PRESS RELEASE

2015 half-year results

- **Growth in sales to €1.24 billion (up +2.0% on a reported basis)**
- **EBITDA of €203 million**
- **First-quarter performance held back by highly unfavourable weather conditions**
- **Marked improvement in trends in the second-quarter**
- **Sound financial position**

Paris La Défense, 4 August 2015: the Vicat Group (Euronext Paris: FR0000031775 - VCT) has today reported its half-year 2015 results, as approved by the Board of Directors on 31 July 2015.

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<u>Audited condensed consolidated income statement</u>:

(€ million)	**H1 2015**	H1 2014	Change (%) Reported	Change (%) At constant scope and exchange rates
Consolidated sales	**1,243**	1,218	+2.0%	-6.1%
EBITDA*	**203**	208	-2.2%	-10.1%
EBITDA margin (%)	*16.3*	*17.1*		
EBIT**	**93**	115	-19.2%	-25.4%
EBIT margin (%)	*7.5*	*9.5*		
Consolidated net income	**43**	56	-23.2%	-29.5%
Net margin (%)	*3.5*	*4.6*		
Net income, Group share	**34**	51	-33.5%	-38.0%
Cash flow	**140**	144	-2.8%	-11.2%

*EBITDA: sum of gross operating income and other income and expenses on ongoing business.
**EBIT: EBITDA less net depreciation, amortisation and provisions on ongoing business.
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. EBIT and operating profit were affected by the same amount. The impact on consolidated net income and cash flow was - €3.8 million and - €5.0 million respectively.

Commenting on these figures, Guy Sidos, the Group's Chairman and CEO said: *"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 business trends in the second-quarter improved significantly in terms of volumes and EBITDA.*
Confident in the effectiveness of its business model combining production and financial efficiency, the Group intends to maintain its high level of cash generation and reduce its debt by leveraging the investments made in recent years and its strong market positions".

In this press release, and unless indicated otherwise, all changes are stated on a year-on-year basis (2015/2014), and at constant scope and exchange rates.

1. Income statement for the first half of 2015

1.1. Consolidated income statement

The Vicat Group's first-half 2015 consolidated sales came to €1,243 million, up +2.0% on a reported basis but down -6.1% at constant scope and exchange rates by comparison with the same period of 2014.

During the first half, the Cement division's operational sales declined by -4.9% (consolidated sales down -5.1%) at constant scope and exchange rates. The Concrete & Aggregates division's operational sales was lower by -7.7% (consolidated sales down -8.0%) at constant scope and exchange rates. Lastly, Other Products & Services sales were down by -8.6% (consolidated sales down -5.4%) at constant scope and exchange rates.

The breakdown of first-half 2015 operational sales by business shows a slight increase in the Cement division's contribution to 54.8% of operational sales from 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.

Trends in the Group's sales in the first six months of 2015 mainly reflected:

- a positive currency effect of +8.2% owing to depreciation in the euro against all the other currencies in which the Group operates;
- an organic business contraction of -6.1% caused by:
    - a business decline in France and the rest of Europe, due to far less favourable weather conditions in these regions at the beginning of this year than in the previous year. In France, the macroeconomic and industry environment remains challenging despite a slower downtrend in the second quarter;
    - weaker sales in the West Africa and Middle East region owing chiefly to developments in the competitive environment in Senegal and lower prices in Egypt as a result of Ramadan, which had an impact in June this year;
    - modest erosion in business trends in Turkey during the first half. It is worth noting that the second quarter brought a strong increase after the negative effects of poor weather conditions in the first quarter.

These changes were offset only partially by:
- o further brisk business expansion in the United States in a supportive macroeconomic and industry environment;
- o sales growth in Kazakhstan on the back of a strong volume recovery in the second quarter;
- o and, lastly, a slight sales increase in India thanks to 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 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.

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.

Net interest expenses fell back -6.3% to -€27.8 million with the decline in the cost of the Group's net financial debt .

The -12.4% year-on-year decline in tax expense to -€24.9 million reflected the decrease in income before tax and the increase in the amount of withholding tax on dividends paid by certain international 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.

Consolidated net income came to €43 million, representing a decline of -29.5% at constant scope and exchange rates. Net income, Group share dropped -38.0% at constant scope and exchange rates to €34 million.

1.2. Income statement broken down by geographical region

1.2.1. Income statement, France

(€ million)	**H1 2015**	H1 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 & Services business*, consolidated sales declined by -2.7%. The EBITDA came to €4 million, down -50.8% on its first-half 2014 level.

1.2.2 Income statement for Europe excluding France

(€ million)	**H1 2015**	H1 2014	Change (%)	
			Reported	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 favorable 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%.

1.2.3 Income statement for the United States

(€ million)	**H1 2015**	H1 2014	Change (%)	
			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).

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

(€ million)	**H1 2015**	H1 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 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.

1.2.5 Income statement for Africa and the Middle East

(€ million)	**H1 2015**	H1 2014	Change (%)	
			Reported	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).

1.3. Income statement broken down by business segment

1.3.1. Cement

(€ million)	**H1 2015**	H1 2014	Change (%)	
			Reported	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, or 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.

1.3.2. Concrete & Aggregates

(€ million)	**H1 2015**	H1 2014	Change (%)	
			Reported	At constant scope and exchange rates
Concrete volumes (thousands of m^3)	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.

1.3.3 Other Products & Services

(€ million)	**H1 2015**	H1 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. Balance sheet and cash flow statement

At 30 June 2015, the Group had a solid financial position, with a strong equity base and net debt almost stable at €1,191 million, compared with €1,183 million at 30 June 2014.

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

Consolidated equity totalled €2,545 million, compared with €2,459 million at 31 December 2014.

Bank covenants do not pose a threat to either the Group's financial position or its balance sheet liquidity. At 30 June 2015, Vicat complied with all financial ratios required by covenants in financing agreements.

Vicat's cash flow declined by -2.8% on a reported basis, to €140 million.

The Group's capital expenditure came to €81.3 million in the first half, representing an increase on the first-half 2014 level (€73 million). It is expected to total €170-190 million in 2015 as a whole.

3. 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 and by the Group from the end of July onwards.

4. 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.

5. Conference call

To accompany the publication of its half-year 2015 results, the Vicat group is organising a conference call in English that will take place on Wednesday, 5 August 2015 at 3pm Paris time (2pm London time and 9am New York time). To take part in the conference call live, dial one of the following numbers:

France: +33 (0)1 76 77 22 25
United Kingdom: +44 (0) 20 3427 1915
United States: +1 646 254 3366

To listen to a playback of the conference call, which will be available until midnight on Wednesday 12 August 2015, dial one of the following numbers:

France: +33 (0) 1 74 20 28 00
United Kingdom: +44 (0)20 3427 0598
United States: +1 347 366 9565

Access code: **2702610#**

Next publication:
3 November 2015 after the market closes: third-quarter 2015 sales

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ABOUT VICAT

The Vicat Group has **over 7,700 employees** working in three core divisions, Cement, Concrete & Aggregates and Other Products & Services, which generated **consolidated sales of €2,423 million** in 2014.
The Group **operates in eleven countries**: France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan and India. Nearly 66% 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).

APPENDIX

CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS TO 30 JUNE 2015

Consolidated financial statements for the six-month period to 30 June 2015 approved by the Board of Directors on 31 July 2015

The consolidated financial statements for the first half of 2015 and accompanying notes are available in their entirety on the Company's web site at www.vicat.fr.

Breakdown of operational sales in the six months to 30 June 2015 by country and by business segment:

(€ million)	Cement	Concrete & Aggregates	Other Products & Services	Operational sales	Inter-sector eliminations	**Consolidated sales**
France	172	182	113	467	(79)	**388**
Europe (excluding France)	84	83	66	233	(27)	**206**
United States	80	114		194	(30)	**163**
Asia	250	49	18	317	(32)	**286**
Africa and Middle East	187	13		200	0	**199**
Operational sales	**773**	**441**	**197**	**1,411**	**(168)**	**1,243**
Inter-sector eliminations	(115)	(11)	(42)		**(168)**	
Consolidated sales	**658**	**429**	**156**			**1,243**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS *(in thousands of euros)*	Notes	June 30, 2015	December 31, 2014
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 *(in thousands of euros)*	Notes	June 30, 2015	December 31, 2014
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**

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

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**

(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 cah 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

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 IFRIC21 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 30th, 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)