



Sales for the first quarter 2010



May 6th 2010

Jean-Pierre Souchet - CFO

Stéphane Bisseuil - Investors Relations

Disclaimer

- ▼ This presentation 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)

First quarter 2010 outstanding points

- ▼ **Sales holding up well**
 - ▼ **Particularly in Cement, given exceptional weather conditions**

- ▼ **Strong rebound in activity in March**
 - ▼ **Seems confirmed in April**

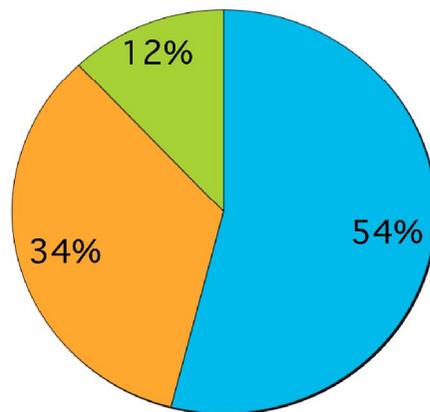
- ▼ **Strategic reinforcement in southern India**
 - ▼ **Acquisition of Bharathi Cement**

- ▼ **Very solid balance sheet**

Breakdown of consolidated sales by business

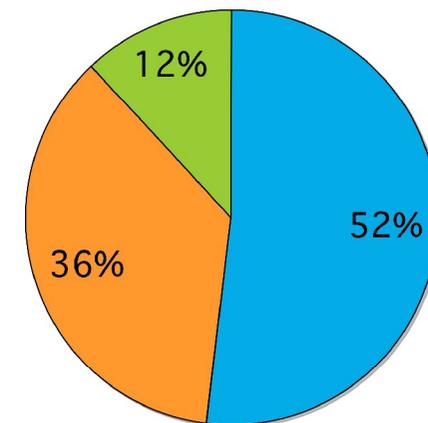
Contribution by business:

Q1 2010



Contribution by business:

Q1 2009



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

- ▼ Cement: €214 million, down 2.2%
- ▼ Concrete & Aggregates: €136 million, down 10.3%
- ▼ Other Products: €48 million, down 6.6%

Geographical breakdown of sales

France

<i>(millions of euros)</i>	Q1 2010	Q1 2009	Variation (%)	
			Published	At constant scope
Consolidated sales	173	192	-10.0%	-10.0%

- ▼ Unfavourable weather conditions in regions where the Group operates
- ▼ Still deteriorated construction market appears to have bottomed out
- ▼ Cement
 - ▼ Sales fell by 9.8%,
 - ▼ Decline in volumes
 - ▼ Selling prices downturn, due to unfavourable mix (strong increase in export sales)
 - ▼ Trend reversed during March, with a return to growth
 - ▼ Appears to be confirmed in April
- ▼ Concrete & Aggregates
 - ▼ Sales decreased by 9%
 - ▼ Solid recovery in March of volumes and healthier selling prices

Geographical breakdown of sales

Europe (ex France)

<i>(millions of euros)</i>	Q1 2010	Q1 2009	Variation (%)	
			Published	At constant scope and exchange rates
Consolidated sales	52	51	+0.8%	-1.9%

- ▼ **Switzerland:** sales improved by 9.0% despite very severe winter conditions
- ▼ Cement: sales strong increase of 30%
 - ▼ Supported by deliveries to some major underground construction sites unaffected by the poor weather
 - ▼ Selling prices down slightly because of building sites nature, regional mix and weather conditions
- ▼ Concrete & Aggregates: sales down by close to 10%
 - ▼ Due to poor weather conditions, with slightly down selling prices
- ▼ Precast: good start to the year, increased volumes, consolidated sales up by 13%
- ▼ **Italy:** consolidated sales fell by 49%
 - ▼ Sharp decline in volumes due to the macro-economic environment and to poor weather conditions at the start of the year
 - ▼ Significant reduction in selling prices due to severely increased competitive pressures

Geographical breakdown of sales United States

<i>(millions of euros)</i>	Q1 2010	Q1 2009	Variation (%)	
			Published	At constant scope and exchange rates
Consolidated sales	35	51	-31.4%	-27.1%

- ▼ Sales still severely affected by the difficult macro-economic climate and poor weather conditions,
 - ▼ Especially in California,
 - ▼ More favourable trend in the Southeast region, with a return to growth in volumes
- ▼ Cement
 - ▼ Sales down 22%
 - ▼ Sharp decline in volumes
 - ▼ Particularly in California but with a slight catch-up effect in March
 - ▼ Return to growth in the Southeast region, acceleration in March seems to be confirmed in April
 - ▼ Selling prices fell sharply
 - ▼ Unfavourable comparison base in California and the Southeast region
 - ▼ More competitive environment in California
- ▼ Concrete
 - ▼ Consolidated sales were down 29%

Geographical breakdown of sales Turkey and Kazakhstan

<i>(millions of euros)</i>	Q1 2010	Q1 2009	Variation (%)	
			Published	At constant scope and exchange rates
Consolidated sales	32	23	+40.9%	+36.1%

▼ Cement

- ▼ Sales up by 30%
- ▼ Significant volume increase
 - ▼ Domestic market grew while export volumes fell slightly
- ▼ Prices in the Turkish market increased, but with sharp variations between regions
 - ▼ Competitive pressures remained strong in the Ankara market
 - ▼ Konya region records a solid rise in selling prices

▼ Concrete

- ▼ Sales rose by 46%
- ▼ Volumes rose significantly benefiting from a more favourable comparison base and good weather conditions
- ▼ Prices recorded a slight decline
 - ▼ particularly impacting the Ankara region, with prices in the Konya region achieving a solid rise

Geographical breakdown of sales

Africa and Middle-East

<i>(millions of euros)</i>	Q1 2010	Q1 2009	Variation (%)	
			Published	At constant scope and exchange rates
Consolidated sales	107	108	-0.8%	+2.0%

▼ Egypt

- ▼ Sales down slightly, less than 1%
- ▼ Moreover, sales and production were temporarily slowed by the commissioning of the new FLS cement mill
- ▼ Selling prices remains buoyant, offsetting the unfavourable volume effect
- ▼ The Group will rapidly return to strong sales growth

▼ West Africa

- ▼ Sales rose by around 5%
 - ▼ Volumes in cement increased by 6%, with an acceleration in March which seems to be confirmed in April
 - ▼ Average selling prices fell slightly, reflecting an unfavourable geographical mix

Financial situation in Q1 2010 – trends in financial structure

- ▼ Group gearing improved to 29.1% at 31 March 2010, vs 31.4% at 31 December 2009

- ▼ 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

- ▼ After the acquisition of 51% of the capital of Bharathi Cement Company Limited, the Vicat group's balance sheet remains very healthy

Financial situation in Q1 2010 – change in operating profitability

- ▼ The first quarter is not historically representative of the Group's performance over the full year
 - ▼ Seasonal nature of this industry, especially with this year's poor weather conditions
 - ▼ Significant rebound in activity levels in March, seems to have been confirmed in April

- ▼ Vicat is maintaining its productivity gains efforts and its fixed costs control policy. The Group is set to fully benefit from its "Performance" plans, and in particular from:
 - ▼ The improved performance generated by its new industrial facilities
 - ▼ Lower fuel prices and increase in use of alternative fuels
 - ▼ The end of external purchases of clinker and cement in Switzerland and Senegal following capacity increases that were completed in 2009

- ▼ The Group has stated that the reduction in capital expenditure after the end of the Performance 2010 plan should result in increased free cash flow relative to 2009



Recent events: India

- ▼ Vicat sealed an agreement, acquiring 51% of Bharathi Cement (BCCL) as a strategic partner
 - ▼ This acquisition will be financed with debt
- ▼ Second major transaction of Vicat in India,
 - ▼ Complementary to its existing joint venture, Vicat Sagar Cement
- ▼ BCCL operates a cement plant with a capacity which will reach 5 million tonnes of cement at the end of 2010
- ▼ The plant is located in Andhra Pradesh state and dispatches cement in South India, a large market with a very strong potential
- ▼ These partnerships will emerge as strong cement players in the South of India leveraging on operational synergies and ambitious expansion plans

Bharathi Cement



2010 outlook

- ▼ The Group confirmed the expected trends it had communicated with its FY 2009 results publication
 - ▼ 2010 should be a transitional year:
 - ▼ Emerging-market countries should continue to generate strong momentum, whereas the environment is likely to remain tough in certain mature markets
 - ▼ Movements in selling prices will continue to remain very contrasted between geographical zones
 - ▼ First-half performance will be affected by the severe weather conditions seen at the start of the year
 - ▼ The second half should bring a gradual improvement in business levels in certain mature markets, particularly France and the United States