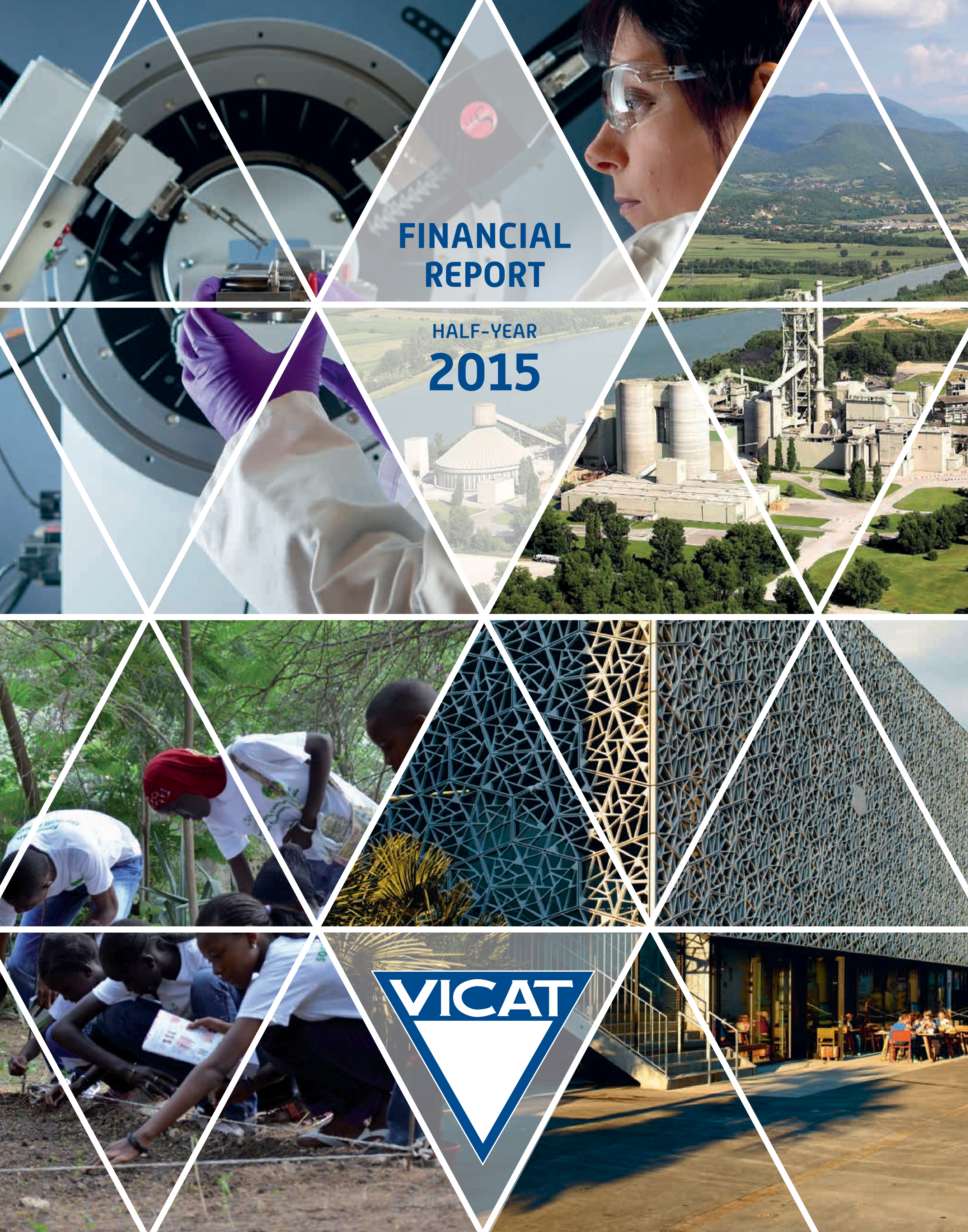
FINANCIAL
REPORT
HALF-YEAR
2015
VICAT

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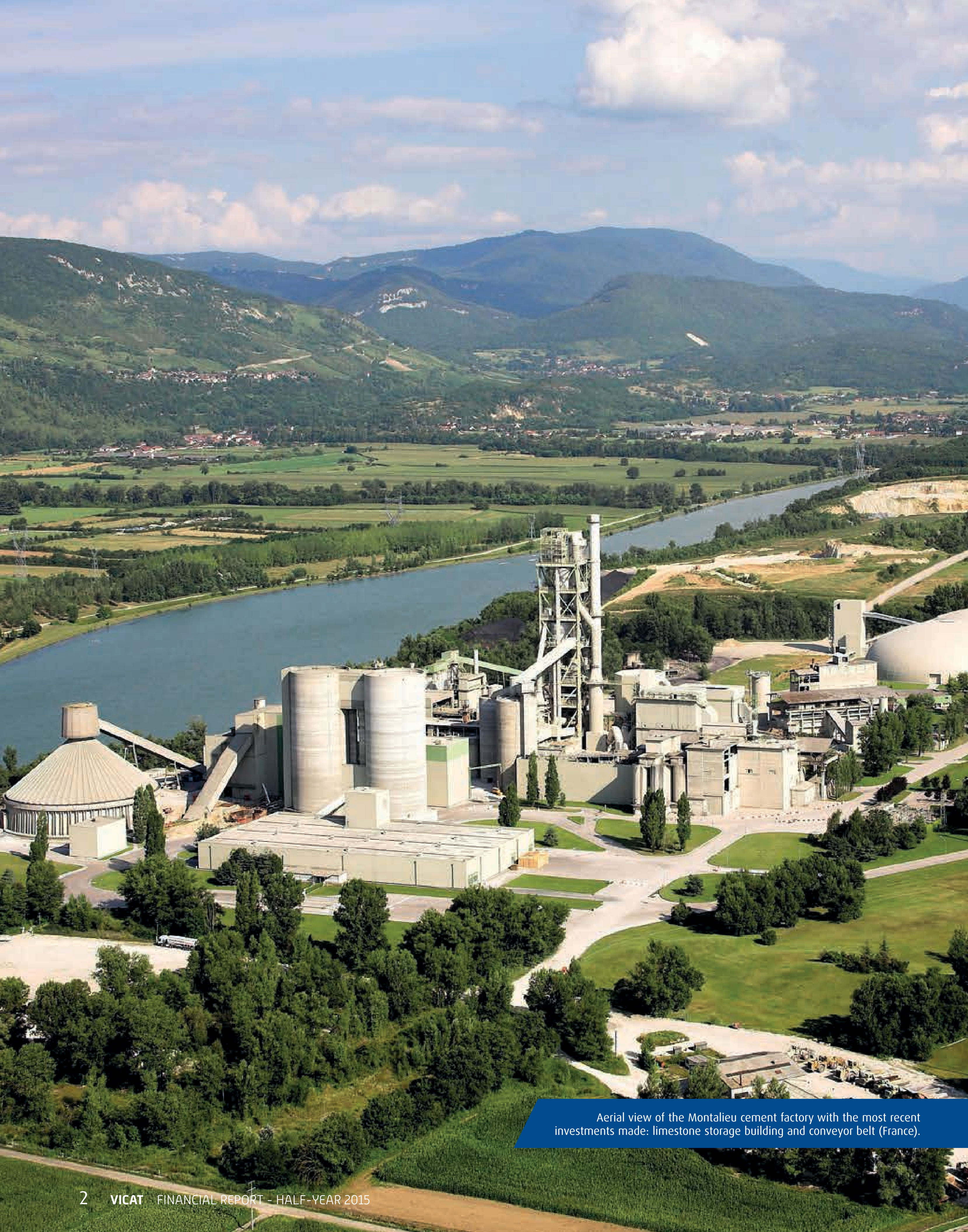

Aerial view of the Montalieu cement factory with the most recent investments made: limestone storage building and conveyor belt (France).

CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2015

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1.1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	*Notes*	June 30, 2015	December 31, 2014
ASSETS			
Non current assets			
Goodwill	*3*	1,054,830	1,007,848
Other intangible assets	*4*	135,537	122,985
Property, plant and equipment	*5*	2,223,924	2,148,739
Investment properties		20,333	18,754
Investments in associated companies		47,391	43,815
Deferred tax assets		156,307	135,437
Receivables and other non current financial assets		137,437	98,891
TOTAL NON CURRENT ASSETS		3,775,759	3,576,469
Current assets			
Inventories and work in progress		414,856	394,205
Trade and other accounts		471,457	356,405
Current tax assets		34,848	37,206
Other receivables		159,418	141,200
Cash and cash equivalents	*6*	228,750	268,196
TOTAL CURRENT ASSETS		1,309,329	1,197,212
TOTAL ASSETS		**5,085,088**	**4,773,681**
LIABILITIES			
Shareholders' equity			
Share capital	*7*	179,600	179,600
Additional paid in capital		11,207	11,207
Consolidated reserves		2,063,458	1,986,616
Shareholders' equity		**2,254,265**	**2,177,423**
Minority interests		**290,506**	**281,870**
SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		2,544,771	2,459,293
Non current liabilities			
Provisions for pensions and other post employment benefits	*8*	142,514	125,862
Other provisions	*8*	96,392	86,141
Financial debts and put options	*9*	1,233,378	1,067,527
Deferred tax liabilities		236,103	219,656
Other non current liabilities		10,010	7,205
TOTAL NON CURRENT LIABILITIES		1,718,397	1,506,391
Current liabilities			
Provisions	*8*	11,279	10,526
Financial debts and put options at less than one year	*9*	278,698	281,730
Trade and other accounts payable		283,381	280,642
Current taxes payable		30,455	39,301
Other liabilities		218,407	195,798
TOTAL CURRENT LIABILITIES		822,220	807,997
TOTAL LIABILITIES		2,540,617	2,314,388
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**5,085,388**	**4,773,681**

1.2. CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	June 30, 2015	June 30, 2014
Sales	*11*	**1,242,559**	**1,217,811**
Goods and services purchased		(812,143)	(810,599)
Added value	*1.22*	**430,416**	**407,212**
Personnel costs		(207,425)	(187,974)
Taxes		(33,141)	(25,539)
Gross operating income	*1.22 & 14*	**189,850**	**193,699**
Depreciation, amortization and provisions	*12*	(108,508)	(91,571)
Other income and expenses	*13*	11,975	10,292
Operating income	*14*	**93,317**	**112,420**
Cost of net financial debt	*15*	(21,729)	(23,514)
Other financial income	*15*	4,370	5,832
Other financial expenses	*15*	(10,446)	(12,004)
Net financial income (expense)	*15*	**(27,805)**	**(29,686)**
Earnings from associated companies		2,400	1,712
Profit (loss) before tax		**67,912**	**84,446**
Income tax	*16*	(24,923)	(28,438)
Consolidated net income		**42,989**	**56,008**
Portion attributable to minority interests		9,247	5,292
Portion attributable to the Group		**33,742**	**50,716**
EBITDA	*1.22 & 14*	**203,059**	**207,674**
EBIT	*1.22 & 14*	**93,089**	**115,199**
Cash flow from operations	*1.22*	**139,659**	**143,733**
EARNINGS PER SHARE *(in euros)*			
Basic and diluted Group share of net earnings per share	*7*	0.75	1.13

1.3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	June 30, 2015	June 30, 2014
Consolidated net income	**42,989**	**56,008**
Other comprehensive income items		
Items not recycled to profit or loss:		
Remeasurement of the net defined benefit liability	(1,790)	(8,566)
Tax on non-recycled items	(471)	2,998
Items recycled to profit or loss:		
Net income from change in translation differences	114,382	(868)
Cash flow hedge instruments	7,148	(10,782)
Tax on recycled items	(3,010)	3,510
Other comprehensive income (after tax)	**116,259**	**(13,708)**
TOTAL COMPREHENSIVE INCOME	**159,248**	**42,300**
Portion attributable to minority interests	20,561	6,180
Portion attributable to the Group	**138,687**	**36,120**

1.4. CONSOLIDATED CASH FLOWS STATEMENT

(in thousands of euros)	*Notes*	June 30, 2015	June 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income		**42,988**	**56,008**
Earnings from associated companies		(2,400)	(1,712)
Dividends received from associated companies		1,176	969
Elimination of non cash and non operating items:			
▪ depreciation, amortization and provisions		109,214	91,833
▪ deferred taxes		(12,337)	(13,394)
▪ net (gain) loss from disposal of assets		(1,409)	282
▪ unrealized fair value gains and losses		2,640	1,097
▪ other		(213)	8,650
Cash flows from operating activities	*1.22*	**139,659**	**143,733**
Change in working capital requirement		(136,877)	(58,724)
Net cash flows from operating activities [(1)]	*18*	**2,782**	**85,009**
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows linked to acquisitions of non-current assets:			
▪ property, plant and equipment and intangible assets		(97,066)	(81,155)
▪ financial investments		(703)	(9,815)
Inflows linked to disposals of non-current assets:			
▪ property, plant and equipment and intangible assets		2,537	2,781
▪ financial investments		1,118	4,554
Impact of changes in consolidation scope		(55)	(17,822)
Net cash flows from investing activities	*19*	**(94,169)**	**(101,457)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paids		(77,109)	(80,588)
Increases in capital		-	122
Proceeds from borrowings		155,328	113,530
Repayments of borrowings		(49,810)	(43,569)
Acquisitions of treasury shares		(484)	(9,203)
Disposals or allocations of treasury shares		2,485	13,127
Net cash flows from financing activities		**30,410**	**(6,581)**
Impact of changes in foreign exchange rates		8,934	1,940
Change in cash position		**(52,043)**	**(21,089)**
Net cash and cash equivalents - opening balance	*20*	242,990	225,812
Net cash and cash equivalents - closing balance	*20*	190,947	204,723

(1) Including cash flows from income taxes € (34,973) thousand in 2015 and € (33,419) thousand in 2014.
Including cash flows from interests paid and received € (20,790) thousand euros in 2015 and € (23,833) thousand in 2014.

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, 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)
Increase 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
AT JANUARY 1, 2015	179,600	11,207	(70,133)	2,206,447	(149,698)	2,177,423	281,870	2,459,293
Consolidated net income				33,742		33,742	9,247	42,989
Other comprehensive income				2,027	102,918	104,945	11,314	116,259
Total comprehensive income				**35,769**	**102,918**	**138,687**	**20,561**	**159,248**
Dividends paids				(66,108)		(66,108)	(11,967)	(78,075)
Net change in treasury shares			2,800	(524)		2,276		2,276
Changes in consolidation scope and additional acquisitions								
Increases in share capital								
Other changes				1,987		1,987	42	2,029
AT JUNE 30, 2015	**179,600**	**11,207**	**(67,333)**	**2,177,571**	**(46,780)**	**2,254,265**	**290,506**	**2,544,771**

(1) Included the impact of IFRIC 21 new standard "Taxes" amounting to € 1.5 million, whose application is mandatory for the period beginning on or after January 1, 2015.

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

US Dollar:	43,432
Swiss franc:	228,642
Turkish new lira:	(131,608)
Egyptian pound:	(54,195)
Kazakh tengue:	(65,135)
Mauritanian ouguiya:	(1,985)
Indian rupee:	(65,931)
	(46,780)

1.6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2015

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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, 2015 for its benchmark accounting policies.

Standards and interpretations published by the IASB but not yet in effect as at June 30, 2015 were not applied ahead of schedule in the Group consolidated financial statements at the closing date.

The consolidated financial statements at June 30, 2015 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, 2014 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, 2015 are consistent with those applied for the annual financial statements as at December 31, 2014.

The standards that are mandatory for annual periods beginning on or after January 1, 2015 have no significant impact on the 2015 consolidated financial statements. These mainly concern IFRIC 21 Interpretation "Levies", which provides guidance on when to recognize a liability for a levy imposed by a government.

These financial statements were finalized and approved by the Board of Directors in its meeting of July 31, 2015.

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 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, 2015 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, 2015 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, 2015	December 31, 2014	June 30, 2015	June 30, 2014
USD	1,1189	1,2141	1,1159	1,3705
CHF	1,0413	1,2024	1,0565	1,2213
EGP	8,5087	8,6511	8,4286	9,6203
TRL	2,9953	2,8320	2,8621	2,9675
KZT	208,3400	221,3900	206,8983	242,6083
MRO	365,6885	352,6830	344,1333	406,8400
INR	71,1873	76,7190	70,1250	83,2930
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 its investment properties is calculated by the Group's specialist departments, assisted by an external consultant, primarily with reference to market prices followed on transactions involving comparable assets or published by local notary chambers. It 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;
- 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 increased by the goodwill attributable to minority interests.

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 favourable for construction work.

NOTE 2 CHANGES IN CONSOLIDATION SCOPE AND OTHER SIGNIFICANT EVENTS

Macroeconomic environment and business trends

The Vicat Group's half-year 2015 consolidated sales came to € 1,243 million, up 2 % by comparison with the same period of 2014.

This increase was the net product of a positive currency effect of over 8 % and an organic sales contraction of 6 %.

The decline in sales at constant scope and exchange rates reflected mixed trends across the various regions in which the Group operates.

Top-line trends were weaker in France and the rest of Europe owing in particular to significantly less favourable weather conditions in the first quarter of 2015 than in the first quarter of 2014. That said, the macroeconomic and industry environment remains challenging in France and Italy. In Senegal, the start-up of a new market entrant's plant sparked fiercer competition, which had a negative impact on the Group's business trends in the region. In Egypt, a market that continued to enjoy firm trends, volume growth was not sufficient to entirely offset the price erosion. In addition, the Group's performance in this country was affected by a steep hike in energy costs. To this end, the Group continued to build two coal crushers, which will help to achieve a very significant reduction in its energy costs in Egypt once they start up in the third quarter of 2015. Lastly, although business trends in Turkey

were slightly weaker than in 2014 in the first half of the year, the second quarter showed a strong increase after the negative effects of poor weather conditions in the first quarter.

These trends were offset only partially by solid business growth in the United States, Kazakhstan and India. The Group's business in the United States was again buoyed by a supportive macroeconomic environment, driving a fresh increase in delivery volumes and selling prices. In Kazakhstan, after a strong contraction in the first quarter, business trends picked up sharply in the second quarter, with the Group recording a small sales increase over the period as a whole. Lastly, sales grew in India despite a clear-cut volume contraction. This decline in volumes, which came after the "deliberate" ramp-up in its markets by Kalburgi Cement (formerly Vicat Sagar Cement) in the first half of 2014, reflects the more selective business strategy implemented by the Group from the second half of 2014 across all its operations to reap the full benefit of the firm recovery in selling prices.

Exchange rate volatility and impact on the income statement

Performance in the first half of 2015 was affected significantly by appreciation in almost all currencies against the euro. This gave rise to a positive currency effect of close to € 100 million on consolidated sales and of close to € 17 million on EBITDA in the first half of the year.

Consolidated equity was boosted by a total of € 114 million in positive translation differences.

NOTE 3 GOODWILL

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

(in thousand of euros)	Cement	Concrete & Aggregates	Other Products and Services	Total
AT DECEMBER 31, 2013	**681,575**	**243,245**	**21,749**	**946,569**
Acquisitions/Additions		8,707		8,707
Disposals/Decreases		(1,453)	(485)	(1,938)
Change in foreign exchange rates	30,040	14,103	278	44,421
Other	8,815	1,195	79	10,089
AT DECEMBER 31, 2014	**720,430**	**265,797**	**21,621**	**1,007,848**
Acquisitions/Additions			16	16
Disposals/Decreases		(125)		(125)
Change in foreign exchange rates	22,609	16,375	2,519	41,503
Other	5,588			5,588
AT JUNE 30, 2015	**748,627**	**282,047**	**24,156**	**1,054,830**

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 volatile macro-economic environment, the Group carried out a review of any evidence of impairment in respect to goodwill at June 30, 2015, which did not result in any recognition of impairment.

At June 30, 2015, goodwill are broken down by Cash Generating Unit (CGU) as follows:

(in thousand of euros)	June 30, 2015	December 31, 2014
CGU India	261,307	243,335
CGU West Africa Cement	153,560	154,875
CGU France-Italy	185,092	179,488
CGU Switzerland	145,415	135,494
Other cumulated CGU	309,456	294,656
TOTAL	**1,054,830**	**1,007,848**

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, 2013	**84,962**	**31,344**	**48,218**	**3,994**	**168,518**
Acquisitions	8,818	973	952	10,703	21,446
Disposals	(3,773)	(85)			(3,858)
Changes in consolidation scope	165	11	2,609	187	2,972
Change in foreign exchange rates	1,530	305		37	1,872
Other movements	151	63	5,486	(2,077)	3,623
AT DECEMBER 31, 2014	**91,853**	**32,611**	**57,265**	**12,844**	**194,573**
Acquisitions	2,164	55	113	5,468	7,800
Disposals		(1)	(5)		(6)
Changes in consolidation scope					0
Change in foreign exchange rates	1,677	1,105	5,941	382	9,105
Other movements		230	3,251	1,777	5,258
AT JUNE 30, 2015	**95,694**	**34,000**	**66,565**	**20,471**	**216,730**

Depreciation and impairment *(in thousands of euros)*	**Concessions, patents & similar rights**	**Software**	**Other intangible assets**	**Intangible assets in progress**	**Total**
AT DECEMBER 31, 2013	(21,140)	(18,775)	(28,500)	0	(68,415)
Increase	(2,644)	(3,003)	(2,991)		(8,638)
Decrease	3,767	91	4,227		8,085
Changes in consolidation scope	5	(12)	(9)		(16)
Change in foreign exchange rates	(759)	(189)	(1,260)		(2,208)
Other movements	(30)	30	(396)		(396)
AT DECEMBER 31, 2014	(20,801)	(21,858)	(28,929)	0	(71,588)
Increase	(1,399)	(1,479)	(1,449)		(4,327)
Decrease			208		208
Changes in consolidation scope					0
Change in foreign exchange rates	(724)	(904)	(2,697)		(4,325)
Other movements			(1,161)		(1,161)
AT JUNE 30, 2015	(22,924)	(24,241)	(34,028)	0	(81,193)
Net book value at December 31, 2014	71,052	10,753	28,336	12,844	122,985
NET BOOK VALUE AT JUNE 30, 2015	**72,770**	**9,759**	**32,537**	**20,471**	**135,537**

No development costs were capitalized during the 1st semester 2015 and the year 2014.

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 € 18,994 thousand as at June 30, 2015 (€ 16,836 thousand as at December 31, 2014), corresponding to 2,714 thousand tonnes (2,443 thousand tonnes at the year-end 2014). Recording of surpluses, quota sales and quota swaps (EUA) against Emission Reduction Certificates (ERC) were recognized in the income statement for the semester at € 2,158 thousand (€ 1,382 thousand at June 30, 2014).

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Gross values *(in thousand of euros)*	**Lands & Buildings**	**Industrial equipment**	**Other property, plant and equipment**	**Fixed assets work-in-progress and advances/ down payments**	**Total**
AT DECEMBER 31, 2013	1,051,599	2,743,898	151,028	129,055	4,075,580
Acquisitions	22,787	35,170	5,993	68,239	132,189
Disposals	(2,631)	(24,505)	(11,288)		(38,424)
Changes in consolidation scope	1,145	2,903	2,616	489	7,153
Changes in foreign exchange rates	40,481	123,370	3,139	6,351	173,341
Other movements	35,814	65,434	656	(104,189)	(2,285)
AT DECEMBER 31, 2014	1,149,195	2,946,270	152,144	99,945	4,347,554
Acquisitions	3,057	7,121	1,268	61,339	72,785
Disposals	(177)	(16,819)	(5,384)	(2)	(22,382)
Changes in consolidation scope	(3,166)	2,138	(351)	8	(1,371)
Changes in foreign exchange rates	54,400	111,665	12,658	547	179,270
Other movements	11,400	38,243	1,614	(53,330)	(2,073)
AT JUNE 30, 2015	**1,214,709**	**3,088,618**	**161,949**	**108,507**	**4,573,783**

Depreciations and impairment *(in thousand of euros)*	**Lands & Buildings**	**Industrial equipment**	**Other property, plant and equipment**	**Fixed assets work-in-progress and advances/ down payments**	**Total**
AT DECEMBER 31, 2013	(394,753)	(1,477,381)	(101,381)	(53)	(1,973,568)
Acquisitions	(32,597)	(132,165)	(10,102)	(705)	(175,569)
Disposals	1,851	22,016	10,857		34,724
Changes in consolidation scope	(1,199)	(2,450)	(1,813)		(5,462)
Changes in foreign exchange rates	(13,621)	(64,700)	(1,803)	(6)	(80,130)
Other movements	(7,929)	8,550	569		1,190
AT DECEMBER 31, 2014	(448,248)	(1,646,130)	(103,673)	(764)	(2,198,815)
Acquisitions	(17,397)	(71,488)	(5,360)		(94,245)
Disposals	2,391	13,671	5,246	703	22,011
Changes in consolidation scope	423	717	231		1,371
Changes in foreign exchange rates	(17,842)	(53,762)	(7,793)	(5)	(79,402)
Other movements	(4)	(520)	(255)		(779)
AT JUNE 30, 2015	(480,677)	(1,757,512)	(111,604)	(66)	(2,349,859)
Net book value at December 31, 2014	700,947	1,300,140	48,471	99,181	2,148,739
NET BOOK VALUE AT JUNE 30, 2015	**734,032**	**1,331,106**	**50,345**	**108,441**	**2,223,924**

Fixed assets work-in-progress amounted to € 85 million as at June 30, 2015 (€ 86 million as at December 31, 2014) and advances/down payments on plant, property and equipment represented € 24 million as at June 30, 2015 (€ 14 million as at December 31, 2014).

Contractual commitments to acquire tangible and intangible assets amounted to € 37 million as at June 30, 2015 (€ 53 million as at December 31, 2014).

The total amount of interest capitalized as at June 30, 2015 and 2014 was € 0.5 million, determined on the basis of local interest ranging from 3.09 % to 10.75 % in 2015, depending on the country in question.

NOTE 6 CASH AND CASH EQUIVALENTS

(in thousand of euros)	June 30, 2015	December 31, 2014
Cash	77,319	74,090
Marketable securities and term deposits < 3 months	151,431	194,106
CASH AND CASH EQUIVALENTS [1]	**228,750**	**268,196**

(1) Included as at June 30, 2015, € 13.4 million corresponding to a temporary precautionary seizure on a bank account of a Group's indian entity, in its litigation with the administrative and judicial authorities concerning facts related to the period before Vicat acquired its equity interest in the company.

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 764,941 treasury shares as at June 30, 2015 (794,611 as at December 31, 2014) 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 2015 in respect of 2014 amounted to € 1.50 per share, amounted to a total of € 67,350 thousand, equal to € 1.50 per share paid in 2014 in respect of 2013 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, 2015, the liquidity account is composed with 24,701 Vicat shares and € 2,606 thousand in cash.

NOTE 8 PROVISIONS

Provisions break down as follows by type:

(in thousand of euros)	June 30, 2015	December 31, 2014
Provisions for pensions and other post-employment benefits	**142,514**	**125,862**
Restoration of sites	49,797	44,394
Demolitions	1,363	1,184
Other risks (1)	28,254	27,206
Other charges	28,257	23,884
Other provisions	**107,671**	**96,667**
o.w. less than one year	*11,279*	*10,526*
o.w. more than one year	*96,392*	*86,141*

(1) At June 30, 2015, other risks included:

- *an amount of € 4.0 million (€ 4.7 million at December 31, 2014) 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, 2015 and December 31, 2014;*
- *an amount of € 10.5 million (€ 9.4 million as at December 31, 2014) 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 € 13.8 million as at June 30, 2015 (€ 13.1 million as at December 31, 2014) 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, 2015 and December 31, 2014 are analyzed as follows:

(in thousand of euros)	June 30, 2015	December 31, 2014
Debts at more than one year	1,221,830	1,056,467
Put options at more than one year	11,548	11,060
Debts and put options at more than one year	**1,233,378**	**1,067,527**
Asset derivative instruments at more than one year (1)	(75,091)	(38,782)
TOTAL FINANCIAL LIABILITIES NET OF ASSET DERIVATIVE INSTRUMENTS AT MORE THAN ONE YEAR	1,158,287	1,028,745
Debts at less than one year	278,698	281,730
Put options at less than one year	0	0
Debts and put options at less than one year	**278,698**	**281,730**
Asset derivative instruments at less than one year (1)	(5,692)	(9,458)
TOTAL FINANCIAL LIABILITIES NET OF ASSET DERIVATIVE INSTRUMENTS AT LESS THAN ONE YEAR	273,006	272,272
Total debts net of asset derivative instruments (1)	1,419,745	1,289,957
Total put options	11,548	11,060
TOTAL FINANCIAL LIABILITIES NET OF ASSET DERIVATIVE INSTRUMENTS	**1,431,293**	**1,301,017**

(1) As at June 30, 2015 financial instrument assets (€ 80.8 million) are presented under non-current assets for the part at more than 1 year (€ 75.1 million) and under other receivables for the part at less than 1 year (€ 5.7 million). They accounted for € 48.2 million as at December 31, 2014.

9.1. Financial debts

Analysis of debts by category and maturity

June 30, 2015

(in thousand of euros)	Total	June 2016	June 2017	June 2018	June 2019	June 2020	More than 5 years
Bank borrowings and financial liabilities	1,352,812	210,336	29,257	145,280	77,389	609,251	281,299
Incl. Derivative financial instruments – Assets	*(80,783)*	*(5,692)*		*(13,802)*		*(24,007)*	*(37,282)*
Incl. Derivative financial instruments – Liabilities	*10,049*	*6,515*	*3,466*	*16*	*52*		
Other borrowings and debts	15,439	12,133	2,249	168	172	232	485
Debts on fixed assets under finance leases	2,402	1,445	790	109	20	12	26
Current bank lines and overdrafts	49,092	49,092					
DEBTS	**1,419,745**	**273,006**	**32,296**	**145,557**	**77,581**	**609,495**	**281,810**
of which commercial paper	*384,000*					*384,000*	

Debts at less than one year are mainly comprised of the last tranche of the Vicat's first USPP, as well as the Sococim Industries bilateral credit lines, a tranche of the Jambyl Cement, Kalburgi and Vigier Holding loans and of bank overdrafts.

December 31, 2014

(in thousand of euros)	Total	2015	2016	2017	2018	2019	More than 5 years
Bank borrowings and financial liabilities	1,233,062	219,784	36,048	168,233	31,492	443,926	333,579
Incl. Derivative financial instruments – Assets	*(48,240)*	*(9,458)*	*(9,331)*	*(15,041)*	*(9,330)*		*(5,080)*
Incl. Derivative financial instruments – Liabilities	*13,646*	*9,247*	*4,370*	*15*	*14*		
Other borrowings and debts	15,051	12,246	1,673	285	224	165	458
Debts on fixed assets under finance leases	3,452	1,850	1,145	377	32	12	36
Current bank lines and overdrafts	38,392	38,392					
DEBTS	**1,289,957**	**272,272**	**38,866**	**168,895**	**31,748**	**444,103**	**334,073**
of which commercial paper	*300,000*					*300,000*	

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

By currency (net of currency swaps)

(in thousand of euros)	June 30, 2015	December 31, 2014
Euro	779,237	773,067
U.S. dollar	201,108	188,533
Turkish new lira	2,510	1,300
CFA Franc	80,893	73,813
Swiss franc	141,855	66,490
Mauritanian ouguiya	0	0
Indian rupee	182,122	181,027
Kazakh Tengue	3,925	0
Egyptian pound	28,095	5,727
TOTAL	**1,419,745**	**1,289,957**

By interest rate

(in thousand of euros)	June 30, 2015	December 31, 2014
Fixed rate	852,798	865,544
Floating rate	566,947	424,413
TOTAL	**1,419,745**	**1,289,957**

The average interest rate for gross debt as at June 30, 2015 is 4.11 %. It was 4.23 % as at December 31, 2014.

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 € 11.5 million at more than one year as at June 30, 2015 (€ 11 million as at December 31, 2014). 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$ 120 million and US$ 450 million for Vicat, US$ 60.6 million for Kalburgi Cement) and in euros (€ 111 million for Kalburgi Cement) were converted into euros (for Vicat), into Indian rupees (for Kalburgi Cement) 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 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, 2015, the Group had € 205 million in unused confirmed lines of credit that have not been allocated to the hedging of liquidity risk on commercial paper (€ 324 million as at December 31, 2014).

The Group also has a € 450 million commercial paper issue program. As at June 30, 2015, commercial paper issued by the Group amounted to € 384 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, 2015, these lines matched the short term notes they covered, at € 384 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 (46.8 %) and of leverage (2.72) 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, 2015, the Group is compliant with all ratios required by covenants included in financing agreements.

Analysis of the portfolio of derivatives as at June 30, 2015:

(in thousands of currency units)	Nominal value *(currency)*	Nominal value *(euro)*	Market value *(euro)*	Current maturity < 1 year *(euro)*	Current maturity 1-5 years *(euro)*	Current maturity > 5 years *(euro)*
FAIR VALUE HEDGES (a)						
Composite instruments						
■ *Cross* Currency Swap $ fixed/€ floating	60,000 $	53,624	895 (1)	895		
CASH FLOW HEDGES (a)						
Composite instruments:						
■ Cross Currency Swap $ fixed/€ fixed	60,000 $	53,624	653 (1)	653		
■ Cross Currency Swap $ fixed/€ fixed	450,000 $	402,181	51,086 (1)		13,803	37,283
■ Interest rate swap € floating/€ fixed	150,000 €	150,000	(3,317) (1)		(3,317)	
■ Cross Cur*rency* Swap $ floating/INR fixed	60,667 $	54,220	15,326 (1)	2,190	13,136	
■ Cross Cur*rency* Swap € floating/INR fixed	111,096 €	111,096	12,684 (1)	1,812	10,872	
OTHER DERIVATIVES						
Interest rate instruments:						
■ Euro Caps	50,000 €	50,000	(24)	(24)		
■ Dollar US Caps	50,000 $	44,687	(218)	(218)		
FOREIGN EXCHANGE INSTRUMENTS (a)						
Hedging for foreign exchange risk on intra-group loans:						
■ Forward Sales $	181,000 $	161,766	141	141		
■ Forward Sales CHF	130,000 CHF	124,844	(446)	(446)		
■ Forward Purchases €	30,900 €	30,900	(6,045) (1)	(6,045)		
TOTAL			**70,735**			

(1) The difference between the value of the liability at the hedged rate and at amortized cost deteriorates by € 85.7 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, 2015:

(in millions of euros)	June 30, 2015	
Level 1: instruments quoted on an active market	1.0	
Level 2: valuation based on observable market information	70.7	see above
Level 3: valuation based on non-observable market information	20.3	

NOTE 11 SALES

(in thousands of euros)	June 30, 2015	June 30, 2014
Sales of goods	1,114,023	1,082,117
Sales of services	128,536	135,694
SALES	**1,242,559**	**1,217,811**

Change in sales on a like-for-like basis

(in thousands of euros)	June 30, 2015	Changes in consolidation scope	Change in foreign exchange rate	June 30, 2015 Constant structure and exchange rates	June 30, 2014
Sales	1,242,559	0	99,470	1,342,029	1,217,811

NOTE 12 DEPRECIATION, AMORTIZATION AND PROVISIONS

(in thousands of euros)	June 30, 2015	June 30, 2014
Net charges to amortization of fixed assets	(98,767)	(88,427)
Net charges to provisions	(5,458)	(1,062)
Net charges to other asset depreciation	(5,745)	(2,986)
NET CHARGES TO OPERATING DEPRECIATION, AMORTIZATION AND PROVISIONS	**(109,970)**	**(92,475)**
Other net charges to non-operating depreciation, amortization and provisions (1)	1,462	904
NET CHARGES TO DEPRECIATION, AMORTIZATION AND PROVISIONS	**(108,508)**	**(91,571)**

(1) *Including a net reversal of € 0.7 million as at June 30, 2015 (allowance of € 0.2 million as at June 30, 2014) 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, 2015	June 30, 2014
Net income from disposal of assets	1,416	962
Income from investment properties	1,570	1,415
Other	10,223	11,598
Other operating income (expense)	**13,209**	**13,975**
Other non operating income (expense) (1)	**(1,234)**	**(3,683)**
TOTAL OTHER INCOME (EXPENSE)	**11,975**	**10,292**

(1) *Including as at June 30, 2015 and 2014 an expense of € 0.7 million recorded by the Group, corresponding to the files recognized as expenses in the first semester 2015 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, 2015	June 30, 2014
Gross Operating Income	**189,850**	**193,699**
Other operating income (expense)	13,209	13,975
EBITDA	**203,059**	**207,674**
Net charges to operating depreciation, amortization and provisions	(109,970)	(92,475)
EBIT	**93,089**	**115,199**
Other non-operating income (expense)	(1,234)	(3,683)
Net charges to non-operating depreciation, amortization and provisions	1,462	904
OPERATING INCOME (EXPENSE)	**93,317**	**112,420**

NOTE 15 FINANCIAL INCOME (EXPENSE)

(in thousands of euros)	June 30, 2015	June 30, 2014
Interest income from financing and cash management activities	10,044	7,351
Interest expense from financing and cash management activities	(31,773)	(30,865)
Cost of net borrowings and financial liabilities	**(21,729)**	**(23,514)**
Dividends	596	1,795
Foreign exchange gains	3,496	3,014
Fair value adjustments to financial assets and liabilities	-	-
Net income from disposal of financial assets	-	-
Write-back of impairment of financial assets	278	1,023
Other income	-	-
Other financial income	**4,370**	**5,832**
Foreign exchange losses	(5,574)	(7,609)
Fair value adjustments to financial assets and liabilities	(2,640)	(1,097)
Impairment on financial assets	(21)	(7)
Net income from disposal of financial assets	(7)	(1,245)
Discounting expenses	(2,080)	(2,021)
Other expenses	(124)	(25)
Other financial expenses (1)	**(10,446)**	**(12,004)**
NET FINANCIAL INCOME (EXPENSE)	**(27,805)**	**(29,686)**

(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, 2015	June 30, 2014
Current taxes	(37,261)	(41,831)
Deferred taxes	12,338	13,393
TOTAL	**(24,923)**	**(28,438)**

Deferred tax assets not recognized in the financial statements

Deferred tax assets not recognized in the financial statements as at June 30, 2015, 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 € 12.3 million (€ 11.7 million as at December 31, 2014). These relate essentially to two entities benefiting from a tax exemption scheme for a period of ten years.

NOTE 17 SEGMENT INFORMATION

a) Business segment

June 30, 2015 *(in thousand of euros except number of employees)*	Cement	Concrete & Aggregates	Other Products and Services	Total
Income statement				
Operating sales	772,634	440,632	197,249	1,410,515
Intersegment eliminations	(114,893)	(11,444)	(41,619)	(167,956)
Consolidated net sales	657,741	429,188	155,630	1,242,559
EBITDA (cf. 1.22 & 14)	163,036	26,897	13,126	203,059
EBIT (cf. 1.22 & 14)	86,342	2,384	4,363	93,089
Balance sheet				
Total non-current assets	2,909,342	692,138	174,278	3,775,758
Net capital employed (1)	2,874,218	673,131	211,389	3,758,738
Other informations				
Acquisitions of intangible and tangible assets	69,751	8,293	3,256	81,300
Net depreciation and amortization charges	72,481	19,794	6,492	98,767
Average number of employees	3,622	2,898	1,320	7,840

(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, 2014 *(in thousand of euros except number of employees)*	Cement	Concrete & 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. 1.22 & 14)	155,309	35,817	16,548	207,674
EBIT (cf. 1.22 & 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.

b) Geographical sectors

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

June 30, 2015 *(in thousand of euros except number of employees)*	France	Europe (excluding France)	U.S.A.	Turkey, Kazakhstan & India	West Africa & the Middle East	Total
Income statement						
Operating sales	398,256	206,282	163,231	285,999	202,936	1,256,704
Intercountry eliminations	(10,061)	(177)	0	(202)	(3,705)	(14,145)
Consolidated net sales	**388,195**	**206,105**	**163,231**	**285,797**	**199,231**	**1,242,559**
EBITDA (cf. 1.22 & 14)	49,113	48,519	13,012	62,324	30,091	203,059
EBIT (cf. 1.22 & 14)	18,396	27,863	(1,089)	36,151	11,768	93,089
Balance sheet						
Total non-current assets	696,015	611,012	508,432	1,257,024	703,275	3,775,758
Net capital employed [(1)]	705,882	568,384	410,723	1,316,214	757,535	3,758,738
Other informations						
Acquisitions of intangible and tangible assets	16,999	7,258	10,144	22,292	24,607	81,300
Net depreciation and amortization charges	26,079	16,171	13,757	25,598	17,162	98,767
Average number of employees	2,550	1,121	1,055	2,024	1,090	7,840

(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, 2014 *(in thousand of euros except number of employees)*	France	Europe (excluding France)	U.S.A.	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
Intercountry 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. 1.22 & 14)	67,709	46,612	2,305	45,426	45,622	207,674
EBIT (cf. 1.22 & 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.

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 2015 came to € 3 million, compared with € 85 million at June 30, 2014.

This decrease in cash flows from operating activities between the first semesters 2014 and 2015 results from a € 4 million decrease in cash flow from operations and a € 78 million increase in working capital requirement variation.

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

(in thousands of euros)	WCR at 12/31/2013	Change in WCR in 2014	Other changes (1)	WCR at 12/31/2014	Change in WCR in 1st sem. 2015	Other changes (1)	WCR at 1st sem. 2015
Inventories	359,712	20,722	13,771	394,205	6,814	13,837	414,856
Other WCR components	46,028	(1,672)	(8,690)	35,666	130,063	(21,276)	144,453
WCR	**405,740**	**19,050**	**5,081**	**429,871**	**136,877**	**(7,439)**	**559,309**

(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 2015 came to € (94.2) million, compared with € (101.5) million at June 30, 2014.

Acquisitions of intangible and tangible assets

These reflect outflows for industrial investments, which amounted to € (97.1) million in the first semester 2015, compared with € (81.2) million in the first semester 2014, mainly corresponding to the following:

- the main intangible and tangible investments at June 30, 2015 were realized in Egypt with the construction of two coal grinders, which are due to be commissioned at the end of the summer 2015, in Turkey with the modernization and restart of its second kiln at the Bastas plant, in France, in the Unites States and in Switzerland;
- the main intangible and tangible investments at June 30, 2014 were realized in France, Turkey, Switzerland and India.

Acquisition/disposal of shares in consolidated companies

The Group didn't completed acquisition or disposal of shares in consolidated companies during the first half 2015. Consolidated company share acquisitions during the first semester of 2014 resulted in a total cash outflow of € (17.8) million.

The main cash outflow made 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 & Aggregates segment.

NOTE 20 ANALYSIS OF NET CASH BALANCES

(in thousands of euros)	June 30, 2015 Net	December 31, 2014 Net
Cash and cash equivalents (see. note 6)	228,750	268,196
Bank overdrafts	(37,803)	(25,206)
NET CASH BALANCES	**190,947**	**242,990**

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 2015 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, 2015 and 2014 is as follows, broken down by type and by related party:

	June 30, 2015				June 30, 2014			
(in thousands of euros)	Sales	Purchases	Receivables	Debts	Sales	Purchases	Receivables	Debts
Affiliated companies	233	642	7,365	220	376	1,090	5,794	694
Other related parties	23	1,114	-	-	18	1,532	-	-
TOTAL	**256**	**1,756**	**7,365**	**220**	**394**	**2,622**	**5,794**	**694**

NOTE 22 SUBSEQUENT EVENTS

In July 2015, Kalburgi Cement (formerly Vicat Sagar Cement) has redeemed in advance the debt entered into with development finance institutions in return of a strengthening of its equity by Parficim. This refund, amounting to a net € 166 million has not incurred significant transaction costs and did result in the early cancellation of the foreign exchange and interest rate hedging instruments (cross currency swap) set up in 2011. This long-term repayment, financed through allocation of the Vicat lines of credit, will significantly reduce the interests expenses incurred by Kalburgi and by the Group from the end of July.

NOTE 23 LIST OF MAIN CONSOLIDATED COMPANIES AS AT JUNE 30, 2015

Fully consolidated: France

Company	Address	Siren n°	% interest 06/30/2015	% interest 12/31/2014
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	(1)	100.00
ANNECY BETON CARRIERES	14 chemin des grèves 74960 CRAN GEVRIER	326 020 062	49.97	49.97
LES ATELIERS DU GRANIER	Lieu-dit Chapareillan 38530 PONTCHARRA	305 662 504	99.98	99.98
BETON CHATILLONAIS	Champ de l'Allée – ZI Nord 01400 CHATILLON SUR CHALARONNE	485 069 819	99.98	99.98
BETON CONTROLE COTE D'AZUR	217 Route de Grenoble 06200 NICE	071 503 569	99.97	99.98
BETON DE L'OISANS	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	438 348 047	59.98	59.98
LES BETONS DU GOLFE	Quartier les Plaines 83480 PUGET SUR ARGENS	501 192 785	99.98	99.98
LES BETONS DU RHONE	La petite Craz 69720 SAINT LAURENT DE MURE	503 728 164	99.98	99.98

Company	Address	Siren n°	% interest 06/30/2015	% interest 12/31/2014
BETON VICAT	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	309 918 464	99.96	99.96
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	59.99	59.99
DELTA POMPAGE	1327 Av. de la Houille Blanche 73000 CHAMBERY	316 854 363	99.98	99.98
ETABLISSEMENT ANTOINE FOURNIER	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	586 550 147	99.98	99.98
ETABLISSEMENTS TRUCHON	Route du Grésivaudan 38530 Chapareillan	068 500 768	99.97	99.97
GRANULATS VICAT	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	768 200 255	99.97	99.97
MONACO BETON	Le Palais Saint James 5, avenue Princesse Alice 98000 MONACO	326 MC 161	99.98	99.98
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	99.98	99.98
SIGMA BETON	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	343 019 428	99.98	99.98
SOCIETE L. THIRIET ET Compagnie	Lieudit Chaufontaine 54300 LUNEVILLE	762 800 977	99.94	99.95
PAPETERIES DE VIZILLE	Tour Manhattan, 6 Place de l'Iris 92095 PARIS LA DEFENSE	319 212 726	99.98	99.98
VICAT INTERNATIONAL TRADING	Tour Manhattan, 6 Place de l'Iris 92095 PARIS LA DEFENSE	347 581 266	(1)	100.00
VICAT PRODUITS INDUSTRIELS	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	655 780 559	99.98	99.98

(1) Companies merged in 2015.

Fully consolidated: Rest of the world

Company	Country	State/city	% interest 06/30/2015	% interest 12/31/2014
SINAI CEMENT COMPANY	EGYPTE	LE CAIRE	56.94	56.94
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	94.9	94.9
GECAMINES	SENEGAL	THIES	70.00	70.00
POSTOUDIOKOUL	SENEGAL	RUFISQUE (DAKAR)	100.00	100.00
SOCOCIM INDUSTRIES	SENEGAL	RUFISQUE (DAKAR)	99.89	99.89
SODEVIT	SENEGAL	BANDIA	100.00	100.00
ALTOLA 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)	75.42	75.42
BETONPUMPEN OBERLAND AG	SUISSE	WIMMIS (BERN)	82.46	82.46
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)	66.67	66.67
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)	54.48	54.48
FRISCHBETON TAFERS	SUISSE	TAFERS (FRIBOURG)	(1)	50.00
GRANDY AG	SUISSE	LANGENDORF (SOLEURE)	100.00	100.00

(1) Companies merged in 2015.

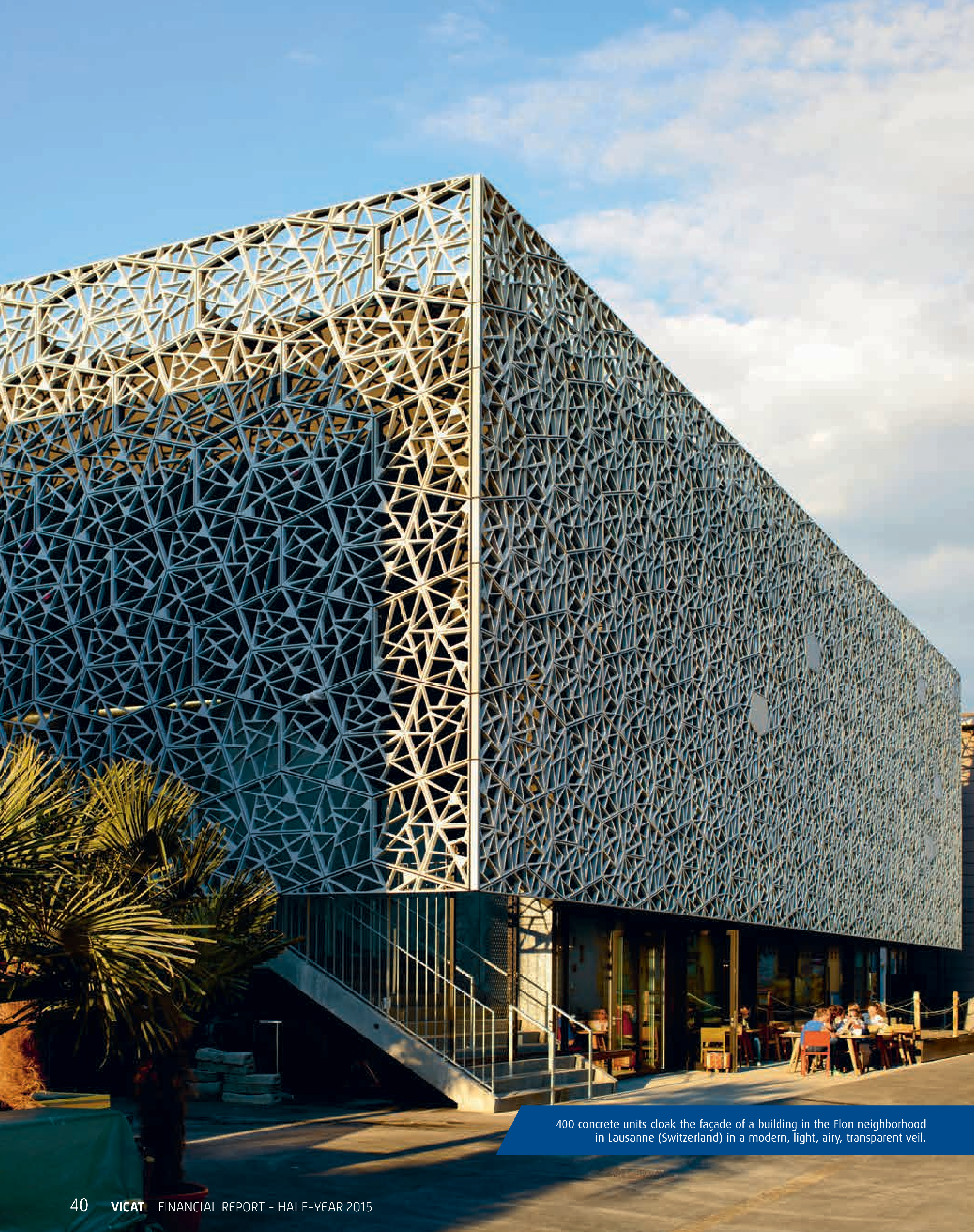
Company	Country	State/city	% interest 06/30/2015	% interest 12/31/2014
KIESTAG STEINIGAND AG	SUISSE	WIMMIS (BERN)	98.55	98.55
KIESWERK NEUENDORF	SUISSE	NEUENDORF (SOLEURE)	100.00	100.00
SABLES + GRAVIERS TUFFIERE SA	SUISSE	HAUTERIVE (FRIBOURG)	50.00	50.00
SHB STEINBRUCH + HARTSCHOTTER BLAUSEE MITHOLZ 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)	90.47	90.47
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
VITRANS AG	SUISSE	PERY (BERN)	100.00	100.00
AKTAS	TURQUIE	ANKARA	99.97	99.97
BASTAS BASKENT CIMENTO	TURQUIE	ANKARA	91.58	91.58
BASTAS HAZIR BETON	TURQUIE	ANKARA	91.58	91.58
KONYA CIMENTO	TURQUIE	KONYA	83.08	83.08
TAMTAS	TURQUIE	ANKARA	100.00	100.00
BSA Ciment SA	MAURITANIE	NOUAKCHOTT	64.91	64.91
BHARATHI CEMENT	INDE	HYDERABAD	51.02	51.02
KALBURGI CEMENT (ex. VICAT SAGAR CEMENT)	INDE	HYDERABAD	99.98	99.98

Equity method: France

Company	Address	Siren no	% interest 06/30/2015	% interest 12/31/2014
CARRIERES BRESSE BOURGOGNE	Port Fluvial Sud de Chalon 71380 EPERVANS	655 850 055	33.27	33.27
DRAGAGES ET CARRIERES	Port Fluvial sud de Chalon 71380 EPERVANS	341 711 125	49.98	49.98
SABLIERES DU CENTRE	Les Genévriers Sud 63430 LES MARTRES D'ARTIERE	480 107 457	49.99	49.99

Equity method: Rest of the world

Company	Country	State/city	% interest 06/30/2015	% interest 12/31/2014
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	14.46	14.46



400 concrete units cloak the façade of a building in the Flon neighborhood in Lausanne (Switzerland) in a modern, light, airy, transparent veil.

HALF-YEAR REPORT AT JUNE 30, 2015

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2.1. CHANGE IN CONSOLIDATED SALES

The Vicat Group's consolidated sales for the first half of 2015 amounted to € 1,243 million, representing an increase of 2 % compared with the same period in 2014.

This growth came from:

- a **positive exchange rate effect of 8.2 %**, characterized by the depreciation of the euro against all other currencies in which the Group operates;
- an **organic decline in activity of - 6.1 %**, related to:
  - a reduction in business activity in France and the rest of Europe, areas that were notably affected by weather conditions less favourable than previous year. In France, despite a slower down trend during the second quarter, the macro-economic and sector conditions remained challenging,
  - weaker sales in West Africa and the Middle East, owing chiefly to a change in the competitive environment in Senegal, and lower prices in Egypt due to Ramadan which this year impacted activity in the month of June,
  - a slight deterioration of activity in Turkey over the first half of the year. It should be noted that although the first quarter was negatively affected by poor weather conditions, the second quarter registered strong growth.

These changes were offset only partially by:

- sustained business activity growth in the USA, in a favourable macro-economic and sector environment;
- an increase in sales in Kazakhstan, supported by a sharp upturn in volumes during the second quarter;
- and lastly, a slight increase in business activity in India, characterized by a significant rise in selling prices.

After a first quarter marked by tough weather conditions in some regions, the improving trends in a number of countries, including Switzerland, Turkey, Kazakhstan, Mali, and, to a lesser extent in France, were reflected in the overall performance of the Group.

The change in consolidated sales as at June 30, 2015 by business segment compared with June 30, 2014 was as follows:

(in millions of euros except %)	June 30, 2015	June 30, 2014	Change	Change (%)	Comprising		
					Exchange rate effect	Change in consolidation scope	Internal growth
Cement	658	633	+ 25	+ 3.9 %	+ 56	-	(32)
Concrete & Aggregates	429	430	(1)	- 0.1 %	+ 34	-	(34)
Other Products and Services	156	155	+ 1	+ 0.5 %	+ 9	-	(8)
TOTAL	**1,243**	**1,218**	**+ 25**	**+ 2.0 %**	**+ 99**	**-**	**(75)**

During the first half of 2015, consolidated sales in the Cement business decreased by - 5.1 % at constant consolidation scope and exchange rates. The USA registered strong growth (+ 18.8 %), Asia recorded a nearly stable volume of activity while France, Europe and Africa & the Middle East experienced a downturn.

The consolidated sales of the Concrete & Aggregates business activity fell by - 8.0 % at constant consolidation scope and exchange rates, marked by a significant decline in France and Switzerland and a slight decrease in Turkey. These decreases were partially offset by a considerable increase in sales in the USA, Senegal and India.

Lastly, the Other Products and Services business activity fell by - 5.4 % 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, 2015	June 30, 2014
Cement	54.8	53.5
Concrete & Aggregates	31.2	31.7
Other Products and Services	14.0	14.8
TOTAL	**100.0**	**100.0**

Over the 1st Half of 2015, operational sales by business shows a slight increase in the Cement division's contribution to 54.8 % against 53.5 % in the first six months of 2014; The operational sales contribution from the Group's Concrete & Aggregates business declined very slightly

to 31.2 % from 31.7 % over the same period in 2014. Lastly, the contribution made by Other Products & Services contracted to 14.0 % of the Group's operational sales from 14.8 % in the first half of 2014.

The share of the Group's main businesses, i.e. Cement, Concrete & Aggregates, saw marginal growth to 86 % of operational sales.

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

	June 30, 2015	June 30, 2014	Change
Cement *(thousand t)*	9,876	10,572	- 6.6 %
Concrete *(thousand m³)*	4,002	4,150	- 3.6 %
Aggregates *(thousand t)*	10,048	11,002	- 8.7 %

With regard to cement, the fall in volumes (- 6.6 %) during the first half of 2015 was due to:

- a significant decline in volumes in India (- 22 %), reflecting the more selective business strategy implemented by the Group to reap the full benefit of the firm recovery in selling prices;
- a drop in volumes in West Africa (- 8 %), due to heightened competitive pressure in Senegal and technical constraints which affected deliveries in Mali, especially, during the first quarter;
- the reduction in business activity in France with an - 8 % fall in volumes, due partly to the fact that the economic climate remained challenging, but also due to a significant unfavourable basis of comparison associated with the exceptionally mild weather conditions that characterized the first quarter of 2014;
- a decline in volumes delivered in Italy (- 30 %), due to poor macro-economic and sector conditions and the will to control credit risk, as well as in Switzerland (- 5 %) due to the very unfavourable meteorological basis of comparison and the completion of some major contracts during the summer of 2014. It should be noted that the volumes delivered during the second quarter in Switzerland were stable;
- lastly, in Turkey, volumes remained nearly stable over the period (- 1 %), the increase recorded in the second quarter making up for the decline recorded in the first quarter.

The drop in volumes experienced in these countries was partly offset by:

- strong volume growth in Kazakhstan (+ 14 %), the increase recorded in this country during the second quarter helped to make up the first quarter decline;
- continued growth in volumes in the USA (+ 10 %) in macro-economic and sector conditions that remain favourable;
- slight growth in Egypt (+ 3 %), predominantly during the second quarter.

As for the pricing effect, positive throughout the first half of the year, it was slightly contrasted changes depending on the geographical regions:

- prices increased significantly in India, given the selective strategy introduced in the second half of 2014, and in the USA, supported by the dynamic market. There was also a slight pricing increase in Turkey and Mauritania;
- in France, Switzerland, Italy, Senegal and Mali, prices decreased slightly;
- lastly, in Kazakhstan and Egypt, more significant pricing decreases were recorded.

With regard to the Concrete & Aggregates business segment:

- concrete volumes fell by - 3.6 %. This change was due to a significant decline in volumes in France (- 14 %) and Switzerland (- 15 %), resulting from an unfavourable climatic basis of comparison, the difficult macro-economic environment in France and the completion of major projects in Switzerland during the third quarter of 2014. This decrease was offset partially by strong volumes growth in the USA (+ 10 %) and Turkey (+ 4 %). Notwithstanding the above, and despite the fact that sales prices declined slightly in France, they did increase slightly in Turkey and more significantly in Switzerland thanks to a more favourable client mix;
- aggregates volumes fell by - 8.7 %. This drop was the result of poor activity in France and Switzerland during the first half of this year, with volumes down respectively by - 17 % and - 12 %, partially offset by a significant increase in activity in India (+ 38 %) and slight in Senegal (+ 1 %). Volumes were stable in Turkey. Selling prices fell marginally in Turkey and Senegal. On the other hand, they increased slightly in Switzerland and more significantly in France.

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Breakdown of consolidated sales by geographical region:

(in millions of euros)	June 30, 2015	%	June 30, 2014	%
France	388	31.2 %	437	35.9 %
Europe (excluding France)	206	16.6 %	203	16.7 %
USA	163	13.1 %	116	9.5 %
Asia	286	23.0 %	254	20.8 %
Africa & Middle East	199	16.0 %	208	17.1 %
TOTAL	**1,243**	**100.0 %**	**1,218**	**100.0 %**

By geographical region and based on published figures, the share of consolidated sales achieved in France and Africa & Middle East declined significantly. The share of sales achieved in Europe (excluding France) remained stable; while the share of sales generated in Asia and the USA recorded substantial growth.

Breakdown of operational sales for the first half of 2015 by region and by business segment:

(in millions of euros)	Cement	Concrete & Aggregates	Other Products and Services	Operational sales	Elimination of inter-segment sales	Consolidated sales
France	172	182	113	467	(79)	388
Europe (excluding France)	84	83	66	233	(27)	206
USA	80	114		194	(30)	163
Asia	250	49	18	317	(32)	286
Africa, Middle East	187	13		200	0	199
Operational sales	**773**	**441**	**197**	**1,411**	**(168)**	**1,243**
Elimination of inter-segment sales	(115)	(11)	(42)		(168)	
CONSOLIDATED SALES	**658**	**429**	**156**			**1,243**

2.2. CHANGE IN OPERATING INCOME

(in millions of euros)	June 30, 2015	June 30, 2014	Change	Change at constant consolidation scope and exchange rates
Sales	1,243	1,218	+ 2.0 %	- 6.1 %
EBITDA	203	208	- 2.2 %	- 10.1 %
EBIT	93	115	- 19.2 %	- 25.4 %
Operating income	93	112	- 17.0 %	- 23.4 %

The Group's consolidated EBITDA dropped - 2.2 % to € 203 million. At constant scope and exchange rates, the decline came to - 10.1 %.

2015 EBITDA was reduced by a € (5.1) million charge related to a change in accounting standards (IFRIC 21). On a *pro forma* basis, 2015 EBITDA came to € 208 million, up + 0.2 % on a reported basis and down - 7.6 % at constant scope and exchange rates. This change in accounting standards led to a negative impact of € (3.4) million in France, € (1.0) million in West Africa, € (0.4) million in Kazakhstan and € (0.3) million in the United States. EBIT and operating profit were affected by the same amount. The impact on consolidated net income was € (3.8) million and the impact on cash flow € (5.0) million.

The decline in EBITDA at constant scope and exchange rates mainly reflected:

- a strong decline in France's contribution due to a still challenging economic climate and a highly unfavourable base of comparison given the extremely mild weather conditions that prevailed in the first quarter of 2014;
- a large fall in EBITDA in Egypt owing primarily to the sharp increase in energy costs during the period and the fall in prices recorded in the second quarter since Ramadan took place in June this year. Against this backdrop, the Group continued to build two coal grinders, still on track to be commissioned in late August 2015. This access to a readily available and much less expensive fuel source will enable the Group to operate far more efficiently from that date onwards;

- a lower EBITDA contribution from Switzerland, where performance was held back by a decrease in volumes owing to a highly challenging base of comparison in the first quarter and completion of major infrastructure projects in the third quarter, together with pricing erosion in the Cement business following gains in value of the Swiss franc against the euro. EBITDA improved substantially in the second quarter, reducing by half the size of the first-quarter decline;
- a fall in EBITDA in Turkey owing to a contraction in profitability in the Concrete & Aggregates business partly offset by improvement in the Cement business. This decline was limited by a strong improvement in the second quarter.

These negative factors were compensated in part by:

- a very substantial increase in EBITDA in the United States on the back of solid growth in volumes and selling prices;
- a strong improvement in performance in India given the selective business strategy adopted by the Group in the second half of 2014, which drove a significant recovery in selling prices, thereby making up to a very large extent for the impact of lower volumes. Accordingly, the Group's first-half EBITDA was on a par with that recorded over 2014 as a whole.

Taking these factors into account, the EBITDA margin on consolidated sales stood at 16.3 % of sales, down from 17.1 % in the first half of 2014. Excluding the change in accounting standards, EBITDA margin was almost stable at 16.8 %.

After an unrepresentative first quarter in a number of countries given seasonal trends and particularly this year owing to the far less favourable weather conditions than in 2014, the Group's EBITDA generation reflected the marked improvement in the trends during the second quarter, especially in France, the United States, Switzerland, Turkey and Kazakhstan.

EBIT came to € 93 million compared with € 115 million in the first half of 2014. The decline (fall of € (22) million) came from a lower operating margin and a higher charge for depreciation, amortisation and provisions owing largely (negative impact of € (9) million) to currency effects.

The EBIT margin based on consolidated sales stood at 7.5 % of sales, compared with 9.5 % in the first six months of 2014.

2.2.1. CHANGE IN OPERATING INCOME BY DIVISION

2.2.1.1. Cement

(in millions of euros)	June 30, 2015	June 30, 2014	Change (%) Reported	Change (%) At constant scope and exchange rates
Volume *(thousands of tonnes)*	9,876	10,572	- 6.6 %	
Operational sales	773	743	+ 3.9 %	- 4.9 %
Consolidated sales	658	633	+ 3.9 %	- 5.1 %
EBITDA	163	155	+ 5.0 %	- 3.2 %
EBIT	86	95	- 8.8 %	- 14.9 %

In the first half of 2015, the Cement business posted a + 3.9 % increase in operational sales, and a - 4.9 % decline at constant scope and exchange rates. Selling price trends varied from one region to another, with a significant rise in India and the United States and a smaller one in Turkey. While prices remained broadly unchanged in Mauritania and Mali, other regions experienced modest pricing erosion given the adverse macroeconomic and competition-related factors specific to each country. Overall, the price effect was slightly positive over the first half of the year.

The broadly positive trend in selling prices came with a - 6.6 % volume contraction. This decline in volumes, which was significant in India, France and West Africa, but more moderate in Switzerland and Turkey, was partially offset by the growth recorded in the United States, Egypt and Kazakhstan.

Accordingly, EBITDA came to € 163 million, up + 5.0 % on a reported basis, but down - 3.2 % at constant scope and exchange rates. This trend reflected a significant contraction in the contribution from Egypt and France and, to a lesser extent, Europe (excluding France) and Kazakhstan, partially offset by the strong rises recorded in India and the United States.

2.2.1.2. Concrete & Aggregates

(in millions of euros)	June 30, 2015	June 30, 2014	Change (%)	
			Reported	At constant scope and exchange rates
Concrete volumes *(thousands of m³)*	4,002	4,150	- 3.6 %	
Aggregates volumes *(thousands of tonnes)*	10,048	11,002	- 8.7 %	
Operational sales	441	440	+ 0.1 %	- 7.7 %
Consolidated sales	429	430	- 0.1 %	- 8.0 %
EBITDA	27	36	- 24.9 %	- 31.8 %
EBIT	2	14	- 82.4 %	- 89.6 %

The Concrete & Aggregates business recorded stable operational sales on a reported basis, or a decline of - 7.7 % at constant scope and exchange rates compared with the first half of 2014. This performance reflected a business contraction in France and Switzerland, partially offset by strong business growth in the United States and, to a lesser extent, India. Taking these factors into account, EBITDA came to € 27 million, representing a marked year-on-year decline owing to the contraction in France, Switzerland and Turkey.

2.2.1.3. Other Products & Services

(in millions of euros)	June 30, 2015	June 30, 2014	Change (%)	
			Reported	At constant scope and exchange rates
Operational sales	197	205	- 3.7 %	- 8.6 %
Consolidated sales	156	155	+ 0.5 %	- 5.4 %
EBITDA	13	17	- 20.7 %	- 28.4 %
EBIT	4	7	- 38.0 %	- 43.4 %

Operational sales declined by - 3.7 % on a reported basis and by - 8.6 % at constant scope and exchange rates.

EBITDA came to € 13 million, down - 28.4 % at constant scope and exchange rates compared with the first half of 2014.

2.2.2. CHANGE IN OPERATING INCOME BY GEOGRAPHICAL REGION

2.2.2.1. Income statement, France

(in millions of euros)	June 30, 2015	June 30, 2014	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	388	437	- 11.1 %	- 11.1 %
EBITDA	49	68	- 27.5 %	- 27.5 %
EBIT	18	42	- 56.7 %	- 56.7 %

Consolidated sales in France fell - 11.1 % at constant scope and exchange rates to € 388 million. First-half performance was pulled down by a persistently challenging economic climate and a highly unfavourable base of comparison given the extremely mild weather conditions that prevailed in the first quarter of 2014. The gradual improvement in weather conditions during the second quarter helped to limit the decline

over the first half as a whole, with sales dropping - 8.0 % in the last three months after a - 15.0 % decrease in the first quarter. EBITDA fell back - 27.5 %. Excluding the impact of adopting IFRIC 21, EBITDA was lower by - 22.5 % to € 52.5 million.

- **In the Cement business,** operational sales declined by - 10.5 % over the first half as a whole (consolidated sales down - 8.3 %). Operational sales recorded by the business dropped - 7.5 % in the second quarter after a - 14.1 % decline in the first quarter. With the unfavourable base of comparison linked to first-quarter weather conditions and the macroeconomic environment, volumes declined by close to - 8 % over the first half as a whole, with a drop of more than - 11 % in the first and of - 5 % in the second quarter. Selling prices edged very slightly lower over the first half. Taking these factors into account, the Group recorded a significant decline in its EBITDA of - 16.9 %.
- **In the Concrete & Aggregates business,** operational sales moved - 16.1 % lower (consolidated sales down - 16.5 %) owing to a significant decline in volumes in concrete (down - 14 %) and aggregates (down - 17 %). After the very steep decline in operational sales recorded by the business in the first quarter (down - 21.3 %), the second-quarter decrease was less marked (down - 11.7 %). The significant volume contraction over the first half also reflected the impact of weak demand in a challenging macroeconomic environment and far less favourable weather conditions than in 2014. Selling prices held up fairly well, declining only modestly in concrete and actually recording a healthy increase in aggregates owing to a positive shift in the product mix. As a result, the EBITDA posted by the business recorded a marked decline of - 49.4 %.
- **In the Other Products and Services business,** consolidated sales declined by - 2.7 %. The EBITDA came to € 4 million, down - 50.8 % on its first-half 2014 level.

2.2.2.2. Income statement for Europe (excluding France)

(in millions of euros)	June 30, 2015	June 30, 2014	Change (%) Reported	Change (%) At constant scope and exchange rates
Consolidated sales	206	203	+ 1.5 %	- 11.8 %
EBITDA	49	47	+ 4.1 %	- 9.7 %
EBIT	28	29	- 4.3 %	- 17.3 %

First-half 2015 sales recorded in Europe, excluding France, rose by + 1.5 % on a reported basis, but moved - 11.8 % lower at constant scope and exchange rates.

In **Switzerland**, the Group's consolidated sales rose by + 3.2 % in the first six months of 2015. At constant scope and exchange rates, they declined by - 10.7 %. This strong contraction reflected the unfavourable base of comparison created by the exceptionally mild weather conditions of the first quarter of 2014 and the end of a number of major projects in August 2014. EBITDA generated in Switzerland came in + 4.1 % higher in reported figures. This as the favourable evolution in exchange rates over the period compensated the negative impact on the competitiveness of the Swiss economy and the construction sector that stemmed from the brutal reevaluation of the Swiss franc that took place early in the year.

To note, the EBITDA generated in Switzerland improved significantly in the second quarter compared with the same period of 2014.

- **In the Cement business,** operational sales rose by + 4.1 %, but declined - 10.0 % at constant scope and exchange rates. Consolidated sales advanced by + 8.7 %, but fell - 6.0 % at constant scope and exchange rates. After a significant decline in its first-quarter operational sales (down - 13.8 % at constant scope and exchange rates and down - 1.7 % on a reported basis), second-quarter sales recorded a smaller contraction (down - 6.7 % at constant scope and exchange rates and up + 8.9 % on a reported basis). Over the first half as a whole, volumes fell by more than - 5 % as a result of the highly unfavourable "weather-related" base of comparison and the completion of some major projects in summer 2014. Meanwhile, selling prices edged lower owing to fiercer competition in border areas after the Swiss franc reevaluation. The EBITDA posted by this business moved up + 13.1 % over the first half as a whole, but declined by - 2.1 % over the period at constant scope and exchange rates.
- **In the Concrete & Aggregates business,** operational sales were stable (down - 0.5 %), but declined - 13.9 % at constant scope and exchange rates. The same pattern was evident in this business, too, with a firmer performance in the second than the first quarter: operational sales declined by just - 7.1 % at constant scope and exchange rates (up + 8.3 % on a reported basis) after a - 22.4 % fall in the first quarter (down - 11.4 % on a reported basis). The key factors behind this first-half business contraction were declines in concrete volumes of close to - 15 % and of over - 12 % in aggregates. Even so, ex-works selling prices remained firm given a more favourable customer mix after the significant decline in deliveries to major projects. As a result, the EBITDA generated by this business dropped - 18.4 % at constant scope and exchange rates.

- Consolidated and operational sales recorded by the **Precast business** fell - 10.4 % at constant scope and exchange rates owing chiefly to a drop in sales of rail sleepers following completion of the Gotthard tunnel and the later, but brisk start-up of replacement and modernisation work. In this business, the Group posted an increase in its consolidated second-quarter sales, up + 1.3 % at constant scope and exchange rates (up + 17.9 % on a reported basis), after a decline of - 27.2 % in the first quarter (down - 16.9 % on a reported basis). Accordingly, EBITDA declined by - 11.5 % at constant scope and exchange rates over the first half period.

In **Italy**, consolidated sales fell back - 33.3 % owing to a significant contraction in volumes sold (down - 30 %) in a domestic market still very badly affected by the macroeconomic and industry environment and the Group's selective business policy aimed at keeping a tight rein on its credit risk. Against this backdrop, selling prices moved slightly lower. As a result of these factors, EBITDA contracted by - 30.9 %.

2.2.2.3. Income statement for the United States

			Change (%)	
(in millions of euros)	**June 30, 2015**	**June 30, 2014**	**Reported**	**At constant scope and exchange rates**
Consolidated sales	163	116	+ 41.2 %	+ 15.0 %
EBITDA	13	2	+ 464.5 %	+ 359.6 %
EBIT	(1)	(9)	+ 88.4 %	+ 90.6 %

Business in the United States continued to recover in a firm macroeconomic environment providing support for the construction sector. As a result, the Group's consolidated sales rose by + 41.2 % or by + 15.0 % at constant scope and exchange rates. EBITDA totalled € 13 million, representing a very strong increase on the € 2 million recorded in the first half of 2014. In the second quarter, the Group's business in the region held up at a brisk level, with its consolidated sales advancing by + 12.8 % at constant scope and exchange rates (up + 17.7 % in the first quarter).

- **In the Cement business,** operational sales grew by + 22.1 % at constant scope and exchange rates (up + 49.9 % on a reported basis). Consolidated sales moved up + 18.8 % at constant scope and exchange rates (up + 45.9 % on a reported basis). Growth continued in the second quarter, with operational sales advancing by + 18.2 % at constant scope and exchange rates, a slower pace than the + 27.6 % growth in the first quarter owing to a less flattering base of comparison. Volumes delivered continued to rise (up + 10 %), with growth significantly more rapid in the South-East (+ 17 %) as a result of the momentum in the Atlanta market, which had been severely hit by poor weather conditions at the beginning of 2014, than in California (+ 4 %), as direct projects began at a later date there this year. Prices rose significantly across both areas as a result of the price hikes introduced in 2014 and those announced during the first half of 2015. Supported by these factors, the Group's EBITDA in this business made very significant headway in the first half of 2015 to reach close to € 10 million, on a par with its level over 2014 as a whole (€ 11 million).
- **In the Concrete business,** consolidated sales and operational sales both climbed + 13.3 % at constant scope and exchange rates (up + 39.2 % on a reported basis). In this business, too, second-quarter performance reflected the upturn in the Group's business in the region, with operational sales growing by + 11.7 % at constant scope and exchange rates, even though the pace of increase was slightly weaker than in the first quarter (+ 15.3 %), just as in the Cement business. Volumes rose by close to + 10 % across the region. While they posted a significant increase in California (+ 14 %), they were stable in the South-East owing to heavy second-quarter rainfall. Prices edged higher in California as a result of the traditionally fiercer competition there, but made firmer gains in the South-East. Accordingly, the EBITDA recorded by the business posted a significant increase (up + 61.1 % on a reported basis and up + 31.2 % at constant scope and exchange rates).

2.2.2.4. Income statement for Turkey, India and Kazakhstan

(in millions of euros)	June 30, 2015	June 30, 2014	Change (%) Reported	At constant scope and exchange rates
Consolidated sales	286	254	+ 12.6 %	+ 0.3 %
EBITDA	62	45	+ 37.2 %	+ 21.5 %
EBIT	36	24	+ 52.8 %	+ 36.3 %

Sales across the region came to € 286 million, a significant increase on a reported basis (+ 12.6 %) and stable (+ 0.3 %) at constant scope and exchange rates.

In **Turkey**, sales came to € 111 million, up + 1.3 % but down - 2.3 % at constant scope and exchange rates. While business was heavily disrupted in the first quarter by weather conditions (down - 16.8 % at constant scope and exchange rates), it posted a healthy recovery in the second quarter (up + 7.6 % at constant scope and exchange rates). As a result, first-half EBITDA came to € 21 million, down - 7.1 % on a reported basis and down - 10.4 % at constant scope and exchange rates.

- **In the Cement business,** the Group recorded a very small decrease in its operational sales of - 1.2 % at constant scope and exchange rates (down - 2.6 % on a consolidated basis). On a reported basis, operational and consolidated sales grew by + 2.5 % and + 1.0 % respectively. Following the marked decline in operational sales in the first quarter (down - 18.5 % at constant scope and exchange rates), business picked up strongly during the second quarter (up + 10.4 % at constant scope and exchange rates). Volumes declined slightly over the first half as a whole in spite of a healthy rebound in the second quarter, with support from the improvement in weather conditions from March onwards. Selling prices continued to firm up, especially in the Bastas area, helping to offset the volume downturn. Accordingly, EBITDA generated by the business posted an increase of + 6.5 % at constant scope and exchange rates.
- **The operational sales recorded by the Concrete & Aggregates business** edged down - 0.8 % at constant scope and exchange rates (up + 2.9 % on a reported basis). Consolidated sales declined by - 1.8 % (up + 1.8 % on a reported basis). The business recovery in the second quarter (operational sales up + 8.7 % at constant scope and exchange rates) helped to make up for the marked decline in the first (down - 12.5 % at constant scope and exchange rates) as a result of weather conditions. Over the first half as a whole, volumes sold rose by more than + 3 % in concrete and were stable in aggregates. Selling prices moved slightly slower, with the decline more tangible in concrete than aggregates. As a result of these factors, especially the important downturn in first-quarter business trends, EBITDA recorded a first-half loss of € (1.4) million from a gain of + € 2.5 million in the first half of 2014.

In **India**, the Group posted consolidated sales of € 137 million in the first half of 2015, up + 21.4 % on a reported basis and up + 2.2 % at constant scope and exchange rates. Volumes sold declined by close to - 22 % during the first half to almost 2 million tonnes. This decline, which came after the "deliberate" ramp-up in its markets by Kalburgi Cement (formerly Vicat Sagar Cement) in the first half of 2014, reflects the more selective business strategy implemented by the Group from the second half of 2014 across all its operations to reap the full benefit of the firm recovery in selling prices. As a result of these factors, selling prices recorded a significant increase compared with the first half of 2014, making up for the volume contraction to a very large extent. Accordingly, EBITDA rose by + 114.7 % at constant scope and exchange rates to reach € 30.2 million, slightly ahead of the level recorded in 2014 as a whole.

In **Kazakhstan**, consolidated sales advanced by + 20.0 % on a reported basis and by + 2.4 % at constant scope and exchange rates to reach € 37.7 million. The second-quarter business recovery (+ 9.1 %) helped to make up for the first-quarter decline (down - 14.3 % at constant scope and exchange rates) with the + 23 % volume growth in the second quarter offsetting the - 9 % contraction in the first quarter. The significant adjustment in the Russian rouble against the Kazakhstani tenge in the second quarter helped to ease the pressure of Russian importers in the first quarter. Overall, volumes rose by more than + 14 % in the period. Selling prices declined slightly because of the depressed macroeconomic environment caused by the fall in commodity prices and tighter monetary conditions.

First-half EBITDA totalled € 10.9 million, up + 1.8 % on a reported basis, but down - 13.2 % at constant scope and exchange rates.

2.2.2.5. Income statement for Africa and the Middle East

(in millions of euros)	June 30, 2015	June 30, 2014	Change (%) Reported	Change (%) At constant scope and exchange rates
Consolidated sales	199	208	- 4.4 %	- 9.6 %
EBITDA	30	46	- 34.0 %	- 35.1 %
EBIT	12	29	- 59.9 %	- 58.9 %

In the Africa and Middle East region, sales came to € 199 million, down - 4.4 % on a reported basis and down - 9.6 % at constant scope and exchange rates. The Group's performance was marked across the region by a fall in sales, but more significantly in West Africa given the change in the competitive landscape in Senegal. Performance in Egypt was affected by a fall in selling prices during the second quarter owing partly to Ramadan beginning in June this year. In addition, profitability in Egypt was also pulled down by a significant rise in fuel costs given the halt to gas deliveries at the end of the first half of 2014 and their replacement by a significantly more expensive fuel mix from the second half of 2014 onwards. As a result, EBITDA recorded a marked decline of - 35.1 % at constant scope and exchange rates across the Africa and Middle East region.

- In **Egypt**, sales came to € 67.0 million, up + 8.4 % on a reported basis but down - 5.0 % at constant scope and exchange rates. This trend reflected volume growth of close to + 3 % on the back of a solid recovery in the second quarter (+ 6 %), which helped to offset in full the first-quarter contraction (- 1 %). This increase in volumes made up to some extent for the pricing erosion in the second quarter, especially since Ramadan began in June this year. In addition, the Group continued to build two coal grinders, which are still on track for commission in late August 2015, to address the energy supply and costs issues. This access to a readily available and much less expensive fuel source will enable the Group to operate far more efficiently from that date onwards. In the meantime, EBITDA recorded a marked decline in the first half, settling at breakeven point, down from € 16 million in the same period of 2014.
- In **West Africa**, sales declined - 11.6 % at constant scope and exchange rates (down - 9.8 % on a reported basis) from a very high level of activity in 2014. Volumes fell in a market that remained firm, even if growing at a slower pace, owing to technical constraints in the first quarter and, most of all, the arrival of a new competitor in Senegal. Volumes declined by around - 8 % overall. Selling prices fell back slightly as a result of the stronger competitive environment in Senegal. Conversely, they remained close to stable in Mali and Mauritania. The decline in sales at constant scope and exchange rates across the region was more significant in the second quarter (down - 16.4 %) than in the first (down - 6.6 %). Accordingly, the Group took a number of initiatives in Senegal to adapt to this new situation and these helped to deliver a very small increase in EBITDA over the period to € 31 million, up + 1.0 % at constant scope and exchange rates (up + 2.9 % on a reported basis).

2.3. CHANGE IN FINANCIAL INCOME

(in millions of euros)	June 30, 2015	June 30, 2014	Change
Cost of net borrowings and financial liabilities	(21.7)	(23.5)	- 7.6 %
Other financial income and expenses	(6.1)	(6.2)	- 1.6 %
FINANCIAL INCOME (EXPENSE)	**(27.8)**	**(29.7)**	**- 6.3 %**

Financial income improved by + 6.3 % to € (27.8) millions, largely thanks to a cost reduction of the Group's financial debt.

Other financial income and expenses were stable, the reduction in foreign exchange losses offsetting the decline in income from securities and negative value adjustments of derivative financial instruments.

2.4. CHANGE IN INCOME TAXES

(in millions of euros)	June 30, 2015	June 30, 2014	Change
Current taxes	(37.3)	(41.8)	- 10.9 %
Deferred taxes	+ 12.3	+ 13.4	- 7.9 %
TOTAL TAXES	**(24.9)**	**(28.4)**	**- 12.4 %**

The change in tax charge reflects the decrease in income before tax and the increase in the amount of withholding tax on dividends paid by some foreign subsidiaries. Adjusted for these withholding levies, the effective tax rate was stable at 31.6 % of income before tax compared with 31.5 % in the first half of 2014.

2.5. CHANGE IN NET INCOME

The consolidated net income fell by - 23.2 % on a reported basis to € 43 million.

The net income attributable to the Group fell by - 33.5 % on a reported basis to € 34 million.

2.6. CHANGE IN FINANCIAL POSITION

As at June 30, 2015, the Group had a solid financial structure with significant shareholders' equity and a nearly stable net debt compared with June 30, 2014. It increased by € 169 million compared with December 31, 2014, owing to the seasonality of the Group's working capital requirements. Gross and net debt, excluding put option and including financial instruments assets, were € 1,420 million and € 1,191 million respectively.

On this basis, the Group's gearing stood at 46.8 % at June 30, 2015, down from 52.7 % at June 30, 2014, and the leverage ratio at 2.7x, stable compared with June 30, 2014.

(in millions of euros)	June 30, 2015	June 30, 2014
Gross financial debt	1,420	1,414
Cash	(229)	(231)
Net financial debt (excluding option)	**1,191**	**1,183**
Consolidated shareholders' equity	**2,545**	**2,246**
Gearing ratio	*46.80 %*	*52.65 %*
EBITDA (last 12 months)	437	433
Leverage ratio	*X 2.7*	*X 2.7*

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, 2015, 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 are not assigned to hedge the liquidity risk on commercial papers, amounting to € 205 million as at June 30, 2015 (€ 236 million as at June 30, 2014).

The Group also has a € 450 million commercial paper issue program. As at June 30, 2015, € 384 million in commercial papers 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.

As at June 30, 2015, for the total gross debt of € 1,420 million, the fixed rate portion was € 853 million. With the exception of Kazakhstan, the variable rate share of the debt was hedged by hedging instruments which totaled € 245 million (caps and swaps).

2.7. RECENT EVENTS

In July 2015, Kalburgi Cement (formerly Vicat Sagar Cement) has redeemed in advance the debt entered into with development finance institutions in return of a strengthening of its equity by Parficim. This refund, amounting to a net € 166 million has not incurred significant transaction costs and did result in the early cancellation of the foreign exchange and interest rate hedging instruments (cross currency swap) set up in 2011. This long-term repayment, financed through allocation of the Vicat lines of credit, will significantly reduce the interests expenses incurred by Kalburgi Cement and by the Group from the end of July onwards.

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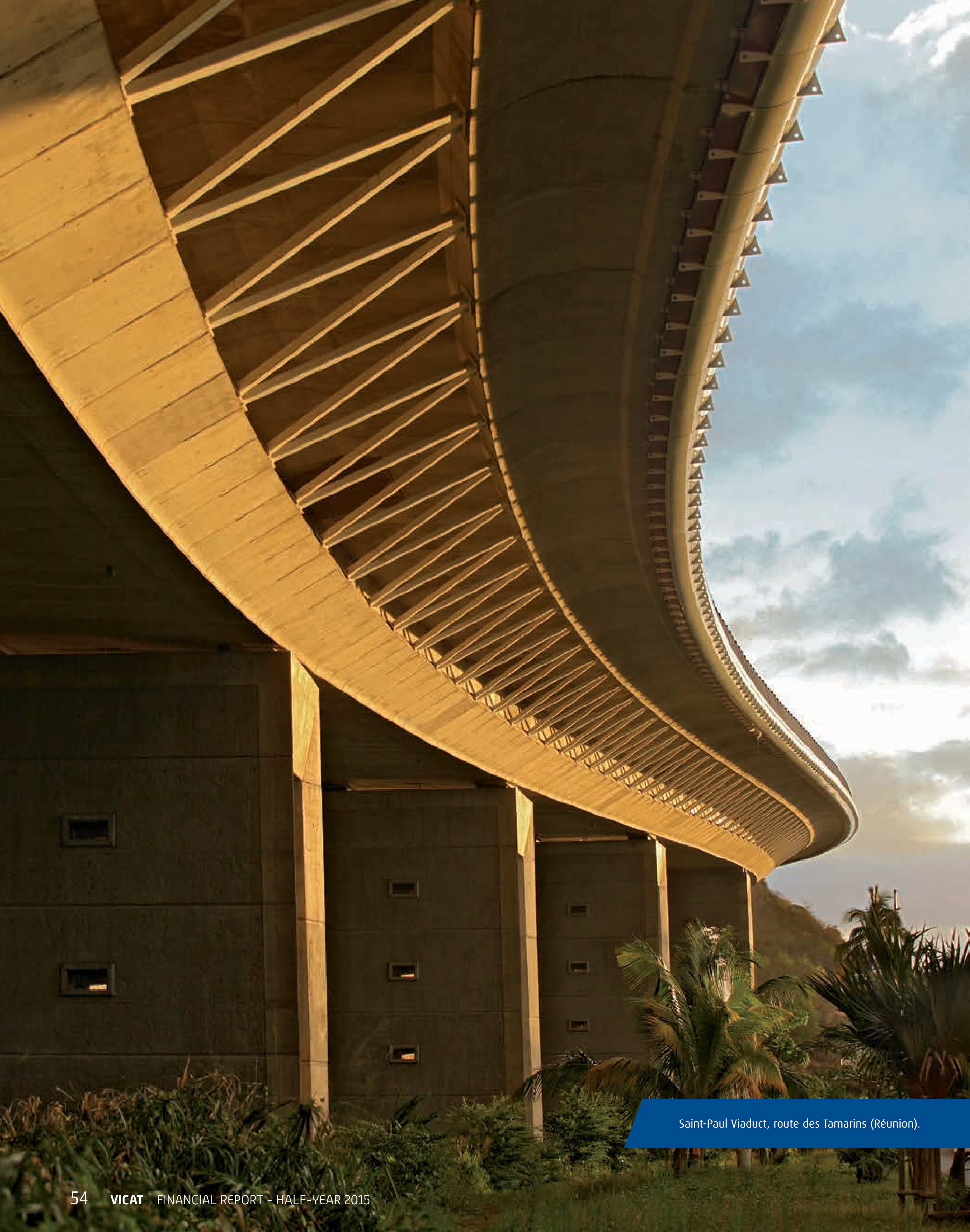
2.8. OUTLOOK FOR 2015

In 2015, the Group expects further improvements in its performance, capitalising on ongoing growth in emerging markets and recovery in the United States. It should also benefit gradually from lower energy costs and the favourable variations in exchange rates. Lastly, the Group will continue in 2015 to pursue its policy of optimising cash flows and improving its debt ratios.

For 2015, the Group provides the following comments concerning its markets:

- **in France,** the Group expects the macro-economic environment to remain unfavourable to the construction sector. The first half of the year has been characterised by a particularly challenging comparison base due to the exceptional weather conditions recorded during this period in 2014. In the second half of the year, the Group expects stabilisation or even very gradual improvement in the construction sector. In view of these factors, volumes are likely to be down over the full year, in a globally unchanged pricing environment;
- **in Switzerland,** the Group expects its performance to remain robust in 2015, after having been impacted in the first half of the year by less favourable weather conditions than in 2014 and by the completion of major projects in the second half of 2014. The second half of the year could however benefit from the launch of new infrastructure works. On this basis, volumes are expected to remain close to 2014 levels, with slightly lower prices, mainly in border areas;
- **in Italy,** with the economic climate likely to continue to be marked by recession, volumes are expected to decrease, but at a slightly slower pace. Meanwhile, in light of the first signs of consolidation in this market and the Group's selective sales and marketing policy, the trend in selling prices could be more favourable;
- **in the United States,** volumes are expected to rise further, in line with the rate of sector recovery in the country. Selling prices should also increase in the two regions in which the Group operates;
- **in Turkey,** market momentum is expected to remain brisk. The Group should capitalise fully on its strong positions in the Anatolian plateau and its efficient production facilities. In this respect, the Group will benefit from the modernisation and restart of its second kiln at the Bastas plant at the end of the year. In this environment, the trend in selling prices should remain favourable but volatile;
- **in Egypt,** the gradual restoration of security should enable the Group to confirm the upturn in sales over the course of the year. First-half performance was affected by still high energy costs. In the second half of the year, the Group should achieve a significant a sharp reduction in these costs once the two coal grinders will be commissioned, expected at the end of the summer. Against this backdrop, volumes are expected to continue to grow in a pricing environment that should remain highly volatile;
- **in West Africa,** the market is expected to remain well oriented over the course of the year. However, the competitive climate is likely to become more difficult due to the ramp up of the new player;
- **in India,** the Group remains very confident about its ability to capitalise fully on the quality of its production facilities, staff and positions in a market that should benefit this year from an upturn in the macro-economic environment and more particularly from the announced investments in infrastructure. In a context that should remain favourable for growth in cement consumption, prices – although expected to remain very volatile – should overall be well oriented over the full year;
- **in Kazakhstan,** the Group will be able to leverage on the quality of its production unit and staff in an environment that should remain marked by a tight monetary situation, with the possibility of further correction in the course of the year. In this environment, the competitive situation might become more difficult despite the market's growth potential, which remains intact.


Saint-Paul Viaduct, route des Tamarins (Réunion).

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 refl ection 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 42 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, July 31, 2015

Guy Sidos

Chairman and C.E.O.

The inside of a cement kiln prior to firing up.

STATUTORY AUDITOR'S REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly 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 period from January 1 to June 30, 2015

To the Shareholders,

In compliance with the assignment entrusted to us by shareholders' 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 period from January 1 to June 30, 2015;
- the verification of the information presented in the half-yearly 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 the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements 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, on July 31, 2015

KPMG Audit
Département de KPMG SA
Bertrand Desbarrières
Partner

Chamalières, on July 31, 2015

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