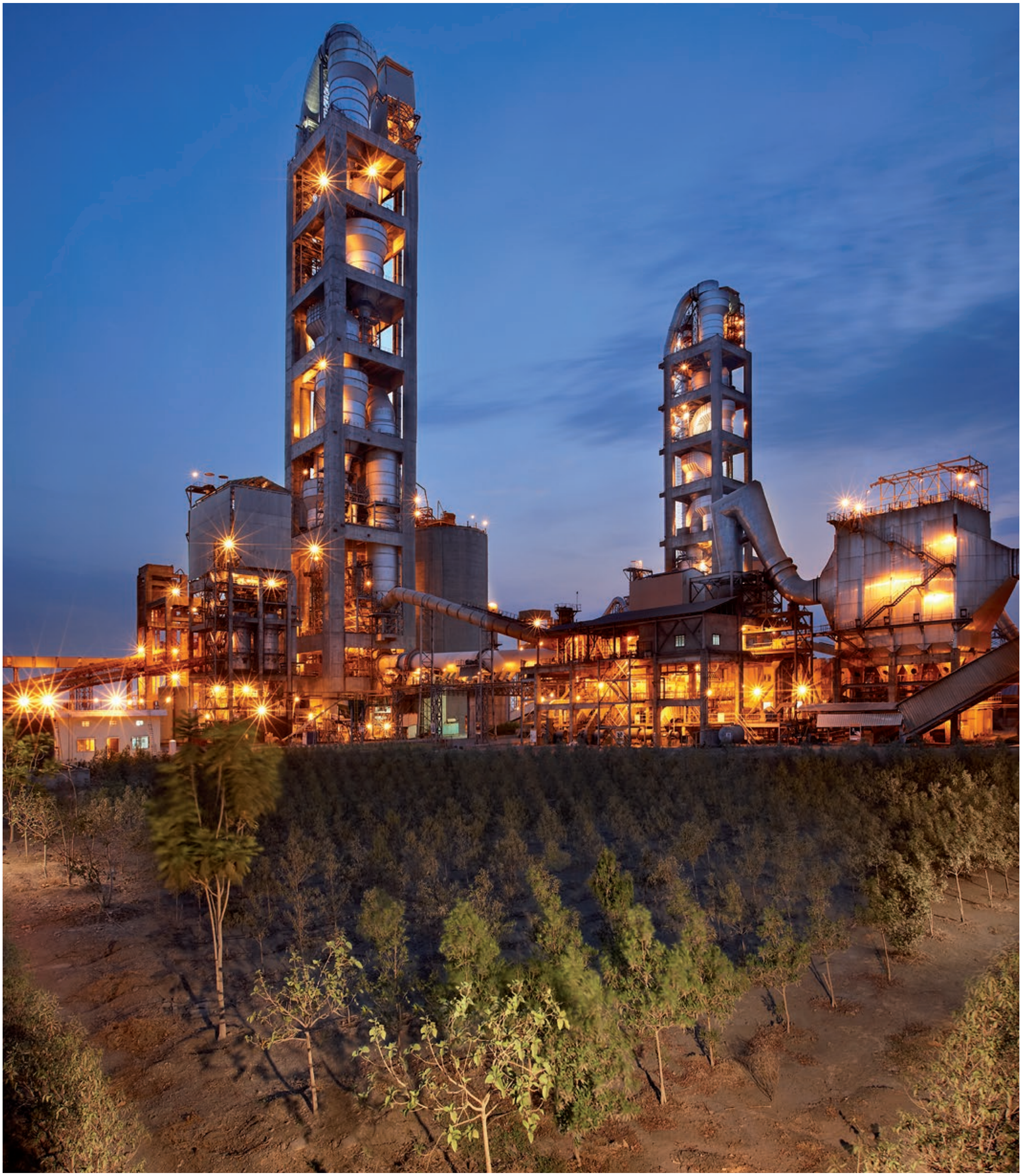
FINANCIAL REPORT

HALF-YEAR

2014

VICAT



▲ Bharati Cement factory in Kapada, Andhra Pradesh (India).

CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2014

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1.1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	*Notes*	June 30, 2014	December 31, 2013
ASSETS			
Non current assets			
Goodwill	*3*	967,319	946,569
Other intangible assets	*4*	113,288	100,103
Property, plant and equipment	*5*	2,070,603	2,102,012
Investment properties		19,046	19,107
Investments in associated companies		37,140	38,213
Deferred tax assets		111,367	101,671
Receivables and other non current financial assets		110,175	133,738
TOTAL NON CURRENT ASSETS		3,428,938	3,441,413
Current assets			
Inventories and work in progress		352,776	359,712
Trade and other accounts		446,259	348,309
Current tax assets		29,569	29,866
Other receivables		150,244	127,963
Cash and cash equivalents	*6*	231,765	241,907
TOTAL CURRENT ASSETS		1,210,613	1,107,757
TOTAL ASSETS		**4,639,551**	**4,549,170**
LIABILITIES			
Shareholders' equity			
Share capital	*7*	179,600	179,600
Additional paid in capital		11,207	11,207
Consolidated reserves		1,789,662	1,818,942
Shareholders' equity		**1,980,469**	**2,009,749**
Minority interests		**265,631**	**282,216**
SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		2,246,100	2,291,965
Non current liabilities			
Provisions for pensions and other post employment benefits	*8*	94,612	87,584
Other provisions	*8*	82,068	77,208
Financial debts and put options	*9*	1,279,779	1,201,953
Deferred tax liabilities		204,687	215,751
Other non current liabilities		12,027	10,394
TOTAL NON CURRENT LIABILITIES		1,673,173	1,592,890
Current liabilities			
Provisions	*8*	10,527	12,494
Financial debts and put options at less than one year	*9*	193,321	172,604
Trade and other accounts payable		297,392	276,633
Current taxes payable		28,076	25,354
Other liabilities		190,962	177,230
TOTAL CURRENT LIABILITIES		720,278	664,315
TOTAL LIABILITIES		2,393,451	2,257,205
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**4,639,551**	**4,549,170**

1.2. CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	*Notes*	June 30, 2014	June 30, 2013
Sales	*11*	**1,217,811**	**1,147,683**
Goods and services purchased		(810,599)	(751,809)
Added value	*1.22*	**407,212**	**395,874**
Personnel costs		(187,974)	(183,598)
Taxes		(25,539)	(22,314)
Gross operating income	*1.22 & 14*	**193,699**	**189,962**
Depreciation, amortization and provisions	*12*	(91,571)	(92,206)
Other income and expenses	*13*	10,292	9,279
Operating income	*14*	**112,420**	**107,035**
Cost of net financial debt	*15*	(23,514)	(19,521)
Other financial income	*15*	5,832	3,414
Other financial expenses	*15*	(12,004)	(5,368)
Net financial income (expense)	*15*	**(29,686)**	**(21,475)**
Earnings from associated companies		1,712	2,140
Profit (loss) before tax		**84,446**	**87,700**
Income tax	*16*	(28,438)	(28,516)
Consolidated net income		**56,008**	**59,184**
Portion attributable to minority interests		5,292	4,307
Portion attributable to the Group		**50,716**	**54,877**
EBITDA	*1.22 & 14*	**207,674**	**201,374**
EBIT	*1.22 & 14*	**115,199**	**105,282**
Cash flow from operations	*1.22*	**143,733**	**138,247**
EARNINGS PER SHARE *(in euros)*			
Basic and diluted Group share of net earnings per share	*7*	1.13	1.22

1.3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	June 30, 2014	June 30, 2013
Consolidated net income	**56,008**	**59,184**
Other comprehensive income items		
Items not recycled to profit or loss:		
Remeasurement of the net defined benefit liability	(8,566)	20,918
Tax on non-recycled items	2,998	(6,045)
Items recycled to profit or loss:		
Net income from change in translation differences	(868)	(79,743)
Cash flow hedge instruments	(10,782)	(6,299)
Tax on recycled items	3,510	2,237
Other comprehensive income (after tax)	**(13,708)**	**(68,932)**
TOTAL COMPREHENSIVE INCOME	**42,300**	**(9,748)**
Portion attributable to minority interests	6,180	(16,036)
Portion attributable to the Group	**36,120**	**6,288**

1.4. CONSOLIDATED CASH FLOWS STATEMENT

(in thousands of euros)	*Notes*	June 30, 2014	June 30, 2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income		**56,008**	**59,183**
Earnings from associated companies		(1,712)	(2,140)
Dividends received from associated companies		969	331
Elimination of non cash and non operating items:			
- depreciation, amortization and provisions		91,833	93,860
- deferred taxes		(13,394)	(10,090)
- net (gain) loss from disposal of assets		282	(1,906)
- unrealized fair value gains and losses		1,097	(985)
- other		8,650	(7)
Cash flows from operating activities	*1.22*	**143,733**	**138,246**
Change in working capital requirement		(58,724)	(73,226)
Net cash flows from operating activities (1)	*18*	**85,009**	**65,020**
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows linked to acquisitions of non-current assets:			
- property, plant and equipment and intangible assets		(81,155)	(90,449)
- financial investments		(9,815)	(1,398)
Inflows linked to disposals of non-current assets:			
- property, plant and equipment and intangible assets		2,781	5,228
- financial investments		4,554	1,290
Impact of changes in consolidation scope		(17,822)	(314)
Net cash flows from investing activities	*19*	**(101,457)**	**(85,643)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paids		(80,588)	(79,839)
Increases in capital		122	
Proceeds from borrowings		113,530	84,402
Repayments of borrowings		(43,569)	(21,931)
Acquisitions of treasury shares		(9,203)	(5,240)
Disposals or allocations of treasury shares		13,127	8,642
Net cash flows from financing activities		**(6,581)**	**(13,966)**
Impact of changes in foreign exchange rates		1,940	(8,428)
Change in cah position		**(21,089)**	**(43,017)**
Net cash and cash equivalents – opening balance	*20*	225,812	225,079
Net cash and cash equivalents – closing balance	*20*	204,723	182,062

(1) Including cash flows from income taxes € (33,419) thousand in 2014 and € (32,854) thousand in 2013.
Including cash flows from interests paid and received € (23,833) thousand in 2014 and € (19,643) thousand in 2013.

1.5. STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of euros)	Capital	Additional paid in capital	Treasury shares	Consolidated reserves	Translation reserves	Share-holders' equity	Minority interests	Total share-holders' equity and minority interests
AT JANUARY 1, 2013	179,600	11,207	(78,681)	2,076,581	(107,896)	2,080,811	334,036	2,414,847
Consolidated net income				54,877		54,877	4,307	59,184
Other comprehensive income				10,558	(59,147)	(48,589)	(20,343)	(68,932)
Total comprehensive income				**65,435**	**(59,147)**	**6,288**	**(16,036)**	**(9,748)**
Dividends paids				(66,016)		(66,016)	(14,055)	(80,071)
Net change in treasury shares			3,927	(344)		3,583		3,583
Changes in consolidation scope and additional acquisitions							(51)	(51)
Increase in share capital								
Other changes				920		920	17	937
AT JUNE 30, 2013	179,600	11,207	(74,754)	2,076,576	(167,043)	2,025,586	303,911	2,329,497
AT JANUARY 1, 2014	179,600	11,207	(73,945)	2,155,752	(262,865)	2,009,749	282,216	2,291,965
Consolidated net income				50,716		50,716	5,292	56,008
Other comprehensive income				(21,190)	6,594	(14,596)	888	(13,708)
Total comprehensive income				**29,526**	**6,594**	**36,120**	**6,180**	**42,300**
Dividends paids				(66,064)		(66,064)	(14,876)	(80,940)
Net change in treasury shares			4,713	(517)		4,196		4,196
Changes in consolidation scope and additional acquisitions				(3,304)		(3,304)	(7,875)	(11,179)
Increases in share capital								
Other changes				(228)		(228)	(14)	(242)
AT JUNE 30, 2014	**179,600**	**11,207**	**(69,232)**	**2,115,165**	**(256,271)**	**1,980,469**	**265,631**	**2,246,100**

Group translation differences at June 30th, 2014 are broken down by currency as follows (in thousands of euros):

US dollar:	(13,786)
Swiss franc:	130,976
Turkish new lira:	(123,071)
Egyptian pound:	(57,001)
Kazakh tengue:	(52,978)
Mauritanian ouguiya:	(3,894)
Indian rupee:	(136,517)
	(256,271)

1.6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2014

NOTE 1 ACCOUNTING POLICIES AND VALUATION 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 June 30, 2014 for its benchmark accounting policies.

Standards and interpretations published by the IASB but not yet in effect as at June 30, 2014 were not applied ahead of schedule in the Group consolidated financial statements at the closing date. This mainly involves IFRIC 21 Interpretation "Levies", which is going to be studied in order to assess the potential impact on the consolidated financial statements.

The consolidated financial statements at June 30, 2014 were prepared in accordance with IAS 34 "Interim Financial Reporting". As condensed financial statements, they have to be read in relation with those prepared for the annual year ended December 31, 2013 in accordance with International Financial Reporting Standards (IFRS). Moreover they present comparative data for the previous year prepared under these same IFRS's. The accounting policies and methods applied in the financial statements as at June 30, 2014 are consistent with those applied for the annual financial statements as at December 31, 2013.

The standards that are mandatory for annual periods beginning on or after January 1, 2014 have no impact on the 2014 consolidated financial statements. These mainly concern 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 financial statements were finalized and approved by the Board of Directors in its meeting of August 1st, 2014.

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 consolidated income statement and the consolidated 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's 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 8), in particular those for pensions and other post-employment benefits (notes 1.15 and 8);
- value the put options granted to third parties on shares in consolidated subsidiaries (notes 1.16 and 9.2);
- measure financial instruments at their fair value (notes 1.14 and 10);
- 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 statutory financial statements of the companies at June 30, 2014 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 and associated companies

Joint ventures, which are jointly controlled and operated by a limited number of shareholders, and 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 June 30, 2014 is provided in note 23.

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	
	June 30, 2014	December 31,2013	June 30, 2014	June 30, 2013
USD	1.3658	1.3791	1.3705	1.3178
CHF	1.2156	1.2276	1.2213	1.2297
EGP	9.7911	9.5597	9.6203	8.9537
TRL	2.8969	2.9605	2.9675	2.3873
KZT	250.6380	211.8400	242.6083	198.2833
MRO	397.6710	400.5829	406.8400	389.2570
INR	82.2023	85.3660	83.2930	72.3067
CFA	655.9570	655.9570	655.9570	655.9570

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 Emission Reduction Certificates (ERC) are recognized in the income statement for the period.

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 in so far 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.

When 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 merchandise acquired for resale and of 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 3 months that do not present any risk of a change in 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 through the income, since they are held for transaction purposes (acquired and held for the purpose of selling in the short term);
- investments held to term, including securities quoted on an active market associated with defined payments at fixed deadlines; 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 amounts 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 17 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 17), 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 income 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 & 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

Macro-economic environment and activity

The Vicat Group displayed during the first half of 2014 a solid performance, with an increase in sales at a constant scope and exchange rates of nearly + 11 %. This performance is due to the improved economic conditions in emerging countries where the Group is present, with the exception of Kazakhstan, which, affected by this year's relatively harsh winter compared to 2013, posted a stable level of activity. To note, the second quarter in this country was characterized by a sharp rebound in activity. The Group continues its successful deployment in the Indian market, with relatively strong sales volume in a context of price improvement in the second quarter after a low point in February 2014. In Egypt, the improving safety environment, the dynamic market and the good pricing trends, as well as better technical plant performances have enabled the Group to resume a solid growth in activity during this semester. West Africa has also benefited from a favourable market environment, in a still tense competitive context. Finally, Turkey performs well and is sustained by a solid growth in sale prices, despite volumes being affected due to unfavourable weather during the second quarter.

In mature markets, the situation remains mixed. The Group recorded a slight increase in its activity in France, supported by very favourable weather conditions early in the year. However, the macro-economic and sector conditions remain difficult. In Switzerland, the activity continues to increase, supported also by favourable weather conditions early in the year and a still dynamic macro-economic and industrial environment. To note, that following the exceptional strong level of activity in the first quarter, the Group posted a decrease in revenue in the second quarter in this country. Conversely, the environment in Italy again weighed on the Group's business during this semester. Finally, in the US, the Group's activity continues to gain traction, in line with the gradual improvement in sector and macro–economic conditions.

Exchange rate volatility and their impact on the consolidated income statement

The income statement as at June 30, 2014 was significantly affected by the exchange currencies depreciation against euro, except for the Swiss franc. This resulted for the first half of 2014 in a foreign exchange loss amounting to € (59) million on the consolidated turnover and to € (11) million on the EBITDA.

The devaluation of the kazakh tengue against US dollar occured in February 2014 resulted also in a foreign exchange loss accounted for € (19) million, € (9) million recorded in the financial result and € (10) million recorded in the other comprehensive income.

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, 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
Acquisitions/Additions	8,778	8,725		17,503
Disposals/Decreases		(1,453)		(1,453)
Change in foreign exchange rates and other	3,238	1,292	170	4,700
AT JUNE 30, 2014	**693,591**	**251,809**	**21,919**	**967,319**

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.

Considering the very difficult macro-economic environment, the Group carried out a review of any evidence of impairment in respect to goodwill at June 30, 2014, which did not result in any recognition of impairment.

At June 30, 2014, goodwill are broken down by cash generating unit (CGU) as follows:

(in thousands of euros)	June 30, 2014	December 31, 2013
UGT India	227,793	219,734
UGT West Africa Cement	150,693	150,455
UGT France-Italy	178,650	164,029
UGT Switzerland	134,797	132,875
Other cumulated CGU	275,386	279,476
TOTAL	**967,319**	**946,569**

NOTE 4 OTHER INTANGIBLE ASSETS

Gross value *(in thousands of euros)*	Concessions, patents & similar rights	Software	Other intangible assets	Intangible assets in progress	Total
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
Acquisitions	10,923	484	16	3,456	14,879
Disposals		(10)		(136)	(146)
Changes in consolidation scope	165	11	10	187	373
Change in foreign exchange rates	(1,540)	74	327	18	(1,121)
Other movements		2	1,067		1,069
AT JUNE 30, 2014	**94,510**	**31,905**	**49,638**	**7,519**	**183,572**

Depreciation and impairment *(in thousands of euros)*	**Concessions, patents & similar rights**	**Software**	**Other intangible assets**	**Intangible assets in progress**	**Total**
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)
Increase	(1,322)	(1,466)	(1,105)	(5)	(3,898)
Decrease		10	2,191		2,201
Changes in consolidation scope	5	(12)	(9)		(16)
Change in foreign exchange rates	146	(47)	(255)		(156)
Other movements					0
AT JUNE 30, 2014	(22,311)	(20,290)	(27,678)	(5)	(70,284)
Net book value at December 31, 2013	63,822	12,569	19,718	3,994	100,103
NET BOOK VALUE AT JUNE 30, 2014	**72,199**	**11,615**	**21,960**	**7,514**	**113,288**

No development costs were capitalized during the 1st semester 2014 and the year 2013.

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 € 12,767 thousand (€ 9,198 thousand as at December 31, 2013), corresponding to 2,210 thousand tones (1,957 thousand tonnes at the year-end 2013).

Recording of surpluses, quota sales and quota swaps (EUA) against Emission Reduction Certificates (ERC) were recognized in the income statement for the semester at € 1,382 thousand (€ 1,759 thousand at June 30, 2013).

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Gross values *(in thousands of euros)*	Lands & Buildings	Industrial equipment	Other property, plant and equipment	Fixed assets work-in-progress and advances/ down payments	Total
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
Changes 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
Acquisitions	8,269	21,295	3,175	24,399	57,138
Disposals	(955)	(7,614)	(4,749)	(362)	(13,680)
Changes in consolidation scope	1,144	3,438	2,650	489	7,721
Changes in foreign exchange rates	553	2,029	(2,371)	2,294	2,505
Other movements	2,141	7,310	840	(10,621)	(330)
AT JUNE 30, 2014	**1,062,751**	**2,742,965**	**178,350**	**144,868**	**4,128,934**

Depreciations and impairment *(in thousands of euros)*	Lands & Buildings	Industrial equipment	Other property, plant and equipment	Fixed assets work-in-progress and advances/ down payments	Total
AT DECEMBER 31, 2012	(380,686)	(1,419,023)	(107,167)	0	(1,906,876)
Acquisitions	(32,324)	(135,905)	(10,249)	(58)	(178,536)
Disposals	4,926	17,231	4,411		26,568
Changes in consolidation scope					0
Changes 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)
Acquisitions	(15,676)	(65,640)	(5,014)		(86,330)
Disposals	903	9,276	2,680		12,859
Changes in consolidation scope	(1,199)	(2,915)	(1,835)		(5,949)
Changes in foreign exchange rates	(844)	(4,190)	(404)	(2)	(5,440)
Other movements		305	(208)		97
AT JUNE 30, 2014	(411,569)	(1,540,545)	(106,162)	(55)	(2,058,331)
Net book value at December 31, 2013	656,846	1,239,126	77,424	128,616	2,102,012
NET BOOK VALUE AT JUNE 30, 2014	**651,182**	**1,202,420**	**72,188**	**144,813**	**2,070,603**

Fixed assets work-in-progress amounted to € 140 million as at June 30, 2014 (€ 118 million as at December 31, 2013) and advances/down payments on plant, property and equipment represented € 5 million as at June 30, 2014 (€ 11 million as at December 31, 2013).

Contractual commitments to acquire tangible and intangible assets amounted to € 49 million as at June 30, 2014 (€ 40 million as at December 31, 2013).

The total amount of interest capitalized as at June 30, 2014 was € 0.5 million (€ 8.4 million as at June 30, 2013), determined on the basis of local interest rate of 11.6 %.

NOTE 6 CASH AND CASH EQUIVALENTS

(in thousands of euros)	June 30, 2014	December 31, 2013
Cash	96,487	79,089
Marketable securities and term deposits < 3 months	135,278	162,818
CAS AND CASH EQUIVALENTS	**231,765**	**241,907**

NOTE 7 SHARE CAPITAL

Vicat share capital is composed of 44,900,000 fully paid-up ordinary shares with a nominal value of € 4 each, including 778,917 treasury shares as at June 30, 2014 (846,027 as at December 31, 2013) 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 2014 in respect of 2013 amounted to € 1.50 per share, amounted to a total of € 67,350 thousand, equal to € 1.50 per share paid in 2013 in respect of 2012 and amounted to a total of € 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 June 30, 2014, the liquidity account is composed with 3,784 Vicat shares and € 3,801 thousand in cash.

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NOTE 8 PROVISIONS

Provisions break down as follows by type:

(in thousands of euros)	June 30, 2014	December 31, 2013
Provisions for pensions and other post-employment benefits	**94,612**	**87,584**
Restoration of sites	40,982	40,251
Demolitions	1,153	1,133
Other risks (1)	28,261	28,225
Other charges	22,199	20,094
Other provisions	**92,595**	**89,702**
O.w. less than one year	*10,527*	*12,494*
O.w. more than one year	*82,068*	*77,208*

(1) At June 30, 2014, other risks included:

- *an amount of € 5.3 million (€ 5.1 million at December 31, 2013) 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 in the balance sheet as at June 30, 2014 and December 31, 2013;*
- *an amount of € 8.3 million (€ 7.3 million as at December 31, 2013) corresponding to the estimated amount of the deductible at year-end relating to claims in the United States in the context of work accidents and which will be covered by the Group;*
- *the remaining amount of other provisions amounting to about € 14.8 million as at June 30, 2014 (€ 15.8 million as at December 31, 2013) corresponds to the sum of other provisions that, taken individually, are not material.*

NOTE 9 DEBTS AND PUT OPTIONS

The financial liabilities as at June 30, 2014 and December 31st, 2013 are analyzed as follows:

(in thousands of euros)	June 30, 2014	December 31, 2013
Debts at more than one year	1,267,792	1,189,972
Put options at more than one year	11,987	11,981
Debts and put options at more than one year	**1,279,779**	**1,201,953**
Asset derivative instruments at more than one year (1)	(42,024)	(50,086)
TOTAL FINANCIAL LIABILITIES NET OF ASSET DERIVATIVE INSTRUMENTS AT MORE THAN ONE YEAR	1,237,755	1,151,867
Debts at less than one year	193,321	172,604
Put options at less than one year	0	0
Debts and put options at less than one year	**193,321**	**172,604**
Asset derivative instruments at less than one year (1)	(4,785)	(5,886)
TOTAL FINANCIAL LIABILITIES NET OF ASSET DERIVATIVE INSTRUMENTS AT LESS THAN ONE YEAR	188,536	166,718
Total debts net of asset derivative instruments (1)	1,414,304	1,306,604
Total put options	11,987	11,981
TOTAL FINANCIAL LIABILITIES NET OF ASSET DERIVATIVE INSTRUMENTS	**1,426,291**	**1,318,585**

(1) As at June 30, 2014 financial instrument assets (€ 46.8 million) are presented under non-current assets for the part at more than 1 year (€ 42 million) and under other receivables for the part at less than 1 year (€ 4.8 million). They accounted for € 56.0 million as at December 31, 2013.

9.1. Financial debts

Analysis of debts by category and maturity

June 30, 2014

(in thousands of euros)	Total	June 2015	June 2016	June 2017	June 2018	June 2019	More than 5 years
Bank borrowings and financial liabilities	1,348,967	133,990	410,742	36,888	169,310	263,939	334,098
Incl. Derivative financial instruments – Assets	*(46,809)*	*(4,784)*	*(7,025)*	*(7,025)*	*(7,025)*	*(7,025)*	*(13,925)*
Incl. Derivative financial instruments – Liabilities	*58,157*	*1,261*	*18,112*	*4,747*	*4,094*	*75*	*29,868*
Other borrowings and debts	21,449	14,075	6,231	297	227	166	453
Debts on fixed assets under finance leases	4,147	1,885	1,367	714	109	12	60
Current bank lines and overdrafts	39,741	39,741					
DEBTS	**1,414,304**	**189,691**	**418,340**	**37,899**	**169,646**	**264,117**	**334,611**
Of which commercial paper	*300,000*		*60,000*			*240,000*	

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, 2013

(in thousands of euros)	Total	2014	2015	2016	2017	2018	More than 5 years
Bank borrowings and financial liabilities	1,256,391	126,321	151,296	445,082	167,226	30,727	335,739
Incl. Derivative financial instruments – Assets	*(55,973)*	*(5,887)*	*(8,422)*	*(8,422)*	*(8,422)*	*(8,422)*	*(16,398)*
Incl. Derivative financial instruments – Liabilities	*51,727*	*707*	*21,060*		*3,978*		*25,982*
Other borrowings and 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*			

Analysis of loans and debts by currency and type of interest rate

By currency (net of currency swaps)

(in thousands of euros)	June 30, 2014	December 31, 2013
Euro	787,793	754,337
US dollar	183,229	164,337
Turkish new lira	4,017	1,257
CFA Franc	70,150	71,874
Swiss franc	117,317	64,637
Mauritanian ouguiya	0	1
Indian rupee	244,792	220,625
Kazakh Tengue	0	29,536
Egyptian pound	7,006	-
TOTAL	**1,414,304**	**1,306,604**

By interest rate

(in thousands of euros)	June 30, 2014	December 31, 2013
Fixed rate	908,530	898,361
Floating rate	505,774	408,243
TOTAL	**1,414,304**	**1,306,604**

The average interest rate for gross debt as at June 30, 2014 is 4.11 %. It was 4.42 % as at December 31, 2013.

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

Agreements have been concluded in the past between Vicat and the International Finance Corporation in order to arrange their relationship within the company Mynaral Tas, under which the group granted put options to its partner on its stake in Mynaral Tas.

The put option granted to the International Finance Corporation was exercisable at the earliest in December 2013. Reporting this option resulted in recognition of a liability of € 12 million at more than one year as at June 30, 2014 and December 31, 2013). This liability corresponds to the present value of the exercise price of the option granted to the International Finance Corporation.

NOTE 10 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.

Moreover the principal and interest due on loans originally issued by the Group in US dollars (US$ 240 million and US$ 450 million for Vicat, US$ 70 million for Vicat Sagar Cement Private Limited) 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, 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 2, 3, 4 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.

Liquidity risk

As at June 30, 2014, the Group had € 236 million in unused confirmed lines of credit that have not been allocated to the hedging of liquidity risk on commercial paper (€ 326 million as at December 31, 2013).

The Group also has a € 300 million commercial paper issue program. As at June 30, 2014, commercial paper issued by the Group amounted to € 300 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 June 30, 2014, these lines matched the short term notes they covered, at € 300 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 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 (52.7 %) and leverage (2.7) 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 June 30, 2014, the Group is compliant with all ratios required by covenants included in financing agreements.

Analysis of the portfolio of derivatives as at June 30, 2014:

(in thousands of currency units)	Nominal value *(currency)*	Nominal value *(euros)*	Market value *(euros)*	Current maturity < 1 year *(euros)*	Current maturity 1 - 5 years *(euros)*	Current maturity > 5 years *(euros)*
FAIT VALUE HEDGES (a)						
Composite instruments						
- Cross Currency Swap $ fixed/€ floating	$ 60,000	43,930	(7,000) (1)		(7,000)	
CASH FLOW HEDGES (a)						
Composite instruments						
- Cross Currency Swap $ fixed/€ fixed	$ 60,000	43,930	(9,358) (1)		(9,358)	
- Cross Currency Swap $ fixed/€ fixed	$ 450,000	329,477	(33,939) (1)		(4,070)	(29,869)
- Interest rate swap € floating/€ fixed	€ 150,000	150,000	(4,731) (1)		(4,731)	
- Cross Currency Swap $ floating/INR fixed	$ 70,000	51,252	13,012 (1)	867	6,940	5,205
- Cross Currency Swap € floating/INR fixed	€ 133,265	133,265	33,717 (1)	3,837	21,160	8,720
OTHER DERIVATIVES						
Interest rate instruments						
- Euro Caps	€ 50,000	50,000	(277)		(277)	
- Dollar US Caps	$ 65,000	47,591	(117)	(2)	(115)	
- Dollar US swaps	$ 15,000	10,983	(5)	(5)		
FOREIGN EXCHANGE INSTRUMENTS (a)						
Hedging for foreign exchange risk on intra-group loans						
- Forward Sales $	$ 183,000	133,987	10	10		
- Forward Sales CHF	Chf 95,000	78,151	70	70		
- Forward Purchases €	€ 38,114	38,114	(2,497) (1)	(1,027)		(1,470)
- NDF €/INR	INR 7,000,000	85,156	(235)	(235)		
			(11,350)			

(1) The difference between the value of the liability at the hedged rate and at amortized cost deteriorates by € 11.8 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 of June 30, 2014:

(in millions of euros)	June 30, 2014	
Level 1: instruments quoted on an active market	4.1	
Level 2: valuation based on observable market information	(11.3)	see above
Level 3: valuation based on non-observable market information	28.4	

NOTE 11 SALES

(in thousands of euros)	June 30, 2014	June 30, 2013
Sales of goods	1,043,171	980,357
Sales of services	174,640	167,326
SALES	**1,217,811**	**1,147,683**

Change in sales on a like-for-like basis

(in thousands of euros)	June 30, 2014	Changes in consolidation scope	Change in foreign exchange rate	June 30, 2014 Constant structure and exchange rates	June 30, 2013
Sales	1,217,811	(5,154)	59,493	1,272,150	1,147,683

NOTE 12 DEPRECIATION, AMORTIZATION AND PROVISIONS

(in thousands of euros)	June 30, 2014	June 30, 2013
Net charges to amortization of fixed assets	(88,427)	(94,343)
Net charges to provisions	(1,062)	(1,105)
Net charges to other asset depreciation	(2,986)	(644)
NET CHARGES TO OPERATING DEPRECIATION, AMORTIZATION AND PROVISIONS	**(92,475)**	**(96,092)**
Other net charges to non-operating depreciation, amortization and provisions (1)	904	3,886
NET CHARGES TO DEPRECIATION, AMORTIZATION AND PROVISIONS	**(91,571)**	**(92,206)**

(1) *Including a net allowance of € 0.2 million as at June 30, 2014 (reversal of € 3.8 million as at June 30, 2013) related to the update of the Group responsibility pro-rata share over compensation by the insurers in the incident occurred in 2006.*

NOTE 13 OTHER INCOME (EXPENSE)

(in thousands of euros)	June 30, 2014	June 30, 2013
Net income from disposal of assets	962	1,553
Income from investment properties	1,415	1,570
Other	11,598	8,289
Other operating income (expense)	**13,975**	**11,412**
Other non operating income (expense) (1)	**(3,683)**	**(2,133)**
TOTAL OTHER INCOME (EXPENSE)	**10,292**	**9,279**

(1) *Including as at June 30, 2014 an expense of € 0.7 million (€ 0.8 million as at June 30, 2013) recorded by the Group, corresponding to the files recognized as expenses in the first semester 2014 in connection with the incident occurred in 2006.*

NOTE 14 FINANCIAL PERFORMANCE INDICATORS

The rationalization of the passage between Gross Operating Earnings, EBITDA, EBIT and Operating Income is as follows:

(in thousands of euros)	June 30, 2014	June 30, 2013
Gross Operating Income	**193,699**	**189,962**
Other operating income (expense)	13,975	11,412
EBITDA	**207,674**	**201,374**
Net charges to operating depreciation, amortization and provisions	(92,475)	(96,092)
EBIT	**115,199**	**105,282**
Other non-operating income (expense)	(3,683)	(2,133)
Net charges to non-operating depreciation, amortization and provisions	904	3,886
OPERATING INCOME (EXPENSE)	**112,420**	**107,035**

NOTE 15 FINANCIAL INCOME (EXPENSE)

(in thousands of euros)	June 30, 2014	June 30, 2013
Interest income from financing and cash management activities	7,351	8,442
Interest expense from financing and cash management activities	(30,865)	(27,963)
Cost of net borrowings and financial liabilities	**(23,514)**	**(19,521)**
Dividends	1,795	1,181
Foreign exchange gains	3,014	894
Fair value adjustments to financial assets and liabilities	-	985
Net income from disposal of financial assets	-	354
Write-back of impairment of financial assets	1,023	-
Other income	-	-
Other financial income	**5,832**	**3,414**
Foreign exchange losses	(7,609)	(2,436)
Fair value adjustments to financial assets and liabilities	(1,097)	
Impairment on financial assets	(7)	(28)
Net income from disposal of financial assets	(1,245)	
Discounting expenses	(2,021)	(2,888)
Other expenses	(25)	(16)
Other financial expenses (1)	**(12,004)**	**(5,368)**
NET FINANCIAL INCOME (EXPENSE)	**(29,686)**	**(21,475)**

(1) Including at June 30, 2014 an exchange loss of € (8.7) million due to the kazakh tengue devaluation in February 2014.

NOTE 16 INCOME TAX

Analysis of the income tax expense

(in thousands of euros)	June 30, 2014	June 30, 2013
Current taxes	(41,831)	(38,606)
Deferred taxes	13,393	10,090
TOTAL	**(28,438)**	(28,516)

Deferred tax assets not recognized in the financial statements

Deferred tax assets not recognized in the financial statements as at June 30, 2014, 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 € 9.4 million (€ 8.1 million as at December 31, 2013). 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 € 12.3 million as at June 30, 2014.

NOTE 17 SEGMENT INFORMATION

a) Business segment

June 30, 2014 *(in thousands of euros except number of employees)*	Cement	Concrete and aggregates	Other products and services	Total
Income statement				
Operating sales	743,337	440,046	204,867	1,388,250
Inter – segment eliminations	(110,041)	(10,414)	(49,984)	(170,439)
Consolidated net sales	633,296	429,632	154,883	1,217,811
EBITDA (cf. 1.21 & 14)	155,309	35,817	16,548	207,674
EBIT (cf. 1.21 & 14)	94,626	13,540	7,033	115,199
Balance sheet				
Total non-current assets	2,648,278	620,903	159,759	3,428,939
Net capital employed (1)	2,653,781	602,564	195,891	3,452,235
Other informations				
Acquisitions of intangible and tangible assets	51,907	15,534	5,341	72,782
Net depreciation and amortization charges	61,261	20,767	6,399	88,427
Average number of employees	3,499	2,929	1,374	7,802

(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.

June 30, 2013 *(in thousands of euros except number of employees)*	Cement	Concrete and aggregates	Other products and services	Total
Income statement				
Operating sales	693,405	432,112	198,188	1,323,705
Inter – segment eliminations	(112,797)	(13,764)	(49,461)	(176,022)
Consolidated net sales	580,608	418,348	148,727	1,147,683
EBITDA (cf. 1.21 & 14)	147,077	36,902	17,395	201,374
EBIT (cf. 1.21 & 14)	79,649	14,769	10,864	105,282
Balance sheet				
Total non-current assets	2,756,778	630,381	158,326	3,545,485
Net capital employed (1)	2,787,101	615,698	194,435	3,597,234
Other informations				
Acquisitions of intangible and tangible assets	60,869	12,279	5,145	78,293
Net depreciation and amortization charges	66,492	21,553	6,298	94,343
Average number of employees	3,375	2,972	1,349	7,696

(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.

June 30, 2014 *(in thousands of euros except number of employees)*	France	Europe (excluding France)	USA	Turkey, Kazakhstan & India	West Africa & the Middle East	Total
Income statement						
Operating sales	451,261	203,238	115,621	254,456	211,993	1,236,569
Inter – country eliminations	(14,362)	(162)	0	(561)	(3,673)	(18,758)
Consolidated net sales	436,899	203,076	115,621	253,895	208,320	1,217,811
EBITDA (cf. 1.21 & 14)	67,709	46,612	2,305	45,426	45,622	207,674
EBIT (cf. 1.21 & 14)	42,488	29,101	(9,413)	23,660	29,363	115,199
Balance sheet						
Total non-current assets	654,520	545,994	423,900	1,145,420	659,106	3,428,939
Net capital employed (1)	728,187	530,326	340,255	1,175,467	678,001	3,452,235
Other informations						
Acquisitions of intangible and tangible assets	18,053	11,243	7,206	24,840	11,440	72,782
Net depreciation and amortization charges	25,063	14,375	12,038	20,657	16,293	88,427
Average number of employees	2,585	1,128	1,028	1,943	1,118	7,802

(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.

June 30, 2013 *(in thousands of euros except number of employees)*	**France**	**Europe (excluding France)**	**USA**	**Turkey, Kazakhstan & India**	**West Africa & the Middle East**	**Total**
Income statement						
Operating sales	440,260	197,628	103,425	244,350	180,513	1,166,176
Inter – country eliminations	(14,519)	(155)		(335)	(3,485)	(18,494)
Consolidated net sales	425,741	197,473	103,425	244,015	177,028	1,147,682
EBITDA (cf. 1.21 & 14)	75,960	47,284	(800)	39,907	39,023	201,374
EBIT (cf. 1.21 & 14)	46,066	32,690	(13,322)	19,022	20,826	105,282
Balance sheet						
Total non-current assets	642,125	538,438	445,450	1,239,561	679,911	3,545,485
Net capital employed (1)	716,063	540,012	355,424	1,281,242	704,493	3,597,234
Other informations						
Acquisitions of intangible and tangible assets	25,406	10,389	3,976	34,332	4,189	78,292
Net depreciation and amortization charges	30,166	13,697	13,316	20,142	17,022	94,343
Average number of employees	2,529	1,109	1,018	1,870	1,170	7,696

(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 18 NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES

Net cash flows from the Group's operating activities during the first semester 2014 came to € 85 million, compared with € 65 million at June 30, 2013.

This increase in cash flows from operating activities between the first semesters 2013 and 2014 results from a € 5.5 million increase in cash flow from operations and a € 14.5 million improvement in working capital requirement variation (increase of € 58.7 million as at June 30, 2014 and increase of € 73.2 million as at June 30, 2013) .

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

(in thousands of euros)	**WCR at December 31, 2012**	**Change in WCR in 2013**	**Other changes (1)**	**WCR at December 31, 2013**	**Change in WCR in 2014**	**Other changes (1)**	**WCR at June 30, 2014**
Inventories	381,893	(4,732)	(17,449)	359,712	(7,347)	411	352,776
Other WCR components	94,262	(40,794)	(7,440)	46,028	66,071	(2,489)	109,610
WCR	**476,155**	**(45,526)**	**(24,889)**	**405,740**	**58,724**	**(2,078)**	**462,386**

(1) Exchange rates, consolidation scope and miscellaneous.

NOTE 19 NET CASH FLOWS FROM INVESTING ACTIVITIES

Net cash flows used in the Group's investing activities in the first semester 2014 came to € (101.5) million, compared with € (85.6) million at June 30, 2013.

Acquisitions of intangible and tangible assets

These reflect outflows for industrial investments, which amounted to € (81.2) million in the first semester 2014, compared with € (90.4) million in the first semester 2013, mainly corresponding to the following:

- the main intangible and tangible investments at June 30, 2014 were realized in France, Turkey, Switzerland and India;
- the main intangible and tangible investments at June 30, 2013 were realized in India for the Vicat Sagar Cement greenfield plant and, to a lesser extent, in France, Senegal, Switzerland, and in Kazakhstan.

Acquisition/disposal of shares in consolidated companies

Consolidated company share acquisitions during the first semester of 2014 resulted in a total cash outflow of € (17.8) million.

The main cash outflow by the Group during the first semester 2014 was for the acquisition of an additional stake in a company already fully consolidated and to a lesser extent, to acquire shareholdings interests in new French companies active in the concrete and aggregates segment.

The additional stakes in consolidated company during the first semester of 2013 resulted in a total cash outflow of € (0.3) million.

NOTE 20 ANALYSIS OF NET CASH BALANCES

(in thousands of euros)	June 30, 2014 Net	June 30, 2013 Net
Cash and cash equivalents (see. note 6)	231,765	206,979
Bank overdrafts	(27,042)	(24,917)
NET CASH BALANCES	**204,723**	**182,062**

NOTE 21 TRANSACTIONS WITH RELATED COMPANIES

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 the 1st semester 2014 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 at June 30, 2014 and 2013 is as follows, broken down by type and by related party:

	June 30, 2014				June 30, 2013			
(in thousands of euros)	Sales	Purchases	Receivables	Debts	Sales	Purchases	Receivables	Debts
Affiliated companies	376	1,090	5,794	694	631	1,260	6,936	2,130
Other related parties	18	1,532	-	-	19	1,189	-	-
TOTAL	**394**	**2,622**	**5,794**	**694**	**650**	**2,449**	**6,936**	**2,130**

NOTE 22 SUBSEQUENT EVENTS

Acquisition of 47 % of the stake held by Sagar Cements in the Vicat Sagar India Joint Venture

The Group announced on July 15th to having completed the acquisition of the minority stake of 47 % held by Sagar Cements in Vicat Sagar. Following this transaction, the Vicat Group now owns 100 % of the company, which operates a plant with the latest technology and an annual nominal capacity of 3 million tons of cement. The net amount of the transactions enabling the untying of all ownership links between the Vicat Group and Sagar Cements will be approximately € 46 million.

NOTE 23 LIST OF MAIN CONSOLIDATED COMPANIES AS AT JUNE 30, 2014

Fully consolidated: France

Company	Address	Siren n°	% control June 30, 2014	% control December 31, 2013
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	99.92
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

Company	Address	Siren n°	% control June 30, 2014	% control December 31, 2013
BETON VICAT	4 rue Aristide-Bergès 38080 L'ISLE D'ABEAU	309 918 464	99.99	99.99
BETON TRAVAUX	Tour Manhattan, 6 place de l'Iris 92095 PARIS LA DEFENSE	070 503 198	99.98	99.98
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
ETABLISSEMENTS TRUCHON	Route du Grésivaudan 38530 Chapareillan	068 500 768	100.00	NC
GRANULATS VICAT	4 rue Aristide-Bergès 38080 L'ISLE D'ABEAU	768 200 255	100.00	100.00
MONACO BETON	Le Palais Saint James 5, avenue Princesse Alice 98000 MONACO	326 MC 161	100.00	100.00
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
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 the world

Company	Country	State/city	% control June 30, 2014	% control December 31 , 2013
SINAI CEMENT COMPANY	EGYPTE	LE CAIRE	56.37	52.62
MYNARAL TAS COMPANY LLP	KAZAKHSTAN	ALMATY	90.00	90.00
JAMBYL CEMENT PRODUCTION COMPANY LLP	KAZAKHSTAN	ALMATY	90.00	90.00
BUILDERS CONCRETE	ETATS-UNIS D'AMERIQUE	CALIFORNIA	100.00	100.00
KIRKPATRICK	ETATS-UNIS D'AMERIQUE	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	ETATS-UNIS D'AMERIQUE	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	ETATS-UNIS D'AMERIQUE	DELAWARE	100.00	100.00
NATIONAL CEMENT COMPANY OF CALIFORNIA	ETATS-UNIS D'AMERIQUE	DELAWARE	100.00	100.00
NATIONAL READY MIXED	ETATS-UNIS D'AMERIQUE	CALIFORNIA	100.00	100.00
UNITED READY MIXED	ETATS-UNIS D'AMERIQUE	CALIFORNIA	100.00	100.00
VIKING READY MIXED	ETATS-UNIS D'AMERIQUE	CALIFORNIA	100.00	100.00
CEMENTI CENTRO SUD Spa	ITALIE	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	SUISSE	OLTEN (SOLOTHURN)	100.00	100.00
KIESWERK AEBISHOLZ AG (ex ASTRADA KIES AG)	SUISSE	AEBISHOLZ (SOLEURE)	100.00	100.00
BETON AG BASEL	SUISSE	BALE (BALE)	100.00	100.00
BETON AG INTERLAKEN	SUISSE	MATTEN BEI INTERLAKEN (BERN)	76.53	75.42
BETONPUMPEN OBERLAND AG	SUISSE	WIMMIS (BERN)	93.33	93.33
CEWAG	SUISSE	DUTINGEN (FRIBOURG)	(1)	100.00
COVIT SA	SUISSE	SAINT-BLAISE (NEUCHATEL)	100.00	100.00
CREABETON MATERIAUX SA	SUISSE	LYSS (BERN)	100.00	100.00
EMME KIES + BETON AG	SUISSE	LÜTZELFLÜH (BERN)	66.66	66.66
FRISCHBETON AG ZUCHWIL	SUISSE	ZUCHWIL (SOLOTHURN)	88.94	88.94
FRISCHBETON LANGENTHAL AG	SUISSE	LANGENTHAL (BERN)	78.67	78.67
FRISCHBETON THUN	SUISSE	THOUNE (BERN)	54.26	54.26
GRANDY AG	SUISSE	LANGENDORF (SOLEURE)	100.00	100.00

(1) Companies merged in 2014.

Company	Country	State/city	% control June 30, 2014	% control December 31 , 2013
KIESTAG STEINIGAND AG	SUISSE	WIMMIS (BERN)	98.55	98.55
MATERIALBEWIRTTSCHFTUNG MITHOLZ AG	SUISSE	KANDERGRUND (BERN)	(1)	98.55
KIESWERK NEUENDORF	SUISSE	NEUENDORF (SOLEURE)	100.00	100.00
SABLES + GRAVIERS TUFFIERE SA	SUISSE	HAUTERIVE (FRIBOURG)	50.00	50.00
SHB STEINBRUCH + HARTSCHOTTER BLAUSEE MITHOLZ AG	SUISSE	FRUTIGEN (BERN)	98.55	98.55
STEINBRUCH VORBERG AG	SUISSE	BIEL (BERN)	60.00	60.00
VIGIER BETON JURA SA (ex BETON FRAIS MOUTIER SA)	SUISSE	BELPRAHON (BERN)	90.00	90.00
VIGIER BETON KIES SEELAND AG (ex VIBETON KIES AG)	SUISSE	LYSS (BERN)	100.00	100.00
VIGIER BETON MITTELLAND AG (ex WYSS KIESWERK AG)	SUISSE	FELDBRUNNEN (SOLOTHURN)	100.00	100.00
VIGIER BETON ROMANDIE SA (ex VIBETON FRIBOURG SA)	SUISSE	ST. URSEN (FRIBOURG)	100.00	100.00
VIGIER BETON SEELAND JURA AG (ex VIBETON SAFNERN AG)	SUISSE	SAFNERN (BERN)	90.47	90.47
VIGIER CEMENT AG	SUISSE	PERY (BERN)	100.00	100.00
VIGIER HOLDING AG	SUISSE	DEITINGEN (SOLOTHURN)	100.00	100.00
VIGIER MANAGEMENT AG	SUISSE	DEITINGEN (SOLOTHURN)	100.00	100.00
VIRO AG	SUISSE	DEITINGEN (SOLOTHURN)	(1)	100.00
VITRANS AG	SUISSE	PERY (BERN)	100.00	100.00
AKTAS	TURQUIE	ANKARA	100.00	100.00
BASTAS BASKENT CIMENTO	TURQUIE	ANKARA	91.58	91.58
BASTAS HAZIR BETON	TURQUIE	ANKARA	91.58	91.58
KONYA CIMENTO	TURQUIE	KONYA	83.34	83.34
TAMTAS	TURQUIE	ANKARA	100.00	100.00
BSA Ciment SA	MAURITANIE	NOUAKCHOTT	64.91	64.91
BHARATHI CEMENT	INDE	HYDERABAD	51.00	51.00
VICAT SAGAR	INDE	HYDERABAD	53.00	53.00

(1) Companies merged in 2014.

Proportionate consolidation: France

Company	Address	Siren n°	% control June 30, 2014	% control December 31, 2013
CARRIERES BRESSE BOURGOGNE	Port Fluvial Sud de Chalon 71380 EPERVANS	655 850 055	(2)	49.95
DRAGAGES ET CARRIERES	Port Fluvial sud de Chalon 71380 EPERVANS	341 711 125	(2)	50.00
SABLIERES DU CENTRE	Les Genévriers Sud 63430 LES MARTRES D'ARTIERE	480 107 457	(2)	50.00

(2) Equity method in 2014 (IFRS 10).

Proportionate consolidation: rest of the world

Company	Country	State/city	% control June 30, 2014	% control December 31, 2013
FRISHBETON TAFERS AG	SUISSE	Tafers (Fribourg)	(3)	49.50

(3) Fully consolidated in 2014 (IFRS 10).

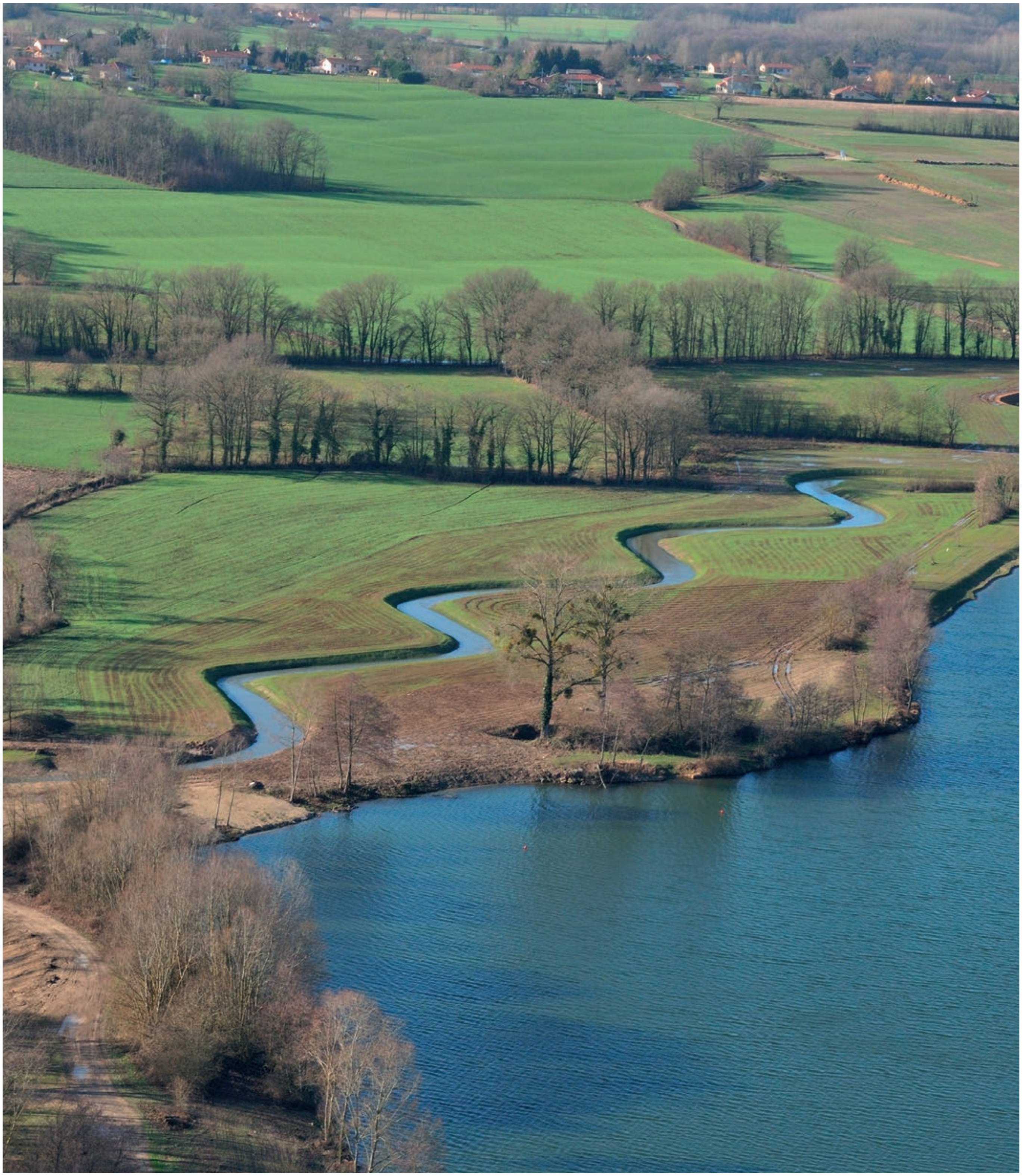
Equity method: France

Company	Address	Siren n°	% control June 30, 2014	% control December 31, 2013
CARRIERES BRESSE BOURGOGNE	Port Fluvial Sud de Chalon 71380 EPERVANS	655 850 055	33.27	(4)
DRAGAGES ET CARRIERES	Port Fluvial sud de Chalon 71380 EPERVANS	341 711 125	50.00	(4)
SABLIERES DU CENTRE	Les Genévriers Sud 63430 LES MARTRES D'ARTIERE	480 107 457	50.00	(4)

(4) Proportionate consolidation in 2013 (IFRS 10).

Equity method: rest of the world

Company	Country	State/city	% control June 30, 2014	% control December 31, 2013
HYDROELECTRA	SUISSE	AU (ST. GALLEN)	50.00	50.00
SILO TRANSPORT AG	SUISSE	BERN (BERN)	50.00	50.00
SINAI WHITE CEMENT	EGYPTE	LE CAIRE	25.40	25.40



▲ Recreation of the Veyleriverbed in the Saint-Denis-Lès-Bourg quarry in Ain (France).

HALF YEAR REPORT

2

2.1. CHANGE IN CONSOLIDATED SALES

The Vicat Group's consolidated sales for the first half of 2014 amounted to € 1,218 million, representing an increase of 6.1 % compared with the same period in 2013.

This increase is due to:

- **sustained organic growth** of nearly 11 % of sales (at constant consolidation scope and exchange rates) related to increased business activity in France and Switzerland, where weather conditions were very good in the first quarter; to the ongoing ramp-up in the Group business in India, strong growth in West Africa, Turkey and the United States, and lastly to renewed business growth in Egypt on account of an improved security situation. Kazakhstan recorded a nearly stable level of business activity at a constant exchange rate, which was affected in the first quarter by less favorable weather conditions than in 2013, but with a sharp increase in sales recorded in the second quarter. In Italy, the drop in activity is due to the continued deterioration of the macro-economic environment in general and of the construction sector in particular;
- a **highly negative exchange rate effect of more than 5 %, representing nearly € 60 million** and resulting from the depreciation of all foreign currencies against the euro, except for the Swiss franc;
- a **slightly positive consolidation scope effect** of + 0.4 %.

The change in consolidated sales as at June 30, 2014 by division compared with June 30, 2013 was as follows:

(in millions of euros except %)	June 30, 2014	June 30, 2013	Change	Change (%)	Comprising		
					Exchange rate effect	Change in consolidation scope	Internal growth
Cement	633	581	+ 53	+ 9.1 %	(47)	-	+ 99
Concrete & Aggregates	430	418	+ 11	+ 2.7 %	(13)	+ 5	+ 19
Other Products and Services	155	149	+ 6	+ 4.1 %	-	-	+ 6
TOTAL	**1,218**	**1,148**	**+ 70**	**+ 6.1 %**	**(59)**	**+ 5**	**+ 124**

During the first half of 2014, consolidated sales in the Cement business increased by 17.1 % at constant consolidation scope and exchange rates. With the exception of Europe, all regions contributed to this growth, especially Africa, the Middle East and Asia, where the slight decline in Kazakhstan was more than offset by the strong growth recorded in India and Turkey.

Concrete & Aggregates business sales were up by a more moderate 4.6 % at constant consolidation scope and exchange rates. Only France recorded a very slight decline in sales for this division.

Lastly, the Other Products and Services business sales grew by 4.0 % at constant consolidation scope and exchange rates.

The breakdown of the Group's operational sales by business segment (before inter-segment elimination) was as follows:

(percentage)	June 30, 2014	June 30, 2013
Cement	53.5	52.4
Concrete & Aggregates	31.7	32.6
Other Products and Services	14.8	15.0
TOTAL	**100.0**	**100.0**

The share of the Group's main businesses, Cement, Concrete & Aggregates, remained stable overall at more than 85 % of operational sales.

The change in volumes in our main businesses was as follows:

	June 30, 2014	June 30, 2013	Change
Cement *(thousand t)*	10,572	9,212	+ 14.8 %
Concrete *(thousand m^3)*	4,150	4,134	+ 0.4 %
Aggregates *(thousand t)*	11,002	11,133	- 1.2 %

The increase in cement sales volumes during the first half of 2014 is due to:

- the ongoing deployment of the Group's activities in India;
- renewed business growth in Egypt, due to the improved security situation;
- strong growth in West Africa and the United States;
- a slight increase in sales volumes in France and Switzerland, where weather conditions were very favourable, especially in the first quarter, and in Kazakhstan, where a sharp increase recorded during the second quarter offset the decline recorded in the first quarter due to weather conditions that were much more challenging this year than last year;
- lower sales volumes in Turkey due to adverse weather conditions in the second quarter and, lastly, a further substantial decrease in volumes sold in Italy on account of the continuously poor economic and sector conditions.

This sales volume growth was accompanied by a sharp rise in cement prices in Egypt, Turkey and the United States, together with concrete prices in these two latter countries.

By business segment:

- operational sales in the Cement business increased by 14.4 % at constant consolidation scope and exchange rates. This upward trend is due to sales volume growth of nearly + 15 % following significant growth in India, West Africa, Egypt and the United States. Sales volume is slightly up in France, Switzerland and Kazakhstan. The sharp increase recorded in the latter country during the second quarter offset the decline recorded in the first quarter due to adverse weather conditions. However, volume is slightly down in Turkey, due to extremely poor weather conditions in the second quarter, and in Italy, due to the continuously tough sector conditions. As for selling prices, the trend varies from one region to another, with strong growth recorded in Egypt, Turkey and the United States, and nearly stable prices in India, representing a sharp improvement in the average selling price during the second quarter, a slight decline in France, in particular due to an unfavorable product mix, in Switzerland, Kazakhstan, Senegal and, lastly, in Italy;
- in all, the price effect is roughly neutral throughout the first half of the year, despite an unfavourable geographical mix, with the highest sales volume growth in countries where prices are lowest;
- operational sales in the Concrete & Aggregates business grew by 3.9 % at constant consolidation scope and exchange rates. This was due to stable concrete sales volumes across all regions. The sharp increase in sales volumes in the United States, Switzerland and France offset the sharp drop recorded in Turkey. However, aggregate sales volumes fell slightly by a little more than 1 %. The growth recorded in France, Switzerland and India has not been sufficient to offset the sharp decline recorded in Turkey and a slight decrease in Senegal;
- operational sales for the Other Products and Services business are up by 5.2 % at constant scope of consolidation and exchange rates, with business growth in both France and Switzerland.

Breakdown of consolidated sales by geographical region;

(in millions of euros)	June 30, 2014	%	June 30, 2013	%
France	437	35.9 %	426	37.1 %
Europe (excluding France)	203	16.7 %	197	17.2 %
U.S.A.	116	9.5 %	103	9.0 %
Asia	254	20.8 %	244	21.3 %
Africa, Middle East	208	17.1 %	177	15.4 %
TOTAL	**1,218**	**100.0**	**1,148**	**100.0**

By geographical region, the share of consolidated sales achieved in France and Europe has dropped slightly. It is slightly down in Asia, since the strong organic growth recorded in India and Turkey was unable to offset the highly negative impact of the exchange rate fluctuations recorded in the three countries concerned.

The share of business generated in the United States increased slightly. The Africa and Middle East region saw the greatest increase in its contribution, marked by the strong business recovery in Egypt and the dynamic market in Senegal, Mali and Mauritania during this first half of the year.

Breakdown of operational sales for the first half of 2014 by region and by business segment:

(in millions of euros)	Cement	Concrete & Aggregates	Other Products and Services	Elimination of inter-segment sales	Consolidated sales
France	189	217	124	(93)	437
Europe (excluding France)	85	83	63	(28)	203
USA	53	82		(19)	116
Asia	221	46	18	(30)	254
Africa, Middle East	196	13		-	208
Operational sales	**743**	**440**	**205**	**(170)**	**1,218**
Elimination of inter-segment sales	(110)	(10)	(50)	(170)	
CONSOLIDATED SALES	**633**	**430**	**155**		1,218

2.2. CHANGE IN OPERATING INCOME

(in millions of euros)	June 30, 2014	June 30, 2013	Change	Change at constant consolidation scope and exchange rates
Sales	1,218	1,148	+ 6.1 %	+ 10.8 %
EBITDA	208	201	+ 3.1 %	+ 8.8 %
EBIT	115	105	+ 9.4 %	+ 15.8 %
Operating income	112	107	+ 5.0 %	+ 11.3 %

Consolidated EBITDA came to € 208 million, an increase of + 3.1 %, or + 8.8 % at constant scope and exchange rates. It should be noted that exchange rates remained strongly negative over the first half, to the amount of nearly € 11 million.

This growth came from:

- a marked improvement in the performance in India, boosted by the steady increase in volumes and market conditions. Although the first quarter remained highly competitive, this was in large part offset by price rises in the second quarter;
- strong growth in EBITDA in Egypt, driven by a strong market, due in part to a gradually improved security situation in the country, but also to substantial increases in sales prices and improved operating conditions in the plant;
- the continued improvement in EBITDA in Turkey against a background of favourable prices and despite a drop in volumes;
- a move to positive EBITDA in the USA during the first half, compared to the loss recorded in the first half of 2013.

These positive factors more than offset:

- a fall in EBITDA in France, due in particular to a small reduction in sales prices in the Cement business and to a temporary increase in some operational costs and expenses;
- a slight dip in EBITDA in Western Africa, due to weaker prices, and in Europe and Kazakhstan, despite a significant improvement in the latter in the second quarter. Taken together, the fall in EBITDA in these countries totalled less than € 2 million.

EBITDA margin on consolidated sales was thus 17.1 %, compared with 17.5 % in the first half of 2013.

Given these factors and a smaller amortisation and depreciation charge than in 2013, EBIT rose by + 9.4 %, and by + 15.8 % at constant scope and exchange rates.

EBIT margin was thus 9.5 % of consolidated sales, compared with 9.2 % in the first half of 2013.

2

2.2.1. CHANGE IN OPERATING INCOME BY BUSINESS SEGMENT

2.2.1.1. Cement

(in millions of euros)	June 30, 2014	June 30, 2013	% change Reported	% change At constant scope and exchange rates
Volume *(thousands of tonnes)*	10,572	9,212	+ 14.8 %	
Operational sales	743	693	+ 7.2 %	+ 14.4 %
Consolidated sales	633	581	+ 9.1 %	+ 17.1 %
EBITDA	155	147	+ 5.6 %	+ 12.7 %
EBIT	95	80	+ 18.8 %	+ 26.4 %

Over the first half of 2014, operational sales in the Cement business rose by + 7.2 %, or + 14.4 % at constant scope and exchange rates. Average selling prices were stable overall, despite an unfavourable geographical mix, with the strongest volume growth coming in countries where prices are lowest. Thus the price increases seen in Egypt, the USA and Turkey served to offset the slight decline in France and Switzerland and the greater drops observed in West Africa, Kazakhstan and Italy. This overall trend in prices was coupled to an increase in volumes of nearly + 15 %.

Volume growth was particularly strong in India, Egypt, Western Africa and the USA. It was slower in France and Switzerland. In contrast, volumes were down in Turkey and Italy.

EBITDA was + 12.7 % higher, at constant scope and exchange rates, at € 155 million. This was mainly the result of EBITDA growth in India, Egypt, Turkey and the USA, which offset the declines seen in France, the rest of Europe and Kazakhstan.

2.2.1.2. Concrete & Aggregates

(in millions of euros)	June 30, 2014	June 30, 2013	% change Reported	% change At constant scope and exchange rates
Concrete volumes *(thousands of m³)*	4,150	4,134	+ 0.4 %	
Aggregates volumes *(thousands of tonnes)*	11,002	11,133	- 1.2 %	
Operational sales	440	432	+ 1.8 %	+ 3.9 %
Consolidated sales	430	418	+ 2.7 %	+ 4.6 %
EBITDA	36	37	- 2.9 %	- 0.3 %
EBIT	14	15	- 8.3 %	- 3.5 %

The Concrete & Aggregates business saw a + 3.9 % growth in operational sales at constant scope and exchange rates compared to the first half of 2013. Driven mainly by strong sales growth in the USA and Switzerland, this also reflected improvements in market conditions in all the countries where the Group is active, with the exception of France, where operational sales in this segment were down slightly. As a result of these factors, EBITDA was more or less stable, dropping by - 0.3 % at constant scope and exchange rates.

2.2.1.3. Other Products and Services

(in millions of euros)	June 30, 2014	June 30, 2013	% change	
			Reported	At constant scope and exchange rates
Operational sales	205	198	+ 3.4 %	+ 5.2 %
Consolidated sale	155	149	+ 4.1 %	+ 4.0 %
EBITDA	17	17	- 4.9 %	- 4.9 %
EBIT	7	11	- 35.3 %	- 35.2 %

Operational sales grew by + 5.2 % at constant scope and exchange rates.

EBITDA was € 17 million, - 4.9 % lower than in the first half of 2013 at constant scope and exchange rates.

2.2.2. CHANGE IN OPERATING INCOME BY GEOGRAPHICAL REGION

2.2.2.1. Income statement, France

(in millions of euros)	June 30, 2014	June 30, 2013	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	437	426	+ 2.6 %	+ 1.5 %
EBITDA	68	76	- 10.9 %	- 10.2 %
EBIT	42	46	- 7.8 %	- 6.1 %

In France, consolidated sales grew by + 1.5 % at constant scope and exchange rates in the first half to € 437 million. This growth came from a sharp rise in volumes, driven by good weather conditions in the first quarter. EBITDA in France was - 10.2 % lower at constant scope, due mainly to a fall in average sales prices and a temporary increase in some operational costs and expenses.

- **The Cement** business saw consolidated sales grow by + 2.2 % at constant scope. Operational sales (before inter-segment eliminations) were up + 1.4 %. The first half saw growth in volumes of more than + 4 % thanks to good weather conditions in a market context that nevertheless remained depressed. Average selling prices were down, due in large part to an unfavourable product mix. Under these circumstances, and given the temporary increase in some operating cost items, the Group recorded a - 10.5 % decline in EBITDA in this business.
- **The Concrete & Aggregates** business saw its consolidated sales rise by + 1.5 % on a reported basis, although they were slightly lower at constant scope. Concrete volumes were up more than + 2 %, with aggregate volumes up by + 3 %, against a background of slightly lower prices. As a result, EBITDA in this business area in France was - 12.3 % lower.
- **Other Products and Services** saw consolidated sales growth of + 5.6 %, thanks to favourable weather conditions. EBITDA from this business segment was nearly stable.

2.2.2.2. Income statement for Europe (excluding France)

(in millions of euros)	June 30, 2014	June 30, 2013	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	203	197	+ 2.8 %	+ 1.9 %
EBITDA	47	47	- 1.4 %	- 2.0 %
EBIT	29	33	- 11.0 %	- 11.4 %

Over the first half of 2014, sales in Europe (excluding France) grew by + 1.9 % at constant scope and exchange rates.

In **Switzerland,** consolidated Group sales rose by + 2.5 % at constant scope and exchange rates in the first half of 2014, driven by a dynamic construction market, the beginning of new infrastructure projects and favourable weather conditions. However, it should be noted that following an exceptionally strong sales performance in the first quarter (+ 24.3 %) due to favourable weather conditions, the second quarter saw a marked decline in sales, of - 9.9 %. The second quarter was also affected by an unfavourable basis of comparison created by the particularly strong performance of the second quarter of 2013, as the market made up lost ground to poor weather in the first quarter of 2013. Over the first half as a whole, EBITDA was - 1.3 % lower at constant scope and exchange rates.

- **In the Cement business,** consolidated sales fell by - 6.8 % at constant scope and exchange rates. Operational sales were only slightly lower, dropping - 1.5 % at constant scope and exchange rates. Over the first half, volumes were stable, with prices down slightly, which was mainly the effect of the contraction seen in 2013 and a less favourable client mix. After a solid increase in operational sales in the first quarter (+ 13.0 %), the second quarter saw a fall of - 11.2 % due to an unfavourable basis of comparison. EBITDA from this business segment was down very slightly, dropping - 0.9 % at constant scope and exchange rates.
- **In the Concrete & Aggregates business,** consolidated sales rose by + 9.6 % at constant scope and exchange rates. Operational sales were up + 9.4 %. This growth came from strong progress in volumes in both concrete (up + 12 %) and aggregates (+ 13 %), as the Group took advantage of good weather conditions, positive market trends and the beginning of new infrastructure projects within its catchment area. As in the Cement business, the second quarter saw a drop in operational sales (- 6.6 %), which was more than made up for by the strong first-quarter performance (up + 39.2 %). Selling prices were stable in concrete and higher in aggregates. EBITDA was nearly stable, falling just 0.7 % over the first half.
- **The Precast business** reported sales growth of + 2.7 % at constant scope and exchange rates. Sales were driven by volume growth (slightly over + 4 %), particularly in the rail sector, but in a pricing climate that came under a degree of pressure given the nature of the clients supplied. Thus EBITDA was 3.1 % lower at constant scope and exchange rates.

In **Italy,** consolidated sales fell by - 8.6 % at constant scope and exchange rates. The first half saw volumes fall by just over - 7 %, with higher export volumes only partially offsetting the fall in volumes in the domestic market, which continued to be affected by the significant deterioration in the macroeconomic and sector climates. Against this background, average selling prices fell over the course of the period. Even so, it should be noted that the sales trend in the second quarter (up + 0.1 %) marked a significant improvement on the - 17.4 % decline in the first. EBITDA fell by - 18.8 %.

2.2.2.3. Income statement for the United States

(in millions of euros)	June 30, 2014	June 30, 2013	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	116	103	+ 11.8 %	+ 16.3 %
EBITDA	2	(1)	n.s	n.s
EBIT	(9)	(13)	+ 29.3 %	+ 26.5 %

Business levels in the USA continued to improve against a background of favourable macroeconomic trends. In this environment, the Group's consolidated sales grew by + 16.3 % compared with the first half of 2013 and EBITDA moved back into positive territory (€ 2.3 million in the first half of 2014, up from € (0.8) million in the first half of 2013). It should be noted that the Group saw particularly solid growth in consolidated sales during the second quarter, at + 19.1 %, higher than the + 12.8 % recorded during the first quarter.

- **The Cement** business saw consolidated sales grow by + 19.1 %. Operational sales were up + 18.0 %. Operational sales growth accelerated to + 21.1 % in the second quarter from + 13.9 % in the first. Over the first half as a whole, volumes continued to grow, rising by more than + 12 %. Growth was faster in California (+ 15 %) than in the South-East (+ 8 %), which was affected by poor weather conditions in the first quarter. Selling prices were higher than in the first half of 2013, with a greater increase in the South-East than in California, as the price increases that took place there in April 2014 held in part. As a result of these developments, Group EBITDA from this business rose to € 0.3 million, from a € 0.3 million loss in the first half of 2013.
- **In the Concrete & Aggregates business,** consolidated sales rose by + 15.1 % at constant scope and exchange rates. It should be noted that during the second quarter, operational sales growth remained strong at + 15.3 %. Volumes were up nearly + 9 % over the whole of the region, with growth in California proving stronger than that in the South-East, given weather conditions in the first quarter. Selling prices showed solid increases over the first half, reflecting the improvement in volumes and, more generally, in the macroeconomic and market climate. Against this background, EBITDA rose sharply to more than € 2 million over the period, compared to a loss of € 0.5 million in the first half of 2013.

2.2.2.4. Income statement for Turkey, India and Kazakhstan

(in millions of euros)	June 30, 2014	June 30, 2013	% change Reported	% change At constant scope and exchange rates
Consolidated sales	254	244	+ 4.0 %	+ 24.9 %
EBITDA	45	40	+ 13.8 %	+ 38.3 %
EBIT	24	19	+ 24.4 %	+ 53.6 %

Sales for the region grew by + 24.9 % to € 254 million, at constant scope and exchange rates.

In **Turkey,** sales were € 109 million, a fall of - 7.2 % on reported figures but an increase of + 15.3 % at constant scope and exchange rates. Growth in consolidated sales remained strong in the second quarter of the year, gaining + 8.8 % at constant scope and exchange rates, even after the strong growth of + 25.8 % in the first quarter and the poor weather conditions in the second. As a result, EBITDA rose by + 26.3 % at constant scope and exchange rates.

- **In the Concrete business,** operational sales were + 16.6 % higher over the first half, at constant scope and exchange rates, with consolidated sales rising + 25.6 %. Operational sales growth was + 8.4 % in the second quarter compared to + 30.5 % in the first. Volumes were down by slightly more than 5 % over the first half, due mainly to the effects of heavy storms on the Anatolian plateau. However, these lower volumes were more than offset by solid increases in prices. As a result, EBITDA in this business segment grew by + 26.1 %.
- **Consolidated sales in the Concrete & Aggregates business** rose slightly, gaining + 1.3 %. Volumes dropped in both concrete and aggregates due to poor weather conditions in the second quarter. Selling prices remained on a good trend. As a result of these factors, EBITDA rose by + 34.1 %.

In **India,** sales totalled € 113 million in the first half of 2014, up + 49.4 % at constant scope and exchange rates. This reflected an acceleration in the revenue growth of + 71.7 % in the second quarter, at constant scope and exchange rates, up from + 27.2 % in the first. Volumes sold topped 2.5 million tonnes, up + 51.8 % over the first half of 2013. Selling prices remained very volatile due to competitive and market conditions early in the year. However, during the second quarter, and in particular following the national election, prices started to rise again, enabling prices in the first half overall to be more or less stable compared to the same period in 2013. EBITDA increased by a factor of 3.2 (growth of + 260.2 %) at constant scope and exchange rates.

Consolidated sales in **Kazakhstan** fell by - 19.2 % on reported figures, but, at € 31.4 million, were just - 1.2 % lower at constant scope and exchange rates. This was primarily the result of an unfavourable basis of comparison created by the particularly mild weather observed in the first half of 2013. The second quarter of 2014 saw the Group's sales grow by + 4.9 %, having fallen by - 14.0 % in the first quarter. Over the first half as a whole, volumes were + 4.3 % higher whilst prices were down slightly, reflecting weather conditions. On this basis, EBITDA for the period was - 3.7 % lower at € 11 million.

2.2.2.5. Income statement for Africa and the Middle East

(in millions of euros)	June 30, 2014	June 30, 2013	% change Reported	% change At constant scope and exchange rates
Consolidated sales	208	177	+ 17.7 %	+ 20.7 %
EBITDA	46	39	+ 16.9 %	+ 20.3 %
EBIT	29	21	+ 41.0 %	+ 45.5 %

Sales in the Africa and Middle East region were € 208 million, an increase of + 20.7 % at constant scope and exchange rates.

- In **Egypt,** sales came to € 61.8 million, up 40.6 % at constant scope and exchange rates. This solid performance came from significant growth in volumes, of more than + 19 %, helped by a fast-growing market and an improvement in security conditions in North Sinaï. Sales growth of + 26.7 % in the first quarter was followed by + 53.5 % growth in the second. Under these circumstances, prices rose substantially over the whole period. As a result, EBITDA rose by + 96.6 %.
- In the **West Africa** region, sales rose by + 13.5 % at constant scope and exchange rates. Sales growth accelerated to + 15.4 % in the second quarter, from + 11.6 % in the first. Over the first half as a whole, volumes were significantly higher, growing by almost + 17 %, backed by favourable market conditions throughout the region. However, selling prices continued to fall, affected mainly by the decline seen over the course of 2013. Thus EBITDA fell by - 1.5 %.

2.3. CHANGE IN FINANCIAL INCOME

(in millions of euros)	June 30, 2014	June 30, 2013
Cost of net borrowings and financial liabilities	(23.5)	(19.5)
Other financial income and expenses	(6.2)	(2.0)
FINANCIAL INCOME (EXPENSE)	**(29.7)**	**(21.5)**

The significant increase in net financial expense, which was € 8.2 million higher at € 29.7 million, was primarily due to the impact of the devaluation of the Kazakhstan tenge on external financing costs, to the amount of around € 9 million, which was partially offset by other income and costs (currency and actualisation). The increase also reflected, although to a smaller degree (around € 8 million), the end of the period of capitalisation of financial expenses relating to the start-up of Vicat Sagar and Gulbarga Power in India. This increase was partly offset by lower net financial expense in other countries, particularly France.

2.4. CHANGE IN INCOME TAXES

(in millions of euros)	June 30, 2014	June 30, 2013
Current taxes	(41.8)	(38.6)
Deferred taxes	13.4	10.1
TOTAL	**(28.4)**	**(28.5)**

The tax charge was stable, despite a 3.3 % dip in ordinary pre-tax profits, due to an increase in the Group's average tax rate to 34.4 %, from 33.3 % in the first half of 2013.

The increase in the average tax rate was mainly due to:

- overall, a greater contribution to pre-tax profits in countries where tax rates are higher;
- a slight increase in tax rates in Western Africa;
- a sharp increase in the tax charge in Egypt due to higher operating profit there and also to an increase in the tax rate from 25 % to 30 % on January 1, 2014.

2.5. CHANGE IN NET INCOME

Despite the improvement in the operating result (EBIT) and the impact of the "non-cash" tengue devaluation in Kazakhstan, net income attributable to the Group fell by - 7.6 %, or by - 4.6 % at constant scope and exchange rates, to € 51 million.

2.6. CHANGE IN FINANCIAL POSITION

At June 30, 2014, the Group had a solid financial structure with significant shareholders' equity and well-controlled net debt which has increased compared with December 31, 2013 owing to the seasonal nature of the business (+ € 118 million), but down € 58 million compared with June 30, 2013. Gross debt, excluding put option and including financial instruments assets, was € 1,414 million.

On this basis, the Group's gearing ratio amounted to 52.7 % at June 30, 2014, compared with 53.3 % at June 30, 2013, and the leverage ratio amounted to 2.7 times EBITDA, compared with 2.8 times at June 30, 2013.

(in millions of euros)	June 30, 2014	June 30, 2013
Gross financial debt	1,414	1,448
Cash	(231)	(207)
Net financial debt (excluding option)	**1,183**	**1,241**
Consolidated shareholders' equity	**2,246**	**2,329**
Gearing ratio	*52.7 %*	*53.3 %*
EBITDA	433	438
Leverage ratio	*2.7*	*2.8*

Medium and long-term financing agreements contain specific clauses (covenants) in particular requiring adherence to financial ratios. In view of the small number of companies concerned, basically Vicat SA, the Group parent company, the level of net debt and the liquidity of the Group's balance sheet, the existence of these covenants does not represent a risk to the Group's financial position. As at June 30, 2014, the Group adhered to all the ratios referred to in the covenants contained in the financing agreements.

The Group had confirmed credit lines which are not used and not assigned to hedge the liquidity risk on commercial papers, amounting to € 236 million as at June 30, 2014 (€ 326 million as at December 31, 2013).

The Group also has a € 300 million commercial paper issue program. As at June 30, 2014, € 300 million in commercial paper had been issued. The commercial papers which constitute these short-term credit instruments are backed by confirmed credit lines for the amount issued and as such are classified as medium-term debts in the consolidated balance sheet.

2.7. RECENT EVENTS

- **Vicat owns 100 % of Vicat Sagar Cement:** on July 15, the Group announced the acquisition of Sagar Cement's stake in Vicat Sagar Cement, subject to the usual conditions being met. Following this operation, Vicat will own 100 % of Vicat Sagar Cement. Located in the north of Karnataka, this company operates a plant with capacity of 3 million tonnes of cement per year, equipped with all the latest production technologies, a captive generating station and access to the rail network. This increase in the Group's stake will be accompanied by the undoing of all ownership relationships between the two groups. The net cost of the operations relating to this transaction will be around € 46 million.
- **Renegotiation of the Group's credit lines:** The Vicat Group renewed its bilateral credit lines for € 240 million and a duration of five years, and had amended its syndicated loan of € 480 million to restore its five-year maturity. These renegotiations have enabled the Group to restore the average maturity of its debt to nearly five years. The average interest rate of Vicat debt is around 4.1 %.

2.8. OUTLOOK FOR 2014

For 2014, the Group wishes to provide the following comments concerning its various markets:

- **in France,** in 2014, the Group expects market conditions to continue to be affected by a macroeconomic situation that is likely to stabilise only very slowly. Volumes are expected to fall slightly and the price environment should decline slightly;
- **in Switzerland,** the market is expected to remain dynamic, although volume growth will reflect the effects of a high basis of comparison from the strong year in 2013. Average prices are likely to be down very slightly;
- **in Italy,** the macroeconomic situation remains weakened by the recent recession, and volumes are expected to fall, although the pace should gradually slow. Given the low volumes expected this year, prices are likely to be affected by tougher competitive pressures;
- **in the USA,** volumes are expected to continue to rise, in line with the economic recovery in the country. Selling prices are also expected to rise;
- **in Turkey,** in a year marked by elections, the Group's performances will benefit from continued favourable market conditions albeit in a macroeconomic climate marked by exchange rate volatility and rising interest rates. Given these circumstances, the Group expects performance to continue improving in Turkey, although at a slower pace than in the past;
- **in Egypt,** the macroeconomic situation and the gradual improvement in security will help the Group to return to growth in more favourable market conditions. Thus the improvement in volumes and prices is likely to offset the sharp rise in energy costs and allow the Group to record a clear improvement in its performance over the course of 2014;
- **in West Africa,** the market should remain favourably oriented overall in terms of consumption. Prices are likely to remain under pressure, but the trend will depend, among other things, on the potential arrival in the market of a new competitor. In the medium term, the Group remains confident in its ability to reap the full benefits from its modern production facilities, its knowledge of the Senegalese market and its ability to export throughout the region;
- **in India,** following May's elections, and given the first elements of the economic stimulus package to have been announced, the Group is expecting a gradual improvement in the economic climate and market conditions over the course of the year. Against this background, and with continued gains being made by Bharathi Cement and Vicat Sagar Cement, the volumes delivered by the Group in this region are likely to grow strongly. Selling prices are likely to remain highly volatile, but should be bolstered by the gradual recommencement of infrastructure and housing projects in the second half of 2014. On a medium- to long-term view, the Group remains very confident that it can take full advantage of its high-quality positions in the Indian market, which continues to show excellent potential;
- **in Kazakhstan,** the Group's ideal geographical location and highly effective production base should enable it to benefit fully from a market poised for solid growth in terms of both volumes and prices;

▲ The front of a Swatch group building in Cormondrèche (Switzerland), built using Ultra-High Performance Fibre Reinforced Concrete (UHPFRC), six times more resistant than common concrete.

DECLARATION BY THE NATURAL PERSONS RESPONSIBLE FOR THE HALF YEAR FINANCIAL REPORT

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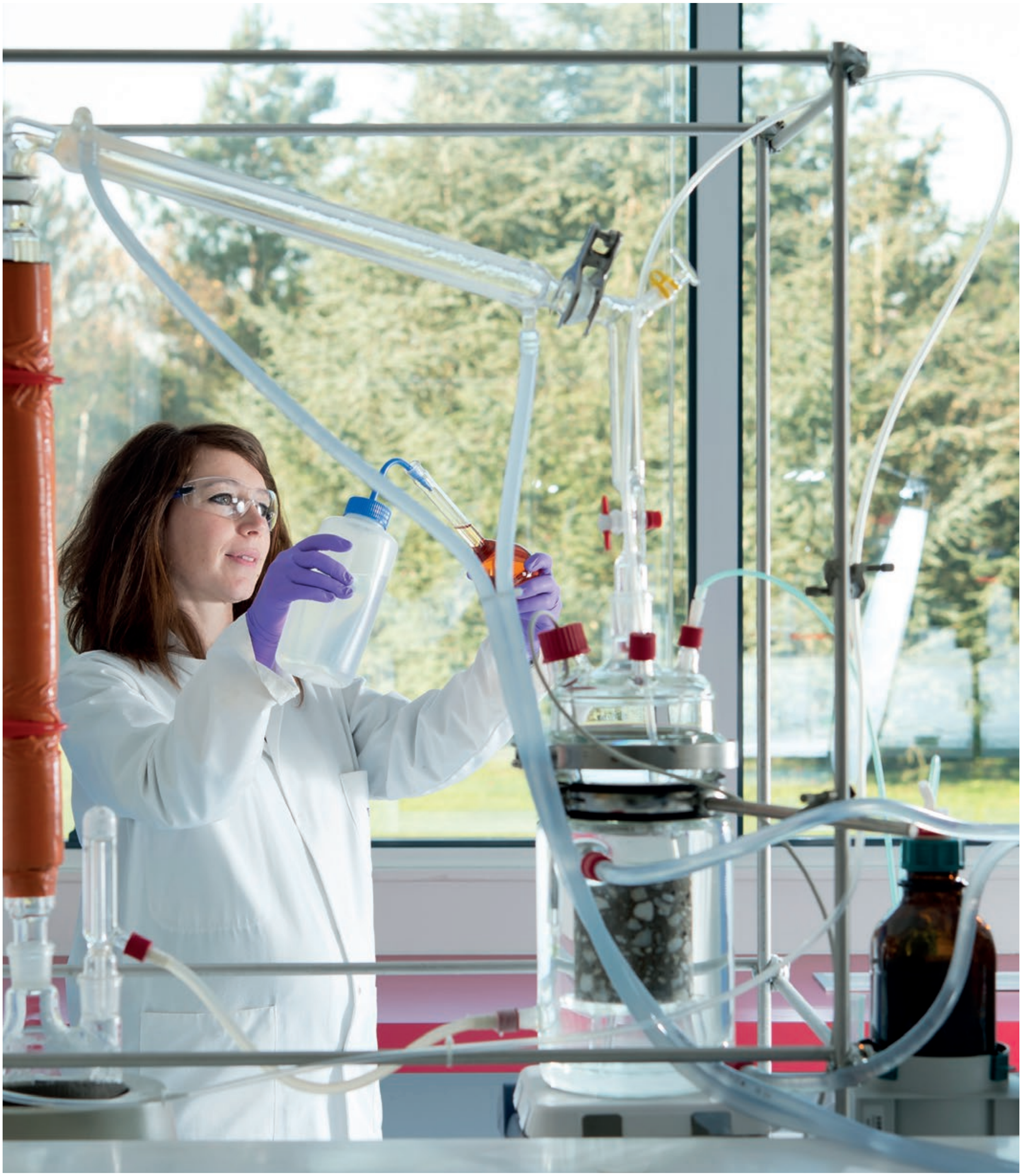
"I hereby declare that, to the best of my knowledge, the consolidated accounts compiled for the last half year have been drawn up in accordance with the applicable accounting standards and are a true reflection of the assets and liabilities, financial position and income of the Company and all the firms within the consolidation scope and that the half year report on operations, attached on pages 41 ff., presents a true picture of the major events which occurred during the first six months of the year, their impact on the accounts and the main transactions between related parties and describes the main risks and the main uncertainties for the remaining six months of the year."

Paris La Défense, August 1st, 2014

Guy Sidos

Chairman and CEO



▲ Research and development at the Louis Vicat Technical Centre in l'Isled'Abeau (France).

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STATUTORY AUDITORS' REVIEW REPORT ON THE CONDENSED HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' review report on the condensed half-yearly consolidated financial statements issued in French and it is provided solely for the convenience of English speaking users. This report also includes information relating to the specific verification of information given in the Group's interim management report. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

For the six-month period ended June 30, 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code *(Code monétaire et financier),* we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Vicat SA for the six-month period ended June 30, 2014;
- the verification of information contained in the half-year management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II – Specific verification

We have also verified information given in the half-year management report on the condensed half-yearly consolidated financial statements that were subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

The statutory auditors

French original signed by

Paris La Défense, August 1st, 2014

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

Chamalières, August 1st, 2014

Wolff & Associés S.A.S.

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