PRESS RELEASE

2016 results:

- ***Substantial increase in profitability***
- ***Free cash flow sharply higher at €254 million***
- ***Significant reduction in debt, gearing of 36.9% and leverage of 1.99x***
- ***Proposed dividend of €1.50 per share***

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A FRENCH REGISTERED COMPANY WITH SHARE CAPITAL OF €179,600,000
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RCS NANTERRE

Paris La Défense, 27 February 2017: The Vicat group (Euronext Paris: FR0000031775 – VCT) has today reported its 2016 results.

Audited condensed consolidated income statement:

(€ millions)	2016	2015 Adjusted[1]	2015	Change to 2015 adjusted (%) Reported	At constant scope and exchange rates
Consolidated sales	**2,454**	2,458	2,458	-0.2%	**+4.1%**
EBITDA*	**458**	444	448	+3.2%	**+8.0%**
EBITDA margin (%)	*18.7*	*18.1*	*18.2*		
EBIT*	**258**	246	250	+5.0%	**+9.6%**
EBIT margin (%)	*10.5*	*10.0*	*10.2*		
Consolidated net income	**165**	140	143	+18.1%	**+25.3%**
Net margin (%)	*6.7*	*5.7*	*5.8*		
Net income, Group share	**139**	118	121	+17.6%	**+23.7%**
Cash flow	**353**	342	346	+3.3%	**+8.4%**

** Alternative performance measures (APMs), such as those "at constant scope and exchange rates", "operational sales", EBITDA, "net debt", "gearing" and "leverage" are defined in an appendix to this press release (paragraph 5.1).*

Commenting on these figures, the Group's Chairman and CEO said: "*Vicat performed well in 2016 against the backdrop of a very difficult geopolitical and monetary climate. Operating margin rose and results reflected the good sales momentum achieved by the Group's staff, combined with a very firm grip on costs. The year was marked by renewed growth in Egypt and France, and our operations continued to improve in the USA. Our strong free cash flow allowed us to reduce debt substantially, in line with Group commitments. Vicat intends to leverage the investments made in recent years and its strong market positions to maintain its strong cash generation and reduce its debt."*

[1] Preparation of adjusted 2015 financial statements: see page 2

Preparation of adjusted 2015 financial statements

IFRSs currently do not feature any standard or interpretation dealing specifically with greenhouse gas emission allowances. Starting on January 1, 2016, the Group decided to use the method that has been recommended by France's accounting standards authority ANC since 2013 (regulation 2012-03 of October 4, 2012, approved on January 7, 2013), which is compatible with IFRSs in force. That method allows more reliable and relevant financial reporting by reflecting the emission allowance business model, partly by stripping out effects caused by volatility in emission allowance prices.
Under this method, where the aim is to fulfil emissions-related obligations (production model):

- allowances are recognized in inventories when acquired (free of charge or against payment). They are removed from inventories to cover greenhouse gas emissions as they occur as part of the surrender procedure, or when they are sold, and are not remeasured at the period-end;
- a debt is recognized at the period-end if there is an allowance deficit.

Since the Group only currently holds allowances granted free of charge by the State as part of National Allocation Plans, the application of these rules means that they are recorded in inventories with a zero value. Since the Group currently has surplus allowances, no debt is recorded on the balance sheet and, in the absence of any sales, no amount is recognized on the income statement.
Before January 1, 2016, allowances held in excess of cumulative actual emissions were recorded under other intangible assets at the period-end, while surpluses, allowance sales and exchanges of EU allowances (EUAs) against Certified Emission Reductions (CERs) were recognized in the period's income statement.
The 2015 financial statements have been adjusted in line with the new method for comparison purposes. The detailed impact of the changes on the 2015 financial statements is presented in note 1.7 to the full-year 2016 financial statements.
It should be noted that, as regards the comparative analysis by geographical region and business, only France and the Cement business are concerned by this change in accounting method.

Throughout that analysis, and unless indicated otherwise, all changes are stated on a consolidated, year-on-year basis (2016/2015 adjusted), and at constant scope and exchange rates.

The audited consolidated financial statements for the 2016 financial year and the notes are available in their entirety on the Company's web site www.vicat.fr

1. Income statement

1.1 Consolidated income statement

Consolidated sales in the 2016 financial year came to €2,454 million, stable on a reported basis (-0.2%) and up +4.1% at constant scope and exchange rates compared with 2015.
Changes in consolidated sales by region, excluding scope and currency effects, show:

- strong business growth in Egypt, supported by a sharp increase in volumes and a slight rise in selling prices;
- buoyant business levels in Asia, with strong volume growth in both Cement and Concrete & Aggregates offsetting the fall in prices. Volume growth was less impressive in Kazakhstan but accompanied by a slight improvement in selling prices;
- further improvement in the United States, supported by a substantial increase in Cement volumes and selling prices;
- finally, business levels recovered in France, with a significant improvement in Cement and Concrete volumes, offsetting the erosion in selling prices. It should be noted that the Other Products & Services business also saw substantial growth in 2016.

These positive factors made up for:

- lower business levels in Europe excluding France, as a result of a slight fall in sales in Switzerland resulting from a substantial decline in the Precast business and lower prices in the Cement business. Activity was stable in Italy;
- a very slight contraction in business levels in West Africa. Growth in Senegal, in both the Cement and Aggregates businesses, driven by a sharp improvement in volumes, only partly offset the substantial decline in Mauritania, where operations were affected by a tough competitive environment.

The breakdown of operational sales by business shows that the contribution of the Cement business fell very slightly, accounting for 52.9% of the total as opposed to 53.2% in 2015. The Concrete & Aggregates business accounted for 32.9% of the total, versus 32.5% in the year-earlier period. Sales in Other Products & Services fell from 14.3% of the total in 2015 to 14.2% in 2016. The proportion of operational sales before eliminations coming from the Group's main businesses, i.e. Cement, Concrete and Aggregates, was stable at around 86%.

Consolidated EBITDA grew +3.2% to €458 million, and rose +8.0% at constant scope and exchange rates compared with adjusted 2015 EBITDA. On that basis, EBITDA margin on consolidated sales improved from 18.1% in 2015 (adjusted) to 18.7%.
This increase in EBITDA relative to the adjusted 2015 figure, at constant scope and exchange rates, was mainly due to:

- a sharp improvement in EBITDA in Egypt, because of a substantial fall in production costs arising from the use of coal, solid growth in volumes, and a very slight improvement in selling prices;
- a further improvement in EBITDA in the United States, supported by higher average prices and volumes in Cement, which comfortably offset lower volumes in Concrete;
- a return to growth at the EBITDA level in France, supported by the Cement and Other Products & Services businesses, making up for the fall in EBITDA in Concrete & Aggregates;
- a slight increase in EBITDA in Turkey on the back of strong growth in volumes, offsetting a fall in average selling prices;
- stable EBITDA in West Africa.

These positive factors compensated for:

- a decrease in EBITDA in Switzerland, resulting from the very sharp drop in Precast business levels;
- lower EBITDA in Kazakhstan, with higher volumes and selling prices failing to offset increases in certain costs, mainly resulting from the devaluation of the tenge;
- a very slight fall in EBITDA in India, where strong volume growth almost entirely compensated lower selling prices.

Consolidated EBIT totalled €258 million. Compared with adjusted 2015 EBIT, it rose +5.0% or +9.6% at constant scope and exchange rates. EBIT margin improved slightly and was 10.5% in 2016, compared with 10.0% in 2015 (adjusted).

Net financial expense improved sharply, by +€10.1 million to -€38.1 million at 31 December 2016, mainly due to:

- a reduction in the cost of net debt to 3.37% in 2016 from 3.59% in 2015, mainly because of debt restructuring in the second semester of 2015 in India;
- other financial income and expenses producing a net gain of +€3.6 million.

Tax expense rose +7.6% compared with the adjusted 2015 figure to -€66.7 million, because of the +10.8% increase in reported income before tax and a reduction in the tax rate to 30.6% of the reported income before tax, from 31.6% in 2015 (adjusted).

The fall in taxation was due in particular to changes in France, which scrapped its 10% corporate income surtax and adopted plans to reduce corporate income tax gradually by 2020, with a positive income-statement effect of +€2.9 million.

Consolidated net income totalled €164.8 million, up +25.3% compared with the adjusted 2015 figure. Net income, Group share, totalled €139.1 million, up +23.7%. Net margin (consolidated net income / consolidated sales) was 6.7% as opposed to 5.7% in 2015 (adjusted).

Net income, Group share totalled €3.1 euros per share in 2016, versus €2.63 in 2015 (adjusted).

Gearing (net debt-to-equity ratio) was 36.9% as opposed to 40.3% (adjusted) at December 31, 2015.

On the strength of these full-year 2016 results and confident in the Group’s ability to further pursue its development, the Board of Directors decided at its meeting on February 24, 2017 to propose an unchanged dividend payment of €1.50 per share to shareholders at the Group’s Annual General Meeting due to be held on April 18, 2017.

1.2 Income statement broken down by geographical region

1.2.1 Income statement, France

(€ million)	2016	2015 adjusted	2015	Change to 2015 adjusted(%)	
				Reported	At constant scope
Consolidated sales	**795**	777	777	+2.3%	**+2.3%**
EBITDA	**115**	108	113	+6.1%	**+6.1%**
EBIT	**59**	51	54	+16.3%	**+16.3%**

In France, consolidated sales amounted to €795 million, up +2.3% at constant scope. Consolidated sales fell -2.6% in the fourth quarter because of adverse weather conditions.

EBITDA generated by the Group in France rose +6.1% to €115 million versus €108 million in 2015 (adjusted). EBITDA margin on consolidated sales rose from 13.9% in 2015 (adjusted) to 14.5%.

- ***In the Cement business***, operational sales rose +1.5% in 2016 (+2.1% on a consolidated basis). This growth resulted from a +6% increase in volumes in the domestic and export markets, confirming the gradual upturn in the macroeconomic and industry environment since the fourth quarter of 2015. The increase in volumes made up for a slight fall in average selling prices, which were affected in particular by a rise in export sales. In the fourth quarter of 2016, operational sales in this business fell -4.0% (-0.3% on a consolidated basis), with volumes down very slightly because of weather conditions that were much worse than in the fourth quarter of 2015.
  EBITDA rose +12.4% compared with the adjusted 2015 figure, and EBITDA margin on operational sales was up almost three percentage points year-on-year.
- ***In the Concrete & Aggregates business***, operational sales rose +1.3% (+1.0% on a consolidated basis) relative to 2015. That growth resulted from a +4% increase in concrete volumes and stable aggregates volumes. Average selling prices fell slightly in both businesses in 2016. In the fourth quarter of 2016, operational sales in this business fell -4.7% (-5.0% on a consolidated basis), because of less favorable weather conditions. Average selling prices turned upward in the fourth quarter of 2016, moving back to the level seen in the fourth quarter of 2015.
  As a result, EBITDA generated by this business in France fell very sharply (-84.4%) while EBITDA margin on operational sales was very slightly positive.
- ***In the Other Products & Services business***, operational sales rose +5.9% year-on-year (+5.4% on a consolidated basis).
  EBITDA grew +40.8% and EBITDA margin on operational sales was up more than one percentage point.

1.2.2 Income statement for Europe excluding France

(€ million)	**2016**	2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**411**	425	-3.2%	**-1.2%**
EBITDA	**94**	102	-8.0%	**-6.1%**
EBIT	**59**	76	-21.8%	**-20.1%**

Full-year 2016 sales in Europe excluding France contracted -3.2% on a reported basis and -1.2% at constant scope and exchange rates. In the fourth quarter, consolidated sales moved up +4.7% on a reported basis and +4.1% at constant scope and exchange rates.
Full-year EBITDA fell -8.0% on a reported basis and -6.1% at constant scope and exchange rates. EBITDA margin was 22.9% as opposed to 24.1% in 2015.

In **Switzerland**, the Group's consolidated sales fell -3.3% on a reported basis. At constant scope and exchange rates, they declined by -1.3%. In the fourth quarter, however, consolidated sales moved up +5.1% on a reported basis and +4.5% at constant scope and exchange rates.
Full-year EBITDA fell back -7.5% on a reported basis and -5.6% at constant scope and exchange rates, reflecting a contraction in EBITDA margin on consolidated sales to 23.3% vs. 24.4% in 2015.

- ***In the Cement business,*** operational sales fell -2.6% on a reported basis and were near-flat (-0.6%) at constant scope and exchange rates. Consolidated sales fell -3.6% on a reported basis and -1.5% at constant scope and exchange rates. After a difficult start to the year in terms of volumes, the trend turned in the second half of 2016, resulting in growth of almost +3% in the year as a whole. Average selling prices were down significantly after a fall in prices in the second half of 2015. In the fourth quarter of 2016, operational sales rose +12.3% at constant scope and exchange rates (+19.5% on a consolidated basis).
  As a result, and because of effective cost-cutting measures, full-year EBITDA rose +1.5% at constant scope and exchange rates, with EBITDA margin on operational sales up almost one percentage point.
- ***In the Concrete & Aggregates business,*** operational sales moved up +2.0% on a reported basis and +4.2% at constant scope and exchange rates. Consolidated sales rose +2.2% on a reported basis and +4.3% at constant scope and exchange rates. Concrete volumes were stable, while the Aggregates business was supported by strong growth in the landfill business during 2016 as a whole. Although selling prices fell in Concrete, they rose in Aggregates because of the strong landfill business. In the fourth quarter, operational sales rose very slightly, by +0.6% at constant scope and exchange rates (+0.3% on a consolidated basis).
  EBITDA was up +5.1% in 2016 as a whole at constant scope and exchange rates, and EBITDA margin on operational sales rose very slightly.
- ***In the Precast business***, consolidated sales fell -8.0% at constant scope and exchange rates. The bulk of this decline was attributable to lower sales of rail sleepers after the start of projects was postponed until 2017. Stronger pricing pressures in certain precast products also contributed to the decline. In the fourth quarter, consolidated sales fell less

than in the previous quarters, with the decline limited to -2.4% at constant scope and exchange rates.
Full-year EBITDA fell -49.2% and EBITDA on operational sales was significantly lower than in 2015.

In **Italy**, consolidated sales rose very slightly (+0.7%). That was due to an increase in volumes of almost +4%, even though the domestic market continued to be affected by the tough macroeconomic and sector environment. These factors led to a fall in average selling prices. In the fourth quarter, sales were down -4.8%.
EBITDA fell -27.2% and EBITDA margin was down almost five percentage points in 2016.

1.2.3 Income statement for the United States

(€ million)	**2016**	2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**363**	342	+6.2%	**+5.9%**
EBITDA	**59**	42	+39.1%	**+38.8%**
EBIT	**33**	17	+91.8%	**+91.3%**

Business in the United States again recorded growth in a firm macroeconomic environment that was supportive for the construction sector. As a result, the Group's consolidated sales grew +6.2% on a reported basis and +5.9% at constant scope and exchange rates. In the fourth quarter, sales moved up +7.3% on a reported basis and +5.7% at constant scope and exchange rates.
The Group delivered a very strong increase in EBITDA to €59 million over the full year (up +38.8% at constant scope and exchange rates), with EBITDA margin on consolidated sales significantly higher at 16.2% versus 12.4% in 2015.

- ***In the Cement business***, full-year operational sales grew by +12.4% at constant scope and exchange rates (up +12.7% on a reported basis). Consolidated sales were +18.5% higher at constant scope and exchange rates (+18.8% on a reported basis). Volumes grew by almost 4% due to strong momentum in the Southeast region, making up for the decline in California caused by a high base for comparison and adverse weather conditions. Selling prices rose substantially in both regions. In the fourth quarter, operational sales in the Cement business were up +12.5% at constant scope and exchange rates (+15.1% on a consolidated basis), driven by volume growth of over +2% and a significant increase in average selling prices.
  As a result of these factors, EBITDA in the Cement business rose by +55.2% at constant scope and exchange rates, with EBITDA margin on operational sales rising by more than seven percentage points.
- ***In the Concrete business***, consolidated sales were stable in 2016 (+0.1%) at constant scope and exchange rates (+0.3% on a reported basis). Volumes fell by almost -5%, with growth in the Southeast region failing to offset the decline in California caused by poor weather conditions and a high base for comparison. Selling prices remained buoyant in both the Southeast and California. In the fourth quarter, consolidated sales grew +1.2% at constant scope and exchange rates (+2.7% on a reported basis).
  EBITDA in the Concrete business fell -9.6% at constant scope and exchange rates (-9.4% on a reported basis).

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

(€ million)	**2016**	2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**538**	568	-5.3%	**+5.3%**
EBITDA	**119**	135	-11.5%	**-1.2%**
EBIT	**74**	85	-13.3%	**-3.9%**

In the region as a whole, sales totalled €538 million, down -5.3% on a reported basis but up +5.3% at constant scope and exchange rates. In the fourth quarter, sales moved up +3.9% on a reported basis and +5.8% at constant scope and exchange rates.

EBITDA in this region fell slightly in 2016 (-1.2%) at constant scope and exchange rates (-11.5% on a reported basis).

In **Turkey**, consolidated sales came to €219 million in 2016, up +3.4% at constant scope and exchange rates, but down -6.5% on a reported basis. Sales in the fourth quarter were down -11.3% on a reported basis and -1.3% at constant scope and exchange rates.
In 2016 as a whole, EBITDA grew +3.4% at constant scope and exchange rates (-6.5% on a reported basis), with EBITDA margin on consolidated sales stable at 21.6%.

- ***In the Cement business*,** the Group recorded an increase in its full-year operational sales of +2.9% at constant scope and exchange rates (-7.0% on a reported basis). Consolidated sales were almost unchanged (-0.2%) at constant scope and exchange rates and down -9.8% on a reported basis. This performance reflected a rise in volumes, in a market that remained buoyant despite difficult political and geopolitical conditions. There was a moderate decline in selling prices. In the fourth quarter, operational sales rose +2.6% at constant scope and exchange rates (-2.6% on a consolidated basis), which offset the fall in average selling prices.
  Overall, EBITDA in the Cement business rose by +2.1% at constant scope and exchange rates, while EBITDA margin on operational sales was almost unchanged in 2016.
- Operational sales recorded by the ***Concrete & Aggregates business*** rose by +9.7% at constant scope and exchange rates (-0.9% on a reported basis). Consolidated sales rose +9.0% at constant scope and exchange rates (-1.4% on a reported basis). This healthy business growth was underpinned by an increase in Concrete volumes and in Aggregates, supported by the start of major projects that had been delayed in 2015. Average selling prices fell slightly in Concrete, but rose in Aggregates. In the fourth quarter, operational sales rose +2.1% at constant scope and exchange rates (-8.2% on a reported basis).
  As a result, EBITDA margin on operational sales rose in 2016 as a whole, with EBITDA up +55.7% at constant scope and exchange rates.

In **India**, the Group posted consolidated full-year 2016 sales of €275 million, up +7.0% at constant scope and exchange rates and +2.4% on a reported basis. Volumes grew by over +20%, in 2016. With more than 4.8 million tonnes sold in 2016, this growth reflected the strategy implemented by the Group since year-end 2015, consisting of seizing opportunities arising as the macroeconomic and industry environment improves, with a number of major projects starting up. Average selling prices fell owing to fiercer competition and a far less favorable geographical mix. In the fourth quarter, sales grew +13.1% at constant scope and exchange rates (+12.2% on a reported basis). The impact of India's demonetization measures

had only a temporary impact on the Group's business levels. It should be noted that average selling prices rose very slightly in the fourth quarter.
In 2016 as a whole, the Group's EBITDA in India fell very slightly (-1.4%) at constant scope and exchange rates (-5.6% on a reported basis). EBITDA margin on operational sales fell to 22.1%, down from 24.1% in 2015.

In Kazakhstan, the Group posted sales of €44 million, up +4.9% at constant scope and exchange rates. On a reported basis, sales fell -32.5% on account of the very steep devaluation of the Kazakhstani tenge in the second half of 2015. Good operating performance was driven by a further +2% increase in volumes, but also higher selling prices in 2016 as a whole. Consolidated sales generated in Kazakhstan in the fourth quarter rose +0.8% at constant scope and exchange rates, but grew sharply on a reported basis (+255%) because of the revaluation of the tenge. The decline in volumes (around -9%) was offset by a solid improvement in average selling prices.
As a result, and given the significant negative impact on certain fixed costs caused by the devaluation of the tenge, EBITDA fell -12.6% during the period at constant scope and exchange rates. EBITDA margin came in at 25.4%, down from 30.4% in 2015.

1.2.5 Income statement for Africa and the Middle East

(€ million)	**2016**	2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**346**	346	+0.1%	**+10.7%**
EBITDA	**70**	56	+26.3%	**+36.8%**
EBIT	**33**	17	+93.5%	**+106.4%**

In the Africa and Middle East region, sales came to €346 million, stable (+0.1%) on a reported basis and up +10.7% at constant scope and exchange rates. In the fourth quarter, sales rose sharply, coming in up +33.1% at constant scope and exchange rates and +2.5% on a reported basis.

In 2016 as a whole, EBITDA totalled €70 million, up +36.8% at constant scope and exchange rates, mainly due to the positive impact arising from the use of coal in Egypt.

In **Egypt**, full-year sales totalled €117 million, up +33.7% at constant scope and exchange rates (+3.5% on a reported basis). That growth was driven by a sharp increase in volumes (up more than +27%). Average selling prices increased slightly over the full year. In the fourth quarter, the Egyptian market was affected by the very sharp devaluation of the Egyptian pound in November. As a result, consolidated sales fell -3.2% on a reported basis but rose +100.4% at constant scope and exchange rates, driven by a sharp increase in volumes (up almost +61%) and a significant rise in prices.
Full-year EBITDA was supported by lower energy costs related to the two coal grinders that came into service in the second half of 2015, and rose by a factor of 5 at constant scope and exchange rates. It amounted to €19.5 million as opposed to €4.8 million in 2015.

In **West Africa**, consolidated sales totalled €229 million, stable (-0.5%) at constant scope and exchange rates and down -1.6% on a reported basis. Volumes grew almost +3% in 2016 as a whole, with the increase in Senegal offsetting the substantial decrease seen in Mauritania. Average selling prices fell slightly in 2016 because of the competitive environment. In the fourth quarter, consolidated sales grew +5.9% at constant scope and exchange rates (+4.7%

on a reported basis), driven by a rise of almost +2% in Cement volumes and a slightly more positive pricing environment.
As a result, the EBITDA generated by the Group in West Africa was stable, although there was a slight increase in EBITDA margin on operational sales because of lower fuel costs and cost-cutting measures taken to adapt to the new competitive environment.

1.3 Income statement broken down by business segment

1.3.1 Cement

(€ million)	**2016**	2015 adjusted[1]	Change (%)	
			Reported	At constant scope and exchange rates
Volume (thousands of tonnes)	**21,875**	19,792	+10.5%	
Operational sales	**1,490**	1,495	-0.4%	**+5.8%**
Consolidated sales	**1,244**	1,256	-0.9%	**+6.1%**
EBITDA	**380**	357	+6.5%	**+12.2%**
EBIT	**239**	209	+14.4%	**+19.6%**

Operational sales in the Cement business rose +5.8% at constant scope and exchange rates, while remaining near-flat on a reported basis (-0.4%). Consolidated sales fell -0.9% on a reported basis but rose +6.1% at constant scope and exchange rates. The increase in sales at constant scope and exchange rates was mainly due to a +10.5% rise in volumes.
All countries contributed to that performance.
Average selling prices fell overall in 2016, with the improvement seen in the United States, Egypt and Kazakhstan failing to offset the decline in other countries, particularly India, Turkey and Switzerland. The decline was more limited in Italy, Senegal and France.
In the fourth quarter, operational sales rose +4.8% on a reported basis (+5.4% on a consolidated basis) and +11.5% at constant scope and exchange rates (+13.3% on a consolidated basis).
EBITDA came to €380 million, representing an increase of +12.2% at constant scope and exchange rates relative to the adjusted 2015 figure. That increase reflects a sharp rise in contributions from Egypt, United States and France. EBITDA rose less in Switzerland and Turkey and fell in West Africa, while falling to a lesser extent in India and Italy.
EBITDA margin on operational sales posted a significant improvement over the year to 25.5% from 23.9% in 2015. That performance was due to significant margin improvement in Egypt, the United States and France, and to a lesser extent in Switzerland, offsetting declines in Kazakhstan, India and Italy. EBITDA margin was almost unchanged in West Africa and Turkey.
Finally, **EBIT** increased +19.6% at constant scope and exchange rates (+14.4% on a reported basis) compared with the adjusted 2015 figure, coming in at €239 million versus €209 million in 2015 (adjusted).

[1]Preparation of adjusted 2015 financial statements:see page 2

1.3.2 Concrete & Aggregates

(€ million)	**2016**	2015	Change (%)	
			Reported	At constant scope and exchange rates
Concrete volumes (thousands of m^3)	**8,828**	8,535	+3.4%	
Aggregates volumes (thousands of tonnes)	**22,105**	20,945	+5.5%	
Operational sales	**928**	914	+1.6%	**+3.1%**
Consolidated sales	**905**	892	+1.4%	**+2.9%**
EBITDA	**57**	61	-7.3%	**-5.9%**
EBIT	**16**	18	-11.7%	**-9.3%**

Operational sales in the Concrete & Aggregates business rose +1.6% on a reported basis and +3.1% at constant scope and exchange rates.

Concrete volumes grew by +3.4% over the period, supported by growth in Turkey and France, which offset lower volumes in the United States. Volumes were almost unchanged in Switzerland. Aggregates volumes rose +5.5%, with growth in Turkey and West Africa comfortably making up for the fall in Switzerland. Volumes were near-flat in France.

Average selling prices fell overall, with a decline in France in both Concrete and Aggregates, and lower Concrete prices in Switzerland and Turkey. Those decreases were partly offset by higher average prices in Concrete in the United States and in Aggregates in Switzerland and Senegal. In the fourth quarter, operational sales fell very slightly (-0.7%) on a reported basis (-1.0% on a consolidated basis) and were flat at constant scope and exchange rates (-0.3% on a consolidated basis).

As a result of these factors, **EBITDA** fell -5.9% at constant scope and exchange rates. **EBITDA margin** on operational sales fell slightly to 6.1% from 6.7% in 2015. The decrease was caused by a decline in France and to a lesser extent in the United States, partly offset by an improvement in Senegal and Turkey. EBITDA margin was stable in Switzerland.

EBIT decreased by -9.3% at constant scope and exchange rates to €16 million versus €18 million in 2015.

1.3.3 Other Products & Services

(€ million)	**2016**	2015	Change (%)	
			Reported	At constant scope and exchange rates
Operational sales	**399**	400	-0.4%	**+1.1%**
Consolidated sales	**305**	310	-1.6%	**-0.7%**
EBITDA	**20**	25	-18.0%	**-17.0%**
EBIT	**3**	19	-83.6%	**-83.8%**

Operational sales in Other Products & Services were almost unchanged (-0.4%) on a reported basis and up +1.1% at constant scope and exchange rates. Consolidated sales fell -1.6% on a reported basis and -0.7% at constant scope and exchange rates.
Good performance in this business in France failed to make up for the sharp decline in Switzerland, caused mainly by lower sales of rail sleepers after the start of projects was postponed until 2017, along with greater pricing pressures in certain precast products following the revaluation of the Swiss franc. In the fourth quarter, operational sales fell -1.4% on a reported basis (-1.1% on a consolidated basis) and -0.7% at constant scope and exchange rates (-1.4% on a consolidated basis).
EBITDA fell from €25 million in 2015 to €20 million in 2016, and **EBITDA margin** on operational sales was 5.1%, down from 6.2% in 2015.
EBIT fell sharply, from €19 million in 2015 to €3 million in 2016.

2. Balance sheet and cash flow statement

At December 31, 2016, the Group had a solid financial position.
Consolidated equity ended the year at €2,470 million, compared with €2,530 million at December 31, 2015 (adjusted). The decline in 2016 was caused mainly by negative currency effects, which had a total impact of -€143 million, caused mainly by the devaluation of the Egyptian pound.
Net debt fell by €106 million to €912 million at December 31, 2016 from €1,018 million at December 31, 2015 (adjusted).

As a result, **gearing (net debt/consolidated equity)** improved substantially and was 36.9% at the end of 2016, lower than the adjusted end-2015 figure of 40.0%. The Group's **financial leverage ratio (net debt/EBITDA)** came to 1.99x, down from 2.27x at December 31, 2015 (adjusted).

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

The Group generated **cash flow** of €353 million during 2016 compared with €342 million during 2015 (adjusted), representing an increase of +3.3% on a reported basis and of +8.4% at constant scope and exchange rates.

Vicat's *capital expenditure* amounted to €136 million in 2016 compared with €162 million in 2015. This decrease reflected a broadly unchanged level of maintenance capex compared with 2015, along with the end of investments carried out in 2015 in Egypt relating to the construction of the two coal crackers, and in Turkey with the restart of kiln 1 at the Bastas plant.

Financial investments during 2016 amounted to €63 million, versus €19 million in 2015. They mainly related to efforts to strengthen the Group's coverage of the Concrete & Aggregates market in France, via partnership agreements and/or purchases of equity stakes, and to various securities, receivables and loans. Also, this takes into account the debt reclassification of €20 million of liquid assets that were part of a preventive seizure made in the accounts of an Indian company of the Group, Bharathi Cement as part of an investigative procedure by the administrative and judiciary authorities on occurrences that took place prior to Vicat's entry into its capital. In 2015, financial investments consisted mainly of loans, receivables and advances granted.

The Group generated free cash flow of €254 million in 2016, as opposed to €133 million in 2015 (adjusted).

3. Outlook

In 2017, the Group expects further improvements in its performance, capitalizing on ongoing growth in the United States, France and India, and a return to growth in Europe (excluding France) and Kazakhstan. These factors should offset the expected increase in energy costs and lower profitability in Egypt taking into account the sharp devaluation of the Egyptian pound in late 2016.
Against this background, the Group will continue in 2017 to pursue its policy of optimizing cash flows and reducing its level of debt.

For 2017, the Group provides the following guidance concerning its markets:

- **In France**, the Group is expecting the gradual improvement in the macroeconomic and industry situation to continue. It should be noted that first-half performance is likely to be affected by a high base for comparison resulting from weather conditions. As a result, volumes are likely to rise very slightly over the full year, while the pricing environment should also improve a little.
- **In Switzerland**, sales should benefit from a more favorable base for comparison and an upturn in infrastructure work. Volumes are likely to remain stable and the price environment should be better than in 2016.
- **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 favorable.
- **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 although there is little visibility on the geopolitical situation. The Group should capitalize on its strong positions in the Anatolian plateau and its efficient production facilities. 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 the continuing upturn in the macroeconomic environment and, more specifically, from infrastructure investments. In a context that should remain favorable 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 against a background that is expected to improve.
- **In West Africa**, the market is likely to remain buoyant in 2017, which should drive an increase in volumes. Prices are expected to remain volatile given the competitive environment.
- **In Egypt**, following the very sharp currency devaluation in November 2016, the Group expects its financial performance to deteriorate significantly, although the industry situation is likely to be positive in terms of both volumes and prices.

PRESS RELEASE

4. Conference call

To accompany the publication of the Group's full-year 2016 results, Vicat is holding a conference call in English that will take place on Tuesday, February 28, 2017 at 3pm Paris time (2pm London time and 9am New York time).

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

France:	+33(0)1 76 77 22 57
United Kingdom:	+44(0)330 336 9436
United States:	+1719 457 2086

To listen to a playback of the conference call, which will be available until March 5, 2016, dial one of the following numbers:

France:	+33 (0)1 70 48 00 94
United Kingdom:	+44 (0)207 984 7568
United States:	+1 719 457 0820
Access code:	7124116#

Next report: First-quarter 2017 sales after the close on May, 2, 2017.

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ABOUT VICAT

The Vicat Group has **over 8,000 employees** working in three core divisions, Cement, Concrete & Aggregates and Other Products & Services, which generated **consolidated sales of €2,454 million** in 2016. The Group **operates in eleven countries**: France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan and India. Almost 68% of its sales are generated outside France.
The Vicat Group is the heir to an industrial tradition dating back to 1817, when Louis Vicat invented artificial cement. Founded in 1853, the Vicat Group now operates **three core lines** of business: **Cement**, **Ready-Mixed Concrete** and **Aggregates**, as well as related activities.

Disclaimer:

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

5. Vicat group - Financial data - Appendices

5.1 Definition of alternative performance measures (APMs):

- **Performance at constant scope and exchange rates** is used to determine the organic growth trend in P&L items between two periods and to compare them by eliminating the impact of exchange rate fluctuations and changes in the scope of consolidation. It is calculated by applying exchange rates and the scope of consolidation from the prior period to figures for the current period.
- A geographical (or a business) segment's **operational sales** are the sales posted by the geographical (or business) segment in question less intra-region (or intra-segment) sales.
- **Value-added**: value of production less consumption of materials used in the production process.
- **Gross operating income**: value-added, less staff costs, taxes and duties (other than on income and deferred taxes) plus operating subsidies.
- **EBITDA** (earnings before interest, tax, depreciation and amortization): sum of gross operating income and other income and expenses on ongoing business.
- **EBIT** (earnings before interest and tax): EBITDA less net depreciation, amortization, additions to provisions and impairment losses on ongoing business.
- **Cash flow**: net income before net non-cash expenses (i.e. predominantly depreciation, amortization, additions to provisions and impairment losses, deferred taxes, gains and losses on disposals and fair value adjustments).
- **Free cash flow:** net operating cash flow after deducting capital expenditure net of disposals.
- **Net debt** represents gross debt (consisting of the outstanding amount of borrowings from investors and credit institutions, residual financial liabilities under finance leases, any other borrowings and financial liabilities excluding options to sell and bank overdrafts), net of cash and cash equivalents, including remeasured hedging derivatives and debt.
- **Gearing** is a ratio reflecting a company's financial structure calculated as net debt/consolidated equity.
- **Leverage** is a ratio reflecting a company's profitability, which calculated as net debt/consolidated EBITDA.

5.2 Breakdown of 2016 operational sales by geographical region and business:

(€ million)	Cement	Concrete & Aggregates	Other Products & Services	Inter-segment eliminations	**Consolidated sales**
France	351	379	242	-177	**795**
Europe (excl. France)	165	178	121	-54	**411**
United States	191	235	-	-62	**363**
Asia	466	106	36	-70	**538**
Africa and Middle East	316	30	-	0	**346**
Operational sales	**1,490**	**928**	**399**	**-363**	**2,454**
Inter-segment eliminations	-245	-23	-94	363	
Consolidated sales	**1,244**	**905**	**305**	**-**	**2,454**

PRESS RELEASE

VICAT GROUP

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Consolidated financial statements for the year ended December 31, 2016 as approved by the Board of Directors
on February 24, 2017, to be presented to shareholders for approval in the April 18, 2017 AGM

The notes to the consolidated financial statements for the 2016 financial year are available on the Company's web site www.vicat.fr

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS *(in thousands of euros)*	December 31, 2016	December 31, 2015 restated (a)
NON CURRENT ASSETS		
Goodwill	1 048 954	1 040 307
Other intangible assets	106 465	114 459
Property, plant and equipment	1 992 508	2 121 011
Investment properties	17 839	17 766
Investments in associated companies	41 070	49 854
Deferred tax assets	150 918	150 292
Receivables and other non current financial assets	110 941	122 672
Total non current assets	**3 468 695**	**3 616 361**
CURRENT ASSETS		
Inventories and work in progress	385 770	407 192
Trade and other accounts	389 504	376 627
Current tax assets	53 447	53 716
Other receivables	188 721	150 725
Cash and cash equivalents	242 770	254 371
Total current assets	**1 260 212**	**1 242 631**
TOTAL ASSETS	**4 728 907**	**4 858 992**

LIABILITIES *(in thousands of euros)*	December 31, 2016	December 31, 2015 restated (a)
SHAREHOLDERS' EQUITY		
Share capital	179 600	179 600
Additional paid in capital	11 207	11 207
Consolidated reserves	2 022 313	2 046 737
Shareholders' equity	**2 213 120**	**2 237 544**
Minority interests	**257 054**	**292 160**
Shareholders' equity and minority interests	**2 470 174**	**2 529 704**
NON CURRENT LIABILITIES		
Provisions for pensions and other post employment benefits	142 353	134 729
Other provisions	107 101	95 938
Financial debts and put options	980 017	1 225 391
Deferred tax liabilities	197 980	220 665
Other non current liabilities	2 228	5 369
Total non current liabilities	**1 429 679**	**1 682 092**
CURRENT LIABILITIES		
Provisions	10 757	13 204
Financial debts and put options at less than one year	250 266	114 884
Trade and other accounts payable	316 345	283 734
Current taxes payable	46 835	37 274
Other liabilities	204 851	198 100
Total current liabilities	**829 054**	**647 196**
Total liabilities	**2 258 733**	**2 329 288**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4 728 907**	**4 858 992**

(a) : the financial statements for the year ended December 31, 2015 were restated for comparative purposes in compliance with the new method applied concerning greenhouse gas emission quotas. The nature and the impacts of these restatements are reflected in notes 1.7 and 35 of the consolidated financial statements

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	December 31, 2016	December 31, 2015 restated (a)
Sales	2 453 771	2 457 903
Goods and services purchased	(1 554 840)	(1 580 500)
Added value	**898 931**	**877 403**
Personnel costs	(409 406)	(407 395)
Taxes	(56 466)	(53 814)
Gross operating income	**433 059**	**416 194**
Depreciation, amortization and provisions	(198 856)	(195 331)
Other income and expenses	21 745	23 961
Operating income	**255 948**	**244 824**
Cost of net financial debt	(30 475)	(36 991)
Other financial income	12 371	23 148
Other financial expenses	(20 007)	(34 353)
Net financial income (expense)	**(38 111)**	**(48 196)**
Earnings from associated companies	13 695	4 876
Profit (loss) before tax	**231 532**	**201 504**
Income tax	(66 727)	(62 013)
Consolidated net income	**164 805**	**139 491**
Portion attributable to minority interests	25 740	21 219
Portion attributable to the Group	**139 065**	**118 272**

EBITDA	**457 813**	**443 701**
EBIT	**257 832**	**245 593**
Cash flow from operations	**352 942**	**341 579**

Earnings per share (in euros)		
Basic and diluted Group share of net earnings per share	3,10	2,63

(a) : the financial statements for the year ended December 31, 2015 were restated for comparative purposes in compliance with the new method applied concerning greenhouse gas emission quotas. The nature and the impacts of these restatements are reflected in notes 1.7 and 35 of the consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
(in thousands of euros)	**December 31, 2016**	**December 31, 2015 restated (a)**
Consolidated net income	**164 805**	**139 491**
Other comprehensive income items		
Items not recycled to profit or loss :		
Remeasurement of the net defined benefit liability	3 548	269
Tax on non-recycled items	(1 848)	670
Items recycled to profit or loss :		
Net income from change in translation differences	(143 748)	9 138
Cash flow hedge instruments	(3 082)	11 482
Tax on recycled items	(194)	(3 997)
Other comprehensive income (after tax)	**(145 324)**	**17 562**
Total comprehensive income	**19 481**	**157 053**
Portion attributable to minority interests	(21 274)	22 278
Portion attributable to the Group	**40 755**	**134 775**

(a) : the financial statements for the year ended December 31, 2015 were restated for comparative purposes in compliance with the new method applied concerning greenhouse gas emission quotas. The nature and the impacts of these restatements are reflected in notes 1.7 and 35 of the consolidated financial statements

CONSOLIDATED CASH FLOWS STATEMENT

(in thousands of euros)	Dec. 31, 2016	Dec. 31, 2015 restated (a)
Cash flows from operating activities		
Consolidated net income	**164 805**	**139 491**
Earnings from associated companies	(13 695)	(4 876)
Dividends received from associated companies	4 596	1 131
Elimination of non cash and non operating items :		
- depreciation, amortization and provisions	208 706	202 655
- deferred taxes	(9 707)	(11 811)
- net (gain) loss from disposal of assets	(3 966)	(3 933)
- unrealized fair value gains and losses	486	64
- other	1 717	18 858
Cash flows from operating activities	**352 942**	**341 579**
Change in working capital requirement	33 332	(46 661)
Net cash flows from operating activities (1)	**386 274**	**294 918**
Cash flows from investing activities		
Outflows linked to acquisitions of non-current assets :		
- property, plant and equipment and intangible ass	(139 304)	(169 415)
- financial investments	(37 582)	(19 526)
Inflows linked to disposals of non-current assets :		
- property, plant and equipment and intangible ass	7 567	7 295
- financial investments	7 170	3 680
Impact of changes in consolidation scope	(25 907)	(55)
Net cash flows from investing activities	**(188 056)**	**(178 021)**
Cash flows from financing activities		
Dividends paids	(80 239)	(78 405)
Increases in capital		
Proceeds from borrowings	1 570	301 486
Repayments of borrowings	(129 405)	(356 698)
Acquisitions of treasury shares	(25 749)	(30 765)
Disposals or allocations of treasury shares	27 935	32 899
Net cash flows from financing activities	**(205 888)**	**(131 483)**
Impact of changes in foreign exchange rates	(8 517)	(3 308)
Change in cah position	**(16 187)**	**(17 894)**
Net cash and cash equivalents - opening balance	225 096	242 991
Net cash and cash equivalents - closing balance	208 909	225 096

(1) : Including cash flows from income taxes € (49,846) thousand in 2016 and € (77,620) thousand in 2015

Including cash flows from interests paid and received € (28,708) thousand euros in 2016 and € (40,774) thousand in 2015.

(a) : the financial statements for the year ended December 31, 2015 were restated for comparative purposes in compliance with the new method applied concerning greenhouse gas emission quotas. The nature and the impacts of these restatements are reflected in notes 1.7 and 35 of the consolidated financial statements

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of euros)	Capital	Additional paid in capital	Treasury shares	Consolidated reserves	Translation reserves	**Share-holders' equity**	Minority interests	**Total share-holders' equity and minority interests**
At January 1, 2015 restated (a)	**179 600**	**11 207**	**(70 133)**	**2 195 649**	**(149 698)**	**2 166 625**	**281 870**	**2 448 495**
Consolidated net income restated (a)				118 272		**118 272**	21 219	**139 491**
Other comprehensive income				(39 392)	55 894	**16 502**	1 060	**17 562**
Total comprehensive income				*78 880*	*55 894*	***134 774***	*22 279*	***157 053***
Dividends paids				(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								
Increase in share capital								
Other changes				(193)		**(193)**	(20)	**(213)**
At December 31, 2015 restated (a)	**179 600**	**11 207**	**(67 008)**	**2 207 548**	**(93 804)**	**2 237 543**	**292 160**	**2 529 703**
Consolidated net income				139 065		**139 065**	25 740	**164 805**
Other comprehensive income				(2 185)	(96 125)	**(98 310)**	(47 014)	**(145 324)**
Total comprehensive income				*136 880*	*(96 125)*	***40 755***	*(21 274)*	***19 481***
Dividends paids				(66 292)		**(66 292)**	(13 880)	**(80 172)**
Net change in treasury shares			3 399	(1 213)		**2 186**		**2 186**
Changes in consolidation scope and additional acquisitions								
Increases in share capital								
Other changes				(1 072)		**(1 072)**	48	**(1 024)**
At December 31, 2016	**179 600**	**11 207**	**(63 609)**	**2 275 851**	**(189 929)**	**2 213 120**	**257 054**	**2 470 174**

Group translation differences at December 31st, 2016 and 2015 are broken down by currency as follows (in thousands of euros) :

	Dec. 2016	**Dec. 2015**
US Dollar :	63 948	52 291
Swiss franc :	208 982	203 395
Turkish new lira :	(178 330)	(144 915)
Egyptian pound :	(128 268)	(50 157)
Kazakh tengue :	(85 609)	(85 450)
Mauritanian ouguiya:	(3 262)	2 812
Indian rupee :	(67 390)	(71 780)
	(189 929)	**(93 804)**

(a) : the financial statements for the year ended December 31, 2015 were restated for comparative purposes in compliance with the new method applied concerning greenhouse gas emission quotas. The nature and the impacts of these restatements are reflected in notes 1.7 and 35 of the consolidated financial statements