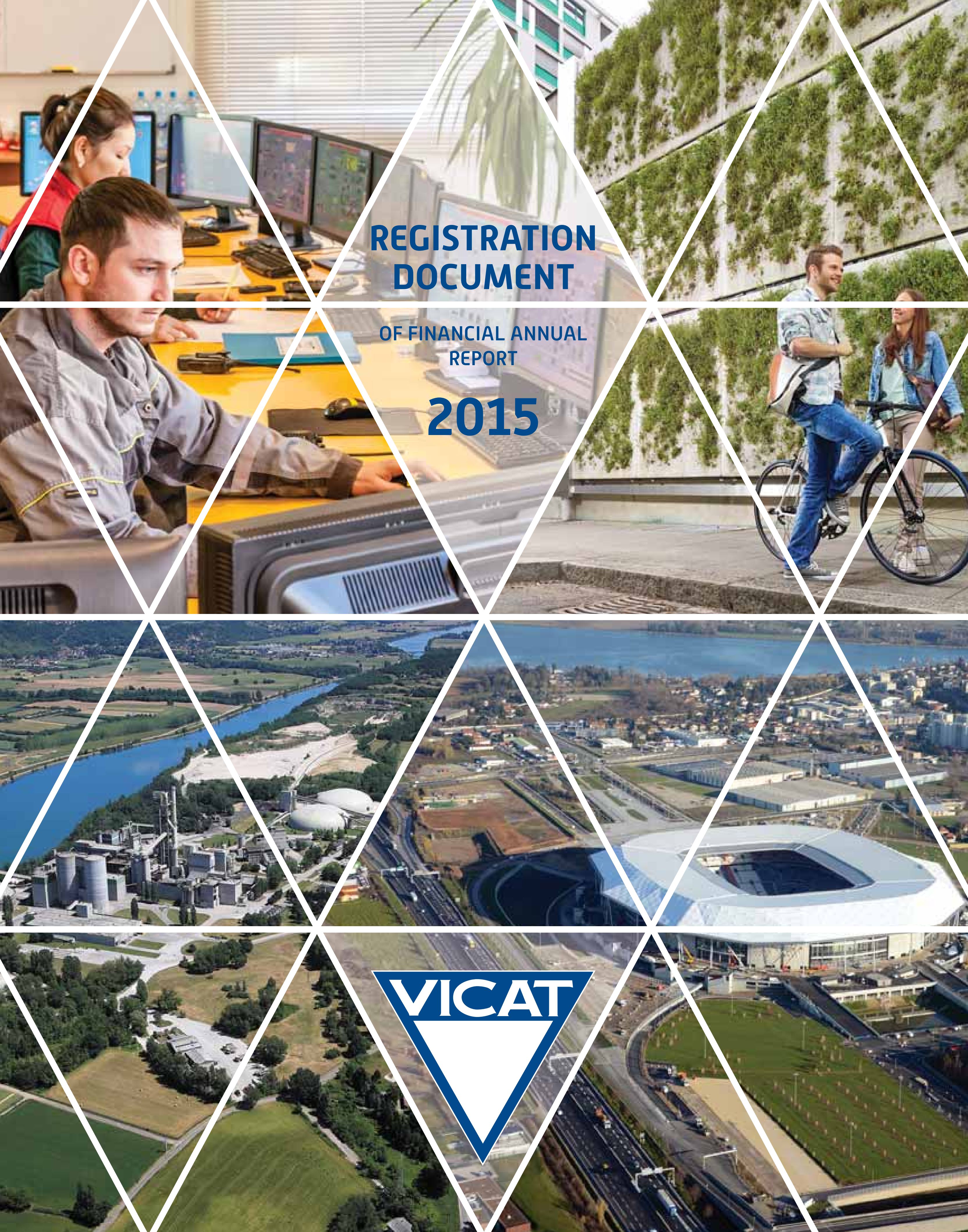
REGISTRATION DOCUMENT

OF FINANCIAL ANNUAL REPORT

2015



VICAT

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

2015 REGISTRATION DOCUMENT

including the **financial annual report**

PROFILE

THE VICAT GROUP IN 2015

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 the turbulent context of 2015, the Group successfully maintained its operating profitability. 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

What would the world be without cement?

Guy SIDOS

Operational-excellence plans factor in sustained continuous improvement of our quality, service, and production costs

What would the world be without cement?

It would undoubtedly be different, somewhat dated. In 2015, it would not have been enriched by new low-energy homes, fuel-saving, low-maintenance concrete roads, elegant, functional low-energy high-rise buildings, bridges, or sports infrastructures like the Stade des Lumières stadium in Lyon, and much, much more.

Invented, in its artificial form, by Louis Vicat close to two centuries ago, cement adapts to modern requirements in all its uses: formulated products, precast concrete products, and concretes adapted to the requirements of today's city. Cement is an inexpensive modern, local, easy-to-use material.

> *Despite all this turmoil, Vicat kept firmly on track, and maintained its operational profitability*

Vicat, which in 2015 became the only French cement manufacturer, devotes itself to adapting not just the material and its uses to modern-day living, but also the way in which it is made. Its production methods help respect and develop life and the landscape, repurpose waste, and provide local jobs for specialists impassioned by their professions in processing and change.

Vicat innovates. Ultimat, a new very-high-strength cement suitable for the geological conditions of the Alps and the Paris region, was developed for tunnel projects close to Paris and on the Lyon–Turin railroad. Vicat's research and development teams have also developed concretes based on Alpenat, our new high-performance, low-carbon cement. With these concretes, immense non-shrink slabs can be built, and roads and runways can be repaired extremely quickly. Concrete is constantly being reinvented and finding new functions: it can be decorative, structural, insulating, permeable (to prevent ground-surface hardening) or, on the contrary, impermeable (for storing and treating water). It is becoming more refined for extreme applications, be it for design or structural purposes.

Vicat's expertise in these materials is applied to 'Smart City' projects and the development of digital models.

Throughout the world, 2015 was a very turbulent year in which our markets were affected by the geopolitical background, climate concerns, and economic uncertainties entraining high exchange-rate volatility.

Our industry was not spared: our competitive environment underwent profound change, with the merger of the world's two largest cement manufacturers, the sale of many of their assets, and announcements of more consolidations to come.

Despite all this turmoil, Vicat kept firmly on track, and maintained its operational profitability. The dynamics of the Group's most recent facilities, particularly in India, and economic bounce-back in the United States more than made up for lower profitability in Egypt and, to a lesser extent, in France.

Two important industrial operations were carried through: commissioning of two new coal crushers in Egypt, which halves fuel costs; and resumption of production in one of the kilns in Ankara, Turkey, after construction of a new raw-meal processing line. Commissioning of a new clinker press in 2016 will complete the operations boosting the Ankara plant's production capacity to 3 million tons per year.

Operational-excellence plans factor in sustained continuous improvement of our quality, service, and production costs. Their success is due to the competence, hard work, and tenacity of the men and women working in Vicat's facilities in the eleven countries where we have operations. I thank them heartily for their participation in Vicat's successes.

Vicat's strategy is still to keep its industrial facilities, as links in the chain of a circular economy, as close as possible to centers of consumption and, similarly, to keep close to customers in developing high-performance, environmentally responsible constructive solutions.

Certain of its strengths, Vicat is taking the curve into 2016 with hope and confidence.

The Montalieu plant in its grandiose surroundings (Isère, 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 more than 51% of the Vicat Group's consolidated sales in 2015.

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 operates 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 continued since at a pace sustained 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 68% in 2015 (including 37% in emerging countries).

Wherever justified by market conditions, the Group pursues a policy of vertical integration into Ready-mixed Concrete & Aggregates, which accounted for 36% of consolidated sales in 2015.

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

€ 2,458 million
in sales

7,852
employees

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

11 operating **countries**

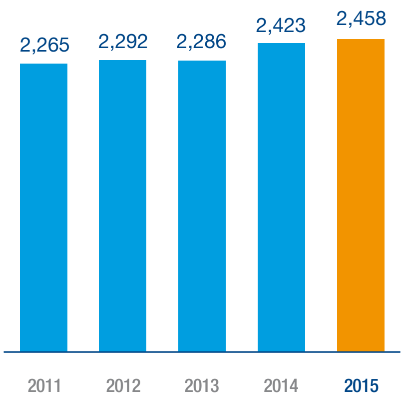
19.8 million tonnes of **cement**

8.5 million m^3 of **concrete**

20.9 million tonnes of **aggregates**

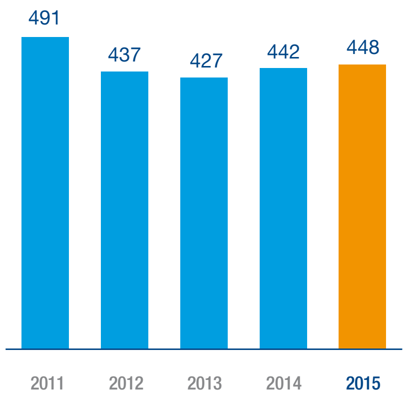
1.2. KEY FIGURES

CONSOLIDATED NET SALES
(in millions of euros)



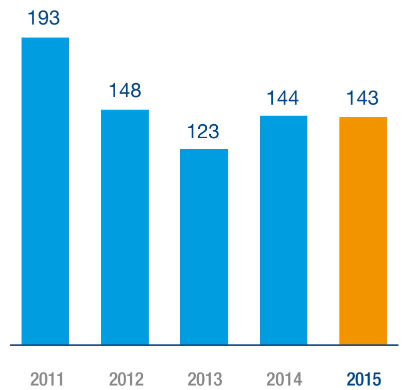
Consolidated sales for 2015 amounted to € 2,458 million, an increase of 1.5% compared with 2014. This figure fell by 4.4% at constant consolidation scope and exchange rates.

EBITDA
(in millions of euros)



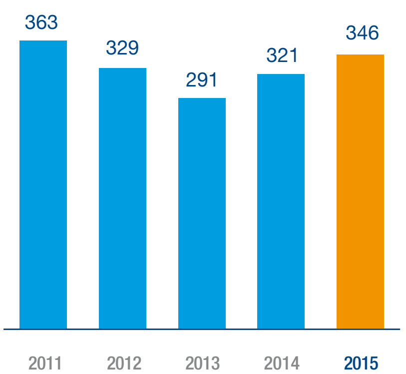
The Group's consolidated EBITDA rose by 1.5% to € 448 million compared with 2014, but declined by 4.3% at constant consolidation scope and exchange rates.

CONSOLIDATED NET INCOME
(in millions of euros)



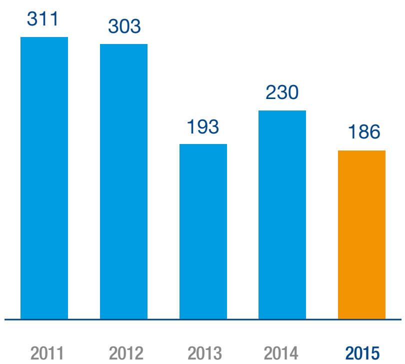
Consolidated net income was stable at € 143 million, and fell 6.9% at constant consolidation scope and exchange rates, yielding a 5.8% margin.

CASH FLOW FROM OPERATIONS
(in millions of euros)



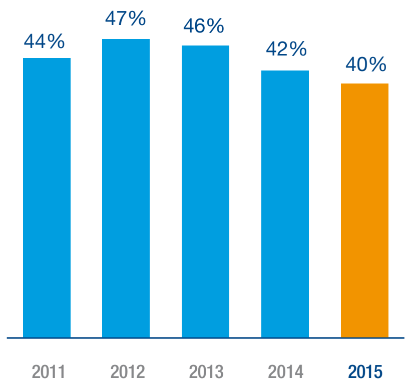
Cash flows from operations amounted to € 346 million, generating free cash flow of € 133 million in 2015.

TOTAL INVESTMENTS
(in millions of euros)



Pursuant to the Group's strategy, investments fell sharply in 2015 to € 186 million, compared with the € 230 million recorded 2014.

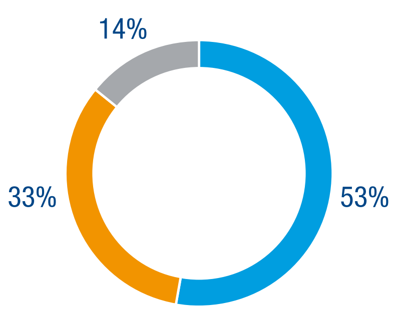
NET DEBT/EQUITY
(in %)

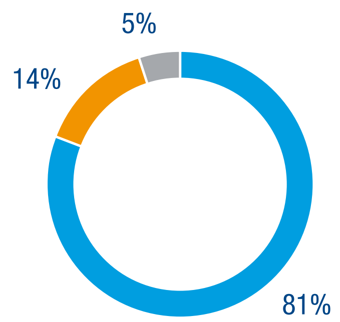


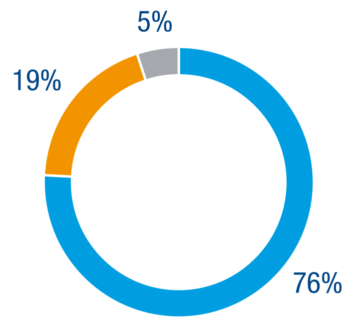
On the basis of consolidated shareholders' equity, the gearing ratio was 40.0% as at December 31, 2015, compared with 41.6% as at December 31, 2014.

BY BUSINESS SEGMENT

OPERATING SALES	EBITDA	NET CAPITAL EMPLOYED



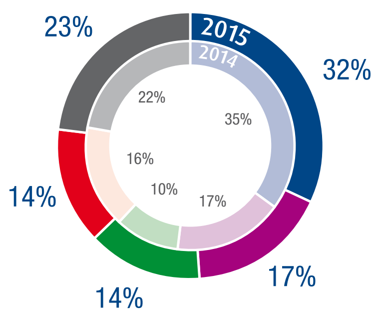


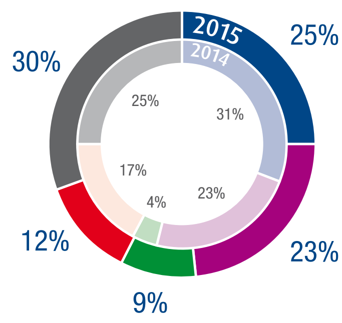


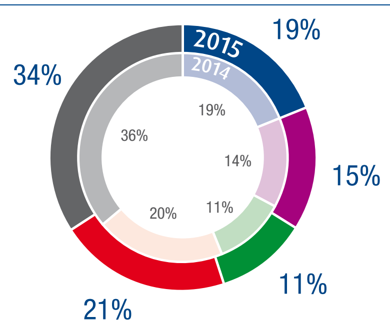
▼ CEMENT ▼ CONCRETE & AGGREGATES ▼ OTHER PRODUCTS AND SERVICES

BY GEOGRAPHICAL AREA

OPERATING SALES	EBITDA	NET CAPITAL EMPLOYED







▼ FRANCE ▼ EUROPE (EXCL. FRANCE) ▼ UNITED STATES ▼ AFRIQUE AND MIDDLE-EAST ▼ ASIA

1.3. HISTORY

1817 – Louis Vicat invented artificial cement

After graduating from two of France's elite engineering schools, Ecole Polytechnique and Ecole des Ponts et Chaussées, Louis Vicat invented 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 Genevrey of the Group's first cement factory

In the vicinity of Grenoble the young engineer Joseph Vicat began to manufacture artificial cement in kilns, after analyzing the local argillaceous limestone and finding it particularly well suited to this task. The initial results were highly satisfactory. Aged 32 at the time and a graduate of the Ecole Polytechnique like his father, Joseph Vicat soon decided to build a cement factory at Le Genevrey, near the town of Vif in the Isère department.

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

After tireless and rigorous exploration and testing, Joseph Vicat found deposits of limestone particularly suited for the manufacture of quick-setting cement in the Chartreuse mountain range and built 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 increased 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 hard to promote the Company's vigorous development.

- 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 began to expand abroad, focusing initially on the United States

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

1984 – Jacques Merceron-Vicat was 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 continued its development with the acquisition of the SATM group (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 Ile-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 marked the Group's entry into Turkey, a country with strong potential for development. This was followed by another acquisition in 1994, 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 integrated Sococim Industries, a company based in Rufisque, near Dakar, thus securing access to a rapidly-developing new continent. Today, Sococim Industries has a cement production capacity of 3.5 million tonnes.

2001 – Acquisition of Vigier in Switzerland

In 2001, the Group acquired 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 expanded its own operations across the Swiss border.

2003 – Acquisition of Cementi Centro Sud in Italy

In early 2003, the Group acquired 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 Sinai Cement Company in Egypt

The Vicat Group acquired a controlling interest in Sinai 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 allowed 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 Mynaral was completed in 2010, thus meeting the needs of the rapidly growing Kazakh market. The factory steadily increased its output over the following years to reach a cement production capacity of more than 1.4 million tonnes.

2008 – New corporate governance

Guy Sidos was appointed 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 Cements. The new company aim 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 was commissioned in May 2013.

Acquisition of a majority holding in a cement grinding mill with a capacity of 0.5 million tonnes, located at Nouakchott in Mauritania.

2010 – New acquisition in India

In 2010, the Group made 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 double 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 saw improved production performance made possible by new equipment.

2014 – Guy Sidos was 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 held 100% of the share capital of Vicat Sagar Cement, renamed Kalburgi Cement at the beginning of 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 secure its access to the cement-consuming markets. It also benefits from synergies with complementary activities, turned to account 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 balance the distribution of its activities.

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

- industrial and commercial expertise in the Group's core businesses;
- long-term strategy, assured by family shareholding and management, since the family has managed the Group for over 160 years and boasts in-depth experience of the businesses;
- diversified geographic presence with strong regional positions;
- a stable industrial policy prioritizing long-term control and 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 vigorously to competitive pressure in certain of its markets and to position itself effectively on sustainably growing markets by rapidly increasing its industrial production capacities, or by acquisitions. The Company combines high operating margins and active management of the environmental aspects of its operations.

1.4.2. DEVELOPMENT STRATEGY ANALYSIS 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 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 deliberately sustains its industrial investment, with the following aims:

- first, modernizing its production facilities to improve the efficiency and economic performance of its factories and thus have the industrial capacity to respond to intense competition;
- second, increasing 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. Accordingly, in pursuing external growth, the Group aims to satisfy all the following criteria:

- location near a significant market having attractive growth potential;
- long-term control and management of geological reserves (objective of 100 years for cement) and securing of 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 greenfield sites. Such projects are examined very selectively and must comply with the Group's previously-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 monitor trends in 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 end markets and to the Group's concrete batching plants;
- control and 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. GEOGRAPHIC DEVELOPMENT STRATEGY

The Group is established and operates in 11 countries. It recorded 31.6% of its consolidated sales in France, 17.3% in Europe (excluding France), 13.9% in the United States, and 37.2% 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 geographic 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 those positions 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.

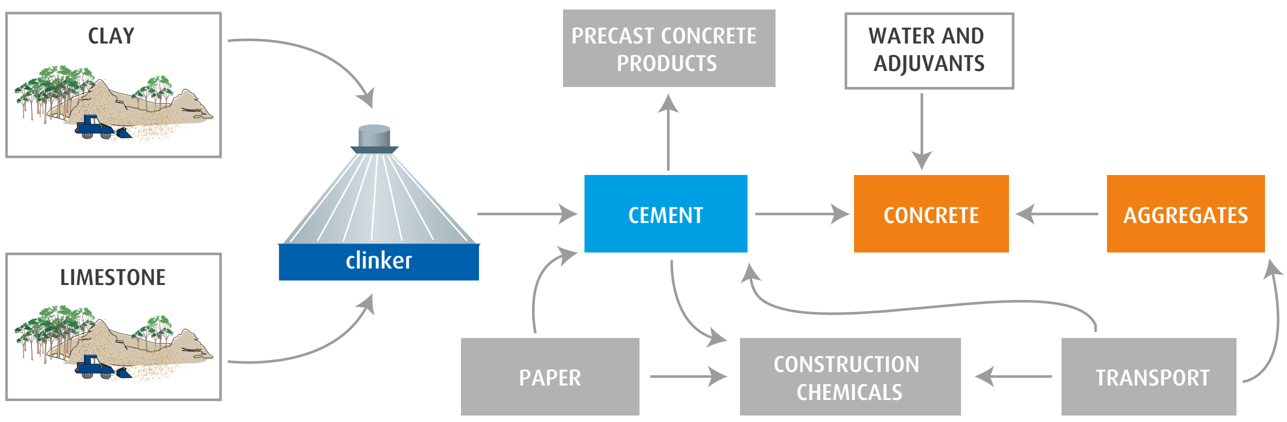
1.5. DESCRIPTION OF BUSINESSES

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 used in 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 at December 31, 2015, the Group employed 7,928 people worldwide, and recorded 68% 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 2015

(in millions of euros)	2015	%
Cement	1,256	51.1
Concrete & Aggregates	892	36.3
Other products & services	310	12.6
TOTAL	**2,458**	**100.0**

The share of the Group's core business contributed by Cement, Concrete and Aggregates remained fairly stable in 2015 at more than 87% of consolidated sales.

EBITDA by business segment in 2015

(in millions of euros)	2015	%
Cement	362	80.7
Concrete & Aggregates	61	13.7
Other products & services	25	5.6
TOTAL	**448**	**100.0**

This breakdown must be understood by reference to the relative significance of the 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 imparts 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 at December 31, 2015, 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 2015 (before intra-group eliminations) amounted to 19.8 million tonnes (compared with 20.5 million tonnes in 2014 and 18.1 million tonnes in 2013). In 2015, this segment thus accounted for 51.1% of the Group's consolidated sales (52.1% in 2014 and 48.5% in 2013) and 80.7% of the Group's EBITDA (77.2% in 2014 and 73.6% in 2013).

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, any 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, in terms of both composition and designation. The principal cement categories produced by the Group are set out and classified below according to French standards:

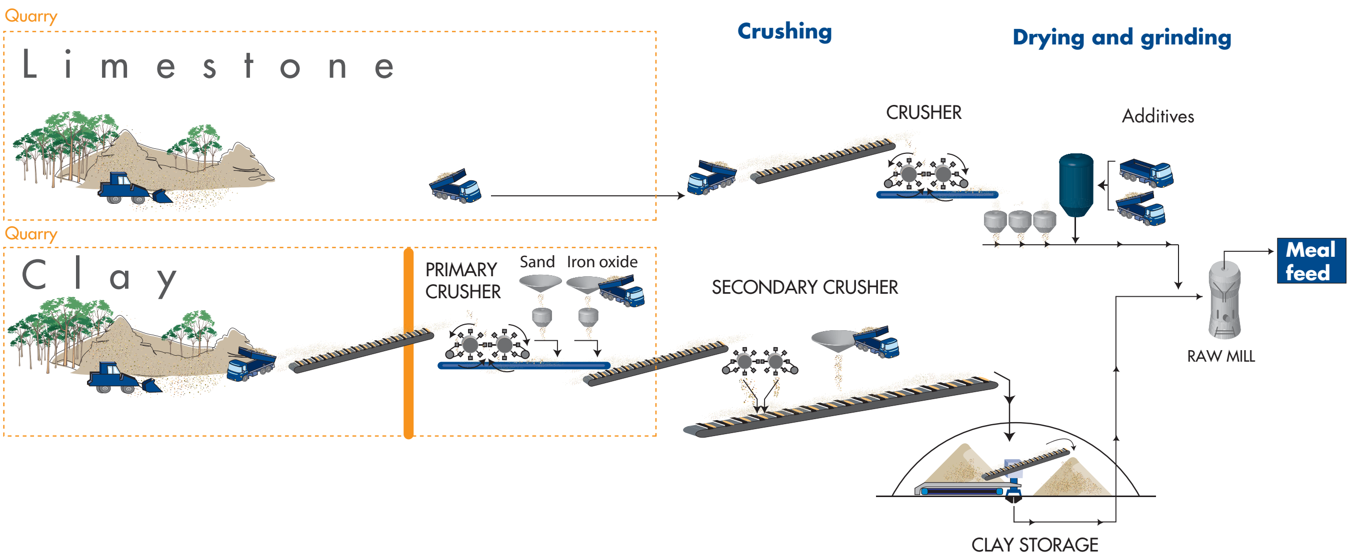
- CEM I (Portland cements) and CEM II (Portland composite cements): the cements most commonly used in the housing construction industry, to produce conventional reinforced concrete works;
- CEM III (blast furnace cements) and CEM V (slag cements): conventional cements, with few heat releasing properties during hydration and with low sulfate content, used in underground work in corrosive conditions or for 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 is immediately superior and increases gradually over time. For 160 years, the Group has produced its quick-setting cement from a natural alpine stone, with an exceptional performance offering immediate and high strength as well as low shrinkage. This cement is used for sealing blocks or plugging leaks, and for renovating exterior walls.

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).

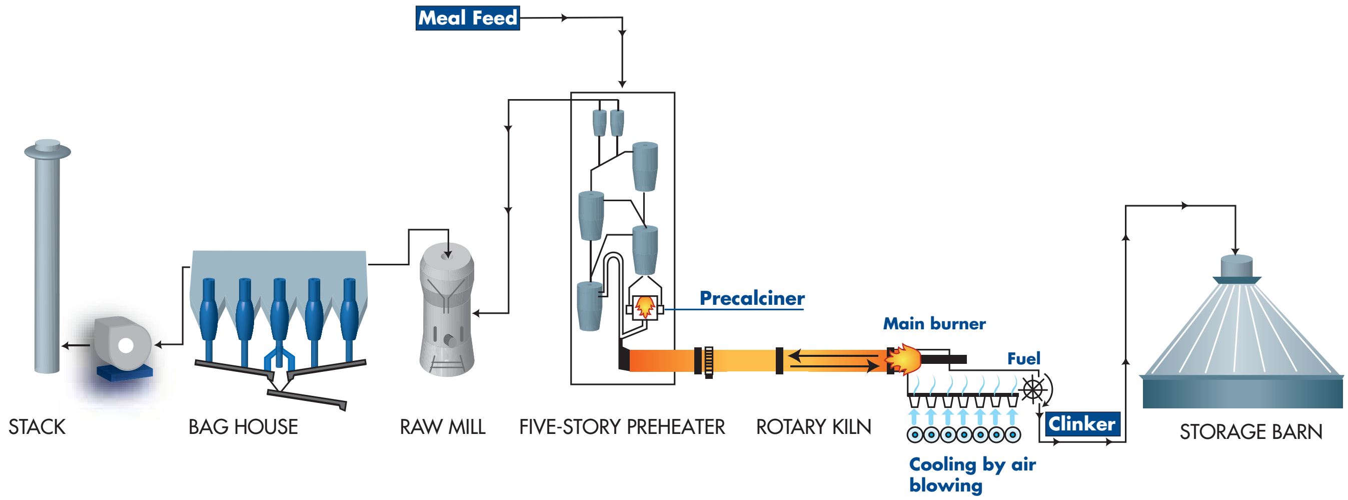
1.5.1.2. Manufacturing methods

Cement manufacture proceeds mainly in four stages:

- Extraction of 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 homogeneousness of the material on entry to the kiln, and its regularity over time, are fundamental elements in controlling the production process.

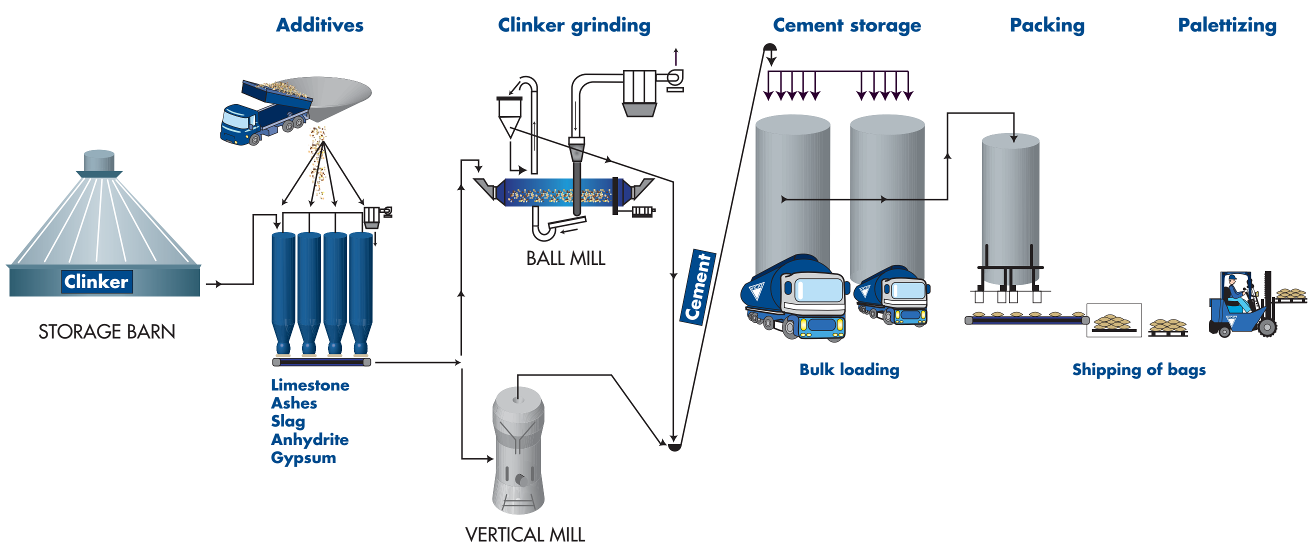


- The kiln system includes a heat exchanger cyclone tower, where the raw meal is introduced after being heated by the exhaust fumes from the revolving kiln (pre-calcination phase). The raw meal undergoes complex chemical reactions during this firing: first, limestone is decarbonated under the action 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 with 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 particularly used by the Group in Italy and Mauritania.

- 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 included, 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 2015, energy costs for the Group as a whole amounted to more than € 335 million. The Group allocates a significant part of its industrial investment to improving 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 2015, the share of alternative fuels in the Group's Cement Manufacturing business was 24.6% on average (compared with 24.6% in 2014 and 20.3% in 2013), with significant variations (from 0% to 79%) 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 in this Registration Document.

The Group also uses clinker replacement materials produced by other industrial processes, such as fly ash (derived from the burning of coal in power plants) or blast furnace slag (which is a by-product from steel works). The use of such materials 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. Operating sites 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.
USA	**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.
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.

Country	Production capacities	Sites	Key dates
Egypt	**3.6 million tonnes**	El Arish (2 dry process kilns)	At the beginning of 2003, the Group took a strategic holding in the Sinai 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	**1.4 million tonnes**	Mynaral (1 dry process kiln)	In 2007, the Group acquired a special-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)	Kalburgi Cement (formerly Vicat Sagar Cement), a joint venture set up by the Group with its Indian partner, built a greenfield plant in northern Karnataka. This cement factory, with a capacity of 2.8 million tonnes, began production at the end of 2012.
		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 represents a total production capacity of 30.2 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, giving it the benefit of the latest proven and recognized technologies, and has thus in particular steadily improved 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 the 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 vehicles (such as loaders and trucks), the Group has full ownership of its production equipment.

The Group controls and manages the clay and limestone quarries whether by owning the land it exploits, or through renewable mining rights agreements for terms of between 10 and 30 years according to country, or again through concessions granted by the state, which offer both possession 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 toward 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. From this standpoint, 2015 was prolific year for combinations of key players. Nevertheless, the worldwide cement industry remains fragmented: in 2015, the world leader had a global market share of only about 7% [(1)].

Markets are therefore subject to strong competition and the Group faces competition from both domestic cement manufacturers such as Oyak in Turkey, Ciments du Sahel in Senegal, UltraTech in India, or Steppe Cement in Kazakhstan, as well as with multinational cement manufacturers such as LafargeHolcim (Switzerland), Cemex (Mexico), HeidelbergCement (Germany) and Italcementi (Italy), whose merger is in progress. These companies operate in a number of the Group's markets.

As cement is a heavy product and 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

(1) Source: Global Cement Report, following the merger of Lafarge and Holcim.

cement factories with sea or river access, thus able to ship their cement over long distances at low cost by boat, 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 significance of one type of customer, however, can vary considerably 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 232 concrete batching plants distributed over five countries as at December 31, 2015, and its companies sold more than 8.5 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 varied 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 adhered-to. For perfect formulation of concrete, 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 as regards 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 be varied, 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 factors to be taken into account 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 adhered-to. The dosage 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 by 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 because of its limited setting time. A significant portion of ready-mixed concrete is pumped from the mixer truck to the point of placement at the construction site. This delivery approach is made possible by pump trucks, a 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 has the collaboration of Sigma Béton, a key unit of the Louis Vicat Technical Center, specializing in the ready-mixed concrete, aggregates and road products sectors, and 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 at December 31, 2015, the Group operated 232 concrete batching plants, located near its principal cement production sites, forming regional networks in order to supply construction sites and urban centers.

- France: 137 concrete batching plants;
- Switzerland: 19 concrete batching plants;
- United States: 43 concrete batching plants;
- Turkey: 32 concrete batching plants;
- Mauritania: 1 concrete batching plant.

These batching plants are located near the places where the concrete is used since, in view of the 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 construction and public works 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 20.9 million tonnes of aggregates in 2015, produced by its 67 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, infill and structures.

There are two main product categories: those from crushed rocks (solid rock) and those from natural gravel and sand (alluvial). This is in addition to recycled materials from demolitions.

Local geology determines the types of aggregates available in a given market. The products differ in physical and chemical composition, particularly in their size, hardness and color. They are typically designated by minimum and maximum diameters.

- Solid rock is extracted from limestone, granite, porphyry and other massifs. The most common materials are gravel (0/100, 0/80, 0/31, 0/20), cuttings (0/4, 4/6, 6/10, 10/14, 10/20), ballast and riprap blocks. These materials are mainly intended for earthworks, for the manufacture of bituminous mix, blocks or breeze blocks, and increasingly for manufacturing ready-mixed concrete.
- Sand and limestone or sand-lime gravel are extracted from ancient sedimentation of river or glacial deposits, and supply concrete batching plants, bituminous mix plants and construction or public works sites. Materials produced are sand, fine gravel, rolled or crushed gravel primarily intended for precast concrete products, public construction, plasters and the preparation of bituminous mix.

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. Crushers are used to reduce the large rocks to a finer gravel. Processing is completed by sifting the material to sort the various "cut-offs" and recycle the coarse particulates.

  From the beginning of a project, solid rock quarrying takes integration with the environment into account during operations, and the future of the site once the quarry is closed;
- alluvial rocks: these rocks derive from the sedimentation of river or glacial deposits. They can be extracted out of the water, in steps from 5 to 8 m in height, or in water by using dredgers or draglines. Extracted gravel is conveyed to processing facilities by conveyor belts or dumpers, or by boat, geography permitting. In some cases, some of the processing can take place directly in the dredger. The transported product is then washed, sifted and crushed to achieve the desired size.

  The wash water is processed using hydrocyclone separation to recover usable fine particulates. This water is then clarified to be fully reused during the process. Residual clay can be used to reconfigure the quarry, as embankments or as an agricultural sub-layer. A wide range of site configuration options is available following closure of the quarry: sports field (lawn, track, etc.), industrial platform, restoration as agricultural or forested land, plantings on the slopes, wetlands and so forth. If bodies of water were created, they can be used for fishing, boating or an environmental project.

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 or draglines. 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 at December 31, 2015, the Group operated 67 quarries.

- France: 38 quarries;
- Switzerland: 19 quarries;
- Turkey: 7 quarries;
- Senegal: 2 quarries;
- India: 1 quarry.

Extractions are performed 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 restore 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 dredgers or draglines. With the exception of some vehicles 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 construction and public works 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 allows 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 infill, 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 Group performance and markets" of this Registration Document.

1.5.5. OPERATIONS AND PRODUCTION FACILITIES

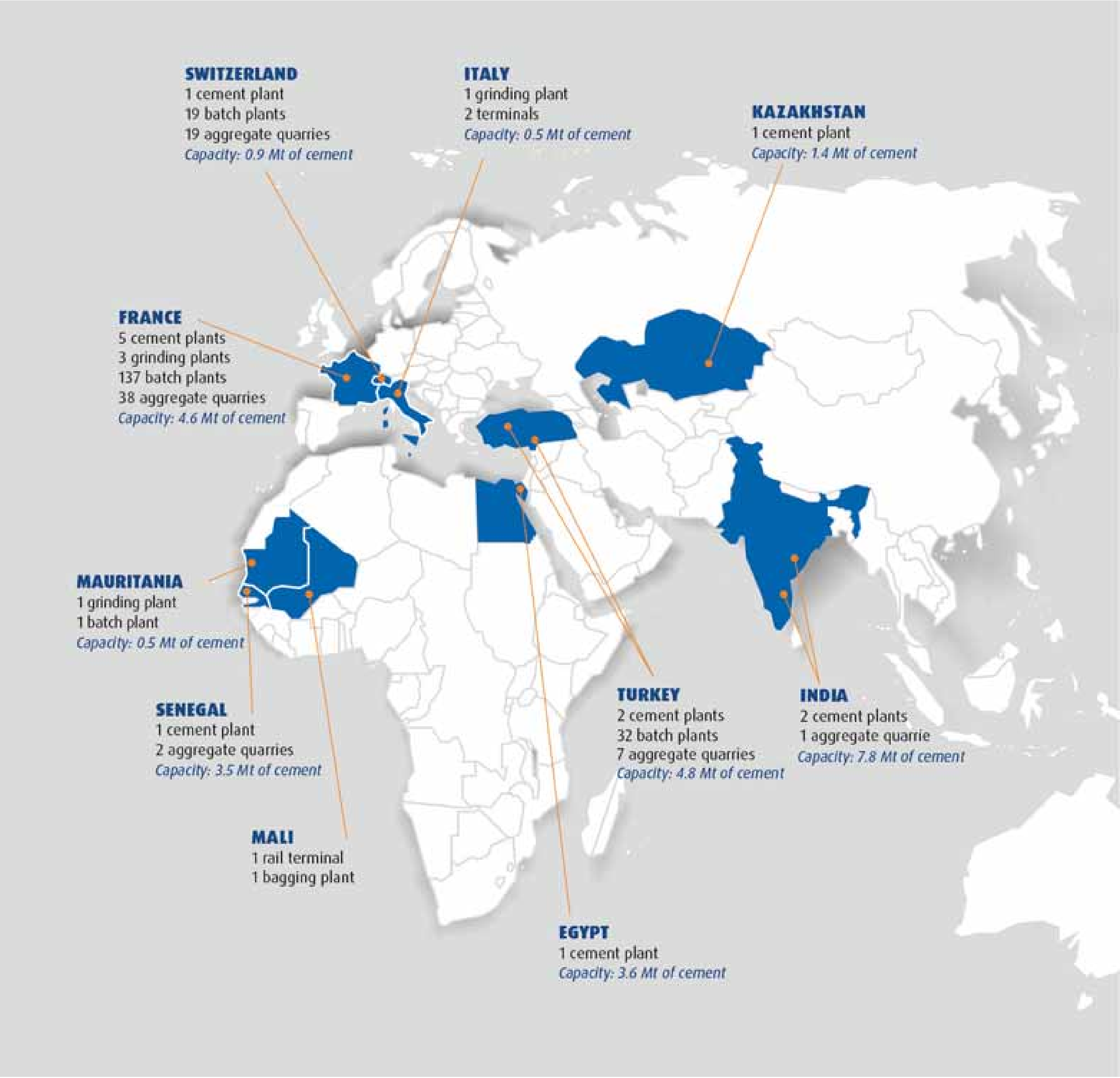
15
Cement plants

5
Grinding plants

30.2
million tonnes of cement capacity

232
Concrete batching plants

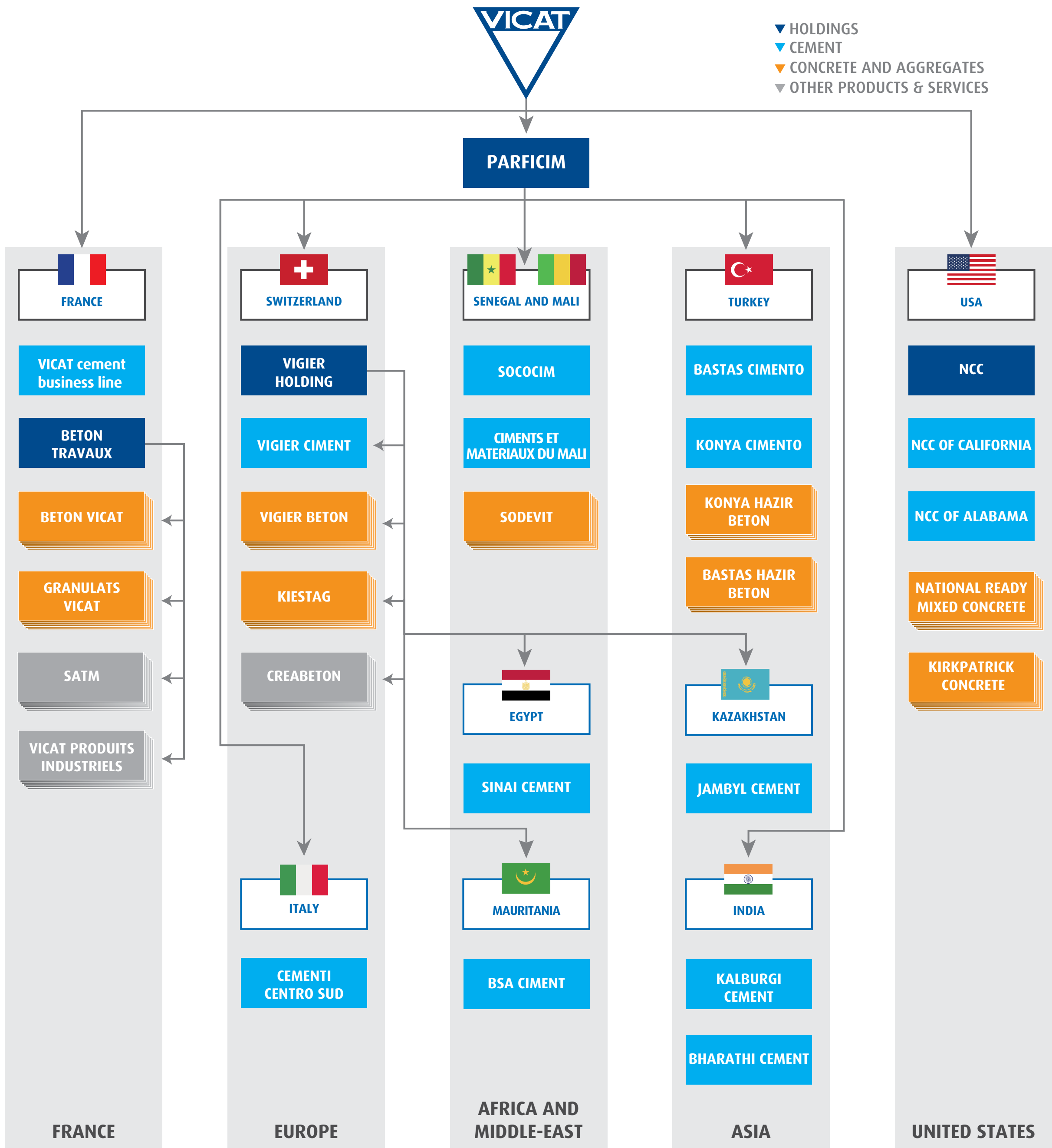
67
Quarries


SWITZERLAND
1 cement plant
19 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: 1.4 Mt of cement
FRANCE
5 cement plants
3 grinding plants
137 batch plants
38 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
32 batch plants
7 aggregate quarries
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 (126 companies are consolidated by the Group). 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 to highlight the five geographic zones in which the Group operates, with color-coding of the business engaged-in by each Group entity.



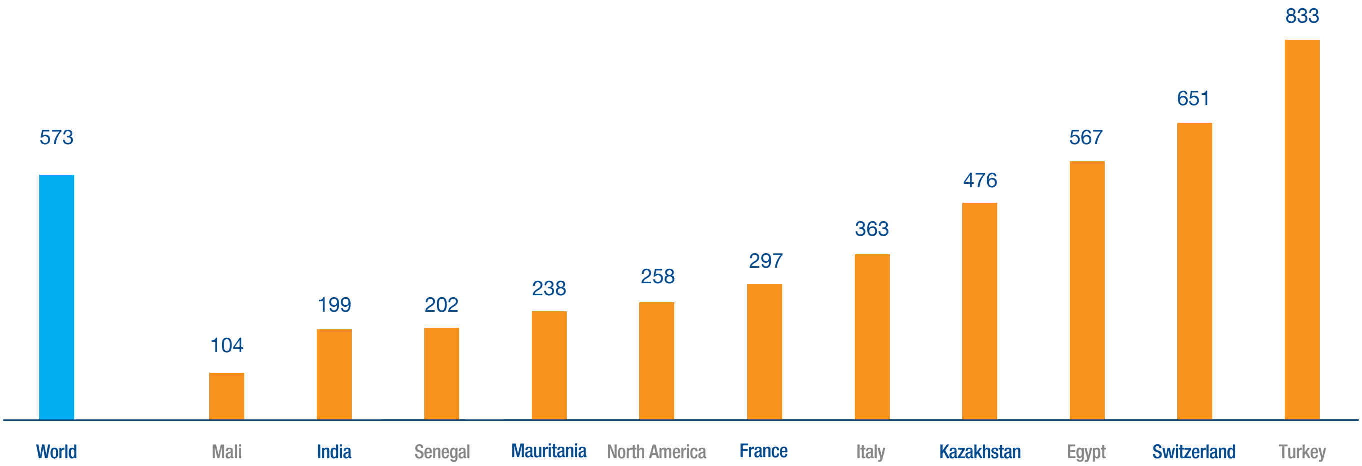
Some of the subsidiaries directly and indirectly controlled by the Group have minority shareholders who may be industrial or financial partners, or historical shareholders in the subsidiary in question before it was acquired by the Group. The presence of these minority shareholders may lead to the signing 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 except as otherwise stated 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 GROUP PERFORMANCE AND MARKETS

Generally, the dynamism of the construction materials industry in a given market depends primarily on the demographic development of the population, economic growth, and trends 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.

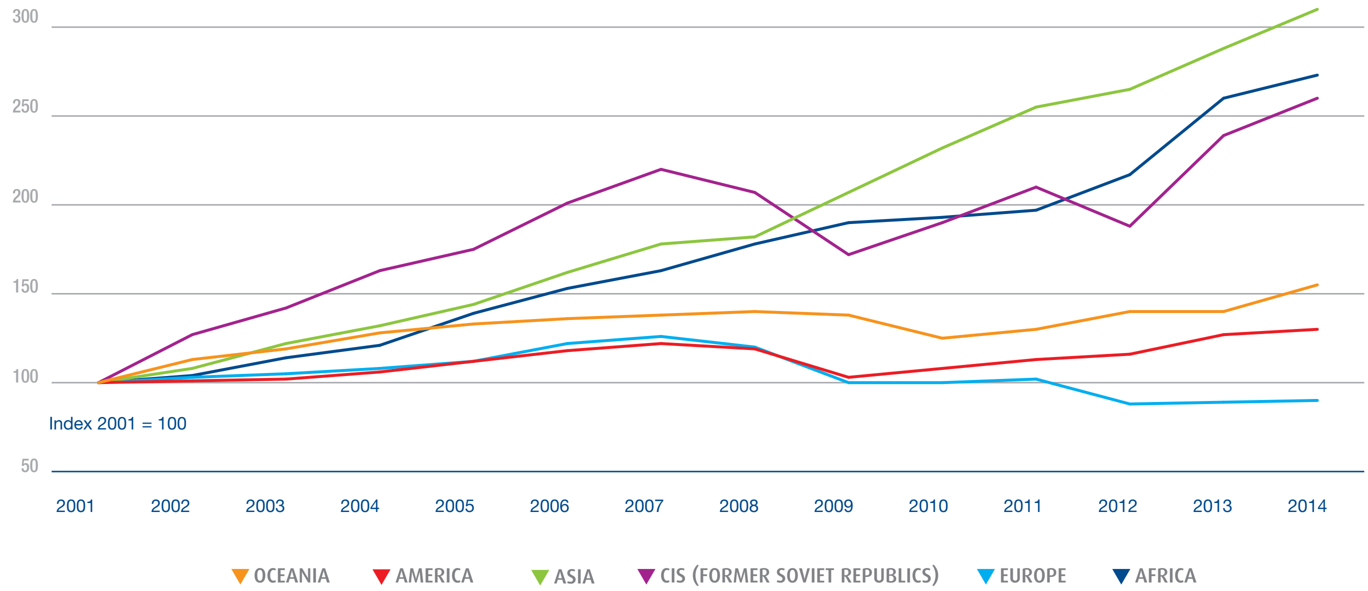
ANNUAL CEMENT CONSUMPTION PER CAPITA IN 2014 *(KG PER CAPITA)*



Sources: SFIC for France, Global Cement Report.

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, the cost of thermal and electrical energy, and the availability of qualified personnel to maintain the production facilities. The availability of surplus production capacity increases competitive intensity and influences prices.

WORLD CEMENT PRODUCTION BY MAJOR REGION 2001–2014



Source: Cembureau.

Between 2001 and 2014, the regions having seen the greatest growth in cement production were Asia, Africa and the Commonwealth of Independent States (CIS, comprising nine of the former Soviet republics).

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

Breakdown of consolidated sales by geographic area in 2015

(in millions of euros)	2015	%
France	777	31.6
Europe excluding France	425	17.3
USA	342	13.9
Africa and Middle-East	346	14.1
Asia	568	23.1
TOTAL	**2,458**	**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 reached 37% of the Group's consolidated sales in 2015.

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]	2015	2014	2013
France	2,786	2,831	2,900
Switzerland	899	963	1,002
Italy	175	235	238
USA	1,933	1,685	1,535
Senegal/Mali/Mauritania	2,874	3,246	2,834
Egypt	2,058	2,222	1,675
Turkey	3,686	3,519	3,605
India	4,045	4,557	3,233
Kazakhstan	1,336	1,272	1,028
TOTAL	**19,792**	**20,530**	**18,050**

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

Intra-group cement sales accounted for 17.4% of the Group's business, with a significant disparity, ranging from 0% to 36% depending on the operating regions.

CONCRETE VOLUMES SOLD

The Group's 232 concrete batching plants produced 8.5 million m^3 of concrete in 2015.

(in thousands of m^3)	2015	2014	2013
France	2,777	3,077	3,066
Switzerland	744	839	879
United States	2,152	2,003	1,925
Turkey	2,860	2,348	2,651
Mauritania	2	6	4
TOTAL	**8,535**	**8,273**	**8,525**

AGGREGATES SALES VOLUMES

The 67 quarries operated by the Group's Aggregates business produced 20.9 million tonnes of aggregates in 2015.

(in thousands of tonnes)	2015	2014	2013
France	8,995	9,902	10,695
Switzerland	3,147	3,389	3,374
Senegal	2,401	2,484	2,252
Turkey	5,592	4,879	5,891
India	810	561	561
TOTAL	**20,945**	**21,215**	**22,773**

In the markets where it operates, the Group aims to develop strong regional positions around its Cement production facilities, while also consolidating those positions through Ready-mixed Concrete and Aggregates businesses. In countries where the Group establishes a presence through external growth, 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

	2015	2014	Change
Cement *(in thousands of tonnes)*	2,786	2,831	- 1.6%
Concrete *(in thousands of m^3)*	2,776	3,077	- 9.8%
Aggregates *(in thousands of tonnes)*	8,995	9,902	- 9.2%

France posted 1.1% growth for 2015, slightly below growth in the euro zone as a whole.

Despite this, new housing construction rose by only 0.3%, with 351,800 housing starts recorded for 2015 [(1)]. The number of authorized housing units increased by 1.8%

This apparent stabilization in housing starts masks sharp contrasts between the regions. For example, housing starts were down 6.7% in Rhône-Alpes but rose by 15.1% in Ile-de-France.

Public works projects declined by 8% compared with 2014, following a steep drop in 2013. However, the FNTP (French public works trade association) notes that contracts concluded rose for the first time following 17 successive months of decline.

1.7.1.1. Cement

The French cement market is mature, with consumption of 17.2 million tonnes in 2015. Consumption per capita was approximately 260 kg of cement in 2015.

Since 2007, market volumes have fallen by almost 31%, an average annual decrease of 3.8% over the period. In 2015, cement consumption recorded a further decline of 5.5% [(2)].

The drop in Vicat sales for 2015 (- 1.6%) was less pronounced than the decline in the French market overall, thanks to solid growth in geotechnical binders. This increased volume resulted from work on major infrastructure projects (including the LGV high speed rail line, the Montpellier north bypass and the Vichy southwest bypass) and the continued diversification of Vicat inerting binders. A slight contraction in average sales prices was also observed.

The French cement industry is concentrated; Four groups account for approximately 94% of the market: LafargeHolcim, Ciments Français (Italcementi group), Vicat and CRH (since the CRH takeover of Holcim's assets in France).

1.7.1.2. Ready-mixed Concrete & Aggregates

In 2015, the ready-mixed concrete market in France accounted for nearly 34.8 million m^3 of concrete [(3)], declining 5.7% from 2014, with strong regional disparities. There are nearly 1,900 concrete batching plants and more than 500 companies throughout France.

The Group's 137 concrete batching plants cover 10 of the 19 French regions, which are located mainly in eastern France, and sold nearly 2.8 million m^3 in 2015, accounting for approximately 8% of the domestic market. The Group's sales volumes in 2015 declined 9.8% compared with 2014.

The French aggregates market amounted to somewhat less than 300 million in 2015 [(3)] (excluding recycled materials), registering a fall of 9% from 2014, evenly distributed among eruptive aggregates, limestone and alluvial aggregates. 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 38 quarries, which enabled it to produce and market 9.0 million tonnes of aggregates in 2015, corresponding to 3% of the domestic market. Sales volumes in 2015 declined by 9.2% compared with 2014.

1.7.1.3. Other products & services

Other Products & Services include activities that are complementary to the Group's main businesses, such as Transport and Major Projects featuring 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 (counting method modified in 2015).

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

(3) Source: Union Nationale des Industries de Carrières et de Matériaux (UNICEM - materials and quarrying trade association).

Breakdown of sales by business

(in millions of euros)	2015	2014	Change
Transport and Major Projects	91.0	90.6	+ 0.5%
Vicat Produits Industriels	69.9	71.3	- 2.0%
Paper	38.5	40.0	- 3.7%

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 to the market. 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 fell by slightly more than 6% during 2015.

SATM's Major Projects business primarily operates on 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 2015 rose sharply compared with 2014, which was a historically weak year for the business. During 2015, SATM helped to supply concrete for the coastal road in Reunion, a project which will continue into 2016.

Sales growth within the Major Projects business more than offset declines in the transport business.

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 of approximately 200 products that meet many needs: exterior wall 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 were down slightly in 2015, falling by 2% to € 69.9 million, impacted by weak new construction activity in France. On the other hand, the Civil Engineering business grew despite the low number of significant work sites.

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:

	2015	2014	Change
Writing and printing paper *(in tonnes)*	19,966	20,939	- 5.0%
Bags *(in thousands of units)*	56,714	63,027	- 10.0%

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 the Company's expertise is recognized along with the quality and technical sophistication of their products.

During 2015, sales of new products continued to rise, representing 57% of tonnage sold (47% in 2014). These products relate to the markets in paper for food packaging, baking, high security and industrial specialty paper. This growth offset the decline in historical markets.

The company generated 49% of its 2015 sales through exports to 34 countries, which is essential to support its strategy of positioning in growing niche markets.

PRODUCTION OF PAPER BAGS

The Bag business provides large capacity paper bags to the agro-food, 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.

2015 saw falling demand across most markets for industrial paper bags, receding 3.2% in France and 1.9% in Europe [1]. In France, all sectors except seeds and chemicals declined compared with 2014.

Papeteries de Vizille was impacted by this reduction in volume, which was partially offset by expansion into growing niche markets such as human foods (e.g. raw meal).

(1) Eurosac sources at the end of November 2015.

1.7.2. EUROPE EXCLUDING FRANCE

Group sales volumes in Europe (excluding France)

	2015	2014	Change
Cement *(in thousands of tonnes)*	1,075	1,198	- 10.3%
Concrete *(in thousands of m^3)*	744	839	- 11.4%
Aggregates *(in thousands of tonnes)*	3,148	3,389	- 7.1%

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 key event of the year was the Swiss National Bank's decision on January 15, 2015 to abandon the minimum exchange rate of 1.20 Swiss Francs to the euro. This change resulted in a stagnation of Swiss GDP during the first nine months of 2015. Against this background, the construction sector declined slightly after posting several years of strong growth.

Cement

Demand for cement in Switzerland fell below the threshold of 5 million tonnes, which nevertheless represents nearly 600 kg of cement consumption per capita, a very high level of demand for a mature market.

The principal producers on this market are LafargeHolcim, which holds 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 3rd cement manufacturer in Switzerland.

In a challenging environment, and given the impact of unfavorable weather conditions, Vigier's cement deliveries declined by 6.6%. The strengthening of the Swiss franc against the euro created significant competitive pressure from neighboring countries and led to falling prices.

Ready-mixed Concrete & Aggregates

The ready-mixed concrete market is highly developed in Switzerland, with a dense network of concrete batching plants.

Through Vigier and its subsidiaries, the Group owns 19 concrete batching plants spread over four regions in the western half of Switzerland. These plants produced 0.74 million m^3 in 2015, down 11.4% compared with the previous year.

In addition to challenging market trends, sales activity in 2015 was marked by the completion of major projects in Seeland-Jura, which significantly impacted sales volume compared with the previous year, but also had a slightly positive impact on average sales prices.

Vigier operates 19 aggregates sites, located near the concrete batching plants. These quarries are generally smaller than in France and are primarily intended to meet the needs of the concrete batching plants. Sales of Vigier's aggregates declined 7.1% compared with the previous year, falling to 3.1 million tonnes in 2015.

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 Group also manufactures and sells railroad sleepers and concrete platform curbs under the Vigier Rail brand, and has acquired a supplier of technical solutions which has licenses for the "Low Vibration Tracks" slab track systems.

Precast concrete sales amounted to € 134.0 million in 2015, up from € 128.8 million in 2014, representing 424 thousand tonnes of concrete products, nearly 30% of which were for railway sector. Appreciation of the Swiss franc further increased competitive pressure.

1.7.2.2. Italy

Cement consumption in Italy fell by a further 3% to below 19 million tonnes in 2015 (1), again reflecting lower internal demand and bringing the accumulated decline in volumes to 60% for the period between 2007 and 2015.

Cementi Centro Sud, a subsidiary of the Group, runs a grinding mill in Sardinia and two port terminals, one near Genoa and the other in the south of the country, together earning 0.18 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 for operations in a country with a still-fragmented cement industry comprising about twenty producers.

(1) Source: AITEC (International Association of Technicians, Experts and Researchers).

1.7.3. UNITED STATES

The Group's sales volumes in the United States

	2015	2014	Change
Cement *(in thousands of tonnes)*	1,932	1,685	+ 14.6%
Concrete *(in thousands of m^3)*	2,152	2,003	+ 7.4%

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

Following a 2.4% increase in GDP for 2014, the US is expected to post growth of approximately 2.5% in 2015. Unemployment remained at round 5%, the lowest level since April 2008. At the national level, construction expenditures rose sharply by 10.5% compared with 2014, and public-works spending rose 6%.

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% per year on average. Domestic consumption was estimated at 92 million tonnes in 2015 (1), up 3.5% compared with 2014. 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 presents cement consumption in the two regions of the United States where the Group is present (2):

(in millions of tonnes)	2015	2014	Change
South-East	9.1	8.6	+ 6.1%
California	9.4	8.6	+ 9.4%
TOTAL UNITED STATES	**91.5**	**89.2**	**+ 2.6%**

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 6.1% in the Southeast and 9.4% in California. The Group's sales volumes rose by 14.6% in 2015 compared with 2014, reflecting specific regional factors and the long-term trading relationships that the Group has succeeded in forging with its customers.

The Group's competitors in the two markets in which it operates in the United States are HeidelbergCement, LafargeHolcim, Argos, Cemex, Vulcan and Buzzi Unicem in the Southeast and Cemex, HeidelbergCement, CPC, Mitsubishi and Martin Marietta in California. The shift toward concentration within the sector was also apparent in the US market, with the Lafarge Holcim merger and HeidelbergCement's announcement that it would acquire a stake in Italcementi.

With overall production accounting for more than 2% of the national market, the Group's subsidiary National Cement Company (NCC) is reportedly the 15th 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 254 million m^3 in 2015 (3). After falling by over 40% in the period between 2007 and 2010, the market began to recover in 2011. With an improvement of 2.5% in 2015, it has now climbed back nearly 27% from its low point, regional contrasts notwithstanding.

This market is highly competitive with both large and strongly integrated players, such as Cemex or LafargeHolcim, 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 2015, the Group's ready-mixed concrete market in the Southeast (Alabama and Georgia) accounted for a production of nearly 10.1 million m^3, a 12.2 increase over 2014 (3), with Georgia showing the greatest improvement. The ready-mixed concrete market in California accounted for a production of 25.4 million m^3 in 2015, up 5% compared with the previous year (3).

The Group has grown through successive acquisitions and currently runs 43 plants in North America, mainly through Kirkpatrick Concrete, National Ready mix and Walker Concrete. These plants produced a combined total of 2.2 million m^3 in 2015 (of which 73% in California and 27% in the South East), up 7.4% compared with total production in 2014. Price trends were also favorable, helping to boost sales of the ready-mixed concrete business by 12%, significantly exceeding growth in volumes alone.

(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 and the Middle-East

	2015	2014	Change
Cement *(in thousands of tonnes)*	4,932	5,469	- 9.8%
Aggregates *(in thousands of tonnes)*	2,401	2,484	- 3.3%

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 cement consumption on the order of 8.8 million tonnes, up 4 to 6% in 2015 [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 14 years. Growth was estimated at 4% for 2015. The market has more than doubled in size over the past 14 years, with annual climbing to nearly 3.2 million tonnes in 2015. Per capita consumption is nonetheless limited to about 200 kg per year.

The Group faces competition in Senegal with Ciment du Sahel and, since January 2015, with the Nigerian group Dangote which built a factory despite serious infringements of mining and environmental laws in the implementation of its project. This competitive pressure led to a reduction in volumes sold by the Group and to lower average sales 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 domestic clinker producers. After having concentrated on the national market, exporting to the West Africa region between 30 and 40% of the cement produced by Sococim Industries (varies according to year).

In this context, the sales volumes of Sococim Industries amounted to 2.5 million tonnes, down 11.7% compared with 2014.

In the aftermath of the difficulties faced in 2013, Mali enjoyed a second year of growth, though to a lesser degree than in 2014. Cement consumption was around 1.7 million tonnes of aggregates in 2015 [1], reflecting ongoing growth.

Adding to the 0.6 million tonnes of direct sales recorded by Sococim Industries, sales volumes for Ciments et Matériaux du Mali amounted to 0.14 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 country's 11 regions and in neighboring Gambia. Sales volumes reached 2.4 million tonnes in 2015, a slight 3.3% decline compared with 2014.

Conditions for aggregate sales in 2015 remained positive, with resilient activity in the construction sector in Dakar and ongoing public works sustained by the continued modernization of the road network and hydraulic structures in the north.

1.7.4.2. Mauritania

Economic activity experienced an overall slowdown in 2015, due to a sharp decline in the price of iron ore on the global market, as well as a slowdown in revenue from fisheries. GDP grew by 3.1% in 2015, compared with 4.4% in 2014.The Group estimates that cement consumption was 0.9 million tonnes, the fall in consumption compared with the previous year since operations began in the country.

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. Against this background, BSA Ciment's sales fell by 13.7% to 0.3 million tonnes. Its market share is just under one-third of the national market, due to a competitor's aggressive pricing policy.

The Group is increasing its presence with a ready-mixed concrete operation, in which business declined during the year.

1.7.4.3. Egypt

The Group entered the Egyptian market in 2003 when it acquired an interest in Sinai Cement Company, and operates in the northeastern part of the country.

The political situation in Egypt has stabilized since 2014, leading to a more substantial rise in GDP, posting a 4.2% increase for the 2014-15 fiscal year (figure published by the Egyptian finance ministry). The project to double the capacity of a Section of the Suez Canal was completed very quickly, with work continuing on new tunnels and economic development projects in this region. However, several terrorist attacks in 2015 have resulted in challenging security conditions in the country.

(1) Internal source.

In this context, cement consumption posted its second consecutive annual increase, to 54 million tonnes of cement in 2015, representing around 600 kg of cement per capita and per year, an increase of 4.5% [(1)] compared with 2014.

There are 19 cement companies spread out throughout Egypt, including LafargeHolcim, 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 geographic position that allows it to export any production surpluses by sea to various areas of the world through its Mediterranean and Red Sea ports.

Sales by Sinai Cement Company came to 2.1 million tonnes, down 7.4% compared with 2014, due to particularly difficult security conditions in the Sinai Peninsula and problems transiting the Suez Canal.

1.7.5. ASIA

The Group's sales volumes in Asia

	2015	2014	Change
Cement *(in thousands of tonnes)*	9,067	9,347	- 3.0%
Concrete *(in thousands of m^3)*	2,860	2,348	+ 21.8%
Aggregates *(in thousands of tonnes)*	6,402	5,440	+ 17.7%

1.7.5.1. Turkey

The Group has been active in Turkey for nearly 25 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.

The geopolitical environment is complicated at this time, with the situation in Syria and Iraq and the diplomatic crisis with Russia. 2015 saw the completion of a two year election cycle, with municipal elections in March 2014, presidential elections in August 2014 and legislative elections in June and November 2015. The economic situation continues to hinge on this geopolitical context and on the impacts triggered by unstable exchange rates.

Cement

Annual consumption was estimated at 64.4 million tonnes for 2015 [(2)], a decline of 1.6%. Cement consumption per capita exceeded 800 kg per year, reflecting the country's infrastructure needs. The southern and eastern areas of Anatolia as well as the Black Sea suffered declines in volume.

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. During 2015, the Group's sales reached 3.7 million tonnes, a 4.7% increase.

Ready-mixed Concrete & Aggregates

The Turkish ready-mixed concrete market was estimated at approximately 107 million m^3 in 2015 [(3)], stable 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 32 concrete batching plants.

Volumes rose sharply for concrete (+ 21.8%) but pressure on prices remained high.

The aggregates sector mirrored changes in demand for ready-mixed concrete. In the Ankara region, the local market faced a shortage of aggregates compliant with cleanliness specifications, and an ever-growing demand for concrete to be produced. This shortage was not reflected in market prices, as the large majority of producers are independent and integrated into ready-mixed concrete downstream.

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. Volumes rose by 14.6% in 2015 compared with 2014, with lower growth than concrete, as the Group sought to optimize the resources at its seven quarries.

(1) Source: Ministry of Works and Infrastructure.

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

(3) Internal source.

1.7.5.2. Kazakhstan

The latest estimates placed GDP growth at 1% for 2015. The economy relies in large part on its mineral and raw-materials wealth, particularly oil production. The steep drop in oil prices, the economic crisis in Russia and the collapse of the Ruble heavily impacted the country's economy. Over the course of one year, the tenge lost 60% of its value compared with the euro.

Despite this context, the construction industry continued to perform well. For now, public works continue to be supported by government initiatives to construct roads, railways and public projects. Cement consumption in 2015 was around 9.5 million tonnes, up 8.5% compared with 2014.

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 more than 1.3 million tonnes of cement in 2015 (+ 5.1%), only four years after its brand-new factory was commissioned on a new site.

1.7.5.3. India

In 2008, the Group set up operations in India through the Vicat Sagar Cement Private Limited joint venture (renamed Kalburgi Cement in 2015), 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.

Cement

The cement market in India was estimated at 264 million tonnes in 2014 [(1)], making it the second-largest cement market in the world. It posted an average annual increase of 10% between 2004 and 2010, though its growth subsequently slowed to an average rate of 5%. But with a per capita consumption of almost 200 kg per year, there is still much potential for growth in the market in view of infrastructure requirements, population dynamics and continuing urbanization.

In 2015, 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 2% to around 86 million tonnes compared with 2014. On the other hand, prices rebounded to a significant degree.

The Group markets the production of its two factories under the Bharathi Cement label through a broad network of distributors. In 2015, the Group recorded a 14% increase in cement sales, despite an 11% decline in volumes sold to 4 million tonnes.

Aggregates

The Aggregates segment remains fragmented and relatively unregulated. This sector has suffered significant disruption since last year due to a number of administrative actions seeking to close existing quarries that are operated illegally or do not comply with environmental regulations.

Bharathi Rock Products operates an aggregate quarry approximately 50 km from Bangalore, in Karnataka. This company sold 810 tonnes of aggregates in 2015, an increase of 44%.

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 follow-up in France.

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. A team of 90 research scientists and technicians works 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 compounds for interior building works.

The main themes addressed by the Group's Research and Development teams involve anticipating or responding to the specific demands of its customers in a market that has changed rapidly in recent years, being guided by the following concerns:

  - the environmental challenges faced by the planet, accelerating efforts made by the Group for over a decade to reduce its carbon footprint among other aims,
  - recyclability of materials to protect natural resources,

(1) *Source: Global Cement Report.*

- renovation of buildings to improve their thermal and acoustic performance,
- the need for greater sustainability of constructed work so that they can be used in several ways over their lifecycle,
- very early in the product development process, taking account of arduous working conditions for our employees, and for our customers when implementing solutions.

In the context of these activities, the Group registers patents in order to protect the development of products resulting from the work of its Research & Development teams. The Group is not dependent on patents, licenses or manufacturing processes protected by third-party intellectual property rights.

Total research and development expenses amounted to € 3,664 million in 2015 (see Note 4 to the consolidated financial statements in Section 7.1.1 of this Registration Document).

1.8.1. PROCESSES

Research topics are taken into account in manufacturing methods.

Efforts to improve the energy efficiency of cement factories, reclamation of excavated land (site decontamination), recycling of materials from demolition and the substitution of alternative fuels for fossil fuels are based on a circular economy model. In 2015, the use of alternative fuels avoided the consumption of the equivalent of 550,000 tonnes of carbon and lowered CO_2 emissions by increasing the proportion of energy generated using biomass. Cooperation between the Research and Development teams and our plants allowed this modification of the energy mix while optimizing cement quality.

1.8.2. LOW-CARBON PRODUCTS

For over ten years, research has focused on the development of new cements which, with equivalent mechanical properties, will result in lower CO_2 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. State-of-the-art equipment is used to pursue research in this area, ranging from a diffractometer to an X-ray fluorescence spectrometer and an electron microscope. This research resulted in the industrial production of a new cement, Alpenatup, in 2013. The Cement, Concrete and Building Systems Research & Development teams, now grouped within a single Research and Development Department, support the sales team and our customers to bring new products to the market.

1.8.3. 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, Smartup at Vicat, 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 to the design of innovative construction solutions meeting high energy-efficiency standards for buildings. 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. Research and development teams are developing insulating structural concrete products and are also working to optimize acoustic comfort.

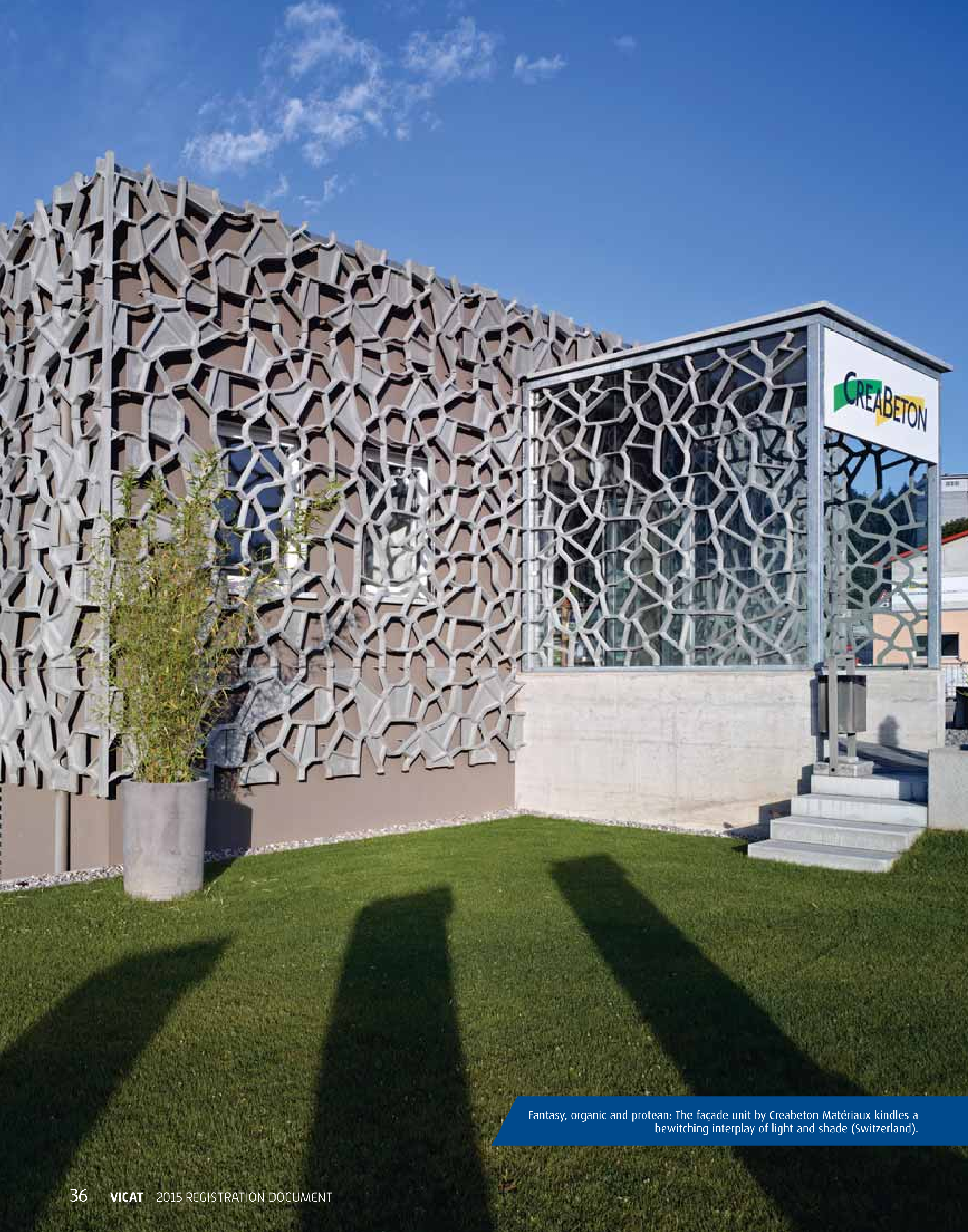
Vicat has a sustainable construction solution made from natural quick-setting cement manufactured at the Group's production facility at the foot of the Chartreuse mountain range combined with bio-sourced materials, such as hemp.

Its analytical capabilities enable the Louis Vicat Technical Center 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 building fabric, and thus takes part in research on approaches to the restoration of our architectural heritage.

1.8.4. PARTNERSHIP POLICY

The Louis Vicat Technical Center works closely with several public and private research centers such as the French research agencies CEA (Atomic Energy Commission), INES (Solar-Snergy Institute) in Chambéry, IFSTTAR (Institute for the Science and Technology of Transport, Development and Networks), the research laboratories at architecture schools, universities, and technical services of some of the Group's customers in the building and public works sector.

Vicat was a founding member in 2007 of Pôle Innovations Constructives, a French construction industry excellence cluster, which it chairs Based in the north of the Isère, this cluster brings together a network of key participants in the construction sector (such as 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). Its aim is to accelerate the spread of innovations in the construction industry with the prime aim of meeting the challenges of sustainable development.



Fantasy, organic and protean: The façade unit by Creabeton Matériaux kindles a bewitching interplay of light and shade (Switzerland).

COMMENTS ON RESULTS AND FINANCIAL POSITION

2

2.1. SELECTED INFORMATION

Income statement items

(in millions of euros, unless otherwise indicated)	2015	2014	2013
Consolidated net sales	2,458	2,423	2,286
EBITDA (1)	448	442	427
EBIT (2)	250	263	234
Financial income/(Expense)	(48)	(58)	(53)
Consolidated net income	143	144	123
Group share of net income	121	128	120
Net earnings per share *(in euros)*	2.71	2.86	2.68
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)	2015	2014	2013
Industrial investments	167	156	174
Financial investments	19	74	18

Cash flows

(in millions of euros)	2015	2014	2013
Cash flows from operations	346	321	291
Cash flows from operating activities	300	302	337
Cash flows from investing activities	(183)	(224)	(179)
Cash flows from financing activities	(131)	(76)	(128)
Free cash flow	133	148	171

Balance sheet items

(in millions of euros)	2015	2014	2013
Total assets	4,880	4,774	4,549
Shareholders' equity	2,544	2,459	2,292
Net financial debt (excluding put options)	1,018	1,022	1,065

Consolidated financial ratios

	2015	2014	2013
Net debt/total equity *(in %) (gearing)*	40.0	41.6	46.5
Net debt/EBITDA *(leverage)*	2.27	2.31	2.49
Coverage of net financial expenses			
by EBITDA	12.1	9.3	9.7
by EBIT	6.8	5.5	5.3

Indicators by business segment

(in millions of euros)	2015	2014	2013
Cement			
Consolidated net sales	1,256	1,261	1,110
EBITDA	362	341	314
Net capital employed	2,723	2,710	2,601
Industrial investments	126	106	128
Concrete & Aggregates			
Consolidated net sales	892	860	876
EBITDA	61	71	80
Net capital employed	669	619	590
Industrial investments	31	36	33
Other Products & Services			
Consolidated net sales	310	301	300
EBITDA	25	30	33
Net capital employed	179	170	187
Industrial investments	10	13	14

Non-financial indicators

	2015	2014	2013
Sales volumes			
Cement *(in millions of tonnes)*	20	21	18
Concrete *(in millions of m^3)*	9	8	9
Aggregates *(in millions of tonnes)*	21	21	23
Use of alternative fuels (Cement)	**25%**	**25%**	**20%**
Workforce as at December 31	**7,928**	**7,854**	**7,712**

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 earnings for 2015 and 2014", 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 2015 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 2015, the Group's total shipments in these main businesses amounted to 19.8 million tonnes of cement, 8.5 million m^3 of concrete and 20.9 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, 2015 rose 1.5% on a reported basis to € 2,458 million, and declined 4.4% at constant consolidation scope and exchange rates compared with the same period in 2014.

Overall, the change in sales by region, excluding scope and exchange rate effects, reflects:

- solid growth in business in the United States, supported by rising volumes and selling prices;
- a further increase in business in Asia. Rising sales in India, marked by robust price growth, and continued expansion in Turkey offset the decline in Kazakhstan. The Kazakhstan market was hampered by falling average selling prices due to a more challenging competitive environment.

These favorable factors did not fully offset:

- a further decline in the Group's business in France, marked by a difficult macroeconomic environment, though it is important to note that the Group resumed its growth in this region during the second half of the year;
- declining business in Europe (excluding France). In a more challenging competitive environment, the Group's business in Switzerland was impacted by falling sales volumes compared with the record levels achieved in 2014, and by falling average selling prices;
- declining economic activity in West Africa and the Middle East. Sales in West Africa were impeded by contracting volumes and falling selling prices following the opening of a new competitor's factory in Senegal. In Egypt, the Group's business suffered from a decline in selling prices and a drop in volumes sold, especially at year-end due to disruptions on the major roadways leading to major consumer markets.

Change in 2015/2014 sales by business and geographical region

	France		Outside France		Total	
	In millions of euros	Change 2015/2014	In millions of euros	Change 2015/2014	In millions of euros	Change 2015/2014
Cement	237.4	- 3.1%	1,018.5	+ 0.2%	1,255.9	- 0.4%
Concrete & Aggregates	368.1	- 11.5%	524.2	+ 17.9%	892.3	+ 3.7%
Other products & services	171.8	+ 1.1%	137.9	+ 5.4%	309.7	+ 2.9%
TOTAL	**777.3**	**- 6.5%**	**1,680.6**	**+ 5.6%**	**2,457.9**	**+ 1.5%**

Consolidated EBITDA grew +1.5% compared with 2014 to €448 million, but declined -4.3% at constant scope and exchange rates. The Group's EBITDA improved during the second half, with an increase of +4.7% on a reported basis and of +0.8% at constant scope and exchange rates compared with the second half of 2014.

The decline in EBITDA at constant scope and exchange rates over the full year was essentially derived from:

- a smaller contribution from France, mainly as a result of the significant fall in profitability in the Concrete & Aggregates business owing to a contraction in volumes and a reduction in selling prices;
- a strong fall in EBITDA in Egypt owing to the sharp increase in energy costs over the first nine months of 2015 and the downturn in prices from the second quarter onwards;
- a smaller contribution from Switzerland, impacted by the decline in volumes and the drop in prices, especially in the second half of the year;
- a contraction in EBITDA in Turkey owing to the lower profitability of the Cement business as a result of disruption caused by the restart of the Bastas plant's kiln 1, the dip in prices in the markets served by the Konya plant, and lower profitability in Concrete & Aggregates given the lower sales recorded in this business;
- and, lastly, a small decline in the contribution from West Africa and Kazakhstan.

These negative factors were offset partly by:

- a strong improvement in the Group's performance in India given the selective business strategy adopted, which drove a significant recovery in selling prices, thereby making up to a very large extent for the impact of lower volumes;
- a very substantial increase in EBITDA in the United States on the back of solid growth in volumes and selling prices.

Taking these factors into account, the EBITDA margin on consolidated sales was stable compared with 2014 at 18.2%. In the second half, the EBITDA margin improved by close to one percentage point to 20.2% from 19.4% in the second half of 2014.

Consolidated EBIT settled at €250 million. It declined -10.4% over the period at constant scope and exchange rates, chiefly as a result of a higher charge for depreciation and amortization, with currency effects partly contributing to this decline. The EBIT margin was 10.2% in 2015, compared with 10.9% in 2014.

Net financial expense improved by +17.0% on a reported basis to €(48) million. This improvement came from the decrease in the average interest rate applied to gross debt to 3.59% in 2015, compared with 4.23% in 2014. The key factor was the early repayment of debt by Kalburgi and Gulbarga Power in India refinanced by Vicat SA in floating-rate euro-denominated debt. The annual interest rate saving on this debt stood at close to 10%.

The +7.1% increase in tax expense on a reported basis compared with the previous year to €(63.7) million reflected the growth of +1.6% in income before tax and also an increase in the tax rate to 31.6% of income before tax in 2015, compared with 30.0% in 2014. The main factor of this increase in tax pressure came from a change in the geographical sales mix of the Group's earnings, with a smaller contribution from countries with a tax exemption or a low tax rate, the increase in tax rates in India and a new withholding tax on dividends paid by certain subsidiaries outside France.

Consolidated net income was €142.7 million, down -6.9% at constant scope and exchange rates.

The net margin came to 5.8% of consolidated sales, compared with 5.9% in 2014.

Net income, Group share came to €121.5 million, or €2.71 per share in 2015, compared with €2.86 in 2014.

Gearing (net debt-to-equity ratio) stood at 40.0% at the end of 2015 versus 41.6% at December 31, 2014 and 46.8% at June 30, 2015.

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.

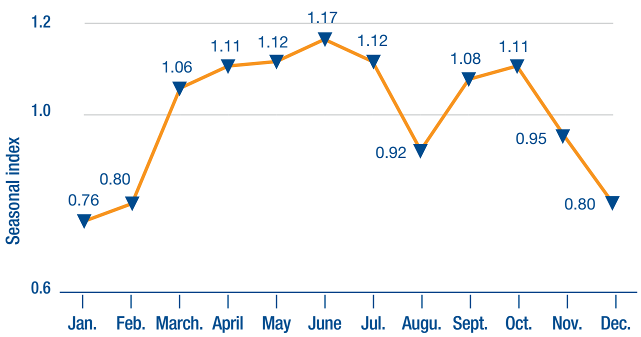
The price levels applicable to each market are determined by the production costs of existing operators and the competitive intensity of the product markets.

(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 0.76 on average in January to almost 1.17 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, 2015 for its benchmark accounting policies.

Standards and interpretations published by the IASB but not yet in effect as at December 31, 2015 were not applied ahead of schedule in the Group's consolidated financial statements at the closing date.

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, 2015 are consistent with those applied for the annual financial statements in 2014, except for standards that are mandatory for annual periods beginning on or after January 1, 2015. This mainly relates to the application of IFRIC 21 "Levies" which defines the obligating event for the recognition of a liability to pay a levy, the adoption of which has no material impact on the Group's consolidated financial statements.

IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers", which is mandatory as from January 1, 2018 are currently being assessed to determine their potential impacts on the Group's financial statements. These assessments are currently ongoing.

These financial statements were finalized and approved by the Board of Directors at its meeting of March 9, 2016 and will be submitted to the General Shareholders' Meeting of April 29, 2016 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 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 are 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 non-accounting indicators mentioned above.

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

Changes in the consolidation scope

There were no changes in consolidation scope during 2015.

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 2015 consolidated financial statements, sales recomputed at constant consolidation scope and exchange rates compared to 2014. 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 2015 AND 2014

(in millions of euros)	2015	2014	Change	Exchange rate effect	Consolidation scope effect	Internal growth
Sales	2,457.9	2,422.8	+ 1.5%	+ 5.9%	-	- 4.4%
EBITDA	448.4	442.0	+ 1.5%	+ 5.8%	-	- 4.3%
EBIT	250.5	263.1	- 4.8%	+ 5.6%	-	- 10.4%
Operating Income	249.7	256.3	- 2.6%	+ 5.7%	-	- 8.3%
Consolidated net income	142.7	143.5	- 0.6%	+ 6.3%	-	- 6.9%
Group share of consolidated net income	121.5	128.5	- 5.4%	+ 5.6%	-	- 11.0%
Cash flows from operating activities	346.3	320.9	+ 7.9%	+ 6.0%	-	+ 1.9%

Unless otherwise indicated, all changes in this analysis are shown on a consolidated and annual basis (2015/2014), and at constant consolidation scope and exchange rates.

2.2.2.1. Change in consolidated sales

Consolidated sales in the 2015 financial year came to €2,458 million, representing an increase of +1.5% or a decrease of -4.4% at constant scope and exchange rates compared with 2014.

The change in consolidated sales for the financial year 2015 by activity, compared to 2014 is as follows:

					Of which		
(in millions of euros)	2015	2014	Change	Change (%)	Exchange rate effect	Change in consolidation scope	Internal growth
Cement	1,256	1,261	(6)	- 0.4%	69	-	(75)
Concrete & Aggregates	892	860	32	+ 3.7%	56	-	(24)
Other Products and Services	310	301	9	+ 2.9%	17	-	(8)
TOTAL	**2,458**	**2,423**	**35**	**+ 1.5%**	**142**	**-**	**(107)**

Consolidated sales in the Cement business were stable at - 0.4% and down 5.9% at constant scope and exchange rates. Consolidated sales in the Concrete & Aggregates business were up 3.7% but down 2.8% at constant consolidation scope and exchange rates. Finally, consolidated sales in the Other Products & Services business rose by 2.9% but declined 2.6% at constant scope and exchange rates.

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

(as a percentage)	2015	2014
Cement	53.2	53.7
Concrete & Aggregates	32.5	31.9
Other Products and Services	14.3	14.4
TOTAL	**100.0**	**100.0**

As a result, an analysis of operational sales by the Group's various businesses shows a very small decrease in the contribution from Cement, which stood at 53.2% of operational sales, down from 53.7% in full-year 2014. The Concrete & Aggregates business accounted for 32.5% of operational sales, compared with 31.9% in 2014. Lastly, Other Products & Services now accounts for 14.3% of operational sales in 2015, compared with 14.4% in 2014.

The share of the Group's core businesses, namely Cement, Concrete and Aggregates, was stable at nearly 86% of operational sales before eliminations.

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

	2015	2014	Change
Cement *(in thousand tonnes)*	19,792	20,530	- 3.6%
Concrete *(in thousand m^3)*	8,535	8,273	+ 3.2%
Aggregates *(in thousand tonnes)*	20,945	21,215	- 1.3%

Change in sales by business:

- Consolidated sales in the Cement business were stable (down -0.4%), but they declined -5.9% at constant scope and exchange rates. This top-line reduction at constant scope and exchange rates was primarily attributable to a decline in volumes sold of -3.6%, since the strength of business trends in the United States and Turkey was not enough to make up for the contraction in Europe, West Africa, Egypt and India. After a significant decline in volumes in the French market during the first half of 2015 (close to -8%), the second half of the year brought a clear-cut rebound in volumes sold (over +5%) owing to supportive weather conditions at the end of the year and cement consumption stabilising at a historically low level. Trends in average selling prices, which recorded a small overall decline, were mixed across the regions in which the Group is present. They recorded a solid increase in India and the United States, helping to offset the small declines in France, Italy, Turkey and West Africa and larger falls in Egypt, Kazakhstan and Switzerland.
- Consolidated sales in the Concrete & Aggregates business rose slightly (+3.7%), but dipped -2.8% at constant scope and exchange rates. Concrete volumes grew by +3.2% over the period, but Aggregates volumes declined by -1.3%. This performance reflected a volume contraction in France and Switzerland, partially offset by strong growth in the United States and Turkey. Average selling prices moved slightly lower overall, with a decline in France in Concrete, partly offset by an increase in Aggregates, and in both Concrete and Aggregates in Turkey. Conversely, they moved significantly higher in the United States in Concrete and more moderately so in Switzerland.
- Consolidated sales in the Other Products & Services business grew +2.9%, but decreased -2.6% lower at constant scope and exchange rates.

Breakdown of consolidated sales by geographical area:

(in millions of euros)	2015	%	2014	%
France	777	31.6	831	34.3
Europe excluding France	425	17.3	418	17.2
USA	342	13.9	247	10.2
Asia	568	23.1	530	21.9
Africa and Middle-East	346	14.1	397	16.4
TOTAL	**2,458**	**100.0**	**2,423**	**100.0**

Breakdown of operating sales in 2015 by geographic region and by business activity:

(in millions of euros)	Cement	Concrete & Aggregates	Other products & services	Inter-segment eliminations	Consolidated net sales
France	342	374	229	(168)	777
Europe excluding France	169	175	134	(54)	425
USA	169	234	-	(61)	342
Asia	492	107	37	(68)	568
Africa and Middle-East	322	24	-	(0)	346
Operating sales	**1,495**	**914**	**400**	**(351)**	**2,458**
Inter-sector elimations	(239)	(22)	(91)	351	-
CONSOLIDATED NET SALES	**1,256**	**892**	**310**	**-**	**2,458**

2.2.2.2. Change in operating profitability

(in millions of euros)	2015	2014	Change	Exchange rate effect	Consolidation scope effect	Internal growth
Sales	2,457.9	2,422.8	+ 1.5%	+ 5.9%	-	- 4.4%
EBITDA	448.4	442.0	+ 1.5%	+ 5.8%	-	- 4.3%
EBIT	250.5	263.1	- 4.8%	+ 5.6%	-	- 10.4%
Operating Income	249.7	256.3	- 2.6%	+ 5.7%	-	- 8.3%

Consolidated EBITDA grew +1.5% compared with 2014 to €448 million, but declined -4.3% at constant scope and exchange rates. The Group's EBITDA improved during the second half, with an increase of +4.7% on a reported basis and of +0.8% at constant scope and exchange rates compared with the second half of 2014.

This decline in EBITDA at constant consolidation scope and exchange rates for the year stemmed primarily from declining contributions by France, Egypt, Switzerland and Turkey, and from a slight drop in the contributions by West Africa and Kazakhstan. These negative factors were partially offset by significant improvement in the Group's performance in India and the United States.

These factors, together with an increased charge to amortization and provisions, made for consolidated EBIT of € 250 million, down 4.8% on a reported basis and down 10.4% at constant 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)	2015	2014	Change (%) Reported	Change (%) At constant scope
Consolidated sales	777	831	- 6.5%	- 6.5%
EBITDA	113	134	- 15.7%	- 15.7%
EBIT	55	84	- 33.9%	- 33.9%

Consolidated sales in France fell -6.5% at constant scope and exchange rates to €777 million. Consolidated sales returned to brisk growth of +4.0% in the fourth quarter, thanks to far more supportive weather conditions than at the beginning of the year, but also confirming the gradual stabilisation in the market at a historically low level.

Over the full year, EBITDA contracted by -15.7% to €113 million, with the EBITDA margin on sales slipping to 14.5% from 16.1% in 2014. After a significant decline of close to -28% in the EBITDA generated in the first half, the second half brought a significant improvement in the trend, with a modest decline in EBITDA of less than -4%.

- **In the Cement business**, operational sales declined -4.8% over the period as a whole. This decline was chiefly attributable to a volume contraction of less than -2% and a slight decrease in average selling prices. Taking these factors into account, EBITDA declined by just -1.7%. The EBITDA margin on operational sales rose by close to one percentage point over the year. This improvement was driven by a significant increase in the EBITDA margin in the second half, as the volume environment for this business was far more supportive.
- **In the Concrete & Aggregates business**, operational sales fell back -11.3% over the full year. The volume contraction over the period was close to -10% in Concrete and slightly over -9% in Aggregates. Selling prices posted a small increase in Aggregates, but declined slightly in Concrete. As a result, the division's EBITDA in France fell very sharply (-61.4%), with a decline in the EBITDA margin on operational sales of over three percentage points.
- **In the Other Products & Services business**, operational sales fell -2.2% over the full year. EBITDA declined by more than -36% over the full year, with the EBITDA margin on operational sales down close to two percentage points.

2.2.2.2.1.2. INCOME STATEMENT FOR EUROPE EXCLUDING FRANCE

(in millions of euros)	2015	2014	Change (%) Reported	Change (%) At constant scope and exchange rates Change
Consolidated sales	425	418	+ 1.7%	- 10.2%
EBITDA	102	103	- 0.3%	- 12.1%
EBIT	76	70	+ 7.5%	- 5.4%

Full-year 2015 sales recorded in Europe excluding France rose by +1.7% on a reported basis, but fell -10.2% at constant scope and exchange rates. EBITDA was stable on a reported basis (-0.3%), but declined -12.1% at constant scope and exchange rates.

In Switzerland, the Group's consolidated sales grew by +3.1% in 2015. At constant scope and exchange rates, they declined by -9.4%. EBITDA fell back -0.8% on a reported basis and -12.8% at constant scope and exchange rates, reflecting a contraction in the EBITDA margin on consolidated sales of around one percentage point to 24.4% vs. 25.3% in 2014.

- **In the Cement business**, operational sales rose by +1.1%, but declined -11.2% at constant scope and exchange rates. Driving this decline was a decrease in volumes and in average prices in a contracting construction market, together with fiercer competition. As a result, EBITDA declined by -16.0%, with the EBITDA margin on operational sales dropping almost two points over the full year.
- **In the Concrete & Aggregates business**, operational sales grew +2.6%, but they declined -9.8% at constant scope and exchange rates. After a record performance in 2014, the top-line contraction in 2015 was the result of a dip in volumes of over -11% in Concrete and -7% in Aggregates, offset partly by a very slight improvement in average selling prices. As a result of these factors, EBITDA dropped -7.0% at constant scope and exchange rates. The EBITDA margin on operational sales recorded a small increase of close to one percentage point.
- Consolidated sales recorded by the Precast business fell -8.4% at constant scope and exchange rates owing chiefly to a drop in sales of rail sleepers following completion of the Gothard tunnel in 2014 and the later start-up of track replacement and modernization work. As a result of these factors, EBITDA declined by -13.5%.

In Italy, consolidated sales decreased -27.5%. This decline was the result of a steep contraction in volumes sold (over -25%) in a domestic market still very badly affected by the macroeconomic and industry environment and also reflected the Group's selective business policy intended to keep a tight rein on its credit risk. These factors led to a small dip in average selling prices. Even so, given the more favourable conditions for purchasing clinker, EBITDA grew by +20.6% and the EBITDA margin rose by close to seven percentage points over the full year.

2.2.2.2.1.3. INCOME STATEMENT FOR THE UNITED STATES

(in millions of euros)	2015	2014	Change (%) Reported	Change (%) At constant scope and exchange rates Change
Consolidated sales	342	247	+ 38.7%	+ 15.9%
EBITDA	42	17	+ 149.6%	+ 108.5%
EBIT	17	(5)	+ 412.6%	+ 361.0%

Business in the United States again recorded strong growth in a firm macroeconomic environment that was supportive for the construction sector. As a result, the Group's consolidated sales rose +38.7% and +15.9% at constant scope and exchange rates. The Group delivered a very strong increase in its EBITDA to €42 million over the full year (up +108.5%) and positive EBIT of €17 million, compared with a loss of €(5) million in 2014.

- **In the Cement business**, full-year operational sales grew by +23.6% at constant scope and exchange rates (up +48.0% on a reported basis). This performance was driven by volume growth of close to +15% overall, as well as a price increase in both regions. As a result of these factors, the Group's EBITDA rose by +133.3% at constant scope and exchange rates, with a near-doubling in the EBITDA margin on operational sales in this business.
- **In the Concrete business**, consolidated sales recorded an increase of +12.2% in 2015 at constant scope and exchange rates on the back of healthy volume growth of over +7%. Average selling prices also rose in both regions. As a result of these factors, the Group enjoyed very significant growth in its EBITDA (+58.7% at constant scope and exchange rates), and an improvement of more than one percentage point in its EBITDA margin.

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

(in millions of euros)	2015	2014	Change (%) Reported	Change (%) At constant scope and exchange rates Change
Consolidated sales	568	530	+ 7.1%	+ 3.1%
EBITDA	135	112	+ 20.9%	+ 16.1%
EBIT	85	67	+ 27.8%	+ 23.5%

Sales across Asia as a whole came to €568 million, up +7.1% on a reported basis and up +3.1% at constant scope and exchange rates. The EBITDA generated in the region posted a significant increase of +16.1% at constant scope and exchange rates owing to a tangible improvement in the operating margin (EBITDA/consolidated sales), which stood at 23.8% vs. 21.1% in 2014. This performance was driven by the improvement in India, offsetting the erosion in margins seen in Turkey and Kazakhstan.

In Turkey, full-year consolidated sales came to €234 million, up +6.4% at constant scope and exchange rates. Conversely, EBITDA declined by -9.1%, with the EBITDA margin down to 21.6% of consolidated sales from 25.3% in 2014.

- In the Cement business, the Group recorded an increase in its full-year operational sales of +3.5% at constant scope and exchange rates. This performance reflected a rise in sales volumes of close to +5% over the full year. Selling prices dipped very slightly. As a result of these factors, the division's EBITDA fell back -6%, and the EBITDA margin on operational sales dropped by almost 3 percentage points. This contraction was attributable to the fall in average selling prices and to disruption caused by the modernisation and restart of kiln 1 at the Bastas plant. Lastly, the high level of activity in the second half obliged the Group to run down its inventories significantly.
- The operational sales recorded by the Concrete & Aggregates business rose +17.1% at constant scope and exchange rates (up +17.8% on a consolidated basis). This healthy business growth was underpinned by an increase of close to +22% in Concrete volumes and +15% in Aggregates, amid slightly weaker pricing conditions. EBITDA declined -67.4% over the full year owing to the additional transport costs caused by the latest regulatory changes and as a result of the remoteness of some major construction projects. As a result, the division's EBITDA margin on operational sales contracted by almost 3 percentage points.

In India, the Group posted consolidated full-year 2015 sales of €268 million, up +2.3% at constant scope and exchange rates. The strong increase of close to +16% in average selling prices over the period helped to make up for a contraction in Cement volumes of around -11%. On this basis, EBITDA grew by a very strong +88.9% at constant scope and exchange rates. The EBITDA margin on operational sales recorded a very strong increase to 24.1%, up from 13.0% in 2014 in spite of a persistently low level of plant capacity utilization over the period (around 50%).

Kazakhstan recorded a -5.4% decrease in its consolidated sales at constant scope and exchange rates to €65 million. Volumes advanced by more than +5% over the full year, which was not sufficient to offset the full impact of the steep cut in selling prices introduced at the beginning of the year. As a result, EBITDA fell -14.2% at constant scope and exchange rates. The EBITDA margin on consolidated sales came to 30.4%, representing a decline of around three percentage points.

2.2.2.2.1.5. INCOME STATEMENT FOR AFRICA AND MIDDLE EAST

(in millions of euros)	2015	2014	Change (%) Reported	Change (%) At constant scope and exchange rates Change
Consolidated sales	346	397	- 12.9%	- 16.6%
EBITDA	56	77	- 27.4%	- 28.9%
EBIT	17	48	- 63.9%	- 63.5%

In the Africa and Middle East region, consolidated sales came to €346 million, down -16.6% at constant scope and exchange rates. EBITDA fell back -28.9% to €56 million.

In **Egypt**, full-year sales came to €113 million, down -18.5% at constant scope and exchange rates. This trend was the product of a significant reduction in selling prices and a volume contraction of over -7% in the period. Taking these factors into account and also the impact of higher energy costs over the first nine months of the year before the two coal grinders entered service, EBITDA declined by -79.9% at constant scope and exchange rates.

In **West Africa**, sales totalled €232 million. This represented a decline of -15.6% at constant scope and exchange rates from a very high level of activity in 2014. This reduction mainly reflected the impact on the competitive landscape of the start-up of a newcomer's facility in Senegal in early 2015. It resulted in a contraction in Cement volumes sold of close to -12% and a slight dip in average selling prices. As a result, the EBITDA generated by the Group in the region posted a decline of -8.8%, albeit with a slight increase in the margin on operational sales, thanks to the decline in fuel costs and cost-cutting measures taken to adapt to the new environment.

2.2.2.2.2. Change in operating profitability by business

The following paragraphs show the breakdown of operating income by business, as well as an analysis of the change between 2015 and 2014.

2.2.2.2.2.1. CEMENT

			Change (%)	
(in millions of euros)	2015	2014	Reported	At constant scope and exchange rates Change
Operational sales	1,495	1,483	+ 0.8%	- 4.8%
Inter-sector elimations	(239)	(221)		
Consolidated sales	1,256	1,261	- 0.4%	- 5.9%
EBITDA	362	341	+ 6.1%	+ 0.9%
EBIT	214	220	- 2.9%	- 7.0%

Consolidated sales in the Cement business were stable (down -0.4%), but they declined -5.9% at constant scope and exchange rates.

This top-line reduction at constant scope and exchange rates was primarily attributable to a decline in volumes sold of -3.6%, since the strength of business trends in the United States and Turkey was not enough to make up for the contraction in Europe, West Africa, Egypt and India. After a significant decline in volumes in the French market during the first half of 2015 (close to -8%), the second half of the year brought a clear-cut rebound in volumes sold (over +5%) owing to supportive weather conditions at the end of the year and cement consumption stabilising at a historically low level.

Trends in average selling prices, which recorded a small overall decline, were mixed across the regions in which the Group is present. They recorded a solid increase in India and the United States, helping to offset the small declines in France, Italy, Turkey and West Africa and larger falls in Egypt, Kazakhstan and Switzerland.

EBITDA came to €362 million, representing an increase of +0.9% at constant scope and exchange rates. This trend reflected a significant contraction in the contribution from Egypt, France, and Switzerland and, to a lesser extent, from Kazakhstan and Western Africa. The decline in these regions was offset by the strong increases in India and the United States.

The EBITDA margin on operational sales posted a significant improvement over the year to 24.2% from 23.0% in 2014. This performance reflected significant margin improvement in India and the United States and a more moderate upswing in France, Italy and West Africa, helping to offset the strong fall in Egypt, and smaller contractions in Kazakhstan, Turkey and Switzerland.

Lastly, EBIT decreased -7.0% at constant scope and exchange rates to €214 million from €220 million in 2014.

2.2.2.2.2.2. READY-MIXED CONCRETE & AGGREGATES

(in millions of euros)	2015	2014	Change (%) Reported	At constant scope and exchange rates Change
Operational sales	914	882	+ 3.6%	- 2.8%
Inter-sector elimations	(22)	(22)		
Consolidated sales	892	860	+ 3.7%	- 2.8%
EBITDA	61	71	- 13.5%	- 21.8%
EBIT	18	28	- 37.1%	- 50.1%

Consolidated sales in the Concrete & Aggregates business rose slightly (+3.7%), but dipped -2.8% at constant scope and exchange rates.

Concrete volumes grew by +3.2% over the period, but Aggregates volumes declined by -1.3%. This performance reflected a volume contraction in France and Switzerland, partially offset by strong growth in the United States and Turkey.

Average selling prices moved slightly lower overall, with a decline in France in Concrete, partly offset by an increase in Aggregates, and in both Concrete and Aggregates in Turkey. Conversely, they moved significantly higher in the United States in Concrete and more moderately so in Switzerland.

As a result of these factors, EBITDA fell -21.8% at constant scope and exchange rates. Accordingly, the EBITDA margin on operational sales dropped back to 6.7% from 8.1% in 2014. The contraction was significant in Turkey and France and was offset only partially by an improvement in the United States and Switzerland.

EBIT contracted by -50.1% at constant scope and exchange rates.

2.2.2.2.2.3. OTHER PRODUCTS & SERVICES

(in millions of euros)	2015	2014	Change (%) Reported	At constant scope and exchange rates Change
Operational sales	400	399	+ 0.4%	- 3.6%
Inter-sector elimations	(90)	(98)		
Consolidated sales	310	301	+ 2.9%	- 2.6%
EBITDA	25	30	- 15.8%	- 22.6%
EBIT	19	15	+ 27.9%	+ 15.7%

Consolidated sales in the Other Products & Services business grew +2.9%, but decreased

-2.6% lower at constant scope and exchange rates.

EBITDA fell from €30 million in 2014 to €25 million in 2015, and the EBITDA margin on operational sales settled at 6.2% from 7.4% in 2014. Conversely, EBIT moved up +15.7% to €19 million.

2.2.2.2.3. Change in financial income

(in millions of euros)	2015	2014	Change
Cost of net financial debt	(37.0)	(47.6)	+ 23.3%
Other financial income and expenses	(11.2)	(10.4)	- 7.4%
Financial income/(Expense)	(48.2)	(58.0)	+ 17.0%

Net financial income posted a significant improvement of nearly € 10 million to -€ 48 million. This resulted from a reduction in the cost of net financial indebtedness whose rate fell to 3.59% in 2015 from 4.23% in 2014, mainly resulting from early repayment of the Kalburgi and Gulbarga Power debt in India, which was refinanced by Vicat SA in euro-denominated variable-rate debt. The annual saving on the interest rate was nearly 10%.

The net expense under other financial income and expenses remained relatively stable (down € 0.8 million to -€ 11.2 million), with savings resulting from adjustment by nearly € 7 million of the IFC put option value, almost completely offsetting the change in foreign exchange losses (particularly in Kazakhstan), discounting expenses and adjustments to fair value of financial instruments.

2.2.2.2.4. Change in taxes

(in millions of euros)	2015	2014	Change
Current taxes	(73.8)	(75.8)	+ 2.6%
Deferred tax	10.1	16.3	- 38.0%
Total taxes	(63.7)	(59.5)	- 7.1%

The +7.1% increase in tax expense on a reported basis compared with the previous year to € (63.7) million reflected the growth of +1.6% in income before tax and also an increase in the tax rate to 31.6% of income before tax in 2015, compared with 30.0% in 2014. The main factor of this increase in tax pressure came from a change in the geographical sales mix of the Group's earnings, with a smaller contribution from countries with a tax exemption or a low tax rate, the increase in tax rates in India and a new withholding tax on dividends paid by certain subsidiaries outside France.

2.2.2.2.5. Change in consolidated net income

Consolidated net income was €142.7 million, down -6.9% at constant scope and exchange rates. The net margin came to 5.8% of consolidated sales, compared with 5.9% in 2014.

Net income, Group share came to €121.5 million, or €2.71 per share in 2015, compared with €2.86 in 2014.

2.2.3. COMPARISON OF EARNINGS FOR 2014 AND 2013

The comparative analysis of the earnings for 2014 and 2013 is presented in the 2014 Registration Document in section 2.2.2, pages 40-52 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 each, fully subscribed and paid up.

Consolidated shareholders' equity rose by € 84 million to € 2,544 million as at December 31, 2015 including a Group share of € 2,252 million, and minority interests of € 292 million which relate mainly to the cement manufacturing subsidiaries in India, Egypt, and Turkey.

Shareholders' equity – Group share – includes as at December 31, 2015:

- the Company's share capital for € 180 million;
- premiums linked to the capital for € 11 million;
- conversion reserves for -€ 94 million;
- consolidated reserves amounting to € 2,034 million, net of the allocation of treasury shares amounting to € 67 million;
- Group share of net income for 2015 amounting to € 121 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 2015 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)	2015	2014	2013
Cash flows from operations	346	321	291
Change in WCR [1] (excl. exchange rate and consolidation scope effects)	(47)	(19)	46
Net operating cash flows	300	302	337
Net investment cash flows	(183)	(224)	(179)
Net financing cash flows	(131)	(76)	(128)
Impact of exchange rate fluctuations on cash resources	(3)	15	(29)
CHANGE IN CASH POSITION	**(18)**	**17**	**1**

(1) Working Capital Requirement.

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

(in millions of euros)	2015	2014	2013
Cash flow from operations	300	302	337
Industrial investments net of disposals	(167)	(154)	(166)
***FREE CASH* FLOW**	**133**	**148**	**171**

In 2015, free cash flow generated by the Group (€ 133 million) was € 15 million below the 2014 figure. Cash flows from operations, net of the change in WCR and combined with a slight rise in industrial investments, thus facilitated a reduction of € 4 million in the Group's net indebtedness in 2015. At € 1,018 million, net indebtedness, excluding put options, represented 40.03% of consolidated shareholders' equity as at December 31, 2015, and 2.27 times 2015 consolidated EBITDA.

2.3.2.1. Net cash flows from operating activities

Net cash flows from operational activities conducted by the Group in 2015 were € 300 million, compared with € 302 million in 2014.

This slight reduction in operating cash flows between 2014 and 2015 resulted from an increase in cash flows from operations of € 25 million and a change in working capital requirement deteriorating by € 28 million.

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

(in millions of euros)	WCR as at December 31, 2013	Change in WCR 2014	Other changes (1)	WCR as at December 31, 2014	Change in WCR 2015	Other changes (1)	WCR as at December 31, 2015
Inventories	360	21	13	394	10	3	407
Customers	348	(4)	12	356	12	9	377
Suppliers	(258)	8	(9)	(259)	(2)	(8)	(269)
Other receivables & payables	(44)	(6)	(11)	(61)	27	(1)	(35)
WCR	**406**	**19**	**5**	**430**	**47**	**3**	**480**

(1) Exchange rate, consolidation scope and miscellaneous.

2.3.2.2. Net cash flows from investing activities

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

(in millions of euros)	2015	2014
Investments in tangible and intangible fixed assets	(174)	(160)
Disposal of tangible and intangible fixed assets	7	6
Net investments in shares of consolidated companies	-	(67)
Other net financial investments	(16)	(3)
TOTAL CASH FLOWS RELATED TO INVESTMENT OPERATIONS	**(183)**	**(224)**

Net cash flows used in the Group's investing activities in 2015 came to -€ 183 million, compared with -€ 224 million in 2014.

2.3.2.2.1. Investments in and disposals of intangible and tangible assets

These reflect outflows for industrial investments (€ 174 million in 2015 and € 160 million in 2014) mainly corresponding to the following:

- in 2015 to investments in France, Egypt, Turkey and Switzerland;
- in 2014 to investments in France, Turkey, Switzerland, India and Senegal.

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

In 2015, 76% of these investments were made in the Cement business line (68% in 2014), 18% in the Concrete & Aggregates business line (23% in 2014) and the remaining 6% in the Other Products & Services business line (9% in 2014).

Disposals of tangible and intangible assets generated total cash inflows of € 7 million in 2015 (€ 6 million in 2014).

2.3.2.2.2. Net investments in shares of consolidated companies

There were no significant acquisition or disposal of shares in consolidated companies during the 2015 financial year. These transactions resulted in an overall cash outflow of € (67) million in 2014.

The main cash outflow by the Group in 2014 was for the purchase of the remaining stake held by Sagar Cements in Kalburgi Cement (ex Vicat Sagar Cement) in India.

2.3.2.2.3. Other net financial investments

Other net financial investments were reflected by net outflows of € 16 million in 2015 and € 3 million in 2014.

2.3.2.3. Net cash flows from financing activities

Net cash flows related to financing operations conducted by the Group in 2015 amounted to -€ 131 million, compared with -€ 76 million in 2014.

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 (-€ 78 million in 2015 compared with -€ 81 million in 2014);
- the drawdown, net of repayments, of credit lines and loans taken out by the Group and amounting to -€ 55 million in 2015 (-€ 70 million in 2014), including payment of the annual maturities on financial leasing contracts;
- the net cash inflow from the sale by the Company of treasury shares (€ 2 million in 2015 and € 3 million in 2014), as well as the total sale price, net of tax, of € 72 million for the sale of 24.6% of the Soparfi shares by Vicat Group subsidiaries to the holding companies that hold a majority interest in Vicat SA (Soparfi and Parfininco).

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 balance sheet liquidity characterized by the availability of both cash surpluses and confirmed and available medium-term lines of financing.

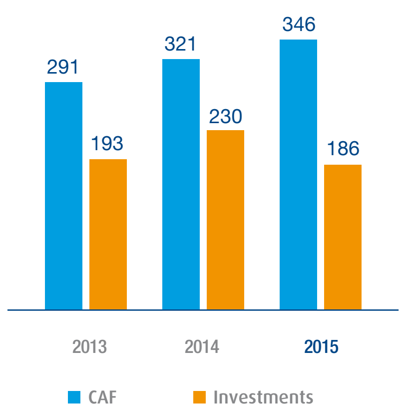
This policy aims at financing industrial investments through cash flows from operations, available surplus financial resources being used by the Group to reduce its indebtedness, and financing in whole or in part external growth operations.

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, even in case of desruped markets situations, 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.

These facilities are essentially carried by the Company (77%), but some of the Group's foreign subsidiaries also have medium and long-term lines of credit or loans, most of them drawn down, to finance their investment programs. This is particularly the case in Egypt, India, Kazakhstan, Switzerland and Senegal.

CHANGE IN THE GROUP'S CASH FLOWS FROM OPERATIONS AND THE GROUP'S INVESTMENTS BETWEEN 2013 AND 2015 *(in millions of euros)*



As at December 31, 2015, the Group had the following confirmed financing facilities, used and/or available:

Type of credit facility 31/12/2015	Borrower	Year set up	Currency	Authorization in millions		Utilization *(millions of euros)*	Maturity	Fixed rate (FR)/Variable rate (VR)
				Currencies	€			
US Private Placement	**VICAT S.A.**	**2011**	**$**	**450.0**	**339.3**	**339.3**	**2017 to 2022**	**FR**
		2011	**€**	**60.0**	**60.0**	**60.0**	**2017**	**FR**
Syndicated loan	VICAT S.A.	2014	€	480.0	480.0	(1)	2019	VR
Bank bilateral lines	VICAT S.A.	2014	€	240.0	240.0	(1)	2019	VR
	VICAT S.A.	N/A	€	11.0	11.0	(1)	N/A	VR
Total bank lines (1)	**VICAT S.A.**		**€**	**731.0**	**731.0**	**550.0**	**2019**	**VR**
	SSC	2015	EGP	150.0	17.6	17.6	2016-2018	VR
	SSC	2015	EGP	150.0	17.6	13.8	2018	VR
	Sococim	2014	CFAF	53,000.0	80.8	52.6	2016	FR
	Vigier	2015	CHF	200.0	184.6	137.3	2020	VR
	Vigier	2009	CHF	13.0	12.0	12.0	2016 to 2020	FR
	Jambyl	2008	$	21.4	19.7	19.7	2016 to 2018	VR
	Gulbarga	2012	€	12.0	12.0	13.0	2016 to 2025	VR
TOTAL SUBSIDIARIES' LOANS OR BILATERAL LINES					**344.3**	**266.0**		
Fair value of derivatives						11.0		
TOTAL MEDIUM-TERM					**1474.6**	**1226.3**		
Other liabilities						46.2		
GROSS TOTAL DEBT (2)					**1474.6**	**1272.5**		

(1) "Total bank lines" corresponds to all confirmed lines of credit, essentially for a duration of one or five years at the outset, which benefit the Company and of which 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, 2015, out of the bank bilateral lines of € 240 million. € 70 million were utilized, including € 45 million to hedge commercial paper. € 480 million of the syndicated loan were utilized, including € 375 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 utilized does not include the liability relating to put options (€ 3.6 million).

2.3.3.1.1. US private placement

The loan for US$450 million and for € 60 million was subscribed by American investors under a private placement (USPP) in 2010. The maturities are seven years for US$ 100 million and € 60 million, ten years for US$ 230 million and twelve years for US$ 120 million.

To eliminate the exchange rate risk on the principal and the interest, this loan was converted into a fixed-rate synthetic debt in euros by a cross currency swap. The part of the debt in euros (€ 60 million) is also at a fixed rate.

2.3.3.1.2. VICAT SA bank facilities

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, 2015, € 105 million of the loan was drawn down and € 375 million allocated 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 interests are payable at the Euribor rate for the drawdown period.

As at December 31, 2015, € 25 million of these lines were drawn down and € 45 million allocated to hedge the liquidity risk of commercial paper.

COMMERCIAL PAPER

The Company has a commercial paper issue program for € 450 million (€ 300 million at the end of 2014). At December 31, 2015, the amount of commercial paper issued stood at € 420 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

SENEGAL

Sococim Industries has now one line of credit for CFAF 15 billion, one for CFAF 18 billion and one for CFAF 20 billion, all for original maturities of 12 months. As at December 31, 2015, they were drawn down for a total amount of CFAF 34.5 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 December 31, 2015, the residual amount was only US$21.4 million in the case of the first line, 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, 2015, the residual amount was CHF 13 million.

At the end of 2015, Vigier took out a syndicated loan of CHF 200 million from five banks, maturing in 2020. Interest is payable at the Swiss franc LIBOR rate for the drawdown period.

At December 31, 2015, the line was drawn in the amount of CHF 148.9 million.

EGYPT

In March 2015, Sinai Cement Company took out two lines of credit:

One line of 150 million Egyptian pounds with a term of 5 years repayable as from June 2016, fully drawn down at December 31, 2015.

A revolving line of credit of 150 million Egyptian pounds maturing in 2020, of which 116.8 million Egyptian pounds were drawn down at December 31, 2015.

INDIA

In view of the Indian market context, the financing lines set up for Kalburgi Cement (formerly Vicat Sagar Cement) in 2010 with international financial institutions were all repaid early in July 2015 through an increase in that subsidiary's capital, subscribed by Parficim, the Group's international holding company. This transaction strengthens the financial position and profit-making ability of the subsidiary, at the same time as reducing the Group's financial expenses by substituting a euro or Swiss-franc financing facility for one converted into Indian rupees through a cross-currency swap.

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, 2015, the credit line was fully used.

2.3.3.1.4. Credit risk hedging by the Group

As at December 31, 2015, the Group had a total of € 259 million in unutilized 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, 2015, in addition to the cross-default clauses provided for in the majority of credit agreements, the USPP, the syndicated loan and certain credit lines benefiting the subsidiaries 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 2015 consolidated financial statements" of this Registration Document).

2.3.3.2. Gross indebtedness

As at December 31, 2015, gross indebtedness of the Group, excluding put options, was € 1,273 million compared with € 1,290 million at December 31, 2014. It is broken down by type as follows:

(in millions of euros)	2015	2014	Change
Loans from US investors	399	505	- 21.00%
Loans from lending institutions	828	729	13.58%
Residual debt on financing leasing agreement	2	3	- 33.33%
Other loans and financial debts	7	15	- 53.33%
Current bank facilities and bank overdrafts	37	38	- 2.63%
GROSS INDEBTEDNESS	**1,273**	**1,290**	**- 1.30%**
of which less than 1 year	115	272	
of which more than 1 year	1,158	1,018	

31% 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 71% in euros.

The structure of the Group's gross indebtedness as at December 31, 2015, by type of rate and due date is as follows:

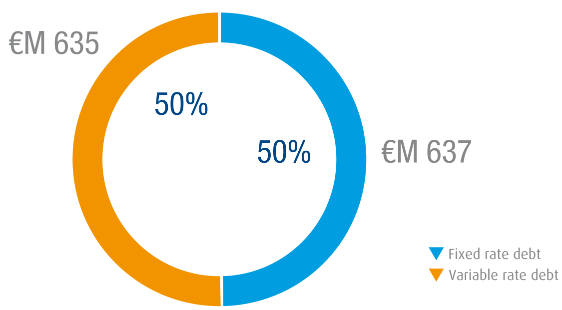
RATE

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, 2015, to € 635 million, equivalent to 50% of the Group's total gross financial indebtedness, after taking into account Vicat's variable-rate/fixed-rate swap debt (€ 150 million maturing in 2016).

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 amounting to € 400 million and maturing in 2018, 2019 and 2020, and for NCC amounting to US$50 million, maturing in 2016, 2017 and 2018.

FIXED-RATE/VARIABLE-RATE INDEBTEDNESS AS AT DECEMBER 31, 2015 *(in millions of euros)*



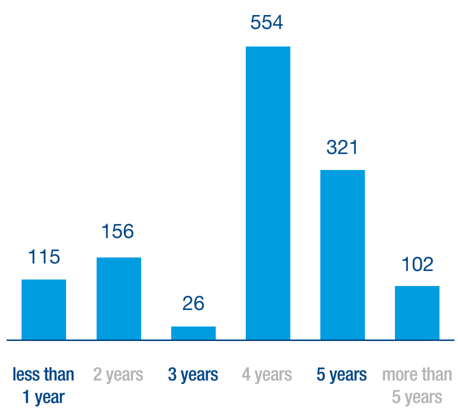
MATURITY

As at December 31, 2015, 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 bilateral lines of credit of the Group's subsidiary Sococim in Senegal (€ 52.6 million), to the maturity of the loans to Jambyl Cement in Kazakhstan (€ 6.6 million), Sinai Cement Company in Egypt (€ 6.6 million), Vigier in Switzerland (€ 1.8 million) and Gulbarga (€ 1.3 million), and to short-term financing;
- the 2017 repayments correspond to the first maturity on Vicat SA's second USPP (€ 135.3 million), and to repayments of the loan to Jambyl Cement (€ 6.6 million), Sinai Cement Company in Egypt (€ 8.8 million), Gulbarga (€ 1.3 million) and Vigier in Switzerland (€ 1.8 million);
- those in 2018 correspond to repayments of the loans to Sinai Cement Company in Egypt (€ 15.9 million), Jambyl Cement (€ 6.6 million), Gulbarga (€ 1.3 million) and Vigier in Switzerland (€ 1.8 million);
- the due dates in 2019 correspond essentially to the maturities for the Vicat SA Syndicated Loan (€ 480 million) and to the repayments of the loans to Vicat SA (€ 70 million), Gulbarga (€ 1.3 million) and Vigier in Switzerland (€ 1.8 million);
- the maturities of the Vicat SA USPP (€ 173.4 million), the Syndicated Loan (€ 137.4 million) and of the line of credit (€ 1.8 million) to Vigier in Switzerland, and the repayment of the Gulbarga loan (€ 1.2 million) represent almost all of the 2020 maturities;
- the € 99.4 million (net of the € 2.0 million impact of IAS 39) due after 2020 break down as follows:
  - for Vicat, the due date for the USPP (2022), amounting to € 90.7 million,
  - for Gulbarga, € 5.7 million, spread between 2021 and 2025,
  - for Vigier Holding, € 2.8 million in 2020,

MATURITIES SCHEDULE FOR GROSS INDEBTEDNESS AS AT DECEMBER 31, 2015 *(in millions of euros)*



2.3.3.3. Cash surpluses

Cash and cash equivalents include cash at bank (€ 85 million as at December 31, 2015) and short-term investments maturing in less than three months and with no risk of a change in the value of the principal (€ 169 million as at December 31, 2015).

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)	2015	2014	Change
Gross indebtedness	1,273	1,290	- 1.3%
Cash and cash equivalents	254	268	- 5.2%
NET INDEBTEDNESS	**1,018**	**1,022**	**0.0%**

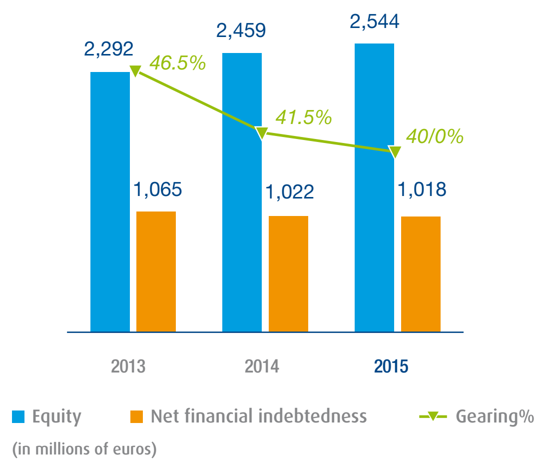
The gearing ratio was 40.03% at the end of 2015, compared with 41.6% at December 31, 2014.

The ratio of net financial indebtedness/EBITDA was 2.27 at the end of 2015 compared with 2.31 at the end of 2014.

Overall, the Group had a total amount of € 513 million corresponding to unused lines of financing (€ 259 million) and cash (€ 254 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, 2015 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 43.8%. 2015 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, 2015 and 2014:

(in millions of euros)	2015	2014
Contractual commitments for the acquisition of fixed assets	20.4	53.5
Guarantees and deposits paid	-	--
TOTAL	**20.4**	**53.5**

As at December 31, 2015, the off-balance sheet liabilities of the Group were € 20.4 million and concerned contractual obligations relating to industrial investments. These liabilities correspond primarily to investments made to improve and equip the industrial installations in Turkey, Switzerland and France.

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

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 new 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 CARRIED OUT

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

(in millions of euros)	2015	2014	2013
Cement	145	173	141
Concrete & Aggregates	31	44	38
Other products & services	10	13	14
TOTAL	**186**	**230**	**193**
Of which financial investments	*19*	*74*	*18*

2.4.1.1. Principal investments made in 2015

The total amount of industrial investments made in 2015 was € 167 million. These are shown below for each of the Group's main businesses. Financial investments amounted to € 19 million in 2015 and primarily corresponded to amounts deposited in connection with the Bharathi Cement dispute in India (see section 7.3. "Legal and arbitration proceedings" of this Registration Document).

Cement: € 126 million worth of industrial investments

- **France**: Investments in 2015 were made primarily to enhance production facility performance.
- **Turkey**: Investments chiefly consisted of expanding clinker production and cement grinding capacities at the Bastas plant.
- **Egypt**: The Group built two coal mills, giving it access to the most competitive energy on the market.

Concrete & Aggregates: € 31 million of industrial investments

- **France**: The Group finalized implementation of SAP management software for the Concrete & Aggregates business. Other investments primarily concerned maintenance of production facilities and the expansion of aggregate reserves.
- **Switzerland**: The Group invested mainly in expanding aggregate reserves, in making them more accessible, and in maintaining production facilities.

For Other Products & Services, investments related mainly to maintaining and upgrading production facilities and optimizing supply chain flows.

2.4.1.2. Principal investments 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 Group focused on continuing to develop the Mépieu quarry, which supplies limestone to the Montalieu factory, and on setting up the SAP management software system. Other investments were mainly intended to maintain enhanced production facility 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 continuity of supply.

Concrete & Aggregates: € 36 million of industrial investments

- **France**: the Group mainly acquired concrete businesses 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.

2.4.2. PRINCIPAL INVESTMENTS IN PROGRESS AND PLANNED

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 2016 should be between € 130 and 150 million. The main projects are as follows:

- **France**: Industrial investments will mainly ensure that industrial facilities remain in compliance with environmental rules and that production costs are optimized in all the businesses.
- **Switzerland**: Adaptation of production facilities to regulatory requirements and optimization of production costs, especially in precast concrete products for railways.
- **Turkey**: Investments will be used to complete the increase in grinding capacity at the Bastas factory.

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

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

2.5.2. GROUP OBJECTIVES

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

The Skyflor® green wall system allies care for the environment with sustainable development

CORPORATE SOCIAL RESPONSIBILITY

3

The report discussed in this chapter presents the results produced by the Vicat group's corporate, social and environmental responsibility policy on the basis of relevant indicators in respect of its activities and its environment.

In 2015, the Group continued to measure the success of its policy through the CSR reporting exercise as required by the rules of the Group's Protocol. This document serves as the Group's internal guide to reporting the necessary material data to present the environmental, corporate and social information required by article R. 225-105-1 of the French Commercial Code.

To satisfy its obligation of transparency in publishing the results of its CSR performance, the Vicat group has chosen, where it makes sense to do so, to combine the definitions of these indicators with those of the guidelines for other international references such as the Global Reporting Initiative (GRI).

The CSR report is also included in the Vicat SA management report. For the reader's convenience, we have included a concordance table in section 9.7 of the Registration Document. Readers are also invited to refer to section 2.1 "Non-financial indicators" of the Registration Document.

For more than 160 years, the Vicat group has monitored the impact of its activities (Cement, Concrete, Aggregates, and Other Products & Services) on the environment. Today, environmental matters are closely linked to its economic performance and are therefore integrated into its "sustainable construction" strategy. Going further, the Group has innovated by linking economic activity with the development of biodiversity and has become a participant in the circular economy. In 2015, the Group continued its efforts to reduce its CO_2 emissions. In connection with its research and development policy, relying on the work of 90 researchers and technicians, the Group is developing construction solutions centered on energy efficiency in buildings and eco-design. Conserving the built heritage is also an important part of the Group's sustainable construction policy, and in this regard the Group supplies materials that protect the health and safety of users and comply with technical requirements for restoration and architectural creativity.

The Group remains committed to the values of Louis Vicat, who invented artificial cement in 1817, is a responsible employer and takes account of the specific features of each of the 11 countries in which it operates. Protecting the health and safety of Group employees is a priority, with resources implemented at all organizational levels to bring it into a virtuous cycle with a frequency rate under the symbolic threshold of 10.

The Group's commitment to its corporate social responsibility policy is connected with the position that it naturally occupies in the geographical sectors where it operates. In that regard, the Group always lends the same degree of attention to the quality of local sanitation conditions near its sites. It is committed to the economic and social development of these areas and acts as a true partner. This role is illustrated by the number of campaigns conducted each year to support education and promote access to culture and sports. Finally, the role that the Vicat Group plays in the local community encourages it to demonstrate loyalty and ethics in its business affairs.

An attestation of disclosure relating to the CSR information detailed below and an opinion on its fair presentation have been issued by Grant Thornton, an independent third party organization engaged to verify this information.

3.1. ENVIRONMENTAL RESPONSIBILITY RELATING TO THE GROUP ACTIVITIES

Informed by its industrial experience, the Vicat Group has good environmental control over its processes; it exercises its responsibility during each step of its activities, from procurement to the operation of its production units (cement plants, quarries, and concrete batching plants).

It relies on integrated management systems set up for each of its activities. These systems enable it to respond appropriately to each environmental challenge identified as a direct consequence of its activities. (3.1.1)

Access to resources has always been a major challenge for the Group, which rationally manages the natural resource consumption involved in its manufacturing processes in order to ensure the sustainability of its operations. This management made it easier, at the beginning of 2015, to bring its activities into line with a circular economy model. (3.1.2)

The history of the Vicat Group is centered on cement, the production of which requires a significant amount of energy. The link between the Group's industrial performance and its environmental performance is tenuous, which is why the Group focuses on continuously improving its energy efficiency, both by reducing its consumption and by increasing its use of alternative fuels. In 2015 an energy audit was performed in France, the results of which will be used to create an action plan (3.1.3)

The Group applies the same rigor to its efforts to reduce atmospheric emissions from its cement plants in reference to the performance indicators defined in the *Cement Sustainable Initiative*. Measured levels of dust emissions, NO_x emissions and SO_x emissions from its 21 rotary kilns are among the lowest in the industry, under ordinary conditions.

The Group works to continuously reduce its CO_2 emissions, for which the cement activity contributes 99.8% of the regulatory emissions covered by the Greenhouse Gas Emissions Report. Greenhouse gas emissions are the subject of various internal and external controls. The success of the COP 21 held in Paris gave the Vicat group the opportunity to demonstrate its commitment to reducing its CO_2 emissions by signing the Paris Pledge for Action alongside numerous other participants representative of the civil society (3.1.4).

3.1.1. INTEGRATED MANAGEMENT SYSTEMS AND OTHER MEASURES TO BETTER UNDERSTAND THE IMPACT OF OUR ACTIVITIES ON THE ENVIRONMENT AND BETTER ADAPT TO THE CONSEQUENCES OF CLIMATE CHANGE

Management Systems

Vicat is a responsible industrial group that regularly audits its management systems set up to ensure the involvement of all employees and continued improvement in its operational performance.

To help the production sites deploy these management systems, the Vicat group has hired recognized experts in the field of health, safety and the environment for each branch of its activity.

Each expert is in charge of defining and implementing action plans to limit the environmental impact of the Group's activities. These action plans set out concrete objectives, achievement of which is regularly discussed.

The effectiveness and sustainability of these systems depends on extensive knowledge of numerous strict environmental regulations applicable to the Group's production sites with respect to the protection of air, water, ground, and biodiversity. The Group receives notice of these regulations by means of authorizations, operating permits, and licenses issued by local authorities, which enforce strict compliance.

Their effectiveness is measured during internal audits conducted with or without the help of a qualified external service provider. Any discovery of non-compliance systematically leads to the preparation of a corrective action plan. Some of the Group's manufacturing plants have obtained environmental certification under ISO 14001. These are Vicat Produits Industriels (VPI) and the Peille cement plant in France; the Rufisque cement plant in Senegal; the Bastas cement plant in Turkey, and the Bharathi and Kalburgi cement plants in India.

In 2015, the Aggregates activity in France maintained its triple ISO 9001, OHSAS 18001 and ISO 14001 certification at all of its production and support sites. The best practices noted by the auditors in support of this certification were the following: the involvement and the professionalism of staff at all levels of the organization and at every site; site cleanliness and orderliness; proactive external environmental communication; good use of the environmental issue as a management tool by local directors; an annual quality debriefing with all of the internal auditors.

The Concrete business in France continued to work on its proactive environmental management program in preparation for the ready-mixed concrete charter for the industry, which is expected to be launched in the second half of 2016.

Overall in 2015, 31.3% of the Group's cement plants held ISO 14001 certification.

These systems are focused on developing external educational partnerships to raise employee awareness of environmental issues. In 2015, the Group renewed most of its quasi-historic partnerships with nature conservancy organizations such as the French organizations LoPARVI, FRAPNA Isère and Thichodrome in Isère.

Consumption, air, water and ground pollution, and other environmental issues

Environmental impact differs according to Group activity: For cement plants, the major issues are emissions and energy consumption; For concrete batching plants, the issue is more specifically water and electricity consumption. The main issue for quarries is their impact on natural resources and biodiversity, which the Group considers particularly important.

In accordance with the Group's standards, each site is required to measure, assess and reduce its significant environmental impacts. 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. All information on environmental emissions data is available at all times on-site, as it is an integral parameter for the production program and management of the installation. This information is summarized in a table at the end of this chapter.

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. The Group is especially sensitive to its environmental impact on the areas surrounding 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.

For example, in 2015:

- an employee won an award at the internal CreaVicat contest for a project on the installation of timers to reduce nighttime light pollution from its Bharathi site in India, and thus to reduce the disturbance of wildlife;
- the project to extend a quarry in an urban area in Switzerland was accompanied by the adoption of additional, voluntary measures to meet the expectations of the area's residents on limiting noise pollution and the risk of dust spreading as much as possible.

None of the Group's sites is classified under the Seveso Directives. However, the Group maintains close ties to the local fire and emergency services and regularly arranges exercises to test its emergency procedures.

Land use conditions and adapting to the consequences of climate change

Maximizing the value of the Group's industrial land

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.

The Group's policy is to maximize the value to its industrial land. To that end, the sites of its cement plants, quarries and concrete batching plants are kept clean and well integrated into their surroundings. Most of the cement plants are surrounded by well-kept wooded parks. Zones that are open for mining and haulage roads through quarries are defined according to the needs for raw materials, leaving the Group's land reserves in their natural state. Impermeable surfaces at concrete batching plants are limited to processing zones.

The Group conducts a voluntary reforestation plan at its industrial sites and quarries. The Vicat Group's quarries also host beehives in areas not currently being worked, on a case-by-case basis.

Operating conditions and restoration of quarries

The manner in which quarries are operated are a good example of the attention that the Group pays to its impact on the land. Each year, the Group's central quarries department includes in its action plan the preparation of new reinstatement plans for quarries currently lacking such plans.

The Group's quarries in figures

	2015	2014	2013
Total number of quarries	151	145	138
Surface area reinstated *(sq. m.)*	255,924	459,051	606,812
Number of quarries with a reinstatement plan	124	118	114
Percentage of quarries with a reinstatement plan	82%	81%	83%

Nearly all of the Group's quarries had reinstatement plans in 2015.

The type of reinstatement chosen is often the result of consensus with all stakeholders. Some quarry reinstatements are intended to restore the land for new agricultural use. 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. All of the teams involved in implementing this technique have now been formed. Thanks to the agro-ecology developed in partnership with Isara-Lyon and ongoing collaboration with farmers, the Group has been able to restore quality agricultural land.

Taking the effects of climate change into consideration

The Vicat group takes the effects of climate change into consideration, in particular the lengthening of dry seasons in its operating countries, through concrete actions such as:

- preparing paths around the Lebec factory in California so that they remain damp, using an innovative solution.
- supporting the Sococim Foundation for the research and reforestation program in the Sahel in Senegal developed by the summer school organized by the International Joint Unit "Environment, Health, Societies" in cooperation with the National Agency of the Great Green Wall.
- developing a range of pervious concrete products combining mechanical resistance and hydraulic performance to temporarily retain rainwater and return it gradually into the natural environment. This concrete is generally used in urban development.

Amount of provisions

Provisions and guarantees in respect of environmental risks are shown in the Group's consolidated financial statements (note 15). As at December 31, 2015, the total amount allocated for these provisions and guarantees was 47 million (€ 44.4 million in 2014).

Environment-related investments

Environment-related investments represented a total of € 18.6 million in 2015, as compared with € 18.8 million in 2014 (€ 10.5 million in 2013 and € 6 million in 2012).

3.1.2. MANAGEMENT OF NATURAL RESOURCES USED IN MANUFACTURING PROCESSES AND IMPLEMENTATION OF A CIRCULAR ECONOMY MODEL

3.1.2.1. Land footprint and biodiversity

The Vicat group is connected with biodiversity in two ways, by the nature of its land footprint at its quarry sites, and through the products and services that it develops. Its commitment to the protection and preservation of biodiversity is part of the operational history of its quarries.

Taking biodiversity into account is a key challenge in achieving sustainable development in all regions, and the Group has understood this for many years. 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.

Based on the view 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.

The Group's departments systematically take into consideration the most environmentally friendly production techniques from the very beginning of each study. The reinstatement work thus defined will contribute to the creation of habitats and the introduction of species of flora and fauna. 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 after 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 uses innovative techniques such as hydraulic seeding enabling the appropriate species to be sown in the ground and on mineral heaps.

It also relies on the expertise of independent specialists such as FRAPNA (the Rhône-Alpes nature protection federation) and nature conservancy organizations in the geographical areas where it operates, and supports some of their projects, such as the organization of the 29th International Festival of Nature and Environmental Film.

The Group's work to promote biodiversity also includes the creation of dedicated conservation areas, such as the natural preserve of the ponds of Mépieu (France). In 2015, in connection with managing this preserve, selective annual tree-cutting was carried out. This type of tree-cutting facilitates the growth of the most beautiful forest specimens and enriches biodiversity by allowing the most interesting trees to age and become nesting sites.

Today, its expertise is widely recognized both within the industry and by the governmental authorities. The Group was asked to participate in the "Natural Capital Accounting" workshop of the *"Business and Biodiversity"* platform that arose out of the European Biodiversity Strategy 2011-2020. The Group's Chairman and Chief Executive Officer gave the opening remarks at the platform's most recent annual conference for the industrial sector.

The Vicat Group's proactive commitment to the French National Strategy for Biodiversity 2011-2020 was recognized on December 8, 2015, for three years, by Ms. Ségolène Royal, the Minister of the Environment, Energy and the Sea, who is also in charge of International Climate Relations. Its commitment relies on 16 actions for education, preservation of national heritage sites, volunteerism, and training during the 2016-2018 period.

The Group's Aggregates business in France also adheres to the French quarry industry's Environmental Charter, targeting improved environmental practices, in particular with respect to the preservation of biodiversity. As at the date of this charter, one third of the Group's quarries are certified under the charter.

Just as it manages its quarries to promote biodiversity, the Group extracts and recovers materials in such a way as to limit its impact on natural resources.

3.1.2.2. Careful extraction of natural raw materials and material recovery

The main raw materials used by the Vicat Group in its businesses are naturally occurring and extracted from its immediate 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 2015, raw materials consumed in clinker production amounted to 25.9 million tons, including slightly over 2% in alternative materials.

An additional 3.7 million tons were used in cement production, where substitution of alternative materials rose to 28.4%, accounting for 5.5% of cement produced.

In all, alternative materials included in the production of cement represented nearly 8% of cement produced.

For the production of aggregates, 18.1 million tons of raw materials were extracted in 2015. Recycling has increased in Switzerland and France, and now exceeds 4% of production in these countries.

3.1.2.3. Waste

The Vicat Group's activities produce little waste. Any waste they produce is mostly recycled within the plant in the manufacture of its products. Remaining waste is treated appropriately in dedicated pathways, in accordance with regulations.

Because it understands the major challenge that waste treatment represents worldwide, the Group has long been committed to a policy of waste recovery. especially in its cement plants. In 2015 in France, the Group's subsidiaries worked to realize stronger synergies in this area, in accordance with the principles of the circular economy.

3.1.2.4 Water management and recycling

Recycling of water is favored in order to reduce intake and discharges into the environment. Water intake is monitored as a relevant performance indicator.

- **In the Cement business,** water is used to cool gases before they are treated through filtration. A large part of the water required is used for cooling the bearings in rotary equipment (bearings in the kiln or grinding mills). The use of closed loops enables the recycling of more than 60% of total water used.

- **In the Concrete business, water** consumption per cubic meter of concrete produced totals 188 liters per m^3, perfectly in line with international best practice and well below the 350 liters set by French regulations as the maximum limit.
- **In the Aggregates business**, recycling systems enable over 85% of the total water requirement for cleaning to be recovered. The specific consumption per ton of aggregate produced is thus limited to approximately 200 liters of water in countries where water is in abundant supply. In view of water restrictions in certain countries, this ratio falls to 139 liters per ton for the Group as a whole.

Water use, re-use and environmental discharge in 2015 (in cubic meters and percentage)

	Cement	Aggregates	Concrete	Other Products & Services
Total water requirement *(in thousands of m^3)*	**24,223**	**16,647**	**2,065**	**1,948**
Recycled *(in thousands of m^3)*	15,147	14,112	462	280
Percentage recycled *(in %)*	63	85	22	14
Net intake *(in thousands of m^3)*	**9,076**	**2,535**	**1,603**	**1,668**
Rainwater *(in %)*	1	4	0	5
Public network *(in %)*	6	22	57	4
Aquifers *(in %)*	71	37	6	90
Lakes and rivers *(in %)*	12	37	22	0
Other *(in %)*	10	0	15	0
Environmental discharges *(in thousands of m^3)*	5,961	25	5	1,455
Effective consumption *(in thousands of m^3)*	**3,116**	**2,510**	**1,598**	**212**

The change in total water requirement (see "CSR in figures" at the end of this Chapter) is explained in France by improved data collection: the concepts of water recycling and theoretical total requirement have been analyzed in more depth.

The increase in total water requirement for the Concrete business inside the scope of consolidation is due to the increase in quantities produced in certain countries, such as the United States and Turkey, through the Group's subsidiary Bastas Hazir Béton.

Environmental discharges of water by Vicat Group sites are monitored on both a qualitative and quantitative basis. For example, the Papeteries de Vizille site in France has a biological treatment stage whose performance the Group monitors closely.

3.1.3. IMPROVING THE ENERGY EFFICIENCY OF THE GROUP'S PRODUCTION FACILITIES

3.1.3.1. Reducing energy consumption

- 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 Group allocates a significant part of its industrial investment to improving 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 2015, heat balance was 3.53 GJ per ton, a slight increase as compared with 2014, while remaining below 2013 levels;
- Similarly, in the case of electricity, where consumption is linked to the grinding of raw materials or clinker, the technical ratio was 106 kWh/ton of cement produced, also slightly higher than in 2014 but still slightly lower than in 2013. This puts the Vicat Group in the middle of the international benchmark range.

The Group met its regulatory obligation by carrying out an energy audit for its five French cement plants.

Following several successful tests on reducing peak energy use at the Group's raw mill's in 2014, the group decided to extend this measure to its five French cement plants and its grinding plant. The 4 MW energy reduction on the French electrical grid in May 2015 at one of its factories resulted in savings of 7.9 tonnes of CO_2, or the equivalent of driving 66,000 kilometers by car.

Electricity consumption by the Group's production sites in 2015 (in GWh)

	2015	2014	2013
Cement	2,023	2,030	1,893
Aggregates	44.7	45	48
Concrete	25.2	26	28
Other Products and Services	46	45	43
TOTAL	**2,139**	**2,147**	**2,011**

Electricity consumption at the production sites consolidated in this report (cement factories, quarries, concrete batching plants, paper mills and precast concrete plants) was 2,139 GWh or 7,702 TJ.

3.1.3.2. Increase in the rate at which fossil fuels are substituted by alternative fuels and use of renewable energy

Increase in the substitution rate

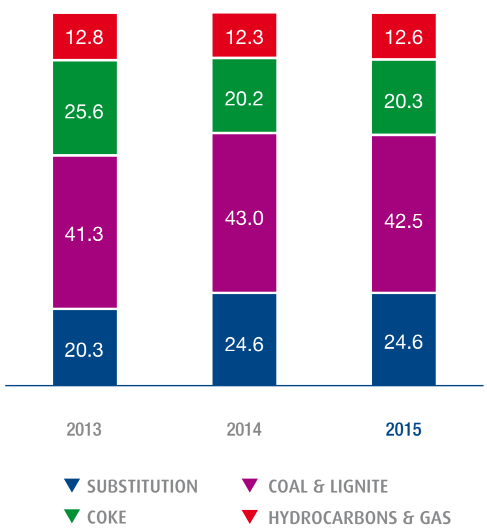
For many years, the Vicat Group has pursued an ambitious policy of using alternative fuels in place of conventional fossil fuels.

Such alternative fuels are, for example, recovered solid fuel, tires, oils, solvents or other industrial liquid waste which must be treated. 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 2015, the use of alternative fuels represented a fairly stable 24.6% of its total fuel consumption, although the share of biomass increased to 8.7%. This relative stability hides a significant improvement once Egypt is excluded. In this country, the interruption in supplies of recycled hydrocarbons caused a decrease in the substitution rate, erasing the progress of the Group's other units.

FUEL SOURCES USED (CEMENT BUSINESS AS %)



Use of renewable energy sources:

To respond its own needs for electricity at the Rufisque cement plant, Sococim Industries, the Group's Senegalese subsidiary, already has several production plants (either owned or leased) using fossil fuels. Following the adoption of the Senegalese Renewable Energy Act, Sococim Industries looked at options to diversify its supply sources and opted for a photovoltaic power plant. In 2015 it performed feasibility studies. The project was presented in connection with the *"Companies & Environment"* prize during COP 21.

3.1.4. EMISSIONS INTO THE AIR DUE TO MANUFACTURING PROCESSES

3.1.4.1. Reducing atmospheric emissions from its cement plants

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 oxide) and SO_x (sulfur oxide) emissions as discharges having an impact on atmospheric acidification.

In the case of dust, NO_x and SO_x discharges, the situation in **2015** was as follows:

	Number of kilns assessed*	Emissions *(tonnes)*	Emissions *(grams of particulate per tonne of clinker)*		
	In 2015	In 2015	In 2015	In 2014	In 2013
Dust	21	1,407	89	89	85
So_x	21	2,799	178	228	295
No_x	21	16,185	1,029	1,231	1,445

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

Dust

The impact assessment includes chimneys and not merely firing lines so as to take into account emissions from cooler chimneys and, where applicable, those on bypass filters. Thus, the rotary kiln system is considered as a whole.

Furthermore, working conditions in Egypt allowed for measurement this year, but not full maintenance work. Less than optimal operating conditions at the Group's Egyptian plant continue to weigh heavily upon its average performance. Filter maintenance operations will be performed as soon as the security situation in this region allows.

SO_x

In the case of SO_x, 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 the cement plants of La Pérelle and Xeuilley, and trials are underway at Montalieu-Vercieu. In 2015, all of the rotary kilns were measured.

NO_x

Emissions of NO_x have decreased, due to the higher performance levels of several low-emission kilns, in Egypt and in India. These are new lines built using ILC (In Line Calciner) technology, in which the combustion fuels are injected into the tower as soon as possible after entry into the kiln, to benefit from reducing conditions. In 2015, all of the rotary kilns were measured.

3.1.4.2 Reducing emissions of CO_2 and low-carbon energy use

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. This affects the five artificial cement factories, the natural quick-setting cement kilns, and the Vizille paper mill.

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.

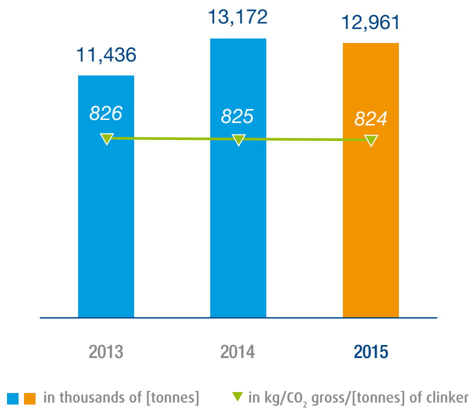
The Vicat Group's Swiss subsidiary (Vigier) is a member of the CSI and accounts for its emissions under this heading after being audited by the industry association Cemsuisse. A new CO_2 monitoring system based on EU regulations came into force on January 1, 2013.

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.

This is clear from the Group's greenhouse gas report for its French activities, in accordance with its regulator obligations.

Gross co_2 emissions of the Vicat group's cementkilns



In 2015, specific emissions of CO_2 remained relatively stable, at 824 kg CO_2 per ton 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.

This relative stability masks a clear improvement in the performance of some Group factories through the development of biomass as a resource. Three of the Group's factories have already reached levels below the reference 766 kg CO_2 per ton of clinker set by the European benchmark.

This good performance has been erased by the need to use carbon to keep the Egyptian factory operational.

Direct and indirect CO_2 emissions in 2015

	Cement	Concrete & Aggregates	Other products & services	Total
Total direct and indirect CO_2 emissions *(in thousands of tonnes)*	13,929	43.7	6.8	13,980

The Group's total direct and indirect emissions (relating to the production and consumption of electricity) amount to a bit less than 14 million tonnes of CO_2 in 2015, to which are added 458 thousand tons of CO_2 relating to the use of biomass.

Since January 2015, the Vicat group has been an associated member of the Shift Project, a French think tank specialized in energy transition. The work delivered there enables the Group to reflect on the carbon-free economy, an objective to which the Group subscribes.

3.2. RESPONSIBILITIES RELATING TO GROUP PRODUCTS

As discussed in section 1.1.2 above, the Group's first challenge with respect to its products is to minimize its environmental impact from the consumption of non-renewable raw materials to produce cement, concrete, and aggregates. The other challenge relates to how its construction materials are used. Since buildings account for approximately 40% of energy consumption worldwide and up to 30% of greenhouse gas emissions from energy use, the Vicat Group is working to improve the environmental performance of its products to promote sustainable construction (3.2.2). This responsible approach relies on compliance with strict standardization rules applicable to the marketing of its products (3.2.1).

3.2.1. HEALTH AND PRODUCT QUALITY

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.

At the end of December 2014, at the opening of Annual Industry Day, Jambyl Cement, the Group's subsidiary in Kazakhstan, was awarded the prize for best product in Kazakhstan in the industrial products category. Created in 2006, this prize rewards contribution to the development of national production and innovation.

3.2.2. ENVIRONMENTAL PERFORMANCE OF ITS PRODUCTS TO PROMOTE "SUSTAINABLE CONSTRUCTION"

3.2.2.1. Participating in the joint effort to promote the energy transition with innovative construction solutions to increase energy efficiency and eco-design of buildings

On a global scale, the final energy consumption of buildings has increased about 1% per year since 2005 and 3% per year for electricity. In addition, the building sector as a whole is believed to be responsible for about 40% of the use of the world's resources. This is why the Vicat Group is a member of a number of working groups involved in these issues in France. Its contribution consists in developing eco-designed construction materials or systems with increasingly high performance that improve the energy efficiency of buildings or infrastructures.

The Louis Vicat Technical Center at L'Isle d'Abeau (Isère) is home to the Group's main research facilities. The center 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 Group customers in the building and public works sector). It regularly files patents in order to develop Group 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 chaired by a Group employee. Astus-construction is one of the French Sustainable Building Plan's building-energy platforms.

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 was monitored and validated in 2015.

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 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. In addition to its aesthetic appeal, Skyflor is environmentally friendly, creating a balanced climate in an urban environment. As city surfaces are to a large extent covered with buildings, architects and planners are looking to vertical green spaces, considered to be effective tools against noise and heat. Moreover, they are able to filter out pollutants that are present in the air and to purify rain water. This system was presented at the World Fair in 2015.

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 began an analysis of the life cycle of its products, taking into account both the CO_2 emitted by its processes and—for the first time—their energy efficiency and the carbonation of its final products during use.

The Vicat Group continues to support a number of energy renovation programs, such as that initiated by the CURE association ("Coalition for Urban Renewal Excellence") in California, or that undertaken by the Haute Savoie Avenir working group, which was completed in 2015.

The initiative by its subsidiary VPI is worthy of note. In France, since September 2014, building energy renovation projects receive public funds if they are carried out by businesses that have been certified as environmentally friendly. To help its customers obtain this certification, VPI signed a partnership with the Académie de la Performance et de l'Efficacité Energétique (Academy of Energy Performance and Efficiency) (APee) which offered several training sessions in 2015.

In 2015, the Vicat group invested in the share capital of Transpolis SAS. This company, which has both public and private shareholders, is planning to build a city to serve as a laboratory dedicated to urban mobility. An 80-hectare parcel of land in Ain, in Auvergne Rhône Alpes, has been acquired for this project. This tool will enable Vicat to conduct ground level testing of construction solutions adapted to the mobility questions of the future. In terms of methodology, the Vicat group will be able to work in collaboration with other manufacturers or SMEs partnering in the project.

3.2.2.2. Contributing to the conservation of built heritage with materials for restoration and architectural creativity

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 2015, several examples of initiatives along these lines stand out in France.

For the 5th year in a row, the Group lent its support to *Le Geste d'Or*, to support, inform and train the various parties invested in the restoration of built heritage, whether architects, businesses, or specialized artisans. It received recognition at the International Heritage Show in Paris for its contribution, *"Enterprise"* to the creation of essential materials for heritage restoration.

Thanks to the Group's know-how and the characteristics of its quick-setting cement, the Church of Saint-Merry, located in the heart of Paris, regained the glory it had in the 19th century. Following this success, the Historical Monuments Research Laboratory sought the Group's assistance in other cathedral renovations.

The Vicat Group contributed its part to the innovative work site for an elegant architect's villa built in the heart of Ramatuelle. The combination of the architect's clever ideas with the calculations of the engineers and the performance of the Vicat products helped accomplish an ambitious and esthetically pleasing project for a wide load-bearing roof.

3.3. RESPONSIBILITY AS AN EMPLOYER

3.3.1. 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.

3.3.2. EMPLOYMENT

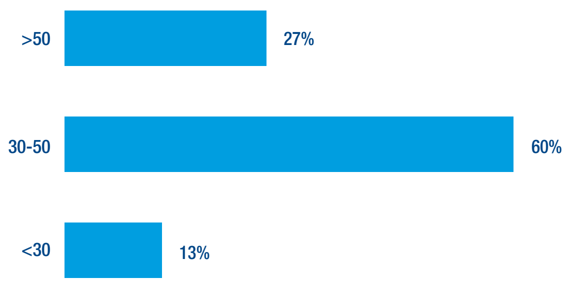
3.3.2.1. Workforce

The workforce comprises local personnel. New staff are generally hired from the catchment areas in which the Group operates, another example of the Group's involvement in the localities where it operates.

Breakdown of Group workforce by age at December 31, 2015

	<30	30-50	>50	Total
France	244	1,434	784	2,462
Europe excluding France	156	528	482	1,166
USA	83	520	466	1,069
Africa and Middle-East	102	787	220	1,109
Asia	474	1,450	198	2,122
TOTAL	**1,059**	**4,719**	**2,150**	**7,928**

AVERAGE LENGTH OF SERVICE AND AVERAGE AGE OF GROUP EMPLOYEES IN 2015



In 2016 as in 2015, the Group maintained a balanced age pyramid. The number of employees under 35 was proportionately higher in Kazakhstan (53.3%), India (52.8%), Egypt (44.4%) and Turkey (37%). On average, it remained nearly stable at 27.6% of the Group's workforce in 2015 (27.8% in 2014). The share of Group employees over 50 rose 26.2% in 2014 and 27.1% in 2015, with a proportional presence that was strong in the United States (43.6% in 2015), in Switzerland (41.7% in 2015) and in France (31.8% in 2015).

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

	Average age		Average years of service	
	2015	2014	2015	2014
GROUP	**42.6**	**42.6**	**9.6**	**9.6**
of which France	*43.8*	*43.3*	*13.0*	*12.4*

The insignificant changes in these indicators reflect the overall stability of the group workforce. In any event, no specific recruitment campaigns were conducted in 2015.

Breakdown of the workforce as at December 31, 2015 by category and business

	Cement	Concrete & Aggregates	Other products & services	Total
Executives	919	275	237	1431
White-collar staff	1535	957	393	2885
Blue-collar staff	1256	1365	991	3612
TOTAL	**3710**	**2597**	**1621**	**7928**

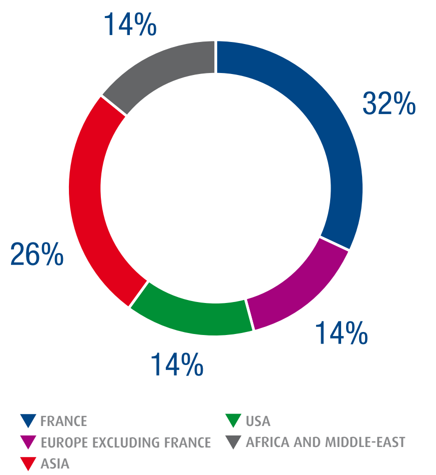
The breakdown of the workforce by business segment is in line with the development of the Group's operations, particularly in the Cement business in India and Egypt, and in Concrete and Aggregates in Turkey and the United States. Thus, the share of the Group's workforce in the Concrete business increased from 44.9% as at December 31, 2014 to 46.8% as at December 31, 2015. The Concrete & Aggregates business remained essentially stable at 32.8% en 2015 (32.6% in 2014). Other Products and Services continued to decrease, reaching 20.4% (22.5% in 2014).

In 2015, blue-collar staff continued to increase, to 45.6% of the total workforce (45% in 2014). White-collar staff again decreased, to 36.4% (36.7% en 2014). The share of executives remained essentially stable at 18.0% (18.3% in 2014).

Breakdown of the Group's average workforce by geographical area

	2015	2014	Change *(as a percentage)*
France	2,495	2,583	- 3.4%
Europe excluding France	1116	1,117	- 0.1%
USA	1,069	1,007	+ 6.2%
Asia	2,057	1,940	+ 6.0%
Africa and Middle-East	1,115	1,103	+ 1.1%
TOTAL	**7,852**	**7,750**	**+ 1.3%**

BREAKDOWN OF THE GROUP'S AVERAGE WORKFORCE IN 2015 BY GEOGRAPHICAL AREA (IN %)



The Group had an average of 7,852 employees in 2015, up from 7,750 employees in 2014, an increase of 1.3%. This increase reflects the Group's growth in emerging countries.

The Asia region thus saw its average number of employees rise by 6% in one year. Growth in India (up 8.8% from 2014 to 2015, after an increase of 11.6% between 2013 and 2014) was due to the continued commitments of the Bharathi and Kalburgi factories to the employment of the local population and the development of sales forces. Headcount in Turkey and Kazakhstan increased by 5% and 1.9% respectively between 2014 and 2015.

The 6.2% growth in the average number of employees in the U.S. between 2014 and 2015 was due to the recruitment of drivers for the Concrete business to meet demand as the construction sector recovered.

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

For the Africa and Middle-East region, the 1.1% increase between 2014 and 2015 is the result of an increase of 14.9% in the average number of employees in Egypt, due to the recruitment of new teams (for the new coal grinders) and a decrease of 4.7% of the average number of Senegalese employees.

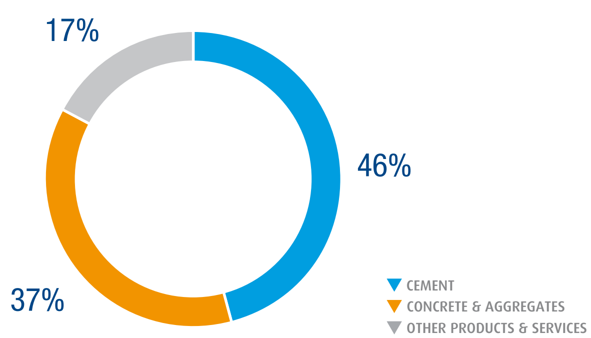
France saw a decrease in its average number of employees of 3.4%, in order to adapt to changes in the French economy and its markets.

Breakdown of the Group's average workforce by business

(number of employees)	2015	2014	Change *(%)*
Cement	3,635	3,494	4.0%
Concrete & Aggregates	2,909	2,893	0.6%
Other products & services	1,308	1,363	- 4.0%
TOTAL	**7,852**	**7,750**	**1.3%**

The 4.0% growth in Cement between 2014 and 2015 was due to recruitment in Egypt (up 14.9%), the United States (up 12.1%) and India (up 9.1%) in this business segment. Average headcount in Concrete and Aggregates increased by 0.6%, due to recruitment in Concrete in Turkey (up 11.7%) and in the United States (up 4.9%), offset by departures in France (- 6.8%) in this business segment. Other Products and Services saw a 4.0% decrease in its average workforce, due to the 6.8% decrease in France.

BREAKDOWN OF THE GROUP'S AVERAGE WORKFORCE IN 2015 BY BUSINESS (IN %)



Change in workforce at year-end by type of movement

(number of employees)	Workforce
Workforce as at December 31, 2014	**7,854**
Natural wastage (resignation, end of contract, death)	- 730
Retirement, early retirement, dismissal, other movements	- 353
Changes in consolidation scope	0
Recruitment	+ 1,157
WORKFORCE AS AT DECEMBER 31, 2015	**7,928**

As at December 31, 2015, the Group had 7,928 staff, up from 7,854 a year earlier. This 0.9% increase reflects the balance between recruitment of staff in Turkey, Egypt, India and the United States and the departure of employees in France and in Senegal (in each case, to improve organizational efficiency and adapt to the changes in national economies and markets).

In France, the year-end workforce decreased 4.5% between 2014 and 2015, caused by the country's weak growth and the difficulties in the markets where the Group operates.

After a 2014 in which French headcount increased by 1% at constant scope of consolidation, following two consecutive years of decreases, 2015 saw a new decline (- 4.5%).

The Group's global hires increased from 2014 (969) to 2015 (1,157), on the same order of magnitude as global exists between 2014 (- 855) and 2015 (- 1,803).

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 departure rate increased from 2014 (10.9%) to 2015 (13.7%), reflecting departures from the Concrete business in Turkey, where headcount increased and which traditionally has high turnover, as well as the decrease in employee numbers in Senegal and France. In Kazakhstan, actions taken to reduce departures in a country with high turnover bore fruit: the departure rate decreased to 21.9% in 2015 (as compared with 24.8% in 2014).

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)	2015	2014	Change *(%)*
France	2,462	2,578	- 4.5%
Europe excluding France	1,166	1,171	- 0.4%
USA	1,069	1,036	+ 3.2%
Asia	2,122	1,967	7.9%
Africa and Middle-East	1,109	1,102	0.6%
TOTAL	**7,928**	**7,854**	**0.9%**

3.3.2.2. 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.

Part-time work

Workforce as at December 31, 2015 by contract type/category

	Cement	Concrete & Aggregates	Other products & services	Total
FULL-TIME EMPLOYEES	3,660	2,522	1,554	7,736
Executives	905	270	228	1,403
White-collar staff	1,503	916	347	2,766
Blue-collar staff	1,252	1,336	979	3,567
PART-TIME EMPLOYEES	50	75	67	192
Executives	14	5	9	28
White-collar staff	31	41	46	118
Blue-collar staff	5	29	12	46
TOTAL	**3,710**	**2,597**	**1,621**	**7,928**
Part-time employees *(as a percentage)*	1.3%	2.9%	4.1%	2.4%

The Group has little need for part-time jobs. As at December 31, 2015, the percentage of part-time employees remained stable at 2.4% of the workforce (2.6% in 2014 and 2.3% in 2013). As in 2014, many more part-time staff were employed in Other Products & Services (4.1% in 2015) and Concrete & Aggregates (2.9% in 2015) than in Cement (1.3% in 2015). Part-time staff are employed to varying degrees in the following countries only: Switzerland (9.9%), Italy (4.2%), France (3.1%) and the United States (0.1%).

Shift working

Part of the Group's industrial business requires shift working. The statutory framework is systematically adhered to. In 2015, 17.5% of the Group's jobs required shift work, remaining stable in comparison with 2014 (17.8%).

3.3.3. HEALTH, SAFETY AND ACCIDENT PREVENTION IN THE WORKPLACE

3.3.3.1. 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.

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). All 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 remain a major focus for risk prevention within the Group. "Safety minutes" are the principal tool used by managers and local executives to raise the awareness of all employees. These actions are fundamental to the improvement of behaviors on a day-to-day basis.

In 2015, 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 risk analysis, shared vigilance, and the escalation and management of dangerous situations. 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. In 2015 the French cement plants decided to adhere to and work towards certification from MASE. 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.

In 2015, management strengthened its commitment by actively participating in cross-cutting internal safety audits. Highly satisfactory results have been obtained from these audits between the Group's activities, and this form of internal auditing continues to play a key role in the Group's continual 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.

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.

3.3.3.2. Performance indicators

Safety

After 2014, 2015 confirmed the significant improvement in the Group's safety indicators, hitting new records. For the first time, the accident frequency rate fell below the symbolic threshold of 10 (with a 2015 frequency rate of 9.3, or a decrease in 18% as compared with 2014). The number of lost-time accidents was down 12% for the Group compared with 2014. Between 2013 and 2015, the decrease in this indicator was a cumulative 29% (214 in 2013, 152 in 2015). In addition, the accident severity rate of 0.34 for 2014 corresponds to a decrease of 19%.

In 2015, increased numbers of Group sites achieved a rate of zero accidents with work stoppage (examples: all of the Group's activities in Kazakhstan, the Xeuilley cement plant in France and the associated quarry, the Bharathi and Kalburgi cement plants in India and Ragland in the US); with some achieving this result for the second consecutive year (Xeuilley and Ragland) or the third consecutive year (Jambyl cement and Bharathi).

	Group		
For the Group employees	**2015**	**2014**	**Change**
Number of lost-time accidents among Group employees	152	173	- 12%
Number of fatal accidents among Group employees	1	1	0%
Number of lost days for Group employees	5,562	6,419	- 13%
Frequency rate	9.3	11.3	- 18%
Severity rate	0.34	0.42	- 19%

	Concrete & Aggregates, Other Group Products & Services		
For the Group employees	**2015**	**2014**	**Change**
Number of lost-time accidents among employees	116	134	- 13%
Number of fatal accidents among employees	1	1	0%
Frequency rate	12.8	15	- 15%
Severity rate	0.47	0.62	- 24%

	Cement Group		
For the Group employees	2015	2014	Change
Number of lost-time accidents among employees	36	39	- 8%
Number of fatal accidents among employees	0	0	0%
Frequency rate	5.0	6.1	- 18%
Severity rate	0.18	0.15	+ 20%

These results are the outcome of the breakthrough “zero accident” strategy announced by General Management in 2014 to significantly improve results in this area, 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 accidents.

3.3.3.3. Agreements signed with union organizations concerning 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.

Absenteeism

Absenteeism is monitored in each country in order to identify the reasons and take appropriate action. In 2015, the Vicat Group deemed this indicator satisfactory. It varies between 0% and 5.6%, depending on the country. France continued to see a decrease in absenteeism, to 2.7% in 2015 (from 2.9% in 2014).

3.3.4. TRAINING

In 2015, the Group’s training program remained focused on health and safety in the workplace, the environment, optimizing 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 2015, the Group successfully continued the multi-year program relating to specifications and sales activities launched in 2013 with pilot teams from its various businesses.

Training Indicators

	2015	2014	Change (%)
Number of hours of training	111,086	127,934	- 13.2%
Number of employees having attended at least one training course	5,254	4,652	12.9%

Between 2014 and 2015, the number of employees having attended at least one training course rose 12.9%, +4.5% between 2013 et 2014. This new increase illustrates the continuity of the Group’s training policy to promote health and safety in the workplace, adapt teams to changing markets, and continuously improve operational performance (for example, through training courses to foster industrial excellence in India, France, Senegal and the United States).

The number of hours of training decreased by close to 13% between 2014 and 2015, (after increasing by 50% between 2013 and 2014). This decrease is explained by the completion at the end of 2014 of the Health and Safety in the Workplace plan, which helped reach record results for the Group in this area in 2014 and 2015. The decrease is also due to the end of the “Excellence” training in India for the industrial portion in 2014 and “SAP” training in France during the first half of 2015 after an intense period of training in 2014).

3.3.5. COMPENSATION POLICIES

3.3.5.1. 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. In order to better support employees prepare for retirement, an agreement to annually transfer a number of days defined in the CET (time savings account) and paid vacation (under certain conditions) on the PERCO entered into force in 2015.

3.3.5.2. 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.

3.3.5.3. Change in personnel costs as at December 31, 2015

The Group's personnel costs increased by 9.1% to € 407,395 million in 2015 (€ 373,289 million in 2014). This increase of € 34,106 million was due to the strong positive effect of exchange rates for close to € 29 million, caused by the positive exchange rate effects of the United States (€ 15 million), Switzerland (close to € 12.5 million) and India (€ 1.5 million).

Organic growth contributed close to € 5 million to this overall increase. Organic growth covers both salary increases and the rise in the average number of employees) between 2014 and 2015.

At constant exchange rates, the increase was limited to 1.3% between 2014 and 2015.

Personnel costs

	2015	2014
Salaries and wages *(in thousands of euros)*	299,613	272,747
Social security contributions *(in thousands of euros)*	104,421	96,371
Employee profit sharing (French companies) *(in thousands of euros)*	3,361	4,171
Personnel costs *(in thousands of euros)*	**407,395**	**373,289**
Average number of employees of the consolidated companies	7,852	7,750

3.3.6. DIVERSITY AND EQUAL TREATMENT

3.3.6.1. Measures to promote gender equality

Led by its values and culture, the Vicat Group has always recognized the positive impact of women in its business. Gender equality remains one of the basic elements of the Vicat Group's human resources policy.

Through teamwork, coaching, training sessions and the sharing of best practices, the objectives are to identify female talent, improve women's performance, accelerate their leadership maturity, their awareness of their specific qualities, style and roles as leaders (a strong leadership characteristic within the Vicat group) and to lower external and internal obstacles to giving key positions in the Group to women.

To effectively support this goal with its teams, the Group has joined several networks: "Women and Leadership", "Women and Entrepreneurship" and "Companies for Equality".

There are numerous examples of successes in achieving equality between men and women.

Early on, the Group understood that innovation, the cornerstone of its history and its strategy, requires the presence of female employees. The Group's R&D and marketing teams thus comprise a majority of women (including for leadership positions).

The operational directors work to create mixed gender teams, an effective advantage for improving results.

The drive to recruit women internally or externally for all positions, including technical positions, has led to concrete results. Since 2012, numerous key positions in France and abroad have been filled internally or externally by talented women: Group Director of R&D, Director of Marketing and Requirements France, Department Head of Human Resources IT - payroll - Personnel Administration, France, Head of Operational HR for Concrete and Aggregates, France, Deputy CFO of Sococim (one of the largest cement companies in West Africa), Deputy Director of Concrete France, Head of Legal Affairs, France, Coordinator of Group CSR, Director of Performance for the Peille cement plant, etc.

With regard to salary, the Vicat SA Compensation Committee notes that in 2015, as in 2014, the difference in average compensation of upper management between men and women with equal qualifications is very low (between - 3.7% and 3.3% depending on category). These results illustrate the Group's parity policy driven by promotion based on merit.

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 the group's 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).

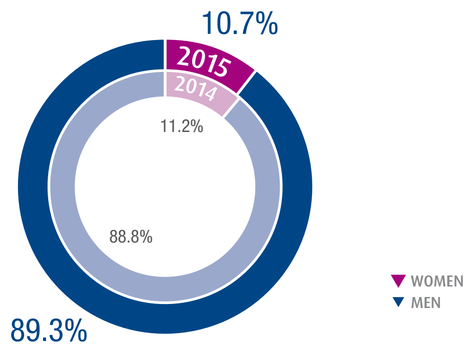
The low proportion of women in the salaried workforce is due above all to the type of activity and jobs offered by the Group.

With the results it obtained for equality between men and women, the Group rose to 38th place in the 2015 (99th in 2014) of companies working to increase female representation among their management (ranking issued by the French Ministry for the protection of women's rights.

Workforce as at December 31, 2015 by gender, category, average age, and average length of service

(number of employees)	Total	Of which Executives	White-collar staff	Blue-collar staff	Average age	Average years of service
Men	7,078	1,255	2,317	3,506	42.7	9.6
Women	850	176	570	104	42.5	9.9
TOTAL	**7,928**	**1,431**	**2,887**	**3,610**	**42.6**	**9.6**

WORKFORCE AS AT DECEMBER 31, 2015 BY GENDER



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

	2015	2014
Executives	12.3	12.2
White-collar staff	19.7	20.6
Blue-collar staff	2.9	3.1
TOTAL	**10.7**	**11.2**

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

	2015	2014
Executives	22.8	22.5
White-collar staff	25.4	26.2
Blue-collar staff	3.0	2.9
TOTAL	**18.0**	**18.2**

The percentage of women employed by the Group paused in its ascent, at 10.7% as at December 31, 2015, compared with 11.2% a year earlier. This is explained by recruitment for positions usually occupied by men (often due to a lack of women in the workforce) in Egypt, India, Turkey and the United States, which proportionally impacts on the percentage of women in the Group. In France, the employment of women remained basically stable (18.0% in 2015, as compared with 18.2% in 2014). With a female workforce of, respectively, 25.0% and 24.5%, Italy and Kazakhstan still hold first place in terms of the percentage of women employed.

The percentage of female executives in the Group also improved, rising from 12.3% in 2015 to 12.2% in 2014. In France, the percentage of female executives made further gains, reaching 22.8% as at December 31, 2015 (compared with 22.5% in 2014, 21% in 2013 and 19.8% in 2012).

3.3.6.2. 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 (AGEFIPH in France, for example).

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 2.9% of the workforce in 2015, down slightly from 3.4% in 2014 and 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.

Since 2014, the Group has consolidated SODICAPEI, a company specialized in mining operations and the sale of bauxite, whose packaging plant employs 11 disabled people.

This policy is also successful outside France, especially in Turkey and Egypt. Disabled employees represent close to 3% of the Group's workforce in Turkey.

3.3.7. SOCIAL DIALOG

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.

In terms of results, in 2015 there were no strike days recorded at the Group's companies. No Group company was the subject of a complaint or conviction for sexual harassment or bullying. No significant event occurred to endanger this dialog or employee relations, with the exception of the security situation at the Egyptian plant in the Sinai Peninsula. The low departure rates in Egypt and Mali, despite the events in 2015, reflect the Group's actions to protect the safety of its teams in these countries.

For 2015, the scope adopted for the indicator "Review of collective bargaining agreements" was limited to France. In all, 11 agreements were signed.

3.3.8. COMPLIANCE WITH HUMAN RIGHTS

Adoption of the Group's values by its employees is one of the key factors in its success. 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 priority;
- **shared innovation:** drawing on its **technical expertise**, 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;
- **Shared advancement:** founded 162 years ago by a family still firmly committed to its independence and working towards **responsible sustainability**, the Group's strategy is long term and seeks in particular to leverage the trust built up over the years with its private and public partners: customers, suppliers, decision-makers, elected officials, lecturers, researchers, 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. In France, training sessions for managers are frequently organized with a law firm specialized in current employment law, with a focus on professional equality, ethics, and preventing bullying or discrimination in their everyday management.

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 2015.

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 2015, no Group company was the subject of a complaint or conviction for discrimination, forced labor or child labor.

3.4. CORPORATE SOCIAL RESPONSIBILITY IN COUNTRIES WHERE THE GROUP OPERATES

The Vicat Group's policies with respect to its employees are echoed in its relations with local communities. The Group is responsible for the entire value chain in countries where it operates. (3.4.1.) It contributes to socioeconomic development in the countries and regions where it operates (3.4.2.)

3.4.1. EXERCISING RESPONSIBILITY THROUGHOUT THE VALUE CHAIN

3.4.1.1. 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.

In 2015, the Procurement Department worked on preparing a general Group procurement procedure.

In India, in connection with the development of its activities, the Group organized a Business Associate Meeting in 2015, which was attended by more than 80 of its suppliers. The aims were to introduce the Group's activities in India as well as the Procurement Department and how it operates, to communicate its values, to optimize its procurement practices and to create potential technological partnerships.

In Senegal, the Group sub-contracts to external businesses for activities such as blasting, the extraction of raw materials, and certain mechanical and electrical repairs, as well as the packing of cement. This is why the Group set up an approval procedure for its suppliers, whose CSR commitments must comply with the Group's standards.

3.4.1.2. Fair practices and business ethics

The Vicat Group regularly organizes training courses and audits on competitive practices. These training courses are primarily intended for operational management and sales executives. They are delivered by attorneys or consultants specializing in competition law.

3.4.1.3. Creating value with local stakeholders near the Group's industrial sites

Dialog with local 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 continued to hold events for stakeholders in 2015.

In connection with the operation of the Pérouges quarry in the Rhône-Alpes region of France, the Vicat Group has developed a program called Ecophilopôle. This is 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). In 2015, the site welcomed the "ecophilo Fête" and offered various shows.

Other French quarries in the Vicat group hosted musical and theatrical presentations. During these presentations, visitors were won over by the exemplary quality of the redevelopments that had been carried out. There are plans for other sites to set up pop-up theaters.

In connection with an internal contest called “Design your own quarry entry for visitors”, Aggregates France employees were asked to design the landscaping at site entrances.

For the first time, the Group organized boat trips in one of its water-filled quarries so that participants could discover the richness of the surrounding area, and find out more about what life was like as a sailor and about local heritage. This first experience, entitled “The Odyssey of a grain of sand aboard the Bicéphore” shows the Group’s desire to anchor its sites in their geographic locations by producing for and in harmony with them. 371 visitors have already taken part in this experience.

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

3.4.2.1. Being a good economic citizen

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. This is particularly the case in France (data published by the website “Infociments”). 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.

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 Savoy region by granting interest-free loans and by coordinating the sharing of expertise by the program’s corporate partners. In 2015, the audit showed the creation of 10 additional jobs;

It also participates in the network “Help for Artisans,” called A3, created in February 2014 to help young artisans in Isère create their own businesses. This network of associations and businesses in the Rhône-Alpes region launched the program, “Artisan of One’s Success,” to help local enterprises understand the necessity of supporting entrepreneurship in the BTP (ready-mixed concrete) business. The 2015 awards for this contest were held at the Louis Vicat Technical Center in Isère, near Lyon;

- in Senegal, in 2015, the Sococim Foundation, in partnership with the Irrigasc association, which is dedicated to the development of sustainable agriculture, primarily in desert regions, financed the creation of 11 new plantations of 977 mango and cashew trees in Sandiara, in the Thiès region. This project should increase the incomes of 15 to 20 families.

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.

In 2015, the Vicat Group in France launched a partnership with "Sport dans la Ville" (Sports in the City), which works to integrate young people from disadvantaged suburbs through sports and employment. The program includes industrial site visits, coaching by managers to help young people find employment, and service contracts with business leaders who came out of the Sport dans la Ville program.

Since the beginning of January, a team of six to eight intellectually disabled workers have been working under terms similar to those of an external business in the Group’s paper mill (in Isère), putting together cardboard boxes, filing them with reams of paper and palletizing them. The team is accompanied by a supervisor from a sheltered employment center. Demonstrating the success of this integration, new positions have already been planned with this center.

3.4.2.2. 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.

3

Main initiatives pursued by the Vicat Group in 2015

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
India (Karnataka)	Ambubai Residential School for Blind Girls in Gulbarga	Financial support
	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
Turkey (Konya)	Deserving graduates of the fine arts secondary school in Konya	Scholarships
	Primary school in Elikesik Gullu	Donations
Turkey (Bastas)	Construction of a new lecture hall at Elmadag high school	Donations
Senegal	Primary schools in Bargny, Rufisque, Bandia, Pout, Sindia and Thiéwo	Donations of school supplies
	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)

In Senegal, the Maurice Guèye Cultural Center in Rufisque, operating under the aegis of the Sococim Foundation, is an important resource and site for the promotion of education, culture and sports. In 2015, on the occasion of the fiftieth anniversary of the Daniel Sorano national theater, it staged a one-time performance of *"L'Os de Mor Lam"*, a play written in 1977 by the Senegalese writer Birago Dio that is part of the classical repertoire. More than 700 people attended the event.

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), and supporting an exhibition on Senegalese wrestling in 2014, in 2015 the Group supported the launch of the 2nd phase of the research program. This is expected to lead to the publication of a second work in two years.

It also organized the collection of food and cleaning products from Sococim Industries employees for donation to Petit Prince Handiscole, the only school in the department that admits disabled children. 70 children currently benefit from this specialized and appropriate education.

In addition, it has honored the memory of fallen soldiers by participating in the rehabilitation of the military cemetery of Thiaroye. This initiative was shared by Guy Sidos, the Group's Chairman and Chief Executive Officer, who attended an official ceremony to honor the Senegalese Tirailleurs, martyrs at the Thiaroye Massacre, along with government officials and Senegalese and French delegations.

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 continued to lend 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.

In 2015, the Group supported the "Telethon" (an association of parents and children fighting continuously against genetic, rare, and profoundly disabling illnesses) by participating in building a swimming pool – in record time – for a home for intellectually disabled adults. The goal is to help them improve their motor skills, cure them of their fear of water in the long term, give them some relief during the very hot summers, and provide them with a way to have fun.

Thanks to the support of the Group and that of other French cement makers, the exhibit “HOLY CONCRETE: between love and hate” was unveiled at the Musée Urbain Tony Garnier during the last cultural season. This is an educational, interactive exhibit showing the many facets of this construction material from its first use through the present. The exhibit will be open until December 2016.

3.4.2.3. Contributing to the improvement of local sanitation facilities and quality of life for residents living near the Group’s sites

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).

In India, the Group participated with “Evaidya”, an organization specialized in tele-medicine, in creating the first cyber medical-social center (“e-dispensary”), where patients are treated by a nurse guided by an online physician specialist. The center, located in Kadapa near the Bharathi factory, enables inhabitants of the nine surrounding villages, to receive adequate care without traveling to the large cities. 4,500 patients have already been seen since the center opened in October 2015.

In order to respond to the real problems of public health and hygiene, the Group presented its plan to build individual toilets called “Swachh Bharatiyz”, which is included in the Indian government’s plan, “Swachh Bharat Mission”. In the first phase, the project involved providing four selected villages near the Bharthi factory with 90 individual toilets. In all, 173 individual toilets are expected to be built. Near the Kalburgi site, the Vicat Group has also built public toilets for women, who are more and more likely to use them.

In Senegal, the citizen’s campaign for a clean market in Rufisque, initiated by the Sococim Foundation, was followed by the deployment in May 2015 of a vast program to raise awareness in the city’s schools and make the 8,000 students concerned true ambassadors for cleanliness. Moreover, it supported the second phase of a program called “Lemateki,” - a contraction of *“lekk, mag tekki”* (eat, grow, succeed) - for the year 2014-2015, which is supported by the NGO Graf Sahel. This project saw a balanced meal served to close to 4,000 kindergarten and first grade students in Rufisque schools. In order to sustainably solve the problem of food and nutrition for children and the relationship it has to their health and their attendance and performance at school, teachers and students were also given classes on nutrition education. Finally, Sococim Industries gave 200 life vests to the fishermen of Rufisque, who are an important part of Rufisque’s economy despite the increasing scarcity of fish.

3.5. CSR IN FIGURES AND INFORMATION ON METHODOLOGY

3.5.1. KEY CSR PERFORMANCE INDICATORS FOR THE GROUP (QUANTITATIVE DATA)

Topic	Indicator	2015	2014	2013
EMPLOYER RESPONSIBILITY				
Health, Safety and Prevention in the Workplace				
Performance indicators				
	Number of lost-time occupational accidents (employees)	152	173	214
	Number of fatal occupational accidents (employees)	1	1	2
	Frequency rate (employees)	9.3	11.3	14.8
	Severity rate	0.34	0.42	0.48
Absenteeism				
	Absenteeism rate in France	2.7%	2.9%	3%
Training				
	Total number of hours of training (employees)	111,086	127,934	83,314
	Number of employees having attended at least one training course	5,254	4,652	4,451
Workforce				
	Total workforce at December 31 (employees)	7,928	7,854	7,712
	Average number of employees	7,852	7,750	7,656
Breakdown of the Group's average workforce by geographical area				
	France	2,495	2,583	2,521
	Europe (excluding France)	1,116	1,117	1,113
	USA	1,069	1,007	1,023
	Asia	2,057	1,940	1,881
	Africa and Middle-East	1,115	1,103	1,118
Breakdown of the Group's average workforce by business				
	Cement	3,635	3,494	3,390
	Concrete & Aggregates	2,909	2,893	2,917
	Other products & services	1,308	1363	1,349
Change in workforce at year-end by type of movement				
	Number of leavers due to natural wastage (resignation, end of contract, death)	(730)	(511)	(539)
	Retirement, early retirement, dismissal, other movements	(353)	(344)	(397)
	Changes in consolidation scope	0	28	2
	Number of new hires	1,157	969	961

Topic	Indicator	2015	2014	2013
Compensation				
Change in personnel costs as of December 31				
	Salaries and wages *(in thousands of euros)*	299,613	272,747	266,329
	Social security contributions *(in thousands of euros)*	104,421	96,371	95,670
	Employee profit-sharing *(French companies , in thousands of euros)*	3,361	4,171	4,832
	Personnel costs *(in thousands of euros)*	407,395	373,289	366,833
Respect for diversity and equal treatment				
Measures to promote gender equality				
	Female employees as a percentage of the total workforce	10.7%	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)*	2.9%	3.4%	3.1%
Compliance with human rights				
	Percentage of operating countries having ratified the United Nations Human Rights Charter	100%	100%	100%
ENVIRONMENTAL RESPONSIBILITY RELATING TO OUR ACTIVITIES				
Integrated management systems and measures adopted to limit the impact of our activities on the environment				
	Number of the Group's cement plants certified ISO 14001	31.3%	/	/
	Total number of quarries	151	145	138
	Surface area reinstated (sq. m.)	255,924	459,051	606,812
	Number of quarries with a reinstatement plan	124	118	114
	Percentage of quarries with a reinstatement plan	82%	81%	83%
Material issues	Amounts set aside for provisions and guarantees in respect of environmental risks *(in millions of euros)*	47	44.4	40.3
	Environment-related investments *(in millions of euros)*	18.6	18.8	10.5
Management of natural resources used in manufacturing processes and implementation of the circular economy				
Careful extraction of raw materials and material recovery				
	Quantity of unprocessed natural material extracted *(in millions of tonnes)*	43.1	45.3	42.5
	Percentage of consumption from unprocessed materials	95.9%	96.7%	97.7%
	Percentage of consumption from recycled materials	4.1%	3.3%	2.3%
	Consumption of raw materials for the production of clinker *(in millions of tonnes)*	25.9	26.6	23.3
	Percentage of materials issued from alternative materials consumed in the production of cement	7.9%	6.7%	4.5%

Topic	Indicator	2015	2014	2013
Water management and recycling				
	Total water requirement by business segment *(in thousands of m³)* :			
	■ Cement	24,223	23,340	20,419
	■ Concrete and Aggregates	18,712	12,691	12,894
	■ Other Products & Services	1,948	1,740	1,842
	Rate of recycling (by business segment) :			
	■ Cement	63%	61%	59%
	■ Aggregates	85%	75%	65%
	■ Concrete	22%	19%	18%
	■ Other Products & Services	14%	16%	15%
	Net intake by business segment *(in thousands of m³)* :			
	■ Cement	9,076	9,087	8,335
	■ Concrete and Aggregates	4,138	4,228	5,441
	■ Other Products & Services	1,668	1,460	1,562
	Effective consumption *(in thousands of m³)* :			
	■ Cement	3,116	3,413	2,916
	■ Concrete and Aggregates	4,108	4,113	5,431
	■ Other Products & Services	212	128	180
Improving the energy efficiency of the Group's production facilities				
Reducing energy consumption and Increasing the substitution rate				
	Total electricity consumption *(in GWh)* by business segment :			
	■ Cement	2,023	2,030	1,893
	■ Concrete and Aggregates	70	71	76
	■ Other Products & Services	46	45	43
	Total	**2,139**	**2,147**	**2,011**
	Heat balance of cement factory kilns *(GJ/tonne)*	3.530	3.490	3.556
	Breakdown of Fuels (Cement business) :			
	■ Coal and lignite	42.5%	43%	41.3%
	■ Coke	20.3%	20.2%	25.6%
	■ Hydrocarbons and gas	12.6%	12.3%	12.8%
	Percentage of alternative fuels of which % biomass	24.6% 8.7%	24.6% 7.8%	20.3% 7.2%
Emissions into the air due to manufacturing processes				
Reduction in atmospheric emissions from its cement plants				
Dust	Dust emissions *(in tonnes/year)* from 21 kilns assessed	1,407	1,415	1,172
	Specific dust emissions *(in g/t of clinker)*	89	89	85
SO_2	SO_2 emissions *(tonnes/year, 21 kilns in 2015, 20 in 2014, 17 in 2013)*	2,799	3,133	2,591
	Specific SO_2 emissions *(in g/t of clinker)*	178	228	295
NO_x	NO_x emissions *(tonnes/year, 21 kilns in 2015, 20 in 2014, 17 in 2013)*	16,185	17,137	15,291
	Specific NO_x emissions *(in g/t of clinker)*	1,029	1,231	1,445

Topic	Indicator	2015	2014	2013
Reduction in emissions of CO_2 and low-carbon energy use				
	Gross CO_2 emissions of cement kilns *(in kt)*	12,961	13,172	11,436
	Specific CO_2 emissions *(in kg/tonne of clinker)*	824	825	826
	Total direct and indirect CO_2 emissions *(in kt)*:	13,980	14,117	12,461
	■ For the Cement business	13,929	14,062	12,412
	■ For the Concrete & Aggregates business	43.7	48	39
	■ For Other Products & Services	6.8	7	10

3.5.2. CSR REPORTING METHODOLOGY

The data in this report was gathered and consolidated on the basis of a common reference framework for the Group, entitled "Reporting Protocol for Social, Environmental and Societal Information".

Each year, the Vicat Group's 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 2015, 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.

The data collected covers the period from January 1 through December 31. 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. Among the performance indicators monitored by the Group are, in particular, the frequency rate and the severity rate. The first measures the frequency of work-related accidents with work stoppage in relation to the working hours of the entire workforce. It is calculated as follows: (number of occupational accidents with work stoppage X 1,000,000)/number of hours worked. The severity rate allows the Group to evaluate the seriousness of work accidents based on the numbers of days lost as compared with hours worked. It is calculated as follows: (number of days lost X 1,000)/number of hours worked.

Workforce-related data are collected by the legal entities. The data are then consolidated by the Human Resources Department using a form attached to the Protocol and designed to meet the specific disclosure requirements of companies for purposes of 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.

3.6. REPORT BY AN INDEPENDENT THIRD-PARTY BODY ON THE CONSOLIDATED HUMAN RESOURCES, ENVIRONMENTAL AND SOCIAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT

This is a free English translation of the independent third-party body's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended 31 December 2015

To the Shareholders,

In our capacity as professional accountants identified, appointed as independent third party and certified by COFRAC under number n° 3-1080 [1], we hereby report to you on the consolidated human resources, environmental and social information for the year ended 31 December 2015, included in the management report (hereinafter named "CSR Information"), pursuant to article L.225-102-1 of the French Commercial Code (Code de commerce).

Company's responsibility

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the guidelines used by the company (hereinafter the "Guidelines"), summarised in the methodological note presented in the chapter 3 of the management report. and available on request from the company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (Code de déontologie) of our profession and the requirements of article L.822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of the independent third party

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

Our work involved tree persons and was conducted between November 2015 and February 2016 during a ten week period. We were assisted in our work by our CSR experts.

We performed our work in accordance with professional standards and with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with ISAE 3000 [2] concerning our conclusions on the fairness of CSR Information and the reasonable assurance.

(1) whose scope is available at www.cofrac.fr

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

1 Attestation regarding the completeness of CSR Information

Nature and scope of our work

- On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.
- We compared the CSR Information presented in the management report with the list provided in article R.225-105-1 of the French Commercial Code.

For any information that is not disclosed, we verified that explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the company, its subsidiaries as defined by article L.233-1 and the controlled entities as defined by article L.233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in the chapter 3 titled "Corporate social responsibility" of the management report.

Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report, with the exception of the number of terminations.

2 Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted around ten interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate ;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important (3):

- at parent entity, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of sites selected by us (4) on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents 42% of headcount and between 28% and 60% of quantitative environmental data disclosed.

(3) HR & Safety quantitative information: breakdown of Group workforce by age, gender and geographical area; recruitments; departures; absenteeism; number of lost-time accidents among Group employees; number of lost days by Groupe employees; frequency rate; severity rate; number of hours of training; disabled employees.
Environmental quantitative information: dust emissions from 21 kilns assessed; SO_2 emissions; NOx emissions; heat balance of cement factory kilns; total electricity consumption and split by business segment; total water requirement and split by business segment; effective water consumption; environmental discharges; consumption of raw materials for the production of clinker; gross CO_2 emissions of cement kilns; total direct and indirect CO_2 emissions.
Qualitative information: "Being a good economic citizen"; "Supporting education and expanding access to cultural and sporting activities"; "Contributing to the improvement of local sanitation facilities and quality of life for residents living near the Group's sites".

(4) France and India.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Paris, March 9, 2016

Original French report signed by:

Independent third-party body

Grant Thornton, French member of Grant Thornton International

Alban Audrain, Partner

The Incity tower in the business district at Lyon Part-Dieu (France)

CORPORATE GOVERNANCE

4

4.1. FRAME OF REFERENCE FOR CORPORATE COVERNANCE

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 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 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.

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 adviser 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:
52

Date of first appointment:
6/11/1999

Start date of current appointment:
- 5/06/2015 as director
- 5/06/2015 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, 2020
- 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, 2020.

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-Chairman and director of Sinai Cement Company*
- Vice-Chairman and director of Vicat Egypt for Cement Industry*
- Director of Cementi Centro Sud*
- 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 BCCA*
- Permanent representative of Béton Travaux, director of Béton Vicat*
- Member of the Supervisory Board of Mynaral Tas Company LLP*
- Director of Kalburgi 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*
- Director of Konya Hazir Beton Sanayi Ve Ticaret Anonim Sirketi*

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 IFSTTAR*.

(1) Current appointments are marked with an asterisk.

Director and Honorary Chairman of the Company

JACQUES MERCERON-VICAT

Graduate of the Ecole Spéciale de Travaux Publics. He joined the Group in 1962.

Age:
78

Date of first appointment:
2/03/1968

Start date of current appointment:
- 4/28/2010 as director
- 5/06/2014 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 Sinai 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 Kalburgi Cement Private Limited*
- Director of Bharathi Cement Corporation Private Limited*
- Director of BSA Ciment SA*
- Director of Vigier Holding*
- Director of Konya Hazir Beton Sanayi Ve Ticaret*

Other appointments currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years (1):
Not applicable.

(1) Current appointments are marked with an asterisk.

Directors

DELPHINE ANDRÉ

Ms. André holds a masters degree in corporate law, tax and accountancy. She served as legal counsel and attorney until 2002, when she assumed the role of Chairman and Chief Executive Officer of GCA.

Age:
49

Date of first appointment:
5/06/2015

Start date of current appointment:
- 5/06/2015

Term of office expires:
- At the close of the General Meeting called to approve the financial statements for the year ending December 31, 2017

Other appointments currently or previously held in the Group in the last five years (1):
Not applicable.

Other appointments currently or previously held by the director, or where applicable her permanent representative, outside the Group in the last five years (1):
- Manager of A.C.P.*
- Chairman of Anvil Finance*
- Director of Banque de Savoie*
- President of Charles André*
- President of FD Immobilier*
- President of FIMHOLOG*
- Manager of FIMO CA*
- Director of GCA Europe*
- President of GCA Lavage*
- President of GCA Logistique*
- President of GCA Logistique Automobile*
- Director of GCA Route France*
- Director of GCATRANS*
- Vice-Chairman of the Supervisory Board of Grand Port Maritime de Marseille*
- President of Groupement National des Transport Combinés*
- Manager of HIP*
- President of 2 H.O*
- Director of TA Europe SA*
- Chairman of TEA HoldinG*

(1) Current appointments are marked with an asterisk.

PIERRE BREUIL

Mr. Breuil holds 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:
74

Date of first appointment:
5/15/2009

Start date of current appointment:
- 5/06/2015

Term of office expires:
- At the close of the General Meeting called to approve the financial statements for the year ending December 31, 2017

Other appointments currently or previously held in the Group in the last five years [1]:

Not applicable.

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 Groupe EMERA*
- 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:
66

Date of first appointment:
5/15/2009

Start date of current appointment:
- 5/06/2015

Term of office expires:
- At the close of the General Meeting called to approve the financial statements for the year ending December 31, 2020

Other appointments currently or previously held in the Group in the last five years [1]:

Not applicable.

Other appointments 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-Chairman 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)*

(1) Current appointments are marked with an asterisk.

LOUIS MERCERON-VICAT

Graduate of the Ecole des Cadres. He joined the Group in 1996.

Age:

46

Date of first appointment:

6/11/1999

Start date of current appointment:

- 5/06/2011

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 by the director, or where applicable his permanent representative, 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 Sinai Cement Company*
- Director of Konya Hazir Beton Sanayi Ve Ticaret*

Other appointments currently or previously held outside the Group in the last five years (1):

Not applicable.

(1) Current appointments are marked with an asterisk.

SOPHIE SIDOS

She held various functions within the Group until 1997.

Age:

47

Date of first appointment:

8/29/2007

Start date of current appointment:

- 5/06/2015

Term of office expires:

- At the close of the General Meeting called to approve the financial statements for the year ending December 31, 2020

Other appointments currently or previously held in the Group in the last five years (1):

- Director of Béton Travaux*
- Director of BCCA*
- Director of d'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 A.G.*
- Alternate director of Vicat Sagar Cement Private Limited*
- Director of Bharathi Cement Corporation Private Limited*
- Director of National Cement Company*
- Director of Konya Hazir Beton Sanayi Ve Ticaret*

Other appointments currently or previously held by the director, or where applicable his permanent representative, outside the Group in the last five years (1):

Not applicable.

(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:

71

Date of first appointment:

8/29/2007

Start date of current appointment:

- 5/06/2014

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):

Not applicable.

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: 66 **Date of first appointment:** 4/28/2010 **Start date of current appointment:** ■ 4/28/2010 **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):** Not applicable.	**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 Adviser to the Interministerial Delegate for Road Safety. She previously held positions at the Health Ministry.

Age: 56 **Date of first appointment:** 5/06/2014 **Start date of current appointment:** ■ 5/06/2014 **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):** Not applicable.	**Other appointments currently or previously held by the director, or where applicable her permanent representative, outside the Group in the last five years (1):** Not applicable

(1) Current appointments are marked with an asterisk.

At its meeting of March 9, 2016, the Board of Directors decided to submit the following appointments and reappointments of directors for the approval of the General Meeting:

- reappointment, for a six-year term, of Jacques Merceron-Vicat and, for a three-year term, Xavier Chalandon as directors, whose terms of office are due to expire.

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 – Independent 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 penalized 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.

Corporate governance declaration

(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 engages 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 of 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: Sophie Fegueux, Jacques Le Mercier, Pierre Breuil, Bruno Salmon, Xavier Chalandon and Delphine André.

As at the date of this Registration Document, Sophie Sidos, Sophie Fegueux and Delphine André are members of the Board of Directors, 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, since May 2015 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 within 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 2013, twice in 2014, and four times in 2015. During these meetings, the Board examined the situation of the industry as well as that of the Group and reviewed the individual and consolidated financial statements. Attendance at meetings of the Board of Directors was 100% in 2015. Delegates from the works council also attended all meetings. All resolutions proposed in 2013, 2014 and 2015 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 has an Audit Committee and a Compensation Committee. They fulfill their duties under the supervision of the Board of Directors. 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 May 6, 2015, the membership of these committees is as follows:

- Audit Committee:
  - Jacques Le Mercier, Chairman of the committee,
  - Pierre Breuil,
  - Delphine André.
- Compensation Committee:
  - Xavier Chalandon, Chairman of the committee,
  - Bruno Salmon,
  - Jacques Le Mercier.

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 individual financial statements; it shall pay particular attention to the consistency and the relevance of the accounting methods used,
- examine the internal procedures for gathering and verifying financial information designed to guarantee the reliability of consolidated financial 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 General Meeting of shareholders,
- examining every year the auditors' fees as well as their independence.

- Compensation Committee:

The Compensation Committee has the responsibility of:

- examining the compensation paid to executives and employees (fixed and variable components, bonuses, etc.) and in particular their amounts and allocation,
- reviewing the share subscription or purchase option plans and, in particular as regards their beneficiaries, the number of options that may be granted to them, as well as the term of the options and the subscription price conditions and those of any other form of access to the Company's share capital in favor of executives and employees,
- reviewing 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:

- Adviser to the Chairman and Chief Executive Officer: Raoul de Parisot;
- France excluding the Paper business: Didier Petetin.

Deputy Chief Executive Officers:

- Corporate Secretary: Bernard Titz;
- USA: Éric Holard;
- Legal Affairs Director: Philippe Chiorra;
- Chief Financial Officer: Jean-Pierre Souchet;
- France, Italy and Spain Cement – Chief Science Officer and Head of Industrial Performance: Eric Bourdon.

Name	Age	Brief biography
Raoul de Parisot	67	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	49	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	64	Mr. Titz has a doctorate in law. He joined the Group in 1982.
Éric Holard	55	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	59	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	63	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	48	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 – Reappointments – 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 has ended.
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 said director's 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 may, on a proposal from the Board of Directors, re-elect the director for a further 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.

At its meeting of March 9, 2016, the Board of Directors decided to submit a proposal for the approval of the Extraordinary General Meeting shareholders of April 29, 2016, to amend article 16 of the company's by-laws to establish the procedure for appointment of an employee director by the Works Council, in accordance with article L. 225-27-1 of the French Commercial Code.

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 regularity of proceedings on the Company's governance bodies and ensures that the directors are capable of discharging their duties.

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 2015, 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, who for 2015 received twice the compensation received by the other members of the Board of Directors (i.e. € 50,000).
- Raynald Dreyfus and Delphine André each received the compensation received by the other members of the Board of Directors, adjusted pro rata based on the number of meetings they attended.

Furthermore, the additional compensation allocated to each member of the Board of Directors' committees for 2015 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 moreover they do not receive any compensation or benefits other than those set out in the table below. 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

	Amounts paid during 2015 *(in euros)*	Amount paid during 2014 *(In euros)*
Jacques Merceron-Vicat ***Director and Honorary Chairman***		
Directors' fees	25,000	37,500
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	3,500	-
Raynald Dreyfus ***Director***		
Directors' fees	6,250	25,000
Compensation on the basis of positions held within the Committees of the Board of Directors	7,000	10,500
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	25,000	12,500
Compensation on the basis of positions held within the Committees of the Board of Directors	-	-
Delphine André ***Director***		
Directors' fees	18,750	-
Compensation on the basis of positions held within the Committees of the Board of Directors	3,500	-
TOTAL	**256,500**	**253,000**

4.3.2. COMPENSATION PAID TO EXECUTIVE COMPANY OFFICERS

Overview of remuneration paid and stock options allocated to each executive director:

	2015	2014
Guy Sidos ***Chairman and Chief Executive Officer***		
Compensation paid in respect of the year	839,603	754,393
Value of options granted during the year	n/a	n/a
Value of performance shares granted during the year	n/a	n/a
TOTAL	**839,603**	**754,393**
Raoul de Parisot ***Chief Operating Officer***		
Compensation paid in respect of the year	561,721	538,233
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	**561,721**	**538,233**
Didier Petetin ***Chief Operating Officer***		
Compensation paid in respect of the year	275,699	n/a
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	**275,699**	**N/A**

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 and Chief Executive Officer and the Chief Operating Officers, in 2014 and 2015.

No amounts were due to executive company officers for 2014 and 2015.

	2015		2014	
	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 *Chairman and Chief Executive Officer*				
Fixed compensation	-	721,677	-	666,495
Variable compensation	n/a	n/a	n/a	n/a
Exceptional compensation	n/a	n/a	n/a	n/a
Directors' fees	-	54,200	-	41,700
Benefits in kind	-	63,726	-	46,198
TOTAL	**-**	**839,603**	**-**	**754,393**
Raoul de Parisot *Chief Operating Officer*				
Fixed compensation	-	549,009	-	532,185
Variable compensation	-	n/a	n/a	n/a
Exceptional compensation	-	n/a	n/a	n/a
Directors' fees	-	-	-	-
Benefits in kind	-	12,712	-	6,048
TOTAL	**-**	**561,721**	**-**	**538,233**
Didier Petetin *Chief Operating Officer*				
Fixed compensation	-	270,935	-	n/a
Variable compensation	-	n/a	n/a	n/a
Exceptional compensation	-	n/a	n/a	n/a
Directors' fees	-	-	-	-
Benefits in kind	-	4,764	-	n/a
TOTAL	**-**	**275,699**	**-**	**N/A**

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 € 9,428 thousand 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*	■		■			■		■
Didier Petetin *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 AT DECEMBER 31, 2015

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)	11,820,504	26.33	23,618,431	32.22
Parfininco (company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	13,351,356	29.74	26,654,114	36.36
Hoparvi (a company of which Jacques Merceron-Vicat is Chairman)	11,490	0.02	11,490	0.02
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	-
Delphine André	10	-	10	-
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	32	-	52	-
Raoul de Parisot	12,389	0.03	23,955	0.03
Sophie Fegueux	203	-	203	-
Didier Petetin	0	-	0	-

(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 2014 AND 2015

	Transactions in 2015	Transactions in 2014
Soparfi (company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	Purchase of 19,548 shares	Purchase of 3,029 shares
Parfininco (company of which Jacques Merceron-Vicat is Chairman and Chief Executive Officer)	Purchase of 30,766 shares	Purchase of 5,134 shares
Hoparvi (a company of which Jacques Merceron-Vicat is Chairman)	Purchase of 11,490 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

Six commitments to retain shares, relating to a maximum of 22.51% of the Company's share capital, were made as from 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
12/8/2006	6 years starting on 12/13/2006	Extension by 12-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
12/8/2006	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
7/3/2015	2 years starting on 7/9/2015	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Parfininco Hoparvi SAS

Nine commitments to retain shares, relating to a maximum of 22.51% of the Company's share capital, were made as from 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
7/25/2005	2 years starting on 08/01/2005	Extension by 3-month periods	Jacques Merceron-Vicat Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
12/8/2006	2 years starting on 12/13/2006	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Louis Merceron-Vicat Soparfi Parfininco
12/8/2006	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
5/25/2010	2 years starting on 05/25/2010	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
5/25/2010	2 years starting on 05/25/2010	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
4/28/2011	2 years starting on 05/05/2011	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Soparfi Parfininco
5/22/2013	2 years starting on 05/22/2013	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Louis Merceron-Vicat Soparfi Parfininco
7/03/2015	2 years starting on 7/9/2015	Extension by 3-month periods	Jacques Merceron-Vicat Guy Sidos Sophie Sidos Parfininco Hoparvi SAS

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 of your Board of Directors and the conditions preparing and organizing its proceedings during the financial year ended on December 31, 2015;
- 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

The Board of Directors met four times in the last financial year. The dates and the agendas of the Board meetings were as follows:

MEETING OF MARCH 6, 2015

- Presentation of the business report;
- Review of the reports to the Board of Directors by its committees (Audit Committee and Compensation Committee);
- Presentation of the 2015 budget;
- Approval of the individual financial statements for the year ended December 31, 2014;
- Approval of the consolidated financial statements for the year ended December 31, 2014;
- Appropriation of earnings;
- Share buy-back program;
- Delegation of powers as stipulated by the share buy-back program;
- Reallocation of treasury shares;
- Reappointment of four Directors;
- Appointment of a new Director;
- Appointment of a Chief Operating Officer;
- Appointment of a Deputy Chief Executive Officer;
- Review of regulated agreements;
- Approval of the Chairman's report on corporate governance and internal control;
- Authorization for a bond issue and delegation of powers;
- Authorization to issue guarantees of quarry restoration;
- Planned merger of the subsidiaries SVEC, Vicat International Trading (VIT) and Alpes Informatique;
- Approval of article 26 paragraph 2 of the by-laws concerning double voting rights;
- Convening of the Ordinary General Meeting and setting of the agenda;
- Other business.

All the members of the Board attended this meeting, as well as the Company's auditors and the three Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

MEETING OF MAY 6, 2015

- Reappointment of Guy Sidos as Chairman and Chief Executive Officer;
- Reappointment of Didier Petetin as Chief Operating Officer;
- Composition of the Audit and Compensation Committees.

All the members of the Board attended this meeting, as well as the Company's auditors and the three Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

MEETING OF JULY 31, 2015

- Business report;
- Analysis and approval of the individual and consolidated financial statements as at the end of June 2015;
- Financial forecast at December 31, 2015;
- Benchmarking of cement companies;
- Audit Committee report;
- Presentation of the Board of Directors' self-assessment results;
- Other business.

All the members of the Board attended this meeting, as well as the Company's auditors and the three Works Council representatives.

The resolutions tabled during this meeting were all adopted unanimously.

MEETING OF NOVEMBER 3, 2015

- Presentation of operations, sales and the press release at the end of September 2015;
- Other business.

All the members of the Board attended this meeting, as well as the Company's auditors and the three Works Council representatives.

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, 2015, 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, 2015, the Board of Directors included six independent members: Jacques Le Mercier, Pierre Breuil, Bruno Salmon, Sophie Fegueux, Xavier Chalandon and Delphine André. 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.

Functioning of the Board of Directors

At its meeting of August 1, 2013, the Board of Directors adopted rules of procedure 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 conduct 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.

Committees of the Board of Directors

The Board of Directors has an Audit Committee and a Compensation 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 the regularity of its proceedings, with particular reference to the convening and conduct 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

- Jacques Le Mercier, Chairman of the committee;
- Delphine André;
- Pierre Breuil.

Composition of the Compensation Committee

- Xavier Chalandon, Chairman of the committee;
- Jacques Le Mercier;
- 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 individual (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 General Meeting of shareholders;
- examining every year the auditors' fees as well as their independence.

The Audit Committee met twice in 2015 with an 100% attendance rate. It considered the following issues:

MEETING OF FEBRUARY 24, 2015

- Financial calendar;
- Significant events of the year;
- Accounting policies;
- Annual financial statements for 2014;
- Legal issues;
- Payment procedures and project progress;
- Audit and internal control;
- Audit and auditors.

MEETING OF JULY 27, 2015

- Financial statements for first half of 2015;
- Optimization of group debt and financial interest expenses;
- Fraud environment and courses of action;
- Internal audit.

Compensation Committee's role

The Compensation Committee has the responsibility of:

- examining the compensation of managers and employees (fixed component, variable component, bonuses, etc.) and in particular their amounts and allocation;
- reviewing the share subscription or purchase option plans and, in particular as regards their beneficiaries, the number of options that may be granted to them, as well as the term of the options and the subscription price conditions and those of any other form of access to the Company's share capital benefiting executives and employees;
- reviewing 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.

The Compensation Committee met once in 2015 with a 100% attendance rate. It considered the following issues:

MEETING OF FEBRUARY 23, 2015

- Benchmarking senior executive compensation;
- Changes in compensation in 2014.

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 best practices;
- financial control reporting to the General Management of the various businesses and reporting functionally to the group financial 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 one or more employees in charge of internal control on a full- or part-time basis.

As such, they will be responsible for assessing and implementing 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;
- implementation of the instructions and guidelines 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 introduce the SAP integrated management software system, initially in France for the Cement and Paper businesses (Vicat SA) then in 2015, for the Concrete and Aggregates businesses. Ultimately, SAP will be deployed in all the other French businesses (Other Products and Services), with phased implementation thereafter in the Group's 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 production reports from the plants;
- reviews of weekly activity by the operational units (country or subsidiary);
- monthly operational and financial reviews (factory performance, industrial and commercial performance indicators) analyzed by the Group's Financial Control by reference to the budget, the previous financial year and the financial management data;
- 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 systems will continue in 2016, as in previous fiscal years.

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, specifically in the light of missions conducted locally, 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 bring to the attention of the operational staff concerned any adverse 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's officers

Policy on remuneration of the Company officers

The Company has decided to apply the recommendations relating to the remuneration of executive company officers 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 executive Company officers are not bound to the Company by an employment contract;
- no severance pay is provided for executive Company officers;
- the supplementary pension plans in place in the Company which benefit executive company officers and some non-executive directors 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 reference standard system 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;
- seniority;
- 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 may attend the Meetings, personally or through a representative by providing proof of ownership of his shares, either in a registered securities account, or in the bearer's securities accounts at the location set forth in the convening notice. This formality must be completed at least three days before the date of the meeting.

Participation in General Meetings is subject to proof of the ownership of 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 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.

At its meeting of March 6, 2015, the Board of Directors decided to appoint Didier Petetin as Chief Operating Officer - France (excluding paper) for the term of office of the Chairman and Chief Executive Officer, and to assign to Raoul de Parisot, Chief Operating Officer, the duties of adviser to the Chairman and Chief Executive 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, 2016

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 S.A.

Financial year ended December 31, 2015

To the Shareholders,

In our capacity as statutory auditors of Vicat S.A., and in accordance with article L. 225-235 of the French Commercial Code, we hereby report to you on the report drawn up by the Chairman of your Company in accordance with article L. 225-37 of the French Commercial Code for the financial year ended December 31, 2015.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a 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 truth, accuracy or 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 the 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 March 9, 2016	Chamalières, March 9, 2016
KPMG Audit	**Wolff & Associés S.A.S.**
Département de KPMG S.A.	
Bertrand Desbarrières	Patrick Wolff
Partner	*Partner*

4.6. OPERATIONS WITH RELATED PARTIES

4.6.1. CONTRACTS AND TRANSACTIONS 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.

	2015				2014			
(in thousands of euros)	Sales	Purchases	Receivables	Liabilities	Sales	Purchases	Receivables	Liabilities
Associated companies	844	1,546	6,918	1,268	1,251	2,844	6,878	1,855
Other related parties	56	2,203	12	135	73	2,805	0	56
TOTAL	**900**	**3,749**	**6,930**	**1,403**	**1,324**	**5,649**	**6,878**	**1,911**

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)

During the 2014 fiscal year, Parfininco and Soparfi, the majority holding companies of Vicat S.A., acquired the 24.6% of Soparfi shares held by BCCA and SAPV, both wholly-owned subsidiaries of the Vicat Group.

To the Company's knowledge, no other agreement, except for agreements contracted at arm's length in the ordinary course of business, was entered-into during either of the 2014 or 2015 fiscal years, whether 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 2015 financial year, intra-group sales of cement amounted to € 262 million, sales of aggregates to € 87 million, transport services to € 91 million, sales related to additional services (analyses, pumping, etc.) to € 24 million and sales related to various pooled products and services to € 113 million. For the same period, intra-group financial income amounted to € 17 million.

4.6.4. STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

Financial year ended December 31, 2015

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 as well as the justification as being in the Company's interest, of the agreements and commitments notified to us or identified by us 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 for the approval of the General Meeting

We hereby inform you that we have not been advised of any agreements or commitments authorized in the financial year just ended that require submission to the General Meeting for approval pursuant to 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 agreements and commitments, initially approved in previous years, which were continued in the financial year just ended.

Commitments relating to supplementary pension plans:

Persons concerned: Guy SIDOS, Chairman and Chief Executive Officer, Raoul de PARISOT, Chief Operating Officer and Didier PETETIN, Chief Operating Officer

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, March 9, 2016	Chamalières, March 9, 2016
KPMG Audit	**Wolff & Associés S.A.S.**
Département de KPMG S.A.	
Bertrand Desbarrières	Patrick Wolff
Partner	*Partner*

Poolside areas of the Saint-Yorre swimming pool, designed in deactivated concrete (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 in 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 (French Public Company) with a Board of Directors, governed by the provisions of Book 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 relevance 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 public transport of goods overland, 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 meeting 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)

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.

Any shareholder can attend the Meetings, personally or through a representative by providing proof of ownership of his shares, either in a registered securities account, or in the bearer's securities accounts at the location set forth in the convening notice. This formality must be completed at least three days before the date of the meeting.

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, 2015 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, 2015, a total of 3,508,092 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 2015 financial year, after distributing 43,202 shares to employees, the Company held 762,286.60 of its own shares, or 1.70% of the share capital.

Description of the 2015 share buy-back program

Pursuant to the authorization given by the Ordinary General Meeting of May 6, 2015, in 2015 the Company purchased 10,401.20 of its own shares (i.e. 8,022 shares + 23,792 tenth parts of shares) on the stock exchange (excluding liquidity agreements) at a nominal value of € 4 per share and a mean price of € 61.20 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: 10,401.20 shares, representing an acquisition price of € 636,614.11.

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 17,733 shares at December 31, 2014, acquisition of 488,315 shares and sale of 487,829 shares during the year, with a balance of 18,219 shares at December 31, 2015.

Volume of shares used by objectives

Shares allocated to personnel within the framework of employee share ownership and profit-sharing: 84,067.60 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: 18,219 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).

In compliance with the decision of the Board of Directors on March 6, 2015, the Company transferred 23,167 shares from the "treasury shares" account (OPO Heidelberg) to the "treasury shares" account (employee share ownership and profit-sharing).

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 2016

The sixth resolution, the principles of which are listed below, and which is due to be submitted for approval to the General Meeting of April 29, 2016, 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. 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, 2016, the 10% limit corresponds to a maximum number of 3,727,713.4 shares having a nominal value of € 4 each, representing a maximum amount of € 372,771,340.

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 General Meeting of May 6, 2015.

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, 2015 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:

	As at December 31, 2015		As at December 31, 2014		At December 31, 2013	
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	27,208,358	60.60	27,194,829	60.57	27,190,790	60.56
Employees	722,678	1.61	797,272	1.78	871,465	1.94
Public	16,206,677	36.10	16,113,288	35.88	15,991,719	35.62
Treasury shares	762,287	1.70	794,611	1.77	846,026	1.88
TOTAL	**44,900,000**	**100.00**	**44,900,000**	**100.00**	**44,900,000**	**100.00**

Following is the statement of employee profit-sharing specified in article L. 225-102 of the French Commercial Code) as at December 31 2015:

- employee holdings in share capital (Vicat + Subsidiaries): 722,678.20 shares, i.e. 1.61% of share capital;
- employees of the Company and related companies within the meaning of article L. 225-180 within the scope of the employee savings plan (PEE): 725,451.90 shares, i.e. 1.62% of the share capital.

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:

	As at December 31, 2015		As at December 31, 2014		At December 31, 2013	
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	54,067,371	73.76	54,207,438	73.76	54,193,267	73.76
Employees and Public (2)	19,236,940	26.24	19,284,701	26.24	19,282,487	26.24
Treasury shares (3)	-	-	-	-	-	-
TOTAL (4)	**73,304,311**	**100.00**	**73,492,139**	**100.00**	**73,475,754**	**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 **74,743,302** at December 31, 2015. 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 attached to the shares

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.

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 independence of half the members of the Board of Directors ensures a fair balance of control, with six independent directors out of a total of ten on the Board as of December 31, 2015.

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. CROSSING SHARE OWNERSHIP THRESHOLDS

5.3.5.1. Crossing thresholds set under the by-laws

Besides the legal and regulatory provisions in force with respect to the crossing of shareholding thresholds, article 7. II 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 securities 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 and regulatory measures, and those prescribed under the by-laws, 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 seventh 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 January 22, 2015, Franklin Resources declared having fallen below the threshold of 1.5% of share capital.

On February 13, 2015, Financière de l'Echiquier declared having exceeded the threshold of 3% of share capital.

On June 1, 2015, Kiltearn Partners LLP declared having exceeded the threshold of 1.5% of share capital.

On October 22, 2015, 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:

	2015 (dividend proposed to the General Meeting)	2014	2013	2012
Dividend per share *(in euros)*	1.50	1.50	1.50	1.50
Consolidated earnings per share *(in euros)*	2.71	2.86	2.68	2.87
Rate of distribution	55%	52%	56%	52%

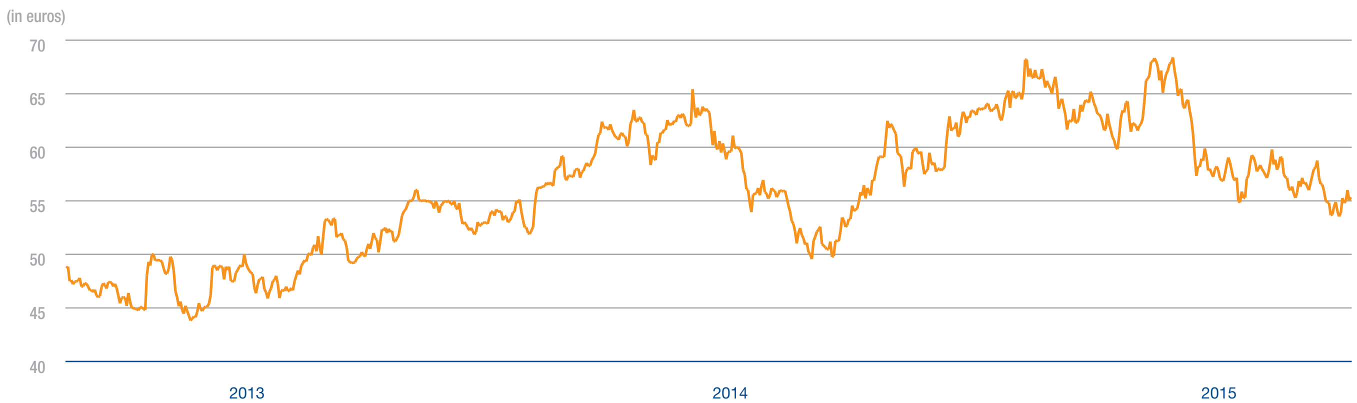
The Company's objective for future years is to distribute in cash to shareholders a level of dividend in line with that proposed by the Board of Directors for previous financial periods.

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, 2013 to December 31, 2015.



The table below shows the change in the Company's share price in 2015, 2014 and 2013 (on the basis of the closing price):

(in euros)	2015	2014	2013
Average price over the year	61.18	57.56	49.53
Annual high	68.40	65.42	56.00
Annual low	53.55	49.56	43.83
Price as at December 31	55.34	59.60	54.00

Control room at the Jambyl Cement plant in Mynaral (Kazakhstan).

RISK FACTORS

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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 3.1.3 "Improving the energy efficiency of the Group's production facilities" 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 2015, approximately 37% 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 consequences of 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 3.1 "Environmental responsibility relating to the Group activities".

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. 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 tax 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, abundant rain or snow), which may hinder 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 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 2015 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 RISK

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 breaks down the total amount of the Group's assets and liabilities denominated in currencies as at December 31, 2015, 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
Assets	176.1	10.0
Liabilities and off-balance sheet commitments	(609.2)	(26.1)
Net position before risk management	**(433.1)**	**(16.1)**
Hedging instruments	334.7	13.8
NET POSITION AFTER RISK MANAGEMENT	**(98.5)**	**(2.3)**

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 € 0.90 million (including € 0.87 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 RISK

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 fixed-rate financial asset and liability items

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 inherent in variable-rate asset and liability items

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 breaks down into fixed and variable rates by currency the Group's net exposure to the interest rate risk after hedging as at December 31, 2015.

(in thousands of euros)	Euro	US dollar	Other currencies	Total
Total gross debt	**898,131**	**177,079**	**197,294**	**1,272,504**
Debt at fixed rate (including *swaps* and CCS)	562,454	564	74,473	637,491
Debt at variable rate	335,667	176,515	122,820	635,012
Hedging instruments *(caps)*	(400,000)	(45,926)	0	(445,926)
Gross debt at variable rates hedged	**(64,323)**	**130,589**	**122,820**	**189,086**
Cash and cash equivalents	(14,972)	(17,205)	(222,194)	(254,371)
NET POSITION AFTER HEDGING	**(79,295)**	**113,384**	**(99,374)**	**(65,285)**

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	1,343	2,660
Impact of a change of -100 bps in the interest rate	(1,400)	16,431

(1) A positive figure corresponds to a lowering of financial interest expense.
(2) A positive figure corresponds to a lowering of debt.

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%.

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 at December 31, 2015 is as follows:

- number of Vicat shares held in the portfolio: 762,287;
- percentage of share capital held by the Company: 1.70%;
- book value of the portfolio determined using the historical cost method (purchase price): € 63,678 thousand;
- net book value of the portfolio: € 42,189 thousand;
- market value of the portfolio: € 42,186 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 € 21,489 thousand was made for share depreciation before tax as at December 31, 2015, after an allocation of € 2,100 thousand before tax in 2015.

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 RISK

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 at December 31, 2015 are shown below.

		N+1					
(In thousands of euros)		Nominal	Interest (1)	N+2 Nominal	N+3 Nominal	N+4 Nominal	≥ N+5 Nominal
US private placement	399,235	0	21,808	135,130	0	0	264,105
Bonds							
Bank loans	815,336	69,155	12,423	18,438	25,626	553,127	148,990
Finance lease liabilities	2,388	1,116	78	1,205	19	12	36
Miscellaneous liabilities	6,994	5,158	447	1,028	230	169	409
Bank overdrafts	36,531	36,530	2,417				
Derivatives	12,020	2,810	100	161	133	272	8,644
TOTAL FINANCIAL LIABILITIES	**1,272,504**	**114,769**	**32,273**	**155,962**	**26,008**	**553,580**	**422,184**

(1) The interest on the N+1 debt is calculated on the basis of the known due date of the debt as at December 31, 2015 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 at December 31, 2015 the Group's gearing and leverage were 40.0% and x 2.27, 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 at December 31, 2015, 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, and benefits from significant experience in 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 eleven 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 draw the attention of the operational staff concerned to any adverse 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 2015, the total cost of insurance cover on the main risks managed under Group policies was approximately € 3.5 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.

Lyon's new sports complex, the Parc Olympique Lyonnais

FINANCIAL INFORMATION

7

7.1. HISTORICAL FINANCIAL INFORMATION

7.1.1. CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2015

Consolidated financial statements at December 31, 2015

(in thousands of euros)	*Notes*	December 31, 2015	December 31, 2014
ASSETS			
Non-current assets			
Goodwill	*3*	1,040,307	1,007,848
Other intangible assets	*4*	135,818	122,985
Property, plant and equipment	*5*	2,121,011	2,148,739
Investment properties	*7*	17,766	18,754
Investments in associated companies	*8*	49,854	43,815
Deferred tax assets	*25*	150,292	135,437
Receivables and other non-current financial assets	*9*	122,672	98,891
TOTAL NON-CURRENT ASSETS		3,637,720	3,576,469
Current assets			
Inventories and work-in-progress	*10*	407,192	394,205
Trade and Other receivables	*11*	376,627	356,405
Current tax assets		53,715	37,206
Others receivables	*11*	150,725	141,200
Cash and cash equivalents	*12*	254,371	268,196
TOTAL CURRENT ASSETS		1,242,630	1,197,212
TOTAL ASSETS		**4,880,350**	**4,773,681**

LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholder's equity			
Capital	*13*	179,600	179,600
Additional paid-in capital		11,207	11,207
Consolidated reserves		2,060,741	1,986,616
Shareholders' equity		**2,251,548**	**2,177,423**
Minority interests		**292,160**	**281,870**
SHAREHOLDERS' EQUITY AND MINORITY INTERESTS		2,543,708	2,459,293
Non-current liabilities			
Provisions for pensions and other post-employment benefits	*14*	134,729	125,862
Other provisions	*15*	95,938	86,141
Financial debts and put options	*16*	1,225,391	1,067,527
Deferred tax liabilities	*25*	228,019	219,656
Other non-current liabilities		5,369	7,205
TOTAL NON-CURRENT LIABILITIES		1,689,446	1,506,391
Current liabilities			
Provisions	*15*	13,204	10,526
Debts and put options at less than 1 year	*16*	114,884	281,730
Trade and other accounts payable		283,734	280,642
Current taxes payable		37,274	39,301
Other liabilities	*18*	198,100	195,798
TOTAL CURRENT LIABILITIES		647,196	807,997
TOTAL LIABILITIES		2,336,642	2,314,388
TOTAL EQUITY AND LIABILITIES		**4,880,350**	**4,773,681**

Consolidated income statement for the year ended December 31, 2015

(in thousands of euros)	Notes	2015	2014
Sales	*19*	**2,457,903**	**2,422,753**
Goods and services purchased		(1,580,500)	(1,583,417)
Added value	*1.22*	**877,403**	**839,336**
Personnel costs	*20*	(407,395)	(373,289)
Taxes		(53,814)	(47,624)
Gross operating income	*1.22 & 23*	**416,194**	**418,423**
Depreciation, amortization, provisions and impairment allowances	*21*	(195,128)	(176,710)
Other income and expenses	*22*	28,649	14,605
Operating Income	*23*	**249,715**	**256,318**
Cost of net financial debt	*24*	(36,991)	(47,616)
Other financial income	*24*	23,148	11,456
Other financial expenses	*24*	(34,353)	(21,891)
Net financial income (expense)	*24*	**(48,196)**	**(58,051)**
Earnings from associated companies	*8*	4,876	4,745
Profit (loss) before tax		**206,395**	**203,012**
Income tax	*25*	(63,697)	(59,458)
Consolidated net income		**142,698**	**143,554**
Portion attributable to minority interests		21,219	15,075
Portion attributable to the Group		**121,479**	**128,479**
EBITDA	*1.22 & 23*	**448,389**	**441,973**
EBIT	*1.22 & 23*	**250,484**	**263,132**
Cash flows from operating activities	*1.22*	**346,267**	**320,929**
EARNINGS PER SHARE *(in euros)*			
Basic and diluted Group share of net earnings per share	*13*	2.71	2.86

Consolidated statement of comprehensive income for the year ended December 31, 2015

(in thousands of euros)	2015	2014
Consolidated net income	**142,698**	**143,554**
Other comprehensive income		
Items not recycled to profit or loss:		
Remeasurement of the net defined benefit liability	269	(34,480)
Tax on non-recycled items	670	9,774
Items recycled to profit or loss:		
Translation differences	9,137	127,259
Cash flow hedge instruments	11,482	(8,932)
Tax on recycled items	(3,997)	2,872
Other comprehensive income (after tax)	**17,561**	**96,493**
TOTAL COMPREHENSIVE INCOME	**160,259**	**240,047**
Portion attributable to minority interests	22,278	38,133
Portion attributable to the Group	**137,981**	**201,914**

Consolidated cash flow statement for the year ended December 31, 2015

(in thousands of euros)	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated net income		**142,698**	**143,553**
Earnings from associated companies		(4,876)	(4,745)
Dividends received from associated companies		1,131	974
Elimination of non-cash and non-operating items			
■ depreciation, amortization and provisions		202,452	186,442
■ deferred tax		(10,127)	(16,341)
■ net (gain) loss from disposal of assets		(3,933)	(201)
■ unrealized fair value gains and losses		64	1,341
■ other		18,858	9,906
Cash flow from operations	*1.22*	**346,267**	**320,929**
Change in working capital requirement		(46,661)	(19,050)
Net cash flows from operating activities (1)	*27*	**299,606**	**301,879**
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows linked to acquisitions of non-current assets:			
■ property, plant and equipment and intangible assets		(174,103)	(159,951)
■ financial investments		(19,526)	(8,827)
Inflows linked to disposals of non-current assets:			
■ property, plant and equipment and intangible assets		7,295	6,370
■ financial investments		3,680	5,183
Impact of changes in consolidation scope		(55)	(66,988)
Net cash flows from investing activities	*28*	**(182,709)**	**(224,213)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(78,405)	(81,015)
Increases in share capital			122
Proceeds from borrowings		301,486	21,239
Repayments of borrowings		(356,698)	(91,568)
Acquisitions of treasury shares		(30,765)	(21,021)
Disposals or allocations of treasury shares		32,899	96,104
Net cash flows from financing activities		**(131,483)**	**(76,139)**
Impact of changes in foreign exchange rates		(3,308)	15,651
Change in cash position		**(17,894)**	**17,178**
Net cash and cash equivalents – opening balance	*29*	242,991	225,812
Net cash and cash equivalents – closing balance	*29*	225,096	242,990

(1) Of which cash flows from income tax: € (77,620) thousand in 2015 and € (60,190) thousand in 2014.
Of which cash flows from interest paid and received: € (40,774) thousand in 2015 and €(47,825) thousand in 2014.

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Statement of changes in consolidated equity for the year ended December 31, 2015

(in thousands of euros)	Capital	Additional paid-in capital	Treasury shares	Consolidated reserves	Translation reserves	Shareholders' equity	Minority interests	Shareholders' equity and minority interests
AT JANUARY 1, 2014	179,600	11,207	(73,945)	2,155,752	(262,865)	2,009,749	282,216	2,291,965
Consolidated net income				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
AS AT DECEMBER 31, 2014	179,600	11,207	(70,133)	2,206,447	(149,698)	2,177,423	281,870	2,459,293
Consolidated net income				121,479		121,479	21,219	142,698
Other comprehensive income				(39,392)	55,894	16,502	1,060	17,562
Total comprehensive income				**82,087**	**55,894**	**137,981**	**22,279**	**160,260**
Dividends paid				(66,111)		(66,111)	(11,969)	(78,080)
Net change in treasury shares			3,125	(677)		2,448		2,448
Changes in consolidation scope and additional acquisitions								
Increases in share capital								
Other changes				(193)		(193)	(20)	(213)
AS AT DECEMBER 31, 2015	**179,600**	**11,207**	**(67,008)**	**2,221,553**	**(93,804)**	**2,251,548**	**292,160**	**2,543,708**

(1) Includes mainly the total capital gain, net of tax, of € 72 million made in 2014 on the sale of Soparfi securities.
(2) Includes mainly the change in net value due to the Group's 2014 acquisition of Sagar Cements' residual stake in Kalburgi Cement (ex Vicat Sagar Cement).

Group translation differences are broken down by currency as follows (in thousands of euros), as at December 31 2015 and 2014:

	December 31, 2015	December 31, 2014
US dollar:	52,291	18,764
Swiss franc:	203,395	137,853
Turkish new lira:	(144,915)	(118,547)
Egyptian pound:	(50,157)	(42,745)
Kazakh tenge:	(85,450)	(43,767)
Mauritanian ouguiya:	2,812	2,187
Indian rupee:	(71,780)	(103,443)
	(93,804)	**(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, 2015 for its benchmark accounting policies.

Standards and interpretations published by the IASB but not yet in effect as at December 31, 2015 were not applied early in the Group's consolidated financial statements at the closing date.

The consolidated financial statements for the year ended December 31, 2015 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, 2015 are consistent with those applied for the annual financial statements in 2014, except for standards that are mandatory for annual periods beginning on or after January 1, 2015. This mainly relates to the application of IFRIC 21 "Levies" which defines the obligating event for the recognition of a liability to pay a levy, the adoption of which interpretation has no material impact on the Group's consolidated financial statements.

IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers", which are mandatory as of January 1, 2018 are currently being assessed to determine their potential impacts on the Group's financial statements. These assessments are currently ongoing.

These financial statements were finalized and approved by the Board of Directors at its meeting of March 9, 2016 and will be submitted to the General Meeting of April 29, 2016 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, 2015 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 as shown 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 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, 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 which are denominated in foreign currency.

The following foreign exchange rates were used:

	Closing rate		Average rate	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
US dollar (USD)	1.0887	1.2141	1.1096	1.3288
Swiss franc (CHF)	1.0835	1.2024	1.0676	1.2146
Egyptian pound (EGP)	8.5036	8.6511	8.5442	9.4136
Turkish lira (TRL)	3.1765	2.8320	3.0219	2.9070
Kazakh tenge (KZT)	369.5800	221.3900	246.1933	238.5633
Mauritanian ouguiya (MRO)	339.0667	352.6830	343.4900	393.2725
CFA Franc (XOF)	655.9570	655.9570	655.9570	655.9570
India rupee (INR)	72.0215	76.7190	71.1765	81.0688

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 recognized whether 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 asset	Concrete and 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 as a ratio of 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 by reference to market prices observed 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 10;
- the sustaining capital expenditure;
- and the change in the working capital requirement.

The assumptions used in calculating impairment tests are derived from forecasts made by operational staff reflecting as closely as possible their knowledge of the market, the commercial position of the businesses, and the performance of the industrial plant. Such forecasts include the impact of foreseeable developments in cement consumption based on macroeconomic and industry sector data, changes likely to affect the competitive position, technical improvements in the manufacturing process, and expected developments in the cost of the main production factors contributing to the cost price of the products.

In the case of countries subject to social tensions and security concerns, the assumptions used also include the potential improvement resulting from the progressive and partial easing of some of these tensions and concerns, based on recent data and an examination of the effect of these tensions on current business conditions.

Projected cash flows are discounted at the weighted average capital cost (WACC) before tax, in accordance with IAS 36 requirements. This calculation is made per country, taking into account the cost of risk-free long-term money, market risk weighted by a sector volatility factor, and a country premium reflecting the specific risks of the market in which the 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 which 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 plus the goodwill attributable to non-controlling interests.

These impairment tests are sensitive to the assumptions held for each cash generating unit, mainly in terms of:

- the discount rate as previously defined;
- the inflation rate, which must reflect sales prices and expected future costs;
- the growth rate to infinity.

Tests are conducted at each year-end on the sensitivity to an increase or decrease of one point in the discount rate 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, 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 impairments 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' maturity, 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, which takes into account profitability prospects, share prices or market prices;
- 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 to which are associated 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 for retired staff, 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 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, operating provisions and impairment allowances.

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 posted a 1.5% increase in sales for 2015, though they fell by 4.4% at constant scope and exchange rates. This movement reflects mixed performance across the geographical areas where the Group operates. The Group recorded further sales growth in the Indian market, in the United States and in Turkey, while performance declined in France, Kazakhstan, West Africa and the Middle East.

Sales declined slightly in France under macroeconomic conditions that remain challenging. Nevertheless, after a difficult start to the year due to unfavorable weather conditions, the Group's performance gradually improved throughout the year, with France resuming the growth of its business in the fourth quarter.

In Europe excluding France, sales were up slightly on a reported basis. However, business was down at constant consolidation scope and exchange rates. The Swiss market experienced a slowdown in the construction sector during 2015 after achieving record levels in 2014, impacted by the completion of a number of major projects. In this context, and following the revaluation of the Swiss franc at the start of the financial year, market competition has incresed, as reflected by pressure on prices. The environment in Italy remained challenging in 2015, as demonstrated by a further drop in sales volumes and a slight decrease in sales prices.

In the USA, the Group again enjoyed solid business growth in a still-favorable macroeconomic environment. Against this background, sales volumes and average sales prices rose sharply.

In Turkey, following a first quarter marked by unfavorable weather conditions, the Group returned to solid business growth over the subsequent quarters, resulting in overall growth for the year.

In India, the Group's targeted marketing strategy for its entire system, aiming to fully benefit from the constant rise of sales prices, led to a surge in sales for this region.

In Kazakhstan, Vicat again recorded a rise in cement sales volumes, but was faced with increased competition at the start of the year that impacted sales prices. Against, this background, business suffered a decline in 2015. Note that the very sharp devaluation of the tenge during this financial year reflected a strong negative impact on financial performance expressed in euros.

In Egypt, which continues to face a volatile though improving security situation, the Group's business declined in 2015 owing to a highly unfavorable price environment and a drop in volumes, primarily due to refurbishment of the main traffic lanes that provide access to major consumer markets. Note that the launch of two coal mills at the end of the third quarter made for a significant reduction in production costs at the year-end.

In West Africa, a new arrival to the Senegalese market led to increased competitive pressure, resulting in a reduction in volumes sold by the Group in this region and a slight decline in average sales prices.

Early repayment of the Indian debt taken out with development financing institutions

In July 2015, Kalburgi Cement (formerly Vicat Sagar Cement) made early repayment of the debt taken out with development financing institutions in exchange for a strengthening of its equity by Parficim. This repayment of a net € 166 million did not result in significant transaction costs and led Kalburgi to an early cancellation of the foreign exchange and interest rate hedging instruments (cross currency swap) set up in 2011. This repayment, financed through use of the Vicat SA lines of credit, significantly reduced the interest expenses incurred by Kalburgi and by the Group since the end of July.

Swiss refinancing

At the end of the financial year, Vigier Holding refinanced through Swiss banks with a 5-year revolving syndicated loan, repayable at maturity and amounting to 200 million Swiss francs.

Exchange rate volatility and impact on the income statement

The 2015 income statement was heavily impacted by the weakening of the euro against most currencies. This resulted in a positive exchange rate effect for the financial year of more than € 142 million on consolidated sales, nearly € 26 million on EBITDA and a net foreign exchange loss of € (12.6) million recognized in the financial income (expense).

Consolidated shareholders' equity benefited from positive translation adjustments for a net total amount of € 9 million.

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, 2013	681,575	243,245	21,749	946,569
Acquisitions/Additions		8,707		8,707
Disposals/Decreases		(1,453)	(485)	(1,938)
Change in foreign exchange rates	30,040	14,103	278	44,421
Other movements	8,815	1,195	79	10,089
AS AT DECEMBER 31, 2014	720,430	265,797	21,621	1,007,848
Acquisitions/Additions	5,588		16	5,604
Disposal/Decreases		(124)		(124)
Change in foreign exchange rates	7,475	17,573	1,932	26,980
Other movements	(74)	(1)	74	(1)
AS AT DECEMBER 31, 2015	**733,419**	**283,245**	**23,643**	**1,040,307**

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	
	Dec. 2015	Dec. 2014	Dec. 2015	Dec. 2014	Dec. 2015	Dec. 2014	Dec. 2015	Dec. 2014	Dec. 2015	Dec. 2014
India CGU	258,400	243,335	10.26	8.1	6	6		-		-
West Africa Cement CGU	156,359	154,875	10.16	8.88	3	3		-		-
France-Italy CGU	185,092	179,488	6.55	7.01	0	0		-		-
Switzerland CGU	142,531	135,494	7.4	7.9	0	0		-		-
Other CGUs total	297,925	294,656	9.34 to 10.16	7.76 to 10.25	2.0 to 3.0	0.0 to 3.0		-		-
TOTAL	**1,040,307**	**1,007,848**					**0**	**0**	**0**	**0**

The impairment tests carried out in 2015 and 2014 did not result in the recognition of any impairment of 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, 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
AS AT DECEMBER 31, 2014	91,853	32,611	57,265	12,844	194,573
Acquisitions	4,992	6,873	754	8,081	20,700
Disposals		(4)	(1,714)		(1,718)
Changes in consolidation scope					0
Change in foreign exchange rates	(2,318)	670	3,827	228	2,407
Other movements	1,076	8,914	7,598	(15,407)	2,181
AS AT DECEMBER 31, 2015	**95,603**	**49,064**	**67,730**	**5,746**	**218,143**

Depreciation and impairment *(in thousands of euros)*	Concessions, patents and similar rights	Software	Other intangible assets	Intangible assets in progress	Total
AT DECEMBER 31, 2013	(21,140)	(18,775)	(28,500)	0	(68,415)
Increase	(2,644)	(3,003)	(2,991)		(8,638)
Decrease	3,767	91	4,227		8,085
Changes in consolidation scope	5	(12)	(9)		(16)
Change in foreign exchange rates	(759)	(189)	(1,260)		(2,208)
Other movements	(30)	30	(396)		(396)
AS AT DECEMBER 31, 2014	(20,801)	(21,858)	(28,929)	0	(71,588)
Increase	(2,702)	(4,189)	(3,613)		(10,504)
Decrease		2	1,917		1,919
Changes in consolidation scope					0
Change in foreign exchange rates	93	(541)	(1,705)		(2,153)
Other movements	(55)	2	54		1
AS AT DECEMBER 31, 2015	**(23,465)**	**(26,584)**	**(32,276)**	**0**	**(82,325)**
Net book value at December 31, 2014	71,052	10,753	28,336	12,844	122,985
NET BOOK VALUE AT DECEMBER 31, 2015	**72,138**	**22,480**	**35,454**	**5,746**	**135,818**

No development costs were capitalized in 2015 and 2014.

Research and development costs recognized as expenses in 2015 amounted to € 3,664 thousand (€ 4,246 thousand in 2014).

As regards 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 € 21,332 thousand (€ 16,836 thousand as at December 31, 2014), corresponding to 2,992 thousand tonnes (2,443 thousand tonnes as at December 31, 2014).

Surpluses were recognized in operating income for € 4,986 thousand (€ 3,433 thousand at December 31, 2014).

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Gross value *(in thousands of euros)*	Land & buildings	Industrial equipment	Other property plant & equipment	Non-current assets in progress and advances/down payments	Total
AT DECEMBER 31, 2013	1,051,599	2,743,898	151,028	129,055	4,075,580
Acquisitions	22,787	35,170	5,993	68,239	132,189
Disposals	(2,631)	(24,505)	(11,288)		(38,424)
Changes in consolidation scope	1,145	2,903	2,616	489	7,153
Change in foreign exchange rates	40,481	123,370	3,139	6,351	173,341
Other movements	35,814	65,434	656	(104,189)	(2,285)
AS AT DECEMBER 31, 2014	1,149,195	2,946,270	152,144	99,945	4,347,554
Acquisitions	12,070	21,055	3,546	108,565	145,236
Disposals	(1,480)	(36,948)	(8,480)	(728)	(47,636)
Changes in consolidation scope	(2,335)	6,046	(2,109)	8	1,610
Change in foreign exchange rates	22,875	36,863	7,760	(2,112)	65,386
Other movements	21,295	85,071	(195)	(106,924)	(753)
AS AT DECEMBER 31, 2015	**1,201,620**	**3,058,357**	**152,666**	**98,754**	**4,511,397**

Depreciation and impairment *(in thousands of euros)*	Land & Buildings	Industrial equipment	Other property plant & equipment	Non-current assets in progress and advances/down payments	Total
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
AS AT DECEMBER 31, 2014	(448,248)	(1,646,130)	(103,673)	(764)	(2,198,815)
Increase	(36,009)	(139,650)	(10,817)	(198)	(186,674)
Decrease	4,390	32,763	8,096	703	45,952
Changes in consolidation scope	(306)	(3,002)	1,808		(1,500)
Change in foreign exchange rates	(12,042)	(32,142)	(4,666)	(2)	(48,852)
Other movements	(494)	(351)	351	(3)	(497)
AS AT DECEMBER 31, 2015	**(492,709)**	**(1,788,512)**	**(108,901)**	**(264)**	**(2,390,386)**
Net book value at December 31, 2014	700,947	1,300,140	48,471	99,181	2,148,739
NET BOOK VALUE AT DECEMBER 31, 2015	**708,911**	**1,269,845**	**43,765**	**98,490**	**2,121,011**

Property, plant and equipment under construction amounted to € 77 million as at December 31, 2015 (€ 86 million as at December 31, 2014) and advances/down payments on property, plant and equipment represented € 22 million as at December 31, 2015 (€ 14 million as at December 31, 2014).

Contractual commitments to acquire tangible and intangible assets amounted to € 20 million as at December 31, 2015 (€ 53 million as at December 31, 2014).

The total amount of interest capitalized in 2015 was € 0.7 million (€ 0.8 million in 2014), determined on the basis of local interest rates ranging from 3.0% to 10.7%, 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, 2015	December 31, 2014
Industrial equipment	1,365	2,656
Other intangible assets and property, plant and equipment	402	723
PROPERTY, PLANT AND EQUIPMENT	**1,767**	**3,379**

Minimum payment schedule	December 31, 2015	December 31, 2014
Less than 1 year	1,214	1,901
1 to 5 years	418	1,631
More than 5 years	24	36
TOTAL	**1,656**	**3,568**

NOTE 7 INVESTMENT PROPERTIES

(in thousands of euros)	Gross values	Depreciation & Impairment	Net values
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
AS AT DECEMBER 31, 2014	40,060	(21,306)	18,754
Acquisitions	599	(803)	(204)
Disposals	(470)	48	(422)
Depreciation			0
Change in foreign exchange rates	1,222	(366)	856
Changes in consolidation scope and other	(1,185)	(33)	(1,218)
AS AT DECEMBER 31, 2015	**40,226**	**(22,460)**	**17,766**
Fair value of investment properties at December 31, 2014			75,675
FAIR VALUE OF INVESTMENT PROPERTIES AT DECEMBER 31, 2015			**78,334**

Rental income from investment properties amounted to € 3 million at December 31, 2015 and at December 31, 2014

NOTE 8 INVESTMENTS IN ASSOCIATED COMPANIES

Change in investments in associated companies *(in thousands of euros)*	2015	2014
AT JANUARY 1	43,815	38,213
Earnings from associated companies	4,876	4,745
Dividends received from investments in associated companies	(1,131)	(974)
Changes in consolidation scope	(14)	(1,698)
Change in foreign exchange rates and other	2,308	3,529
AT DECEMBER 31	**49,854**	**43,815**

NOTE 9 RECEIVABLES AND OTHER NON-CURRENT ASSETS

(in thousands of euros)	Gross values	Impairment	Net values
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)
AS AT DECEMBER 31, 2014	100,932	(2,041)	98,891
Acquisitions/Additions	6,047	(60)	5,987
Disposal/Decreases	(3,825)	320	(3,505)
Changes in consolidation scope	(5,917)		(5,917)
Change in foreign exchange rates	4,001	(93)	3,908
Change recorded in other comprehensive income	57,780		57,780
Others	(34,472)		(34,472)
AS AT DECEMBER 31, 2015	**124,546**	**(1,874)**	**122,672**
Including:			
■ investments in affiliated companies	24,797	(744)	24,053
■ long term investments	1,694	(524)	1,170
■ loans and receivables	34,005	(606)	33,399
■ employee benefit plan assets	0		0
■ financial instruments (see Note 16)	64,050		64,050
AS AT DECEMBER 31, 2015	**124,546**	**(1,874)**	**122,672**

NOTE 10 INVENTORIES AND WORK-IN-PROGRESS

	December 31, 2015			December 31, 2014		
(in thousands of euros)	Gross	Provisions	Net	Gross	Provisions	Net
Raw materials and consumables	263,570	(12,524)	251,046	269,888	(10,126)	259,762
Work-in-progress, finished goods and goods for sale	162,878	(6,732)	156,146	137,201	(2,758)	134,443
TOTAL	**426,448**	**(19,256)**	**407,192**	**407,089**	**(12,884)**	**394,205**

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, 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
AS AT DECEMBER 31, 2014	378,145	(21,740)	356,405	45,878	4,251	93,016	(1,945)	141,200
Acquisitions		(5,640)	(5,640)				(376)	(376)
Uses		5,348	5,348				1,679	1,679
Change in foreign exchange rates	5,991	(329)	5,662	(2,593)	124	2,688	4	223
Changes in consolidation scope	2,996	(124)	2,872	18		237		255
Other movements	11,942	38	11,980	4,154	(427)	4,019	(2)	7,744
AS AT DECEMBER 31, 2015	**399,074**	**(22,447)**	**376,627**	**47,457**	**3,948**	**99,960**	**(640)**	**150,725**
of which matured at 12/31/2015:								
▪ for less than 3 months	96,744	(4,136)	92,608	2,688	1,164	11,127	0	14,979
▪ for more than 3 months	29,857	(9,450)	20,407	7,859	12	5,311	(520)	12,662
of which not matured at 12/31/2015:								
▪ less than 1 year	257,597	(4,938)	252,659	34,523	2,762	53,179	(120)	90,344
▪ more than 1 year	14,876	(3,923)	10,953	2,387	10	30,343	0	32,740

NOTE 12 CASH AND CASH EQUIVALENTS

(in thousands of euros)	December 31, 2015	December 31, 2014
Cash	84,932	74,090
Marketable securities and term deposits < 3 months	169,439	194,106
CASH AND CASH EQUIVALENTS	**254,371**	**268,196**

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 762,286 treasury shares as at December 31, 2015 (794,611 as at December 31, 2014) acquired under the share buy-back programs approved by the Ordinary General Meetings, and through Heidelberg Cement's disposal of its 35% stake in Vicat in 2007.

These are registered shares or bearer shares, at the shareholder's option. Voting rights attached to shares are proportional to the share of the capital which they represent and each share gives the right to one vote, except in the case of fully paid-up shares registered for at least four years in the name of the same shareholder, to which two votes are assigned.

The dividend paid in 2015 in respect of 2014 amounted to € 1.50 per share, amounting to a total of € 67,350 thousand, identical to the € 1.50 per share paid in 2014 in respect of 2013 and amounting to a total of € 67,350 thousand. The dividend proposed by the Board of Directors to the Ordinary General Meeting for 2015 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, 2015, the liquidity account is composed of 18,219 Vicat shares and € 2,918 thousand in cash.

NOTE 14 EMPLOYEE BENEFITS

(in thousands of euros)	December 31, 2015	December 31, 2014
Pension plans and termination benefits (TB)	68,201	68,155
Other post-employment benefits	66,528	57,707
Total pension and other post-employment benefit provisions	**134,729**	**125,862**
Plan assets (Note 9)		-
NET LIABILITIES	**134,729**	**125,862**

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.

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Net liability recognized in the balance sheet

(in thousands of euros)	December 31, 2015			December 31, 2014		
	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
Present value of funded liabilities	461,481	66,528	528,009	432,093	57,707	489,800
Fair value of plan assets	(393,280)		(393,280)	(363,938)		(363,938)
Net value	**68,201**	**66,528**	**134,729**	**68,155**	**57,707**	**125,862**
Limit on recognition of plan assets (asset ceiling)			0			0
NET LIABILITIES	**68,201**	**66,528**	**134,729**	**68,155**	**57,707**	**125,862**

Analysis of net annual expense

(in thousands of euros)	2015			2014		
	Pension plans and TB	Other benefits	Total	Pension plans and TB	Others benefits	Total
Current service costs	(12,694)	(1,436)	(14,130)	(9,205)	(995)	(10,200)
Financial cost	(7,397)	(2,524)	(9,921)	(9,746)	(2,106)	(11,852)
Interest income on assets	5,378	18	5,396	8,318		8,318
Recognized past service costs	9,238		9,238	779	330	1,109
Curtailments and settlements	596	(159)	437			0
TOTAL CHARGE WITH INCOME STATEMENT IMPACT	(4,879)	(4,101)	(8,980)	(9,854)	(2,771)	(12,625)
Actuarial gains and losses on plan assets	(719)		(719)	22,342		22,342
Experience adjustments	4,250	(1,171)	3,079	3,614	927	4,541
Adjustments related to demographic assumptions	(2,682)	(1,265)	(3,947)	(1,096)	(2,098)	(3,195)
Adjustments related to financial assumptions	(710)	2,581	1,871	(53,210)	(4,977)	(58,187)
TOTAL CHARGE WITH IMPACT ON OTHER COMPREHENSIVE INCOME	139	145	284	(28,350)	(6,148)	(34,499)
TOTAL CHARGE FOR THE YEAR	**(4,740)**	**(3,956)**	**(8,696)**	**(38,204)**	**(8,919)**	**(47,124)**

Change in financial assets used to hedge the plans

	December 31, 2015			December 31, 2014		
(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	363,938	0	363,938	331,454	0	331,454
Interest income on assets	5,378	18	5,396	8,318		8,318
Contributions paid in	14,550	77	14,627	13,792		13,792
Translation differences	39,437	(2)	39,435	11,144		11,144
Benefits paid	(29,381)	(16)	(29,397)	(23,112)		(23,112)
Changes in consolidation scope and other	(194)	194	0			0
Actuarial gains (losses)	(719)		(719)	22,342		22,342
FAIR VALUE OF ASSETS AT DECEMBER 31	**393,009**	**271**	**393,280**	**363,938**	**0**	**363,938**

Analysis of plan assets by type and country at December 31, 2015

Analysis of plan assets	France	Switzerland	USA	India	Total
Cash and cash equivalents	0.1%	2.8%	2.2%		2.7%
Equity instruments	3.3%	28.6%	65.0%		32.4%
Debt instruments		28.3%	32.8%		28.6%
Real estate assets		19.8%			17.5%
Assets held by insurers	96.6%			100.0%	0.7%
Others		20.5%			18.1%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%
PLAN ASSETS *(in thousands of euros)*	**2,424**	**347,386**	**43,085**	**384**	**393,280**

Change in net liability

(in thousands of euros)	2015			2014		
	Pension plans and TB	Other benefits	Total	Pension plans and TB	Other benefits	Total
NET LIABILITY AT JANUARY 1,	68,155	57,707	125,862	35,777	43,658	79,435
Expense for the period	4,740	3,956	8,696	38,204	8,919	47,123
Contributions paid in	(6,106)	(77)	(6,183)	(5,766)		(5,766)
Translation differences	3,404	6,695	10,099	2,131	6,634	8,765
Benefits paid by the employer	(1,735)	(2,108)	(3,843)	(2,297)	(1,504)	(3,801)
Change in consolidation scope			0	106		106
Others	(257)	355	98			0
NET LIABILITY AT DECEMBER 31,	**68,201**	**66,528**	**134,729**	**68,155**	**57,707**	**125,862**

Principal actuarial assumptions	France	Europe (excluding France)	USA	Turkey and India	West Africa and the Middle East
Discount rate					
2015	2.0%	0.9% to 2.0%	4.3%	7.6% to 11.1%	6.0% to 15.0%
2014	1.8%	1.0% to 1.8%	4.0%	8.4% to 11.0%	4.5% to 14.0%
Rate of increase in medical costs					
2015			5.8%		
2014			5.3%		

Discount rate

Discount rates are determined in accordance with the principles set out in IAS 19 (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, IAS 19 (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, 2015 corresponding to a variation of +/- 50 basis points in the discount rate is € (31.5) million and € 35.2 million, respectively.

The sensitivity of the defined benefit obligation as at December 31, 2015 corresponding to a variation of +/- 1% in the rate of increase of medical costs is € 11.6 million and € (9.1) million, respectively.

Average duration of benefits

The average duration of benefits under all plans within the Group is 13 years.

It is expected that € 12.5 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, 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)
AS AT DECEMBER 31, 2014	44,394	1,184	27,206	23,884	96,667
Acquisitions	4,910		10,255	11,557	26,722
Uses	(4,835)	(357)	(10,342)	(1,199)	(16,733)
Reversal of unused provisions	(287)		(1,787)	(151)	(2,225)
Change in foreign exchange rates	3,282	128	1,246	120	4,776
Changes in consolidation scope					0
Other movements	(459)	459	(3)	(62)	(65)
AS AT DECEMBER 31, 2015	**47,005**	**1,414**	**26,575**	**34,149**	**109,142**
of which less than 1 year	*57*	*0*	*11,214*	*1,933*	*13,204*
of which more than 1 year	*46,948*	*1,414*	*15,361*	*32,216*	*95,938*

Impact (net of charges incurred) in the 2015 income statement *(in thousands of euros)*	Allocations	Reversals unused
Operating Income	15,058	(2,074)
Non-operating income (expense)	11,664	(151)

(1) As at December 31, 2015, other risks included:

- *an amount of € 2.4 million (€ 4.7 million as at December 31, 2014) corresponding to the current estimate of gross expected costs for repair of damage that occurred in 2006 following deliveries of concrete mixtures and concrete made in 2004 whose sulfate content exceeded applicable standards. This amount corresponds to the current estimate of the Group's pro-rata share of liability for repair of identified damage before the residual insurance indemnity of € 1.8 million recognized under non-current assets in the balance sheet as at December 31, 2015 and December 31, 2014 (Note 9).*
- *an amount of € 10.7 million (€ 9.4 million as at December 31, 2014) corresponding to the estimated amount of the deductible at year-end relating to claims in the United States in connection with workplace accidents; this amount will be covered by the Group.*
- *The remaining amount of other provisions for risks amounting to about € 13.5 million as at December 31, 2015 (€ 13.1 million as at December 31, 2014) corresponds to the sum of other provisions that, taken individually, are not material.*

NOTE 16 FINANCIAL DEBTS AND PUT OPTIONS

Financial liabilities as at December 31, 2015 break down as follows:

(in thousands of euros)	December 31, 2015	December 31, 2014
Financial debts at more than 1 year	1,221,784	1,056,467
Put options at more than 1 year	3,607	11,060
Debts and put options at more than 1 year	**1,225,391**	**1,067,527**
Financial instrument assets at more than 1 year [(1)]	(64,050)	(38,782)
TOTAL FINANCIAL DEBTS NET OF FINANCIAL INSTRUMENT ASSETS AT MORE THAN 1 YEAR	1,161,341	1,028,745
Financial debts at less than 1 year	114,884	281,730
Put options at less than 1 year	0	0
Debts and put options at less than 1 year	**114,884**	**281,730**
Financial instrument assets at less than 1 year [(1)]	(115)	(9,458)
TOTAL FINANCIAL DEBTS NET OF FINANCIAL INSTRUMENT ASSETS AT LESS THAN 1 YEAR	114,769	272,272
Total financial debts net of financial instrument assets [(1)]	1,272,503	1,289,957
Total put options	3,607	11,060
TOTAL FINANCIAL LIABILITIES NET OF FINANCIAL INSTRUMENT ASSETS	**1,276,110**	**1,301,017**

(1) As at December 31, 2015, financial instrument assets (€ 64.2 million) are presented under non-current assets (see Note 9) for the part at more than 1 year (€ 64.1 million) and under other receivables for the part at less than 1 year (€ 0.1 million). They totaled € 48.2 million as at December 31, 2014.

16.1. Debts

Analysis of debts by category and maturity

December 31, 2015

(in thousands of euros)	Total	2016	2017	2018	2019	2020	More than 5 years
Bank borrowings and financial liabilities	1,226,591	71,965	153,729	25,759	553,399	320,497	101,242
Of which financial instrument assets	*(64,165)*	*(115)*	*(16,574)*			*(32,275)*	*(15,201)*
Of which financial instrument liabilities	*4,454*	*3,047*	*12*	*133*	*273*	*989*	
Miscellaneous borrowings and financial liabilities	6,994	5,158	1,028	230	169	165	244
Debts on non-current assets under finance leases	2,388	1,116	1,205	19	12	12	24
Current bank lines and overdrafts	36,530	36,530					
DEBTS	**1,272,503**	**114,769**	**155,962**	**26,008**	**553,580**	**320,674**	**101,510**
of which commercial paper	*420,000*				*420,000*		

Financial debts at less than one year are mainly comprised of Sococim Industries bilateral credit lines, a tranche of the Jambyl Cement, Sinai Cement Company and Vigier Holding loans, and bank overdrafts.

December 31, 2014

(in thousands of euros)	Total	2015	2016	2017	2018	2019	More than 5 years
Bank borrowings and financial liabilities	1,233,062	219,784	36,048	168,233	31,492	443,926	333,579
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	15,051	12,246	1,673	285	224	165	458
Debts on non-current assets under finance leases	3,452	1,850	1,145	377	32	12	36
Current bank lines and overdrafts	38,392	38,392					
DEBTS	**1,289,957**	**272,272**	**38,866**	**168,895**	**31,748**	**444,103**	**334,073**
Of which commercial paper	*300,000*					*300,000*	

Analysis of loans and debts (currency and interest rate)

By currency (net of currency swaps)

	December 31, 2015	December 31, 2014
Euro	898,131	773,067
US Dollar	177,082	188,533
Turkish new lira	1,157	1,300
CFA franc	58,754	73,813
Swiss franc	83,176	66,490
Mauritanian Ouguiya	0	0
Egyptian pound	40,034	5,727
Indian rupee	14,169	181,027
Kazakh tenge	0	0
TOTAL	**1,272,503**	**1,289,957**

By interest rate

	December 31, 2015	December 31, 2014
Fixed rate	637,492	865,544
Floating rate	635,011	424,413
TOTAL	**1,272,503**	**1,289,957**

The average interest rate for gross debt as at December 31, 2015 was 3.59%. It was 4.23% as at December 31, 2014.

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. Booking of this option resulted in the recognition of a liability of € 4 million at more than one year as at December 31, 2015 (€ 11 million as at December 31, 2014). 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, 2015:

(in millions of euros)	USD	EUR	CHF
Assets	176	10	0
Liabilities and off-balance sheet commitments	(609)	(26)	0
Net position before risk management	**(433)**	**(16)**	**0**
Hedging instruments	334	14	0
Net position after risk management	**(99)**	**(2)**	**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$ 94 million).

The risk of a foreign exchange loss on the net currency position assuming an unfavorable and uniform change of one percent in the operating currencies against the US dollar, would amount, in euro equivalent, to a loss of € 0.9 million (including € 0.87 million for the Kazakhstan loan).

Moreover, the principal and interest due on loans originally issued by the Group in US dollars (US$ 450 million for Vicat) was translated into euros 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 3, 4 and 5 years and of swaps with 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 (1)	Impact on equity (excluding impact on earnings) before tax (2)
Impact of a change of +100 bps in the interest rate	1,343	2,660
Impact of a change of - 100 bps in the interest rate	(1,400)	16,431

(1) A positive figure corresponds to a lowering of financial interest.
(2) A negative figure corresponds to a lowering of debt.

Liquidity risk

As at December 31, 2015, the Group had € 259 million in unutilized confirmed lines of credit that were not allocated to the hedging of liquidity risk on commercial paper (€ 324 million as at December 31, 2014).

The Group also has a € 450 million commercial paper issue program. At December 31, 2015, the amount of commercial paper issued stood at € 420 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, 2015, these lines matched the short term notes they covered, at € 420 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 (40.03%) and leverage (2.27), 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, 2015, the Group is compliant with all ratios required by covenants included in financing agreements.

Analysis of the portfolio of derivatives as at December 31, 2015:

	Nominal value	Nominal value	Market value	Current maturity		
(in thousands of currency units)	*(currency)*	*(euros)*	*(euros)*	< 1 year *(euros)*	1-5 years *(euros)*	> 5 years *(euros)*
CASH FLOW HEDGES (a)						
Composite instruments						
- Cross Currency Swap $ fixed/€ fixed	$ 450,000	413,337	64,050 (1)		48,849	15,201
- *Interest* rate swap € *Floating/€ fixed*	€ 150,000	150,000	(2,067) (1)	(2,067)		
OTHER DERIVATIVES						
Interest rate instruments						
- Euro Caps	€ 400,000	400,000	(1,333)		(1,333)	
- US Dollar caps	$ 50,000	45,926	(285)	(211)	(74)	
FOREIGN EXCHANGE INSTRUMENTS (a)						
Hedging for foreign exchange risk on intra-group loans						
- Foward Sale $	$ 80,000	73,482	110	110		
- Foward Sale CHF	$ 77,000	70,727	5	5		
- Foward Purchase €	€ 12,000	12,000	(769)	(769)		
TOTAL			**59,711**			

(1) The difference between the value of the liability at the hedged rate and at amortized cost widened by € 73.1 million.

In accordance with IFRS 13, counterparty risks were taken into account. This mainly relates to derivatives (cross currency swaps) used to hedge the foreign exchange risk of debts in US dollars, which is not the Group's operating currency. 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 measured at fair value by hierarchical level of fair value in the consolidated statement of financial position is as follows as at December 31, 2015:

(in millions of euros)	December 31, 2015	
Level 1: instruments quoted on an active market	2.1	
Level 2: valuation based on observable market information	59.7	see above
Level 3: valuation based on non-observable market information	24.1	Note 9

NOTE 18 OTHER LIABILITIES

(in thousands of euros)	December 31, 2015	December 31, 2014
Employee liabilities	62,072	63,189
Tax liabilities	30,156	36,515
Other liabilities and accruals	105,872	96,094
TOTAL	**198,100**	**195,798**

NOTE 19 SALES

(in thousands of euros)	2015	2014
Sales of goods	2,191,223	2,148,892
Sales of services	266,680	273,861
SALES	**2,457,903**	**2,422,753**

Change in sales on a like-for-like basis

(in thousands of euros)	2015	Changes in consolidation scope	Change in foreign exchange rates	2015 at constant consolidation scope and exchange rates	2014
Sales	2,457,903		142,136	2,315,767	2,422,753

NOTE 20 PERSONNEL COSTS AND NUMBER OF EMPLOYEES

(in thousands of euros)	2015	2014
Wages and salaries	299,613	272,747
Payroll taxes	104,421	96,371
Employee profit sharing (French companies)	3,361	4,171
PERSONNEL COSTS	**407,395**	**373,289**
Average number of employees of the consolidated companies	7,852	7,750

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)	2015	2014
Net charges to amortization of fixed assets	(196,308)	(180,652)
Net provisions	4,658	1,828
Net charges to other assets depreciation	(6,255)	(17)
NET CHARGES TO OPERATING DEPRECIATION, AMORTIZATION AND PROVISIONS	**(197,905)**	(178,841)
Other net charges to non-operating depreciation, amortization and provisions (1)	2,777	2,131
NET DEPRECIATION AND PROVISIONS	**(195,128)**	**(176,710)**

(1) Including a net reversal of € 2.3 million at December 31, 2015 (reversal of € 0.4 million at December 31, 2014) related to the updating of the Group's estimated share of liability exceeding compensation from insurers, for an incident that occurred in 2006 and described in Note 15.

NOTE 22 OTHER INCOME AND EXPENSES

(in thousands of euros)	2015	2014
Net income from disposals of assets	4,250	1,929
Income from investment properties	2,920	3,046
Others	25,025	18,575
Other operating income (expense)	**32,195**	**23,550**
Other non-operating income (expense) [(1)]	**(3,546)**	**(8,945)**
TOTAL	**28,649**	**14,605**

1) *Including in 2015:*
- *an expense of € 2.4 million recognized by the Group, corresponding to claims recognized as expenses in 2015, connected with the incident that occurred in 2006 as described in Note 15.*

Including in 2014:
- *an expense of € 0.7 million recognized by the Group, corresponding to the claims recognized as expenses in 2014, connected 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.*

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)	2015	2014
Gross operating income	**416,194**	**418,423**
Other operating income (expense)	32,195	23,550
EBITDA	**448,389**	**441,973**
Net charges to operating depreciation, amortization and provisions	(197,905)	(178,841)
EBIT	**250,484**	**263,132**
Other non-operating income (expense)	(3,546)	(8,945)
Net charges to non-operating depreciation, amortization and provisions	2,777	2,131
OPERATING INCOME	**249,715**	**256,318**

NOTE 24 FINANCIAL INCOME/(EXPENSE)

(in thousands of euros)	2015	2014
Interest income from financing and cash management activities	18,833	15,168
Interest expense from financing and cash management activities	(55,824)	(62,784)
Cost of net financial debt	**(36,991)**	**(47,616)**
Dividends	2,096	2,629
Foreign exchange gains	19,486	7,453
Fair value adjustments to financial assets and liabilities		-
Net income from disposal of financial assets		-
Write-back of impairment of financial assets	1,566	1,318
Other income		56
Other financial income	**23,148**	**11,456**
Foreign exchange losses	(32,076)	(11,323)
Fair value adjustments to financial assets and liabilities	(64)	(1,341)
Impairment on financial assets	(29)	(284)
Net expense from disposal of financial assets	(316)	(1,729)
Discounting expenses	(1,739)	(7,214)
Other expenses	(129)	-
Other financial expenses (1)	**(34,353)**	**(21,891)**
FINANCIAL INCOME/(EXPENSE)	**(48,196)**	**(58,051)**

(1) Including in 2015 a € (10,0) million of net exchange loss due to the devaluation of the Kazakh tenge (€ - 6,6 million in 2014).

NOTE 25 INCOME TAX

Income tax expense

Analysis of income tax expense

(in thousands of euros)	2015	2014
Current taxes	(73,824)	(75,798)
Deferred tax	10,127	16,340
TOTAL	**(63,697)**	**(59,458)**

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)	2015	2014
Net earnings from consolidated companies	137,822	138,807
Income tax	63,697	59,458
Profit (loss) before tax	201,519	198,265
Standard tax rate	38.0%	38.0%
Theoretical income tax at the parent company rate	**(76,577)**	**(75,341)**
Reconciliation:		
Differences between French and foreign tax rates (1)	19,987	22,536
Transactions taxed at specific rates	945	5,151
Changes in tax rates	(338)	0
Permanent differences	(2,902)	(6,125)
Tax credits	(805)	(1,532)
Others	(4,006)	(4,147)
ACTUAL INCOME TAX EXPENSE	**(63,697)**	**(59,458)**

(1) Differences between French and foreign tax rates relate mainly to Switzerland and Turkey.

Deferred taxes

Change in deferred tax assets and liabilities

	Deferred tax assets		Deferred tax liabilities	
(in thousands of euros)	2015	2014	2015	2014
DEFERRED TAX AS AT JANUARY 1	135,437	101,671	219,656	215,751
Expense/income for the year	3,615	13,030	(6,512)	(3,310)
Deferred tax recognized in other comprehensive income	(520)	6,650	2,807	(6,001)
Translation and other changes	11,760	14,086	12,068	13,586
Changes in consolidation scope	-	-	-	(370)
DEFERRED TAX AS AT DECEMBER 31	**150,292**	**135,437**	**228,019**	**219,656**

Analysis of net deferred tax (expense)/income by principal category of timing difference

(in thousands of euros)	2015	2014
Non-current assets and finance leases	265	3,321
Financial instruments	(2,493)	1,627
Pensions and other post-employment benefits	902	10,296
Accelerated depreciation, regulated provisions and other provisions	(2,248)	(7,422)
Other timing differences, tax loss carry-forwards and miscellaneous	10,372	21,169
NET DEFERRED TAX (EXPENSE)/INCOME	**6,800**	**28,992**

Source of deferred tax assets and liabilities

(in thousands of euros)	2015	2014
Non-current assets and finance leases	159,409	150,689
Financial instruments	(3,996)	(6,624)
Pensions	(48,602)	(46,005)
Provisions for risks and contingencies, regulated provisions	(118)	1,614
Accelerated depreciation	86,102	80,255
Other timing differences, tax loss carry-forwards and miscellaneous	(115,067)	(95,711)
Net deferred tax assets and liabilities	**77,727**	**84,218**
Deferred tax assets (1)	(150,292)	(135,437)
Deferred tax liabilities	228,019	219,656
NET BALANCE	**77,727**	**84,218**

(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 2035.

Deferred tax assets not recognized in the financial statements

Deferred tax assets not recognized in the financial statements as at December 31, 2015, owing either to their planned imputation during the exemption periods enjoyed by the entities concerned or to the probability of their not being recovered, amounted to € 17.6 million (€ 11.7 million as at December 31, 2014). These relate essentially to two entities benefiting from a tax exemption scheme for a period of ten years.

NOTE 26 SEGMENT INFORMATION

a) Information by business segment

December 31, 2015 *(in thousand euros except number of employees)*	Cement	Concrete and Aggregates	Other Products & Services	Total
Income statement				
Operating sales	1,494,829	914,046	400,400	2,809,275
Inter-sector eliminations	(238,911)	(21,738)	(90,723)	(351,372)
Consolidated net sales	1,255,918	892,308	309,677	2,457,903
EBITDA (cf. 1.22 and 23)	361,919	61,484	24,986	448,389
EBIT (cf. 1.22 and 23)	213,898	17,709	18,877	250,484
Balance sheet				
Total non-current assets	2,787,219	687,900	162,602	3,637,720
Net capital employed (1)	2,722,909	669,361	178,589	3,570,860
Other disclosures				
Acquisitions of intangible assets, property, plant & equipment	125,848	30,550	10,152	166,551
Net depreciation and amortization charges	141,850	40,846	13,612	196,308
Average number of employees	3,635	2,909	1,308	7,852

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-sector eliminations	(221,476)	(21,670)	(97,780)	(340,926)
Consolidated net 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.

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b) Geographical sectors

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

December 31, 2015 *(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	798,554	425,142	342,314	568,280	352,460	2,486,750
Inter-country eliminations	(21,209)	(420)	0	(685)	(6,533)	(28,847)
Consolidated net sales	777,345	424,722	342,314	567,595	345,927	2,457,903
EBITDA (cf. 1.22 and 23)	113,053	102,499	42,319	134,980	55,538	448,389
EBIT (cf. 1.22 and 23)	55,458	75,699	17,079	85,016	17,232	250,484
Balance sheet						
Total non-current assets	701,648	582,208	511,682	1,130,671	711,512	3,637,720
Net capital employed (1)	678,003	524,941	402,496	1,204,048	761,373	3,570,860
Other disclosures						
Acquisitions of intangible and tangible assets	38,580	21,765	16,472	45,220	44,515	166,551
Net depreciation and amortization charges	54,104	32,566	26,149	49,044	34,445	196,308
Average number of employees	2,495	1,116	1,069	2,057	1,115	7,852

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 net 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.

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 2015 were € 300 million, compared with € 302 million in 2014.

This slight reduction in cash flows generated by operational activities between 2014 and 2015 resulted from an improvement in cash flows from operations of € 25 million and a deterioration in the change in working capital requirement by nearly € (28) million.

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

(in thousands of euros)	WCR at 12/31/2013	Change in WCR 2014	Others Change[(1)]	WCR at 12/31/2014	Change in WCR 2015	Others Change[(1)]	WCR at 12/31/2015
Inventories	359,712	20,722	13,771	394,205	9,905	3,082	407,192
Other WCR components	46,028	(1,672)	(8,690)	35,666	36,756	511	72,933
WCR	**405,740**	**19,050**	**5,081**	**429,871**	**46,661**	**3,593**	**480,125**

(1) Exchange rate, consolidation scope and miscellaneous

NOTE 28 NET CASH FLOWS RELATED TO INVESTMENT OPERATIONS

Net cash flows used in the Group's investing activities in 2015 came to € (183) million, compared with € (224) million in 2014.

Acquisitions of intangible and tangible assets

These reflect outflows for industrial investments (€ 174 million in 2015 and € 160 million in 2014) mainly corresponding to the following:

- in 2015 to investments in France, Egypt, Turkey and Switzerland;
- in 2014 to investments in France, Turkey, Switzerland, India and Senegal.

Acquisition/disposal of shares in consolidated companies

There were no significant acquisition or disposal of shares in consolidated companies during the 2015 financial year. These transactions resulted in an overall cash outflow of € (67) million in 2014.

The main cash outflow by the Group during the 2014 financial year was for the purchase of the remaining stake held by Sagar Cements in Kalburgi Cement in India (formerly Vicat Sagar Cement).

NOTE 29 ANALYSIS OF NET CASH BALANCES

(in thousands of euros)	December 31, 2015 Net	December 31, 2014 Net
Cash and cash equivalents (see Note 12)	254,371	268,196
Bank overdrafts	(29,275)	(25,206)
NET CASH BALANCES	**225,096**	**242,990**

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 2015 was as follows: G. Sidos: € 785,403, R. de Parisot: € 561,721 and D. Petetin: € 275,699.

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 three 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 (€ 3,681 thousand in 2015 and € 3,188 thousand in 2014) 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, 2015 (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 which 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 2015 and all were on an arm's length basis.

These transactions have all been recorded in compliance with IAS 24 and their impact on the Group's consolidated financial statements for 2015 and 2014 is as follows, broken down by type and by related party:

	December 31, 2015				December 31, 2014			
(in thousands of euros)	Sales	Purchases	Receivables	Liabilities	Sales	Purchases	Receivables	Liabilities
Affiliated companies	844	1,546	6,918	1,268	1,251	2,844	6,878	1,855
Other related parties	56	2,203	12	135	73	2,805	0	56
TOTAL	**900**	**3,749**	**6,930**	**1,403**	**1,324**	**5,649**	**6,878**	**1,911**

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 fully consolidated subsidiaries for 2015 and 2014 are as follows:

	KPMG Audit				Wolff & associés				Others			
	Amount (ex. VAT)		%		Amount (ex. VAT)		%		Amount (ex. VAT)		%	
(in thousands of euros)	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
AUDIT												
Statutory auditors, certification, examination of individual and consolidated accounts	1,150	1,013	55%	55%	364	374	17%	20%	587	466	28%	25%
■ *VICAT SA*	221	221	53%	53%	195	195	47%	47%			0%	0%
■ *Companies which are fully consolidated*	929	792	55%	55%	169	179	10%	12%	587	466	35%	32%
Other forms of investigation and directly related services		14	-	41%		0	-	0%		20	-	59%
■ *VICAT SA*			-	-			-	-			-	-
■ *Companies which are fully consolidated*		14	-	41%			-	0%		20	-	59%
TOTAL AUDIT FEES	1,150	1,027	55%	54%	364	374	17%	20%	587	486	28%	26%
OTHER SERVICES												
Legal, tax, employment and other matters			-	-			-	-			-	-
TOTAL OTHER SERVICES	0	0	-	-	0	0	-	-	0	0	-	-
TOTAL	**1,150**	**1,027**	**55%**	**54%**	**364**	**374**	**17%**	**20%**	**587**	**486**	**28%**	**26%**

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, 2015

Fully consolidated: France

Company	Address	SIREN No.	December 31, 2015 % Interest	December 31, 2014 % Interest
VICAT	Tour Manhattan, 6 Place de l'Iris 92095 PARIS LA DÉFENSE	057 505 539	----	----
ALPES INFORMATIQUE	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	073 502 510	(1)	100.00
ANNECY BETON CARRIERES	14 chemin des Grèves 74960 CRAN GEVRIER	326 020 062	49.97	49.97
LES ATELIERS DU GRANIER	Lieu-Dit Chapareillan 38530 PONTCHARRA	305 662 504	99.98	99.98
BETON CHATILLONAIS	Champ de l'Allée – ZI Nord 01400 CHATILLON SUR CHALARONNE	485 069 819	99.98	99.98
BETON CONTROLE COTE D'AZUR	217 route de Grenoble 06200 NICE	071 503 569	99.97	99.98
BETON DE L'OISANS	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	438 348 047	59.98	59.98
LES BÉTONS DU GOLFE	Quartier Les Plaines 83480 Puget sur Argens	501 192 785	99.98	99.98
LES BETONS DU RHONE	La Petite Craz 69720 SAINT LAURENT DE MURE	503 728 164	99.98	99.98
BETON VICAT	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	309 918 464	99.97	99.96
BETON TRAVAUX	Tour Manhattan, 6 Place de l'Iris 92095 PARIS LA DÉFENSE	070 503 198	99.98	99.98
CONDENSIL	1327 av. de la Houille Blanche 73000 CHAMBERY	342 646 957	59.99	59.99
DELTA POMPAGE	1327 av. de la Houille Blanche 73000 CHAMBERY	316 854 363	99.98	99.98
ÉTABLISSEMENT ANTOINE FOURNIER	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	586 550 147	99.98	99.98
ÉTABLISSEMENTS TRUCHON	Route du Grésivaudan 38530 Chapareillan	068 500 768	(1)	99.97
GRANULATS VICAT	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	768 200 255	99.97	99.97
MONACO BETON	Le Palais Saint James 5, avenue Princesse Alice 98000 MONACO	326 MC 161	99.98	99.98
PARFICIM	Tour Manhattan, 6 Place de l'Iris 92095 PARIS LA DÉFENSE	304 828 379	100.00	100.00
SATMA	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	304 154 651	100.00	100.00
SATM	1327 av. de la Houille Blanche 73000 CHAMBERY	745 820 126	99.98	99.98
SIGMA BETON	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	343 019 428	99.98	99.98
SOCIETE L. THIRIET ET Compagnie	Lieu-dit Chaufontaine 54300 LUNEVILLE	762 800 977	99.94	99.95
PAPETERIES DE VIZILLE	Tour Manhattan, 6 Place de l'Iris 92095 PARIS LA DÉFENSE	319 212 726	99.98	99.98
VICAT INTERNATIONAL TRADING	Tour Manhattan ,6 Place de l'Iris 92095 PARIS LA DÉFENSE	347 581 266	(1)	100.00
VICAT PRODUITS INDUSTRIELS	4 rue Aristide Bergès 38080 L'ISLE D'ABEAU	655 780 559	99.98	99.98

(1) Companies merged in 2015

Fully consolidated: rest of world

Company	Country	State/City	December 31, 2015 % Interest	December 31, 2014 % Interest
SINAI CEMENT COMPANY	EGYPT	CAIRO	56.94	56.94
MYNARAL TAS COMPANY LLP	KAZAKHSTAN	ALMATY	90.00	90.00
JAMBYL CEMENT PRODUCTION COMPANY LLP	KAZAKHSTAN	ALMATY	90.00	90.00
BUILDERS CONCRETE	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	94.90	94.90
GECAMINES	SENEGAL	THIES	70.00	70.00
POSTOUDIOKOUL	SENEGAL	RUFISQUE (DAKAR)	100.00	100.00
SOCOCIM INDUSTRIES	SENEGAL	RUFISQUE (DAKAR)	99.89	99.89
SODEVIT	SENEGAL	BANDIA	100.00	100.00
ALTOLA AG	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	BASEL (BALE)	100.00	100.00
BETON AG INTERLAKEN	SWITZERLAND	MATTEN BEI INTERLAKEN (BERN)	75.42	75.42
BETONPUMPEN OBERLAND AG	SWITZERLAND	WIMMIS (BERN)	82.46	82.46
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)	66.67	66.67
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)	53.48	53.48
FRISCHBETON TAFERS	SWITZERLAND	TAFERS (FRIBOURG)	(1)	50.00
GRANDY AG	SWITZERLAND	LANGENDORF (SOLEURE)	100.00	100.00
KIESTAG STEINIGAND AG	SWITZERLAND	WIMMIS (BERN)	98.55	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)	81.42	81.42
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

(1) Companies merged in 2015

Fully consolidated: Rest of World (continued)

Company	Country	State/City	December 31, 2015 % Interest	December 31, 2014 % Interest
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
VITRANS AG	SWITZERLAND	PERY (BERN)	100.00	100.00
AKTAS	TURKEY	ANKARA	99.97	99.97
BASTAS BASKENT CIMENTO	TURKEY	ANKARA	91.58	91.58
BASTAS HAZIR BETON	TURKEY	ANKARA	91.58	91.58
KONYA CIMENTO	TURKEY	KONYA	83.08	83.08
KONYA HAZIR BETON	TURKEY	KONYA	83.08	-
TAMTAS	TURKEY	ANKARA	100.00	100.00
BSA Ciment SA	MAURITANIA	NOUAKCHOTT	64.91	64.91
BHARATHI CEMENT	INDIA	HYDERABAD	51.02	51.02
KALBURGI CEMENT (FORMERLY VICAT SAGAR CEMENT)	INDIA	HYDERABAD	99.98	99.98

Equity method: France

Company	Address	SIREN No	December 31, 2015 % Interest	December 31, 2014 % Interest
CARRIÈRES BRESSE BOURGOGNE	Port Fluvial Sud de Chalon 71380 EPERVANS	655 850 055	33.27	33.27
DRAGAGES ET CARRIÈRES	Port Fluvial Sud de Chalon 71380 EPERVANS	341 711 125	49.98	49.98
SABLIÈRES DU CENTRE	Les Genévriers Sud 63430 LES MARTRES D'ARTIERE	480 107 457	49.99	49.99

Equity method: Rest of World

Company	Country	State/City	December 31, 2015 % Interest	December 31, 2014 % Interest
HYDROELECTRA	SWITZERLAND	AU (ST. GALLEN)	50.00	50.00
SILO TRANSPORT AG	SWITZERLAND	BERN (BERN)	50.00	50.00
SINAI WHITE CEMENT	EGYPT	CAIRO	14.46	14.46

7.1.3. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2015

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 2015, 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 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 2015 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 Group 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.
- The Group records provisions related to post-employment benefits and other long-term employee benefits in the consolidated financial statements in accordance with IAS 19 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 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, 9 March 2016

KPMG Audit
A division of KPMG S.A.
Bertrand Desbarrières
Partner

Chamalières, 9 March 2016

Wolff & Associés S.A.S.

Patrick Wolff
Partner

7.2. INDIVIDUAL FINANCIAL STATEMENTS AT DECEMBER 31, 2015

7.2.1. INDIVIDUAL FINANCIAL STATEMENTS AT DECEMBER 31, 2015

Income statement

(in thousands of euros)	2015	2014
Net sales	**387,836**	**405,881**
Production for the year	392,099	408,667
Consumption for the year	(227,211)	(241,332)
Added value	**164,888**	**167,335**
Personnel costs	(69,012)	(64,264)
Taxes	(15,424)	(16,859)
Charges transferred and subsidies	1,065	3,338
Gross operating income	**81,517**	**89,550**
Other income and expenses	2,031	2,241
Net depreciation and provisions	(28,304)	(23,803)
Operating income	**55,244**	**67,988**
Financial income and expenses	93,480	57,370
Current profit	**148,724**	**125,358**
Exceptional income and expenses	(5,554)	(974)
Employee profit-sharing	(2,213)	(2,723)
Income tax	(4,852)	(19,847)
Net income for the year	**136,105**	**101,814**
Cash flow from operations	**168,660**	**119,414**

Balance sheet at December 31, 2015

(in thousands of euros)	2015	2014
Non-current assets		
Intangible assets		
Gross value	40,383	36,070
Depreciation and impairment	(20,249)	(16,570)
Net value	**20,134**	**19,500**
Property, plant and equipment		
Gross value	851,485	857,091
Depreciation and impairment	(603,733)	(588,562)
Net value	**247,752**	**268,529**
Financial investments		
Investments in associated companies	1,740,420	1,736,140
Loans and other	40,553	107,984
	1,780,973	**1,844,124**
Current assets		
Inventories	94,307	90,731
Trade and other receivables	543,119	494,389
Short-term financial investments	6,756	5,592
Cash	692	1,600
Prepaid expenses	910	1,799
	645,784	**594,111**
Expenses to be allocated	2,250	3,448
Translation adjustments – assets		
TOTAL ASSETS	**2,696,893**	**2,729,712**

LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholder's equity		
Share capital	179,600	179,600
Reserves, premiums and provisions	1,009,881	983,323
Revaluation adjustments	11,141	11,142
Retained earnings	211,110	206,173
Net income	136,105	101,814
	1,547,837	**1,482,052**
Provisions		
For liabilities (risks)	1,287	1,461
For liabilities (expenses)	36,052	26,019
	37,339	**27,480**
Liabilities		
Borrowings	949,235	925,404
Short-term bank borrowings and bank overdrafts	3,304	10,942
Trade and other payables	159,178	283,834
Deffered income		
	1,111,717	**1,220,180**
Translation adjustments – liabilities		
TOTAL LIABILITIES	**2,696,893**	**2,729,712**

7.2.2. 2015 FINANCIAL STATEMENTS – NOTES

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.

Depreciation is calculated on a straight-line basis over the useful life of assets. Depreciation calculated on a tax rate method is reported in the balance sheet under “regulated provisions”.

Investments are recorded at acquisition cost, subject to the deduction of any impairment 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.

In accordance with ANC Regulation No. 2014-05, quarries are subject to separate recognition for the deposit and the subsoil:

- the deposit, comprised of materials to be extracted for incorporation into a production process, was allocated to inventories;
- the subsoil, the residual portion of the land, is recognized under property, plant and equipment. It is not depreciated but will be written down in the event of an impairment loss.

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 depreciation 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.

Impairments 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 year-end exchange rates.

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" for any uncovered portion. Additional provisions are made for non-covered unrealized currency losses.

Short-term financial investments are valued at cost or at market value if lower.

NOTE 2 SIGNIFICANT EVENTS DURING THE PERIOD AND CHANGE IN ACCOUNTING METHOD

- In accordance with ANC Regulation No. 2014-05 on recognition of quarries, we have broken down these fixed assets into the deposit and the underlying layers. The applicable accounting policies are described in Note 1 and the restatements in Note 5.1.
- Merger of Alpes Informatique, SVEC and VIT with VICAT and acquisition of SAPV.

NOTE 3 POST-BALANCE SHEET EVENTS

There were no significant post balance sheet events.

NOTE 4 SALES ANALYSIS

Net sales by activity break down as follows:

(in thousands of euros)	**Total**
Cement	353,138
Paper	34,698
TOTAL	**387,836**

NOTE 5 ANALYSIS OF THE FINANCIAL STATEMENTS

5.1. Non-current assets

(in thousands of euros)	Gross value at beginning of year	Restatement of the opening balance sheet under ANC Regulation No. 2014-05 / Land	Acquisitions	Disposals	Reclassification	Gross value at end of year
Concessions, patents, goodwill and other intangible assets	36,070		14,924	13,364	2,753	40,383
Land and improvements	90,697	(21,197)	1,369	-	1,164	72,033
Buildings and improvements	179,401		2,319	15	428	182,133
Plant, machinery and equipment	570,889		5,216	68	3,206	579,243
Other property plant & equipment	8,703		3,014	5	39	11,751
Tangible assets in progress	7,383		6,514	-	(7,590)	6,307
Advances and prepayments	18		-	-	-	18
TOTAL	**893,161**	**(21,197)**	**33,356**	**13,452**	**0**	**891,868**

The main changes in tangible assets are related to:

- the renovation of the La Perelle facilities costing € 1,186 thousand;
- the takeover of computer equipment following the merger with Alpes Informatique amonting € 2,167 thousand;
- the renovation of Montalieu costing € 1,852 thousand (limestone storage building and raw mill);
- the new product development and plant upgrades in the paper business costing € 1,292 thousand.

(in thousands of euros)	Accumulated depreciation at beginning of year	Restatement of the opening balance sheet under ANC Regulation No. 2014-05 / Land	Acquisitions	Disposals	Accumulated depreciation at end of year
Concessions, patents, goodwill	16,570		3,679		20,249
Land and improvements	19,400	(8,660)	825		11,565
Buildings and improvements	125,173		4,502	4	129,671
Plant, machinery and equipment	435,265	(38)	17,398	68	452,557
Other property plant & equipment	7,667	38	1,872	3	9,574
TOTAL	**604,075**	**(8,660)**	**28,276**	**75**	**623,616**

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. In Phase III (2013/2020), surplus quotas totaled 1,464 thousand tonnes at the end of 2015.

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 for the financial year and eligible for CIR (research and innovation tax credit) amounted to € 3,392 thousand. These include € 2,751 thousand for internal costs (depreciation, staff and operating costs) and € 641 thousand for work commissioned to external organizations.

5.1.2. Property, plant and equipment

Property, plant and equipment in progress are mainly made of industrial plant under construction.

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 fell by € 60,904 thousand, mainly as a result of:

■ changes in investments in associated companies	+ 4,280
■ changes in other financial investments	- 2,117
■ changes in the loan granted to our subsidiaries	- 63,067
	(60,904)

Under the liquidity agreement with Natixis, the following amounts were recognized in the liquidity account at year-end:

- 18,219 treasury shares representing a net value of € 1,012 thousand;
- € 2,918 thousand in cash.

Under this contract, 488,315 shares were purchased during the year for € 30,130 thousand and 487,829 shares were sold for € 30,175 thousand.

At December 31, 2015, financial investments included 678,219 treasury shares, an additional 84,068 treasury shares were classified as short term financial investments.

Loans and other gross long-term investments amounted to € 59,811 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:

■ Public	36.10%
■ Employee shareholders*	1.61%
■ Family, Parfininco and Soparfi	60.60%
■ Vicat	1.70%

(*) Pursuant to Article L 225-102 of the French Commercial Code.

5.2.2. Change in shareholders' equity

(in thousands of euros)	2015	2014
Shareholders' equity at the beginning of year	1,482,052	1,451,421
Shareholders' equity at the end of year	1,547,837	1,482,052
Change	**65,785**	**30,631**
Analysis of changes		
Net income for the year	136,105	101,814
Dividend payements[(1)]	(66,240)	(66,178)
Revaluation adjustments		(1)
Regulated provisions	(4,080)	(5,004)
TOTAL	**65,785**	**30,631**

(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	7,793	166	3,164	4,795
Special tax depreciation	89,484	7,550 *	7,540	89,494
Special revaluation provision	2,366	/	/	2,366
Investment provision	2,640	/	1,094	1,546
TOTAL	**102,283**	**7,716**	**11,798**	**98,201**

* *Including € 6,718 thousand stemming from income statement and € 832 thousand linked to the Alpes Informatique merger.*

Maturities are as follows:

(in thousands of euros)	Amount	Reversed within 1 year	Reversed after 1 year
Price increase provision	4,795	566	4,229
Special tax depreciation	89,494	/	89,494
Special revaluation provision	2,366	/	2,366
Investment provision	1,546	1,546	/
TOTAL	**98,201**	**2,112**	**96,089**

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	4,000	1,336	522	/	4,814
Provisions for disputes	317	31	37	/	311
Other provisions for expenses	23,163	9,995	944	/	32,214
TOTAL	**27,480**	**11,362**	**1,503**	**/**	**37,339**

Provisions amounted to € 37 million and covered:

- the forecast costs under the French quarry reinstatement obligation of € 4.8 million. These provisions are made for each of the quarries based on tonnages extracted as a ratio of the potential deposit and the estimated cost of the work to be performed at the end of operations;
- other provisions for expenses which mainly include a provision of € 30,258 thousand for tax to be repaid to subsidiaries under the Group tax sharing agreement.

5.4. Debts

During 2015, medium and long-term debt and other bank borrowings increased by € 16,439 thousand.

5.4.1. Maturities schedule

(in thousands of euros)	Gross amount	1 year or less	1 – 5 years	More than 5 years
Bank borrowings and financial liabilities (1)	949,235	0	858,525	90,710
Miscellaneous borrowings and financial liabilities	2,771	2,523	248	/
Short-term bank borrowings and bank overdrafts	533	533	/	/
(1) Of which commercial paper	*420,000*		*420,000*	

5.4.2. Other disclosures

At December 31, 2015 the Company had € 181 million in unused confirmed lines of credit that were not allocated to the hedging of liquidity risk on commercial paper (€ 311 million at December 31, 2014).

The Company also has a program for issuing commercial paper amounting to € 450 million. At December 31, 2015, the amount of commercial paper issued stood at € 420 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 loans 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 3 to 5 years amounting to € 550 million at December 31, 2015.

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, 2015, these lines matched the short term notes they covered, at € 420 million.

5.4.4. Financial instruments

As at December 31, 2015, derivative instruments not settled were as follows:

Type *(in thousands of currency units)*	Nominal value *(currency)*	Nominal value *(euros)*	Fair value *(euros)*
USD forward sales	USD 80,000	73,482	(641)[1]
Floating/fixed interest rate Swaps	EUR 150,000	150,000	(2,067)
Interest rate caps	EUR 400,000	400,000	(1,333)
Cross Currency Swaps	USD 450,000	413,337	+ 64,050[2]

(1) In parallel borrowing decreased by € 750 thousand.
(2) In parallel debt rose by € 74,103 thousand.

5.5. Maturities schedule for trade receivables and payables

All trade receivables and payables have a term of one year or less.

5.6. Trade payables balance

At the end of 2015, trade payables stood at € 22,055 thousand.

Breakdown by due date *(in thousands of euros)*	2015	2014
Due	7,671	8,734
Less than 30 days	11,844	13,923
31 to 60 days	2,540	3,601
TOTAL	**22,055**	**26,258**

5.7. Other balance sheet and income statement information

Other items of information are as follows:

Items relating to several balance sheet accounts *(in thousands of euros)*	Associated companies	Payables or receivables represented by commercial paper
Long-term investments	1,736,996	
Trade receivables and related accounts	37,798	15,777
Others receivables	417,596	
Trade payables and related accounts	9,513	
Other liabilities	56,964	

Transactions with related companies are carried out on arm's-length terms.

Income statement items	Associated companies
Financial expenses	1,189
Financial income excluding dividends	11,789

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 borrowings and financial liabilities	2,497
Trade payables and related accounts	22,937
Tax and employee-related payables	15,981
Other liabilities	690
TOTAL	**42,105**

Accrued expenses *(in thousands of euros)*	Amount
Operating expenses	730
Financial expenses	127
TOTAL	**857**

Short-term financial investments

Short-term financial investments consist of money market OICs (€ 2,104 thousand) and 84,068 Treasury shares held for allocation to employees under compulsory and discretionary profit-sharing schemes and arbitraging for a net value of € 4,652 thousand. This valuation was determined on the basis of the average share price in December 2015 of € 55.34.

Financial income/(Expense)

Net financial income included a net provision for impairment of treasury shares amounting to € 2,100 thousand (compared with a reversal of € 6,656 thousand in 2014).

NOTE 6 BREAKDOWN OF CORPORATE INCOME TAX AND SURCHARGES

Headings *(in thousands of euros)*	Profit (loss) before tax	Corporate income tax	Social security contributions	Exceptional contributions	Profit (loss) after tax
Recurrent profit (loss)	148,724	(11,148)	(573)	(2,895)	134,108
Net non-operating income (expense) (and profit-sharing)	(7,766)	7,833	319	1,611	1,997
Profit (loss)	140,958	(3,315)	(254)	(1,284)	136,105

NOTE 7 IMPACT OF THE SPECIAL TAX VALUATIONS

Headings *(in thousands of euros)*	Allocations-	Reversals	Amounts
Net income for the year			136,105
Income taxes			2,870
Exceptional contributions			1,534
Social security contributions			448
Profit (loss) before tax			**140,957**
Change in special tax depreciation of assets	6,719	(7,540)	(821)
Change in investment provision	/	(1,094)	(1,094)
Change in special revaluation provision	/	/	/
Change in price increase provision	166	(3,164)	(2,998)
SUBTOTAL	6,885	(11,798)	(4,913)
Income excluding special tax valuations (before income tax)			**136,044**

Vicat has opted for a tax sharing regime with itself as the parent company. This option relates to 18 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 2015, this saving amounted to € 11,574 thousand.

The expenses covered by Articles 223 quater and 39.4 of the French General Tax Code (CGI) amounted to € 107 thousand for 2015.

NOTE 8 DEFERRED TAX

Headings *(in thousands of euros)*	**Amount**
Tax due on:	
Price increase provisions	1,822
Special tax depreciation	34,008
Total increases	**35,830**
Prepaid tax on temporarily non-deductible expenses	4,627
of which employee profit-sharing: 841	
Total tax relief	**4,627**
Net deferred tax	**31,203**

NOTE 9 OFF-BALANCE SHEET COMMITMENTS

Commitments given *(in thousands of euros)*	Amount
Pension commitments (1)	18,396
Deposits and guarantees	35,905
TOTAL	**54,301**

(1) Including an amount of € 9,428 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).

Vicat granted a put option to the minority shareholders of its subsidiary MYNARAL Tas Company LLP. This option, exercisable in December 2013 at the earliest, is valued at € 3,607 thousand as at December 31, 2015.

Commitments received *(in thousands of euros)*	Amount
Confirmed credit lines (1)	731,000
Other commitments received	
TOTAL	**731,000**

(1) Including € 420,000 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: 2.0%;
- Wage inflation: 3.50%;
- Inflation rate: 2%.

NOTE 10 COMPENSATION, WORKFORCE AND CICE (COMPETITIVENESS AND INCOME TAX CREDIT)

Compensation of executives *(in thousands of euros)*	Amount
Compensation allocated to:	
- directors	275
- executive management	1,778

Workforce	Average	As at 12/31/2015
Management	232	239
Supervisors, technicians, administrative employees	380	379
Blue-collar staff	260	250
TOTAL COMPANY	**872**	**868**
Of which Paper Division	*165*	*161*

CICE (*Crédit d'impôts pour la compétitivité et l'emploi* – Competitiveness and Employment 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, 2015 comes to € 907 thousand.

Use of the CICE was allocated to the acquisition of fixed assets.

SUBSIDIARIES AND AFFILIATES

Company or groups of companies 2015 financial year *(in thousands of currency units: euros, USD, CFAF)*	Share 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	Re-marks
				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 38081 L'Isle d'Abeau Cedex	27,997	230,831	99.97	88,869	88,869	94,678		19,717	78,013	61,228	
National Cement Company Los Angeles Usa	280,521 (1)	60,233 (1)	97.85	229,581	229,581	72,685		379,832 (1)	7,267 (1)		
Parficim 92095 Paris La Défense	67,728	1,465,787	99.99	1,343,624	1,343,624	217,259			94,467	50,796	
Satma 38081 L'Isle d'Abeau Cedex	3,841	5,566	100.00	7,613	7,613			18,543	973	1,440	
Cap Vracs 13270 Fos sur Mer	20,540	10,921	100.00	53,404	53,404			19,201	1,014		
Sodicapei 34560 Villeveyrac	169	1,306	58.47	10,990	10,990			1,661	(384)		
2) Affiliates *(10 to 50% of the capital held by the Company)*											
Societe des Ciments d'Abidjan Ivory Coast	2,000,000 (2)	46,068,958 (2)	17.14	1,596	1,596			63,349,982 (2)	6,804,566 (2)	1,385	Figures for 2014
Other Subsidiaries and Affiliates											
French subsidiaries (total)				2,140	2,076	5,663				374	
Foreign subsidiaries (total)				2,687	2,687						
TOTAL				**1,740,504**	**1,740,440**	**390,285**				**115,223**	

(1) Figures shown in USD.
(2) Figures shown in CFAF.

Inventory of the financial-investments portfolio as at December 31, 2015

(in thousands of euros)			
1. Investments in associated companies whose value is greater than or equal to € 16,000.			
4,233,013	shares	Parficim	1,343,624
1,749,366	shares	Beton Travaux	88,869 (1)
2,054,000	shares	Cap Vracs	53,404
240,068	shares	Satma	7,613
6,479	shares	Sodicapei	10,990
34,374	shares	Valerco	1,210
1,818	shares	Somacovar	366
4,178	shares	Scori	255
6,798	shares	Gypse de Maurienne	104
2,622	shares	Segy	40
571	shares	Sigma	29
510	shares	Bioval	21
			1,506,525
2. Investments in associated companies whose value is less than € 16,000			52
3. Investments in foreign companies			233,865 (2)
			1,740,442

(1) of which increase following revaluation	*1,308*
(2) of which increase following revaluation	*429*

7.2.3. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended December 31, 2015

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 2015, 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 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying our opinion, we draw your attention to the matter set out in Note 2 to the financial statements regarding the change in accounting principles for quarries in accordance with the implementation of ANC n°2014-05 regulation.

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 policies and measurement methods » discloses significant accounting principles applied in the preparation of the financial statements, and particularly relating to the assessment made by your Company on the investments in associated companies for the year ended 31 December 2015. 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 principles and related disclosures.
- Your Company has recorded provisions for costs of quarry reinstatement obligation and repayment of income tax to subsidiaries in accordance with the Group tax sharing agreement as disclosed in the note 5.3 to the 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 9 March 2016	Chamalières 9 March 2016
KPMG Audit	**Wolff & Associés S.A.S.**
A division of 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 its financial consequences.

The principal disputes and administrative, legal or arbitration proceedings in progress involving the Group are detailed below.

7.3.1. ARBITRATION BETWEEN SOCOCIM INDUSTRIES/GOVERNMENT OF SENEGAL

According to the Company, serious violations noted during implementation of the Dangote Cement Factory in Senegal infringed 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. This ongoing arbitration is intended to:

- find the government of Senegal in breach of its fair and equitable treatment obligation;
- find that the government of Senegal behaved in a discriminatory manner toward the Vicat Group;
- recognize the failings and violations of said project;
- order the government of Senegal to enforce the law, and especially the sanctions provided for by the relevant texts.

7.3.2. LITIGATION 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) on the origin and the 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.

The proceedings continued and, in February 2015, led to a precautionary seizure of 950,000,000 rupees (approximately € 13 million) from a Bharathi Cement 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.

7.3.3. 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, 2015.

(1) Regarding the origin and development of its wealth.

The façade unit by Creabeton Matériaux can be laid over new or existing building fabrics (Switzerland).

GENERAL MEETING

8

8.1. AGENDA FOR THE COMBINED GENERAL MEETING OF APRIL 29, 2016

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 control;
- General report of the statutory auditors on the financial statements for the year ended December 31, 2015;
- Report of the statutory auditors on the consolidated financial statements for the year ended December 31, 2015;
- 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, 2015;
- Approval of the consolidated financial statements for the year ended December 31, 2015;
- Appropriation of earnings for the year ended December 31, 2015 and dividend;
- Discharge given to the directors for the performance of their duties;
- 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 the Company's own shares;
- Reappointment of Jacques Merceron-Vicat as director;
- Reappointment of Xavier Chalandon as director;
- Powers to complete legal formalities;
- Other business.

8.1.2. EXTRAORDINARY GENERAL MEETING

- Report of the Board of Directors;
- Amendment of article 16 of the by-laws;
- Powers to complete legal formalities.

8.2. DRAFT RESOLUTIONS FOR THE COMBINED GENERAL MEETING OF APRIL 29, 2016

I - RESOLUTIONS FOR THE ORDINARY GENERAL MEETING

First resolution *(Approval of the financial statements and operations for the year ended December 31, 2015)*

Having acquainted itself with the Board of Directors' reports and the statutory auditors' general report on the financial statements for the financial year ended December 31, 2015, the Ordinary General Meeting approves the financial statements for the said financial year as presented thereto, including the operations specified and summarized therein.

The Meeting finalizes net income for this financial year at € 136,105,005.

Second resolution *(Approval of the consolidated financial statements for the year ended December 31, 2015)*

Having acquainted itself with 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, 2015, the Ordinary General Meeting approves the consolidated financial statements for the said financial year as presented thereto, including the operations specified and summarized therein.

The Meeting hereby finalizes the consolidated income of the Group for this financial year at € 142,698,000, of which € 121,479,000 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 2015 financial year	€ 136,105,005
■ retained earnings carried forward	€ 211,110,235
TOTAL	**€ 347,215,240**
Appropriation	
■ dividend (based on the current share capital of 44,900,000 shares with a nominal value of € 4 each)	€ 67,350,000
■ allocation to other reserve accounts	€ 59,865,240
■ Retained earnings	€ 220,000,000

and accordingly fixes the dividend to be distributed for the 2015 financial year at the gross amount of € 1.50 per share (excluding levies).

This dividend shall be released for payment as from May 12, 2016, 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
2012	€ 1.50
2013	€ 1.50
2014	€ 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 to be given to the Board of Directors for the performance of its duties)*

The General Meeting provides full and unconditional discharge to the members of the Board of Directors for the performance of their duties during this financial year.

Fifth resolution *(Approval of regulated agreements)*

Having acquainted itself with 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 agreements referred-to 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)*

Having acquainted itself with 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 power to sub-delegate in compliance with the statutory provisions, and subject to compliance with currently prevailing legal and regulatory provisions, with particular reference to articles L. 225-209 and following of the French Commercial Code, European Regulation No.2273/2003 of December 22, 2003 and the market practices permitted by the AMF (Financial Markets Authority), for the following purposes (without ranking of priority):

(a) to allocate or sell shares to employees and/or officers of the Company and/or of companies which are related to it or will be related to it under the terms and conditions set out in the legislation, particularly for purposes of employee incentive schemes 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 Ordinary General Meeting on a resolution for the purpose.

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; this 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, 2016, the 10% limit corresponds to a maximum number of 3,727,713 shares having a nominal value of € 4 each, representing a maximum amount of € 372,771,340.

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, 2015 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 Jacques Merceron-Vicat as director)*

The Ordinary General Meeting resolves to reappoint Jacques Merceron-Vicat as director for a period of six years expiring at the end of the Ordinary General Meeting to be held in 2022 to approve the financial statements for the 2021 financial year.

Eighth resolution *(Reappointment of Xavier Chalandon as director)*

The Ordinary General Meeting resolves to reappoint Xavier Chalandon as director for a period of three years expiring at the end of the Ordinary General Meeting to be held in 2019 to approve the financial statements for the 2018 financial year.

Ninth 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

Tenth resolution *(Amendment of article 16 of the by-laws)*

Having acquainted itself with the report of the Board of Directors, the Extraordinary General Meeting hereby amends article 16 of the by-laws as follows:

Article 16 - Term of office of directors - Age limit - Renewals of appointments – Cooptation – *Employee director*

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 of this article, all terms of office shall 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 has ended.

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 event, to the period of time between the said director's 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 may, on a proposal from the Board of Directors, re-elect the director for a further 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.

6°) ***In addition to the directors whose number, appointment procedures and duties are described above, the Board of Directors shall include an employee director.***

The Works Council shall appoint an employee director for a renewable term of three or six years.

The employee director shall be appointed by the Company's Works Council in accordance with the applicable provisions of the French Commercial Code, with particular reference to the employee's status at the time of appointment, the employee's training and the procedures for performing his or her duties.

Termination of the employment contract shall end the term of office of the director appointed by the Works Council.

In the event of a vacancy, death, resignation, dismissal or termination of the employment agreement or for any other reason, a new employee director shall be appointed by the Works Council at the first meeting after the vacancy of the employee director's seat has been established.

Subject to the provisions of this Article and the applicable legal measures, the employee director shall have the same status, powers and responsibilities as the other directors.

Where the office of employee director is abolished whether as a result of changes in the relevant legislation or regulations, or through changes in the structure of the Company's workforce, such abolition shall become effective upon its having been formally noted by the Board of Directors meeting at the expiry of the term of office of the employee director so appointed.

Eleventh 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.

National Ready Mixed is involved in the construction of four new high-rise buildings for the Metropolis project in Los Angeles (United States).

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 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, 92095 Paris-La Défense Cedex, France. The Company's by-laws and the minutes of General Meetings, the individual 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 2015, the Company maintained its continued commitment to communication by facilitating contacts between investors, financial analysts and the Company. During 2015, Vicat organized around ten roadshows in Europe, the United States and Canada, and took part in seven 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, 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 2015, 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

Director of Financial Communication and Investor Relations

Tel.: +33 1 58 86 86 14

Fax: +33 1 58 86 87 88

E-mail: relations.investisseurs@vicat.fr

9.2. INFORMATION ON THE REGISTRATION DOCUMENT

9.2.1. GENERAL NOTE

Vicat, a French Société Anonyme (Public Company), 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 Trade and Companies Register 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 2015 Registration Document:

- the consolidated financial statements for the financial year ended December 31, 2014, prepared in accordance with IFRS, and the statutory auditors' report thereon set out on page 190 of the 2014 Registration Document, submitted to the *Autorité des Marchés Financiers* (AMF – French financial regulator) on March 19, 2015 under number D.15.0177, in addition to the information taken from the 2014 management report included in pages 44 to 60 of this Registration Document;
- the consolidated financial statements for the financial year ended December 31, 2013, prepared in accordance with IFRS and the statutory auditors' report thereon set out on page 190 of the 2014 Registration Document, submitted to the *Autorité des Marchés Financiers* (AMF – 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.

9.2.3. PERSON RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE REGISTRATION DOCUMENT

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 17, 2016

Guy Sidos

Chairman and Chief Executive Officer

9.3. PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

9.3.1. INCUMBENT STATUTORY AUDITORS

KPMG Audit

Immeuble Le Palatin, 3 cours du Triangle, 92939 Paris-La Défense Cedex

Represented by 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 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 STATUTORY AUDITORS

Constantin Associés

185 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine

Represented by 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 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 ending 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 WHO RESIGNED, WERE DISMISSED OR NOT REAPPOINTED

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, 2015:

Country	Number of companies
France	40
Switzerland	33
Italy	1
USA	17
Egypt	13
Senegal	5
Mali	1
Mauritania	1
Turkey	8
Kazakhstan	2
India	5
TOTAL	**126**

The main subsidiaries are described below.

HOLDING COMPANIES

Parficim

Incorporated on June 7, 1974, Parficim is a French simplified joint-stock corporation with a share capital of € 67,728,368 with its 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, 2015, 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 its 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, 2015, 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 Limited Liability Company under US law with a share capital of US $280,520,000, with its registered office at 15821 Ventura Blvd, Suite 475, Encino, CA 91436-4778 (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, 2015, 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, 2015, 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 € 7,045,888 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, 2015, Béton Travaux held 91.86% of the share capital of Béton Vicat, SATM held 6.71% and Granulats Vicat held 1.40% (others: 0.03%).

Granulats Vicat

Incorporated on January 1, 1942, Granulats Vicat, formerly Granulats Rhône-Alpes, is a French simplified joint-stock corporation with a share capital of € 5,601,488 with its 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, 2015, Béton Travaux held 62.11% of the share capital of Granulats Vicat, SATM held 24.58%, BCCA 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 joint-stock corporation with a share capital of € 1,600,000 with its 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, 2015, Béton Travaux held 100% of the share capital of SATM.

Vicat Produits Industriels – VPI

Incorporated on May 1, 1957, VPI is a French simplified joint-stock corporation with a share capital of € 3,221,776 with its 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, 2015, 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 its 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, 2015, 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 Trade Register 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, 2015, 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, 2015, 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 its 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, 2015, 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 its 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 Public Company with a share capital of € 3,434,013, with its 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, 2015, 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 792,000,000 with its 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, 2015, Parficim held 51.02% of the 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, 2015, 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, 2015, the Company (*through Parficim*, Vigier Holding and Mynaral Tas) held 100% of the share capital.

Kalburgi Limited

Incorporated on July 22, 2008, Kalburgi Limited (formerly Vicat Sagar Cement Private Limited) is an Indian Company with a share capital of 5,459 million rupees, whose registered office is located at Reliance Majestic Building, road no. 10, Banjara Hills, Hyderabad 500034, Telengana, India, registered in the State of Andhra Pradesh under number U26941TG2008FTC060595. Its corporate purpose is to operate quarries and manufacture cement.

As at December 31, 2015, 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)
10.4. Information concerning any restrictions on the use of equity	2.3. Cash flow and equity; 6.4. Market risks	52; 141
10.5. Information on expected sources of funding	2.3.3. Indebtedness	54
11. Research and development, patents and licenses	1.8. Research and development	34
12. Information on trends	2.5. Outlook and objectives	61
13. Profit forecasts or estimates	Not applicable	
14. Administrative, management, supervisory and General Management bodies		
14.1. Information on the administrative and management bodies	4.2.1. Composition of the Board of Directors, Chairman and Chief Executive Officer	100
	4.2.1.4. Gender parity, diversity and expertise of Board members – Independent directors	105
14.2. Conflicts of interests within the administrative, management, supervisory and General Management bodies	4.2.1.5. Conflicts of interests within the Board of Directors or General Management	106
15. Remuneration and benefits		
15.1. Amount of the remuneration and benefits in kind granted by the issuer and its subsidiaries	4.3. Remuneration and benefits	110
15.2. Amounts of provisions booked or otherwise recognized by the issuer or its subsidiaries for the payment of pensions, retirement annuities or other benefits	4.3.3. Pension, retirement and other benefits	113
	7.1.2. Note 30 to the consolidated financial statements	188
16. Operation of the administrative and management bodies		
16.1. Date of expiry of the current term of office of the members of the administrative, management and Supervisory Boards	4.2.1.3. Members of the Board of Directors	101
16.2. Information on the service agreements binding the members of the Company's administration and management bodies	4.2.4. Information on the service agreements binding the members of the Company's administration and management bodies	108
16.3. Information on the Board committees	4.2.2. Functioning of the Board of Directors and its committees	106
16.4. Corporate governance declaration	4.2.1.4. Gender parity, diversity and expertise of Board members – Independent directors	105
17. Employees		
17.1. Number of employees and breakdown by type of activity	3.3.2.1 Workforce	76
17.2. Shareholding and *stock options*	3.3.5. Compensation Policies	83
	4.3.2. Remuneration of the Company's officers	112
	4.4. Shareholding of the Company's officers and transactions conducted by members of the Board of Directors in the Company's shares	114
17.3. Employees' interest in the issuer's share capital	5.3.1. Distribution of the share capital	132
18. Principal shareholders		
18.1. Distribution of the share capital	5.3.1. Distribution of the share capital and voting rights	132
	5.3.5. Exceeding the ownership threshold	133
18.2. Voting rights	5.3.2. Rights, privileges and restrictions attached to the shares	133
18.3. Information on the control of share capital	5.3.3. Control of the Company	133
18.4. Agreements capable of leading to a change of control	5.3.4. Agreements capable of leading to a change of control	133
19. Operations with related parties	4.6. Operations with related parties	124

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	148
20.2. Pro forma financial information	Not applicable	
20.3. Annual financial statements	7.2. Individual financial statements at December 31, 2015	195
20.4. Audit of historical annual financial information	7.1.3. Statutory auditors' report on the consolidated financial statements	193
20.5. Date of latest annual historical financial information	7.1. Historical financial information	148
20.6. Interim and other financial information	Not applicable	
20.7. Dividend policy	5.3.6. Dividends	134
20.8. Legal and arbitration proceedings	7.3. Legal and arbitration proceedings	210
20.9. Significant change to the financial or commercial position	7.4. Significant changes to the financial or commercial position	211
21. Additional information		
21.1. Share capital	5.2. Share capital information	130
21.2. Constitutional documents and by-laws	4.2.5. Provisions concerning members of the Company's administrative and management bodies	108
	5.1.3. General Meetings	128
	5.1.4. Procedures for modifying the rights of the shareholders	129
	5.1.2. Corporate purpose	
	5.2.8. Provisions having the effect of delaying, deferring or preventing a change of control	131
	5.2.9. Conditions governing changes to the share capital	131
	5.3.2. Rights, privileges and restrictions attached to the shares	133
	5.3.5. Exceeding the ownership threshold	133
22. Significant contracts	Not applicable	
23. Information coming from third parties	Not applicable	
24. Documents available to the public	9.1.2. Documents available to the public	220
25. Information on shareholdings	9.4. Information on subsidiaries and shareholdings	223

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 activity, financial position and earnings of the Company and the Group	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 3.3.
■ Information on the share buy-back programs	Section 5.2.7.
■ Company share ownership	Section 5.3.1.
■ Information on the crossing of shareholding thresholds and distribution of share capital	Section 5.3.
■ Trends and objectives	Section 2.5.
■ Employee shareholding	Section 7.2.2.
■ Details of the compensation and benefits for Corporate Officers	Section 4.3.2.
■ 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.

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	3.3.2.1
2	Recruitment and lay-offs	3.3.2.1
3	Remuneration and pattern of change	3.3.5
4	Organization of working hours	3.3.2.2
5	Absenteeism	3.3.3.3
6	Procedures for informing and consulting employees and negotiating with them	3.3.7
7	Review of collective agreements	3.3.7
8	Health and safety conditions at work	3.3.3.1
9	Agreements signed with unions or staff representatives concerning health and safety at work	3.3.3.2
10	Frequency and severity of workplace accidents and occupational illnesses	3.3.3.8
11	Training policy	3.3.4
12	Total number of hours of training	3.3.4
13	Measures to promote gender equality	3.3.6.1
14	Measures to promote the employment and integration of disabled people	3.3.6.2
15	Policy on the elimination of discrimination	3.3.8
16	Freedom of association and the right to collective bargaining	3.3.8
17	Elimination of discrimination in respect of employment and occupation	3.3.8
18	Elimination of all forms of forced or compulsory labor	3.3.8
19	Effective abolition of child labor	3.3.8

Environmental information

Nº	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	3.1.1
21	Training and information provided to employees with regard to the environment	3.1.1
22	Resources devoted to the prevention of environmental risks and pollution	3.1.1
23	The amount allocated to provisions and guarantees in respect of environmental risks	3.1.1
24	Prevention, reduction or clean-up measures: Air/Soil/Water	3.1.1
25	Measures to prevent, recycle and eliminate waste products	3.1.1
26	Consideration of noise pollution and all other forms of pollution specific to an activity	3.1.1
27	Consumption of water and supply of water in accordance with local constraints	3.1.2.4
28	Consumption of raw materials and measures taken to improve the efficiency of their use	3.1.2.2
29	Energy consumption and measures taken to improve energy efficiency and use of renewable energy sources	3.1.3
30	Land use	3.1.1
31	Discharges of greenhouse gases	3.1.4
32	Adaptation to the consequences of climate change	3.1.1
33	Measures taken to preserve or increase biodiversity	3.1.2.1

Societal information

Nº	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	3.4.2.1
35	Impact on neighborhood or local populations	3.4.2.3
36	Terms of dialogue with stakeholders	3.4.1.3
37	Partnership or charity actions in general	3.4.2.2
38	Consideration of social and environmental issues in the procurement policy with subcontractors and suppliers	3.4.1.1
39	Level of subcontracting	3.4.1.1
40	Actions taken to prevent corruption	3.4.1.2
41	Measures taken in favor of consumer health and safety	3.2
42	Other actions taken in favor of human rights	3.3.8

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, under EC labeling, since standard NF EN 197-1: 2012 entered into force on 07/01/2013. There are three separate categories: ▪ 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 of which the clinker’s C3A content ≤ 5%
CEM II	This designation applies pursuant to standard NF 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 NF 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	Refers to “Pozzolana cement”.
CEM V	Refers to “composite cement”.

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 five types. See "CEM I", "CEM II", "CEM III", "CEM IV" and "CEM V". This classification is associated with its regular strength class: 52.5; 42.5; 32.5, as well as its short-term strength class: 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 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.
Decarbonation	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 (CaCO3). Calcite is the most stable and most common crystalline form. Dolomites constitute a separate 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 unit$_s$) and are used to replace, completely or partially, natural gypsum or anhydrite in cement to control the setting time.
Meal feed	Name given to the cement kiln raw material after grinding (the size of the grains corresponds to that of flour).
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 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).

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 clinker. 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 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 (SiO2) 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 NF 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 sulfoaluminous cement, comprised of raw materials that essentially contain the following oxides: CaO, Al2O3, SiO2, Fe2O3, SO3, and other minor elements. This clinker is obtained by firing at a temperature of around 1,300°C.
Therm (th)	Unit of heat energy. 1 therm = 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 therms per tonne of clinker (old units); or in gigajoules per tonne of clinker (new units). Example: a kiln consumes 850 therms 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. Differing from high-performance concrete (HPC) through its 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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Registred Office:
Tour Manhattan - 6 place de l'Iris 92095 Paris-La Défense Cedex - France
Tel.: +33 (0)1 58 86 86 86 - Fax: +33 (0)1 58 86 87 87
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