PRESS RELEASE

2018 half-year results

- **Growth of +9.6% in sales at constant scope and exchange rates to €1.3 billion**
- **EBITDA of €197 million (+12.3% at constant scope and exchange rates)**
- **Net income, Group share: €59 million (+59.4% at constant scope and exchange rates)**
- **Strong decline in net debt compared with 30 June 2017**

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A FRENCH REGISTERED COMPANY WITH SHARE CAPITAL OF €179,600,000
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RCS NANTERRE

Paris La Défense, 6 August 2018 - the Vicat Group (Euronext Paris: FR0000031775 - VCT) has today reported its 2018 half-year results, as approved by the Board of Directors on 3 August 2018.

Audited condensed consolidated income statement:

(€ million)	**H1 2018**	H1 2017	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	**1,281**	1,248	+2.7%	+9.6%
EBITDA*	**197**	188	+4.5%	+12.3%
As a % of sales	***15.4***	*15.1*		
EBIT**	**104**	86	+21.3%	+31.1%
As a % of sales	***8.1***	*6.9*		
Consolidated net income	**62**	45	+37.3%	+49.6%
As a % of sales	***4.8***	*3.6*		
Net income, Group share	**59**	40	+47.2%	+59.4%
Cash flow from operations	**148**	140	+5.6%	+13.9%

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

Commenting on these figures, Guy Sidos, the Group's Chairman and CEO, said: *"The Vicat Group's organic performance improved significantly in the first half of 2018. Excluding currency movements, which have a particularly large negative impact this year, the Group achieved notable progress in Turkey, the United States, France and Kazakhstan. In India, the Group benefited from the start of work on new infrastructure projects, in a particularly competitive environment at the beginning of the year. In Switzerland, adverse weather conditions and the end of some large projects meant that performance decreased in the first half. The Group's business in Egypt was held back by military operations aimed at restoring security in the region where its production is based, that will allow the Group to resume its progress in this market, where the medium-term outlook is very promising. On this basis, the Vicat Group expects to deliver improved performance in full-year 2018."*

Important information:

- *In this press release, and unless indicated otherwise, all changes are stated on a year-on-year basis (2018/2017), and at constant scope and exchange rates.*
- *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).

1. Income statement for the first half of 2018

1.1. Consolidated income statement

The Vicat Group's consolidated sales in the first half of 2018 came to €1,281 million, up +2.7% by comparison with the same period of 2017.

In the first half of 2018, the Cement business posted a +9.7% increase in operational sales at constant scope and exchange rates and a +1.3% increase on a reported basis. Operational sales in the Concrete & Aggregates business grew +5.4% at constant scope and exchange rates, whereas they were stable on a reported basis (-0.1%). Operational sales in the Other Products & Services business rose by +12.5% at constant scope and exchange rates by +8.4% on a reported basis.

The breakdown of first-half 2018 operational sales by business shows a stable overall contribution from the Cement business, which accounted for 51.2% of operational sales as opposed to 51.5% in the first half of 2017, a slight decrease in the contribution from the Concrete & Aggregates business, which was 33.7% versus 34.4% in the year-earlier period, and a higher contribution from Other Products & Services to 15.0%, as opposed to 14.1% in the first half of 2017.

The contribution to operational sales made by Vicat's main businesses – Cement and Concrete & Aggregates – was 84.9% versus 85.9% in the first half of 2017.

Growth in consolidated sales resulted from:

- a significant negative currency effect, which brought sales down by -7.2% or -€89 million in the first half of 2018, as all foreign currencies to which the Group is exposed fell against the euro, particularly the Turkish lira, the US dollar, the Indian rupee and the swiss franc;
- a very slight positive scope effect of +0.3% in Switzerland and France;
- and finally, from +9.6% organic business growth, with progress in all regions except Egypt and Italy.

The Group's **consolidated EBITDA** came to €197 million, up +12.3% at constant scope and exchange rates and up +4.5% on a reported basis. First-half 2018 EBITDA includes €10.6 million received as compensatory settlement relating to the US Cement business before 2018. Excluding that item, the Group's EBITDA would have risen +6.0% at constant scope and exchange rates.

During the first half, exchange-rate movements dragged down EBITDA by -€15 million.

At constant scope and exchange rates, Group EBITDA rose +12.3%, mainly because of:

- a +63.1% jump in the United States, driven by solid growth in volumes and average selling prices in both Cement and Concrete. Excluding the aforementioned €10.6 million settlement payment, US EBITDA would have risen by +13.4% at constant scope and exchange rates;

- a +135.5% surge in Turkey, with weather conditions much more favourable than in the first half of 2017 and strong business momentum in the Group's client sectors. In this environment, volumes and average selling prices improved substantially in both the Cement and Concrete & Aggregates businesses;
- a +19.3% increase in France resulting from a sharp improvement in the Concrete & Aggregates business, supported in particular by an upturn in Concrete prices combined with solid EBITDA growth in the Cement business;
- +45.4% growth in Kazakhstan, based on a significant increase in volumes and selling prices.

Those positive developments compensated for:

- a -21.9% decrease in EBITDA in India, which was affected by a substantial fall in selling prices, partly offset by strong growth in volumes, against the background of higher energy costs;
- a -14.5% decline in West Africa, where Cement selling prices fell slightly while production costs rose sharply;
- a -10.7% fall in Switzerland, where volumes were lower in both the Cement and Concrete & Aggregates businesses;
- lower EBITDA in Italy (-11.7%) and Egypt (-13.9%).

Overall, the EBITDA margin on consolidated sales rose during the first half of the year to 15.4% from 15.1% in the first half of 2017.

EBIT came to €104 million, up +21.3% on a reported basis and up +31.1% at constant scope and exchange rates on the €86 million reported in the first half of 2017.
The EBIT margin on consolidated sales came to 8.1% compared with 6.9% during the first half of 2017.

Net interest expense improved by +€1.2 million to -€11.7 million, mainly because of:

- a €1.8 million decrease in the cost of net debt;
- a slight degradation in other financial income and expenses, primarily resulting from a +€1.1 million improvement in net foreign exchange gains/losses and an increase of -€1.8 million in the negative net impact of fair-value adjustments relating to derivative instruments.

Current tax expense fell €10.3 million, due in particular to a €1.1 million decrease in withholding taxes on intragroup dividends and a €4.7 million adjustment to the French tax provision. Deferred tax decreased by -€11.5 million compared with the first half of 2017. This was partly because of changes in tax rates, mainly in the United States (from 35% to 21%) where earnings grew strongly thereby using a large amount of tax loss carryforwards. On that basis, total tax expense rose €1.2 million compared with the year-earlier period to -€27.0 million.

At constant scope and exchange rates, consolidated **net income** totalled €62 million, up +49.6% at constant scope and exchange rates and up +37.3% on a reported basis. **Net income, Group share** rose +59.4% at constant scope and exchange rates and +47.2% on a reported basis to €59 million.

Cash flow from operations came to €148 million, up +13.9% at constant scope and exchange rates and up +5.6% on a reported basis.

1.2. Income statement broken down by geographical region

1.2.1. Income statement, France

(€ million)	**H1 2018**	H1 2017	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	**473**	444	+6.4%	+6.2%
EBITDA	**62**	52	+19.2%	+19.3%
EBIT	**33**	21	+57.3%	+57.3%

Consolidated sales in France for the six months to 30 June 2018 grew by +6.2% at constant scope to €473 million. Although weather conditions remained difficult, the economic and sector context continued to improve. Notably, the Group's sales rose +6.4% in France in the second quarter of 2018 compared with the second quarter of 2017.

EBITDA rose by +19.3% at constant scope to €62 million in the first half of 2018. As a result, the EBITDA margin rose to 13.1% from 11.7% in the first six months of 2017.

- *In the Cement business*, operational sales grew +3.5% over the first half as a whole. Consolidated sales were up +6.9%. The improvement in business levels was driven by volumes, which rose more than +3%. Average selling prices were stable during the first half of 2018, owing to a less favourable geographical mix. In the second quarter, operational sales grew +3.2%, supported by almost a +4% increase in volumes and stable average selling prices. Consolidated sales rose by +9.1% in the second quarter. As a result, the Group's Cement business achieved strong EBITDA growth of +10.8%, with EBITDA margin on operational sales up 160 basis points.
- *The Concrete & Aggregates business* increased its operational sales by +1.9% at constant scope (+2.4% on a reported basis). Consolidated sales rose +2.0% at constant scope and +2.5% on a reported basis. This performance flowed from a substantial rise in Concrete prices, which offset a decline of more than -3% in volumes, and from an increase of almost +3% in Aggregates volumes combined with a significant increase in prices. Both operational and consolidated sales rose +1.1% in the second quarter as a result of further price increases in both Concrete and Aggregates, offsetting a decline of close to -6% in Concrete volumes. Aggregates volumes rose almost +5%. As a result of these factors, the EBITDA generated by this business in France was up sharply (+136.2% at constant scope and exchange rates) compared with the first half of 2017, and EBITDA margin on operational sales was up 230 basis points.
- *In the Other Products & Services business*, operational sales advanced by +12.2% (+15.0% on a consolidated basis). EBITDA in this business grew by a more modest +2.3%, with progress in transport activities offsetting lower profitability in the paper and construction chemicals segments. As a result, the EBITDA margin on operational sales fell slightly by 40 basis points.

1.2.2 Income statement for Europe excluding France

(€ million)	**H1 2018**	H1 2017	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	**184**	197	-6.4%	+0.1%
EBITDA	**35**	42	-16.9%	-10.8%
EBIT	**22**	24	-11.8%	-5.4%

First-half 2018 consolidated sales in Europe excluding France were stable (+0.1%) at constant scope and exchange rates but fell -6.4% on a reported basis compared with the first six months of 2017. EBITDA fell back -10.8% at constant scope and exchange rates and -16.9% on a reported basis.

In **Switzerland**, the Group's consolidated sales dropped -6.5% on a reported basis in the first half of 2018. At constant scope and exchange rates, they were stable (+0.1%). In the second quarter, the Group's business in this region picked up, with consolidated sales advancing by +1.3% at constant scope and exchange rates (-5.3% on a reported basis) after a -1.6% decline at constant scope and exchange rates (-8.3% on a reported basis) in the first quarter. EBITDA was down -10.7% at constant scope and exchange rates and -17.1% on a reported basis, triggering a contraction of around 250 basis points in the EBITDA margin on consolidated sales.

- *In the Cement business*, operational sales moved -6.1% lower at constant scope and exchange rates and -13.6% lower on a reported basis. Consolidated sales fell -5.1% at constant scope and exchange rates and -12.7% on a reported basis. It should be noted that after operational sales fell -8.8% at constant scope and exchange rates in the first quarter (-16.3% on a reported basis), they fell less sharply in the second quarter (down -4.1% at constant scope and exchange rates and -11.6% on a reported basis). Harsh winter weather conditions, fewer business days than in the year-earlier period and the completion of some major projects were behind the close to -11% drop in volumes in the first half of 2018. After volumes fell almost -15% in the first quarter, however, the decline slowed to around -8% in the second. The impact of lower volumes on sales was partly offset by a slight improvement in average selling prices in the first half as a whole. Given these factors and the increase in production costs, the EBITDA generated by this business fell -12.1% at constant scope and exchange rates during the period (-19.1% on a reported basis). The EBITDA margin on operational sales suffered a decline of 200 basis points.
- *In the Concrete & Aggregates business*, operational sales moved -6.0% lower at constant scope and exchange rates and fell -10.5% on a reported basis over the first half as a whole. Consolidated sales contracted by -6.6% at constant scope and exchange rates and by -10.8% on a reported basis. The contraction in operational sales recorded during the first quarter (-6.8% at constant scope and exchange rates) slowed during the second quarter (-3.1% at constant scope and exchange rates). In this business as well, adverse weather conditions, fewer business days and the absence of major projects led to a sharp fall in volumes, amounting to more than -10% in Concrete and more than -12% in Aggregates. After the large decline in the first quarter (almost -18% in Concrete and more than -20% in Aggregates), the decline in volumes was only -5% in Concrete and -7% in Aggregates in the second quarter. Average selling prices in the first half as a whole were stable in Concrete and rose slightly in Aggregates. As a result, and taking into account cost-cutting efforts, the decline in EBITDA was limited to -1.7% at constant scope and exchange rates and -7.0% on a reported basis. The EBITDA margin on operational sales improved by around 60 basis points.

- *In the Precast business*, consolidated sales grew +13.9% at constant scope and exchange rates (+4.8% on a reported basis). The increase was driven by volume growth of +8%, with an encouraging start to the year in rail products and civil engineering. However, increased local competition meant that prices fell in the first half of 2018. In this context of increasing volumes and lower prices, EBITDA in the Precast business fell back -25.1% at constant scope and exchange rates and -31.1% on a reported basis in the first half of 2018. As a result, the EBITDA margin on operational sales contracted by more than 300 basis points.

In **Italy**, consolidated sales fell -1.4%. Volumes were down more than -3% in the first half as a whole because of adverse weather conditions in the first quarter, while the domestic market continued to be affected by a macroeconomic and sector context providing limited visibility. Although consolidated sales fell sharply in the first quarter (-8.5%), they returned to growth in the second (+5.2%). Selling prices posted a solid increase over the first half as a whole. EBITDA fell -11.7% in the first half, with the EBITDA margin declining more than 200 basis points.

1.2.3 Income statement for the United States

(€ million)	**H1 2018**	H1 2017	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	**194**	192	+0.9%	+12.9%
EBITDA	**35**	24	+45.8%	+63.1%
EBIT	**21**	10	+109.6%	+134.5%

Business in the United States continued to benefit from 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 grew +12.9% at constant scope and exchange rates and +0.9% on a reported basis. After strong growth in the first quarter (+19.7% at constant scope and exchange rates and +3.7% on a reported basis), consolidated sales posted a solid increase in the second, although the pace slowed to +7.6% at constant scope and exchange rates (-1.2% on a reported basis). EBITDA totalled €35 million in the first half, up +63.1% compared with the first half of 2017 at constant scope and exchange rates (+45.8% on a reported basis).

First-half 2018 EBITDA in the United States includes the €10.6 million received as compensatory settlement relating to loss of business arising in the Cement business before 2018. Excluding that item, EBITDA was up +13.4% at constant scope and exchange rates in the first half.

- *In the Cement business*, operational sales grew +12.5% at constant scope and exchange rates and by +0.6% on a reported basis. Consolidated sales rose +17.0% at constant scope and exchange rates and +4.6% on a reported basis. Business levels continued to grow in the second quarter, with operational sales up +11.0% at constant scope and exchange rates (+1.9% on a reported basis) as opposed to +14.4% at constant scope and exchange rates in the first quarter (-0.9% on a reported basis). Volumes continued to grow in the first half as a whole (+7%), including a solid upturn in the South-East region, which had for a long time been affected by adverse weather conditions. Average selling prices rose across both US regions fully benefiting from price hikes introduced in 2017 and those announced during the first half of 2018. Given these factors and the €10.6 million settlement payment, the EBITDA generated by this business grew by +66.9% at constant scope and exchange rates in the first half. The EBITDA margin improved substantially, rising to 31.4% from 21.2% in the first six months of 2017.
- *In the Concrete business*, consolidated and operational sales advanced +10.4% at constant scope and exchange rates (-1.3% on a reported basis). After a particularly strong first quarter (+23.7% at constant scope and exchange rates), the business continued to grow in the second, although at a slower pace, with sales up +0.8% at constant scope and exchange rates. Volumes grew by almost +6% during the first half as

a whole. Prices posted a solid increase and rose more in California than in the South-East. The EBITDA generated by the Concrete business was up +14.1% at constant scope and exchange rates (+2.0% on a reported basis) in the first half. On that basis, the EBITDA margin on operational sales improved by 10 basis points.

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

(€ million)	**H1 2018**	H1 2017	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	**294**	264	+11.4%	+29.8%
EBITDA	**47**	48	-2.8%	+14.3%
EBIT	**26**	24	+5.9%	+26.4%

Sales across Asia as a whole came to €294 million in the first half of 2018, up +29.8% at constant scope and exchange rates and up +11.4% on a reported basis. EBITDA grew +14.3% at constant scope and exchange rates but fell -2.8% on a reported basis.

In **Turkey**, sales came to €95 million, up +30.7% at constant scope and exchange rates and up +3.9% on a reported basis. After a first quarter in which sales rose sharply at constant scope and exchange rates (+58.4%) due to much better weather conditions than in the year-earlier period, business levels continued to grow in the second quarter but at a slower pace, with sales rising +16.0% at constant scope and exchange rates. First-half EBITDA grew very sharply to €15 million, up +135.5% at constant scope and exchange rates and up +87.1% on a reported basis.

- *In the Cement business*, operational sales moved up +29.2% at constant scope and exchange rates and up +2.7% on a reported basis. Consolidated sales rose +30.7% at constant scope and exchange rates and +3.8% on a reported basis. After very strong operational sales growth in the first quarter (+57.3% at constant scope and exchange rates), due in particular to much better weather conditions than in 2017, business levels continued to improve in the second quarter, but at a slower pace, with operational sales rising +15.0% at constant scope and exchange rates. This top-line growth in the first half of the year flowed from a pick-up in volumes. After the very sharp increase in volumes in the first quarter due to significantly improved weather conditions – they fell slightly in the second quarter. Selling prices rose substantially over the first half as a whole. Driven by these factors, EBITDA in this business posted a significant increase of +65.2% at constant scope and exchange rates (+31.3% on a reported basis), with the EBITDA margin on operational sales widening by 380 basis points.

- *Operational sales in the Concrete & Aggregates business* rose by +29.4% in the period at constant scope and exchange rates and by +2.8% on a reported basis. Consolidated sales rose +30.8% at constant scope and exchange rates and +3.9% on a reported basis. Following the steep rise in operational sales in the first quarter (+42.2% at constant scope and exchange rates) as a result of improved weather conditions compared with the first quarter of 2017, the business posted solid growth of +20.9% at constant scope and exchange rates in the second quarter. Over the first half as a whole, volumes rose in Concrete but fell in Aggregates. Selling prices rose substantially over the period as a whole, in both Concrete and Aggregates. EBITDA rose very sharply in the first half, turning positive at +€2.8 million as opposed to a loss of -€1.2 million in the year-earlier period.

In **India**, the Group posted consolidated sales of €171 million in the first half of 2018, up +27.8% at constant scope and exchange rates and +14.4% on a reported basis. After an increase of +30.7% at constant scope and exchange rates during the first quarter, second-quarter consolidated sales confirmed the strong momentum in the Indian market with growth of +25.0% at constant scope and exchange rates. Volumes rose by more than +34% during the first half to approximately 3.3 million tonnes. However, producers sought to take full advantage of strong market growth in the first half of the year, which put strong pressure on selling prices. Given the decline in average selling prices and the increase in production costs arising from energy cost inflation, first-half EBITDA amounted to €22.7 million, down -21.9% at constant scope and exchange rates. The EBITDA margin on consolidated sales therefore fell significantly to 13.3% compared with 22.0% during the first half of 2017.

In **Kazakhstan**, consolidated sales moved +39.1% higher at constant scope and exchange rates and +21.4% higher on a reported basis. A buoyant domestic market and strong export markets caused shipped volumes to rise almost +28% during the period. After growth in first-quarter consolidated sales (+80.4% at constant scope and exchange rates), business levels continued to rise in the second quarter, although at a slower rate, with consolidated sales rising +30.4% at constant scope and exchange rates. Selling prices improved sharply over the first six months of the year. As a result, the EBITDA generated during the period posted very strong growth of +45.4% at constant scope and exchange rates, coming in at €9.1 million. The EBITDA margin improved to 32.1% from 30.7% in the first half of 2017.

1.2.5 Income statement for Africa and the Middle East

(€ million)	**H1 2018**	H1 2017	Change	
			Reported	At constant scope and exchange rates
Consolidated sales	**136**	150	-9.5%	-8.0%
EBITDA	**18**	22	-18.0%	-19.3%
EBIT	**2**	6	-58.0%	-69.1%

In the Africa and Middle East region, consolidated sales came to €136 million, down -8.0% at constant scope and exchange rates and down -9.5% on a reported basis. The sales decline across the region as a whole resulted from a very sharp fall in sales in Egypt, caused by operational constraints resulting from military operations to restore security in its production region, which was only partly offset by business growth at constant exchange rates in West Africa. After a first-quarter sales decline of -14.5% at constant scope and exchange rates across the region as a whole, second-quarter sales were almost stable (-0.5% at constant scope and exchange rates). As a result, and taking into account higher production costs across the region, EBITDA fell back -19.3% at constant scope and exchange rates.

- In **Egypt**, consolidated sales came to €14.4 million, down -53.0% at constant scope and exchange rates and down -57.4% on a reported basis, due to serious disruption to operations following military operations intended to restore security in the Sinai region in February. Those operations continued into the second quarter, but the curfew was loosened slightly, allowing the Group very gradually to resume limited sales activities. As a result, after a -61.6% fall in consolidated sales in the first quarter, the decline slowed to -39.8% in the second quarter at constant scope and exchange rates. Volumes in the first half as a whole were down more than -62%. Selling prices rose significantly in the first half, taking into account the security situation's impact on supply against a background of rising demand. Against this backdrop, the Group recorded a loss at the EBITDA level of -€3.9 million in the first half, in line with the loss of the first half of 2017.
- In **West Africa**, consolidated sales rose +5.0% at constant scope and exchange rates (+4.3% on a reported basis). After rising +1.4% in the first quarter, growth accelerated in the second with an increase of +8.8% at constant scope and exchange rates. Cement volumes rose by close to +6% across the region as a whole. Selling prices edged lower during the first half but, importantly, rose in the second quarter. In Senegal, the Aggregates business maintained its progress with consolidated sales growth of +10.4%. Taking into account the increase in costs, and especially energy costs, total EBITDA came to €22.2 million, down -14.5% at constant scope and exchange rates.

1.3. Income statement broken down by business segment

1.3.1. Cement

(€ million)	**H1 2018**	H1 2017	Change	
			Reported	At constant scope and exchange rates
Volume (thousands of tonnes)	**11,364**	10,787	+5.3%	
Operational sales	**743**	734	+1.3%	+9.7%
Consolidated sales	**628**	612	+2.8%	+11.6%
EBITDA	**153**	153	+0.2%	+8.5%
EBIT	**88**	83	+6.1%	+15.3%

In the first half of 2018, the Cement business posted a +9.7% increase in operational sales at constant scope and exchange rates, and a +1.3% increase on a reported basis.
Selling price trends varied from one region to another, with improvements in Turkey, Egypt, the United States, Kazakhstan, Italy and Switzerland. Selling prices were broadly stable in France but fell significantly in India, and marginally in Senegal. Overall, the price effect was positive in the first half taken as a whole.

Shipped volumes rose +5.3% in the first half, with almost 11.4 million tonnes shipped. All regions contributed to the increase in volumes except for Europe (excluding France) and Egypt. Growth was particularly strong in India, Kazakhstan, Turkey, West Africa, the United States and France.

EBITDA in the Cement business moved up +8.5% at constant scope and exchange rates and +0.2% on a reported basis. The EBITDA margin on operational sales was broadly stable at 20.6%, as opposed to 20.8% in the first six months of 2017.
Excluding the positive impact of the settlement payment in the United States, EBITDA rose +0.7% at constant scope and exchange rates.

1.3.2. Concrete & Aggregates

(€ million)	**H1 2018**	H1 2017	Change	
			Reported	At constant scope and exchange rates
Concrete volumes (thousands of m^3)	**4,572**	4,465	+2.4%	
Aggregates volumes (thousands of tonnes)	**11,468**	11,621	-1.3%	
Operational sales	**490**	490	-0.1%	+5.4%
Consolidated sales	**480**	480	0.0%	+5.5%
EBITDA	**34**	24	+38.1%	+45.0%
EBIT	**13**	1	+1,165.1%	+1,207.5%

Operational sales in the Concrete & Aggregates business grew +5.4% at constant scope and exchange rates, whereas they were stable on a reported basis (-0.1%). Those movements reflected growth in this business at constant scope and exchange rates in all countries in which the Group operates, except Switzerland, and particularly in the United States, Turkey and France. Concrete volumes rose by more than +2% while Aggregates volumes fell more than -1%. Concrete selling prices firmed up in France, the United States and Turkey, and were stable in Switzerland. In Aggregates, selling prices rose across all countries. EBITDA in this business amounted to €34 million, up +45.0% at constant scope and exchange rates and +38.1% on a reported basis compared with the first half of 2017. The EBITDA margin on operational sales improved by 190 basis points from 5.0% in the first half of 2017 to 6.9% in the first half of 2018.

1.3.3. Other Products & Services

(€ million)	**H1 2018**	H1 2017	Change	
			Reported	At constant scope and exchange rates
Operational sales	**218**	202	+8.4%	+12.5%
Consolidated sales	**172**	156	+10.7%	+14.2%
EBITDA	**10**	11	-10.6%	-7.1%
EBIT	**3**	2	+73.1%	+75.7%

Operational sales moved up +12.5% at constant scope and exchange rates and +8.4% on a reported basis. Business levels grew in all regions in which the Group has Other Products & Services operations. EBITDA in this business totalled €10 million, down -7.1% at constant scope and exchange rates compared with the first half of 2017.

2. Balance sheet and cash flow statement

At 30 June 2018, the Group had a solid financial position, with equity of €2,339 million compared with €2,405 million at 30 June 2017. The decrease was caused mainly by the negative impact of exchange rate variations. Net debt totalled €895 million, down from €1,006 million at 30 June 2017.

The Group's financial ratios improved, with gearing of 38.29% at 30 June 2018 as opposed to 41.83% at 30 June 2017, while its leverage ratio fell to 1.98x from 2.29x at 30 June 2017.

Bank covenants do not pose a threat to either the Group's financial position or its balance sheet liquidity. At 30 June 2018, Vicat complied with all financial ratios required by covenants in its borrowing agreements.

Cash flow from operations came to €148 million, up +5.6% and up +13.9% at constant scope and exchange rates.

The Group's capital expenditure came to €69 million in the first half, down from €99 million in the first half of 2017. It is expected to total around €200 million over 2018 as a whole.

3. 2018 outlook

In 2018, the macroeconomic environment is likely to be characterised by brisk economic growth, mitigated by political uncertainties in certain emerging markets and appreciation in the euro against most currencies. In addition, energy prices are expected to continue heading higher. The same is likely to apply to US and, to a lesser extent, European interest rates.
Against this backdrop, the Group has set itself the primary objective of improving its operating performance by implementing a proactive, but balanced commercial policy. More specifically, it will focus on expanding its sales volumes, raising its selling prices where the competitive environment permits, and continuing to pursue its policy of optimising production costs.

The Group is providing the following outlook concerning its regional markets:

In **France**, Cement consumption is expected to continue to recover in an improving macroeconomic and industry environment. Against this backdrop, cement volumes in the domestic market are expected to move higher, with selling prices firming up slightly. In the Concrete and Aggregates business, the improvements seen in 2017 are likely to continue in 2018, especially in terms of pricing.

In **Switzerland**, the Group expects volumes to decrease slightly over the year as a whole and selling prices to edge higher in the Cement business against the backdrop of a macroeconomic environment forecast to grow very slightly and a still fiercely competitive industry environment. Pressure is likely to remain visible in the Concrete & Aggregates business, but to a lesser extent than in 2017.

In **Italy**, the Group will continue to pursue its selective business strategy in market conditions likely to improve very gradually. Against this backdrop, selling prices and volumes are expected to edge higher.

In the **United States**, the improvement in market conditions should continue in 2018 amid a supportive macroeconomic and industry environment. Accordingly, the increase in volumes should be accompanied by new rises in selling prices in both Cement and Concrete, in California as in the South-East.

In **Turkey**, the construction sector, especially infrastructure, is expected to remain buoyant and support the increase in cement volumes in 2018 amid favourable pricing conditions.

In **India**, the effects of the reforms undertaken by the government should show up gradually and benefit the entire economy. The Group expects cement volumes to grow amid an industry environment benefiting from the vast infrastructure and housing projects set in motion. Amid persistently fierce competition, selling prices are expected to remain highly volatile.

In **Kazakhstan**, the sector's strong momentum should continue, underpinned by public investment and export market openings.

In **Egypt**, the Group expects business performance to improve during the second half in a macro-economic environment that is improving, even as the security context remains volatile.

In **West Africa**, the construction market is expected to grow amid a still competitive but stable environment. Against this backdrop, the Group expects cement volumes to gradually improve across the market at large, and selling prices that should be better oriented.

4. Conference call

To accompany the publication of the Group's 2018 half-year results, Vicat is holding a conference call in English on **Tuesday, 7 August 2018 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 57
United Kingdom:	+44(0)330 336 9411
United States:	+1 323 994-2131

To listen to a playback of the conference call, which will be available until **12 August 2018**, dial one of the following numbers:

France:	+33 (0)1 70 48 00 94
United Kingdom:	+44 (0) 207 660 0134
United States:	+1 719 457 0820
Access code:	6988557#

Next report:
Third-quarter 2018 sales after the close on **6 November 2018**.

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ABOUT VICAT
The Vicat Group has **over 8,000 employees** working in three core divisions, Cement, Concrete & Aggregates and Other Products & Services, which generated **consolidated sales of €2,563 million** in 2017. The Group **operates in eleven countries**: France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan and India. Almost 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.

5. APPENDIX

5.1 Restated consolidated financial statements:
Definition of alternative performance measures (APMs):

- **Performance at constant scope and exchange rates** is used to determine the organic growth trend in P&L items between two periods and to compare them by eliminating the impact of exchange rate fluctuations and changes in the scope of consolidation. It is calculated by applying exchange rates and the scope of consolidation from the prior period to figures for the current period.
- A geographical (or a business) segment's **operational sales** are the sales posted by the geographical (or business) segment in question less intra-region (or intra-segment) sales.
- **Value added**: value of production less consumption of materials used in the production process.
- **Gross operating income**: value-added, less staff costs, taxes and duties (other than on income and deferred taxes) plus operating subsidies.
- **EBITDA** (earnings before interest, tax, depreciation and amortization): sum of gross operating income and other income and expenses on ongoing business.
- **EBIT** (earnings before interest and tax): EBITDA less net depreciation, amortization, additions to provisions and impairment losses on ongoing business.
- **Cash flow from operations**: net income before net non-cash expenses (i.e. predominantly depreciation, amortisation, additions to provisions and impairment losses, deferred taxes, gains and losses on disposals and fair value adjustments).
- **Net debt** represents gross debt (consisting of the outstanding amount of borrowings from investors and credit institutions, residual financial liabilities under finance leases, any other borrowings and financial liabilities excluding options to sell and bank overdrafts), net of cash and cash equivalents, including remeasured hedging derivatives and debt.
- **Gearing** is a ratio reflecting a company's financial structure calculated as net debt/consolidated equity.
- **Leverage** is a ratio reflecting a company's profitability, which calculated as net debt/consolidated EBITDA.

5.2 Breakdown of operational sales in the six months to 30 June 2018 by country and by business segment:

(€ million)	Cement	Concrete & Aggregates	Other Products & Services	**Operational sales**	Inter-segment eliminations	**Consolidated sales**
France	190	232	143	565	-92	**473**
Europe (excluding France)	72	74	61	206	-22	**184**
United States	105	118	0	224	-30	**194**
Asia	264	43	14	321	-26	**294**
Africa and Middle East	113	23	0	136	-0	**136**
Operational sales	**743**	**490**	**218**	**1,452**	**-170**	**1,281**
Inter-segment eliminations	-115	-9	-46	**-170**	170	
Consolidated sales	**628**	**480**	**172**	**1,281**	**0**	**1,281**

5.3 Consolidated financial statements for the six-month period to 30 June 2018 approved by the Board of Directors on 3 August 2018

The consolidated financial statements for the first half of 2018 and accompanying notes are available in their entirety on the Company's web site at www.vicat.fr.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS		**June 30, 2018**	**December 31, 2017**
(in thousands of euros)	Notes		
NON CURRENT ASSETS			
Goodwill	3	1,005,213	1,006,987
Other intangible assets	4	112,950	117,959
Property, plant and equipment	5	1,800,464	1,837,759
Investment properties		15,735	16,240
Investments in associated companies		42,358	40,696
Deferred tax assets		115,988	111,860
Receivables and other non current financial assets		108,424	77,557
Total non current assets		**3,201,132**	**3,209,058**
CURRENT ASSETS			
Inventories and work in progress		341,166	351,303
Trade and other accounts		493,708	408,092
Current tax assets		49,555	45,001
Other receivables		194,679	174,251
Cash and cash equivalents	6	278,227	265,364
Total current assets		**1,357,335**	**1,244,011**
TOTAL ASSETS		**4,558,467**	**4,453,069**

LIABILITIES		**June 30, 2018**	**December 31, 2017**
(in thousands of euros)	Notes		
SHAREHOLDERS' EQUITY			
Share capital	7	179,600	179,600
Additional paid in capital		11,207	11,207
Consolidated reserves		1,932,376	1,985,313
Shareholders' equity		**2,123,183**	**2,176,120**
Minority interests		**215,465**	**233,442**
Shareholders' equity and minority interests		**2,338,648**	**2,409,562**
NON CURRENT LIABILITIES			
Provisions for pensions and other post employment benefits	8	114,271	115,084
Other provisions	8	107,685	108,703
Financial debts and put options	9	1,043,149	928,403
Deferred tax liabilities		166,688	160,668
Other non current liabilities		1,292	1,398
Total non current liabilities		**1,433,085**	**1,314,256**
CURRENT LIABILITIES			
Provisions	8	8,175	8,738
Financial debts and put options at less than one year	9	149,980	138,499
Trade and other accounts payable		337,872	328,450
Current taxes payable		37,800	41,188
Other liabilities		252,907	212,376
Total current liabilities		**786,734**	**729,251**
Total liabilities		**2,219,819**	**2,043,507**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**4,558,467**	**4,453,069**

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	June 30, 2018	June 30, 2017
Sales revenues	**11**	1,281,261	1,247,682
Goods and services purchased		(861,636)	(820,016)
Added value	**1.22**	**419,625**	**427,666**
Personnel costs		(213,458)	(216,450)
Taxes		(34,508)	(34,761)
Gross operating income	**1.22 & 14**	**171,659**	**176,455**
Depreciation, amortization and provisions	12	(92,866)	(104,287)
Other income and expenses	13	19,650	8,492
Operating income	**14**	**98,443**	**80,660**
Cost of net financial debt	15	(11,013)	(12,827)
Other financial income	15	7,091	8,726
Other financial expenses	15	(7,814)	(8,834)
Net financial income (expense)	**15**	**(11,736)**	**(12,935)**
Earnings from associated companies		2,070	3,095
Profit (loss) before tax		**88,777**	**70,820**
Income tax	16	(26,982)	(25,822)
Consolidated net income		**61,795**	**44,998**
Portion attributable to minority interests		2,912	5,007
Portion attributable to the Group		**58,883**	**39,991**

EBITDA	**1.22 & 14**	**196,778**	**188,336**
EBIT	**1.22 & 14**	**103,784**	**85,568**
Operating cash flow	**1.22**	**147,888**	**140,103**
Earnings per share (in euros)			
Basic and diluted Group share of net earnings per share	7	1.31	0.89

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	**June 30, 2018**	**June 30, 2017**
Consolidated net income	**61,795**	**44,998**
Other comprehensive income items		
Items not recycled to profit or loss :		
Remeasurement of the net defined benefit liability	4,536	13,664
Tax on non-recycled items	(1,165)	(3,601)
Items recycled to profit or loss :		
Translation differences	(45,908)	(90,850)
Cash flow hedge instruments	(3,594)	8,266
Tax on recycled items	928	(2,397)
Other comprehensive income (after tax)	**(45,203)**	**(74,918)**
Total comprehensive income	**16,592**	**(29,920)**
Portion attributable to minority interests	(7,038)	(5,506)
Portion attributable to the Group	**23,630**	**(24,414)**

CONSOLIDATED CASH FLOWS STATEMENT

(in thousands of euros)	Notes	June 30, 2018	June 30, 2017
Cash flows from operating activities			
Consolidated net income		**61,795**	**44,998**
Earnings from associated companies		(2,070)	(3,095)
Dividends received from associated companies		1,346	1,189
Elimination of non cash and non operating items :			
- depreciation, amortization and provisions		88,186	108,950
- deferred taxes		1,814	(9,711)
- net (gain) loss from disposal of assets		(3,454)	(1,383)
- unrealized fair value gains and losses		157	(1,655)
- other		114	811
Operating cash flow	**1.22**	**147,888**	**140,104**
Change in working capital requirement		(61,082)	(106,966)
Net cash flows from operating activities (1)	**18**	**86,806**	**33,138**
Cash flows from investing activities			
Outflows linked to acquisitions of non-current assets :			
- property, plant and equipment and intangible assets		(78,402)	(93,613)
- financial investments		(21,608)	(6,731)
Inflows linked to disposals of non-current assets :			
- property, plant and equipment and intangible assets		4,529	6,841
- financial investments		4,983	2,013
Impact of changes in consolidation scope		(12,984)	(13,106)
Net cash flows from investing activities	**19**	**(103,482)**	**(104,596)**
Cash flows from financing activities			
Dividends paids		(76,872)	(73,684)
Increases in capital		-	-
Proceeds from borrowings		126,976	270,595
Repayments of borrowings		(24,063)	(199,039)
Acquisitions of treasury shares		(16,153)	(11,783)
Disposals or allocations of treasury shares		17,658	52,892
Net cash flows from financing activities		**27,546**	**38,981**
Impact of changes in foreign exchange rates		(8,676)	(6,053)
Change in cah position		**2,194**	**(38,530)**
Net cash and cash equivalents - opening balance	20	220,058	208,909
Net cash and cash equivalents - closing balance	20	222,252	170,379

(1): Including cash flows from income taxes € (29,344) thousand in 2018 and € (24,720) thousand in 2017.
Including cash flows from interests paid and received € (11,497) thousand euros in 2018 and € (10,569) thousand in 2017.

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, 2017	**179,600**	**11,207**	**(63,609)**	**2,275,851**	**(189,929)**	**2,213,120**	**257,054**	**2,470,174**
Net income				39,991		**39,991**	5,007	**44,998**
Other comprehensive income (1)				14,659	(79,064)	**(64,405)**	(10,513)	**(74,918)**
Total comprehensive income (a)				*54,650*	*(79,064)*	***(24,414)***	*(5,506)*	***(29,920)***
Dividends paids				(66,341)		**(66,341)**	(7,707)	**(74,048)**
Net change in treasury shares			2,836	(466)		**2,370**		**2,370**
Other changes (2)				36,828		**36,828**	(497)	**36,331**
At June 30, 2017	**179,600**	**11,207**	**(60,773)**	**2,300,522**	**(268,993)**	**2,161,563**	**243,344**	**2,404,907**
At January 1, 2018	**179,600**	**11,207**	**(60,714)**	**2,406,371**	**(360,344)**	**2,176,120**	**233,442**	**2,409,562**
Net income				58,883		**58,883**	2,912	**61,795**
Other comprehensive income (1)				(75)	(35,179)	**(35,254)**	(9,950)	**(45,204)**
Total comprehensive income				*58,808*	*(35,179)*	***23,629***	*(7,038)*	***16,591***
Dividends paids				(66,375)		**(66,375)**	(6,696)	**(73,071)**
Net change in treasury shares			1,979	(352)		**1,627**		**1,627**
Changes in consolidation scope and additional acquisitions				(10,884)		**(10,884)**	(4,806)	**(15,690)**
Increases in share capital								
Other changes				(934)		**(934)**	563	**(371)**
At June 30, 2018	**179,600**	**11,207**	**(58,735)**	**2,386,634**	**(395,523)**	**2,123,183**	**215,465**	**2,338,648**

(1) : Other comprehensive income includes mainly cumulative conversion differences from end 2003 as at end June 2018. To recap, applying the option offered by IFRS 1, the conversion differences accumulated before the transition date to IFRS were reclassified by allocating them to retained earnings as at that date.

(2) Mainly including the refund of € 38.9 million as a result of claims relating to the tax treatment of the capital gain on disposal of Soparfi securities, in 2014, by group subsidiaries

Group translation differences at June 30th, 2018 and 2017 are broken down by currency as follows (in thousands of euros) :

	June 2018	**June 2017**
US Dollar :	29,502	36,265
Swiss franc :	162,412	198,315
Turkish new lira :	(239,560)	(193,367)
Egyptian pound :	(125,533)	(131,420)
Kazakh tengue :	(75,149)	(83,506)
Mauritanian ouguiya:	(5,637)	(6,698)
Indian rupee :	(141,558)	(88,582)
	(395,523)	**(268,993)**