CARMEUSE GROUP Annual Report as of December 2009

1. **Net turnover reaches € 943.9 million, a more than 20% decrease compared to the € 1,181.1 million for the year 2008, reflecting the sharp deterioration of the economic environment.**
2. **EBITDA amounts to € 207.4 million, ahead of the Group expectations, a less than 20% decrease compared to the € 253.1 million for the year 2008, thanks mainly to the management actions taken to align and reduce substantially the cost base.**
3. **Tight control of capital expenditures and a € 100 million capital increase contributed to the reduction of the financial debt. The renegotiation of the terms and conditions of the bank debt has secured the Group liquidity for the coming years.**

OPERATIONS

The year 2009 has been characterized by a significant reduction in demand as a consequence to the unexpected brutal global economic crisis that started last quarter 2008.
However, in such difficult environment the Group succeeded in reducing its costs base substantially through an alignment of its production capacity to the lower demand as well as a reduction of its SG&A expenses where applicable. The sale of excess emission rights also enabled to limit the drop of Ebitda, despite Carmeuse's fixed costs base, to less than 20%.
The priorities of the Group were actions enabling mitigation of the severe downturn of the economy; said priorities included adaptation of the capital expenditures programs and alignment of the production capacity to the new demand environment while relentlessly monitoring the evolution of the business in the short term.

Europe

Western Europe : decrease of the net turnover – compared to last year – driven by lower volumes sold (both in crude and burnt), specifically to the steel and construction industries. Despite costs rationalization, the operating result suffered from the low demand; on the other hand, sale of excess quotas of CO^2 (generated by lower level of production of burnt products) brought some support to the operating income.

Central and Eastern Europe, Turkey : turnover and operating results decreased from one year ago in line with reduction of the steel production as well as impacted by lower activity in the building & construction segment. The past and continued initiatives in costs savings have however mitigated the impact of the 2009 lower activity.

Some devaluation, versus the €uro, of local currencies (mainly TRY, RON and HUF) did negatively impact the contribution of the region to the consolidated results of the Group ; however the region ended up the year ahead of estimates in terms of Ebitda contribution.

North America

The North American operations reflect a 25% reduction of turnover (as expressed in dollars) which was mitigated, when contributed to the Group consolidation, by a strengthening of the local currency versus the €uro. Sharp drop of steel volumes as well as lower demands in construction and flue gas treatment activities have adversely impacted this region results. Ongoing rationalization and costs savings plans, however allowed to support the final operating cash flow. Operations in the sands business were the most impacted as a consequence of extremely low gas price, which drives the demand for sands used in drilling operations.

GROUP FINANCING

As announced with the release of the Q3 2009 interim report, the Group successfully closed restatements of certain of its financing agreements. The amended agreements (that received unanimous consent of all participating banks) include extension of the debt maturities which now secures the Group liquidity for the coming years.

Compared to end 2008 as well as to September of this year, the Group Consolidated Net Debt continued to reduce at € 715.4 million, compared to € 873.9 million end 2008. Net Consolidated Interests Charges for the year ended up at € 44.2 million - below the charges recorded in 2008 - driven by current very low interests' rates in the financial markets, supported by the reduction of the debt level as a consequence of the € 100 million capital increase and thanks to the active management of the Group debt charges.

NET RESULT

The result after taxes is negative at € 1.7 million (showing an improvement of € 7.3 million since end of September) while the year 2008 recorded a profit of € 30.4 million , essentially due to the impact of the economic downturn on the operational activity level. The Group has been able to record significant (non cash) Deferred Tax Assets - included in the Extraordinary Result -that allowed to neutralize the negative impact of (non cash) impairment on idled installations – also included in the Extraordinary Result.

PERSPECTIVES AND OUTLOOK

During this last quarter 2009, the Group observed signs of recovery, particularly on the global steel sector that has experienced improved order rates from several of its end markets while apparent demand has been further positively impacted by ongoing restocking cycle of the manufacturing supply chain. Carmeuse believes the global economy is in the early stage of gradual recovery which should ultimately result in increased demand for its products. While cautiousness remains on how strong and long lasting such recovery will be, the Management focuses on the Group ability to bring the maximum of flexibility into its organisation to face volatile market environment. Such ability has already proved as being successful during the past year.

The Carmeuse Group is a leading global producer of lime, with 150 years of experience in the extraction and processing of high calcium limestone and dolomitic stone into lime and lime-related products for industrial and commercial customer.

Lime is used in multiple aspects of our everyday life (steel, construction, agro-food, paper, chemicals, plastics, carpets, paints, pollution control, water treatment.) .

Carmeuse is present in about 90 locations across Western Europe (Italy, Belgium, France and the Netherlands), Central and Eastern Europe (Slovakia, the Czech Republic, Hungary, Romania, Bosnia and Turkey), North America (the United States and Canada) and Africa (Ghana).

Total consolidated group net turnover amounted to 944 million Euros in 2009.