PRESS RELEASE

2016 half-year results

- **Growth of +4.3% in sales at constant scope and exchange rates to €1.24 billion**
- **EBITDA of €208 million (+7.7% at constant scope and exchange rates)**
- **Strong decline in net debt compared with at 30 June 2015**
- **Net income, Group share: €49 million (+50.7% at constant scope and exchange rates)**

Paris La Défense, 3 August 2016: The Vicat Group (Euronext Paris: FR0000031775 - VCT) has today reported its 2016 half-year results, as approved by the Board of Directors on 2 August 2016.

Audited condensed consolidated income statement:

(€ million)	H1 2016	H1 2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**1,237**	1,243	-0.4%	+4.3%
EBITDA*	**208**	**203**	+2.3%	+7.7%
EBITDA margin (%)	*16.8*	*16.3*		
EBIT**	**103**	**93**	+11.2%	+16.5%
EBIT margin (%)	*8.4*	*7.4*		
Consolidated net income	**60**	**43**	+38.7%	+44.5%
Net margin (%)	*4.8*	*3.5*		
Net income, Group share	**49**	**34**	+45.7%	+50.7%
Cash flow	**153**	140	+9.2%	+15.0%

*EBITDA: sum of gross operating income and other income and expenses on ongoing business.
**EBIT: EBITDA less net depreciation, amortization and provisions on ongoing business.

Commenting on these figures, Guy Sidos, the Group's Chairman and CEO said: *"The Vicat Group delivered a good performance in the first six months of the year. The positive trends from the first quarter continued, with our business growing across most of our markets, with especially renewed growth momentum in France and in Egypt.*
In line with our strategy, we generated strong cash flow and considerably reduced our debt compared with the first half of 2015. Confident in the effectiveness of our business model combining production and financial efficiency, we will continue to leverage the investments we have made in recent years and our strong market positions towards further profitable growth".

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In this press release, and unless indicated otherwise, all changes are stated on a year-on-year basis (2016/2015), and at constant scope and exchange rates.

1. Income statement for the first half of 2016

1.1. Consolidated income statement

The Vicat Group's first-half 2016 consolidated sales came to €1,237 million, almost stable (-0.4%) on a reported basis and up +4.3% at constant scope and exchange rates by comparison with the same period of 2015.

In the first half of 2016, the Cement business posted a -1.5% decrease in operational sales on a reported basis, but a +4.9% increase at constant scope and exchange rates. The Concrete & Aggregates business recorded growth of +3.5% in its operational sales on a reported basis, or a rise of +5.9% at constant scope and exchange rates compared with the first half of 2015. The operational sales recorded by the Other Products & Services division rose by +2.0% on a reported basis and by +4.2% at constant scope and exchange rates.
The breakdown of first-half 2016 operational sales by business shows a small decrease in Cement's contribution to 53.7% of operational sales from 54.8% in the first six months of 2015. The operational sales contribution from the Group's Concrete & Aggregates business edged higher to 32.2% from 31.2% over the same period in 2015. Lastly, the contribution made by Other Products & Services was globally stable at 14.2% of the Group's operational sales, compared with 14.0% in the first half of 2015.
The contribution made by Vicat's main businesses – Cement, Concrete and Aggregates – was almost stable at 85.9% of operational sales, compared with 86.0% in the first half of 2015.
Trends in the Group's sales in the first six months of 2016 reflected:

- a negative currency effect of -4.7% owing to appreciation in the euro against all the other currencies in countries in which the Group operates, except for the US dollar
- organic business growth of +4.3% deriving from:
  - business growth in France, Turkey, the United States, India, Egypt and Italy
  - weaker business trends in West Africa, predominantly with a steep contraction in sales in Mauritania, a stable performance in Senegal and Switzerland, and a very modest downturn in Kazakhstan.

The Group's consolidated EBITDA rose +2.3% to €208 million. At constant scope and exchange rates, EBITDA moved up +7.7%.
The increase in EBITDA at constant scope and exchange rates was largely driven by:

- a very significant EBITDA increase in Egypt on the back of growth in volumes and a reduction in energy costs following the start-up of two coal grinders in the second half of 2015. These positive factors helped to largely offset the impact of lower prices
- another strong EBITDA improvement in the United States, chiefly as a result of the increase in selling prices and volume growth in Cement, which offset to a very large extent the volume downturn in the Concrete business in California
- a robust improvement in the EBITDA generated by the Group's operations in Turkey on the back of volume growth across all its businesses, which offset to a very great extent the impact of lower price in Cement
- and, lastly, an increase in EBITDA in France. This performance reflected an increase in volumes delivered by the Group across all its businesses in the first six months of the year. It was supported by favourable weather conditions in the first quarter and a gradually improving macroeconomic and industry environment, despite the slightly weaker pricing environment in Cement and Concrete.

These positive factors have fully offset the impact of:

- a very small EBITDA contraction in India given the decline in selling prices, which was almost completely offset by the volume growth and lower production costs
- a decline in EBITDA in Switzerland given the impact of the steep decline in prices during the third quarter of 2015 and a very modest contraction in Cement and Concrete volumes during the first half of 2016, despite lower production costs
- a significant decline in EBITDA in Kazakhstan as a result of certain higher costs caused by the devaluation of the Kazakhstani tenge and the small decline in selling prices
- and, lastly, a decline in EBITDA in West Africa, mainly in Mauritania owing to a steep decline in volumes and fiercer price competition.

EBIT came to €103 million, up +11.2% on a reported basis and up +16.5% at constant scope and exchange rates on the €93 million reported in the first half of 2015. The EBIT margin on consolidated sales came to 8.4% compared with 7.5% during the first half of 2015.

Net interest expense declined by €9.4 million to €18.4 million (from €27.8 million in the first half of 2015). This reflected a decrease of €7 million in the cost of the Group's net debt, chiefly as a result of the debt restructuring in India carried out in July 2015.

Tax expense rose to €29.1 million, representing a +4.1% increase on the previous year. The effective tax rate declined by close to 4 points to 34%, with the suppression of the exceptional 10% contribution in France.

At constant scope and exchange rates, consolidated net income came to €60 million, representing an increase of +44,5% and net income, Group share, advanced by +50.7% to €49 million.

1.2. Income statement broken down by geographical region

1.2.1. Income statement, France

(€ million)	**H1 2016**	H1 2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**405**	**388**	+4.4%	+4.4%
EBITDA	**51**	**49**	+4.1%	+4.1%
EBIT	**21**	**18**	+16.7%	+16.7%

Consolidated sales in France for the six months to 30 June 2016 grew by +4.4% at constant scope and exchange rates to €405 million. First-half performance showed the benefit of a gradually improving economic and industry climate and a favourable base of comparison given the more supportive weather conditions than in the first quarter of 2015. To note, the Group's sales in France picked up slightly (+0.9%) in the second quarter of 2016 compared with the second quarter of 2015 despite the social unrest that took place in the country and unfavourable weather conditions.
EBITDA rose by +4.1% to €51 million. As a result, the EBITDA margin held almost firm at 12.6%, compared with 12.7% in the first six months of 2015.

- *In the Cement business*, operational sales rose by +4.8% over the first half as a whole (consolidated sales up +2.3%). After the very strong first-quarter increase thanks to the supportive weather conditions, operational sales were stable in the second quarter as a result of social unrest in France and less favourable weather conditions. Based on these factors, volumes sold in the domestic market and to export markets rose by close to +10% in the first half, with an increase of close to +15% in the first quarter and over +6% in the second quarter. Selling prices edged lower in the domestic market throughout the period, albeit gradually stabilising in the second quarter. Accordingly, the Group recorded a healthy EBITDA increase in this business of +16.6% at constant scope and an improvement of almost 250 basis points in its EBITDA margin on operational sales.

- The *Concrete & Aggregates business* recorded a +4.7% increase in its operational sales (+4.4% rise in consolidated sales) on the back of significant growth in volumes of over +10% in Concrete and a small rise of over +1% in Aggregates. After the very strong growth in operational sales recorded by the business in the first quarter (+10.3%), second-quarter operational sales were stable, reflecting unfavourable weather conditions and the social unrest in France. Selling prices again moved lower in Concrete, while holding firm in Aggregates. Given the very low level of concrete prices, the Concrete & Aggregates business recorded a breakeven EBITDA performance in France, a decrease when compared to the first half 2015.
- *In the Other Products & Services business*, operational sales advanced by +10.0% (+7.0% on a consolidated basis). Its EBITDA totalled €6 million, representing a very significant rise of +66.2%.

1.2.2 Income statement for Europe excluding France

(€ million)	**H1 2016**	H1 2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**198**	**206**	-4.1%	-0.6%
EBITDA	**45**	**49**	-8.1%	-4.7%
EBIT	**26**	**28**	-6.8%	-3.4%

First-half 2016 sales recorded in Europe, excluding France, pulled back -4.1% on a reported basis, but remained almost stable at constant scope and exchange rates compared with the first six months of 2015.

In **Switzerland**, the Group's consolidated sales dropped -4.5% in the first six months of 2016. At constant scope and exchange rates, they were almost stable (-0.9%). The Group's sales performance in Switzerland was held back in the first half of the year by the end of deliveries to a number of large projects and lower average selling prices as a result of the fiercer competitive pressures in the second half of 2015. As a result, EBITDA declined -4.3% over the period, triggering a contraction of around 80 basis points in the EBITDA margin.

- *In the Cement business*, operational sales declined -8.3% on a reported basis and -4.8% at constant scope and exchange rates. Consolidated sales fell -11.8% on a reported basis and -8.5% at constant scope and exchange rates. After a significant decline in its first-quarter operational sales (-8.6% at constant scope and exchange rates), its second-quarter sales recorded a smaller contraction (-1.9% at constant scope and exchange rates). Over the first half as a whole, volumes fell by more than -4%, primarily as a result of the end of deliveries to a number of major projects. Even so, volumes dropped less than -2% in the second quarter, following on from a contraction of more than -8% in the first quarter. Selling prices recorded a steep decline owing to the fierce competitive pressures seen in the third quarter of 2015. The EBITDA generated by the business declined -6.4% at constant scope and exchange rates in the first half of 2016. Accordingly, the EBITDA margin on operational sales suffered a small decline of 60 basis points.
- *In the Concrete & Aggregates business*, operational sales rose by +5.2% on a reported basis and by +9.1% at constant scope and exchange rates over the first half as a whole. Following the strong growth in operational sales in the first quarter (+16.7% at constant scope and exchange rates), business kept growing in the second quarter (+4.1%), albeit at a slower pace. This performance was driven by a small decline in concrete volumes of close to -3% as certain major projects were completed and the start-up of others was delayed. This contraction in concrete volumes was fully offset by an increase in aggregates volumes of over +1%, supported by road and civil engineering projects, and a very strong increase in the "landfill" business. Accordingly, ex-works prices dipped

slightly, while market prices in aggregates recorded a steep increase on the back of brisk "landfill" business. Against this backdrop, the EBITDA generated by the business posted a significant increase of +28.5% at constant scope and exchange rates, and the EBITDA margin on operational sales increased by 280 basis points.

- *The Precast business* posted a decline in its operational sales of -10.5% on a reported basis and -7.2% at constant scope and exchange rates. The bulk of this decline was attributable to lower sales of rail sleepers following the late start-up of projects and stronger pricing pressures in prefabricated products. After a stable performance during the first quarter (+0.1% at constant scope and exchange rates), the second quarter brought a significant decline in operational sales (-10.7% at constant scope and exchange rates). Accordingly, EBITDA was -46.2% lower at constant scope and exchange rates over the period as a whole.

In **Italy**, consolidated sales rose by +8.7% owing to solid growth in volumes (+10%) in a domestic market still marked by a tough macroeconomic and industry environment. Selling prices edged lower. As a result of these factors, EBITDA contracted by -23.1%.

1.2.3 Income statement for the United States

(€ million)	**H1 2016**	H1 2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**176**	**163**	+7.7%	+7.7%
EBITDA	**22**	**13**	+72.1%	+72.1%
EBIT	**8**	**(1)**	n.s.	n.s.

Business in the United States continued to recover in a firm macroeconomic environment providing further support for the construction sector in the regions where the Group is present. As a result, the Group's consolidated sales advanced by +7.7% on a reported basis and at constant scope and exchange rates. EBITDA came to €22 million, up +72.1% compared with the first half of 2015.
In the second quarter, the Group's business in the region stayed positively oriented, with its consolidated sales advancing by +8.1% at constant scope and exchange rates (after a +7.1% increase in the first quarter).

- *In the Cement business*, operational sales grew by +16.8% on a reported basis and at constant scope and exchange rates. Consolidated sales recorded growth of +28.4%. Growth continued in the second quarter, with operational sales advancing by +15.5% at constant scope and exchange rates, a slightly slower pace than the +18.4% growth recorded in the first quarter. Volumes continued to grow (+10%) on the back of upbeat trends in the South-East region (close to +22%), which fully offset the very slight dip in volumes in California (-1%) as a result of the very poor weather conditions in the first half. Selling prices rose significantly across both areas as a result of the hikes introduced in 2015 and those announced during the first half of 2016. Driven by these factors, the Group's Cement EBITDA in this region grew significantly (+77.4%) in the first six months of the year, with the EBITDA margin on operational sales increasing by more than 600 basis points.

- *In the Concrete business*, consolidated sales and operational sales dropped back -1.3% on a reported basis and at constant scope and exchange rates. After a business contraction of -4.3% in the first quarter, with the steep fall in business in California owing to poor weather conditions, the second quarter brought renewed growth (+1.0% at constant scope and exchange rates), with further brisk trends in the South-East region, which fully offset the slight contraction in California. Volumes declined by over -7% in the first half of the year, with the brisk trends in the South-East region only partially offsetting the volume contraction in California as a result of the unfavourable weather conditions. Prices recorded a healthy increase in both regions, but rose further in California. Against this backdrop, the EBITDA generated by the Concrete business posted a significant increase in the first half (+56.2% at constant scope and exchange rates), and the EBITDA margin on operational sales improved by close to 200 basis points.

1.2.4 Income statement for Asia (Turkey, India and Kazakhstan)

(€ million)	**H1 2016**	H1 2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**268**	**286**	-6.1%	+8.7%
EBITDA	**52**	**62**	-16.9%	-4.3%
EBIT	**29**	**36**	-18.7%	-9.1%

Sales across Asia as a whole came to €268 million in the first half of 2016, down -6.1% on a reported basis, but up +8.7% at constant scope and exchange rates.
EBITDA fell back -16.9% on a reported basis and -4.3% at constant scope and exchange rates.

In **Turkey**, sales came to €109 million, down -1.9% on a reported basis, but up +11.7% at constant scope and exchange rates. After recording a strong increase in the first quarter (+23.0% at constant scope and exchange rates) on the back of supportive weather conditions, business continued to expand in the second, albeit at a more moderate yet solid rate (+5.2% at constant scope and exchange rates). First-half EBITDA came to €21 million, down -3.9% on a reported basis, but up +9.5% at constant scope and exchange rates.

- *In the Cement business*, operational sales in the first six months of the year rose by +9.6% at constant scope and exchange rates (consolidated sales up +4.8%). On a reported basis, operational and consolidated sales fell back -3.8% and -8.0% respectively. Following the strong growth in operational sales in the first quarter (+20.4% at constant scope and exchange rates), supported by the more favourable weather conditions, business grew at a slower rate in the second quarter (+3.8% at constant scope and exchange rates). This increase over the first half of the year derived from an increase in volumes. The Group was able to take full advantage of the restart of its first kiln at its Bastas plant by seizing growth opportunities in the Ankara market, which offset the impact of the volume decline in the Konya market. Selling prices moved lower over the period as a whole. However, the contraction was less marked in the second quarter. Accordingly, the EBITDA generated by the Cement business was lower in the first half by -5.7% at constant scope and exchange rates, with the EBITDA margin on operational sales narrowing by close to 400 basis points.

- *The operational sales recorded by the Concrete & Aggregates business* increased by +22.3% at constant scope and exchange rates (+7.4% on a reported basis). Consolidated sales also moved up +22.3% at constant scope and exchange rates (+8.2% on a reported basis). Following growth in operational sales in the first quarter (+30.4% at constant scope and exchange rates) thanks to favourable weather conditions, the start of significant projects initially planned for 2015 providing a favorable basis for comparison in this beginning of year, business continued to expand in the second quarter (+16.6%). Over the first half as a whole, volumes rose in concrete and in aggregates, as the dynamism of the Ankara market largely offset the decline recorded in the Konya region. In this environment, selling prices remained stable in concrete and moved higher in aggregates during the first six months of the year. Accordingly, EBITDA grew higher over the first half to reach €1.6 million, compared with a loss of €1.4 million in the first six months of 2015.

In India, the Group posted consolidated sales of €140 million in the first half of 2016, up +1.7% on a reported basis and up +8.7% at constant scope and exchange rates. The growth in operational sales at constant scope and exchange rates picked up further momentum in the second quarter to reach +12.7%, compared with +5.0% in the first quarter. Volumes sold rose by over +28% to total more than 2.5 million tonnes during the first half. This increase reflects the strategy implemented by the Group since year-end 2015 of seizing opportunities as the macroeconomic and industry environment firms up, with a number of major projects starting up. Volumes recorded a strong acceleration in the second quarter, with growth reaching close to +38%, compared with close to +19% in the first quarter. Competition intensified amid this volume growth, driving down average selling prices, with the fall accentuated by an unfavourable geographical sales mix. As a result, first-half EBITDA posted a small decline of -1.6% at constant scope and exchange rates to €27.7 million. The EBITDA margin contracted by around 220 basis points.

Consolidated sales in **Kazakhstan** declined very steeply, falling -46.6% on a reported basis to €20.2 million given the very strong devaluation in the tenge that took place in August 2015. At constant exchange rates, consolidated sales were almost stable (-0.5%). Volumes rose by more than +1% during the period. Selling prices dropped slightly because of a macroeconomic environment marked by the fall in commodity prices and tighter monetary conditions. Taking these factors into account and the significant negative impact of the devaluation of the Kazakhstani tenge on certain fixed costs, first-half EBITDA came to €3.6 million, down -38.9% at constant scope and exchange rates.

1.2.5 Income statement for Africa and the Middle East

(€ million)	**H1 2016**	H1 2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**190**	**199**	-4.5%	+0.3%
EBITDA	**38**	**30**	+25.6%	+30.4%
EBIT	**19**	**12**	+57.6%	+62.3%

In the Africa and Middle East region, consolidated sales came to €190 million, down -4.5% on a reported basis but stable at constant scope and exchange rates. The Group's performance in the region was characterized by a healthy top-line increase in Egypt, which fully made up for weaker sales in West Africa at constant exchange rates. The factor holding back performance in West Africa was primarily the significant business downturn in Mauritania, while activity remained stable in Senegal over the period. After a very small decline in first-quarter sales (-0.7% at constant scope and exchange rates), second-quarter sales advanced slightly (+1.2% at constant scope and exchange rates) in the whole region. As a result, and given the very substantial reduction in production costs in Egypt, the region's overall EBITDA contribution recorded a very strong increase (+30.4% at constant scope and exchange rates).

- In **Egypt**, consolidated sales came to €67.0 million, stable (-0.3%) on a reported basis but up +11.6% at constant scope and exchange rates. After sales growth of +14.5% at constant scope and exchange rates in the first quarter, business continued to grow at a brisk pace in the second quarter, with the top line rising by +9.2%. This performance reflected the volume growth of over +15% over the first six months, albeit at a more rapid pace in the first (+22%) than in the second (+10%) quarter, reflecting the negative effect deriving from the fact that Ramadan occurred entirely during June in 2016. Selling prices continued to decline during the first six months of the year owing to the heavy pressures observed in 2015, especially in the second half, coupled with the impact of Ramadan on selling prices that started to be felt as soon as the end of May. As a result, first-half 2016 EBITDA surged to almost €12 million, well ahead of the breakeven performance recorded in the first six months of 2015, supported by the positive impact on energy costs of the start-up of the two coal grinders in the second half of 2015.

- In **West Africa**, consolidated sales declined -5.5% at constant scope and exchange rates (-6.6% on a reported basis). Following a first-quarter contraction of -7.4%, consolidated sales posted a smaller decline in the second quarter (-3.5% at constant scope and exchange rates) as sales volumes in Senegal picked up amid a favourable industry environment. Volumes were stable throughout the period, with an increase of close to 4% in Senegal offsetting the steep decline recorded in Mauritania. Selling prices fell back slightly in Senegal, showing a sequential improvement in the second quarter compared with the first quarter of 2016. Conversely, they fell further in Mali and Mauritania. Taking these factors into account, EBITDA came to €26.1 million, down -14.6% at constant scope and exchange rates.

1.3. Income statement broken down by business segment

1.3.1. Cement

(€ million)	**H1 2016**	H1 2015	Change (%)	
			Reported	At constant scope and exchange rates
Volume (thousands of tonnes)	11,074	9,876	+12.1%	
Operational sales	761	773	-1.5%	+4.9%
Consolidated sales	639	658	-2.9%	+4.2%
EBITDA	168	163	+3.3%	+9.3%
EBIT	95	86	+9.7%	+14.9%

In the first half of 2016, the Cement business posted a -1.5% decrease in operational sales, or a +4.9% increase at constant scope and exchange rates. Selling price trends varied from one region to another, with a strong rise in the United States, but with declines more or less marked across the other regions as a result of macroeconomic constraints and competitive forces specific to each of them. Overall, the price effect was negative for the first half of the year as a whole.
The impact of this negative trend in selling prices on operational sales was offset to a great extent by solid growth of +12.1% in volumes in the first half of the year. This strong volume increase was supported by performance in India, Turkey, Egypt, France, the United States and, to a lesser extent, by Kazakhstan, Italy and West Africa. Switzerland was the only country to record a volume contraction in the first six months of the year.

Against this global backdrop of higher volumes, but lower prices, EBITDA came to €168 million, up +3.3% on a reported basis and up +9.3% at constant scope and exchange rates. This performance reflected a significant increase in EBITDA in the United States, Egypt and France, offsetting the declines recorded in other countries.

Taking these factors into account, the EBITDA margin on operational sales advanced by 100 basis points to 22.1% from 21.1% in the first six months of 2015.

1.3.2. Concrete & Aggregates

(€ million)	**H1 2016**	H1 2015	Change (%)	
			Reported	At constant scope and exchange rates
Concrete volumes (thousands of m^3)	4,331	4,002	+12.1%	
Aggregates volumes (thousands of tonnes)	10,945	10,048	+8.9%	
Operational sales	456	441	+3.5%	+5.9%
Consolidated sales	445	429	+3.6%	+5.8%
EBITDA	28	27	+4.3%	+7.5%
EBIT	6	2	+160.4%	+181.0%

The Concrete & Aggregates business recorded growth of +3.5% in its operational sales on a reported basis, or a rise of +5.9% at constant scope and exchange rates compared with the first half of 2015. The key driver was expansion in the Group's business across all its regions except for the United States where it was hit by the adverse weather conditions in California during the first part of the year. This encouraging performance reflected healthy growth in concrete volumes (+8.2%) and aggregates (+8.9%), especially in Turkey and France. Selling prices in concrete moved higher in the United States, were stable in Turkey and declined slightly in France and Switzerland. Conversely, aggregates selling prices increased across all the regions in which the Group operates.

EBITDA came to €28 million, up +4.3% on a reported basis and up +7.5% at constant scope and exchange rates compared with the first half of 2015. As a result, the EBITDA margin on operational sales was stable at 6.1%.

1.3.3 Other Products & Services

(€ million)	**H1 2016**	H1 2015	Change (%)	
			Reported	At constant scope and exchange rates
Operational sales	201	197	+2.0%	+4.2%
Consolidated sales	154	156	-0.9%	+0.6%
EBITDA	11	13	-13.8%	-12.0%
EBIT	3	4	-41.0%	-41.3%

Operational sales rose by +2.0% on a reported basis and by +4.2% at constant scope and exchange rates.
EBITDA came to €11 million, down -12.0% at constant scope and exchange rates compared with the first half of 2015.

2. Balance sheet and cash flow statement

At 30 June 2016, the Group had a solid financial position, with a strong shareholders' equity base of €2,413 million compared with €2,545 million at 30 June 2015. This decrease in shareholders' equity was largely attributable to the negative impact of exchange rate fluctuations, which totalled €-83 million. Net debt totalled €1,059 million, down €-132 million from €1,191 million at 30 June 2015.

Accordingly, the Group's financial ratios improved appreciably. Its gearing dropped to 43.9% at 30 June 2016 from 46.8% at 30 June 2015, while its leverage ratio was at 2.3x, down from 2.7x at 30 June 2015.

Bank covenants do not pose a threat to either the Group's financial position or its balance sheet liquidity. At 30 June 2016, Vicat complied with all financial ratios required by covenants in financing agreements.

Cash flow came to €153 million, representing an increase of 9.2% and of 15.0% at constant scope and exchange rates.

The Group's capital expenditure came to €61 million in the first half, representing a decrease on the first-half 2015 level (€81 million). It is expected to lie in the €130-150 million range over 2016 as a whole.

3. Outlook

In 2016, the Group expects further improvements in its performance, capitalising on continued growth in the United States and India, plus renewed growth in Egypt and, to a lesser extent, in France. In addition, the Group expects to continue to benefit from lower energy costs, particularly in Egypt. Lastly, the Group will continue in 2016 to pursue its policy of optimizing cash flows and reducing its level of debt.

For 2016, the Group provides the following guidance concerning its markets:

- **In France**, the Group expects macroeconomic conditions to stabilize, with a slight and very gradual improvement in the industry environment. In view of these factors, volumes are likely to rise very slightly over the full year in a pricing environment that should improve throughout the second half of the year.
- **In Switzerland**, the Group's business activities will continue to be impacted by an unfavourable pricing environment given the impact of the pressures observed in 2015, with the macroeconomic and industry environment still affected by the revaluation of the Swiss franc in early 2015. Volume trends should improve very gradually during the year.
- **In Italy**, volumes are likely to stabilize during the year at a historically low level of consumption amid a persistently challenging macroeconomic situation. Meanwhile, in light of the recent consolidation in this market and the Group's selective sales and marketing policy, the trend in selling prices could be slightly more favourable.
- **In the United States**, volumes are expected to rise further, in line with the rate of sector recovery in the country. Selling prices should also increase in the two regions in which the Group operates.
- **In Turkey**, market trends are broadly expected to remain firm. The Group should capitalize fully on its strong positions in the Anatolian plateau and its efficient production facilities and also reap the benefit of the restart of its kiln 1 at its Bastas plant. Selling prices are expected to remain volatile amid fiercer competition.
- **In India**, the Group remains very confident about its ability to capitalize fully on the quality of its production facilities, staff and positions in a market that should benefit this year from an upturn in the macroeconomic environment and, more specifically, from the infrastructure investments that have been announced. In a context that should remain favourable for growth in cement consumption, prices are likely to remain very volatile.
- **In Kazakhstan**, the Group will be able to leverage the quality of its manufacturing base and teams amid persistently tight monetary conditions. The devaluations made during 2015 will have a significant impact on the Group's financial performance in 2016. In this environment, competition is likely to remain fierce in a market that boasts real growth potential.
- **In West Africa**, in spite of a market that is set to continue growing at a brisk pace over the year, competition may again take a toll in 2016, owing to a pricing environment offering very little visibility in the short term but that seems to be stabilising in line with market positions.
- **In Egypt**, the gradual restoration of security should enable the Group to confirm the recovery in its business trends. The Group will reap the full benefit in 2016 of the introduction of coal following the late 2015 start-up of the two coal grinders. In view of these factors, the Group anticipates an improvement in its performance over the full year despite a pricing environment set to remain volatile.

4. Conference call

To accompany the publication of the Group's 2016 half-year results, Vicat is holding a conference call in English that will place on Thursday 4 August 2016 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 76 77 22 30
United Kingdom:	+44 (0) 20 3427 1911
United States:	+1646 254 3363

To listen to a playback of the conference call, which will be available until 13 August 2016, 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:	**164952#**

Next report: Third-quarter 2016 sales after the close on 3 November 2016.

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ABOUT VICAT

The Vicat Group has **close to 7,900 employees** working in three core divisions, Cement, Concrete & Aggregates and Other Products & Services, which generated **consolidated sales of €2,458 million** in 2015. The Group **operates in eleven countries**: France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan and India. Over 68% 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.

APPENDIX

CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS TO 30 JUNE 2016

Consolidated financial statements for the six-month period to 30 June 2016 approved by the Board of Directors on 2 August 2016

The consolidated financial statements for the first half of 2016 and accompanying notes are available in their entirety on the Company's web site at www.vicat.fr.

Breakdown of operational sales in the six months to 30 June 2016 by country and by business segment:

(€ million)	Cement	Concrete & Aggregates	Other Products & Services	Operational sales	Inter-segment eliminations	**Consolidated sales**
France	181	191	125	496	(91)	**405**
Europe (excluding France)	79	87	59	224	(26)	**198**
United States	**93**	112		205	(29)	**176**
Asia	231	54	18	303	(34)	**268**
Africa and Middle East	177	13		190	0	**190**
Operational sales	**761**	**456**	**201**	**1,418**	**(181)**	**1,237**
Inter-sector eliminations	(123)	(12)	(47)		**(181)**	
Consolidated sales	**639**	**445**	**154**			**1,237**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS *(in thousands of euros)*	Notes	June 30, 2016	December 31, 2015
NON CURRENT ASSETS			
Goodwill	3	1,018,569	1,040,307
Other intangible assets	4	122,598	135,818
Property, plant and equipment	5	2,041,452	2,121,011
Investment properties		17,579	17,766
Investments in associated companies		51,057	49,854
Deferred tax assets		148,537	150,292
Receivables and other non current financial assets		122,616	122,672
Total non current assets		**3,522,408**	**3,637,720**
CURRENT ASSETS			
Inventories and work in progress		364,157	407,192
Trade and other accounts		464,270	376,627
Current tax assets		42,701	53,715
Other receivables		184,371	150,725
Cash and cash equivalents	6	178,138	254,371
Total current assets		**1,233,637**	**1,242,630**
TOTAL ASSETS		**4,756,045**	**4,880,350**

LIABILITIES *(in thousands of euros)*	Notes	June 30, 2016	December 31, 2015
SHAREHOLDERS' EQUITY			
Share capital	7	179,600	179,600
Additional paid in capital		11,207	11,207
Consolidated reserves		1,951,126	2,060,741
Shareholders' equity		**2,141,933**	**2,251,548**
Minority interests		**270,823**	**292,160**
Shareholders' equity and minority interests		**2,412,756**	**2,543,708**
NON CURRENT LIABILITIES			
Provisions for pensions and other post employment benefits	8	180,903	134,729
Other provisions	8	100,099	95,938
Financial debts and put options	9	1,196,777	1,225,391
Deferred tax liabilities		203,374	228,019
Other non current liabilities		5,044	5,369
Total non current liabilities		**1,686,197**	**1,689,446**
CURRENT LIABILITIES			
Provisions	8	13,043	13,204
Financial debts and put options at less than one year	9	109,016	114,884
Trade and other accounts payable		280,055	283,734
Current taxes payable		35,878	37,274
Other liabilities		219,100	198,100
Total current liabilities		**657,092**	**647,196**
Total liabilities		**2,343,289**	**2,336,642**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**4,756,045**	**4,880,350**

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	June 30, 2016	June 30, 2015
Sales	**11**	1,237,449	1,242,559
Goods and services purchased		(806,854)	(812,143)
Added value	**1.22**	**430,595**	**430,416**
Personnel costs		(205,482)	(207,425)
Taxes		(32,626)	(33,141)
Gross operating income	**1.22 & 14**	**192,487**	**189,850**
Depreciation, amortization and provisions	12	(102,725)	(108,508)
Other income and expenses	13	13,575	11,975
Operating income	**14**	**103,337**	**93,317**
Cost of net financial debt	15	(14,712)	(21,729)
Other financial income	15	6,318	4,370
Other financial expenses	15	(10,033)	(10,446)
Net financial income (expense)	**15**	**(18,427)**	**(27,805)**
Earnings from associated companies		3,759	2,400
Profit (loss) before tax		**88,669**	**67,912**
Income tax	16	(29,080)	(24,923)
Consolidated net income		**59,589**	**42,989**
Portion attributable to minority interests		10,474	9,247
Portion attributable to the Group		**49,115**	**33,742**

EBITDA	**1.22 & 14**	**207,712**	**203,059**
EBIT	**1.22 & 14**	**103,497**	**93,089**
Cash flow from operations	**1.22**	**152,512**	**139,659**

Earnings per share (in euros)			
Basic and diluted Group share of net earnings per share	7	1.09	0.75

CONSOLIDATED CASH FLOWS STATEMENT

(in thousands of euros)	Notes	June 30, 2016	June 30, 2015
Cash flows from operating activities			
Consolidated net income		**59,589**	**42,988**
Earnings from associated companies		(3,758)	(2,400)
Dividends received from associated companies		922	1,176
Elimination of non cash and non operating items :			
- depreciation, amortization and provisions		105,758	109,214
- deferred taxes		(8,488)	(12,337)
- net (gain) loss from disposal of assets		(1,797)	(1,409)
- unrealized fair value gains and losses		(514)	2,640
- other		802	(213)
Cash flows from operating activities	**1.22**	**152,514**	**139,659**
Change in working capital requirement		(34,622)	(136,877)
Net cash flows from operating activities (1)	**18**	**117,892**	**2,782**
Cash flows from investing activities			
Outflows linked to acquisitions of non-current assets :			
- property, plant and equipment and intangible assets		(69,650)	(97,066)
- financial investments		(24,697)	(703)
Inflows linked to disposals of non-current assets :			
- property, plant and equipment and intangible assets		2,873	2,537
- financial investments		496	1,118
Impact of changes in consolidation scope		0	(55)
Net cash flows from investing activities	**19**	**(90,978)**	**(94,169)**
Cash flows from financing activities			
Dividends paids		(77,857)	(77,109)
Increases in capital			
Proceeds from borrowings		1,371	155,328
Repayments of borrowings		(21,877)	(49,810)
Acquisitions of treasury shares		(244)	(484)
Disposals or allocations of treasury shares		2,412	2,485
Net cash flows from financing activities		**(96,195)**	**30,410**
Impact of changes in foreign exchange rates		(8,200)	8,934
Change in cah position		**(77,481)**	**(52,043)**
Net cash and cash equivalents - opening balance	20	225,096	242,990
Net cash and cash equivalents - closing balance	20	147,615	190,947

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of euros)	Capital	Additional paid in capital	Treasury shares	Consolidated reserves	Translation reserves	**Share-holders' equity**	Minority interests	**Total share-holders' equity and minority interests**
At January 1, 2015	**179 600**	**11 207**	**(70 133)**	**2 206 447**	**(149 698)**	**2 177 423**	**281 870**	**2 459 293**
Consolidated net income				33 742		**33 742**	9 247	**42 989**
Other comprehensive income				2 027	102 918	**104 945**	11 314	**116 259**
Total comprehensive income				*35 769*	*102 918*	***138 687***	*20 561*	***159 248***
Dividends paids				(66 108)		**(66 108)**	(11 967)	**(78 075)**
Net change in treasury shares			2 800	(524)		**2 276**		**2 276**
Changes in consolidation scope and additional acquisitions								
Increase in share capital								
Other changes				1 987		**1 987**	42	**2 029**
At June 30, 2015	**179 600**	**11 207**	**(67 333)**	**2 177 571**	**(46 780)**	**2 254 265**	**290 506**	**2 544 771**
At January 1, 2016	**179 600**	**11 207**	**(67 008)**	**2 221 553**	**(93 804)**	**2 251 548**	**292 160**	**2 543 708**
Consolidated net income				49 115		**49 115**	10 474	**59 589**
Other comprehensive income				(29 009)	(65 670)	**(94 679)**	(17 786)	**(112 465)**
Total comprehensive income				*20 106*	*(65 670)*	***(45 564)***	*(7 312)*	***(52 876)***
Dividends paids				(66 292)		**(66 292)**	(13 880)	**(80 172)**
Net change in treasury shares			3 368	(787)		**2 581**		**2 581**
Changes in consolidation scope and additional acquisitions								
Increases in share capital								
Other changes				(340)		**(340)**	(145)	**(485)**
At June 30, 2016	**179 600**	**11 207**	**(63 640)**	**2 174 240**	**(159 474)**	**2 141 933**	**270 823**	**2 412 756**

Group translation differences at June 30th, 2016 and 2015 are broken down by currency as follows (in thousands of euros) :

	June 2016	**June 2015**
US Dollar :	45 861	43 432
Swiss franc :	200 555	228 642
Turkish new lira :	(147 996)	(131 608)
Egyptian pound :	(68 335)	(54 195)
Kazakh tengue :	(85 323)	(65 135)
Mauritanian ouguiya:	(5 115)	(1 985)
Indian rupee :	(99 121)	(65 931)
	(159 474)	**(46 780)**