly. It is important to note that, since early October, maintenance work on the pipeline has been completed, allowing the gas supply to the plant's two kilns to be restored gradually amid a still very challenging security environment.

In West Africa, sales fell by 6.7% at constant scope and exchange rates. Cement volumes were near-flat, despite political events in Mali and abundant wintering, while average selling prices in the region continued to see a decline. In the third quarter, sales fell by 8.7%, mainly because of a sharp drop in Aggregates volumes in Senegal (-34%) as a number of large projects were halted or postponed. Cement volumes were up slightly (+3%). Although the price environment remains weak with downward pressure in the domestic market and in Mali, there was also strong growth in export sales.



2. Sales for the nine months ended 30 September 2012 by business

2.1. Cement

(€ million)	30 September 2012	30 September 2011	Change	
			Reported	At constant scope and exchange rates
Volume (thousands of tonnes)	13,485	13,725	-1.8%	
Operational sales	1,043	1,042	+0.2%	-0.8%
Intra-group sales	(164)	(169)		
Consolidated sales	879	873	+0.7%	-0.1%

Consolidated sales in the Cement business rose by 0.7%, but fell by 0.1% at constant scope and exchange rates. Volumes were down slightly in the nine-month period (-1.8%). In the third quarter, consolidated sales were up +4.5% or +2.3% at constant scope and exchange rates. Third-quarter volumes fell by 1.3%.

2.2. Concrete & Aggregates

(€ million)	30 September 2012	30 September 2011	Change	
			Reported	At constant scope and exchange rates
Concrete volume (thousands of m ³)	5,805	6,020	-3.6%	
Aggregates volume (thousands of tonnes)	16,015	16,895	-5.2%	
Operational sales	633	645	-1.8%	-3.6%
Intra-group sales	(23)	(27)		
Consolidated sales	610	618	-1.3%	-3.1%

In the Concrete & Aggregates business, consolidated sales fell by 1.3% or 3.1% at constant scope and exchange rates. Concrete delivery volumes were down 3.6% in the first nine months, and Aggregates volumes down 5.2%. In the third quarter, consolidated sales were up 2.9% or 0.6% at constant scope and exchange rates. Volumes rose by 4.1% in Concrete but fell by 8.9% in Aggregates.



2.3. Other Products & Services

(€ million)	30 September 2012	30 September 2011	Change	
			Reported	At constant scope and exchange rates
Operational sales	306	299	+2.2%	+1.5%
Intra-group sales	(65)	(62)		
Consolidated sales	241	237	+1.8%	+0.9%

Consolidated sales in the Other Products & Services business were up 1.8% or 0.9% at constant scope and exchange rates. In the third quarter, consolidated sales were up +1.3% or +2.1% at constant scope and exchange rates.

3. Financial outlook for 2012

3.1 Operating profitability

Vicat's EBITDA margin in 2012 will be adversely affected by the following factors:

- its poor performance in the first half of the year, particularly in the first quarter;
- the impact of political and social events in Egypt and the resulting difficult operating conditions;
- a slight increase in energy costs, mainly arising from higher electricity prices in some countries.

Positive factors for 2012 EBITDA margin include:

- the gradual upturn in activity in mature markets in the second half of the year following a particularly difficult first half;
- the continuing brisk momentum of emerging markets;
- the pursuit of productivity gains, especially the increase in use of alternative fuels,
- and lastly, the ongoing policy of costs control and fixed costs reduction.

Taking account of all of these factors, although the Group expects its performance to improve in the second half of 2012 relative to the first half of the year, full-year EBITDA in 2012 is likely to be down relative to that achieved in 2011.



3.2 Financial position

Vicat's financial position remains very healthy. Gearing was 47.6% at 30 September 2012, versus 43.4% at 30 September 2011 and 50.4% at 30 June 2012.

Given the Group's low net debt, covenants do not pose any threat to the Group's financial position or liquidity. Vicat comfortably complies with all financial ratios required by covenants contained in financing agreements.

4. Outlook for 2012 by geographical zone

For 2012, the Group wishes to provide the following comments concerning its various markets:

- **In France**, the Group anticipates, essentially because of the very bad weather conditions recorded in the first quarter and an uncertain economic environment, a decrease in volumes during 2012 in a still favourable pricing environment.
- **In Switzerland**, the environment is likely to remain broadly positive, in spite of very bad weather conditions in the beginning of the year, with volumes remaining stable or down very slightly, and prices expected to firm up.
- **In Italy**, the Group expects slight improvement in pricing conditions, although with volumes continuing to pose a challenge in the domestic market.
- **In the United States**, the Group expects gradual improvement in its markets, with more rapid growth than initially anticipated in volumes but price increases remaining insufficient to offset the reductions recorded in 2011.
- **In Turkey**, the improvement in the industry environment in 2011 is likely to continue into 2012 despite unfavourable weather conditions in the first quarter and under tighter macroeconomic conditions.
- **In Egypt**, despite a situation that will remain fragile, the market remains upbeat in terms of volumes and prices are expected to be more favourable. With the gradual restoration of a permanent supply of gas, operating conditions should improve gradually but will nevertheless continue to be disrupted by security issues. The Group remains confident about the positive performance of the Egyptian market in the medium and long term.
- **In West Africa**, despite political events in Mali in particular, the Group remains confident about the success of its commercial expansion across the region, drawing on a fully efficient manufacturing base, albeit in a less supportive pricing environment.
- **In India**, the ramp-up of Bharathi Cement is set to continue, in line with the Group's expectations. In addition, the gradual start-up of the Vicat-Sagar Cement plant's lines at the year end will give rise to two major players in southern India, serving complementary markets and able to draw on substantial business synergies, with total nominal capacity of over 7 million tonnes.
- **In Kazakhstan**, thanks to its ideal geographical location and modern production base, the Group should gradually be able to take full advantage of a market poised for solid growth in the construction and infrastructure sectors in what is expected to be a supportive pricing environment.

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5. Conference call

To accompany the publication of its sales for the nine months ended 30 September 2012, the Vicat group is organising a conference call that will be held in English on Tuesday, 6 November 2012 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 70
United Kingdom: +44 (0)20 3364 5381
United States: +1 646 254 3364

To listen to a playback of the conference call, which will be available until 7pm on 13 November 2012, dial one of the following numbers:

France: +33 (0)1 74 20 28 00
United Kingdom: +44 (0)20 3427 0598
United States: +1 347 366 9565

Access code: 7832482#

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ABOUT VICAT

The Vicat Group has close to **7,400 employees** working in three core divisions, Cement, Concrete & Aggregates and Other Products & Services, which generated **consolidated sales of €2,265 million** in 2011.

The Group **operates in eleven countries**: France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan and India. Nearly 59% of its sales are generated outside France. The Vicat Group is the heir to an industrial tradition dating back to 1817, when Louis Vicat invented artificial cement. Founded in 1853, the Vicat Group now operates **three core lines** of business: **Cement**, **Ready-Mixed Concrete** and **Aggregates**, as well as related activities.

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).

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Vicat group - Financial data - Appendices

Breakdown of sales for the nine months ended 30 September 2012 by business and geographical region

	Cement	Concrete & Aggregates	Other Products & Services	Intra-group sales	Consolidated sales
France	296	319	185	(137)	663
Europe (excluding France)	130	118	97	(39)	307
United States	70	104	-	(23)	151
Turkey, India and Kazakhstan	285	74	24	(50)	332
Africa and Middle East	261	18	-	(1)	278
Operational sales	1,043	633	306	(251)	1,731
Intra-group sales	(164)	(23)	(65)	251	-
Consolidated sales	879	610	241	-	1,731