REGISTRATION DOCUMENT

OF FINANCIAL ANNUAL REPORT

2014

VICAT

THE ANNUAL FINANCIAL DATA ARE CLEARLY IDENTIFIED IN THE TABLE OF CONTENTS VIA THE AFR PICTOGRAM

2014 REGISTRATION DOCUMENT

including **the financial annual report**

PROFILE

The Vicat Group in 2014

Driven by its team of passionate professionals, Vicat is an international cement manufacturing group that provides effective solutions to construction players through high-quality materials, products and services.

In 2014, the Group capitalized on the investments made in recent years. Vicat enjoys an organic growth reserve which corresponds to a third of its cement production capacity.

The Group has a strong financial position and focuses on maximizing free cash flow as well as reducing debt.

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MESSAGE
FROM THE CHAIRMAN AND CEO

The 22 % growth in Vicat's net income illustrates the Group's ability to reach its profitable growth objectives.

Guy SIDOS

Vicat enjoys an organic growth reserve which corresponds to a third of its production capacity

The growth of close to 22 % of Vicat's consolidated net income in 2014 illustrates the Group's ability to reach its profitable growth objectives within a complicated economic and geopolitical environment. The dynamism of our business in the United States and in emerging countries very comfortably offset the impact of the fall observed in France.

The Group's scope remained largely unchanged in 2014. The main development was the increased stake in our Indian subsidiary in Karnataka, renamed Kalburgi Cement (formerly Vicat Sagar Cement), today wholly owned.

"The Group will pursue its high cash-flow-generating objectives and continue to reduce its debt.

My taking over as the Group's Chairman and Chief Executive Officer reflects the continuity of an industrial strategy marked by its family imprint. Over recent years, this strategy has allowed the Group to double its cement production capacity, two-thirds of which are in use today. Without any further investment, Vicat enjoys an organic growth reserve, which corresponds to a third of its production capacity, based mainly in emerging countries.

To fully benefit from Vicat's assets in each of the 11 countries where it is located, the Group's economic model is simple. It is based on increased volumes and sale prices combined with a reduction in production costs. Our teams' work pursues these three axes. It is framed by local, on the ground and operational excellence plans. Called "Udayam" and "Vijaman" in India, "2/3/5" in the United States, "Falken 2020" in Switzerland, "Tatouir El Kafaa" in Egypt, "Vicat Verimlilik Artis 2020" in Turkey and "Challenge 2020" in France, these plans cover all aspects of our business: industrial, administrative and commercial.

The close relations we cultivate with our customers, the quality of our products and our capacity to innovate are the Group's strengths, which are reflected in each of our employees. Our partners benefit from the latest technologies developed in our laboratories: Ultimat® cement for the use of recycled aggregates and disposal of excavated rock from tunnels; the high performance and reduced CO_2 footprint Alpenat® cement; high thermal inertia concretes, pervious concretes, concrete insulating foams and agro-concretes for thermal processing, at low cost and recyclable from buildings; Skyflor® green façades for urban biodiversity, etc. These innovations address our clients' expectations and are part of a sustainable approach to development. They are both drivers of growth for our Group and qualities to establish partnerships that contribute to the development of our products and our historical activities.

The cement industry is heavy and local. Today our activities are integrated into a circular economic logic that favors the use of local materials and services, as well as alternative energies by recycling waste materials in our modern industrial installations.

In a changing industrial environment, our strategy in 2015 will follow up on the strategy pursued in 2014. The Group will pursue high cash-flow-generating objectives to allow it to seize any future opportunity for profitable external growth, in line with its geographical diversification policy.

To do so, I know I can rely on the Vicat Group's 7,854 women and men, present in eleven countries over four continents. I thank them warmly for their dedication to the Company, their effectiveness and their commitment to serving our customers.

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

GROUP PRESENTATION

1

1.1. PROFILE

In its Cement, Ready-mixed Concrete and Aggregates businesses, the Vicat Group benefits from its vast array of know-how, acquired over 160 years of research, discoveries and involvement in countless construction projects for buildings, civil engineering structures, and other infrastructural facilities.

Cement is Vicat Group's core business: in 1817, Louis Vicat invented artificial cement and in 1853, his son Joseph Vicat built the Group's first cement factory. This business accounted for 52 % of the Vicat Group's consolidated sales in 2014.

The Group's industrial and commercial expertise, together with its strategic model for long-term development, backed by its shareholders and a management presence by members of the founding family since the Company's formation, have made the Group a regional leader in the 11 countries where it has operations, across Europe, North America, Asia, Africa and the Middle East.

Beginning in 1974 with the acquisition of a cement factory in the United States, the Group's international expansion has since continued at a pace enabled by its strong cash flow, with debt kept firmly under control.

The Group doubled its overall cement production capacity between 2006 and 2012, by focusing in particular on increasing capacity in emerging countries. The portion of consolidated sales generated outside France has risen steadily and rapidly, from 43 % in 2000 to 65 % in 2014 (including 38% in emerging countries).

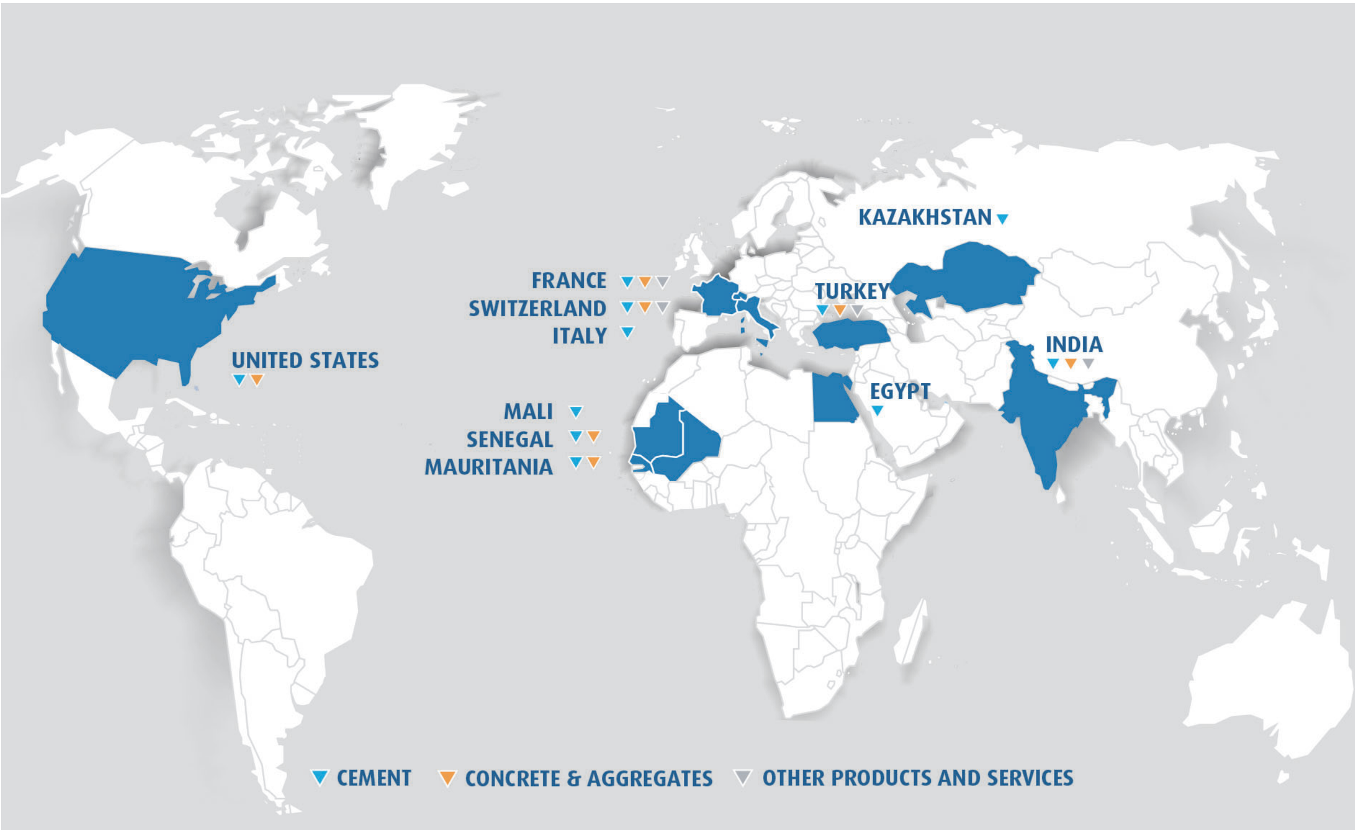
Wherever justified by market conditions, the Group pursues a policy of vertical integration into Ready-mixed Concrete & Aggregates, which accounted for 35 % of consolidated sales in 2014.

The Group also benefits from synergies with complementary activities (Precast Concrete Products, Construction Chemicals, Transport, Paper and Bags businesses) carried out in certain markets, to consolidate its range of products and services and to strengthen its regional positioning.

€ 2,423 million
in sales

7,750
employees

3 business segments
Cement, Concrete & Aggregates, Other Products & Services



11 operating **countries**

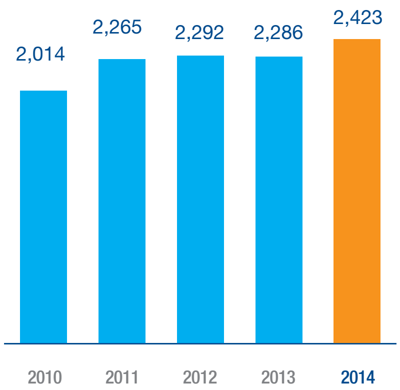
20.5 million tonnes of **cement**

8.3 million m^3 of **concrete**

21.2 million tonnes of **aggregates**

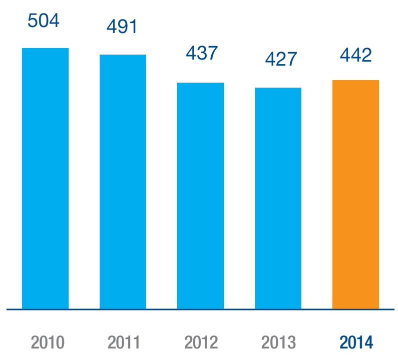
1.2. KEY FIGURES

CONSOLIDATED SALES
(in millions of euros)



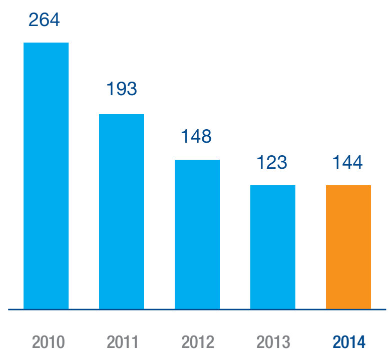
Consolidated sales for 2014 amounted to € 2,423 million, an increase of + 6.0 % as published and of + 8.0 % at constant consolidation scope and exchange rates compared with 2013.

EBITDA
(in millions of euros)



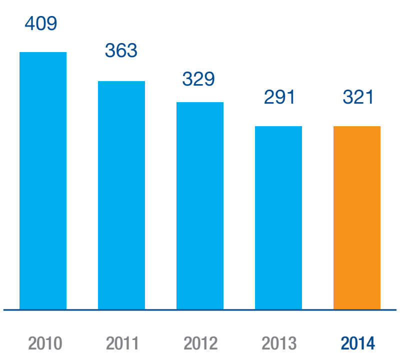
The Group's consolidated EBITDA rose by + 3.6 % to € 442 million compared with 2013, and by + 7.0 % at constant consolidation scope and exchange rates.

CONSOLIDATED NET INCOME
(in millions of euros)



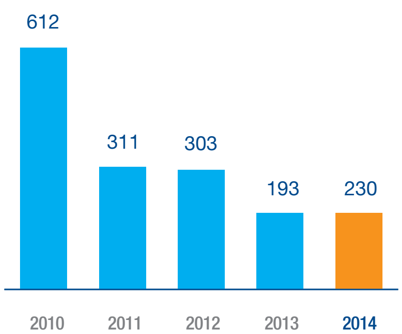
Consolidated net income rose by + 16.5 % and by 21.8 % at constant consolidation scope and exchange rates, to € 144 million, i.e. a 5.9 % margin.

CASH FLOW FROM OPERATIONS
(in millions of euros)



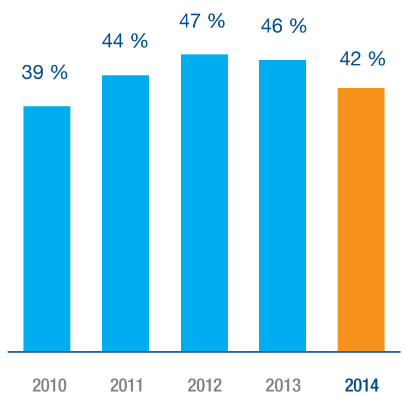
Cash flows from operations amounted to € 321 million, generating free cash flow of € 148 million in 2014.

TOTAL INVESTMENTS
(in millions of euros)



Pursuant to the Group's strategy, industrial investments, at € 156 million, were down slightly in 2014 compared with the € 175 million recorded 2013.

NET DEBT/EQUITY
(in %)



On the basis of consolidated shareholders' equity, the gearing ratio was 41.6 % as of December 31, 2014, compared with 46.5 % as of December 31, 2013.

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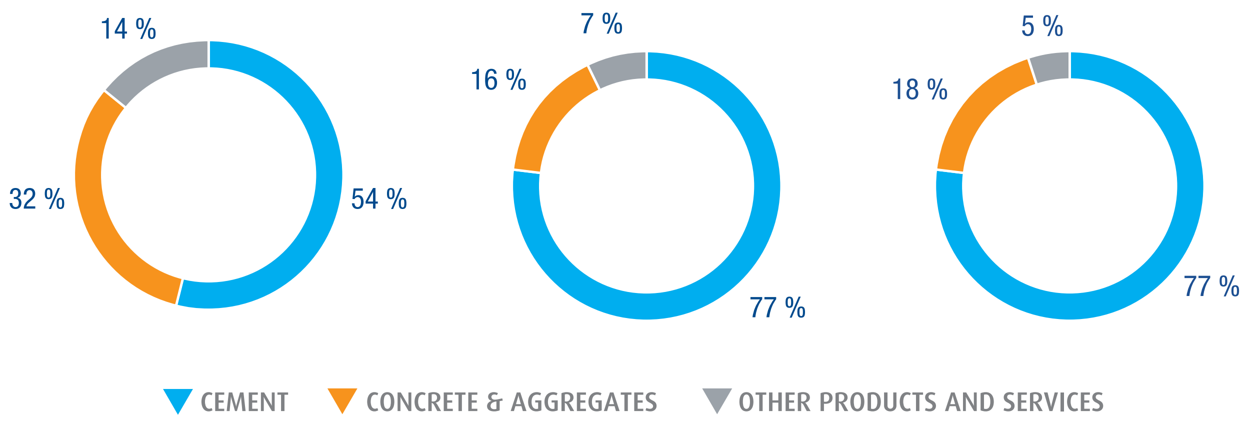
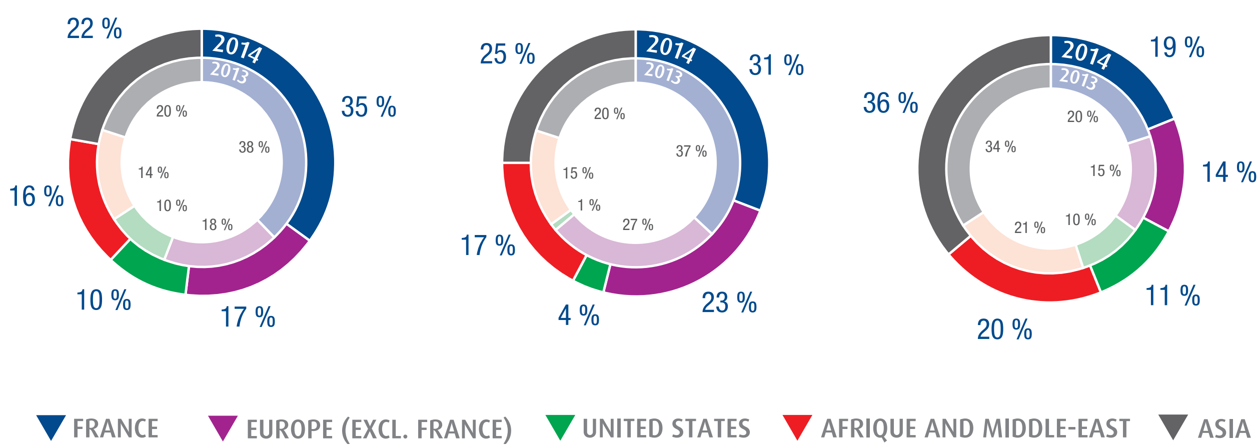
BY BUSINESS SEGMENT

OPERATING SALES | EBITDA | NET CAPITAL EMPLOYED



BY GEOGRAPHICAL AREA

OPERATING SALES | EBITDA | NET CAPITAL EMPLOYED



1.3. HISTORY

1817 – Louis Vicat invents artificial cement

After graduating from two of France's elite engineering schools, Ecole Polytechnique and Ecole des Ponts et Chaussées, Louis Vicat invents artificial cement in 1817. On February 16, 1818, his invention was authenticated by the Académie des Sciences. The report was signed by Messrs. de Prony, Gay-Lussac and Girard, distinguished scientists of the time.

1853 – Construction at Le Genevray of the Group's first cement factory

It is in the vicinity of Grenoble that the young engineer Joseph Vicat begins to manufacture artificial cement in kilns, after analyzing the local argillaceous limestone and finding it particularly well suited to this task. The initial results are highly satisfactory. Aged 32 at the time and a graduate of the Ecole Polytechnique like his father, Joseph Vicat soon decides to build a cement factory at Le Genevray, near the town of Vif in this same region.

1875 – Construction of the La Pérelle factory for the manufacture of quick-setting cement

After tireless and rigorous exploration and testing, Joseph Vicat finds deposits of limestone particularly suited for the manufacture of quick-setting cement in the Chartreuse mountain range and builds a factory for this purpose at La Pérelle, near Saint-Laurent-du-Pont, to the north of Grenoble.

1922-1929 – Construction of the Montalieu and La-Grave-de-Peille factories

Joseph Merceron-Vicat started building the Montalieu factory in 1922 and the Grave-de-Peille factory in 1929. The production capacity of the Montalieu site increases steadily over the ensuing years, becoming the Group's main cement factory in Europe. Today, Montalieu is among Europe's largest cement factories and remains one of the Group's flagship facilities.

1960-1974 – Development of the Group's Cement business in France

At the end of the 1960s and during the 1970s, André Merceron-Vicat worked on the Company's strong expansion.

- 1968 – Construction of a cement factory at Créchy in the Allier department of central France;
- 1969 – Acquisition of a cement factory at Xeuilley (Meurthe-et-Moselle, Lorraine);
- 1970 – Acquisition of Ciments de Voreppe et Bouvesse in the Isère department;
- 1970 – Acquisition of Ciments de la Porte de France (Saint-Egrève, Isère);
- 1972 – Absorption of Ciments Pont-à-Vendin, based in the Pas-de-Calais department of northern France;
- 1974 – Acquisition of Ciments Chiron (Chambéry, Savoie).

The Vicat company became France's third-largest producer of cement.

1974 – The Group begins to expand abroad, focusing initially on the United States

The Company expands its presence into foreign markets, acquiring the Ragland cement factory in Alabama in 1974.

1984 – Jacques Merceron-Vicat is appointed as Chairman and Chief Executive Officer of the Group

1980-1990 – Vertical integration in France with the development of the Group's Concrete & Aggregates businesses

In France, the Group continues its development with the acquisition of SATM (Transport, Concrete and Aggregates) and of a number of companies active in Ready-mixed Concrete and Aggregates, thus gradually building up a network of concrete batching plants and quarries in the Île-de-France, Centre, Rhône-Alpes and Provence-Alpes-Côte d'Azur (PACA) regions.

1987 – Acquisition of the Lebec factory (California, USA)

Located near Los Angeles, this factory has a cement production capacity of 1.3 million tonnes.

1991-1994 – Acquisitions of Konya Cimento and Bastas Baskent Cimento in Turkey

With the acquisition of the Konya cement factory about 230 km south of Ankara, 1991 marks the Group's entry into Turkey, a country with strong potential for development. It is followed by another acquisition in 1994, that of Bastas Baskent Cimento, based closer to Ankara.

Today, Konya Cimento and Bastas Baskent Cimento together have a cement production capacity of 4.8 million tonnes. The Group has supplemented its operations in this country with activities in Ready-mixed Concrete and Aggregates.

1999 – Acquisition of Sococim Industries in Senegal

The Group successfully integrates Sococim Industries, a company based in Rufisque, near Dakar, thus securing access to a new continent undergoing rapid development. Today, Sococim Industries has a cement production capacity of 3.5 million tonnes.

2001 – Acquisition of Vigier in Switzerland

In 2001, the Group acquires Vigier, a Swiss group of companies based not far from its French operations in the Rhône-Alpes and Lorraine regions. By integrating Vigier's various businesses – Cement, Concrete, Aggregates, Precast Concrete – the Vicat Group expands its own operations across the Swiss border.

2003 – Acquisition of Cementi Centro Sud in Italy

In early 2003, the Group acquires a grinding plant and two shipping terminals in Italy.

2004 – Establishment in Mali

Construction of a cement distribution station in Bamako.

2003-2005 – Acquisition of a shareholding in Sinaï Cement Company in Egypt

The Vicat Group acquires a controlling interest in Sinaï Cement Company through an increase in share capital and successive purchases of blocks of shares. Today, the El Arish cement factory located in the northern Sinai Peninsula has a cement production capacity of 3.6 million tonnes.

2006 – Launch of the "Performance 2010" industrial investment plan

This major industrial investment program allows the Group to double its cement production capacity between 2006 and 2012 while reducing production costs, especially its energy expenses, notably by increasing the use of alternative fuels.

2007 – Establishment of a cement factory in Kazakhstan

Initiated in 2007, the construction of the Jambyl Cement factory in Myranal is completed in 2010, thus meeting the needs of the rapidly growing Kazakh market. The factory steadily increases its output over the following two years to reach a cement production capacity of nearly 1.3 million tonnes.

2008 – New corporate governance

Guy Sidos is appointed as Chief Executive Officer, replacing Jacques Merceron-Vicat, who continues to serve as Chairman of the Board of Directors.

2008 – Expansion into India and Mauritania

Formation of a joint venture between Vicat and the Indian cement manufacturer Sagar Cement. The new company aims to build a greenfield plant with a nominal cement production capacity of 2.8 million tonnes at Chatrasala, in the southern Indian state of Karnataka. This plant is commissioned in May 2013.

Acquisition of a majority holding in a cement grinding mill with a capacity of 500,000 tonnes, located in Nouakchott in Mauritania.

2010 – New acquisition in India

In 2010, the Group carries out a significant acquisition, becoming the majority shareholder in Bharathi Cement, a company based in Andhra Pradesh state, in southern India. The production capacity of this company's cement factory has since been raised to 5 million tonnes.

2013 – Successful completion of the plan to double the Group's overall cement production capacity

Between 2006 and 2012, the Vicat Group doubles its overall cement production capacity, by creating new greenfield plants, by increasing the production capacity of its existing sites, and through acquisitions. In addition to marking the successful completion of this plan, 2013 also sees improved production performance made possible by new equipment.

2014 – Guy Sidos is appointed Chairman and Chief Executive Officer

2014 – Expansion of operations in India

Purchase of the stake held by Sagar Cements in Vicat Sagar Cement. On completion of this transaction, Vicat holds 100 % of the share capital of Vicat Sagar Cement renamed Kalburgi Cement at beginning 2015.

1.4. STRENGTHS AND STRATEGY

The Group focuses on its core business, Cement, in which it has an acknowledged historical expertise, and expands into the ready-mixed concrete and aggregates markets by vertical integration, in order to ensure its access to the cement consumption markets. It also benefits from synergies with complementary activities, carried out in certain markets, to consolidate its range of products and services and to strengthen its regional positioning (for example the Precast Concrete business in Switzerland or Transport in France).

The Group favors controlled development in its various businesses, balancing a dynamic internal growth, sustained by industrial investment to meet market demand, with a selective external growth policy to approach new markets having an attractive growth potential or to accelerate its vertical integration.

1.4.1. THE GROUP'S STRENGTHS

Over the years, the Group has developed an acknowledged expertise in its main businesses, with a multi-location approach which has led it to build strong regional positions and to distribute its activities in a balanced way.

The Group's principal strengths can be summarized as follows:

- industrial and commercial expertise in the Group's core businesses;
- long-term strategy, ensured by family shareholding and management, the family having managed the Group for over 160 years and having in-depth experience of the businesses;
- diversified geographical presence with strong regional positions;
- stable industrial policy prioritizing long-term management of geological reserves as well as maintaining a modern, high-performance industrial base;
- a solid financial structure with levels of profitability enabling the Group, as has been the practice in the past, to finance its growth objectives from its own resources, thereby favoring the creation of value for shareholders.

These strengths allow the Group to respond strongly to competitive pressure in certain of its markets and to position itself effectively on markets experiencing sustained growth by rapidly increasing its industrial production capacities or by acquisitions. The Company combines high operating margins and active management of environmental aspects of its operations.

1.4.2. DEVELOPMENT STRATEGY BY BUSINESS

1.4.2.1. Cement

Cement is the Group's main business, forming the base of its development and profitability. Growth in this business rests on three pillars:

- dynamic internal growth;
- external growth targeting markets with high development potential; and
- the construction of greenfield plants.

The Group's production facilities are described in section 1.5 "Description of businesses" of this Registration Document.

(a) Internal growth sustained by industrial investment

In the markets where it operates, the Group maintains a constant industrial investment effort intended to do the following:

- first, to modernize its production facilities to improve efficiency and economic performance of its factories and thus have the industrial capacity to respond to intense competition;
- second, to increase its production capacity to keep in step with its markets and to consolidate or increase its positions as a regional leader.

In 2013, a major industrial investment program was completed (amounting to a total of € 2.7 billion), which had been launched six years earlier, having allowed the Group to modernize its production facilities and reach two-thirds of its production capacity to emerging countries.

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

The Group also wants to continue the industrial development of its businesses in general, and of its Cement business in particular, while also actively managing environmental aspects.

(b) External growth

ACQUISITIONS TARGETING NEW MARKETS WITH CONSIDERABLE POTENTIAL

The Group's strategy is to penetrate new markets in the Cement sector in a highly selective manner. When pursuing external growth, the Group therefore aims to satisfy all the following criteria:

- location near a significant market having attractive growth potential;
- long-term management of geological reserves (objective of 100 years for cement) and securing its operating licenses;
- net contribution by the project to the Group's results in the short term.

The Group's record of growth over the past 30 years illustrates the success of this policy to date.

CONSTRUCTION OF GREENFIELD PLANTS

The Group may also seize opportunities to enter new developing markets by building new factories on so-called "greenfield sites". Such projects are examined very selectively and must comply with the Group's above-mentioned external growth criteria.

In this context, the Group brought on stream the Jambyl Cement factory at the Mynaral site in Kazakhstan in April 2011 and the Vicat Sagar Cement factory in the southern Indian state of Karnataka at the end of 2012.

1.4.2.2. Ready-mixed concrete

The Group is developing its Ready-mixed Concrete business in order to reinforce its Cement manufacturing business. This development strategy is in line with the maturity of the relevant markets and their integration in the Group's concrete production.

The Group's objective is to create a network of ready-mixed concrete batching plants around cement factories and close to its consumption markets, whether by constructing new plants or acquiring existing producers.

The Group's objective in investing in this business is vertical integration while prioritizing the flexibility and mobility of its industrial equipment and ensuring the profitability of the business.

The Group's development in France, Switzerland, Turkey and the United States illustrates this strategy. In other markets such as India, Egypt or Senegal, the Group's strategy is to follow the evolution of these markets so as to develop its activities once demand for ready-mixed concrete is sufficiently high.

1.4.2.3. Aggregates

The Group's presence in the Aggregates business is intended to provide a total response to its clients' demand for construction materials and to secure the aggregate resources necessary to develop the Ready-mixed concrete activity. Development in this business relies on industrial acquisitions and investments intended to increase the capacity of existing installations and to open new quarries and installations.

Investments in this business take into account the following criteria:

- proximity to the final markets and the Group's concrete batching plants;
- management of significant geological reserves (objective of more than 30 years);
- profitability specific to this business.

This development plan has been implemented successfully in France, Switzerland, Turkey, India and Senegal.

1.4.3. GEOGRAPHICAL DEVELOPMENT STRATEGY

The Group is established and works in 11 countries. It records 34.3 % of its consolidated sales in France, 17.2 % in Europe (excluding France), 10.2 % in the United States, and 38.3 % in emerging markets (India, Kazakhstan, Egypt, Mali, Mauritania, Senegal and Turkey).

The Group's strategy is to combine investments in developed countries, which generate more regular cash flows, with investments in emerging markets offering significant growth opportunities in the longer term, but which remain subject to more significant market fluctuations, and thereby contribute to a diversification of its geographical exposure. In this context, the Group has a particular interest in development projects in emerging countries.

In the markets where it operates, the Group aims to develop strong regional positions around its industrial Cement production facilities, while also consolidating its position through its Ready-mixed Concrete & Aggregates businesses. Where the Group has entered a market through acquisition of a local producer, it lends its financial strength and its industrial and commercial expertise to optimize the economic performance of the acquired entity while capitalizing on the local identity of the acquired brands.

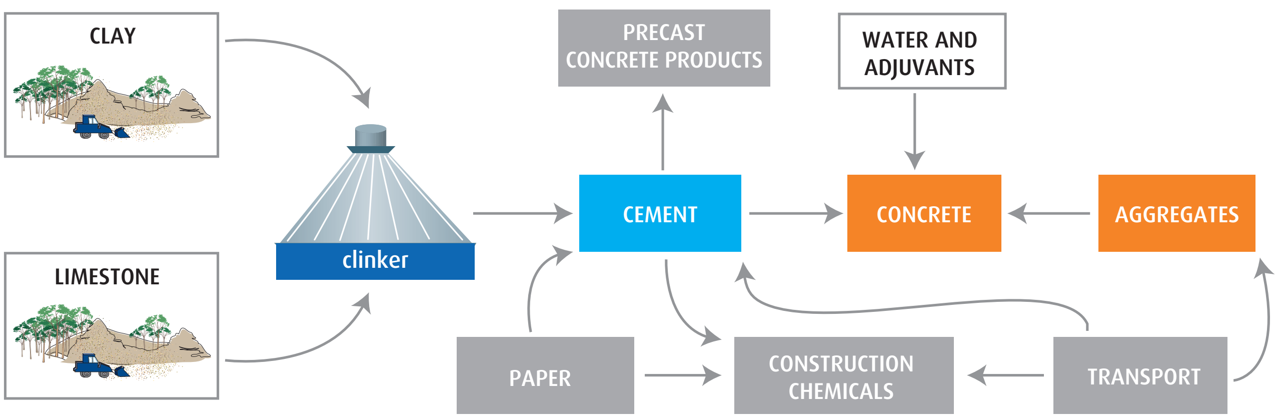
1.5. DESCRIPTION OF BUSINESSES

The Group's three businesses are:

- Cement;
- Ready-mixed Concrete & Aggregates;
- Other Products & Services.

The following diagram shows the integration of the Group's various businesses.

INTEGRATION OF THE GROUP'S BUSINESSES



Cement: cement is a hydraulic binder which forms a part of the composition of concrete; its raw materials are limestone and clay. In contact with water, the cement silicates and aluminates reorganize and form a crystalline structure, which gives concrete its strength (see the Glossary at the end of this Registration Document).

Ready-mixed concrete: concrete is obtained by mixing cement, aggregates, water and additives. Depending on the work for which it is intended and the environment to which it will be exposed, concrete is mixed, dosed and used specifically to meet precise quality and performance criteria.

Aggregates: aggregates are sands and natural gravels used in the construction of civil engineering works, public works and buildings. A significant quantity of these aggregates is used in the manufacture of concrete, with the remainder being intended for highway construction.

Other products & services: the Group also operates in activities complementary to its three main businesses, which enables it to develop synergies, optimize costs, and improve customer service. These activities are transport, construction chemicals, the production of paper and paper bags, and precast concrete products.

As of December 31, 2014, the Group employed 7,854 people worldwide, and recorded 66 % of its sales outside France.

The following table indicates the extent of the Group's business activities in each of the countries where it operates:

Country	Cement	Concrete & Aggregates	Other Products & Services
France	▼	▼	▼
Switzerland	▼	▼	▼
Italy	▼		
United States	▼	▼	
Egypt	▼		
Senegal	▼	▼	
Mali	▼		
Mauritania	▼	▼	
Turkey	▼	▼	▼
India	▼	▼	▼
Kazakhstan	▼		

Consolidated sales by business segment in 2014

(in millions of euros)	2014	%
Cement	1,262	52.1
Concrete & Aggregates	860	35.5
Other Products & services	301	12.4
TOTAL	**2,423**	**100.0**

The share of the Group's overall business that Cement, Concrete and Aggregates represent remained fairly stable in 2014 at nearly 88 % of consolidated sales, with Cement accounting for a larger proportion than previously.

EBITDA by business segment in 2014

(in millions of euros)	2014	%
Cement	341	77.2
Concrete & Aggregates	71	16.1
Other Products & services	30	6.7
TOTAL	**442**	**100.0**

This breakdown must be understood in view of the relative weight of capital employed in each activity (see page 9).

See section 2.2 of the Registration Document, "Examination of the financial position and results", for further information.

1.5.1. CEMENT

Cement manufacture has been the Group's core business since the Company's foundation in 1853. Cement is a fine mineral powder and is the principal component of concrete, to which it confers a certain number of properties, and in particular its strength. It is a high-quality yet relatively inexpensive construction material used in construction projects worldwide.

As of December 31, 2014, the Group's worldwide Cement business comprised 15 cement factories and five clinker grinding plants. In France, the Group also operates two factories specializing in natural fast-setting cement. The Group's cement sales volumes in 2014 (before intra-group eliminations) amounted to 20.5 million tonnes (compared with 18.1 million tonnes in 2013 and 17.9 million tonnes in 2012). In 2014, this segment thus accounted for 52.1 % of the Group's consolidated sales (48.5 % in 2013 and 50.4 % in 2012) and 77.2 % of the Group's EBITDA (73.6 % in 2013 and 76.8 % in 2012).

1.5.1.1. Products

The Group manufactures and markets various categories of cement, which are classified according to the chemical composition of their constituent raw materials, the addition of supplementary ingredients at the grinding stage, and the fineness of the product. Each cement range is appropriate for specific applications such as housing construction, civil engineering works, underground works, or the production of concretes subject to corrosive conditions.

The distribution between each type of application on a given market depends on the maturity and the construction practices of the country. The Group's cement factories manufacture conventional cements as well as cements for specific applications. In both cases, these cements are certified as compliant with the standards currently in force in the various countries in which the Group operates, both in terms of composition and designation. The principal cement categories produced by the Group are set out and classified below according to French standards:

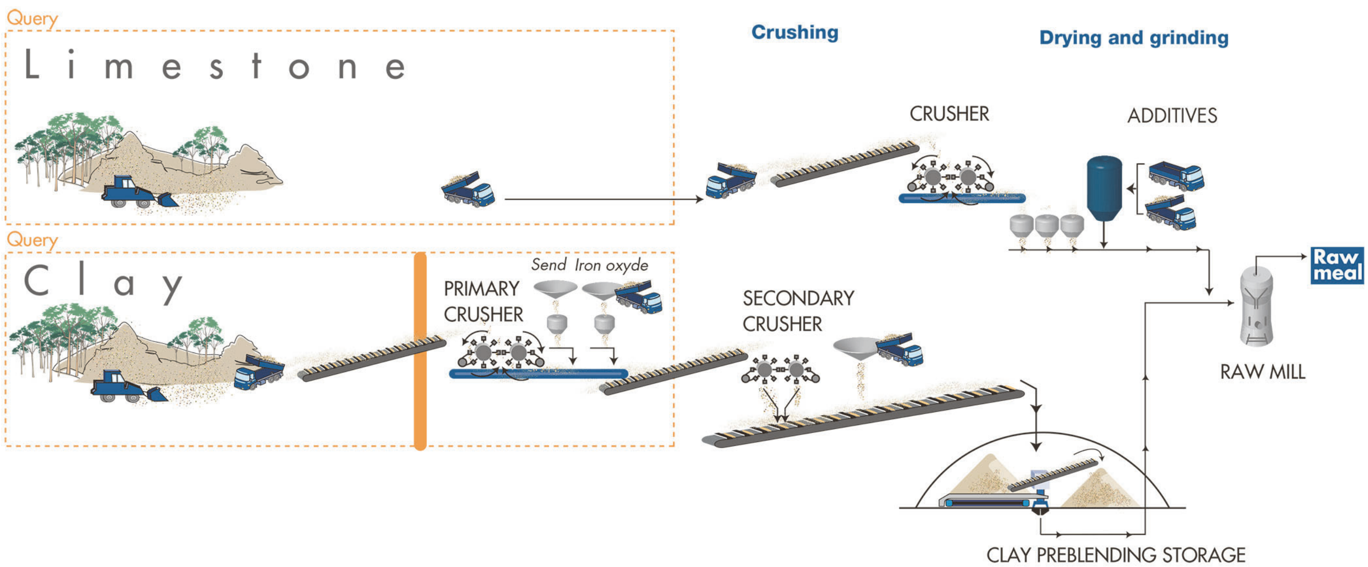
- CEM I (Portland cements) and CEM II (Portland composite cements): the cements most commonly used in the housing construction industry, to produce conventional reinforced concrete works;
- CEM III (blast furnace cements) and CEM V (slag cements): conventional cements, with few heat releasing properties during hydration and with low sulfate content, used in underground work in corrosive conditions or in work in marine environments;
- CEM IV (pozzolan cements): conventional cements using mineral products of volcanic origin with hydraulic properties. The Group manufactures and sells this type of cement only in Italy;
- natural quick-setting cement: special quick-hardening cement, whose strength, immediately superior, increases gradually as time passes. For 160 years, the Group has produced its quick-setting cement from a natural alpine stone, with an exceptional performance offering an immediate and high strength as well as little shrinkage. This cement is used for sealing blocks or waterways, and for façade renovations.

All these cements are checked regularly and thoroughly at each stage of the manufacturing process, thus guaranteeing compliance of the finished product with current standards. In addition, the Group conducts research and development programs on its products and their applications, advancing the knowledge of these products and optimizing their use (see section 1.8 "Research and development" of this Registration Document).

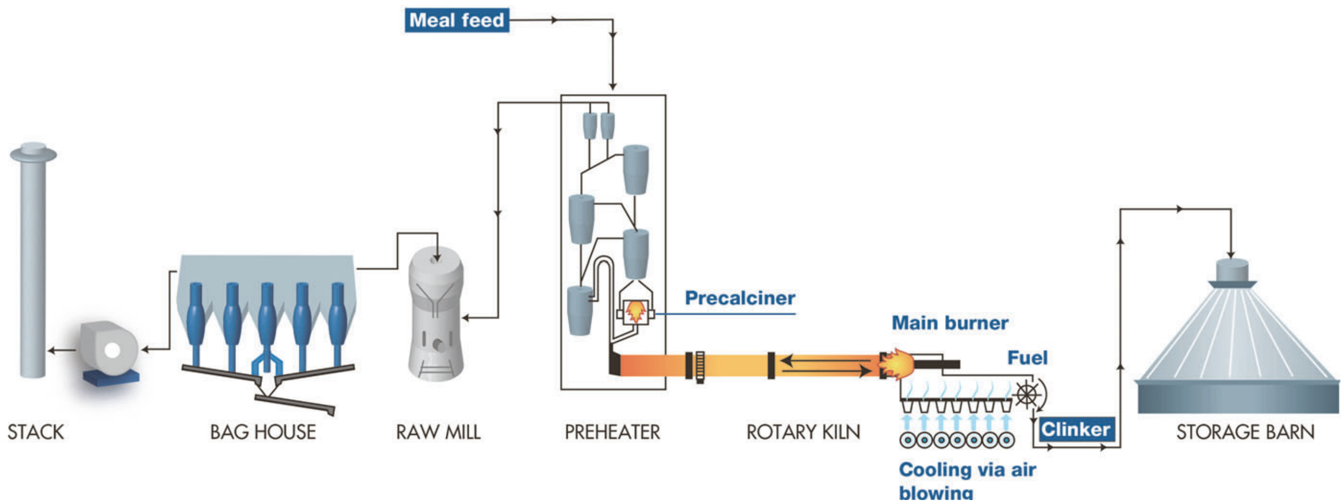
1.5.1.2. Manufacturing methods

Cement manufacture proceeds mainly in four stages:

- Extraction of the raw materials: Limestone and clay are extracted from quarries generally located near the cement factory. The rock is blasted out with explosives. The rocks and blocks obtained are then transported to crushers, in order to reduce their size and obtain stones less than 6 cm in diameter.
- Preparing the raw meal: The materials extracted from the quarries (limestone and clay) are finely crushed until rock flours are obtained. These flours are then mixed in fixed proportions (approximately 80 % limestone and 20 % clay) before being fed into the kiln. The chemical composition and the homogeneity of the material on entry to the kiln, and its regularity in time, are fundamental elements in controlling the production process.

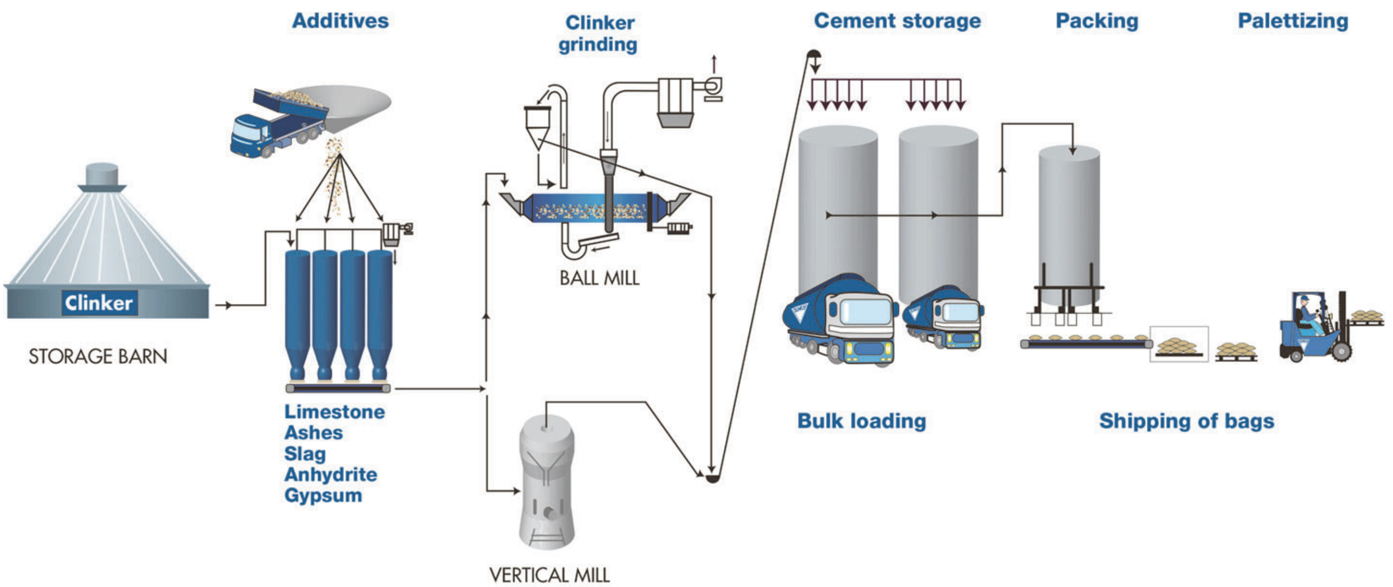


- The kiln system includes a heat exchanger cyclone tower, where the raw meal is introduced after being heated by the exhaust fumes of the revolving kiln (pre-calcination phase). The raw meal undergoes complex chemical reactions during this firing: first, limestone is decarbonated under the action of heat at a temperature approaching 900°C and is converted into lime, while clays are broken down into silicates and aluminates. The unit then recombines these at a temperature of approximately 1.450°C into lime silicates and aluminates. This chemical process creates a semi-finished product called clinker, which has the properties of a hydraulic binder. This firing takes place in tilted revolving kilns lined with refractory bricks.



There is a large global trade in clinker, the semi-finished product. As this product is easier to transport and store, clinker transfers from areas with excess capacity to areas with under-capacity or to areas not having the mineral resources necessary for clinker manufacture have been developing over the past few years. This reduces the volume of the transported product compared to cement, thereby lowering logistics costs. Once it has reached the consumption market, clinker is delivered to grinding plants, which complete the cement manufacturing process up to packaging and distribution. This method is used by the Group in Italy and Mauritania in particular.

- At the final stage, clinker is ground very finely and limestone filler and gypsum are then added to obtain artificial cement, which can be sold in bags or in bulk. Gypsum and limestone filler are added in order to control the cement setting time. Depending on the quality of the cement, other additives may be added, such as fly ash, blast furnace slag or natural or artificial pozzolans.



There are three types of cement manufacturing processes, each characterized by the specific treatment of the raw materials before firing, namely the dry, semi-dry/semi-wet, and wet processes. The technology used depends on the source of the raw materials. The source and nature of the clay or limestone, together with the water content, are particularly important. In recent decades, the cement industry has invested heavily in the planned transfer from the wet to the dry process, which consumes less energy, when raw material resources permit this. Of the Group's 21 kilns currently in service, 20 are dry process kilns.

The cement-manufacturing process is very energy intensive, in terms of both electricity and thermal energy. Electricity is used for transporting the materials inside the factories for the crushing and grinding operations, while thermal energy is consumed mainly when firing the clinker. The cost of energy accounts for approximately 30 % of the average ex-works cement cost price for the industry and is the primary expense item (this percentage being lower for the Group). In 2014, energy costs for the Group as a whole amounted to more than € 347 million. The Group allocates a significant part of its industrial investments to the improvement of its energy productivity.

The Group optimizes its energy requirements by using waste as alternative fuel to fossil fuels (coal, gas and oil). The combustion of this waste in a clinker kiln makes it possible to recover and use the energy released. All the Group's French factories have obtained agreement from the inspecting authorities to use non-hazardous industrial waste or landfill waste (tires, animal meal, industrial oils, etc.) as fuel. The Group gives priority to multi-fuel factories capable of switching between different kinds of fuels according to fuel price. In 2014, the share of alternative fuels in the Group's Cement Manufacturing business was 25 % on average, up from 20.3 % in 2013 and 17.7 % in 2012, with significant variations (from 0 % to 73 %) depending on the availability of fuels in the operating countries.

For further information, see section 1.8 "Research and development" below as well as section 3.3 "Being a proponent of strategies for sustainable construction" in the Corporate Social Responsibility report included within this Registration Document.

The Group also uses clinker replacement materials produced by other industrial processes, such as fly ash (coming from the burning of coal in power plants) or blast furnace slags (which are a by-product from steel works). Their use in defined proportions can improve certain properties of the cement and reduce the amount of clinker and thus the amount of fossil fuel needed for its manufacture.

1.5.1.3. Operations and production facilities

The Group manufactures cement in all 11 countries where it operates.

The Group is one of the leading cement manufacturers in the French market, with strong positions in the eastern half of France, and particularly in the southeastern quarter of the country. The Group has also developed solid positions in the southern United States (Alabama, Georgia) and in California, in the western and central regions of Switzerland, in Central Anatolia in Turkey, and in both the Sinai Peninsula and Cairo in Egypt. The Group also estimates that it has a leading position in Senegal and the countries bordering it. In addition, the Group has a grinding plant and shipping terminals in Italy. Finally, by establishing facilities recently in Kazakhstan and in the southern Indian states of Karnataka and Andhra Pradesh, the Group confirms its geographic diversification and its international dimension.

The table below shows the Group's various cement producing sites in France and abroad.

Country	Production capacities	Sites	Key dates
France	**4.6 million tonnes**	Montalieu (1 dry process kiln)	The Group's main cement factory in France, its initial construction dates from 1922.
		La-Grave-de-Peille (1 dry process kiln)	Built in 1929, this is the Group's second largest cement factory in France.
		Créchy (1 dry process kiln)	Built in 1968, this cement factory is located near Vichy.
		Xeuilley (1 semi-wet process kiln)	Acquired in 1969, during the cement industry's restructuring period.
		Saint-Egrève (1 dry process kiln)	Acquired in 1970, this factory is located in southeastern France, in the Rhône-Alpes region.
United States	**2.6 million tonnes**	Ragland (1 dry process kiln)	The 1974 acquisition of this cement factory in Alabama marked the first step in the Group's international development.
		Lebec (1 dry process kiln)	In 1987, the Group reinforced its presence in the United States with the acquisition of this factory near Los Angeles in California.

Country	Production capacities	Sites	Key dates
Turkey	**4.8 million tonnes**	Konya (2 dry process kilns)	This factory, acquired in 1991, is located in the southern portion of the Anatolian plateau.
		Bastas (2 dry process kilns)	This cement factory, acquired in 1994, is located in central Turkey, near the country's capital, Ankara.
Senegal	**3.5 million tonnes**	Rufisque (3 dry process kilns)	In 1999, the Group took over Sococim Industries which operates a cement factory near the capital, Dakar.
Switzerland	**0.9 million tonnes**	Reuchenette (1 dry process kiln)	The acquisition of Vigier in 2001 allowed the Group to expand its presence in Europe.
Egypt	**3.6 million tonnes**	El Arish (2 dry process kilns)	At the beginning of 2003, the Group took a strategic holding in the Sinaï Cement Company, owner of a cement factory built in 2001, located 40 km from El Arish harbor.
Italy	**0.5 million tonnes**	Oristano (grinding mill)	Acquired in 2003, Cementi Centro Sud is the owner of a grinding mill in Sardinia and has two shipping terminals in Taranto (in Apulia) and Imperia (near Genoa).
Mali		Bamako (distribution depot)	After a first facility established in 2004, inauguration in 2006 of a railway terminal and a bagging unit, operated by the subsidiary Ciments et Matériaux du Mali.
Kazakhstan	**1.3 million tonnes**	Mynaral (1 dry process kiln)	In 2007, the Group acquired a specific purpose company established to build a cement factory 400 km north of Almaty. The factory came on stream at the start of April 2011.
Mauritania	**0.5 million tonnes**	Nouakchott (grinding mill)	In 2008, the Group acquired 65 % of the share capital of BSA Ciment SA, which operates a cement grinding mill near the Mauritanian capital.
India	**7.8 million tonnes**	Chatrasala (1 dry process kiln)	Vicat Sagar Cement, a joint venture set up by the Group with its Indian partner, has built a greenfield plant at this village in northern Karnataka. This cement factory, with a capacity of 2.8 million tonnes, began production at the end of 2012 and commercial operations in the first half of 2013.
		Kadapa (2 dry process kilns)	In April 2010, the Group acquired 51 % of Bharathi Cement, the operator of a cement factory with a production capacity of 2.5 million tonnes, which was raised to 5 million tonnes by the end of 2010.

This corresponds to a total production capacity of 30.1 million tonnes.

Section 1.7 "Overview of markets and Group performance" rounds out this presentation by providing information for each country.

Cement manufacturing is a highly capital-intensive industry, requiring significant investments. The cost of building a cement factory generally amounts to between € 200 million and € 300 million, depending on the type of work and the targeted capacity of production and the country location. The Group takes care to maintain its production facilities at a high level of performance and reliability. Accordingly, it has continuously invested in new equipment, which lets it benefit from the latest recognized technologies, and has in particular enabled it to achieve a steady improvement in the energy balance of the installations. The choice of leading international suppliers is also in line with the Group's policy of industrial excellence intended to give priority to quality, durability and performance of the equipment.

In most cases, the Group owns the land on which its cement factories are built. The Lebec cement factory has a lease granted in 1966 for a term of 99 years, of which 51 years remain. In addition, except for some rolling items (such as loaders and trucks), the Group has full ownership of its production equipment.

The Group manages the clay and limestone quarries and owns the land it exploits, either through renewable mining rights agreements for terms of between 10 and 30 years according to country, or through concessions granted by the state, which offer both use of the land and the right to exploit it. These concessions are also renewable periodically.

From the outset of its quarry operations, the Group takes into account the constraints of restoring its sites. For details, see the report on Corporate Social Responsibility in Chapter 3 of this Registration Document.

1.5.1.4. Competitive position

A trend towards concentration has occurred in recent decades, first in Europe, then in the United States, followed by the rest of the world, leading to the emergence of powerful global players. Nevertheless, the worldwide cement industry is still very fragmented: in 2014, the world leader had a global market share of only about 4 %[(1)].

(1) Source: Global Cement Report (figures do not reflect the planned merger of Lafarge and Holcim).

Market are therefore subject to strong competition and the Group is thus in competition both with domestic cement manufacturers such as Oyak in Turkey, Ciments du Sahel in Senegal, UltraTech in India, or Steppe Cement in Kazakhstan, but also with multinational cement manufacturers such as Lafarge (France), Cemex (Mexico), Holcim (Switzerland), HeidelbergCement (Germany) or Italcementi (Italy), which operate in a number of the Group's markets.

As cement is a heavy product, expensive to transport, the operating range of most cement factories does not generally exceed 300 km by road. Competition thus plays out mainly with cement manufacturers having factories in the Group's marketing zones. Except in the case of cement factories with sea or river access, thus able to ship their cement over long distances by boat at low cost, or by rail in some countries, such as India or Kazakhstan, the cement market remains local.

As mentioned in section 2.4 "Investments", this activity is also highly capital intensive and the construction of new capacities must necessarily rely on effective land control of significant high-quality quarry reserves, the ability to obtain operating permits, the existence of available energy sources, and the presence nearby of a large and growing market.

Moreover, cement players active in a local market should be able to provide their customers with continuous services, in all circumstances, and with products of consistent quality that meet their expectations as well as applicable standards.

1.5.1.5. Customers

The profiles of customers are similar in most areas in the world where the Group is established. Customers are either general contractors, such as concrete mixers, manufacturers of precast concrete products, contractors in the construction and public works sector, local authorities, residential property developers or master masons, or intermediaries such as construction material wholesalers or retail chains. The relative weight of one type of customer, however, can vary significantly from one country of operation to another according to the maturity of the market and local construction practices.

In addition, cement is marketed either in bulk or in bags. depending on the level of development of each operating country. Accordingly, as ready-mixed concrete is a very mature sector in the United States, in this market the Group primarily sells its cement in bulk and mostly to concrete mixers. Conversely, in Senegal, which has yet to develop a ready-mixed concrete sector, the Group sells its cement primarily in bags to wholesalers and to retailers.

1.5.2. READY-MIXED CONCRETE

Ready-mixed concrete, in which cement is a main component, is an essential material in today's construction projects.

Ready-mixed concrete activities have been established in each of the Group's operating countries through the acquisition or formation of many companies. The Group initially developed its Ready-mixed Concrete business in France during the 1980s, through direct investments in companies. The Group then pursued its goal of vertical integration by selective acquisitions of companies, firstly in the markets served by its Cement business, and secondly by developing its production facilities in its existing locations.

The Group operated 243 concrete batching plants distributed over five countries as of December 31, 2014 and its companies sold more than 8.3 million m^3 of concrete during the year.

1.5.2.1. Products

Concrete's main qualities are its strength under tension and under pressure, its durability and rapid-setting properties, together with its ease of pouring and handling under various weather and construction conditions. The qualities and performance of a concrete can be obtained and guaranteed only if the physico-chemical formulation of the concrete and its production cycle are rigorously respected. In order for concrete to be formulated perfectly, the various components must be precisely proportioned in a given order and at a given rate, and these materials must then be mixed continuously and uniformly. These production constraints explain why concrete manufactured in a batching plant is of a superior quality and uniformity to any concrete mixed manually or in a concrete mixer. This is also the fundamental reason for the growth of ready-mixed concrete, which guarantees compliance with the standards laid down in construction work specifications.

The Group offers a broad range of concretes, ranging from standard concrete to special concrete, developed for specific applications by its research and development laboratory, thus meeting its customers' needs and constraints:

- standard concrete, for which the producer guarantees the type of cement as well as the compressive strength at the end of 28 days (strength ranging from 20 to 40 MPa);
- high-performance concrete, whose composition is made to measure, in particular with respect to the cement content (strength of over 50 MPa);
- fiber-reinforced concrete, for the production of finer structures, having the best resistance to cracking. Vicat Composite Concrete falls into this category;
- special concretes, developed and improved in the Group's laboratories to meet the individual customer's exact requirements.

The Group's research and development laboratories design innovative concrete for new applications or ease of use. See section 1.8 "Research and development" of this Registration Document for further details.

1.5.2.2. Manufacturing methods

Concrete is obtained by mixing aggregates, cement, chemical additives and water in various proportions in batching plants to produce ready-mixed concrete. A concrete batching plant consists of silos (for cement, sands and fine gravels), storage tanks for the various additives, and a mixer.

The proportions of cement and aggregates (sands and fine gravel) can vary, chemical additives (such as plasticizers, setting retardants or accelerants) can be added, and a part of the cement can be replaced by derivatives such as fly ash or slag, in order to obtain the concrete properties sought by the customer. Significant technical expertise and demanding quality control is therefore essential to handle the many construction aspects faced by the Group's customers, such as setting time, suitability for pumping, pouring the concrete, weather conditions, shrinkage and structural strength.

The qualities and performances of a concrete can be guaranteed only if the formulation is very precise and its production cycle rigorously respected. The proportioning of water, in particular, must be precise and the materials must be mixed continuously and uniformly. To meet all these constraints, the Group's concrete batching plants have been largely automated, in order to guarantee precision in the process.

The concrete prepared in the batching plant is loaded under gravity into a mixer truck, which delivers the concrete to the customer. Depending on the country, the Group either operates its own fleet of mixer trucks or uses subcontractors, to whom it subcontracts ready-mixed concrete deliveries. Delivery logistics are an essential aspect when manufacturing concrete due to its limited setting time. A significant portion of ready-mixed concrete is conveyed between the mixer truck and the point of placement at the construction site by pumping. This delivery approach is made possible by pump trucks, a certain number of which are owned or leased directly by the Group (in particular in France by its subsidiary Delta Pompage).

Raw material prices vary considerably according to the national markets in which the Group operates. In general, raw materials account for approximately 70 % of the total production and delivery costs of concrete. Cement represents, overall, more than half of this cost. Delivery is the second largest component of the cost, at approximately 20 % of the total. A significant portion of the cement and aggregates used in its concrete batching plants is supplied by the Group.

In France, the technical sales team of the Group's Ready-mixed Concrete business benefits from collaboration with Sigma Béton, a key unit of the Louis Vicat Technical Centre, specializing in the ready-mixed concrete, aggregates and road products sectors, certified to ISO 9002 for the formulation, analysis and audit of aggregates, cement and concrete.

1.5.2.3. Operations and production facilities

The Group has vertically integrated its operations in France, Switzerland, the United States, Turkey and Mauritania, and has operations in its Cement and Ready-mixed Concrete businesses in these countries.

As of December 31, 2014, the Group operated 243 concrete batching plants, located near its principal cement production sites, forming regional networks in order to supply construction sites and urban centers.

- France: 144 concrete batching plants;
- Switzerland: 20 concrete batching plants;
- United States: 45 concrete batching plants;
- Turkey: 33 concrete batching plants;
- Mauritania: 1 concrete batching plant.

These batching plants are located near the places where the concrete is used insofar as, given setting times, concrete prepared in a batching plant must be delivered to the pouring site within one and a half hours at the most. The operating range of a batching plant is generally between 20 and 30 km, depending also on traffic conditions in the area.

The majority of the concrete batching plants are fixed, although the Group also uses a certain number of mobile systems that are installed on its customers' construction sites (generally the largest ones), according to customers' needs.

1.5.2.4. Competitive position

Since barriers to entry are not high, the ready-mixed concrete market is very fragmented, with a number of large players, from cement manufacturers and international industrial groups to independent operators.

1.5.2.5. Customers

Ready-mixed concrete is sold mainly to public construction contractors, from major international construction groups to house building companies, farmers or private individuals. The batching plants fulfill scheduled work contract orders and immediate delivery requests.

1.5.3. AGGREGATES

The Ready-mixed Concrete & Aggregates businesses are managed within the same segment, because of the similarity of their customers and the Group's vertical integration policy.

The Group sold 21.2 million tonnes of aggregates in 2014, produced by its 69 quarries.

1.5.3.1. Products

Aggregates (sands and gravel), which are the principal raw materials consumed in the world after water, are natural materials used in the manufacture of concrete, masonry and asphalt. They are also the basic materials for building roads, embankments and structures. Most of these aggregates come from crushed rocks (usually limestone or granite), or from natural gravel and sand extraction. To a certain extent, and depending on the market, they can come from asphalt and recycled concretes. There are several types of aggregates, which differ in physical and chemical composition, in particular granulometry and hardness. Local geology determines the types of aggregates available in a given market.

1.5.3.2. Manufacturing methods

Aggregates can come from solid or alluvial rock:

- solid rock: the rock is blasted out with explosive before being crushed, sifted and then washed. These aggregates are mainly intended for earthworks, for the manufacture of bituminous mix, blocks or breeze blocks, and increasingly for manufacturing concrete;
- alluvial rocks: these rocks come from the sedimentation of river or glacial deposits. They can be extracted out of water, in steps from 5 to 8 m in height, or in water by using dredgers. These aggregates require less grinding but must be sifted in order to obtain the desired size.

The production of aggregates requires heavy equipment in a quarry, for handling both solid rock and alluvial rock. The quarrying and grinding of solid rock requires the use of loaders, transport equipment and crushers. Alluvial rocks are extracted using dredgers. In both cases, aggregates on the processing site are generally transported using conveyor belts.

1.5.3.3. Operations and production facilities

The Group's strategy for its Aggregates business in France and in Switzerland is to concentrate on the regions where it already has a presence in the Ready-mixed Concrete business. The Group regularly acquires quarry owners in the aggregates industry or directly establishes operations at new sites.

In other countries, the aim is to round out the Group's offerings to its customers, especially where local requirements are not adequately met and where there are promising growth opportunities.

As of December 31, 2014, the Group operated 69 quarries.

- France: 40 quarries;
- Switzerland: 19 quarries;
- Turkey: 7 quarries;
- Senegal: 2 quarries;
- India: 1 quarry.

Extractions are made on land which the Group owns or over which it has long-term operating rights, and for which it has obtained the necessary licenses. In addition, the Group maintains the level of its reserves through acquisitions and by obtaining new extraction licenses. Finally, management of the quarries involves a need to reinstate the sites. For details, see the report on Corporate Social Responsibility in Chapter 3 of this Registration Document.

The industrial plant comprises heavy equipment such as loaders, haulage machines, crushers and other equipment such as draglines. With the exception of some rolling stock held under financing leasing agreements, the Group generally owns this equipment.

1.5.3.4. Competitive position

The aggregates market is generally fragmented into many local markets. The various participants are regional or national quarry operators, firms in the public construction sector which are vertically integrated, together with international industrial groups supplying construction materials.

The Group gives priority to operating quarries located near the consumption markets, so as to optimize its production costs. This approach facilitates access to customers, reduces transport costs and enables distribution that is sufficiently flexible to satisfy various types of orders, whether for delivery of a few tonnes of sand or thousands of tonnes intended to fill a large motorway site, or to provide individual dwellings.

1.5.3.5. Customers

The Group sells a portion of its aggregates to ready-mixed concrete manufacturers, in the form of either intra-group or external sales. Other customers include manufacturers of precast concrete products, contractors in the public works and road construction sectors, either for their asphalt plants or as embankment material, construction contractors, but also farmers or private individuals for various purposes.

1.5.4. OTHER PRODUCTS & SERVICES

In France, Switzerland, Turkey and India, the Group also has operations in activities complementary to its main businesses. These activities are transport, construction chemicals, the production of paper and paper bags, and precast concrete products.

Operations in the Group's Other Products & Services segment are described in section 1.7 "Overview of markets and Group performance" of this Registration Document.

1.5.5. OPERATIONS AND PRODUCTION FACILITIES

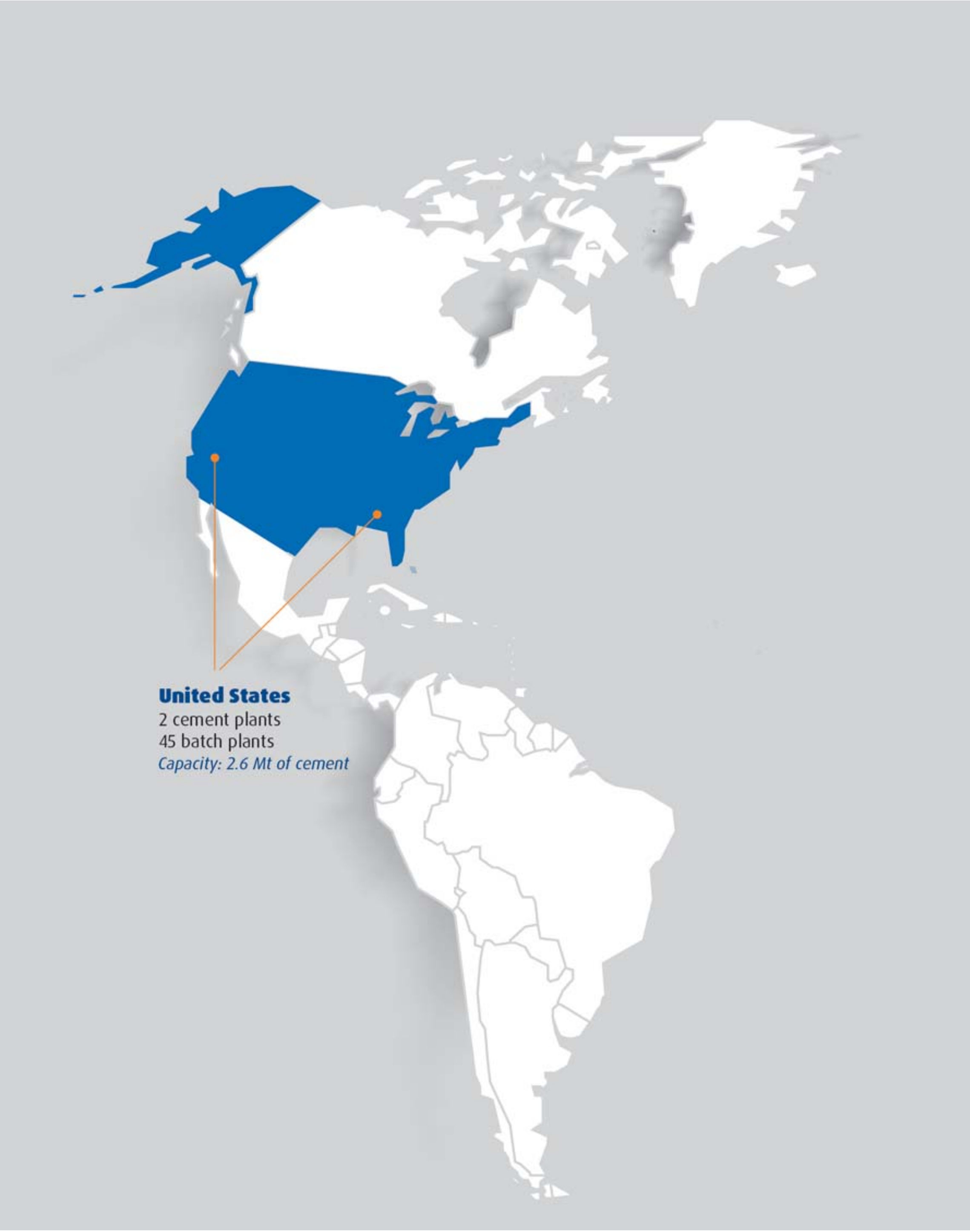
15
Cement plants

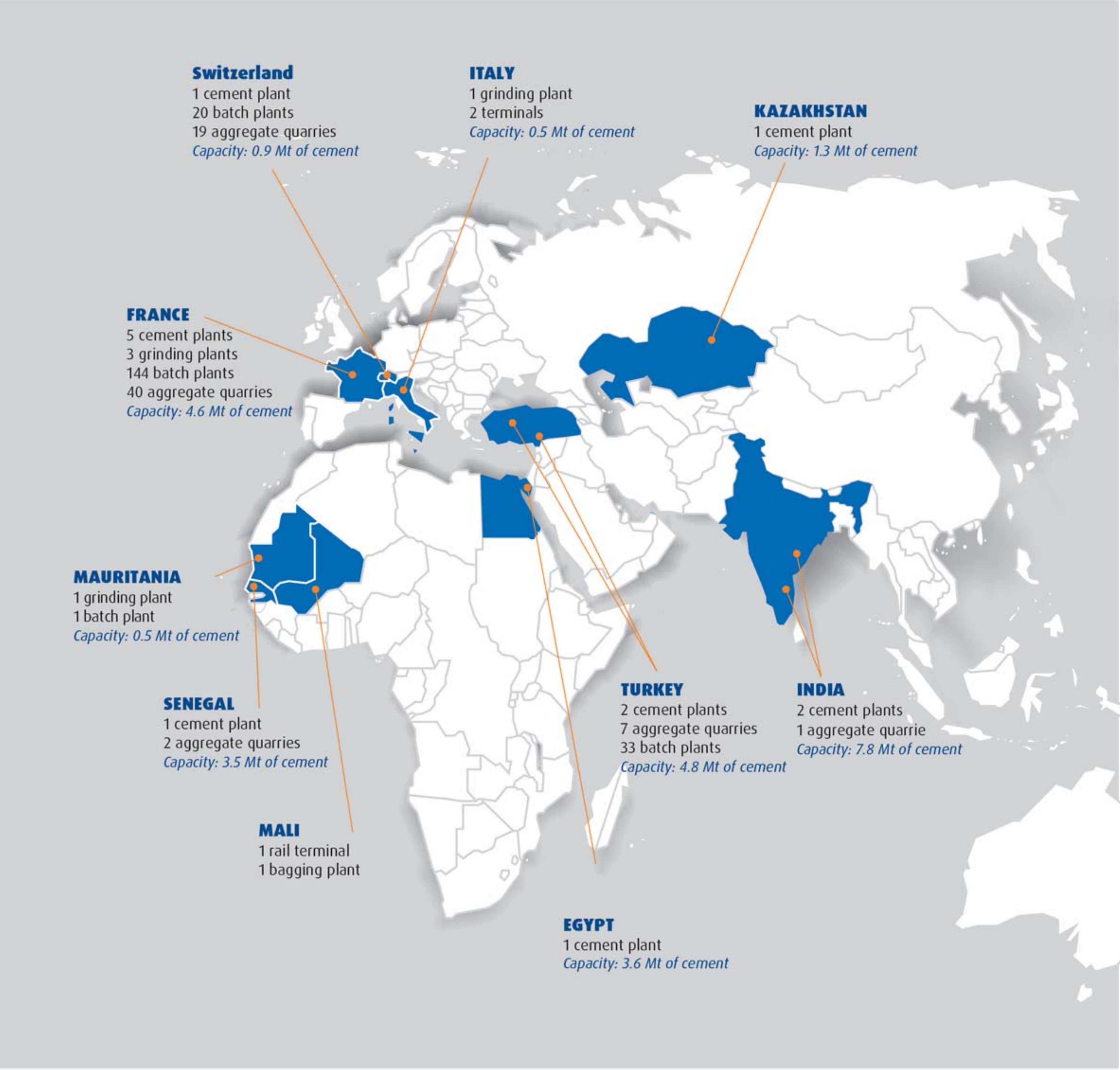
5
Grinding plants

30.1
Million tonnes of cement capacity

243
Concrete batching plants

69
Quarries

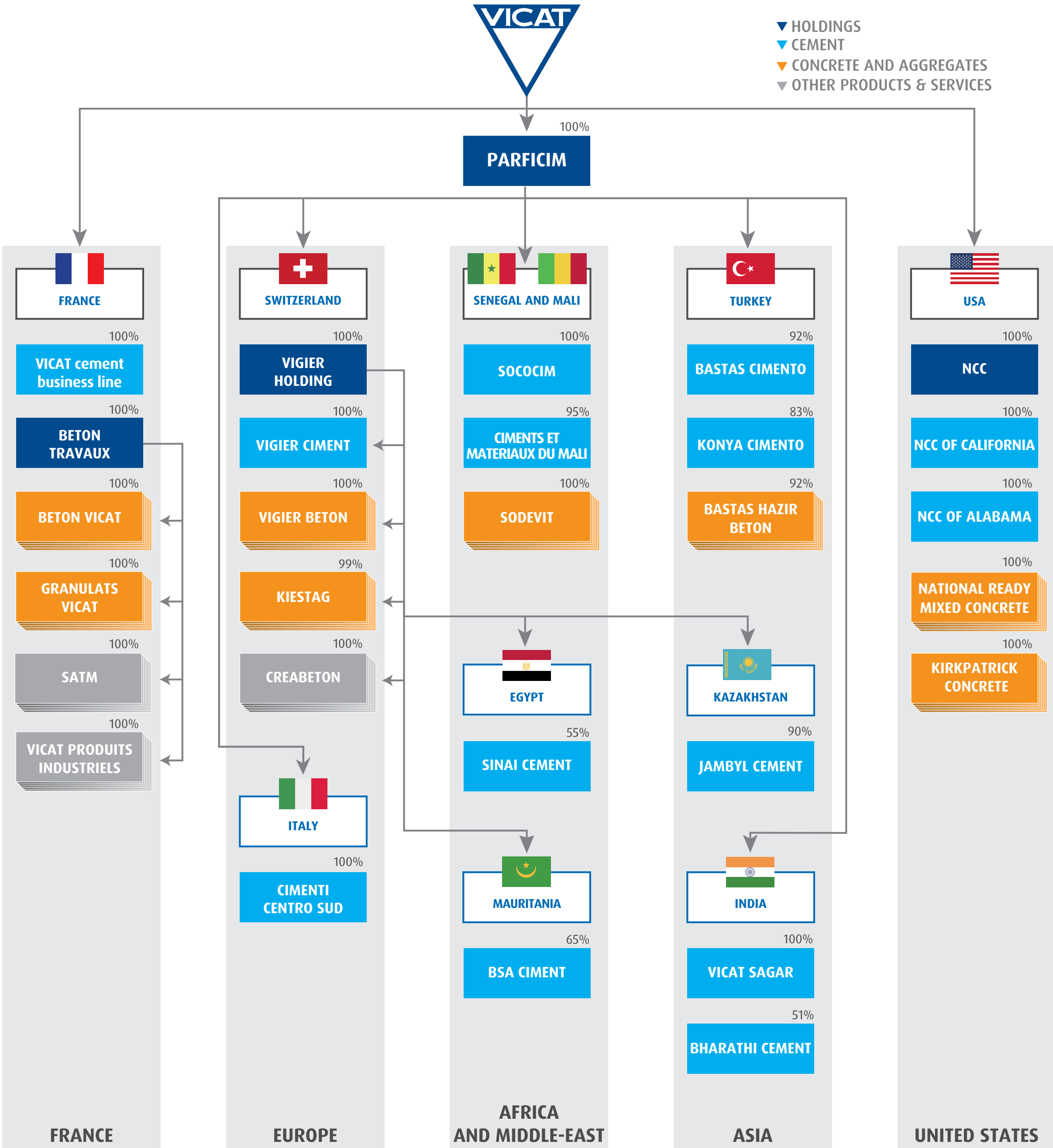



Switzerland
1 cement plant
20 batch plants
19 aggregate quarries
Capacity: 0.9 Mt of cement
ITALY
1 grinding plant
2 terminals
Capacity: 0.5 Mt of cement
KAZAKHSTAN
1 cement plant
Capacity: 1.3 Mt of cement
FRANCE
5 cement plants
3 grinding plants
144 batch plants
40 aggregate quarries
Capacity: 4.6 Mt of cement
MAURITANIA
1 grinding plant
1 batch plant
Capacity: 0.5 Mt of cement
SENEGAL
1 cement plant
2 aggregate quarries
Capacity: 3.5 Mt of cement
MALI
1 rail terminal
1 bagging plant
TURKEY
2 cement plants
7 aggregate quarries
33 batch plants
Capacity: 4.8 Mt of cement
INDIA
2 cement plants
1 aggregate quarrie
Capacity: 7.8 Mt of cement
EGYPT
1 cement plant
Capacity: 3.6 Mt of cement

1.6. SIMPLIFIED ORGANIZATION CHART

The organization chart below summarizes the principal links between the Group's companies (130 companies are consolidated by the Group). The percentages shown correspond to the share of the control held. Only the most significant Group companies or those useful to gain an understanding and appreciation of the Group's organization are shown on this chart.

The organization chart was also designed so as to underscore the Group's five geographical zones.



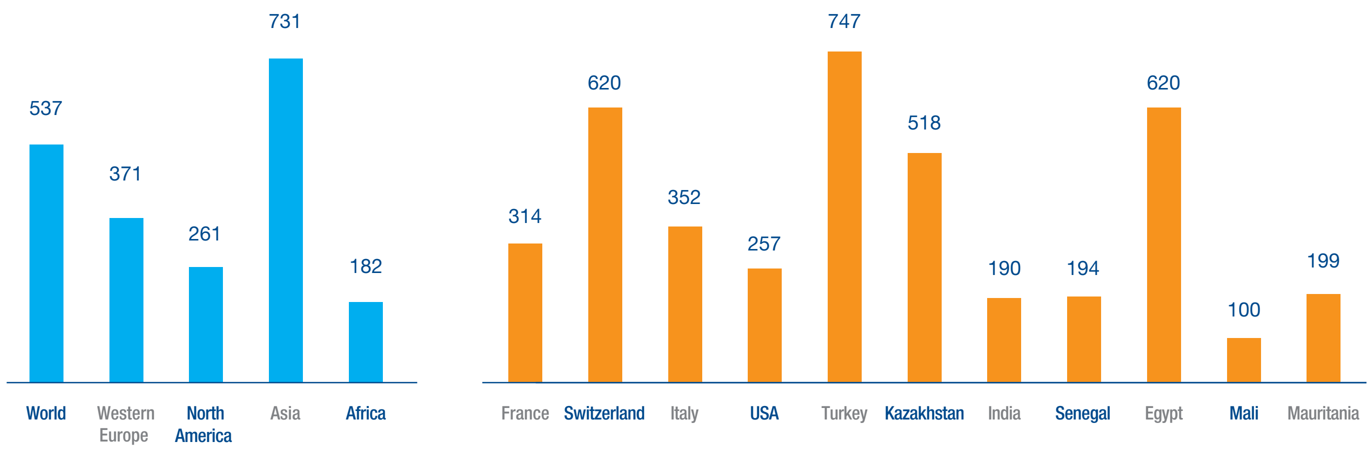
Some of the subsidiaries directly and indirectly controlled by the Group have minority shareholders who may be industrial or financial partners, or historical shareholders in the subsidiary in question before it was acquired by the Group. The presence of these minority shareholders may lead to the signing of shareholder agreements containing provisions relating to corporate governance, information provided to shareholders, or changes in ownership structure in the subsidiary in question. Nonetheless, and excluding the exception referred to below, these shareholder agreements do not provide for put or call options, modifications to the cash distribution, or more generally measures that could have a material impact on the Group's financial structure or limit the exercise of majority control.

Information on the Group's main subsidiaries is provided in section 9.4 "Information on subsidiaries and shareholdings" of this Registration Document.

1.7. OVERVIEW OF MARKETS AND GROUP PERFORMANCE

Generally, the dynamism of the construction materials industry in a given market depends primarily on the demographic development of the population, economic growth, and changes in the rate of urbanization. In addition, the architectural culture and local construction practices have a great influence on the choice of construction materials, which mainly include concrete, wood and steel. This choice is also guided by the availability and the price of each of these materials locally.

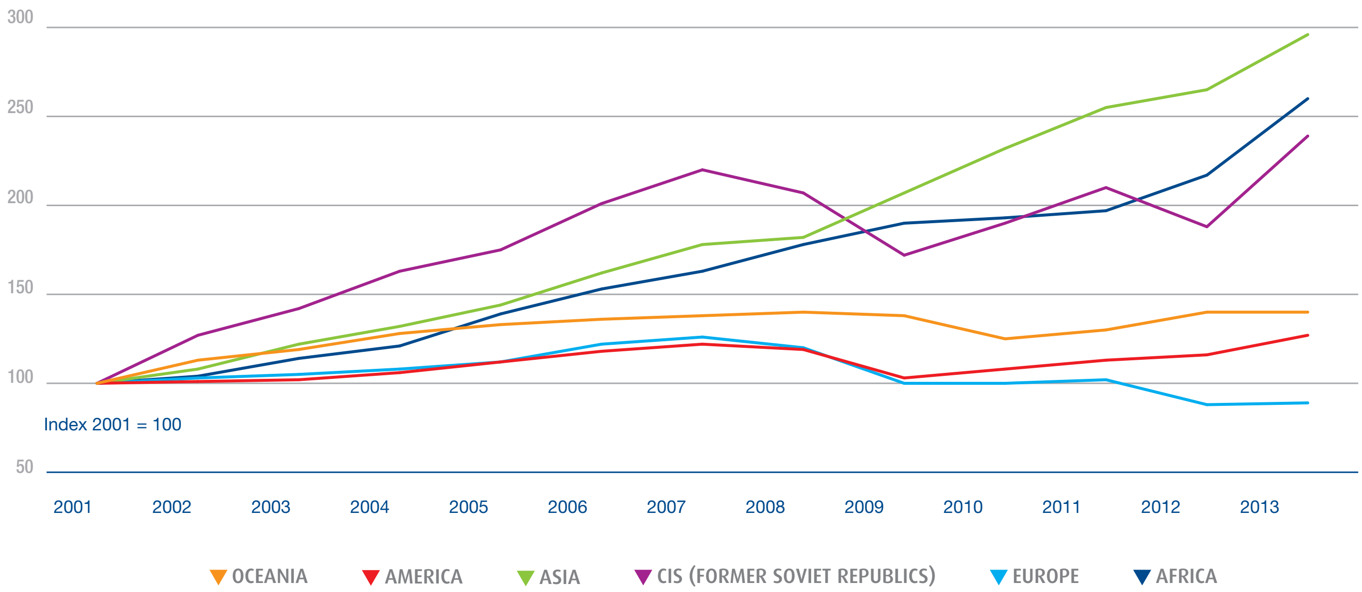
ANNUAL CEMENT CONSUMPTION *PER* CAPITA IN 2013 *(KG/CAPITA)*



Sources: SFIC for France, Global Cement Report, Etude Jefferies (production information), and CIA World Factbook (populations).

The selling price of cement, which is the Group's principal product, is determined primarily by availability and ease of extraction of its component raw materials, by the cost of thermal and electrical energy, and by the availability of qualified personnel to maintain the production facilities. The existence of surplus production capacity increases competitive intensity and influences prices.

WORLD CEMENT PRODUCTION BY MAJOR REGION 2001–2013



Source: Cembureau.

Between 2001 and 2013, the regions having seen the greatest growth in cement production were Asia, Africa and the Commonwealth of Independent States (CIS, including nine of the former Soviet republics).

These findings confirm the relevance of the Vicat Group's strategy of geographic diversification, which has in fact involved massive investments over this period in India, Senegal, Egypt and Kazakhstan.

Breakdown of consolidated sales by geographical area in 2014

(in millions of euros)	2014	%
France	831	34.3
Europe (excluding France)	418	17.2
United States	247	10.2
Asia	530	21.9
Africa and Middle-East	397	16.4
TOTAL	**2,423**	**100.0**

Due to the Group's significant geographic diversification efforts in recent years, the portion of sales generated in emerging countries with strong economic growth has now reached 38.3 % of the Group's consolidated sales.

CEMENT SALES VOLUMES

The Group has 15 cement factories spread over eight countries, as well as five clinker grinding plants established in three countries:

(in thousands of tonnes)[1]	2014	2013	2012
France	2,831	2,900	3,071
Switzerland	963	1,002	893
Italy	235	238	319
United States	1,685	1,535	1,458
Senegal/Mali/Mauritania	3,246	2,834	2,896
Egypt	2,222	1,675	2,283
Turkey	3,519	3,605	3,461
India	4,557	3,233	2,534
Kazakhstan	1,272	1,028	981
TOTAL	**20,530**	**18,050**	**17,894**

(1) Volumes of cement, clinker and masonry cement.

Intra-group cement sales accounted for 16.6 % of the Group's business, with a significant disparity ranging from 2 % to 37 % depending on the operating regions.

CONCRETE VOLUMES SOLD

The Group's 243 concrete batching plants produced 8.3 million m^3 of concrete in 2014.

(in thousands of m^3)	2014	2013	2012
France	3,077	3,066	3,093
Switzerland	839	879	729
United States	2,003	1,925	1,658
Turkey	2,348	2,651	2,447
Mauritania	6	4	1
TOTAL	**8,273**	**8,525**	**7,928**

AGGREGATES SALES VOLUMES

The 69 quarries operated by the Group's Aggregates business produced 21.2 million tonnes of aggregates in 2014.

(in thousands of tonnes)	2014	2013	2012
France	9,902	10,695	10,185
Switzerland	3,389	3,374	2,854
Senegal	2,484	2,252	2,623
Turkey	4,879	5,891	5,428
India	561	561	426
TOTAL	**21,215**	**22,773**	**21,516**

In the markets where it operates, the Group aims to develop strong regional positions around its Cement production facilities, while also consolidating its position through Ready-mixed Concrete and Aggregates businesses. In countries where the Group enters through its external growth strategy, it seeks to leverage the local identity of the acquired brands.

1.7.1. FRANCE

France is the Group's historical market. It operates through its five cement factories located in the eastern half of the country and a network of concrete batching plants and quarries located mainly in the same marketing zones, with a high concentration in the southeastern quarter of the country. Furthermore, the Group has operations in France which are complementary to its three core businesses.

Group sales volumes in France

	2014	2013	Change
Cement *(in millions of tonnes)*	2.83	2.90	- 2.4 %
Concrete *(in millions of m³)*	3.08	3.07	+ 0.4 %
Aggregates *(in millions of tonnes)*	9.90	10.69	- 7.4 %

The level of economic activity in France was particularly low throughout 2014. Construction of new homes fell by comparable 10.3 % compared with 2013[1]. With fewer than 298,000 housing starts in France in 2014, after reaching 466,000 in 2007, France has plunged back to levels on a par with those last seen in 1996 and 1997.

Public works projects declined by 13.3 % compared with 2013, one of the steepest drops since 2009.

1.7.1.1. Cement

The French cement market is mature, with consumption of 18.2 million tonnes in 2014. Accordingly, consumption per capita was approximately 267 kg of cement in 2014.

Since 2007, market volumes have fallen by almost 31 %, thus an average annual decrease of 4.4 % over the period. In 2014, cement consumption recorded a further decrease of 5.5 %[2].

The decline in the Group's sales on the French market in 2014 (- 2.4 %) was less pronounced than that of domestic demand owing to the contributions of two exceptional projects (the Stade des Lumières and the Incity high-rise office building, both in Lyon) and the acquisition of concrete batching plants in the Rhône-Alpes region. Exports amounted to 0.2 million tonnes of cement in 2014.

The French cement industry is concentrated. Four groups account for approximately 94 % of the market: Lafarge, Ciments Français (Italcementi group), Vicat and Holcim. The Group is the third-largest French cement manufacturer[3], with cement production of 2.8 million tonnes in 2014.

1.7.1.2. Ready-mixed Concrete & Aggregates

In 2014, the ready-mixed concrete market accounted for nearly 36.6 million m³ of concrete[4], a decline of 6 % compared with 2013, with strong regional disparities. There are nearly 1,900 concrete batching plants and more than 500 companies in France.

The Group's 144 concrete batching plants cover 10 of the 19 French regions, which are located mainly in eastern France, and sold nearly 3.1 million m³ in 2014, accounting for approximately 8 % of the domestic market. The Group's sales volumes in 2014 were similar to those of 2013 (+ 0.4 %).

The French aggregates market amounted to 320 million tonnes in 2014[4] (excluding recycled materials), down 6 % compared with 2013, with significant discrepancies between eruptive aggregates (-5 %), limestone (-4 %) and alluvial aggregates (- 7 %). Alluvial aggregate sales are in line with those of ready-mixed concrete, which reflect a general downturn in the construction business.

More than 1,600 companies operate in this market in France. The Group is one of the top ten aggregate producers in the country.

The Group has 60 sites, including 40 quarries, which enabled it to produce and market 9.9 million tonnes of aggregates in 2014, corresponding to 3 % of the domestic market. Sales volumes fell by 3 % in 2014 compared with 2013, when changes in the consolidation method are taken into account (move from proportionate consolidation to the equity method).

1.7.1.3. Other Products & Services

Other Products & Services group together include activities that are complementary to the Group's main businesses, such as Transport and Major Projects, in particular the company SATM, Construction chemical products with Vicat Produits Industriels, and the Paper Business with Papeteries de Vizille.

(1) Source: Ministry of the Ecology of Sustainable Development and Energy

(2) French cement industry trade union (SFIC - Syndicat Français de l'Industrie Cimentière)

(3) Source: Global Cement Report.

(4) Source: Union Nationale des Industries de Carrières et de Matériaux (UNICEM).

Breakdown of sales by business

(in millions of euros)	2014	2013	Change
Transport and Major Projects	90.6	90.8	- 0.3 %
Vicat Produits Industriels	71.3	69.7	+ 2.3 %
Paper	40.0	40.1	- 0.2 %

Transport and Major Projects

Through its 15 branches in France, SATM uses three means of transport: bucket, tank and platform trucks. SATM generates most of its transport sales as a shipping agent and is a leading player in the field of bulk, bucket and tank transport, which confers great flexibility and adaptability on the market. Accordingly, SATM operates a fleet of approximately 1,000 vehicles, the majority of which belong to sub-contractors working regularly with the Group.

SATM transports much of the cement and aggregates to the Group's ready-mixed concrete batching plants, which accounts for approximately half of SATM's revenue in the Group. The complementary nature of this transport activity with the Group's businesses allows it to optimize the quality of service provided to its customers. Sales in this SATM business sector were stable in 2014.

SATM's Major Projects business is generated mainly from bids for large infrastructure construction sites such as TGV railway lines, motorway projects and power station construction programs. SATM operates on these sites to deliver ready-mixed concrete by means of mobile concrete mixing and batching stations intended for major projects. SATM is a true partner in the major projects field, in France and abroad. Sales in 2014 were stable compared with 2013, remaining at a historically low level.

Construction chemicals

Vicat Produits Industriels (VPI) is a major player in the industrial mortar market for construction and civil engineering, with four plants and a sales network in France. With VPI, the Group has a closer view of the construction materials market and therefore a better understanding of end user needs.

VPI offers a broad range, including approximately 200 products that meet many needs: facade coatings, mortar and traditional concretes, products used to repair floors and walls, tiling adhesives and thermal insulation products. The evolution and development of these products and their adaptation to the customer's requirements are handled by the research laboratory team at L'Isle-d'Abeau.

VPI's sales outside the Group increased by 2.3 % in 2014 to € 71.3 million, thanks to improved performance by the DIY sector.

Paper and bags

Located in the Grenoble area, Papeteries de Vizille operates in two segments: writing/printing paper and the production of bags.

The following table shows the changes in volumes sold by Papeteries de Vizille:

	2014	2013	Change
Writing and printing paper *(in tonnes)*	20,939	20,876	+ 0.3 %
Bags *(in thousands of units)*	63,027	64,221	- 1.9 %

WRITING AND PRINTING PAPER PRODUCTION

The "Printing/Writing" business focuses on the production of specialty papers with high added value. Accordingly, despite the Company's small size, Papeteries de Vizille has partnered with renowned publishers and major French banks, while continuing to expand into various countries around the world where their expertise is recognized along with the quality and technical sophistication of their products.

From a geographic standpoint, the Company has continued to generate growth from its international operations, thus delivering additional business volumes at profitability levels higher than those in France. In 2014, 56 % of sales (46 % in terms of tonnage) were generated in export markets in 33 countries, compared with 47 % of sales in 2013.

PRODUCTION OF LARGE CAPACITY PAPER BAGS

The Bag business provides large capacity paper bags to the agro-alimentary, chemical and construction sectors. The factory has an annual production capacity of approximately 75 million bags, which represents approximately 15 % of the national market. Some of the bags sold by Papeteries de Vizille are intended for the Group, although Papeteries de Vizille is not the Group's exclusive supplier.

The year 2014 saw increases in demand across most of the markets for industrial paper bags, up 4.3 % in France and up 3.9 % in Europe. In France, all sectors except mineral products and chemicals saw growth compared with 2013. Papeteries de Vizille managed to maintain its sales levels in 2014.

1.7.2. EUROPE (EXCLUDING FRANCE)

Group sales volumes in Europe (excluding France)

	2014	2013	Change
Cement *(in millions of tonnes)*	1.20	1.24	- 3.4 %
Concrete *(in millions of m^3)*	0.84	0.88	- 4.5 %
Aggregates *(in millions of tonnes)*	3.39	3.37	+ 0.5 %

1.7.2.1. Switzerland

The Group entered the Swiss market in 2001 by acquiring the Vigier group, which was already vertically integrated both through a network of concrete batching plants and quarries and through significant business activity in prefabricated concrete products. It operates mainly in the western and central parts of the country.

The Swiss construction sector benefited from mild weather conditions at the start of 2014 and remained at a high level throughout the year.

Cement

Demand for cement in Switzerland remains strong, exceeding the threshold of 5 million tonnes[(1)], which represents over 625 kg of cement consumption per capita, a very high level of demand for a mature market.

The principal producers on this market are Holcim, which has approximately two thirds of the Swiss market, JuraCim (CRH group) and Vigier, a Group subsidiary. Holcim has a significant presence in the east of the country, whereas JuraCim and Vigier operate in the western part of the country. Through its subsidiary Vigier, the Group is ranked third cement manufacturer in Switzerland.

After a record-setting year in 2013 as a result of high delivery volumes to major projects in the vicinity of the factory (Seeland-Jura region), cement deliveries were down 3.9 % in 2014.

Ready-mixed Concrete & Aggregates

The ready-mixed concrete market is highly developed in Switzerland, with a dense network of concrete batching plants. The scheduled completion and lower consumption of major construction projects in the Seeland region account for the decline in delivery volumes for ready-mixed concrete, which nonetheless remained at very high levels.

Through Vigier and its subsidiaries, the Group owns 20 concrete batching plants spread over four regions in the western half of Switzerland. These plants produced 0.84 million m^3 in 2014, down 4.6 % compared with the previous year.

Vigier operates 19 aggregates sites, located near the concrete batching plants. These quarries are generally smaller than in France and are intended to meet the needs of the concrete batching plants as a priority. Sales of Vigier's aggregates increased slightly compared with the previous year (+ 0.5 %), reaching 3.4 million tonnes in 2014.

Other Products & Services

Creabeton Matériaux, a subsidiary of Vigier, comprises four Precast Concrete production sites. The four factories are supplied with cement and aggregates by other companies within the Group.

Creabeton Matériaux manufactures and sells a complete range of concrete products, in particular products for gardens (flagstones, paving stones), products for infrastructures (Deltablocs, drainage systems) and made-to-measure products (architectural items). Vigier also manufactures and sells railroad sleepers and concrete platform curbs under the Vigier Rail brand, and has recently acquired a supplier of technical solutions which has licenses for the "Low Vibration Tracks" slab track systems.

Precast concrete sales amounted to € 128.8 million in 2014, up from € 128.8 million in 2013, representing 433,000 tonnes of concrete products, 20 % of which in the railway sector.

1.7.2.2. Italy

Cement consumption in Italy fell by 7 % to 19 million tonnes in 2014[(2)], again reflecting lower internal demand and bringing the accumulated decline in volumes to 58 % for the period between 2007 and 2014.

Cementi Centro Sud, a subsidiary of the Group, runs a grinding mill in Sardinia and two port facilities, one near Genoa and the other in the south of the country, together accounting for 0.23 million tonnes in sales. Cementi Centro Sud does not hold a significant share of the Italian cement market, yet it provides the Group with a strategic base of operations in a country with a still-fragmented cement industry comprising about twenty producers.

(1) Source: CEM Suisse.

(2) Source: AITEC.

1.7.3. UNITED STATES

The Group's sales volumes in the United States

	2014	2013	Change
Cement *(in millions of tonnes)*	1.69	1.54	+ 9.8 %
Concrete *(in thousands of m³)*	2.00	1.93	+ 4.0 %

The Group is active in two main regions: California and the Southeast (chiefly Alabama and Georgia).

At the national level, building expenditures rose by 2.4 % in 2014 and public works expenditures were up 3.2 %. For its part, the residential sector saw a slight decline of 0.6 %.

With respect to the states where the Group is present, expenditure rose in both California and Alabama, but fell in Georgia.

1.7.3.1. Cement

The American cement market, which peaked at over 128 million tonnes in 2005 and 2006, fell to 71 million tonnes in 2010, but has since grown again by 5.1 % per year on average. Domestic consumption was estimated at 87 million tonnes in 2014(1), up 6.7 % compared with 2013. Annual cement consumption is not very high for a developed country at about 260 kg per capita, due in particular to a preference for wood.

The American cement industry provides around 92 % of national consumption, with the rest imported chiefly from Canada, Asia and Mexico.

The following table shows cement consumption in the two regions of the United States where the Group is present(2):

(in millions of tonnes)	2014	2013	Change
South-East	8.7	8.1	+ 8.3 %
California	8.7	8.4	+ 4.6 %
TOTAL UNITED STATES	**88.5**	**82.0**	**+ 7.9 %**

The Group has two factories in the United States which are 3,000 km apart and which therefore serve separate markets. The two regions where the Group operates grew by 8.3 % in the Southeast and 4.6 % in California. The Group's sales volumes rose by 9.8 % in 2014 compared with 2013, reflecting specific regional factors and the long-term trading relationships that the Group has been able to forge with its customers.

The Group's competitors in its two markets in which it operates in the United States are Heidelberg Cement, Holcim, Argos, Cemex, Vulcan and Buzzi Unicem in the Southeast and Cemex, Heidelberg Cement, CPC, Mitsubishi and TXI in California.

With overall production accounting for nearly 2 % of the national market, National Cement Company (NCC), the Group's subsidiary, is reportedly the 16th largest US cement manufacturer(2) at the national level, and a major player in the two regions where it is active.

1.7.3.2. Ready-mixed concrete

Ready-mixed concrete is widely used in the United States. The US market for ready-mixed concrete was estimated at around 246 million m³ in 2014(3). After falling by over 40 % in the period between 2007 and 2010, the market began to recover in 2011. With an improvement of 7.1 % in 2014, it has now climbed back nearly 25 % from its low point, regional contrasts notwithstanding.

The market is highly competitive with both large and strongly integrated players, such as Cemex or Lafarge being present, but many small independent producers still operating at the local level as well.

Given the size of the American market, only the two regional markets in which the Group operates are discussed below. In 2014, the Group's ready-mixed concrete market in the Southeast (Alabama and Georgia), accounted for a production of nearly 9.1 million m³, a 12.6 % increase over 2013(3), with Georgia showing the greatest improvement. The ready-mixed concrete market in California accounted for a production of 24.9 million m³ in 2014, up 6 % compared with the previous year(3).

The Group has grown through successive acquisitions and currently runs 45 plants in North America, mainly through Kirkpatrick Concrete, National Ready Mix and Walker Concrete. These plants produced a combined total of 2.0 million m³ in 2014 (of which 72 % in California and 28 % in South East), up 4.1 % compared with total production in 2013. Development of the Group's sales volumes varies by region and is mainly determined by the residential market.

(1) Source: United States Geological Survey (USGS).
(2) Source: Global Cement Report.
(3) Source: National Ready Mix Concrete Association (NRMCA).

1.7.4. AFRICA AND MIDDLE EAST

The Group's sales volumes in Africa

	2014	2013	Change
Cement *(in millions of tonnes)*	5.47	4.51	+ 21.3 %
Aggregates *(in millions of tonnes)*	2.48	2.25	+ 10.3 %

1.7.4.1. Senegal and Mali

Cement

The Group has been active in Senegal since 1999 through its subsidiary Sococim Industries, based in Rufisque, near Dakar, from which it has expanded into surrounding West African countries namely, Mali, the Gambia, Guinea, Burkina Faso and Mauritania. Together, these countries accounted for a cement consumption of 8 to 8.5 million tonnes, up 7 to 8 % in 2014[1].

In the absence of official statistics, the Group estimates that the Senegalese cement market grew by around 6 % per year on average for the past 13 years. Growth was estimated at 11 % for 2014. The market has more than doubled in size over the past thirteen years, reaching an annual consumption of nearly 3.1 million tonnes in 2014. Per capita consumption is nonetheless limited to about 200 kg per year.

In Senegal, the Group competes with Ciment du Sahel and imports from other countries. A new entrant has built a factory and has begun operations, despite serious infringements of Senegalese mining and environmental laws in the implementation of this project. This competitive pressure led to lower average selling prices.

The cement industry in Senegal enjoys access to limestone resources hard to find in West Africa, and also supplies neighboring countries, which do not all have a domestic clinker producers. After having concentrated on the national market, between 30 % and 40 % of the cement produced by Sococim Industries is now exported to the West Africa region (varies per year).

In this context, the sales volumes of Sococim Industries amounted to 2.8 million tonnes, up 14 % compared with 2013.

In the aftermath of the difficulties experienced in Mali, cement consumption has begun to pick up again, reaching around 1.7 million tonnes in 2014[1]. Adding to the direct sales recorded by Socicim Industries, sales volumes for Ciments et Matériaux de Mali amounted to 0.15 million tonnes.

Aggregates

The Group operates in the aggregates market serving Senegal and neighboring countries. The Group produces crushed aggregates (limestone and basalt) in the western part of Senegal (Dakar and Thiès), which are used in the 11 regions of the country and in neighboring Gambia. Sales volumes increased to 2.48 million tonnes in 2014, up 10.3 % compared with 2013.

Conditions for aggregate sales in 2014 were positive, with a resilient activity in construction sector.

1.7.4.2. Mauritania

With a growth rate estimated at 4.4 %, Mauritania enjoys a favorable macroeconomic climate, in spite of an unemployment rate of over 30 %. The Group estimates cement consumption to have increased by 14 % to 0.95 million tonnes in 2014.

BSA Ciment, the Group's subsidiary, grinds high-quality, imported clinker to produce a "marine cement" equivalent, which is in high demand in the capital city. These growth-enhancing conditions led BSA Ciment to increase its cement sales volumes and to develop its sales network quite significantly. It has roughly one third of the national market.

The Group is increasing its presence with a small ready-mixed concrete operation, currently in development.

1.7.4.3. Egypt

The gradual stabilization in the political situation in Egypt and the return to greater security nudged GDP growth up slightly to 2.2 % for the 2013-2014 fiscal year (based on figures published by the Egyptian finance ministry). This growth improved steadily each quarter over the course of the year.

In this context, cement consumption regained its upward momentum, amounting to 51.6 million tonnes, an increase of 3 % in 2014[1], which corresponds to about 620 kg of cement per capita and per year.

(1) *Internal source*

There are 19 cement companies spread out throughout Egypt, including Lafarge, Cemex and Italcementi. Most cement factories are concentrated within a 200 km radius around Cairo, the capital.

The Egyptian cement manufacturing industry has the advantage of a geographical position that allows it to export any production surpluses by sea to various areas of the world through its Mediterranean and Red Sea ports. However, Egyptian cement producers are faced with difficult access to energy and an unstable security position.

Sales volumes for Sinai Cement Company rose 32.6 % to 2.2 million tonnes in 2014, reflecting improvements in security conditions for northern Sinai, where the Group's factory is located.

1.7.5. ASIA

The Group's sales volumes in Asia

	2014	2013	Change
Cement *(in millions of tonnes)*	9.35	7.87	+ 18.8 %
Concrete (*in millions of m³*)	2.35	2.65	- 11.5 %
Aggregates *(in millions of tonnes)*	5.44	6.45	- 15.7 %

1.7.5.1. Turkey

The Group has been active in Turkey for over 20 years, through its cement factories in Konya and near Ankara, the capital, and via its network of concrete batching plants and quarries serving the Anatolia region and part of the Mediterranean coast.

This period has seen increased urbanization, population growth and major rural-urban migrations in Turkey, all of which have kept up demand for residential and industrial construction and infrastructure development. The construction and construction materials industries are both in line with this growth.

Cement

Annual consumption was estimated at 64.9 million tonnes for 2014[(2)], up more than 3 %. Cement consumption per capita has exceeded 740 kg per year, reflecting the country's infrastructure needs. Apart from the area bordered by the Aegean Sea, central and eastern areas of Anatolia, all regions of Turkey saw growth during the year.

If the Turkish cement manufacturing sector remains largely fragmented, there seems, however, to be an incipient concentration with the emergence of multinational players such as Vicat, HeidelbergCement (Germany) and Cementir (Italy) and from Turkish groups of national stature (such as Oyak, Sabanci and Nuh). The principal cement consumption areas in Turkey are the urban areas of Marmara (Istanbul) and Central Anatolia (Ankara) and the tourist areas of the Mediterranean (Antalya) and the Aegean Sea.

The Group has just under 6 % of the national market, but is well-placed in the two regions where it operates. In 2014, the Group's sales volumes declined by 2 %. After a first-quarter performance spurred by excellent weather conditions, the latter were substantially less favorable in the subsequent two quarters, although there was a return to growth in the fourth quarter. Despite this drop in volume, sales were considerably higher, thanks to favorable selling prices.

Ready-mixed Concrete & Aggregates

The Turkish ready-mixed concrete market was estimated at approximately 107 million m³ in 2014[(3)], up around 5 % compared with the previous year.

The ready-mixed concrete business in Turkey must adapt both to the rigorous climatic conditions in the center of the country and to the constraints related to the country's tourist trade. Thus, the Group alternates its ready-mixed concrete business: from spring until autumn, it supplies mainly the Ankara and Konya regions and, during the winter and the low season for tourism, the construction sites on the Mediterranean, through a network of 33 concrete batching plants.

Concrete volumes were lower (- 11.5 %), but selling prices continued to increase, owing to the Group's selective strategy in this business.

The Group's position in Turkey in the Aggregates business is focused on covering its ready-mixed concrete market, which accounts for four fifths of its outlets. After a strong increase last year, aggregates volumes were also substantially lower (- 17.2 %) but selling prices rose, amidst a context in which the Group worked to optimize its quarry resources.

(1) Source: Egyptian Ministry of Equipment.

(2) Source: TCMB and internal estimate for non-member companies.

(3) Internal source

1.7.5.2. Kazakhstan

The latest estimates put GDP growth at 4.6 % in 2014. The economy rests in large part on its mineral and resources wealth, in particular that of oil production. The macroeconomic context worsened during the year, with the steep decline in oil prices, the recession affecting Russia, and the plunge in the value of the ruble, all of which are expected to have had an adverse impact on Kazakhstan's trade balance and its domestic production.

Despite this context, the construction industry performed well, particularly as a result of investments in commercial real estate. Government initiatives continued to boost results in the public works sector, for roads, railways and other public projects. The initial shock of the tenge's devaluation forestalled investments in the spring, but the situation improved later in the year.

The Group operates in Kazakhstan by means of the Jambyl Cement factory. The factory's main markets are in the regions surrounding Almaty and Astana, the capital, and to a lesser extent the southern and western regions of the country. Thanks to the quality of its products and its excellent logistics system, Jambyl Cement sold nearly 1.3 million tonnes of cement in 2014, representing growth of 23.8 %, only three years after its brand-new factory was commissioned on virgin ground.

1.7.5.3. India

In 2008, the Group set up operations in India through the Vicat Sagar Cement Private Limited joint venture, and in 2010 it increased its presence in this high-potential market with the acquisition of Bharathi Cement. Thus, with a cement production capacity of 7.8 million tonnes, the Group is able to tap into its significant development potential in order to serve India's southern and western markets.

On July 15, 2014, the Group purchased the stake held by Sagar Cements in Vicat Sagar Cement. As a result of this transaction, Vicat holds 100 % of the share capital of Vicat Sagar Cement.

Cement

The cement market in India was estimated at 235 million tonnes in 2013[1], making it the second-largest cement market in the world. It grew by an average of 10 % per year between 2004 and 2010, though growth subsequently slowed in 2011 and 2012, then remained entirely flat in 2013. But with a per capita consumption of almost 200 kg per year, there is still lots of potential for growth in the market in view of infrastructure requirements, population dynamics and continuing urbanization.

In 2014, the cement market in the states where the Group is active in South India (Andhra Pradesh, Tamil Nadu, Karnataka, Kerala and Goa) and in Maharashtra was estimated to have fallen by 3.5 % to 90 million tonnes compared with 2013. Following some volatility in selling prices at the beginning of the year, the situation improved in the second half.

The Group markets the production of its two factories under the Bharathi Cement label through a broad network of distributors. Thanks to the launch and subsequent growing market share of the Vicat Sagar Cement factory in Chatrasala, Group sales volume in India rose strongly in 2014, reaching 4.5 million tonnes, representing growth of 40.9 %.

1.8. RESEARCH AND DEVELOPMENT

The Group's research resources, housed in the Louis Vicat Technical Center at L'Isle d'Abeau near Lyon, are focused on innovation, development and product monitoring.

Opened in 1993, this center is located in the heart of the Rhône-Alpes region, close to the Group's long-established facilities in Grenoble and its flagship cement factory in Montalieu, in the Isère department. It is staffed by a team of 90 research scientists and technicians working in three different laboratories:

- the materials and microstructures laboratory, which investigates the properties of materials;
- the Sigma Béton laboratory, which formulates and maintains quality control objectives for concrete and aggregates;
- the construction industry product formulation laboratory, which develops innovative adhesive and chemical products for building.

The main themes addressed by the Group's Research and Development teams involve anticipating or responding to the specific demands of its customers as well as changes in construction standards. In the context of these activities, the Group registers patents in order to protect the development of products resulting from the work of its R&D teams. Like other major players in the cement industry, the Group's business activities are not dependent on patents, licenses or manufacturing processes protected by third-party intellectual property rights.

Total research and development expenses amounted to € 5.436 million in 2014 (see Note 4 to the consolidated financial statements in section 7.1.1 of this Registration Document).

(1) Source: Cembureau.

1.8.1. RESEARCH ON PROCESSES

Efforts to improve the energy efficiency of cement factories and the substitution of fossil fuels with alternative fuels are based on a circular economy model with the aim of reducing CO2 emissions by increasing the proportion of energy generated using biomass. In 2014, the Group's use of alternative fuels avoided the consumption of 595,000 tonnes of coal equivalent. The Research & Development teams worked closely with those in the factories during the year to ensure that this shift in energy use would have no impact on cement quality.

More recently, new research axes have emerged. They relate to the development of new cements which, with equivalent mechanical properties, will result in lower CO2 emissions. This issue, which is fundamental for the future of the industry and is in keeping with the Group's objective of taking part in the collective effort in favor of the environment, mobilizes significant manpower in the fields of crystallography, thermodynamics and additives. The research laboratories at L'Isle d'Abeau have been equipped with state-of-the-art equipment to pursue research in this area, ranging from a diffractometer to an X-ray fluorescence spectrometer and a field emission scanning electron microscope. This research resulted in the industrial production of a new cement, Alpenat®, in the first half of 2013. A new process for the production of Alpenat clinker was developed in 2014. This process is currently being tested by the Cement and Concrete Research & Development teams, who are now grouped within a single R&D Department to shorten time to market for new products. Applications have been filed for the certification of products resulting from this new clinker process.

1.8.2. CONSTRUCTION SOLUTIONS

The Group is constantly developing new concrete products to meet the expectations of customers in the building and public works sector. Several technological breakthroughs have been achieved in the concrete industry, with self-leveling concretes, for example, whose extreme fluidity allows them to move effortlessly into and through intricate formwork. The development of high and ultra-high performance concrete, and more recently of ultra-high performance fiber-reinforced concrete, have multiplied the material's resistance tenfold (compressive strength of around 200 MPa). These concrete products meet the exacting requirements of customers for the construction of complex civil engineering structures or high-rise buildings giving free rein to architectural creativity.

Changes in French thermal regulations adopting the commitments of the Grenelle environmental round table are taken into account. Research is also aimed at precisely determining the contribution of concrete in the design of innovative construction solutions meeting high standards for a building's energy efficiency. The Group is thus taking part in a joint research project with scientists from the *Commissariat à l'Energie Atomique* (CEA) working at the *Institut National de l'Energie Solaire* (INES) in Chambéry to develop precise inertia models for concrete. The Research & Development teams are developing insulating structural concrete products that may be used to create cladding panels for buildings without requiring the use of any additional insulation.

- A sustainable construction solution made from natural quick-setting cement manufactured at the Group's production facility at the foot of the Chartreuse mountain range combined with bio-sourced materials, such as hemp, is now available.
- Owing to its analytical capabilities, the Louis Vicat Technical Center is able to diagnose issues affecting concrete poured in the 19th and 20th centuries and offer treatment solutions. Vicat is a member of the *Cercle des Partenaires du Patrimoine*, an association formed by the French Ministry of Culture and Communication to mobilize companies in support of research programs relating to heritage materials, and thus takes part in research on approaches to the restoration of our architectural heritage.

1.8.3. PARTNERSHIP POLICY

The Louis Vicat Technical Center works closely with several public and private research centers (CEA, INES in Chambéry, *Institut National Polytechnique de Grenoble*, research laboratories at architecture schools, universities, and technical services of some of the Group's customers in the building and public works sector, etc.).

Vicat was a founding member in 2007 of Pôle Innovations Constructives, a French construction industry excellence cluster, which it Chair. Based in the north of the Isère, this cluster brings together a network of key participants in the construction sector (industrial and institutional players, architects, SMEs/micro-enterprises, craftsmen, *Les Grands Ateliers de l'Isle d'Abeau* (an association of architects, engineers and artists), architecture schools, *Ecole Nationale des Travaux Publics de l'Etat* (the French national school of public works), *Centre de Formation des Apprentis du BTP* (a training center for apprentices in the building and public works sector, etc.). Its aim is to accelerate the spread of innovations in the construction industry in order to meet, in particular, the challenges of sustainable development.

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

COMMENTS ON RESULTS AND FINANCIAL POSITION

2

2.1. SELECTED INFORMATION

Income statement items

(in millions of euros, unless otherwise indicated)	2014	2013	2012
Consolidated sales	2,423	2,286	2,292
EBITDA(1)	442	427	437
EBIT(2)	263	234	243
Net financial income	(58)	(53)	(39)
Consolidated net income	144	123	148
Group share of net income	128	120	129
Net earnings per share *(in euros)*	2.86	2.68	2.87
Dividend per share *(in euros)*	1.50	1.50	1.50

(1) Earnings Before Interest, Taxes, Depreciation and Amortization: gross operating profit plus other ordinary income and expenses. EBITDA is not a measure defined by accounting policies. Since EBITDA is calculated differently from one company to another, the data provided in this Registration Document and related to the Group's EBITDA might not be comparable to EBITDA data from other companies.

(2) Earnings Before Interest and Taxes: EBITDA less depreciation, amortization and operating provisions. EBIT is not a measure defined by accounting policies. Since EBIT is calculated differently from one company to another, the data provided in this Registration Document and related to the Group's EBIT might not be comparable to EBIT data published by other companies.

Investments

(in millions of euros)	2014	2013	2012
Industrial investments	156	174	287
Financial investments	74	18	16

Cash flows

(in millions of euros)	2014	2013	2012
Cash flow from operations	321	291	329
Cash flows from operating activities	302	337	307
Cash flows from investing activities	(224)	(179)	(273)
Cash flows from financing activities	(76)	(128)	(149)
Free cash flow	148	171	46

Balance sheet items

(in millions of euros)	2014	2013	2012
Total assets	4,774	4,549	4,764
Shareholders' equity	2,459	2,292	2,415
Net financial debt (excluding put options)	1,022	1,065	1,145

Consolidated financial ratios

	2014	2013	2012
Net debt/total equity *(in %)* (gearing)	41.6	46.5	47.4
Net debt/EBITDA (leverage)	2.31	2.49	2.62
Coverage of net financial expenses			
by EBITDA	9.3	9.7	12.7
by EBIT	5.5	5.3	7.1

Indicators by business segment

(in millions of euros)	2014	2013	2012
Cement			
Consolidated sales	1,261	1,110	1,156
EBITDA	341	314	336
Net capital employed	2,710	2,601	2,827
Industrial investments	106	128	217
Concrete & Aggregates			
Consolidated net sales	860	876	826
EBITDA	71	80	68
Net capital employed	619	590	613
Industrial investments	36	33	53
Other Products & Services			
Consolidated net sales	301	300	310
EBITDA	30	33	34
Net capital employed	170	187	164
Industrial investments	13	14	17

Non-financial indicators

	2014	2013	2012
Sales volumes			
Cement *(in millions of tonnes)*	21	18	18
Concrete *(in millions of m^3)*	8	9	8
Aggregates *(in millions of tonnes)*	21	23	22
Use of alternative fuels (Cement)	**25 %**	**20 %**	**18 %**
Workforce as at December 31	**7,854**	**7,712**	**7,685**

2.2. EXAMINATION OF THE FINANCIAL POSITION AND RESULTS

Investors are advised to read the following financial information, together with section 2.2.2 “Comparison of the 2014 and 2013 fiscal years”, section 2.3 “Cash flow and equity”, the audited annual consolidated financial statements for the three years covered in this Registration Document, and the notes relating thereto in section 7 “Financial Information” of this Registration Document, as well as all other financial information contained in this Registration Document.

2.2.1. SUMMARY

2.2.1.1. Summary of the Group’s 2014 results

As at the date of this Registration Document, the Group operates in 11 countries, where it conducts its main businesses, namely Cement, Ready-mixed concrete and Aggregates.

Country	Cement	Concrete & Aggregates	Other Products & Services
France	▼	▼	▼
Switzerland	▼	▼	▼
Italy	▼		
United States	▼	▼	
Egypt	▼		
Senegal	▼	▼	
Mali	▼		
Mauritania	▼	▼	
Turkey	▼	▼	▼
India	▼	▼	▼
Kazakhstan	▼		

In 2014, the Group’s total shipments in these main businesses amounted to 20.5 million tonnes of cement, 8.3 million m^3 of concrete and 21.2 million tonnes of aggregates. In France, Switzerland, Turkey and India, the Group also operates in activities complementary to the main businesses.

Consolidated sales for the year ended December 31, 2014 rose 6.0 % to € 2,423 million, and 8.0 % at constant consolidation scope and exchange rates compared to the same period in 2013.

Overall, sales growth reflects:

- continuing growth in India, with sales up 54.7 % at constant consolidation scope and exchange rates, marked by a sharp rise in volumes in a more favorable pricing environment in the second half of the year;
- a sharp rebound in business in Egypt, up 58.6 % at constant consolidation scope and exchange rates, in light of the gradual improvement in the security situation and a more favorable pricing environment;
- sustained growth in West Africa of 12.8 % at constant consolidation scope and exchange rates, driven by a buoyant sector environment, which offset the slight erosion in average selling prices;
- a further 11.7 % increase in sales in Turkey at constant consolidation scope and exchange rates, benefiting from a robust pricing environment which helped offset the drop in volumes, especially in the concrete and aggregates business;
- the continued rebound in business in the United States, up 11.6 % at constant consolidation scope and exchange rates, supported by a favorable sector and macroeconomic environment;
- the increase in Jambyl Cement’s business in Kazakhstan, with 18.0 % growth in sales at constant consolidation scope and exchange rates.

These favorable factors were partially offset by:

- a still difficult sector and economic environment in France and Italy, with sales down respectively 3.7 % and 3.9 % at constant consolidation scope and exchange rates;
- a particularly high basis of comparison in Switzerland given the exceptional level of activity in 2013 and the completion of a number of infrastructure projects in the summer of 2014, translating into a 3.5 % decrease in activity at constant consolidation scope and exchange rates.

Change in 2014/2013 sales by business and geographical region

	France		Outside France		Total	
	In millions of euros	Change 2014/2013	In millions of euros	Change 2014/2013	In millions of euros	Change 2014/2013
Cement	245.1	- 4.1 %	1,016.4	+ 19.0 %	1,261.5	+ 13.7 %
Concrete & Aggregates	416.0	- 3.5 %	444.4	- 0.2 %	860.4	- 1.8 %
Other Products & Services	170.0	+ 0.5 %	130.9	+ 0.2 %	300.9	+ 0.4 %
TOTAL	**831.1**	**- 2.9 %**	**1,591.7**	**+ 11.3 %**	**2,422.8**	**+ 6.0 %**

The Group’s consolidated EBITDA grew by 3.6 % to € 442 million compared with 2013, and by 7.0 % at constant consolidation scope and exchange rates.

Operational profitability at constant consolidation scope and exchange rates benefited principally from the following factors:

- the build-up in the Group's business in India and Kazakhstan;
- the upturn in business levels in Egypt, the United States and Turkey.

These factors more than offset:

- the decrease in activity in France and Italy;
- the non-recurrence of CO_2 certificates sales in Switzerland in 2014 (resulting in a net shortfall of € 7 million from 2013).

EBITDA margin was 18.2 % in 2014 and resulting from changes in the Group's geographical mix in 2014 with:

- a greater contribution from countries where margins are still relatively low and that have significant room for improvement (Asia, Egypt and the United States);
- a lower contribution from France, where margins are historically higher, in light of the fall in activity during the year.

Consolidated EBIT was € 263 million. This represents a significant increase of 16.7 % in 2014, at constant consolidation scope and exchange rates, due to the improvement in operating profitability and lower amortization charges and provisions.

EBIT margin was therefore 10.9 % in 2014 compared with 10.2 % in 2013.

Net interest expenses totalled € 58 million. Taking into account the end of the capitalization period linked to the start-up of Vicat Sagar and Gulbarga Power in India, the amount of net interest expenses paid was slightly lower than in 2013.

The Group’s average tax rate was 30.0 %, giving a tax expense of € 59.4 million, compared with 32.4 % in 2013. This lower tax rate stemmed from a change in the mix of countries’ contributions to net income, as the lower contribution from France, which has a high tax rate (38 %), was largely offset by an increase in the contribution from countries where the tax rates are lower (India, Egypt), as well as from countries where the Group benefited from temporary tax exemptions (Senegal, Kazakhstan) due to past investments.

Consolidated net income was € 143.5 million, up 21.8 % at constant consolidation scope and exchange rates, including a Group share of € 128.5 million, up 11.0 % at constant consolidation scope and exchange rates.

Net margin (consolidated net income/consolidated sales) was 5.9 %, compared with 5.4 % in 2013. Net earnings per share were therefore € 2.86 in 2014, compared with € 2.68 in 2013.

On the basis of consolidated shareholders’ equity, gearing was 41.6 %, compared with 46.5 % at December 31, 2013 and 52.7 % at June 30, 2014. The leverage ratio (net financial debt/EBITDA) was 2.3x versus 2.5x in 2013.

2.2.1.2. Elements having an impact on earnings

As at the date of filing of this Registration Document, the Group considers that the principal factors having a significant impact on its financial performance are the following.

2.2.1.2.1. Elements having an impact on sales

(A) ECONOMIC CONDITIONS IN THE COUNTRIES WHERE THE GROUP OPERATES

The materials produced by the Group - cement, concrete and aggregates - are major components of construction and infrastructure in general.

Demand for these products depends on the economic conditions specific to each country and market, that are in turn determined by the rate of demographic growth, the level of economic growth and the level of urbanization. These factors influence the level of local public and private sector investment in housing and infrastructure, and therefore the sales achieved by the Group in each market where it operates. More generally, the level of public and private sector investment in housing and infrastructure is affected by the general political and economic situation in each country.

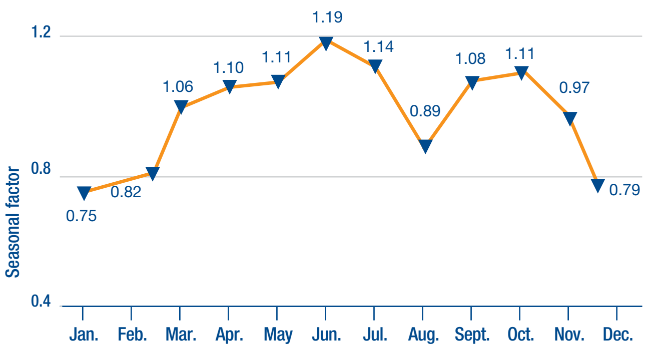
The price levels applicable to each market are determined by the production costs of existing operators and the competitive intensity of the product markets.

(B) SEASONALITY

Demand in the Cement, Ready-mixed concrete and Aggregates businesses is seasonal and tends to decrease in winter in temperate countries and during the rainy season in tropical countries. The Group therefore generally recorded falling sales in the first and fourth quarters, during the winter season in the principal markets of Western Europe and North America. In the second and third quarters, in contrast, sales are higher, due to the summer season being more favorable for construction work.

The following image shows the changes in the monthly average seasonality coefficient during the year, calculated from the seasonality of sales recorded during the last five years. Thus, for a monthly average equal to 1, the seasonality factor varied from 0.75 on average in January to almost 1.19 on average in June.

SEASONALITY OF VICAT SALES



The seasonality varied according to country. Thus, the Group's activities in Senegal, despite reduced winter activity from August to October, and in the United States, were less affected by seasonality than Western Europe. Turkey similarly did not see a fall in its activity in August, unlike France and Italy. Finally the Group's business is subject to very high levels of seasonality in India, owing to the monsoon season, and in Kazakhstan, given the very low temperatures between November and February.

2.2.1.2.2. Elements having an impact on production costs

The principal components of production costs are energy, raw materials, maintenance, provisions for depreciation of production facilities, transport costs and personnel costs.

The cost of energy is most significant in the Cement business in which it represents in total more than one third of the cost price of cement. The cost of energy includes electricity, whose price depends in particular on the generation capacity available in each market and also fuels, whose prices depend on the overall market conditions for each fuel. The effect of changes in fuel prices varies in particular according to the mix of fuels used, the energy efficiency of each factory, and the capacity to use alternative fuels. The impact of energy price fluctuations has a delayed and reduced impact on the income statements, in view of the inventories held and the existing forward supply agreements.

As the Group's products are heavy, the share of costs relating to transport can prove to be high. The locations of factories and their proximity to markets are thus determining factors in competitive position and have a direct effect on the selling prices net of transport obtained by the companies (see also section 2.2.1.4. “Elements of the income statement” of this Registration Document).

2.2.1.2.3. Elements having an impact on financial income

The consolidated financial income depends mainly on the Group's indebtedness, as well as on the interest rates applied and fluctuations in the exchange rates of the currencies in which the Group has debt or has a cash surplus. The sensitivity to these fluctuations in interest and exchange rates is limited by the hedging instruments used.

The Group's activities are run by entities which operate primarily in their own country and their own currency, both for sales and for purchases. The Group's exposure to exchange rates is thus limited.

Nevertheless, import and export transactions by the companies in currencies different from their accounting currency are generally hedged by forward buying and selling currency transactions. Financing is usually subject to exchange rate hedging by Group's companies when the loan currency differs from the operating currency.

2.2.1.2.4. Elements having an impact on the Group's corporate tax

The Group's tax burden depends on the tax laws in force in each country in which the Group operates and on exemption agreements from which some subsidiaries (Kazakhstan and Senegal) benefit.

In Senegal, the State signed a mining agreement with Sococim Industries in February 2006, with retroactive effect to January 1, 2006, granting it tax exempt status because of its major investment plan, the main benefits of which are exemption from corporation tax, a capping of the occupational and land taxes for a period of 15 years, relief on import duties over the investment period of four years and a fiscal stability clause.

In Kazakhstan, Jambyl Cement benefited from an income tax exemption agreement at the end of 2008, for a ten-year period starting when the plant came into operation in December 2010.

2.2.1.3. Key accounting policies

In compliance with European Regulation (EC) 1606/2002 issued by the European Parliament on July 19, 2002 on the enforcement of International Accounting Standards, Vicat's consolidated financial statements have been prepared since January 1, 2005 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Vicat Group has adopted those standards in force on December 31, 2014 for its benchmark accounting policies.

Standards and interpretations published by the IASB but not yet in effect as at December 31, 2014 were not applied ahead of schedule in the Group's consolidated financial statements at the closing date. This mainly relates to the application of IFRIC 21 «Levies», which is currently being assessed in order to determine its potential impact on the financial statements. The Group does not anticipate any material impact resulting from the application of this standard to the annual consolidated financial statements.

The consolidated financial statements for the year ended December 31, 2013 present comparative data for the previous year prepared under these same IFRSs. The accounting policies and methods applied in the consolidated financial statements for the year ended December 31, 2014 are consistent with those applied for the annual financial statements in 2013.

The other standards that are mandatory for annual periods beginning on or after January 1, 2014 had no impact on the 2014 consolidated financial statements. These are for the most part IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities", and their implication on IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures".

These financial statements were finalized and approved by the Board of Directors at its meeting of March 6, 2015 and will be submitted to the General Shareholders' Meeting of May 6, 2015 for approval.

2.2.1.4. Income statement items

In addition to the accounting aggregates presented in the income statement, the principal indicators used by the Group for measuring financial and industrial performance are EBITDA and EBIT, which are shown at the foot of the income statement as published. These aggregates are defined in Note 1.22 of the notes to the consolidated financial statements, while the rationalization between Gross Operating Income, EBITDA, EBIT and Operating Income is presented in Note 23.

The main indicators which will be commented upon are as follows:

- sales, which is mainly composed of billings for products delivered during the period and services rendered during the period, in particular the transport of goods sold re-invoiced to the customer;
- the off-balance sheet indicators mentioned above.

2

2.2.1.5. Effect of changes in the consolidation scope and in exchange rate fluctuations

Changes in the consolidation scope

Vicat Group purchased the stake held by Sagar Cements in Vicat Sagar Cement. On completion of this transaction, Vicat holds 100 % of the share capital of Vicat Sagar Cement. This increased stake was accompanied by the severing of all equity ties between the two groups. The net amount of all transactions connected with this deal was € 45 million.

As part of the Group's debt reduction strategy, the holding companies that hold a majority interest in Vicat SA, Soparfi and Parfininco, purchased 24.6 % of the Soparfi shares held by Vicat Group subsidiaries.

These purchases, which are part of an effort to streamline and simplify the ownership structures of the holding companies, totaled € 114 million, the Soparfi shares having been valued by an international audit firm.

As a result of this transaction, the remaining interest of Vicat Group subsidiaries in Soparfi stood at 18.4 % prior to cancellation of treasury shares by Soparfi and 22.4 % thereafter.

The overall gain, net of tax, of € 72 million generated as a result of these disposals was recognized in Vicat's consolidated shareholders' equity.

Exchange rate fluctuations

The Group's international operations expose its results to fluctuations in the currencies of each country where the Group is established relative to the euro (i), as well as fluctuations in the currencies used by its subsidiaries for their business activities relative to their operating currencies (ii).

i. On the closing of each year's accounts, the income statements of the subsidiaries are converted into Euros at the average exchange rate for the period. The fluctuations from one period to another between the different currencies in which the Group operates relative to the euro result in fluctuations in sales and, more generally, income and expenses in Euros, even though such fluctuations do not reflect changes in the Group's performance. For the purposes of comparison, the Group presents, in Note 19 of the notes to the 2014 consolidated financial statements, sales recomputed at constant consolidation scope and exchange rates compared to 2013. In addition, the balance sheets of the subsidiaries are converted into Euros at the year-end exchange rates. Fluctuations in these currencies result in conversion adjustments allocated to equity (see Note 1.5 of the notes to the consolidated financial statements).

ii. Profits or losses recorded by the Group's subsidiaries when carrying out transactions in currencies different from their operating currencies are recorded in the financial income as exchange rate gains or losses.

2.2.2. COMPARISON OF THE EARNINGS FOR 2014 AND 2013

(in millions of euros)	2014	2013	Change	Exchange rate effect	Consolidation scope effect	Internal growth
Sales	2,422.8	2,286.0	+ 6.0 %	- 2.4 %	+ 0.4 %	+ 8.0 %
EBITDA	442.0	426.7	+ 3.6 %	- 3.1 %	- 0.3 %	+ 7.0 %
EBIT	263.1	234.2	+ 12.3 %	- 3.8 %	- 0.6 %	+ 16.7 %
Operating income	256.3	229.6	+ 11.6 %	- 3.9 %	- 0.6 %	+ 16.1 %
Consolidated net income	143.5	123.2	+ 16.5 %	- 4.8 %	- 0.5 %	+ 21.8 %
Group share of consolidated net income	128.5	120.3	+ 6.8 %	- 3.8 %	- 0.4 %	+ 11.0 %
Cash flow from operations	320.9	291.0	+ 10.3 %	- 3.9 %	- 0.2 %	+ 14.4 %

Unless otherwise indicated, all changes in this analysis are shown on a consolidated and annual basis (2014/2013), and at constant consolidation scope and exchange rates.

2.2.2.1. Change in consolidated sales

Consolidated sales for the year ended December 31, 2014 rose 6.0 % to € 2,423 million, and 8.0 % at constant consolidation scope and exchange rates compared to the same period in 2013.

The change in consolidated sales for the financial year 2014 by activity, compared to 2013 is as follows:

					Of which		
(in millions of euros)	2014	2013	Change	Change (%)	Exchange rate effect	Change in consolidation scope	Internal growth
Cement	1,261	1,110	152	+ 13.7 %	(46)	1	197
Concrete & Aggregates	860	876	(16)	- 1.8 %	(10)	7	(13)
Other Products and Services	301	300	(1)	+ 0.3 %	2	-	(1)
TOTAL	**2,423**	**2,286**	**137**	**+ 6.0 %**	**(54)**	**8**	**183**

The year was marked by a very sharp 14.9 % growth at constant consolidation scope and exchange rates in operating sales in the Cement business (+ 17.7 % on a consolidated basis), a slight dip in the Concrete & Aggregates business (- 1.5 %) and stable activity in the Other Products & Services business (+ 0.3 %).

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

(as a percentage)	2014	2013
Cement	53.7	50.6
Concrete & Aggregates	31.9	34.2
Other Products and Services	14.4	15.2
TOTAL	**100.0**	**100.0**

The breakdown of operational sales among the Group's different activities shows that the Cement business share of Group operational sales rose significantly to 53.7 % from 50.6 % at December 31, 2013. The Concrete & Aggregates business fell to 31.9 % of operational sales against 34.2 % at December 31, 2013. Lastly, Other Products & Services decreased to 14.4 % of operational sales as at December 31, 2014 compared with 15.2 % at December 31, 2013.

The share of the Group's core businesses, namely Cement, Concrete and Aggregates, rose slightly to nearly 86 % of operational sales before eliminations.

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

	2014	2013	Change
Cement *(in thousand tonnes)*	20,530	18,050	+ 13.7 %
Concrete *(in thousand m^3)*	8,273	8,525	- 3.0 %
Aggregates *(in thousand tonnes)*	21,215	22,773	- 6.8 %

Overall, sales growth reflects:

- higher volumes of cement sold, related to:
  - the Group's continued ramp-up in India,
  - the upturn in activity in Egypt in a less adverse security environment,
  - buoyant activity in West Africa,
  - the Group's dynamism in Kazakhstan, and lastly
  - the ongoing rebound in activity in the United States, supported by an improving macroeconomic environment;
- a generally favorable pricing environment in the Cement business, given the solid growth in Turkey, Egypt, the United States and India, as well as in the Concrete & Aggregates business.

These positive factors were partially offset by:

- the decline in cement volumes in France and Italy owing to the still difficult macroeconomic environment, but also in Switzerland, due to the high basis of comparison following the particularly buoyant level of activity in 2013, and in Turkey,
- the contraction in volumes in the Concrete & Aggregates business in France (aggregates), Switzerland and Turkey,
- the decrease in selling prices in the Cement business in France, Switzerland, Italy, Kazakhstan and West Africa.

Per business line:

- consolidated sales in the Cement division rose 13.7 %, and were up 17.7 % at constant scope and exchange rates. Operating sales rose by 14.9 % at constant scope and exchange rates, supported by a 13.7 % increase in volumes. This positive performance stemmed from growth in volumes in India, Egypt, West Africa, Kazakhstan and the United States. Volumes were down slightly in Turkey, France, Switzerland and Italy. Selling prices were well oriented in Turkey, the United States, Egypt and India, offsetting the declines in France, Switzerland and West Africa. They were stable overall in Italy;
- consolidated sales in the Concrete & Aggregates business were down 1.8 % or 1.5 % at constant scope and exchange rates. This decrease stemmed from a decline in volumes in concrete (down 3.0 %) and aggregates (down 6.8 %);
- consolidated sales in the Other Products & Services business were almost stable for the full year.

Breakdown of consolidated sales by geographical area:

(in millions of euros)	2014	%	2013	%
France	831	34.3 %	856	37.4 %
Europe (excluding France)	418	17.2 %	427	18.7 %
United States	247	10.2 %	221	9.7 %
Asia	530	21.9 %	461	20.2 %
Africa and Middle East	397	16.4 %	322	14.1 %
TOTAL	**2,423**	**100.0**	**2,286**	**100.0**

Breakdown of operating sales in 2014 by geographic region and by business activity:

(in millions of euros)	Cement	Concrete & Aggregates	Other Products & Services	Inter-segment eliminations	Consolidated net sales
France	356	422	234	(180)	831
Europe (excluding France)	173	170	129	(54)	418
United States	114	174	-	(42)	247
Asia	466	92	36	(64)	530
Africa and Middle East	374	24	-	(0)	397
Operating sales	**1,483**	**882**	**399**	**(341)**	**2,423**
Inter-segment eliminations	(222)	(22)	(98)	341	-
CONSOLIDATED SALES	**1,261**	**860**	**301**	**-**	**2,423**

2.2.2.2. Change in operating profitability

(in millions of euros)	2014	2013	Change	Exchange rate effect	Consolidation scope effect	Internal growth
Sales	2,422.8	2,286.0	+ 6.0 %	- 2.4 %	+ 0.4 %	+ 8.0 %
EBITDA	442.0	426.7	+ 3.6 %	- 3.1 %	- 0.3 %	+ 7.0 %
EBIT	263.1	234.2	+ 12.3 %	- 3.8 %	- 0.6 %	+ 16.7 %
Operating income	256.3	229.6	+ 11.6 %	- 3.9 %	- 0.6 %	+ 16.1 %

The Group's consolidated EBITDA rose by 3.6 % to € 442 million compared with 2013, and by 7.0 % at constant consolidation scope and exchange rates.

This improvement in EBITDA at constant consolidation scope and exchange rates stemmed mainly from the sharp rise in EBITDA in India, Turkey, the United States, Egypt and, but to a lesser extent, Kazakhstan and West Africa.

The performance achieved in these regions offset the significant decline in EBITDA in France and Italy, due to the difficult sector and macroeconomic environment. In Switzerland, the drop in EBITDA was primarily due to the the non-recurence of CO_2 certificates sales in 2014, resulting in a net shortfall of € 7 million compared with 2013.

Taking these factors and lower amortization costs and provisions into account, operating income (EBIT) rose significantly by 16.7 % during the period at constant consolidation scope and exchange rates.

2.2.2.2.1. Change in operating income by geographical region

2.2.2.2.1.1. INCOME STATEMENT, FRANCE

(in millions of euros)	2014	2013	Change (%) Reported	Change (%) At constant scope
Consolidated sales	831	856	- 2.9 %	- 3.7 %
EBITDA	134	159	- 15.9 %	- 14.9 %
EBIT	84	98	- 14.6 %	- 13.2 %

Sales in France fell 3.7 % at constant scope in 2014. The decline was the result of a weak macroeconomic environment, and in particular of a significant slowdown in the construction market. EBITDA came in down 14.9 %. EBITDA margin (EBITDA/consolidated sales) fell to 16.1 % from 18.6 % in 2013.

- **In the Cement business,** consolidated sales fell by 4.4 %. Operational sales were down 3.0 %, with volumes falling by more than 2 %. Selling prices also declined, due in particular to a deterioration in the product mix. As a result, EBITDA fell 11.7 % and EBITDA margin on operational sales was down almost 3 percentage points.
- **In the Concrete & Aggregates business,** consolidated sales fell by 4.9 %. Although concrete sales were stable, aggregates showed a decline of over 7 %, half of which was due to a change in scope of consolidation. Average selling prices fell slightly in concrete, but rose in aggregates. In 2014 as a whole, the division's EBITDA in France fell sharply (- 27.3 %), resulting in a much lower EBITDA margin on operational sales than in 2013.
- **In Other Products & Services,** consolidated sales were stable (+ 0.5 %) in 2014. However, EBITDA fell 9.9 %.

2.2.2.2.1.2. INCOME STATEMENT FOR EUROPE EXCLUDING FRANCE

(in millions of euros)	2014	2013	Change (%) Reported	Change (%) At constant scope and exchange rates
Consolidated sales	418	427	- 2.1 %	- 3.5 %
EBITDA	103	114	- 9.8 %	- 11.1 %
EBIT	70	85	- 17.6 %	- 18.8 %

In Europe, excluding France, sales fell by 3.5 % at constant scope and exchange rates. EBITDA in this geographical region was down 11.1 %. EBITDA margin fell in Switzerland, mainly because of a high base for comparison and the non-recurrence of CO_2 quota sales, but also in Italy due to the ongoing difficult macro-economic and sector environment.

In Switzerland, after an exceptional level of activity in 2013, Group sales fell 3.5 % at constant scope and exchange rates, but nevertheless remained at a high level in a favourable macro-economic environment. The decline in sales was mainly due to the end of certain projects that had started in 2013 and ended last summer. As a consequence, and given the non-recurrence of CO_2 quota sales in 2014 – resulting in a net shortfall of € 7 million – EBITDA fell by just over 11 %. EBITDA margin on consolidated sales was down around 2 percentage points. Excluding the shortfall arising from the non-recurrence of CO_2 quota sales, EBITDA margin would have been stable in Switzerland.

- **In Cement,** consolidated sales fell 5.0 % relative to the exceptional strong level of activity recorded in 2013. Operational sales were down 5.1 %. The decline was due to a fall in volumes of around 4 %, partly related to the end of certain major projects, while average selling prices were slightly lower, mainly because of a deterioration in the product mix. As a result, together with the non-recurrence of CO_2 quota sales, Cement EBITDA fell 13.6 % in Switzerland and EBITDA margin on operational sales was down by slightly over 3 percentage points. Adjusted for proceeds from CO_2 quota sales, and at constant scope and exchange rates, EBITDA margin rose slightly.
- **In the Concrete & Aggregates business,** sales fell 4.9 % in 2014. Selling prices were stable in concrete and slightly higher in aggregates, and so the decline in sales was due solely to lower volumes in concrete, since aggregates volumes were stable. EBITDA in the Swiss Concrete & Aggregates business fell almost 4 %, EBITDA margin on operational sales was stable.
- The **Other Products & Services division** posted stable sales (- 0.4 %) in 2014. However, EBITDA fell 9.6 % year-on-year, mainly due to an unfavourable product mix.

In Italy, the macroeconomic and sector environment remained tough and sales fell 3.9 % in 2014. Volumes were down just over 1 % with a slightly stronger contraction in prices. As a result, EBITDA and EBITDA margin were significantly lower in 2014.

2.2.2.2.1.3. INCOME STATEMENT FOR THE UNITED STATES

			Change (%)	
(in millions of euros)	2014	2013	Reported	At constant scope and exchange rates
Consolidated sales	247	221	+ 11.7 %	+ 11.6 %
EBITDA	17	5	+ 231.9 %	+ 231.5 %
EBIT	(5)	(17)	+ 68.6 %	+ 68.6 %

Sales in the United States rose 11.6 % at constant scope and exchange rates. That growth was driven by the ongoing gradual upturn in the US economy. EBITDA rose sharply to € 17 million in 2014, up from € 5 million in 2013, and losses at the EBIT level were cut to € 5 million from € 17 million in 2013.

- In **the Cement business,** consolidated sales rose again in 2014, with growth of 16.7 %, while operational sales were up 17.5 %. Volumes grew almost 10 % year-on-year, with similar growth rates in both California and the Southeast. Selling prices were up around 8 % year-on-year across both regions. On this basis, EBITDA has been multiplied more than fourfold in this activity.
- **In Concrete,** consolidated sales grew 9.6 % at constant scope and exchange rates. Growth was driven by a 4 % increase in volumes, with a substantial increase in California and a very slight rise in the Southeast. Selling prices posted a solid increase in 2014, reflecting the improved macro-economic and sector environment. As a result, EBITDA doubled in this activity.

2.2.2.2.1.4. INCOME STATEMENT FOR ASIA (TURKEY, INDIA, KAZAKHSTAN)

			Change (%)	
(in millions of euros)	2014	2013	Reported	At constant scope and exchange rates
Consolidated sales	530	461	+ 15.1 %	+ 27.2 %
EBITDA	112	85	+ 30.6 %	+ 47.1 %
EBIT	67	42	+ 59.7 %	+ 82.5 %

Sales rose 27.2 % in 2014 at constant scope and exchange rates, with solid growth in all three countries. EBITDA margin on consolidated sales also rose substantially, from 18.6 % in 2013 to 21.1 % in 2014, driven by the build-up of the Group's business in India and Kazakhstan and a stronger pricing environment in Turkey and India.

In Turkey, sales amounted to € 229 million, up 11.7 % at constant scope and exchange rates. In 2014, the Group enjoyed good weather conditions, coupled with a favourable macro-economic, sector and pricing environment. Taking these factors into account, and based on firm costs management – particularly in energy costs with a strong increase in the proportion of alternative fuels – EBITDA rose more than 30 % with a substantial increase in EBITDA margin.

- **In the Cement division,** consolidated sales grew 22.9 % at constant scope and exchange rates in 2014. Operational sales were up 16.6 %. Growth was driven by higher selling prices – with prices rising more at Konya than at Bastas, since competition remained tougher in the Ankara market – comfortably offsetting lower volumes, which fell around 2 % in 2014 as a whole. Although weather conditions were excellent in Q1, they were much less favourable in the following two quarters. As a result, EBITDA in this division rose 34 %, and EBITDA margin on operational sales increased by almost 4 percentage points.
- Sales in **Concrete & Aggregates** fell 4.3 % at constant scope and exchange rates. Volumes contracted by around 11 % in concrete and more sharply in aggregates (over 17 %) due to delays in large infrastructure projects related to a number of consecutive regulatory

changes enacted as a response to the Soma disaster. Selling prices rose firmly in both concrete and aggregates thanks to the Group's selective strategy in this activity. EBITDA was down 8.5 % in 2014 as a whole, and EBITDA margin on operational sales fell slightly.

In India, sales totalled € 230 million in 2014, up 54.7 % at constant scope and exchange rates. Volumes grew 41 %, and the Group shipped almost 4.5 million tonnes of cement in total. Although selling prices were volatile, they started rising again in the second quarter and posted a solid increase in 2014 as a whole, supported by a very gradual improvement in the sector environment. As a result, together with a reduction in energy costs – due in part to the commissioning of a co-generator power plant – EBITDA more than tripled and EBITDA margin on operational sales more than doubled relative to 2013.

In Kazakhstan, the Group continued its development in this promising market, with sales up 18.0 % at constant scope and exchange rates, amounting to € 71 million. Sales were supported by volume growth of around 24 %, with approximately 1.3 million tonnes of cement delivered in 2014. However, selling prices fell in 2014, due in particular to economic uncertainties linked to the Tengue devaluation of early 2014, subsequent currency volatility and raw materials pricing variations. However, the production unit became much more efficient during the year. As a result, EBITDA was almost stable compared to 2013 despite the early 2014 devaluation, and rose 13.2 % at constant scope and exchange rates. As a result, and taking into account lower selling prices, EBITDA margin fell only slightly in 2014.

2

2.2.2.2.1.5. INCOME STATEMENT FOR AFRICA AND MIDDLE EAST

			Change (%)	
(in millions of euros)	**2014**	**2013**	**Reported**	**At constant scope and exchange rates**
Consolidated sales	397	322	+ 23.4 %	+ 24 ,5 %
EBITDA	77	63	+ 22.1 %	+ 23.1 %
EBIT	48	26	+ 82.2 %	+ 83.4 %

In the Africa and Middle East region, consolidated sales were up 24.5 % at constant scope and exchange rates in 2014. EBITDA rose sharply, from € 63 million in 2013 to € 77 million in 2014.

In Egypt, consolidated sales were up 58.6 % at constant scope and exchange rates. That increase resulted from strong growth in volumes, which rose almost 33 %, supported by a buoyant market and an improved security situation in the North Sinai region. Demand remained firm in 2014, while supply was hampered by fuel cuts. That situation prompted a substantial increase in selling prices. As a result, EBITDA rose sharply, doubling when compared to its 2013 level. EBITDA margin also improved significantly, despite a very sharp rise in energy costs in the second half.

In **West Africa,** sales rose by 12.8 %, with favourable market conditions in all countries within the region. Cement volumes grew almost 15 %. Although selling prices are stabilising very gradually on a sequential basis, they continued to show a slight year-on-year decline because of price decreases in 2013. The Group's EBITDA in the region was up 5.5 % in 2014.

2.2.2.2.2. Change in operating profitability per business

The following paragraphs show the breakdown of operating income by business, as well as an analysis of the change between 2014 and 2013.

2.2.2.2.2.1. CEMENT

			(%)	
(in millions of euros)	2014	2013	Change	At constant scope and exchange rates
Operational sales	1,483	1,333	+ 11.3 %	+ 14.9 %
Inter-sector elimations	- 221	- 223		
Consolidated sales	1,261	1,110	+ 13.7 %	+ 17.7 %
EBITDA	341	314	+ 8.7 %	+ 13.1 %
EBIT	220	179	+ 23.1 %	+ 28.6 %

Consolidated sales in the Cement business were up 13.7 % or 17.7 % at constant scope and exchange rates. Operational sales were up 14.9 % at constant scope and exchange rates.

Average selling prices rose slightly overall, but movements differed between the Group's regions. They rose significantly in Turkey, India, Egypt and the United States, offsetting the slight declines in France, Switzerland, Kazakhstan and West Africa.

The overall slight increase in selling prices was accompanied by a substantial 13.7 % increase in volumes. Lower volumes in France, Switzerland, Italy and Turkey were more than offset by the continued build-up of Vicat's activity in India and Kazakhstan, firm momentum in West Africa, and the upturn in Egypt and the United-States.

EBITDA came to € 341 million, representing an increase of 13.1 % at constant scope and exchange rates. Although EBITDA fell in France, Switzerland (mainly due to the non-recurrence of CO_2 certificates sales) and Italy, the decline was more than offset by EBITDA growth in India, Turkey, the United States, Egypt, Kazakhstan and West Africa. However, EBITDA margin on operational sales fell slightly, from 23.6 % in 2013 to 23.0 % in 2014, due to the CO_2 certificates effect in Switzerland and the change in the Group's geographical business mix. In 2014, there was a greater contribution from countries where margins are still relatively low but show strong potential for improvement (Asia, Egypt and the United States), and a smaller contribution from France, where margins are historically higher, because of lower business levels in 2014.

EBIT rose sharply from € 179 million in 2013 to € 220 million in 2014, an increase of 28.6 % at constant scope and exchange rates.

2.2.2.2.2.2. CONCRETE & AGGREGATES

			(%)	
(in millions of euros)	2014	2013	Change	At constant scope and exchange rates
Operational sales	882	899	- 1.9 %	- 1.5 %
Inter-sector elimations	- 22	- 23		
Consolidated sales	860	876	- 1.8 %	- 1.5 %
EBITDA	71	80	- 10.8 %	- 9.4 %
EBIT	28	34	- 18.2 %	- 16.6 %

In the Concrete & Aggregates business, consolidated sales fell by 1.8 % or 1.5 % at constant scope and exchange rates in 2014. Volumes were down 3.0 % in concrete and down 6.8 % in aggregates.

The decrease was due to lower concrete volumes in Turkey and Switzerland, partly offset by an improvement in the USA. Concrete volumes were stable in France. In aggregates, volumes decreased strongly in Turkey and in France (partly due to a change in scope), but posted solid growth in Senegal and were stable in Switzerland. The overall fall in volumes was partly offset by an improvement in selling prices overall.

As a result of those factors, EBITDA fell 9.4 % at constant scope and exchange rates and EBIT by 16.6 %.

2.2.2.2.2.3. OTHER PRODUCTS & SERVICES

			(%)	
(in millions of euros)	**2014**	**2013**	**Change**	**At constant scope and exchange rates**
Operational sales	399	400	- 0.4 %	+ 0.3 %
Inter-sector elimations	- 98	- 100		
Consolidated sales	301	300	+ 0.3 %	- 0.2 %
EBITDA	30	33	- 10.0 %	- 10.6 %
EBIT	15	21	- 29.5 %	- 30.0 %

Consolidated sales in the Other Products & Services business were up 0.3 % but down 0.2 % at constant scope and exchange rates.

EBITDA fell from € 33 million in 2013 to € 30 million in 2014, and EBITDA margin on operational sales was 7.4 %, down from 8.2 % in 2013.

2.2.2.2.3. Change in financial income

(in millions of euros)	**2014**	**2013**	**Change**
Cost of net borrowings and financial liabilities	(47.6)	(44.0)	- 8.2 %
Other financial income and expenses	(10.4)	(9.0)	- 15.6 %
Net financial income	(58.0)	(53.0)	- 9.4 %

The increase in total net financial expense from € 5.0 million to - € 58.0 million stemmed primarily from the rise in the cost of net financial debt (- € 3.6 million) and resulted:

- from the end of the financial expenses capitalization period following the launch of Vicat Sagar and Gulbarga Power in India (net impact of - € 7.5 million);
- partially offset by lower financial expenses in France (net impact of + € 4.5 million) due to lower rates and lower average debt at the parent company than in 2013.

Furthermore, other net financial income and expense rose slightly (- € 1.4 million) mainly as a result of the increase in discounting expenses (- € 2.3 million), as the favorable change in foreign exchange gains and losses in other countries offset the change in Kazakhstan (€ 8.2 million loss recognized in net income in 2014 due to the currency devaluation in early 2014, versus a loss of € 2.5 million in 2013).

To be noted that discounting expenses (- € 7.2 million), primarily related to the IFC put option, future costs of quarry restoration and employee benefits, represented more than two-thirds of other financial income and expense in 2014.

2.2.2.2.4. Change in taxes

(li millions of euros)	2014	2013	Change
Current taxes	(75.8)	(74.5)	- 1.7 %
Deferred tax	16.3	17.3	- 5.8 %
Total taxes	(59.5)	(57.2)	- 4.0 %

The € 2.3 million increase in income tax expense stemmed mainly from:

- the € 22 million increase in current profit before tax; and
- the reduction in the Group's average tax rate to 30.0 %, versus 32.4 % at December 31, 2013. This lower tax rate stemmed from a change in geographical breakdown in earnings, as the fall in France's contribution, which has a high tax rate (38 %), was more than offset by an increase in the contribution from countries where the rates are lower (India, Egypt), or from those where the Group benefited from a temporary tax exemptions (Senegal, Kazakhstan), resulting from past investments.

2.2.2.2.5. Change in consolidated net income

Consolidated net income rose 21.8 % at constant consolidation scope and exchange rates to € 143.5 million, including a group share of € 128.5 million, up 11.0 % at constant consolidation scope and exchange rates.

2.2.3. COMPARISON OF THE EARNINGS FOR 2013 AND 2012

The comparative analysis of the earnings for 2013 and 2012 is presented in the 2013 Registration Document in section 2.2.2, pages 38-49 and is incorporated by reference in this Registration Document.

2.3. CASH FLOW AND EQUITY

2.3.1. EQUITY

At the date of filing of this Registration Document, the Company's share capital was € 179,600,000, divided into 44,900,000 shares, each with a nominal value of € 4, fully subscribed and paid up.

Consolidated shareholders' equity rose by € 167 million to € 2,459 million as at December 31, 2014 including a Group share of € 2,177 million and minority interests of € 282 million, which relate mainly to the cement manufacturing subsidiaries in India, Egypt, and Turkey.

Shareholders' equity – Group share – includes as at December 31, 2014:

- the Company's share capital for € 180 million;
- premiums linked to the capital for € 11 million;
- conversion reserves for - € 150 million;
- consolidated reserves amounting to € 2,008 million, net of the allocation of treasury shares amounting to € 70 million;
- Group share of net income for 2014, i.e., € 128 million.

For a detailed description of shareholders' equity in the Company, please refer to the statement of changes in consolidated shareholders' equity and to Note 13 to the consolidated financial statements in section 7.1.2 "Notes to the 2014 consolidated financial statements" of this Registration Document.

2.3.2. CASH FLOWS

Cash flows are analyzed for each financial year by type:

- operational activity;
- investment activity;
- financing activity.

Cash flows relating to operational activities are primarily generated by earnings for the period (other than income and expenses not affecting cash flow or not related to the activity), as well as by the change in the working capital requirement.

Cash flows relating to investment activity result mainly from outflows for the acquisition of intangible and tangible fixed assets and other long-term assets, as well as for the acquisition of equity instruments in other entities and participations in joint ventures. They also include loans granted to third parties. Inflows related to divestments and/or redemptions of these assets are deducted from these outflows.

Cash flows related to financing activities result from inflows and outflows having an impact on the amount of the shareholder's equity and borrowed capital.

Net cash, the change in which is presented in the statement of cash flows, consists of cash and cash equivalents less any bank overdrafts.

Cash flow history

(in millions of euros)	2014	2013	2012
Cash flows from operating activities	321	291	329
Change in WCR(1) (excl. exchange rate and consolidation scope effects)	(19)	46	(22)
Net operating cash flows	302	337	307
Net investment cash flows	(224)	(179)	(273)
Net financing cash flows	(76)	(128)	(149)
Impact of exchange rate fluctuations on cash resources	15	(29)	(4)
CHANGE IN CASH POSITION	**17**	**1**	**(119)**

(1) Working Capital Requirement.

Analysis of the change in free cash flow and gross and net indebtedness

(in millions of euros)	2014	2013	2012
Cash flow from operations	302	337	307
Industrial investments net of disposals	(154)	(166)	(261)
***FREE CASH* FLOW**	**148**	**171**	**46**

In 2014, free cash flow generated by the Group (€ 148 million) was below the 2013 figure (- € 23 million). Cash flows from operations, net of the changes in WCR and combined with a reduction in industrial investments, thus facilitated a reduction of € 43 million in the Group's net indebtedness in 2014. At € 1,022 million, net indebtedness, excluding put options, represented 41.55 % of consolidated shareholders' equity as at December 31, 2014 and 2.31 times 2014 consolidated EBITDA.

2.3.2.1. Net cash flows generated by operational activities

Net cash flows from operational activities conducted by the Group in 2014 were € 302 million, compared with € 337 million in 2013.

This reduction in cash flows generated by operational activities between 2013 and 2014 results from an increase in cash flows from operations of € 30 million and a deterioration in the change in working capital requirement of € 65 million.

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

(in millions of euros)	WCR as at December 31, 2012	Change in WCR 2013	Other changes(1)	WCR as at December 31, 2013	Change in WCR 2014	Other changes(1)	WCR as at December 31, 2014
Inventories	382	(5)	(17)	360	21	13	394
Customers	355	15	(22)	348	(4)	12	356
Suppliers	(239)	(36)	17	(258)	8	(9)	(259)
Other receivables & payables	(22)	(20)	(2)	(44)	(6)	(11)	(61)
WCR	**476**	**(46)**	**(24)**	**406**	**19**	**5**	**430**

(1) Exchange rate, consolidation scope and miscellaneous.

2.3.2.2. Net cash flows related to investment operations

The following is a breakdown of cash flows from investing activities:

(in millions of euros)	2014	2013
Investments in tangible and intangible fixed assets	(160)	(176)
Disposal of tangible and intangible fixed assets	6	10
Net investments in shares of consolidated companies	(67)	(9)
Other net financial investments	(3)	(4)
TOTAL CASH FLOWS RELATED TO INVESTMENT OPERATIONS	**(224)**	**(179)**

Net cash flows related to investment operations made by the Group in 2014 amounted to - € 224 million compared with - € 179 million in 2013.

2.3.2.2.1. Investments in and disposals of intangible and tangible fixed assets

These reflect outflows for industrial investments (€ 160 million in 2014 and € 176 million in 2013) mainly corresponding to the following:

- in 2014, to investments in France, Turkey, Switzerland, India and Senegal;
- in 2013, to the final investments related to Vicat Sagar Cement's greenfield factory in India, which started-up during the first half of 2013 and to continued improvements to the Mépieu quarry in France, but also to investments in the maintenance and improvement of facilities in other countries.

For further details, see section 2.4. "Investments" of this Registration Document.

In 2014, 68 % of these investments were made in the Cement business line (73 % in 2013), 23 % in the Concrete & Aggregates business line (19 % in 2013) and the remaining 9 % in the Other Products & Services business line (8 % in 2013).

Disposals of tangible and intangible assets generated total cash inflows of € 6 million in 2014 (€ 10 million in 2013).

2.3.2.2.2. Net investments in shares of consolidated companies

In 2014, the acquisition and disposal of shares in consolidated companies resulted in a total outflow of - € 67 million.

The main cash outflow by the Group in 2014 was tied to the purchase of the remaining stake held by Sagar Cements in Vicat Sagar Cement in India.

In 2013, the acquisition and disposal of shares in consolidated companies resulted in a total outflow of - € 9 million. The main cash outflow from the Group in 2013 occurred with the purchase of its partner's residual holding in Mynaral Tas, following which the Group held 90 % of that company.

2.3.2.2.3. Other net financial investments

Other net financial investments were reflected by net outflows of € 3 million in 2014 and € 4 million in 2013.

2.3.2.3. Net cash flows from financing activities

Net cash flows related to financing operations made by the Group in 2014 amounted to - € 76 million, compared with - € 128 million in 2013.

Net cash flows relating to financing activities comprise primarily:

- cash outflows for the payment of dividends to the Company's shareholders and to the minority interests in consolidated companies (- € 81 million in 2014 compared with - € 80 million in 2013);
- the draw-down, net of repayments, of credit line and loans taken out by the Group and amounting to - € 70 million in 2014 (- € 52 million in 2013), including payment of the annual maturities on financial leasing contracts;
- the net cash inflow from the sale by the Company of treasury shares (€ 3 million in 2014 and € 4 million in 2013), as well as the total sale price, net of tax, of € 72 million for the sale by Vicat Group subsidiaries to the holding companies that hold a majority interest in Vicat SA (Soparfi and Parfininco) of 24.6 % of the Soparfi shares.

2.3.3. INDEBTEDNESS

2.3.3.1. Group financial policy

The Group's financial policy is set by the General Management.

This policy aims at maintaining a balanced financial structure characterized by the following:

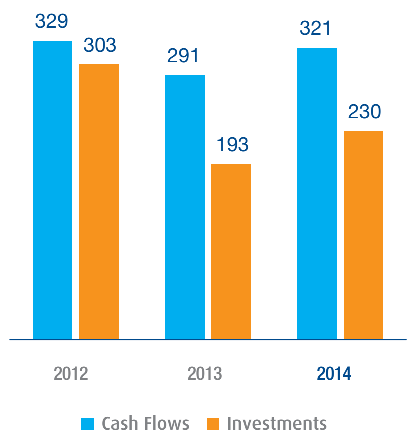
- controlled gearing (see section 2.3.3.4. "Net indebtedness" of this Registration Document);
- satisfactory liquidity of the balance sheet characterized by the provision of cash surpluses and confirmed and available medium-term lines of financing.

This policy aims at financing industrial investments through cash flows from operations, available surplus financial resources being used by the Group to reduce its indebtedness, and financing in whole or in part external growth operations.

To secure resources in excess of its cash flows from operations, the Group has set up confirmed medium-term financing facilities and medium and long-term loans.

These financings guarantee the Group, in addition to the liquidity of its balance sheet, the means immediately necessary for the realization of larger operations such as exceptional industrial investments, significant external growth operations or the acquisition of large numbers of Vicat shares.

CHANGE IN THE GROUP'S CASH FLOWS FROM OPERATIONS AND THE GROUP'S INVESTMENTS BETWEEN 2012 AND 2014 *(in millions of euros)*



These facilities are essentially carried by the Company (80 %), but some of the Group's foreign subsidiaries also have medium and long-term lines of credit or loans, most of them drawn, to finance their investment program. This is the case in particular in India, Kazakhstan, Switzerland and Senegal.

As at December 31, 2014, the Group had the following confirmed financing facilities, used and/or available:

December 31, 2014	Borrower	Year set up	Currency	Authorization in millions		Use *(in millions of euros)*	Maturity	Fixed rate (FR)/ Variable rate (VR)
				Curren-cies	€			
US Private Placement	**VICAT SA**	**2003**	**$**	**120.0**	**105.9**	**105.9**	**2015**	**VR/FR**
	VICAT SA	**2011**	**$**	**450.0**	**339.3**	**339.3**	**2017 to 2022**	**FR**
		2011	**€**	**60.0**	**60.0**	**60.0**	**2017**	**FR**
Syndicated loan	VICAT SA	2011-2019	€	480.0	480.0	*	2019	VR
Bank bilateral lines	VICAT SA	2009-2019	€	240.0	240.0	*	2019	VR
	VICAT SA	N/A	€	11.0	11.0	*	N/A	VR
Total bank lines(1)	**VICAT SA**		**€**	**731.0**	**731.0**	**420.0**	**2019**	**VR**
	Parficim	2012	€	17.0	17.0	17.0	2022	VR
	Sococim	2014	CFAF	50 000.0	76.2	63.3	2015	FR
	Vigier	2009	CHF	15.0	12.5	12.5	2015 to 2020	FR
	Jambyl	2008	$	28.6	23.5	23.5	2015 to 2018	VR
	Jambyl	2008	$	22.0	18.1	18.1	2015	VR
	VSCL	2011	$	65.3	39.4	39.4	2015 to 2021	FR
	VSCL	2011	€	78.2	63.9	63.9	2015 to 2021	FR
	VSCL	2011	€	44.0	36.6	36.6	2015 to 2018	FR
	Gulbarga	2012	€	12.0	12.4	12.4	2016 to 2025	VR
TOTAL SUBSIDIARIES' LOANS OR BILATERAL LINES					**299.7**	**286.7**		
Fair value of derivatives						20.4		
TOTAL MEDIUM-TERM					**1535.9**	**1232.3**		
Other liabilities						57.6		
GROSS TOTAL DEBT(2)					**1535.9**	**1289.9**		

(1) "Total bank lines" corresponds to all confirmed lines of credit from which the Company benefits, essentially for a duration of one or five years at the outset, where the authorized total amount is € 731 million. These lines of credit are used depending on the Company's financing requirements by drawdown of notes and hedging the liquidity risk of the commercial paper program, bearing in mind that the total amount of drawdowns and notes issued must not exceed the authorized total amount. As at December 31, 2014, the bank bilateral lines of € 240 million were unused. The syndicated loan has been used in the amount of € 420 million, including € 300 million to hedge commercial paper. Given the ability to substitute these lines of credit between one another, and the possible re-allotment of drawdowns for the longest line, this information is presented as an overall amount.

(2) The amount of gross debt used does not include the liability relating to put options (€ 11.1 million).

2.3.3.1.1. US private placement

The loan for US$ 120 million, which was originally for US$ 400 million, was subscribed by American investors under a private placement (USPP) in 2003. After repayment in August 2010 of the first seven-year tranche of US$ 160 million and in August 2013 of the second tranche of US$ 120 million, it now comprises the last tranche of US$ 120 million maturing in 2015.

To eliminate the exchange rate risk on the principal and the interest, this loan was converted into a synthetic debt in euros by a cross currency swap at a fixed rate for half of its amount and at a variable rate for the other half (basis Euribor three month rate). The remaining amounts from this conversion are currently € 53 million at a fixed rate and € 53 million at a variable rate.

A second loan of the same type was put in place in December 2010 for total amounts of US$ 450 million and € 60 million. The maturities are seven years for US$ 100 million and € 60 million, 10 years for US$ 230 million and twelve years for US$ 120 million.

As with the first USPP, the Dollar debt was converted by means of cross currency swaps to a fixed-rate euro debt in order to eliminate the exchange rate risk. The amounts in US dollars converted corresponded to € 339 million. The part of the debt in euros (€ 60 million) is also at a fixed rate.

2.3.3.1.2. Vicat SA bank lines

SYNDICATED LOAN

This line of credit with a five-year term, at a variable rate, was placed by the Company with a syndicate of eight international banks and matures in May 2016. An amendment was signed in July 2014, extending the line to 2019. The interest is payable at the Euribor rate for the drawdown period. As at December 31, 2014, it was drawn down in the amount of € 120 million and allocated in the amount of € 300 million to hedge the liquidity risk of commercial paper.

BANK BILATERAL LINES

In 2014, Vicat SA's bilateral lines of credit in the amount of € 240 million were renewed by the Company with six banks for a term of five years ending in June 2019. The interest is payable at the Euribor rate for the drawdown period.

These lines had not been used as at December 31, 2014.

COMMERCIAL PAPER

The Company has a commercial paper issue program for € 300 million.

At December 31, 2014, the amount of commercial paper issued stood at € 300 million. Commercial papers which constitute short-term credit instruments are backed by the lines of credit confirmed for the issued amount and are treated as such in medium-term debts in the consolidated balance sheet.

2.3.3.1.3. Subsidiaries' bank bilateral lines

FRANCE

In 2012 Parficim took out a bank line for € 17 million at variable rate for a period of ten years. This was fully drawn down as at December 31, 2014.

SENEGAL

Sococim Industries has two lines of credit for CFA 15 billion and one for CFAF 20 billion, all for an original term of 12 months. As at December 31, 2014, they were drawn down at a total amount of CFA 41.5 billion. The interest rate that applies to each drawdown is jointly determined with the bank up to a maximum cap determined for the term of the line.

KAZAKHSTAN

In 2008, Jambyl Cement took out two loans with International Finance Corporation, a subsidiary of the World Bank group, at a dollar floating rate, for respectively US$ 50 million redeemable over seven years from 2012 and US$ 110 million redeemable over 5 years from 2011.

As at December 31, 2014, the residual amounts were US$ 28.6 million in the case of the first and US$ 22 million in the case of the second, following repayments.

SWITZERLAND

At the end of 2009, Vigier took out a fixed-rate loan of CHF 25 million, redeemable over ten years from 2010. As at December 31, 2014, the residual amount was CHF 15 million.

INDIA

In 2010 Vicat Sagar Cement Private Limited took out loans for US$ 70 million and € 138.8 million redeemable over eight and ten years with development financing institutions of development (International Finance Corporation, Deutsche *Investitions und Entwicklungsgesellschaft, Nederlandse Financierings, Maatschappij voor Ontwirkkelingslanden*). At December 31, 2014, drawdowns after amortization were US$ 65.3 million and € 122.2 million.

These loans (in dollars and euros) were converted by means of cross currency swaps to a fixed-rate rupee debt in order to eliminate the exchange rate risk. The total amount of the loan was thus 10,726 million rupees.

In 2012 Gulbarga took out a redeemable variable-rate loan of € 12 million with Proparco for a period of 13 years. As at December 31, 2014, the credit line was fully used.

2.3.3.1.4. Credit risk hedging by the Group

As at December 31, 2014, the Group had a total of € 324 million in unused confirmed lines.

The Group is exposed generally to a credit risk in the event of the failure of one or more of its counterparties. The risk related to the financing operations themselves, however, is limited by their dispersion and their distribution over several banking or financial institutions, either within the framework of a syndication or a private placement, or by setting up several bilateral lines. This risk, moreover, is reduced by rigorous selection of the counterparties, who are always banks or financial establishments of international standing, selected according to their country of establishment, their rating by specialist agencies, the nature and the due date for the operations carried out.

As at December 31, 2014, in addition to the cross default clauses provided for in the majority of credit agreements, the USPP, the syndicated loan and certain credit lines from which the subsidiaries benefit contained covenants, which *may* impose early repayment in the event of non-compliance with financial ratios. These covenants concern ratios related to the profitability and the financial structure of the Group or the subsidiaries in question. Considering the small number of Group companies concerned, essentially the Company, and the low level of the Group's net indebtedness, the existence of these covenants does *not* constitute a risk for the liquidity of the Group's balance sheet or its financial position (see also Note 17 in section 7.1.2. «Notes to the 2014 consolidated financial statements» of this Registration Document).

2.3.3.2. Gross indebtedness

As at December 31, 2014, gross indebtedness of the Group, excluding put options, was € 1,290 million compared with € 1,307 million at December 31, 2013. It is broken down by type as follows:

(in millions of euros)	2014	2013	Change
Loans from US investors	505	505	0.00 %
Loans from lending institutions	729	751	- 2.93 %
Residual debt on financing leasing agreement	3	6	- 50.00 %
Other loans and financial debts	15	20	- 25.00 %
Current bank facilities and bank overdrafts	38	25	+ 52.00 %
GROSS INDEBTEDNESS	**1,290**	**1,307**	**- 1.30 %**
Of which less than one year	272	167	
Of which more than one year	1,018	1,140	

39 % of the gross financial debt consists of the USPP, issued in US dollars and euros at a fixed rate. After converting the dollar -denominated part of the loan into a synthetic loan in euros, the gross financial indebtedness is denominated almost 60 % in euros.

The structure of the Group's gross indebtedness as at December 31, 2014, by type of rate and due date is as follows:

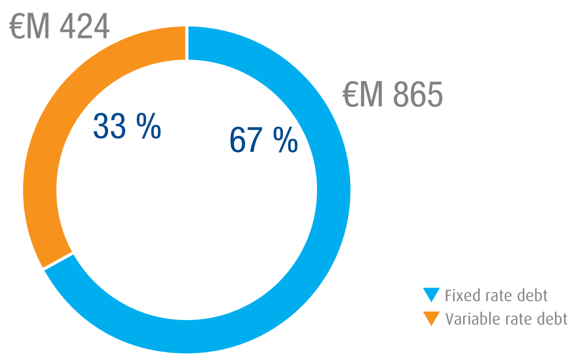
RATE

As shown in section 6.4.3. "Interest rate risk" of this Registration Document, the gross financial indebtedness at variable rates amounted, at December 31, 2014, to € 424 million, i.e. 33 % of the Group's total gross financial indebtedness, after conversion of 50 % of the fixed rate for the first USPP into a variable rate and after taking into account Vicat's variable rate/fixed rate swap debt (€ 150 million maturing in 2016) and the conversion of the variable rate debt for Vicat Sagar Cement to a fixed rate debt.

The indebtedness at variable rates is partly covered either by cash surpluses denominated in the same currency or by interest rate derivative instruments.

The interest rate risk related to the variable rate debt was limited by setting up cap agreements for Vicat SA for € 50 million maturing in 2015 and for NCC for US$ 50 million maturing in 2016, 2017 and 2018.

FIXED RATE/VARIABLE RATE INDEBTEDNESS AS AT DECEMBER 31, 2014 *(in millions of euros)*



MATURITY

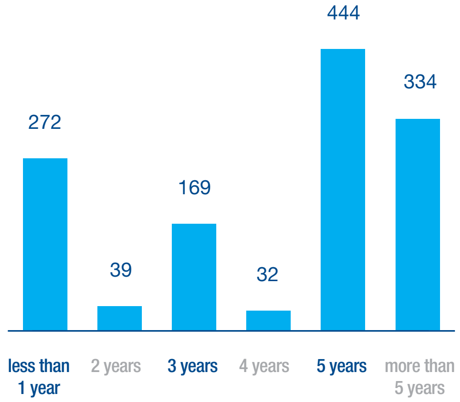
As at December 31, 2014, average maturity was slightly less than four years.

Maturities for gross indebtedness excluding the impact of IAS 39 are as follows:

- debt at less than one year corresponds to the repayments of the last tranche of Vicat SA's first USPP (€ 106 million), to the repayments of Parficim's loans (€ 2.1 million), to the bilateral lines of credit of the Group's subsidiary Sococim in Senegal (€ 63.3 million), to the maturity of the loans to Jambyl Cement in Kazakhstan (€ 24 million), Vicat Sagar Cement in India (€ 29.9 million) and Vigier in Switzerland (€ 1.7 million), and to short-term financing;

- the 2016 maturity corresponds to the repayment of the loans to Parficim (€ 2.1 million), Jambyl Cement (€ 5.9 million), Vicat Sagar Cement (€ 29.9 million), Gulbarga (€ 1.2 million) and Vigier in Switzerland (€ 1.7 million);
- the 2017 repayments correspond to the first maturity on Vicat SA's second USPP (€ 135 million), and to repayments of the loans to Parficim (€ 2.1 million), Jambyl Cement (€ 5.9 million), Vicat Sagar Cement (€ 29.9 million), Gulbarga (€ 1.2 million) and Vigier in Switzerland (€ 1.7 million);
- the Parficim maturity (€ 2.1 million), the Vigier maturity in Switzerland (€ 1.7 million) and the repayments of the loans to Jambyl Cement (€ 5.9 million), Vicat Sagar Cement (€ 29.9 million) and Gulbarga (€ 1.2 million) represent almost all of the 2018 maturities;
- the due dates in 2019 correspond essentially to the maturities for the Vicat SA Syndicated Loan (€ 420 million) and to the repayments of the loans to Parficim (€ 2.1 million), Vicat Sagar Cement (€ 18.9 million), Gulbarga (€ 1.2 million) and Vigier in Switzerland (€ 1.7 million);
- the € 321.4 million net of the impact of IAS 39 (- € 14.2 million) due after 2019 breaks down as follows:
  - for Vicat, the due dates for the second USPP (2020 and 2022), i.e. € 264 million,
  - for Parficim, € 6.4 million spread between 2020 and 2022,
  - for Gulbarga, € 6.9 million spread between 2020 and 2025,
  - for Vigier Holding, € 4.2 million in 2020, and
  - due dates from 2020 to 2021 for Vicat Sagar Cement (€ 37.7 million).

DUE DATES FOR GROSS INDEBTEDNESS AS AT DECEMBER 31, 2014 *(in millions of euros)*



2.3.3.3. Cash surpluses

Cash and cash equivalents include cash at bank (€ 74 million as at December 31, 2014) and short-term investments having a due date of less than three months and not presenting a risk of change in the value of the principal (€ 194 million as at December 31, 2014).

Cash is managed country by country, under the control of the Group's financial management, with cash pooling systems in France, the United States and Switzerland. Any surplus is either invested locally or re-invested if applicable into the Group. When the cash surplus is intended to be used within a limited period for financing needs in the country concerned, this surplus is invested locally.

2.3.3.4. Net indebtedness (excluding put option)

The Group's net indebtedness is broken down as follows:

(in millions of euros)	2014	2013	Change
Gross indebtedness	1,290	1,307	- 1.3 %
Cash and cash equivalents	268	242	+ 10.9 %
NET INDEBTEDNESS	**1,022**	**1,065**	**- 4.0 %**

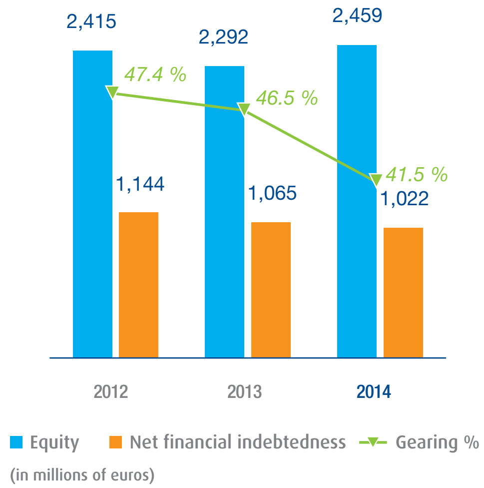
The gearing was 41.6 % at the end of 2014, compared with 46.5 % at December 31, 2013.

The ratio of net financial indebtedness/EBITDA was 2.31 at the end of 2014 compared with 2.50 at the end of 2013.

Overall, the Group had a total amount of € 592 million corresponding to unused lines of financing (€ 324 million) and cash (€ 268 million) available to finance its growth in addition to cash generated from operations.

After a period of sustained industrial and financial investments, gearing and leverage ratios at December 31, 2014 are improving, giving the Group a solid financial structure and satisfactory flexibility.

From 1999 to 2003, an active acquisition period for the Group, the gearing ratio was between 50 % and 70 %. Its average over the last five years, moreover, was 43.6 %. 2014 therefore remains within the defined strategic direction. The Group's aim is to reduce its indebtedness and improve these ratios by taking advantage of the generation of free cash flow as a result of the completion of the program of industrial investment in capacity. These ratios could, however, increase again in the future, depending on opportunities for external growth. Thus, if an important acquisition opportunity of major strategic interest for the Group presented itself, the Group could accept a significant increase in this ratio, while setting an objective subsequently to reduce it to levels close to those noted over the period previously cited. Given current liquidity and financing costs, quite specific attention will be paid to the use of the Group's cash flow and to the impact on its level of indebtedness.



2.3.4. ANALYSIS OF OFF- BALANCE SHEET LIABILITIES

Off-balance sheet liabilities consist primarily of contractual commitments concerning the acquisition of tangible and intangible fixed assets. The table below shows commitments made by the Group as at December 31, 2014 and 2013:

(in millions of euros)	2014	2013
Contractual commitments for the acquisition of fixed assets	53.5	39.8
Guarantees and deposits paid	-	9.9
TOTAL	**53.5**	**49.7**

As at December 31, 2014, the off-balance sheet liabilities of the Group were € 53.5 million and concerned contractual obligations relating to industrial investments. These liabilities correspond primarily to investments made to improve and equip the industrial installations in France, Turkey and Egypt.

As at December 31, 2013, the off-balance sheet liabilities of the Group were € 49.7 million and mainly concerned contractual obligations relating to industrial investments. These liabilities corresponded primarily to investments made to improve and equip the industrial installations in France, Turkey, Switzerland and India.

2.4. INVESTMENTS

Cement manufacturing is a highly capital-intensive industry, requiring significant investments. The construction of a cement factory generally requires capital expenditure from € 200 to 300 million. The Group has always taken care to maintain its industrial production facilities at a high level of performance and reliability. Accordingly, it has continuously invested in new equipment, which enables it to benefit from the latest well-proven technologies and in particular to constantly improve the energy balance of the installations. The choice of leading international suppliers is also in line with the Group's policy of industrial excellence intended to give priority to quality, durability and performance of the equipment.

The Group has doubled its cement production since 2006, by increasing the capacity of its cement factories, engaging in external growth and building greened factories in Kazakhstan and India.

Given that the majority of capacity increases occurred in emerging markets, the Group's center of gravity has shifted to developing economies, which now account for over 70 % of the Group's overall capacity, compared to 44 % in 2006.

The following sections present the main investments made in recent years and the major projects in progress or planned for the future. The choice of new equipment acquired under this investment program embodies the Group's objective of continuing to improve the energy efficiency of its installations and increasing substantially the proportion of alternative fuels used. As indicated in section 2.3. "Cash flow and equity" of this Registration Document, the Group is able to meet the financial requirements for industrial investments from its own resources.

2.4.1. INVESTMENTS MADE

The table below sets out, by business, the principal investments made by the Group over the last three years:

(in millions of euros)	2014	2013	2012
Cement	173	141	220
Concrete & Aggregates	44	38	65
Other Products & Services	13	14	18
TOTAL	**230**	**193**	**303**
Of which financial investments	*74*	*18*	*16*

2.4.1.1. Principal investments made in 2014

The total amount of industrial investments made in 2014 was € 156 million. These are shown below for each of the Group's main businesses. Financial investments amounted to € 74 million in 2014 and primarily corresponded to the acquisition of shares held by Sagar Cements in Vicat Sagar Cement, the holding company for the Chatrasala cement factory in India, and increasing the interest held in consolidated companies.

Cement: € 106 million worth of industrial investments

- **France:** the main investments in 2014 focused on continuing to develop the Mépieu quarry, which will supply limestone to the Montalieu factory, setting up the SAP management software system and enhancing factory performance.
- **Turkey:** investments chiefly consisted of expanding the clinker production capacity of the Bastas factory and the adaptation of two cement factories to comply with changing environmental standards.
- **India:** in 2014, the Group completed most of the construction and expansion work on its production facilities in India, including completion of an electricity generation plant at its Kadapa factory to ensure consistent supply.

Concrete & Aggregates: € 36 million of industrial investments

- **France:** the Group mainly acquired goodwill in the concrete business to improve the geographic coverage of its markets.

- **Switzerland:** the Group invested mainly in expanding aggregate reserves and making them more accessible.
- **Senegal:** investments related mainly to expanding the Diack basalt quarry reserves.

Other Products & Services related mainly to maintaining and upgrading production facilities and optimizing the facilities' energy efficiency.

2.4.1.2. Principal investments made in 2013

The total amount of industrial investments made in 2013 was € 175 million. These are shown below for each of the Group's main businesses. Financial investments amounted to € 18 million in 2013 and primarily correspond to the acquisition of the shares held by Homebroker JSC in Mynaral Tas Company LLP, the holding company of kazakh operations, and to an acquisition in the Concrete & Aggregates business line in France.

Cement: € 128 million worth of industrial investments

- **France:** the main investments in 2013 focused on continuing to develop the Mépieu quarry, which will supply limestone to the Montalieu factory, setting up the SAP management software system and enhancing factory performance.
- **Turkey:** investments chiefly consisted of continuing to build the grinding mill begun in 2012.
- **India:** 2013 saw the beginning of operations at the Chatrasala factory in Karnataka state. The bulk of industrial investments went towards finalizing the main cement works and towards electricity production equipment.

In other countries and for the **Concrete & Aggregates** and **Other Products & Services** businesses, investment focused on maintaining and refurbishing plants, and on optimizing the energy efficiency of installations.

2.4.2. PRINCIPAL INVESTMENTS IN PROGRESS AND IN PLANNING

Going forward, the Group intends to take advantage of its strong market positions and the quality of its industrial facilities to gradually maximize its free cash flow generation and reduce its debt levels. Investments will aim to optimize recently installed industrial facilities, maintain and renew other industrial facilities, and continuously reduce production costs.

In this context, the total amount of industrial investments for 2015 should be between € 170 and 190 million. The main projects are as follows:

- **France:** industrial investments will consist mainly of optimizing production costs in all the businesses and ensuring that industrial facilities remain in compliance with environmental and regulatory standards;
- **Switzerland:** the ongoing improvements in the production facilities will continue with the aim of optimizing production capacity and efficiency;
- **Turkey:** investments will be used to complete the increase in clinker capacity at the Bastas factory and to continue to increase grinding capacity;
- **Egypt:** in 2015, the Group will finalize construction of its coal mills to give it access to the most competitive energy.

2.5. OUTLOOK AND OBJECTIVES

The forward-looking information provided below is based on data, assumptions and estimates considered reasonable in the opinion of the Group's management. These data, assumptions and estimates may evolve or change due to uncertainties, mainly related to the strong volatility of the economic, financial and competitive environment as well as to possible changes in regulatory measures in each country in which the Group operates.

In addition, the occurrence of certain risks, as described in Chapter 6 "Risk factors" of this Registration Document, could have a material impact on the Group's business, financial position, and results.

The Group does not undertake any commitments nor can it provide any assurances that the forward-looking information included here will prove to be accurate.

2.5.1. THE GROUP'S BUSINESS PROSPECTS IN ITS MARKETS

For a discussion of the salient facts for its various markets, the Group refers readers to the information reported when its 2014 results were published.

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 is also likely to be 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 a stabilisation or even a very gradual improvement in the activity of the construction sector. In view of these factors, volumes are likely to be down slightly over the full year, in a globally unchanged pricing environment;
- **In Switzerland,** the Group expects its performance to remain robust in 2015, albeit 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. 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. The first half of the year will nevertheless continue to be affected by ongoing high energy costs before seeing a sharp drop 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 dynamic over the course of the year. However, the competitive climate is likely to become more difficult due to the very gradual arrival of a newcomer;
- **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 a new exchange correction in the course of the year. In this environment, the competitive situation might become more difficult despite the market's growth potential that remains intact.

2.5.2. GROUP OBJECTIVES

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 reducing its level of debt.

Environmental outreach program, with a hands-on lesson in reforestation, organized by the Fondation Sococim (Senegal).

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

3

In accordance with its disclosure obligations, the Vicat Group has opted to present the societal, social and environmental information required by Article R. 225-105-1 of the French Commercial Code in its Management Report. In order to facilitate access to specific information, a cross-reference table is provided in section 9.7 of this Registration Document. Readers are also invited to refer to section 2.1 “Non-financial indicators” of the Registration Document.

An attestation of disclosure relating to this information as well as an opinion on its fair presentation have been issued by Grant Thornton, an independent third party organization engaged to verify the information included in section 3.5 of this registration document.

In 2014, the Vicat Group continued the roll-out of its CSR* policy at all levels of its organization on the basis of its own reference framework. Created in 2013 and consisting of key performance indicators relevant to its businesses (Cement, Concrete & Aggregates, Other Products & Services), this reference framework is designed to guide all Group subsidiaries in structuring and assessing their CSR performance. A copy of the Vicat Group reference framework is made available to all stakeholders at Vicat SA’s registered office.

The report presented in this chapter details the priorities and practices of the Vicat Group in the three areas covered by its CSR policy: workforce-related, societal and environmental commitments. For each of these areas, it describes the main challenges faced by the Group and the actions implemented in 2014 to address them.

The report bears witness to the fact that the Vicat Group’s CSR policy serves as an integral part of its overall strategy emphasizing “sustainable construction.”

* Corporate social responsibility.

3.1. BEING A RESPONSIBLE EMPLOYER

3.1.1. HEALTH, SAFETY AND ACCIDENT PREVENTION

3.1.1.1. Safety indicators

The Vicat Group set two records in 2014, achieving the best improvement in results as well as the best safety performance indicators in its history.

The number of lost-time accidents was down 20 % for the Group and 40 % for France compared with 2013. The accident frequency rate dropped from 14.8 to 11.3, a decline of 23 %. In addition, the accident severity rate of 0.42 for 2014 corresponds to a decrease of 14 %.

All sites recorded improvements in these indicators and some sites achieved zero lost-time accidents in 2014 (examples include all of the Group’s activities in Kazakhstan, the Xeuilley cement factory in France and its associated quarry, the Bharathi cement factory in India, and the Ready-mixed concrete company Bastas Hazir Beton in Turkey).

These results are the outcome of the breakthrough “zero-accident” strategy decided by General Management in order to effect a significant improvement in performance compared with 2013, spelled out in multi-year action plans to be implemented by all Group employees.

At constant consolidation scope and since 2008, the underlying trend in the area of safety is more than ever one marked by improvement, with a single objective: zero accident.

For the Group employees	2014	2013	Change
Number of lost-time accidents among Group employees	173	214	- 20 %
Number of fatal accidents among Group employees	1	2	- 50 %
Number of lost days for Group employees	6,419	7,060	- 9 %
Frequency rate	11.3	14.8	- 23 %
Severity rate	0.42	0.48	-14 %

For the Group employees	Cement Group 2014	2013	Change
Number of lost-time accidents among employees	39	50	- 22 %
Number of fatal accidents among employees	0	1	- 100 %
Frequency rate	6.1	8.9	- 32 %
Severity rate	0.15	0.24	- 38 %

For the Group employees	Concrete & Aggregates, Other Group Products & Services 2014	2013	Change
Number of lost-time accidents among employees	134	164	- 18 %
Number of fatal accidents among employees	1	1	0
Frequency rate	15	18.5	- 19 %
Severity rate	0.62	0.65	- 5 %

3.1.1.2. Health and safety conditions at work

Protecting the health of all employees and guaranteeing their "physical and mental safety" (as defined in the French Labor Code) remains a key priority for the Vicat Group. At all its sites around the world, the Group attaches importance to working and living conditions, health and safety.

Aware of the fact that improvements are made possible by changes in human behaviors, the Group's constant aim is to strengthen its health and safety culture by placing emphasis on leading by example, rigor and commitment.

As a clear demonstration of this strategy, Vicat's General Management issued a new Health & Safety Charter early in 2014. The Health & Safety Charter was made available to all employees, together with explanations to aid in its application, in each of the Group's businesses and in every country where the Group operates, on April 28, 2014, thus coinciding with the World Day for Safety and Health at Work.

This commitment was reinforced by disseminating the Essentials, a set of health and safety guidelines.

The Essentials are to be applied without exception in all work situations and by all personnel working on the Group's sites (subcontractors as well as employees). Fundamental issues are covered, from risk analysis to the training of employees in the operation of their workstations, as well as the wearing of personal protective equipment and the proper securing of machines.

Employee training and awareness remains a major focus of the Group's risk prevention efforts the "Minutes sécurité", the Group's safety briefings, are the main tool used by managers and local supervisors to raise awareness among all employees. These actions are fundamental to the improvement of behaviors on a day-to-day basis.

In 2014, the Group's communication and awareness campaigns again gave rise to specific events each quarter. Fundamental issues were covered, structured around the Essentials, such as the risks associated with workplace movements on foot and by vehicles (accounting for more than 40 % of all lost-time accidents) and the safe operation of machines.

The practical tools developed for the campaigns (posters, illustrations, materials used in the safety briefings) were made available to managers to ensure their familiarity with the issues involved and facilitate their sharing of these concerns with their teams.

The Group's Safety Standards set out guidelines for all its business activities in the areas of health and safety designed, at a minimum, to ensure compliance with local regulations. All facilities designed in recent years meet exacting requirements in terms of safety. The opinions of experts are sought in every case, and these individuals work closely with the safety engineers representing the Group's insurers, in particular.

The Group attaches the same importance to the health and safety of its subcontractors as to that of its own employees. Accordingly, outside firms whose personnel work on the Group's sites are subject to the same rules as those governing the Group's employees with respect to training, reception procedures (particularly safety guidelines), equipment, techniques and organization.

Highly satisfactory results have been obtained from the Group's policy of encouraging its entities to assess each other's performance in these areas. This form of internal auditing continues to play a key role in the Group's continuous improvement process. This system enables Managers to verify that the preventive actions introduced are effectively being pursued and function well. Teams trained and authorized to carry out these audits are thus able to identify any new issues that may arise. Subsequently, they propose viable, long-term solutions to eliminate risks, with the aim of reaching the goal of zero accident.

The approach, thus implemented, fosters synergies between teams, businesses, and countries. Exchanges and meetings with the Group's safety specialists contribute to and encourage the sharing of experiences and best practices. Accident reports, awareness materials, communications tools and all documents pertaining to prevention, health and safety are brought together within a networked database, which may be accessed by safety specialists and managers.

In 2014, the Group demonstrated a strong response to the Ebola crisis. A monitoring unit coordinated by the Group's West Africa regional management (with the support of the Group's General Management and in partnership with local public health and government authorities) was put in place as soon as the risk was identified. An action plan was put in motion to prevent the spread of the virus (information, training, equipment prepared and distributed where required, etc.). The Group's sites in all countries reviewed and updated their prevention procedures for "infectious diseases".

The Group expanded and enhanced its training program for employees likely to travel abroad for business purposes and for expatriate staff (e-learning modules made mandatory before all business travel) as well as its support and assistance measures, in collaboration with International SOS, a firm whose expertise in the areas of health, safety and security for people traveling or working abroad is well-known.

To further improve its results, the Group and all its teams will continue to bring all efforts to bear in order to achieve the goal of zero accident.

Through its commitment to the health and well-being of all its employees, the Vicat Group is building the future.

3.1.1.3. Agreements signed with trade union organizations in relation to health and safety at work

The Group works with all staff, and in particular with employee representatives, to improve accident prevention and safety at its sites and safeguard the health and well-being of employees. The agreements signed reflect this objective shared by General Management and labor partners in this area.

In France, for the Cement and Paper businesses, the actions outlined in the agreement signed in April 2012 on reducing exposure to health risks at work continued in 2014. Exposures to four, five and six risk factors* in parallel were completely eliminated during the year and the number of employees exposed to multiple risk factors was reduced by 20 %.

3.1.2. EMPLOYMENT

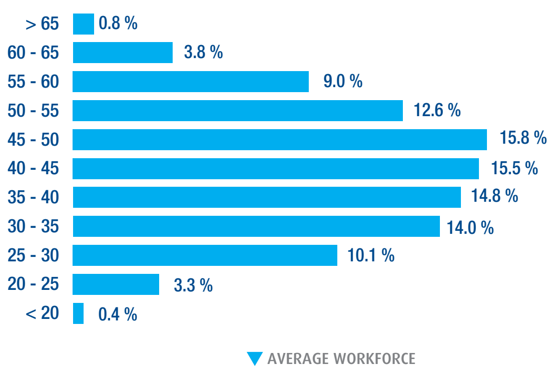
3.1.2.1. Workforce

The workforce mainly comprises local personnel. New staff are generally hired from the catchment areas in which the Group operates.

Breakdown of Group workforce by age at December 31, 2014

	< 20	20-25	25-30	30-35	35-40	40-45	45-50	50-55	55-60	60-65	> 65	Total
France	10	86	198	305	325	432	455	372	288	98	9	2,578
Europe (excluding France)	13	38	87	104	122	140	195	211	147	101	13	1,171
USA	0	20	42	69	134	145	175	173	157	84	37	1,036
Africa Middle East	0	13	79	162	218	200	207	133	74	12	4	1,102
Asia	5	99	388	462	362	297	208	102	37	7	0	1,967
TOTAL	**28**	**256**	**794**	**1,102**	**1,161**	**1,214**	**1,240**	**991**	**703**	**302**	**63**	**7,854**

AVERAGE LENGTH OF SERVICE AND AVERAGE AGE OF GROUP EMPLOYEES



In 2014 as in 2013, the Group maintained a balanced age pyramid. The number of employees under 35 was proportionately higher in India (57.7 %), Kazakhstan (53.3 %) and Turkey (39.2 %). On average, it remained stable at 27.8 % of the Group's workforce in 2014 (27.6 % in 2013). Employees over 50 made up 26.2 % of the workforce in 2013 (up from 25.4 % in 2013), with a particularly high proportion in the United States (43.5 %), Switzerland (40.6 %), and France (29.8 %).

* *Such as noise and vibrations.*

Change in average length of service and average age of Group employees

	Average age		Average years of service	
	2014	2013	2014	2013
GROUP	**42.6**	**42.1**	**9.6**	**9.6**
of which France	*42.3*	*42.3*	*12.4*	*12.4*

There were no specific recruitment campaigns in 2014 and leavers during the year were within the usual levels for the Group.

The average length of service thus remained stable at 9.6 years. The average age of employees rose from 42.1 years in 2013 to 42.6 years in 2014 due to the natural aging of existing staff.

Breakdown of the workforce as at December 31, 2014 by category and business

	Cement	Concrete & Aggregates	Other products & services	Total
Executives	889	252	297	1,438
White-collar staff	1,466	915	499	2,880
Blue-collar staff	1,182	1,382	972	3,536
TOTAL	**3,537**	**2,549**	**1,768**	**7,854**

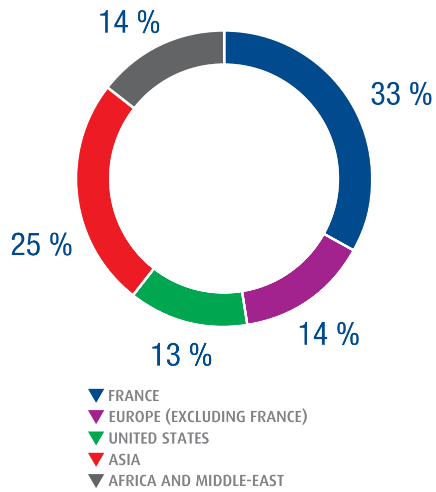
The breakdown of the workforce by business segment is in line with the development of the Group's operations, particularly in the Cement business in India. The proportion of the workforce in the Cement business thus increased from 44.1 % as of December 31, 2013 to 44.9 % as of December 31, 2014, while that of Concrete & Aggregates remained nearly stable at 32.6 % in 2014 (32.8 % in 2013). Other Products & Services saw a slight drop in its proportion of the workforce, from 23.1 % in 2013 to 22.5 %.

In 2014, blue-collar staff represented 45 % of the total workforce, with white-collar staff accounting for 36.7 % and executives 18.3 %, a breakdown thus virtually unchanged in comparison with 2013.

Breakdown of the Group's average workforce by geographical area

	2014	2013	Change *(as a percentage)*
France	2,583	2,521	+ 2.5 %
Europe excluding France	1,117	1,113	+ 0.4 %
USA	1,007	1,023	- 1.6 %
Asia	1,940	1,881	+ 3.1 %
Africa and the Middle-East	1,103	1,118	- 1.3 %
TOTAL	**7,750**	**7,656**	**+ 1.2 %**

BREAKDOWN OF THE GROUP'S AVERAGE WORFORCE IN 2014 BY GEOGRAPHICAL AREA (IN %)



The Group had an average of 7,750 employees in 2014, up from 7,656 employees in 2013, an increase of 1.2 %. This increase reflects the Group's growth in emerging countries.

The Turkey-Kazakhstan-India region thus saw its average number of employees rise by 3.1 % in one year. India's contribution (up 11.6 % between 2013 and 2014) was due to further hires at the Vicat Sagar plant, continuing commitments by the Bharathi plant to local employment, and the development of sales teams. This growth offset decreases in Turkey (down 1.2 %) and Kazakhstan (down 3.0 %).

The 1.6 % decline in the Group's average American workforce between 2013 and 2014 reflects fluctuations in joining and leaving rates, mainly in the Concrete business.

The Group's workforce in Switzerland remained stable over the period.

In Egypt and West Africa, the drop of 1.3 % was due mainly to continuing staff adjustments (3.2 % reduction between 2013 and 2014) by the Cement business in Senegal.

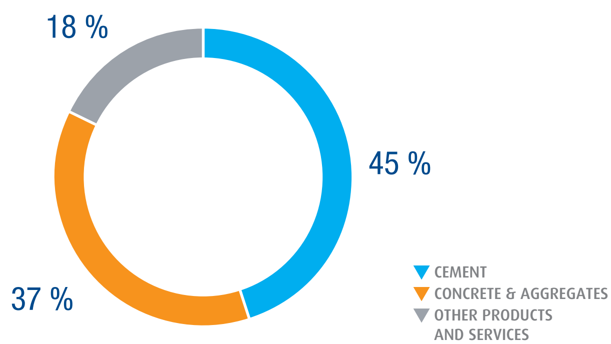
In France, the average number of employees increased by 2.5 %, due to acquisitions (Truchon and MRT) and recruitment campaigns to respond to changes in the Group's markets. At constant consolidation scope, the growth in the Group's average workforce in France was 0.8 % between 2013 and 2014.

Breakdown of the workforce by business *(number of employees)*

	2014	2013	Change *(as a percentage)*
Cement	3,494	3,390	+ 3.1 %
Concrete & Aggregates	2,893	2,917	- 0.8 %
Other Products & Services	1,363	1,349	+ 1.0 %
TOTAL	**7,750**	**7,656**	**+ 1.2 %**

The 3.1 % increase in the average number of employees for Cement is the result of the new hires for this business in India (rise of 12.4 % in the average workforce in India between 2013 and 2014). In Concrete and Aggregates, the average number of employees fell 0.8 % due to optimization efforts by Concrete entities in Turkey (3.6 % decline between 2013 and 2014) and by Aggregates entities in Senegal (3.5 % decline between 2013 and 2014). Other Products & Services saw a 1 % increase in its average workforce, driven by a total of 14 new hires split between France, Switzerland and Turkey.

BREAKDOWN OF THE GROUP'S AVERAGE WORFORCE IN 2014 BY BUSINESS (IN %)



Change in workforce at year-end by type of movement *(number of employees)*

Workforce as at December 31, 2013	**7,712**
Natural wastage (resignation, end of contract, death)	**(511)**
Retirement, early retirement, dismissal, other movements	(344)
Changes in consolidation scope	28
Recruitment	969
WORKFORCE AS AT DECEMBER 31, 2014	**7,854**

As of December 31, 2014, the Group had 7,854 staff, up from 7,712 a year earlier. This 1.8 % increase reflects the balance between recruitment of staff in India (workers for the Vicat Sagar and Bharathi cement factories and for sales teams) and in the United States (recovery in business, especially for Concrete), the acquisitions carried out in France, and staff reductions in Senegal and Turkey (in each case to improve organizational effectiveness and adapt to changing markets).

In France, the year-end workforce rose 2.4 % between 2013 and 2014. This increase was due to the net positive result of acquisitions (Truchon and MRT), and the disposal of Thiriet's public works business.

At constant consolidation scope, the increase in the Group's workforce in France was nearly 1 % in 2014, after two years marked by successive declines. The impact of the new "generation contract" introduced by the French government, which resulted in a nearly 50 % rise in the number of work-study hires, together with the need to recruit individuals offering new skills and expertise to enable the Group's entities to adapt to changes in its markets, are the factors behind this increase.

Overall, the Group's new hires were stable between 2013 (961) and 2014 (969), reflecting the fact that the recruitment campaigns linked to the commissioning of new facilities have been completed.

Joiners and leavers also included a significant number of jobs associated with the seasonal nature of the Group's business activities, especially in France and in Turkey in the case of drivers, and a habitually high turnover in Kazakhstan, Turkey and India.

The Group's leaving rate decreased from 11.3 % in 2013 to 10.9 % in 2014, due to the continuing implementation of a human resources policy focused on retaining staff.

Other movements resulted mainly from the replacement of natural departures and adaptation of organizations to the economic situation in each market.

Change in workforce at December 31, by geographic area *(number of employees)*

(number of employees)	**2014**	**2013**	**Change** *(as a percentage)*
France	2,578	2,517	+ 2.4 %
Europe excluding France	1,171	1,165	+ 0.5 %
United States	1,036	1,032	+ 0.4 %
Asia	1,967	1,882	+ 4.5 %
Africa and the Middle-East	1,102	1,116	- 1.2 %
TOTAL	**7,854**	**7,712**	**+ 1.8 %**

3.1.2.2. Work organization

The Vicat Group's organization reflects its performance objectives. The chain of command is short and the number of levels in the hierarchy reduced to operational requirements. Management is direct and local.

Work is organized in compliance with local legislation, and with the Group's own standards, in terms of working and resting time as well as health and safety. This work organization is designed to deliver the best performance from teams at the lowest cost.

3.1.2.3. Part-time work

Workforce as at December 31, 2014 by contract type/category

	Cement	Concrete & Aggregates	Other Products & Services	Total
FULL-TIME EMPLOYEES	3,493	2,464	1,692	7,649
Executives	881	245	268	1,394
White-collar staff	1,438	883	455	2,776
Blue-collar staff	1,174	1,336	969	3,479
PART-TIME EMPLOYEES	36	93	76	205
Executives	10	8	10	28
White-collar staff	23	43	48	114
Blue-collar staff	3	42	18	63
TOTAL	**3,529**	**2,557**	**1,768**	**7,854**
Part-time employees *(as a percentage)*	1.0 %	3.6 %	4.3 %	2.6 %

The Group has little need for part-time jobs. As of December 31, 2014, the percentage of part-time employees remained stable at 2.6 % of the workforce (2.3 % in 2013). As in 2013, many more part-time staff were employed in Other Products & Services (4.3 % in 2014, 4.2 % in 2013) and Concrete & Aggregates (3.6 % in 2014, 2.8 % in 2013) than in Cement (1.0 % in both 2014 and 2013). Part-time staff are employed to varying degrees in the following countries only: Switzerland (9.9 %), Italy (8.3 %), France (3.5 %) and the United States (0.1 %).

3.1.2.4. Shift working

Part of our industrial business requires shift working. The statutory framework is systematically adhered to. In 2014, 17.8 % of the Group's jobs required shift work, remaining stable in comparison with 2013 (17.5 %).

3.1.2.5. Remuneration

Remuneration policy

The Group's remuneration policy is based on rewarding individual and joint performance and securing team loyalty. It takes into account the culture, macroeconomic conditions, employment market characteristics, and compensation structures specific to each country.

In France, Vicat SA and its subsidiaries apply the statutory scheme for employee profit-sharing or, in some cases, operate under an exemption. Sums received are invested in the Group savings plan ("*Plan d'Epargne Groupe*", or PEG) and in Vicat SA shares, as applicable.

In addition, Vicat SA has put in place a profit-sharing agreement. Money paid into this arrangement can, at the employee's discretion, be invested in the Company's shares under the Group Savings Plan or in other savings plans offered by a leading financial institution.

In 2013, a Group retirement savings plan ("*Plan d'Epargne Retraite Collectif*", or PERCO) was set up by Vicat SA and its French subsidiaries for their employees.

Minimum wage

In all countries where the Vicat Group operates, its companies do not pay salaries lower than the local statutory minimum. If there is no statutory minimum, wages paid are at least above the minimum in the local market.

Change in personnel costs as of December 31, 2014

The Group's personnel costs increased by 1.8 % to € 373.3 million in 2014 (€ 366.8 million in 2013). This net rise of € 6.5 million was mainly due to the positive impact of organic growth, amounting to more than € 7.5 million.

Organic growth included both wage inflation and the workforce increases in India, France and the United States.

In 2014, the overall negative impact of exchange rate fluctuations was lessened by the positive impact of the Swiss franc, amounting to more than € 1.2 million.

Personnel costs

	2014	2013
Wages and salaries *(in thousands of euros)*	272,747	266,329
Payroll taxes *(in thousands of euros)*	96,371	95,670
Employee profit sharing (French companies) *(in thousands of euros)*	4,171	4,834
Personnel costs (in thousands of euros)	**373,289**	**366,833**
Average number of employees of the consolidated companies	7,750	7,656

3.1.3. TRAINING

In 2014, the Group's training program remained focused on safety, accident prevention and the environment, the optimization of industrial performance and business performance. These training actions, focused on operating results, contributed effectively to the Group's performance in these areas.

In France, the Group maintains an internal training institute for its Cement and Concrete & Aggregates businesses, the *Ecole du Ciment, du Béton et des Granulats,* which is housed within its subsidiary Sigma Béton. Training courses are developed and delivered by drawing on in-house technical expertise.

In 2014, the Group successfully pursued the multi-year program relating to specifications and sales activities launched in 2013 with pilot teams from its various businesses.

	2014	2013	Change *(as a percentage)*
Number of hours of training	127,934	83,314	+ 53.6 %
Number of employees having attended at least one training course	4,652	4,451	+ 4.5 %

Between 2013 and 2014, the number of employees having attended at least one training course rose 4.5 %, while the number of hours of training was up more than 50 %.

These results illustrate the Group's commitment to training in order to promote health and safety in the workplace (the main factor contributing to the increase in training hours), the adaptation of teams to changing markets, and the continuous improvement of operating performance (for example, through training courses in India to foster industrial excellence).

3.1.4. HUMAN RESOURCES POLICY

The objective of the Group's human resources policy is to ensure that the individual skills of employees or team units are in line with the Group's development strategy on a short-, medium- and long-term basis, against a background of adherence to and promotion of the values on which its culture is based. Team performance, gender balance, fairness, and diversity are thus among its fundamentals.

Securing the loyalty of employees while maintaining a high level of attractiveness for the Group is one of this policy's major thrusts.

On this basis, internal promotion is favored where possible. The objective is to offer everyone career development prospects that allow them to realize their ambitions and their full potential. Mobility, both operational and geographical, is one of the conditions of this progression.

3.1.5. ABSENTEEISM AND SOCIAL DIALOGUE

3.1.5.1. Absenteeism

Absenteeism is monitored in each country in order to identify the reasons and take appropriate action. In 2014, the Vicat Group deemed this indicator satisfactory, varying between 0.3 % and 4.5 %, depending on the country (excluding Italy, where the Group had only 24 employees in 2014 and absenteeism could thus not be taken into account). France had an absenteeism rate of 2.9 %.

3.1.5.2. Social dialogue

All Vicat Group companies comply with local laws relating to the following issues: respect for freedom of association and the right to collective bargaining; respect for the right of employees to information and consultation.

Social dialogue works well within the various companies. Management, which is direct, close to the workforce and always open to discussion with staff, is a key success factor in maintaining social dialogue and good employee relations.

No significant event occurred in 2014 to endanger this dialogue or employee relations, with the exception of the security situation at the Egyptian plant in the Sinai Peninsula.

For 2014, the scope adopted for the indicator "Review of collective bargaining agreements" was limited to France. In all, eight agreements were signed.

3.1.6. RESPECT FOR DIVERSITY AND EQUAL TREATMENT

3.1.6.1. Measures to promote gender equality

The low proportion of women in the salaried workforce is due in particular to the type of activity and jobs offered by the Group.

However, gender equality remains one of the basic elements of the Vicat Group's human resources policy. Depending on the culture of the country, appropriate measures are adopted to ensure equal access to jobs and training and equal treatment in terms of remuneration and promotion.

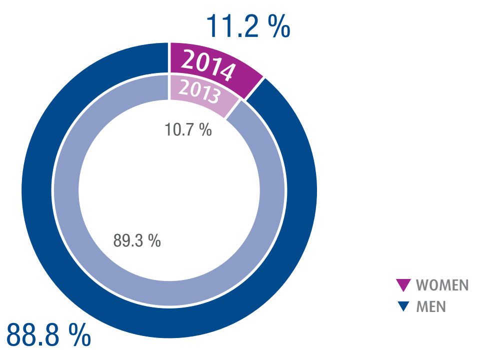
Such measures are employed within the limit of the constraints imposed by our businesses. In fact, a significant proportion of jobs are not easily accessible to female staff, owing either to working conditions (for example the carrying of heavy loads), or to the scarcity of women having completed the training necessary for certain jobs (in mechanical engineering, for example).

In 2014, owing to its results in the area of gender equality, the Group ranked among the top 100 French companies (99th place) for female representation within its governing bodies (according to the ranking published by France's Ministry of Women's Rights).

Workforce as at December 31, 2014 by gender, category, average age, and average length of service

(number of employees)	Total	Of which: Executives	Of which: White-collar staff	Of which: Blue-collar staff	Average age	Average years of service
Men	6,977	1,262	2,288	3,427	42.6	9.6
Women	877	176	592	109	42.4	9.8
TOTAL	**7,854**	**1,438**	**2,880**	**3,536**	**42.6**	**9.6**

BREAKDOWN OF THE GROUP'S AVERAGE AS AT DECEMBER 31, 2014, BY GENDER (IN %)



Female employees as a percentage of the Group's total workforce

	2014	2013
Executives	12.2	11.8
White-collar staff	20.6	20.2
Blue-collar staff	3.1	2.5
TOTAL	**11.2**	**10.7**

Female employees as a percentage of the Group's workforce in France

	2014	2013
Executives	22.5	21.0
White-collar staff	26.2	25.7
Blue-collar staff	2.9	1.8
TOTAL	**18.2**	**17.2**

The percentage of women employed by the Group continued its ascent, rising to 11.2 % as of December 31, 2014, compared with 10.7 % a year earlier. In France, the percentage of women employed reached 18.2 % in 2014 (up from 17.2 % in 2013). Kazakhstan once again occupied the leading position in terms of the percentage of women employed, with female staff representing 25.7 % of the total workforce.

The percentage of female executives in the Group also improved, rising from 11.8 % in 2013 to 12.2 % in 2014. In France, the percentage of female executives made further gains, reaching 22.5 % as of December 31, 2014 (compared with 21 % in 2013 and 19.8 % in 2012).

3.1.6.2. Measures to promote the employment and integration of disabled people

Wherever conditions allow, the Vicat Group applies a proactive policy in relation to the employment of disabled people.

Group companies thus employ disabled workers directly, through contacts with specialist organizations (in France, for example, *CAP Emploi, Ohé Prométhée* or AGEFIPH).

Adjustments in the workplace, either by arranging working hours (reduction or adaptation of working hours), or by adapting workstations (ergonomic arrangements in terms of task content, training, etc.), are also examined and put in place.

The development of subcontracting to companies and organizations that specifically employ the disabled (secondment of disabled workers within Group companies, provision of services, such as maintenance of green spaces, removal of certain types of waste, etc.) is another solution employed.

In France, disabled employees represented 3.4 % of the workforce in 2014, up slightly from 3.1 % in 2013. The number of beneficiaries of these measures employed directly by the Group has increased by 30 % over the past six years.

The Group took majority stake in Sodicapei, a company engaged in the mining and sale of bauxite, whose packaging plant employs 12 disabled people. This policy is also successful outside France, especially in Turkey and Egypt. In 2014, disabled employees accounted for 3.0 % of the Group's workforce in Turkey and 2.3 % in Egypt.

3.1.6.3. Policy aimed at combating discrimination, forced labor and child labor

Adoption of the Group's values by its employees is one of the key factors in the success it has achieved in its 162 years of existence.

There are five main Group values, which have forged a strong corporate culture:

- **Strong local roots:** as a French group with an international presence, Vicat also plays a key role in local economic development for the regions where it operates. Local employment is encouraged and, as part of the Group's Corporate Social Responsibility commitments, efforts to reduce the environmental impact of its business activities (local materials, eco-design, recycling, etc.) are a main priority.
- **Technical expertise:** drawing on its extensive knowledge and skills, the Group aims for excellence in the performance of its materials, products and services as well as their implementation, to the benefit of its customers. The Group constantly pursues innovation, envisioning future needs and developments, to anticipate and accompany technical, social and environmental transformations affecting its markets.
- **Shared passion:** ever since artificial cement was invented by Louis Vicat, a passion for construction industry products and professions has been a constant source of inspiration for all of its employees in their relations with Vicat's stakeholders.
- **Commitment to partnership:** the Group nurtures a service culture where availability, attentiveness, dialog and cooperation are the watchwords for all teams in their relations with customers. These exchanges enhance the organization's effectiveness and responsiveness. A true partner for all its customers, the Group is committed to helping them grow and create value.
- **Steadfast and responsible leadership:** founded 162 years ago by a family still firmly committed to its independence, the Vicat Group's strategy always takes a long-term perspective and seeks in particular to leverage the trust built up over the years with its private and public partners: customers, suppliers, contractors, elected officials, professors and researchers in the academic community, etc.

These values derive from the humanistic principles embodied by Louis Vicat, the very source of the Group's existence. United by a history extending over more than a century and a half, employees in all countries where the Vicat Group operates share a strong sense of belonging to the Group. This corporate culture gives rise to respect in relations with others, solidarity between teams, the inclination to lead by example, a capacity to mobilize energies, and the wherewithal to take strong action on the ground to achieve objectives.

Managers at every level of the Vicat Group are the champions of these values, developing a direct style of management, close to their employees. Above all, they maintain strong ties with their teams and are closely involved in the day-to-day activities of the organization. Managers also ensure open lines of communication at all times.

As a result, the Vicat Group is well placed to effectively combat all forms of discrimination as well as forced labor and child labor.

All Group companies comply with anti-discrimination legislation in force in their respective countries (all are members of the International Labour Organization). Proof of such compliance is to be found in the audits conducted by various local authorities, none of which revealed any failure to observe applicable laws and regulations in 2014.

At the instigation of Group Management, the Vicat Group's entities in India, Kazakhstan and Senegal have each put in place a code of conduct complying with World Bank standards. Management in India is very sensitive to child protection and has regular, unannounced monthly audits conducted to check that no children are working on the Group's sites.

In 2014, no Group company was the subject of a complaint or conviction for discrimination, forced labor or child labor.

3.2. TAKING AN ACTIVE ROLE IN THE ECONOMIC AND SOCIAL DEVELOPMENT OF THE REGIONS AND COUNTRIES WHERE WE OPERATE

The Vicat Group's policies with respect to its employees are echoed in its relations with local communities. Through a range of actions, the Vicat Group demonstrates its support for education, access to culture, the initiatives of entrepreneurs to boost local economies, and assistance measures to promote social integration through employment. In addition, the Vicat Group is engaged in efforts to improve health and sanitation in local communities, and specifically for residents living near its facilities. The Group promotes fair business practices in its relations with suppliers and the quality of the products offered to its customers.

3.2.1. SUPPORTING EDUCATION AND EXPANDING ACCESS TO CULTURAL AND SPORTING ACTIVITIES

The Vicat Group's commitment to communities in the countries and regions where it operates places a priority on support for educational opportunities. The Group pursues this commitment through local actions, in support of primary and secondary schools as well as universities, and lends its assistance to all program phases, from implementation to follow-up. Very often, these initiatives are developed through long-term partnerships.

Main initiatives pursued by the Vicat Group in 2014

Country	Beneficiaries	Type of support
France	Catholic University of Lyon	Development of new courses and construction of a new university
	State technical school in Vizille	Organization of internships and site visits to introduce students to the world of industry
USA (California)	Primary schools in Frazier and El Tejon	Donation of school supplies and financial support for class trips
USA (Alabama)	Auburn University and University of Alabama	Donations
	Ambubai Residential School for Blind Girls in Gulbarga	Financial support
India (Karnataka)	Primary school in Chatrasala	Partial coverage of operating expenses
India Andhra-Pradesh	Primary schools in Nallalingayapalli, Jambapuram, Thippaluru and Pandillapalli	Improvements made to the premises
Kazakhstan	Primary school in Mynaral	Donations
	Deserving graduates of the fine arts secondary school in Konya	Scholarships
Turkey (Konya)	Primary school in Elikesik Gullu	Donations
	Award-winning graduates of secondary schools in Rufisque and Bargny announced at the 11th annual "Celebration of Excellence" by Vicat's Chief Executive Officer	University scholarships (covering the full course of studies leading to a degree)
Senegal	Primary schools in Bargny, Rufisque, Bandia, Pout, Sindia and Thiéwo	Donations of school supplies

In Senegal, the Maurice Guèye Cultural Center in Rufisque, operating under the aegis of the Fondation Sococim, is an important resource and site for the promotion of education, culture and sports. Located in the heart of the city, the center offers its visitors a library with 10,000 books, a multi-use hall, a cybercafé, and a multi-sports field. The center has ten full-time staff members. In 2014, as part of the 11th contemporary African art exhibition held every two years, the center presented an exhibition including work by artists from the region of Rufisque.

During the year, the Fondation helped establish the first music production studio in Rufisque. It also continued its support for *Bibliothèque Lecture Développement* (BLD), a Senegalese organization promoting libraries and that also runs a publishing house. In particular, the foundation's assistance made possible the publication of a new book for young readers.

After gaining recognition at the end of 2010 for funding the full-scale renovation of *Musée Théodore Monod*, a museum devoted to African art that is part of the *Institut Fondamental d'Afrique Noire* (IFAN), the

Fondation Sococim lent its support for two temporary exhibitions held at the museum: *From Know-How to Smart Living* and *The Wrestling Heroes of Senegal's Arenas*, the latter presented together with a film produced by the *Centre d'Etudes des Sciences et des Techniques de l'Information* (CESTI) in Dakar.

In Turkey, the Group took part in archaeological excavations at Çatal Höyük, a Neolithic settlement located in central Anatolia, on the Konya plain.

In India, the Group supports local celebrations with regular donations to communities, particularly in connection with the festival dedicated to Ganesh, the elephant-headed god.

In the United States, the Group lent its support to the local chapter in Frazier Park, California, of the Veterans of Foreign Wars, a national organization whose mission is to ensure that these United States veterans are recognized for the sacrifices made on behalf of their country.

The Group also helps promote women's sports, in particular through its support for the *Olympique Lyonnais* women's football team and for the Senegalese national women's volleyball team. In the southern Indian state of Karnataka, the Group's subsidiary Vicat Sagar Cement provided financial assistance for the National Swimming Masters Championship held at Gulbarga. In Turkey, the Group similarly lent it support to the football club in the city of Konya.

3.2.2. CONTRIBUTING TO SOCIOECONOMIC DEVELOPMENT IN THE COUNTRIES AND REGIONS WHERE THE GROUP OPERATES

3.2.2.1. Direct and indirect employment

Due to the nature of its industrial operations, the Vicat Group creates numerous jobs both upstream and downstream of its production units. It is estimated that in the industrialized world for every one direct job in a cement factory, there are ten associated indirect jobs. Upstream suppliers and the whole downstream Ready-mixed Concrete sector are supported by a cement works.

In emerging countries, staff are employed on production sites in larger numbers than in the industrialized world because there is less outsourcing of support functions (maintenance). Such outsourcing presupposes a certain level of qualification and independence on the part of subcontractors.

In 2014, local hires accounted for 43 % of the employees of the Mynaral cement factory in Kazakhstan. The Group has thus become the No. 1 employer in this region.

3.2.2.2. Support for local entrepreneurs

The Vicat Group is involved in various local economic development initiatives in the countries where it operates.

- in France, *alizé® savoie* supports the economic development of micro-enterprises and SMEs in the Savoie region by granting interest-free loans and by coordinating the sharing of expertise by the program's corporate partners. In 2014, assistance was provided to eight new companies with the potential to create 29 additional jobs. Overall, since 2006, this initiative has supported 62 companies and has helped to create 311.5 jobs;
- in Senegal, the Fondation Sococim continued its actions in 2014, particularly in support of:
  - *Femmes et Développement* (FED), a development association in Rufisque that produces and markets soaps,
  - *Aissa Dione Tissus*, an SME in Rufisque with 80 employees that designs and produces fabrics for the home, which it exports worldwide.

The foundation also selected four new projects to receive funding: a new engraving studio for textile printing in Dakar, a music production studio founded in Rufisque, the expansion of the fabric dyeing and sales operations of a women's association in Thiès, and a campaign to clean up central districts of Rufisque and raise awareness about waste management.

3.2.2.3. Social integration through employment

In 2014, The Vicat Group continued its involvement in initiatives promoting social integration through employment, in cooperation with the relevant local services, even where these programs only involve its business segments indirectly.

This is the case in the southern French city of Nice, where the Vicat Group is a partner in *"100 chances 100 emplois"* (100 opportunities, 100 jobs). The aim of this program is to identify high-potential young people from disadvantaged urban communities and provide them with a personalized career path towards professional employment.

Once they have been identified by local employment services or by the state-run *Pôle Emploi* job centers, the candidates meet executives from partner companies who help them to identify their career paths, find themselves internships or training courses, and prepare for job interviews.

Under this program in 2014, 157 of 209 applicants identified by the local employment services obtained positions (internships or jobs).

3.2.3. CONTRIBUTING TO THE IMPROVEMENT OF LOCAL SANITATION FACILITIES AND QUALITY OF LIFE FOR RESIDENTS LIVING NEAR THE GROUP'S SITES

3.2.3.1. The Vicat Group's efforts in the area of public health for the benefit of those living near its production sites focus in particular on India and Senegal

In India, 2014 saw the continuation of initiatives launched by the Group the previous year, whether involving the construction of new facilities, the maintenance of existing sanitation infrastructure (public toilets, reservoirs), or the coordination of new health information meetings at villages in the vicinity of the Group's cement factories (operated by Vicat Sagar Cement Private Limited and Bharathi Cement Corporation Private Limited).

In Senegal, a highlight of 2014 was the Group's support for the roll-out of a national campaign to prevent the spread of the Ebola virus, whose actions ranged from the communication of health and hygiene messages by way of posters in public places and mandatory hand washing before entering the Maurice Guèye Cultural Center to the distribution of complete hygiene and information kits to partner medical structures of the cement factory and its quarries.

In India, as in Senegal, the Group works to facilitate access to local healthcare (regular malaria prevention programs, opening of clinics to local populations, free access to certain kinds of care, free transport offered by the cement factory's ambulance, contributions to local hospitals).

3.2.3.2. Managing the Group's environmental footprint near its sites

The Group constantly monitors air quality levels in the vicinity of its plants, alongside measures taken to reduce emissions. Thus, in India, frequent measurements show concentrations around the plants to be eight to ten times lower than local standards require.

The Group's production facilities are all designed and operated to minimize impacts such as noise (adjustment of opening hours), vibrations due to blasthole firing, and odors likely to disturb nearby residents.

3.2.4. CONTRIBUTING TO THE DEVELOPMENT OF BEST PRACTICES WITH SUPPLIERS

The Group complies with the rules of law in the countries where it operates, which have all signed or ratified the United Nations Human Rights Charter.

The Vicat Group gives priority to local purchases wherever possible, in order to generate economic benefits for the areas in which it operates.

Contracts drawn up by the Group's Procurement Department require its partners to confirm their adherence to the main principles of international law, in particular with regard to compliance with the International Labour Organization's Fundamental Conventions (nondiscrimination, ban on forced labor or child labor).

In each of its purchasing procedures, the Group also applies an approach which takes into account not only economic factors, but social, societal and environmental factors as well. This approach is implemented directly by the procurement units of the Group's subsidiaries.

3.2.5. TRAINING TEAMS IN BEST BUSINESS PRACTICES

The Vicat Group regularly organizes training courses on competitive practices. These courses are primarily intended for General Management and sales managers. In 2014, courses of this type were held at the Group's subsidiaries in Switzerland and Turkey.

3.2.6. CONSUMER HEALTH AND SAFETY

The vast majority of the products produced and sold by the Group comply with local minimum standards. The products of all the Group's businesses are checked under internal and external procedures. For example, Papeteries de Vizille in France has all of its paper products used in food packaging certified by an independent organization.

3.3. BEING A PROPONENT OF STRATEGIES FOR SUSTAINABLE CONSTRUCTION

3.3.1. BUILDING SYSTEMS AND MATERIALS SUPPORTING SUSTAINABLE CONSTRUCTION

3.3.1.1. Actively contributing to the energy transition

The energy consumed in buildings represents almost 25 % of the world's total energy consumption (source: Key World Energy Statistics, 2011). In France, the final energy consumption of buildings represents 43 % of the country's energy consumption (source: *Observatoire de l'Energie*, 2007). In order to reduce this, all those involved in the construction sector need to act. In France, the Vicat Group is a member of a number of working groups involved in this issue. Its contribution consists in developing construction materials or systems with increasingly high performance that improve the energy efficiency of buildings or infrastructures. A study published in 2013 by MIT in the United States showed that concrete solutions for road systems enable a 3 % reduction in vehicle fuel consumption.

The Louis Vicat Technical Center at L'Isle d'Abeau (Isère), home to the Group's main research facilities, collaborates with a number of other research centers in the public and private sectors (including the French atomic energy commission (CEA), the French solar energy institute (INES), the Grenoble Institute of Technology, research laboratories in schools of architecture and universities, and those of the Group's customers in the building and public works sector). It regularly files patents in order to develop its products by adapting them to the energy efficiency requirements of the construction sector.

The Vicat Group was a founding member in 2007 of *Pôle Innovations Constructives*, a French construction industry excellence cluster, which it has chaired for six years. This cluster, located in the Isère department of France, brings together a network of key participants in the construction sector (industrial and institutional players, architects, SMEs/micro-enterprises, craftsmen, Les Grands Ateliers de l'Isle d'Abeau (an association of architects, engineers and artists), architecture schools, *Ecole Nationale des Travaux Publics de l'Etat* (the French national school of public works), CFA BTP (a training center for apprentices in the building and public works sector), etc.). Its aim is to accelerate the spread of innovations in the construction industry in order to meet, in particular, the challenges of energy transition.

The Vicat Group is closely involved in the operations of the energy efficiency working group ASTUS-construction, which is one of the French Sustainable Building Plan's building-energy platforms and is chaired by a Group employee.

The Vicat Group is an active member of INDURA, an excellence cluster in the Rhône-Alpes region, which aims to develop energy-efficient solutions in the infrastructure field.

The Vicat Group is a partner of COMEPOS, a project that aims to develop optimized design and construction processes for energy-positive homes in France. Following an initial phase launched in the first quarter of 2013 to study existing buildings already focused on becoming energy positive and to design new homes based in particular on life cycle assessment (LCA), the first home under this initiative was built in 2014 at Cadarache, France. The energy performance of these new homes under actual conditions of use will be monitored and validated.

Skyflor, which results from the joint efforts of Creabeton Matériaux, a Swiss subsidiary of the Vicat Group, and Hépia in Geneva (a graduate school of architecture, landscape architecture, planning and engineering) is a new self-supporting system used to create ventilated green façades, based on a structure made of high-performance concrete. Following a successful pilot installation in 2013, this system is now being marketed.

The Vicat Group has continued its involvement, alongside its partners Ecobilan, PriceWaterhouseCoopers and SNBPE, the French Ready-mixed Concrete industry association, in the development of BETon Impacts Environnementaux (BETie), a multi-criteria environmental impact assessment tool. This tool is used to produce the new French environmental and public health impact certificate known as FDES *(Fiche de Déclaration Environnementale et Sanitaire)*, provided to users of the Group's products who wish to evaluate the environmental quality of their building projects.

The Vicat Group also contributes to the renovation of existing homes with a view to enhancing energy efficiency, and two examples are especially worthy of note. In the United States, the Group's subsidiary Builders Concrete in California is a founding member of the nonprofit organization Coalition for Urban Renewal Excellence (CURE) and its Chairman serves on the organization's Executive Committee. CURE acquires homes in disadvantaged areas of Fresno, which it renovates and then rents out to low-income families. Since 1998, CURE has renovated some 125 homes. In France, the Group partners with the *Haute Savoie Avenir* working group, which is overseeing a renovation program focusing on individual homes built between the 1950s and the 1980s. This program will be completed in 2015.

3.3.1.2. Contributing to the conservation of built heritage

The Vicat Group focuses particularly on questions of the built heritage, going beyond the development of products and commercial solutions for renovation or conservation.

In 2014, several examples of initiatives along these lines stand out.

In France, the Group again lent its support to *Le Geste d'Or*, an organization that awards prizes each year to projects implementing exemplary approaches to the maintenance, restoration and renovation of built heritage. In selecting the year's winners, the competition jury recognizes the contributions of both architects and craftspeople to the projects, together with the expertise of suppliers and project managers. In 2014, three projects using Prompt Vicat natural cement won prizes at the organization's award ceremony, held as part of the International Heritage Show, marking the fourth time the Vicat Group has been so honored.

The Louis Vicat bridge in Souillac (Lot) was the focus of a skills-based sponsorship initiative, carried out by the Group's concrete research laboratories in L'Isle d'Abeau. This bridge was the first in the world to be built using artificial cement, following its invention by Louis Vicat in 1817. The first phase of renovation work on this bridge, supervised by the Lot departmental authority, was completed in 2014.

In Kazakhstan, the Group's subsidiary Mynaral Tas Company LLP made a donation to Shapagat XXI, a foundation active in the Moyinkum region, for the restoration of two historical monuments: the mausoleum of Quralai Sulu and the monument to Biynazar Batyr, both celebrated figures in the country's history.

3.3.2. AN OPERATIONAL ORGANIZATION SUPPORTING THE GROUP'S SUSTAINABLE CONSTRUCTION STRATEGY

3.3.2.1. Integrated environmental management

In line with its sustainable construction strategy, the Vicat Group considers issues relating to the environment as inseparable from any focus on economic performance.

The Group's operational organization clearly reflects the decisions made in application of this strategy.

The role played by environmental managers in each business (Cement/Concrete & Aggregates/Other Products & Services) is essential in order to:

- verify compliance by installations with environmental regulations;
- monitor and ensure the attainment of environmental performance targets;
- ensure the proper functioning of the internal self-assessment procedures put in place;
- assist teams with their proactive efforts to obtain certification;
- assess potential risk factors for business activities that may have an impact on the Group's operating strategy and values.

Targeted training programs are also delivered for operational staff. For example, within the Concrete business in France, the environmental objectives set by its executive committee are presented to the QHSE (Quality, Health, Safety and Environment) managers in the geographical business areas and the indicators are monitored at monthly meetings. In addition, batching plant operators annually attend a week's training course which includes the management of environmental parameters.

In all countries where the Group operates, its industrial sites are subject to strict local regulations relating to areas such as authorization, operating permits, and licenses issued by local authorities, which conduct regular checks, similar to the procedure in France in the case of ICPEs (*Installations Classées pour la Protection de l'Environnement*), a classification assigned to facilities or projects requiring environmental impact assessment.

Information on environmental emissions data is available at all times in each manufacturing plant, as it is an integral parameter for the production program and management of the installation. It enables operational staff to trigger corrective action, where needed, under the Group's policy of continuous improvement.

The Group's production processes generate very little waste, which in the majority of cases is recycled within the plant.

Some of the Group's manufacturing plants have obtained environmental certification under ISO 14001. This is the case in France for all quarries operated by Granulats Vicat, the activities of Vicat Produits Industriels (VPI), and the cement factory at Peille. The cement factory at Rufisque in Senegal as well as those operated in Bastas in Turkey and Bharathi in India are also all certified to ISO 14001. In addition, the Group's Concrete business in France has launched a proactive environmental management program in preparation for the industry's ready-mixed concrete charter.

Vicat employees are made aware of issues relating to the environment and biodiversity. In 2014, several programs led by the Group in France illustrated this commitment. An exhibition of nature photographs was organized in partnership with LoPARVI, a nature conservancy organization, for all employees at the L'Isle d'Abeau operating site (France). A visit was organized for the employees of the cement factory at Créchy (Allier) and their families to a site made available by Vicat SA to the local nature conservancy organization *Conservatoire des Espaces Naturels de l'Allier* as a reserve for a population of European pond tortoises. This outing, in the company of a guide from the organization, allowed participants to view and learn about many species of birds, frogs, toads and reptiles. Articles on biodiversity topics are frequently featured in *Trait d'union*, the Group's in-house magazine.

Conscious of its responsibilities as a landholder, the Vicat Group surveys all land in use by its business activities (industrial sites, offices, quarries, forests, agricultural land), whether leased or owned. At present, this study covers all of the Group's operations in France.

Both human resources and equipment devoted to the prevention of environmental risks and pollution enable emissions to be controlled beyond the limits prescribed by the various legislations.

Provisions and guarantees in respect of environmental risks are shown in the Group's consolidated financial statements (Notes 1.17 and 15). As of December 31, 2014, the total amount allocated for these provisions and guarantees was € 44.4 million.

Environment-related investments amounted to a total of € 18.8 million in 2014, compared with € 10.5 million in 2013 and € 6 million in 2012.

3.3.2.2. Working in partnership with local stakeholders near the Group's industrial sites

Dialogue with stakeholders is a key ingredient in the success of projects carried out by the Vicat Group. The Group takes advantage of every opportunity to engage in constructive dialogue with local stakeholders, both at the opening of new industrial sites and throughout their existence and, on a more exceptional basis, around society issues such as the joint construction of tomorrow's sustainable communities and regions, naturally of concern to everyone.

In France, each proposed site opening gives rise to a presentation at a public meeting as part of the application procedure. The Group's sites producing artificial cement or extracting stone for cement and aggregates are subject to authorization and most have established site monitoring committees, whose members include local stakeholders, employees and the operator. These committees allow stakeholders to offer feedback on the way in which the site is operated. For example, the cement factory at Rufisque in Senegal has a local environmental information committee that meets annually.

In India, the Group's subsidiaries have established "official complaint resolution systems". Every two weeks, employees and village residents meet to discuss and resolve through consensus any problems that may have arisen. All matters submitted to this procedure are entered in a register signed by all stakeholders in attendance at the meeting.

In addition to the proactive or organizational measures mentioned above, the Vicat Group held open days in 2014 at its cement factories in Montalieu (France) and Reuchenette (Switzerland). In connection with the operation of the Pérouges quarry in the Rhône-Alpes region of France, the Vicat Group has developed Ecophilopôle, a real-world sustainable development exercise bringing together local stakeholders interested in jointly exploring solutions to shape their region's future. The quarry organized the first forum under this initiative in 2014, attended by more than 100 participants (industry players, farmers, environmentalists, representatives from the culture and tourism sectors, and government officials). The aim of this first event was to lay the foundations for a shared project.

3.3.3. GREENHOUSE GAS EMISSIONS AND OTHER DISCHARGES INTO THE AIR

3.3.3.1. Reducing emissions into the air

In its main industrial activity, the production of clinker and cements, the Vicat Group always places a great deal of importance on its filtration systems for chimney emissions likely to impact air quality.

The Vicat Group thus ensures specific levels of dust emissions from its cement factory kilns that are among the lowest in the industry.

In order to measure its performance in this area, the Vicat Group has opted to compare itself against the relevant criteria developed by the CSI (Cement Sustainability Initiative, the industry association of the World Business Council for Sustainable Development (WBCSD)) and used across the industry as international benchmarks, which are:

- CO_2 emissions for the monitoring of greenhouse gases having a potential impact on climate change;
- dust emissions, which are one of the main indicators of good kiln operation and one of the main historic impacts of cement factories;
- NO_x (nitrogen oxides) and SO_x (sulfur oxides) emissions as discharges having an impact on atmospheric acidification.

3

In the case of dust, NO_x and SO_x discharges, the situation in 2014 was as follows:

	Number of kilns assessed*	Emissions *(tonnes)*	Emissions *(grams of particulate per tonne of clinker)*		
	2014	2014	2014	2013	2012
Dust	21	1,415	89	85	101
SO_x	20	3,133	228	295	262
NO_x	20	17,137	1,231	1,445	1,377

* *The Vicat Group has a total of 21 kilns.*

Dust

In 2014, the impact assessment was expanded to include chimneys and not merely firing lines so as to take into account emissions from cooler chimneys and, where applicable, those on bypass filters.

Furthermore, working conditions in Egypt allowed for measurement this year, which had not been the case in recent years. Less than optimal operating conditions at the Group's Egyptian plant have weighed heavily upon its average performance. Filter maintenance operations will commence in early 2015 and will continue for as long as the security situation in this region allows.

SO_x

In the case of SOx, the main emissions come from pyritic sulfurs in the raw meal. In France, so as to move towards emissions levels reflecting the best techniques available (BAT-AELs), adsorbent injection systems have been installed at La Pérelle and Xeuilley, and a study is underway at Montalieu.

NO_x

NO_x emissions have decreased, due to the inclusion within the reporting scope of several kilns with low emission levels.

3.3.3.2. Greenhouse gases (GHG)

Cement industry studies show that only CO_2 needs to be considered under this heading. The proportion of emissions of other gases (methane, nitrogen protoxyde, fluorinated gases, etc.) is marginal.

CO_2 emissions from the French factories are subject to quotas under the European ETS (Exchange Trade System) program. Consequently, they are monitored precisely under surveillance programs and have been checked annually since 2005 by an approved independent body. Monitoring plans for the period from 2013 to 2020 were reviewed in 2013 to meet the requirements of Commission Regulation (EU) No. 601/2012 and were approved by the competent authority. Since 2013, these emissions have been the focus of an audit by the independent body rather than a simple verification.

The distribution of emissions allowances for the period 2013–2020 was validated by the EU at the end of 2013. In addition to the five artificial cement factories and the Vizille paper mill, the quick-setting cement kilns are also now affected.

As a result of these verifications in France, the Vicat Group has been able to obtain a certificate of reasonable assurance expressing an unqualified opinion every year since 2005.

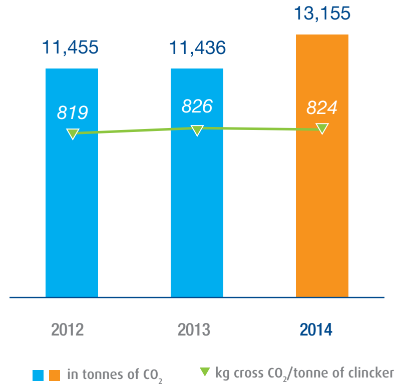
In France, although it is not directly a member of the CSI, the Vicat Group provides emissions data relating to its cement operations each year for the worldwide database on the cement industry's CO_2 emissions and energy performance launched at the initiative of the United Nations and as part of the "Getting the Numbers Right" (GNR) program. This data is provided via the local industry association.

The Vicat Group's Swiss subsidiary (Vigier) is a member of the CSI and accounts for its emissions under this heading after being audited by the industry association Cemsuisse. A new CO_2 monitoring system based on EU regulations came into force on January 1, 2013.

Lastly, surveillance and reporting systems in accordance with the United Nations GHG Protocol have been put in place in the United States. With effect from January 1, 2013, the Lebec cement factory in California has been subject to California Air Resources Board (CARB) regulation AB 32 on greenhouse gas emissions.

For the Vicat Group, direct CO_2 emissions (from the burning of fossil fuels and the decarbonization of raw materials) from its cement factories are the main indicator of performance in terms of gross CO_2 emissions.

GROSS CO_2 EMISSIONS OF THE VICAT GROUP'S CEMENTKILNS



In 2014, specific emissions of CO_2 remained relatively stable, at 824 kg CO_2 per tonne of clinker. The more limited availability of hydrocarbons and gas as energy sources has the greatest effect on this performance, since the coal and coke used in their stead are a little less favorable with respect to this indicator.

The use of modern kilns offering better heat balances and the development of the use of waste and biomass as energy sources have helped to limit this impact.

The Group's total direct and indirect emissions (associated with the generation and consumption of electricity) came to 14.1 million tonnes of CO_2 in 2014, plus 440,000 tonnes of CO_2 associated with the use of biomass.

Direct and indirect CO_2 emissions in 2014

	Cement	Concrete & Aggregates	Other Products & Services	Total
Total direct and indirect CO_2 emissions *(in thousands of tonnes)*	14,062	48	7	14,117

3.3.4. ADAPTATION TO THE CONSEQUENCES OF CLIMATE CHANGE

The two examples described below are indicative of the types of actions taken by the Vicat Group to address the impact of climate change (lengthening of dry seasons) on operations at its facilities.

In Senegal, the Bargny quarry head has a lake for recovering rainwater, used as a reservoir to supply water, when necessary, to the adjacent cement factory. The individuals responsible for controlling the water supply manage usage in line with the seasons.

In 2014, the entire plan for the reconfiguration of the Bargny quarry was reviewed and amended. Sococim Industries (a Group subsidiary in Senegal) has agreed to reinstate farming areas, enriched by the creation of greater biodiversity.

In order to help limit CO_2 emissions produced by its cement factory, the plan calls for jatropha groves to be preserved by shifting them as operations at the quarry advance. Jatropha seeds produce an oil that can be used as an alternative fuel source (100 % biomass). The potential for improvements in the productivity of these groves was the focus of a study carried out in partnership with the Senegalese Institute for Agricultural Research (ISRA). This approach has been recognized as a Clean Development Mechanism (CDM) project*.

During the wintering period, the individuals responsible for maintaining the jatropha groves cultivate essential crops between the plants to help meet their own food requirements (agroforestry).

3.3.5. PROTECTION AND MANAGEMENT OF NATURAL RESOURCES: BIODIVERSITY AND WATER

3.3.5.1. Protecting biodiversity

The Group has been active for many years in the protection of biodiversity. This commitment is illustrated by its partnerships with recognized organizations working in this area in France, including the *Ligue pour la Protection de Oiseaux* (the French bird protection society), the *Conservatoire des espaces naturels de Lorraine* (a nature conservancy organization in the Lorraine department), FRAPNA (the Rhône-Alpes federation for the protection of nature), and the *Conservatoire des Espaces Naturels de l'Allier* (a nature conservancy organization in the Allier department), alongside its support for local initiatives such as *Le Tichodrome* in the Isère department. In 2014, this wildlife rescue center, installed in a former Vicat Group quarry, again received numerous birds for treatment and subsequent release into the wild. Another result of this policy has been the selection of a number of former quarries in France for inclusion in the Natura 2000 network of protected sites across the European Union, established under the Habitat Directive. As a landowner, Vicat made available land parcels situated in an *Espace naturel sensible* (ENS, a natural area classified as particularly vulnerable under French law) to the Isère departmental council in 2014. This area encompasses a number of ponds and the lake formed by the Save river near Passins.

This policy has also resulted in the signing of the French quarry industry's environmental charter, targeting improved environmental practices, by the Group's Aggregates business in France. In 2014, of the 60 aggregate quarries in operation, 24 are signatories of this charter.

In addition, the Vicat Group is an active member of several bodies and working committees examining interactions between biodiversity and industry. Examples in 2014 include Vicat SA's appointment, for a term of three years, along with other leading French corporations and organizations, to the Strategic Steering Committee of the French Foundation for Research on Biodiversity (FRB). At the European level, Vicat SA takes part in the EU's Business and Biodiversity (B@B) Platform.

Taking biodiversity into account is a key factor in achieving sustainable development in all countries and regions and the Group is firmly convinced of its importance. Although the operations of its quarries have an impact on natural habitats, they also contribute to the creation of new habitats conducive to numerous species. For instance, in Senegal, the Group's subsidiary Sococim Industries has set up a green ring covering a surface area of 461 hectares around its quarry at Bargny, now home to *Prosopis juliflora*, *Eucalyptus* and *Parkinsonia acculeata.* This quarry plays a leading role in the development of biodiversity for its region, by restoring ecological connectivity and protecting local ecosystems.

3.3.5.2. Our quarries as laboratories

- Achieving positive biodiversity outcomes

Based on the view, widely held for many years, that quarry operations should not harm the natural environment but on the contrary should help to enrich it through good management, the Vicat Group has organized its extraction operations so as to include in its quarry studies a preliminary analysis of the location and its environment, using its own experts and independent specialists.

From the feasibility assessment phase, prior to any negotiation or preparation of dossiers supporting applications for authorization, the central quarries Department based in France works to identify the most environmentally friendly production techniques and define the future of the site once operations have been completed. The reinstatement work thus defined will contribute to the creation of habitats and the introduction of species of flora and fauna.

In this context, the Vicat Group has chosen to proceed with the reinstatement of extracted areas of quarries as work progresses, without waiting for the complete cessation of operations in the quarry, thus helping to promote conservation and the development of biodiversity.

Land is prepared and cleared based on the surface requirements of the following year's extraction program. The quarried areas are reinstated immediately they have been worked. This rule also applies to areas abandoned pending future extraction, which are reinstated on a temporary basis. This prevents soil erosion by rainwater and enables local flora and fauna to develop in the area.

In order to carry out such reinstatement work, the Vicat Group has developed and perfected innovative techniques such as hydraulic seeding enabling the appropriate species to be sown in the ground and on mineral heaps.

The Group also pursues an active policy of (re)forestation on its industrial sites and quarries. In 2014, 14,233 trees were planted in this way. The Vicat Group's quarries also host beehives in areas not currently being worked, on a case-by-case basis.

* *This mechanism allows industrialized countries to fund projects in developing countries in order to meet a portion of their greenhouse gas emission reduction targets. In exchange, investing countries earn emissions credits. The Kyoto Protocol's CDM's main objectives are to:*

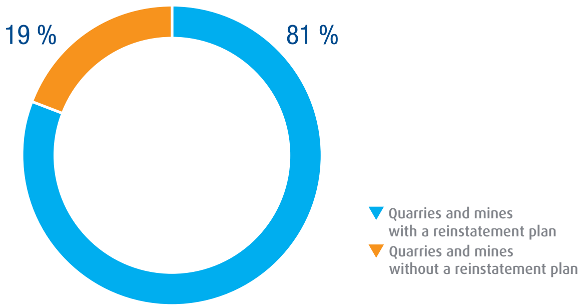
- *help developing countries achieve sustainable development while contributing to the stabilization of global greenhouse gas concentrations; and*
- *help industrialized countries (or companies based in these countries) meet their targets for the limitation and reduction of their emissions.*

Thus, if an industrialized country helps a developing country put in place measures allowing it to improve sustainably, the industrialized country can receive credits as a result of this assistance to offset its own emissions.

Nearly all of the Group's quarries had reinstatement plans in 2014.

	2014	2013
Total number of quarries	145	138
Surface area reinstated *(sq. m.)*	459,051	606,812
Number of quarries with a reinstatement plan	118	114
Percentage of quarries with a reinstatement plan	81 %	83 %

PERCENTAGE OF VICAT GROUP QUARIES WITH A REINSTATEMENT PLAN (IN %)



Each year, the central quarries Department includes in its action plan the preparation of new reinstatement plans for quarries currently lacking such plans.

- Improving soil quality for farming activities

After seven years of experimentation, the Vicat Group has developed an innovative procedure for the rehabilitation of land for productive farming use, following the extraction of aggregate deposits, restoring it to high agricultural quality, in order to ensure the sustainable cohabitation of these activities.

In addition to its ground-breaking technical and scientific characteristics, the novel approach applied to coordinate the procedure is the key to its success. The Vicat Group now invites farmers to take part in both the planning of quarry projects and in rehabilitation work, as part of agro-ecological monitoring committees. The Vicat Group is training all teams concerned in this new rehabilitation procedure.

In 2014, the first voluntary commitment agreement for the rehabilitation of land for farming was signed by the Group's French subsidiary Granulats Vicat, the local authority, and the Chamber of Agriculture for the Ain department on behalf of local farmers.

The objective for the coming years is to replicate this proactive approach at all of the Group's sites suitable to be used for farming after the completion of operations.

3.3.5.3. Water management and recycling

Recycling of water is favored in order to reduce intake and discharges into the environment. Water intake is monitored as an important indicator of the impact of our operations.

- **In cement factories,** some water is used to cool the gases before treatment in filters. A large part of the water required is used for cooling the bearings in rotary equipment (bearings in the kiln or grinding mills) and the use of closed loops enables the recycling of more than 60 % of total water used.
- **In the Concrete business,** water consumption has declined to 182 liters per m3 of production, perfectly in line with international best practice and well below the 350 liters set by French regulations as the maximum limit. It is worth noting that in France (excluding Escolle), the average recycled water usage rate for manufacturing amounted to 69 % in 2014, with the remainder used for the washing of facilities and vehicles.
- **In the Aggregates business,** recycling systems enable over 75 % of the total water requirement for cleaning to be recovered.

The specific consumption per tonne of aggregate produced is thus limited to 192 liters of water in countries where water is in abundant supply. In view of water restrictions in certain countries, this ratio falls to 136 liters per m^3 for the Group as a whole.

Water use, re-use and environmental discharge in 2014 *(in cubic meters and percentage)*

	Cement	Aggregates	Concrete	Other Products & Services
Total water requirement *(in thousands of m³)*	**23,340**	**10,844**	**1,847**	**1,740**
Recycled *(in thousands of m³)*	14,253	8,106	357	280
Percentage recycled *(in %)*	61	75	19	16
Net intake *(in thousands of m³)*	**9,087**	**2,738**	**1,490**	**1,460**
Rainwater *(in %)*	4	3	0	0
Public network *(in %)*	8	18	60	4
Aquifers *(in %)*	65	34	7	96
Lakes and rivers *(in %)*	7	45	23	0
Other *(in %)*	16	0	9	0
Environmental discharges *(in thousands of m³)*	**5,673**	**112**	**2**	**1,331**
Effective consumption *(in thousands of m³)*	**3,413**	**2,625**	**1,488**	**128**

Environmental discharges of water by Vicat Group sites are monitored on both a qualitative and quantitative basis. For example, in 2014, Papeteries de Vizille in France installed a new biological wastewater treatment facility at its site. This system complements the existing physicochemical treatment facility and has helped to significantly lower the five-day biochemical oxygen demand (BOD_5) of wastewater discharged. Discharges at this site have now attained the target emission levels defined by the best available techniques (BAT) conclusions for paper production under EU Directive 2010/75 of the European Parliament and Council and Commission Implementing Decision of September 26, 2014).

3.3.5.4. Management of raw materials

The main raw materials used by the Vicat Group in its businesses are naturally occurring and extracted from the environment. This is equally true for clinker or aggregates production and for water consumption.

The Group thus keeps precise accounts of its consumption and where possible favors the use of alternative raw materials (Valmat) for both clinker production (calcium, alumina or iron oxides, silica content, etc.) and for cements (sulfo- or phosphogypsum, recycling of mineral waste from quarries, etc.) and aggregates (use of aggregates from returns of fresh concrete or from demolition).

In 2014, raw materials consumed in clinker production amounted to 26.6 million tonnes, including slightly over 1 % in alternative materials.

An additional four million tonnes were used in cement production, where substitution rose to 26.3 % alternative materials, accounting for 5.3 % of cement produced.

In all, alternative materials included in the production of cement represented nearly 7 % of cement produced.

For the production of aggregates, 19.3 million tonnes of raw materials were extracted in 2014. The use of recycling has increased in France, exceeding 3 % of production in this country in 2014.

3.3.6. OPTIMIZED SELECTION OF ENERGY SOURCES

- Minimization of energy consumption is an integral part of the Group's general policy. This is achieved through on-going work on production facilities from their design to their operation.

  The cement-manufacturing process is very energy intensive, in terms of both electricity and thermal energy. Electricity is used for transporting the materials inside the factories for the crushing and grinding operations, while thermal energy is consumed mainly when firing the clinker. The cost of energy accounts for approximately 40 % of the average ex-works cement cost price for the industry and is the primary expense item (this percentage being lower for the Group). In 2014, energy costs for the Group as a whole amounted to nearly € 347 million. The Group allocates a significant part of its industrial investments to the improvement of its energy productivity.

  Through its policy of investment in the best technology for its industrial firing systems, the Group has improved the thermal balance of its cement factory kilns and has thus reduced its CO_2 emissions.

  All these actions combine today to make the Vicat Group one of the best performing cement manufacturers, based on the data available for past years, in terms of specific thermal energy and electricity consumption, and thus also in terms of direct and indirect specific CO_2 emissions in the production of clinker.

For 2014, the Group's heat balance was 3.490 GJ/tonne, representing a decline of nearly 2 % compared with 2013. The higher performance levels of modern kilns installed account for this trend.

- Similarly, in the case of electricity, where consumption is linked to the grinding of raw materials or clinker, the technical ratio was 101 kWh/tonne of cement produced, significantly lower than in 2013. This puts the Vicat Group in the middle of the international benchmark range.

  Electricity consumption at the production sites consolidated in this report (cement factories, quarries, concrete batching plants, paper mills and precast concrete plants) was 2,147 GWh or 7,728 TJ. The monitoring scope was expanded this year to include certain sites responsible for a marginal contribution, namely L'Isle d'Abeau site in France and some ancillary activities (additional impact of about 0.2 % overall).

Electricity consumption by the Group's production sites in 2014 *(in GWh)*

	2014	2013
Cement	2,030	1,893
Aggregates	45	48
Concrete	26	28
Other Products and Services	45	43
TOTAL	**2,147**	**2,011**

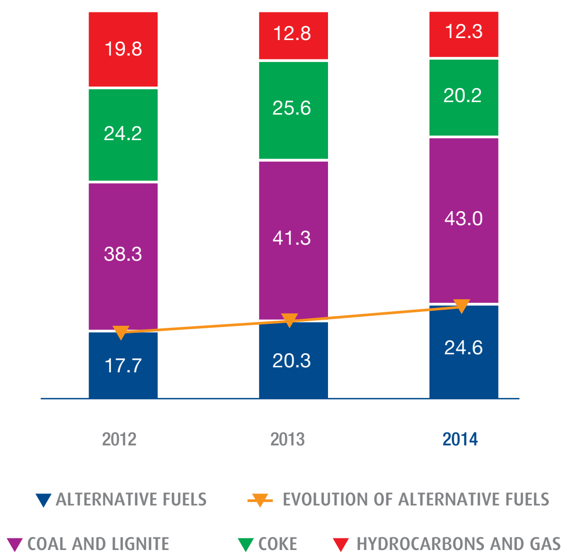
- For many years, the Vicat Group has pursued an ambitious policy of using alternative fuels in place of conventional fossil fuels.

  Such alternative fuels are, for example, recovered solid fuel, tires, oils, solvents or other industrial liquid waste which must be disposed of. The Group also continues to expand its use of crushed waste from biomass sources.

Replacing conventional fuels also helps reduce the Group's intake of natural resources, which has an important leverage effect in reducing emissions of CO_2.

In 2014, alternative fuels accounted for 24.6 % of total fuel consumption, 7.8 % of which was biomass. This indicates once again a significant improvement compared with 20.3 % registered in 2013 and 17.7 % in 2012.

FUEL SOURCES USED *(CEMENT BUSINESS AS %)*



3.4. KEY FIGURES FOR THE GROUP'S CSR PERFORMANCE

3.4.1. KEY CSR PERFORMANCE INDICATORS FOR THE VICAT GROUP (QUANTITATIVE DATA)

Topic	Indicator	2014	2013
BEING A RESPONSIBLE EMPLOYER			
Health, safety and accident prevention			
	Number of lost-time occupational accidents (*employees*)	173	214
	Number of fatal occupational accidents (*employees*)	1	2
	Number of days lost	6,419	7,060
	Frequency rate (*employees*)	11.3	14.8
	Severity rate	0.42	0.48

Topic	Indicator	2014	2013
Training			
	Total number of hours of training (*employees*)	127,934	83,314
	Number of employees having attended at least one training course	4,652	4,451
Workforce			
	Total workforce at December 31 (*employees*)	7,854	7,712
	Average number of employees	7,750	7,656
Average workforce by age bracket as of December 31			
	Number of employees under 30	1,078	1,066
	Number of employees over 30 and under 50	4,717	4,685
	Number of employees over 50	2,059	1,961
Average length of service and average age of employees within the Group			
	Average age	42.6	42.1
	Average length of service (years)	9.6	9.6
Workforce as of December 31			
	Cement	3,537	3,399
	Concrete & Aggregates	2,549	2,532
	Other products & services	1,768	1,781
Breakdown of the Group's average workforce by geographical area			
	France	2,583	2,521
	Europe (*excluding France*)	1,117	1,113
	United States	1,007	1,023
	Asia	1,940	1,881
	Africa and Middle-East	1,103	1,118
Breakdown of the Group's average workforce by business			
	Cement	3,494	3,390
	Concrete & Aggregates	2,893	2,917
	Other products & services	1,363	1,349
Change in workforce at year-end by type of movement			
	Number of leavers due to natural wastage (*resignation, end of contract, death*)	(511)	(539)
	Retirement, early retirement, dismissal, other movements	(344)	(397)
	Changes in consolidation scope	28	2
	Number of new hires	969	961
Compensation			
Change in personnel costs as of December 31			
	Salaries and wages (*in thousands of euros*)	272,747	266,329
	Social security contributions (*in thousands of euros*)	96,371	95,670
	Employee profit-sharing (French companies) (*in thousands of euros*)	4,171	4,832
	Personnel costs (*in thousands of euros*)	373,289	366,833
Work organization			
Shift working	Extent of shift working (*in %*)	17.8%	17.5%
Part-time work	Number of full-time employees	7,649	7,531
	Number of part-time employees	205	181
	Percentage of part-time employees (*all categories*)	2.6%	2.3%
Absenteeism	Absenteeism rate in France	2.9%	3%
Social dialogue			
	Collective bargaining agreements (*number of agreements signed during the year*)	8	15

Topic	Indicator	2014	2013
Respect for diversity and equal treatment			
Measures to promote gender equality			
	Female employees as a percentage of the total workforce	11.2%	10.7%
Measures to promote the employment and integration of disabled people			
	Disabled employees as a percentage of the total workforce in France	3.4%	3.1%
Policy aimed at combating discrimination, forced labor and child labor			
	Percentage of operating countries having ratified the United Nations Human Rights Charter	100 %	100 %
BEING A PROPONENT OF STRATEGIES FOR SUSTAINABLE CONSTRUCTION			
Material issues	Amounts set aside for provisions and guarantees in respect of environmental risks (*in millions of euros*)	44.4	40.3
	Environment-related investments (*in millions of euros*)	18.8	10.5
Dust	Dust emissions (*in tonnes/year*) from 21 kilns assessed	1,415	1,172
	Specific dust emissions (*in g/t of clinker*)	89	85
SO_2	SO2 emissions (*in tonnes/year, 20 kilns in 2014, 17 in 2013*)	3,133	2,591
	Specific SO2 emissions (*in g/t of clinker*)	228	295
NO_x	NOx emissions (*in tonnes/year, 20 kilns in 2014, 17 in 2013*)	17,137	15,291
	Specific NOx emissions (*in g/t of clinker*)	1,231	1,445
CO_2			
	Gross CO2 emissions of cement kilns (*in kt*)	13,155	11,436
	Specific CO2 emissions (*in kg/tonne of clinker*)	824	826
	Total direct and indirect CO2 emissions (*in kt*):	14,117	12,461
	■ For the Cement business	14,062	12,412
	■ For the Concrete & Aggregates business	48	39
	■ For Other Products & Services	7	10
Natural ressources			
Biodiversity			
	Total number of quarries	145	138
	Surface area reinstated (*in m²*)	459,051	606,812
	Number of quarries with a reinstatement plan	118	114
	Percentage of quarries with a reinstatement plan	81 %	83 %
Water management and recycling			
	Total water requirement (*in thousands of m³*) by business:		
	■ Cement	23,340	20,419
	■ Concrete & Aggregates	12,691	12,894
	■ Other products & services	1,740	1,842
	Percentage recycled by business:		
	■ Cement	61 %	59 %
	■ Aggregates	75 %	65 %
	■ Concrete	19 %	18 %
	■ Other products & services	16 %	15 %
	Net intake (*in thousands of m³*) by business:		
	■ Cement	9,087	8,335
	■ Concrete & Aggregates	4,228	5,441
	■ Other products & services	1,460	1,562
	Effective consumption (*in thousands of m³*):		
	■ Cement	3,413	2,916
	■ Concrete & Aggregates	4,113	5,431
	■ Other products & services	128	180

Topic	Indicator	2014	2013
Management of raw materials			
	Quantity of unprocessed natural material extracted *(in millions of tonnes)*	45.3	42.5
	Percentage of consumption from unprocessed materials	96.7%	97.7%
	Percentage of consumption from recycled materials	3.3%	2.3%
	Consumption of raw materials for the production of clinker (*in millions of tonnes*)	26.6	23.3
	Percentage of materials issued from alternative materials consumed in the production of cement	6.7%	4.5%
Energy			
	Total electricity consumption *(in GWh)* by business:		
	■ Cement	2,030	1,893
	■ Concrete & Aggregates	71	76
	■ Other products & services	43	43
	Total	**2,147**	**2,011**
	Thermal balance of cement kilns (*GJ/tonne*)	3.490	3.556
	Fuel sources used (*Cement business*):		
	■ Coal and lignite	43 %	41.3 %
	■ Coke	20.2 %	25.6 %
	■ Hydrocarbons and gas	12.3 %	12.8 %
	Percentage of alternative fuels of which % biomass	24.6 % 7.8 %	20.3 % 7.2 %

3.4.2. CSR REPORTING METHODOLOGY

The information used to prepare this report was provided by data collection and management systems that have been in use for a number of years within the Vicat Group in application of its CSR policy and on the basis of a shared reference framework entitled "Reporting Protocol for Workforce-related, Social and Environmental Information".

Each year, the CSR Coordination unit, in association with the General Management, submits the reference framework to the managers responsible for each indicator or group of indicators for evaluation. In 2014, the Group decided not to make any substantial changes to the reference framework in order to ensure that it would be fully understood and effectively applied by Contributors.

The Protocol defines the rules governing the collection, control and consolidation of CSR data, in accordance with the provisions of Article L. 225-102-1 of the French Commercial Code.

The Group's CSR reporting covers its full scope of consolidation, i.e., Vicat SA together with its subsidiaries and the companies it controls, as defined respectively in Articles L. 233-1 and L. 233-3 of the French Commercial Code.

In principle, CSR indicators are consolidated from the date of acquisition of a site or sites until their date of disposal. Some of the indicators may not be consolidated, provided that this absence is warranted by the data's unavailability or lack of relevance for the period in question with regard to the business activities pursued.

Environmental data are collected by business and by country and consolidated at Group level. Key performance indicators are defined for all business activities and outlined in specific data sheets. CSR reporting for the Cement business (emissions) is more specifically carried out on the basis of the industry protocol issued by the Cement Sustainability Initiative (CSI).

Occupational health and safety data are collected by the operating entities and consolidated by the Group's Safety Department, which reports to the Human Resources Department.

Workforce-related data are collected by the legal entities and then consolidated by the Human Resources Department on the basis of a form drawn up in application of the Group's internal guidelines, designed to meet the specific disclosure requirements of companies with respect to Corporate Social Responsibility.

Grant Thornton, an independent third-party firm accredited by COFRAC and which has been appointed to verify data provided by the Group, carries out a review of the Vicat Group's guidelines and reporting procedures as part of its mission..

3.5. INDEPENDENT VERIFIER'S REPORT ON THE REVIEW OF THE CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PUBLISHED IN THE MANAGEMENT REPORT.

VICAT S.A.

Financial year ending 31 December 2014

To the Shareholders,

In our capacity as professional accountants identified as independent verifier, accredited by the COFRAC under the number n° 3-1080 [1], we hereby report to you on the consolidated social, environmental and societal information published in the management report (hereafter the "CSR information") prepared for the year ended 31 December 2014, pursuant to Article L.225-102-1 of the French Commercial Code (Code du Commerce).

Management's responsibility

The executive board is responsible for the preparation of the management report including the CSR information in accordance with the requirements of Article R.225-105-1 of the French Commercial Code presented as required by the company's internal reporting guidelines (hereafter the "reporting guidelines") and available on request at the company's headquarters.

Independence and quality control

Our independence is defined by regulatory requirements and by the Code of Ethics of our profession inserted in the 30 March 2012 decree specific to the activity of accountants. Furthermore, we have implemented a quality control system to ensure compliance with the code of ethics, professional standards and applicable laws and regulations.

Independent verifier's responsibility

It is our role, on the basis of our work:

- to attest whether the required CSR information is presented in the management report or, if not presented, whether an appropriate explanation is given in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Attestation of disclosure);
- to express limited assurance on the fact that, taken as a whole, the CSR information is presented fairly, in all material aspects, in accordance with the reporting guidelines (Assurance report)

Our work was conducted by a team of 3 people during the period of December 2014 to March 2015 for duration of approximately 3 weeks. We called upon the help of our CSR experts to complete this assignment.

1. Attestation of disclosure

We conducted our work in accordance with the professional guidelines and the legal order published on 13 may 2013 determining the methodology according to which the independent verifier conducts his mission:

- We learned, based on interviews with officials of departments concerned, to the explanatory guidelines for sustainable development based on social consequences and environmental related activities of the company and its social commitments and, where appropriate, actions or programs that result;
- We compared the CSR information presented in the management report with the list set forth in Article R.225-105-1 of the French Commercial Code;
- In the event of omission of certain consolidated information, we have verified that explanations are provided in accordance with the third paragraph of Article R.225-105-1 of the French Commercial Code;
- We verified that the CSR information covered consolidated scope, i.e. the Company and its subsidiaries within the meaning of Article L.233-1 of the French Commercial Code and the companies that it controls within the meaning of Article L.233-3 of the French Commercial Code.

Based on our work, we attest that the required Information is presented in the management report.

(1) Scope available on the site www.cofrac.fr

2. Assurance report

Nature and extent of work

We conducted our work in accordance with the professional guidelines and the legal order published on 13 may 2013 determining the methodology according to which the independent verifier conducts his mission and in accordance with the International Standard on Assurance Engagement ISAE 3000.

We met approximately 10 times with the managers responsible for the preparation of the CSR information within the department in charge of the process of collection of the information and where appropriate, we also met with those in charge of internal control and risk management procedures in order to:

- Assess the appropriateness of the reporting standards with respect to its relevance, completeness, neutrality, clarity and reliability by taking into consideration, where applicable, the industry's best practices;
- Verify that the company had set up a process for the collection, compilation, processing and control to ensure the completeness and consistency of the CSR information. We also familiarise ourselves with the internal control and risk management procedures relating to the compilation of the CSR information.

We determined the scope of the tests according to the nature and importance of the CSR information taking into consideration the characteristics of the company, its actions in respect to the social and environmental consequences of its activities, its direction as far as sustainability is concerned. We also determined tests according to the industry's best practices.

Concerning the consolidated information that we have considered the most significant(1):

- For the consolidating entity and the sites, we reviewed the related documentary sources and conducted interviews to check the qualitative information (organisation, strategies and actions). We set up analytical procedures and verified the quantitative information using sampling techniques in order to check the consistency of the calculations and the consolidated information in order to reconcile the data with the information in the management report.
- We selected sites based(2) on their activity, their contribution to consolidated indicators, their location and risk analysis. We have conducted interviews to verify the proper application of procedures and set up tests using sampling techniques to verify the calculations performed and reconcile data with supporting evidence.

The selected sample represents 38 % of the workforce and between 16 and 70 % of the quantitative environmental information tested.

For the other CSR information, we have assessed its consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations given in the event of total or partial absence of information.

We believe that the sampling techniques and the sample sizes that we set up by exercising our professional judgment have allowed us to formulate a limited assurance conclusion; a higher level of assurance would have required a more extensive review. Because of the use of sampling techniques, and because of other limits inherent to the functioning of any information system and internal control system, the risk of missing out a significant anomaly in the CSR information cannot be totally eliminated.

Conclusion

Based on our work we did not identify any significant misstatement likely to call into question the fact that the CSR information, as a whole, has been presented fairly, in accordance with the reporting guidelines.

Paris, March 6, 2015

Independent third party

Grant Thornton, French member of Grant Thornton International — Alban Audrain, Partner

(1) Workforce (number and distribution), the hiring and firing, salaries, accidents (frequency and gravity), absenteeism, the number of hours of training, air emissions (dust, SOx, NOx), water consumption, consumption energy (electricity and fuel), land use (number and proportion of quarries with redevelopment plan), emissions of greenhouse gases. Qualitative information of paragraphs "support policies in education, access to culture and sport" and "promoting local entrepreneurial initiatives".

(2) France and Senegal (Rufisque cement and quarries, powerplant of Postoudiokoul).

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

CORPORATE GOVERNANCE

4

4.1. FRAME OF REFERENCE FOR CORPORATE GOVERNANCE

The Board of Directors decided at the meeting on August 2, 2012 to adopt the Chairman's proposal to implement the Middlenext Corporate Governance Code published in December 2009 and available on the website www.middlenext.com.

4.2. GOVERNANCE BODIES

4.2.1. COMPOSITION OF THE BOARD OF DIRECTORS, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

4.2.1.1. Board of Directors

The Company is managed by a Board of Directors composed of at least five and no more than twelve members chosen among the shareholders, appointed by the General Meeting for a term of three or six years.

As stipulated in the by-laws, a director's term of office is automatically extended until the first Ordinary General Meeting held following the normal end of his term of office. A director having completed his term of office may be re-elected. A director appointed to replace another director remains in office only until the end of his predecessor's term.

As at the date of filing of this Registration Document, the Company has ten directors, including six independent directors.

4.2.1.2. Chairman of the Board of Directors – Limitation of powers of the Chief Executive Officer

In accordance with the Company's by-laws, the Board of Directors shall elect from among its members a Chairman and set his term of office, which cannot exceed that of his appointment as director.

At its meeting of March 7, 2014, the Board of Directors opted to combine the roles of Chairman of the Board of Directors and Chief Executive Officer. On this same date, the Board of Directors appointed Guy Sidos as Chairman and Chief Executive Officer, with effect from the close of the Combined General Meeting held on May 6, 2014, and appointed Jacques Merceron-Vicat as Honorary Chairman of the Company.

Under the Company's by-laws, and on the proposal of the Chief Executive Officer, the Board of Directors can appoint up to five individuals to assist the Chief Executive Officer and who are given the title of Deputy CEO. One of these individuals also serves as Chief Operating Officer.

At its meeting of August 1, 2014, the Board of Directors decided to renew the appointment of Raoul de Parisot as Chief Operating Officer - France and Italy for a three-year term, or until the meeting of the Board of Directors called to review the financial statements at June 30, 2017. At its meeting of March 6, 2015, the Board of Directors decided to appoint Didier Petetin as Chief Operating Officer - France, excluding the Paper business, for the duration of the appointment of the Chairman and Chief Executive Officer, and to assign the duties of advisor to the Chairman and Chief Executive Officer to Raoul de Parisot, Chief Operating Officer.

No limitation has been set concerning the powers of the Chairman and Chief Executive Officer or those of the Chief Operating Officers.

4.2.1.3. Members of the Board of Directors

As of the date of the filing of this Registration Document, the Board of Directors consists of the following individuals:

Chairman and Chief Executive Officer

GUY SIDOS

Graduate of the Ecole Navale. He served in the French Navy before joining the Group in 1999.

Age:
51

Date of first appointment:
06/11/1999

Date of start of current mandate:
- 05/15/2009 as director
- 05/06/2014 as Chairman and Chief Executive Officer

Term of office expires:
- As director, at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2014
- As Chairman and Chief Executive Officer, at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2014

Other appointments currently or previously held in the Group in the last five years (1):
- Chief Executive Officer and director of Béton Travaux*
- Chairman of Papeteries de Vizille*
- Chairman of Parficim*
- Chairman of the Board of Directors of Vigier Holding A.G*
- Director of Vigier Management*
- Director of National Cement Company*
- Permanent representative of Parficim, director of Sococim Industries*
- Vice President and director of Sinaï Cement Company*
- Vice President and director of Vicat Egypt for Cement Industry*
- Director of Cementi Centro Sud*
- Director of Aktas Insaat Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Bastas Baskent Cimento Sanayi Ve Ticaret A.S.*
- Director of Konya Cimento Sanayi A.S.*
- Director of Bastas Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of BCCA*
- Permanent representative of Béton Travaux, director of Béton Vicat*
- Member of the Supervisory Board of Mynaral Tas Company LLP*
- Director of Vicat Sagar Cement Private Limited*
- Director of Bharathi Cement Corporation Private Limited*
- Director of BSA Ciment SA*
- Sole director of Ravlied Holding AG*
- Member of the Supervisory Board of Jambyl Cement Production Company LLP*

Other appointments and positions currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years (1):

None.

(1) Current appointments are marked with an asterisk.

4

Director and Honorary Chairman of the Company

JACQUES MERCERON-VICAT

Graduate of the Ecole Supérieure de Travaux Publics. He joined the Group in 1962.

Age:

77

Date of first appointment:

02/03/1968

Date of start of current mandate:

- 04/28/2010 as director
- 05/06/2014 as Honorary Chairman

Term of office expires:

- As director, at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2015

Other appointments currently or previously held in the Group in the last five years (1):

- Director of Béton Travaux*
- Director of National Cement Company*
- Director of d'Aktas Insaat Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Bastas Baskent Cimento Sanayi Ve Ticaret A.S.*
- Director of Konya Cimento Sanayi A.S.*
- Director of Bastas Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Sococim Industries*
- Director of Sinaï Cement Company*
- Chairman of the Board of Directors of Vicat Egypt for Cement Industry*
- Member of the Supervisory Board of Mynaral Tas Company LLP*
- Director of Vicat Sagar Cement Private Limited*
- Director of Bharathi Cement Corporation Private Limited*
- Director of BSA Ciment SA*
- Director of Vigier Holding*

Other appointments currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years (1):

None.

(1) Current appointments are marked with an asterisk.

Directors

RAYNALD DREYFUS

Holder of a CES in banking and a graduate of Harvard University. He was a senior manager with Société Générale until his retirement in 1996.

Age:

78

Date of first appointment:

06/05/1985

Date of beginning of current appointment:

- 05/04/2012

Term of office expires:

- At the close of the General Meeting called to approve the financial statements for the year ending December 31, 2014

Other appointments currently or previously held in the Group in the last five years (1):

None.

Other appointments and positions currently or previously held by the director, or where applicable her permanent representative, outside the Group in the last five years (1):

None.

(1) Current appointments are marked with an asterisk.

PIERRE BREUIL

Has a degree in law and is a graduate of both the Institut d'Etudes Politiques de Paris and the Ecole Nationale d'Administration (Turgot graduating class). He was Prefect of Alpes-Maritimes from 2002 to 2006 and General Inspector of Administration from 2006 to 2007.

Age:

73

Date of first appointment:

05/15/2009

Start date of current appointment:

- 05/15/2009

Term of office expires:

- At the close of the General Meeting called to approve the financial statements for the year ending December 31, 2014

Other appointments currently or previously held in the Group in the last five years (1):

None.

Other appointments and positions currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years (1):

- Director of Groupe EMERA*
- Director and Vice-President of API Provence*

(1) Current appointments are marked with an asterisk.

BRUNO SALMON

Graduate of the Ecole Supérieure de Commerce de Paris. At Cetelem, he served as Head of the French Network, Deputy Chief Executive Officer, and Chief Operating Officer. After holding the position of Chief Operating Officer and director of BNP Paribas Personal Finance, he served as its Chairman from late 2008 to September 2013.

He was Chairman of the Association Française des Sociétés Financières (ASF, the French association of specialized financial companies) from May 2010 to June 2013.

Age:

65

Date of first appointment:

05/15/2009

Start date of current appointment:

- 05/15/2009

Term of office expires:

- At the close of the General Meeting called to approve the financial statements for the year ending December 31, 2014

Other appointments currently or previously held in the Group in the last five years (1):

None.

Other appointments and positions currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years (1):

- Permanent representative of LEVAL 3 on the Board of COFIDIS (3 Suisses Group)
- Permanent representative of Cetelem on the Board of Directors of UCB
- Chairman of the Board of Directors of BNP Paribas Personal Finance
- Director of Laser Cofinoga (Galeries Lafayette Group)
- Permanent representative of LEVAL 3 in MONABANQ (3 Suisses Group)
- Director of Cetelem Brasil SE (Brazil)
- Director of Banco Cetelem (Spain)
- Director of Findomestic Banca SpA (Italy)
- Member of the Supervisory Board of Cetelem Bak Spolka Akcyjna (Poland)
- Director of Banco Cetelem (Portugal)
- Director of Cetelem IFN SA (Romania)
- Member of the Supervisory Board of BNP Paribas Personal Finance (Bulgaria)
- Director of UCB Suisse (Switzerland)
- Chairman of the Association Française des Sociétés Financières (ASF) (France)
- Chairman of the Fondation Cetelem
- Vice President of the Association Française des Etablissements de Crédit et d'Investissement (AFECEI)
- Chairman of L'Etoile (organization for the management of the welfare activities of the Compagnie Bancaire) (France)
- Director of Missioneo*
- Director of BNP Paribas Personal Finance*
- Director of ADIE (Association pour le Développement de l'Initiative Economique)*
- Director of DRIVY (car rentals between individuals)*

(1) Current appointments are marked with an asterisk.

LOUIS MERCERON-VICAT

Graduate of the Ecole des Cadres. He joined the Group in 1996.

Age:

45

Date of first appointment:

06/11/1999

Date of beginning of current appointment:

- 05/06/2011

Term of office expires:

- At the close of the General Meeting called to approve the financial statements for the year ending December 31, 2016

Other appointments currently or previously held in the Group in the last five years [(1)]:

- Chairman of the Board of Directors of Béton Travaux*
- Chairman and CEO of BCCA*
- Director of Aktas Insaat Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Konya Cimento Sanayi A.S.*
- Director of Bastas Baskent Cimento Sanayi Ve Ticaret A.S.*
- Director of Bastas Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Sococim Industries*
- Director of Sinaï Cement Company*

Other appointments currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years [(1)]:

None.

(1) Current appointments are marked with an asterisk.

SOPHIE SIDOS

She held various functions within the Group until 1997.

Age:

46

Date of first appointment:

08/29/2007

Start date of current appointment:

- 05/15/2009

Term of office expires:

- At the close of the General Meeting called to approve the financial statements for the year ending December 31, 2014

Other appointments currently or previously held in the Group in the last five years [(1)]:

- Director of Béton Travaux*
- Director of BCCA*
- Director of Aktas Insaat Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Konya Cimento Sanayi A.S.*
- Director of Bastas Baskent Cimento Sanayi Ve Ticaret A.S.*
- Director of Bastas Hazir Beton Sanayi Ve Ticaret A.S.*
- Director of Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S.*
- Director of Sococim Industries*
- Director of Vigier Holding AG*
- Substitute director of Vicat Sagar Cement Private Limited*
- Director of Bharathi Cement Corporation Private Limited*
- Director of National Cement Company*

Other appointments currently or previously held by the director, or where applicable her permanent representative, outside the Group in the last five years [(1)]:

None.

(1) Current appointments are marked with an asterisk.

JACQUES LE MERCIER

A graduate of the Université de Paris with a degree in economics, he also holds a degree in business administration from the Institut d'Administration des Entreprises (IAE) of Université Paris-Dauphine. He has held management positions and chairmanships within financial institutions. He was Chairman of the Board of Directors of Banque Rhône-Alpes from 1996 to 2006.

Age:

70

Date of first appointment:

08/29/2007

Date of beginning of current appointment:

- 05/06/2014

Term of office expires:

- At the close of the General Meeting called to approve the financial statements for the year ending December 31, 2016

Other appointments currently or previously held in the Group in the last five years [(1)]:

None.

Other appointments currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years [(1)]:

- Member of the Supervisory Board of the Institut Aspen France

(1) Current appointments are marked with an asterisk.

XAVIER CHALANDON

A graduate of the Institut d'Etudes Politiques de Lyon, he holds a master's degree in law. He has held management positions with various financial institutions. He was Chief Operating Officer of Banque Martin Maurel from 1995 to 2003 and then held the same position at Financière Martin Maurel until 2009. He is a member of the Strategy Committee and the Ethics Committee of Siparex Group.

Age: 65 **Date of first appointment:** 04/28/2010 **Date of beginning of current appointment:** ■ 04/28/2010 **Term of office expires:** ■ At the close of the General Meeting called to approve the financial statements for the year ending December 31, 2015	**Other appointments currently or previously held in the Group in the last five years (1):** None.	**Other appointments currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years (1):** ■ Director of Compagnie Financière Martin Maurel* ■ Permanent Representative of Banque Martin Maurel at SIPAREX Croissance*

(1) Current appointments are marked with an asterisk.

SOPHIE FEGUEUX

Doctor of medicine. She is a hospital doctor at the Bichat hospital and Health Advisor to the Interministerial Delegate for Road Safety. She previously held positions at the Health Ministry.

Age: 55 **Date of first appointment:** 05/06/2014 **Date of beginning of current appointment:** ■ 05/06/2014 **Term of office expires:** ■ At the close of the General Meeting called to approve the financial statements for the year ending December 31, 2016	**Other appointments currently or previously held in the Group in the last five years (1):** None.	**Other appointments currently or previously held by the director, or where applicable her permanent representative, outside the Group in the last five years (1):** None.

(1) Current appointments are marked with an asterisk.

At its meeting of March 6, 2015, the Board of Directors decided to submit the following appointments and reappointments of directors for the approval of the General Meeting:

- reappointment, for six-year terms, of Guy Sidos, Sophie Sidos and Bruno Salmon as directors, whose terms of office are due to expire;
- reappointment, for a three-year term, of Pierre Breuil as director, whose term of office is due to expire;
- appointment of Delphine André as director, for a three-year term, replacing Raynald Dreyfus, who has decided to step down.

Family ties between directors and managers

Guy Sidos, Chairman and Chief Executive Officer, is the son-in-law of Jacques Merceron-Vicat, director and Honorary Chairman, the husband of Sophie Sidos, director, and brother-in-law of Louis Merceron-Vicat, director.

4.2.1.4. Gender parity, diversity and expertise of Board members – Independence of directors

Detailed information on the management expertise of the members of the Board of Directors

The Board of Directors consists of individuals who have industry knowledge, specific knowledge of the Group's businesses, technical and/or management experience, as well as corporate and financial experience. Each member of the Board of Directors is selected according to his availability and his integrity.

Personal information concerning the members of the Board of Directors

As of the date of the filing of this Registration Document, no member of the Board of Directors has at any time in the last five years:

- been sentenced for fraud;
- been associated with a bankruptcy, or been put under sequestration or into liquidation;
- been officially incriminated or sanctioned by a legal or administrative authority, including by designated professional bodies;
- been disqualified by a court from serving as a member of an administrative, management or supervisory body or from being involved in the management or conduct of the affairs of an issuer.

Declaration relating to corporate governance

(Article L. 225-37 of the French Commercial Code)

The Company subscribes to a policy of transparency and continuous improvement regarding its disclosures, in particular those relating to its activities and financial matters. Since August 2, 2012, the Company has used and complied with the recommendations of the Middlenext Code of Corporate Governance as its frame of reference for good governance.

The Board of Directors of the Company is engaged in an ongoing analysis of the rules applicable to the Board and their compliance with the recommendations of the Middlenext Code of Corporate Governance. In August 2013, internal rules of procedure were established for the Board, particularly with a view to the organization of its self-assessment and internal deliberations and to set forth the conditions for the exercise by Board members of their right to information as well as the requirements incumbent on them with respect to professional ethics and confidentiality.

Similarly, the Board of Directors has adapted the roles and responsibilities of the Board's committees, in particular its Audit Committee, to the provisions Article L. 823-19 of the French Commercial Code.

Given its majority share ownership by members of the founding family and its long-term vision, the Company aims for continuity in its appointments of directors as a guarantee of longevity. Nevertheless, in order to ensure the rotation of Board members, and in particular its independent directors, the Company has decided that each director should serve for either a three- or six-year term.

As of the date of the filing of this Registration Document, the Board of Directors had six members deemed independent representing more than half of its total membership. Directors not maintaining any direct or indirect relationship or not having any link of individual interest with the Company, its subsidiaries, its shareholders or its management are regarded as independent directors. Based on the criteria set by the Middlenext Corporate Governance Code, the Company considers as independent any director who is not bound to the Company or to the Group by an employment contract, a contract for the provision of services, or by a situation of subordination or dependency with respect to the Company, the Group, its management or major shareholders, or by a family tie with the majority shareholder. The independent members are: Raynald Dreyfus, Sophie Fegueux, Jacques Le Mercier, Pierre Breuil, Bruno Salmon and Xavier Chalandon.

As of the date of this Registration Document, Sophie Sidos and Sophie Fegueux are members of the Board of Directors. At its meeting of March 6, 2015, the Board of Directors decided to submit a resolution for the approval of the General Meeting of May 6, 2015 to appoint Delphine André as director, replacing Raynald Dreyfus, thus bringing the composition of the Board in line with the objectives of the French law of January 27, 2011 concerning the balance between men and women on Boards of Directors.

Furthermore, the Company has committed itself to the implementation of a Board of Directors assessment in order to bring the Company in line with the requirements of the Middlenext Corporate Code.

4.2.1.5. Conflicts of interests at the level of the Board of Directors or General Management

To the best of the Company's knowledge, there are not, as of the date of the filing of this Registration Document, any conflicts of interest between the duties of the members of the Board of Directors, the Chairman and Chief Executive Officer and the Chief Operating Officers, with regard to the Company and their private interests and/or other duties.

No arrangement or agreement has been concluded with the main shareholders, customers, suppliers or other parties for the purposes of which any of the members of the Board of Directors, the Chairman and Chief Executive Officer or the Chief Operating Officers were selected by virtue of these roles.

4.2.2. FUNCTIONING OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

4.2.2.1. Missions and attributions of the Board of Directors

The Board of Directors determines the policy for the Company's business and supervises its implementation. Subject to the powers expressly granted by shareholders at General Meetings and within the limits of the Company's corporate purpose, it examines any and all matters relating to the efficient operation of the Company and makes decisions on pertinent issues by means of the resolutions it adopts.

Its strategy and actions are informed by the Company's sustainable growth objectives. The Board of Directors is responsible in particular for reviewing and approving all decisions relating to the Company's and its subsidiaries' major economic, social, financial or technological policies and the supervision of their implementation, in the context of the Group's general policy defined by the financial holding company Parfininco and the latter's strategic decisions.

The Chairman represents the Board of Directors. He organizes and directs the Board's work and reports on it at the General Meeting.

4.2.2.2. Board meetings

The Board of Directors shall meet, as convened by its Chairman and CEO, as often as required by the interest of the Company, at the registered office or in any other place indicated in the convening notice. However, the Board may also be convened by the group of directors representing at least one-third of Board members, if the Board has not met for more than two months.

The deliberations of the Board of Directors shall be officially recorded in the form of minutes, signed and filed in accordance with regulations.

A quorum of at least one-half of Board members must be present in order for the Board to conduct business. Decisions are taken by a majority vote of the members present or represented. If there is a tied vote, the Chairman shall have the casting vote.

The Board of Directors met twice in 2012, twice in 2013, and twice in 2014. During these meetings, the Board systematically examined the situation of the industry as well as that of the Group and reviewed the parent company and consolidated financial statements. Attendance at meetings of the Board of Directors was 95 % in 2014. Delegates from the works council also attended all meetings. All resolutions proposed in 2011, 2012 and 2013 were adopted unanimously.

4.2.2.3. Remuneration of the members of the Board of Directors

The Board of Directors receives as compensation for its service an annual fixed sum as attendance fees, the amount of which is determined by the General Meeting and remains at that level unless otherwise decided. The Board of Directors then divides the amount of these attendance fees among its members as it deems fit.

4.2.2.4. Rules of procedure for the Board of Directors

With effect from August 1, 2013, the Board of Directors adopted internal rules of procedure, which are available on the Company's website: www.vicat.fr.

4.2.2.5. Committees

The Board of Directors is supported by an Audit Committee and a Compensation Committee, both of which fulfill their duties under its supervision. Each of these committees has three members selected from among the independent directors appointed by the Board of Directors on the proposal of its Chairman and chosen on the basis of their expertise. Each committee is chaired by a Chairman appointed by a majority decision of the committee members.

By decision of the Board of Directors in its meeting of March 7, 2014, the membership of these committees is as follows:

- Audit Committee:
  - Raynald Dreyfus, Chairman of the committee,
  - Pierre Breuil,
  - Jacques Le Mercier.
- Compensation Committee:
  - Xavier Chalandon, Chairman of the committee,
  - Bruno Salmon,
  - Raynald Dreyfus.

The committees have the following duties:

- Audit Committee:

The Audit Committee is responsible for monitoring the process for preparing financial information and for assessing the effectiveness of internal control and risk management procedures.

In addition, the specific responsibilities of the Audit Committee are to:

- examine the annual and half-yearly accounts, both consolidated and statutory; it pays particular attention to the consistency and the relevance of the accounting methods used,
- examine the internal procedures for gathering and verifying financial information intended to guarantee the reliability of consolidated financial information,
- monitor the effectiveness of internal control and risk management systems,
- ensure monitoring of the qualifications and experience of statutory auditors whose appointment is proposed to the General Meeting,
- examine every year the auditors' fees as well as their independence.

- Compensation Committee:

The remunerations committee has the responsibility of:

- examine the compensation paid to executives and employees (fixed and variable components, bonuses, etc.) and in particular their amounts and allocation,
- review stock option plans and in particular, with relation to their beneficiaries, the number of options that could be granted to them as well as the term of each plan and the subscription price conditions as well as any other form of access to the Company's share capital granted to executives and employees,
- review certain benefits, such as the pension and welfare benefit plans, disability insurance, death insurance, education allowance, liability insurance for company officers and senior executives, etc.

4.2.3. OPERATION OF THE MANAGEMENT BODIES

The Chairman and CEO is responsible for the General Management of the Company. He has the broadest powers to act in all circumstances in the name of the Company, within the limitations of the corporate purpose and subject to the powers expressly attributed by law to General Meetings. He represents the Company in its relations with third parties.

It was decided at the March 6, 2015 meeting of the Board of Directors that the Chairman and Chief Executive Officer would be assisted by two Chief Operating Officers and by five Deputy Chief Executive Officers who have been delegated responsibility in the following operational areas:

Chief Operating Officers:

- Advisor to the Chairman and Chief Executive Officer: Raoul de Parisot;
- France excluding the Paper business: Didier Petetin;

Deputy Chief Executive Officers:

- General Secretary: Bernard Titz;
- USA: Eric Holard;
- General Counsel: Philippe Chiorra;
- Chief Financial Officer: Jean-Pierre Souchet;
- France – Italy – Spain Cement - Chief Science Officer and Head of Industrial Performance: Eric Bourdon.

Name	Age	Brief biography
Raoul de Parisot	66	Mr. de Parisot is a graduate of the Ecole des Mines in Nancy and holder of a degree in economic sciences and a master's degree in sciences from Stanford University (United States). Before joining the Group in 1982, Mr. de Parisot worked for British Petroleum.
Didier Petetin	48	Mr. Petetin is a graduate of the Ecole Nationale Supérieure d'Arts et Métiers. He joined the Group in 2010 after having worked for Lafarge.
Bernard Titz	63	Mr. Titz has a doctorate in law. He joined the Group in 1982.
Éric Holard	54	Mr. Holard is a graduate of the Ecole Nationale Supérieure d'Arts et Métiers and holds an MBA from HEC. He joined the Group in 1991 after having worked for Arc International.
Philippe Chiorra	58	Mr. Chiorra holds a graduate degree (DESS) in legal advisory services. He joined the Group in 2000 after having worked for Chauvin Arnoux.
Jean-Pierre Souchet	62	Mr. Souchet holds a master's degree in economics and is a qualified accountant. He joined the Group in 1991 after having worked for Arthur Andersen.
Éric Bourdon	47	Mr. Bourdon is a graduate of the Ecole Nationale Supérieure d'Arts et Métiers. He joined the Group in 2002 after having worked for Polysius.

The Deputy Chief Executive Officers, having an operational role, have responsibility for managing activities and earnings.

4.2.4. INFORMATION ON THE SERVICE AGREEMENTS BINDING THE MEMBERS OF THE COMPANY'S ADMINISTRATION AND MANAGEMENT BODIES

To the best of the Company's knowledge, there are no service agreements binding the members of the Board of Directors, the Chairman and Chief Executive Officer or the Chief Operating Officers to the Company or to any of its subsidiaries and granting benefits to such persons.

4.2.5. PROVISIONS CONCERNING MEMBERS OF THE COMPANY'S ADMINISTRATIVE AND MANAGEMENT BODIES

4.2.5.1. Composition of the Board of Directors (Article 15 of the by-laws)

The Company is administered by a Board of Directors consisting of at least five and no more than twelve members, drawn from the shareholders and appointed by the General Meeting, except where this number is exceeded for legal reasons.

4.2.5.2. Term of office of directors – Age limit – Renewals of appointments – Co-optation (Article 16 of the by-laws)

1) Directors are appointed for a term of three or six years. They can be re-elected. If one or more seats are unfilled, the Board can, under the conditions set by the law, co-opt members for temporary appointments, subject to ratification at the next General Meeting.
2) Subject to the provisions of items 3 and 4 below, all terms of office expire at the close of the Ordinary General Meeting called to approve the financial statements for the year during which the term of three or six years is due to end.
3) When a natural person has been appointed as a director and will reach the age of 75 before the expiration of the three- or six-year term mentioned above, the term of office is limited, in any case, to the period of time between the appointment and the Ordinary General Meeting called to approve the financial statements for the year during which this director reaches the age of 75.
4) However, the Ordinary General Meeting at the close of which the term of office of said director expires can, on a proposal from the Board of Directors, re-elect the director for a new three- or six-year term, although it should be noted that at no time may the Board of Directors have more than one-third of its members aged over 75.
5) Each director must acquire a minimum of ten shares within the period prescribed by law and must continue to hold these shares throughout his or her term of office.

4.2.5.3. Chairmanship and secretariat of the Board of Directors (Article 17 of the by-laws)

The Board of Directors shall elect from its members a Chairman and, if it considers it useful, a Vice-Chairman. The Board determines the term of office of the Chairman (and the Vice-Chairman where applicable), which may not exceed either their term of office as director, or the period of time between their appointment as Chairman or Vice-Chairman and the close of the Ordinary General Meeting called to approve the financial statements for the year during which they reach the age of 85.

Subject to these provisions, the Chairman of the Board of Directors or the Vice-Chairman can always be re-elected. The Chairman represents the Board of Directors. He organizes and directs the work of the Board, reports on this work to the General Meeting, and carries out its decisions. He oversees the proper functioning of the Company's governance bodies and ensures that the directors are able to fulfill their responsibilities.

The Board of Directors can appoint a secretary for each meeting who can be selected from outside the shareholders.

4.2.5.4. Meetings – Convening notices – Deliberations – Attendance register (Article 18 of the by-laws)

The Board of Directors meets at the Chairman's behest as often as required to serve the Company's interests, either at the registered office, or in any other place indicated in the convening notice.

In addition, the Chief Executive Officer as well as any group of directors constituting at least one-third of the members of the Board can, by presenting an agenda of the meeting, convene the Board if it has not met for more than two months; otherwise, the agenda is set by the Chairman and can, if necessary, be determined only in the course of the meeting itself.

Meetings are chaired by the Chairman or the Vice-Chairman or, failing this, by a director appointed at the start of the meeting.

Decisions are taken pursuant to the quorum and majority conditions prescribed by the law. If there is a tied vote, the Chairman shall have the casting vote.

The minutes are drawn up and copies or extracts are delivered and certified in accordance with the law.

The Board of Directors can include as present, for the calculation of the quorum and the majority, any directors attending Board meetings by video-conference or any other appropriate telecommunication method in accordance with applicable laws and regulations.

4.2.5.5. Powers of the Board of Directors (Article 19 of the by-laws)

The powers of the Board of Directors are those which are conferred on it by law. The Board shall exercise its powers within the limit of the corporate purpose and subject to those which are expressly granted by law to the General Meeting.

4.2.5.6. Compensation of the Board of Directors (Article 20 of the by-laws)

The Board of Directors receives as compensation for its service an annual fixed sum as attendance fees, whose amount is determined by the General Meeting and remains at that level unless otherwise decided.

The Board of Directors divides the amount of these attendance fees among its members as it deems fit.

4.2.5.7. General Management (Article 21 of the by-laws)

General Management structure

In accordance with the provisions of Article L. 225-51-1 of the French Commercial Code, the General Management of the Company is assumed, either by the Chairman of the Board of Directors, or by another individual appointed by the Board of Directors and who takes the title of Chief Executive Officer.

This option as to the way in which General Management is to be structured is taken by the Board of Directors and remains valid until another option is selected. Resolutions of the Board of Directors are adopted by a majority of directors present or represented.

Resolutions adopted by the Board of Directors are communicated to shareholders and third parties in accordance with applicable regulations.

The Board of Directors can decide at any time to change its General Management structure.

General Management

Depending on the option chosen by the Board of Directors, in accordance with the provisions above, the General Management of the Company is provided either by the Chairman of the Board, or by a Chief Executive Officer, an individual appointed by the Board of Directors. In the event that the roles of Chairman of the Board and of Chief Executive Officer are separated, the resolution of the Board of Directors appointing the Chief Executive Officer must set his term of office, determine his compensation and, if necessary, limit his powers.

Subject to legal limitations, the Chief Executive Officer, whether or not he also serves as Chairman of the Board, has the broadest powers to act in any circumstance in the name of the Company. However, by way of rules of procedure, and without this limitation being opposable by third parties, the Board of Directors may limit the extent of his powers.

The age limit for the appointment of a Chief Executive Officer is set at 75 years; the term of office of a Chief Executive Officer shall expire at the close of the first Ordinary General Meeting following the date of his 75th birthday.

The Chief Executive Officer may be dismissed at any time by the Board of Directors.

On the proposal of the Chief Executive Officer, the Board of Directors can appoint up to five individuals to assist the Chief Executive Officer and who are given the title of Deputy CEO. One of these individuals also serves as Chief Operating Officer.

The age limit for the appointment of a Deputy CEO is set at 75 years; the term of office of a Deputy CEO shall expire at the close of the first Ordinary General Meeting following the date of his 75th birthday.

4.3. REMUNERATION AND BENEFITS

The Company’s directors receive attendance fees every year. In 2014, the total of such attendance fees was € 275,000, distributed equally among the directors (i.e. € 25,000) with the exception of:

- the Chairman and Chief Executive Officer and the Honorary Chairman, who for 2014 received 1.5 times the compensation received by the other members of the Board of Directors (i.e. € 37,500);
- Sophie Fegueux and P&E Management, who each received half of the compensation due to other members of the Board of Directors (i.e. € 12,500).

Furthermore, the additional compensation allocated to each member of the Board of Directors’ committees for 2014 amounted to € 7,000 for the members of the Audit Committee, and € 3,500 for the members of the Compensation Committee.

The Company’s officers do not benefit from any additional contractual benefits in the event that their appointment is terminated or they resign from their duties and do not receive any compensation or benefits other than those set out in the table above. This remuneration does not include any variable component.

4.3.1. COMPENSATION PAID TO NON-EXECUTIVE DIRECTORS – DIRECTORS' FEES AND COMPENSATION PAID IN RESPECT OF POSITIONS HELD ON COMMITTEES

	Amount paid during 2014 *(In euros)*	Amount paid during 2013 *(In euros)*
Jacques Merceron-Vicat *Director and Honorary Chairman*		
Directors' fees	37,500	50,000
Compensation on the basis of positions held within the Committees of the Board of Directors	-	-
Pierre Breuil *Director*		
Directors' fees	25,000	25,000
Compensation on the basis of positions held within the Committees of the Board of Directors	7,000	7,000
Louis Merceron-Vicat *Director*		
Directors' fees	25,000	25,000
Compensation on the basis of positions held within the Committees of the Board of Directors	-	-
Bruno Salmon *Director*		
Directors' fees	25,000	25,000
Compensation on the basis of positions held within the Committees of the Board of Directors	-	-
Raynald Dreyfus *Director*		
Directors' fees	25,000	25,000
Compensation on the basis of positions held within the Committees of the Board of Directors	10,500	10,500
P&E Management represented by Paul Vanfrachem *Director*		
Directors' fees	12,500	25,000
Compensation on the basis of positions held within the Committees of the Board of Directors	3,500	3,500
Sophie Sidos *Director*		
Directors' fees	25,000	25,000
Compensation on the basis of positions held within the Committees of the Board of Directors	-	-
Jacques Le Mercier *Director*		
Directors' fees	25,000	25,000
Compensation on the basis of positions held within the Committees of the Board of Directors	7,000	7,000
Xavier Chalandon *Director*		
Directors' fees	25,000	25,000
Compensation on the basis of positions held within the Committees of the Board of Directors	3,500	3,500
Sophie Fegueux *Director*		
Directors' fees	12,500	-
Compensation on the basis of positions held within the Committees of the Board of Directors	-	-
TOTAL	**269,000**	**281,500**

4.3.2. COMPENSATION PAID TO EXECUTIVE DIRECTORS

Overview of remuneration paid and stock options allocated to each executive director:

	2014	2013
Guy Sidos ***Chief Executive Officer (from 01/01/2014 to 05/06/2014), then Chairman and Chief Executive Officer (from 05/06/2014 to 12/31/2014)***		
Compensation paid in respect of the year	754,393	800,795
Value of options granted during the year	n/a	n/a
Value of performance shares granted during the year	n/a	n/a
TOTAL	**754,393**	**800,795**
Raoul de Parisot ***Chief Operating Officer***		
Compensation paid in respect of the year	538,233	522,579
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	**538,233**	**522,579**

The table below presents the elements of compensation paid and benefits in kind granted by the Company, its subsidiaries or companies controlling the Company to the executive company officers, i.e. the Chairman of the Board of Directors, the Chief Executive Officer and the Chief Operating Officer, in 2013 and 2014.

No amounts were due to executive directors for 2013 and 2014.

	2014		2013	
	Amount due in respect of the year	Amount paid during the year	Amount due in respect of the year	Amount paid during the year
Guy Sidos ***Chief Executive Officer (from 01/01/2014 to 05/06/2014)*** **then Chairman and Chief Executive Officer (from 05/06/2014 to 12/31/2014)**				
Fixed compensation	-	666,495	-	729,125
Variable compensation	n/a	n/a	n/a	n/a
Exceptional compensation	n/a	n/a	n/a	n/a
Directors' fees	-	41,700	-	29,200
Benefits in kind	-	46,198	-	42,470
TOTAL	**-**	**754,393**	**-**	**800,795**
Raoul de Parisot ***Chief Operating Officer***				
Fixed compensation	-	532,185	-	516,531
Variable compensation	-	n/a	n/a	n/a
Exceptional compensation	-	n/a	n/a	n/a
Directors' fees	-	-	-	-
Benefits in kind	-	6,048	-	6,048
TOTAL	**-**	**538,233**	**-**	**522,579**

Benefits in kind granted to the executive company officers are standard benefits for this type of position (company car, etc.). Moreover, their remuneration does not include a variable component.

None of the executive company officers are bound to the Company by an employment contract other than Raoul de Parisot, its Chief Operating Officer.

4.3.3. PENSION, RETIREMENT AND OTHER BENEFITS

The Company has not implemented plans to grant performance shares or stock options to executive company officers, and no award of securities has been made to the aforementioned company officers in this regard.

The Group has established a special pension plan for company officers and other senior executives within the Group, adding to the coverage provided under mandatory and supplementary pension plans. The benefits of this additional supplementary plan are granted, as decided by the Chief Executive Officer, to executives whose gross compensation is greater than four times the French social security ceiling. In addition, in order to receive these benefits, the relevant person must have served at least 20 years with the Group and have attained 65 years of age at the time they acquire the pension rights. The additional supplementary pension amount is calculated as a function of the length of service as of the date of retirement and the reference salary for the highest ten years. This additional amount may not result in the beneficiary receiving, under all pension and other retirement benefits, an amount exceeding 60 % of the reference salary. A provision of € 7.801 million is recognized in the financial statements in relation to the additional supplementary pension plan for the aforementioned company officers and other senior executives within the Group.

The table below presents certain items relating to the benefits granted to executive company officers:

	Employment contract		Supplementary pension		Allowances or benefits due or that could be due as a result of termination, resignation or a change in duties		Indemnities relating to a non-competition covenant	
Senior executives and company officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Guy Sidos *Chairman and Chief Executive Officer*		■	■			■		■
Raoul de Parisot *Chief Operating Officer*	■		■			■		■

4.4. SHAREHOLDING OF THE COMPANY'S OFFICERS AND TRANSACTIONS CONDUCTED BY MEMBERS OF THE BOARD OF DIRECTORS IN THE COMPANY'S SHARES

4.4.1. SHARE OWNERSHIP BY COMPANY OFFICERS AND BOARD MEMBERS AS OF DECEMBER 31, 2014

Shareholder	Number of shares	Percentage of share capital	Number of voting rights	Percentage of voting rights
Jacques Merceron-Vicat	41,483	0.09	82,966	0.11
Soparfi[(1)] (company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	11,800,956	26.28	23,598,883	32.11
Parfininco (company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	13,320,590	29.67	26,608,207	36.21
Guy Sidos	3,479	0.01	6,958	0.01
Louis Merceron-Vicat	6,094	0.01	12,189	0.02
Xavier Chalandon	100	-	200	-
Raynald Dreyfus	900	-	1,800	-
Sophie Sidos	1,913	-	3,826	0.01
Jacques Le Mercier	10	-	20	-
Bruno Salmon	62,126	0.14	123,793	0.17
Pierre Breuil	20	-	40	-
Raoul de Parisot	12,232	0.03	23,605	0.03
Sophie Fegueux	203	-	203	-

(1) BCCA and SAPV, wholly owned subsidiaries of the Vicat Group, own 22.46 % of the shares of Soparfi, representing 14,554 Soparfi shares.

4.4.2. TRANSACTIONS BY MEMBERS OF THE BOARD OF DIRECTORS IN THE COMPANY'S SHARES IN 2013 AND 2014

	Transactions in 2014	Transactions in 2013
Soparfi (company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	Purchase of 3,029 shares	-
Parfininco (company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	Purchase of 5,134 shares	Purchase of 5,631 shares

In addition, a certain number of commitments to retain shares have been entered into under the Dutreil law by some company officers.

4.4.3. COMMITMENTS TO RETAIN COMPANY SHARES

Five commitments to retain shares, relating to a maximum of 22.51 % of the Company's share capital, were made as of 2005, and continued in effect until the date of the filing of this Registration Document, in order to take advantage of the provisions of Article 885-O bis of the French General Tax Code allowing the signatories partial exemption from the French wealth tax (impôt de solidarité sur la fortune or ISF), as indicated in the table below.

Date of signature of the commitment	Term	Renewal procedure	Senior executive signatories pursuant to Article 885-O bis of the French General Tax Code or holding more than 5 % of the Company's share capital and/or voting rights
11/22/2006	6 years starting on 11/28/2006	Extension by 12-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
12/08/2006	6 years starting on 12/13/2006	Extension by 12-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
12/08/2006	6 years starting on 12/13/2006	Extension by 12-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
12/20/2006	6 years starting on 12/21/2006	Extension by 12-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
12/11/2007	6 years starting on 12/13/2007	Extension by 12-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco

Eight commitments to retain shares, relating to a maximum of 22.51 % of the Company's share capital, were made as of 2005, and continued in effect until the date of the filing of this Registration Document, in order to take advantage of the provisions of Article 787 B of the French General Tax Code allowing the signatories partial exemption from the French inheritance tax (droits de mutation à titre gratuit or DMTG), as indicated in the table below.

Date of signature of the commitment	Term	Renewal procedure	Senior executive signatories pursuant to Article 787 B of the French General Tax Code or holding more than 5 % of the Company's share capital and/or voting rights
07/25/2005	2 years starting on 08/01/2005	Extension by 3-month periods	Jacques Merceron-Vicat Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
12/08/2006	2 years starting on 12/13/2006	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
12/08/2006	2 years starting on 12/13/2006	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
12/11/2007	2 years starting on 12/13/2007	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
05/25/2010	2 years starting on 05/25/2010	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco

Date of signature of the commitment	Term	Renewal procedure	Senior executive signatories pursuant to Article 787 B of the French General Tax Code or holding more than 5 % of the Company's share capital and/or voting rights
05/25/2010	2 years starting on 05/25/2010	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
04/28/2011	2 years starting on 05/05/2011	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Soparfi Parfininco
05/22/2013	2 years starting on 05/22/2013	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco

4.5. INTERNAL CONTROL PROCEDURES

The Chairman's report on corporate governance and internal control, and the statutory auditors' report on the Chairman's report, describe the internal control measures implemented by the Company and the Group.

The Group pays particular attention to matters of internal control in the countries it operates in, and so puts measures in place at the level of each operating subsidiary so as to take the specifics of the markets in which it is active into account. These measures are subject to periodic reviews by the statutory auditors of the various Group companies.

In addition, the financial controllers are seconded by the Group's management to each operating subsidiary so as to reinforce the financial reporting system and enable the Group's management to control the development of its operations.

The Group currently relies on these procedures to ensure a satisfactory level of anticorruption controls.

4.5.1. CHAIRMAN'S REPORT ON CORPORATE GOVERNANCE AND INTERNAL CONTROL

Dear Shareholders,

Pursuant to the provisions of Article L. 225-37, paragraph 6, of the French Commercial Code, I report herein on:

- the composition and the conditions for preparation and organization of the work of your Board of Directors during the financial year ended on December 31, 2014;
- the internal control and risk management procedures established by the Company;
- the policy for remuneration of the Company's officers;
- the scope of powers of the Chairman and CEO.

4.5.1.1. Preparation and organization of work of the Board of Directors

Your Board of Directors met twice in the last financial year. The dates and the agendas of the Board meetings were as follows:

Meeting of March 7, 2014:

- Presentation of the business report;
- Approval of the individual financial statements for the year ended December 31, 2013;
- Approval of the consolidated financial statements for the year ended December 31, 2013;
- Review of the reports of the Board of Directors' committees (Audit Committee and Remunerations Committee);
- Presentation of the 2014 budget;
- Approval of the Chairman's report on corporate governance and internal control;
- Share buy-back program;
- Delegation of powers as stipulated by the share buy-back program;
- Reappointment or appointment of two directors;
- Reappointment of the statutory auditors;
- Reappointment of the Alternate Auditors;
- Composition of the Committees of the Board of Directors;
- Increase in share capital reserved for employees;

- Termination by Jacques Merceron-Vicat of his duties as Chairman;
- Combination of the roles of Chairman and Chief Executive Officer;
- Appointment of a new Chairman and reappointment of the Chief Executive Officer;
- Appointment of an Honorary Chairman;
- Allocation of earnings
- Authorization for a bond issue and delegation of powers;
- Authorization to issue guarantees;
- Convening of the Ordinary General Meeting and setting of the agenda;
- Miscellaneous.

All the members of the Board, apart from Pierre Breuil, who was represented by Raynald Dreyfus, attended this meeting, as well as the Company's auditors and the four Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

Meeting of August 1, 2014:

- Business report;
- Analysis and approval of the individual and consolidated financial statements as at the end of June 2014;
- Financial forecast at December 31, 2014;
- Benchmarking of cement companies;
- Appointments;
- Reappointment of the Chief Operating Officer;
- Audit Committee report;
- Authorization to issue guarantees and delegation of powers;
- Miscellaneous.

All the members of the Board attended this meeting, as well as the Company's auditors and three of the four Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

Each director had been sent, with the notice convening the Board meetings, all the documents and information necessary to fulfill his function. The minutes of the Board meetings were drafted at the end of each meeting.

Composition of the Board of Directors:

The Company is managed by a Board of Directors composed of at least five and no more than twelve members, appointed by the General Meeting of shareholders for a term of three or six years.

At December 31, 2014, the Board of Directors comprised ten members, the list of which can be found appended to this report. The list moreover details the appointments held by each director in other Group companies.

The Board of Directors consists of individuals who have industry knowledge, specific knowledge of the Group's businesses, technical experience and/or management, corporate and financial experience.

At December 31, 2014, the Board of Directors included six independent members: Raynald Dreyfus, Jacques Le Mercier, Pierre Breuil, Bruno Salmon, Sophie Fegueux and Xavier Chalandon. Directors not maintaining any direct or indirect relationship or not having any link of individual interest with the Company, its subsidiaries, its shareholders or its management are regarded as independent directors. Moreover, the Company considers as an independent director, a person who is not bound to the Company or to the Group by an employment contract, a contract for the provision of services or by a situation of subordination or dependency with respect to the Company, the Group, its management or major shareholders or by a family tie with the majority shareholder.

As of the date of this Registration Document, Sophie Sidos and Sophie Fegueux are members of the Board of Directors. At its meeting of May 6, 2015, the Board of Directors decided to submit a resolution for the approval of the Ordinary General Meeting of May 6, 2015 to appoint Delphine André as Director, replacing Raynald Dreyfus.

Operation of the Board of Directors:

At its meeting of August 1, 2013, the Board of Directors adopted rules of applicable to all present and future directors, the purpose of which is to fulfill legal, regulatory and statutory obligations, and to specify:

- the role of the Board;
- the composition of the Board;
- the experience and expertise of members of the Board – Training;
- the independence criteria for directors;
- the operation of the management bodies;
- the structure of meetings of the Board of Directors;
- information on members of the Board;
- the remuneration of the Board of Directors;
- the Board committees;
- the rights and obligations of directors;
- the assessment of the Board's operation;
- changes to the rules of procedure.

The committees of the Board of Directors:

The Board of Directors has an Audit Committee and a Remunerations Committee. The committees are made up of three members, all independent directors appointed by the Board of Directors having been proposed by the Chairman and chosen on the basis of their competencies. Committee members are nominated for the duration of their term as director. They can be re-elected.

The committee members can be removed at any time by the Board of Directors, which does not have to justify its decision. A committee member may resign his role without having to provide reasons for his decision.

Each committee is chaired by a Chairman appointed by a majority decision of the committee members. The Chairman of the committee ensures its proper operation, in particular concerning the convening and holding of meetings and the provision of information to the Board of Directors.

Each committee appoints a secretary from among the three members or from outside the committee and Board of Directors.

The composition of the committees is as follows:

Composition of the Audit Committee:

- Raynald Dreyfus, Chairman of the committee;
- Jacques Le Mercier;
- Pierre Breuil.

Composition of the Remunerations Committee:

- Xavier Chalandon, Chairman;
- Raynald Dreyfus;
- Bruno Salmon.

Operating details of the Committees:

Meetings:

Audit Committee: twice a year and more often at the request of the Board of Directors.

Compensation Committee: once a year and more often at the request of the Board of Directors.

The proposals before the committees are adopted by simple majority of the members present, each member having one vote. The members may not be represented by proxies at committee meetings.

The deliberations of the committees are recorded in minutes entered in a special register. Each committee reports to the Board of Directors on its work.

The Board of Directors may allocate remuneration or attendance fees to committee members.

Audit Committee role:

The Audit Committee's role consists in particular in:

- examining the annual and half-yearly financial statements both consolidated and unconsolidated (with particular attention to the consistency and the relevance of the accounting policies used);
- monitoring the process for preparation of the financial information;
- understanding the internal procedures for gathering and verifying the financial information that ensure the accuracy of the consolidated information;
- monitoring the effectiveness of the internal control and risk management systems;
- examining the candidatures of the statutory auditors whose appointment is proposed to the shareholders' General Meeting;
- examining every year the auditors' fees as well as their independence.

The Audit Committee met twice in 2014 with an 83 % attendance rate. It considered the following issues:

Meeting of February 25, 2014:

- Financial calendar;
- Significant events of the year;
- Accounting policies;
- Annual financial statements for 2013;
- Corporate Social Responsibility (CSR) regulations;
- Changes to the information systems and ongoing projects;
- Audit and internal control;
- Audit and auditors.

Meeting of August 1, 2014:

- Financial statements for first half of 2014;
- Structural transactions in India;
- Refinancing of Vicat SA;
- Internal audit.

Remunerations Committee role:

The remunerations committee has the responsibility of:

- examining the remuneration of managers and employees (fixed component, variable component, bonuses, etc.) and in particular their amounts and allocation;
- studying the share subscription or purchase option plans and, in particular as far as the beneficiaries are concerned, the number of options that could be granted to them, as well as the term of the options and the subscription price conditions and any other form of access to the Company's share capital in favor of directors and employees;

- studying certain benefits in particular relating to the pension plan, health and welfare benefit plan, disability insurance, life insurance, education allowance, civil liability insurance for directors and senior managers of the Group, etc.

The Compensation Committee met once in 2014 with a 100 % attendance rate. It considered the following issues:

Meeting of February 27, 2014:

- Changes in compensation in 2013;
- Compensation of key executives.

4.5.1.2. Internal control and risk management procedures

Internal control in the Group centers in particular on:

- the group accounting department responsible for issuing or updating the accounting and financial policies to be applied within the Group;
- financial control reporting to the Finance Department and responsible for ensuring compliance with standards, procedures, regulations and good practice;
- management control reporting to the General Management of the various businesses and reporting functionally to the group management control department which reports to the Chairman and Chief Executive Officer;
- Internal Audit reporting to the Chairman and Chief Executive Officer of the Group.

An internal control manual was issued to all the Group's operational managers and administration and finance teams in 2012. It sets out the legal obligations and definitions in relation to internal control and lays down the fundamentals and principles to be adopted in order to achieve the best guarantee of a high standard of internal control.

Moreover, certain subsidiaries will have an employee in charge of internal control on a full- or part-time basis.

As such, this person will be responsible for assessing and applying the procedures in place. This person will also coordinate the follow-up on recommendations made by external auditors and the internal audit.

Definition and objectives of internal control

According to the AMF (French Financial Market Authority) terms of reference, which the Company has chosen to apply, internal control is a measure used to ensure:

- compliance with laws and regulations;
- application of the instructions and directions set by the Chairman and Chief Executive Officer;
- proper operation of Group internal processes, in particular those serving to protect assets;
- reliability of financial information.

This system comprises a set of resources, behaviors, procedures and actions appropriate to the Group's characteristics that contribute to controlling its activities, to the effectiveness of its operations and to the efficient use of its resources.

It should also allow the Group to take into account significant risks, whether operational, financial or compliance risks. Nonetheless, like any management control system, it cannot provide an absolute guarantee that these risks have been completely eliminated.

Application scope

The scope of internal control extends to the parent company and all the subsidiaries that it controls exclusively or jointly.

Description of the components of internal control

The internal control process is based on an internal organization that is appropriate to each of the Group's activities and is characterized by the extensive senior management responsibility for operational control.

The Group specifies procedures and operating principles for its subsidiaries, particularly in relation to the development and treatment of accounting and financial information, and taking into account the risks inherent in each of the businesses and markets in which the Group operates, in compliance with the directives and common rules defined by the Group's management.

As far as information management tools are concerned, the Group steers and monitors the course of its industrial (in particular supply, production and maintenance), and commercial (sales, shipping and credit management) activities, and converts this information into accounting information using either integrated software packages recognized as standard on the market, or specific applications developed by the Group's Information Systems Department.

In this context, the Group has been engaged since 2009 in a progressive updating of its information systems, with a view to standardizing the tools used, improving the security and speed of the processing of data and transactions and facilitating the integration of new entities. This overhaul involves the technical infrastructure on the one hand and the transaction processes and applications supporting such processes on the other. It led the Group to put the SAP integrated management software system in place at Vicat SA in France. This software system has been integrated into the Company's entire operations. The system will also be implemented in the Concrete & Aggregates business in 2015. This project will be extended in the coming years to the Group's other French businesses and then to its international businesses.

The Company has set up a system for steering by General Management and the business units concerned, allowing for informed and quick decisions.

This system comprises:

- daily reports of production from the plants;
- reviews of weekly activity by the operational unit (country or subsidiary);
- monthly operational and financial reviews (factory performance, industrial and commercial performance indicators) analyzed by the

Group's Management Control with reference to the budget, to the previous financial year and to the finance department;

- monthly reports presenting the consolidated income statements broken down by country and business sector, and reconciled with the budget;
- monthly consolidated cash flow and indebtedness reports broken down by country and business sector;
- regular visits by the Chairman and Chief Executive Officer to all subsidiaries, during which the results and the progress of commercial and industrial operations are presented, allowing him to assess the implementation of guidelines and to facilitate information exchanges and decision-making.

Constant improvements in decision-making structures will continue in 2015, as in 2014.

Risk analysis and management

Risk management is included in the responsibilities of the various levels of operational management. If applicable, the various reports on activities described above include items on risk.

Major risks are then analyzed and, if applicable, managed in conjunction with General Management. An overview of the main risks that the Group is exposed to is presented every year in Chapter 6 of the Registration Document published by the Company; in particular, this addresses:

- industrial risks including those related to industrial equipment and to product quality defects, and those related to the environment;
- market risks, including: foreign exchange risks, conversion risks, liquidity risks and interest rate risks.

Internal Audit has undertaken a process of risk identification and analysis. Following a risk identification phase involving interviews with the Group's key operational and functional managers and a subsequent analysis phase conducted in conjunction with General Management, this study enabled a mapping of the risks to which the Group is exposed. This risk matrix is regularly reviewed and updated if necessary.

The Internal Audit Department reports to the Group's Chairman and Chief Executive Officer and can intervene in all the Group's activities and subsidiaries. It works in accordance with an annual audit plan intended to cover the main risks identified within the Company, in particular those relating to accounting and financial information.

The audits are the subject of reports submitted to management, the Chairman and Chief Executive Officer, and the Audit Committee. They comprise overview reports specifically targeted at senior management, and detailed reports used inter alia to make the operational staff concerned aware of any findings and recommendations proposed.

The implementation of action plans is the subject of formal monitoring by the Internal Audit Department in a specific report.

4.5.1.3. Corporate governance

The Board of Directors decided at the meeting on August 2, 2012 to adopt the Chairman's proposal to implement the Middlenext Corporate Governance Code published in December 2009 and available on the website www.middlenext.com.

Consequently, the Middlenext Code is the reference code for the preparation of this report, specified in Article L 225-37 of the French Commercial Code (see governance statement in section 4.2.1.4 of this Registration Document).

4.5.1.4. Remuneration of the company officers

Policy on remuneration of the company officers

The Company has decided to apply the recommendations relating to the remuneration of executive directors of listed companies, seeing as they are aligned with the good governance principles which the Company has always followed.

The Company's position with respect to these recommendations is as follows:

- measures have been taken to ensure that Company executive officers are not bound to the Company by an employment contract;
- no severance pay is provided for Company executive officers;
- the supplementary pension plans in place in the Company from which Company executive officers and some non-executive officers benefit are subject to strict rules. The amount of the additional pension benefits may, in particular, not result in the beneficiaries receiving, under all pension benefits, an amount exceeding 60 % of the reference salary;
- the Company has not instituted a share purchase or share subscription option policy or a performance-related share award scheme;
- in accordance with the recommendations on transparency for all items in the remuneration package, the Company will adopt the presentation recommended by its set of standards and will publish this information, in particular in its Registration Document.

The current remuneration of company officers is less than the average remuneration noted.

Policy for determining the remuneration of the non-executive directors

The Chairman of the Board of Directors has, in accordance with the recommendations on corporate governance, monitored compliance with the following principles:

A) EXHAUSTIVENESS

The remuneration of non-executive directors was determined and evaluated overall for each of them. It comprises:

- a fixed remuneration;
- attendance fees;
- a top-up pension plan;
- benefits in kind.

For the record, no director receives a variable remuneration, or share options, or a free share allotment, or severance payments.

B) BENCHMARKING/BUSINESS

The remuneration of the non-executive directors was compared with the remuneration published by French companies and groups in the same sector, and with reference to industrial companies comparable in terms of earnings or sales. This revealed that current remunerations are lower than average remunerations.

C) CONSISTENCY

The consistency of remunerations between the various non-executive directors could be checked on the basis the following criteria:

- professional experience and training;
- years of service;
- level of responsibility.

D) SIMPLICITY AND STABILITY OF THE RULES

The absence of variable remuneration and allocation of share options or free allocation of shares allows for simplicity and stability in the rules for setting remunerations.

E) MEASUREMENT

The remuneration of the non-executive directors, taking into account the amount and the fact that it is largely of a fixed nature, are compatible with the general interests of the Company and are consistent with market practices in this sector of industry.

Policy of allocating share options and free allocations of shares

The Company has not instituted a share options policy or a free share award scheme.

4.5.1.5. Shareholder participation at the General Meeting

The participation of shareholders in the General Meeting is not subject to specific details or procedures and is governed by the law and by Article 25 of the Company by-laws reproduced below:

Article 25 - Attendance and representation at meetings

Any shareholder can attend the Meetings, personally or through a representative by providing proof of ownership of his shares, provided this is supported, in accordance with the law and the regulations in force, by registration of his shares in his name or that of his registered representative, in accordance with the seventh paragraph of Article L. 228-1 of the French Commercial Code, by the third working day before the date of the Meeting at midnight, either in the registered securities accounts held by the Company, or in the bearer's securities accounts held by the registered representative.

The registration of shares in securities accounts as bearer's securities held by the authorized representative is confirmed by a share certificate submitted by the latter in accordance with the laws and regulations in force.

Participation in General Meetings is subject to proof of holding at least one share.

4.5.1.6. Powers of the Chairman and Chief Executive Officer

At its meeting of March 7, 2014, the Board of Directors opted to combine the roles of Chairman of the Board of Directors and Chief Executive Officer.

On this same date, the Board of Directors appointed Mr. Guy Sidos as Chairman and Chief Executive Officer, with effect from the close of the Combined General Meeting held on May 6, 2014, and appointed Mr. Jacques Merceron-Vicat as Honorary Chairman of the Company.

Under the Company's by-laws, and on the proposal of the Chief Executive Officer, the Board of Directors can appoint up to five individuals to assist the Chief Executive Officer and who are given the title of Deputy CEO. One of these individuals also serves as Chief Operating Officer.

Equally, at its meeting of August 1, 2014, the Board of Directors decided to renew the appointment of Mr. Raoul de Parisot as Chief Operating Officer - France and Italy for a three-year term, or until the meeting of the Board of Directors called to review the financial statements at June 30, 2017.

At its meeting of March 6, 2015, the Board of Directors decided to appoint Mr. Didier Petetin as Chief Operating Officer - France (excluding paper) for the duration of the appointment of the Chairman and Chief Executive Officer, and to assign the duties of advisor to the Chairman and Chief Executive Officer to Mr. Raoul de Parisot, Chief Operating Officer.

No limitation has been set concerning the powers of the Chairman and Chief Executive Officer or those of the Chief Operating Officers.

Paris
February 25, 2015

The Chairman and Chief Executive Officer

4.5.2. STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF VICAT SA

Year ended 31 December 2014

To the Shareholders,

In our capacity as statutory Auditors of Vicat S.A., and in accordance with article L. 225235 of the French Commercial Code, we hereby report to you on the report prepared by the Chairman of your Company prepared in accordance with Article L. 225-37 of the French Commercial Code, for the year ended 31 December 2014.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval report on the internal control and risk management procedures implemented by the Company and containing the other disclosures required by Article L. 225-37 of the French Commercial Code particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report contains the other disclosures required by Article L. 225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- ensuring that any material weaknesses in internal control procedures relating to the reparation and processing of financial and accounting information that we would have detected in the course of our engagement have been properly disclosed in the Chairman's report.

On the basis of these procedures, we have no matters to report in connection with the information given on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, contained in the Chairman's report, prepared in accordance with Article L.225-37 of the French commercial Code.

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L.225-37 of the French Commercial Code.

The statutory auditors

Paris La Défense, 6 March 2015

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

Chamalières, 6 March 2015

Wolff & Associés S.A.S.
Patrick Wolff
Partner

4.6. OPERATIONS WITH RELATED PARTIES

4.6.1. CONTRACTS AND OPERATIONS WITH RELATED PARTIES

Parties related to the Group include mainly the Company's shareholders, its unconsolidated subsidiaries, associated companies (companies accounted for by the equity method), and entities over which the Group's various managers have a significant influence.

Transactions with companies that are unconsolidated or accounted for by the equity method are not significant during the years in question, and were carried out under normal market conditions.

	2014 financial year				2013 financial year			
(in thousands of euros)	Sales	Purchases	Receivables	Liabilities	Sales	Purchases	Receivables	Liabilities
Associated companies	1,251	2,844	6,878	1,855	540	2,169	7,278	2,178
Other related parties	73	2,805	0	56	801	3,308	65	782
TOTAL	**1,324**	**5,649**	**6,878**	**1,911**	**1,341**	**5,477**	**7,343**	**2,960**

4.6.2 AGREEMENTS BETWEEN A DIRECTOR OR A SIGNIFICANT SHAREHOLDER AND ONE OF THE GROUP COMPANIES

(Article L. 225-102-1 of the French Commercial Code)

Acquisition made Parfininco and Soparfi, majority holding companies of Vicat S.A., of the 24.6 % of Soparfi shares held by BCCA and SAPV, wholly owned subsidiaries of the Vicat Group.

To the Company's knowledge, no other agreement, other than agreements involving everyday transactions concluded at normal conditions, took place over the 2014 financial year, either directly or through an intermediary, between a director or a significant shareholder of the Company and a company whose share capital is more than 50 % owned, directly or indirectly, by Vicat.

4.6.3. INTRA-GROUP OPERATIONS

The Group's financial policy concentrates the financing lines in the parent company.

In addition, the intra-group flows and internal margins have been eliminated in the Group consolidation operations. During the 2014 financial year, intra-group sales of cement amounted to € 281 million, sales of aggregates to € 85 million, transport services to € 90 million, sales related to additional services (analyses, pumping, etc.) to € 24 million and sales related to various pooled products and services to € 121 million. For the same period, intra-group financial income amounted to € 16 million.

4.6.4. STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS AND COMMITMENTS (TRANSLATED FROM THE ORIGINAL IN THE FRENCH LANGUAGE)

Year ended 31 December 2014

To the Shareholders,

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

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

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

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

Agreements and commitments submitted to the approval by the General Meeting

We inform you that we have not been advised of any agreements or commitments authorized in 2014 to be submitted to the General Meeting for approval as mentioned in Article L.225-38 of the French Commercial Code.

Agreements and commitments already approved by the General Meeting

In accordance with Article R.225-30 of the French Commercial Code, we have been informed of the following agreement and commitment, which were initially approved in previous years, have been, continued in 2014:

Commitments relating to supplementary pension plans:

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

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

The statutory auditors

Paris La Défense, 6 March 2015

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

Chamalières, 6 March 2015

Wolff & Associés S.A.S.

Patrick Wolff
Partner

The new showroom at the Vicat Group's operational headquarters in L'Isle d'Abeau displays a variety of construction solutions (France).

COMPANY INFORMATION AND SHARE CAPITAL

5

5.1. COMPANY INFORMATION

5.1.1. GENERAL INFORMATION ABOUT THE COMPANY

Corporate name

The Company's name is Vicat.

Place of registration and registration number

The Company is registered at the Trade and Companies Register of Nanterre under number 057 505 539.

Duration and date of incorporation of the Company

The Company was incorporated in 1853 and registered in the Trade and Companies Register on January 1, 1919 for a term of 99 years, which was subsequently extended by a further 80 years to December 31, 2098 by the Combined General Meeting of shareholders of May 15, 2009.

Registered office

The Company's registered office is located at Tour Manhattan - 6 place de l'Iris - 92095 Paris-La Défense Cedex. Telephone: +33 (0)1 58 86 86 86.

Legal form and applicable legislation

The Company is a société anonyme with a Board of Directors, governed by the provisions of Volume II and Articles R. 210-1 et seq. of the French Commercial Code.

Accounting period

The Company's accounting period begins on January 1 and ends on December 31 of each year.

5.1.2. CORPORATE PURPOSE

The Company's corporate purpose is:

- the working of the quarries currently belonging to the Company and all those which it may subsequently own or to which it may subsequently hold rights;
- the manufacture, purchase and sale of limes, cements and all products of interest to the Construction business;
- the manufacture, purchase and sale of bags or packaging for hydraulic binders in any material and, more generally, any activity being carried on in the plastic and paper industries sector;
- the production and distribution of aggregates and sand;
- the transport of goods by public road and the leasing of all vehicles;
- in general, all industrial, commercial and financial operations associated with this industry, both in France and abroad.

The Company may also invest in any French or foreign company or firm, whose business or industry is similar to or likely to support and develop its own business or its own industry; to merge with them, to engage in all industries which would be likely to provide it with outlets and to enter into all commercial, industrial, financial, movable property or fixed asset transactions that could in whole or part be assimilated, directly or indirectly, to its corporate purpose or likely to support development of the Company.

5.1.3. GENERAL MEETINGS

5.1.3.1. Nature of General Meetings (Article 23 of the by-laws)

The General Meeting, properly constituted, represents all the shareholders; its decisions taken in accordance with the law and with the Company's by-laws bind all shareholders.

An Ordinary General Meeting must be held each year within six months of the fiscal year-end. Other General Meetings, whether Ordinary General Meetings held extraordinarily, or Extraordinary General Meetings, can also be held at any time of the year.

5.1.3.2. Form and periods of notice (Article 24 of the by-laws)

Ordinary and Extraordinary General Meetings are convened and conducted in accordance with conditions set by law. Meetings take place on the day and at the time and place indicated on the convening notice.

5.1.3.3. Attendance and representation at General Meetings (Article 25 of the by-laws)

Any shareholder can attend the Meetings, personally or through a representative, by providing proof of ownership of his shares provided this is supported, in accordance with the law and the regulations in force, by registration of his shares in his name or that of his registered representative in accordance with the seventh paragraph of Article L. 228-1 of the French Commercial Code, by the third working day before the date of the Meeting at midnight, Paris time, either in the registered securities accounts held by the Company, or in the bearer securities accounts held by the registered representative.

The registration of shares in securities accounts as bearer's securities held by the authorized representative is confirmed by a share certificate submitted by the latter in accordance with the laws and regulations in force.

Participation in General Meetings is subject to proof of the ownership of at least one share.

5.1.3.4. Officers of the Meetings – Attendance register – Agenda (Article 27 of the by-laws)

General Meetings are chaired by the Chairman of the Board of Directors, the Vice-Chairman or, in their absence, by a director especially delegated for this purpose by the Board. Alternatively, the meeting itself shall elect a Chairman; the two shareholders having the greatest shareholdings present at the opening of the meeting, and accepting to do so, shall act as tellers. The secretary is appointed by the officers.

An attendance register is maintained under the conditions stipulated by law.

The agenda for each meeting is drawn up by the person convening the meeting. However, one or more shareholders meeting the legal conditions can, under the conditions stipulated by law, require draft resolutions to be included in the agenda.

5.1.3.5. Minutes (Article 28 of the by-laws)

The deliberations of the General Meeting are noted in minutes drafted under the conditions prescribed by the applicable regulations; copies or extracts of these minutes are certified according to such regulations.

5.1.3.6. Quorum and majority – Competence (Article 29 of the by-laws)

Ordinary and Extraordinary General Meetings taking decisions quorate and under the majority conditions prescribed by the provisions governing them respectively shall exercise the powers that are allotted to them by law.

5.1.4. PROCEDURES FOR MODIFYING THE RIGHTS OF THE SHAREHOLDERS

Modification of rights attached to the shares is subject to the requirements of the law. As the Company's by-laws do not stipulate specific provisions, only an Extraordinary General Meeting is qualified to modify the rights of shareholders, in accordance with applicable legal provisions.

5.2. SHARE CAPITAL INFORMATION

5.2.1. ISSUED SHARE CAPITAL AND NUMBER OF SHARES FOR EACH CLASS

The issued share capital as at December 31, 2014 was € 179,600,000, divided into 44,900,000 shares of € 4 each. The Company's shares are fully subscribed, paid up and all of the same class.

To the Company's knowledge, as at December 31, 2014, a total of 4,243,446 Company shares, whose registration is managed by the Company, were pledged by entries to securities accounts.

5.2.2. AUTHORIZED BUT UNISSUED SHARE CAPITAL

Not applicable.

5.2.3. OTHER SECURITIES GIVING ACCESS TO THE CAPITAL

Not applicable.

5.2.4. SHARE SUBSCRIPTION AND PURCHASE OPTIONS

Not applicable.

5.2.5. CHANGES TO THE SHARE CAPITAL DURING THE LAST THREE YEARS

There have been no changes to the Company's share capital during the last three years.

5.2.6. SECURITIES NOT REPRESENTATIVE OF THE CAPITAL

Not applicable.

5.2.7. SHARES HELD BY THE COMPANY OR FOR ITS ACCOUNT

At the end of the 2014 financial year, after distributing 50,973 shares to employees, the Company held 794,611 of its own shares, or 1.77 % of the share capital.

Description of the 2014 share buy-back program

Pursuant to the authorization given by the Ordinary General Meeting of May 6, 2014, in 2014 the Company purchased 3,909.90 of its own shares (i.e. 1,705 shares + 22,049 tenth parts of shares) on the stock exchange (excluding liquidity agreements) at a nominal value of € 4 per share and a mean price of € 58.39 per share, based on the current share capital.

Distribution of transferable securities by purpose

Acquisitions for the purpose of allocation of shares to personnel within the context of employee share ownership and profit-sharing: 3,909.90 shares, representing an acquisition price of € 228,306.78.

Acquisitions for the purpose of promoting a market in the shares and their liquidity through a liquidity agreement conforming to the ethical charter of the AMAFI as recognized by the AMF: balance of 22,115 shares at December 31, 2013, acquisition of 362,559 shares and sale of 366,941 shares during the year, representing 17,733 shares at December 31, 2014.

Volume of shares used by objectives

Shares allocated to personnel within the framework of employee share ownership and profit-sharing: 93,711 shares.

Promotion of a market in the shares and their liquidity through a liquidity agreement conforming to the ethical charter of the AMAFI as recognized by the AMF: 17,733 shares (see also note 13 of the notes to the consolidated financial statements and note 5.1.3 of the notes to the individual financial statements).

No shares repurchased have been allocated to other purposes and the Company did not use derivatives to achieve its share buy-back program.

Description of the planned share buy-back program for 2015

The sixth resolution, the principles of which are listed below, and which is due to be submitted for approval to the Combined General Meeting of May 6, 2015, aims to allow the Company to trade in its own shares.

The Company may acquire, sell, transfer or swap, by any means, all or part of the shares thus acquired in compliance with current legislative and regulatory provisions and in compliance with changes to the substantive law in order (without order of priority):

(a) to allocate or sell shares to employees and/or Company officers and/or companies which are related to it or will be related to it under the terms and conditions set out in the legislation, in particular in the context of employee involvement in the results of expansion of the business and profit-sharing;

(b) to promote a market in the share through a liquidity agreement entered into with an underwriter conforming to the ethical charter of the AMAFI as recognized by the AMF;

(c) to retain the Company's shares and subsequently use them for payment or exchange in the context of external growth transactions in compliance with market practice as permitted by the French financial regulator (AMF);

(d) to cancel shares within the maximum statutory limit, subject in this last case to a vote by an Extraordinary General Meeting on a specific resolution.

The unit purchase price must not exceed € 100 per share (excluding acquisition expenses).

The total shares held shall not exceed 10 % of the Company's share capital, this threshold of 10 % having to be calculated on the actual date when the buy-backs will be made. This limit is reduced to 5 % of the share capital in the situation referred to in paragraph (c) above. As at January 1, 2015, this limit corresponds, given shares already owned by the Company, to a maximum number of 3,695,388 shares, each with a nominal value of € 4, equal to a maximum amount of € 369,538,800.

Pursuant to such resolution, within the limits permitted by the regulations in force, the shares may be purchased, sold, exchanged or transferred in one or more transactions, by all means, on all markets and over the counter including by acquisition or sale of blocks, and by means including the use of derivatives and warrants.

Such authorization shall be given for a period not exceeding eighteen (18) months from the date of the General Meeting, including in a public offer period, within the limits and subject to the periods of abstention provided for by-law and in the AMF's General Rules.

This authorization supersedes that granted by the Ordinary General Meeting of May 6, 2014.

In accordance with Article 241-3-III of the AMF's General Rules, this description exempts the Company from publication pursuant to Article 241-2 of the AMF's General Rules.

5.2.8. PROVISIONS HAVING THE EFFECT OF DELAYING, DEFERRING, OR PREVENTING A CHANGE OF CONTROL

Not applicable.

5.2.9. CONDITIONS GOVERNING CHANGES TO THE SHARE CAPITAL

The share capital can be increased, reduced or amortized in accordance with the laws and regulations in force.

5.3. SHAREHOLDING

5.3.1. DISTRIBUTION OF THE SHARE CAPITAL AND VOTING RIGHTS

The share capital of the Company as at December 31, 2014 was € 179,600,000, divided into 44,900,000 shares of € 4 each, fully paid up; shares are in nominee or bearer form at the shareholder's discretion.

The changes in the distribution of the share capital of the Company over the past three financial years have been as follows:

	At December 31, 2014		At December 31, 2013		At December 31, 2012	
Shareholders	Number of shares	As a % of share capital	Number of shares	As a % of share capital	Number of shares	As a % of share capital
Family + Soparfi + Parfininco	27,194,829	60.57	27,190,790	60.56	27,195,437	60.57
Employees and former employees (1)	1,919,304	4.27	1,998,240	4.45	2,072,069	4.61
Public	14,991,256	33.39	14,864,944	33.11	14,695,434	32.73
Treasury shares	794,611	1.77	846,026	1.88	937,060	2.09
TOTAL	**44,900,000**	**100.00**	**44,900,000**	**100.00**	**44,900,000**	**100.00**

(1) 1.78 % of the share capital owned by employee shareholders under Article L. 225-102 of the French Commercial Code.

To the knowledge of the Company, there is no shareholder holding more than 5 % of the share capital nor of the voting rights.

The changes in the distribution of the voting rights in the Company over the past three financial years, after exclusion of the voting rights attached to treasury shares, have been as follows:

	At December 31, 2014		At December 31, 2013		At December 31, 2012	
Shareholders	Number of voting rights	As % of total voting rights	Number of voting rights	As % of total voting rights	Number of voting rights	As % of total voting rights
Family + Soparfi (1) + Parfininco	54,207,438	73.76	54,193,267	73.76	54,213,303	73.83
Employees and Public (2)	19,284,701	26.24	19,282,487	26.24	19,214,573	26.17
Treasury shares (3)	-	-	-	-	-	-
TOTAL (4)	**73,492,139**	**100.00**	**73,475,754**	**100.00**	**73,427,876**	**100.00**

(1) Soparfi is 77.53 %-owned by Parfininco, which is itself controlled by the Merceron-Vicat Family, and 22.46 %-owned by BCCA and SAPV, wholly owned subsidiaries of the Vicat Group.
(2) There is no distinction between employees and the public with regard to the supervision of voting rights.
(3) Treasury shares do not carry voting rights.
*(4) The number of theoretical voting rights, i.e. the number of voting rights attached to the shares issued, including treasury shares, amounted to **75,016,703** at December 31, 2014. The shares referred to in Article L. 233-7 of the French Commercial Code are calculated based on the number of theoretical voting rights.*

5.3.2. RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO THE SHARES

5.3.2.1. Rights and obligations of shareholders

Each share gives a right to a share proportional to the capital that it represents in the income and the corporate assets.

If applicable, and subject to the obligatory legal prescriptions, all tax exemptions or charges or any taxation that the Company may bear will be applied to the total number of shares without distinction before making any reimbursement within the duration of the Company or at its liquidation, so that all shares of the same category existing at that time receive the same net sum whatever their origin and their date of creation.

Whenever there is a requirement to own a certain number of shares in order to exercise a right, it is the responsibility of the owners who do not have this number of shares to arrange grouping of the required number of shares.

Shares cannot be divided up with respect to the Company.

When a share is burdened with usufruct, the rights and obligations of the beneficial owner and the bare owner are governed by the law. The rights and obligations attached to the share follow the ownership no matter who acquires it.

5.3.2.2. Voting rights

Each member of the meeting has as many votes as he has, or represents, shares.

The voting rights attached to shares in capital or rights are proportionate to the share of the capital that they represent and each share confers a right to one vote.

However, voting rights double those conferred on bearer shares are allotted to all paid-up shares for which a personal registration has been proved for at least four years in the name of the same shareholder, at the end of the calendar year preceding the date on which the meeting in question is held.

In the event of a capital increase by incorporation of reserves, profits or issue premiums, double voting rights will be conferred, as of their issue, on registered shares allotted for free to a shareholder pursuant to old shares in respect of which he enjoys this right.

These double voting rights will automatically cease to be attached to any share having been converted to a bearer share or on a transfer of title. Nonetheless, the transfer by inheritance, by liquidation of common property held by spouses or by gift inter vivos to the benefit of a spouse or a relation ranking as entitled to inherit does not result in the loss of acquired rights.

The list of registered shares benefiting from double voting rights, included in the attendance register, is maintained by the officers of the meeting.

In the event of dismemberment of the ownership of a share, the voting right belongs to the legal owner, except for decisions concerning attribution of results, in which case the voting right remains with the usufructuary.

Subject to the double voting rights described below, the voting rights attached to capital shares or rights are proportional to the share of the capital which they represent and each share gives a right to one vote.

Double voting rights are allotted to all paid-up shares for which the holder can prove that it has held such shares for at least four years.

Conversion to bearer form of a share or the transfer of its ownership causes the loss of the abovementioned double voting rights. In the event of dismemberment of the ownership of a share, the voting right belongs to the legal owner, except for decisions concerning attribution of results, in which case the voting right remains with the usufructuary.

5.3.3. CONTROL OF THE COMPANY

The Company is controlled directly and indirectly, through the holding companies Parfininco and Soparfi, by the Merceron-Vicat family, which holds the majority of the share capital and the voting rights.

The fact that half the directors on the Board of Directors are independent directors (six independent directors for a total of ten directors) indicates that control is not abused.

5.3.4. AGREEMENTS CAPABLE OF LEADING TO A CHANGE OF CONTROL

To the knowledge of the Company, there is no agreement whose implementation could, at a date subsequent to the filing of this Registration Document, lead to a change of control.

5.3.5. EXCEEDING THE OWNERSHIP THRESHOLD

5.3.5.1. Exceeding statutory thresholds

Besides the legal and regulatory provisions in force with respect to exceeding thresholds, Article 7. III of Vicat's by-laws provides that any natural or legal person acting alone or in concert, who directly or indirectly holds or ceases to hold a fraction – of the capital, of voting rights or shares giving future access to the capital of the Company – equal to or greater than 1.5 % or a multiple of this fraction, must notify the Company by registered letter with acknowledgment of receipt within a fifteen-day period from the date this threshold is exceeded, specifying their identity as well as that of the persons acting in concert with them, and the total number of shares, voting rights and shares that give future access to the capital, that they own alone, directly or indirectly, or in concert.

Failure to comply with the preceding provisions is penalized by the deprivation of voting rights for shares exceeding the fraction which should have been declared, for any meeting of the shareholders taking place up to the expiry of a two year period following the regularization date of the notification specified above, if the application of this penalty is requested by one or more shareholders holding at least 1.5 % of the share capital or voting rights of the Company. This request is recorded in the minutes of the General Meeting.

5.3.5.2. Identification of bearer securities

Aside from the legal regulatory and statutory measures relating to exceeding the ownership threshold, the following measures apply (Article 7 of the by-laws):

With a view to identifying bearer shares, the Company has the right, at any time, under the conditions and according to the details specified by the legal and regulatory provisions, to ask the central custodian of financial instruments for the name or trade name, nationality, year of birth or year of constitution and address of the holders of securities giving immediate or future voting rights in its Shareholder Meetings, as well as the number of shares held by each of them and if applicable, the restrictions that may apply to the shares.

After following the above procedure and on the basis of the list provided by the custodian, the Company may ask for the same information on the owners of the shares, either by the intermediary of the central custodian or directly from the persons who appear on this list and who the Company considers could be registered on behalf of a third party. The information is provided directly to the financial intermediary authorized to hold the account, who provides it to the Company or to the aforementioned central custodian depending on the situation.

In the case of registered shares, giving access to capital immediately or in the future, the intermediary who is registered on behalf of an owner who is not a resident of France, must reveal under the terms of the law and regulations the identity of the owners of these shares as well as the quantity of shares held by each of them, on request from the Company or its agent, which can be made at any time.

For as long as the Company considers that some shareholders of bearer or registered shares, whose identity has been made known to it, hold shares on behalf of third party shareholders, the Company is entitled to ask these shareholders to reveal the identity of the owners of these shares as well as the quantity of shares held by each of them under the conditions set out above.

Subsequent to this request, the Company may ask any legal entity who owns its shares and has a shareholding of more than 1.5 % of its capital or voting rights to reveal the identity of the persons holding directly or indirectly more than one third of the share capital or voting rights of this legal entity that are exercised in its General Meetings.

When the person subject to a request made in accordance with the above provisions has not provided the information thereby requested within the legal and regulatory period or has provided information that is incomplete or incorrect with respect to its quality or to the owners of the shares or to the quantity of shares held by each of them, the shares that give immediate or future access to the capital and for which this person was registered are deprived of voting rights for any meeting of shareholders that takes place until their identification is regularized, and the payment of the corresponding dividend is deferred until this date.

Moreover, in the event that the registered person intentionally ignores the above provisions, the court in whose jurisdiction the Company has its registered office may, on request from the Company or from one or more shareholders holding at least 5 % of the capital, decide the total or partial deprivation, for a time period not exceeding five years, of the voting rights attached to the shares that have been subject to the request for information and if need be, for the same period, of the corresponding dividend.

The intermediary who is registered as the shareholder in accordance with the third paragraph of Article L. 228-1 of the French Commercial Code must make the declarations specified in this article for all shares for which he is registered, without prejudice to the obligations of shareholders.

Failure to comply with this requirement shall be penalized in accordance with Article L. 228-3-3 of the French Commercial Code.

On May 29, 2014, Financière de l'Echiquier declared having exceeded the threshold of 1.5% of voting rights.

On June 9, 2014, Financière de l'Echiquier declared having exceeded the threshold of 3 % of share capital.

On June 12, 2014, Franklin Resources declared having fallen below the threshold of 1.5 % of share capital.

On November 6, 2014, Financière de l'Echiquier declared having fallen below the threshold of 3 % of share capital.

5.3.6. DIVIDENDS

The Company can decide to distribute dividends for a given year on a proposal from the Board of Directors and approval of the General Meeting of shareholders.

In preceding years, the dividends distributed by the Company and the earnings per share were as follows:

	2014 (dividend proposed to the General Meeting)	2013	2012	2011
Dividend per share *(in euros)*	1.50	1.50	1.50	1.50
Consolidated earnings per share *(in euros)*	2.86	2.68	2.87	3.64
Rate of distribution	52 %	56 %	52 %	41 %

The Company's objective for future years is to distribute in cash to shareholders a level of dividend in line with that proposed by the Board of Directors for previous financial periods.

Nevertheless, the factors on which the distribution and the amount of distributed dividends depend are the income, the financial position, the financial needs related to industrial and financial development, the prospects for the Group and all other determinative factors; such as the general economic environment.

Regardless of the objective which the Company intends to prioritize, it cannot guarantee that in the future dividends will be distributed nor the amount of any future dividend.

5.4. CHANGES TO THE SHARE PRICE

The Company's shares are listed on the Eurolist of Euronext Paris, compartment A. Following the Expert Indices Committee meeting of March 3, 2011, the Company was included in the SBF 120 index as of March 21, 2011. Furthermore, the Company's shares have been eligible for deferred payment (SRD: service à règlement différé) since February 2008. The graph below shows the change in price of the Company's shares at month-end from January 1, 2012 to December 31, 2014.

The table below shows the change in the Company's share price in 2014, 2013 and 2012 (on the basis of the closing price):

(in euros)	2014	2013	2012
Average price over the year	57.56	49.53	43.05
Annual high	65.42	56.00	52.56
Annual low	49.56	43.83	33.06
Price as at December 31	59.60	54.00	47.18

The inside of a cement kiln prior to firing up

RISK **FACTORS**

6

Before taking the decision to invest in the Company, prospective investors should examine all the information contained in this Registration Document, including the risks described below. These risks are those which, as of the date of filing of this Registration Document, are liable, if they materialize, to have an adverse effect on the Group, its business, its financial position, or its earnings, and which are material to any decision on whether or not to invest. However, the attention of prospective investors is drawn to the fact that the list of risks set out in this Chapter 6 "Risk factors" is not exhaustive and that there may be other risks either unknown or which, at the date of this Registration Document, were not considered as likely to have an adverse effect on the Group, its business, its financial position, or its earnings, but could in fact adversely affect its activities, its financial position, its earnings, its prospects, or its ability to achieve its objectives.

6.1. RISKS RELATING TO THE GROUP'S BUSINESS

6.1.1. RISKS RELATED TO THE COMPETITIVE ENVIRONMENT

The Group operates its various businesses in competitive markets. In relation to the Group's main businesses – Cement, Ready-mixed Concrete and Aggregates – competition is principally on a regional scale, due to the relative magnitude of transport charges (especially in the case of road transport). The competitive intensity of each regional market depends on present and available production capacities. The Group's ability to maintain its sales and its margin on each market therefore depends on its capacity to respond to market demand with its local production facilities. The presence of other producers with available or surplus capacities on a regional market or one in the vicinity, or the presence of one or more producers having or being capable of setting up material import infrastructures (in the case of cement and aggregates) on the regional market under satisfactory economic conditions (for example, through port or rail access) may lead to increased competition.

Intense competition in one or more of the markets in which the Group operates may have a material adverse effect on its business, its financial position, its earnings, its prospects, or its capacity to achieve its objectives, in particular in the context of a worldwide economic crisis and considerable financial instability. This is particularly the case in the Cement Manufacturing business, given the highly capital-intensive nature of this business and the significant effect of a volume variance on its results (see section 1.4 "Group strengths and strategy" and sections 1.5.1.4, 1.5.2.4 and 1.5.3.4 "Competitive position" of this Registration Document).

6.1.2. SENSITIVITY TO ENERGY SUPPLY AND COSTS

The Group's production activities and, in particular, the Cement Manufacturing business, consume large amounts of thermal and electrical energy, which represent a significant part of production costs.

The Group's electricity is supplied by local producers in each country and the Group does not always have an alternative supply source. This situation exposes the Group to interruptions in electricity supply or price increases. Where the Group has considered this risk is significant, it has established independent electricity generation facilities.

Except as otherwise discussed above and in section 6.1.4.4 "Availability of certain raw materials" of this Registration Document, the Group believes that it is not dependent on its suppliers.

For its supplies of thermal energy, the Group buys fossil fuels on the international markets and is thus exposed to fluctuations in the price of such fuels. In order to limit its exposure, the Group has on the one hand adapted its production facilities to use, to the extent possible, a variety of fuels, and on the other hand is continuing with forward purchasing in order to smooth out the effects of fuel price fluctuations. It has also developed a policy intended to foster the use of alternative fuels, namely waste materials, as described in section 3.3.6 "Optimized mix of energy sources" of this Registration Document.

However, increases or significant fluctuations in the price of electricity or fuel may have a material adverse effect on the Group's business, its financial position, its earnings, its prospects, or its capacity to achieve its objectives.

6.1.3. COUNTRY RISKS

An integral part of the Group's growth strategy is to seize development opportunities in growing markets. In 2014, approximately 38 % of the Group's sales were made on these markets, referred to as "emerging markets". This exposes the Group to risks such as political, economic and financial, legal or social instability, discrimination or the failure to maintain fair and equitable treatment in investor relations, staff safety, difficulties in recovering customer debts, exchange rate fluctuations, high inflation rates, the existence of exchange control procedures, export controls, taxation, and differences in regulatory environments that may affect the markets on which the Group operates, and even nationalizations and expropriations of private property that could affect companies operating in these markets.

Thus the Group's results in Egypt have continued to be affected by the consequences of the political and social events that unfolded since 2011 (see section 2.2.1.2 "Elements having an impact on earnings" of this Registration Document for further information). With regard to the Group's prospects, see also section 2.5 "Trends and outlook" of this Registration Document).

Although the Group carefully selects the countries in which it operates, the materialization of some of these risks could affect the continuity of its businesses in the countries concerned and have a material adverse effect on its business, its financial position, its earnings, its prospects, or its capacity to achieve its objectives.

6.1.4. INDUSTRIAL AND ENVIRONMENTAL RISKS

6.1.4.1. Risks related to production facilities

The Group's factories were built in compliance with applicable standards and were designed so as to afford a significant degree of resistance to natural risks such as wind, snow and earthquakes. The choice of sites for the factories also considers natural flooding risks.

The Group's production facilities are equipped with monitoring and control systems incorporating automatic devices and software, whose malfunction could affect the factories' daily operations.

Heavy production facilities are protected against risks of breakdown and machine failure by permanent maintenance programs and by reserves of spare parts (such as engines, reducers and bearings) for the most important systems and those with long lead times. Due to their remoteness, which lengthens lead times, the Group ensures that its factories located in emerging markets rigorously apply this policy of maintaining reserves of spare parts.

However, the Group cannot rule out the occurrence of such events, which could have a material adverse effect on its business, its financial position, its earnings, its prospects, or its capacity to achieve its objectives.

6.1.4.2. Environmental risks

The Group's principal environmental risks are the result of its activities which are governed by laws and regulations imposing a large number of obligations, restrictions and rigorous protective measures. The Group is constantly taking measures to address and limit these risks, paying particular attention to the following areas: integrating quarries into their environment, optimizing choices of energy sources, with an increasing share of alternative fuels and energy recovery from waste, controlling emissions, including greenhouse gases, managing and recycling the water needed for production. These measures are developed in section 3.3.1 "Building systems and materials supporting sustainable construction".

6.1.4.3. Risks related to product defects

Products manufactured by the Group are monitored throughout the production process. The Group also verifies the compliance of its products with the standards applicable in the markets where they are sold. However, despite these controls, it cannot exclude the possibility that malfunctions or accidents may result in product quality defects.

Such defects could have a material adverse effect on the Group's reputation, its activities, its financial position, its earnings, its prospects, or its capacity to achieve its objectives.

6.1.4.4. Availability of certain raw materials

The Group has its own reserves of limestone, clay and aggregates, which are used for its industrial activities. It also buys some of these raw materials on certain markets from third-party suppliers, as well as additives such as blast furnace slag (from steel works), fly ash (a by-product of coal combustion in power stations) and synthetic gypsum.

The supply of raw materials to the Group's factories is ensured by the rigorous management of reserves and quarry operations. A specific in-house organization dedicated to this role enables complete confidential control of raw materials through the combined work of specialists and experts in geology, mining and the environment.

From geological and geochemical surveys to the determination of the intrinsic properties of the materials, from computer modeling to operational simulations and extraction and reinstatement work, Vicat employs the best technology there is. For instance, the study and monitoring of deposits enables their chemical balance to be monitored and the long-term continuity of supplies to the factories to be checked constantly.

Depending on the country, land is controlled by purchase or by an operating agreement with the owners, who may be the state itself. This stage occurs after a complete survey of the subsurface by geophysical or destructive probes.

Nevertheless, if the quarries operated directly by the Group or its suppliers suddenly ceased trading or were forced to cease or reduce production of these raw materials, the Group may be required to obtain its supplies at a higher cost and may not be able to recover such increased costs through price increases, or seek replacement raw materials, which could have a material adverse effect on its business, its financial position, its earnings, its prospects, or its capacity to achieve its objectives.

6.2. RISKS RELATED TO THE INDUSTRY IN WHICH THE GROUP OPERATES

6.2.1. RISKS OF DEPENDENCY ON THE CONSTRUCTION (CYCLICAL NATURE OF THE CONSTRUCTION MARKET), REAL ESTATE (RESIDENTIAL AND NON-RESIDENTIAL), INDUSTRY, PUBLIC WORKS AND URBAN DEVELOPMENT MARKETS

The products and services sold by the Group, and in particular cement, concrete and aggregates, are used for construction of individual or multiple occupancy housing, for industrial or commercial buildings, and for infrastructure (roads, bridges, tunnels, highways). The demand for the products and services sold by the Group depends both on structural elements specific to each market and their evolution and on general economic conditions.

Structural factors that determine demand for construction materials on each market are mainly demography, the rate of urbanization and economic growth (represented for example by the gross national product per capita), and the respective growth rates of these parameters, as well as more cultural elements such as the construction practices of each market (timber, steel, concrete). A frequently used indicator of the intensity of consumption is annual cement consumption per capita.

Aside from these structural factors, the economic situation influences construction markets through the economic climate, and particularly in cases of economic crisis and considerable financial instability. This is because global economic parameters determine the capacity of the public and private sectors to finance construction projects by access to credit, and to implement them.

To reduce the risk of the cyclical nature of a given market, the Group has adopted a geographical development strategy (detailed in section 1.4.3), which aims to combine investments in developed countries with investments in emerging countries, thus contributing to the diversification of its geographical exposure.

However, significant fluctuations of any of these parameters in any of the Group's large markets could have a material adverse effect on its activities, its financial position, its earnings, its prospects, or its capacity to achieve its objectives.

6.2.2. RISKS RELATED TO REGULATION

The Group operates in a highly regulated environment. It must comply with many legislative and regulatory provisions, which differ in each of the countries in which it operates. In particular, the Group is subject to strict international, national and local regulations relating to the operation of quarries or cement factories (information relating to the legislative and regulatory environment in which the Group operates is provided in Chapter 3 of this Registration Document). The continuation of any operation depends on compliance with these legislative and regulatory requirements. In this respect, the Group has developed a permanent dialogue with the local authorities and residents' and environmental protection associations, in all its operating areas, and has instituted measures intended to reduce the harmful effects related to quarrying operations to limit the risks of conflict. However, should the Group be unable to comply with the applicable regulations in the future, it could face withdrawals of operating licenses, incur liabilities, or be sentenced to pay fines.

The political and economic situation in a number of countries where the Group operates may be a factor compounding fiscal pressure, aimed at increasing government revenues by potentially calling into question the tax benefits granted under mining agreements and thus being a potential source of disputes.

More generally, the Group cannot give assurances that rapid or significant modifications of the legislation and regulations in force will not occur in the future, whether at the initiative of the relevant authorities or following an action brought by a third party or local associations opposed to the development by the Group of its activities. Changes in applicable regulation or its implementation could lead to the imposition of new conditions for carrying on its business, which may increase the Group's investment costs (related, for example, to adapting the methods of operating its quarries or cement factories), or its operating costs (in particular by the institution of procedures or controls and additional monitoring), or may constitute an impediment to the development of its business.

The Group cannot rule out the possibility that such developments may have a material adverse effect on its activities, its financial position, its earnings, its prospects, or its capacity to achieve its objectives.

6.2.3. CLIMATE RISKS

The construction materials business operated by the Group in various markets experiences seasonal fluctuations, which depend both on weather conditions and on the practices of each market. Beyond the usual incidence of such seasonal fluctuations, which is described in section 2.2. "Examination of the financial position and earnings" of this Registration Document, the Group's business could be affected by climate risks that could have an impact on its most significant markets. The demand for construction materials is directly affected by exceptional weather conditions (such as very cold temperatures, or abundant rain or snow), which may affect the normal use of materials on building sites, particularly during periods of intense activity in the construction sector.

The occurrence of such conditions in a market important to the Group could have a material adverse effect on its activities, its financial position, its earnings, its prospects, or its capacity to achieve its objectives.

6.3. LEGAL RISKS

The Group's companies are currently or might in future be involved in a certain number of legal, administrative or arbitration proceedings in the normal course of their business. For example, changes to laws and regulations, as well as the increasing activity of local associations opposed to development of the cement industry may give rise to administrative proceedings and potential disputes.

In addition, and particularly in emerging countries, the Group may face discriminatory situations, an absence of fair and equitable treatment, or a distortion of competition due to actions or inaction by government authorities.

Damages and interest have been or may in future be claimed from the Group in connection with some of these proceedings (see Chapter 3 for information concerning the Group's legislative and regulatory environment and section 7.3 "Legal and arbitration proceedings" of this Registration Document). The policy of allocating provisions is set out below in note 1.17 of section 7.1.2 "Notes to the 2014 consolidated financial statements" of this Registration Document.

6.4. MARKET RISKS

The Group operates within an international framework through locally established subsidiaries, some of which account for their operations in non-euro currencies. The Group is therefore exposed to exchange rate and conversion risks.

6.4.1. FOREIGN EXCHANGE RISKS

Subsidiaries are essentially involved in producing and selling locally, in their operating currency, so the Group feels that its current and future exposure to exchange rate risks is very low overall in this respect.

These companies' imports and exports denominated in currencies other than their own local currency are generally hedged by forward currency purchases and sales.

A significant proportion of the Group's gross financial indebtedness is borne by the Company and is denominated in euros after the conversion of debts denominated in US dollars through financial hedging instruments (cross currency swap or forex). Intra-group loans are hedged by subsidiaries if the loan currency is not the same as the subsidiary's operating currency.

The Group is still exposed in some countries where there is no hedging market (currency not convertible) or the market is not sufficiently liquid.

The table below sets forth the breakdown of the total amount of the Group's assets and liabilities denominated in currencies as of December 31, 2014, when the transaction currency is different from the subsidiary's operating currency. The main risk involves the US dollar as this table shows:

(in millions)	US dollar	Euro	Swiss franc
Assets	217.5	26.7	0.0
Liabilities and off-balance sheet commitments	(783.6)	(216.4)	(60.0)
Net position before risk management	**(566.1)**	**(189.7)**	**(60.0)**
Hedging instruments	482.7	171.1	60.0
NET POSITION AFTER RISK MANAGEMENT	**(83.4)**	**(18.6)**	**0.0**

The net position after hedging in US dollars corresponds mainly to the Kazakhstan subsidiaries' debt to finance providers and to the Group, which are not swapped in the operating currency.

The hypothetical loss on the net currency position arising from an unfavorable and uniform change of 1 % in the operating currency against the US dollar would amount to € 0.85 million (including € 0.73 million for the Kazakhstan loan).

However, the Group cannot rule out the possibility that an unfavorable change in exchange rates could have a material adverse effect on its activities, its financial position, its earnings, its prospects, or its capacity to achieve its objectives.

6.4.2. CONVERSION RISKS

The financial statements of the Group's foreign subsidiaries (other than in the euro zone) as expressed in their operating currencies are converted into euros, the "presentation currency", in preparing the Group's consolidated financial statements. Fluctuation of the exchange rate of these currencies against the euro results in a positive or negative change in the euro value of the subsidiaries' income statements and balance sheets in the consolidated financial statements. The effect of fluctuating exchange rates on the conversion of the financial statements of the Group's foreign subsidiaries (other than in the euro zone) on the consolidated balance sheet and income statement is discussed in sections 2.2 "Examination of the financial position and earnings" and 2.3 "Cash flow and equity" of this Registration Document.

6.4.3. INTEREST RATE RISKS

The Group is exposed to an interest rate risk on its financial assets and liabilities and its cash. This exposure to interest rate risk corresponds to two categories of risk.

6.4.3.1. Exchange rate risks for items in the financial assets and liabilities at a fixed rate

When the Group incurs a debt at a fixed rate, it is exposed to an opportunity cost in the event of a fall in interest rates. Interest rate fluctuations have an impact on the market value of fixed rate assets and liabilities, while the corresponding financial income or financial expense remains unchanged.

6.4.3.2. Cash flow risks related to items in the assets and liabilities at variable rates

The interest rate risk is generated primarily by variable interest rate items in the assets and liabilities. Interest rate fluctuations have little impact on the market value of variable rate assets and liabilities, but directly affect the Group's future income flows and expenditure. Exposure to interest rate risks is managed by combining fixed and variable rate debts on the one hand and on the other hand by limiting the risk of fluctuation of variable rates by recourse to hedging instruments (caps: rate ceilings) and by short term cash surpluses remunerated at a variable rate. The Group refrains from speculative transactions in financial instruments. Financial instruments are exclusively used for financial hedging purposes.

The table below shows the breakdown of the fixed and variable rates by currency of the Group's net exposure to the interest rate risk after hedging as of December 31, 2014.

(in thousands of euros)	Euro	US dollar	Other currencies	Total
Total gross debt	773,041	188,534	328,352	1,289,927
Debt at fixed rate (including *swaps* and CCS)	632,430	699	232,385	865,514
Debt at variable rate	140,611	187,335	95,967	424,413
Hedging instruments *(caps)*	(50,000)	(41,183)	0	(91,183)
Gross debt at variable rates hedged	**90,611**	**146,652**	**95,967**	**333,230**
Cash and cash equivalents	(23,957)	(24,267)	(219,972)	(268,196)
NET POSITION AFTER HEDGING	**66,654**	**122,385**	**(124,005)**	**65,034**

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

(in thousands of euros)	Impact on earnings before tax (1)	Impact on equity (excluding impact on earnings) before tax (2)
Impact of a change of + 100 bps in the interest rate	1,507	(5,110)
Impact of a change of - 100 bps in the interest rate	816	(10,270)

Given the current US Libor and Euribor rates, the effect of a lowering of interest rates by 100 bp would amount to an expense, because the effect of lowering rates on debt is limited to a rate equal to 0%.

(1) A positive figure corresponds to an increase in financial interest.
(2) A negative figure corresponds to a lowering of debt.

6.4.4. Equity and securities risks

The Group does not have a securities portfolio, other than holdings of treasury shares, purchased principally in June 2007 in the context of the sale by HeidelbergCement of its shares in the Company. The situation of this portfolio of treasury shares as of December 31, 2014 is as follows:

- number of Vicat shares held in the portfolio: 794,611;
- percentage of share capital held by the Company: 1.77 %;
- book value of the portfolio determined using the historical cost method (purchase price): € 66,802 thousand;
- net book value of the portfolio: € 47,413 thousand;
- market value of the portfolio: € 47,359 thousand.

Changes in the Vicat share value below the historical purchase price may lead to a change in the Company's earnings, in respect of which a provision of € 19,389 thousand was made for share depreciation before tax as of December 31, 2014, after a recovery of € 6,655 thousand before tax in 2014.

Under its cash flow management plan, the Group invests only in short-term cash instruments (having a maturity of less than three months) exhibiting no risk of variation in the value of the principal invested. These investments are made with a diverse group of leading banks. These surpluses are denominated in Rupee, Turkish Pounds, Egyptian Pounds, Swiss Franc, Euro and US Dollar.

Certain defined benefit pension plans, in the United States and in Switzerland, are hedged in full or in part by dedicated financial assets consisting, in part, of equity securities. The hedging assets are largely made up of financial assets other than shares, so the equity and securities risk is considered to be insignificant.

A negative trend in financial markets could result, in certain cases, in a need to supplement the financing or the provisioning for these plans in order to meet the obligations of the relevant Group companies.

A significant increase in contributions by the Group or an increase in provision in accordance with IAS 19 (revised) may have a material adverse effect on the Group's activity, its financial position, its earnings, its prospects, or its capacity to achieve its objectives.

6.4.5. LIQUIDITY RISKS

Today, the Group is exposed to limited liquidity risks, as discussed in section 2.3.3.1 "Group financial policy" of this Registration Document and in note 17 "Financial instruments" to the consolidated financial statements.

Debt maturities as of December 31, 2014 are shown below:

(in thousands of euros)		N+1 Nominal	N+1 Interest(1)	N+2 Nominal	N+3 Nominal	N+4 Nominal	≥ N+5 Nominal
US private placement	505,171	105,937	24,458	0	135,130	0	264,104
Bonds							
Bank loans	743,294	121,431	29,006	41,008	40,894	40,809	499,152
Finance lease liabilities	3,452	1,850	173	1,145	377	32	48
Miscellaneous liabilities	15,021	12,246	1,327	1,673	255	224	623
Bank overdrafts	38,392	38,392	699				
Derivatives	(15,403)	(7,583)	(2,481)	(4,960)	(7,791)	(9,317)	14,248
TOTAL FINANCIAL LIABILITIES	**1,289,827**	**272,273**	**53,182**	**38,866**	**168,865**	**31,748**	**778,175**

(1) *The interest on the N+1 debt is calculated on the basis of the known due date of the debt as of December 31, 2014 and the interest rates at that date. The Group does not publish earnings or cash flow forecasts, so no calculation is made on following years.*

The liquidity risk is therefore covered by surpluses of cash and by the availability of unused confirmed credit lines for the Company, over periods of between one and five years. Considering the small number of companies concerned, essentially Vicat SA, the parent company of the Group, the low level of net debt (as of December 31, 2014 the Group's gearing and leverage were 41.6 % and x 2.3, respectively) and the liquidity of the Group's balance sheet, the existence of covenants in some of the agreements for these credit lines does not constitute a risk for the Group's financial position. As of December 31, 2014, the Group is compliant with all ratios required by covenants in credit line agreements and is able to meet its financial repayment schedule for the next 12 months.

6.5. RISKS RELATED TO THE COMPANY

6.5.1. RISKS RELATED TO DEPENDENCE ON MANAGERS AND KEY EMPLOYEES

The Group's future success relies in particular on the complete involvement of its senior managers. The management team has been marked by stability over a long period (service with the Group in most cases of over fifteen years) and benefits from significant experience of the markets in which the Group operates.

In addition, the Group's continuing growth will require the recruitment of a qualified and internationally mobile supervisory staff. Should the Group suddenly lose several of its managers or be unable to attract these key employees, it could encounter difficulties affecting its competitiveness and its profitability. These difficulties could have a material adverse effect on the Group's activities, its financial position, its results of operations and prospects, or its capacity to achieve its objectives.

6.5.2. RISKS RELATING TO THE FINANCIAL ORGANIZATION OF THE GROUP

Some of the Group's subsidiaries are located in countries that can be subject to constraints as regards taxation or exchange controls restricting or making more expensive the distribution of dividends outside of these countries. Although the Group considers that this risk is limited, it cannot rule out the possibility that this may happen in the future, which could have a material adverse effect on its activities, its financial position, results of operations, prospects, or its capacity to achieve its objectives.

6.5.3. RISKS RELATED TO DEPENDENCE ON CUSTOMERS

To date, the Group carries out activities through its three business segments in 11 countries with a varied customer base. Customers of the Cement, Concrete & Aggregates, and Other Products & Services business segments are distinct economic players in each of the markets where the Group operates: primarily distributors and concrete mixers for Cement, construction and public works contractors for Concrete & Aggregates, and a variety of customers depending on the type of business covered by Other Products & Services. Moreover, the Group has no global customers present on several of these markets. No customer accounts for more than 10 % of the Group's sales.

Nevertheless, some of the Group's best customers are also important commercial counterparties, in particular, in the Cement Manufacturing business, whose loss would be damaging to the Group's positions in the relevant markets. Although the Group considers that such a risk is limited, it cannot rule out the possibility that such a loss might occur in one or more of its markets, which could have a material adverse effect on its activities in the country concerned, its financial position, the results of its operations, its prospects, or its capacity to achieve its objectives.

6.6. RISK MANAGEMENT

The risks mentioned below are taken into account in the management of the Company. In addition, the Group's policy on internal control is described in section 4.5 "Report by the Chairman on corporate governance and internal control procedures" of this Registration Document.

6.6.1. RISK PREVENTION POLICY

The risk prevention policy is an integral part of the Group's industrial policy. It is the responsibility of each operational manager, by country or type of business, and is based, in particular, on the choice of first-rank suppliers for industrial investments, on the constitution of buffer stocks, on the implementation of monitoring and risk prevention procedures and on a training policy. The Group has also established an Internal Audit Department which reports to the Group's General Management and is able to carry out audit assignments at all the Group's businesses and subsidiaries. It works in accordance with an annual audit plan intended to cover the main risks identified within the Company, in particular those relating to accounting and financial information.

Audit reports are prepared by the Internal Audit team and submitted to the managers of the functions or entities concerned, General Management, and the Audit Committee. They comprise overview reports specifically targeted at senior management, and detailed reports used inter alia to make the operational staff concerned aware of any findings and recommendations proposed.

In addition, the Internal Audit Department has carried out a risk identification and analysis study. Following a risk identification phase involving interviews with the Group's key operational and functional managers and a subsequent analysis phase conducted in conjunction with General Management, this study enabled a mapping of the risks to which the Group is exposed.

6.6.2. RISK HEDGING AND INSURANCE POLICY

The Group has subscribed to "Group policies" with leading insurers. These policies are intended to cover foreign subsidiaries, subject to compliance with local legislation.

To improve the protection of its assets, the Group has made, with the assistance of insurers and experts, an analysis of the risks and means of prevention. The Group undertakes an identical policy for risks related to its civil liability.

6.6.2.1. Property damage

The Group's assets are insured against fire risks, explosion, natural events, and machine breakages. A policy covering risks related to operating losses has been taken out for the Cement Manufacturing and Paper businesses. This policy is in line with common practices in the cement industry.

The cover taken out by the Group has a limit of € 150 million per incident, including operating losses, with the standard sub-limits and exclusions, and resulted from a study of potential incidents.

The Group's large industrial sites are inspected regularly by safety engineers. Recommended preventive measures are incorporated into the work on new strategic sites from the design stage onwards.

The implementation of their recommendations is monitored with a view to limiting the probability of accidents occurring.

The Group as a whole also has standard insurance policies for its automotive vehicle fleet and for the private or public transport of its goods or other property by land, sea or inland waterway.

6.6.2.2. Civil liability

The cap on the cover under the civil liability insurance policy is € 100 million. All foreign subsidiaries are insured under the "Group policy" once the warranty and amounts of the compulsory local policies are exhausted.

Covers under the civil liability and product liability insurance policies taken out, both in France and abroad, are in amounts consistent with local activities and economic considerations.

The risk of environmental civil liability is taken into account in each country.

The Group's executives and company officers, as well as beneficiaries of powers of attorney are insured under a "directors and officers" civil liability insurance policy, the purpose of which is to deal with the pecuniary consequences of claims made by third parties for defaults engaging their personal civil liability, either individually or collectively.

In 2014, the total cost of insurance cover on the main risks managed under Group policies was approximately € 3.70 per thousand euros of sales.

The items outlined above are quoted by way of illustration at a specific period in time. The Group's insurance policy is subject to change depending on terms and conditions in the insurance market, opportunities which arise, and evaluation by the General Management of the risks incurred and the adequacy of the cover in respect of such risks.

Bharathi Cement's cement factory in Kadapa in the state of Andhra Pradesh (India).

FINANCIAL INFORMATION

7

7.1. HISTORICAL FINANCIAL INFORMATION

7.1.1. CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2014

Consolidated statement of financial position at december 31, 2014

(in thousands of euros)	*Notes*	December 31, 2014	December 31, 2013
ASSETS			
Non-current assets			
Goodwill	*3*	1,007,848	946,569
Other intangible assets	*4*	122,985	100,103
Property, plant and equipment	*5*	2,148,739	2,102,012
Investment properties	*7*	18,754	19,107
Investments in associated companies	*8*	43,815	38,213
Deferred tax assets	*25*	135,437	101,671
Receivables and other non-current financial assets	*9*	98,891	133,738
TOTAL NON-CURRENT ASSETS		3,576,469	3,441,413
Current assets			
Inventories and work-in-progress	*10*	394,205	359,712
Trade and other receivables	*11*	356,405	348,309
Current tax assets		37,206	29,866
Others receivables	*11*	141,200	127,963
Cash and cash equivalents	*12*	268,196	241,907
TOTAL CURRENT ASSETS		1,197,212	1,107,757
TOTAL ASSETS		**4,773,681**	**4,549,170**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Capital	*13*	179,600	179,600
Additional paid-in capital		11,207	11,207
Consolidated reserves		1,986,616	1,818,942
Shareholders' equity		**2,177,423**	**2,009,749**
Minority interests		**281,870**	**282,216**
SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		2,459,293	2,291,965
Non-current liabilities			
Provisions for pensions and other post-employment benefits	*14*	125,862	87,584
Other provisions	*15*	86,141	77,208
Financial debts and put options	*16*	1,067,527	1,201,953
Deferred tax liabilities	*25*	219,656	215,751
Other non-current liabilities		7,205	10,394
TOTAL NON-CURRENT LIABILITIES		1,506,391	1,592,890
Current liabilities			
Provisions	*15*	10,526	12,494
Financial debts and put options at less than 1 year	*16*	281,730	172,604
Trade and other accounts payable		280,642	276,633
Current taxes payable		39,301	25,354
Other liabilities	*18*	195,798	177,230
TOTAL CURRENT LIABILITIES		807,997	664,315
TOTAL LIABILITIES		2,314,388	2,257,205
TOTAL EQUITY AND LIABILITIES		**4,773,681**	**4,549,170**

Consolidated income statement for the year ended december 31, 2014

(in thousands of euros)	Notes	2014	2013
Sales	*19*	**2,422,753**	**2,285,983**
Goods and services purchased		(1,583,417)	(1,481,668)
Added value	*1.22*	**839,336**	**804,315**
Personnel costs	*20*	(373,289)	(366,833)
Taxes		(47,624)	(42,971)
Gross operating income	*1.22 & 23*	**418,423**	**394,511**
Depreciation, amortization and provisions	*21*	(176,710)	(188,888)
Other income and expenses	*22*	14,605	23,964
Operating income	*23*	**256,318**	**229,587**
Cost of net borrowings and financial liabilities	*24*	(47,616)	(43,989)
Other financial income	*24*	11,456	10,290
Other financial expenses	*24*	(21,891)	(19,314)
Net financial income (expense)	*24*	**(58,051)**	**(53,013)**
Earnings from associated companies	8	4,745	3,913
Profit (loss) before tax		**203,012**	**180,487**
Income tax	25	(59,458)	(57,246)
Consolidated net income		**143,554**	**123,241**
Portion attributable to minority interests		15,075	2,982
Portion attributable to the Group		**128,479**	**120,259**
EBITDA	*1.22 & 23*	**441,973**	**426,692**
EBIT	*1.22 & 23*	**263,132**	**234,245**
CASH FLOW FROM OPERATIONS	*1.22*	320,929	290,978
Earnings per share *(in euros)*			
Basic and diluted Group share of net earnings per share	*13*	2.86	2.68

Consolidated statement of comprehensive income for the year ended december 31, 2014

(in thousands of euros)	2014	2013
Consolidated net income	**143,554**	**123,241**
Other comprehensive income		
Items not recycled to profit or loss:		
Remeasurement of the net defined benefit liability	(34,480)	41,470
Tax on non-recycled items	9,774	(11,729)
Items recycled to profit or loss:		
Translation differences	137,421	(198,311)
Cash flow hedge instruments	(19,094)	(5,256)
Tax on recycled items	2,872	2,131
Other comprehensive income (after tax)	**96,493**	**(171,695)**
TOTAL COMPREHENSIVE INCOME	**240,047**	**(48,454)**
Portion attributable to minority interests	38,133	(37,357)
Portion attributable to the Group	**201,914**	**(11,097)**

Consolidated cash flow statement for the year ended december 31, 2014

(in thousands of euros)	*Notes*	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income		**143,553**	**123,241**
Earnings from associated companies		(4,745)	(3,913)
Dividends received from associated companies		974	335
Elimination of non-cash and non-operating items:			
■ depreciation, amortization and provisions		186,442	191,784
■ deferred taxes		(16,341)	(17,282)
■ net (gain) loss from disposal of assets		(201)	(4,964)
■ unrealized fair value gains and losses		1,341	986
■ other		9,906	793
Cash flow from operations	*1.22*	**320,929**	**290,980**
Change in working capital requirement		(19,050)	45,526
Net cash flows from operating activities (1)	*27*	**301,879**	**336,506**
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows linked to acquisitions of non-current assets:			
■ property, plant and equipment and intangible assets		(159,951)	(175,589)
■ financial investments		(8,827)	(9,814)
Inflows linked to disposals of non-current assets:			
■ property, plant and equipment and intangible assets		6,370	9,875
■ financial investments		5,183	5,137
Impact of changes in consolidation scope		(66,988)	(8,793)
Net cash flows from investing activities	*28*	**(224,213)**	**(179,184)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(81,015)	(79,877)
Increases in share capital		122	-
Proceeds from borrowings		21,239	102,905
Repayments of borrowings		(91,568)	(155,183)
Acquisitions of treasury shares		(21,021)	(12,162)
Disposals or allocations of treasury shares		96,104	16,645
Net cash flows from financing activities		**(76,139)**	**(127,672)**
Impact of changes in foreign exchange rates		15,651	(28,917)
Change in cash position		**17,178**	**733**
Net cash and cash equivalents – opening balance	*29*	225,812	225,079
Net cash and cash equivalents – closing balance	*29*	242,990	225,812

(1) Of which cash flows from income tax: € (60,190) thousand in 2014 and € (69,812) thousand in 2013.
Of which cash flows from interest paid and received: € (47,825) thousand in 2014 and € (43,036) thousand in 2013.

Statement of changes in consolidated equity for the year ended december 31, 2014

(in thousands of euros)	Capital	Additional paid-in capital	Treasury shares	Consolida-ted reserves	Translation reserves	Sharehol-ders' equity	Minority interests	Sharehol-ders' equity and minority interests
AT JANUARY 1, 2013	179,600	11,207	(78,681)	2,076,581	(107,896)	2,080,811	334,036	2,414,847
Consolidated net income				120,259		120,259	2,982	123,241
Other comprehensive income				23,613	(154,969)	(131,356)	(40,339)	(171,695)
Total comprehensive income				**143,872**	**(154,969)**	**(11,097)**	**(37,357)**	**(48,454)**
Dividends paid				(66,016)		(66,016)	(14,056)	(80,072)
Net change in treasury shares			4,736	(166)		4,570		4,570
Changes in consolidation scope and additional acquisitions							(51)	(51)
Increases in share capital								
Other changes				1,481		1,481	(356)	1,125
AT DECEMBER 31, 2013	179,600	11,207	(73,945)	2,155,752	(262,865)	2,009,749	282,216	2,291,965
Consolidated net income				128,479		128,479	15,075	143,554
Other comprehensive income				(39,732)	113,167	73,435	23,058	96,493
Total comprehensive income				**88,747**	**113,167**	**201,914**	**38,133**	**240,047**
Dividends paid				(66,061)		(66,061)	(14,787)	(80,848)
Net change in treasury shares (1)			3,812	71,546		75,358	15	75,373
Changes in consolidation scope and additional acquisitions (2)				(44,390)		(44,390)	(24,582)	(68,972)
Increases in share capital							122	122
Other changes				853		853	753	1,606
AT DECEMBER 31, 2014	**179,600**	**11,207**	**(70,133)**	**2,206,447**	**(149,698)**	**2,177,423**	**281,870**	**2,459,293**

(1) relates mainly to the total capital gain, net of tax, of € 72 million made on the sale of Soparfi securities (see Note 2).
(2) relates mainly to the change in net value due to the Group's acquisition of Sagar Cements' residual stake in Vicat Sagar Cement (see Note 2).

Group translation differences at December 31, 2014 are broken down by currency as follows (in thousands of euros):

US dollar:	18,764
Swiss franc:	137,853
Turkish new lira:	(118,547)
Egyptian pound:	(42,745)
Kazakh tenge:	(43,767)
Mauritanian ouguiya:	2,187
Indian rupee:	(103,443)
	(149,698)

7.1.2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 ACCOUNTING POLICIES AND MEASUREMENT METHODS

1.1. Statement of compliance

In compliance with European Regulation (EC) 1606/2002 issued by the European Parliament on July 19, 2002 on the enforcement of International Accounting Standards, Vicat's consolidated financial statements have been prepared since January 1, 2005 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Vicat Group has adopted those standards in force on December 31, 2014 for its benchmark accounting policies.

Standards and interpretations published by the IASB but not yet in effect as at December 31, 2014 were not applied ahead of schedule in the Group's consolidated financial statements at the closing date. This mainly relates to the application of IFRIC 21 "Levies", which is currently being assessed in order to determine its potential impact on the financial statements. The Group does not anticipate any material impact resulting from the application of this standard to the annual consolidated financial statements.

The consolidated financial statements for the year ended December 31, 2014 present comparative data for the previous year prepared under these same IFRSs. The accounting policies and methods applied in the consolidated financial statements for the year ended December 31, 2014 are consistent with those applied for the annual financial statements in 2013.

The other standards that are mandatory for annual periods beginning on or after January 1, 2014 had no significant impact on the 2014 consolidated financial statements. These are for the most part IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities", and their implication on IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures".

These financial statements were finalized and approved by the Board of Directors at its meeting of March 6, 2015 and will be submitted to the General Shareholders' Meeting of May 6, 2015 for approval.

1.2. Basis of preparation of financial statements

The financial statements are presented in thousands of euros.

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

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

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

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

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

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

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

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

1.3. Consolidation principles

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

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

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

Subsidiaries

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

Joint ventures and associated companies

Joint ventures, which are jointly controlled and operated by a limited number of shareholders and associated companies, investments over which Vicat exercises notable control are reported using the equity method. Any goodwill generated on the acquisition of these investments is presented on the line "Investments in associated companies (equity method)".

The list of the main companies included in the consolidation scope as at December 31, 2014 is provided in Note 34.

1.4. Business combinations – Goodwill

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

Business combinations carried out before January 1, 2010

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

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

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

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

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

Business combinations carried out on or after January 1, 2010

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

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

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

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

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

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

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

1.5. Foreign currencies

Transactions in foreign currencies

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

Translation of financial statements of foreign companies

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

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

The following foreign exchange rates were used

	Closing rate		Average rate	
	2014	2013	2014	2013
US dollar (USD)	1.2141	1.3791	1.3288	1.3303
Swiss franc (CHF)	1.2024	1.2276	1.2146	1.2308
Egyptian pound (EGP)	8.6511	9.5597	9.4136	9.1296
Turkish lira (TRL)	2.8320	2.9605	2.9070	2.5357
Kazakh tenge (KZT)	221.3900	211.8400	238.5633	202.1500
Mauritanian ouguiya (MRO)	352.6830	400.5829	393.2725	396.1750
CFA franc (XOF)	655.9570	655.9570	655.9570	655.9570
Indian rupee (INR)	76.7190	85.3660	81.0688	77.8751

1.6. Other intangible assets

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

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

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

1.7. Emission quotas

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

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

1.8. Property, plant and equipment

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

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

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

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

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

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

1.9. Leases

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

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

1.10. Investment properties

The Group recognizes its investment properties at historical cost less accumulated depreciation and any impairment losses. They are depreciated on a straight-line basis over their useful life (10 to 25 years). The fair value of 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 of 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 five years, then projected to year ten;
- the sustaining capital expenditure;
- and the change in the working capital requirement.

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

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

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

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

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

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

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

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

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

1.12. Inventories

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

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

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

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

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

1.13. Cash and cash equivalents

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

1.14. Financial instruments

Financial assets

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

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

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

Financial liabilities

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

Treasury shares

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

Derivatives and hedging

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

The Group uses derivatives solely for economic 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 presented reporting periods, restated if applicable to reflect accrued interest not yet payable;
- interest rate options are revalued on the basis of the Black and Scholes model incorporating the market parameters as at year-end.

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

- fair value hedging is hedging against exposure to changes in the fair value of a booked asset or liability, or of an identified part of that asset or liability, attributable to a particular risk, in particular interest and exchange rate risks, which would affect the net income presented;

- cash flow hedging is hedging against exposure to changes in cash flow attributable to a particular risk, associated with a booked asset or liability or with a planned transaction (e.g. expected sale or purchase or "highly probable" future transaction), which would affect the net income presented.

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

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

The application of hedge accounting results as follows:

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

1.15. Employee benefits

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

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

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

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

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

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

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

1.16. Put options granted on shares in consolidated subsidiaries

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

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

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

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

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

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

1.17. Provisions

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

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

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

1.18. Sales

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

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

1.19. Other income and expenses

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

1.20. Income tax

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 ventures between the values recognized in the consolidated statement of financial position and the values of assets and liabilities for tax purposes.

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

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

1.21. Segment information

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

The operating segments defined pursuant to IFRS 8 comprise the three segments in which the 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 Management, while complying with IFRS 8 disclosure requirements: operating and consolidated sales, EBITDA and EBIT (see Note 1.22), total non-current assets, net capital employed (see Note 26), industrial investments, depreciation and amortization, and number of employees.

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

1.22. Financial indicators

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

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

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

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

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

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

1.23. Seasonality

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

NOTE 2 CHANGES IN CONSOLIDATION SCOPE AND OTHER SIGNIFICANT EVENTS

Macroeconomic environment and performance

Vicat Group performed strongly in 2014, with sales rising 8 % at constant consolidation scope and exchange rates. This performance reflected improving market conditions in the emerging countries in which the Group currently operates. The Group continues to successfully expand in the Indian market, with steady growth in sales volumes against a background of rising prices following a low in Q1 2014. In Kazakhstan, Vicat saw a further surge in business, driven by strong growth in volumes, but at slightly tighter prices due in particular to the sharp fall in the tenge at the start of the year. In Egypt, the improved security situation, the strength of the market and of prices combined with improved technical performance at the factory enabled the Group to once again enjoy strong business growth during the year. West Africa also benefited from favorable market conditions, despite remaining highly competitive. Lastly, Turkey performed well, helped by a steady rise in sales prices, which fully offset the decline in volumes, particularly in concrete and aggregates.

In mature countries, the situation remains mixed. In France, the Group saw a decline in business as a result of macroeconomic and industry conditions, which remained challenging throughout the year. In Switzerland, following an exceptional 2013, business remained strong although slightly down as a result of the completion of certain major projects in summer 2014. Nevertheless, macroeconomic and industry conditions remained vibrant. Lastly, in the USA, the recovery continued, in line with the gradual improvement in the business and industry climate.

Vicat holds 100 % of the share capital of Vicat Sagar Cement

Vicat Group purchased the stake held by Sagar Cements in Vicat Sagar Cement. As a result of this transaction, Vicat holds 100 % of the share capital of Vicat Sagar Cement. This increased stake was accompanied by the unwinding of the cross-shareholdings ties between the two groups. The net amount of all transactions connected with this deal was € 45 million.

Disposal of Soparfi shares

As part of the Group's debt reduction strategy, the holding companies that hold a majority interest in Vicat SA, Soparfi and Parfininco, purchased 24.6 % of the Soparfi shares held by Vicat Group subsidiaries.

These purchases, which are part of an effort to streamline and simplify the ownership structures of the holding companies, totaled € 114 million, the Soparfi shares having been valued by an international audit firm.

As a result of this transaction, the remaining interest of Vicat Group subsidiaries in Soparfi stood at 18.4 % prior to cancellation of treasury shares by Soparfi and 22.4 % thereafter.

The overall gain, net of tax, of € 72 million generated as a result of these disposals was recognized in Vicat's consolidated shareholders' equity.

Exchange rate volatility and impact on the income statement

The 2014 income statement was heavily affected by the strengthening of the euro against all currencies, except for the Swiss franc and the US dollar. This resulted in a negative exchange rate effect of € (54) million on consolidated sales and € (13) million on EBITDA.

In addition, the devaluation of the Kazakh tenge against the US dollar in February 2014 resulted in a foreign exchange loss of € (18) million, € (8) million of which was recognized in net financial income (expense) for the period and € (10) million in other comprehensive income.

NOTE 3 GOODWILL

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

(in thousands of euros)	Cement	Concrete and Aggregate	Other Products and Services	Total
AT DECEMBER 31, 2012	725,444	247,851	22,025	995,320
Acquisitions/Additions		1	100	101
Disposal/Decreases		(116)		(116)
Change in foreign exchange rates	(43,953)	(5,358)	(291)	(49,602)
Other movements	84	867	(85)	866
AT DECEMBER 31, 2013	681,575	243,245	21,749	946,569
Acquisitions/Additions		8,707		8,707
Disposal/Decreases		(1,453)	(485)	(1,938)
Change in foreign exchange rates	30,040	14,103	278	44,421
Other movements	8,815	1,195	79	10,089
AT DECEMBER 31, 2014	**720,430**	**265,797**	**21,621**	**1,007,848**

Impairment test on goodwill :

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

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

	Goodwill *(in thousands of euros)*		**Discount rate used for the impairment tests** *(in %)*		**Growth rate to infinity used for the impairment tests** *(%)*		**Impairment which would result from a change of +1% in the discount rate**		**Impairment which would result from a change of -1% in the growth rate to infinity**	
CGU	**Dec. 2014**	**Dec. 2013**	**Dec. 2014**	**Dec. 2013**	**Dec. 2014**	**Dec. 2013**	**Dec. 2014**	**Dec. 2013**	**Dec. 2014**	**Dec. 2013**
India CGU	243,335	219,734	8.1	9.33	6	6.0		-		-
West Africa Cement CGU	154,875	150,455	8.88	10.92	3	3.0		-		-
France-Italy CGU	179,488	164,029	7.01	7.82	0	0.0		-		-
Switzerland CGU	135,494	132,875	7.9	8.64	0	0.0		-		-
Other CGUs total	294,656	279,476	7.76 to 10.25	9.08 to 11.72	0.0 to 3.0	2.0 to 3.0		9,046		
TOTAL	**1,007,848**	**946,569**					**0**	**9,046**	**0**	**0**

The impairment tests carried out in 2014 and 2013 did not result in the recognition of any impairment with respect to goodwill.

Neither a 1% increase in the discount rate nor a 1% reduction in the growth rate to infinity would result in the recognition of impairment for goodwill.

NOTE 4 OTHER INTANGIBLE ASSETS

Gross value *(in thousands of euros)*	Concessions, patents and similar rights	Software	Other intangible assets	Intangible assets in progress	Total
AT DECEMBER 31, 2012	85,421	20,576	49,323	4,974	160,294
Acquisitions	2,147	6,651	1,449	580	10,827
Disposals			(14)		(14)
Changes in consolidation scope					0
Change in foreign exchange rates	(2,606)	(343)	(2,782)	(12)	(5,743)
Other movements		4,460	242	(1,548)	3,154
AT DECEMBER 31, 2013	84,962	31,344	48,218	3,994	168,518
Acquisitions	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**

Depreciation and impairment	Concessions, patents and similar rights	Software	Other intangible assets	Intangible assets in progress	Total
AT DECEMBER 31, 2012	(19,100)	(15,572)	(25,205)	0	(59,877)
Increase	(2,535)	(3,361)	(4,966)		(10,862)
Decrease			6		6
Changes in consolidation scope					0
Change in foreign exchange rates	569	178	1,606		2,353
Other movements	(74)	(20)	59		(35)
AT DECEMBER 31, 2013	(21,140)	(18,775)	(28,500)	0	(68,415)
Increase	(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)**
Net book value at December 31, 2013	63,822	12,569	19,718	3,994	100,103
NET BOOK VALUE AT DECEMBER 31, 2014	**71,052**	**10,753**	**28,336**	**12,844**	**122,985**

No development costs were capitalized in 2014 and 2013.

Research and development costs recognized as expenses in 2014 amounted to € 5,436 thousand (€ 6,401 thousand in 2013).

With regard to greenhouse gas emission quotas, only the quotas held at year-end in excess of the cumulative actual emissions were recorded in other intangible assets at € 16,836 thousand (€ 9,198 thousand as at December 31, 2013), corresponding to 2,443 thousand tonnes (1,957 thousand tonnes as at December 31, 2013).

Surpluses were recognized in operating income for € 3,433 thousand (€ 10,820 thousand at December 31, 2013).

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Gross value *(in thousands of euros)*	Land & buildings	Industrial equipment	Other property plant & equipment	Fixed assets work-in-progress and advances/down payments	Total
AT DECEMBER 31, 2012	1,025,104	2,655,633	184,238	313,111	4,178,086
Acquisitions	16,409	39,850	9,157	97,501	162,917
Disposals	(7,091)	(17,495)	(5,934)	(76)	(30,596)
Changes in consolidation scope					0
Change in foreign exchange rates	(50,508)	(150,576)	(5,227)	(24,854)	(231,165)
Other movements	67,685	189,095	(3,429)	(257,013)	(3,662)
AT DECEMBER 31, 2013	1,051,599	2,716,507	178,805	128,669	4,075,580
Acquisitions	22,787	35,056	6,107	68,239	132,189
Disposals	(2,631)	(23,440)	(12,353)		(38,424)
Changes in consolidation scope	1,145	2,903	2,616	489	7,153
Change in foreign exchange rates	40,481	124,138	2,371	6,351	173,341
Other movements	35,814	63,047	2,657	(103,803)	(2,285)
AT DECEMBER 31, 2014	**1,149,195**	**2,918,211**	**180,203**	**99,945**	**4,347,554**

Depreciation and impairment	Land & Buildings	Industrial equipment	Other property plant & equipment	Fixed assets work-in-progress and advances/down payments	Total
AT DECEMBER 31, 2012	(380,686)	(1,419,023)	(107,167)	0	(1,906,876)
Increase	(32,324)	(135,905)	(10,249)	(58)	(178,536)
Decrease	4,926	17,231	4,411		26,568
Changes in consolidation scope					0
Change in foreign exchange rates	11,491	66,637	2,398	5	80,531
Other movements	1,840	(6,321)	9,226		4,745
AT DECEMBER 31, 2013	(394,753)	(1,477,381)	(101,381)	(53)	(1,973,568)
Increase	(32,597)	(132,165)	(10,102)	(705)	(175,569)
Decrease	1,851	22,016	10,857		34,724
Changes in consolidation scope	(1,199)	(2,450)	(1,813)		(5,462)
Change 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)**
Net book value at December 31, 2013	656,846	1,239,126	77,424	128,616	2,102,012
NET BOOK VALUE AT DECEMBER 31, 2014	**700,947**	**1,272,081**	**76,530**	**99,181**	**2,148,739**

Fixed assets work-in-progress amounted to € 86 million as at December 31, 2014 (€ 118 million as at December 31, 2013) and advances/down payments on plant, property and equipment represented € 14 million as at December 31, 2014 (€ 11 million as at December 31, 2013).

Contractual commitments to acquire tangible and intangible assets amounted to € 53 million as at December 31, 2014 (€ 40 million as at December 31, 2013).

The total amount of interest capitalized in 2014 was € 0.8 million (€ 7.9 million in 2013), determined on the basis of local interest rates ranging from 2.94% to 11.97%, depending on the country in question.

NOTE 6 FINANCE AND OPERATING LEASES

Net book value by category of asset *(in thousands of euros)*	**December 31, 2014**	**December 31, 2013**
Industrial equipment	2,656	4,803
Other property plant & equipment	723	949
PROPERTY, PLANT AND EQUIPMENT	**3,379**	**5,752**

Minimum payment schedule *(in thousands of euros)*	**December 31, 2014**	**December 31, 2013**
Less than 1 year	1,901	2,587
1 to 5 years	1,631	3,155
More than 5 years	36	24
TOTAL	**3 568**	**5 766**

NOTE 7 INVESTMENT PROPERTIES

(in thousands of euros)	Gross values	Depreciation, amortization and Impairment	Net values
AT DECEMBER 31, 2012	35,190	(15,633)	19,557
Acquisitions	691		691
Disposals	(222)	28	(194)
Depreciation		(392)	(392)
Change in foreign exchange rates	(180)	53	(127)
Changes in consolidation scope and other	4,303	(4,731)	(428)
AT DECEMBER 31, 2013	39,782	(20,675)	19,107
Acquisitions	837		837
Disposals	(783)	244	(539)
Depreciation		(807)	(807)
Change in foreign exchange rates	224	(68)	156
Changes in consolidation scope and other			0
AT DECEMBER 31, 2014	**40,060**	**(21,306)**	**18,754**
Fair value of investment properties at December 31, 2013			57,455
FAIR VALUE OF INVESTMENT PROPERTIES AT DECEMBER 31, 2014			**75,675**

Rental income from investment properties amounted to € 3.0 million at December 31, 2014, unchanged from December 31, 2013.

NOTE 8 INVESTMENTS IN ASSOCIATED COMPANIES

Change in investments in associated companies *(in thousands of euros)*	2014	2013
AT JANUARY 1	38,213	37,731
Earnings from associated companies	4,745	3,913
Dividends received from investments in associated companies	(974)	(336)
Changes in consolidation scope	(1,698)	-
Change in foreign exchange rates and other	3,529	(3,095)
AT DECEMBER 31	**43,815**	**38,213**

NOTE 9 RECEIVABLES AND OTHER NON-CURRENT ASSETS

(in thousands of euros)	Gross values	Impairment	Net values
AT DECEMBER 31, 2012	**103,116**	**(2,784)**	**100,332**
Acquisitions/Additions	12,852	(1,222)	11,630
Disposal/Decreases	(4,426)	915	(3,511)
Changes in consolidation scope			0
Change in foreign exchange rates	(9,347)	73	(9,274)
Change recorded in other comprehensive income	15,710		15,710
Others	18,851		18,851
AT DECEMBER 31, 2013	**136,756**	**(3,018)**	**133,738**
Acquisitions/Additions	11,234		11,234
Disposal/Decreases	(28,561)	1,006	(27,555)
Changes in consolidation scope	(1,432)		(1,432)
Change in foreign exchange rates	6,141	(29)	6,112
Change recorded in other comprehensive income	28		28
Others	(23,234)		(23,234)
AT DECEMBER 31, 2014	**100,932**	**(2,041)**	**98,891**
Including:			
▪ investments in affiliated companies	26,802	(1,039)	25,763
▪ long term investments	1,372	(487)	885
▪ loans and receivables	33,976	(515)	33,461
▪ employee benefit plan assets			0
▪ financial instruments (see Note 16)	38,782		38,782
AT DECEMBER 31, 2014	**100,932**	**(2,041)**	**98,891**

NOTE 10 INVENTORIES AND WORK-IN-PROGRESS

	December 31, 2014			December 31, 2013		
(in thousands of euros)	Gross	Provisions	Net	Gross	Provisions	Net
Raw materials and consumables	269,888	(10,126)	259,762	246,924	(12,241)	234,683
Work-in-progress, finished goods and goods for sale	137,201	(2,758)	134,443	127,871	(2,842)	125,029
TOTAL	**407,089**	**(12,884)**	**394,205**	**374,795**	**(15,083)**	**359,712**

NOTE 11 RECEIVABLES

(in thousands of euros)	Trade and Other receivables	Provisions Trade and Other receivables	Trade and other receivables net	Others Receivables tax	Receivables social security-related	Others receivables	Provisions Others receivables	Total Others receivables net
AT DECEMBER 31, 2012	371,537	(16,660)	354,877	67,713	3,690	76,777	(1,722)	146,458
Acquisitions		(6,272)	(6,272)				(817)	(817)
Uses		4,186	4,186				27	27
Change in foreign exchange rates	(15,876)	993	(14,883)	(3,563)	(95)	(4,274)		(7,932)
Changes in consolidation scope	(6,220)		(6,220)					0
Other movements	16,621		16,621	(14,654)	735	4,146		(9,773)
AT DECEMBER 31, 2013	366,062	(17,753)	348,309	49,496	4,330	76,649	(2,512)	127,963
Acquisitions		(7,229)	(7,229)				(275)	(275)
Uses		3,922	3,922				842	842
Change in foreign exchange rates	11,202	(858)	10,344	816	99	4,343		5,258
Changes in consolidation scope	2,131	(65)	2,066	81	14	2,029		2,124
Other movements	(1,250)	243	(1,007)	(4,515)	(192)	9,995		5,288
AT DECEMBER 31, 2014	**378,145**	**(21,740)**	**356,405**	**45,878**	**4,251**	**93,016**	**(1,945)**	**141,200**
of which matured at 12/31/2014:								
■ for less than 3 months	79,873	(5,797)	74,076	3,099	1,233	1,771	(130)	5,973
■ for more than 3 months	31,535	(8,171)	23,364	12,872	117	3,711	(79)	16,621
of which not matured at 12/31/2014:								
■ less than 1 year	261,795	(7,716)	254,079	29,122	2,879	72,262	(1,736)	102,527
■ more than 1 year	4,942	(56)	4,886	785	22	15,272		16,079

NOTE 12 CASH AND CASH EQUIVALENTS

(in thousands of euros)	December 31, 2014	December 31, 2013
Cash	74,090	79,089
Marketable securities and term deposits < 3 months	194,106	162,818
CASH AND CASH EQUIVALENTS	**268,196**	**241,907**

NOTE 13 SHARE CAPITAL

Vicat share capital is composed of 44,900,000 fully paid-up ordinary shares with a nominal value of € 4 each, including 794,611 treasury shares as at December 31, 2014 (846,027 as at December 31, 2013) acquired under the share buy-back programs approved by the Ordinary General Meetings, and through HeidelbergCement'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 four years in the name of the same shareholder, to which two votes are assigned.

The dividend paid in 2014 in respect of 2013 amounted to € 1.50 per share, amounting to a total of € 67,350 thousand, identical to the € 1.50 per share paid in 2013 in respect of 2012 and amounting to a total of € 67,350 thousand. The dividend proposed by the Board of Directors to the Ordinary General Meeting for 2014 amounts to € 1.50 per share, totaling € 67,350 thousand.

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

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

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

As at December 31, 2014, the liquidity account is composed of 17,733 Vicat shares and € 2,955 thousand in cash.

NOTE 14 EMPLOYEE BENEFITS

(in thousands of euros)	2014	2013
Pension plans and termination benefits (TB)	68,155	43,670
Other post-employment benefits	57,707	43,914
Total pension and other post-employment benefit provisions	**125,862**	**87,584**
Plan assets (Note 9)	-	(8,149)
NET LIABILITIES	**125,862**	**79,435**

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

Net liability recognized in the balance sheet

(in thousands of euros)	2014			2013		
	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
Present value of funded liabilities	432,093	57,707	489,800	363,637	43,914	407,551
Fair value of plan assets	(363,938)		(363,938)	(331,454)		(331,454)
Net value	**68,155**	**57,707**	**125,862**	**32,183**	**43,914**	**76,097**
Limit on recognition of plan assets (asset ceiling)			0	3,338		3,338
NET LIABILITIES	**68,155**	**57,707**	**125,862**	**35,521**	**43,914**	**79,435**

Analysis of net annual expense

(in thousands of euros)	2014			2013		
	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
Current service costs	(9,205)	(995)	(10,200)	(9,517)	(1,296)	(10,813)
Financial cost	(9,746)	(2,106)	(11,852)	(9,017)	(2,060)	(11,077)
Interest income on assets	8,318		8,318	6,897		6,897
Recognized past service costs	779	330	1,109	(362)		(362)
Curtailments and settlements			0	2		2
TOTAL CHARGE WITH INCOME STATEMENT IMPACT	(9,854)	(2,771)	(12,625)	(11,997)	(3,356)	(15,353)
Actuarial gains and losses on plan assets	22,342		22,342	18,041		18,041
Experience adjustments	3,614	927	4,541	3,210	3,506	6,716
Adjustments related to demographic assumptions	(1,096)	(2,098)	(3,195)	1		1
Adjustments related to financial assumptions	(53,210)	(4,977)	(58,187)	11,685	5,043	16,728
TOTAL CHARGE WITH IMPACT ON OTHER COMPREHENSIVE INCOME	(28,350)	(6,148)	(34,499)	32,937	8,549	41,486
TOTAL CHARGE FOR THE YEAR	**(38,204)**	**(8,919)**	**(47,124)**	**20,940**	**5,193**	26,133

Change in financial assets used to hedge the plans

	2014			2013		
(In thousands of euros)	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
FAIR VALUE OF ASSETS AT JANUARY 1	331,454		331,454	312,465	0	312,465
Interest income on assets	8,318		8,318	6,897		6,897
Contributions paid in	13,792		13,792	12,831		12,831
Translation differences	11,144		11,144	(5,985)		(5,985)
Benefits paid	(23,112)		(23,112)	(16,117)		(16,117)
Changes in consolidation scope and other			0			0
Actuarial gains (losses)	22,342		22,342	21,363		21,363
FAIR VALUE OF ASSETS AT DECEMBER 31	**363,938**	**0**	**363,938**	**331,454**	**0**	**331,454**

Analysis of plan assets by type and country at December 31, 2014

Analysis of plan assets	France	Switzerland	USA	India	Total
Cash and cash equivalents		5.4%	2.8%		5.0%
Equity instruments	1.8%	29.0%	65.9%		32.7%
Debt instruments		29.8%	31.2%		29.4%
Real estate assets		23.0%			20.0%
Assets held by insurers	98.2%			100.0%	1.8%
Others		12.8%	0.1%		11.1%
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
PLAN ASSETS *(in thousands of euros)*	**6,462**	**315,964**	**41,318**	**194**	**363,938**

Change in net liability

(In thousands of euros)	2014			2013		
	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
NET LIABILITY AT JANUARY 1,	35,777	43,658	79,435	68,036	52,915	120,951
Expense for the period	38,204	8,919	47,123	(20,940)	(5,193)	(26,133)
Contributions paid in	(5,766)		(5,766)	(7,818)		(7,818)
Translation differences	2,131	6,634	8,765	(1,818)	(2,034)	(3,852)
Benefits paid by the employer	(2,297)	(1,504)	(3,801)	(1,683)	(2,030)	(3,713)
Change in consolidation scope	106		106			0
Others			0			0
NET LIABILITY AT DECEMBER 31,	**68,155**	**57,707**	**125,862**	**35,777**	**43,658**	79,435

Principal actuarial assumptions	France	Europe (excluding France)	USA	Turkey and India	West Africa and the Middle East
Discount rate					
2014	1.8 %	1.0 % to 1.8 %	4.0 %	8.4 % to 11.0 %	4.5 % to 14.0 %
2013	3.0 %	2.2 % to 3.3 %	4.8 %	8.7 % to 11.2 %	5.0 % to 11.0 %
Rate of increase in medical costs					
2014			5.3 %		
2013			6.0 %		

Discount rate

Discount rates are determined in accordance with the principles set out in IAS19 (revised), namely with reference to a market rate at year-end, based on the yields of high-quality corporate bonds issued in the monetary zone in question. They are determined on the basis of yield curves derived by outside experts from AA-rated public bonds.

When the corporate bond market in a zone is not sufficiently liquid, IAS19 (revised) recommends using government bonds as a benchmark.

In any event, the benchmarks used must have a maturity comparable to the commitments.

Sensitivity analysis

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

The sensitivity of the defined benefit obligation as at December 31, 2014 corresponding to a variation of +/-50 basis points in the discount rate is € (30.9) million and € 34.8 million, respectively.

The sensitivity of the defined benefit obligation as at December 31, 2014 corresponding to a variation of +/-1 % in the rate of increase of medical costs is € 8.9 million and € (7.2) million, respectively.

Average duration of benefits

The average duration of benefits under all plans within the Group is 13 years.

It is expected that € 7.8 million in contributions will be paid into the plans over the coming year.

NOTE 15 OTHER PROVISIONS

(in thousands of euros)	Restoration of sites	Demolitions	Other risks (1)	Other expenses	Total
AT DECEMBER 31, 2012	**40,891**	**1,106**	**33,869**	**18,436**	**94,301**
Acquisitions	2,908	45	9,517	2,968	15,438
Uses	(2,620)		(8,443)	(790)	(11,853)
Reversal of unused provisions	(362)		(5,441)	(464)	(6,267)
Change in foreign exchange rates	(565)	(18)	(1,258)	(54)	(1,895)
Changes in consolidation scope					0
Other movements	(1)		(19)	(2)	(22)
AT DECEMBER 31, 2013	**40,251**	**1,133**	**28,225**	**20,094**	**89,702**
Acquisitions	5,048	27	11,615	5,807	22,497
Uses	(1,443)		(10,433)	(1,473)	(13,349)
Reversal of unused provisions	(236)		(3,912)	(527)	(4,675)
Change in foreign exchange rates	679	24	1,558	37	2,298
Changes in consolidation scope	95		153	(1)	247
Other movements				(53)	(53)
AT DECEMBER 31, 2014	**44,394**	**1,184**	**27,206**	**23,884**	**96,667**
of which less than 1 year	*184*		*9,043*	*1,299*	*10,526*
of which more than 1 year	*44,210*	*1,184*	*18,163*	*22,585*	*86,141*

Impact (net of charges incurred) in the 2014 income statement *(in thousands of euros)*	Allocations	Reversals of unused provisions
Operating Income:	16,141	(4,185)
Non-operating income (expense):	6,356	(491)

(1) As at December 31, 2014, other risks included:

- *an amount of € 4.7 million (€ 5.1 million as at December 31, 2013) corresponding to the current estimate of gross expected costs for repair of damage that occurred in 2006 following deliveries of concrete mixtures and concrete made in 2004 whose sulfate content exceeded applicable standards. This amount corresponds to the current estimate of the Group's pro-rata share of liability for repair of identified damages before the residual insurance indemnity of € 1.8 million recognized in non-current assets on the balance sheet as at December 31, 2014 and December 31, 2013 (Note 9).*
- *an amount of € 9.4 million (€ 7.3 million as at December 31, 2013) corresponding to the estimated amount of the deductible at year-end relating to claims in the United States in the context of workplace accidents and which will be covered by the Group.*
- *the remaining amount of other provisions amounting to about € 13.1 million as at December 31, 2014 (€ 15.8 million as at December 31, 2013) corresponds to the sum of other provisions that, taken individually, are not material.*

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NOTE 16 FINANCIAL DEBTS AND PUT OPTIONS

Financial liabilities as at December 31, 2014 break down as follows:

(in thousands of euros)	December 31, 2014	December 31, 2013
Financial debts at more than 1 year	1,056,467	1,189,972
Put options at more than 1 year	11,060	11,981
Debts and put options at more than 1 year	**1,067,527**	**1,201,953**
Financial instrument assets at more than 1 year (1)	(38,782)	(50,086)
TOTAL FINANCIAL DEBTS NET OF FINANCIAL INSTRUMENT ASSETS AT MORE THAN 1 YEAR	1,028,745	1,151,867
Financial debts at less than 1 year	281,730	172,604
Put options at less than 1 year	0	0
Debts and put options at less than 1 year	281,730	172,604
Financial instrument assets at less than 1 year (1)	(9,458)	(5,886)
TOTAL FINANCIAL DEBTS NET OF FINANCIAL INSTRUMENT ASSETS AT LESS THAN 1 YEAR	272,272	166,718
Total financial debts net of financial instrument assets (1)	1,289,927	1,306,604
Total put options	11,060	11,981
TOTAL FINANCIAL LIABILITIES NET OF FINANCIAL INSTRUMENT ASSETS	**1,300,987**	**1,318,585**

(1) As at December 31, 2014, financial instrument assets (€ 48.2 million) are presented under non-current assets (see Note 9) for the part at more than 1 year (€ 38.8 million) and under other receivables for the part at less than 1 year (€ 9.4 million). They totaled € 56.0 million as at December 31, 2013.

16.1 Debts

Analysis of debts by category and maturity

December 31, 2014

(in thousands of euros)	Total	2015	2016	2017	2018	2019	2020
Bank loans and borrowings	1,233,062	219,784	36,048	168,233	31,492	443,926	333,579
of which financial instrument assets	*(48,240)*	*(9,458)*	*(9,331)*	*(15,041)*	*(9,330)*		*(5,080)*
of which financial instrument liabilities	*13,646*	*9,247*	*4,370*	*15*	*14*		
Miscellaneous borrowings and financial liabilities	15,021	12,246	1,673	255	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	**1,289,927**	**272,272**	**38,866**	**168,865**	**31,748**	**444,103**	**334,073**
of which commercial paper	*300,000*					*300,000*	

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

December 31, 2013

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

Analysis of loans and debts (currency and interest rate)

By currency (net of currency swaps)

(in thousands of euros)	December 31, 2014	December 31, 2013
Euro	773,037	754,337
US Dollar	188,533	164,337
Turkish new lira	1,300	1,257
CFA franc	73,813	71,874
Swiss franc	66,490	64,637
Mauritanian Ouguiya	0	1
Egyptian pound	5,727	0
Indian rupee	181,027	220,625
Kazakh tenge	0	29,536
TOTAL	1,289,927	1,306,604

By interest rate

(in thousands of euros)	December 31, 2014	December 31, 2013
Fixed rate	865,514	898,361
Floating rate	424,413	408,243
TOTAL	1,289,927	1,306,604

The average interest rate for gross debt as at December 31, 2014 was 4.23 %. It was 4.42 % as at December 31, 2013.

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

Agreements were concluded between Vicat and the International Finance Corporation in order to organize their relations as shareholders of Mynaral Tas, under which the Group granted put options to its partner on its shareholding 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 the recognition of a liability of € 11 million at more than one year as at December 31, 2014 (€ 12 million as at December 31, 2013). This liability corresponds to the present value of the exercise price for the option granted to the International Finance Corporation.

NOTE 17 FINANCIAL INSTRUMENTS

Foreign exchange risk

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

The table below sets out the breakdown of the total amount of Group's assets and liabilities denominated in foreign currencies as at December 31, 2014:

(in millions of euros)	**USD**	**EUR**	**CHF**
Assets	218	27	0
Liabilities and off-balance sheet commitments	(784)	(216)	(60)
Net position before risk management	**(566)**	**(189)**	**(60)**
Hedging instruments	483	171	60
Net position after risk management	**(83)**	**(18)**	**0**

The net position after risk management in US dollars corresponds mainly to the debts of the Kazakh subsidiaries to financing institutions and the Group, not swapped in the operating currency, in the absence of a sufficiently structured and liquid hedge market (US$ 87 million).

The risk of a foreign exchange loss on the net currency position arising from a hypothetical unfavorable and uniform change of one percent of the operating currencies against the US dollar, would amount, in euro equivalent, to a loss of € 0.85 million (including € 0.73 million for the Kazakhstan loan).

Moreover, the principal and in most cases the interest due on loans originally issued by the Group in US dollars (US$ 120 and 450 million for Vicat and US$ 65.3 million for Vicat Sagar Cement Private Limited) and in euros (€ 122.2 million for Vicat Sagar Cement Private Limited) were translated into euros (for Vicat), into Indian rupees (for Vicat Sagar Cement Private Limited) through a series of Cross Currency Swaps, included in the portfolio presented below (see point A).

Interest rate risk

All floating rate debt is hedged through the use of caps on original maturities of 2, 3, 4 and 12 years and of swaps on an original maturity of 5 years.

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

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

(in thousands of euros)	Impact on earnings before tax	Impact on equity (excluding impact on earnings) before tax
Impact of a change of +100 bps in the interest rate	1,507	(5,110)
Impact of a change of -100 bps in the interest rate	816	(10,270)

See section 6.4.3.2 of this Registration Document.

Liquidity risk

As at December 31, 2014, the Group had € 324 million in unused confirmed lines of credit that have not been allocated to the hedging of liquidity risk on commercial paper (€ 326 million as at December 31, 2013).

The Group also has a € 300 million commercial paper issue program. At December 31, 2014, the amount of commercial paper issued stood at € 300 million. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings in the consolidated balance sheet.

Unused confirmed lines of credit are used to cover the risk of the Group finding itself unable to issue its commercial paper through market transactions. As at December 31, 2014, these lines matched the short-term notes they covered, at € 300 million.

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

Considering the small number of companies concerned, essentially Vicat SA, the parent company of the Group, the low level of gearing (41.55 %) and leverage (2.31), and the liquidity of the Group's balance sheet, the existence of these covenants does not constitute a risk for the Group's financial position. As at December 31, 2014, the Group is compliant with all ratios required by covenants included in financing agreements.

Analysis of the portfolio of derivatives as at December 31, 2014:

(in thousands of currency units)	Nominal value *(currency)*	Nominal value *(euros)*	Market value *(euros)*	Current maturity < 1 year *(euros)*	1-5 years *(euros)*	> 5 years *(euros)*
FAIR VALUE HEDGES (A)						
Composite instruments						
Cross currency swap $ fixed/€ floating	$ 60,000	49 419	(2,240) (1)	(2,240)		
CASH FLOW HEDGES (A)						
Composite instruments						
- Cross currency swap $ fixed/€ fixed	$ 60,000	49 419	(3,543) (1)	(3,543)		
- Cross currency swap $ fixed/€ fixed	$ 450,000	370 645	10,791 (1)		5,711	5,080
- Interest rate swap € floating/€ fixed	€ 150,000	150,000	(4,228) (1)		(4,228)	
- Cross currency swap $ floating/INR fixed	$ 65,333	53 812	22,313 (1)	5,408	16,905	
- Cross currency swap € floating/INR fixed	€ 122,180	122,180	15,010 (1)	3,753	11,257	
OTHER DERIVATIVES						
Interest rate instruments						
- Euro Caps	€ 50,000	50,000	(150)	(150)		
- Dollar US Caps	$ 50,000	41 183	(107)	(107)		
FOREIGN EXCHANGE INSTRUMENTS (A)						
Hedging for foreign exchange risk on intra-group loans						
- VAT $	$ 178,000	146 611	66	66		
- VAT CHF	CHF 60,000	49 900	60	60		
- AAT €	€ 30,900	30,900	(3,378)	(3,378)		
			34,594			

(1) The difference between the value of the liability at the hedged rate and at amortized cost rose by € 54.9 million.

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

In application of IFRS 7, the breakdown of financial instruments valued at fair value by hierarchical level of fair value in the consolidated statement of financial position is as follows as at December 31, 2014:

(in millions of euros)	December 31, 2014	
Level 1: instruments quoted on an active market	2.2	
Level 2: valuation based on observable market information	34.6	see above
Level 3: valuation based on non-observable market information	25.8	Note 9

NOTE 18 OTHER LIABILITIES

(in thousands of euros)	2014	2013
Employee liabilities	63,189	62,049
Tax liabilities	36,515	25,879
Other liabilities and accruals	96,094	89,302
TOTAL	**195,798**	**177,230**

NOTE 19 SALES

(in thousands of euros)	2014	2013
Sales of goods	2 077 071	1 944 039
Sales of services	345 682	341 944
SALES	**2 422 753**	**2 285 983**

Change in sales on a like-for-like basis

(in thousands of euros)	2014	Changes in consolidation scope	Change in foreign exchange rates	2014 at constant consolidation scope and exchange rates	2013
Sales	2,422,753	7,705	(53,897)	2,468,945	2,285,983

NOTE 20 PERSONNEL COSTS AND NUMBER OF EMPLOYEES

(in thousands of euros)	2014	2013
Wages and salaries	272,747	266,329
Payroll taxes	96,371	95,670
Employee profit sharing (French companies)	4,171	4,834
PERSONNEL COSTS	**373,289**	**366,833**
Average number of employees of the consolidated companies	7,750	7,657

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

NOTE 21 DEPRECIATION, AMORTIZATION AND PROVISIONS

(in thousands of euros)	2014	2013
Net charges to amortization of fixed assets	(180,652)	(188,769)
Net provisions	1,828	737
Net charges to other assets depreciation	(17)	(4,415)
NET CHARGES TO OPERATING DEPRECIATION, AMORTIZATION AND PROVISIONS	**(178,841)**	(192,447)
Other net charges to non-operating depreciation, amortization and provisions (1)	2,131	3,559
NET AMORTIZATION AND PROVISIONS	**(176,710)**	**(188,888)**

(1) Including a net reversal of € 0.4 million at December 31, 2014 (reversal of € 4.7 million at December 31, 2013) related to the updating of the Group's estimated share of liability over and above compensation from insurers for an incident that occurred in 2006 and described in Note 15.
Including at December 31, 2013 a provision reversal of € 0.9 million in connection with the resolution of a dispute in Turkey following a settlement (see Note 22).

NOTE 22 OTHER INCOME AND EXPENSES

(in thousands of euros)	2014	2013
Net income from disposals of assets	1,929	4,769
Income from investment properties	3,046	3,012
Others	18,575	24,400
Other operating income (expense)	**23,550**	**32,181**
Other non-operating income (expense) [1]	**(8,945)**	**(8,217)**
TOTAL	**14,605**	**23,964**

1) Including in 2014:
- *an expense of € 0.7 million recognized by the Group, corresponding to the files recognized as expenses in 2014 in connection with the incident that occurred in 2006 as described in Note 15,*
- *an expense of € 5.1 million recognized in connection with the settlement of a tax dispute in Senegal (see Note 25)*

Including in 2013:
- *an expense of € 0.9 million recognized by the Group, corresponding to the files recognized as expenses in 2013 in connection with the incident that occurred in 2006 as described in Note 15,*
- *an expense of € 4.5 million corresponding to the resolution of a dispute in Turkey following a settlement. This expense was offset in part by a reversal of non-operating provisions amounting to € 0.9 million (see Note 21).*

NOTE 23 PERFORMANCE INDICATORS

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

(in thousands of euros)	2014	2013
Gross operating income	**418,423**	**394,511**
Other operating income (expense)	23,550	32,181
EBITDA	**441,973**	**426,692**
Net charges to operating depreciation, amortization and provisions	(178,841)	(192,447)
EBIT	**263,132**	**234,245**
Other non-operating income (expense)	(8,945)	(8,217)
Net charges to non-operating depreciation, amortization and provisions	2,131	3,559
OPERATING INCOME	**256,318**	**229,587**

NOTE 24 FINANCIAL INCOME/(EXPENSE)

(in thousands of euros)	2014	2013
Interest income from financing and cash management activities	15,168	16,434
Interest expense from financing and cash management activities	(62,784)	(60,423)
Cost of net financial debt	**(47,616)**	**(43,989)**
Dividends	2,629	1,997
Foreign exchange gains	7,453	7,730
Fair value adjustments to financial assets and liabilities	-	-
Net income from disposal of financial assets	-	195
Write-back of impairment of financial assets	1,318	368
Other income	56	-
Other financial income	**11,456**	**10,290**
Foreign exchange losses	(11,323)	(11,745)
Fair value adjustments to financial assets and liabilities	(1,341)	(986)
Impairment on financial assets	(284)	(1,485)
Net income from disposal of financial assets	(1,729)	-
Discounting expenses	(7,214)	(4,860)
Other expenses	-	(238)
Other financial expenses (1)	**(21,891)**	**(19,314)**
NET FINANCIAL INCOME (EXPENSE)	**(58,051)**	**(53,013)**

(1) In 2014, includes a € (8.2) million foreign exchange loss due to the devaluation of the Kazakh tenge in February 2014.

NOTE 25 INCOME TAX

Income tax expense

Analysis of income tax expense

(in thousands of euros)	2014	2013
Current taxes	(75,798)	(74,528)
Deferred tax	16,340	17,282
TOTAL	**(59,458)**	**(57,246)**

Reconciliation between the computed and the effective tax charge

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

(in thousands of euros)	2014	2013
Net earnings from consolidated companies	138,807	119,328
Income tax	59,458	57,246
Profit (loss) before tax	198,265	176,574
Standard tax rate	38.0 %	38.0 %
Theoretical income tax at the parent company rate	**(75,341)**	**(67,098)**
Reconciliation:		
Differences between French and foreign tax rates [1]	22,536	28,485
Transactions taxed at specific rates	5,151	(8,054)
Changes in tax rates	0	(600)
Permanent differences	(6,125)	(3,425)
Tax credits	(1,532)	(327)
Others	(4,147)	(6,227)
ACTUAL INCOME TAX EXPENSE	**(59,458)**	**(57,246)**

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

Deferred tax

Change in deferred tax assets and liabilities

	Deferred tax assets		Deferred tax liabilities	
(in thousands of euros)	2014	2013	2014	2013
DEFERRED TAX AS AT JANUARY 1:	101,671	89,162	215,751	216,180
Expense/income for the year	13,030	19,213	(3,310)	1,931
Deferred tax recognized in other comprehensive income	6,650	(2,816)	(6,001)	6,781
Translation and other changes	14,086	(3,888)	13,586	(9,141)
Changes in consolidation scope			(370)	
DEFERRED TAX AS AT DECEMBER 31:	**135,437**	**101,671**	**219,656**	**215,751**

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

(in thousands of euros)	2014	2013
Fixed assets and finance leases	3,756	2,143
Financial instruments	1,627	448
Pensions and other post-employment benefits	10,296	1,434
Accelerated depreciation, regulated provisions and other	(7,856)	(10,837)
Other timing differences, tax loss carry-forwards and miscellaneous	21,169	24,094
NET DEFERRED TAX (EXPENSE)/INCOME	**28,992**	**17,282**

Source of deferred tax assets and liabilities

(in thousands of euros)	2014	2013
Fixed assets and finance leases	137,628	132,383
Financial instruments	(6,624)	(5,277)
Pensions	(46,005)	(29,044)
Other provisions for contingencies and charges	6,395	11,316
Accelerated depreciation and regulated provisions	82,938	72,362
Other timing differences, tax loss carry-forwards and miscellaneous	(90,115)	(67,660)
Net deferred tax assets and liabilities	**84,218**	**114,080**
Deferred tax assets (1)	(135,437)	(101,671)
Deferred tax liabilities	219,656	215,751
NET BALANCE	**84,218**	**114,080**

(1) The deferred tax assets mainly originate from the tax losses carried forward by subsidiaries based in the United States, with periods of limitation ranging from 2024 to 2034.

Deferred tax assets not recognized in the financial statements

Deferred tax assets not recognized in the financial statements as at December 31, 2014, owing either to their planned recognition during the exemption periods enjoyed by the entities concerned or to the probability of their not being recovered, amounted to € 11.7 million (€ 8.1 million as at December 31, 2013). These relate essentially to two entities benefiting from a tax exemption scheme for a period of ten years.

Tax dispute in Senegal

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

In 2014, discussions continued between Sococim Industries and the Senegalese tax authorities. These resulted in a settlement of the dispute by means of the full release of the deposits and guarantees provided under the memorandum of understanding between the government of Senegal and the company in question.

NOTE 26 SEGMENT INFORMATION

a) Information by business segment

December 31, 2014 *(In thousand euros except number of employees)*	Cement	Concrete and Aggregates	Other Products & Services	Total
Income statement				
Operating sales	1,482,955	882,068	398,656	2,763,679
Inter-segment eliminations	(221,476)	(21,670)	(97,780)	(340,926)
Consolidated sales	1,261,479	860,398	300,876	2,422,753
EBITDA (cf. 1.22 and 23)	341,183	71,117	29,673	441,973
EBIT (cf. 1.22 and 23)	220,207	28,162	14,763	263,132
Balance sheet				
Total non-current assets	2,761,842	654,578	160,049	3,576,469
Net capital employed (1)	2,709,723	619,066	170,247	3,499,036
Other disclosures				
Acquisitions of intangible and tangible assets	106,413	36,325	13,171	155,909
Net depreciation and amortization charges	124,617	42,881	13,154	180,652
Average number of employees	3,494	2,893	1,363	7,750

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

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

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

b) Geographical sectors

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

December 31, 2014 *(in thousand euros except number of employees)*	France	Europe (excluding France)	USA	Turkey, Kazakhstan and India	West Africa and the Middle East	Total
Income statement:						
Operating sales	856,865	418,025	246,730	530,740	403,938	2,456,298
Inter-country eliminations	(25,741)	(349)	0	(742)	(6,713)	(33,545)
Consolidated sales	831,124	417,676	246,730	529,998	397,225	2,422,753
EBITDA (cf. 1.22 and 23)	134,071	102,857	16,952	111,641	76,452	441,973
EBIT (cf. 1.22 and 23)	83,904	70,412	(5,463)	66,505	47,774	263,132
Balance sheet						
Total non-current assets	665,498	537,143	468,985	1,200,705	704,138	3,576,469
Net capital employed (1)	653,255	484,632	372,634	1,245,160	743,355	3,499,036
Other disclosures:						
Acquisitions of intangible and tangible assets	46,262	24,478	11,320	45,918	27,931	155,909
Net depreciation and amortization charges	50,737	29,302	23,386	43,596	33,631	180,652
Average number of employees	2,583	1,117	1,007	1,940	1,103	7,750

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

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

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

c) Information about major customers

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

NOTE 27 NET CASH FLOWS FROM OPERATING ACTIVITIES

Net cash flows from operational activities conducted by the Group in 2014 were € 302 million, compared with € 337 million in 2013.

This reduction in cash flows generated by operational activities between 2013 and 2014 results from an increase in cash flows from operations of € 30 million and a deterioration in the change in working capital requirement of € 65 million.

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

(in thousands of euros)	WCR at December 31, 2012	Change in WCR in 2013	Other Changes (1)	WCR at December 31, 2013	Change in WCR in 2014	Other Changes (1)	WCR at December 31, 2014
Inventories	381,893	(4,732)	(17,449)	359,712	20,722	13,771	394,205
Other WCR components	94,262	(40,794)	(7,440)	46,028	(1,672)	(8,690)	35,666
WCR	**476,155**	**(45,526)**	**(24,889)**	**405,740**	**19,050**	**5,081**	**429,871**

(1) Exchange rate, consolidation scope and miscellaneous.

NOTE 28 NET CASH FLOWS FROM INVESTING ACTIVITIES

Net cash flows used in the Group's investing activities in 2014 came to € (224) million, compared with € (179) million in 2013.

Acquisitions of intangible and tangible assets

These reflect outflows for industrial investments (€ 160 million in 2014 and € 176 million in 2013) mainly corresponding to the following:

- in 2014 to investments in France, Turkey, Switzerland, India and Senegal;
- in 2013, the completion of the investment program for the Vicat Sagar Cement greenfield plant in India, which started up in the first half of 2013, and the ongoing development in France of the Mépieu quarry, but also maintenance and improvement investments in the Group's other operating countries.

Acquisition/disposal of shares in consolidated companies

Consolidated company share acquisitions and disposals during 2014 resulted in an overall cash outflow of € (67) million (overall cash outflow of € (9) million in 2013).

The main cash outflow by the Group during the year was tied to the purchase of the remaining stake held by Sagar Cements in Vicat Sagar Cement in India.

The main cash outflow by the Group in 2013 was tied to the purchase of an additional stake in Mynaral Tas.

NOTE 29 ANALYSIS OF NET CASH BALANCES

(in thousands of euros)	31 décembre 2014 Net	31 décembre 2013 Net
Cash and cash equivalents (see note 6)	268,196	241,907
Bank overdrafts	(25,206)	(16,095)
NET CASH BALANCES	**242,990**	**225,812**

NOTE 30 COMPENSATION OF EXECUTIVES

Pursuant to the provisions of Article 225.102-1 of the French Commercial Code, and in accordance with IAS 24, we hereby inform you that the total gross compensation paid to each company officer in 2014 was as follows: G. Sidos: € 717,288, R. de Parisot: € 538,233.

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

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

Lastly, the two of the aforementioned company officers also benefit from a supplemental pension plan as defined in Article 39 of the French General Tax Code (CGI). The corresponding commitments (€ 3,188 in 2014 and € 2,715 thousand in 2013) were all recognized in provisions in the financial statements, in the same manner as all of the Group's post-employment benefits as at December 31, 2014 (Note 1.15).

NOTE 31 TRANSACTIONS WITH RELATED COMPANIES

In addition to information required for related parties regarding the senior executives, described in Note 30, related parties with whom transactions are carried out include affiliated companies 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 2014 and all were on an arm's length basis.

These transactions have all been recorded in compliance with IAS 24 and their impact on the Group's consolidated financial statements for 2014 and 2013 is as follows, broken down by type and by related party:

	December 31, 2014				December 31, 2013			
(in thousands of euros)	Sales	Purchases	Receivables	Liabilities	Sales	Purchases	Receivables	Liabilities
Affiliated companies	1,251	2,844	6,878	1,855	540	2,169	7,278	2,178
Other related parties	73	2,805	0	56	801	3,308	65	782
TOTAL	**1,324**	**5,649**	**6,878**	**1,911**	**1,341**	**5,477**	**7,343**	**2,960**

NOTE 32 FEES PAID TO THE STATUTORY AUDITORS

Fees paid to statutory auditors and other professionals in their networks as recognized in the financial statements of Vicat SA and its proportionately and fully consolidated subsidiaries for 2014 and 2013 are as follows:

	KPMG Audit				Wolff & associés				Others			
	Amount (ex. VAT)		%		Amount (ex. VAT)		%		Amount (ex. VAT)		%	
(in thousands of euros)	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
AUDIT												
Statutory auditors, certification, examination of individual and consolidated accounts	1,013	1,039	55 %	57 %	374	363	20 %	20 %	466	420	25 %	23 %
■ *Vicat SA*	221	218	53 %	53 %	195	193	47 %	47 %			0 %	0 %
■ *Companies which are fully or proportionally consolidated*	792	821	55 %	58 %	179	170	12 %	12 %	466	420	32 %	30 %
Other forms of investigation and directly related services	14	0	41 %	0 %	0	0	0 %	0 %	20	18	59 %	100 %
■ *Vicat SA*			-	-			-	-			-	-
■ *Companies which are fully or proportionally consolidated*	14		41 %	0 %			0 %	0 %	20	18	59 %	100 %
TOTAL AUDIT FEES	1,027	1,039	54 %	56 %	374	363	20 %	20 %	486	438	26 %	24 %
OTHER SERVICES												
Legal, tax, employment and other matters		2	-	100 %			-	0 %			-	0 %
TOTAL OTHER SERVICES	0	2	-	100 %	0	0	-	0 %	0	0	-	0 %
TOTAL	**1,027**	**1,041**	**54 %**	**57 %**	**374**	**363**	**20 %**	**20 %**	**486**	**438**	**26 %**	**24 %**

NOTE 33 POST BALANCE SHEET EVENTS

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

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NOTE 34 LIST OF MAIN CONSOLIDATED COMPANIES AS AT DECEMBER 31, 2014

Fully consolidated: France

Company	Address	SIREN N°.	December 31, 2014 % control	December 31, 2013 % control
VICAT	Tour Manhattan, 6 place de l'Iris 92095 PARIS LA DEFENSE	057 505 539	----	----
ALPES INFORMATIQUE	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	073 502 510	100.00	99.92
ANNECY BÉTON CARRIÈRES	14 chemin des Grèves 74960 CRAN GEVRIER	326 020 062	50.00	50.00
LES ATELIERS DU GRANIER	Lieu-Dit Chapareillan 38530 PONTCHARRA	305 662 504	100.00	100.0
BÉTON CHÂTILLONAIS	Champ de l'Allée – ZI Nord 01400 CHATILLON SUR CHALARONNE	485 069 819	100.00	100.00
BÉTON CONTRÔLE CÔTE D'AZUR	217 route de Grenoble 06200 NICE	071 503 569	100.00	97.12
BÉTON DE L'OISANS	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	438 348 047	60.00	60.00
LES BÉTONS DU GOLFE	Quartier Les Plaines 83480 Puget sur Argens	501 192 785	100.00	100.00
LES BÉTONS DU RHÔNE	La Petite Craz 69720 SAINT LAURENT DE MURE	503 728 164	100.00	100.00
BÉTON VICAT	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	309 918 464	99.99	99.99
BÉTON TRAVAUX	Tour Manhattan, 6 place de L'Iris 92095 PARIS LA DEFENSE	070 503 198	99.98	99.98
CONDENSIL	1327 av. de La Houille Blanche 73000 CHAMBERY	342 646 957	60.00	60.00
DELTA POMPAGE	1327 av. de La Houille Blanche 73000 CHAMBERY	316 854 363	100.00	100.00
ÉTABLISSEMENT ANTOINE FOURNIER	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	586 550 147	100.00	100.00
ÉTABLISSEMENTS TRUCHON	Route du Grésivaudan 38530 Chapareillan	068 500 768	100.00	NA
GRANULATS VICAT	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	768 200 255	100.00	100.00
MONACO BÉTON	Le Palais Saint James 5, avenue Princesse Alice 98000 MONACO	326 MC 161	100.00	100.00
PARFICIM	Tour Manhattan, 6 place de l'Iris 92095 PARIS LA DEFENSE	304 828 379	100.00	100.00
SATMA	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	304 154 651	100.00	100.00
SATM	1327 av. de la Houille Blanche 73000 CHAMBERY	745 820 126	100.00	100.00
SIGMA BÉTON	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	343 019 428	100.00	100.00
SOCIÉTÉ L. THIRIET ET COMPAGNIE	Lieu-dit Chaufontaine 54300 LUNEVILLE	762 800 977	99.98	99.98
PAPETERIES DE VIZILLE	Tour Manhattan, 6 Place de l'Iris 92095 PARIS LA DEFENSE	319 212 726	100.00	100.00
VICAT INTERNATIONAL TRADING	Tour Manhattan, 6 Place de l'Iris 92095 PARIS LA DEFENSE	347 581 266	100.00	100.00
VICAT PRODUITS INDUSTRIELS	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	655 780 559	100.00	100.00

Fully consolidated: Rest of World

Company	Country	State/City	December 31, 2014 % control	December 31, 2013 % control
SINAÏ CEMENT COMPANY	EGYPT	CAIRO	55.36	52.62
MYNARAL TAS COMPANY LLP	KAZAKHSTAN	ALMATY	90.00	90.00
JAMBYL CEMENT PRODUCTION COMPANY LLP	KAZAKHSTAN	ALMATY	90.00	90.00
BUILDERS CONCRETE	UNITED STATES	CALIFORNIA	100.00	100.00
KIRKPATRICK	UNITED STATES	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	UNITED STATES	ALABAMA	100.00	100.00
NATIONAL CEMENT COMPANY	UNITED STATES	DELAWARE	100.00	100.00
NATIONAL CEMENT COMPANY OF CALIFORNIA	UNITED STATES	DELAWARE	100.00	100.00
NATIONAL READY MIXED	UNITED STATES	CALIFORNIA	100.00	100.00
UNITED READY MIXED	UNITED STATES	CALIFORNIA	100.00	100.00
VIKING READY MIXED	UNITED STATES	CALIFORNIA	100.00	100.00
CEMENTI CENTRO SUD SPA	ITALY	GENOVA	100.00	100.00
CIMENTS & MATERIAUX DU MALI	MALI	BAMAKO	95.00	94.89
GECAMINES	SENEGAL	THIES	70.00	70.00
POSTOUDIOKOUL	SENEGAL	RUFISQUE (DAKAR)	100.00	100.00
SOCOCIM INDUSTRIES	SENEGAL	RUFISQUE (DAKAR)	99.89	99.91
SODEVIT	SENEGAL	BANDIA	100.00	100.00
ALTOTA AG	SWITZERLAND	OLTEN (SOLOTHURN)	100.00	100.00
KIESWERK AEBISHOLZ AG (FORMERLY ASTRADA KIES AG)	SWITZERLAND	AEBISHOLZ (SOLEURE)	100.00	100.00
BETON AG BASEL	SWITZERLAND	BALE (BALE)	100.00	100.00
BETON AG INTERLAKEN	SWITZERLAND	MATTEN BEI INTERLAKEN (BERN)	76.53	75.42
BETONPUMPEN OBERLAND AG	SWITZERLAND	WIMMIS (BERN)	93.33	93.33
CEWAG	SWITZERLAND	DUTINGEN (FRIBOURG)	(1)	100.00
COVIT SA	SWITZERLAND	SAINT-BLAISE (NEUCHATEL)	100.00	100.00
CREABETON MATERIAUX SA	SWITZERLAND	LYSS (BERN)	100.00	100.00
EMME KIES + BETON AG	SWITZERLAND	LÜTZELFLÜH (BERN)	66.66	66.66
FRISCHBETON AG ZUCHWIL	SWITZERLAND	ZUCHWIL (SOLOTHURN)	88.94	88.94
FRISCHBETON LANGENTHAL AG	SWITZERLAND	LANGENTHAL (BERN)	78.67	78.67
FRISCHBETON THUN	SWITZERLAND	THOUNE (BERN)	54.26	54.26
FRISCHBETON TAFERS	SWITZERLAND	TAFERS (FRIBOURG)	50.00	Proportional consolidation
GRANDY AG	SWITZERLAND	LANGENDORF (SOLEURE)	100.00	100.00

(1) Company merged in 2014.

Fully consolidated: Rest of World (continued)

Company	Country	State/City	December 31, 2014 % control	December 31, 2013 % control
KIESTAG STEINIGAND AG	SWITZERLAND	WIMMIS (BERN)	98.55	98.55
MATERIALBEWIRTTSCHFTUNG MITHOLZ AG	SWITZERLAND	KANDERGRUND (BERN)	(1)	98.55
KIESWERK NEUENDORF	SWITZERLAND	NEUENDORF (SOLEURE)	100.00	100.00
SABLES + GRAVIERS TUFFIERE SA	SWITZERLAND	HAUTERIVE (FRIBOURG)	50.00	50.00
SHB STEINBRUCH + HARTSCHOTTER BLAUSEE MITHOLZ AG	SWITZERLAND	FRUTIGEN (BERN)	98.55	98.55
STEINBRUCH VORBERG AG	SWITZERLAND	BIEL (BERN)	60.00	60.00
VIGIER BETON JURA SA (FORMERLY BETON FRAIS MOUTIER SA)	SWITZERLAND	BELPRAHON (BERN)	90.00	90.00
VIGIER BETON KIES SEELAND AG (FORMERLY VIBETON KIES AG)	SWITZERLAND	LYSS (BERN)	100.00	100.00
VIGIER BETON MITTELLAND AG (FORMERLY WYSS KIESWERK AG)	SWITZERLAND	FELDBRUNNEN (SOLOTHURN)	100.00	100.00
VIGIER BETON ROMANDIE SA (FORMERLY VIBETON FRIBOURG SA)	SWITZERLAND	ST. URSEN (FRIBOURG)	100.00	100.00
VIGIER BETON SEELAND JURA AG (FORMERLY VIBETON SAFNERN AG)	SWITZERLAND	SAFNERN (BERN)	90.47	90.47
VIGIER CEMENT AG	SWITZERLAND	PERY (BERN)	100.00	100.00
VIGIER HOLDING AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIGIER MANAGEMENT AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	100.00	100.00
VIRO AG	SWITZERLAND	DEITINGEN (SOLOTHURN)	(1)	100.00
VITRANS AG	SWITZERLAND	PERY (BERN)	100.00	100.00
AKTAS	TURKEY	ANKARA	100.00	100.00
BASTAS BASKENT CIMENTO	TURKEY	ANKARA	91.58	91.58
BASTAS HAZIR BETON	TURKEY	ANKARA	91.58	91.58
KONYA CIMENTO	TURKEY	KONYA	83.34	83.34
TAMTAS	TURKEY	ANKARA	100.00	100.00
BSA CIMENT SA	MAURITANIA	NOUAKCHOTT	64.91	64.91
BHARATHI CEMENT	INDIA	HYDERABAD	51.02	51.00
VICAT SAGAR	INDIA	HYDERABAD	99.98	53.00

(1) Company merged in 2014.

Proportionately consolidated: France

Company	Address	SIREN No.	December 31, 2014 % control	December 31, 2013 % control
CARRIÈRES BRESSE BOURGOGNE	Port Fluvial Sud de Chalon 71380 EPERVANS	655 850 055	(1)	49.95
DRAGAGES ET CARRIÈRES	Port Fluvial Sud de Chalon 71380 EPERVANS	341 711 125	(1)	50.00
SABLIÈRES DU CENTRE	Les Genévriers Sud 63430 LES MARTRES D'ARTIERE	480 107 457	(1)	50.00

(1) Company equity-accounted in 2014 (IFRS10).

Proportionately consolidated: rest of world

Company	Country	State/City	December 31, 2014 % control	December 31, 2013 % control
FRISHBETON TAFERS AG	SWITZERLAND	TAFERS (FRIBOURG)	(2)	49.50

(2) Company fully consolidated in 2014 (IFRS10).

Equity method: FRANCE

Company	Address	SIREN No.	December 31, 2014 % control	December 31, 2013 % control
CARRIÈRES BRESSE BOURGOGNE	Port Fluvial Sud de Chalon 71380 EPERVANS	655 850 055	33.27	(3)
DRAGAGES ET CARRIÈRES	Port Fluvial Sud de Chalon 71380 EPERVANS	341 711 125	50.00	(3)
SABLIÈRES DU CENTRE	Les Genévriers Sud 63430 LES MARTRES D'ARTIERE	480 107 457	50.00	(3)

(3) Company proportionally consolidated in 2013 (IFRS10).

Equity method: Rest of World

Company	Country	State/City	December 31, 2014 % control	December 31, 2013 % control
HYDROELECTRA	SWITZERLAND	AU (ST. GALLEN)	50.00	50.00
SILO TRANSPORT AG	SWITZERLAND	BERN (BERN)	50.00	50.00
SINAI WHITE CEMENT	EGYPT	CAIRO	25.40	25.40

7.1.3. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2014

To the Shareholders,

In compliance with the assignment entrusted to us by the shareholders in General Meeting, we hereby report to you, for the year ended 31 December 2014, on:

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

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

I – Opinion on the consolidated financial statements

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

In our opinion, the consolidated financial statements give a true and fair view, in accordance with IFRS as adopted by the EU, of the assets, liabilities, and financial position of the consolidated group of entities as at 31 December 2014 and of the results of its operations for the year then ended.

II – Justification of our assessment

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

- At each reporting date, the Company systematically performs impairment tests of assets with indefinite useful lives and, whether there is any sign of impairment, assesses the value of assets with definite useful lives, using the methodology disclosed in the note 1.11 to the consolidated financial statements. We have examined the procedures for the performance of the impairment testing, and the expected future cash flows and related assumptions and we have also verified that the notes to the consolidated financial statements relating to the assets, including note 3 “Goodwill”, note 4 “Other intangible assets” and note 5 “Tangible assets”, provide appropriate information The estimates are based on assumptions which have by nature an uncertain characteristic; realizations can be sometimes significantly different from initial forecasts. We verified that such estimates were reasonable.
- Your Company records provisions related to post-employment benefits and other long-term employee benefits in the consolidated financial statements in accordance with "revised IAS 19"’s requirements. The notes 1-15 and 14 specify the methods of evaluation of post-employment benefits and other long-term employee benefits. These obligations have been evaluated by independent actuaries. The work we performed consisted of examining underlying data used in the calculations, assessing the assumptions, verifying that the disclosures contained in the notes 1-15 and 14 of the consolidated financial statements provide appropriate information and verifying the correct application of "revised IAS 19".

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

III – Specific verification

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

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

The statutory auditors

Paris La Défense, 6 March 2015

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

Chamalières, 6 March 2015

Wolff & Associés S.A.S.

Patrick Wolff
Partner

7.2. STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2014

7.2.1. STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2014

Income statement

(in thousands of euros)	2014	2013
Net sales	**405,881**	**416,762**
Production in the year	408,667	419,895
Consumption in the year	(241,332)	(237,784)
Added value	**167,335**	**182,111**
Personnel costs	(64,264)	(63,535)
Taxes	(16,859)	(17,986)
Transfer of expenses and subsidies	3,338	703
Gross operating income	**89,550**	**101,293**
Other income and expenses	2,241	4,949
Net amortization and provisions	(23,803)	(25,701)
Operating income	**67,988**	**80,541**
Financial income and expenses	57,370	165,546
Current profit	**125,358**	**246,087**
Exceptional income and expenses	(974)	2,996
Employee profit-sharing	(2,723)	(3,286)
Income taxes	(19,847)	(21,335)
Net income for the year	**101,814**	**224,462**
Cash flow from operations	**119,414**	**235,431**

Balance sheet at December 31, 2014

(in thousands of euros)	December 31, 2014	December 31, 2013
ASSETS		
Non-current assets		
Intangible assets		
Gross value	36,070	29,644
Amortization and depreciation	(16,570)	(14,479)
Net value	**19,500**	**15,165**
Property, plant and equipment		
Gross value	857,091	838,283
Amortization and depreciation	(588,562)	(568,111)
Net value	**268,529**	**270,172**
Financial investments		
Investments in associated companies	1,736,140	1,742,380
Loans and other	107,984	95,280
	1,844,124	1,837,660
Current assets		
Inventories	90,731	89,832
Trade and other receivables	494,389	306,309
Short-term financial investments	5,592	7,441
Cash	1,600	627
Accrued expenses	1,799	2,051
	594,111	**406,260**
Expenses to be allocated	3,448	2,469
Translation adjustments – assets		
TOTAL ASSETS	**2,729,712**	**2,531,726**

LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	179,600	179,600
Reserves, premiums and provisions	983,323	834,883
Revaluation adjustments	11,142	11,142
Retained earnings	206,173	201,334
Net income	101,814	224,462
	1,482,052	**1,451,421**
Provisions		
For liabilities (risks)	1,461	1,860
For liabilities (expenses)	26,019	21,872
	27,480	**23,732**
Liabilities		
Loans	925,404	915,480
Short-term bank borrowings and bank overdrafts	10,942	12,876
Trade and other payables	283,834	128,217
Accrued income		
	1,220,180	**1,056,573**
Translation adjustments – liabilities		
TOTAL LIABILITIES	**2,729,712**	**2,531,726**

7.2.2. 2014 FINANCIAL STATEMENTS – APPENDIX

NOTE 1 ACCOUNTING POLICIES AND MEASUREMENT METHODS

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

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

Intangible assets are recorded at historical cost after deduction of amortization. Goodwill, fully amortized, corresponds to business assets received prior to the 1986 fiscal year.

Research and development costs are entered as expenses.

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

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

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

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

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

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

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

Receivables and payables are recorded at nominal value.

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

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

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

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

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

NOTE 2 SIGNIFICANT EVENTS DURING THE PERIOD

There were no significant events in 2014.

NOTE 3 POST BALANCE SHEET EVENTS

On January 1, 2015, Vicat SA acquired Vizille's paper business from SAPV.

NOTE 4 SALES ANALYSIS

Net sales by activity break down as follows:

(in thousands of euros)	**Total**
Cement	373,354
Paper	32,527
TOTAL	**405,881**

NOTE 5 ANALYSIS OF THE FINANCIAL STATEMENTS

5.1. Non-current assets

(in thousands of euros)	Gross value at beginning of year	Acquisitions	Disposals	Reclassification	Gross value at end of year
Concessions, patents, goodwill and other intangible assets	29,645	6,425			36,070
Land and improvements	89,992	119		586	90,697
Buildings and improvements	169,344	3,391	79	6,745	179,401
Plant, machinery and equipment	543,765	9,333	158	17,949	570,889
Other property plant & equipment	8,282	340		81	8,703
Tangible assets in progress	26,889	5,855		(25,361)	7,383
Advances and payments on account	11	7			18
TOTAL	**867,928**	**25,420**	**237**	**0**	**893,111**

- The increase in intangible assets includes an additional € 6,146 thousand for the implementation of the SAP software, part of which was brought into use on July 1, 2013.
- The main changes in tangible assets have to do with:
  - continuing improvements to the Mepieu quarry, costing € 6,119 thousand,
  - development of new products in the Cement business, costing € 3,739 thousand, and in the paper business, costing € 654 thousand,
  - other investments in the paper business costing € 2,007 thousand, including the new purification plant, performance improvements and facility upgrades.

(in thousands of euros)	Accumulated depreciation at beginning of year	Acquisitions	Disposals	Reclassification	Accumulated depreciation at end of year
Concessions, patents, goodwill and other intangible assets	14,479	2,091			16,570
Land and improvements	18,531	869			19,400
Buildings and improvements	121,245	3,972	44		125,173
Plant, machinery and equipment	420,205	15,207	147		435,265
Other property plant & equipment	7,070	597			7,667
TOTAL	**581,530**	**22,736**	**191**	**0**	**604,075**

5.1.1. Intangible assets

The balance of quotas allocated by the French State under the National Quota Allocation Plan, Phase Two (Plan National d'Affectation des Quotas, or PNAQ II) for the 2008-2012 period stands at 1,528 thousand tonnes. Under the new National Allocation Schedule, the quotas allocated for 2014 represent 2,384 thousand tonnes.

In accordance with ANC Regulation No. 2013-03 Article 1, quotas allocated free of charge are not recorded either as assets or liabilities.

Research and development costs recorded in expenses amounted to € 3,974 thousand. These comprise € 2,615 thousand for internal costs (amortization, staff and operating costs) and € 1,359 thousand for work commissioned from external organizations.

5.1.2. Property, plant and equipment

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

Property, plant and equipment are depreciated as follows:

■ Construction and civil engineering of industrial	
■ installations:	15 to 30 years
■ Industrial installations:	5 to 15 years
■ Vehicles:	5 to 8 years
■ Sundry equipment:	5 years
■ Computer equipment:	3 years

5.1.3. Financial investments

Financial investments increased by € 1,666 thousand, mainly as a result of:

■ changes in investments in associated companies	(6,240)
■ changes in other financial investments	(278)
■ changes in the loan granted to our subsidiaries	8,184
	(1,666)

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

- 17,733 treasury shares representing a net value of € 1,057 thousand;
- € 2,954 thousand in cash.

Under this contract, 362,559 shares were purchased during the year for € 20,800 thousand and 366,941 shares were sold for € 20,906 thousand.

At December 31, 2014, financial investments included 700,900 treasury shares, an additional 93,711 treasury shares were uncognized as short term financial investments.

Loans and other long-term investments amounted to € 124,974 thousand and have a term of more than one year.

5.2. Shareholders' equity

5.2.1. Share capital

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

■ Employees	4.27 %
of which employee shareholders: 1.78 %*	
■ Family, Parfininco and Soparfi	60.57 %
■ Vicat	1.77 %

** As per Article L. 225-102 of the French Commercial Code.*

5.2.2. Change in shareholders' equity

(in thousands of euros)	2014	2013
Shareholders' equity at the beginning of year	1,451,421	1,297,804
Shareholders' equity at the end of year	1,482,052	1,451,421
Change	30,631	153,617
Analysis of changes		
Net income for the year	101,814	224,462
Dividends paid [(1)]	(66,178)	(66,014)
Revaluation adjustments	(1)	(1)
Regulated provisions	(5,004)	(4,830)
TOTAL	**30,631**	**153,617**

(1) Less dividends on treasury shares.

5.2.3. Regulated provisions

(in thousands of euros)	Amount at the beginning of year	Allocation during the year	Reversals	Amount at the end of the year
Price increase provision	10,309	32	2,548	7,793
Special tax depreciation	89,703	6,175	6,394	89,484
Special revaluation provision	2,366	/	/	2,366
Investment provision	4,909	/	2,269	2,640
TOTAL	**107,287**	**6,207**	**11,211**	**102,283**

Maturities are as follows:

(in thousands of euros)	Amount	Recovered at 1 year maximum	Recovered after more than 1 year
Price increase provision	7,793	3,164	4,629
Special tax depreciation	89,484	/	89,484
Special revaluation provision	2,366	/	2,366
Investment provision	2,640	1,094	1,546
TOTAL	**102,283**	**4,258**	**98,035**

5.3. Provisions

(in thousands of euros)	Amount at the beginning of year	Allocation during the year	Decrease (with use)	Decrease (unused provision)	Amount at the end of the year
Provisions for quarry reinstatement	4,341	85	426	/	4,000
Provisions for disputes	832	196	711	/	317
Other provisions for expenses	18,559	5,003	399	/	23,163
TOTAL	**23,732**	**5,284**	**1,536**	**/**	**27,480**

Provisions amounted to € 27 million and covered:

- the forecast costs under the French quarry reinstatement obligation of € 4 million. These provisions are made for each of the quarries based on tonnages extracted in relation to the potential deposit and the estimated cost of the work to be performed at the end of operations;
- other provisions for expenses which include a provision of € 20,923 thousand for tax to be repaid to subsidiaries under the Group tax sharing agreement.

5.4. Debts

During 2014, medium and long-term debt and other bank borrowings increased by € 7,989 thousand.

5.4.1. Statement of maturities

(in thousands of euros)	Gross amount	1 year or less	1 – 5 years	More than 5 years
Bank borrowings and financial liabilities [(1)]	925,172	105,937	555,130	264,105
Miscellaneous borrowings and financial liabilities	3,327	3,096	/	231
Short-term bank borrowings and bank overdrafts	7,846	7,846	/	/
(1) Of which commercial paper	*300,000*		*300,000*	

5.4.2. Other disclosures

At December 31, 2014 the Company had € 311 million in unused confirmed lines of credit that have not been allocated to the hedging of liquidity risk on commercial paper (€ 321 million at December 31, 2013).

The Company also has a program for issuing commercial paper amounting to € 300 million. At December 31, 2014, the amount of commercial paper issued stood at € 300 million. Commercial paper consists of short-term debt instruments backed by confirmed lines of credit in the amounts issued and classified as medium-term borrowings in the consolidated balance sheet.

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

5.4.3. Risk hedging

Foreign exchange risk

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

Interest rate risk

The floating rate debt is hedged through the use of financial instruments (caps and swaps) on original maturities of 5 to 12 years amounting to € 200 million at December 31, 2014.

Liquidity risk

Unused confirmed lines of credit are used to cover the risk of the Group finding itself unable to issue its commercial paper through market transactions. As at December 31, 2014, these lines matched the short term notes they covered, at € 300 million.

5.4.4. Financial instruments

As at December 31, 2014, unsettled derivative instruments were as follows:

Type *(in thousands of currency units)*	**Nominal value** *(currency)*	**Nominal value** *(euros)*	**Fair value** *(euros)*
CHF forward sales	CHF 60,000	49,900	+ 74 (1)
USD forward sales	USD 178,000	146,611	(773) (2)
Floating/fixed interest rate Swaps	EUR 150,000	150,000	(4,228)
Interest rate caps	EUR 50,000	50,000	(150)
Cross Currency Swap	USD 570,000	469,484	+ 5,008 (3)

(1) In parallel debt rose by € 14 thousand.
(2) In parallel borrowing decreased by € 839 thousand.
(3) In parallel debt rose by € 24,037 thousand.

5.5. Statement of maturities for trade receivables and payables

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

5.6. Balance of trade payables

Trade payables at 2014 year-end stood at € 26,429 thousand.

Breakdown by due date *(in thousands of euros)*	**2014**	**2013**
Due	8,734	3,418
Less than 30 days	13,923	16,209
31 to 60 days	3,601	8,947
TOTAL	**26,258**	**28,574**

5.7. Other balance sheet and income statement information

Other items of information are as follows:

Items concerning several balance sheet accounts *(in thousands of euros)*	**Associated companies**	**Payables or receivables represented by commercial paper**
Long-term investments	1,726,695	
Trade receivables and related accounts	27,024	12,356
Others receivables	403,889	
Trade payables and related accounts	9,774	
Other liabilities	177,976	

Income statement items	Associated companies
Financial expenses	746
Financial income excluding dividends	7,685

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

Accrued liabilities *(in thousands of euros)*	Amount
Bank loans and borrowings	3,063
Trade payables and related accounts	21,009
Tax and employee-related payables	16,424
Other liabilities	422
TOTAL	**40,918**

Accrued expenses *(in thousands of euros)*	Amount
Operating expenses	1,694
Financial expenses	105
TOTAL	**1,799**

Short-term financial investments

Short-term financial investments consist of 93,711 Treasury shares held for allocation to employees for compulsory and discretionary profit-sharing and arbitrage for a net value of € 5,592 thousand. This valuation was determined on the basis of the average share price in December 2014 of € 59.67.

Net financial income

Net financial income included a net reversal of the provisions for depreciation of treasury shares amounting to € 6,656 thousand (compared with a reversal of € 6,490 thousand in 2013).

NOTE 6 BREAKDOWN OF CORPORATE INCOME TAX AND ADDITIONAL TAXES

Headings *(in thousands of euros)*	Profit (loss) before tax	Corporate income tax	Social security contributions	Exceptional contributions	Profit (loss) after tax
Current profit (loss)	125,358	(17,857)	(826)	(8,583)	98,092
Net non-operating income (expense) (and profit-sharing)	(3,697)	5,000	212	2,207	3,722
Profit (loss)	121,661	(12,857)	(614)	(6,376)	101,814

NOTE 7 IMPACT OF THE SPECIAL TAX EVALUATIONS

Headings *(in thousands of euros)*	Allocations	Reversals	Amounts
Net income for the year			101,814
Income taxes			17,143
Exceptional contributions			2,086
Social security contributions			618
Profit (loss) before tax			**121,661**
Change in special tax depreciation of assets	6,175	(6,394)	(219)
Change in investment provision	/	(2,269)	(2,269)
Change in special revaluation provision	/	/	/
Change in the price increase provision	32	(2,548)	(2,516)
SUBTOTAL	6,207	(11,211)	(5,004)
Income excluding special tax evaluations (before income tax)			**116,657**

Vicat has opted for a tax sharing regime with it as the parent company. This option relates to 20 companies. Under the terms of the tax sharing agreement, the subsidiaries bear a tax charge equivalent to that which they would have borne if there had been no tax sharing. The tax saving resulting from the tax sharing agreement is awarded to the parent company, notwithstanding the tax due to the tax loss subsidiaries, for which a provision is established. For 2014, this saving amounted to € 1,696 thousand.

The expenses covered by Articles 223 quater and 39.4 of the French General Tax Code (CGI) amounted to € 137 thousand for 2014.

NOTE 8 DEFERRED TAX

Headings *(in thousands of euros)*	**Amount**
Tax due on:	
Price increases provisions	2,961
Special tax depreciation	34,004
Total increases	**36,965**
Tax paid in advance on temporarily non-deductible expenses	3,127
of which employee profit-sharing: 1,035	
Total reductions	**3,127**
Net deferred tax	**33,838**

NOTE 9 OFF-BALANCE SHEET COMMITMENTS

Commitments given *(in thousands of euros)*	**Amount**
Pension commitments (1)	16,969
Deposits and guarantees (2)	241,037
TOTAL	**258,006**

(1) Including an amount of € 8,081 thousand relating to the supplementary pension scheme for officers and other managers of the Company under Article 39 of the French General Tax Code (CGI).
(2) Vicat has provided a guarantee to lenders on behalf of its subsidiaries Jambyl Cement Production Company LLP, Vicat Sagar Cement Private Ltd and Gulbarga for loans taken out for the construction of greenfield projects.

Vicat granted a put option to the minority shareholders of its subsidiary Mynaral Tas Company LLP. This option, exercisable by December 2013 at the earliest, is valued at € 11,060 thousand as at December 31, 2014.

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

(1) including € 300,000 thousand allocated to hedge the commercial paper issue program.

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

Principal actuarial assumptions are as follows:

- Discount rate: 1.75 %;
- Wage inflation: from 1.7 % to 3.2 %;
- Inflation rate: 2 %.

NOTE 10 COMPENSATION, WORKFORCE AND CICE

Executive management compensation *(in thousands of euros)*	**Amount**
Compensation allocated to:	
- directors	275
- executive management	2,250

Workforce	Average	As at December 31, 2014
Management	212	221
Supervisors, technicians, administrative employees	377	379
Blue-collar staff	277	272
TOTAL COMPANY	**866**	**872**
Of which Paper Division	*165*	*167*

CICE (*Crédit d'impôts pour la compétitivité et l'emploi* – Competitiveness and Income Tax Credit)
In accordance with the recommendation of *the Autorité des normes comptables* (French Accounting Standards Authority), the CICE was booked in the individual financial statements in a dedicated credit account (subdivision of account 64). The amount receivable recorded as at December 31, 2014 comes to € 906 thousand.

Use of the CICE was allocated to the acquisition of fixed assets.

Subsidiaries and Affiliates

Company or groups of companies 2014 fiscal year	Capital	Reserves and retained earnings before appropriation of income	Ownership interests (in %)	Book Value of shares owned		Loans & advances granted by the Company and not yet repaid	Guarantees granted by the Company	Sales ex. VAT for the financial year ended	Profit or Loss (-) for the financial year ended	Dividends received by Vicat during the year	Observations
				Gross	Net						
Subsidiaries and affiliates whose gross value exceeds 1 % of Vicat's capital											
1) Subsidiaries *(at least 50 % of the capital held by the Company)*											
Beton Travaux 92095 Paris La Defense	27,997	214,060	99.97	88,869	88,869	74,730		18,944	21,050		
National Cement Company Los Angeles Usa	280,521 [1]	55,097 [1]	97.85	229,581	229,581	82,707		327,856 [1]	(9,959) [1]		
Parficim 92095 Paris La Defense	67,728	1,422,116	99.99	1,343,624	1,343,624	100,095			93,705	69,845	
Satma 38081 L'Isle d'Abeau Cedex	3,841	6,147	100.00	7,613	7,613	11,134		19,047	529	480	
Cap Vracs 13270 Fos sur Mer	16,540	3,507	100.00	43,004	43,004			15,130	(579)		
Sodicapei 34560 Villeveyrac	169	1,690	58.47	10,990	10,990			1,200	(509)		
2) Affiliates *(10 to 50% of the capital held by the Company)*											
Societe des Ciments d'Abidjan Ivory Coast	2,000,000 [2]	28,490,624 [2]	17.14	1,596	1,596			61,014,223 [2]	5,800,533 [2]	697	Figures for 2013
Other subsidiaries and affiliates											
French subsidiaries (total)				8,281	8,216	6,747				5,378	
Foreign subsidiaries (total)				2,687	2,687						
TOTAL				**1,736,245**	**1,736,180**	**275,413**				**76,400**	

(1) Figures shown in USD.
(2) Figures shown in CFAF.

7.2.3. STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Year ended 31 December 2014

To the Shareholders,

In compliance with the assignment entrusted to us by the shareholders in General Meeting, we hereby report to you, for the year ended 31 December 2014, on:

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

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

I – Opinion on the financial statements

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

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

II – Justification of our assessments

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

- The note « Accounting rules and methods » discloses significant accounting rules and methods applied in the preparation of the financial statements, and particularly relating to the assessment made by your Company on the intangibles and financial assets at the year ended 31 December 2014. As part of our assessment of the accounting rules and principles applied by your company, we have assessed the appropriateness of the above-mentioned accounting methods and related disclosures.
- Your Company has recorded provisions for costs of quarry reinstatement and repayment of income tax to subsidiaries in according to the group tax agreement as disclosed in the note 5.3 to the statutory financial statements. We have made our assessment on the related approach determined by your Company, as disclosed in the financial statements, based on information available as of today, and performed appropriate testing to confirm, based on a sample, that these methods were correctly applied. As part of our assessment, we have assessed the reasonableness of the above-mentioned accounting estimates made by your Company.

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

III – Specific verifications and information

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

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

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

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

The statutory auditors

Paris La Défense 6 March 2015	Chamalières 6 March 2015
KPMG Audit	**Wolff & Associés S.A.S.**
Département de KPMG S.A.	
Bertrand Desbarrières	Patrick Wolff
Partner	*Partner*

7.3. LEGAL AND ARBITRATION PROCEEDINGS

The Group is involved in certain disputes, legal, administrative or arbitration proceedings in the ordinary course of its business. The Group recognizes a provision each time a given risk presents a substantial probability of occurrence before the end of the fiscal year and when it is possible to estimate the financial consequences related to the risk in question.

The principal disputes and administrative, legal or arbitration proceedings in progress in which the Group is involved are detailed below.

7.3.1. TAX DISPUTE IN SENEGAL

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

In 2014, discussions continued between Sococim Industries and the Senegalese tax authorities. They resulted in a settlement of the dispute by means of the full release of the deposits and guarantees provided under the memorandum of understanding signed between the government of Senegal and the Company.

7.3.2. ARBITRATION BETWEEN SOCOCIM INDUSTRIES / AND THE GOVERNMENT OF SENEGAL

A project by a Nigerian cement manufacturer to set up operations in Senegal is currently under development. Serious violations noted in the implementation of this project infringe the provisions of Senegalese mining and environmental laws. On July 15, 2014, the Group submitted a request for arbitration to the International Centre for Settlement of Investment Disputes (ICSID), registered on August 5, 2014, demanding the protection provided under the bilateral investment treaty of July 26, 2007 signed between the governments of Senegal and France. In its request for arbitration, the Group petitions the ICSID to:

- find the government of Senegal in breach of its fair and equitable treatment obligation;
- establish that the conduct in this matter by the government of Senegal is discriminatory with respect to the Vicat Group;
- recognize the failings and violations of said project;
- order the government of Senegal to apply the law, and in particular the sanctions provided for by the relevant texts.

7.3.3. DISPUTE IN INDIA

The Group's partner in Bharathi Cement, Y.S. Jaganmohan Reddy, is the focus of an inquiry by the CBI (Central Bureau of Investigation) concerning the source and growth of his assets. In connection with this inquiry, the CBI has filed four charge sheets in September 2012 and over the course of 2013 presenting its allegations. In the matter of Bharathi Cement, the CBI is interested in determining whether the investments made in this company by Indian investors were carried out in good faith in the ordinary course of business and if the mining concession was granted in accordance with regulations. The acts described in the allegations refer to the period before Vicat acquired its equity interest in the Company. There were no new developments in the proceedings in 2014.

However, the proceedings continued and, in February 2015, led to a precautionary seizure of 950,000,000 rupees (approximately € 13 million) from a Bharathi bank account.

While this measure is not such as to hinder the Company's operations, the Company is appealing to the administrative and judicial authorities.

7.3.4. DISPUTES RELATING TO OPERATING LICENSES

Some environmental protection associations regularly file contentious civil actions with a view to obtaining the cancellation of permits or operating licenses granted by the prefecture. In all cases, the Company organizes its defense and files new applications for operating licenses or permits to ensure the normal operation of its facilities.

Other than the disputes described above, there are no government, judicial or arbitration proceedings known to the Group, pending or impending in relation to the Group that are likely to have or have had, over the course of the past twelve months, a material adverse impact on its activities, its financial position, or its earnings [1].

7.4. SIGNIFICANT CHANGES TO THE FINANCIAL OR COMMERCIAL POSITION

To the best of the Company's knowledge, there have been no significant changes in the Company's financial or commercial position since December 31, 2014.

(1) Excluding any subsidiaries consolidated under the equity method.

Research and development at the Louis Vicat Technical Center in L'Isle d'Abeau (France).

GENERAL MEETING

8

8.1. AGENDA FOR THE COMBINED GENERAL MEETING OF MAY 6, 2015

8.1.1. ORDINARY GENERAL MEETING

- Management report of the Board of Directors;
- Report of the Chairman and Chief Executive Officer on corporate governance and internal audit;
- General report of the statutory auditors on the financial statements for the year ended December 31, 2014;
- Report of the statutory auditors on the consolidated financial statements for the year ended December 31, 2014;
- Special report of the statutory auditors drawn up pursuant to Article L. 225-40 of the French Commercial Code;
- Approval of the financial statements and operations for the year ended December 31, 2014;
- Approval of the consolidated financial statements for the year ended December 31, 2014;
- Appropriation of earnings for the year ended December 31, 2014 and dividend;
- Discharge of the directors in respect of performance of their mandate;
- Approval of the regulated agreements specified in Article L. 225-38 and following of the French Commercial Code;
- Authorization to be granted to the Board of Directors to buy or sell its own shares;
- Reappointment of Guy Sidos as director;
- Reappointment of Sophie Sidos as director;
- Reappointment of Bruno Salmon as director;
- Reappointment of Pierre Breuil as director;
- Appointment of Delphine André as director to replace Raynald Dreyfus;
- Powers to complete legal formalities;
- Miscellaneous.

8.1.2. EXTRAORDINARY GENERAL MEETING

- Adoption of Article 26 of the by-laws regarding double voting rights, which contains provisions that conflict with Article L. 225-123 (as amended) of the French Commercial Code;
- Powers to complete legal formalities.

8.2. DRAFT RESOLUTIONS FOR THE COMBINED GENERAL MEETING OF MAY 6, 2015

I – Resolutions for the Ordinary General Meeting

First resolution *(Approval of the financial statements and operations for the year ended December 31, 2014)*

Further to taking cognizance of the Board of Directors' reports and the statutory auditors' general report on the financial statements for the financial year ended December 31, 2014, the Ordinary General Meeting approves the financial statements for the said financial year as presented thereto, including the operations specified and summarized therein.

It finalizes net income for the said financial year at € 101,814,090.

Second resolution *(Approval of the consolidated financial statements for the year ended December 31, 2014)*

Further to taking cognizance of the Board of Directors' report on the management of the Group and the statutory auditors' report on the consolidated financial statements for the financial year ended December 31, 2014, the Ordinary General Meeting approves the consolidated financial statements for the said financial year as presented thereto, including the operations specified and summarized therein.

It finalizes the consolidated income of the Group for the said financial year at € 143,554,000, of which € 128,479,000 was the Group's share of net income.

Third resolution *(Appropriation of earnings and setting of dividend)*

Further to recording the existence of distributable profits, the Ordinary General Meeting approves the appropriation and distribution thereof as proposed by the Board of Directors:

■ net income for the 2014 financial year	€ 101,814,090
■ retained earnings carried forward	€ 206,173,250
TOTAL	**€ 307,987,340**
Appropriation:	
■ dividend (based on the current share capital of 44,900,000 shares with a nominal value of € 4)	€ 67,350,000
■ allocation to other reserve accounts	€ 30,637,340
■ Retained earnings	€ 210,000,000

And accordingly fixes the dividend to be distributed for the 2014 financial year at the gross amount of € 1.50 per share (excluding levies).

The said dividend shall be released for payment as of May 18, 2015, at the registered office and by the banks, pursuant to the provisions relating to the dematerialization of transferable securities.

The Ordinary General Meeting records that the dividends paid out per share, for a comparable number of shares, in the three previous financial years were as follows:

Financial year	Dividend paid out
2011	€ 1.50
2012	€ 1.50
2013	€ 1.50

It is noted that the aforementioned dividend amounts take account of all existing shares. When released for payment, the dividends on treasury shares will be allocated to the "retained earnings" account.

The dividends are eligible for a tax allowance at the rates and on the conditions specified in Article 158-3 of the French General Tax Code.

Fourth resolution *(Discharge of the Board of Directors in respect of performance of its mandate)*

The General Meeting provides full and unconditional discharge to the members of the Board of Directors for the performance of their mandate during the said financial year.

Fifth resolution *(Approval of regulated agreements)*

Further to taking cognizance of the special report issued by the statutory auditors relating to operations specified in Article L. 225-38 of the French Commercial Code, the Ordinary General Meeting formally acknowledges the conclusions of the said report and approves the agreement specified therein.

Sixth resolution *(Authorization to empower the Board of Directors to purchase, hold or transfer Company shares and approval of the share buy-back program)*

Further to taking cognizance of the Board of Directors' special report and the description of the share buy-back program specified in the Registration Document, the Ordinary General Meeting hereby authorizes the Board of Directors to purchase, hold or transfer Company shares, with the possibility of sub-delegation in compliance with the provisions specified by law, and subject to compliance with currently prevailing legal and regulatory provisions, in particular in accordance with the terms and obligations specified in Articles L. 225-209 and following of the French Commercial Code, European Regulation No. 2273/2003 of December 22, 2003 and market practices permitted by the AMF (Financial Markets Authority), in order (without ranking of priority):

(a) to allocate or sell shares to employees and/or Company officers and/or companies which are related to it or will be related to it under the terms and conditions set out in the legislation, in particular in the context of employee involvement in the results of expansion of the business and profit-sharing;

(b) to promote a market in the share through a liquidity agreement conforming to the ethical charter of the AMAFI (French Association of Financial Markets) as recognized by the AMF;

(c) to retain the Company's shares and subsequently use them for payment or exchange in the context of external growth operations in compliance with market practice as permitted by the French financial regulator (AMF);

(d) to cancel shares within the maximum statutory limit subject, in this last case, to a vote by an Ordinary General Meeting on a specific resolution.

The Ordinary General Meeting resolves that:

- the unit purchase price shall not exceed € 100 per share (excluding acquisition costs);
- the total amount of shares held shall not exceed 10% of the Company's share capital; the said 10% threshold shall be ascertained on the effective buy-back date. The said limit shall be equal to 5% of share capital as regards the objective specified in (c) above. Taking into account the shares already held by the Company on January 1, 2015, the 10% limit corresponds to a maximum number of 3,695,388 shares having a nominal value of € 4 each, representing a maximum amount of € 369,538,800.

Pursuant to this decision, within the limits permitted by the regulations in force, the shares may be purchased, sold, exchanged or transferred in one or more transactions, by all means, on all markets and over the counter, including by acquisition or sale of blocks, and by means including the use of derivatives and warrants.

The General Meeting resolves that the Board of Directors shall be entitled to implement this resolution at any time during a period not to exceed eighteen (18) months with effect from this General Meeting, including during a public offer period, within the limits and subject to the terms and conditions and abstention periods specified by the law and AMF General Regulations. This authorization annuls and replaces the authorization granted by the General Meeting of May 6, 2014 with respect to the remaining period of validity.

The General Meeting grants all powers to the Board of Directors, with the option of sub-delegation under the terms and conditions of the law, for the purpose of:

- implementing this authorization and continuing to execute the share buy-back program, allocating or re-allocating the shares acquired for the various purposes in compliance with legal and regulatory provisions;
- undertaking adjustments of unit prices and the maximum number of shares to be acquired in proportion to the change in the number of shares, or the nominal value thereof, resulting from possible transactions relating to the Company's share capital;
- placing all Stock Market orders on all markets or undertaking transactions outside such markets;
- entering into all agreements, in particular for the purpose of keeping share purchase and sale registers, filing all declarations with the AMF and all other bodies;
- undertaking all declarations and other formalities, and generally undertaking all necessary operations.

The Board of Directors shall inform the General Meeting of operations undertaken in application of this authorization.

Seventh resolution *(Reappointment of Guy Sidos as director)*

The Ordinary General Meeting resolves to reappoint Guy Sidos as director for a period of six years expiring at the end of the Ordinary General Meeting to be held in 2021 to approve the financial statements for the 2020 financial year.

Eighth resolution *(Reappointment of Sophie Sidos as director)*

The Ordinary General Meeting resolves to reappoint Sophie Sidos as director for a period of six years expiring at the end of the Ordinary General Meeting to be held in 2021 to approve the financial statements for the 2020 financial year.

Ninth resolution *(Reappointment of Bruno Salmon as director)*

The Ordinary General Meeting resolves to reappoint Bruno Salmon as director for a period of six years expiring at the end of the Ordinary General Meeting to be held in 2021 to approve the financial statements for the 2020 financial year.

Tenth resolution *(Reappointment of Pierre Breuil as director)*

The Ordinary General Meeting resolves to reappoint Pierre Breuil as director for a period of three years expiring at the end of the Ordinary General Meeting to be held in 2018 to approve the financial statements for the 2017 financial year.

Eleventh resolution (Appointment of Delphine André as director to replace Raynald Dreyfus)

The Ordinary General Meeting resolves to appoint Delphine André as director to replace Raynald Dreyfus, whose term has expired, for a period of three years expiring at the end of the Ordinary General Meeting to be held in 2018 to approve the financial statements for the 2017 financial year.

Twelfth resolution (Powers)

The Ordinary General Meeting hereby grants all powers to the bearer of a copy or abstract of the minutes of this meeting for the purpose of performing all legal or administrative formalities, filings and publicity specified by current legislation.

II – Resolutions for the Extraordinary General Meeting

Thirteenth resolution (Adoption of Article 26, paragraph 2 of the by-laws regarding double voting rights)

The Extraordinary General Meeting resolves to deviate from Article L. 225-123, paragraph 3 regarding double voting rights and to adopt Article 26, paragraph 2 of the by-laws as currently drafted: «a voting right that is double that granted to bearer shares shall be awarded to all fully paid-up shares that have been registered in the name of the same shareholder for at least four years at the end of the calendar year preceding the date of the General Meeting in question.»

Fourteenth resolution (Powers)

The Extraordinary General Meeting hereby grants all powers to the bearer of a copy or extract of the minutes of this meeting for the purpose of performing all legal or administrative formalities, filings and publicity specified by current legislation.

Jambyl Cement's cement factory in Mynaral (Kazakhstan).

ADDITIONAL INFORMATION

9

9.1. INVESTOR RELATIONS AND DOCUMENTS AVAILABLE TO THE PUBLIC

Apart from meetings organized upon the publication of the Group's annual results and the General Meeting of the Company's shareholders, the Company undertakes to keep its institutional and individual investors informed on a regular basis and in a timely manner. When the Company engages in personalized communication to meet the specific needs of various types of shareholders and of financial analysts, it does so with the utmost respect for principles of fairness and transparency. The Company's press releases and historical financial information are available on the Company's website (www.vicat.com). Regulated information is submitted to the *Autorité des Marchés Financiers* (French financial regulator). Registration Documents are available on the AMF's website (www.amf-france.org). Copies may be obtained from the Company's registered office: Tour Manhattan, 6 place de l'Iris, F-92095 Paris-La Défense Cedex, France. The Company's by-laws and the minutes of General Meetings, the parent company and consolidated financial statements, reports of the statutory auditors, and all other Company documents may be consulted in hard copy at the Company's registered office.

9.1.1. ROADSHOWS AND INVESTOR CONFERENCES

In 2014, the Company maintained its continued commitment to communication by facilitating contacts between investors, financial analysts and the Company. During the year, Vicat thus organized more than 10 roadshows in Europe, the United States and Canada, and took part in six investor conferences organized by banks specializing in intermediation.

9.1.2. DOCUMENTS AVAILABLE TO THE PUBLIC

All of the Company's latest financial news, including the 2015 financial calendar, all disclosure documents published by the Company, and share price information are always available in the "Investors" section of the Vicat website (www.vicat.com).

Legal documents may be consulted at the Company's registered office: Tour Manhattan, 6 place de l'Iris, F-92095 Paris-La Défense Cedex, France. The Company disseminates regulated information in electronic form by enlisting the services of a primary information provider satisfying the requirements set out in the General Regulation of the Autorité des Marchés Financiers and makes available on its website all regulated information as soon as it is published, in both French and English. In 2014, upon the publication of its annual and interim results, and in connection with its General Meeting (notice of meeting, report), Vicat also published financial notices in the following daily and weekly newspapers and magazines: *Les Echos, Le Figaro* and *Investir*. Lastly, the Group organizes a conference call to discuss each of its financial publications, open to all interested investors, and provides access information on the Company's website (www.vicat.com) about ten days before the event.

9.1.3. CONTACT FOR INVESTORS

Stéphane Bisseuil

Investor Relations

Telephone: +33 1 58 86 86 86

Fax: +33 1 58 86 87 88

E-mail: relations.investisseurs@vicat.fr

9.2. INFORMATION ON THE REGISTRATION DOCUMENT

9.2.1. INTRODUCTION

Vicat, a French *Société Anonyme*, with a share capital of € 179,600,000 whose registered office is Tour Manhattan, 6 place de l'Iris, 92095 Paris-La Défense, registered with the Registry of Companies and Commerce of Nanterre under number 057 505 539, is referred to as the "Company" in this Registration Document. Unless expressly stated otherwise, the "Group" refers to the Company and its subsidiaries and holdings as set forth in the organization chart in section 1.6 "Simplified organization chart" of this Registration Document.

Unless otherwise indicated, the figures used in this Registration Document, in particular in section 1.5 "Description of Business Lines" of this Registration Document, are extracted from the Group's consolidated financial statements, prepared in accordance with IFRS. As the figures have been rounded, the total amounts featured in the tables and various sections of this Registration Document may not equal their overall arithmetic sum.

This Registration Document contains indications on the Group's prospects and development policies. These indications are sometimes identified by the use of the future and the conditional tenses, and forward-looking terms such as "consider", "intend", "think", "with the aim of", "expect", "plan", "should", "want", "estimate", "believe", "wish", "could" or, if necessary, the negative form of these terms, or any other alternative or similar terminology. This information is not historical data and must not be interpreted as an assurance that the facts and data stated will occur. This information is founded on data, assumptions and estimates considered as reasonable by the Group. They are likely to change or be modified due to uncertainties, related in particular to the economic, financial, competitive and regulatory environment. Moreover, the materialization of certain risks described in Chapter 6 "Risk factors" of this Registration Document is likely to have an impact on the Group's activities, situation, financial results and on its capacity to achieve its objectives.

Forward-looking statements contained in this Registration Document also encompass the known and unknown risks, uncertainties and other factors which could, if they materialize, affect the Group's future results, performances and achievements. These factors can in particular include changes to the economic and commercial situation as well as the risk factors set out in section 6 "Risk factors" of this Registration Document.

Investors are invited to consider carefully the risk factors, described in order of importance, in Chapter 6 "Risk factors" of this Registration Document before making their investment decision. The materialization of all or some of these risks is likely to have an adverse effect on the Group's activities, financial position or financial results. Moreover, other risks, not yet identified or considered by the Group as not significant could have the same negative effect and investors could lose all or part of their investment.

This Registration Document contains information relating to the markets in which the Group operates. Note that this information comes from studies carried out by third parties. Given the changes which may affect the industry in which the Group operates in France and worldwide, this information may prove to be incorrect or no longer up to date. The Group's activities could consequently evolve differently from what is described in this Registration Document and the declarations or information contained herein could prove to be incorrect.

This Registration Document serves as the financial annual report and includes information required pursuant to Article 222-3 of the General Regulations of the AMF. In order to facilitate the reading of the financial annual report, a cross-reference table is included in section 9.6 of this Registration Document.

9.2.2. HISTORICAL INFORMATION INCORPORATED BY REFERENCE

Pursuant to Article 28 of Commission Regulation (EU) No. 809/2004 of April 29, 2004, the following information has been incorporated by reference into this 2014 Registration Document:

- the consolidated financial statements for the financial year ended December 31, 2013, prepared in accordance with IFRS and the relevant Statutory Auditors' report included in page 190 of the 2013 Registration Document, submitted to the *Autorité des Marchés Financiers* (French financial regulator) on March 24, 2014 under number D.14.0193, in addition to the information taken from the 2013 management report included in pages 42 to 57 of this Registration Document;
- the consolidated financial statements for the financial year ended December 31, 2012, prepared in accordance with IFRS and the relevant Statutory Auditors' report included in page 171 of the 2012 Registration Document, submitted to the *Autorité des Marchés Financiers* (French financial regulator) on April 17, 2013 under number D.13.0371, in addition to the information taken from the 2012 management report included in pages 69 to 97 of this Registration Document.

9.2.3. PERSON RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE REGISTRATION DOCUMENT

Mr. Guy Sidos, Chairman and Chief Executive Officer.

9.2.4. STATEMENT OF RESPONSIBILITY FOR THE REGISTRATION DOCUMENT

"Having taken all reasonable measures to this end, I declare that the information contained in this Registration Document is, to my knowledge, in keeping with the facts, and leaves out nothing that might impact on its substance.

I declare that, to my knowledge, the financial statements have been drawn up in accordance with the accounting standards in force and give an accurate picture of the assets, financial position and results of the Company and of all consolidated firms, and that the management report (details of which can be found in the cross-reference table included in section 9.6 of this Registration Document) paints an accurate picture of the business development, results and financial position of the Company and of all consolidated firms, and describes the main risks and uncertainties facing all stakeholders.

The statutory auditors have given me their letter of consent, in which they confirm having verified the information regarding the financial position and the financial statements provided in this Registration Document, as well as having read this Registration Document in its entirety.

The historical financial information presented in this Registration Document was covered by the statutory auditors' report appearing in section 7.1.3 of this Registration Document."

March 19, 2015

Guy Sidos

Chairman and Chief Executive Officer

9.3. PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

9.3.1. STATUTORY AUDITORS

KPMG Audit

Immeuble Le Palatin, 3 cours du Triangle, 92939 Paris-La Défense Cedex

Represented by Mr. Bertrand Desbarrières.

Member of the Regional Company of Auditors of Versailles.

First appointed by the Ordinary General Meeting of November 25, 1983.

Current appointment expires at the close of the Ordinary General Meeting called to approve the financial statements for the year ending December 31, 2019.

Wolff & Associés SAS

Centre Beaulieu, 19 boulevard Berthelot, 63400 Chamalières

Represented by Mr. Patrick Wolff.

Member of the Regional Company of Auditors of Riom.

First appointed by the Ordinary General Meeting of May 16, 2007.

Appointment expired at the close of the Ordinary General Meeting called to approve the financial statements for the year ended December 31, 2018.

9.3.2. ALTERNATE AUDITORS

Constantin Associés

185 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine

Represented by Mr. Jean-Paul Séguret.

Member of the Regional Company of Auditors of Paris.

First appointed by the Ordinary General Meeting of June 20, 1995.

Appointment expired at the close of the Ordinary General Meeting called to approve the financial statements for the year ended December 31, 2018.

Exponens Conseil et Expertise

11 avenue d'Eprémesnil, 78401 Chatou

Represented by Mr. Frédéric Lafay.

Member of the Regional Company of Auditors of Versailles.

First appointed by the Combined General Meeting called to approve the financial statements for the year ended December 31, 2007.

Current appointment expires at the close of the Ordinary General Meeting called to approve the financial statements for the year ending December 31, 2019.

9.3.3. INFORMATION ON STATUTORY AUDITORS HAVING RESIGNED, HAVING, BEEN DISMISSED OR NOT HAVING BEEN RENEWED

Not applicable.

9.4. INFORMATION ON SUBSIDIARIES AND SHAREHOLDINGS

The Group's principal subsidiaries were determined on the basis of their contribution to financial indicators (sales by entity, share in the consolidated EBITDA, value of the intangible and tangible assets for each entity, consolidated equity – Group share) such that the aggregate of the indicators retained for these subsidiaries represents almost 90 % of the Group's consolidated total. The Group's main holding companies were added to this list.

The Group's consolidated subsidiaries are distributed across various countries as follows as at December 31, 2014:

Country	Number of companies
France	43
Switzerland	34
Italy	1
United States	17
Egypt	13
Senegal	5
Mali	1
Mauritania	1
Turkey	7
Kazakhstan	2
India	6
TOTAL	**130**

The main subsidiaries are described below.

HOLDING COMPANIES

Parficim

Incorporated on June 7, 1974, Parficim is a French simplified limited company with a share capital of € 67,728,368 with registered office at Tour Manhattan, 6 place de l'Iris, 92095 Paris-La Défense Cedex, registered in the Trade and Companies Register of Nanterre under number 304828379. The corporate purpose of Parficim, holding company, is the acquisition and management of transferable securities, shares in interests, and tangible and intangible assets.

As at December 31, 2014, the Company held 100 % of Parficim's share capital.

Béton Travaux

Incorporated on March 27, 1965, Béton Travaux is a French Public Company with a share capital of € 27,996,544, with registered office at Tour Manhattan, 6 place de l'Iris, 92095 Paris-La Défense Cedex, registered in the Trade and Companies Register of Nanterre under number 070503198. Béton Travaux's corporate purpose is the shareholding and management of manufacturing, transport and ready-mixed concrete companies and of all materials or equipment relating to their manufacture.

As at December 31, 2014, the Company held 99.98 % of Béton Travaux's share capital (others: 0.02 %).

National Cement Company, Inc.

Incorporated on April 17, 1974, National Cement Company, Inc. is a Private Limited Company under American law with a share capital of US$ 280,520,000, with registered office at 15821 Ventura Blvd, Suite 475, Encino, CA 91436-91436 (United States), registered in the State of Delaware under number 63-0664316. National Cement Company's corporate purpose is the acquisition, administration and financing of holdings in companies, in particular in the cement and ready-mixed concrete sectors.

As at December 31, 2014, the Company held 97.85 % of the share capital of National Cement Company, Inc. and Parficim held 2.15 %.

Vigier Holding

Incorporated on August 25, 1884, Vigier Holding is a Swiss Public company (Société Anonyme), with a share capital of CHF 1,452,000, whose registered office is located at Wylihof 1, Deitingen, 4542 Luterbach, Switzerland, registered in Solothurn under number

CH-251.3,000,003. Vigier Holding's corporate purpose is the acquisition, administration and financing of holdings in firms, commercial acts and sectors of industrial services of all types, in particular in the cement and ready-mixed concrete branch. The Company may acquire shareholdings in other companies and acquire, buy and sell land.

As at December 31, 2014, Parficim held 100 % of Vigier Holding's share capital.

MAIN FRENCH SUBSIDIARIES

Béton Vicat

Incorporated on January 7, 1977, Béton Vicat, formerly Béton Rhône-Alpes, is a French Public Company with a share capital of € 5,636,720 whose registered office is located at Les Trois Vallons, 4 rue Aristide Bergès, 38080 L'Isle d'Abeau, registered in the Trade and Companies Register of Vienne under number 309918464. Béton Vicat's corporate purpose is the production, transport and marketing of ready-mixed concrete and all materials or all equipment relating to its manufacture. Béton Vicat absorbed BGIE in 2013.

As at December 31, 2014, Béton Travaux held 89.82 % of the share capital of Béton Vicat, SATM held 8.38 % and Granulats Vicat held 1.75 % (others: 0.05 %).

Granulats Vicat

Incorporated on January 1, 1942, Granulats Vicat, formerly Granulats Rhône-Alpes, is a French Public Company with a share capital of € 5,601,488 with registered office at Les Trois Vallons, 4 rue Aristide Bergès, 38080 L'Isle d'Abeau, registered in the Trade and Companies Register of Vienne under number 768200255. Granulats Vicat's corporate purpose is the operation of all businesses relating to the sale of construction material, the public transport of goods and the rental of land, air, sea and river vehicles.

As at December 31, 2014, Béton Travaux held 62.11 % of the share capital of Granulats Vicat, SATM held 24.58 %, B.C.C.A. held 3.75 % and Béton Vicat held 9.56 %.

Société Auxiliaire de Transport et de Matériel (SATM)

Incorporated on February 1, 1958, SATM is a French Simplified Limited Company with a share capital of € 1,600,000 with registered office at 1327 avenue de la Houille-Blanche, 73000 Chambéry, registered in the Trade and Companies Register of Chambéry under number 745820126. The corporate purpose of SATM is the purchase, sale, use, rental and operation of all transport and other types of equipment, and all transport and freight-forwarding activities, in particular: road transport, public transport, shipping to all countries and regions, LCL shipping, truck rental, and all commercial, financial or capital transactions directly or indirectly related to the above activities, or which could facilitate their expansion or growth.

As at December 31, 2014, Béton Travaux held 100 % of the share capital of SATM.

Vicat Produits Industriels – VPI

Incorporated on May 1, 1957, VPI is a French Simplified Limited Company with a share capital of € 3,221,776 with registered office at Les Trois Vallons, 4 rue Aristide Bergès, 38080 L'Isle d'Abeau, registered in the Trade and Companies Register of Vienne under number 655780559. The corporate purpose of VPI is to manufacture and install all covering, sealant and insulating products and articles and all additives etc. as well as any operations as an agent or brokerage connected with these products or this work.

As at December 31, 2014, Béton Travaux held 100 % of VPI's share capital.

MAIN FOREIGN SUBSIDIARIES

Bastas Baskent Cimento Sanayi Ve Ticaret A.S.

Incorporated on July 26, 1967, Bastas Baskent Cimento Sanayi Ve Ticaret A.S. is a Turkish Public Company with a share capital of YTL 131,559,120, with registered office at Ankara Samsun Yolu 35 km, 06780 Elmadag, Ankara (Turkey), registered in the Trade Register of Ankara under number 16577 and whose corporate purpose is the production and sale of cement and lime.

As at December 31, 2014, Parficim held 87.90 % of the share capital of Bastas Baskent Cimento Sanayi Ve Ticaret A.S. and Tamtas Yapi Malzemeleri Sanayi Ve Ticaret A.S. held 3.7 % (others: 8.4 %).

Konya Cimento Sanayi A.S.

Incorporated on December 11, 1954, Konya is a Turkish Public Company with a share capital of YTL 4,873,440, whose registered office is located at Horozluhan Mahallesi Ankara Caddesi No. 195, 42300 Selçuklu, Konya (Turkey), registered in the Register of Businesses of Konya under number 2317 and whose corporate purpose is the production and marketing of various types of cements and concretes. The company's shares are listed on the Istanbul Stock Exchange (IMBK).

As at December 31, 2014, Parficim held 77.92 % of Konya's share capital, Béton Travaux held 0.99 %, SATM held 0.99 %, SATMA held 0.99 %, Noramco held 0.99 % and Konya Cimento Ticaret held 1.46 %. The remaining shares, representing 16.66 %, of the share capital are held by approximately 2,500 shareholders, with no shareholder holding more than 1 % of the company's share capital.

Bastas Hazir Beton Sanayi Ve Ticaret A.S.

Incorporated on December 20, 1990, Bastas Hazir Beton Sanayi Ve Ticaret A.S. is a Turkish Public Company with a share capital of YTL 19,425,000, whose registered office is located at Ankara-Samsun Yolu 35 km, 06780 Elmadag, Ankara (Turkey), registered in the Trade Register of Elmadag under number 488 and whose corporate purpose is the production and marketing of ready-mixed concrete.

As at December 31, 2014, Bastas Baskent Cimento Sanayi Ve Ticaret A.S. held 99.99 % of the share capital of Bastas Hazir Beton Sanayi Ve Ticaret A.S. (others: 0.01 %).

Sococim Industries

Incorporated on August 7, 1978, Sococim Industries is a Senegalese Public Company with a share capital of XOF 4,666,552,110, with registered office at 33 km, Ancienne Route de Thiès, Dakar (Senegal), registered in Dakar under number 78 B 104 and whose corporate purpose is the manufacture, import, marketing and export of limes, cements and sometimes hydraulic products and generally, of all products, materials, goods, articles and services related to construction.

As at December 31, 2014, Postoudiokoul held 55.56 % of the share capital of Sococim Industries and Parficim held 44.33 % (others: 0.11 %). Furthermore, Parficim held 100 % of Postoudiokoul.

Sinaï Cement Company

Incorporated on December 27, 1997, Sinaï Cement Company is an Egyptian Public Company with a share capital of EGP 700 million, with registered office at 29a Sama Tower, Ring Road Katameya, 11439 Cairo (Egypt), registered in Giza under number 118456 and whose corporate purpose is the manufacture, import, marketing and export of bags of cement and construction materials.

Cementi Centro Sud

Incorporated on September 5, 2001, Cementi Centro Sud S.p.a., is an Italian Company with a share capital of € 3,434,013, with registered office at Corte Lambruschini – Torre A, Piazza Borgo Pila, 40/57 F – G – 16129, Genoa (Italy), registered in Genoa under number 02154090985 and whose corporate purpose is the management of harbor terminals and the production, import and export of construction materials.

As at December 31, 2014, Parficim held 100 % of the share capital of Cementi Centro Sud S.p.a.

Bharathi Cement Corporation Private Limited

Incorporated on May 12, 1999, Bharathi Cement Corporation Private Limited is an Indian Company with a share capital of INR 79,200,000,000, with registered office at Reliance Majestic Building, door No. 8-2-626, road No. 10, Banjara Hills, Hyderabad – 500034, Andhra Pradesh, India, registered in the Trade and Companies Register of Andhra Pradesh under number U26942AP1999PTC031682, and whose corporate purpose is the operation of quarries and the manufacture of cement.

As at December 31, 2014, Parficim held 51.02 % of Bharathi's share capital.

Mynaral Tas Company LLP

Incorporated on March 27, 2007, Mynaral Tas Company LLP is a Kazakhstan Company with a share capital of KZT 20,258,454,800, whose registered office is located at 38 Dostyk Ave, Almaty, 050010 Republic of Kazakhstan, registered with the Ministry of Justice of the Republic of Kazakhstan under number 84559-1919-TOO, and whose corporate purpose is the working of a quarry.

As at December 31, 2014, the Company (through Parficim and Vigier Holding) held 90 % of the share capital (10 % is held by International Finance Company).

Jambyl Cement Production Company LLP

Incorporated on August 5, 2008, Jambyl Cement Production Company LLP is a Kazakhstan Company with a share capital of KZT 16,729,195,512, whose registered office is located at Cement plant, Reserved lands "Betpakdala", Moyinkum District, Zhambyl Oblast, 080618 Republic of Kazakhstan, registered with the Ministry of Justice of the Republic of Kazakhstan under number 10544-1919-TOO. Its corporate purpose is to run a cement factory.

As at December 31, 2014, the Company (through Parficim, Vigier Holding and Mynaral Tas) held 100 % of the share capital.

Vicat Sagar Cement Private Limited

Incorporated on July 22, 2008, Vicat Sagar Cement Private Limited is an Indian Company, with a share capital of INR 3,219,200,000, whose registered office is located at Reliance Majestic Building, door No. 8-2-626, road No. 10, Banjara Hills, Hyderabad – 500034, Andhra Pradesh, India, registered in the state of Andhra Pradesh under number U26941AP2008FTC060595 and whose corporate purpose is the working of quarries and the manufacture of cement.

As at December 31, 2014, Parficim held 99.98 % of the share capital.

9.5. CROSS-REFERENCE TABLE OF THIS REGISTRATION DOCUMENT WITH EUROPEAN REGULATION 809/2004

Headings in the appendix to regulation (EC) 809/2004	Registration Document	Page(s)
20. Financial information		
20.1. Historical financial information	7.1. Historical financial information	144
20.2. Pro forma financial information	Not applicable	
20.3. Annual financial statements	7.2. Statutory financial statements at December 31, 2014	192
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9.6. CROSS-REFERENCE TABLE OF THE ANNUAL FINANCIAL REPORT AND MANAGEMENT COMMENTARY

For greater ease of reading, the following cross-reference table outlines the main information that must appear in the financial report and management commentary.

Sections of the annual financial	Report
Declaration of the person responsible	Section 9.2.
Individual financial statements	Section 7.2.
Statutory auditors' report on the individual financial statements	Section 7.2.3.
Consolidated financial statements	Section 7.1.
Statutory auditors' report on the consolidated financial statements	Section 7.1.3.
Management report	
■ Analysis of business, financial, position and earnings	Sections 2.2.2. and 2.3.
■ Description of the main risks and uncertainties	Chapter 6
■ Information on environmental issues	Chapter 3
■ Information relating to societal commitments to sustainable development	Chapter 3
■ Information relating to research and development activities	Section 1.8
■ Information on employee-related issues	Section 3.1
■ Information on the share buy-back programs	Section 5.2.7.
■ Company shareholders	Section 5.3.1.
■ Information on exceeding of thresholds and distribution of share capital	Section 5.3.
■ Trends and objectives	Section 2.5.
■ Employee holdings in share capital	Section 7.2.2.
■ Details on the compensation and benefits of Corporate Officers	Section 4.3.
■ Dividends distributed in the last three years	Section 5.3.6.
■ Mandates and functions performed by each of the Company's executive officers	Section 4.2.1.
■ Summary of transactions conducted by the directors in the Company's shares	Section 4.4.
■ Expenses written back pursuant to Article 39.4 (surplus depreciation)	Section 7.2.2.
■ Suppliers' payment period	Section 7.2.2.
■ Corporate Social Responsibility (CSR) report	Chapter 3
Auditors' fees	Section 7.1.2.
Report from the Chairman of the Board on the preparation and organization of the work of the Board and the internal control procedures established by the Company	Section 4.5.1.
Statutory auditors' report on the Chairman of the Board's report	Section 4.5.2.

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9.7. CROSS-REFERENCE TABLE OF WORKFORCE-RELATED, ENVIRONMENTAL AND SOCIAL INFORMATION

Between Decree No. 2012-557 of April 24, 2012 regarding companies' social and environmental transparency obligations and the information in the Registration Document.

Social information

N°	Information required by Decree No 2012-557 of April 24, 2012	Corresponding section of the Registration Document
1	Total workforce and breakdown by gender, age and geographical area	3.1.2.1.
2	Recruitment and lay-offs	3.1.2.1.
3	Remuneration and pattern of change	3.1.2.5.
4	Organization of working hours	3.1.2.2., 3.1.2.3., 3.1.2.4.
5	Absenteeism	3.1.5.1.
6	Procedures for informing and consulting employees and negotiating with them	3.1.5.2.
7	Review of collective agreements	3.1.5.2.
8	Health and safety conditions at work	3.1.1.2
9	Agreements signed with unions or staff representatives concerning health and safety at work	3.1.1.3
10	Frequency and severity of workplace accidents and occupational illnesses	3.1.1.1.
11	Training policy	3.1.3.
12	Total number of hours of training	3.1.3.
13	Measures to promote gender equality	3.1.6.1.
14	Measures to promote the employment and integration of disabled people	3.1.6.2.
15	Policy on the elimination of discrimination	3.1.6.3.
16	Freedom of association and the right to collective bargaining	3.1.5.2
17	Elimination of discrimination in respect of employment and occupation	3.1.6.3.
18	Elimination of all forms of forced or compulsory labor	3.1.6.3.
19	Effective abolition of child labor	3.1.6.3.

Environmental information

N°	Information required by Decree No 2012-557 of April 24, 2012	Corresponding section of the Registration Document
20	Group organization to take into account environmental issues and environmental assessment or certification measures	3.3.2.1.
21	Training and information provided to employees with regard to the environment	3.3.2.1.
22	Resources devoted to the prevention of environmental risks and pollution	3.3.2.1.
23	The amount allocated to provisions and guarantees in respect of environmental risks	3.3.2.1.
24	Prevention, reduction or clean-up measures: Air/Soil/Water	3.3.3.1. 3.3.3.2.
25	Measures to prevent, recycle and eliminate waste products	3.3.2.1.
26	Consideration of noise pollution and all other forms of pollution specific to an activity	3.3.2.
27	Consumption of water and supply of water in accordance with local constraints	3.3.5.3.
28	Consumption of raw materials and measures taken to improve the efficiency of their use	3.3.5.4.
29	Energy consumption and measures taken to improve energy efficiency and use of renewable energy sources	3.3.6.
30	Land use	3.3.2.1. 3.3.5.2.
31	Discharges of greenhouse gases	3.3.3.2.
32	Adaptation to the consequences of climate change	3.3.4.
33	Measures taken to preserve or increase biodiversity	3.3.5.1. 3.3.5.2.

Societal information

N°	Information required by Decree No 2012-557 of April 24, 2012	Corresponding section of the Registration Document
34	Impact in terms of employment and regional development	3.2.2.
35	Impact on neighborhood or local populations	3.2.1. 3.2.3.
36	Terms of dialogue with stakeholders	3.3.2.2.
37	Partnership or charity actions in general	3.2.1.
38	Consideration of social and environmental issues in the procurement policy with subcontractors and suppliers	3.2.4.
39	Level of subcontracting	3.2.4.
40	Actions taken to prevent corruption	3.2.5.
41	Measures taken in favor of consumer health and safety	3.2.6.
42	Other actions taken in favor of human rights	3.2.4. 3.1.

GLOSSARY

Additive	All products incorporated into concrete that are not cements, aggregates, adjuvants, mixing water or additives (for example fibers, color pigments, etc.).
Adjuvant	Chemical product incorporated in low doses (less than 5 % of the mass of cement) in concrete or mortar in order to modify some of its properties. It is incorporated either before or during blending, or during the mixing operation.
Agglomerate ore product	Fragment, usually of rock, used as an aggregate in concrete or mortar. The term aggregate is more appropriate. See “Aggregate”.
Aggregate	Component of concrete. All mineral fragments known, depending on the grain size in the range 0 to 125 mm (the dimension is the length on the side of the square mesh of the sieve through which the grain can pass): fillers, fine sands, sands or fine gravels. A distinction is made between natural aggregates resulting from loose or solid rock when not subjected to any treatment other than mechanical, and artificial aggregates created by the thermal or mechanical transformation of rocks or ores. Natural aggregates can be rolled, have a round shape of alluvial origin or a crushed, angular shape produced from quarry rock. The type of the links between the aggregates and the cement paste strongly influences the strength of the concrete.
Alternative fuel	Combustible by-product or waste product used as a fuel to produce heat as a replacement for a “premium” fuel (fuel oil, coal, petroleum coke). Also known as a “secondary fuel”.
Bagging machine	Automated bagging system. In a cement factory, its capacity can reach 5,000 bags/hour. The rotating unit has a number of nozzles (8 to 16) and is fed with empty bags by arms or by projection from one or two peripheral stations. The central silo feeds the nozzles mounted on the weighing scales. The bags are automatically removed during rotation and placed on a conveyor belt that feeds the palletization equipment.
Binder	Material able to pass – under certain conditions (in the presence of mixing water in the case of hydraulic binders) – from a plastic state to a solid state; it is thus used to combine inert materials. Component of concrete which, following the setting process ensures cohesion of the aggregates.
Calcination	Conversion of a limestone into lime by firing at high temperature.
CEM	This designation applies to cements complying with European standard EN 197-1. “CEM” cements consist of various materials and are of statistically homogeneous composition.
CEM I	This designation applies pursuant to standard EN 197-1 to cement of the “Portland Cement” type, i.e. a cement comprising at least 95 % clinker. Certain CEM I cements are recognized as resistant to sulfates, at the level of EC labeling, since standard NF EN 197-1: 2012 entered into force on 07/01/2013. Three categories are distinguished: ■ CEM I SR0: cement where the clinker’s C3A content = 0 % ■ CEM I SR3: cement where the clinker’s C3A content ≤ 3 % ■ CEM I SR5: cement where the clinker’s C3A content ≤ 5 %
CEM II	This designation applies pursuant to standard EN 197-1 to cements, the most common types of which are “Portland composite cement” (the letter “M” is then added to the designation), “Portland limestone cement” (the letter “L” is then added to the designation), “Portland slag cement” (the letter “S” is then added to the designation) and “Portland silica fume cement” (the letter “D” is then added to the designation). A CEM II cement has a clinker content ranging: either from 80 to 94 %; this cement is then designated “CEM II/A”; or from 65 to 79 %; this cement is then designated “CEM II/B”.
CEM III	This designation applies pursuant to standard EN 197-1 to “Blast furnace cement” comprising blast furnace clinker and slag in the following possible combinations: ■ 35 % to 64 % clinker and 36 % to 65 % slag: this cement is then designated “CEM III/A”; ■ 20 % to 34 % clinker and 66 % to 80 % slag: this cement is then designated “CEM III/B”. ■ 5 % to 19 % clinker and 81 % to 95 % slag: this cement is then designated “CEM III/C”. CEM III/B and CEM III/C cements are recognized as resistant to sulfates, at the level of EC labeling, since standard NF EN 197-1: 2012 entered into force on 07/01/2013. They are labeled CEM III/B-SR or CEM III/C-SR.
CEM IV	Applies to “Pozzolana cement”, which is not sold in France.
CEM V	Applies to “Composite cement”, rarely used in France.
Cement	Hydraulic binder, i.e. a fine powder which, when mixed with water, forms a paste which sets and then hardens following reaction with the water. After hardening, this paste retains its strength and stability even under water.

Cement type	Means of classification standardized according to the nature of the cement components. There are six types: See “CEM I”, “CEM II”, “CEM III”, “CEM IV” and “CEM V”. This classification is associated with its regular resistance: 52.5; 42.5; 32.5, as well as its short-term resistance: R; N; L .
Clay	Compact and impermeable sediment, becoming plastic, malleable, and more or less thixotropic in the presence of water. It has different physicochemical characteristics depending on its smoothness. Composed of silicoaluminates, clay is present in the raw materials for manufacturing cements and hydraulic lime. It is present to a greater or lesser extent in marls. See “Marl”.
Clinker	Basic component of a Portland cement, comprising four major mineral elements: limestone, silica, alumina and iron oxide. It is obtained by firing at a high temperature in a cement kiln (1,450°C).
Clinker for natural quick-setting cement	The clinker for natural quick-setting cement results exclusively from the moderate-temperature firing (1,000°C to 1,200°C) of regular bedded argillaceous limestone, extracted from uniform rock strata.
Clinkerization	Conversion of raw materials (limestone, silica, alumina and iron oxide) into clinker, occurring at a temperature of , 1,450°C for a Portland clinker.
Concrete	Building material produced from a mixture of cement, aggregates and water, possibly supplemented by adjuvants, admixtures and additives. This mixture, made on the building site or in a factory, is in the plastic state. It is able to take the shape of the mold and then hardens gradually to eventually form a monolith. Depending on the formulation, use and surface treatment, it can vary considerably in performance and appearance.
Concrete batching plant	Stationary equipment for the industrial production of ready-mixed concrete.
Cooler	Unit located at exit from a clinker kiln intended to cool clinker at 1,400°C to an ambient temperature. Grid coolers and perforated plate coolers are the most common types; traditional coolers consist of a series of mobile rows of plates that push the clinker towards the discharge point (arranged in a bed of material from 60 to 90 cm in thickness). Air blown upwards through the plates provides cooling: at the output from the clinker bed, some of the hottest air (secondary air) goes back up into the kiln to feed combustion. Excess air is discharged at the back of the unit. In modern coolers, all the plates are fixed. They are protected from the hot clinker by a bed of cold clinker. The clinker is moved towards the discharge point by various “rake” or “walking floor” devices.
Crushed aggregate	Aggregate produced by crushing rocks.
Crusher	Crushing machine, used especially in a quarry. Crushers operate with jaws (with reciprocating motion, nut-cracker principle), with hammers for softer or more mobile materials or by grinding between inverted vertical cones (fine gravels).
Crushing	Breaking rocks into small pieces by grinding or pounding.
Decarbonization	Reaction releasing the CO_2 contained in the limestone raw materials under the action of heat (850 to 950°C). The remaining lime (CaO) then combines with silicates and aluminates to form the clinker. This reaction absorbs a great deal of heat and constitutes the main heat consumption of the kiln.
Energy recovery	Introduction into the production process of by-products, waste or fuels otherwise of no use, in order to use the calorific content for the production of heat. These products replace, in whole or in part, primary fuels such as coal, fuel or gas. Their use makes it possible to save primary energy resources in energy and prevent them from being consumed and causing pollution when discharged into the natural environment. For example, in a cement works, tires or waste solvents are used as fuel for the kiln.
Fine gravel	Aggregate having a diameter between 1 and 63 mm.
Fly ash	By-product of the combustion of coal in power stations used as a source of silica and alumina in the manufacture of clinker, or to replace part of this in the manufacture of Portland composite cement.
Formulation	Operation consisting of defining the proportions – by weight rather than volume – of various components of a concrete, in order to meet the desired strength and appearance requirements.
Fresh concrete	Concrete as it exists in the phase after mixing and before setting, in other words, in a plastic state which allows its transportation and installation. The workability of a concrete is assessed during this phase of its manufacture, by subjecting a sample to a slump test on the Abrams cone.
Granulometry	a) Measurement of the granularity of an aggregate, i.e. of the range of particle sizes it contains, by passage through a series of square mesh sieves of standardized dimensions. b) Granulometry or granulometric analysis: the measurement of the proportion of the various granular sizes of the grains of a powder, sand or aggregate.
Greenfield	A greenfield plant construction project is a project where the Group undertakes the construction of a cement works on a site where there was no previous cement business. After checking the existence and accessibility of reserves of natural resources of sufficient quality and quantity for cement manufacture, the project generally involves designing and establishing the various components of the industrial and commercial process. A brownfield project, on the other hand, is one where there was already a cement business on the site.

Grinding	Reduction to powder or very fine particles. Grinding can be performed by pounding (minerals), by crushing (dyes, cement) or by crumbling (refuse). In a cement factory, the grinding plants generally comprise a grinding mill, a separator that returns oversize particles to the mill and a ventilation and dust extraction system.
Gypsum	Natural calcium sulfate or a by-product from industries manufacturing phosphoric acid or citric acid. It is added to cement as a setting regulator.
Handleability	Condition defining the ability of a mortar or a concrete to be transported, handled and used; it is characterized by the consistency and the plasticity of material. See “Workability”.
Heat balance	Expression of the heat exchange between a closed environment and the outside. More specifically for cement kilns, the heat balance evaluates the heat inputs and compares these with the requirements of physicochemical processes and heat losses.
Homogenization	Operation carried out in cement works to obtain a homogeneous mixture of the components of the raw meal before firing. It can be carried out discontinuously by batch or in a continuous process. Mechanical and/or pneumatic mixing means may be used.
Hopper	Bulk materials (sand, aggregates, cement) storage unit in the shape of a truncated cone made from steel or concrete. At the bottom of a hopper is a system for discharging the material by gravity.
HPC	Abbreviation for “high-performance concrete”. The formulation of this concrete makes it particularly compact and therefore of low porosity. Its mechanical strength is in excess of 50 MPa and it has much higher durability than standard concretes.
Hydration (of cements)	Chemical phenomenon by which cement fixes mixing water and triggers the processes of setting and then hardening. This reaction is accompanied by a release of heat, the amount of which depends on the type of cement.
Lime	Binder obtained by the calcination of more or less siliceous limestone. A distinction is made between air limes, which harden under the action of carbon dioxide in the air, and hydraulic limes, which set by mixing with water.
Limestone	Sedimentary rock containing primarily calcium carbonate ($CaCO_3$). Calcite is the most stable and most common crystalline form. Dolomites constitute a distinct class: they are mixed carbonates (calcium and magnesium). Limestone is one of the basic components of clinker; it contributes the lime necessary for the formation of silicates and aluminates. The magnesia content of the limestone used must be no more than a few percent in order to prevent the formation of non-combined magnesia on firing and likely to cause expansion of the concrete in the medium or long term.
Marl	Natural mixture of clay and limestone in various proportions. If the amount of limestone is less than 10 %, the marl is known as argillaceous. Marl with higher proportions is referred to as marly limestone. It is generally characterized by its carbonate content (lime and magnesia in a lesser proportion). It is one of the raw materials essential for the manufacture of cement; it provides the argillaceous fraction rich in iron and aluminosilicates.
Material recovery	Introduction into the production process of by-products or waste products in order to use their chemical properties. These products replace in whole or in part products extracted from quarries. Their use makes it possible to save natural mineral resources and prevent them from being consumed and causing pollution when discharged into the natural environment. For example, in a cement works, foundry sands are incorporated into the raw material to provide silica in place of natural sand and synthetic gypsums (inter alia from the desulfurization of fumes from heat generator units) and are used to replace, completely or partially, natural gypsum or anhydrite in cement to control the setting time.
Mixer truck	Vehicle used to transport fresh concrete from the production location to the construction site. Also known as a transit mixer truck or truck mixer.
Mortar	Mix of cement, sand and water, possibly supplemented by adjuvants and admixtures. It differs from concrete in that it does not contain fine gravels. Prepared on the building site – starting from pre-dosed dry industrial mortar or by proportioning and mixing all the components – or delivered to the site from a batching plant, mortars are used for joints, coatings, screeds and for various sealing, reshaping and filling purposes.
Natural quick-setting cement	Quick-setting cement comprised of the clinker for natural quick-setting cement only, grounded, and not requiring a setting regulator.
Plaster	Surface coating (approximately 2 cm for traditional coatings) comprising a cement mortar and/or hydraulic lime, intended to cover a wall, in order to homogenize its surface and waterproof it. A distinction is made between traditional plasters (which require three layers), double-layer plasters and single-layer plasters (based on industrial mortars and applied in two passes).
Portland cement	CEM I, CEM II, CEM III, CEM IV, CEM V-type cements, manufactured from Portland clinker and a setting regulator, and other components. Cement complying with standard NF EN 197-1.

Portland clinker	Basic component of cement, comprising four major mineral elements: limestone, silica, alumina and iron oxide. It is obtained by firing at a high temperature in a cement kiln (1,450°C).
Pozzolana	Product of volcanic origin composed of silica, alumina and iron oxide which, in the form of fine powder, is suitable for combining with lime to form stable compounds with hydraulic properties (hardening under water). By extension refers to natural or artificial materials having the same property. Pozzolanas are components of certain types of cement.
Precalcination	System enabling combustion to be started before entry into the kiln and thus reducing the quantity of energy required in the kiln.
Precalciner	Combustion chamber at the base of the preheater tower, fed with all fuel types and hot air for combustion (750 to 900°C) coming from the cooling of the clink. The precalcinator can contribute up to 55 % of the heat necessary for satisfactory operation of the kiln. See “Preheater”.
Precast concrete products	Production of construction components away from their final site, in a factory or at a nearby location. Many concrete structural components can be prefabricated: posts, beams, load-bearing or insulation panels, façade panels, cladding, as well as standardized elements blocks, joists, shuttering slabs, honeycomb slabs, tiles, components of roadway or drainage systems, drainage systems or street furniture.
Preheater	Tower comprising a succession of cyclone stages. At each stage, the cooler meal from the stage above is heated on contact with the warmer gas coming from the stage below. The gas/meal mixture is then decanted into the cyclone. The heated meal then drops down to the stage below to be further heated. The cooled gases go up to the stage above to continue heating the meal. At the bottom of the preheater, the meal enters the rotary kiln. Preheaters can also include a precalcinator.
Prehomogenization	Process carried out in a cement factory to obtain a premix of crushed raw materials before grinding. It can be carried out discontinuously by batch (constitution of a heap during a few days while a second one is used) or continuously in circular workshops (simultaneous eccentric rotation and discharge on the heap and one in use).
Pumping	Process of conveying the concrete from a feed hopper to the pouring site via tubes. It can carry the concrete to horizontal distances of up to 400 m (or even 1.5 km) and vertical distances of 100 m (or even 300 m).
Quarry	Materials extraction site subject to the provisions governing “Installations Classées pour la Protection de l'environnement” (sites subject to environmental protection regulations). These sites are generally open-air, except for the Chartreuse underground quarries where stone fired to make quick-setting cement is extracted. Quarries produce the natural raw materials required to make cement or for the production of aggregates used in ready-mixed concrete or earthworks. Quarries are generally worked by blasting in the case of solid rock seams. Loose and alluvial materials, in or out of water, are extracted by machine. Quarries are operated under strict environmental controls in compliance with a prefectural order implementing an administrative instruction based on a large number of studies, including an impact assessment. As far as possible, reinstatement agreed with the local authority and local community is part of the operation and is carried out as the faces advance.
Raw material	Name given to the raw material processed in the cement kiln.
Raw meal	Name given to the cement kiln raw material after grinding (the size of the grains corresponds to that of flour).
Raw mill	Grinding plant. In a cement works, this may be a ball mill, roller mill or vertical mill.
Ready-mixed concrete	Concrete made in a plant remote from the construction site or on the site, mixed in a stationary mixer, delivered by the manufacturer to the user in a fresh state and ready to use.
Roller aggregate	Aggregate of alluvial origin made up of round-shaped grains.
Sand	Aggregate of diameter < 6.3 mm.
Screed	Thin layer of cement mortar (3 to 5 cm) poured on to a concrete floor in order to render it flat.
Setting	Start of the development of the strength of the concrete, mortar or the cement paste. It is assessed by the setting test (NF P 15-431, NF EN 196-3).

Setting regulator	Cement component intended to slow down the hydration reactions. Gypsum and calcium sulfate are most commonly used.
Setting time	The setting time for cements is determined by observing the penetration of a needle into a cement paste of standardized consistency ("standard" paste) up to a specified depth (NF EN 196-3). The device, known as "Vicat apparatus", makes it possible to measure the interval between the start of water/cement contact and the start of setting (penetration of the Vicat needle up to 4 mm from the bottom), as well as the end of setting (virtually no penetration).
Silica fume	Silica fume is a by-product of the production of silicon and its alloys. It is obtained by condensation of SiO gas or by oxidation of Si metal on the surface of the electrometallurgy furnaces, the fumes of which are collected and filtered. This microsilica is generally condensed in order to facilitate storage and handling. Silica fume appears as spherical elementary amorphous silica balls (SiO_2) of a diameter between 0.1 and 0.5 µm. Their silica content varies from 70 to 98 % depending on the manufacturing plant and the alloy produced. In concretes, silica fume acts according to two mechanisms: by a granular effect related to the shape and the extreme fineness of the powder; by pozzolanic reaction due to the high amorphous silica content.
Silo	High-capacity tank, generally cylindrical, intended for dry materials (sands, cements, etc.). Made of steel or concrete, loaded from above and unloaded from below, it is equipped with various types of extraction devices. See "Hopper".
Slag	By-product of the manufacture of cast iron from metal industry blast furnaces. It has hydraulic characteristics similar to that of clinker, and is, therefore, used as a component of certain cements.
Standard	Document specifying a set of technical or other specifications, drafted in collaboration with the parties concerned (representatives of manufacturers, users, consumers, authorities, and specialist organizations such as the CSTB). Standards require ministerial decrees to make them mandatory. There are various types: test, performance, safety and terminology standards. An ISO standard is a standard drafted and/or adopted by the International Standardization Organization. An EN standard is a standard adopted by the European Committee for Standardization. A referenced standard EN ISO + No. reproduces in full the European standard, which in turn reproduces the international standard with the same number.
Strength of a concrete	All behavioral characteristics under compression, traction and bending stresses. In France, the strength of concrete structures is conventionally checked 28 days after their installation. In the United States, the period is 56 days.
Sulfoaluminous clinker	Basic component of a sulfoaluminouscement cement, comprised of raw materials that essentially contain the following oxides: CaO, Al_2O_3, SiO_2, Fe_2O_3, SO_3, and other minor elements. This clinker is obtained by firing at a temperature of around 1,300°C.
Thermie (th)	Unit of heat energy. 1 thermie = 1,000 kilocalories = 1,000,000 calories. This unit is replaced by the energy unit, the joule (J): 1 thermie = 4.1855 MJ (4,185,500 J). The specific consumption of the cement kiln is measured: in thermies per tonne of clinker (former units); or in gigajoules per tonne of clinker (new units). Example: a kiln consumes 850 thermies per tonne of clinker, which is the equivalent of 3,558 megajoules per tonne produced.
Truck mixer	See "Mixer truck".
Ultra-High-Performance Fiber-Reinforced concrete (UHPC)	The addition of metallic fibers increases this concrete's tensile capacity under bending and shear stress. Different from high-performance concrete (HPC) as a result of an ability to avoid the use of traditional steel reinforcement, compressive strength greater than 130 MPa, and direct tensile strength greater than 10 MPa.
X-ray diffraction analysis	This technique is used to determine the mineral composition of cement, clinker or raw meal. It allows for rapid and very precise controls at various stages of the cement manufacturing process. For this analysis, which takes only a few minutes, samples in the form of pressed powder pellets or diluted in a glass bead medium are exposed to an X-ray beam. The beam emitted by a powerful X-ray tube interacts with the sample, provoking the dispersion of the beam in a range of directions. The analysis of the resulting X-ray diffraction pattern – or "diffractogram" – allows for the determination of the minerals contained in the sample and their concentrations.
X-ray fluorescence analysis	This technique is used to determine the chemical composition of cement or raw meal. It allows for rapid and very precise controls at various stages of the cement manufacturing process. For this analysis, which takes only a few minutes, samples in the form of pressed powder pellets or diluted in a glass bead medium are exposed to an X-ray beam. The beam emitted by a powerful X-ray tube excites the elements contained in the sample. When using X-ray fluorescence, the excited atoms in turn emit X-rays along a spectrum of wavelengths characteristic of the types of atoms present in the sample. By measuring their intensity, the concentration of each chemical element can be obtained.

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