



Sales to 31 March 2016

- Firm activity in all countries at constant scope and exchange rates except West Africa
- Improvement in activity confirmed in France, Egypt and Turkey
- Continued growth in India and the United States

Paris La Défense, 27 April 2016: The Vicat Group (NYSE Euronext Paris: FR0000031775 – VCT) has today reported sales for the period ended 31 March 2016 of €554 million, up +3.3% on a reported basis and up +6.5% at constant scope and exchange rates.



Consolidated sales by business segment:

(€ millions)	31 March 2016	31 March 2015	Change (%)	
			Report ed	At constant scope and exchange rates
Cement	291	291	+0.2%	+5,0%
Concrete & Aggregates	198	184	+7.5%	+9.1%
Other Products & Services	65	62	+5.0%	+5.8%
Total	554	537	+3.3%	+6.5%

VICAT INVESTOR CONTACTS:

STÉPHANE BISSEUIL
TEL. +33 (0)1 58 86 86 13
stephane.bisseuil@vicat.fr

VICAT PRESS CONTACTS:

MARION GUERIN
TEL. +33 (0)1 58 86 86 26
marion.querin@tbwacorporate.com

HEAD OFFICE:

TOUR MANHATTAN
6 PLACE DE L'IRIS
F-92095 PARIS - LA DEFENSE
CEDEX
TEL.: +33 (0)1 58 86 86 86
FAX: +33 (0)1 58 86 87 88

A FRENCH REGISTERED COMPANY
WITH SHARE CAPITAL OF
€179,600,000
EU VAT IDENTIFICATION NUMBER: FR
92 - 057 505 539
RCS NANTERRE

Commenting on these figures, the Group's CEO said: "Vicat delivered solid growth in its business in the first quarter of the year. It is important to remember that sales in France and Turkey were boosted by significantly better weather conditions than in 2015 and are not representative of what can be expected for the full year.

The first few months of the year also confirmed the strong momentum in the Turkish and US markets as well as the upturn in business in France seen since the second half of 2015. In the rest of Europe, sales were up slightly in Switzerland and stable in Italy at a historically low level. In India, the market was boosted by the start of some large infrastructure projects, supporting the Group's business in this region.

Lastly, West Africa and the Middle East delivered a contrasting performance, with a very sharp pickup in business in Egypt offsetting a decline in West Africa, in particular Mali and Mauritania.

Against this backdrop, Vicat remains focused on its targets of maximising cash flow generation and reducing its debt by leveraging the investments made in the past few years and its strong market positions."



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

Consolidated sales for the first quarter of 2016 totalled €554 million, up +3.3% on a reported basis and up +6.5% at constant scope and exchange rates relative to the same period of 2015. During the first quarter, the Cement business delivered operational sales growth of +5.9% (+5.0% on a consolidated basis), Concrete & Aggregates +9.5% (+9.1% on a consolidated basis) and Other Products & Services +6.5% (+5.8% on a consolidated basis).

A breakdown of first quarter operational sales between the Group's various business lines shows a slight dip in the contribution from the Cement business, which now accounts for 54.6% of operational sales compared with 55.9% at 31 March 2015. The Concrete & Aggregates business accounted for 32.1% of operational sales versus 31.0% at 31 March 2015. Other Products & Services remained stable at 13.3% versus 13.2% at 31 March 2015.

It should be noted that the Group's first-quarter sales performance is not representative of expectations for the full year due to the more favourable weather conditions this year compared with 2015, particularly in France and Turkey.

1. Geographical breakdown of first-quarter 2016 consolidated sales

1.1. France

(€ millions)	31 March 2016	31 March 2015	Change (%)	
			Reported	At constant scope
Consolidated sales	183	168	+8.9%	+8.9%

Consolidated sales in France for the period ended 31 March 2016 increased by +8.9% at constant scope, to €183 million. In the first quarter, activity was driven by a continued improvement in sector momentum and by better weather conditions than in the first quarter of 2015.

By business:

- *In the Cement business*, operational sales were up +10.9% (+7.2% on a consolidated basis). In an environment of very gradual improvement in the sector, of a rapidly growing export market and favourable weather conditions, volumes were up by more than +14%. In these favourable conditions, selling prices fell slightly year-on-year due to the decrease recorded during 2015 coupled with an adverse geographical mix. However, it is important to note that prices have improved slightly compared with the fourth quarter of 2015.
- *In Concrete & Aggregates*, operational sales were up +10.3% (+9.7% on a consolidated basis). This performance was driven by an improvement in the sector environment and better weather conditions than in the previous year. As a result, Concrete volumes rose by more than +14% and Aggregates by more than +8%. Selling prices were down in Concrete compared with the first quarter of 2015 but increased in Aggregates.
- *In Other Products & Services*, operational sales advanced by +8.4% (+9.7% on a consolidated basis).



1.2. Europe (excluding France)

(€ millions)	31 March 2016	31 March 2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	81	80	+1.5%	+3.6%

In **Switzerland**, sales rose by +3.8% at constant scope and exchange rates (+1.5% on a reported basis).

- *In Cement*, operational sales were down -8.6% (-10.2% on a consolidated basis) at constant scope and exchange rates. Volumes contracted by more than -8% as some large infrastructure projects came to an end. Selling prices were down significantly compared with the first quarter of 2015 due to the decrease recorded in the third quarter of 2015. However, it is important to note that prices were almost stable compared with the fourth quarter of 2015.
- *In Concrete & Aggregates*, operational sales increased by +16.7% (+17.3% on a consolidated basis) at constant scope and exchange rates. This performance stemmed from a decline of almost -5% in Concrete volumes following the completion of various projects and a delay in starting others, which was more than offset by robust growth of almost +8% in Aggregate volumes, driven by road and civil engineering projects. On this basis, selling prices slipped slightly in Concrete but rose in Aggregates.
- *The Precast* business delivered stable operational sales (+0.1%).

In **Italy**, consolidated sales were stable at +0.6% thanks to volume growth of just over 1% in a domestic market that is restructuring very gradually. In this environment, selling prices were down slightly.

1.3. United States

(€ millions)	31 March 2016	31 March 2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	80	73	+9.5%	+7.1%

Sales in the United States saw robust growth of +7.1% relative to the first quarter of 2015, still driven by favourable macroeconomic and sector conditions.

- *In Cement*, operational sales rose by +18.4% (+35.8% on a consolidated basis) at constant scope and exchange rates. Volumes were up significantly, by almost +14%, but with a contrasting performance according to region. The high rainfall recorded in California in the first quarter led to stable volumes in this area while volumes were up significantly in the South-East. Selling prices recorded another strong increase relative to



the first quarter of 2015, more marked in California than in the South-East. On a sequential basis (Q1-2016 vs Q4-2015), prices were stable in California pending the impact of the rise announced for early April, while the benefits of price hikes introduced in the South-East in January 2016 gradually began to be felt towards the end of the quarter.

- *In Concrete*, sales were down -4.3% at constant scope and exchange rates. Volumes were down by more than -11% across the region as a whole, with a sharp fall in California due to bad weather conditions partly offset by robust growth in volumes in the South-East. Selling prices were up significantly in California due to a commercial optimisation strategy, and, to a lesser extent, in the South-East.

1.4. Asia (Turkey, India and Kazakhstan)

(€millions)	31 March 2016	31 March 2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	115	118	-2.4%	+10.8%

In **Turkey**, consolidated sales amounted to €42.4 million, up +23,0% at constant scope and exchange rates. Business was boosted by better weather conditions than in the first quarter of 2015 and by a favourable sector environment.

- *In Cement*, the Group delivered +20.4% growth in operational sales (+16.6% on a consolidated basis). Volumes were up by almost +29% thanks to better weather conditions than in 2015, with significantly higher growth in the Ankara region, boosted by the restart of kiln 1 in December 2015, after it was mothballed in early 2008 with the start of kiln 2. Selling prices were down sharply compared with the first quarter of 2015 due to the decrease recorded throughout 2015. However, they were stable on a sequential basis (Q1-2016 vs Q4-2015).
- Operational sales in *Concrete & Aggregates* were also up significantly, by +30.4% (+31.5% on a consolidated basis). Given the more favourable weather conditions and the ramp up of new projects, volumes were up more than +30% in Concrete and more than +41% in Aggregates. Against this background, selling prices remained stable in Concrete and were down slightly in Aggregates.

In **India**, the Group delivered consolidated sales of €68 million in the first quarter of 2016, up +4.8% at constant scope and exchange rates. With 1.2 million tonnes sold in the quarter, volumes rose by almost +19% reflecting the Group's aim of capitalising on the start of new infrastructure projects initiated by the Indian government. In a context marked by a stronger pricing pressure and an unfavourable geographical mix, selling prices were down sharply over the period.

In **Kazakhstan**, consolidated sales amounted to €4.7 million, down -46.1% due to the impact of the currency devaluation in August 2015. At constant exchange rates, sales were up +1.5%. It should be noted that there is a strong seasonal effect in this country due to weather conditions and the first quarter is not representative of expectations for the full year. Driven mainly by exports, volumes rose by almost +8% in the first quarter, offsetting the impacts of the price decreases recorded throughout 2015.



1.5. Africa and Middle East

(€ millions)	31 March 2016	31 March 2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	96	98	-2.9%	-0.7%

In **Egypt**, consolidated sales totalled €33 million, up +14.5% at constant scope and exchange rates. This performance reflects the effects of almost +22% growth in volumes delivered, despite limited activity in January due to the closure of the Suez Canal tunnel. In this dynamic market environment, prices were down across the entire period due to the price pressures seen during 2015. It is important to note that selling prices were up significantly on a sequential basis (Q1-2016 vs Q4-2015), particularly since February.

In **West Africa**, sales were down -7.4% at constant scope and exchange rates. Cement volumes were quasi-stable over the period (just under -1%) with slight growth in Senegal fully offsetting the decline in Mali and Mauritania, as the Group put the priority on deliveries in its main domestic market. Selling prices were down in the first three months of the year compared with the first quarter of 2015. The decrease was entirely due to the price falls recorded during 2015. On a sequential basis (Q1-2016 versus Q4-2015), average selling prices were up very slightly.



2. Breakdown of first-quarter 2016 sales by business segment

2.1. Cement

(€ millions)	31 March 2016	31 March 2015	Change (%)	
			Reported	At constant scope and exchange rates
Volumes (thousands of tonnes)	4,829	4,245	+13.8	
Operational sales	346	341	+1.5%	+5.9%
Eliminations	(55)	(50)		
Consolidated sales	291	291	+0.2%	+5.0%

2.2. Concrete & Aggregates

(€ millions)	31 March 2016	31 March 2015	Change (%)	
			Reported	At constant scope and exchange rates
Concrete volumes (thousands of m ³)	1,885	1,716	+9.8%	
Aggregates volumes (thousands of tonnes)	4,826	4,190	+15.2%	
Operational sales	204	189	+7.7%	+9.5%
Eliminations	(6)	(5)		
Consolidated sales	198	184	+7.5%	+9.1%

2.3. Other Products & Services

(€ millions)	31 March 2016	31 March 2015	Change (%)	
			Reported	At constant scope and exchange rates
Operational sales	84	80	+4.6%	+6.5%
Eliminations	(19)	(18)		
Consolidated sales	65	62	+5.0%	+5.8%



3. Changes in consolidated financial position at 31 March 2016

The Group wishes to remind that historically the first quarter is not representative of the Group's full-year financial performance.

Net debt equalled 46% of consolidated shareholders' equity at 31 March 2016 versus 44% at 31 March 2015.

Given the Group's debt level, bank covenants do not pose a threat to either the Group's financial position or its balance sheet liquidity. At 31 March 2016, Vicat complied with all financial ratios required by covenants in financing agreements.

4. Outlook

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

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

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



- **In West Africa**, in spite of a market that is set to continue growing at a brisk pace over the year, competition may again take a toll in 2016, owing to a pricing environment offering very little visibility in the short term.
- **In Egypt**, the gradual restoration of security should enable the Group to confirm the recovery in its business trends. The Group will reap the full benefit in 2016 of the introduction of coal following the late 2015 start-up of the two coal grinders. In view of these factors, the Group anticipates an improvement in its performance over the full year despite a pricing environment set to remain volatile.

4. Conference call

To accompany the publication of its first-quarter 2016 sales figures, the Vicat Group is organising a conference call to be held in English on Thursday, 28 April 2016 at 3pm Paris time (2pm London time and 9am New York time).

To take part live, dial one of the following numbers:

France: +33 (0)1 76 77 22 21

UK: +44 (0)20 3364 5381

USA: +1 718 354 1157

To listen to a playback of the conference call, which will be available until 7pm on 2 May 2016, dial one of the following numbers:

France: +33 (0)1 74 20 28 00

UK: +44 (0)20 3427 0598

USA: +1 347 366 9565

Access code: **7041175#**

Next date for shareholders:

29 April 2016 (10am): Annual General Meeting of Shareholders

Next publication:

3 August 2016 (after market close): first-half 2016 sales and results

Investor relations contact:

Stéphane Bisseuil:

Tel.: +33 (0) 1 58 86 86 14

stephane.bisseuil@vicat.fr

Press contacts:

Marion Guérin:

Tel: +33 (0)1 58 86 86 26

marion.guerin@tbwa.com



ABOUT VICAT

The Vicat Group has **close to 7,900 employees** working in three core divisions, Cement, Concrete & Aggregates and Other Products & Services, which generated **consolidated sales of €2,458 million** in 2015. The Group **operates in eleven countries**: France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan and India. Over 68% of its sales are generated outside France. The Vicat Group is the heir to an industrial tradition dating back to 1817, when Louis Vicat invented artificial cement. Founded in 1853, the Vicat Group now operates **three core lines** of business: **Cement**, **Ready-Mixed Concrete** and **Aggregates**, as well as related activities.

Disclaimer:

This press release may contain forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets. These statements are by their nature subject to risks and uncertainties as described in the Company's annual report available on its website (www.vicat.fr). These statements do not reflect the future performance of the Company, which may differ significantly. The Company does not undertake to provide updates of these statements. Further information about Vicat is available from its website www.vicat.fr.

Vicat Group – Financial data – Appendices

Breakdown of sales to 31 March 2016 by business segment & geographical region

	Cement	Concrete & Aggregates	Other Products & Services	Inter-segment eliminations	Consolidated sales
France	84	85	56	(42)	183
Europe (excl. France)	33	37	21	(11)	81
USA	41	51	-	(13)	80
Asia	98	23	7	(14)	115
Africa & Middle East	89	6	-	(0)	96
Operational sales	346	204	84	(80)	554
Inter-segment eliminations	(55)	(6)	(19)	80	-
Consolidated sales	291	198	65	-	554