



Sales to 31 March 2017

- Sales of €551 million, representing an increase of +1.4% at constant scope and exchange rates
- Firmer business levels in France, the United States, Africa and Middle East
- Small business contraction in Europe excl. France, and Asia



Paris La Défense, May 2, 2017: the Vicat Group (Euronext Paris: FR0000031775 – VCT) has today reported its sales for the period ended March 31, 2017 of €551 million, stable on a reported basis and up +1.4% at constant scope and exchange rates.

Consolidated sales by business segment:

(€ million)	31 March 2017	31 March 2016	Change (%)	
			Reported	At constant scope and exchange rates
Cement	283	291	-3.0%	+4.5%
Concrete & Aggregates	204	198	+3.0%	-2.5%
Other Products & Services	65	65	0.0%	-0.9%
Total	551	554	-0.5%	+1.4%

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Commenting on these figures, the Group's Chairman and CEO said: *"During the first quarter, Vicat's activity levels increased again at constant scope and exchange rates despite broadly worse weather conditions than in 2016.*

France continued its progressive recovery, while the United States posted further growth in its business. In Asia, a firm performance in India partly helped to make up for the business downturn in Kazakhstan and Turkey, where very difficult weather conditions took their toll. In the Africa and Middle East region, Egypt posted a strong top-line increase at constant scope and exchange rates, which made up for the decline in West Africa. Against this backdrop, Vicat remains focused on its objectives of maximising cash flow generation and reducing its debt."



In this press release, and unless indicated otherwise, all changes are stated on a year-on-year basis (2017/2016), and at constant scope and exchange rates.

Consolidated sales during the first quarter of 2017 came to €551 million, stable on a reported basis (-0.5%) and up +1.4% at constant scope and exchange rates compared with 2016.

Over the same period, Cement operational sales rose +3.1% (consolidated sales rose +4.5%) at constant scope and exchange rates, while Concrete & Aggregates operational sales declined -2.7% (consolidated sales down -2.5%). Sales recorded by the Other Products & Services business were stable (operational sales up +0.4%, consolidated sales down -0.9%).

A breakdown of first-quarter operational sales between the Group's various business lines shows a slight dip in the contribution from the Cement business, which now accounts for 53.3% of operational sales compared with 54.6% in the first quarter of 2016. The Concrete & Aggregates business accounted for 33.3% of operational sales versus 32.1% in the first three months of 2016. Lastly, the contribution from Other Products & Services remained stable at 13.4% of operational sales versus 13.3% in the first quarter of 2016.

1. Geographical breakdown of first-quarter 2017 consolidated sales

1.1. France

(€million)	31 March 2017	31 March 2016	Change (%)	
			Reported	At constant scope
Consolidated sales	196	183	+7.3%	+1.1%

Consolidated sales in France for the period ended March 31, 2017 grew by +7.3% and by +1.1% at constant scope to €196 million. Sector conditions continued to improve during the quarter, even though weather conditions were significantly worse than in 2016.

By business:

- *In the Cement business*, operational sales slipped -1.1%, but rose +1.9% on a consolidated basis. Against a backdrop of very gradual improvement in the sector, volumes edged very slightly lower (-1%) owing to worse weather conditions than in 2016 and weaker export sales. As a result, selling prices were stable, with a very small improvement in the domestic market offsetting the dip in export prices.
- *In the Concrete & Aggregates business*, operational sales rose by +14.0% and by +0.7% at constant scope (consolidated sales up +14.9% on a reported basis and up +1.3% at constant scope). On a reported basis, the quarterly performance of the business reflected the asset swap between Vicat and Cemex completed at the beginning of the year and the first-time consolidation of the recently acquired concrete plants. At constant scope, Vicat's performance in this segment was marked by a decline in concrete volumes of around -3% owing to weather conditions, offset by a healthy gain of over +5% in aggregates. Selling prices rose in Concrete, but dropped slightly in Aggregates.
- *In the Other Products & Services business*, operational sales posted a very small increase of +1.1%.



1.2. Europe (excluding France)

(€ million)	31 March 2017	31 March 2016	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	80	81	-0.4%	-2.8%

In **Switzerland**, the Group's consolidated sales declined -3.2% at constant scope and exchange rates (-0.8% on a reported basis).

- *In the Cement business*, operational sales grew +5.2% (+10.1% on a consolidated basis) at constant scope and exchange rates. This performance is essentially the result of a favourable base for comparison given the soft business levels recorded in the first quarter of 2016 following the end of some major infrastructure projects. As a result, volumes rose by over +11%. Selling prices declined compared to the first quarter of 2016 as a result of the downturn recorded throughout 2016. On a sequential basis, selling prices were essentially stable compared with the fourth quarter of 2016.
- *In the Concrete & Aggregates business*, operational and consolidated sales declined -11.4% at constant scope and exchange rates. This performance was driven by a decline in concrete volumes of close to -3%. and close to -6% in aggregates owing to the completion of road and civil engineering projects. As a result, selling prices dropped lower in concrete, but moved higher in aggregates.
- *The Precast business* recorded a -3.1% decline in operational sales. This contraction was caused by the temporary dip in volumes in the railway segment and the reorganization of part of the precast products business to adapt to a fiercer competitive environment, which triggered strong pricing pressures.

In **Italy**, consolidated sales grew +9.4%. This performance amid challenging industry conditions was driven by a significant volume improvement of +10% and a small pick-up in selling prices.



1.3. United States

(€ million)	31 March 2017	31 March 2016	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	84	80	+5.4%	+1.8%

Business levels in the United States rose +1.8% relative to the first quarter of 2016, with favourable macroeconomic and sector conditions continuing to provide support.

- *In the Cement business*, operational sales rose by +9.7% (+13.7% on a consolidated basis) at constant scope and exchange rates. Volumes rose by almost +3%, but performance varied from one region to another. The very high rainfall recorded again in California in the first quarter led to stable volumes in this area, while volumes grew further in the South-East. Selling prices recorded another increase in both regions relative to the first quarter of 2016.
- *In the Concrete business*, sales declined -4.8% at constant scope and exchange rates. Volumes fell by close to -7% across the region as a whole, with a sharp fall in California owing to bad weather conditions, and a more moderate drop in the South-East. As a result of the hikes introduced in 2016, selling prices edged higher in California and firmed up slightly more in the South-East.

1.4. Asia (Turkey, India and Kazakhstan)

(€ million)	31 March 2017	31 March 2016	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	110	115	-4.4%	-1.7%

In **Turkey**, consolidated sales came to €31.7 million, down -9.2% at constant scope and exchange rates (down -25.1% on a reported basis). Business trends were marked by the very poor weather conditions during the quarter, especially in the Anatolian plateau, and by a small dip in industry activity due to the political environment.

- *In the Cement business*, the Group recorded a decrease of -6.7% in its operational sales (consolidated sales down -6.9%). Amid an uncertain political and geopolitical environment, volumes posted a fall of close to -5% given the far worse weather conditions than in 2016. Volume trends were very mixed over the period. Volumes sold in Ankara from the Bastas plant did not make up for the steep decline in volumes sold in the Konya region. Accordingly, the average selling price moved slightly lower over the period, with prices increasing slightly in the Bastas markets, but declining in the Konya region.



- The operational sales recorded by the *Concrete & Aggregates business* declined -9.2% (consolidated sales down -11.9%). Weather conditions had a severe impact on business levels, with volumes dropping over -13% in concrete and close to -10% in aggregates. Average selling prices remained stable in concrete and rose in aggregates.

In **India**, the Group recorded consolidated sales of €75 million in the first quarter of 2017, up +4.6% at constant scope and exchange rates. With 1.3 million tonnes sold in the quarter, volumes rose by over +8% reflecting the Group's aim of capitalizing on the start-up of new infrastructure projects by the Indian government. Amid further intense competitive pressure, cement selling prices rose very slightly compared with the first quarter of 2016, with a gradually improving geographical mix.

In **Kazakhstan**, consolidated sales came to €4.1 million over the period, down -13.6%. At constant exchange rates, sales declined -24.4%. Given the very strong seasonal variations in sales in this country owing to weather conditions, the first quarter is not representative of performance anticipated over the full year. Volumes delivered during the quarter fell by close to -33% owing in particular to tough winter conditions and the Group's priority of maintaining its selling prices. As a result, they recorded a solid increase in the first quarter.

1.5. Africa and Middle East

(€ million)	31 March 2017	31 March 2016	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	81	96	-15.6%	+8.8%

In **Egypt**, consolidated sales totalled €20.3 million, up +31.8% at constant scope and exchange rates. On a reported basis, sales declined by -38.4% owing to the November 2016 devaluation in the Egyptian pound. This trend reflected an increase in delivery volumes of close to +18%. Ex-works selling prices were significantly higher than in the previous year, but remained highly volatile given the macroeconomic environment.

In **West Africa**, sales were down -3.4% at constant scope and exchange rates. Cement volumes fell by over -11% during the period. Selling prices remained stable in the Cement business in Senegal, but moved higher in Mali, and weakened further in Mauritania. They edged slightly higher in Aggregates in Senegal.



2. Breakdown of first-quarter 2017 sales by business

2.1. Cement

(€ million)	31 March 2017	31 March 2016	Change (%)	
			Reported	At constant scope and exchange rates
Volumes (thousands of tonnes)	4,888	4,829	+1.2%	
Operational sales	335	346	-3.3%	+3.1%
Eliminations	(52)	(55)		
Consolidated sales	283	291	-3.0%	+4.5%

2.2. Concrete & Aggregates

(€ million)	31 March 2017	31 March 2016	Change (%)	
			Reported	At constant scope and exchange rates
Concrete volumes (thousands of m ³)	1,846	1,885	-2.0%	
Aggregates volumes (thousands of tonnes)	5,007	4,826	+3.7%	
Operational sales	209	204	+2.6%	-2.7%
Eliminations	(5)	(6)		
Consolidated sales	204	198	+3.0%	-2.5%

2.3. Other Products & Services

(€ million)	31 March 2017	31 March 2016	Change (%)	
			Reported	At constant scope and exchange rates
Operational sales	84	84	-0.1%	+0.4%
Eliminations	(19)	(19)		
Consolidated sales	65	65	0.0%	-0.9%



3. Changes in consolidated financial position at March 31, 2017

It is worth noting that historically the first quarter has not been representative of the Group's full-year financial performance.

Net debt came to 40% of consolidated shareholders' equity at March 31, 2017 versus 46% at March 31, 2016.

Given the Group's debt level, bank covenants do not pose a threat to either the Group's financial position or its balance sheet liquidity. At March 31, 2017, Vicat complied with all financial ratios required by covenants in financing agreements.

4. 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 favourable 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 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**, due to the current geopolitical situation the market offers little visibility even if market trends are expected to remain firm in the Ankara region and more tense in the Konya region. The Group should capitalize on its strong positions in the Anatolian plateau and its efficient production facilities. Selling prices should be firm over the period.
- **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 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 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.



4. Conference call

To accompany the publication of its first-quarter 2017 sales, the Vicat group is organising a conference call in English that will take place on Wednesday, May 3, 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 74
United Kingdom: +44 (0)330 336 9105
United States: +1 719 457 2086

To listen to a playback of the conference call, which will be available until May 8, 2017, 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: **3075311#**

Next publication: First-half 2017 results on August 3, 2017 after market close.

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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).

Vicat Group – Financial data – Appendices

Breakdown of first-quarter 2017 sales by business & geographical region

PRESS RELEASE



	Cement	Concrete & Aggregates	Other Products & Services	Inter-sector eliminations	Consolidated sales
France	83	97	56	(41)	196
Europe (excluding France)	36	34	21	(11)	80
United States	47	50	-	(13)	84
Asia	99	17	7	(12)	110
Africa and Middle East	70	11	-	(0)	81
Operational sales	335	209	84	(77)	551
Inter-sector eliminations	(52)	(5)	(19)	77	-
Consolidated sales	283	204	65	-	551