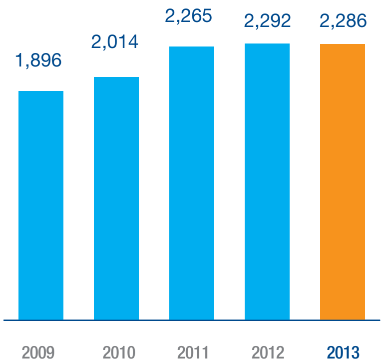
2013 ANNUAL REPORT

VICAT

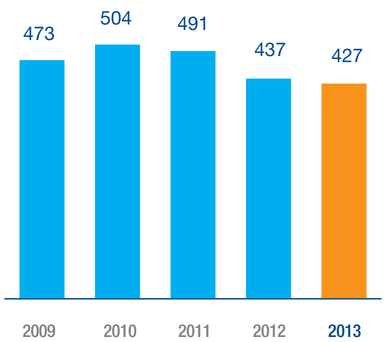
2013 Key Figures

SALES
(in millions of euros)



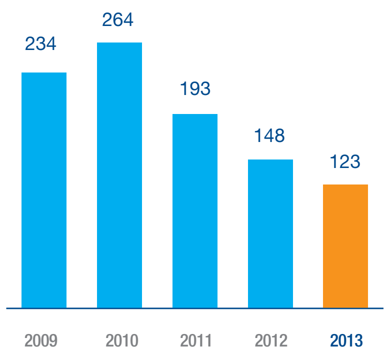
Sales amounted to 2,286 million euros in 2013. While this figure is stable (- 0.3 % relative to 2012), it represents growth of 2.9 % on a like-for-like basis and at constant exchange rates.

EBITDA
(in millions of euros)



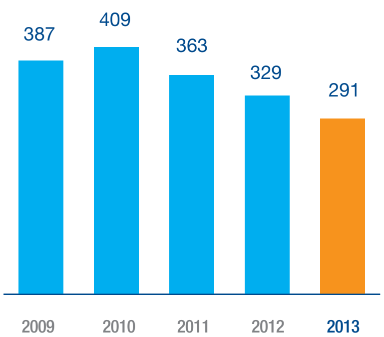
At 427 million euros the Group's EBITDA was down 2.4 % on 2012 but stable (+ 0.3 %) on a like-for-like basis and at constant exchange rates.

NET PROFIT
(in millions of euros)



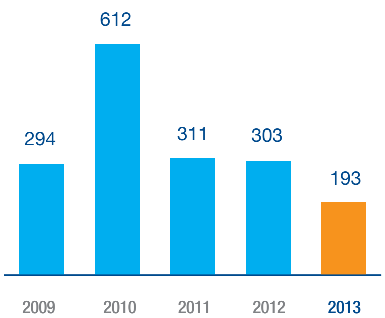
Consolidated net profit amounted to 123 million euros, giving a consolidated net margin of 5.4 %.

CASH FLOW
(in millions of euros)



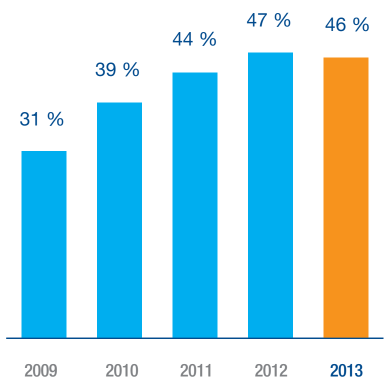
Cash flow stood at 291 million euros in 2013, generating free cash flow of 171 million euros.

TOTAL INVESTMENTS
(in millions of euros)



The substantial drop in capital expenditure marks the end of a major investment program initiated in 2007.

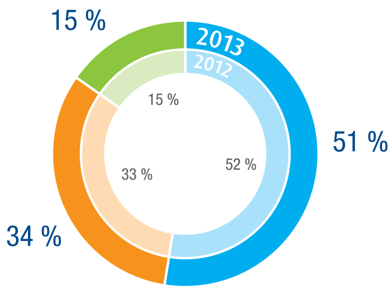
NET DEBT/TOTAL EQUITY
(in percent)



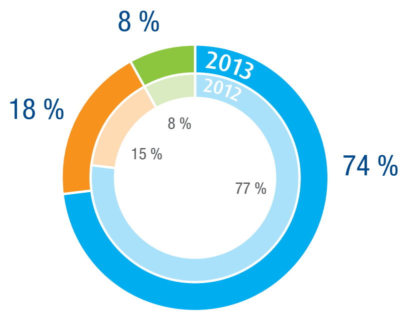
Gearing stood at 46.5 % on December 31, 2013.

PER BUSINESS

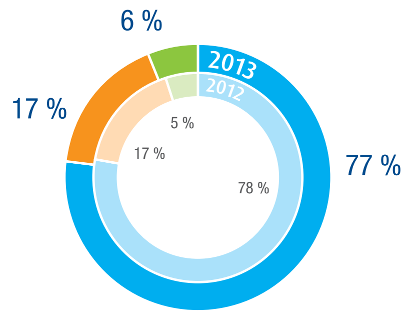
OPERATING REVENUE



EBITDA



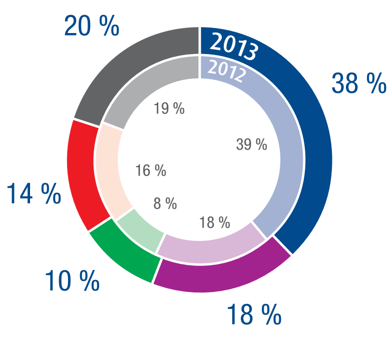
CAPITAL EMPLOYED



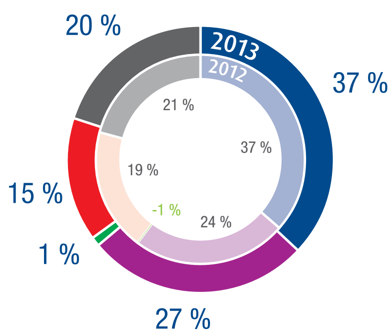
CEMENT CONCRETE & AGGREGATE OTHER PRODUCTS & SERVICES

PER GEOGRAPHICAL AREA

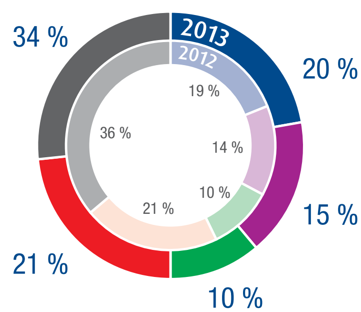
OPERATING REVENUE



EBITDA



CAPITAL EMPLOYED



FRANCE REST OF EUROPE UNITED STATES AFRICA & MIDDLE EAST ASIA

Beautiful Steps #7, a twisted staircase cantilevered out over the Saône River, was built with Vicat's BCV high-performance concrete. It is the work of artists Sabina Lang & Daniel Baumann.

11
BUSINESS LOCATIONS THROUGHOUT THE WORLD

FRANCE
SWITZERLAND
ITALY
UNITED STATES
EGYPT
SENEGAL
MALI
MAURITANIA
TURKEY
KAZAKHSTAN
INDIA

7,657
AVERAGE HEADCOUNT

€ **2,286** M
SALES

€ **123** M
CONSOLIDATED NET PROFIT

THE VICAT GROUP IN 2013

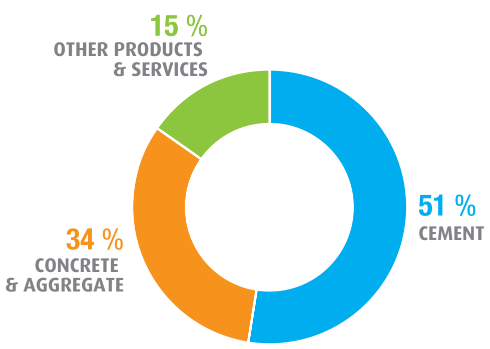
CONSTRUCTIVE PERFORMANCE

A French cement manufacturing group with a global presence, a passionate team and a key goal in mind: providing effective solutions to construction players through high-quality materials, products and services.

Through investment of 2.7 billion euros over eight years, the Group has deployed into parts of the world with high potential, doubling its production capacity and ensuring its industrial facilities achieve the highest levels of performance.

With the investment plan now ended, the Group maintains a sound financial situation and is focusing on maximizing its free cash flow and reducing its level of debt.

SALES PER BUSINESS



MESSAGE FROM THE CHAIRMAN
JACQUES MERCERON-VICAT

"VICAT IS TACKLING THE FUTURE AND ADVANCING WITH CONFIDENCE"

A period of intensive capital investment came to an end in 2013. It started in 2006 with the Performance 2010 plan, the main achievements of which were the construction of new kiln lines at Baştaş in Turkey, Sococim Industries in Senegal, and Sinai Cement Company in Egypt, an increase in kiln capacity for Vigier in Switzerland, and installation of a new cement mill at Montalieu in France. The Group also set foot in Kazakhstan, building a cement plant between Almaty and Astana, and in India, where it acquired a company in the State of Andhra Pradesh, Bharathi Cement, and built a cement plant in Karnataka.

Last April, the Vicat Sagar plant came on line and is gradually ramping up production. Cost prices are excellent.

These achievements have resulted in a doubling of the Group's cement production capacity which now stands at 30 million metric tons per year.

2013 was marked by a succession of crises and difficulties, including political instability in Egypt, a drop in cement sales in France, the start-up of a new cement plant in India, much greater tax pressure, and large fluctuations in exchange rates. However, these negative aspects were offset by sound business in Switzerland, Turkey, and Kazakhstan, with the result that our EBITDA is at much the same level as in 2012, on a like-for-like basis and at constant exchange rates.

It is worthy of note that the Group's presence in different countries on different continents spreads risks and helps maintain very respectable results for a period of crisis.

The year ahead is expected to be one of improvement. Not only will businesses that performed well in 2013 continue to prosper, but business in India should continue to grow, penetrating new markets, and results in Egypt too are likely to improve. The priority objectives for this year are gradual marketing of spare cement capacity, a rise in selling prices, and reduction of debt.

Vicat is tackling the future with confidence, advancing in accordance with its motto, 'like mountain troops, with small, quick steps'.

I chose to cease my position as Chairman of the Group as of the end of the 2014 annual general meeting. It is with considerable emotion that I look back over the last 50 years and think of all the employees with whom I have worked. I wish to thank them for the confidence they showed me throughout those many years of both difficulty and success.

I also wish to thank the staff representatives with whom I have enjoyed constructive relations of the highest quality, and the members of the Board of Directors I have been honored to chair for 30 years. My thanks also go to our shareholders, for their confidence and loyalty.

In March the Board of Directors adopted my proposal to appoint Mr. Guy Sidos Chairman, in addition to his responsibilities as CEO, as of the end of the AGM. I have every confidence that at the head of the Vicat Group he will ensure the success of future development and economic performance.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER **GUY SIDOS**

"2014 WILL SEE THE VICAT GROUP DRAW THE BENEFITS OF ITS PAST INVESTMENTS"

The economic and political environment affecting the eleven countries in which Vicat performs business delayed realization of the Group's potential in 2013.

Contrasting results across countries in 2013

The performance of subsidiaries in Switzerland, Turkey, Mauritania, and Kazakhstan was remarkable. In France, at the price of reductions in investment and recruitment, the operational efficiency of our subsidiaries restricted the impact of a governmental policy which has proved to be dissuasive for construction, and attenuated the consequences of recent tax measures, the net cost of which for the Group exceeds eight million euros nonetheless. In Senegal, Mali, and India, competitive pressure on selling prices was not completely offset by cost reductions. In the United States, although economic recovery is brisk, the starting point was way down low. And lastly, political restlessness in Egypt prompted an insecurity which affected the operation of the plant up to the end of the year, after which normal conditions resumed.

2013 consolidated accounts affected by exchange-rate effects

The appreciation of the euro against other currencies was detrimental to the Group's operational profitability in 2013. However, our profitability remained practically stable at constant exchange rates. This stability demonstrates the validity of the Group's strategy for development in cement production, our core business, which represents close to 77 % of our operational profitability, and our strategy for geographical diversification which helps compensate underperformance in one country with the stronger performance of another.

2013 was a pivotal year for Vicat

Though bumpy, 2013 was also a pivotal year for Vicat: the Group possesses modern facilities capable of producing 30 million tons of cement per year as of now; integration into ready-mixed concrete and aggregate is coherent; other businesses – major works, precasting, transport, paper, and construction chemicals – are all making positive contributions to our results; and at the end of a cycle of substantial investment, the Group's balance sheet is sound and its level of debt is dropping. Our ongoing research drive has produced cements with interesting new properties.

These results were achieved through the quality and commitment of the men and women serving the Group. I wish to thank them all most sincerely.

2014 anchored in the future

With the strong benefits of the value of the workforce and their commitment to customer service, the quality of its offering, and the expediency of its strategy, the Group is tackling 2014 with confidence.

In its continued drive forward, in 2014 the Vicat Group will pursue further reductions in debt, improvements to industrial and commercial efficiency, and promotion of innovations resulting from its R&D initiatives.

2014 will see the Vicat Group draw the benefits of its past investments and face the future serenely.

STRATEGIC FOCUSES

Jambyl Cement plant in Mynaral (Kazakhastan).

CONTROLLED GROWTH

The Group's long-term priority is to achieve controlled expansion across all business lines, through a finely balanced combination of strong organic growth underpinned by a policy of targeted growth by acquisition.

Internal growth is driven by industrial investment for modernizing production capacity to meet market and customer demand and by research and innovation for expanding our product range and enhancing product quality.

The external growth policy is selective. Its aims are to tackle new markets with attractive growth potential and to consolidate the Group's presence on its current markets through vertical integration.

This growth policy can be applied to existing businesses if the business opportunity matches the development objective the Group has set, or to the construction of new (greenfield) cement plants on markets with strong growth. This was the case for Kazakhstan and India.

This growth remains in all respects consistent with the size of the Group and its financial and operational capacity to absorb the investment. The purpose of growth is to create value for shareholders and, through its profitability, allow the Group to expand even more.

BUSINESS-SPECIFIC DEVELOPMENT: EXPERTISE AND INNOVATION SERVING CUSTOMERS

The Group focuses primarily on its historical area of expertise, cement, and expands into the ready-mixed concrete and aggregate markets through vertical integration in order to secure access to cement consumption markets.

Cement, the Group's core business, underpins profitability. Cement is a bulk product of a heavy industry for which quality is an essential criterion.

Development of the ready-mixed concrete business is a function of the maturity of markets and the degree to which construction contractors integrate industrial concrete production. The objective is to establish a network of concrete batching plants around cement plants and near consumption centers, by building new plants or acquiring existing companies active in this market.

The Group's presence in the aggregate sector is intended to provide a global response to its customers' construction materials requirements and to provide secure supplies of aggregate for development of the ready-mixed concrete business.

It expands in the Aggregate business through acquisitions and capital investment aimed at both increasing the capacity of existing facilities and opening up new quarries and other installations.

The Group also has a number of complementary businesses on some markets, such as precast concrete products in Switzerland, transport in France, and bag production in France and in India, through which it supports its product offering and strengthens its regional positioning.

BALANCED GEOGRAPHICAL DEVELOPMENT

The Group currently operates in eleven countries. It generates 63 % of its sales outside France: nearly 19 % in the rest of Europe, 10 % in the United States, and 34 % in emerging countries (Egypt, Mali, Mauritania, Senegal, Turkey, Kazakhstan, and India).

The percentage of Group sales generated outside France, and especially in emerging economies, is expected to keep growing in the years ahead as a result of the increased production capacities of existing plants and the increased utilization rate of the new production facilities built in recent years.

The Group's strategy is designed to diversify its geographical exposure and to spread risk judiciously through a combination of investment in developed countries, which generate a steadier stream of cash flow, and in emerging countries which, while offering greater potential for long-term growth, may be exposed to stronger market fluctuations.

63 % Share of sales generated outside France

34 % Share of sales generated in emerging economies

IMPLEMENTATION OF THE GROUP'S STRATEGY

The well-balanced strategy adopted by the Group in the past has enabled it to stand firm in today's ongoing unfavorable macroeconomic climate.

New cement plants were successfully built in Kazakhstan and India as a result of a sound financial situation, with levels of gearing and leverage among the lowest in the industry.

The Group is now aiming to gradually increase the utilization rate of its production facilities to benefit from a volume effect, without any additional investment. Achieving this objective, which will generate free cash flow, will help reduce the debt to which the Group committed in 2013.

With a stronger financial position and a larger Group, further external growth operations can be envisaged, subject to the two consequences of contributing to growth and profitability and extending the coverage of risk.

Concrete privacy panels for gardens, manufactured by Creabeton Matériaux (Switzerland).

DEVELOPMENT & INNOVATION

PRIORITY FOR CONSTRUCTIVE SOLUTIONS AND PROCESSES

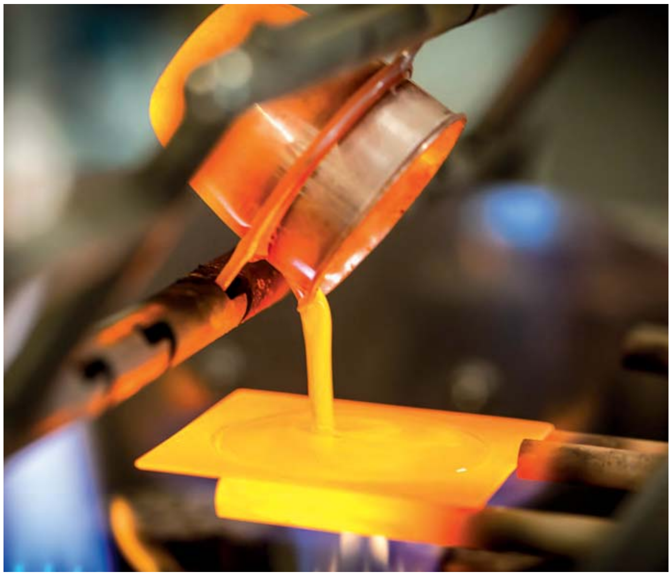
All product design, development, and follow-up research operations at Vicat are concentrated within the Louis Vicat technical center in L'Isle d'Abeau, near Lyon.

The center, which opened in 1993, is located in the heart of the Rhône-Alpes region, close to the Group's historic facilities in Grenoble and to the emblematic Montalieu cement plant. It is staffed by some 90 scientists and technicians working in three laboratories:

- the materials and microstructures lab which analyses materials;
- the Sigma Béton lab which checks aggregate and formulates and checks concrete mixes;
- the laboratory for formulating industrial products for the building industry, which develops mixes for finishing products.

The main R&D topics are aimed at anticipating or meeting the demands of customers and the evolution of building standards. The Group regularly files for patents to protect the development of products derived from its R&D drive.

Research and development expenditure amounted to 6,401,000 euros in 2013 (note 4 in appendix to consolidated accounts).



Preparation of fused beads for X-ray fluorescence examination in the materials and microstructures laboratory at the Louis Vicat technical center in L'Isle d'Abeau (France).

RESEARCH INTO PROCESSES

Improving the energy efficiency of cement plants and replacing fossil fuels with substitute fuels are means of implementing a circular economy and reducing CO_2 emissions through increased use of biomass fuels. In 2013, the use of substitute fuels saved the equivalent of 430,000 metric tons of coal. Close cooperation between R&D teams and plant operation teams meant the change of energy type was made without any negative effect on the quality of the cements produced.

More recently, new lines of research have been engaged. They concern the development of new cements which, with equivalent mechanical properties, will result in lower CO_2 emissions. This issue, which is fundamental for the future of the industry, is part of the Group's ambition to contribute towards collective environmental action. It mobilizes considerable human resources in the fields of crystallography, heat effects, and admixtures. Equipment using the very latest technologies has been made available for this research, including diffractometers, X-ray fluorescence spectrometry, and field-emission scanning electron microscopy. This research has already led to industrial production of a new cement, Alpenat®, in the first half of 2013. The cement is currently subject to further testing by the Cement and Concrete R&D teams which now form part of the new R&D Department set up in order to accelerate marketing of new products.

CONSTRUCTIVE SOLUTIONS

New concretes are regularly being developed to meet the expectations of customers in construction and civil engineering. Today's concretes have seen several technological breaks from the past, including self-consolidating concretes whose hyperfluidity allows them to flow smoothly into complex formwork. The development of high, then very-high-performance concretes (HPC and VHPC) and, more recently, ultra-high-performance fiber-reinforced concrete (UHPFRC) has multiplied the strength of the material tenfold (200 MPa compressive strength). These concretes meet the construction requirements for tall buildings and other structures with increasingly high demands, while giving practically free rein to architectural creativity.

Examination by means of X-ray diffraction using a high-speed detector in the materials and microstructures laboratory at the Louis Vicat technical center in L'Isle d'Abeau (France).

Changes to thermal design codes are taken into account. Research in respect of this aims to determine very precisely how concrete contributes to the development of new constructive solutions for greater energy efficiency in buildings. Codes for calculating the thermal inertia of concrete are being developed under a joint research program with the French solar energy institute and atomic energy commission (INES/CEA) in Chambéry. The concrete research and development laboratory is also working on structural concrete with inherently insulating properties which will dispense with the need for independent insulation.

- An offering for eco-construction based on natural cement (quick-setting natural cement from the Chartreuse mountain range) and bio-sourced materials like hempcrete is now available on the market.
- The analysis capabilities of the Louis Vicat technical center make it possible to diagnose the disorders of concretes used in the 19th and 20th centuries and to propose remedial solutions. As a member of the *Cercle des Partenaires du Patrimoine* (heritage partners circle) of the French Ministry of Culture and Communication, Vicat takes part in research operations related to the restoration of old buildings.

PARTNERSHIP POLICY

The Louis Vicat technical center works with several public and private sector research centers (French atomic energy commission, national solar energy institute in Chambéry, *Institut National Polytechnique* in Grenoble, laboratories of schools of architecture and universities, laboratories of customers in construction and civil engineering, etc.).

In 2007 the Vicat Group became a founding member of *Pôle Innovations Constructives*. This center of excellence based in the north of the Isère département focuses the work of a network of stakeholders in the construction industry, including manufacturers, institutional representatives, architects, medium, small, and very small enterprises, tradesmen, *Les Grands Ateliers de L'Isle d'Abeau* (itself a center of excellence), schools of architecture, the *Ecole Nationale des Travaux Publics de l'Etat* engineering school, and the *Centre de Formation des Apprentis du BTP* apprenticing center. It aims to promote greater awareness of innovations in the construction sector, particularly in response to the issues of sustainable construction.

GOVERNANCE & SHAREHOLDERS

▼ MANAGEMENT

Jacques Merceron-Vicat
Chairman

Guy Sidos
Chief Executive Officer

Raoul de Parisot
Chief Operating Officer

Philippe Chiorra
Senior Executive Vice President, Chief Legal Officer

Éric Holard
Senior Executive Vice President

Jean-Pierre Souchet
Senior Executive Vice President, Chief Financial Officer

Bernard Titz
Senior Executive Vice President, General Secretary

Christophe Bérenger
Director, Human Resources

Éric Bourdon
Director, Performance and Investment

Pierre-Olivier Boyer
Director, Strategic Partnerships

Gilbert Natta
Director, Business Development

Dominique Renié
Chief Technology Officer

▼ BOARD OF DIRECTORS AS OF DECEMBER 31, 2013

Jacques Merceron-Vicat,
Chairman

Pierre Breuil
Xavier Chalandon
Raynald Dreyfus
Jacques Le Mercier
Louis Merceron-Vicat
Bruno Salmon
Sophie Sidos
Guy Sidos
P&E Management
represented by Paul Vanfrachem

▼ AUDITORS

Incumbents

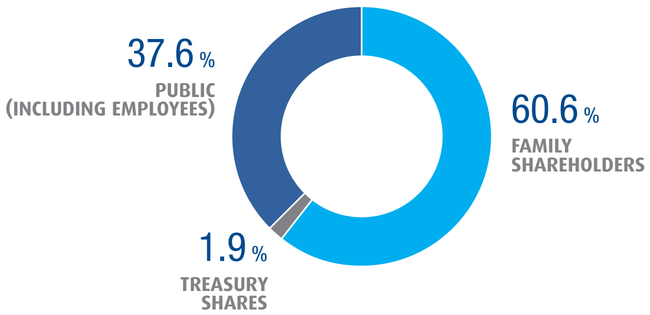
KPMG Audit
Wolff & Associés SAS
Alternates

Cabinet Constantin
Exponens Conseil et Expertise

OWNERSHIP STRUCTURE

The Company's share capital amounts to 179,600,000 euros, consisting of 44,900,000 shares with par value of 4 euros each.

OWNERSHIP OF SHARE CAPITAL AS OF DECEMBER 31, 2013



DIVIDEND

Based on results in 2013, and confident of the Group's ability to sustain its ongoing development, the Board of Directors has decided to propose that the Annual General Meeting of shareholders on May 6, 2014 vote to maintain the same dividend, i.e. 1.50 euros per share.

(In euros)	2013	2012	2011
Earnings per share	2.68	2.87	3.64
Dividend per share	**1.50**	**1.50**	**1.50**

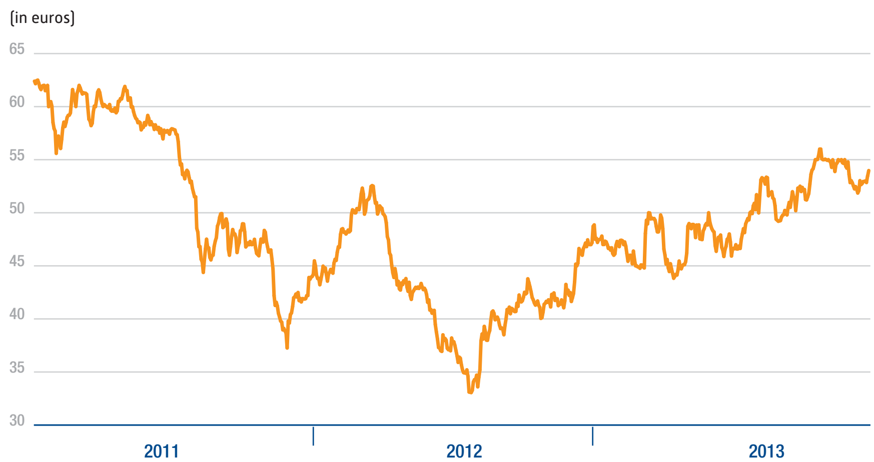
▼ Bamako shopping center built with concrete (Mali).

STOCK MARKET & FINANCIAL INFORMATION

STOCK MARKET INFORMATION

Vicat has been included in the SBF 120 index of the Paris Bourse since March 21, 2011. Vicat shares have qualified for trading under the Service du Règlement Différé (SRD) deferred settlement market since February 26, 2008.

SHARE PRICE TREND



FINANCIAL REPORTING

Vicat is dedicated to maintaining close communication with shareholders, transparency and ease of access to information at all times. The Group undertakes to make information on its business, strategy, results, and objectives available to the public at regular intervals. The Group's communication program includes:

- publication of AMF-compliant information on the Company's websites (www.vicat.fr and www.vicat.com);
- quarterly, half-yearly, and yearly press releases in addition to any others regarding any significant information on the life and development of the Group;
- an annual report;
- a Registration Document;
- a dedicated website: www.vicat.fr (also www.vicat.com); "Financial Information" section.

Vicat also participates in many conferences and other events aimed at facilitating and promoting closer direct contact between the Group and members of the financial community.

SHAREHOLDER INFORMATION

Shareholder and investor relations:
Tel.: + 33 1 58 86 86 14
Fax: + 33 1 58 86 87 88
E-mail: relations.investisseurs@vicat.fr

Websites: www.vicat.fr, www.vicat.com

Symbol: VCT

ISIN code: FR0000031775

Sicovam: 03177

Bloomberg: VCT.PA

Reuters: VCTP.PA

FINANCIAL REPORTING CALENDAR

April 28, 2014
(posted after close)
Q1 2014 sales

May 6, 2014
Annual General Meeting

August 4, 2014
(posted after close)
H1 2014 sales and earnings

November 4, 2014
(posted after close)
9M 2014 sales

CORPORATE **SOCIAL RESPONSIBILITY**

The Group has made corporate social responsibility an integral part of its overall strategy. Details of its CSR initiatives are given on pages 125 to 146 of this report, in compliance with French regulations. Corporate social responsibility comprises a social component applicable within the Group (role as a socially responsible employer), a social and economic component applicable outside the Group (role in economic and social development in our business locations), and an environmental component that is intimately linked to the Group's industrial strategy.

EMPLOYEES	WORKPLACE ACCIDENT SEVERITY RATE	EMPLOYEES RECEIVING TRAINING
7,656	0.48	4,451

Fondation Sococim's assistance for job creation helped 84 women of the Médinatoul Mounawara development association (Senegal).

Dredger at the Jassans aggregate quarry (France).

ROLE AS A SOCIALLY RESPONSIBLE EMPLOYER

The Group takes care to ensure that its employees enjoy attractive working conditions and career development possibilities on a permanent basis. Workplace health and safety are therefore at the heart of its concerns. The results for 2013 in this respect are blatantly unsatisfactory, being below those of 2012. They have induced deployment of a new workplace health and safety action plan to put things back on the tracks of the continuous improvement observed in this respect for more than ten years. Training is the other focus of the human resources policy which must enable the Group to contribute to the raising of employee skill levels, without which there could be no social progress.

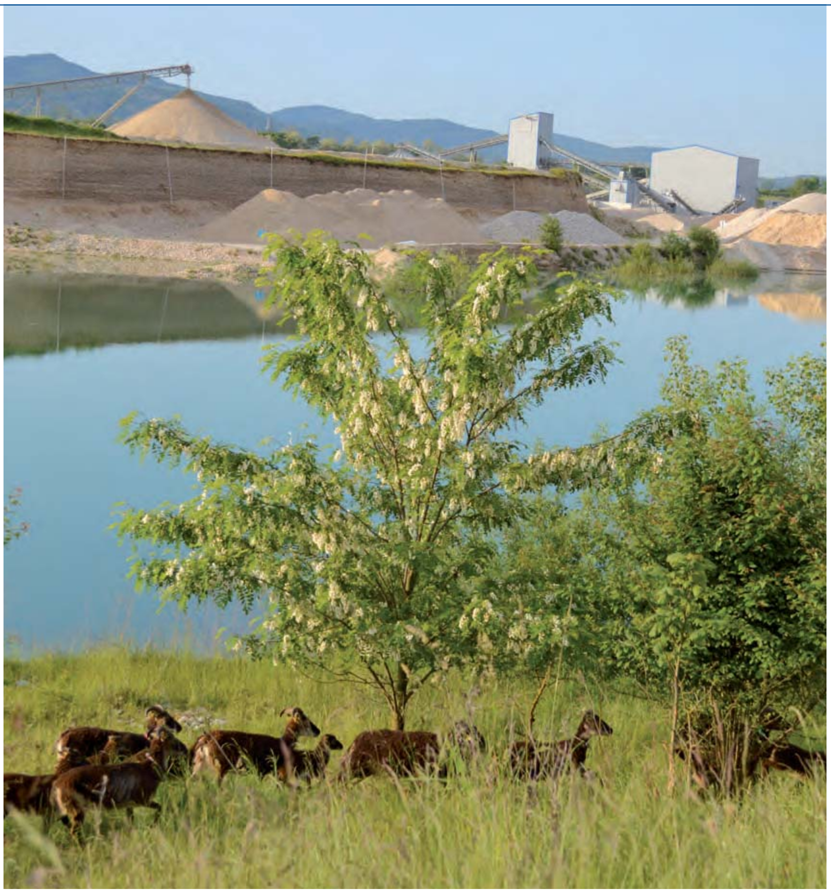
ROLE IN ECONOMIC AND SOCIAL DEVELOPMENT IN OUR BUSINESS LOCATIONS

In 2013 the Group furthered its efforts to boost the development of local employment in its business locations. This involved substantial assistance to schools and institutes of higher education, as occurred in Senegal (Rufisque media center), Turkey (Konya school of fine arts), and Egypt (El Arish university). It also involved support for the development of small and very small businesses, through the *aliZé Savoie* initiative in France or the Sococim Foundation in Senegal.

THE ENVIRONMENT: A PRIORITY AT THE HUB OF "SUSTAINABLE CONSTRUCTION" STRATEGY

The leading field for environmental action in which the Vicat Group is engaged is its quarries, for which landscaping is given special attention, whether during quarrying operations or afterwards, when the quarries are restored. As the many prizes the Group has won for such projects testify, its quarries today are sites of conservation and growing biodiversity.

Repurposing of waste from human activities as alternative fuels or raw materials is another field in which for many years now the Group has built up substantial experience. Recycling of waste is continuing to grow as a result of technological investments. Year on year, this approach, which contributes to a circular economy, helps reduce the amount of fossil fuels consumed for every ton of cement produced.



▲ Sheep are being used to keep the grass down at the Pérouges quarry (France).

QUARRIES WITH RESTORATION PLANS	RATE OF FUEL SUBSTITUTION	RECYCLING RATE OF WATER USED IN THE AGGREGATE BUSINESS
83 %	20.3 %	65 %

And in 2013, as in the past, the Group continued to reduce the level of emissions associated with the operation of its cement plants.

2013 **BUSINESS**

CEMENT | CONCRETE | AGGREGATE

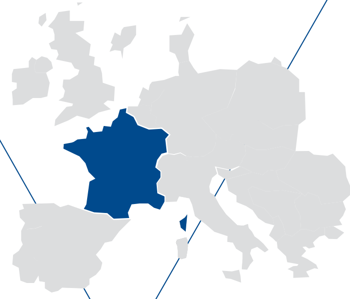
The Group carries out its main businesses – Cement, Ready-Mixed Concrete, and Aggregate – in **11 countries**.

These segments generate **87 %** of operating revenues.

The Group is also active in complementary businesses in **France**, **Switzerland**, and **India**.

	TOTAL	FRANCE	EUROPE	UNITED STATES	AFRICA & MIDDLE EAST	ASIA
SALES (M€)	**2,286**	**856**	**427**	**221**	**322**	**461**
% OF TOTAL	*100*	*38*	*18*	*10*	*14*	*20*
EBITDA (M€)	**427**	**160**	**114**	**5**	**63**	**85**
% OF TOTAL	*100*	*37*	*27*	*1*	*15*	*20*

Sinai Cement plant in El Arish (Egypt).



FRANCE

SALES

€ 856 M

EMPLOYEES

2,522

BREAKDOWN OF SALES BY BUSINESS LINE

35 % CEMENT	42 % CONCRETE & AGGREGATE	23 % OTHER PRODUCTS & SERVICES

▲ "Cube Orange" building in the Confluence district of Lyon, France (architects Jakob + MacFarlane).

CEMENT

5 cement plants
2.9 million metric tons sold

MARKET CONDITIONS

There were 294,000 new housing starts in 2013, some 10,000 units less than the year before (- 3.2 %). Apart from the south-west of the country (Aquitaine), all regions suffered the decline, the drop being particularly severe in the south-east (Provence-Alpes-Côte d'Azur), with regression of 14 %.

At the same time the number of new building permits dropped throughout the year; at the end of December their numbers were the same as in 2009, the lowest figure since the start of the current crisis.

Despite the approach of an electoral year, which generally induces an increase in the amount of public works engaged, sales in the sector did not rise above the level of 2012.

CEMENT CONSUMPTION

Thousands of metric tons	2013	2012	Change
Domestic production	17,334	18,009	- 3.7 %
Imports	1,871	1,964	- 4.7 %
TOTAL	**19,205**	**19,973**	**- 3.8 %**

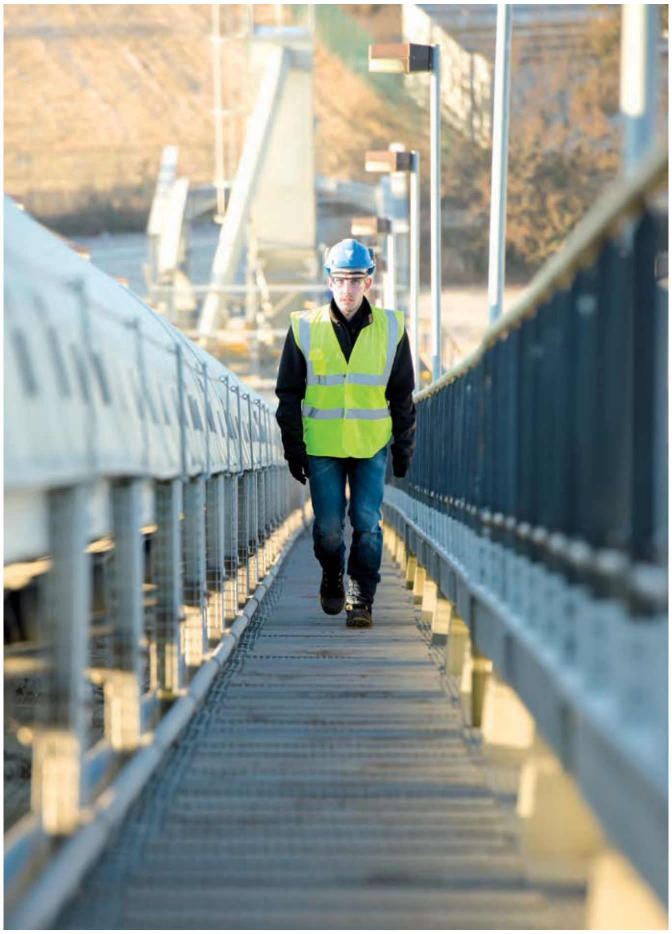
After a drop of 6.7 % in 2012, cement volume sales fell 3.8 % in 2013. Nation-wide consumption stood at 19.2 million metric tons, the lowest level since 1998.

The year was marked by contrasts in weather, with a very rainy first quarter and an exceptionally mild December. Proportionally, the drop in cement imports was marginally greater than the total market decline.

GROUP BUSINESS

SALES VOLUME

Thousands of metric tons	2013	2012	Change
Domestic	2,674	2,780	- 3.8 %
Exports	213	245	- 13.1 %
TOTAL	**2,887**	**3,025**	**- 4.6 %**



Montalieu cement plant.

Vicat sales on the domestic market fell in the same proportions as the drop nation-wide. This result was achieved due to sound levels of Group business in the Rhône Alpes region, compensating a lower level of sales in the Provence-Alpes-Cote d'Azur region where the property crisis was particularly severe.

A variety of market pressures and an unfavorable product mix meant average selling prices increased only very moderately.

PLANT OPERATION

Unfavorable weather conditions through to May and shrinking sales meant clinker production was down 9 % in the first half, though the drop for the year as a whole was limited to 3.7 % as a result of more buoyant sales in the second half. The percentage of substitute fuels burned increased across all plants.

▲ Hadlow Tower (England) was restored using Vicat's Prompt quick-setting natural cement. The project won the 'best craftsmanship employed on a heritage rescue' and 'favorite project' trophies under the 2013 English Heritage Angel Awards.

The Cement division cash cost remained the same as in 2012 despite a lower denominator. The cost of energy was lower than in 2012, the rise in electric power expenditure being compensated by a drop in fuel costs.

CAPITAL EXPENDITURE

At the Montalieu facility, work is progressing on the installations at the new Mépieu limestone quarry. Opening of the quarry and of the 6-km-long overland conveyor is programmed for 2014.

At Saint Égrève, work has started on the adaptations required for producing Alpenat® clinker in 2014.

CONCRETE & AGGREGATE

141 batching plants
3.1 million cubic meters sold
42 aggregate quarries
10.7 million metric tons sold

MARKET CONDITIONS

The ready-mixed concrete market ended the year at over 38.6 million cubic meters sold, down close to 2 % on 2012. The drop was slower in the second half.

Sales varied significantly across different regions. The Lorraine and Provence regions, in particular, saw greater shrinkage, while the Rhône-Alpes, Limousin, Ile-de-France, Nord-Pas-de-Calais, and Auvergne regions showed better resistance.

The year as a whole confirmed the first-half trend for aggregate, with a rise of 1.5 % in 2013 compared to 2012; the total sold amounted to 366 million metric tons, with a rise in the amount of igneous aggregate as a result of the high level of activity in public works.

GROUP BUSINESS

SALES VOLUME

	2013	2012	Change
Concrete *(thousands of cubic meters)*	3,072	3,071	=
Aggregate *(thousands of metric tons)*	11,058	10,474	+ 5.6 %

NUMBER OF FACILITIES

	2013	2012	Change
Batching plants	143	147	- 4
Aggregate quarries	42	42	=

The Béton Vicat concrete business managed to maintain the same volume of sales as in 2012, despite confronting stiffer competition in the second half than in the first. This competition meant price rises could not keep pace with the rising cost of raw materials.

Béton Vicat continued its rationalization of product offering based on four ranges (Vivaperf®, Défiperf®, Stylperf®, and Flexiperf®) in support of its policy of development of concretes with high value-added. Sales of these concretes progressed 5 % in 2013.

The Aggregate division recorded volume sales up 5.6 % in 2013 relative to 2012. Business in the Rhône-Alpes region was the cause of most of this progress: there were large earthworks projects in Upper Savoy and brisk construction business in the Gex area. The pricing policy and work of sales teams enabled selling prices to hold their ground in 2013.

ENVIRONMENT

The Aggregate division received its environmental certification against the ISO 14001 benchmark in September 2013.

After prizes in the previous three annual sustainable-development competitions organized by the French union of aggregate producers, UNPG, Granulats Vicat was again distinguished in the 2013 competition, coming first for its safety initiatives in Savoy and receiving a special prize for protection of biodiversity. The same projects also bagged prizes at the European level, through the European union of aggregate producers (UEPG).

▼ Restored natural surroundings at the Jassans quarry.

OTHER PRODUCTS & SERVICES

PAPETERIES DE VIZILLE
PRINTING & WRITING PAPERS

MARKET CONDITIONS

Demand dropped again in 2013. In France production of paperboard was down slightly: papers for graphic applications were hit hardest, while the packaging sector held up better. Selling prices took a downward slide on the publishing and check markets and held fast for special papers, an expanding business sector for Papeteries de Vizille.

▼ Building in Cannes La Bocca (France) designed by Wilmotte & Associés, with VPI coating.

GROUP BUSINESS

The year ended saw consolidation in the development of sales of new, growing products which now account for 40 % of the total tonnage sold (22 % in 2012). The new products are essentially on the food-packaging, high-security, and special industrial paper markets. Their sales compensated the drop on historic markets in 2013.

In terms of geographical presence, the Company is continuing to expand: in 2013 exports represented 47 % of its sales.

The new biomass boiler is now operational. In June biomass fuels accounted for 75 % of the steam it generated, thus meeting the objective and making the expected reductions in production costs.

Construction of the new biological treatment plant was completed in December 2013. Commissioning is scheduled for early 2014.

SALES VOLUMES

	2013	2012	Change
Printing & Writing *(thousands of metric tons)*	20,876	21,954	- 4.9 %
Bags *(thousands)*	64,027	60,442	+ 6 %
SALES *(millions of euros)*	**39.4**	**39.8**	**- 1.0 %**

PAPETERIES DE VIZILLE
BAGS

MARKET CONDITIONS

In 2013 there was reduced demand for industrial kraft bags on most markets (- 5.1 % in France, - 1.5 % in Europe). In France all sectors are down on 2012.

GROUP BUSINESS

Despite these figures, Papeteries de Vizille recorded 6 % growth in volume sales compared to 2012. This progress is in large part the result of growth in sales to over 30 new customers, particularly in the foodstuffs and animal feed sectors.

Stade des Alpes stadium in Grenoble (France) built with Vicat concrete.

SATM & SUBSIDIARIES

BREAKDOWN OF SALES (BY SEGMENT)

(Millions of euros)	2013	2012	Change
Transport	85.5	81.6	+ 4.8 %
Major Projects	5.3	17.9	- 70.4 %
TOTAL	**90.8**	**99.6**	**- 8.8 %**

MAJOR PROJECTS

The business of the Major Projects division declined significantly in both sales and volume terms in 2013 as a result of both the completion of some large projects and bad weather at the start of the year which hampered progress on all the projects under way.

TRANSPORT

Business in the road freight sector fell 1.6 % relative to 2012, and the switch to 44-tonners caused a price drop of 2 % on average.

SATM stood up well and sales increased 4.8 % relative to 2013, largely because of:

- an increase in petrofuel haulage (tank trucks);
- good winter business (intensive snow-clearing and steady salt haulage);
- sustained multimodal and contaminated-soil transport business;
- new contracts won for site dump-truck business.

VICAT PRODUITS INDUSTRIELS *(construction chemicals)*

MARKET CONDITIONS

In 2013 the premixed mortar market suffered from serious deterioration in the new-build market (- 6.5 %) and from a slowdown in the renovation/improvement market (- 1 %). This trend was aggravated by poor weather in the first four months.

VPI BUSINESS

Sales

(Millions of euros)	2013	2012	Change
Building	47.7	47.5	+ 0.5 %
Home improvement	21.9	21.8	+ 0.5 %
Civil engineering	4.5	2.7	+ 67.0 %
TOTAL	**74.1**	**72.0**	**+ 3.0 %**

Despite this market downturn VPI performed well, increasing both the volume of sales (3 %) and the average selling price (1.5 %).

With the support of a commercial action plan aimed at building supply retailers, the building business increased its market share in value-added product ranges, particularly tiling adhesives and ETICS external insulation systems.

EUROPE

SALES	EMPLOYEES	BREAKDOWN OF SALES BY BUSINESS LINE		
€ 427 M	1,113	37 % CEMENT	36 % CONCRETE & AGGREGATE	27 % OTHER PRODUCTS & SERVICES

▲ Façade of the Tropenhaus greenhouse in Frutigen (Switzerland), built with Creabeton Matériaux products.

SWITZERLAND | CEMENT

1 cement plant
1.0 million metric tons sold

MARKET CONDITIONS

The construction sector saw continued growth in 2013 and business remained brisk. This positive trend was felt equally in the building sector and in public works since population growth and sound public finances resulted in more infrastructure work.

CEMENT CONSUMPTION

Thousands of metric tons	2013	2012	Change
Domestic production	4,564	4,395	+ 3.8 %
Imports	568	542	+ 4.9 %
TOTAL	**5,132**	**4,937**	**+ 5.2 %**

After a slight drop in 2012, cement consumption climbed again and even broke the symbolic threshold of 5 million metric tons.

▲ Reuchenette cement plant (Switzerland).

▼ Control-room operator at the Reuchenette plant.

GROUP BUSINESS

SALES VOLUME

Thousands of metric tons	2013	2012	Change
TOTAL	**1,002**	**891**	**+ 12.4 %**

Vigier passed the mark of one million metric tons sold in one year as a result of favorable economic conditions combined with a great many projects under way close to the cement plant. The average selling price is down slightly as a combined result of competition and large bulk deliveries to projects.

PLANT OPERATION

The plant set new production records for the sixth year running. Technical ratios were encouraging, with a rise in average kiln output and a slight improvement in thermal efficiency. The rate of use of substitute fuels rose slightly, to 70 %, in part because of the activity of subsidiary Altola, still the market leader in repurposing of liquid substitute fuels.

CONCRETE & AGGREGATE

21 batching plants
0.9 million cubic meters sold
20 aggregate quarries
3.3 million metric tons sold

MARKET CONDITIONS

After a drop in 2012, demand for ready-mixed concrete rebounded. It is still at a high level, even if volumes are subject to severe competition. Quite logically, the aggregate business benefitted from the vigor of the ready-mixed concrete sector. Demand for aggregate for non-concrete uses was also steady.

GROUP BUSINESS

VOLUMES SOLD

	2013	2012	Change
Concrete *(thousands of cubic meters)*	876	728	+ 20.3 %
Aggregate *(thousands of metric tons)*	3,337	2,843	+ 17.4 %

NUMBER OF FACILITIES

	2013	2012	Change
Batching plants	21	22	- 1
Aggregate quarries	20	21	- 1

Vigier benefitted from the strong demand generated by large projects in regions served by its ready-mixed concrete and aggregate network. Concrete selling prices remained stable.

CAPITAL EXPENDITURE

The new Wimmis aggregate facility came into operation in November. Replacing four installations, the new plant will reduce operating costs and enhance quality.

PRECASTING

127.7 million euros operating revenue

Divello® table and bench seats designed and manufactured by Creabeton Matériaux express concrete's toughness and force of character (Switzerland).

ITALY | CEMENT

MARKET CONDITIONS

The precasting business remained vibrant. There is still a high level of investment in road and rail infrastructures, but calls for tenders are toughly contested, affecting prices in the industry.

GROUP BUSINESS

	2013	2012	Change
Volume of sales *(thousands of metric tons)*	424	415	+ 2.0 %
Sales *(millions of euros)*	127.7	124.9	+ 2.2 %

High demand in the railways sector offset the decline in sales of conventional precast concrete products.

As a result of high demand for conventional rail ties, the Müntschemier plant worked on Sundays. Employee mobilization meant supply kept up with requirements.

Vigier is expecting there to be a rise in demand for concrete rail ties due to a large track renovation program and the trend for timber ties to be replaced by concrete ties which are cheaper and longer lasting. Consequently the production capacity of the rail-tie plant is being increased; the works should be completed in the first quarter of 2014.

1 milling plant
2 terminals
0.2 million metric tons sold

MARKET CONDITIONS

Activity in the residential and industrial construction sectors dropped considerably relative to 2012. The public-works sector also remained quiet: work on the Lyon-Turin rail line is progressing very slowly. The only other large projects in view are those for the 2015 Exhibition in Milan.

CEMENT CONSUMPTION

Thousands of metric tons	2013	2012	Change
TOTAL	**20,900**	**24,457**	**- 14.5 %**

The market suffered another substantial decline, on top of a difficult year in 2012.

GROUP BUSINESS

SALES VOLUME

Thousands of metric tons	2013	2012	Change
TOTAL	**238**	**319**	**- 25.4 %**

In tough market conditions, the rocky financial situation of many customers led CCS to limit exposure to payment risk by refusing or reducing deliveries in some cases. This choice explains part of the reduction in sales volume. The drop in domestic sales was partially compensated by a growth in exports to Corsica. CCS also decided to focus on protecting profit margin, and raised selling prices appreciably.

UNITED STATES

SALES	EMPLOYEES	BREAKDOWN OF SALES BY BUSINESS LINE	
€ 221 M	1,023	38 % CEMENT	62 % CONCRETE & AGGREGATE

Lebec cement plant, California.

CEMENT

2 cement plants
1.5 million metric tons sold

MARKET CONDITIONS

At the national level, 2013 construction expenditure was again appreciably up on 2012. This rise is a result of a 16 % growth in residential construction and practical stagnancy of expenditure in the non-residential sector.

Construction expenditure for public works diminished slightly relative to 2012.

CEMENT CONSUMPTION

Thousands of metric tons	2013	2012	Change
Southeast	6,148	6,013	+ 2.2 %
California	8,224	7,407	+ 11.0 %
US TOTAL	**79,582**	**76,470**	**+ 4.1 %**

GROUP BUSINESS

SALES VOLUME

Thousands of metric tons	2013	2012	Change
TOTAL	**1,525**	**1,458**	**+ 4.6 %**

In the Southeast, despite poor weather in the first half of the year, cement sales increased on the Group's historic markets. In California, sales volumes were substantially up on 2012 (+ 11 %) due not only to the work of concrete subsidiaries but also to direct sales (freeway projects). Price hikes in the early part of the year were applied to large numbers of customers in the Southeast and, to a lesser extent however, in California.

PLANT OPERATION

With sustained demand for higher volumes, the Lebec plant improved its utilization rate in 2013. Plant operation at Ragland remained stable. Work on measures to cut production costs continued in all fields:

- variable costs for Ragland are down on 2012 as a result of savings made on fuel purchasing, the efforts put into improving thermal efficiency, increased use of alternative fuels, and reductions on the purchase costs of electric power and raw materials;
- at Lebec the effect of higher petroleum-coke and power prices was restricted by a rise in the fuel substitution rate and the work devoted to the electrical efficiency of the cement mills.

CONCRETE

44 batching plants
1.7 million cubic meters sold

MARKET CONDITIONS

As for the cement business, ready-mixed concrete benefitted from recovery in the residential sector and, to a lesser extent, in non-residential projects. Public works, on the other hand, slowed down.

GROUP BUSINESS

	2013	2012	Change
Concrete *(thousands of cubic meters)*	1,925	1,658	+ 16 %
Number of batching plants	47	44	+ 3

Buoyed by recovery in the residential sector, and despite poor weather in the Southeast in the first half, volumes sold in the Southeast and California were up 13.8 % and 17 % respectively, compared to last year, but with local variations.

In Alabama, Kirkpatrick was poised to grasp emerging projects while still benefitting from volume recovery in the south and center of Alabama. Walker too made further progress, in part due to recovery of the residential market in Atlanta.

Volumes sold in Los Angeles also flourished. The residential sector is improving in some areas (Orange County for example). Price rises were possible in the first half of the year.

AFRICA & MIDDLE EAST

SALES	EMPLOYEES	BREAKDOWN OF SALES BY BUSINESS LINE	
€322M	1,118	94 % CEMENT	6 % CONCRETE & AGGREGATE

In the quarries of the Sococim Industries plant, jatropha nuts are harvested for use as biofuel (Senegal).

EGYPT | CEMENT

1 cement plant

1.7 million metric tons sold

MARKET CONDITIONS

While cement consumption made significant progress in 2012, reaching 51.2 million metric tons, up 5.1 %, it slid back 2.4 % in 2013. However, consumption began to pick up again in the last quarter of the year, after four consecutive quarters of decline.

It should be stressed that the market stood up well, the drop being limited despite an unstable political context and energy shortages.

The new transitional government which has been running the country since July 2013 launched an EGP22.3 billion economic stimulation program in September. Some EGP11 billion of this will have a positive effect, either directly or indirectly, on the construction sector.

CEMENT CONSUMPTION

Thousands of metric tons	2013	2012	Change
TOTAL	**49,929**	**51,177**	**- 2.4 %**

GROUP BUSINESS

The sales of Sinai Cement Co. were affected by severely deteriorating security conditions in northern Sinai in the course of 2013. This caused a lot of disturbance to industrial facilities and induced logistics problems in the peninsula. The Company's cement sales dropped as a result, falling by 26.6 % by the end of December 2013.

Thousands of metric tons	2013	2012	Change
TOTAL	**1,675**	**2,283**	**- 26.6 %**

The average plant-gate selling price increased appreciably in 2013.

PLANT OPERATION

Despite every effort made, production costs rose relative to 2012, chiefly because of a large hike in energy costs. A reduction in the number of attacks on the gas pipeline meant the fuel mix was more heavily weighted in favor of gas.

Plant output was very severely disturbed by repeated incidents involving Bedouins. The security situation improved after September and the plant was then able to gradually return to normal operating conditions.

▼ Sinai Cement plant in El Arish.

SENEGAL | CEMENT

1 cement plant
2.7 million metric tons sold

MARKET CONDITIONS

The construction sector reported appreciable growth in 2013 as a result of continued work at Blaise Diagne International Airport (BDIA), work on the BDIA-Mbour freeway, and projects financed by the Millennium Challenge Account.

After strong growth in the agricultural sector in 2012, 2013 saw buying power increase in rural communities, which stimulated building.

Cement consumption on the West African subregional market

Thousands of metric tons	2013	2012	Change
Subregion	6,850*	6,400	+ 7 %
Senegal	2,730	2,520	+ 8.3 %

* *Burkina Faso, Gambia, Guinea, Mali, Mauritania, Senegal.*

GROUP BUSINESS

SALES VOLUME

Thousands of metric tons	2013	2012	Change
TOTAL	**2,556**	**2,680**	**- 5 %**

Sales were down 124,000 metric tons in 2013, i.e. a drop of 5 % relative to 2012. This reduction includes sound progress in Senegal and Mali and a fall in export volumes shipped by sea, which is less profitable. Stiff competition on the domestic market caused a drop in the average selling price.

PLANT OPERATION

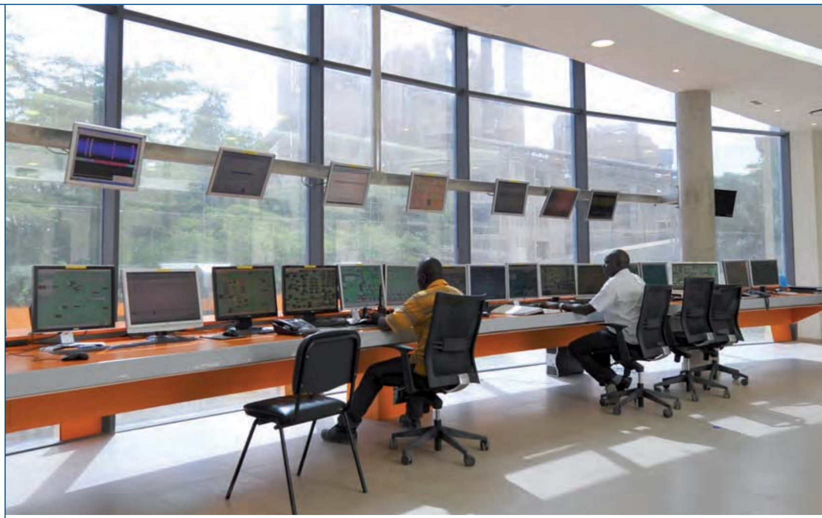
Clinker production in 2013 was up 2 % on 2012 while cement production fell back by 123,000 metric tons, especially because of disturbance to the electric power supply in the first half.

Other events marking the year included:

- conversion of a raw-meal crusher into a cement mill at the end of the first quarter;
- installation of a new secondary-fuel feed line, with a resultant increase in the substitution rate.

CAPITAL EXPENDITURE

Capital expenditure in 2013 was restricted to projects for enhancing human safety and increasing the reliability of production lines in order to achieve better performance, which is a guarantee of cost efficiency on a competitive market.



Control room of the Sococim Industries cement plant in Rufisque.

AGGREGATE

2 aggregate quarries
2.4 million metric tons sold

MARKET CONDITIONS

The market situation was highly varied, with sound construction business in the first quarter but a drop in the public-works sector due to the decline in major works carried out for the Senegalese government. This decline started in the second half of 2012. In the second half of 2013 the situation reversed, with a substantial drop in sales for construction and an appreciable rise in demand for public works when work resumed on old projects and got under way on new ones.

GROUP BUSINESS

EVOLUTION OF BUSINESS

	2013	2012	Change
Volume sold *(thousands of metric tons)*	**2,370**	2,624	- 9.7 %
Number of aggregate quarries	**2**	2	=

Amplified by a long and intense rainy season, this situation induced shrinkage in the volumes sold. There was, however, a significant rise in sales in November and December 2013.

MALI | CEMENT

0.6 million metric tons sold

MARKET CONDITIONS

In a context which called for French then multinational military intervention, the market was not very lively in 2013; volumes increased slightly and prices dropped due to more intense competition.

CEMENT CONSUMPTION

Thousands of metric tons	2013	2012	Change
TOTAL	1,600	1,550	+ 3 %

GROUP BUSINESS

SALES VOLUME

Thousands of metric tons	2013	2012	Change
TOTAL	639	597	+ 7 %

The Group's sales in Mali made appreciable progress throughout the year, following competitive adjustment of selling prices.

MAURITANIA | CEMENT

1 milling plant
0.3 million metric tons sold

MARKET CONDITIONS

Business in construction and public works was steady in 2013 because of work on the new airport and extension of the harbor in Nouakchott, together with a number of State-financed road projects for which BSA Ciment supplied cement.

CEMENT CONSUMPTION

Thousands of metric tons	2013	2012	Change
TOTAL	820	697	+ 17.6 %

Cement consumption rose substantially in 2013, chiefly in Nouakchott and, to a lesser extent, in the northern mining region.

GROUP BUSINESS

SALES VOLUME

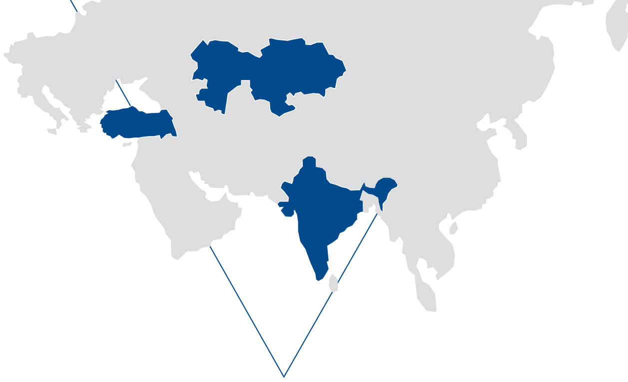
Thousands of metric tons	2013	2012	Change
TOTAL	280	211	+ 32.7 %

On this thriving market BSA Ciment was able to unbridle its full production capacity to meet the rise in consumption.

PLANT OPERATION

BSA Ciment increased the utilization rate of its cement mill.

▼ Sococim Industries plant in Rufisque.



ASIA

SALES	EMPLOYEES	BREAKDOWN OF SALES BY BUSINESS LINE		
€ 461 M	1,881	72 % CEMENT	20 % CONCRETE & AGGREGATE	8 % OTHER PRODUCTS & SERVICES

▲ Bharathi Cement plant in Andhra Pradesh (India).

TURKEY | CEMENT

2 cement plants
3.6 million metric tons sold

MARKET CONDITIONS

Benefitting from exceptional weather for the season, cement consumption was very brisk in the first quarter of 2013. For the rest of the year demand was sustained by the private housing construction sector and major infrastructure projects in all regions. At 11.9 million metric tons, exports in 2013 were comparable to 2012 figures.

CEMENT CONSUMPTION

Thousands of metric tons	2013	2012	Change
Marmara	13,707	12,568	+ 9.1 %
Aegean	5,310	4,862	+ 9.2 %
Mediterranean	10,592	9,762	+ 8.5 %
Black Sea	8,460	7,798	+ 8.5 %
Central Anatolia	10,640	9,898	+ 7.5 %
Eastern Anatolia	5,191	4,761	+ 9.0 %
Southern Anatolia	5,856	5,519	+ 6.1 %
Others	1,900	1,800	+ 5.6 %
TOTAL	**61,656**	**56,968**	**+ 8.2 %**

GROUP BUSINESS

The volume of cement sales rose in 2013:

- domestic cement sales were up 7.3 %, with similar rises for both plants. The year benefitted from an excellent first quarter in which the weather was exceptionally mild for the time of year;
- exports declined substantially, Company strategy being to favor the domestic market.

Residential project under construction near Ankara.

SALES VOLUME

Thousands of metric tons	2013	2012	Change
TOTAL	**3,606**	**3,461**	**+ 4.2 %**

Domestic selling prices increased appreciably in 2013, with comparable increases – higher than the inflation rate – for both the Baştaş and Konya plants.

PLANT OPERATION

Both plants further increased their consumption of secondary fuels, and even further increases are envisaged as a result of better selection of waste. At both plants, the work put into using substitute raw materials is also producing positive results.

CAPITAL EXPENDITURE

At Baştaş a new clinker press came on line in August. It raised the production capacity of the process line and lowered the specific power consumption by 10 %.

A contract for construction of a 150,000 ton clinker silo at each plant was concluded in August. The silos are to be ready for use in the last quarter of 2014.

CONCRETE & AGGREGATE

▲ Tamtaş aggregate quarry in Karaomerler.

33 batching plants
2.4 million cubic meters sold
7 aggregate quarries
5.4 million metric tons sold

MARKET CONDITIONS

The volume of ready-mixed concrete sold nationwide increased by close to 10 % in 2013, in line with the progress of cement sales. This rise was accompanied by more intense competition, with an increase in the number of concrete companies and batching plants.

READY-MIXED CONCRETE MARKET

	2013 (estimate)	2012	Change
Production *(in thousands of cubic meters)*	102,000	93,050	+ 9.6 %
Number of batching plants	1,080	980	+ 10.2 %

Data provided by Turkish ready-mixed concrete association (THBB).

Aggregate consumption can be estimated to have been around 320 million metric tons in 2013, which represents an increase comparable to that of cement and concrete. Aggregate was used chiefly for ready-mixed concrete and precasting, with a smaller quantity (20 to 25 %) for road building and asphalt.

After a strong rise in 2012, aggregate sales on the Ankara market in 2013 remained comparable to the figures of the year before, at a little over 20 million metric tons.

GROUP BUSINESS

SALES VOLUMES

	2013	2012	Change
Concrete *(thousands of cubic meters)*	2,651	2,447	+ 8.4 %
Aggregate *(thousands of metric tons)*	5,891	5,428	+ 8.5 %

NUMBER OF FACILITIES

	2013	2012	Change
Batching plants	33	33	=
Aggregate quarries	7	7	=

In 2013 the Group's concrete sales rose in keeping with the national market, as a whole, but with variations from region to region. The Ankara catchment continued to benefit from large housing projects while the southern and Mediterranean regions continued to suffer from strong competitive pressure. Selling prices rose much in parallel with general inflation and the increase in cement prices.

Seven aggregate quarries were operational in 2013: four in the Ankara region, one in Konya, and two in the Mediterranean area. The volumes of aggregate sold were up appreciably (8.5 %), boosted by demand for the large Ankara projects.

KAZAKHSTAN | CEMENT

1 cement plant

1.0 million metric tons sold

MARKET CONDITIONS

Construction business was good in 2013. It was affected positively by the economy and by favorable weather throughout the year. Private initiative in housing construction is limited, but the government has implemented support initiatives in the sector. The construction industry is chiefly driven by public expenditure and investment in infrastructure.

CEMENT CONSUMPTION

Thousands of metric tons	2013	2012	Change
Domestic production	6,496	6,151	+ 5.6 %
Imports	1,574	908	+ 73.3 %
TOTAL	**8,070**	**7,059**	**+ 14.3 %**

Cement consumption grew substantially in 2013. A large part of the increase in demand was met by imports.

GROUP BUSINESS

Jambyl Cement's presence on the market was improved, and the total volume sold increased 5 % on 2012. The Company maintained its commercial positioning and expanded its regional presence. The average selling price increased appreciably, sufficient to cover the rise in production costs.

SALES VOLUME

Thousands of metric tons	2013	2012	Change
TOTAL	**1,028**	**981**	**+ 4.8 %**

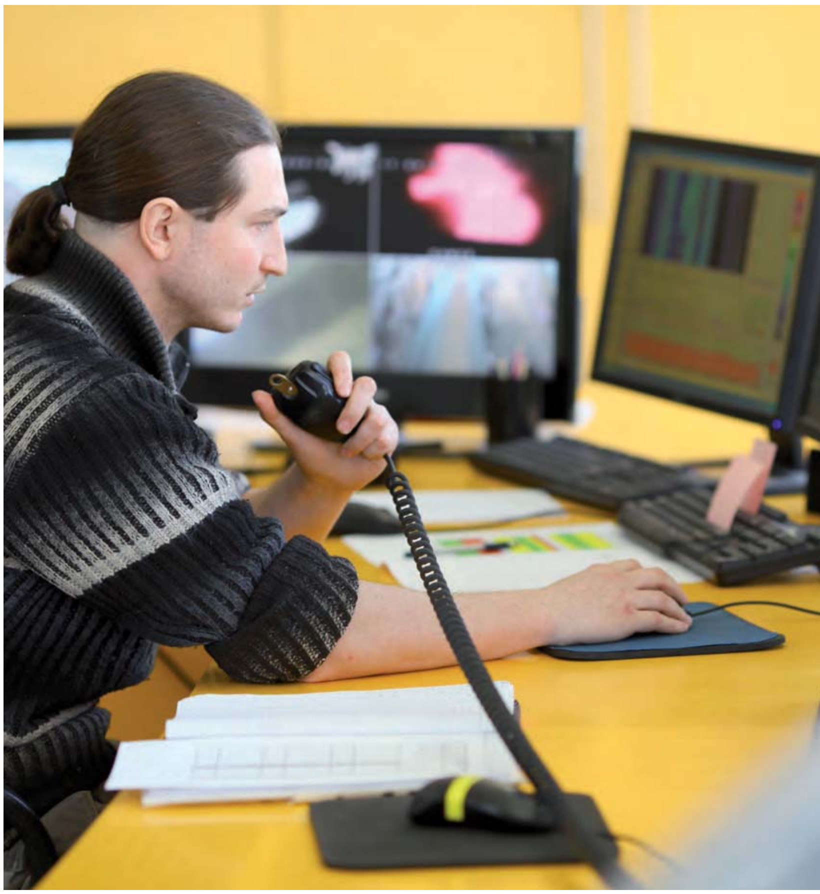
PLANT OPERATION

Clinker production was more regular in 2013 and the kiln attained a good level of reliability. Average output was further increased after the maintenance shutdown at the end of the year. The kiln's thermal consumption was improved. Maintenance operations enhanced the reliability of the cement mills.

CAPITAL EXPENDITURE

The year's capital expenditure was chiefly directed at improving the reliability of the plant. Investment was kept low.

Operator in the control room of the Jambyl Cement plant.



INDIA | CEMENT

2 cement plants
3.2 million metric tons sold

MARKET CONDITIONS

The slowdown of growth in India had consequences on the housing sector, though it remains the highest consumer of cement. Additionally, in the prelude to elections in 2014, most of the central government's infrastructure expenditure was halted to improve budget results.

What is more, in the summer of 2013 India went through a period of intense exchange-rate pressure which resulted in devaluation of the rupee by about 20 % relative to hard currencies. The effect of these tensions on the cost of imported goods and on interest rates weighed on investments. On top of these economic causes came problems of availability of sand and water in several regions.

CEMENT CONSUMPTION

Thousands of metric tons	2013	2012	Change
Southern India & Maharashtra	90.5	94.9	- 4.6 %

Cement consumption in India's southern states (Andhra Pradesh, Tamil Nadu, Karnataka, Kerala, and Goa) and in the State of Maharashtra is estimated to have been 90.5 million metric tons in 2013, which is down 4.6 % on 2012. However the last quarter of 2013 was up 4.6 % on the same period in 2012.

GROUP BUSINESS

The products of both of the Group's cement companies in India are marketed under the brand name 'Bharathi Cement'. Vicat Sagar Cement Private Ltd (VSCPL) started marketing its products in January 2013, ramping up production throughout the year.

SALES VOLUME

Thousands of metric tons	2013	2012	Change
TOTAL	**3,235**	**2,538**	**+ 27.5 %**

▲ Control-room operators at the Bharathi Cement plant.

The Group's total sales in India grew substantially, accompanying expansion of geographical coverage and of the network of distributors. Fluctuating demand and the startup of new production facilities induced a high degree of volatility for selling prices which globally tended to fall.

PLANT OPERATION

The production costs of the Kadapa plant were affected by rising power costs. While the rise in primary fuel costs was attenuated by greater use of substitute fuels and a more economical noble-fuel mix (petroleum coke), the Company was nevertheless hit by the rising cost of mains power. In the absence of visible near-future improvement of the situation, the Company has ordered a generating plant which is expected to come on line at the end of 2014.

In 2013 the Chatrasala plant produced 694,000 metric tons of clinker and 872,000 metric tons of cement. The ramping up of the new plant to full industrial production is on schedule, and production facilities have now attained their nominal ratings in terms of output and energy performance. Construction of the railroad is finished.

Operational testing of the waste heat recovery plant got under way at the end of December. This unit, which has nominal capacity of 8.4 MW, means Vicat Sagar will have access to a low-cost source of power as of 2014.

This powerful, high-performance industrial facility is now set to seize every opportunity the market offers.

The two plants started to develop use of alternative fuels from the outset, and reached a substitution rate of 10 % in 2013.

AGGREGATE

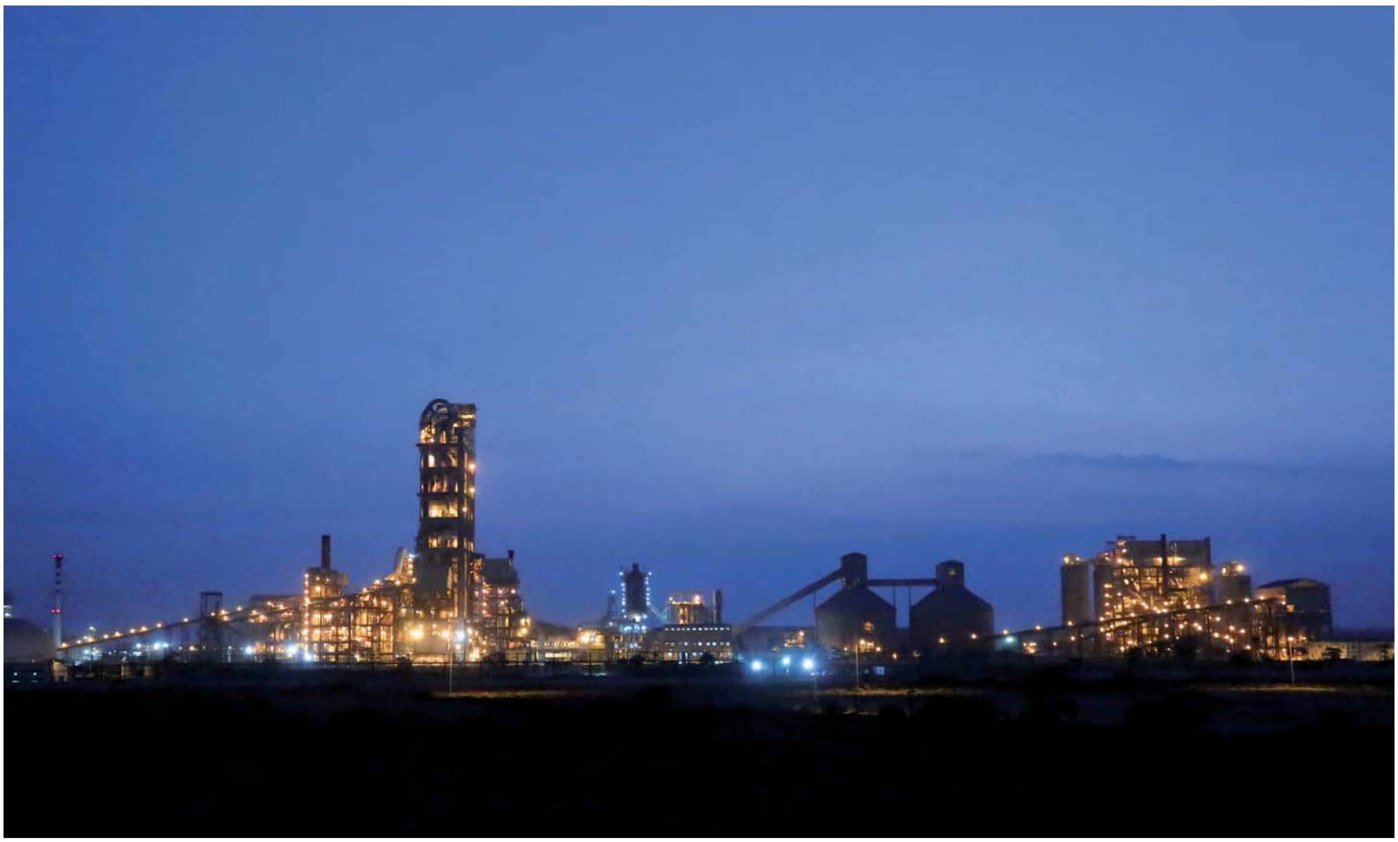
1 aggregate quarry

0.6 million metric tons sold

GROUP BUSINESS

Mines & Rock (a wholly-owned subsidiary of Bharathi Cement) operates an aggregate quarry about 50 km from Bangalore, in the State of Karnataka, and sells its output in the outskirts of northern Bangalore. Its business boomed in 2013, with a sales volume up 32 % to 561 thousand metric tons. The proportion of sand, a product with high value-added, continued to grow, and now represents the larger share of sales. Selling prices rose appreciably in 2013.

▼ Vicat Sagar Cement plant in Karnataka.



Lebec cement plant in Californie (USA).

FINANCIAL **REPORT**

COMMENTS ON RESULTS AND FINANCIAL POSITION

1

1.1. CHANGE IN CONSOLIDATED SALES

Consolidated sales for the year ended December 31, 2013 amounted to €2,286 million, almost stable (- 0.3 %) and representing an increase of 2.9 % at constant consolidation scope and exchange rates compared to the same period in 2012.

It should be noted that the exchange rate change was particularly unfavorable this year, with a negative impact of €78 million on annual sales.

The change in consolidated sales for the financial year 2013 by activity, compared to 2012 is as follows:

					Of which		
(in millions of Euros, except %)	2013	2012	Variation	Change (%)	exchange rate effect	Change in consolidation scope	Internal growth
Cement	1,110	1,156	(46)	- 4.0 %	(56)	-	10
Concrete and Aggregates	876	826	50	+ 6.1 %	(19)	6	64
Other Products & Services	300	310	(10)	- 3.4 %	(3)	-	(7)
TOTAL	**2,286**	**2,292**	**(6)**	**- 0.3 %**	**(78)**	**6**	**66**

During 2013, consolidated sales for the Cement business rose by 0.9 % at constant consolidation scope and exchange rates. The declines recorded in France and the West Africa and Middle East region were offset by the ramp up of the Group's activity in India, dynamic growth in Turkey, Switzerland and Kazakhstan, and the continued recovery in the United States.

Consolidated sales in the Concrete & Aggregates business were up 7.7 % at constant consolidation scope and exchange rates.

Other Products & Services fell by 2.4 % at constant consolidation scope and exchange rates.

The distribution of the Group's operating sales by business (before inter-sector eliminations) is as follows:

(as a percentage)	2013	2012
Cement	50.6	52.3
Concrete and Aggregates	34.2	32.5
Other Products & Services	15.2	15.2
TOTAL	**100.0**	**100.0**

Taking the year as a whole, the breakdown of operational sales among the Group's different activities shows that the Cement business share of Group operational sales dropped to 50.6 % from 52.3 % in 2012, as a result of a greater exchange rate effect than on the Concrete and Aggregates business, bearing in mind the respective locations of operations. The Concrete and Aggregates business grew to 34.2 % of operational sales against 32.5 % in 2012, as a result of dynamic growth in the United States, Switzerland and Turkey. Lastly, Other Products & Services held steady at 15.2 % of operational sales as at December 31, 2013.

The share of the Group's core businesses, namely Cement, Concrete and Aggregates, remained more or less stable at nearly 85 % of operational sales before eliminations.

The growth in volumes in the main businesses is as follows:

	2013	2012	Growth
Cement *(in thousand tonnes)*	18,050	17,894	+ 0.9 %
Concrete *(in thousand m^3)*	8,525	7,928	+ 7.5 %
Aggregates *(in thousand tonnes)*	22,773	21,516	+ 5.8 %

Overall, sales growth reflects:

- higher volumes of cement sold, related to:
  - sustained growth in Turkey, which benefited from very favorable weather in the first half of the year and from a dynamic macroeconomic environment throughout the year,
  - increasing Group market share in India, in particular with the commercial launch of Vicat Sagar Cement in the course of the second quarter,
  - a strong business rebound in the United States, supported by an improving macroeconomic environment,
  - the positive growth of Jambyl Cement in Kazakhstan,
  - and lastly, solid growth of the business in Switzerland, which has benefited from a continued positive sector's environment;

- these effects were partially offset by:
  - economic and industry environment that remained difficult in France and Italy, coupled with bad weather conditions in the first quarter and fewer working days in France,
  - disruptions in production and sales in Egypt stemming from a difficult security situation, with some improvements nonetheless at the end of the year,
  - increased pressure on prices in India as a result of a difficult macroeconomic environment and more competition,
  - a slight fall in operations in West Africa as a result of lower prices recorded in Senegal and lower export volumes, in spite of solid domestic markets in Senegal and Mali.

Per business line:

- operational sales in the Cement business were up 1.2 % at constant consolidation scope and exchange rates. This growth stemmed from higher volumes in India, Turkey, Switzerland, Kazakhstan and the United States. Volumes fell slightly in West Africa and dropped in France, Egypt and Italy. Higher prices recorded in the United States, Turkey, Kazakhstan, Egypt and Italy allowed to compensate for declines in Senegal and especially India, which was hit by heightened competitive pressure. Overall, prices held steady in France, in spite of an unfavorable product mix at the end of the year;
- operational sales in the Concrete & Aggregates business grew by 6.8 % at constant consolidation scope and exchange rates. This performance resulted from a steady increase in sales volumes of cement across all regions apart from France, and of aggregates, except in Senegal;
- operational sales in Other Products & Services grew by 1.6 % at constant consolidation scope and exchange rates.

Breakdown of consolidated sales by geographical area:

(in millions of euros)	2013	%	2012	%
France	856	37.4 %	879	38.4 %
Europe (excluding France)	427	18.7 %	411	17.9 %
United States	221	9.7 %	196	8.6 %
Asia	461	20.2 %	442	19.3 %
Africa and Middle East	322	14.1 %	364	15.9 %
TOTAL	**2,286**	**100.0**	**2,292**	**100.0**

Breakdown of operating sales in 2013 by geographic region and by business activity:

(in millions of euros)	Cement	Concrete and Aggregates	Other Products & Services	Inter-sector eliminations	Consolidated net sales
France	366	437	232	(179)	856
Europe (excluding France)	180	175	128	(55)	427
United States	97	159	-	(35)	221
Asia	387	108	40	(74)	461
Africa and Middle East	303	21	-	(2)	322
Operating sales	**1,333**	**899**	**400**	**(346)**	**2,286**
Inter-sector eliminations	(223)	(23)	(100)	346	-
CONSOLIDATED SALES	**1,110**	**876**	**300**	**-**	**2,286**

1

1.2. CHANGE IN OPERATING PROFITABILITY

(in millions of euros)	2013	2012 restated*	Variation	Exchange rate effect	Consolidation scope effect	Internal growth
Sales	2,286.0	2,292.2	- 0.3 %	- 3.4 %	+ 0.2 %	+ 2.9 %
EBITDA	426.7	437.4	- 2.4 %	- 2.7 %	-	+ 0.3 %
EBIT	234.2	243.3	- 3.7 %	- 1.8 %	-	- 1.9 %
Operating Income	229.6	243.0	- 5.5 %	- 1.6 %	-	- 3.9 %

* *In accordance with IAS 19R.*

The Group's consolidated EBITDA fell by 2.4 % compared with 2012, to €427 million, and was stable (+ 0,3 %) at constant consolidation scope and exchange rates.

Operational profitability at constant consolidation scope and exchange rates was primarily affected by the following factors:

- difficult operating and sales conditions in Egypt owing to the deteriorated security situation;
- the unfavorable price effect in West Africa in 2012 that gave full effect in 2013;
- lower cement volumes in France;
- the launch of the Vicat Sagar Cement factory in India in a difficult macroeconomic climate, and higher electricity and transport costs.

These factors were offset mainly by:

- the sale of CO_2 quotas in Switzerland;
- the sharp rise in EBITDA in Kazakhstan, Switzerland, Turkey and to a lesser extent Italy;
- the return to operational profitability in the United States.

Taking these factors into account, alongside slightly lower amortization costs and provisions, EBIT fell by a slight 1.9 % over the period at constant consolidation scope and exchange rates.

1.2.1. CHANGE IN OPERATING INCOME BY GEOGRAPHICAL AREA

1.2.1.1. Income statement — France

(in millions of euros)	2013	2012 restated*	Change (%) Published	Change (%) At constant consolidation scope
Consolidated sales	856	879	- 2.7 %	- 3.3 %
EBITDA	159	163	- 2.2 %	- 2.1 %
EBIT	98	104	- 5.1 %	- 5.1 %

* *In accordance with IAS 19R.*

Sales in France fell 3.3 % in 2013. This decline was mainly due to the weak economic environment, particularly in the construction sector, adverse weather conditions at the start of the year, and the fact that there were two fewer business days in 2013 than in 2012. EBITDA came in down 2.1 %. EBITDA margin (EBITDA/consolidated sales) rose very slightly from 18.5 % in 2012 to 18.6 %.

- **In the Cement division,** sales fell by 7.6 %. Operational sales (before inter-sector eliminations) fell 6.1 %. This drop resulted from a 5.6 % fall in volumes, due to adverse weather conditions at the start of the year and a difficult economic and sector environment throughout the year. Average selling prices were stable over the year as a whole, despite a deterioration in the product mix. EBITDA fell 7.5 %, mainly because of lower volumes. As a result, EBITDA margin on operational sales contracted very slightly compared with 2012.

- Sales in the **Concrete & Aggregates division** rose by 0.5 %. Concrete volumes fell by around 1 %, while aggregates volumes rose 5 %. Average selling prices were slightly higher in concrete, but fell in the aggregates business. In 2013 as a whole, the division's EBITDA in France rose 19.2 %, resulting in a much higher EBITDA margin on operational sales than in 2012.
- **In the Other Products & Services division,** consolidated sales decreased by 5.6 %. Despite lower business levels, EBITDA was near-flat (- 1.0 %) and EBITDA margin on operational sales rose slightly.

1.2.1.2. Income statement — Europe (excl. France)

			Change (%)	
(in millions of euros)	2013	2012 restated*	Published	At constant consolidation scope and exchange rates
Consolidated sales	427	411	+ 4.0 %	+ 6.0 %
EBITDA	114	105	+ 9.0 %	+ 11.2 %
EBIT	85	76	+ 12.4 %	+ 14.7 %

* *In accordance with IAS 19R.*

In Europe ex-France, sales rose by 6.0 %. EBITDA in this geographical region increased by 11.2 %, with EBITDA margin rising in both Switzerland and Italy.

In Switzerland, sales totalled €407 million, representing a solid increase in a market that remained buoyant throughout the year. EBITDA also rose 10.3 %. EBITDA margin (EBITDA/consolidated sales) came in at 27.2 %, up from 26.5 % in 2012.

- **In Cement,** consolidated sales amounted to €113 million, with firm volume growth but a slight fall in selling prices. EBITDA in the Swiss cement business rose 12.0 % (after taking into account the proceeds from selling CO_2 quotas) relative to 2012.
- **In the Concrete & Aggregates business,** sales rose by 13.1 % in 2013. Selling prices rose slightly in concrete but fell in aggregates due to a small adverse shift in the product mix. On this basis, EBITDA in the Swiss concrete and aggregates business rose 12.4 % in 2013. EBITDA margin on operational sales was stable relative to 2012.
- **The Other Products & Services division** posted a 2.2 % increase in sales. EBITDA rose 1.8 % relative to 2012.

In Italy, sales fell 18.1 % in 2013, due to very tough macroeconomic and sector conditions. The increase in selling prices failed to offset the impact of the 25 % drop in volumes. However, the targeted commercial policy resulted in a 53.2 % increase in EBITDA relative to 2012. As a result, EBITDA margin on operational sales also rose sharply in 2013.

1.2.1.3. Income statement — United States

			Change (%)	
(in millions of euros)	2013	2012 restated*	Published	At constant consolidation scope and exchange rates
Consolidated sales	221	196	+ 12.6 %	+ 16.5 %
EBITDA	5	(5)	NC	NC
EBIT	(17)	(36)	+ 51.6 %	+ 49.9 %

* *In accordance with IAS 19R.*

Sales in the United States saw growth of 16.5 %. This reflects the confirmed gradual upturn in the US economy in 2013. Volume growth accelerated as the year went on, and was accompanied by moderate price increases, which varied between the Southeast and California.

EBITDA amounted to €5 million in 2013 as opposed to a loss of €5 million in 2012. The loss at the EBIT level halved, from €36 million in 2012 to €17 million in 2013.

- **In the Cement business,** consolidated sales rebounded strongly with growth of 6.3 % in 2013, while operational sales were up 10.3 %. The upturn in volumes was confirmed in 2013, with growth slightly above 5 %. However, although there was firm growth in California due to the start of infrastructure projects, volumes in the Southeast fell slightly in 2013 as a whole, the result of particularly poor weather conditions. Although selling prices rose only slightly in California, increases were much stronger in the Southeast. Overall, Group EBITDA was positive at €2 million, versus a €3 million loss in 2012.
- **In the Concrete business,** sales increased by 21.0 %. This was due to growth of over 16 % in selling volumes, with an increase in both California and the Southeast. This growth was accompanied by a solid rise in selling prices in each of the Group's operating regions. As a result, the Group generated positive EBITDA of €3 million versus a loss of €2 million in 2012, again reflecting the substantial improvement that took place throughout 2013.

1.2.1.4. Income statement — Asia (Turkey, India, Kazakhstan)

(in millions of euros)	2013	2012 restated*	Change (%) Published	At constant consolidation scope and exchange rates
Consolidated sales	461	442	+ 4.2 %	+ 14.8 %
EBITDA	85	92	- 7.0 %	+ 1.2 %
EBIT	42	54	- 22.6 %	- 16.8 %

* *In accordance with IAS 19R.*

In Turkey, sales rose by 16.5 % to €235 million in 2013. In the first half of 2013, the Group, like the industry as a whole, enjoyed good weather conditions and a positive macroeconomic and sector environment. However, sales grew more slowly at the end of the year because of much tougher weather conditions than those seen in late 2012. EBITDA rose 16.5 % in 2013 at constant scope and exchange rates, with EBITDA margin on consolidated sales almost unchanged at 21.7 %.

- **In the Cement division,** consolidated sales grew 16.7 %. This was the result of a firm 4 % increase in volumes, combined with higher selling prices. As a result, EBITDA in this division rose 19.2 % relative to 2012, and EBITDA margin on operational sales increased further.
- Sales in the **Concrete & Aggregates business** were up 16.3 %. Concrete and aggregates volumes rose over 8 %, supported by large residential projects, particularly in the Ankara region. EBITDA rose 6.2 %, with EBITDA margin on operational sales almost unchanged.

In India, sales totalled €155 million in 2013, up 12.7 %. With the start of operations at Vicat Sagar, volumes grew almost 28 %, and the Group delivered over 3.2 million tonnes of cement in 2013. However, the macroeconomic and sector environment remained tough throughout 2013, with a sharp slowdown in infrastructure investments ahead of the elections scheduled for spring 2014. Selling prices remained highly volatile and fell sharply over 2013 as a whole.

Given this operating environment, along with the cost of starting up the Vicat Sagar plant in the first quarter and increases in electricity and transportation costs, EBITDA fell 64.5 % at constant scope and exchange rates relative to 2012.

In Kazakhstan, the Group continued its development in this high-potential market, with volumes up almost 5 % to over 1 million tonnes in 2013. Prices were also firm. Sales rose 14.3 % to €71 million in 2013. This performance was driven by positive momentum in the Kazakh construction market, the gradually increasing efficiency of the Group's production facility and also the steady expansion of its catchment areas. EBITDA rose 99.2 % and EBITDA margin on operational sales jumped from 20.0 % in 2012 to 34.9 % in 2013.

1.2.1.5. Income statement — Africa and Middle East

(in millions of euros)	2013	2012 restated*	Change (%) Published	Change (%) At constant consolidation scope and exchange rates
Consolidated sales	322	364	- 11.6 %	- 7.6 %
EBITDA	63	83	- 24.9 %	- 22.6 %
EBIT	26	46	- 42.7 %	- 42.5 %

* *In accordance with IAS 19R.*

In Africa and the Middle East, consolidated sales fell by 7.6 % at constant scope and exchange rates. EBITDA came to €63 million in 2013 compared with €83 million in 2012.

In Egypt, consolidated sales were down 14.1 %, due to a 27 % drop in volumes. This decline was partly offset by an increase in average selling prices in 2013 as a whole. Group business levels were again affected by the difficult security situation in 2013, which hampered the plant's operations and made it harder to sell its production. As a result, Group EBITDA fell 46.3 % relative to 2012.

In West Africa, sales fell by 4.7 % year-on-year. Cement volumes were down 2.1 %. Although selling prices gradually stabilised in Senegal on a sequential basis, they were lower than in 2012. Vicat's EBITDA for the region was down 13.4 % compared with 2012.

1.2.2. CHANGE IN OPERATING PROFITABILITY PER BUSINESS

The following paragraphs show the breakdown of operating income by business, as well as an analysis of the change between 2013 and 2012.

1.2.2.1. Change in operating income in the Cement business

(in millions of euros)	2013	2012 restated*	Variation	Organic change
Operational sales	1,333	1,377	- 3.2 %	+ 1.2 %
Inter-sector eliminations	(223)	(221)		
Contribution to consolidated sales	1,110	1,156	- 4.0 %	+ 0.9 %
EBITDA	314	336	- 6.5 %	- 3.5 %
EBIT	179	202	- 11.4 %	- 9.6 %

* *In accordance with IAS 19R.*

Consolidated sales in the Cement division fell 4.0 %, but rose 0.9 % at constant scope and exchange rates. Movements in average selling prices differed between the Group's regions. They were flat overall in France and rose significantly in Turkey, Kazakhstan, Egypt, the United States and Italy, making up for the decline seen in India and West Africa. This overall stability in selling prices was accompanied by a 0.9 % increase in volumes. Lower volumes in France, Egypt, West Africa and Italy were fully offset by the build-up of Vicat's business in India and Kazakhstan, firm momentum in Turkey and Switzerland, and the confirmed upturn in the United States.

EBITDA came to €314 million, representing a decline of 3.5 % at constant scope and exchange rates. The fall in EBITDA in India, West Africa and the Middle East, and the more moderate decline seen in France, was only partly offset by EBITDA growth in Kazakhstan, the United States, Switzerland, Turkey and Italy. EBITDA margin (EBITDA/operational sales) came in at 23.6 %, down from 24.4 % in 2012.

EBIT was €179 million, affected by the fall in EBITDA and increased depreciation and amortisation charges arising from the start of Vicat Sagar's operations in India.

1.2.2.2. Change in the operating income of the Ready-mixed concrete & Aggregates business

(in millions of euros)	2013	2012 restated*	Variation	Organic change
Operational sales	899	855	+ 5.2 %	+ 6.8 %
Inter-sector eliminations	(23)	(29)		
Contribution to consolidated sales	876	826	+ 6.1 %	+ 7.7 %
EBITDA	80	68	+ 18.0 %	+ 20.0 %
EBIT	34	20	+ 70.3 %	+ 72.9 %

* *In accordance with IAS 19R.*

Consolidated sales in the Concrete & Aggregates business were up 6.1 % or 7.7 % at constant scope and exchange rates. Concrete delivery volumes grew by 7.5 % over the period, while Aggregates volumes moved up 5.8 %.

This growth was driven by higher business levels in all countries in which the Group operates, except Senegal.

On this basis, EBITDA rose 20.0 % at constant scope and exchange rates, and EBITDA margin rose strongly in almost all countries except Senegal to 8.9 % overall, versus 7.9 % in 2012.

1.2.2.3. Change in the operating income of Other Products & Services

(in millions of euros)	2013	2012 restated*	Variation	Organic change
Operational sales	400	401	- 0.1 %	+ 1.6 %
Inter-sector eliminations	(100)	(91)		
Contribution to consolidated sales	300	310	- 3.4 %	- 2.4 %
EBITDA	33	34	- 2.9 %	- 1.4 %
EBIT	21	21	- 1.2 %	+ 0.4 %

* *In accordance with IAS 19R.*

Consolidated sales recorded by the Other Products & Services division fell 3.4 % or 2.4 % at constant scope and exchange rates.

EBITDA fell very slightly to €33 million and EBITDA margin (EBITDA/operational sales) came in at 8.2 %, down from 8.5 % in 2012.

1.2.3. CHANGE IN FINANCIAL INCOME

(in millions of euros)	2013	2012 restated*	Change
Cost of net financial debt	(44.0)	(34.4)	- 27.7 %
Other financial income and expenses	(9.0)	(4.4)	- 109.5 %
Net financial income	(53.0)	(38.8)	- 36.8 %

* *In accordance with IAS 19R.*

The €14.2 million increase in overall financial expenses to €53.0 million is primarily due to higher net financial debt cost resulting from the end of the financial expenses capitalization period following the launch of Vicat Sagar Cement and Gulbarga Power in India, partially offset by lower financial expenses in France as a result of a reduction in the debt of the parent company. Moreover, other net financial income and expenses recorded both the increase in discounting expenses (IAS 19R) and negative changes in fair value of financial instruments (IAS 39).

1.2.4. CHANGE IN TAXES

(In millions of euros)	2013	2012 restated*	Change
Current taxes	(74.5)	(72.4)	- 3.0 %
Deferred tax	17.3	12.9	+ 33.9 %
TOTAL TAXES	**(57.2)**	**(59.5)**	**+ 3.7 %**

* *In accordance with IAS 19R.*

The 3.7 % decline in income tax expenses stemmed from a 13.6 % decrease in current profit (loss) before income tax and an increase in the Group's average tax rate to 32.4 %, against 29.1 % at December 31, 2012.

This increase in the average tax rate resulted from a 6 point increase in the average income tax rate levied on French businesses, resulting in:

- the increase from 36 % to 38 % (€1.2 million) in the rate applicable in France;
- the 85 % limit on the deductibility of financial expenses in France (impact of €0.9 million);
- the additional tax on dividends paid (3 %) implemented in France this year (impact of €2 million);
- higher deductions at source resulting from higher dividends paid in France and shared charges and expenses on these dividends.

1.2.5. CHANGE IN CONSOLIDATED NET INCOME

Consolidated net income fell by 14.7 % to €123 million at constant consolidation scope and exchange rates, including a Group share of €120.3 million, down 4.5 % at constant consolidation scope and exchange rates.

1.3. CHANGE IN FINANCIAL STRUCTURE

At December 31, 2013, the Group had a solid financial structure with significant shareholders' equity and net debt reduced by €80 million. Net debt excluding a put option and including financial instruments was €1,065 million.

On this basis, the Group's gearing and leverage at December 31, 2013 improved and were 46.5 % and 2.49xEBITDA, respectively.

(in millions of euros)	2013	2012 (revised)	Change
Gross financial debt	1,307	1,382	- 75
Cash and cash equivalents	(242)	(237)	+ 5
Net financial debt (excluding put option)	1,065	1,145	- 80
Consolidated shareholders' equity	2,292	2,415	- 123
Gearing	46.5 %	47.4 %	- 0.9pt
EBITDA *(in millions of euros)*	426.7	437.4	- 10.7
Leverage	x2.49	x2.62	0.13pt

The medium and long-term loan agreements contain specific covenants, especially as regards compliance with financial ratios. Considering the small number of companies concerned (essentially Vicat SA, the Group's parent company), the net debt level and the liquidity of the Group's balance sheet, the existence of these covenants does not constitute a risk for the Group's financial position. As at December 31, 2013, the Group is compliant with all ratios required by covenants included in financing agreements.

As at December 31, 2013, the Group had €326 million in unused confirmed lines of credit that have not been allocated to the hedging of liquidity risk on commercial paper (€416 million as at December 31, 2012).

The Group also has a €300 million commercial paper issue program. As at December 31, 2013, commercial paper issued by the Group amounted to €290 million. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit for the amount issued and classified as medium-term borrowings in the consolidated balance sheet.

As at December 31, 2013, the Group had the following confirmed financing facilities, used and/or available:

December 31, 2013	Borrower	Year set up	Currency	Authorization in millions Currencies	€	Use *(in millions of euros)*	Maturity	Fixed rate (FR)/Variable rate (VR)
US Private Placement	**VICAT SA**	**2003**	**$**	**120.0**	**105.9**	**105.9**	**2015**	**VR/FR**
	VICAT SA	**2011**	**$**	**450.0**	**339.3**	**339.3**	**2017 to 2022**	**FR**
		2011	**€**	**60.0**	**60.0**	**60.0**	**2017**	**FR**
Syndicated loan	VICAT SA	2011	€	480.0	480.0	*	2016	VR
Bank bilateral lines	VICAT SA	2009	€	240.0	240.0	*	2014	VR
	VICAT SA	Without	€	11.0	11.0	*	Without	VR
Total bank lines(1)	**VICAT SA**		**€**	**731.0**	**731.0**	**410.0**	**2014 and 2016**	**VR**
	Parficim	2012	€	17.0	17.0	17.0	2022	VR
	Sococim	2009	FCFA	45 000.0	68.6	64.0	2014	FR
	Vigier	2009	CHF	17.0	13.9	13.9	2014 to 2019	FR
	Vigier	2011	CHF	30.0	24.4	24.4	2014	FR
	Jambyl	2008	$	35.7	26.2	26.2	2014 to 2018	VR
	Jambyl	2008	$	44.0	32.4	32.4	2014 to 2015	VR
	VSCL	2011	$	70.0	37.9	37.9	2014 to 2021	FR
	VSCL	2011	€	83.8	61.5	61.5	2014 to 2021	FR
	VSCL	2011	€	55.0	41.1	41.1	2014 to 2018	FR
	Gulbarga	2012	€	12.0	12.4	12.4	2016 to 2025	VR
TOTAL SUBSIDIARIES' LOANS OR BILATERAL LINES					**335.4**	**330.8**		
Impact of IAS 39						9.3		
TOTAL MEDIUM-TERM					**1571.6**	**1255.3**		
Other liabilities						51.4		
GROSS TOTAL DEBT(2)					**1571.6**	**1306.7**		

(1) "Total bank lines" corresponds to all confirmed lines of credit from which the Company benefits, essentially for a duration of one or five years at the outset, where the authorized total amount is € 731 million. These lines of credit are used depending on the Company's financing requirements by drawdown of notes and hedging the liquidity risk of the commercial paper program, bearing in mind that the total amount of drawdowns and notes issued must not exceed the authorized total amount. As at December 31, 2013, € 30 million of the bank bilateral lines of € 240 million was used. The syndicated loan has been used to the extent of € 380 million, partly (€ 290 million) to hedge commercial paper. Given the ability to substitute these lines of credit between one another, and the possible re-allotment of drawdowns for the longest line, this information is presented as an overall amount.
(2) The amount of' gross debt used does not include the liability relating to put options (€ 12.0 million).

As at December 31, 2013, €898 million of the total gross debt of €1,307 million was at fixed interest rates. Apart from a portion of the Kazakhstan debt, the share of the debt at variable interest rates is hedged by a total of €342 million in hedging instruments (caps and swaps).

1.4. OUTLOOK AND OBJECTIVES

1.4.1. THE GROUP'S BUSINESS PROSPECTS IN ITS MARKETS

For a discussion of the salient facts for its various markets, the Group refers readers to the information reported when its 2013 results were published.

With respect to 2014, the Group would like to give the following assessments of the different markets in which it operates:

- **in France**, the Group forecasts that its sector will slowly stabilize in 2014, given the current low levels of consumption and a macroeconomic situation that is expected to improve only very gradually. Consequently, the Group anticipates slightly lower volumes in a pricing environment that should remain relatively favorable;
- **in Switzerland**, volumes will suffer from an unfavorable basis of comparison, following a particularly strong showing in 2013, in a context of expected price stabilization;
- **in Italy**, given a macroeconomic environment still likely to be affected by the economic crisis, volumes are expected to be down once again, but should gradually begin to decline less steeply. However, given the first signs of consolidation in this market and the Group's selective business approach, selling prices should remain strong;
- **in the United States**, volumes are expected to ramp up once again, in line with the pace of macroeconomic recovery in the country, with strongly higher selling prices from the second quarter of the year;
- **in Turkey**, which is entering a year of local and presidential elections, the Group's performance is expected to benefit from continuing favorable industry trends, but amid a macroeconomic environment driven by foreign exchange volatility and higher interest rates. In addition, volumes in 2014 are expected to suffer early in the year from an unfavorable basis of comparison owing to the strong deviation from seasonal weather patterns in the first half of 2013. In this context, the Group expects continuing improvement in performance in this country, but at a slower pace than in the past;
- **in Egypt**, affected by a situation that still offers very limited visibility, the gradual restoration of security should allow the Group's business to return to growth, accompanied by improvements in performance. The Group is confident of positive developments in the Egyptian market in the medium and long term;
- **in West Africa**, the market is expected to remain broadly positive in terms of consumption. Price movements may be affected by the possible arrival of a new competitor, among other factors. In the medium term, the Group remains confident in its ability to take full advantage of its modern production facilities, its knowledge of the Senegalese market, and its export capacities across the entire region;
- **in India**, the low level of infrastructure investment is expected to continue to shape the market environment in the short term, in anticipation of elections scheduled to be held in April 2014. Against this backdrop, prices will remain very volatile and probably still under pressure ahead of a gradual recovery in investments expected during the second half of 2014. In the medium and long term, the Group remains very confident in its ability to take full advantage of the quality of its production facilities and its positions in a market still offering particularly attractive growth potential;
- **in Kazakhstan**, buoyed by its strong geographic position and highly efficient production facilities, the Group is well placed to take full advantage of a market expected to remain strong in terms of both volumes and prices.

1.4.2. GROUP OBJECTIVES

In the context described above, and with the industrial and commercial start-up of its Vicat Sagar Cement greenfield plant in India in May 2013, the Vicat Group has completed its ambitious investment program which has enabled it to significantly strengthen its geographical diversification, while at the same time paving the way for long-term profitable growth.

The Group now intends to take advantage of its strong market positions, the quality of its industrial plant, and its strict control of costs to effectively maximize its generation of cash flow and reduce its debt level, before embarking on a new phase in its international growth strategy.

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013

2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2013

(in thousands of euros)	*Notes*	**December 31, 2013**	**December 31, 2012***
ASSETS			
Non-current assets			
Goodwill	*3*	946,569	995,320
Other intangible assets	*4*	100,103	100,417
Tangible assets	*5*	2,102,012	2,271,210
Investment properties	*7*	19,107	19,557
Investments in associated companies	*8*	38,213	37,731
Deferred tax assets	*25*	101,671	89,162
Receivables and other non-current financial assets	*9*	133,738	100,332
TOTAL NON-CURRENT ASSETS		3,441,413	3,613,729
Current assets			
Inventories and work-in-progress	*10*	359,712	381,893
Trade and other receivables	*11*	348,309	354,877
Current tax assets		29,866	29,455
Other receivables and related accounts	*11*	127,963	146,458
Cash and cash equivalents	*12*	241,907	237,344
TOTAL CURRENT ASSETS		1,107,757	1,150,027
TOTAL ASSETS		**4,549,170**	**4,763,756**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	*13*	179,600	179,600
Additional paid-in capital		11,207	11,207
Consolidated reserves		1,818,942	1,890,004
Shareholders' equity		**2,009,749**	**2,080,811**
Minority interests		**282,216**	**334,036**
SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		2,291,965	2,414,847
Non-current liabilities			
Provisions for pensions and other post-employment benefits	*14*	87,584	120,951
Other provisions	*15*	77,208	84,334
Financial debts and put options	*16*	1,201,953	1,197,703
Deferred tax liabilities	*25*	215,751	216,180
Other non-current liabilities		10,394	26,557
TOTAL NON-CURRENT LIABILITIES		1,592,890	1,645,725
Current liabilities			
Provisions	*15*	12,494	9,967
Financial debts and put options at less than one year	*16*	172,604	232,352
Trade and other accounts payable		276,633	260,189
Current taxes payable		25,354	27,751
Other liabilities	*18*	177,230	172,925
TOTAL CURRENT LIABILITIES		664,315	703,184
TOTAL LIABILITIES		2,257,205	2,348,909
TOTAL EQUITY AND LIABILITIES		**4,549,170**	**4,763,756**

* *As the revised version of IAS 19, which is mandatory for annual periods beginning on or after January 1, 2013, must also be applied retrospectively, the financial statements for the year ended December 31, 2012 were restated in compliance with the new standard for comparative purposes. The impacts of these restatements are reflected in note 35.*

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED ON DECEMBER 31, 2013

(in thousands of euros)	Notes	December 31, 2013	December 31, 2012*
Sales	*19*	**2,285,983**	**2,292,219**
Goods and services purchased		(1,481,668)	(1,461,292)
Added value	*1.22*	**804,315**	**830,927**
Personnel costs	*20*	(366,833)	(366,653)
Taxes		(42,971)	(43,866)
Gross operating income	*1.22 & 23*	**394,511**	**420,408**
Depreciation, amortization and provisions	*21*	(188,888)	(193,525)
Other income and expenses	*22*	23,964	16,162
Operating Income	*23*	**229,587**	**243,045**
Cost of net financial debt	*24*	(43,989)	(34,443)
Other financial income	*24*	10,290	7,869
Other financial expenses	*24*	(19,314)	(12,176)
Net financial income (expense)	*24*	**(53,013)**	**(38,750)**
Earnings from associated companies	*8*	3,913	3,050
Profit (loss) before tax		**180,487**	**207,345**
Income tax	*25*	(57,246)	(59,458)
Consolidated net income		**123,241**	**147,887**
Portion attributable to minority interests		2,982	18,862
Portion attributable to the Group		**120,259**	**129,025**
EBITDA	*1.22 & 23*	**426,692**	**437,382**
EBIT	*1.22 & 23*	**234,245**	**243,290**
Cash flows from operations	*1.22*	**290,978**	**328,871**
EARNINGS PER SHARE *(in euros)*			
Basic and diluted Group share of net earnings per share	*13*	2.68	2.87

* *As the revised version of IAS 19, which is mandatory for annual periods beginning on or after January 1, 2013, must also be applied retrospectively, the financial statements for the year ended December 31, 2012 were restated in compliance with the new standard for comparative purposes. The impacts of these restatements are reflected in note 35.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2013

(in thousands of euros)	December 31, 2013	December 31, 2012*
Consolidated net income	**123,241**	**147,887**
Other comprehensive income		
Items not recycled to profit or loss:		
Remeasurement of the net defined benefit liability	41,470	(25,093)
Tax on non-recycled items	(11,729)	6,015
Items recycled to profit or loss:		
Net income from change in translation differences	(198,311)	(47,708)
Cash flow hedge instruments	(5,256)	(22,972)
Tax on recycled items	2,131	8,897
Other comprehensive income (after tax)	**(171,695)**	**(80,861)**
TOTAL COMPREHENSIVE INCOME	**(48,454)**	**67,026**
Portion attributable to minority interests	(37,357)	3,670
Portion attributable to the Group	**(11,097)**	**63,356**

* *As the revised version of IAS 19, which is mandatory for annual periods beginning on or after January 1, 2013, must also be applied retrospectively, the financial statements for the year ended December 31, 2012 were restated in compliance with the new standard for comparative purposes. The impacts of these restatements are discussed in note 35.*

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013

(in thousands of euros)	Notes	December 31, 2013	December 31, 2012*
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income		**123,241**	**147,887**
Earnings from associated companies		(3,913)	(3,051)
Dividends received from associated companies		335	1,582
Elimination of non-cash and non-operating items:			
- depreciation, amortization and provisions		191,784	199,767
- deferred taxes		(17,282)	(12,743)
- net (gain) loss from disposal of assets		(4,964)	(2,918)
- unrealized fair value gains and losses		986	(1,619)
- other		793	(34)
Cash flows from operating activities	*1.22*	**290,980**	**328,871**
Change in working capital requirement		45,526	(21,412)
Net cash flows from operating activities(1)	*27*	**336,506**	**307,459**
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows linked to acquisitions of non-current assets:			
- property, plant and equipment and intangible assets		(175,589)	(268,963)
- financial investments		(9,814)	(4,203)
Inflows linked to disposals of non-current assets:			
- property, plant and equipment and intangible assets		9,875	7,625
- financial investments		5,137	3,429
Impact of changes in consolidation scope		(8,793)	(10,646)
Net cash flows from investing activities	*28*	**(179,184)**	**(272,758)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(79,877)	(87,993)
Increases in share capital			3,870
Proceeds from borrowings		102,905	108,334
Repayments of borrowings		(155,183)	(177,197)
Acquisitions of treasury shares		(12,162)	(10,472)
Disposals or allocations of treasury shares		16,645	14,165
Net cash flows from financing activities		**(127,672)**	**(149,293)**
Impact of changes in foreign exchange rates		(28,917)	(4,342)
Change in cash position		**733**	**(118,934)**
Net cash and cash equivalents – opening balance	*29*	225,079	344,013
Net cash and cash equivalents – closing balance	*29*	225,812	225,079

* *As the revised version of IAS 19, which is mandatory for annual periods beginning on or after January 1, 2013, must also be applied retrospectively, the financial statements for the year ended December 31, 2012 were restated in compliance with the new standard for comparative purposes. The impacts of these restatements are discussed in note 35.*

(1) *Of which cash flows from income tax: € (69,812) thousand in 2013 and € (59,982) thousand in 2012.*
Of which cash flows from interest paid and received: € (43,036) thousand in 2013 and € (30,434) thousand in 2012.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE YEAR ENDED DECEMBER 31, 2013

(in thousands of euros)	Share capital	Additional paid-in capital	Treasury shares	Consolidated reserves	Translation reserves	Shareholders' equity	Minority interests	Shareholders' equity and minority interests
AS OF JANUARY 1, 2012*	179,600	11,207	(83,890)	2,049,524	(76,052)	2,080,389	349,011	2,429,400
Consolidated net income				129,025		129,025	18,862	147,887
Other comprehensive income				(33,825)	(31,844)	(65,669)	(15,192)	(80,861)
Total comprehensive income*				**95,200**	**(31,844)**	**63,356**	**3,670**	**67,026**
Dividends paid				(66,039)		(66,039)	(22,124)	(88,163)
Net change in treasury shares			5,209	(994)		4,215		4,215
Changes in consolidation scope and additional acquisitions				(749)		(749)	(154)	(903)
Increase in share capital				(666)		(666)	4,239	3,573
Other changes				305		305	(606)	(301)
AS AT DECEMBER 31, 2012*	179,600	11,207	(78,681)	2,076,581	(107,896)	2,080,811	334,036	2,414,847
Consolidated net income				120,259		120,259	2,982	123,241
Other comprehensive income				23,613	(154,969)	(131,356)	(40,339)	(171,695)
Total comprehensive income				**143,872**	**(154,969)**	**(11,097)**	**(37,357)**	**(48,454)**
Dividends paid				(66,016)		(66,016)	(14,056)	(80,072)
Net change in treasury shares			4,736	(166)		4,570		4,570
Changes in consolidation scope and additional acquisitions							(51)	(51)
Increase in share capital								
Other changes				1,481		1,481	(356)	1,125
AT DECEMBER 31, 2013	**179,600**	**11,207**	**(73,945)**	**2,155,752**	**(262,865)**	**2,009,749**	**282,216**	**2,291,965**

* *As the revised version of IAS 19, which is mandatory for annual periods beginning on or after January 1, 2013, must also be applied retrospectively, the financial statements for the year ended December 31, 2012 were restated in compliance with the new standard for comparative purposes. The impacts of these restatements are discussed in note 35.*

Group translation differences as at December 31, 2013 are broken down by currency as follows *(in thousands of euros)*:

US dollar:	(16,345)
Swiss franc:	125,205
Turkish new lira:	(128,282)
Egyptian pound:	(53,588)
Kazakh tenge:	(35,355)
Mauritanian ouguiya:	(4,128)
Indian rupee:	(150,372)
	(262,865)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 ACCOUNTING POLICIES AND MEASUREMENT METHODS

1.1. Statement of compliance

In compliance with European Regulation (EC) 1606/2002 issued by the European Parliament on July 19, 2002 on the enforcement of International Accounting Standards, Vicat's consolidated financial statements have been prepared since January 1, 2005 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Vicat Group has adopted those standards in force on December 31, 2013 for its benchmark accounting policies.

Standards and interpretations published by the IASB but not yet in effect as at December 31, 2013 were not applied ahead of schedule in the Group's consolidated financial statements at the closing date. This mainly involves amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" and their impact on IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associated and Joint Ventures". These revised standards are applicable to the Group and have been assessed in order to determine their potential impact on the financial statements. The Group does not anticipate any material impact resulting from the application of these standards to the financial statements.

The consolidated financial statements for the year ended December 31, 2013 present comparative data for the previous year prepared under these same IFRSs. The accounting policies and methods applied in the financial statements for the year ended December 31, 2013 are consistant with those applied for the annual financial statements in 2012, with the exception of the revised version of IAS 19 "Employee Benefits", which is mandatory for annual periods beginning on or after January 1, 2013 and must also be applied retrospectively.

The main consequences of applying this revised standard are as follows:

- the Group's net employee commitments are fully recognized at each closing date. The option to apply the corridor method has been eliminated, and it is no longer possible to amortize actuarial gains and losses or past service costs resulting from changes in pension plans over the average remaining service life of the employees concerned;
- actuarial gains and losses and past service costs for which provisions were not set aside as at December 31, 2011 were offset in consolidated reserves for their amount net of tax as at January 1, 2012;
- actuarial gains and losses arising after January 1, 2012 are recognized under "Other comprehensive income" and are not recycled to profit or loss;
- effects of changes in pension plans on or after January 1, 2012 are fully recorded in the income statement for the period in which they occurred, under "Other income and expenses";
- the expected return on pension plan assets is measured using the same rate as the discount rate for employee benefit liabilities.

Due to the retrospective application of IAS 19 (revised), the financial statements for the year ended December 31, 2012 were restated in line with the new standard for comparative purposes. Detailed impacts of the first application of IAS 19 (revised) is provided in note 35.

IFRS 13 "Fair Value Measurement", which is also mandatory for annual periods beginning on or after January 1, 2013, defines fair value, sets out a framework for measuring fair value, and specifies the information on fair value measurement to be disclosed in the notes to financial statements. The application of this standard did not give rise to any change in the fair value hierarchy at December 31, 2013 compared with the categorization used at December 31, 2012, nor in the methods used to measure the fair value of financial instruments according to these categories.

The other standards that are mandatory for annual periods beginning on or after January 1, 2013 have no impact on the 2013 consolidated financial statements.

These financial statements were finalized and approved by the Board of Directors in its meeting of March 7, 2014 and will be submitted to the General Shareholders' Meeting of May 6, 2014 for approval.

1.2. Basis of preparation of financial statements

The financial statements are presented in thousands of euros.

The consolidated statement of comprehensive income is presented by type in two separate statements: the income statement and the statement of other comprehensive income.

The consolidated statement of financial position segregates current and non-current asset and liability accounts and splits them according to their maturity (divided, generally speaking, into maturities of less than and more than one year).

The statement of cash flows is presented according to the indirect method.

The financial statements are prepared using the historical cost method, except for the following assets and liabilities, which are recognized at fair value: derivatives, assets held for trading, assets available for sale, and the portion of assets and liabilities covered by hedging transactions.

The accounting policies and measurement methods described hereinafter have been applied on a permanent basis to all of the financial years presented in the consolidated financial statements.

The establishment of consolidated financial statements under IFRS requires the Group's management to make a number of estimates and assumptions, which have a direct impact on the financial statements. These estimates are based on the going concern principle and are established on the basis of the information available at the date they are carried out. They concern mainly the assumptions used to:

- value provisions (notes 1.17 and 15), in particular those for pensions and other post-employment benefits (notes 1.15 and 14);
- value the put options granted to third parties on shares in consolidated subsidiaries (notes 1.16 and 16);
- measure financial instruments at their fair value (notes 1.14 and 17);
- perform the valuations adopted for impairment tests (notes 1.4, 1.11 and 3);
- define the accounting principle to be applied in the absence of a definitive standard (notes 1.7 and 4 concerning emission quotas).

The estimates and assumptions are reviewed regularly, whenever justified by the circumstances, at least at the end of each year, and the pertinent items in the financial statements are updated accordingly.

1.3. Consolidation principles

When a company is acquired, its assets and liabilities are measured at their fair value at the acquisition date.

The earnings of the companies acquired or disposed of during the year are recorded in the consolidated income statement for the period subsequent or previous to the date of the acquisition or disposal, as appropriate.

The annual statutory financial statements of the companies at December 31 are consolidated, and any necessary adjusting entries are made to restate them in accordance with the Group accounting policies. All intercompany balances and transactions are eliminated during the preparation of the consolidated financial statements.

Subsidiaries

Companies that are controlled exclusively by Vicat, directly or indirectly, are fully consolidated.

Joint ventures

Joint ventures, which are jointly controlled and operated by a limited number of shareholders, are proportionately consolidated.

Associated companies

Investments in associated companies over which Vicat exercises notable control are reported using the equity method. Any goodwill generated on the acquisition of these investments is presented on the line “Investments in associated companies (equity method);

The list of the main companies included in the consolidation scope as at December 31, 2013 is provided in note 34.

1.4. Business combinations – goodwill

With effect from January 1, 2010, business combinations are reported in accordance with IFRS 3 “Business Combinations” (revised) and IAS 27 “Consolidated and Separate Financial Statements” (revised). As these revised standards apply prospectively, they do not affect business combinations carried out before January 1, 2010.

Business combinations carried out before January 1, 2010

These are reported using the acquisition method. Goodwill corresponds to the difference between the acquisition cost of the shares in the acquired company and the purchaser’s *pro-rata* share in the fair value of all identified assets, liabilities and contingent liabilities at the acquisition date. Goodwill on business combinations carried out after January 1, 2004 is reported in the currency of the company acquired. Applying the option offered by IFRS 1, business combinations completed before the transition date of January 1, 2004 have not been restated, and the goodwill arising from them has been maintained at its net value in the balance sheet prepared according to French GAAP as at December 31, 2003.

In the event that the *pro-rata* share of interests in the fair value of net assets, liabilities and contingent liabilities acquired exceeds their cost (“negative goodwill”), the full amount of this negative goodwill is recognized in the income statement of the reporting period in which the acquisition was made, except for acquisitions of minority interests in a company already fully consolidated, in which case this amount is recognized in the consolidated shareholders’ equity.

The values of assets and liabilities acquired through a business combination must be definitively determined within 12 months of the acquisition date. These values may thus be adjusted at any closing date within that time frame.

Minority interests are valued on the basis of their *pro-rata* share in the fair value of the net assets acquired.

If the business combination takes place through successive purchases, each material transaction is treated separately, and the assets and liabilities acquired are so valued and goodwill thus determined.

Business combinations carried out on or after January 1, 2010

IFRS 3 “Business Combinations” (revised), which is mandatory for business combinations carried out on or after January 1, 2010, introduced the following main changes compared with the previous IFRS 3 (before revision):

- goodwill is determined once, on the date the acquirer obtains control.

The Group then has the option, in the case of each business combination, upon obtaining control, to value the minority interests:

- either at their *pro-rata* share in the identifiable net assets of the company acquired ("partial" goodwill option),
- or at their fair value ("full" goodwill option).

Measurement of minority interests at fair value has the effect of increasing the goodwill by the amount attributable to such minority interests, resulting in the recognition of a "full" goodwill;

- any adjustment in the acquisition price at fair value from the date of acquisition is to be reported, with any subsequent adjustment occurring after the 12-month appropriation period from the date of acquisition to be recorded in the income statement;
- the costs associated with the business combination are to be recognized in the expenses for the period in which they were incurred;
- in the case of combinations carried out in stages, upon obtaining control the previous holding in the company acquired is to be revalued at fair value on the date of acquisition and any gain or loss which results is to be recorded in the income statement.

In compliance with IAS 36 (see note 1.11), at the end of each year, and in the event of any evidence of impairment, goodwill is subjected to an impairment test, consisting of a comparison of its net carrying cost with its value in use as calculated on a discounted projected cash flow basis. When the latter is below carrying cost, an impairment loss is recognized for the corresponding loss of value.

1.5. Foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated into the operating currency at the exchange rates in effect on the transaction dates. At the end of the year, all monetary assets and liabilities denominated in foreign currencies are translated into the operating currency at the year-end exchange rates, and the resulting exchange rate differences are recorded in the income statement.

Translation of financial statements of foreign companies

All assets and liabilities of Group companies denominated in foreign currencies that are not hedged are translated into euros at the year-end exchange rates, while income and expense and cash flow statement items are translated at average exchange rates for the year. The ensuing translation differences are recorded directly in shareholders' equity.

In the event of a later sale, the cumulative amount of translation differences relating to the net investment sold and denominated in foreign currency is recorded in the income statement. Applying the option offered by IFRS 1, translation differences accumulated before the transition date were zeroed out by allocating them to consolidated reserves at that date. They will not be recorded in the income statement in the event of a later sale of these investments denominated in foreign currency.

The following foreign exchange rates were used:

	Closing rate		Average rate	
	2013	**2012**	**2013**	**2012**
US dollar (USD)	1.3791	1.3194	1.3303	1.2856
Swiss franc (CHF)	1.2276	1.2072	1.2308	1.2053
Egyptian pound (EGP)	9.5597	8.3928	9.1296	7.8159
Turkish new lira (TRL)	2.9605	2.3551	2.5357	2.3145
Kazakh tenge (KZT)	211.8400	199.2200	202.1500	191.8700
Mauritanian ouguiya (MRO)	400.5829	400.3785	396.1750	385.5700
Indian rupee (INR)	85.3660	72.5600	77.8751	68.6295

1.6. Other intangible assets

Intangible assets (mainly patents, rights and software) are recorded in the consolidated statement of financial position at historical cost less accumulated amortization and any impairment losses. This cost includes acquisition or production costs and all other directly attributable costs incurred for the acquisition or production of the asset and for its commissioning.

Assets with finite lives are amortized on a straight-line basis over their useful lives (generally not exceeding 15 years).

Research costs are recognized as expenses in the period in which they are incurred. Development costs meeting the criteria defined by IAS 38 are capitalized.

1.7. Emission quotas

In the absence of a definitive IASB standard or interpretation concerning greenhouse gas emission quotas, the following accounting treatment has been applied:

- quotas allocated by the States related to National Quota Allocation Plans are not recorded, either as assets or liabilities;
- only the quotas held in excess of the cumulative actual emissions are recorded in the intangible assets at year end;
- surpluses, quota sales and quota swaps (EUA) against Certified Emission Reductions (CERs) are recognized in the income statement for the year.

1.8. Property, plant and equipment

Property, plant and equipment are reported in the consolidated statement of financial position at historical cost less accumulated depreciation and any impairment losses, using the component approach provided for in IAS 16. When an article of property, plant and equipment comprises several significant components with different useful lives, each component is amortized on a straight-line basis over its respective useful life, starting at commissioning.

The main amortization periods are presented below depending on the assets category:

	Cement assets	Concrete & Aggregates assets
Civil engineering	15 to 30 years	15 years
Major installations	15 to 30 years	10 to 15 years
Other industrial equipment	8 years	5 to 10 years
Electricity	15 years	5 to 10 years
Controls and instruments	5 years	5 years

Quarries are amortized on the basis of tonnage extracted during the year in comparison with total estimated reserves.

Certain parcels of land owned by French companies acquired prior to December 31, 1976 were revalued, and the adjusted value was recognized in the financial statements, but without a significant impact on the lines concerned.

Interest expenses on borrowings incurred to finance the construction of facilities during the period prior to their commissioning are capitalized. Exchange rate differences arising from foreign currency borrowings are also capitalized inasmuch as they are treated as an adjustment to interest costs and within the limit of the interest charge which would have been paid on borrowings in local currency.

1.9. Leases

In compliance with IAS 17, leases on which nearly all of the risks and benefits inherent in ownership are transferred by the lessor to the lessee are classified as finance leases. All other contracts are classified as operating leases.

Assets held under finance leases are recorded in property, plant and equipment at the lower of their fair value and the current value of the minimum rent payments at the starting date of the lease and amortized over the shortest duration of the lease and its useful life, with the corresponding debt recorded as a liability.

1.10. Investment properties

The Group recognizes its investment properties at historical cost less accumulated depreciation and any impairment losses. They are depreciated on a straight-line basis over their useful life (10 to 25 years). The fair value of investment properties is calculated by the Group's qualified departments. It is based primarily on valuations made by capitalizing rental income or taking into account market prices observed on transactions involving comparable assets, and is presented in the notes at each year-end.

1.11. Impairment

In accordance with IAS 36, the book values of assets with indefinite lives are reviewed at each year-end, and during the year, whenever there is an indication that the asset may be impaired. Those with finite lives are only reviewed if impairment indicators show that a loss is likely.

An impairment loss has to be recorded as an expense on the income statement when the carrying cost of the asset is higher than its recoverable value. The latter is the higher of the fair value less the costs of sale and the value in use. The value in use is calculated primarily on a discounted projected cash flow basis over 10 years, plus the terminal value calculated on the basis of a projection to infinity of the cash flow from operations in the last year. This time period corresponds to the Group's capital-intensive nature and the longevity of its industrial plant.

The projected cash flows are calculated on the basis of the following components that have been inflated and then discounted:

- the EBITDA from the Long-Term Plan over the first 5 years, then projected to year 10;
- the sustaining capital expenditure;
- and the change in the working capital requirement.

The assumptions used in calculating impairment tests are derived from forecasts made by operational staff reflecting as closely as possible their knowledge of the market, the commercial position of the businesses, and the performance of the industrial plant. Such forecasts include the impact of foreseeable developments in cement consumption based on macroeconomic and industry sector data, changes likely to affect the competitive position, technical improvements in the manufacturing process, and expected developments in the cost of the main production factors contributing to the cost price of the products.

In the case of countries subject to social tensions and security concerns, the assumptions used also include the potential improvement resulting from the progressive and partial easing of some of these tensions and concerns, based on recent data and an examination of the effect of these tensions on current business conditions.

Projected cash flows are discounted at the weighted average capital cost (WACC) before tax, in accordance with IAS 36 requirements. This calculation is made per country, taking into account the cost of risk-free long-term money, market risk weighted by a sector volatility factor, and a country premium reflecting the specific risks of the market in which the concerned cash generating unit in question operates.

If it is not possible to estimate the fair value of an isolated asset, it is assessed at the level of the cash generating unit that the asset is part of (defined by IAS 36 as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets) insofar as the industrial installations, products and markets form a coherent whole. The analysis was thus carried out for each geographical area/market/business, and the cash generating units were determined depending on the existence or not of vertical integration between the Group's activities in the area concerned.

The value of the assets thus tested, at least annually using this method for each cash generating unit comprises the intangible and tangible non-current assets and the Working Capital Requirement.

These impairment tests are sensitive to the assumptions held for each cash generating unit, mainly in terms of:

- the discount rate as previously defined;
- the inflation rate, which must reflect sales prices and expected future costs;
- the growth rate to infinity.

Tests are conducted at each year-end on the sensitivity to an increase or decrease of one point in the discount rate applied, in order to assess the effect on the value of goodwill and other intangible and tangible assets included in the Group's consolidated financial statements. Moreover, the discount rate includes a country risk premium and an industry sector risk premium reflecting the cyclical nature of certain factors inherent in the business sector, enabling an understanding of the volatility of certain elements of production costs, which are sensitive in particular to energy costs.

Recognized impairments can be reversed and are recovered in the event of a decrease, except for those corresponding to goodwill, which are definitive.

1.12. Inventories

Inventories are valued using the weighted average unit cost method, at the lower of purchase price or production cost, and net market value (sales price less completion and sales costs).

The gross value of goods and supplies includes both the purchase price and all related costs.

Manufactured goods are valued at production cost, including the cost of goods sold, direct and indirect production costs and the depreciation on all consolidated fixed assets used in the production process.

In the case of inventories of manufactured products and work in progress, the cost includes an appropriate share of fixed costs based on the standard conditions of use of the production plant.

Inventory depreciations are recorded when necessary to take into account any probable losses identified at year-end.

1.13. Cash and cash equivalents

Cash and cash equivalents include both cash and short-term investments of less than three months that do not present any risk of a change in of value. The latter are marked to market at the end of the period. Net cash, the change in which is presented in the statement of cash flows, consists of cash and cash equivalents less any bank overdrafts.

1.14. Financial instruments

Financial assets

The Group classifies its non-derivative financial assets, when they are first entered in the financial statements, in one of the following four categories of financial instruments in accordance with IAS 39, depending on the reasons for which they were originally acquired:

- long-term loans and receivables, financial assets not quoted on an active market, the payment of which is determined or can be determined; these are valued at their amortized cost;
- assets available for sale, which include in particular, in accordance with the standard, investments in non-consolidated affiliates; these are valued at the lower of their carrying value and their fair value less the cost of sale as at the end of the period;
- financial assets valued at their fair value by the income, since they are held for transaction purposes (acquired and held with a view to being resold in the short term);
- investments held to term, including securities quoted on an active market associated with defined payments at fixed dates; the Group does not own such assets at the year-end of the reporting periods in question.

All acquisitions and disposals of financial assets are reported at the transaction date. Financial assets are reviewed at the end of each year in order to identify any evidence of impairment.

Financial liabilities

The Group classifies its non-derivative financial assets, when they are first entered in the financial statements, as financial liabilities valued at amortized cost. These comprise mainly borrowings, other financings, bank overdrafts, etc. The Group does not have financial liabilities at fair value through the income statement.

Treasury shares

In compliance with IAS 32, Vicat's treasury shares are recognized net of shareholders' equity.

Derivatives and hedging

The Group uses hedging instruments to reduce its exposure to changes in interest and foreign currency exchange rates resulting from its business, financing and investment operations. These hedging transactions use financial derivatives. The Group uses interest rate swaps and caps to manage its exposure to interest rate risks. Forward FX contracts and currency swaps are used to hedge exchange rate risks.

The Group uses derivatives solely for financial hedging purposes and no instrument is held for speculative ends. Under IAS 39, however, certain derivatives used are not, not yet or no longer, eligible for hedge accounting at the closing date.

Financial derivatives are valued at their fair value in the balance sheet. Except for the cases detailed below, the change in fair value of derivatives is recorded as an offset in the income statement of the financial statement ("Change in fair value of financial assets and liabilities"). The fair values of derivatives are estimated by means of the following valuation models:

- the market value of interest rate swaps, exchange rate swaps and forward purchase/sale transactions is calculated by discounting the future cash flows on the basis of the "zero coupon" interest rate curves applicable at the end of the preceding reporting periods, restated if applicable to reflect accrued interest not yet payable;
- interest rate options are revalued on the basis of the Black and Scholes model incorporating the market parameters as at year-end.

Derivative instruments may be designated as hedging instruments, depending on the type of hedging relationship:

- fair value hedging is hedging against exposure to changes in the fair value of a booked asset or liability, or of an identified part of that asset or liability, attributable to a particular risk, in particular interest and exchange rate risks, which would affect the net income presented;
- cash flow hedging is hedging against exposure to changes in cash flow attributable to a particular risk, associated with a booked asset or liability or with a planned transaction (*e.g.* expected sale or purchase or "highly probable" future transaction), which would affect the net income presented.

Hedge accounting for an asset/liability/firm commitment or cash flow is applicable if:

- the hedging relationship is formally designated and documented at its date of inception;
- the effectiveness of the hedging relationship is demonstrated at the inception and then by the regular assessment and correlation between the changes in the market value of the hedging instrument and that of the hedged item. The ineffective portion of the hedging instrument is always recognized in the income statement.

The application of hedge accounting results as follows:

- in the event of a documented fair value hedging relationship, the change in the fair value of the hedging derivative is recognized in the income statement as an offset to the change in the fair value of the underlying financial instrument hedged. Income is affected solely by the ineffective portion of the hedging instrument;

- in the event of a documented cash flow hedging relationship, the change in the fair value of the effective portion of the hedging derivative is recorded initially in shareholders' equity, and that of the ineffective portion is recognized directly in the income statement. The accumulated changes in the fair value of the hedging instrument previously recorded in shareholders' equity are transferred to the income statement at the same rate as the hedged cash flows.

1.15. Employee benefits

The Group recognizes the entire amount of its commitments relating to post-employment benefits in accordance with IAS 19 (revised).

Regulations, standard practices and agreements in force in countries where the Group's consolidated companies have operations provide for various types of post-employment benefits: lump-sum payments on retirement, supplemental pension benefits, guaranteed supplemental pension benefits specifically for executives, etc., and other long-term benefits (such as medical cover, etc.).

Defined contribution plans are those for which the Group's commitment is limited only to the payment of contributions, recognized as expenses when they are incurred.

Defined benefit plans include all post-employment benefit programs, other than those under defined contribution plans, and represent a future liability for the Group. The corresponding liabilities are calculated on an actuarial basis (wage inflation, mortality, employee turnover, etc.) using the projected unit credit method, in accordance with the clauses provided for in the collective bargaining agreements and with standard practices.

Dedicated financial assets, which are mainly equities and bonds, are used to cover all or a part of these liabilities, principally in the United States and Switzerland. The net position of each pension plan is fully provided for in the statement of financial position less, where applicable, the fair value of these invested assets, within the limit of the asset ceiling cap. Any surplus (in the case of overfunded pension plans) is only recognized in the statement of financial position to the extent that it represents a future economic benefit that will be effectively available to the Group, within the limits defined by the standard.

Actuarial variances arise due to changes in actuarial assumptions and/or variances observed between these assumptions and the actual figures. Actuarial gains and losses on post-employment benefits are recognized under "Other comprehensive income" and are not recycled to profit or loss.

The Group has chosen to apply the IFRS 1 option and to zero the actuarial variances linked to employee benefits not yet recognized on the transition balance sheet by allocating them to shareholders' equity.

1.16. Put options granted on shares in consolidated subsidiaries

Under IAS 27 and IAS 32, put options granted to minority third parties in fully consolidated subsidiaries are reported in the financial liabilities at the present value of their estimated price with an offset in the form of a reduction in the corresponding minority interests.

The difference between the value of the option and the amount of the minority interests is recognized:

- in goodwill, in the case of options issued before January 1, 2010;
- as a reduction in the Group shareholders' equity (options issued after January 1, 2010).

The liability is estimated based on the contract information available (price, formula, etc.) and any other factor relevant to its valuation. Its value is reviewed at each year-end and the subsequent changes in the liability are recognized:

- either as an offset to goodwill (options granted before January 1, 2010);
- or as an offset to the Group shareholders' equity (options issued after January 1, 2010).

No impact is reported in the income statement other than the impact of the annual discounting of the liability recognized in the financial income; the income share of the Group is calculated on the basis of the percentage held in the subsidiaries in question, without taking into account the percentage holding attached to the put options.

1.17. Provisions

In accordance with IAS 37, a provision is recognized when the Group has a current commitment, whether statutory or implicit, resulting from a significant event prior to the closing date which would lead to a use of resources without offset after the closing date, which can be reliably estimated.

These include, notably, provisions for site reinstatement, which are set aside progressively as quarries are used and include the projected costs related to the Group's obligation to reinstate such sites.

In accordance with IAS 37, provisions whose maturities are longer than one year are discounted when the impact is significant. The effects of this discounting are recorded under net financial income.

1.18. Sales

In accordance with IAS 18, sales are reported at the fair value of the consideration received or due, net of commercial discounts and rebates and after deduction of excise duties collected by the Group under its business activities. Sales figures include transport and handling costs invoiced to customers.

Sales are recorded at the time of transfer of the risk and significant benefits associated with ownership to the purchaser, which generally corresponds to the date of transfer of ownership of the product or performance of the service.

1.19. Other income and expenses

Other income and expenses are those arising from the Group's operating activities that are not received or incurred as part of the direct production process or sales activity. These other income and expenses consist mainly of insurance payments, patent royalties, surplus greenhouse gas emission rights, and certain charges relating to losses or claims.

1.20. Income taxes

Deferred taxes are calculated at the tax rates passed or virtually passed at the year-end and expected to apply to the period when assets are sold or liabilities are settled.

Deferred taxes are calculated, based on an analysis of the balance sheet, on timing differences identified in the Group's subsidiaries and joint ventures between the values recognized in the consolidated statement of financial position and the values of assets and liabilities for tax purposes.

Deferred taxes are recognized for all timing differences, including those on restatement of finance leases, except when the timing difference results from goodwill.

Deferred tax assets and liabilities are netted out at the level of each company. When the net amount represents a receivable, a deferred tax asset is recognized if it is probable that the company will generate future taxable income against which to allocate the deferred tax assets.

1.21. Segment information

In accordance with IFRS 8 "Operating Segments", the segment information provided in note 26 is based on information taken from the internal reporting. This information is used internally by the Group Management, responsible for implementing the strategy defined by the Chairman of the Board of Directors for measuring the Group's operating performance and for allocating capital expenditure and resources to business segments and geographical areas.

The operating segments defined pursuant to IFRS 8 comprise the three segments in which the Vicat Group operates: Cement, Concrete & Aggregates, and Other Products & Services.

The management indicators presented were adapted in order to be consistent with those used by the Group Management, while complying with IFRS 8 disclosure requirements: operating and consolidated sales, EBITDA and EBIT (see note 1.22), total non-current assets, net capital employed (see note 26), industrial investments, depreciation and amortization, and number of employees.

The management indicators used for internal reporting are identical for all the operating segments and geographical areas defined above and are determined in accordance with the IFRS principles applied by the Group in its consolidated financial statements.

1.22. Financial indicators

The following financial performance indicators are used by the Group, as by other industrial players and notably in the building materials sector, and presented with the income statement:

Added value: the value of production less the cost of goods and services purchased.

Gross operating income: added value less personnel costs, taxes and duties (except income taxes and deferred taxes), plus grants and subsidies.

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization): gross operating profit plus other ordinary income and expenses.

EBIT (Earnings Before Interest and Tax): EBITDA less depreciation, amortization and operating provisions.

Cash flows from operations: net income before adjusting for non-cash charges (mainly depreciation, amortization and provisions, deferred taxes, gains or losses on asset disposals and changes in fair value).

1.23. Seasonality

Demand in the Cement, Ready-mixed Concrete and Aggregates businesses is seasonal and tends to decrease in winter in temperate countries and during the rainy season in tropical countries. The Group therefore generally records lower sales in the first and fourth quarters, *i.e.* the winter season in its main markets in Western Europe and North America. In the second and third quarters, in contrast, sales are higher, due to the summer season being more favorable for construction work.

NOTE 2 CHANGES IN CONSOLIDATION SCOPE AND OTHER SIGNIFICANT EVENTS

Macroeconomic environment

Leveraging its geographic diversification, the Vicat Group posted during the year a top-line increase at constant scope and exchange rates in a mixed macroeconomic environment. Switzerland, Turkey and Kazakhstan all recorded strong growth rates. India also posted solid growth, fueled in particular by the start up of Vicat Sagar Cement in the second quarter. However, additional costs incurred due to the start-up of this greenfield plant, combined with a tougher macroeconomic and business environment, held back the Group's performance in this region. In the United States, the recovery is now firmly entrenched and steadily gained momentum during the year. The Group's business in France once again registered the impact of a context still marked by the economic crisis, especially in the construction industry. Although the situation gradually improved in Egypt towards the end of the year, the Group posted a considerable decline in full-year sales for this region in 2013.

Acquisition of an additional stake in Mynaral Tas

In early 2013, the Group entered into an agreement with its partner Homebroker JSC for the early purchase of its remaining stake in Mynaral Tas, a transaction completed in the second half of 2013, as the result of which the Group holds 90 % of the company.

NOTE 3 GOODWILL

The change in the net goodwill by business sector is analyzed in the table below:

(in thousands of euros)	Cement	Concrete and Aggregates	Other products and services	Total
AT DECEMBER 31, 2011	**740,947**	**236,963**	**22,285**	**1,000,195**
Acquisitions/Additions		13,079		13,079
Disposal/Decreases		(54)	(3)	(57)
Change in foreign exchange rates and other	(15,503)	(2,137)	(257)	(17,897)
AT DECEMBER 31, 2012	**725,444**	**247,851**	**22,025**	**995,320**
Acquisitions/Additions		1	100	101
Disposals/Decreases		(116)		(116)
Change in foreign exchange rates and other	(43,869)	(4,491)	(376)	(48,736)
AT DECEMBER 31, 2013	**681,575**	**243,245**	**21,749**	**946,569**

Impairment test on goodwill:

In accordance with IFRS 3 and IAS 36, at the end of each year and in the event of any evidence of impairment, goodwill is subject to an impairment test using the method described in notes 1.4. and 1.11.

Goodwill is distributed as follows by cash generating unit (CGU):

	Goodwill (in thousands of euros)		Discount rate used for the impairment tests (in %)		Impairment which would result from a change of + 1 % in the discount rate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
India CGU	219,734	256,690	9.33	8.31	-	-
West Africa Cement CGU	150,455	151,005	10.92	9.57	-	-
France-Italy CGU	164,029	163,178	7.82	6.95	-	-
Switzerland CGU	132,875	133,915	8.64	7.63	-	-
Other CGUs total	279,476	290,532	9.08 to 11.72	7.89 to 10.40	9,046	622
TOTAL	**946,569**	**995,320**			**9,046**	**622**

The impairment tests carried out in 2013 and 2012 did not result in the recognition of any impairment with respect to goodwill.

A 1 % increase in the discount rate would have the effect of generating a recoverable value for a CGU slightly lower than the net book value.

NOTE 4 OTHER INTANGIBLE ASSETS

Gross value *(in thousands of euros)*	Concessions, patents and similar rights	Software	Other intangible assets	Intangible assets in progress	Total
AT DECEMBER 31, 2011	**83,729**	**18,723**	**49,766**	**1,089**	**153,307**
Acquisitions	3,920	2,025	1,548	3,978	11,471
Disposals	(1,597)	(171)	(1,102)		(2,870)
Changes in consolidation scope		2			2
Change in foreign exchange rates	(1,449)	(37)	18	(2)	(1,470)
Other movements	818	34	(907)	(91)	(146)
AT DECEMBER 31, 2012	**85,421**	**20,576**	**49,323**	**4,974**	**160,294**
Acquisitions	2,147	6,651	1,449	580	10,827
Disposals			(14)		(14)
Changes in consolidation scope					0
Change in foreign exchange rates	(2,606)	(343)	(2,782)	(12)	(5,743)
Other movements		4,460	242	(1,548)	3,154
AT DECEMBER 31, 2013	**84,962**	**31,344**	**48,218**	**3,994**	**168,518**

Depreciation and impairment *(in thousands of euros)*	**Concessions, patents and similar rights**	**Software**	**Other intangible assets**	**Intangible assets in progress**	**Total**
AT DECEMBER 31, 2011	(17,509)	(14,165)	(20,844)	0	(52,518)
Increase	(2,855)	(1,667)	(5,288)		(9,810)
Decrease	998	171	1,087		2,256
Changes in consolidation scope	(1)	89	5		93
Change in foreign exchange rates	256	3	(124)		135
Other movements	11	(3)	(41)		(33)
AT DECEMBER 31, 2012	(19,100)	(15,572)	(25,205)	0	(59,877)
Increase	(2,535)	(3,361)	(4,966)		(10,862)
Decrease			6		6
Changes in consolidation scope					0
Change in foreign exchange rates	569	178	1,606		2,353
Other movements	(74)	(20)	59		(35)
AT DECEMBER 31, 2013	**(21,140)**	**(18,775)**	**(28,500)**	**0**	**(68,415)**
Net book value at December 31, 2012	66,321	5,004	24,118	4,974	100,417
NET BOOK VALUE AT DECEMBER 31, 2013	**63,822**	**12,569**	**19,718**	**3,994**	**100,103**

No development costs were capitalized in 2013 and 2012.

Research and development costs recognized as expenses in 2013 amounted to € 6,401 thousand (€ 7,037 thousand in 2012).

With regard to greenhouse gas emission quotas, only the quotas held at year-end in excess of the cumulative actual emissions were recorded in other intangible assets at € 9,198 thousand (€ 11,290 thousand as at December 31, 2012), corresponding to 1,957 thousand tons (1,503 thousand tons as at December 31, 2012).

Recording of surpluses and quota swaps (EUA) against Certified Emission Reductions (CERs) were recognized in the income statement for the year at € 10,820 thousand (€ 5,661 thousand as at December 31, 2012).

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Gross value *(in thousands of euros)*	**Land & buildings**	**Industrial equipment**	**Other property plant & equipment**	**Fixed assets work-in-progress and advances/down payments**	**Total**
AT DECEMBER 31, 2011	983,523	2,608,121	193,030	220,371	4,005,045
Acquisitions	34,097	36,004	8,748	193,412	272,261
Disposals	(6,264)	(29,264)	(21,687)	(14)	(57,229)
Changes in consolidation scope	1,305	3,085	958	187	5,535
Change in foreign exchange rates	(7,944)	(22,964)	(817)	(13,706)	(45,431)
Other movements	20,387	60,651	4,006	(87,139)	(2,095)
AT DECEMBER 31, 2012	1,025,104	2,655,633	184,238	313,111	4,178,086
Acquisitions	16,409	39,850	9,157	97,501	162,917
Disposals	(7,091)	(17,495)	(5,934)	(76)	(30,596)
Changes in consolidation scope					0
Change in foreign exchange rates	(50,508)	(150,576)	(5,227)	(24,854)	(231,165)
Other movements	67,685	189,095	(3,429)	(257,013)	(3,662)
AT DECEMBER 31, 2013	**1,051,599**	**2,716,507**	**178,805**	**128,669**	**4,075,580**

Depreciation and impairment *(in thousands of euros)*	**Land & buildings**	**Industrial equipment**	**Other property plant & equipment**	**Fixed assets work-in-progress and advances/down payments**	**Total**
AT DECEMBER 31, 2011	(357,255)	(1,309,805)	(119,520)	0	(1,786,580)
Increase	(30,096)	(138,846)	(11,716)		(180,658)
Decrease	6,039	28,634	18,937		53,610
Changes in consolidation scope	(300)	(311)	(436)		(1,047)
Change in foreign exchange rates	1,328	5,357	(195)		6,490
Other movements	(402)	(4,052)	5,763		1,309
AT DECEMBER 31, 2012	(380,686)	(1,419,023)	(107,167)	0	(1,906,876)
Increase	(32,324)	(135,905)	(10,249)	(58)	(178,536)
Decrease	4,926	17,231	4,411		26,568
Changes in consolidation scope					0
Change in foreign exchange rates	11,491	66,637	2,398	5	80,531
Other movements	1,840	(6,321)	9,226		4,745
AT DECEMBER 31, 2013	**(394,753)**	**(1,477,381)**	**(101,381)**	**(53)**	**(1,973,568)**
Net book value at December 31, 2012	644,418	1,236,610	77,071	313,111	2,271,210
NET BOOK VALUE AT DECEMBER 31, 2013	**656,846**	**1,239,126**	**77,424**	**128,616**	**2,102,012**

Fixed assets work-in-progress amounted to € 118 million as at December 31, 2013 (€ 296 million as at December 31, 2012) and advances/down payments on plant, property and equipment represented € 11 million as at December 31, 2013 (€ 17 million as at December 31, 2012).

Contractual commitments to acquire tangible and intangible assets amounted to € 40 million as at December 31, 2013 (€ 67 million as at December 31, 2012).

The total amount of interest capitalized in 2013 was € 7.9 million (€ 17.7 million in 2012), determined on the basis of local interest rates ranging from 3.05 % to 10.65 %, depending on the country in question.

NOTE 6 FINANCE AND OPERATING LEASES

Net book value by category of asset: *(in thousands of euros)*	December 31, 2013	December 31, 2012
Industrial equipment	4,803	8,251
Other tangible assets	949	927
TANGIBLE ASSETS	**5,752**	**9,178**

Minimum payment schedule: *(in thousands of euros)*	December 31, 2013	December 31, 2012
Less than 1 year	2,587	3,383
1 to 5 years	3,155	5,314
More than 5 years	24	40
TOTAL	**5,766**	**8,737**

NOTE 7 INVESTMENT PROPERTIES

(in thousands of euros)	Gross values	Depreciation, amortization and Impairment	Net values
AT DECEMBER 31, 2011	35,612	(16,523)	19,089
Acquisitions	229		229
Disposals	(1,363)	1,363	0
Depreciation		(441)	(441)
Change in foreign exchange rates	86	(32)	54
Changes in consolidation scope and other	626		626
AT DECEMBER 31, 2012	35,190	(15,633)	19,557
Acquisitions	691		691
Disposals	(222)	28	(194)
Depreciation		(392)	(392)
Change in foreign exchange rates	(180)	53	(127)
Changes in consolidation scope and other	4,303	(4,731)	(428)
AT DECEMBER 31, 2013	**39,782**	**(20,675)**	**19,107**
Fair value of investment properties as at December 31, 2012			56,944
FAIR VALUE OF INVESTMENT PROPERTIES AS AT DECEMBER 31, 2013			**57,455**

Rental income from investment properties amounted to € 3.0 million as at December 31, 2013 (€ 3.1 million as at December 31, 2012).

NOTE 8 INVESTMENTS IN ASSOCIATED COMPANIES

Change in investments in associated companies: *(in thousands of euros)*	**December 31, 2013**	**December 31, 2012**
AT JANUARY 1	37,731	37,900
Earnings from associated companies	3,913	3,050
Dividends received from investments in associated companies	(336)	(1,582)
Changes in consolidation scope	-	-
Change in foreign exchange rates and other	(3,095)	(1,637)
AT DECEMBER 31	**38,213**	**37,731**

NOTE 9 RECEIVABLES AND OTHER NON-CURRENT ASSETS

(in thousands of euros)	**Gross values**	**Impairment**	**Net values**
AS AT DECEMBER 31, 2011*	111,323	(2,658)	108,665
Acquisitions/Additions	3,627	(421)	3,206
Disposals/Decreases	(4,651)	334	(4,317)
Changes in consolidation scope	69		69
Change in foreign exchange rates	(2,549)	(39)	(2,588)
Others	(4,703)		(4,703)
AS AT DECEMBER 31, 2012*	103,116	(2,784)	100,332
Acquisitions/Additions	12,852	(1,222)	11,630
Disposals/Decreases	(4,426)	915	(3,511)
Changes in consolidation scope			0
Change in foreign exchange rates	(9,347)	73	(9,274)
Change recorded in other comprehensive income	15,710		15,710
Others	18,851		18,851
AT DECEMBER 31, 2013	**136,756**	**(3,018)**	**133,738**
Including:			
- investments in affiliated companies	32,764	(2,051)	30,713
- long term investments	1,482	(464)	1,018
- loans and receivables	44,275	(503)	43,772
- employee benefit plan assets	8,149		8,149
- financial instruments	50,086		50,086
AT DECEMBER 31, 2013	**136,756**	**(3,018)**	**133,738**

* *As the revised version of IAS 19, which is mandatory for annual periods beginning on or after January 1, 2013, must also be applied retrospectively, the financial statements for the year ended December 31, 2012 were restated in compliance with the new standard for comparative purposes. The impacts of these restatements are reflected in note 35.*

NOTE 10 INVENTORIES AND WORK-IN-PROGRESS

	December 31, 2013			December 31, 2012		
(in thousands of euros)	Gross	Provisions	Net	Gross	Provisions	Net
Raw materials and consumables	246,924	(12,241)	234,683	270,765	(10,362)	260,403
Work-in-progress, finished goods and goods for sale	127,871	(2,842)	125,029	124,673	(3,183)	121,490
TOTAL	**374,795**	**(15,083)**	**359,712**	**395,438**	**(13,545)**	**381,893**

NOTE 11 RECEIVABLES

(in thousands of euros)	Trade and other receivables	Provisions Trade and other receivables	Trade and other receivables Net	Others Receivables tax	Receivables social security-related	Others receivables	Provisions Other receivables and related accounts	Total Others Receivables Net
AT DECEMBER 31, 2011	366,891	(16,897)	**349,994**	66,846	2,760	76,319	(1,068)	**144,857**
Increases		(3,453)	**(3,453)**				(685)	**(685)**
Uses		3,911	**3,911**				31	**31**
Change in foreign exchange rates	(369)	(29)	**(398)**	(1,903)	(27)	(1,351)		**(3,281)**
Changes in consolidation scope	3,238	(171)	**3,067**	211		448		**659**
Other movements	1,777	(21)	**1,756**	2,559	957	1,361		**4,877**
AT DECEMBER 31, 2012	371,537	(16,660)	**354,877**	67,713	3,690	76,777	(1,722)	**146,458**
Increases		(6,272)	**(6,272)**				(817)	**(817)**
Uses		4,186	**4,186**				27	**27**
Change in foreign exchange rates	(15,876)	993	**(14,883)**	(3,563)	(95)	(4,274)		**(7,932)**
Changes in consolidation scope	(6,220)		**(6,220)**					**0**
Other movements	16,621		**16,621**	(14,654)	735	4,146		**(9,773)**
AT DECEMBER 31, 2013	**366,062**	**(17,753)**	**348,309**	**49,496**	**4,330**	**76,649**	**(2,512)**	**127,963**
of which matured as at 12/31/2013:								
- for less than 3 months	*62,838*	*(1,236)*	***61,602***	*3,290*	*1,592*	*1,450*		***6,332***
- for more than 3 months	*32,393*	*(5,750)*	***26,643***	*835*	*2*	*250*	*(79)*	***1,008***
of which not matured as at 12/31/2013:								
- less than one year	*266,461*	*(7,627)*	***258,834***	*34,642*	*2,723*	*60,029*	*(1,279)*	***96,115***
- more than one year	*4,370*	*(3,140)*	***1,230***	*10,729*	*13*	*14,920*	*(1,154)*	***24,508***

NOTE 12 CASH AND CASH EQUIVALENTS

(in thousands of euros)	December 31, 2013	December 31, 2012
Cash	79,089	46,413
Marketable securities and term deposits < 3 months	162,818	190,931
CASH AND CASH EQUIVALENTS	**241,907**	**237,344**

NOTE 13 SHARE CAPITAL

Vicat share capital is composed of 44,900,000 fully paid-up ordinary shares with a nominal value of € 4 each, including 846,027 treasury shares (937,060 as at December 31, 2012) acquired under the share buy-back programs approved by the Ordinary General Meetings, and through Heidelberg Cement's disposal of its 35 % stake in Vicat in 2007.

These are registered shares or bearer shares, at the shareholder's option. Voting rights attached to shares are proportional to the share of the capital which they represent and each share gives the right to one vote, except in the case of fully paid-up shares registered for at least 4 years in the name of the same shareholder, to which two votes are assigned.

The dividend paid in 2013 in respect of 2012 amounted to € 1.50 per share, amounting to a total of € 67,350 thousand, compared with € 1.50 per share paid in 2012 in respect of 2011 and amounting to a total of € 67,350 thousand. The dividend proposed by the Board of Directors to the Ordinary General Meeting for 2013 amounts to € 1.50 per share, totaling € 67,350 thousand.

In the absence of any dilutive instrument, diluted earnings per share are identical to basic earnings per share, and are obtained by dividing the Group's net income by the weighted average number of Vicat ordinary shares outstanding during the year.

Since January 4, 2010, for a period of 12 months renewable by tacit agreement, Vicat has engaged Natixis Securities to implement a liquidity agreement in accordance with the AMAFI (French financial markets professional association) code of ethics of September 20, 2008.

The following amounts were allocated to the liquidity agreement for its implementation: 20,000 Vicat shares and € 3 million in cash.

As at December 31, 2013, the liquidity account is composed of 22,115 Vicat shares and € 2,687 thousand in cash.

NOTE 14 EMPLOYEE BENEFITS

(in thousands of euros)	2013	2012*
Pension plans and termination benefits (TB)	43,670	68,036
Other post-employment benefits	43,914	52,915
Total pension and other post-employment benefit provisions	**87,584**	**120,951**
Plan assets (see note 9)	(8,149)	
NET LIABILITIES	**79,435**	**120,951**

* *As the revised version of IAS 19, which is mandatory for annual periods beginning on or after January 1, 2013, must also be applied retrospectively, the financial statements for the year ended December 31, 2012 were restated in compliance with the new standard for comparative purposes. The impacts of these restatements are reflected in note 35.*

Main plans in force within the Group: The Group's main defined benefit pension plans are found in Switzerland, the United States and France. Most of these plans are pre-funded through insurance policies or investments in pension funds. Funding approaches used comply with local law, particularly with respect to the minimum funding requirements for past entitlements. Given the material nature of these commitments, the Group updates its actuarial analysis each year in order to reflect the cost of these plans in its financial statements.

Net liability recognized in the balance sheet

	2013			2012*		
(in thousands of euros)	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
Present value of funded liabilities	363,637	43,914	407,551	380,501	52,915	433,416
Fair value of plan assets	(331,454)		(331,454)	(312,465)		(312,465)
Net value	**32,183**	**43,914**	**76,097**	**68,036**	**52,915**	**120,951**
Limit on recognition of plan assets (asset ceiling)	3,338		3,338			0
NET LIABILITIES	**35,521**	**43,914**	**79,435**	**68,036**	**52,915**	**120,951**

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Analysis of net annual expense

	2013			2012*		
(in thousands of euros)	Pension plans and TB	Other benefits	Total	Pension plans and TB	Others benefits	Total
Current service costs	(9,517)	(1,296)	(10,813)	(8,630)	(1,056)	(9,686)
Financial cost	(9,017)	(2,060)	(11,077)	(10,035)	(2,175)	(12,210)
Interest income on assets(1)	6,897		6,897	8,088		8,088
Recognized past service costs	(362)		(362)	43		43
Curtailments and settlements	2		2			0
TOTAL CHARGE WITH INCOME STATEMENT IMPACT	(11,997)	(3,356)	(15,353)	(10,534)	(3,231)	(13,765)
Actuarial gains and losses on plan assets	18,041		18,041	(8,257)		(8,257)
Experience adjustments	3,210	3,506	6,716	3,454	(435)	3,019
Adjustments related to demographic assumptions	1		1	(3,058)		(3,058)
Adjustments related to financial assumptions	11,685	5,043	16,728	(14,032)	(5786)	(19,818)
TOTAL CHARGE WITH IMPACT ON OTHER COMPREHENSIVE INCOME	32,937	8,549	41,486	(21,893)	(6,221)	(28,114)
TOTAL CHARGE FOR THE YEAR	**20,940**	**5,193**	**26,133**	**(32,427)**	**(9,452)**	**(41,879)**

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(1) *In accordance with IAS 19 (revised), the concept of "expected return on assets" is replaced by that of "net interest on plan assets", determined by applying the discount rate.*

Change in financial assets used to hedge the plans

(in thousands of euros)	2013			2012*		
	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
FAIR VALUE OF ASSETS AT JANUARY 1	312,465	0	312,465	308,136	0	308,136
Net interest on plan assets(1)	6,897		6,897	8,064		8,064
Contributions paid in	12,831		12,831	16,349		16,349
Translation differences	(5,985)		(5,985)	1,214		1,214
Benefits paid	(16,117)		(16,117)	(23,231)		(23,231)
Changes in consolidation scope and other			0			0
Actuarial gains (losses)	21,363		21,363	1,933		1,933
FAIR VALUE OF ASSETS AT DECEMBER 31	**331,454**	**0**	**331,454**	**312,465**	**0**	**312,465**

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(1) *In accordance with IAS 19 (revised), the concept of "expected return on assets" is replaced by that of "net interest on plan assets", determined by applying the discount rate.*

Analysis of plan assets by type and country as at December 31, 2013

Analysis of plan assets	France	Switzerland	United States	India	Total
Cash and cash equivalents		3.0 %	2.5 %		2.9 %
Equity instruments	0.1 %	27.0 %	61.5 %		29.9 %
Debt instruments	1.8 %	31.0 %	36.0 %		30.9 %
Real estate assets		26.0 %			22.8 %
Assets held by insurers	98.0 %			100.0 %	2.1 %
Others	0.1 %	13.0 %			11.4 %
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
PLAN ASSETS *(in thousands of euros)*	**6,963**	**290,942**	**33,428**	**121**	**331,454**

Change in net liability

	2013			2012*		
(in thousands of euros)	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
NET LIABILITY AT JANUARY 1	68,036	52,915	120,951	46,141	46,396	92,537
Expense for the period	(20,940)	(5,193)	(26,133)	32,427	9,452	41,879
Contributions paid in	(7,818)		(7,818)	(9,018)		(9,018)
Translation differences	(1,818)	(2,034)	(3,852)	(317)	(1,093)	(1,410)
Benefits paid by the employer	(1,683)	(2,030)	(3,713)	(1,649)	(1,840)	(3,489)
Change in consolidation scope			0	452		452
Others			0			0
NET LIABILITY AT DECEMBER 31	**35,777**	**43,658**	**79,435**	**68,036**	**52,915**	**120,951**

* *As the revised version of IAS 19, which is mandatory for annual periods beginning on or after January 1, 2013, must also be applied retrospectively, the financial statements for the year ended December 31, 2012 were restated in compliance with the new standard for comparative purposes. The impacts of these restatements are reflected in note 35.*

Principal actuarial assumptions	France	Europe (excluding France)	United States	Turkey and India	West Africa and the Middle East
Discount rate					
2013	3.0 %	2.2 % to 3.3 %	4.8 %	8.7 % to 11.2 %	5.0 % to 11.0 %
2012	3.0 %	2.0 % to 3.0 %	4.0 %	8.3 % to 8.5 %	5.0 % to 11.0 %
Rate of increase in medical costs					
2013			6.0 %		
2012			6.5 %		

Sensitivity analysis

The main factors contributing to the volatility of the balance sheet are the discount rate and the rate of increase in medical costs.

The sensitivity of the defined benefit obligation as at December 31, 2013 corresponding to a variation of +/- 50 basis points in the discount rate is € (21.5) million and € 28.1 million, respectively.

The sensitivity of the defined benefit obligation as at December 31, 2013 corresponding to a variation of +/- 1 % in the rate of increase of medical costs is € 6.5 million and € (5.3) million, respectively.

Average duration of benefits

The average duration of benefits under all plans within the Group is 12 years.

NOTE 15 OTHER PROVISIONS

(in thousands of euros)	Restoration of sites	Demolitions	Other risks[1]	Other expenses	Total
AT DECEMBER 31, 2011	**38,897**	**1,089**	**34,104**	**15,192**	**89,281**
Increases	4,414	9	7,842	5,434	17,699
Uses	(2,066)		(6,985)	(1,922)	(10,973)
Reversal of unused provisions			(700)	(126)	(826)
Change in foreign exchange rates	142	8	(398)		(248)
Changes in consolidation scope			6		6
Other movements	(497)		(1)	(142)	(640)
AT DECEMBER 31, 2012	**40,891**	**1,106**	**33,869**	**18,436**	**94,301**
Increases	2,908	45	9,517	2,968	15,438
Uses	(2,620)		(8,443)	(790)	(11,853)
Reversal of unused provisions	(362)		(5,441)	(464)	(6,267)
Change in foreign exchange rates	(565)	(18)	(1,258)	(54)	(1,895)
Changes in consolidation scope					0
Other movements	(1)		(19)	(2)	(22)
AT DECEMBER 31, 2013	**40,251**	**1,133**	**28,225**	**20,094**	**89,702**
of which less than one year	*22*		*10,821*	*1,651*	*12,494*
of which more than one year	*40,229*	*1,133*	*17,404*	*18,443*	*77,208*

Impact (net of charges incurred) in the 2013 income statement: *(in thousands of euros)*	Allocations	Reversals of unused provisions
Operating income	12,608	(2,407)
Non-operating income (expense)	2,830	(3,860)

(1) As at December 31, 2013, other risks included:

- *an amount of € 5.1 million (€ 9.8 million as at December 31, 2012) corresponding to the current estimate of gross expected costs for repair of damage that occurred in 2006 following deliveries of concrete mixtures and concrete made in 2004 whose sulfate content exceeded applicable standards. This amount corresponds to the current estimate of the Group's pro-rata share of liability for repair of identified damages before the residual insurance indemnity of € 1.8 million recognized in non-current assets on the balance sheet as at December 31, 2013 (€ 4 million as at December 31, 2012 – note 9);*
- *an amount of € 7.3 million (€ 9.1 million as at December 31, 2012) corresponding to the estimated amount of the deductible at year-end relating to claims in the United States in the context of workplace accidents and which will be covered by the Group;*
- *the remaining amount of other provisions amounting to about € 15.8 million as at December 31, 2013 (€ 15.0 million as at December 31, 2012) corresponds to the sum of other provisions that, taken individually, are not material.*

NOTE 16 FINANCIAL DEBTS AND PUT OPTIONS

Financial liabilities as at December 31, 2013 break down as follows:

(in thousands of euros)	December 31, 2013	December 31, 2012
Financial debts at more than 1 year	1,189,972	1,186,327
Put options at more than 1 year	11,981	11,376
Debts and put options at more than 1 year	**1,201,953**	**1,197,703**
Financial instrument assets at more than 1 year[1]	(50,086)	(28,688)
TOTAL FINANCIAL DEBTS NET OF FINANCIAL INSTRUMENT ASSETS AT MORE THAN 1 YEAR	1,151,867	1,169,015
Financial debts at less than 1 year	172,604	224,015
Put options at less than 1 year	0	8,337
Debts and put options at less than 1 year	**172,604**	**232,352**
Financial instrument assets at less than 1 year[1]	(5,886)	(39)
TOTAL FINANCIAL DEBTS NET OF FINANCIAL INSTRUMENT ASSETS AT LESS THAN 1 YEAR	166,718	232,313
Total financial debts net of financial instrument assets[1]	1,306,604	1,381,615
Total put options	11,981	19,713
TOTAL FINANCIAL DEBTS NET OF FINANCIAL INSTRUMENT ASSETS	**1,318,585**	**1,401,328**

(1) As at December 31, 2013, financial instrument assets (€ 56.0 million) are presented under non-current assets (see note 9) for the part at more than 1 year (€ 50.0 million) and under other receivables for the part at less than 1 year (€ 6.0 million). They totaled € 28.7 million as at December 31, 2012.

16.1. Debts

Analysis of debts by category and maturity

December 31, 2013

(in thousands of euros)	Total	2014	2015	2016	2017	2018	More than 5 years
Bank loans and borrowings	1,256,391	126,321	151,296	445,082	167,226	30,727	335,739
of which financial instrument assets	*(55,973)*	*(5,887)*	*(8,422)*	*(8,422)*	*(8,422)*	*(8,422)*	*(16,398)*
of which financial instrument liabilities	*51,727*	*707*	*21,060*		*3,978*		*25,982*
Other borrowings and financial debts	20,002	13,400	5,695	89	126	216	476
Debts on fixed assets under finance leases	5,541	2,327	1,763	1,031	340	20	60
Current bank lines and overdrafts	24,670	24,670					
DEBTS	**1,306,604**	**166,718**	**158,754**	**446,202**	**167,692**	**30,963**	**336,275**
of which commercial paper	*290,000*			*290,000*			

Financial debts at less than one year are mainly comprised of bank overdrafts, as well as the Sococim Industries bilateral credit lines and a tranche of the Jambyl Cement, Vicat Sagar Cement Limited and Vigier Holding loans.

December 31, 2012

(in thousands of euros)	Total	2013	2014	2015	2016	2017	More than 5 years
Bank loans and borrowings	1,328,973	184,038	73,825	157,112	377,231	171,004	365,763
of which financial instrument assets	*(28,727)*	*(39)*				*(468)*	*(28,220)*
of which financial instrument liabilities	*32,972*	*15,462*	*387*	*10,713*	*6,410*		
Other borrowings and financial debts	20,410	13,437	5,706	638	84	121	424
Debts on fixed assets under finance leases	8,837	3,108	2,794	1,643	959	267	66
Current bank lines and overdrafts	23,395	23,395					
DEBTS	**1,381,615**	**223,978**	**82,325**	**159,393**	**378,274**	**171,392**	**366,253**
of which commercial paper	*283,000*				*283,000*		

Analysis of loans and debts (currency and interest rate)

By currency (net of currency swaps)

(in thousands of euros)	December 31, 2013	December 31, 2012
Euro	754,337	854,697
US Dollar	164,337	203,735
Turkish new lira	1,257	1,373
CFA franc	71,874	60,334
Swiss franc	64,637	47,321
Mauritanian Ouguiya	1	6
Indian rupee	220,625	214,149
Kazakh tenge	29,536	
TOTAL	**1,306,604**	**1,381,615**

By interest rate

(in thousands of euros)	December 31, 2013	December 31, 2012
Fixed rate	898,361	974,629
Floating rate	408,243	406,986
TOTAL	**1,306,604**	**1,381,615**

The average interest rate for gross debt as at December 31, 2013 was 4.42 %. It was 4.44 % as at December 31, 2012.

16.2. Put options granted to the minority shareholders on shares in consolidated subsidiaries

Agreements have been concluded in the past between Vicat, Vigier Holding, the International Finance Corporation and Home Broker JSC (formerly KazKommerts Invest), in order to arrange their relationship within the company Mynaral Tas, under which the Group granted put options to its partners on their stakes in Mynaral Tas.

In the case of Homebroker JSC, the Group entered into an agreement in early 2013 with this partner for the early buy-back of its residual holding in Mynaral Tas, a transaction completed in the second half of 2013, as the result of which the Group holds 90 % of the company.

The put option granted to the International Finance Corporation is exercisable at the earliest in December 2013. Reporting this option resulted in the recognition of a liability of € 12 million at more than one year as at December 31, 2013 (€ 11.4 million as at December 31, 2012). This liability corresponds to the present value of the exercise price for the option granted to the International Finance Corporation.

NOTE 17 FINANCIAL INSTRUMENTS

Foreign exchange risk

The Group's activities are carried out by subsidiaries operating almost entirely in their own country and local currency. This limits the Group's exposure to foreign exchange risk. These companies' imports and exports denominated in currencies other than their own local currency are generally hedged by forward currency purchases and sales. The foreign exchange risk on intercompany loans is hedged, where possible, by the companies when the borrowing is denominated in a currency other than their operating currency.

The table below sets out the breakdown of the total amount of Group's assets and liabilities denominated in foreign currencies as at December 31, 2013:

(in millions of euros)	**USD**	**EUR**	**CHF**
Assets	264	12	0
Liabilities and off-balance sheet commitments	(916)	(211)	(35)
Net position before risk management	**(652)**	**(199)**	**(35)**
Hedging instruments	535	182	35
Net position after risk management	**(117)**	**(17)**	**0**

The net position after risk management in US dollars corresponds mainly to the debts of the Kazakh subsidiaries to financing institutions and the Group, not swapped in the operating currency, in the absence of a sufficiently structured and liquid hedge market (US$ 124 million).

The risk of a foreign exchange loss on the net currency position arising from a hypothetical unfavorable and uniform change of one percent of the operating currencies against the US dollar, would amount, in euro equivalent, to a loss of € 1.0 million (including € 0.90 million for the Kazakhstan loan).

Moreover, the principal and interest due on loans originally issued by the Group in US dollars (US$ 120 million and US$ 450 million for Vicat, US$ 70 million for Vicat Sagar Cement Private Limited, and US$ 39.9 million for Jambyl Cement) and in euros (€ 138.8 million for Vicat Sagar Cement Private Limited) were converted into euros (for Vicat), into Indian rupees (for Vicat Sagar Cement Private Limited) through a series of cross currency swaps, and into Kazakh tenge (for Jambyl Cement) through a series of non-deliverable forward (NDF) swaps, included in the portfolio presented below (see point a).

Interest rate risk

All floating rate debt is hedged through the use of caps on original maturities of 3, 5, and 12 years and of swaps on original maturities of 3 and 5 years.

The Group is exposed to interest rate risk on its financial assets and liabilities and its short-term investments. This exposure corresponds to the price risk for fixed-rate assets and liabilities, and cash flow risk related to floating-rate assets and liabilities.

The Group estimates that a uniform change in interest rates of 100 basis points would not have a material impact on its earnings, or on the Group's net position as illustrated in the table below:

(in thousands of euros)	**Impact on earnings before tax**	**Impact on equity (excluding impact on earnings) before tax**
Impact of a change of + 100 bps in the interest rate	2,205	8,525
Impact of a change of - 100 bps in the interest rate	(351)	(7,724)

Liquidity risk

As at December 31, 2013, the Group had € 326 million in unused confirmed lines of credit that have not been allocated to the hedging of liquidity risk on commercial paper (€ 416 million as at December 31, 2012).

The Group also has a € 300 million commercial paper issue program. As at December 31, 2013, commercial paper issued by the Group amounted to € 290 million. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings in the consolidated balance sheet.

Unused confirmed lines of credit are used to cover the risk of the Group finding itself unable to issue its commercial paper through market transactions. As at December 31, 2013, these lines matched the short term notes they covered, at € 290 million.

Some medium-term or long-term loan agreements contain specific covenants especially as regards compliance with financial ratios, reported each half year, which can lead to an anticipated repayment (acceleration clause) in the event of non-compliance. These covenants are based on a profitability ratio (leverage: net debt/consolidated EBITDA) and on a capital structure ratio (gearing: net debt/consolidated equity) of the Group or its subsidiaries concerned. For the purposes of calculating these covenants, the net debt is determined excluding put options granted to minority shareholders. Furthermore, the margin applied to some financing operations depends on the level reached on one of these ratios.

Considering the small number of companies concerned, essentially Vicat SA, the parent company of the Group, the low level of gearing (46.45 %) and leverage (2.5x), and the liquidity of the Group's balance sheet, the existence of these covenants does not constitute a risk for the Group's financial position. As at December 31, 2013, the Group is compliant with all ratios required by covenants included in financing agreements.

Analysis of the portfolio of derivatives as at December 31, 2013:

(in thousands of currency units)	Nominal value *(currency)*	Nominal value *(in euros)*	Market value *(in euros)*	Current maturity < 1 year *(in euros)*	< 1 year *(in euros)*	< 1 year *(in euros)*
FAIR VALUE HEDGES (a)						
Composite instruments						
- Cross currency swap $ fixed/€ floating	$ 60,000	43,507	(6,552)(1)		(6,552)	
CASH FLOW HEDGES (a)						
Composite instruments						
- Cross currency swap $ fixed/€ fixed	$ 60,000	43,507	(9,822)(1)		(9,822)	
- Cross currency swap $ fixed/€ fixed	$ 450,000	326,300	(29,960)(1)		(3,978)	(25,982)
- Interest rate swap € floating/€ fixed	€ 150,000	150,000	(4,283)(1)		(4,283)	
- *Cross currency* swap $ floating/INR fixed	$ 70,000	50,758	14,771(1)	985	7,878	5,908
- Cross currency swap € floating/INR fixed	€ 138,765	138,765	40,755(1)	4,754	25,809	10,192
OTHER DERIVATIVES						
Interest rate instruments						
- Euro Caps	€ 170,000	170,000	(407)	(6)	(401)	
- Dollar US Caps	$ 15,000	10,877	(23)	(23)		
- Dollar US Swaps	$ 15,000	10,877	(44)	(44)		
FOREIGN EXCHANGE INSTRUMENTS (a)						
Hedging for foreign exchange risk on intra-group loans						
- VAT $	$ 178,000	129,070	(9)	(9)		
- VAT CHF	Chf 35,000	28,511	17	17		
- AAT €	€ 38,114	38,114	430	131		299
- NDF KZT/$	$ 39,861	28,904	(630)	(630)		
TOTAL			**4,243**			

(1) The difference between the value of the liability at the hedged rate and at amortized cost rose by € 14.6 million.

In accordance with IFRS 13, counterparty risks were taken into account. This mainly relates to derivatives (cross currency swaps) intended to hedge the foreign exchange risk of debts in currencies other than the Group's operating currency, notably in US dollars and Indian rupees. The impact of the credit value adjustment (CVA, or the Group's exposure in the event of counterparty default) and of the debit value adjustment (DVA, or the counterparty's exposure in the event of Group default) on the measurement of derivatives was determined by assuming an exposure at default calculated using the add-on method, a 40 % loss given default, and a probability of default based on the credit ratings of banks or the estimated credit rating of the Group. The impact on fair value was not material and was not included in the market value of financial instruments as presented above.

In application of IFRS 7, the breakdown of financial instruments valued at fair value by hierarchical level of fair value in the consolidated statement of financial position is as follows as at December 31, 2013:

(in millions of euros)	December 31, 2013	
Level 1: instruments quoted on an active market	4.4	
Level 2: valuation based on observable market information	4.2	See above
Level 3: valuation based on non-observable market information	30.7	Note 9

The application of IFRS 13 did not give rise to any modification in the fair value hierarchy from that used as at December 31, 2012 or in the methods used to measure financial instruments in Levels 2 and 3, and in particular derivatives classified as Level 2 instruments, for which the measurement of fair value relies on observable market data.

NOTE 18 OTHER LIABILITIES

(in thousands of euros)	2013	2012
Employee liabilities	62,049	60,043
Tax liabilities	25,879	34,137
Other liabilities and accruals	89,302	78,745
TOTAL	**177,230**	**172,925**

NOTE 19 SALES

(in thousands of euros)	2013	2012
Sales of goods	1,944,039	1,974,425
Sales of services	341,944	317,794
SALES	**2,285,983**	**2,292,219**

Change in sales on a like-for-like basis

(in thousands of euros)	December 31, 2013	Changes in consolidation scope	Change in foreign exchange rates	December 31, 2013 At constant structure and exchange rates	December 31, 2012
Sales	2,285,983	(5,632)	77,986	2,358,337	2,292,219

NOTE 20 PERSONNEL COSTS AND NUMBER OF EMPLOYEES

(in thousands of euros)	2013	2012
Wages and salaries	266,329	262,548
Payroll taxes	95,670	97,605
Employee profit sharing (French companies)	4,834	6,500
PERSONNEL COSTS	**366,833**	**366,653**
Average number of employees of the consolidated companies	7,657	7,529

Profit sharing is granted to employees of the Group's French companies in the form of either cash or shares, at the employee's option. The allocation price is determined on the basis of the average of the last 20 closing prices for the defined period preceding its payment.

NOTE 21 DEPRECIATION, AMORTIZATION AND PROVISIONS

(in thousands of euros)	December 31, 2013	December 31, 2012*
Net charges to amortization of fixed assets	(188,769)	(190,916)
Net provisions	737	(2,207)
Net charges to other assets depreciation	(4,415)	(969)
NET CHARGES TO OPERATING DEPRECIATION, AMORTIZATION AND PROVISIONS	**(192,447)**	**(194,092)**
Other net charges to non-operating depreciation, amortization and provisions(1)	3,559	567
NET CHARGES TO DEPRECIATION, AMORTIZATION AND PROVISIONS	**(188,888)**	**(193,525)**

* *As the revised version of IAS 19, which is mandatory for annual periods beginning on or after January 1, 2013, must also be applied retrospectively, the financial statements for the year ended December 31, 2012 were restated in compliance with the new standard for comparative purposes. The impacts of these restatements are reflected in note 35.*

(1) *Including a reversal of € 4.7 million as at December 31, 2013 (reversal of € 0.4 million as at December 31, 2012) related to the update of the Group responsability* pro-rata *share over compensation by the insurers in the incident occured in 2006 and described in note 15, and a provision reversal of € 0.9 million in connection with the resolution of a dispute in Turkey through a settlement reached in 2013 (see note 22).*

NOTE 22 OTHER INCOME AND EXPENSES

(in thousands of euros)	December 31, 2013	December 31, 2012
Net income from disposals of assets	4,769	3,061
Income from investment properties	3,012	3,106
Others	24,400	10,807
Other operating income (expense)	**32,181**	**16,974**
Other non-operating income (expense)(1)	**(8,217)**	**(812)**
TOTAL	**23,964**	**16,162**

(1) Including as at December 31, 2013:

- *an expense of € 0.9 million (expense of € 0.5 million as at December 31, 2012) reported by the Group corresponding to the files recognized as expenses in 2013 in connection with the incident having occurred in 2006 as described in note 15;*
- *an expense of € 4.5 million (nil as at December 31, 2012) corresponding to the resolution of a dispute in Turkey through a settlement reached in 2013. This expense was offset in part by a reversal of non-operating provisions amounting to € 0.9 million (see note 21).*

NOTE 23 FINANCIAL PERFORMANCE INDICATORS

The rationalization of the transition between gross operating income, EBITDA, EBIT and operating income is as follows:

(in thousands of euros)	December 31, 2013	December 31, 2012*
Gross operating income	**394,511**	**420,408**
Other operating income (expense)	32,181	16,974
EBITDA	**426,692**	**437,382**
Net charges to operating depreciation, amortization and provisions	(192,447)	(194,092)
EBIT	**234,245**	**243,290**
Other non-operating income (expense)	(8,217)	(812)
Net charges to non-operating depreciation, amortization and provisions	3,559	567
OPERATING INCOME	**229,587**	**243,045**

* *As the revised version of IAS 19, which is mandatory for annual periods beginning on or after January 1, 2013, must also be applied retrospectively, the financial statements for the year ended December 31,2012 were restated in compliance with the new standard for comparative purposes. The impacts of these restatements are reflected in note 35.*

NOTE 24 FINANCIAL INCOME/(EXPENSE)

(in thousands of euros)	December 31, 2013	December 31, 2012*
Interest income from financing and cash management activities	16,434	18,504
Interest expense from financing and cash management activities	(60,423)	(52,947)
Cost of net borrowings and financial liabilities	**(43,989)**	**(34,443)**
Dividends	1,997	2,213
Foreign exchange gains	7,730	3,702
Fair value adjustments to financial assets and liabilities	-	1,619
Net income from disposal of financial assets	195	-
Write-back of impairment of financial assets	368	335
Other income	-	-
Other financial income	**10,290**	**7,869**
Foreign exchange losses	(11,745)	(6,836)
Fair value adjustments to financial assets and liabilities	(986)	-
Impairment on financial assets	(1,485)	(1,063)
Net income from disposal of financial assets	-	(142)
Discounting expenses	(4,860)	(4,096)
Other expenses	(238)	(39)
Other financial expenses	**(19,314)**	**(12,176)**
NET FINANCIAL INCOME (EXPENSE)	**(53,013)**	**(38,750)**

* *As the revised version of IAS 19, which is mandatory for annual periods beginning on or after January 1, 2013, must also be applied retrospectively, the financial statements for the year ended December 31,2012 were restated in compliance with the new standard for comparative purposes. The impacts of these restatements are reflected in note 35.*

NOTE 25 INCOME TAX

Income tax expense

Analysis of income tax expense

(in thousands of euros)	December 31, 2013	December 31, 2012*
Current taxes	(74,528)	(72,364)
Deferred tax	17,282	12,906
TOTAL	**(57,246)**	**(59,458)**

* *As the revised version of IAS 19, which is mandatory for annual periods beginning on or after January 1, 2013, must also be applied retrospectively, the financial statements for the year ended December 31,2012 were restated in compliance with the new standard for comparative purposes. The impacts of these restatements are reflected in note 35.*

Reconciliation between the computed and the effective tax charge

The difference between the amount of income tax theoretically due at the standard rate and the actual amount due is analyzed as follows:

(in thousands of euros)	December 31, 2013	December 31, 2012*
Net earnings from consolidated companies	119,328	144,837
Income tax	57,246	59,458
Profit (loss) before tax	176,574	204,295
Standard tax rate	38.0 %	36.1 %
Theoretical income tax at the parent company rate	**(67,098)**	**(73,750)**
Reconciliation:		
Differences between French and foreign tax rates[(1)]	28,485	26,005
Transactions taxed at specific rates	(8,054)	(3,888)
Changes in tax rates	(600)	(580)
Permanent differences	(3,425)	(5,686)
Tax credits	(327)	3,009
Others	(6,227)	(4,567)
ACTUAL INCOME TAX EXPENSE	**(57,246)**	**(59,458)**

* *As the revised version of IAS 19, which is mandatory for annual periods beginning on or after January 1, 2013, must also be applied retrospectively, the financial statements for the year ended December 31,2012 were restated in compliance with the new standard for comparative purposes. The impacts of these restatements are reflected in note 35.*

(1) *Differences between French and foreign tax rates relate mainly to Switzerland and Turkey.*

Deferred tax

Change in deferred tax assets and liabilities

	Deferred tax assets		Deferred tax liabilities	
(in thousands of euros)	2013	2012*	2013	2012*
DEFERRED TAX AS AT JANUARY 1	89,162	2,163	216,180	154,737
Expense/income for the year	19,213	16,138	1,931	3,232
Deferred tax recognized in other comprehensive income	(2,816)	78	6,781	(16,335)
Translation and other changes[(1)]	(3,888)	70,780	(9,141)	74,546
Changes in consolidation scope		3		0
DEFERRED TAX AS AT DECEMBER 31	**101,671**	**89,162**	**215,751**	**216,180**

* *As the revised version of IAS 19, which is mandatory for annual periods beginning on or after January 1, 2013, must also be applied retrospectively, the financial statements for the year ended December 31,2012 were restated in compliance with the new standard for comparative purposes. The impacts of these restatements are reflected in note 35.*

(1) *The deferred taxes of the Group's American companies as at December 31, 2011 were broken down as at January 1, 2012 (€ 72,443 thousand) to show the deferred tax assets and liabilities separately.*

Analysis of net deferred tax (expense)/income by principal category of timing difference

(in thousands of euros)	2013	2012*
Fixed assets and finance leases	2,143	3,367
Financial instruments	448	(350)
Pensions and other post-employment benefits	1,434	1,649
Accelerated depreciation, regulated provisions and other	(10,837)	(3,674)
Other timing differences, tax loss carry-forwards and miscellaneous	24,094	11,914
NET DEFERRED TAX (EXPENSE)/INCOME	**17,282**	**12,906**

Source of deferred tax assets and liabilities

(in thousands of euros)	2013	2012*
Fixed assets and finance leases	132,383	141,924
Financial instruments	(5,277)	(1,764)
Pensions	(29,044)	(38,517)
Other provisions for contingencies and charges	11,316	13,356
Accelerated depreciation and regulated provisions	72,362	60,721
Other timing differences, tax loss carry-forwards and miscellaneous	(67,660)	(48,702)
Net deferred tax assets and liabilities	**114,080**	**127,018**
Deferred tax assets[(1)]	(101,671)	(89,162)
Deferred tax liabilities	215,751	216,180
NET BALANCE	**114,080**	**127,018**

* *As the revised version of IAS 19, which is mandatory for annual periods beginning on or after January 1, 2013, must also be applied retrospectively, the financial statements for the year ended December 31,2012 were restated in compliance with the new standard for comparative purposes. The impacts of these restatements are reflected in note 35.*

(1) *The deferred tax assets mainly originate from the tax losses carried forward by subsidiaries based in the United States, with periods of limitation ranging from 2024 to 2032.*

Deferred tax assets not recognized in the financial statements

Deferred tax assets not recognized in the financial statements as at December 31, 2013, owing either to their planned recognition during the exemption periods enjoyed by the entities concerned or to the probability of their not being recovered, amounted to € 6.5 million (€ 8.3 million as at December 31, 2012). These relate essentially to a company benefiting from a tax exemption scheme for a period of ten years with effect from January 1, 2011.

Tax dispute in Senegal

Sococim Industries was notified of a tax reassessment under a tax introduced by the 2012 Senegalese Finance Act entitled *Contribution Spéciale sur les Produits des Mines et Carrières* "CSMC" (special levy on products from mines and quarries). The company disputes the legality of this tax and its applicability in accordance with the mining agreement it entered into with the government of Senegal. As a result, no provision has been recognized in respect of this reassessment, and the company has provided financial guaranties amounting to € 7.5 million as at December 31, 2013.

NOTE 26 SEGMENT INFORMATION

a) Information by business segment

December 31, 2013 *(In thousand euros except number of employees)*	Cement	Concrete & Aggregates	Other Products & Services	Total
Income statement				
Operating sales	1,332,708	899,307	400,160	2,632,175
Inter-segment eliminations	(223,019)	(22,847)	(100,326)	(346,192)
Consolidated net sales	1,109,689	876,460	299,834	2,285,983
EBITDA (cf. 1.22 and 23)	313,978	79,730	32,984	426,692
EBIT (cf. 1.22 and 23)	178,887	34,413	20,945	234,245
Balance sheet				
Total non-current assets	2,649,974	620,605	170,834	3,441,413
Net capital employed(1)	2,601,264	590,404	186,774	3,378,442
Other disclosures				
Acquisitions of intangible and tangible assets	127,686	32,687	14,060	174,433
Net depreciation and amortization charges	132,315	43,843	12,610	188,768
Average number of employees	3,390	2,918	1,349	7,657

(1) Net capital employed corresponds to the sum of non-current assets, assets and liabilities held for sale, and working capital requirement, after deduction of provisions and deferred taxes.

December 31, 2012 *(In thousand euros except number of employees)*	Cement	Concrete & Aggregates	Other Products & Services	Total
Income statement				
Operating sales	1,377,135	855,131	400,720	2,632,986
Inter-segment eliminations	(221,443)	(29,081)	(90,243)	(340,767)
Consolidated net sales	1,155,692	826,050	310,477	2,292,219
EBITDA (cf. 1.22 and 23)	335,834	67,563	33,985	437,382
EBIT (cf. 1.22 and 23)*	201,892	20,207	21,191	243,290
Balance sheet				
Total non-current assets*	2,811,810	638,832	163,087	3,613,729
Net capital employed(1)*	2,827,294	613,415	164,232	3,604,941
Other disclosures				
Acquisitions of intangible and tangible assets	217,168	52,550	17,349	287,067
Net depreciation and amortization charges	130,973	46,297	13,646	190,916
Average number of employees	3,202	2,925	1,402	7,529

** As the revised version of IAS 19, which is mandatory for annual periods beginning on or after January 1, 2013, must also be applied retrospectively, the financial statements for the year ended December 31, 2012 were restated in compliance with the new standard for comparative purposes. The impacts of these restatements are reflected in note 35.*

(1) Net capital employed corresponds to the sum of non-current assets, assets and liabilities held for sale, and working capital requirement, after deduction of provisions and deferred taxes.

b) Geographical sectors

Information relating to geographical areas is presented according to the geographical location of the entities concerned.

December 31, 2013 *(In thousand euros except number of employees)*	France	Europe (excluding France)	United States	Turkey, Kazakhstan and India	West Africa and the Middle East	Total
Income statement:						
Operating sales	883,443	427,050	220,828	461,401	328,630	2,321,352
Inter-country eliminations	(27,639)	(314)		(741)	(6,675)	(35,369)
Consolidated net sales	855,804	426,736	220,828	460,660	321,955	2,285,983
EBITDA (cf. 1.22 and 23)	159,469	114,062	5,108	85,456	62,597	426,692
EBIT (cf. 1.22 and 23)	98,302	85,460	(17,391)	41,652	26,222	234,245
Balance sheet						
Total non-current assets	649,470	557,323	419,956	1,148,962	665,702	3,441,413
Net capital employed(1)	670,118	513,724	339,305	1,154,704	700,591	3,378,442
Other disclosures:						
Acquisitions of intangible and tangible assets	55,782	32,011	7,971	59,916	18,753	174,433
Net depreciation and amortization charges	58,498	28,661	24,691	42,720	34,198	188,768
Average number of employees	2,522	1,113	1,023	1,881	1,118	7,657

(1) Net capital employed corresponds to the sum of non-current assets, assets and liabilities held for sale, and working capital requirement, after deduction of provisions and deferred taxes.

December 31, 2012 *(In thousand euros except number of employees)*	France	Europe (excluding France)	United States	Turkey, Kazakhstan and India	West Africa and the Middle East	Total
Income statement						
Operating sales	906,043	410,871	196,143	442,542	368,986	2,324,585
Inter-country eliminations	(26,914)	(352)		(416)	(4,684)	(32,366)
Consolidated net sales	879,129	410,519	196,143	442,126	364,302	2,292,219
EBITDA (cf. 1.22 and 23)	162,994	104,650	(5,485)	91,865	83,358	437,382
EBIT (cf. 1.22 and 23)*	103,613	76,044	(35,937)	53,795	45,775	243,290
Balance sheet						
Total non-current assets*	646,856	550,967	443,915	1,268,857	703,134	3,613,729
Net capital employed(1)*	679,415	507,517	348,548	1,315,390	754,071	3,604,941
Other disclosures						
Acquisitions of intangible and tangible assets	79,454	25,794	7,431	154,898	19,490	287,067
Net depreciation and amortization charges	59,814	29,337	29,063	37,265	35,437	190,916
Average number of employees	2,566	1,098	996	1,732	1,137	7,529

** As the revised version of IAS 19, which is mandatory for annual periods beginning on or after January 1, 2013, must also be applied retrospectively, the financial statements for the year ended December 31, 2012 were restated in compliance with the new standard for comparative purposes. The impacts of these restatements are reflected in note 35.*

(1) Net capital employed corresponds to the sum of non-current assets, assets and liabilities held for sale, and working capital requirement, after deduction of provisions and deferred taxes.

c) Information about major customers

The Group is not overly dependent on any of its major customers and no single customer accounts for more than 10 % of sales.

NOTE 27 NET CASH FLOWS FROM OPERATING ACTIVITIES

Net cash flows from the Group's operating activities in 2013 came to € 337 million, compared with € 307 million in 2012.

This increase in cash flows from operating activities between 2012 and 2013 results from a € 37 million decrease in cash flow from operations and a € 67 million improvement in working capital requirements (decrease of € 46 million in 2013 and increase of € 21 million in 2012).

The components of the working capital requirement by type are as follows:

(in thousands of euros)	WCR as at December 31, 2011	Change in WCR in 2012	Others changes(1)	WCR as at December 31, 2012	Change in WCR in 2013	Others changes(1)	WCR as at December 31, 2013
Inventories	360,104	24,617	(2,828)	381,893	(4,732)	(17,449)	359,712
Other WCR components	100,441	(3,205)	(2,974)	94,262	(40,794)	(7,440)	46,028
WCR	**460,545**	**21,412**	**(5,802)**	**476,155**	**(45,526)**	**(24,889)**	**405,740**

(1) Exchange rate, consolidation scope and miscellaneous.

NOTE 28 NET CASH FLOWS FROM INVESTING ACTIVITIES

Net cash flows used in the Group's investing activities in 2013 came to € (179) million, compared with € (273) million in 2012.

Acquisitions of intangible and tangible assets

These reflect outflows for industrial investments (€ 176 million in 2013 and € 269 million in 2012) mainly corresponding to the following:

- in 2013, the completion of the investment program for the Vicat Sagar Cement greenfield plant in India, which started up in the first half of 2013, and the ongoing development in France of the Mépieu quarry, but also maintenance and improvement investments in the Group's other operating countries;
- in 2012, the continuation of investments in India as part of the Vicat Sagar Cement greenfield project and to a lesser extent investments in maintenance and improvement spread across all countries.

Acquisition/disposal of shares in consolidated companies

In 2013, the acquisition and disposal of shares in consolidated companies resulted in an overall cash outflow of € (9) million.

The main cash outflow by the Group during the year was tied to the purchase of an additional stake in Mynaral Tas (see note 16.2).

Consolidated company share acquisitions and disposals during 2012 resulted in an overall cash outflow of € (11) million.

The main cash outflows from the Group during the year were for the acquisition of additional holdings in companies already consolidated and of new companies in France, in the Concrete & Aggregates segment.

NOTE 29 ANALYSIS OF NET CASH BALANCES

	December 31, 2013	December 31, 2012
(in thousands of euros)	Net	Net
Cash and cash equivalents (see note 6)	241,907	237,344
Bank overdrafts	(16,095)	(12,265)
NET CASH BALANCES	**225,812**	**225,079**

NOTE 30 COMPENSATION OF EXECUTIVES

Pursuant to the provisions of article 225.102-1 of the French Commercial Code, and in accordance with IAS 24, we hereby inform you that the total gross compensation paid to each company officer in 2013 was as follows: J. Merceron-Vicat: € 770,803; G. Sidos: € 771,595; L. Merceron-Vicat: € 219,009; S. Sidos: € 34,442; R. de Parisot: € 522,579.

These amounts do not include any variable components and represent the total compensation paid by Vicat SA and any companies it controls, or is controlled by, as defined by article L. 233-16 of the French Commercial Code.

Furthermore, no stock or stock options have been granted to the above company officers with the exception of any income received under legal or contractual employee profit-sharing or incentive plans.

Lastly, four of the aforementioned company officers also benefit from a supplemental pension plan as defined in article 39 of the French General Tax Code (CGI). The corresponding commitments (€ 7.783 million) were all recognized in provisions in the financial statements, in the same manner as all of the Group's post-employment benefits as at December 31, 2013 (note 1.15).

NOTE 31 TRANSACTIONS WITH RELATED COMPANIES

In addition to information required for related parties regarding the senior executives, described in note 30, related parties with whom transactions are carried out include affiliated companies and joint ventures in which Vicat directly or indirectly holds a stake, and entities that hold a stake in Vicat.

These related party transactions were not material in 2013 and all were on an arm's length basis.

These transactions have all been recorded in compliance with IAS 24 and their impact on the Group's consolidated financial statements for 2013 and 2012 is as follows, broken down by type and by related party:

	December 31, 2013				December 31, 2012			
(in thousands of euros)	Sales	Purchases	Receivables	Debts	Sales	Purchases	Receivables	Debts
Affiliated companies	540	2,169	7,278	2,178	525	1,227	7,080	999
Joint ventures	746	643	65	512	942	771	101	575
Other related parties	55	2,665	0	270	69	2,503	37	240
TOTAL	**1,341**	**5,477**	**7,343**	**2,960**	**1,536**	**4,501**	**7,218**	**1,814**

NOTE 32 FEES PAID TO THE STATUTORY AUDITORS

Fees paid to statutory auditors and other professionals in their networks as recognized in the financial statements of Vicat SA and its proportionately and fully consolidated subsidiaries for 2013 and 2012 are as follows:

	KPMG Audit				Wolff & associés				Others			
	Amount (ex. VAT)		%		Amount (ex. VAT)		%		Amount (ex. VAT)		%	
(in thousands of euros)	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
AUDIT												
Statutory auditors, certification, examination of individual and consolidated accounts	1,039	955	57 %	47 %	363	407	20 %	20 %	420	663	23 %	33 %
■ *VICAT SA*	*218*	*220*	*53 %*	*54 %*	*193*	*190*	*47 %*	*46 %*			*0 %*	*0 %*
■ *Companies which are fully or proportionally consolidated*	*821*	*735*	*58 %*	*46 %*	*170*	*217*	*12 %*	*13 %*	*420*	*663*	*30 %*	*41 %*
Other forms of investigation and directly related services	0	0	0 %	0 %	0	0	0 %	0 %	18	31	100 %	100 %
■ *VICAT SA*			-	-			-	-			-	-
■ *Companies which are fully or proportionally consolidated*			*0 %*	*0 %*			*0 %*	*0 %*	*18*	*31*	*100 %*	*100 %*
TOTAL AUDIT FEES	1,039	955	56 %	46 %	363	407	20 %	20 %	438	694	24 %	34 %
OTHER SERVICES												
Legal, tax, employment and other matters	2	2	100 %	100 %			0 %	0 %			0 %	0 %
TOTAL OTHER SERVICES	2	2	100 %	100 %	0	0	0 %	0 %	0	0	0 %	0 %
TOTAL	**1,041**	**957**	**56 %**	**46 %**	**363**	**407**	**20 %**	**20 %**	**438**	**694**	**24 %**	**34 %**

NOTE 33 SUBSEQUENT EVENTS

On February 11, 2014, Kazakhstan's central bank announced that, given the capital outflows resulting from changes in monetary policy by the US Federal Reserve, it would no longer maintain the tenge at its previous level. The central bank confirmed that it would authorize its currency to trade at 185 tenge per US dollar, with a range of 3 tenge on either side. This announcement indicates a devaluation of about 19 % compared to the tenge's level in recent weeks.

The direct impact of this decision on the Group's Kazakh subsidiaries results in a foreign exchange loss of about US$ 20 million, taking into account the net debt in US dollars of these companies and the existing partial currency hedges.

No other post balance sheet event is likely to have a material impact on the consolidated financial statements for the year ended December 31, 2013.

NOTE 34 LIST OF MAIN CONSOLIDATED COMPANIES AS AT DECEMBER 31, 2013

Fully consolidated: France

Company	Adress	Siren No.	December 31, 2013 % Control	December 31, 2012 % Control
VICAT	Tour Manhattan, 6 Place de l'Iris 92095 PARIS LA DEFENSE	057 505 539	----	----
ALPES INFORMATIQUE	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	073 502 510	99.92	99.84
ANNECY BETON CARRIERES	14 chemin des grèves 74960 CRAN GEVRIER	326 020 062	50.00	50.00
LES ATELIERS DU GRANIER	Lieu-dit Chapareillan 38530 PONTCHARRA	305 662 504	100.00	100.00
BETON CHATILLONAIS	Champ de l'Allée – ZI Nord 01400 CHATILLON SUR CHALARONNE	485 069 819	100.00	100.00
BETON CONTROLE COTE D'AZUR	217 Route de Grenoble 06200 NICE	071 503 569	97.12	97.12
BETON DE L'OISANS	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	438 348 047	60.00	60.00
LES BETONS DU GOLFE	Quartier les Plaines 83480 PUGET SUR ARGENS	501 192 785	100.00	100.00
LES BETONS DU RHONE	La petite Craz 69720 SAINT LAURENT DE MURE	503 728 164	100.00	100.00
BETON VICAT	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	309 918 464	99.99	99.92
BETON TRAVAUX	Tour Manhattan, 6 Place de l'Iris 92095 PARIS LA DEFENSE	070 503 198	99.98	99.98
BGIE BETON GRANULATS IDF/EST	52-56 rue Jacquard ZI 77400 LAGNY SUR MARNE	344 933 338	Company merged in 2013	100.00
CONDENSIL	1327 Av. de la Houille Blanche 73000 CHAMBERY	342 646 957	60.00	60.00
DELTA POMPAGE	1327 Av. de la Houille Blanche 73000 CHAMBERY	316 854 363	100.00	100.00
ETABLISSEMENT ANTOINE FOURNIER	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	586 550 147	100.00	100.00
GRANULATS VICAT	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	768 200 255	100.00	99.87
MONACO BETON	Le Palais Saint James 5 avenue Princesse Alice 98000 MONACO	326 MC 161	100.00	99.58
PARFICIM	Tour Manhattan, 6 Place de l'Iris 92095 PARIS LA DEFENSE	304 828 379	100.00	100.00
SATMA	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	304 154 651	100.00	100.00
SATM	1327 Av. de la Houille Blanche 73000 CHAMBERY	745 820 126	100.00	100.00
SIGMA BETON	4 rue Aristide Bergès 38080 L'ISLE-D'ABEAU	343 019 428	100.00	100.00

Fully consolidated: France (continued)

Company	Adress	Siren No.	December 31, 2013 % Control	December 31, 2012 % Control
SOCIETE L. THIRIET ET COMPAGNIE	Lieudit Chaufontaine 54300 LUNEVILLE	762 800 977	99.98	99.98
PAPETERIES DE VIZILLE	Tour Manhattan, 6 Place de l'Iris 92095 PARIS LA DEFENSE	319 212 726	100.00	100.00
VICAT INTERNATIONAL TRADING	Tour Manhattan, 6 Place de l'Iris 92095 PARIS LA DEFENSE	347 581 266	100.00	100.00
VICAT PRODUITS INDUSTRIELS	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	655 780 559	100.00	100.00

Fully consolidated: Rest of World

Company	Country	State/City	December 31, 2013 % Control	December 31, 2012 % Control
SINAI CEMENT COMPANY	EGYPT	CAIRO	52.62	52.62
MYNARAL TAS COMPANY LLP	KAZAKHSTAN	ALMATY	90.00	86.24
JAMBYL CEMENT PRODUCTION COMPANY LLP	KAZAKHSTAN	ALMATY	90.00	86.24
BUILDERS CONCRETE	UNITED STATES	CALIFORNIA	100.00	100.00
KIRKPATRICK	UNITED STATES	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	UNITED STATES	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	UNITED STATES	DELAWARE	100.00	100.00
NATIONAL CEMENT COMPANY OF CALIFORNIA	UNITED STATES	DELAWARE	100.00	100.00
NATIONAL READY MIXED	UNITED STATES	CALIFORNIA	100.00	100.00
UNITED READY MIXED	UNITED STATES	CALIFORNIA	100.00	100.00
VIKING READY MIXED	UNITED STATES	CALIFORNIA	100.00	100.00
CEMENTI CENTRO SUD SpA	ITALY	GENOVA	100.00	100.00
CIMENTS & MATERIAUX DU MALI	MALI	BAMAKO	94.89	94.89
GECAMINES	SENEGAL	THIES	70.00	70.00
POSTOUDIOKOUL	SENEGAL	RUFISQUE (DAKAR)	100.00	100.00
SOCOCIM INDUSTRIES	SENEGAL	RUFISQUE (DAKAR)	99.91	99.91
SODEVIT	SENEGAL	BANDIA	100.00	100.00
ALTOTA AG	SWITZERLAND	OLTEN (SOLOTHURN)	100.00	100.00
KIESWERK AEBISHOLZ AG (ex-ASTRADA KIES AG)	SWITZERLAND	AEBISHOLZ (SOLEURE)	100.00	99.64
BETON AG BASEL	SWITZERLAND	BALE (BALE)	100.00	100.00
BETON AG INTERLAKEN	SWITZERLAND	MATTEN BEI INTERLAKEN (BERN)	75.42	75.42
BETON GRAND TRAVAUX SA	SWITZERLAND	ASUEL (JURA)	75.00	75.00
BETONPUMPEN OBERLAND AG	SWITZERLAND	WIMMIS (BERN)	93.33	93.33

Fully consolidated: Rest of World (continued)

Company	Country	State/City	December 31, 2013 % Control	December 31, 2012 % Control
CEWAG	SWITZERLAND	DUTINGEN (FRIBOURG)	100.00	100.00
COVIT SA	SWITZERLAND	SAINT-BLAISE (NEUCHATEL)	100.00	100.00
CREABETON MATERIAUX SA	SWITZERLAND	LYSS (BERN)	100.00	100.00
EMME KIES + BETON AG	SWITZERLAND	LÜTZELFLÜH (BERN)	66.66	66.66
FRISCHBETON AG ZUCHWIL	SWITZERLAND	ZUCHWIL (SOLOTHURN)	88.94	88.94
FRISCHBETON LANGENTHAL AG	SWITZERLAND	LANGENTHAL (BERN)	78.67	78.67
FRISCHBETON THUN	SWITZERLAND	THOUNE (BERN)	54.26	54.26
GRANDY AG	SWITZERLAND	LANGENDORF (SOLEURE)	100.00	100.00
KIESTAG STEINIGAND AG	SWITZERLAND	WIMMIS (BERN)	98.55	98.55
MATERIALBEWIRTTSCHFTUNG MITHOLZ AG	SWITZERLAND	KANDERGRUND (BERN)	98.55	98.55
KIESWERK NEUENDORF	SWITZERLAND	NEUENDORF (SOLEURE)	100.00	100.00
SABLES + GRAVIERS TUFFIERE SA	SWITZERLAND	HAUTERIVE (FRIBOURG)	50.00	50.00
SHB STEINBRUCH + HARTSCHOTTER BLAUSEE MITHOLZ AG	SWITZERLAND	FRUTIGEN (BERN)	98.55	98.55
STEINBRUCH VORBERG AG	SWITZERLAND	BIEL (BERN)	60.00	60.00
VIGIER BETON JURA SA (formerly BETON FRAIS MOUTIER SA)	SWITZERLAND	BELPRAHON (BERN)	90.00	90.00
VIGIER BETON KIES SEELAND AG (ex-VIBETON KIES AG)	SWITZERLAND	LYSS (BERN)	100.00	100.00
VIGIER BETON MITTELLAND AG (ex-WYSS KIESWERK AG)	SWITZERLAND	FELDBRUNNEN (SOLOTHURN)	100.00	100.00
VIGIER BETON ROMANDIE SA (ex-VIBETON FRIBOURG SA)	SWITZERLAND	ST. URSEN (FRIBOURG)	100.00	100.00
VIGIER BETON SEELAND JURA AG (ex-VIBETON SAFNERN AG)	SWITZERLAND	SAFNERN (BERN)	90.47	90.47
VIGIER CEMENT AG	SWITZERLAND	PERY(BERN)	100.00	100.00
VIGIER HOLDING AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIGIER MANAGEMENT AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIRO AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VITRANS AG	SWITZERLAND	PERY(BERN)	100.00	100.00
AKTAS	TURKEY	ANKARA	100.00	100.00

Fully consolidated: Rest of World (continued)

Company	Country	State/City	December 31, 2013 % Control	December 31, 2012 % Control
BASTAS BASKENT CIMENTO	TURKEY	ANKARA	91.58	91.58
BASTAS HAZIR BETON	TURKEY	ANKARA	91.58	91.58
KONYA CIMENTO	TURKEY	KONYA	83.34	83.08
TAMTAS	TURKEY	ANKARA	100.00	100.00
BSA Ciment SA	MAURITANIA	NOUAKCHOTT	64.91	64.91
BHARATHI CEMENT	INDIA	HYDERABAD	51.00	51.00
VICAT SAGAR	INDIA	HYDERABAD	53.00	53.00

Proportionately consolidated: France

Company	Address	Siren No.	December 31, 2013 % Control	December 31, 2012 % Control
CARRIERES BRESSE BOURGOGNE	Port Fluvial Sud de Chalon 71380 EPERVANS	655 850 055	49.95	49.95
DRAGAGES ET CARRIERES	Port Fluvial sud de Chalon 71380 EPERVANS	341 711 125	50.00	50.00
SABLIERES DU CENTRE	Les Genévriers Sud 63430 LES MARTRES D'ARTIERE	480 107 457	50.00	50.00

Proportionately consolidated: Rest of World

Company	Country	State/City	December 31, 2013 % Control	December 31, 2012 % Control
FRISHBETON TAFERS AG	SWITZERLAND	Tafers (Fribourg)	49.50	49.50

Equity method: Rest of World

Company	Country	State/City	December 31, 2013 % Control	December 31, 2012 % Control
HYDROELECTRA	SWITZERLAND	AU (ST. GALLEN)	50.00	50.00
SILO TRANSPORT AG	SWITZERLAND	BERN (BERN)	50.00	50.00
SINAI WHITE CEMENT	EGYPT	CAIRO	25.40	25.40

NOTE 35 APPLICATION OF IAS 19 (REVISED)

This note summarizes the main impacts of the first application of the revised version of IAS 19 on equity as at January 1, 2012 and on the 2012 annual consolidated financial statements.

35.1. Consolidated statement of financial position: Published information and restatements under IAS 19 (revised)

Consolidated statement of financial position

(in thousands of euros)	12/31/2011 restated	Impact of IAS 19 (revised)	12/31/2011 published	12/31/2012 restated	Impact of IAS 19 (revised)	12/31/2012 published
ASSETS						
Non-current assets						
Goodwill	1,000,195		1,000,195	995,320		995,320
Other intangible assets	100,789		100,789	100,417		100,417
Tangible assets	2,218,465		2,218,465	2,271,210		2,271,210
Investment properties	19,089		19,089	19,557		19,557
Investments in associated companies	37,900		37,900	37,731		37,731
Deferred tax assets	2,163	59	2,104	89,162	182	88,980
Receivables and other non-current financial assets	108,665	(8,263)	116,928	100,332	(8,320)	108,652
TOTAL NON-CURRENT ASSETS	**3,487,266**	**(8,204)**	**3,495,470**	**3,613,729**	**(8,138)**	**3,621,867**
Current assets						
Inventories and work-in-progress	360,104		360,104	381,893		381,893
Trade and other receivables	349,994		349,994	354,877		354,877
Current tax assets	16,685		16,685	29,455		29,455
Other receivables and related accounts	144,930		144,930	146,458		146,458
Cash and cash equivalents	359,404		359,404	237,344		237,344
TOTAL CURRENT ASSETS	**1,231,117**	**0**	**1,231,117**	**1,150,027**	**0**	**1,150,027**
TOTAL ASSETS	**4,718,383**	**(8,204)**	**4,726,587**	**4,763,756**	**(8,138)**	**4,771,894**

(in thousands of euros)	12/31/2011 restated	Impact of IAS 19 (revised)	12/31/2011 published	12/31/2012 restated	Impact of IAS 19 (revised)	12/31/2012 published
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity						
Share capital	179,600		179,600	179,600		179,600
Additional paid-in capital	11,207		11,207	11,207		11,207
Consolidated reserves	1,889,582	(31,375)	1,920,957	1,890,004	(49,987)	1,939,991
Shareholders' equity	**2,080,389**	**(31,375)**	**2,111,764**	**2,080,811**	**(49,987)**	**2,130,798**
Minority interests	**349,011**	**(43)**	**349,054**	**334,036**	**(110)**	**334,146**
SHAREHOLDERS' EQUITY AND MINORITY INTERESTS	2,429,400	(31,418)	2,460,818	2,414,847	(50,097)	2,464,944
Non-current liabilities						
Provisions for pensions and other benefits	92,537	39,906	52,631	120,951	65,912	55,039
Other provisions	78,370		78,370	84,334		84,334
Financial debts and put options	1,384,444		1,384,444	1,197,703		1,197,703
Deferred tax liabilities	154,737	(16,692)	171,429	216,180	(23,953)	240,133
Other non-current liabilities	21,762		21,762	26,557		26,557
TOTAL NON-CURRENT LIABILITIES	1,731,850	23,214	1,708,636	1,645,725	41,959	1,603,766
Current liabilities						
Provisions	10,911		10,911	9,967		9,967
Financial liabilities and put options < 1 year	106,165		106,165	232,352		232,352
Trade and other accounts payable	241,862		241,862	260,189		260,189
Current taxes payable	16,088		16,088	27,751		27,751
Other liabilities	182,107		182,107	172,925		172,925
TOTAL CURRENT LIABILITIES	557,133	0	557,133	703,184	0	703,184
TOTAL LIABILITIES	2,288,983	23,214	2,265,769	2,348,909	41,959	2,306,950
TOTAL EQUITY AND LIABILITIES	**4,718,383**	**(8,204)**	**4,726,587**	**4,763,756**	**(8,138)**	**4,771,894**

35.2. Consolidated income statement: Published information and restatements under IAS 19 (revised)

Consolidated income statement

(in thousands of euros)	12/31/2012 restated	Impact of IAS 19 (revised)	12/31/2012 published
Sales	**2,292,219**		**2,292,219**
Goods and services purchased	(1,461,292)		(1,461,292)
Added value	**830,927**		**830,927**
Personnel costs	(366,653)		(366,653)
Taxes	(43,866)		(43,866)
Gross operating income	**420,408**		**420,408**
Depreciation, amortization and provisions	(193,525)	(1,938)	(191,587)
Other income and expenses	16,162		16,162
Operating Income	**243,045**	**(1,938)**	**244,983**
Cost of net financial debt	(34,443)		(34,443)
Other financial income	7,869		7,869
Other financial expenses	(12,176)	1,697	(13,873)
Net financial income (expense)	**(38,750)**	**1,697**	**(40,447)**
Earnings from associated companies	3,050		3,050
Profit (loss) before tax	**207,345**	**(241)**	**207,586**
Income tax	(59,458)	163	(59,621)
Consolidated net income	**147,887**	**(78)**	**147,965**
Portion attributable to minority interests	18,862	(16)	18,878
Portion attributable to the Group	**129,025**	**(62)**	**129,087**
EBITDA	**437,382**	**0**	**437,382**
EBIT	**243,290**	**(1,938)**	**245,228**
Cash flows from operations	**328,871**	**0**	**328,871**
EARNINGS PER SHARE *(in euros)*			
Basic and diluted Group share of net earnings per share	2.87		2.87

35.3. Consolidated statement of comprehensive income: Published information and restatements under IAS 19 (revised)

Consolidated statement of comprehensive income

(in thousands of euros)	12/31/2012 restated	Impact of IAS 19 (revised)	12/31/2012 published
Consolidated net income	**147,887**	**(78)**	**147,965**
Other comprehensive income			
Items not recycled to profit or loss:			
Actuarial gains and losses on employee benefits	(25,093)	(25,093)	
Tax on non-recycled items	6,015	6,015	
Items recycled to profit or loss:			
Net income from change in translation differences	(47,708)	477	(48,185)
Cash flow hedge instruments	(22,972)		(22,972)
Tax on recycled items	8,897		8,897
Other comprehensive income (after tax)	**(80,861)**	**(18,601)**	**(62,260)**
TOTAL COMPREHENSIVE INCOME	**67,026**	**(18,679)**	**85,705**
Portion attributable to minority interests	3,670	(67)	3,737
Portion attributable to the Group	**63,356**	**(18,612)**	**81,968**

35.4. Consolidated statement of cash flow: Published information and restatements under IAS 19 (revised)

Consolidated statement of cash flows

(in thousands of euros)	12/31/2012 restated	Impact of IAS 19 (revised)	12/31/2012 published
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income	**147,887**	**(78)**	**147,965**
Earnings from associated companies	(3,051)		(3,051)
Dividends received from associated companies	1,582		1,582
Elimination of non-cash and non-operating items:			
- depreciation, amortization and provisions	199,767	78	199,689
- deferred taxes	(12,743)		(12,743)
- net (gain) loss from disposal of assets	(2,918)		(2,918)
- unrealized fair value gains and losses	(1,619)		(1,619)
- other	(34)		(34)
Cash flows from operating activities	**328,871**	**0**	**328,871**
Change in working capital requirement	(21,412)		(21,412)
NET CASH FLOWS FROM OPERATING ACTIVITIES	307,459	0	307,459
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows linked to acquisitions of non-current assets:			
- property, plant and equipment and intangible assets	(268,963)		(268,963)
- financial investments	(4,203)		(4,203)
Inflows linked to disposals of non-current assets:			
- property, plant and equipment and intangible assets	7,625		7,625
- financial investments	3,429		3,429
Impact of changes in consolidation scope	(10,646)		(10,646)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(272,758)	0	(272,758)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	(87,993)		(87,993)
Increases in share capital	3,870		3,870
Proceeds from borrowings	108,334		108,334
Repayments of borrowings	(177,197)		(177,197)
Acquisitions of treasury shares	(10,472)		(10,472)
Disposals or allocations of treasury shares	14,165		14,165
NET CASH FLOWS FROM FINANCING ACTIVITIES	(149,293)	0	(149,293)
Impact of changes in foreign exchange rates	(4,342)		(4,342)
Change in cash position	**(118,934)**	**0**	**(118,934)**
Net cash and cash equivalents – opening balance	344,013		344,013
Net cash and cash equivalents – closing balance	225,079		225,079

35.5. Statement of changes in consolidated equity: Published information and restatements under IAS 19 (revised)

Statement of changes in consolidated equity

(in thousands of euros)	Share capital	Additional paid-in capital	Treasury shares	Consolidated reserves	Translation reserves	Shareholders' equity	Minority interests	Shareholders' equity and minority interests
AS OF JANUARY 1, 2012 (PUBLISHED)	179,600	11,207	(83,890)	2,080,899	(76,052)	2,111,764	349,054	2,460,818
Adjustments under IAS 19 (revised), 1/1/2012				(31,375)		(31,375)	(43)	(31,418)
As at January 1, 2012 (restated)	**179,600**	**11,207**	**(83,890)**	**2,049,524**	**(76,052)**	**2,080,389**	**349,011**	**2,429,400**
Consolidated net income				129,087		129,087	18,878	147,965
Adjustments to net income under IAS 19 (revised)				(62)		(62)	(16)	(78)
Other comprehensive income				(14,798)	(32,321)	(47,119)	(15,141)	(62,260)
Adjustments to comprehensive net income under IAS 19 (revised)				(19,027)	477	(18,550)	(51)	(18,601)
Comprehensive income (published)				**114,289**	**(32,321)**	**81,968**	**3,737**	**85,705**
Total adjustments to comprehensive net income under IAS 19 (revised)				(19,089)	477	(18,612)	(67)	(18,679)
Comprehensive income (restated)				**95,200**	**(31,844)**	**63,356**	**3,670**	**67,026**
Dividends paid				(66,039)		(66,039)	(22,124)	(88,163)
Net change in treasury shares			5,209	(994)		4,215		4,215
Changes in consolidation scope and additional acquisitions				(749)		(749)	(154)	(903)
Increases in share capital				(666)		(666)	4,239	3,573
Other changes				305		305	(606)	(301)
AS AT DECEMBER 31, 2012 (PUBLISHED)	**179,600**	**11,207**	**(78,681)**	**2,127,045**	**(108,373)**	**2,130,798**	**334,146**	**2,464,944**
Adjustments under IAS 19 (revised), 12/31/2012				(50,464)	477	(49,987)	(110)	(50,097)
AS AT DECEMBER 31, 2012 (RESTATED)	**179,600**	**11,207**	**(78,681)**	**2,076,581**	**(107,896)**	**2,080,811**	**334,036**	**2,414,847**

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information relating to the Group given in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2013

To the Shareholders,

In compliance with the assignment entrusted to us by the shareholders in General Meeting, we hereby report to you, for the year ended 31 December 2013, on:

- the audit of the accompanying consolidated financial statements of Vicat S.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I – Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view, in accordance with IFRS as adopted by the EU, of the assets, liabilities, and financial position of the consolidated group of entities as at 31 December 2013 and of the results of its operations for the year then ended.

Without qualifying the conclusion expressed above, we draw your attention to the mention in the note 35 to consolidated financial statements which sets out the accounting consequences related to the first application of "revised IAS 19" on the shareholders' equity at 1 January 2012, as well as on the consolidated financial statement for the period ended 31 December 2012.

II – Justification of our assessment

In accordance with the requirements of article L.823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

At each reporting date, the Company systematically performs impairment tests of assets with indefinite useful lives and, whether there is any sign of impairment, assesses the value of assets with definite useful lives, using the methodology disclosed in the note 1.11 to the consolidated financial statements. We have examined the procedures for the performance of the impairment testing, and the expected future cash flows and related assumptions and we have also verified that the notes to the consolidated financial statements relating to the assets, including note 3 "Goodwill", note 4 "Other intangible assets" and note 5 "Tangible assets", provide appropriate information The estimates are based on assumptions which have by nature an uncertain characteristic; realizations can be sometimes significantly different from initial forecasts. We verified that such estimates were reasonable.

Your Company records provisions related post-employment benefits and other long-term employee benefits in the consolidated financial statements in accordance with "revised IAS 19"'s requirements. The notes 1-15 and 14 specify the methods of evaluation of post-employment benefits and other long-term employee benefits. These obligations have been evaluated by independent actuaries. The work we performed consisted of examining underlying data used in the calculations, assessing the assumptions, verifying that the disclosures contained in the notes 1-15 and 14 of the consolidated financial statements provide appropriate information and verifying the correct application of "revised IAS 19" mentioned in the first part of this report, as well as the description of the main impacts included in the note 35 to the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III – Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

The statutory auditors

Paris La Défense, 7 March 2014

KPMG Audit
Département de KPMG S.A.
Bertrand Desbarrières
Partner

Chamalières, 7 March 2014

Wolff & Associés S.A.S.

Patrick Wolff
Partner

STATUTORY FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013

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INCOME STATEMENT

(in thousands of euros)	2013	2012
Net sales	**416,762**	**443,119**
Production in the year	419,895	449,799
Consumption in the year	(237,784)	(257,249)
Added value	**182,111**	**192,550**
Personnel costs	(63,535)	(63,457)
Taxes	(17,986)	(17,462)
Transfer of expenses and subsidies	703	320
Gross operating profit	**101,293**	**111,951**
Other income and expenses	4,949	3,075
Net amortization and provisions	(25,701)	(23,010)
Operating income	**80,541**	**92,016**
Financial income and expenses	165,546	108,054
Current profit	**246,087**	**200,070**
Exceptional income and expenses	2,996	(6,169)
Employee profit-sharing	(3,286)	(4,906)
Income taxes	(21,335)	(15,269)
Net income for the year	**224,462**	**173,726**
Cash flow from operations	**235,431**	**199,257**

BALANCE SHEET AT DECEMBER 31, 2013

(in thousands of euros)	2013	2012
ASSETS		
Non-current assets		
Intangible assets		
Gross value	29,644	33,081
Amortization and depreciation	(14,479)	(12,532)
Net value	**15,165**	**20,549**
Property, plant and equipment		
Gross value	838,283	819,426
Amortization and depreciation	(568,111)	(553,223)
Net value	**270,172**	**266,203**
Financial investments		
Investments in associated companies	1,742,380	1,742,380
Loans and other	95,280	96,355
	1,837,660	**1,838,735**
Current assets		
Inventories	89,832	93,867
Trade and other receivables	306,309	242,762
Short-term financial investments	7,441	5,311
Cash	627	3,160
Accrued expenses	2,051	1,731
	406,260	**346,831**
Expenses to be allocated	2,469	3,339
Translation adjustments – assets		2
TOTAL ASSETS	**2,531,726**	**2,475,659**

LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	179,600	179,600
Reserves, premiums and provisions	834,883	782,023
Revaluation adjustments	11,142	11,143
Retained earnings	201,334	151,312
Net income	224,462	173,726
	1,451,421	**1,297,804**
Provisions		
For liabilities (risks)	1,860	944
For liabilities (expenses)	21,872	20,070
	23,732	**21,014**
Liabilities		
Loans	915,480	946,485
Short-term bank borrowings and bank overdrafts	12,876	4,829
Trade and other payables	128,217	205,510
Accrued income		8
	1,056,573	**1,156,832**
Translation adjustments – liabilities		9
TOTAL LIABILITIES	**2,531,726**	**2,475,659**

2013 FINANCIAL STATEMENTS – APPENDIX

NOTE 1 ACCOUNTING POLICIES AND VALUATION METHODS

The accompanying financial statements have been prepared in accordance with the laws and regulations applicable in France.

Significant accounting policies used in preparation of the accompanying financial statements are as follows:

Intangible assets are recorded at historical cost after deduction of amortization. Goodwill, fully amortized, corresponds to business assets received prior to the 1986 fiscal year. Greenhouse gas emissions were reclassifed from intangible assets to inventories at a zero value, in accordance with ANC Regulation No. 2013-03 (*Autorité des normes comptables* – French Accounting Standards Authority).

Research and development costs are entered as expenses.

Plant, property and equipment are recorded at acquisition or production cost, by applying the component approach pursuant to CRC Regulation No. 2002-10. The cost of goods sold excludes all financing expenses. Property, plant and equipment acquired before December 31, 1976 have been restated.

Amortization is calculated on a straight-line basis over the useful life of assets. Amortization calculated on a tax rate method is reported in the balance sheet under “regulated provisions”.

Mineral reserves are amortized based on the tonnages extracted during the year, compared with the estimated total reserves.

Investments are recorded at acquisition cost, subject to the deduction of any depreciation considered necessary, taking into account the percentage holding, profitability prospects and share prices if significant or market prices. Investments acquired before December 31, 1976 have been restated.

Treasury shares are recognized at acquisition cost and recorded in other financial assets. Those intended for allotment to employees under profit-sharing and performance-related bonus schemes are recognized in short-term financial investments. Income from sales of treasury shares contributes to the earnings for the year. At year end, treasury shares are valued on the basis of the average price in the last month of the financial year. Changes in the share price below the historic purchase price can effect a change in the earnings.

Inventories are valued using the method of weighted average unit cost. The gross value of goods and supplies includes both the purchase price and all related costs. Manufactured goods are recorded at production cost and include consumables, direct and indirect production costs and amortizations of production equipment.

In the case of inventories of finished products and work-in-progress, the cost includes an appropriate share of fixed costs based on standard conditions of use of the production facilities.

Receivables and payables are recorded at nominal value.

Depreciations are made to recognize losses on doubtful receivables and inventories that may arise at year-end.

Receivables and payables denominated in foreign currencies are recorded using the exchange rates prevailing at the date of the transaction. At year-end, these receivables and payables are valued in the balance sheet at exchange rates in effect at year-end.

Issue expenses for borrowings are spread over the term of the borrowings.

Differences arising from revaluation of foreign currency receivables and payables are reported in the balance sheet under "Translation adjustments". Additional provisions are made for unrealized currency losses that do not offset.

Short-term financial investments are valued at cost or at market value if lower.

NOTE 2 SIGNIFICANT EVENTS DURING THE PERIOD

There were no significant events in 2013.

NOTE 3 POST BALANCE SHEET EVENTS

No post balance sheet event has had a material impact on the financial statements as at December 31, 2013.

NOTE 4 SALES ANALYSIS

Net sales by activity break down as follows:

(in thousands of euros)	**Total**
Cement	383,657
Paper	33,105
TOTAL	**416,762**

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NOTE 5 ANAYLSIS OF THE FINANCIAL STATEMENTS

5.1. Non-current assets

(in thousands of euros)	Gross value at beginning of year	Acquisitions	Disposals	Reclassification	Gross value at end of year
Concessions, patents, goodwill and other intangible assets	33,081	7,853		(11,289)	29,645
Land and improvements	92,363	854	61	(3,164)	89,992
Buildings and improvements	162,874	3,306		3,164	169,344
Plant, machinery and equipment	524,661	15,050	5,640	9,694	543,765
Other tangible assets	17,275	714	13	(9,694)	8,282
Tangible assets in progress	22,241	4,648			26,889
Advances and payments on account	12		1		11
TOTAL	**852,507**	**32,425**	**5,715**	**(11,289)**	**867,928**

- The increase in intangible assets includes the implementation of the SAP software, part of which was brought into use on July 1, 2013.
- The amount of € 11,289 thousand under the reclassification column corresponds to the transfer of CO_2 quotas from intangible assets to inventories at a zero value, in accordance with ANC Regulation No. 2013-03.
- The main changes in tangible assets have to do with continuing improvements to the Mépieu quarry, costing € 12,946 thousand, and the biomass boiler at Vizille brought into use for an amount of € 5,457 thousand.

(in thousands of euros)	Accumulated depreciation at beginning of year	Increase	Decrease	Reclassification	Accumulated depreciation at end of year
Concessions, patents, goodwill and other intangible assets	12,532	1,947			14,479
Land and improvements	17,547	1,396		(412)	18,531
Buildings and improvements	117,018	3,815		412	121,245
Plant, machinery and equipment	403,810	14,740	5,640	7,295	420,205
Other tangible assets	13,790	575		(7,295)	7,070
TOTAL	**564,697**	**22,473**	**5,640**	**0**	**581,530**

5.1.1. Intangible assets

The balance of quotas allocated by the French State under the National Quota Allocation Plan, Phase Two (*Plan National d'Affectation des Quotas,* or PNAQ II) for the 2008-2012 period stands at 1,517 thousand tons. Under the new National Allocation Schedule, the quotas allocated for 2013 represent 2,426 thousand tons.

In accordance with ANC Regulation No. 2013-03 article 1, quotas allocated free of charge are not recorded either as assets or liabilities. As at December 31, 2013, the quotas were reclassified under inventories at a zero value.

Recording of quota swaps (EUA) against Certified Emission Reductions (CERs) is recognized in the income for the year at an amount of € 1,051 thousand. The income from the sale and swap of quotas came to the same amount in 2012.

Research and development costs recorded in expenses amounted to € 4,876 thousand. These comprise € 3,956 thousand for internal costs (amortization, personnel and operating costs) and € 920 thousand for work commissioned from external organizations.

5.1.2. Tangible assets

Tangible assets in progress are mainly comprised of industrial installations in the construction phase.

Property, plant and equipment are depreciated as follows:

- construction and civil engineering of industrial installations: 15 to 30 years;
- industrial installations: 5 to 15 years;
- vehicles: 5 to 8 years;
- sundry equipment: 5 years;
- computer equipment: 3 years.

5.1.3. Financial investments:

Financial investments decreased by € 10,923 thousand, mainly as a result of:

- changes in other financial investments: (1,054)
- changes in the loan granted to the subsidiary Vigier 1,311
- the reclassification of treasury shares under current assets (11,180)

(10,923)

Under the liquidity agreement with Natixis, the following amounts were recognized in the liquidity account at year-end:

- 22,115 treasury shares representing a net value of € 1,163 thousand;
- € 2,687 thousand in cash.

Under this contract, 240,762 shares were purchased during the year for € 11,968 thousand and 270,302 shares sold for € 13,006 thousand.

At December 31, 2012, financial investments included 813,167 treasury shares. On February 24, 2013, the Board of Directors decided to transfer 130,000 shares to “short-term financial investments” (own shares) with a view to awarding them to employees under profit-sharing and shareholding schemes.

Loans and other long-term investments amounted to € 117.068 thousand and have a term of more than one year.

5.2. Shareholders’ equity

5.2.1. Share capital

Share capital amounts to € 179,600,000 and is divided into 44,900,000 shares of € 4 each, held by:

- Employees 4.45 %;

of whom are employee shareholders: 2.04 %;*

- Family, Parfininco and Soparfi 60.56 %;
- Vicat 1.88 %.

* *As per article L. 225-102 of the Code de commerce (the French Commercial Code).*

5.2.2. Change in shareholders’ equity

(in thousands of euros)	2013	2012
Shareholders’ equity at the beginning of year	1,297,804	1,188,044
Shareholders’ equity at the end of year	1,451,421	1,297,804
Change	153,617	109,760
Analysis of changes		
Income for the year	224,462	173,726
Dividends paid(1)	(66,014)	(66,038)
Revaluation adjustments	(1)	(5)
Regulated provisions	(4,830)	2,077
TOTAL	**153,617**	**109,760**

(1) Less dividends on treasury shares.

5.2.3. Regulated provisions

(in thousands of euros)	Amount at the beginning of year	Allocation during the year	Reversals	Amount at the end of the year
Price increase provision	11,104	897	1,692	10,309
Special tax depreciation	91,013	6,251	7,561	89,703
Special revaluation provision	2,380	-	14	2,366
Investment provision	7,617	-	2,708	4,909
TOTAL	**112,114**	**7,148**	**11,975**	**107,287**

Maturities are as follows:

(in thousands of euros)	Amount	Recovered at 1 year maximum	Recovered after more than 1 year
Price increase provision	10,309	2,548	7,761
Special tax depreciation	89,703	-	89,703
Special revaluation provision	2,366	-	2,366
Investment provision	4,909	2,270	2,639
TOTAL	**107,287**	**4,818**	**102,469**

5.3. Provisions

(in thousands of euros)	Amount at the beginning of year	Allocation during the year	Decrease (with use)	Decrease (unused provision)	Amount at the end of the year
Provisions for quarry reinstatement	4,347	360	366	-	4,341
Provisions for disputes	149	775	92	-	832
Other provisions for expenses	16,518	2,078	37	-	18,559
TOTAL	**21,014**	**3,213**	**495**	**-**	**23,732**

Provisions amounted to € 24 million and covered:

- the forecast costs under the French quarry reinstatement obligation of € 4.3 million. These provisions are made for each of the quarries based on tonnages extracted in relation to the potential deposit and the estimated cost of the work to be performed at the end of operations;
- other provisions for expenses which include a provision of € 16,1 million for tax to be repaid to subsidiaries under the Group tax sharing agreement.

5.4. Debts

During 2013, medium and long-term debt and other bank borrowings decreased by € 22,958 thousand.

5.4.1. Statement of maturities

(in thousands of euros)	Gross amount	1 year or less	1 - 5 years	More than 5 years
Bank borrowings and financial liabilities(1)	915,172	0	651,067	264,105
Miscellaneous borrowings and financial liabilities	3,644	3,420	-	224
Short-term bank borrowings and bank overdrafts	9,541	9,541	-	-
(1) Including commercial paper	*290,000*		*290,000*	

5.4.2. Other disclosures

At December 31, 2013 the Company had € 321 million in unused confirmed lines of credit that have not been allocated to the hedging of liquidity risk on commercial paper (€ 396 million at December 31, 2012).

The Company also has a program for issuing commercial paper amounting to € 300 million. At December 31, 2013, the amount of commercial paper issued stood at € 290 million. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings in the consolidated balance sheet.

The medium and long-term loan agreements contain specific covenants, especially as regards compliance with financial ratios. The existence of these covenants does not represent a risk to the company's financial position.

5.4.3. Risk hedging

Foreign exchange risk

The principal and interest due on a borrowing originally issued by the Group in US Dollars were converted to Euros through a series of cross currency swaps.

Interest rate risk

The floating rate debt is hedged through the use of financial instruments (caps and swaps) on original maturities of 5 to 12 years amounting to € 320 million at December 31, 2013.

Liquidity risk

Unused confirmed lines of credit are used to cover the risk of the Group finding itself unable to issue its commercial paper through market transactions. As at December 31, 2013 these lines matched the short term notes they covered at € 290 million.

5.4.4. Financial instruments

As at December 31, 2013, unsettled derivative instruments were as follows:

Type *(in thousands of currency units)*	**Nominal value** *(currency)*	**Nominal value** *(in euros)*	**Fair value** *(in euros)*
CHF forward sales	CHF 35,000	28,511	+ 17(1)
USD forward sales	USD 178,000	129,070	(9)(2)
Floating/fixed interest rate swaps	EUR 150,000	150,000	(4,283)
Interest rate caps	EUR 170,000	170,000	(407)
Cross Currency Swap	USD 570,000	413,314	(46,334)(3)

(1) In parallel debt rose by € 53 thousand.
(2) In parallel borrowing decreased by € 1,041 thousand.
(3) In parallel debt decreased by € 30,117 thousand.

5.5. Statement of maturities for trade receivables and payables

All trade receivables and payables have a term of one year or less.

5.6. Balance of trade payables

Trade payables at 2013 year-end stood at € 28,574 thousand.

Breakdown by due date *(in thousands of euros)*	**2013**	**2012**
Due	3,418	1,487
Less than 30 days	16,209	14,261
31 to 60 days	8,947	4,433
TOTAL	**28,574**	**20,181**

5.7. Other balance sheet and income statement information

Other items of information are as follows:

Items concerning several balance sheet accounts *(in thousands of euros)*	**Associated companies**	**Payables or receivables represented by commercial paper**
Long-term investments	1,738,956	
Trade receivables and related accounts	31,057	11,291
Other receivables and related accounts	202,249	
Trade payables and related accounts	9,549	
Other liabilities	27,859	

Income statement items	**Associated companies**
Financial expenses	1,087
Financial income excluding dividends	5,902

Transactions with associated companies and related parties are not covered by Accounting Standards Authority Regulation No. 2010-02.

Accrued liabilities *(in thousands of euros)*	**Amount**
Bank loans and borrowings	3,335
Trade payables and related accounts	18,335
Tax and employee-related payables	16,224
Other liabilities	506
TOTAL	**38,400**

Accrued expenses *(in thousands of euros)*	**Amount**
Operating expenses	1,868
Financial expenses	184
TOTAL	**2,052**

Short-term financial investments

Short-term financial investments break down as follows: 140,744 treasury shares at a net value of € 7,441 thousand acquired for the purpose of share allotment to employees. Their market value amounted to € 7,600 thousand at December 31, 2013.

The distribution of shares to Group employees under the profit-sharing scheme resulted in an expense of € 770 thousand.

Net financial income

Net financial income included a net reversal of the provisions for depreciation of treasury shares amounting to € 6,490 thousand (compared with a reversal of € 5,265 thousand in 2012).

NOTE 6 BREAKDOWN OF CORPORATE INCOME TAX AND ADDITIONAL TAXES

Headings *(in thousands of euros)*	**Profit (loss) before tax**	**Corporate income tax**	**Social security contributions**	**Exceptional contributions**	**Profit (loss) after tax**
Current profit (loss)	246,087	(18,682)	(805)	(3,545)	223,055
Net non-operating income (expense) (and profit-sharing)	(290)	1,404	54	239	(1,407)
Book profit (loss)	245,797	(17,278)	(751)	(3,306)	224,462

NOTE 7 IMPACT OF THE SPECIAL TAX EVALUATIONS

Headings *(in thousands of euros)*	Allocations-	Reversals	Amounts
Income for the year			224,462
Income taxes			17,278
Exceptional contributions			3,306
Social security contributions			751
Profit (loss) before tax			**245,797**
Change in special tax depreciation of assets	6,251	(7,561)	(1,310)
Change in investment provision	-	(2,708)	(2,708)
Change in special revaluation provision	-	(14)	(14)
Change in the price increase provision	897	(1,692)	(795)
SUBTOTAL	7,148	(11,975)	(4,827)
Income excluding special tax evaluations (before income tax)			**240,970**

Vicat has opted for a tax sharing regime with it as the parent company. This option relates to 20 companies. Under the terms of the tax sharing agreement, the subsidiaries bear a tax charge equivalent to that which they would have borne if there had been no tax sharing. The tax saving resulting from the tax sharing agreement is awarded to the parent company, notwithstanding the tax due to the tax loss subsidiaries, for which a provision is established. For 2013, this saving amounted to € 3,331 thousand.

The expenses covered by articles 223 quater and 39.4 of the French General Tax Code (CGI) amounted to € 137 thousand for 2013.

NOTE 8 DEFERRED TAX

Headings *(in thousands of euros)*	Amount
Tax due on:	
Price increases provisions	3,917
Special tax depreciation	34,087
Total increases	**38,004**
Tax paid in advance on temporarily non-deductible expenses	1,884
of which profit-sharing expenses: 1,249	
Total reductions	**1,884**
Net deferred tax	**36,120**

NOTE 9 OFF-BALANCE SHEET COMMITMENTS

Commitments given *(in thousands of euros)*	**Amount**
Pension commitments[1]	16,322
Deposits and guarantees[2]	272,542
Forward purchases of fuels	2,949
TOTAL	**291,813**

(1) Including an amount of € 8,217 thousand relating to the supplementary pension scheme for officers and other managers of the Company under article 39 of the French General Tax Code (CGI).
(2) Vicat has provided a guarantee to lenders on behalf of its subsidiaries Jambyl Cement Production Company LLP, Vicat Sagar Cement Private Ltd and Gulbarga for loans taken out for the construction of greenfield projects.

Vicat granted a put option to the minority shareholders of its subsidiary Mynaral Tas Company LLP. This option, exercisable by December 2013 at the earliest, is valued at € 11,981 thousand as at December 31, 2013.

Commitments received *(in thousands of euros)*	**Amount**
Confirmed credit lines[1]	731,000
Other commitments received	
TOTAL	**731,000**

(1) Including € 290,000 thousand allocated to hedge the commercial paper issue program.

Retirement indemnities are accrued in accordance with the terms of in the collective labor agreements. The corresponding liabilities are calculated using the projected unit credit method, which includes assumptions on employee turnover, mortality and wage inflation. Commitments are valued, including social security charges, *pro-rata* to employees' years of service.

Principal actuarial assumptions are as follows:

- discount rate: 3 %;
- wage inflation: from 1.7 % to 3.2 %;
- inflation rate: 2 %.

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NOTE 10 COMPENSATION, WORKFORCE AND CICE

Executive management compensation *(In thousands of euros)*	**Amount**
Compensation allocated to:	
- directors	275
- executive management	2,217

Workforce	**Average**	**As at December 31, 2013**
Management	203	209
Supervisors, technicians, administrative employees	374	376
Blue-collar staff	269	274
TOTAL COMPANY	**846**	**859**
Of which Paper Division	*159*	*162*

CICE *(Crédit d'impôts pour la compétitivité et l'emploi – Competitiveness and Income Tax Credit)*

In accordance with the recommendation of the *Autorité des normes comptables* (French Accounting Standards Authority), the CICE was booked in the individual financial statements in a dedicated credit account (subdivision of account 64). The amount receivable recorded as at December 31, 2013 comes to € 650 thousand.

As the funds were not actually used in 2013, they could not be allocated.

SUBSIDIARIES AND AFFILIATES

Company or groups of companies 2013 financial year	Capital	Reserves and retained earnings before appropriation of income	Ownership interests (%)	Book value of shares owned gross	Book value of shares owned net	Loans & advances granted by the company and not yet repaid	Guarantees granted by the company	Sales ex. VAT for the financial year ended	Profit or loss (-) for the financial year ended	Dividends received by Vicat during the year	Observations
Subsidiaries and affiliates whose gross value exceeds 1 % of Vicat's capital											
1) Subsidiaries *(at least 50 % of the capital held by the company)*											
Béton Travaux 92095 Paris La Défense	27,997	193,010	99.97	88,869	88,869	60,229		18,662	12,227	13,120	
National Cement Company Los Angeles Usa	280,521(1)	68,732(1)	97.85	229,581	229,581	73,823		293,768(1)	(20,269)(1)		
Parficim 92095 Paris La Défense	67,728	1,398,256	99.99	1,343,624	1,343,624	23,567			140,115	173,554	
SATMA 38081 L'isle D'abeau Cedex	3,841	6,174	100.00	7,613	7,613			20,521	731		
Cap Vracs 13270 Fos Sur Mer	16,540	4,086	100.00	43,004	43,004	12,916		12,595	(1,651)		
2) Affiliates *(10 to 50 % of the capital held by the company)*											
Societe Des Ciments D'abidjan Côte d'Ivoire	2,000,000(2)	22,690,091(2)	17.14	1,596	1,596			63,725,140(2)	5,339,462(2)	698	Figures for 2012
SATM 38081 L'isle D'abeau	1,600	23,920	22.00	15,765	15,765			90,836	4,386	2,552	
Other subsidiaries and affiliates											
French subsidiaries (total)				9,746	9,682	1,919				816	
Foreign subsidiaries (total)				2,687	2,687						
TOTAL				**1,742,485**	**1,742,421**	**172,454**				**190,740**	

(1) Figures shown in USD.
(2) Figures shown in CFA Francs.

ANALYSIS OF INCOME FOR THE YEAR

Net operating income amounted to:	**246,088,537**
Less:	
■ other exceptional net income and expense	2,994,765
■ employee profit-sharing	(3,286,753)
■ tax on income	(21,334,798)
Net income for 2013 amounted to:	**224,461,751**

Proposed distribution of income

We propose that the income to be distributed be as follows:

INCOME FOR 2013	**224,461,751**
Retained earnings carried forward	201,333,800
TOTAL TO BE DISTRIBUTED	**425,795,551**
We propose the following Income distribution:	
■ dividend of €1.50 per share of nominal value €4	67,350,000
■ statutory reserve account	
■ allocation to other reserve accounts	153,445,551
Retained earnings	**205,000,000**

Distribution over the last three years (on a comparable basis)

Year	2010	2011	2012
Dividend distributed	1.50	1.50	1.50

NB: The dividend amounts quoted take into account all existing shares.

When payment is made, the dividends on treasury shares will be allocated to the “Retained earnings” account.

Distributed dividends are eligible for a 40 % tax allowance under the conditions laid out in article 158-3 of the French General Tax Code.

FINANCIAL INCOME FOR THE LAST FIVE FINANCIAL YEARS

(articles L. 225-81, L. 225-83 and L. 225-102 of the Commercial Code)

(in euros)	2009	2010	2011	2012	2013
1) Financial position at year end					
Share capital	179,600,000	179,600,000	179,600,000	179,600,000	179,600,000
Number of shares issued	44,900,000	44,900,000	44,900,000	44,900,000	44,900,000
2) Total comprehensive income from actual operations					
Sales before tax	448,708,588	444,001,111	484,696,600	443,118,535	416,761,872
Profit before tax, profit-sharing, amortization and provisions	186,205,363	175,735,104	211,190,319	217,389,930	261,894,956
Tax on profits	28,903,959	20,414,515	15,286,066	15,269,019	21,334,798
Employee profit share due in respect of the financial year	4,849,805	3,982,186	4,029,869	4,905,765	3,286,753
Profit after tax, amortization and provisions	124,861,843	118,026,898	152,356,641	173,726,016	224,461,751
Amount of profit distributed	67,350,000	67,350,000	67,350,000	67,350,000	67,350,000
3) Income from operations per share					
Profit after tax and profit-sharing, but before amortization and provisions (based on a comparable number of shares)	3.40	3.37	4.27	4.39	5.36
Profit after tax, profit-sharing, amortization and provisions (based on a comparable number of shares)	2.78	2.63	3.39	3.87	5.00
Dividend paid for each share	1.50	1.50	1.50	1.50	1.50
4) Employees					
Number of employees	848	859	862	851	859
Total wage bill (1)	40,694,345	41,518,392	43,128,593	42,541,898	43,763,690
Total amount paid in social security and other contributions (social security, charitable works, etc.)	19,044,121	19,872,426	20,442,672	20,435,968	19,496,940

(1) Excluding pre-retirement payments on termination of employment.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the financial statements issued in the French language and is provided solely for the convenience of English-speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2013

To the Shareholders,

In compliance with the assignment entrusted to us by the shareholders in General Meeting, we hereby report to you, for the year ended 31 December 2013, on:

- the audit of the accompanying financial statements of Vicat S.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I – Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2013 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying the conclusion expressed above, we draw your attention to the mention in the notes 1 and 5.1.1 to the financial statements which sets out the impact of change in accounting treatment concerning greenhouse gas emission quotas following the application of regulation ANC No. 2012-03 dated 4 October 2012.

II – Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

The note « Accounting rules and methods » discloses significant accounting rules and methods applied in the preparation of the financial statements, and particularly relating to the assessment made by your Company on the intangibles and financial assets at the year ended 31 December 2013. As part of our assessment of the accounting rules and principles applied by your company, we have assessed the appropriateness of the above-mentioned accounting methods and related disclosures.

Your Company has recorded provisions for costs of quarry reinstatement and repayment of income tax to subsidiaries in according to the group tax agreement as disclosed in the note 5.3 to the statutory financial statements. We have made our assessment on the related approach determined by your Company, as disclosed in the financial statements, based on information available as of today, and performed appropriate testing to confirm, based on a sample, that these methods were correctly applied. As part of our assessment, we have assessed the reasonableness of the above-mentioned accounting estimates made by your Company.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III – Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders has been properly disclosed in the management report.

The statutory auditors

Paris La Défense, 7 March 2014

KPMG Audit
Département de KPMG S.A.
Bertrand Desbarrières
Partner

Chamalières, 7 March 2014

Wolff & Associés S.A.S.

Patrick Wolff
Partner

STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENT AND COMMITMENTS

Year ended 31 December 2013

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby report to you on the regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the principal terms and conditions of the agreements and commitments of which we were notified or which we have identified during our audit work. It is not our role to determine whether they are beneficial or appropriate or to ascertain whether other agreements or commitments exist. It is your responsibility, under the terms of Article R.225-31 of the French Commercial Code, to evaluate the benefits arising from these agreements and commitments prior to their approval.

In addition, it is our responsibility, if applicable, to inform you of the information specified in Article R. 225-31 of the French Commercial Code relating to the performance during the past year of agreements and commitments already approved by the General Meeting.

We have performed the procedures we considered necessary in accordance with the professional code of practice of the National Society of Statutory Auditors, in relation to this work. Our work consisted in verifying that the information provided to us is in agreement with the underlying documentation from which it was extracted.

Agreements and commitments submitted to the approval by the General Meeting

We inform you that we have not been advised of any agreements or commitments authorized in 2013 to be submitted to the General Meeting for approval as mentioned in Article L.225-38 of the French Commercial Code.

Agreements and commitments already approved by the General Meeting

In accordance with Article R.225-30 of the French Commercial Code, we have been informed of the following agreement and commitment, which were initially approved in previous years, have been, continued in 2013:

Commitments relating to supplementary pension plans:

Purpose: Supplementary pension plan as defined in Article 39 of the French General Tax Code.

Terms and conditions: The related obligations with Cardiff concern the executive directors as well as managers whose salary exceeds 4 times the ceiling of the level A of the social security.

The statutory auditors

Paris La Défense, 7 March 2014

KPMG Audit
Département de KPMG S.A.
Bertrand Desbarrières
Partner

Chamalières, 7 March 2014

Wolff & Associés S.A.S.

Patrick Wolff
Partner

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

4

The Vicat Group has opted to present all of the workforce-related, social and environmental information required by article 225 of France's Grenelle II law in its management Commentary.

In 2013, the Vicat Group created its own corporate social responsibility (CSR) reference framework to guide all of its subsidiaries in improving and evaluating their CSR performance on the basis of indicators relevant for the business activities pursued (Cement/Concrete & Aggregates/ Activities, Products & Services). The CSR reporting procedure was also reinforced during the year, through the establishment of a CSR Coordination unit at Group level.

In order to facilitate access to the mandatory quantitative and qualitative disclosures, a table of correspondence is included below.

An attestation of presentation relating to this information as well as an opinion on its fairness have been provided by Grant Thornton, an independent third party organization engaged to verify such information included in section 4.5 below.

The Vicat Group has included in its overall strategy the significant potential risks to its industrial operations generated by global warming and the possible exhaustion of fossil fuel energy sources. This strategy, known as "sustainable construction", enables it to respond to such risks, while at the same time supporting the development of its markets. It also includes the social and societal commitments which the Group has been developing for a number of years.

4.1. BEING A RESPONSIBLE EMPLOYER

4.1.1. HEALTH, SAFETY AND ACCIDENT PREVENTION

4.1.1.1. Safety indicators

Although the Vicat Group's performance in this area in 2012 had seen continuous progress since 2006, safety indicators showed some deterioration in 2013. However, the underlying trend remains positive. The Vicat Group's continuous improvement in this area is ensured by General Management's strong mobilization around the related issues as well as the tireless efforts of all managers and their teams to promote safety.

For the Group employees	2013	2012	Variation
Number of lost-time accidents	214	190	+ 12 %
Number of fatal accidents	2	1	+ 100 %
Number of days lost	7,060	6,229	+ 12 %
Frequency rate	14.8	13.3	+ 11 %
Severity rate	0.48	0.44	+ 9 %

The adverse development of these indicators in 2013 resulted in the launch of a multi-year action plan within the Vicat Group in 2014, led by General Management, managers and employees. The linchpin of this new plan is its zero-accident goal.

	Cement Group		
For the Group employees	2013	2012	Variation (%)
Number of lost-time accidents	50	40	+ 25 %
Number of fatal accidents	1	0	-
Frequency rate	8.9	6.5	+ 37 %
Severity rate	0.24	0.25	- 4 %

	Concrete & Aggregates, OPS (Group figures)		
For the Group employees	**2013**	**2012**	**Variation (%)**
Number of lost-time accidents	164	149	+ 10 %
Number of fatal accidents	1	1	-
Frequency rate	18.5	18.3	+ 1 %
Severity rate	0.65	0.58	+ 12 %

4.1.1.2. Health and safety conditions at work

Ensuring health and safety and preventing accidents at work are two of the Vicat Group's guiding objectives. The related commitments and workplace rules are set out in the Group's safety charter, which is communicated to all employees.

Implemented and supported by the Group's Safety Department, this policy is rolled out to all sites by managers, whose involvement and prevention efforts are essential.

Considerable emphasis is placed on training and raising awareness among all staff. By way of example, all new Vicat Group managers must complete the Group's "Prevention and Safety" training module as part of their orientation process.

In 2013, several communication and awareness campaigns were launched (working at height, road safety, etc.) Materials of varying types are used: videos, posters in the workplace, distribution of date books and calendars featuring related messages.

Once again in 2013, the Group organized a number of special "safety days". Their aim is to encourage all staff to recognize the importance of this essential Vicat Group priority, and to raise awareness among all teams at the Group's sites and unify them around this common goal.

The Group disseminates a standard accident management procedure (SECU 004) which requires that an in-depth investigation be carried out after each accident, whether it involves Group employees, temporary staff, or external contractors. The aim is to identify causes and take appropriate corrective action immediately. All findings from the investigation are then shared across the Group to prevent the reoccurrence of a similar event.

Among other preventive measures, production and construction sites are regularly audited by the Group's safety specialists and trained operational staff. These individuals work to identify potential risks and any areas in need of improvement. They also analyze any specific problems or functional shortcomings and develop appropriate solutions. Year after year, more Group entities are auditing each other with a focus on health and safety, thus sharing their experiences and best practices while leveraging expertise across different business lines.

The implementation of the Group's safety standards continued in 2013. These standards set out the Group's expectations in terms of safety for all business activities and refer to the regulatory basis for the requirements involved.

New standards will be added in 2014, relating in particular to the use of vehicles and motorized equipment, thus allowing for greater sharing of best practices and safety improvements at sites.

The Group monitors compliance with basic safety guidelines, including the wearing of personal protective equipment (hearing and respiratory protection, etc.). This equipment is made available to all employees, who are always trained in its proper use.

All facilities designed in recent years meet exacting requirements in terms of safety. The opinions of experts are sought in every case, and these individuals work closely with the safety engineers representing the Group's insurers, in particular.

In 2013, efforts undertaken in recent years to address psychosocial risks, and especially stress, were expanded in scope and new measures were introduced.

In response to the highly unsatisfactory safety results recorded in 2012 for the Precast Concrete business in Switzerland (exposed to specific risks), an action plan was implemented in 2013 by its managers, supported by the Group's Safety Department. The initial results have been significant: the frequency rate was reduced from 45.8 in 2012 to 25.1 in 2013 and the severity rate fell from 1.11 in 2012 to 0.60 in 2013. This corresponds to an improvement greater than 50 % for both of these indicators between 2012 and 2013.

At all its sites throughout all regions of the world, the Group attaches importance to hygienic and healthy working and living conditions.

All personnel working at the Group's sites thus have access to drinking water and to sanitary facilities that are consistent with requirements and properly maintained.

Through its commitment to the health and well-being of all its employees, the Vicat Group is building the future.

4.1.1.3. Agreements signed with trade union organizations in relation to health and safety at work

The Group works with all staff, and in particular with employee representatives, to improve accident prevention and safety at its sites and safeguard the health and well-being of its employees on a permanent basis. The agreements signed bear witness to the shared willingness and commitment of General Management, employee representatives and trade unions to this issue.

In France, for the Cement and Paper businesses, the actions outlined in the agreement signed in April 2012 on reducing exposure to health risks at work were implemented in 2013. These measures have been successful at reducing the exposure of individual employees to multiple risk factors, by entirely eliminating the highest exposures (exposure to the risk factors mentionned below). The number of employees exposed to one or more risk factors was lowered by 9 % during the year.

The Vicat Group continued its work in this area in collaboration with the various trade unions. The main areas of focus are the exposure of workers to noise, hazardous chemicals and vibrations as well as limiting time spent in awkward positions and in manual handling tasks.

4.1.2. TRAINING

In 2013, the Group's training program remained focused on safety, accident prevention and the environment; the optimization of industrial performance; and business performance. These training measures, centered on operational results, contributed consistently and effectively to the Group's results in these areas.

In France, the Group maintains an internal training institute for its Cement, Concrete and Aggregates businesses, the Ecole du Ciment, du Béton et des Granulats, which is housed within its subsidiary Sigma Béton. Training courses are developed and delivered by drawing on the Group's technical expertise. The installation of an ERP system for the Cement business and Vizille paper mills resulted in some 4,000 additional training hours, with nearly 250 employees participating in these sessions.

Kazakhstan made further progress with its training program, its industrial performance indicators clearly showing the increasing ability of local teams at the Mynaral site to work independently.

In India, collaborative efforts in training between Bharathi Cement and Vicat Sagar Cement allowed the latter to run its production line successfully from the first year of operation.

Employees Training

	2013	2012	Variation (%)
Number of hours of training	83,314	81,122	+ 2.7
Number of employees having attended at least one training course	4,451	3,866	+ 15.1

Between 2012 and 2013, the number of employees having attended at least one training course rose by 15.1 %. This achievement illustrates the Vicat Group's commitment to the professional and personal development of its employees and to the continuous improvement of its operating performance.

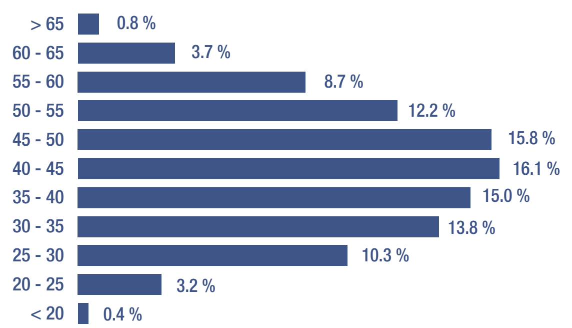
4.1.3. WORKFORCE

The workforce mainly comprises local personnel. New staff are generally hired from the catchment areas in which the Group operates.

Breakdown of the Group's average workforce by age on December 31, 2013

Age group	< 20	20 - 25	25 - 30	30 - 35	35 - 40	40 - 45	45 - 50	50 - 55	55 - 60	60 - 65	> 65	Total
France	12	78	219	288	334	436	447	327	288	81	7	2,517
Europe (excluding France)	12	50	79	106	112	141	213	200	129	107	16	1,165
United States	1	8	51	73	136	148	170	169	154	86	36	1,032
Africa and Middle East	0	15	85	167	234	207	193	143	60	7	5	1,116
Asia	2	95	359	431	342	309	198	99	39	7	1	1,882
TOTAL	**27**	**246**	**793**	**1,065**	**1,158**	**1,241**	**1,221**	**938**	**670**	**288**	**65**	**7,712**

Age pyramid of the Group's employees in 2013



In 2013 as in 2012, the Group maintained a balanced age pyramid. The number of employees under 35, proportionately higher in India (56.2 %), Kazakhstan (48.9 %) and Turkey (39.9 %), accounted for 27.6 % of the Group's workforce. Employees over 50 made up 25.4 % of the Group's workforce, with a higher proportion in France (28 % in 2013), Switzerland (39.2 % in 2013) and the United States (43.1 % in 2013).

Length of service and average age of employees within the Group

	Average age		Average years of service	
	2013	2012	2013	2012
GROUP TOTAL	**42.1**	**41.5**	**9.6**	**9.1**
of which France	*42.3*	*42.7*	*12.4*	*12.1*

There were no significant recruitment campaigns for new positions in 2013. Average length of service thus increased from 9.1 years in 2012 to 9.6 years in 2013.

The average age of employees rose from 41.5 years in 2012 to 42.1 years in 2013 due to the natural ageing of existing staff.

Breakdown of the workforce as at December 31, 2013 by category and business

		Of which		
(number of employees)	Total	Cement	Concrete and Aggregates	Other Products & Services
Executives	1,379	867	232	280
White-collar staff	2,936	1,512	933	491
Blue-collar staff	3,397	1,020	1,367	1,010
TOTAL	**7,712**	**3,399**	**2,532**	**1,781**

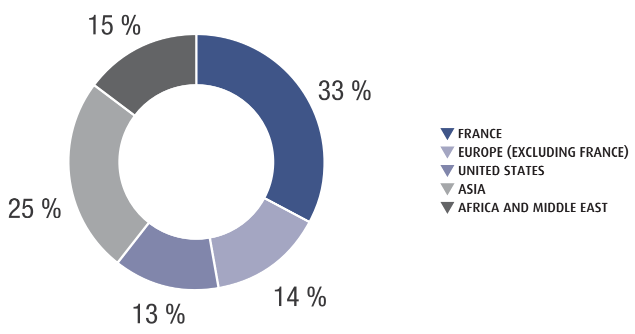
The breakdown of the workforce by business segment is in line with the development of the Group's operations, particularly in the Cement business in India. The proportion of the workforce in the Cement business thus increased from 43.1 % as at December 31, 2012 to 44.1 % as at December 31, 2013, while that of Concrete & Aggregates fell from 34.0 % in 2012 to 32.8 % in 2013 due to a lower number of employees in Turkey. Other Products & Services remained nearly stable at 23.1 % (22.9 % in 2012).

In 2013, blue-collar staff represented 45.6 % of the total workforce, "white-collar" staff 36.7 % and executives 17.7 %.

Breakdown of the Group's average workforce by geographical area

(number of employees)	2013	2012	Variation
France	2,521	2,566	- 1.8 %
Europe (excluding France)	1,113	1,098	+ 1.4 %
United States	1,023	996	+ 2.7 %
Asia	1,881	1,732	+ 8.6 %
Africa and Middle East	1,118	1,137	- 1.7 %
TOTAL	**7,656**	**7,529**	**+ 1.7 %**

Breakdown of the Group's average workforce in 2013 by geographical area (in %)



The Group had an average of 7,656 employees in 2013, up from 7,529 employees in 2012, an increase of 1.7 %.

This increase reflects the Group's growth in emerging countries.

The Turkey-Kazakhstan-India region thus saw its average number of employees rise by 8.6 % in one year, especially due to the contribution of India (staff increases at the Vicat Sagar plant and development of Indian sales teams).

In the United States, the average number of employees rose by 2.7 % in 2013, mainly in the Concrete business, owing to the economic recovery.

Driven by Switzerland's economic performance, the Group's workforce in this country increased by 1.4 %, mainly through the development of the Concrete business.

In the case of the Africa and Middle East region, the 1.7 % decline in the workforce was mainly due to staff adjustments by Senegalese subsidiaries in the Aggregates business (3.6 % reduction between 2012 and 2013). In addition, the Cement business in Senegal reduced its workforce by a further 2.1 % between 2012 and 2013.

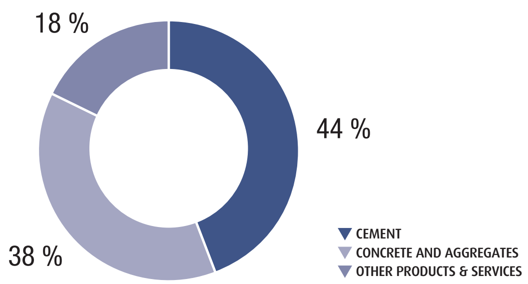
In France, the average number of employees fell by 1.8 %, due to ongoing optimization efforts focusing on the organization of the different businesses as well as the difficult domestic economic environment.

Breakdown of the Group's average workforce by business

(number of employees)	2013	2012	Variation
Cement	3,390	3,202	5.9 %
Concrete and Aggregates	2,917	2,925	- 0.3 %
Other Products & Services	1,349	1,402	- 3.8 %
TOTAL	**7,656**	**7,529**	**1.7 %**

The 5.9 % increase in the average number of employees in the Cement division is the result of significant new hires in India for this business (27.3 % increase between 2012 and 2013) and the redeployment within this business in Switzerland of nearly 60 staff from Other Products & Services. At constant consolidation scope, the average growth rate by business segment would be 4 % in Cement and stable in both Concrete & Aggregates and Other Products & Services.

Breakdown of the Group's average workforce in 2013 by business (in %)



The Group's workforce as at December 31, 2013 increased to 7,712 compared with 7,685 as at December 31, 2012. This 0.35 % increase reflects the balance between recruitment of staff in India (workers for the Vicat Sagar cement factory and the sales teams of both Vicat Sagar and Bharathi) and the United States (recovery in business, especially for Concrete) and staff reductions in Senegal, France and Turkey (in each case to improve organizational effectiveness and adapt to changing markets).

In France, the year-end workforce declined further (a 1.1 % decrease between 2012 and 2013, versus 3.3 % between 2011 and 2012, at constant consolidation scope). The sharpest declines between 2012 and 2013 were recorded in Concrete & Aggregates (down 2.9 %) and Other Products & Services (down 4.8 %).

Recruitment in 2013 remained high, due mainly to recruitment for operations in India (Bharathi and Vicat Sagar) and the United States (Concrete business). Overall, the Group had fewer new hires in 2013 (961 staff) than in 2012 (1,058), reflecting the fact that the recruitment campaigns linked to the commissioning of new facilities have been completed.

Arrivals and departures also included a significant number of jobs associated with seasonal business, especially in France and in Turkey in the case of drivers, and a habitually high turnover in India and Kazakhstan. The Group's departure rate decreased from 12.4 % in 2012 to 11.3 % in 2013, due to the continuing implementation of a human resources policy focused on retaining staff.

Other movements resulted mainly from the replacement of natural departures and adaptation of organizations to the economic situation in each market.

Change in workforce at year-end by type of movement

(number of employees)	Workforce
Workforce as at December 31, 2012	**7,685**
Natural wastage (resignation, end of contract, death)	(539)
Retirement, early retirement, dismissal, other movements	(397)
Changes in consolidation scope	2
Recruitment	961
WORKFORCE AS AT DECEMBER 31, 2013	**7,712**

Change in workforce at year-end by geographical area

(number of employees)	2013	2012	Variation
France	2,517	2,544	- 1.06 %
Switzerland and Italy	1,165	1,167	- 0.2 %
United States	1,032	1,000	+ 3.2 %
Asia	1,882	1,831	+ 2.8 %
Africa and Middle East	1,116	1,143	- 2.4 %
TOTAL	**7,712**	**7,685**	**+ 0.35 %**

4.1.4. REMUNERATION

4.1.4.1. Remuneration policy

The Group's remuneration policy is based on rewarding individual and joint performance and securing team loyalty. It takes into account the culture, macroeconomic conditions, employment market characteristics, and remuneration structures specific to each country.

In France, Vicat and its French subsidiaries apply the statutory scheme for employee profit sharing or, in some cases, operate under an exemption. Sums received are invested in the Group savings plan ("Plan d'Épargne Groupe", or PEG) and in Vicat shares, as applicable.

In addition, Vicat has put in place a profit-sharing agreement. Money paid into this arrangement can, at the employee's discretion, be invested in the Company's shares under the Group Savings Plan or in other savings plans offered by a leading financial institution.

In 2013, a Group retirement savings plan ("Plan d'Épargne Retraite Collectif", or PERCO) was set up by Vicat and its French subsidiaries for their employees.

4.1.4.2. Minimum wage

In all countries where the Vicat Group operates, its companies do not pay salaries lower than the local statutory minimum. If there is no statutory minimum, wages paid are at least above the minimum in the local market.

4.1.4.3. Change in personnel costs as at December 31, 2013

The Group's personnel costs remained stable in 2013 at €366.8 million (€366.6 million in 2012). This stability reflects the neutralization of the negative impact of exchange rate fluctuations amounting to €8.1 million by positive organic growth of €8.3 million. Organic growth included that resulting from the workforce increases in India and the United States as well as wage inflation. In 2013, the latter was due to two factors: local currency sensitivity in emerging countries with rampant inflation and the mechanical effect in Switzerland resulting from a high wage level.

(in thousands of euros)	2013	2012
Wages and salaries	266,329	262,548
Social security contributions	95,670	97,605
Employee share ownership (French companies)	4,832	6,500
PERSONNEL COSTS	**366,833**	**366,653**

4.1.5. WORK ORGANIZATION

The Vicat Group's organization reflects its performance objectives. The chain of command is short and the number of levels in the hierarchy reduced to operational requirements. Management is direct and local.

Work is organized in compliance with local legislation in terms of working and resting time as well as health and safety. The objective is to deliver the best performance from teams at the lowest cost.

4.1.5.1. Shift working

Part of our industrial business requires shift working. The statutory framework is systematically adhered to. In 2013, 17.5 % of the Group's employees were on shift work.

4.1.5.2. Part-time work

Analysis of the workforce as at December 31, 2013 by contract type/category

(number of employees)	Total	Cement	Concrete and Aggregates	Other products & services
FULL-TIME EMPLOYEES	7,531	3,364	2,460	1,707
Executives	1,342	846	228	268
White-collar staff	2,840	1,499	895	446
Blue-collar staff	3,349	1,019	1,337	993
PART-TIME EMPLOYEES	181	35	72	74
Executives	25	9	4	12
White-collar staff	107	24	38	45
Blue-collar staff	49	2	30	17
TOTAL	**7,712**	**3,399**	**2,532**	**1,781**
Percentage of part-time employees	2.3 %	1.0 %	2.8 %	4.2 %

The Group has little need for part-time jobs. As at December 31, 2013, the percentage of part-time employees remained stable at 2.3 % of the workforce. As in 2012, many more part-time staff were employed in Other Products & Services (4.1 % in 2013, 4.3 % in 2012) and Concrete & Aggregates (2.8 % in 2013, 3.6 % in 2012) than in Cement (1.0 % in 2013, 0.8 % in 2012). Part-time staff are employed to varying degrees in the following countries only: Switzerland (9.3 %), France (2.9 %) and Italy (7.7 %).

4.1.5.3. Absenteeism

Absenteeism is monitored in each country in order to identify the reasons and take appropriate action. In 2013, the Vicat Group had this situation under control, with this indicator varying between 0.3 % and 5.7 %, depending on the country. France had an absentee rate of 3 %.

4.1.6. SOCIAL DIALOGUE

All Vicat Group companies comply with local laws relating to the following issues: respect for freedom of association and the right to collective bargaining; respect for the right of employees to information and consultation.

Social dialogue works well within the various companies. Management, which is direct, close to the workforce and always open to discussion with staff, is a key success factor in maintaining social dialogue and a good social atmosphere.

No significant event occurred in 2013 to endanger this dialogue or environment, with the exception of the security situation in our Egyptian plant in the Sinai Peninsula.

For 2013, the scope adopted for the indicator "Review of collective bargaining agreements" is limited to France.

In all, 15 agreements were signed and 25 action plans were drawn up. Among the most significant agreements in 2013 were that relating to the *contrat de génération* (generation contract), a measure recently introduced by the French government to promote permanent employment of young people under the age of 26, to encourage the retention or hiring of older employees, and to facilitate knowledge transfers across generations within companies.

4.1.7. RESPECT FOR DIVERSITY AND EQUAL TREATMENT

4.1.7.1. Measures to promote gender equality

The low proportion of women in the salaried workforce is due in particular to the type of activity and jobs offered by the Group.

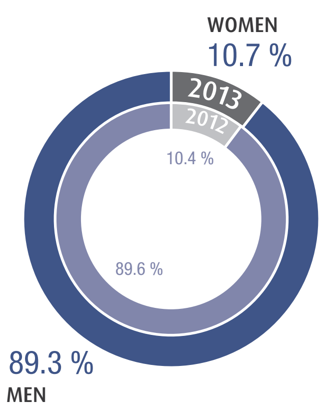
However, gender equality remains one of the basic elements of the Vicat Group's human resources policy. Depending on the culture of the country, appropriate measures are adopted to ensure equal access to jobs and training and equal treatment in terms of remuneration and promotion.

Such measures are employed within the limit of the constraints imposed by our businesses. In fact, a significant proportion of jobs are not easily accessible to female staff, owing either to working conditions (for example the carrying of heavy loads), or to the scarcity of women having completed the training necessary for certain jobs (in mechanical engineering, for example).

Breakdown of the workforce as at December 31, 2013, by gender/length of service/category

(number of employees)	Total	Of which Executives	Of which White-collar staff	Of which Blue-collar staff	Average age	Average years of service
Men	6,890	1,206	2,255	3,429	40.7	9.7
Women	822	162	572	88	39.2	9.6
TOTAL	**7,712**	**1,368**	**2,827**	**3,517**	**42.1**	**9.6**

BREAKDOWN OF THE WORKFORCE AS AT DECEMBER 31, 2013, BY GENDER



Proportion of women as % of the workforce

	2013	2012
Executives	11.8	11.9
White-collar staff	20.2	21.3
Blue-collar staff	2.5	2.5
Total Group	**10.7**	**10.4**
Of which France:		
Executives	21.0	19.8
White-collar staff	25.7	26.0
Blue-collar staff	1.8	2.2
TOTAL FRANCE	**17.2**	**17.1**

The percentage of women employed by the Group rose from 10.4 % as at December 31, 2012 to 10.7 % as at December 31, 2013. In France, the percentage of women employed reached 17.2 % in 2013 (up from 17.1 % in 2012 and 16.9 % in 2011). Kazakhstan occupies the leading position in terms of the percentage of women employed, with a female workforce representing 23.7 % of the total.

The percentage of female executives in the Group remained relatively stable at 11.8 % in 2013, compared with 11.9 % in 2012. The percentage of female executives in France made further gains, reaching 21.0 % as at December 31, 2013 (compared with 19.8 % in 2012 and 18.8 % in 2011).

4.1.7.2. Measures to promote the employment and integration of disabled people

Wherever conditions allow, the Vicat Group applies a proactive policy in relation to the employment of disabled people.

The Vicat Group's companies thus employ disabled workers directly through contacts with specialist organizations (in France, for example, CAP Emploi, Ohé Prométhée or AGEFIPH).

Adjustments in the workplace, either by arranging working hours (reduction or adaptation of working hours, remote working), or by adapting workstations (ergonomic arrangements in terms of task content, training, etc.), are also examined and put in place.

The development of subcontracting to companies and organizations that specifically employ the disabled (secondment of disabled workers within Group companies, provision of services, such as maintenance of green spaces, removal of certain types of waste, etc.) is another solution employed.

In France, disabled employees represented 3.1 % of the workforce in 2013, up from 2.6 % in 2012. The number of beneficiaries of these measures employed directly by the Group has increased by 30 % over the past five years.

The Vicat Group's operations outside France are also achieving success with this policy, especially in Turkey and Egypt. Disabled workers account for 2.8 % of the Group's workforce in Turkey and 2.3 % in Egypt.

4.1.7.3. Policy aimed at combating discrimination, forced labor and child labor

Adoption of the Group's values by its employees is one of the key factors in the success it has achieved in its 160 years of existence. There are four main Group values, which have forged a strong corporate culture:

- the ability of management to react and reach decisions quickly, which has proved particularly helpful in achieving success with the Group's acquisitions;
- an enthusiasm for innovation, research and development and progress, inspired by the discoveries of Louis Vicat, who invented cement in the nineteenth century;
- the tenacity that has enabled the Group to overcome the challenges encountered since its foundation;
- the shared feeling of belonging to the Group, providing the energy and strong capacity for action necessary to achieve its objectives.

These values derive from the humanistic principles embodied by Louis Vicat, the very source of the Group's existence. United by a history extending over more than a century and a half, employees in all countries where the Vicat Group operates share a strong sense of belonging to the Group. This corporate culture gives rise to respect in relations with others, solidarity between teams, the inclination to lead by example, a capacity to mobilize energies, and the wherewithal to take strong action on the ground to achieve objectives.

Managers at every level of the Vicat Group are the champions of these values, developing a direct style of management, close to their employees. Above all, they maintain strong ties with their teams and are closely involved in the day-to-day activities of the organization. Managers also ensure open lines of communication at all times.

As a result, the Vicat Group is well placed to effectively combat all forms of discrimination as well as forced labor and child labor.

All Group companies comply with anti-discrimination legislation in force in their respective countries (all are members of the International Labour Organization). Proof of such compliance is to be found in the audits conducted by various local authorities, none of which revealed any failure to observe applicable laws and regulations in 2013.

At the instigation of Group management, the Vicat Group's entities in India, Kazakhstan and Senegal have each put in place a code of conduct complying with World Bank standards. Management in India is very sensitive to child protection and has regular, unannounced monthly audits conducted to check that no children are working on the Group's sites.

In 2013, no Group company was the subject of a complaint or conviction for discrimination, forced labor or child labor.

4.1.7.4. Human Resources Policy

The objective of the human resources policy is to ensure that the individual skills of employees or team units are in line with the Group's development strategy on a short-, medium- and long-term basis, against a background of adherence to and promotion of the values on which its culture is based. This policy aims to maintain and develop the Group's attractiveness for its employees, as well as securing their loyalty. On this basis, internal promotion is favored where possible. The objective is to offer everyone career development prospects that allow them to realize their ambitions and their full potential. Mobility, both operational and geographical, is one of the conditions of this progression.

4.2. TAKING AN ACTIVE ROLE IN THE ECONOMIC AND SOCIAL DEVELOPMENT OF THE COUNTRIES IN WHICH WE OPERATE

The Vicat Group's policies with respect to its employees are echoed in its relations with local communities. Through a range of actions, the Vicat Group demonstrates its support for education, access to culture, the initiatives of entrepreneurs to boost local economies, and assistance measures to promote social integration through employment.

In addition, the Vicat Group is engaged in efforts to improve health and sanitation in local communities, and specifically for residents living near its facilities.

The Group promotes fair business practices in relation to both consumers and its suppliers.

4.2.1. SUPPORTING EDUCATION AND EXPANDING ACCESS TO CULTURE

Education is a priority in the Group's commitment to communities in the countries where it operates. This commitment stems from the belief that, without a minimum of education, no economic, social (including questions of health) or environmental development can occur. The Group pursues this commitment through actions at the university level but also with respect to primary and secondary schools. These actions generally take the form of direct financial assistance offered either to the institution or to specific students through scholarships. But they may also involve donations of building materials where new buildings are being constructed or training courses in the building trades.

The table below shows the main activities in 2013 (which extend well beyond legal requirements, such as the allocation of the apprenticeship tax in France):

Country	Level	Beneficiary institution or local community	Type of support
France	Higher education	Catholic University of Lyon	Development of new courses and construction of a new university
Senegal	Education	Schools in Rufisque and Bargny	Scholarships awarded to promising students
India	Primary school/School for blind girls	Chatrasala and Kherchkhed	Merit-based and other scholarships/Financial assistance
Turkey	Secondary school	School of fine arts in Konya	Financial support

In addition to supporting schools and universities, the Vicat Group finances numerous cultural activities.

Maurice Gueye center in Senegal is a very special case in point. This cultural center, which belongs to Sococim, houses the largest private library in Senegal in terms of the number of books and the number of subscribers (200). The center is also frequented by thousands of visitors to concerts, exhibitions, film screenings or other events.

Another example in the cultural sphere in France: in Montalieu (Isère), the Group is linked by a partnership agreement to the Maison de la Pierre au Ciment, which, as well as housing a museum, organizes visits and conferences on the heritage and history of building in stone and cement concrete.

4.2.2. CONTRIBUTING TO SOCIOECONOMIC DEVELOPMENT IN THE COUNTRIES AND REGIONS WHERE THE GROUP OPERATES

4.2.2.1. Direct and indirect employment

Due to the nature of its industrial operations, the Vicat Group creates numerous jobs both upstream and downstream of its production units. It is estimated that in the industrialized world for every one direct job in a cement factory, there are ten associated indirect jobs. Upstream suppliers and also the whole construction and public works sector downstream are all fed by a cement works.

In emerging countries, staff are employed on production sites in larger numbers than in the industrialized world because there is less outsourcing of support functions (maintenance). Such outsourcing presupposes a certain level of qualification and independence on the part of subcontractors.

4.2.2.2. Support for local entrepreneurs

The Vicat Group is involved in various economic development initiatives in the countries where it operates. Two initiatives are worthy of mention:

- in France, the Group has held the chairmanship of the certification committee for Alizé Savoie since December 2012, an initiative supporting the economic development of micro-enterprises and SMEs in the Savoie region. This support involves the granting of zero-interest loans and the sharing of expertise by partner companies in the initiative. In 2013, assistance was provided to eight new companies with the potential to create 33.5 additional jobs. Overall, since 2006, this initiative has supported 54 companies and has helped to create 282.5 jobs;
- in Senegal, the Fondation Sococim, which has been in operation since the end of 2011, has supported a number of economic development initiatives, including the following projects:
  - the association for the development of Medinatoul Mounawara (Bargny), which brings together some 80 women operating small businesses selling fish, palm oil, couscous or other products, or raising and selling poultry,
  - Aissa Dione Tissus, an SME in Rufisque with 80 employees, specializing in the design and production of fabrics for the home. Its products are made from organic cotton thread.

4.2.2.3. Social integration through employment

In 2013, The Vicat Group continued its involvement in initiatives promoting social integration through employment, in cooperation with the relevant local services, even where these programs only involve its business segments indirectly. This is the case in the southern French city of Nice, where the Vicat Group is a partner in "*100 chances 100 emplois*" (100 opportunities, 100 jobs). The aim of this program is to identify high-potential young people from disadvantaged urban communities and provide them with a personalized career path towards professional employment.

Once they have been identified by local employment services or by the state-run Pôle Emploi job centers, the candidates meet executives from partner companies who help them to identify their career paths, find themselves internships or training courses, and prepare for job interviews.

Under this program in 2013, 110 of 162 applicants identified by the local employment services obtained positions (internships or jobs).

4.2.2.4. Conservation and use of the built heritage

The Vicat Group focuses particularly on questions of the built heritage, going beyond the development of products and commercial solutions for renovation or conservation.

In 2013, the Group pursued several initiatives along these lines in France:

- support for the "Geste d'or" organization which each year confers awards on the best projects relating to the conservation and use of the built heritage. These projects, which bring together architects and craftsmen, are all distinguished by their excellence and quality;
- partnership with the Haute Savoie Avenir working group, which is overseeing a rehabilitation program focusing on individual homes built between the 1950s and the 1980s. This program will be completed in 2015;
- sharing of skills and expertise for renovation studies of the Louis Vicat bridge in Souillac (Lot) carried out by the Group's concrete research laboratories in L'Isle d'Abeau. This bridge was the first in the world to be built using artificial cement, following its invention by Louis Vicat in 1817. Renovation work on this bridge, supervised by the Lot departmental authority, began as scheduled in 2013.

4.2.2.5. Sports associations

The Group is heavily involved in supporting sports clubs or associations in countries where it operates. In France, for example, the Group renewed its support for professional women's football in 2013, under a partnership with the Olympique Lyonnais women's team. This partnership is in keeping with the Group's particular interest in promoting women's sports.

4.2.3. CONTRIBUTING TO THE IMPROVEMENT OF SANITATION FACILITIES IN LOCAL COMMUNITIES

The Vicat Group's efforts in the area of public health for the benefit of those living near its production sites focus in particular on India and Senegal.

In India, the Group has worked to improve the quality of drinking water (Ogipur water treatment plant) near the Gulbarga cement factory (Vicat Sagar Cement), to build public lavatories, and to arrange health information sessions in villages in the vicinity of the Group's cement factories (Vicat Sagar Cement and Bharathi Cement).

In Senegal, the dispensary at the Rufisque cement factory is open free of charge to the local population, including people other than employees and their families. Malaria and AIDS prevention programs are also offered.

In 2013, during major water outages affecting the public network, the Fondation Sococim organized the free distribution of drinking water.

It is worth noting that the action plan drawn up in favor of stakeholders when the Gulbarga cement factory (Vicat Sagar) was built, which goes beyond health questions and includes initiatives to support education and improvements in quality of life for stakeholders, is the subject of a report to the International Finance Corporation (IFC), a member of the World Bank Group and one of the institutions financing the project.

4.2.4. GOOD PRACTICE WITH STAKEHOLDERS

4.2.4.1. Relations with subcontractors and suppliers

The Vicat Group gives priority to local purchases wherever possible, in order to generate economic benefits for the countries in which it operates.

The Group complies with the rules of law in the countries where it operates, which have all signed or ratified the United Nations Human Rights Charter.

Nearly all of the Group's procurement contracts now contain clauses requiring suppliers to confirm their adherence to the main principles of international law, in particular with regard to compliance with the International Labor Organization's Fundamental Conventions (non-discrimination, non-use of forced labor or child labor).

It was on this basis that the Vicat Group drafted the first version of its Supplier code of conduct in 2013. Audits will be organized to verify the effectiveness of this approach.

The audit unit established in connection with the construction of a cement factory in India continues to verify compliance by the Group's suppliers with the above-mentioned principles, under the supervision of teams from the IFC.

4.2.4.2. Training in good practice

In the context of the Group's general policy on promoting and training in adherence to good practice, a number of training courses were organized for the Group's managers and executives.

4.2.5. CONSUMER HEALTH AND SAFETY

The vast majority of the products produced and sold by the Group comply with local minimum standards. Group products are checked under internal and external procedures.

4.3. BEING A PROPONENT OF STRATEGIES FOR SUSTAINABLE CONSTRUCTION

The energy consumed in buildings represents almost 25 % of the world's total energy consumption (source: Key World Energy Statistics, 2011). In France, the final energy consumption of buildings represents 43 % of the country's energy consumption (source: Observatoire de l'Énergie, 2007). In order to reduce this, all those involved in the construction sector need to act. In France, the Vicat Group is a member of a number of working groups involved in this issue. Its contribution consists in developing construction materials or systems with increasingly high performance that improve the energy efficiency of buildings or infrastructures. A study published in January 2013 by MIT in the United States has shown that concrete solutions for road systems enable a 3 % reduction vehicle fuel consumption.

In addition, upstream of its products, the Group works constantly to improve its environmental footprint in its manufacturing processes.

4.3.1. BUILDING SYSTEMS AND MATERIALS SUPPORTING SUSTAINABLE CONSTRUCTION

The Louis Vicat Technical Center at L'Isle d'Abeau (Isère), home to the Group's main research facilities, collaborates with a number of other research centers in the public and private sectors (including the French atomic energy commission (CEA), the French solar energy institute (INES), the Grenoble Institute of Technology, research laboratories in schools of architecture and universities, and those of the Group's customers in the building and public works sector). It regularly files patents in order to develop its products by adapting them to the energy efficiency requirements of the construction sector (buildings or infrastructures).

The Vicat Group was a founding member in 2007 of Pôle Innovations Constructives, a French construction industry excellence cluster, which it has chaired for six years. This cluster brings together a network of key participants in the construction sector (industrial and institutional players, architects, SMEs/micro-enterprises, craftsmen, Les Grands Ateliers de l'Isle d'Abeau (an association of architects, engineers and artists), architecture schools, École Nationale des Travaux Publics de l'État (the French national school of public works), CFA BTP (a training center for apprentices in the building and public works sector), etc.). Its aim is to accelerate the spread of innovations in the construction industry in order to meet, in particular, the challenges of energy transition.

The Vicat Group also chairs ASTUS-construction, one of the building-energy efficiency working groups set up by the French sustainable building plan.

The Vicat Group is an active member of INDURA, an excellence cluster in the Rhône-Alpes region, which aims to develop energy-efficient solutions in the infrastructure field.

The Vicat Group is a partner of COMEPOS, a project that aims to develop optimized design and construction processes for energy-positive homes in France. Following an initial phase launched in the first quarter of 2013 to study existing buildings already focused on becoming energy positive and to design new homes based in particular on life cycle assessment (LCA), the next phase will see the construction of these homes in all French regions, covering a broad range of climates. The energy performance of these new homes under actual conditions of use will be monitored and validated.

Joint work carried out since 2011 by Creabeton Matériaux, a Swiss subsidiary of the Vicat Group, and Hépia in Geneva, a graduate school of architecture, landscape architecture, planning and engineering, has resulted in key developments. Skyflor, a new self-supporting system used to create ventilated green façades, is currently undergoing real-world tests, with a pilot installation in Geneva in September 2013. This solution is based on a structure made of high-performance concrete.

The Vicat Group joined forces with Ecobilan, PricewaterhouseCoopers and SNBPE, the French ready-mixed concrete industry association, to develop BETon Impacts Environnementaux (BETie), a multi-criteria environmental impact assessment tool. This tool is used to produce the new French environmental and public health impact certificate known as FDES (Fiche de Déclaration Environnementale et Sanitaire), provided to users of the Group's products who wish to evaluate the environmental quality of their building projects.

All technical solutions for concrete structures developed by the Vicat Group are highly efficient. They provide comfort for end users through thermal inertia, ensure safety due to their robustness, and guarantee emission neutrality.

4.3.2. INTEGRATED ENVIRONMENTAL MANAGEMENT

With a view to continuous improvements relating to the environmental impact of its production processes, the Group has established an operational organization and general policy specifically focused on environmental issues as an integral part of its overall production organization and strategy.

Each manufacturing plant has an environmental manager, generally an engineer, who ensures that measurement equipment is working properly and that local regulations and the calendar of external checks are followed.

The environmental manager collects data and performs the calculations required for his operational reports and statements issued to local authorities. He reports regularly to his head of operations who consolidates the data collected at his level.

Some Group plants have specific certification programs based on the ISO 14001 standard. This is the case for the cement factories at Peille in France, Rufisque in Senegal, and Bastas in Turkey, as well as the Vizille paper mills.

It is also true for the Aggregates business in France, which achieved ISO 14001 certification in late December 2013.

Initiatives have also been pursued in other Group businesses, such as Concrete in France, which has launched a proactive environmental management program in preparation for the industry's ready-mixed concrete charter.

In all countries where the Group operates, its industrial sites are subject to strict local regulations relating to areas such as authorization, operating permits, and licenses issued by local authorities, which conduct regular checks, similar to the procedure in France in the case of ICPEs (Installations Classées pour la Protection de l'Environnement), a classification assigned to facilities or projects requiring environmental impact assessment.

Training in environmental protection is implemented across several levels of the organization.

Environmental managers receive regular training, particularly in the regulatory aspect of their role.

Information on environmental emissions data is available at all times in each manufacturing plant, as it is an integral parameter for the production program and management of the installation. It enables operational staff to trigger corrective action, where needed, under the Group's policy of continuous improvement.

Targeted training programs are also delivered for operational staff. For example, within the Concrete business in France, the environmental objectives set by its executive committee are presented to the seven QHSE (Quality, Health, Safety and Environment) managers in the four geographical business areas and the indicators are monitored at monthly meetings.

In addition, batching plant operators annually attend a week's training course which includes the management of environmental parameters.

Both human resources and equipment devoted to the prevention of environmental risks and pollution enable emissions to be controlled beyond the limits prescribed by the various legislations.

Production sites are designed and operated such as to cause the least possible harm to the neighborhood. Noise measurements are taken regularly on site boundaries as part of the monitoring required by local regulations.

The Group's production processes generate very little waste, which in the majority of cases is recycled within the plant.

Provisions for environmental matters are shown in the Group's consolidated financial statements (notes 1.17 and 15). As at December 31, 2013, these provisions amounted to €40.3 million.

Environment-related investments amounted to a total of €10.5 thousand in 2013, compared with €6.0 million in 2012 and €8.8 million in 2011.

4.3.3. ENGAGING IN DIALOGUE WITH LOCAL STAKEHOLDERS LIVING NEAR THE GROUP'S INDUSTRIAL SITES

The Vicat Group takes advantage of every opportunity to engage in constructive dialogue with local stakeholders, whether or not these exchanges take the shape of formal consultation processes.

This dialogue thus takes on various forms, from the presentation of projects to public meetings, to the organization of meetings to track progress at sites, and open days to build relationships between the sites and their local communities.

Managers of the Group's ready-mixed concrete manufacturing plants can refer to the practical tips included in the "How to Manage Relations with Local Communities" guide, whose preparation benefited from the input of experts at the Vicat Group.

Public meetings

In France, each proposed site opening gives rise to a presentation at a public meeting as part of the public review process. Following these exchanges with local stakeholders, the Vicat Group makes every effort to meet their expectations and balance the interests of all parties.

Site monitoring committees

In France, several quarry sites, which are subject to authorization, have established site monitoring committees, whose members include local residents and associations, employees, and the operator as well as local and regional authorities. These committees allow stakeholders to offer feedback on the way in which the site is operated.

Open days

In 2013, to round out the initiatives mentioned above, the Vicat Group organized open days at its sites in Montalieu (France) and Reuchenette (Switzerland), as another means to deliver information and promote exchanges with local residents.

In practical terms, the environmental policy applied by the Group in all of its business processes involves actions at various levels: management of air and water quality, relations with suppliers of raw materials, quarry operations, safeguarding biodiversity, and the selection of energy sources.

4.3.4. GREENHOUSE GAS EMISSIONS AND OTHER DISCHARGES INTO THE AIR

4.3.4.1. Reducing emissions into the air

In its main industrial activity, the production of clinker and cements, the Vicat Group has always placed a great deal of importance on its filtration systems for chimney emissions likely to impact air quality.

The Vicat Group thus ensures specific levels of dust emissions from its cement factory kilns that are among the lowest in the industry.

In order to measure its performance in this area, the Vicat Group has opted to compare itself against the relevant criteria developed by the CSI (Cement Sustainability Initiative, the industry association of the World Business Council for Sustainable Development (WBCSD)) and used across the industry as international benchmarks, which are:

- CO_2 emissions for the monitoring of greenhouse gases having a potential impact on climate change;
- Dust emissions, which are one of the main indicators of good kiln operation and one of the main historic impacts of cement factories;
- NO_x (nitrogen oxides) and SO_x (sulfur oxides) emissions as discharges having an impact on atmospheric acidification.

In the case of dust, NO_x and SO_x discharges, the situation in 2013 was as follows:

2013	Number of kilns assessed	Emissions Tonnes	Emissions Grams of particulate per tonne of clinker	2012 figure	2011 figure
Dust	21	480	35	41	46
SO_x	14	2,591	295	262	315
NO_x	17	15,291	1,445	1,377	1,209

Dust

The start-up of modern kilns fitted with high performance filters has enabled an improvement in the dust indicator, which is among the best in the industry, based on available data.

SO_x

In the case of SO_x, the main emissions come from pyritic sulfurs in the raw meal. The rise in this indicator in France, in 2013, is due to the operation of two quarry seams with slightly higher sulfur content, chiefly at the Xeuilley site and at the Montalieu site to a lesser extent. The Xeuilley site has since been equipped with a lime injection system to better control these emissions.

NO_x

NO_x emissions have increased slightly, given the relative decline in the use of hydrocarbons and gas as energy sources, offset by greater use of coal and coke, which tend to emit more NO_x.

Other emissions into the air are not significant in the case of the cement industry, which also produces little or no effluent and therefore has little or no impact on water quality.

Monitoring of the air quality near the Group's facilities

In some countries, India in particular, the quality of the ambient air in the vicinity of the plants is monitored and not the emissions. Frequent measurements show concentrations around the plants to be eight to ten times lower than the standards require.

In connection with the limitation of dust emissions, two major investments were carried out in Turkey. Two clinker storage facilities, each with a capacity of 150,000 tonnes, were built in 2013 at the Bastas and Konya sites.

4.3.4.2. Greenhouse gases (GHG)

Cement industry studies show that only CO_2 needs to be considered under this heading. The proportion of emissions of other gases (methane, nitrogen protoxide, fluorinated gases, etc.) is marginal.

In the case of CO_2, the emissions from the French factories are subject to quotas under the European ETS program (Exchange Trade System). Consequently, they are monitored precisely under surveillance programs and have been checked annually since 2005 by an approved independent body. Monitoring plans for the period from 2013 to 2020 were reviewed in 2013 to meet the requirements of Commission Regulation (EU) No. 601/2012 and were approved by the competent authority. Beginning in 2013, these emissions are to be the focus of an audit by the independent body and no longer a simple verification.

The distribution of emissions allowances for the period 2013–2020 was validated by the EU at the end of 2013. Apart from the five artificial-cement factories and the Vizille paper mill, the quick-setting cement kilns are also now affected.

As a result of these verifications in France, the Vicat Group has been able to obtain a certificate of reasonable assurance expressing an unqualified opinion every year since 2005.

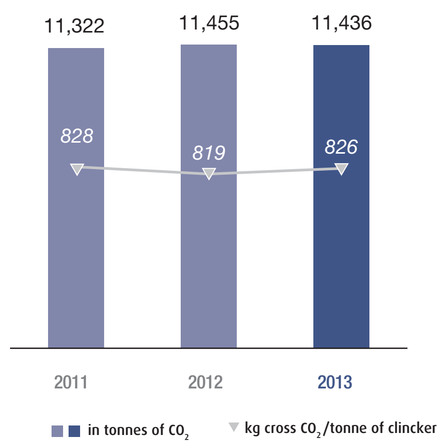
In France, although it is not directly a member of the CSI, the Vicat Group provides emissions data relating to its cement operations each year for the worldwide database on the cement industry's CO_2 emissions and energy performance launched at the initiative of the United Nations and as part of the "Getting the Numbers Right" (GNR) program. This data is provided via the local industry association.

In Switzerland, the Reuchenette cement works (Vigier) is a member of the CSI and accounts for its emissions under this heading after being audited by the industry association Cemsuisse. A new CO_2 monitoring system based on EU regulations came into force on January 1, 2013.

Lastly, surveillance and reporting systems according to United Nations GHG protocol have been put in place in the USA. With effect from January 1, 2013, the Lebec cement factory in California has been subject to California Air Resources Board (CARB) regulation AB 32 on greenhouse gas emissions.

For the Vicat Group, direct CO_2 emissions (from the burning of fossil fuels and the decarbonization of raw materials) from its cement factories are the main indicator of performance in terms of gross CO_2 emissions.

GROSS CO_2 EMISSION OF THE VICAT GROUP'S CEMENT KILNS



In 2013, specific emissions of CO_2 returned to a level just slightly lower than that of 2011, at 826 kg CO_2 per tonne of clinker. The more limited availability of hydrocarbons and gas as energy sources, for example at the Ragland site, had the greatest effect on this performance, since the coal and coke used in their stead are a little less favorable with respect to this indicator.

The use of modern kilns offering better heat balances and the development of the use of waste and biomass as energy sources have helped to limit this impact.

The Group's total direct and indirect emissions (associated with the generation and consumption of electricity) was stable at 12.46 million tonnes of CO_2 in 2013, plus 367,000 tonnes of CO_2 associated with the use of biomass.

Direct and indirect CO_2 emissions

	2013			
(in thousands of tonnes of CO_2)	Cement	Concrete and Aggregate	Other Products and Services	Total
Total CO_2 (direct and indirect)	12,412	39	10	12,461

NB: this year's assessment of Aggregates includes the initial results of the Bilan Carbone carbon footprint methodology, used for the first time in this business by the Group's operations in France. In applying this methodology, originally developed by the French Environment and Energy Management Agency (ADEME), the Group used the adaptations for the assessment of aggregates facilities made by UNICEM, France's National Federation of Quarry and Construction Materials Industries. At this stage, the impact ratio for Scope 1 (direct emissions from both stationary and mobile combustion sources used in quarries) within the study sample was applied to all the tonnes generated by the Group. This rounds out the assessment of Scope 2 (emissions from the consumption of purchased electricity), the only type considered until now. Cement, Aggregates and OPS are now all assessed in relation to both Scope 1 and Scope 2 emissions. For Concrete, the Group continues to assess only its Scope 2 emissions, but direct emissions from stationary or mobile combustion sources used in concrete batching plants are limited. Given the Group's main business activities and the rules governing the assessment of greenhouse gas emissions in France, Scope 3 emissions (from upstream and downstream transportation, business travel and employee commuting) are not taken into account.

4.3.5. NATURAL RESOURCES: BIODIVERSITY AND WATER

4.3.5.1. Winning back areas to promote biodiversity, an example set by Vicat Group quarries

Based on the view, widely held for many years, that quarry operations should not harm the natural environment but on the contrary should help to enrich it through good management, the Vicat Group has organized its extraction operations so as to include in its quarry studies a preliminary analysis of the location and its environment, using its own experts and independent specialists.

From the feasibility assessment phase, prior to any negotiation or preparation of dossiers supporting applications for authorization, the central quarries Department based in France works to identify the most environmentally friendly production techniques and define the future of the site once operations have been completed. The reinstatement work thus defined will contribute to the creation of habitats and the introduction of species of flora and fauna.

In this context, the Vicat Group has chosen to proceed with the reinstatement of extracted areas of quarries as work progresses, without waiting for the complete cessation of operations in the quarry, thus helping to promote conservation and the development of biodiversity.

Land is prepared and cleared based on the surface requirements of the following year's extraction program. The quarried areas are reinstated immediately they have been worked. This rule also applies to areas abandoned pending future extraction, which are reinstated on a temporary basis. This prevents soil erosion by rainwater and enables local flora and fauna to develop in the area.

In order to carry out such reinstatement work, the Vicat Group has developed and perfected innovative techniques such as hydraulic seeding enabling the appropriate species to be sown in the ground and on mineral heaps.

The Group also pursues an active policy of (re)forestation on its industrial sites and quarries. In 2013, more than 3,400 trees were planted in this way. The Vicat Group's quarries also host beehives in areas not currently being worked, on a case-by-case basis.

The large majority of the Group's quarries had a reinstatement plan in 2013.

	2013	2012
Total number of quarries	138	144
Surface area reinstated (m²)	606,812	674,759
Number of quarries with a reinstatement plan	114	123
Percentage of quarries with a reinstatement plan	83 %	85 %

Each year, the central quarries Department includes in its action plan the preparation of new reinstatement plans for quarries currently lacking such plans.

4.3.5.2. Protection of biodiversity

The protection of biodiversity is achieved through quarry operation methods, as explained above, and also through many local partnerships with nature conservancy groups.

In France, the Group has partnerships with associations such as FRAPNA (the Rhône-Alpes federation for the protection of nature), the Ligue de Protection des Oiseaux (the French bird protection league), and the Conservatoires d'Espaces Naturels (nature conservancies) for the Lorraine region and the Allier Department.

One of the most convincing results of this policy has been the inclusion of a number of former quarries in France in the European program "Natura 2000" under the Habitats Directive and the fact that other more recent ones are eligible for this program.

Various local initiatives have been undertaken for the protection of animal species, such as the creation of a refuge for bats in the Maizières aggregates quarry in Lorraine, which was awarded the Special Biodiversity Prize for 2013 by the European Aggregates Association. In Isère, the partnership with the "Tichodrome" association, which runs a hospital caring for birds and small mammals, continued in 2013.

4.3.5.3. Water management and recycling

Recycling of water is favored in order to reduce intake and discharges into the environment. Water intake is monitored as an important indicator of the impact of our operations.

- **In cement factories,** some water is used to cool the gases before treatment in the filters. A large part of the water required is used for cooling the bearings in rotary equipment (bearings in the kiln or grinding mills) and the use of closed loops enables the recycling of nearly 60 % of total water used.
- **In the Concrete business,** water consumption has declined to 190 liters per m^3 of production, perfectly in line with international best practice and well below the 350 liters set by French regulations as the maximum limit. In line with its policy of optimizing management of water resources, the Concrete business in France invested €900,000 in 2013. At constant consolidation scope, these efforts allowed for a 6 % reduction in its water intake.

  It is important to note that full recycling is used at 95 % of the ready-mixed concrete manufacturing plants; 62 % of water is recycled in production itself, with 38 % recycled for other uses (cleaning of facilities and vehicles).
- **In the Aggregates business,** recycling systems enable over 65 % of the total water requirement for cleaning to be recovered. This ratio exceeds 80 % in France.

  The specific consumption per tonne of aggregate produced is thus limited to 192 liters of water.

Water use, re-use and environmental discharge in 2013 (in volume and percentage)

	Cement	Aggregates	Concrete	Other Products and Services
Total water requirement *(in thousand of m^3)*	**20,419**	**10,875**	**2,019**	**1,842**
Recycled *(in thousand of m^3)*	12,084	7,089	365	280
Percentage recycled (in %)	*59*	*65*	*18*	*15*
Net intake *(in thousand of m^3)*	**8,335**	**3,787**	**1,654**	**1,562**
Public network (in %)	*8.8*	*25.1*	*50.5*	*4.3*
Aquifers (in %)	*70.1*	*31.6*	*7.0*	*95.7*
Lakes and rivers (in %)	*8.1*	*38.4*	*24.5*	*0*
Other (in %)	*13.0*	*4.9*	*18.1*	*0*
Environmental discharges *(in thousand of m^3)*	**5,419**	**4**	**5.8**	**1,382**
Effective consumption *(in thousand of m^3)*	**2,916**	**3,783**	**1,648**	**180**

4.3.5.4. Management of raw materials

The main raw materials used by the Vicat Group in its businesses are naturally occurring and extracted from the environment. This is equally true for clinker or aggregates production and for water consumption.

The Group thus keeps precise accounts of its consumption and where possible favors the use of alternative raw materials (Valmat) for both clinker production (calcium, alumina or iron oxides, silica content, etc.) and for cements (sulfo- or phosphogypsum, recycling of mineral waste from quarries, etc.) and aggregates (use of aggregates from returns of fresh concrete or from demolition).

In 2013, the raw material consumed in clinker production amounted to 23.2 million tonnes, including 0.4 % alternative materials.

An additional 3.39 million tonnes were used in cement production, including 21.3 % alternative materials, accounting for 4.07 % of cement produced.

In all, alternative materials included in the production of cement represented 4.54 % of cement produced.

For the production of aggregates, 19.8 million tonnes of raw materials were extracted in 2013.

4.3.6. OPTIMIZED SELECTION OF ENERGY SOURCES

- Minimization of energy consumption is an integral part of the Group's general policy. This is achieved through on-going work on production facilities from their design to their operation.

  The cement-manufacturing process is very energy intensive, in terms of both electricity and thermal energy. Electricity is used for transporting the materials inside the factories for the crushing and grinding operations, while thermal energy is consumed mainly when firing the clinker. The cost of energy accounts for approximately 40 % of the average ex-works cement cost price for the industry and is the primary expense item (this percentage being lower for the Group). In 2013, energy costs for the Group as a whole amounted to nearly €300 million. The Group allocates a significant part of its industrial investments to the improvement of its energy productivity.

  Through its policy of investment in the best technology for its industrial firing systems, the Group has improved the thermal balance of its cement factory kilns and has thus reduced its CO_2 emissions.

(in MWh)	2013	2012
Cement	1 892 648	1 893 677
Aggregates	47 933	46 376
Concrete	28 093	26 850
Other Products and Services	42 588	40 520
TOTAL	**2 011 262**	**2 007 422**

All these actions combine today to make the Vicat Group one of the best performing cement manufacturers, based on the data available for past years, in terms of specific thermal energy and electricity consumption, and thus also in terms of direct and indirect specific CO_2 emissions in the production of clinker.

For 2013, the Group's heat balance was 3.556 GJ/tonne, slightly higher than in 2012, mainly due to market conditions in Egypt.

- Similarly, in the case of electricity, where consumption is linked to the grinding of raw materials or clinker, the technical ratio was 106.9 kWh/tonne of cement produced, slightly lower than in 2012. This puts the Vicat Group in the middle of the international benchmark range.

Electricity consumption at the production sites consolidated in this report (cement factories, quarries, concrete batching plants, paper mills and precast concrete plants) was 2,011 GWh or 7,240 TJ. The sites not included in the monitoring scope, i.e. offices and certain ancillary activities, would have made only a very marginal contribution and their monitoring is not relevant at this level.

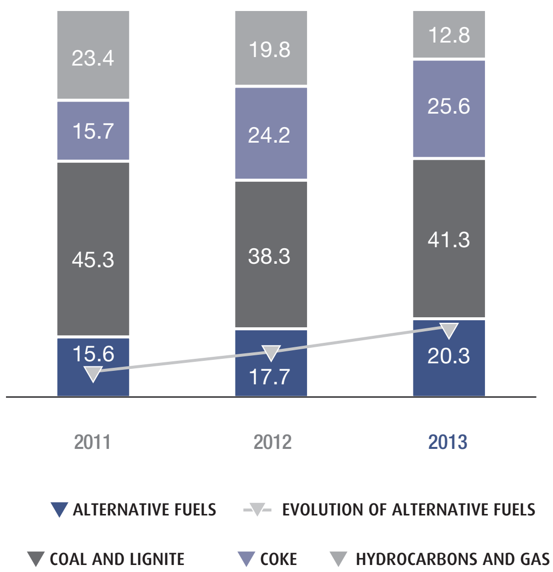
- For many years, the Vicat Group has pursued an ambitious policy of using alternative fuels in place of conventional fossil fuels.

  Such alternative fuels are, for example, waste from vehicles at the end of their service life, tires, oils, solvents or other industrial liquid waste which must be disposed of. The Group also continues to expand its use of crushed waste from biomass sources.

  Replacing conventional fuels also helps reduce the Group's intake of natural resources, which has an important leverage effect in reducing CO_2 emissions.

  In 2013, alternative fuels accounted for 20.3 % of total fuel consumption, 7.2 % of which was biomass. This indicates a significant improvement to the 17.7 % registered in 2012 and the 15.6 % in 2011.

ENERGY SOURCES (CEMENT BUSINESS)
(as a percentage)



4.4. CROSS-REFERENCE TABLE OF WORKFORCE-RELATED, ENVIRONMENTAL AND SOCIAL INFORMATION

Between the disclosures required by Decree No. 2012-557 of April 24, 2012 and those in the Annual Report

Social information

	N°	Information required by Decree No. 2012-557 of April 24, 2012	Corresponding section of the Annual Report
a) Employment	1	Total workforce and breakdown by gender, age and geographical area	4.1.3.
	2	Recruitment and lay-offs	4.1.3.
	3	Remuneration and pattern of change	4.1.4.
b) Work organization	4	Organization of working hours	4.1.5.
	5	Absenteeism	4.1.5.3.
c) Social relations	6	Organization of social dialogue, in particular procedures for informing and consulting employees and negotiating with them	4.1.6.
	7	Review of collective agreements	4.1.6.
d) Health and safety	8	Health and safety conditions at work	4.1.1.2.
	9	Review of agreements signed with trade unions or staff representatives concerning health and safety at work	4.1.1.3.
	10	Workplace accidents, in particular their frequency and their severity, and occupational illnesses	4.1.1.1.
e) Training	11	Training policies implemented	4.1.2.
	12	Total number of hours of training	4.1.2.
f) Equality of treatment	13	Measures to promote gender equality	4.1.7.1.
	14	Measures to promote the employment and integration of disabled people	4.1.7.2.
	15	Policy on the elimination of discrimination	4.1.7.3.
g) Promoting and complying with the standards set out in the International Labour Organization's Fundamental Conventions relating to:	16	respect for freedom of association and the right to collective bargaining	4.1.7.3.
	17	the elimination of discrimination in respect of employment and occupation	4.1.7.3.
	18	the elimination of all forms of forced or compulsory labor	4.1.7.3.
	19	the effective abolition of child labor	4.1.7.3.

Environmental information

	N°	Information required by Decree No. 2012-557 of April 24, 2012	Corresponding section of the Annual Report
a) **General environmental policy**	20	The organization of te Company in order to take into account environmental issues and, if applicable, environmental assessment or certification measures	4.3.2.
	21	Actions providing training and information to employees with regard to environmental protection	4.3.2.
	22	The resources devoted to the prevention of environmental risks and pollution	4.3.2.
	23	The amount allocated to provisions and guarantees in respect of environmental risks, provided that this information is not such as to result in serious prejudice to the Company in a current dispute	4.3.2.
b) **Pollution and waste management**	24	Measures to prevent, reduce or clean up discharges into the air, water or soil having a serious effect on the environment	4.3.4.1.
	25	Measures to prevent, recycle and eliminate waste products	4.3.2.
	26	Consideration of noise pollution and all other forms of pollution specific to an activity	4.3.2.
c) **Sustainable use of resources**	27	Consumption of water and supply of water in accordance with local constraints	4.3.5.3.
	28	Consumption of raw materials and measures taken to improve the efficiency of their use	4.3.5.4.
	29	Energy consumption, measures taken to improve energy efficiency and use of renewable energy sources	4.3.6.
	30	Land use	4.3.5.1.
d) **Climate change**	31	Discharges of greenhouse gases	4.3.4.2.
	32	Adaptation to the consequences of climate change	4.3.4.1.
e) **Protection of biodiversity**	33	Measures taken to preserve or increase biodiversity	4.3.5.2.

Societal information

	N°	Information required by Decree No. 2012-557 of April 24, 2012	Corresponding section of the Annual Report
a) Territorial, economic and social impact of the Company's business	34	in terms of employment and regional development	4.2.2.
	35	on neighborhood or local populations	4.2.2. 4.2.3.
b) Relations with persons or organizations with an interest in the Company's business, in particular employment organizations, teaching establishments, environmental protection organizations, consumer and neighborhood associations	36	Terms of dialogue with such persons or organizations	4.3.3.
	37	Partnership or charity actions	4.2.1.
c) Subcontractors and suppliers	38	Consideration of social and environmental issues in the procurement policy	4.2.4.1.
	39	The level of subcontracting and the integration of social and environmental responsibility in relations with suppliers and subcontractors	4.2.4.1.
d) Good practice	40	Action taken to prevent corruption	4.2.4.2.
	41	Measures taken in favor of consumer health and safety	4.2.5.
	42	Other actions taken under this heading in favor of human rights	4.2.4.1.

4.5. REPORT BY AN INDEPENDENT THIRD PARTY ON THE CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL DATA

Independent verifier's report on the review of the consolidated social, environmental and societal information published in the management report.

This is a free translation into English of the verifier's review report issued in the French language and is provided solely for the convenience of English speaking readers. The review report should be read in conjunction with, and construed in accordance with, French law and standards applicable in France.

Financial year ending 31 December 2013

To the Shareholders,

In our capacity as professional accountants identified as independent verifier, for which the accreditation is recognised by the COFRAC, we hereby report to you on the consolidated social, environmental and societal information published in the management report (hereafter the "CSR information") prepared for the year ended 31 December 2013, pursuant to Article L.225-102-1 of the French Commercial Code (Code du Commerce).

Management's responsibility

The board of directors is responsible for the preparation of the management report including the CSR information in accordance with the requirements of Article R.225-105-1 of the French Commercial Code presented as required by the company's internal reporting guidelines (hereafter the "reporting guidelines") and available on request at the company's headquarters.

Independence and quality control

Our independence is defined by regulatory requirements and by the Code of Ethics of our profession inserted in the 30 March 2012 decree specific to the activity of accountants. Furthermore, we have implemented a quality control system to ensure compliance with the code of ethics, professional standards and applicable laws and regulations.

Independent verifier's responsibility

It is our role, on the basis of our work:

- to attest whether the required CSR information is presented in the management report or, if not presented, whether an appropriate explanation is given in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Attestation of disclosure);
- to express limited assurance on the fact that, taken as a whole, the CSR information is presented fairly, in all material aspects, in accordance with the reporting guidelines (Assurance report).

Our work was conducted by a team of 4 people during the period of December 2013 to March 2014 for duration of approximately 3 weeks. We called upon the help of our CSR experts to complete this assignment.

1. Attestation of disclosure

We conducted our work in accordance with the professional guidelines and the legal order published on 13 may 2013 determining the methodology according to which the independent verifier conducts his mission:

- we learned, based on interviews with officials of departments concerned, to the explanatory guidelines for sustainable development based on social consequences and environmental related activities of the company and its social commitments and, where appropriate, actions or programs that result;
- we compared the CSR information presented in the management report with the list set forth in Article R.225-105-1 of the French Commercial Code;
- in the event of omission of certain consolidated information, we have verified that explanations are provided in accordance with the third paragraph of Article R.225-105-1 of the French Commercial Code;

- we verified that the CSR information covered consolidated scope, i.e. the Company and its subsidiaries within the meaning of Article L.233-1 of the French Commercial Code and the companies that it controls within the meaning of Article L.233-3 of the French Commercial Code.

Based on our work, we attest that the required Information is presented in the management report.

2. Assurance report

We conducted our work in accordance with the professional guidelines and the legal order published on 13 may 2013 determining the methodology according to which the independent verifier conducts his mission and in accordance with the International Standard on Assurance Engagement ISAE 3000.

We met approximately 10 times with the managers responsible for the preparation of the CSR information within the department in charge of the process of collection of the information and where appropriate, we also met with those in charge of internal control and risk management procedures in order to:

- assess the appropriateness of the reporting standards with respect to its relevance, completeness, neutrality, clarity and reliability by taking into consideration, where applicable, the industry's best practices;
- verify that the company had set up a process for the collection, compilation, processing and control to ensure the completeness and consistency of the CSR information. We also familiarise ourselves with the internal control and risk management procedures relating to the compilation of the CSR information.

We determined the scope of the tests according to the nature and importance of the CSR information taking into consideration the characteristics of the company, its actions in respect to the social and environmental consequences of its activities, its direction as far as sustainability is concerned. We also determined tests according to the industry's best practices.

Concerning the qualitative consolidated information that we have considered the most significant [1]:

- for the consolidating entity and the sites, we reviewed the related documentary sources and conducted interviews to check the qualitative information (organisation, strategies and actions). We set up analytical procedures and verified the quantitative information using sampling techniques in order to check the consistency of the calculations and the consolidated information in order to reconcile the data with the information in the management report;
- we selected sites[2] based on their activity, their contribution to consolidated indicators, their location and risk analysis. We have conducted interviews to verify the proper application of procedures and set up tests using sampling techniques to verify the calculations performed and reconcile data with supporting evidence.

The selected sample represents 45 % of the workforce and between 26 % and 76 % of the quantitative environmental information tested.

For the other CSR information, we have assessed its consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations given in the event of total or partial absence of information.

We believe that the sampling techniques and the sample sizes that we set up by exercising our professional judgment have allowed us to formulate a limited assurance conclusion; a higher level of assurance would have required a more extensive review. Because of the use of sampling techniques, and because of other limits inherent to the functioning of any information system and internal control system, the risk of missing out a significant anomaly in the CSR information cannot be totally eliminated.

Conclusion

Based on our work we did not identify any significant misstatement likely to call into question the fact that the CSR information, as a whole, has been presented fairly, in accordance with the reporting standards.

Paris, March 8, 2014

Grant Thornton, French member of Grant Thornton International — Alban Audrain, Partner, Head of Corporate Social Responsibility

(1) Workforce (number and distribution), the hiring and firing, absenteeism, accidents (frequency and gravity), the number of hours of training, air emissions (dust, SOx, NOx), water consumption, consumption energy (electricity and fuel), land use (number and proportion career with redevelopment plan) emissions of greenhouse gases.

(2) Sites situated in France and Turkey.

LEGAL **INFORMATION**

5

CHAIRMAN'S REPORT ON CORPORATE GOVERNANCE AND INTERNAL CONTROL

Dear Shareholders,

Pursuant to the provisions of article L. 225-37, paragraph 6, of the French Commercial Code, I report herein on:

- the composition and the conditions for preparation and organization of the work of your Board of Directors during the financial year ended on December 31, 2013;
- the internal control and risk management procedures established by the Company;
- the policy for remuneration of the Company's officers;
- the scope of powers of the Chairman and of the CEO.

1. PREPARATION AND ORGANIZATION OF WORK OF THE BOARD OF DIRECTORS

Your Board of Directors met twice in the last financial year. The dates and the agendas of the Board meetings were as follows:

Meeting of February 24, 2013:

- Presentation of the business report;
- Approval of the individual financial statements for the year ended December 31, 2012;
- Approval of the consolidated financial statements for the year ended December 31, 2012;
- Review of the reports of the Board of Directors' committees (Audit Committee and Remunerations Committee);
- Approval of the Chairman's report on corporate governance and internal control;
- Presentation of the 2013 budget;
- Share buy-back program;
- Allocation of treasury shares;
- Delegation of powers as stipulated by the share buy-back program;
- Reappointment of the statutory auditors;
- Reappointment of the Alternate Auditors;
- Allocation of earnings;
- Authorization for a bond issue and delegation of powers;
- Authorization to issue guarantees;
- Convening of the Ordinary General Meeting and setting of the agenda;
- Miscellaneous.

All the members of the Board, apart from P&E Management, attended this meeting, as well as the Company's auditors and the four Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

Meeting of August 1, 2013:

- Business report;
- Analysis and approval of the individual and consolidated financial statements as at end June 2013;
- Financial forecast at December 31, 2013;
- Benchmarking of cement companies;
- Strategy;
- Appointments;
- Approval of rules of procedure for the Board of Directors;
- Audit Committee report;
- CO_2: problems and changes in regulation;
- Marketing strategy, actions and objectives, impact on sales;
- Authorization to issue guarantees and delegation of powers;
- Miscellaneous.

All the members of the Board attended this meeting, as well as the Company's auditors and the four Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

Each director had been sent, with the notice convening the Board meetings, all the documents and information necessary to fulfill his function. The minutes of the Board meetings were drafted at the end of each meeting.

Composition of the Board of Directors:

The Company is managed by a Board of Directors composed of at least five and no more than twelve members, appointed by the General Meeting of shareholders for a term of three or six years.

At December 31, 2013, the Board of Directors comprised ten members, the list of which can be found appended to this report. The list moreover details the appointments held by each director in other Group companies.

The Board of Directors consists of individuals who have industry knowledge, specific knowledge of the Group's businesses, technical experience and/or management, corporate and financial experience.

At December 31, 2013, the Board of Directors included six independent members: Mr. Raynald Dreyfus, P&E Management (company held by Mr. Paul Vanfrachem), Mr. Jacques Le Mercier, Mr. Pierre Breuil, Mr. Bruno Salmon and Mr. Xavier Chalandon. Directors not maintaining any direct or indirect relationship or not having any link of individual interest with the Company, its subsidiaries, its shareholders or its management are regarded as independent directors. Moreover, the Company considers as an independent director, a person who is not bound to the Company or to the Group by an employment contract, a contract for the provision of services or by a situation of subordination or dependency with respect to the Company, the Group, its management or major shareholders or by a family tie with the majority shareholder.

Under the law of January 27, 2011 on the principle of balanced representation of men and women on the Board of Directors, it is noted that Mrs. Sidos Sophie is a member of the Board. In addition, the Board is endeavoring to achieve the desirable balance in its composition in order to meet the obligations in question within the deadlines prescribed by-law. As such, at its meeting of March 7, 2014, the Board of Directors will be asked to appoint Mrs. Sophie Fégueux to the Board, for a term of three years, to replace P&E Management represented by Mr. Paul Vanfrachem, whose mandate ends at the next General Meeting.

Operation of the Board of Directors:

At its meeting of August 1, 2013, the Board of Directors adopted rules of applicable to all present and future directors, the purpose of which is to fulfill legal, regulatory and statutory obligations, and to specify:

- the role of the Board;
- the composition of the Board;
- the experience and expertise of members of the Board – Training;
- the independence criteria for directors;
- the operation of the management bodies;
- the structure of meetings of the Board of Directors;
- information on members of the Board;
- the remuneration of the Board of Directors;
- the Board committees;
- the rights and obligations of directors;
- the assessment of the Board's operation;
- changes to the rules of procedure.

The committees of the Board of Directors:

The Board of Directors has an Audit Committee and a remunerations committee. The committees are made up of three members, all independent directors appointed by the Board of Directors having been proposed by the Chairman and chosen on the basis of their competencies. Committee members are nominated for the duration of their term as director. They can be re-elected.

The committee members can be removed at any time by the Board of Directors, which does not have to justify its decision. A committee member may resign his role without having to provide reasons for his decision.

Each committee is chaired by a Chairman appointed by a majority decision of the committee members. The Chairman of the committee ensures its proper operation, in particular concerning the convening and holding of meetings and the provision of information to the Board of Directors.

Each committee appoints a secretary from among the three members or from outside the committee and Board of Directors.

The composition of the committees is as follows:

Composition of the Audit Committee:

- Mr. Raynald Dreyfus, Chairman of the committee,
- Mr. Jacques Le Mercier,
- Mr. Pierre Breuil.

Composition of the Remunerations Committee:

- Mr. Paul Vanfrachem, Chairman of the committee,
- Mr. Raynald Dreyfus,
- Mr. Xavier Chalandon.

Operating details of the Committees:

Meetings:

Audit Committee: twice a year and more often at the request of the Board of Directors.

Remunerations committee: once a year and more often at the request of the Board of Directors.

The proposals before the committees are adopted by simple majority of the members present, each member having one vote. The members may not be represented by proxies at committee meetings.

The deliberations of the committees are recorded in minutes entered in a special register. Each committee reports to the Board of Directors on its work.

The Board of Directors may allocate remuneration or attendance fees to committee members.

Audit Committee role:

The Audit Committee's role consists in particular in:

- examining the annual and half-yearly financial statements both consolidated and unconsolidated (with particular attention to the consistency and the relevance of the accounting policies used);

- monitoring the process for preparation of the financial information;
- understanding the internal procedures for gathering and verifying the financial information that ensure the accuracy of the consolidated information;
- monitoring the effectiveness of the internal control and risk management systems;
- examining the candidatures of the statutory auditors whose appointment is proposed to the shareholders' General Meeting;
- examining every year the auditors' fees as well as their independence.

The Audit Committee met twice in 2013 with a 100 % attendance rate. It considered the following issues:

Meeting of February 15, 2013:

- Financial calendar and financial information;
- Annual financial statements for 2012;
- Corporate Social Responsibility (CSR) regulations;
- Security audit of the modes of payment for and progress of the HORUS project;
- Client risk management;
- Internal audit;
- Audit and auditors.

Meeting of July 26, 2013:

- Financial calendar and financial information;
- Financial statement for first half of 2013;
- Accounting and regulatory changes;
- Developments in the Horus project and developments in the communication and network platforms;
- Risk management and mapping review;
- Internal audit.

Remunerations committee role:

The remunerations committee has the responsibility of:

- examining the remuneration of managers and employees (fixed component, variable component, bonuses, etc.) and in particular their amounts and allocation;
- studying the share subscription or purchase option plans and, in particular as far as the beneficiaries are concerned, the number of options that could be granted to them, as well as the term of the options and the subscription price conditions and any other form of access to the Company's share capital in favor of directors and employees;
- studying certain benefits in particular relating to the pension plan, health and welfare benefit plan, disability insurance, life insurance, education allowance, civil liability insurance for directors and senior managers of the Group, etc.

The Audit Committee met twice in 2013 with a 100 % attendance rate. It considered the following issues:

Meeting of February 19, 2013:

- Remuneration statistics;
- Fringe benefits.

2. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

Internal control in the Group centers in particular on:

- the Standards and Procedures Department responsible for issuing or updating the accounting and financial policies to be applied within the Group;
- financial control reporting to the Finance Department and responsible for ensuring compliance with standards, procedures, regulations and good practice;
- management control reporting to the General Management of the various businesses;
- internal audit reporting to the Chief Executive Officer of the Group.

An internal control manual was issued to all the Group's operational managers and administration and finance teams in 2012. It sets out the legal obligations and definitions in relation to internal control and lays down the fundamentals and principles to be adopted in order to achieve the best guarantee of a high standard of internal control.

Moreover, certain subsidiaries will have an employee in charge of internal control on a full- or part-time basis.

As such, this person will be responsible for assessing and applying the procedures in place. This person will also coordinate the follow-up on recommendations made by external auditors and the internal audit.

Definition and objectives of internal control

According to the AMF (French Financial Market Authority) terms of reference, which the Company has chosen to apply, internal control is a measure used to ensure:

- compliance with laws and regulations;
- application of the instructions and directions set by General Management;
- proper operation of Group internal processes, in particular those serving to protect assets;
- reliability of financial information.

This system comprises a set of resources, behaviors, procedures and actions appropriate to the Group's characteristics that contribute to controlling its activities, to the effectiveness of its operations and to the efficient use of its resources.

It should also allow the Group to take into account significant risks, whether operational, financial or compliance risks. Nonetheless, like any management control system, it cannot provide an absolute guarantee that these risks have been completely eliminated.

Application scope

The scope of internal control extends to the parent company and all the subsidiaries that it controls exclusively or jointly.

Description of the components of internal control

The internal control process is based on an internal organization that is appropriate to each of the Group's activities and is characterized by the extensive senior management responsibility for operational control.

The Group specifies procedures and operating principles for its subsidiaries, particularly in relation to the development and treatment of accounting and financial information, and taking into account the risks inherent in each of the businesses and markets in which the Group operates, in compliance with the directives and common rules defined by the Group's management.

As far as information management tools are concerned, the Group steers and monitors the course of its industrial (in particular supply, production and maintenance), and commercial (sales, shipping and credit management) activities, and converts this information into accounting information using either integrated software packages recognized as standard on the market, or specific applications developed by the Group's Information Systems Department.

In this context, the Group has been engaged since 2009 in a progressive updating of its information systems, with a view to standardizing the tools used, improving the security and speed of the processing of data and transactions and facilitating the integration of new entities. This overhaul involves the technical infrastructure on the one hand and the transaction processes and applications supporting such processes on the other. It led the Group to put the SAP integrated management software system in place at Vicat SA in France. This software system has been integrated into the Company's entire operations. The system will also be implemented in the Concrete & Aggregates business in 2014. This project will be extended in the coming years to the Group's other French businesses and then to its international businesses.

The Company has set up a system for steering by General Management and the business units concerned, allowing for informed and quick decisions.

This system comprises:

- daily reports of production from the plants;
- reviews of weekly activity by the operational unit (country or subsidiary);
- monthly operational and financial reviews (factory performance, industrial and commercial performance indicators) analyzed by the Group's financial controllers with reference to the budget and to the previous financial year;
- monthly reports presenting the consolidated income statements broken down by country and business sector, and reconciled with the budget;
- monthly consolidated cash flow and indebtedness reports broken down by country and business sector;
- regular visits by General Management to all subsidiaries, during which the results and the progress of commercial and industrial operations are presented, allowing them to assess the implementation of guidelines and to facilitate information exchanges and decision-making.

Constant improvements in decision-making structures will continue in 2014, as in 2013.

Risk analysis and management

Risk management is included in the responsibilities of the various levels of operational management. If applicable, the various reports on activities described above include items on risk.

Major risks are then analyzed and, if applicable, managed in conjunction with General Management. An overview of the main risks that the Group is exposed to is presented every year in section 6 of the Registration Document published by the Company; in particular, this addresses:

- industrial risks including those related to industrial equipment and to product quality defects, and those related to the environment;
- market risks, in particular: foreign exchange risk, conversion risks, liquidity risk and interest rate risks.

Internal Audit has undertaken a process of risk identification and analysis. After identification of the risks through discussions with the Group's key operational and functional managers and a subsequent analysis phase conducted in conjunction with General Management, this study enabled a mapping of the risks to which the Group is exposed. This risk matrix is regularly reviewed and updated if necessary.

The Internal Audit Department is attached to the Group's General Management and can intervene in all the Group's activities and subsidiaries. It works in accordance with an annual audit plan intended to cover the main risks identified within the Company, in particular those relating to accounting and financial information.

The audits are the subject of reports submitted to management, General Management and the Audit Committee. They comprise overview reports specifically targeted at Senior management, and detailed reports used *inter alia* to make the operational staff concerned aware of any findings and recommendations proposed.

The implementation of action plans is the subject of formal monitoring by the Internal Audit Department in a specific report.

3. CORPORATE GOVERNANCE

The Board of Directors decided at the meeting on August 2, 2012 to adopt the Chairman's proposal to implement the Middlenext Corporate Governance Code published in December 2009 and available on the website www.middlenext.com.

Consequently, the Middlenext Code is the reference code for the preparation of this report, specified in article L.225-37 of the French Commercial Code (see governance statement in section 4.2.1.4 of the Registration Document)

4. REMUNERATION OF THE COMPANY'S OFFICERS

Policy on remuneration of the Company's officers

The Company has decided to apply the recommendations relating to the remuneration of executive directors of listed companies, seeing as they are aligned with the good governance principles which the Company has always followed.

The Company's position with respect to these recommendations is as follows:

- measures have been taken to ensure that Company executive officers are not bound to the Company by an employment contract;
- no severance pay is provided for Company executive officers;
- the supplementary pension plans in place in the Company from which Company executive officers and some non-executive officers benefit are subject to strict rules. The amount of the additional pension benefits may, in particular, not result in the beneficiaries receiving, under all pension benefits, an amount exceeding 60 % of the reference salary;
- the Company has not instituted a share purchase or share subscription option policy or a performance-related share award scheme;
- in accordance with the recommendations on transparency for all items in the remuneration package, the Company will adopt the presentation recommended by its set of standards and will publish this information, in particular in its Registration Document.

The current remuneration of company officers is less than the average remuneration noted.

Policy for determining the remuneration of the non-executive directors

The Chairman of the Board of Directors has, in accordance with the recommendations on corporate governance, monitored compliance with the following principles:

A) EXHAUSTIVENESS

The remuneration of non-executive directors was determined and evaluated overall for each of them. It comprises:

- a fixed remuneration;
- attendance fees;
- a top-up pension plan;
- benefits in kind.

For the record, no director receives a variable remuneration, or share options, or a free share allotment, or severance payments.

B) BENCHMARKING

The remuneration of the non-executive directors was compared with the remuneration published by French companies and groups in the same sector, and with reference to industrial companies comparable in terms of earnings or sales. This revealed that current remunerations are lower than average remunerations.

C) CONSISTENCY

The consistency of remunerations between the various non-executive directors could be checked on the basis the following criteria:

- professional experience and training;
- years of service;
- level of responsibility.

D) SIMPLICITY AND STABILITY OF THE RULES

The absence of variable remuneration and allocation of share options or free allocation of shares allows for simplicity and stability in the rules for setting remunerations.

E) MEASUREMENT

The remuneration of the non-executive directors, taking into account the amount and the fact that it is largely of a fixed nature, are compatible with the general interests of the Company and are consistent with market practices in this sector of industry.

Policy of allocating share options and free allocations of shares

The Company has not instituted a share options policy or a free share award scheme.

5. SHAREHOLDER PARTICIPATION AT THE GENERAL MEETING

The participation of shareholders in the General Meeting is not subject to specific details or procedures and is governed by the law and by article 25 of the Company by-laws reproduced below:

Article 25 - Attendance and representation at meetings

Any shareholder can attend, personally or through a representative, the Meetings by providing proof of ownership of his shares provided this is supported, in accordance with the law and the regulations in force, by registration of his shares in his name or that of his registered representative, in accordance with the seventh paragraph of article L. 228-1 of the French Commercial Code, by the third working day before the date of the Meeting at midnight, either in the registered securities accounts held by the Company, or in the bearer's securities accounts held by the registered representative.

The registration of shares in securities accounts as bearer's securities held by the authorized representative is confirmed by a share certificate submitted by the latter in accordance with the laws and regulations in force.

Participation in General Meetings is subject to proof of holding at least one share.

6. POWERS OF THE CHAIRMAN AND OF THE CEO

In accordance with article 21 of the Company's by-laws, the Board of Directors decided by a decision of March 7, 2008 to opt for a separation of the functions of Chairman of the Board of Directors and the Chief Executive Officer.

Mr. Jacques Merceron-Vicat has been reappointed as Chairman of the Board of Directors for the remaining duration of his term of office as director, *i.e.* until the General Meeting of 2016, which will be called upon to approve the financial statements for the fiscal year ending on December 31, 2015.

M. Guy Sidos was reappointed as Chief Executive Officer until the General Meeting of 2016 which will be called to approve the financial statements for the fiscal year ending December 31, 2015.

No limitation was placed on the powers of the Chairman of the Board of Directors or those of the CEO.

At its meeting of March 7, 2014, the Board of Administrators will be asked to:

- take note of the decision by Mr. Jacques Merceron-Vicat to step down from his position as Chairman of the Board of Directors at the end of the Ordinary General Meeting of May 6, 2014;
- decide, in accordance with the provisions of article 21 of the Company's by-laws, to combine the duties of the Chairman of the Board of Directors and the Chief Executive Officer, with effect at the end of the Ordinary General Meeting of May 6, 2014;
- elect Mr. Guy Sidos as Chairman of the Board of Directors, with effect at the end of the General Meeting of May 6, 2014, and re-appoint him as Chief Executive Officer;
- elect Mr. Jacques Merceron-Vicat as Honorary Chairman of the Company.

Paris

February 24, 2014

The Chairman of the Board of Directors

STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF VICAT S.A.

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2013

To the Shareholders,

In our capacity as statutory Auditors of Vicat S.A., and in accordance with article L. 225 235 of the French Commercial Code, we hereby report to you on the report prepared by the Chairman of your Company prepared in accordance with Article L. 225-37 of the French Commercial Code, for the year ended 31 December 2013.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval report on the internal control and risk management procedures implemented by the Company and containing the other disclosures required by Article L. 225-37 of the French Commercial Code particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report contains the other disclosures required by Article L. 225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- ensuring that any material weaknesses in internal control procedures relating to the reparation and processing of financial and accounting information that we would have detected in the course of our engagement have been properly disclosed in the Chairman's report.

On the basis of these procedures, we have no matters to report in connection with the information given on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, contained in the Chairman's report, prepared in accordance with Article L.225-37 of the French commercial Code.

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L.225-37 of the French Commercial Code.

The statutory auditors

Paris La Défense, 7 March 2014

KPMG Audit
Département de KPMG S.A.
Bertrand Desbarrières
Partner

Chamalières, 7 March 2014

Wolff & Associés S.A.S.

Patrick Wolff
Partner

TEXT OF THE RESOLUTIONS PROPOSED AT THE COMBINED GENERAL MEETING OF MAY 6, 2014

RESOLUTIONS FOR THE ORDINARY GENERAL MEETING

FIRST RESOLUTION

Approval of the financial statements and operations for the year ended December 31, 2013

Further to taking cognizance of the Board of Directors' reports and the statutory auditors' general report on the financial statements for the financial year ended December 31, 2013, the Ordinary General Meeting approves the financial statements for the said financial year as presented thereto, including the operations specified and summarized therein.

It finalizes net income for the said financial year at €224,461,751.

Accordingly, it provides full and unconditional discharge to the Board of Directors for the performance of the latter's mandate during the said financial year.

SECOND RESOLUTION

Approval of the consolidated financial statements for the year ended December 31, 2013

Further to taking cognizance of the Board of Directors' report on the management of the Group and the statutory auditors' report on the consolidated financial statements for the financial year ended December 31, 2013, the Ordinary General Meeting approves the consolidated financial statements for the said financial year as presented thereto, including the operations specified and summarized therein.

It finalizes the consolidated income of the Group for the said financial year at €123,241,000, of which €120,259,000 was the Group's share of net income.

THIRD RESOLUTION

(Appropriation of earnings and dividend amount)

Further to recording the existence of distributable profits, the Ordinary General Meeting approves the appropriation and distribution thereof as proposed by the Board of Directors:

■ net income for the 2013 financial year	€224,461,751
■ retained earnings carried forward	€201,333,800
■ **total**	**€425,795,551**

Appropriation:

- dividend €67,350,000

  (based on the current share capital of 44,900,000 shares with a nominal value of €4)
- allocation to other reserve accounts €153,445,551
- retained earnings €205,000,000

and accordingly fixes the dividend to be distributed for the 2013 financial year at the gross amount of €1.50 per share (excluding levies).

The said dividend shall be released for payment as of May 16, 2014, at the registered office and by the banks, pursuant to the provisions relating to the dematerialization of transferable securities.

The Ordinary General Meeting records that the dividends paid out per share, for a comparable number of shares, in the three previous financial years were as follows:

Financial year	Dividend paid out
■ 2010	€1.50
■ 2011	€1.50
■ 2010	€1.50

It is noted that the aforementioned dividend amounts take account of all existing shares. When released for payment, the dividends on treasury shares will be allocated to the "retained earnings" account.

The dividends are eligible for a tax allowance at the rates and on the conditions specified in article 158-3 of the French General Tax Code.

FOURTH RESOLUTION

(Approval of regulated agreements)

Further to taking cognizance of the special report issued by the statutory auditors relating to operations specified in article L. 225-38 of the French Commercial Code, the Ordinary General Meeting formally acknowledges the conclusions of the said report and approves the agreements specified therein.

FIFTH RESOLUTION

(Authorization to empower the Board of Directors to purchase, hold or transfer Company shares and approval of the share buy-back program)

Further to taking cognizance of the Board of Directors' special report and the description of the share buy-back program specified in the annual report, the Ordinary General Meeting hereby authorizes the Board of Directors to purchase, hold or transfer Company shares,

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with the possibility of sub-delegation in compliance with the provisions specified by law, and subject to compliance with currently prevailing legal and regulatory provisions, in particular in accordance with the terms and obligations specified in articles L. 225-209 and following of the French Commercial Code, European Regulation n°. 2273/2003 of December 22, 2003 and market practices permitted by the AMF (Financial Markets Authority), in order (without order of priority):

a) to allocate or sell shares to employees and/or Company officers and/or companies which are related to it or will be related to it under the terms and conditions set out in the legislation, in particular in the context of employee involvement in the results of expansion of the business and profit-sharing;
b) to promote a market in the share through a liquidity agreement conforming to the ethical charter of the AMAFI (French Association of Financial Markets) as recognized by the AMF;
c) to retain the Company's shares and subsequently use them for payment or exchange in the context of external growth operations in compliance with market practice as permitted by the French financial regulator (AMF);
d) to cancel shares within the maximum statutory limit, subject in this last case to a vote by an Extraordinary General Meeting on a specific resolution.

The Ordinary General Meeting resolves that:

- the unit purchase price shall not exceed €100 per share (excluding acquisition costs);
- the total amount of shares held shall not exceed 10 % of the Company's share capital; the said 10 % threshold shall be ascertained on the effective buy-back date. The said limit shall be equal to 5 % of share capital as regards the objective specified in (c) above. Taking into account the shares already held by the Company on January 1, 2014, the 10 % limit corresponds to a maximum number of 3,643,974 shares having a nominal value of €4 each, representing a maximum amount of €364,397,400.

Pursuant to such resolution, within the limits permitted by the regulations in force, the shares may be purchased, sold, exchanged or transferred in one or more transactions, by all means, on all markets and over the counter, including by acquisition or sale of blocks, and by means including the use of derivatives and warrants.

The General Meeting resolves that the Board of Directors shall be entitled to implement this resolution at any time during a period of 18 months with effect from this General Meeting, including during a public offer period, within the limits and subject to the terms and conditions and abstention periods specified by the law and AMF General Regulations.

This authorization annuls and replaces the authorization granted by the Ordinary General Meeting of April 26, 2013 with respect to the remaining period of validity.

The General Meeting grants all powers to the Board of Directors, with the option of sub-delegation under the terms and conditions of the law, for the purpose of:

- implementing this authorization and continuing to execute the share buy-back program, allocating or re-allocating the shares acquired for the various purposes in compliance with legal and regulatory provisions;
- undertaking adjustments of unit prices and the maximum number of shares to be acquired in proportion to the change in the number of shares, or the nominal value thereof, resulting from possible transactions relating to the Company's share capital;
- placing all Stock Market orders on all markets or undertaking transactions outside such markets;
- entering into all agreements, in particular for the purpose of keeping share purchase and sale registers, filing all declarations with the AMF and all other bodies;
- undertaking all declarations and other formalities, and generally undertaking all necessary operations.

The Board of Directors shall inform the General Meeting of operations undertaken in application of this authorization.

SIXTH RESOLUTION

(Renewal of Jacques Le Mercier's term as director)

The Ordinary General Meeting resolves to renew the term of office of Jacques Le Mercier as director for a period of three years expiring at the end of the 2017 Ordinary General Meeting convened to approve the financial statements for the 2016 financial year.

SEVENTH RESOLUTION

(Appointment of Sophie Fégueux as director)

The Ordinary General Meeting resolves to appoint Sophie Fégueux as director to replace the Company P&E Management, whose term of office was expiring, for a period of three years expiring at the end of the 2017 Ordinary General Meeting convened to approve the financial statements for the 2016 financial year.

EIGHTH RESOLUTION

(Renewal of an incumbent statutory auditor's term)

Further to a proposal by the Board of Directors, the Ordinary General Meeting resolves to renew the term of the incumbent statutory auditor KPMG S.A. for a six-year term. This term shall expire at the end of the 2020 Ordinary General Meeting convened to approve the financial statements for the 2019 financial year.

NINTH RESOLUTION

(Renewal of an alternate statutory auditor's term)

Following a proposal by the Board of Directors, the Ordinary General Meeting resolves to renew the term of the alternate statutory auditor Cabinet Exponens Conseil et Expertise for six year. This term shall expire at the end of the 2020 Ordinary General Meeting convened to approve the financial statements for the 2019 financial year.

TENTH RESOLUTION

(Powers)

The Ordinary General Meeting hereby grants all powers to the bearer of a copy or abstract of the minutes of this meeting for the purpose of performing all legal or administrative formalities, filings and publicity specified by current legislation.

RESOLUTIONS FOR THE EXTRAORDINARY GENERAL MEETING

ELEVENTH RESOLUTION

(Proposal of an increase in capital reserved for employees)

Further to taking cognizance of the Board of Directors' report, the Extraordinary General Meeting:

- formally acknowledges that, pursuant to the provisions of article L. 225 129-6 of the French Commercial Code, an Extraordinary General Meeting must be convened every three years to vote on a proposed resolution on an increase in capital carried out under the terms of article L. 3332-18 and following of the French Labor Code;
- but believes that these very general provisions are not useful to the Company with regard to its employee profit-sharing plan established many years ago and the option offered to these employees to participate in the Group savings plan.

However, to comply with legal provisions, it authorizes the Board of Directors to carry out, on one or more occasions, on its sole decision and if it deems it useful, a cash capital increase under the terms defined in article L. 3332-18 and following of the French Labor Code.

The total number of shares that may be subscribed cannot exceed 0.5 % of the share capital.

The General Meeting resolves expressly to waive shareholders' pre-emptive subscription rights to new shares to be issued for employees participating in the Group savings plan.

This authorization is granted for 36 months as of the date of this meeting.

The General Meeting grants all powers to the Board of Directors to set all terms for future operation(s) and in particular to determine the issue price of new shares and grants all powers to acknowledge the capital increase(s) carried out to fulfill this authorization, amend the by-laws accordingly and more generally take any other necessary steps.

TWELFTH RESOLUTION

(Powers)

The Ordinary General Meeting hereby grants all powers to the bearer of a copy or abstract of the minutes of this meeting for the purpose of performing all legal or administrative formalities, filings and publicity specified by currently prevailing legislation.

STATUTORY AUDITORS' REPORT IN RELATION WITH THE SHARE CAPITAL INCREASE TO THE BENEFIT OF THE EMPLOYEES MEMBERS OF THE COMPANY'S SAVING PLAN

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Combined Shareholders' Meetings of May 6, 2014 – Eleventh resolution

To the Shareholders,

In our capacity as statutory auditors of your Company and pursuant to articles L. 225-135 *et seq*. of the French Commercial Code *(Code de commerce),* we hereby report to you on the proposed of share capital increase through the issue of ordinary shares with cancellation of pre-emptive subscription rights, reserved for employee members of a company saving plan of your Company up to a maximum amount of 0.5% of the share capital, on which you are required to vote.

Shareholders are required to approve this share capital increase pursuant to article L. 225-129-6 of the French Commercial Code and article L. 3332-18 *et seq*. of the French Labor Code *(Code du travail).*

Your Management Board recommends that, based on his report and for a period of 36 months, you delegate to him the authority to decide a share capital increase and cancel your pre-emptive subscription rights to the ordinary shares to be issued. The Board would also decide the final terms of the issue, if appropriate.

The Management Board is responsible for preparing a report on the proposed issue in accordance with articles R. 225-113 and R. 225-114 of the French Commercial Code. Our role is to express a conclusion on the fairness of the quantified data extracted from the financial statements, on the proposed cancellation of pre-emptive subscription rights and on certain other information pertaining to the issuance as presented in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie nationale des commissaires aux comptes)* applicable to this engagement. Such procedures consisted in verifying the content of the Management Board's report as it relates to this transaction and the terms and conditions governing the determination of the issue price of shares.

Subject to a subsequent review of the final terms of any share capital increase that may be decided, we have nothing to report concerning the proposed method of determining the issue price of the shares, as described in the Management Board's report.

As the final terms and conditions of the share capital increase have not been determined, we do not express a conclusion thereon and, consequently, on the proposed cancellation of pre-emptive subscription rights on which you are being required to vote.

In accordance with article R. 225-116 of the French Commercial Code, we will issue a further report if and when the Management Board decides to use this authorization.

The statutory auditors

Paris La Défense, March 7, 2014	Chamalières, March 7, 2014
KPMG Audit	**Wolff & Associés S.A.S.**
Département de KPMG S.A.	
Bertrand Desbarrières	Patrick Wolff
Partner	*Partner*

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French market regulator website (www.amf-france.org).