PRESS RELEASE

2017 results:

- ***Sales up +6.4% at constant scope and exchange rates***
- ***Improvement in EBITDA at constant scope and exchange rates across all regions, except for Africa and the Middle East***
- ***Strong EBITDA progression in the second semester***
- ***Healthy free cash flow of €179 million***
- ***Reduction of €125 million in debt: gearing at 32.7% and leverage ratio at 1.77x***
- ***Dividend of €1.50 per share proposed***

Paris La Défense, 19 February 2018: The Vicat group (Euronext Paris: FR0000031775 – VCT) has today reported its 2017 results.

Audited condensed consolidated income statement:

(€ million)	2017	2016	Change compared with 2016 (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**2,563**	2,454	+4.5%	+6.4%
EBITDA	**444**	458	-3.0%	-3.4%
EBITDA margin (%)	*17.3*	*18.7*		
EBIT	**247**	258	-4.1%	-5.9%
EBIT margin (%)	*9.6*	*10.5*		
Consolidated net income	**156**	165	-5.4%	-7.9%
Net margin (%)	*6.1*	*6.7*		
Net income, Group share	**142**	139	+2.2%	+2.0%
Cash flow from operations	**346**	353	-1.8%	-3.4%

Commenting on these figures, the Group's Chairman and CEO said: *"Vicat posted a healthy performance in 2017 amid a very mixed environment. Our teams have built up real commercial momentum and this, combined with our very tight grip on costs, successfully curtailed the consequences of difficult weather conditions, currency trends and geopolitical tensions in some of our markets. In spite of these headwinds, our businesses in France, Asia and the United States made healthy progress and offset the contractions in the Africa and Middle East region. Our healthy free cash flow enabled us to pay down our debt further, in keeping with our commitments. We intend to leverage the investments we have made in recent years and our strong market positions to continue pursuing our strategy of profitable growth."*

VICAT INVESTOR CONTACTS:

STÉPHANE BISSEUIL
TEL. +33 (0)1 58 86 86 13
stephane.bisseuil@vicat.fr

VICAT PRESS CONTACTS:

CAMILLE PENVEN
TEL. +33 (0)1 58 86 86 26
camille.penven@tbwa-corporate.com

HEAD OFFICE:

TOUR MANHATTAN
6 PLACE DE L'IRIS
F-92095 PARIS - LA DEFENSE CEDEX
TEL.: +33 (0)1 58 86 86 86
FAX: +33 (0)1 58 86 87 88

A FRENCH REGISTERED COMPANY WITH SHARE CAPITAL OF €179,600,000
EU VAT IDENTIFICATION NUMBER: FR 92 - 057 505 539
RCS NANTERRE

Throughout this analysis, and unless indicated otherwise, all changes are stated on a consolidated, year-on-year basis (2017/2016 adjusted), and at constant scope and exchange rates.

The audited consolidated financial statements for the 2017 financial year and the notes are available in their entirety on the Company's web site at www.vicat.fr

1. Income statement

1.1 Consolidated income statement

The Vicat Group's ***consolidated sales*** in the 2017 financial year came to €2,563 million, representing an increase of +4.5% or +6.4% at constant scope and exchange rates compared with 2016.

Changes in consolidated sales by region, excluding scope and currency effects, show overall:

- a healthy increase in France across all the businesses, supported by an increase in cement volumes in the domestic market and in aggregates. Excluding the impact of changes in the scope of consolidation, concrete volumes declined over the financial year. Selling prices edged slightly higher in cement and aggregates and firmed up more significantly in concrete.
- firm business trends in Asia, supported by strong sales growth in Turkey, India and Kazakhstan. Cement volumes posted a significant increase in India and Turkey, but declined very slightly in Kazakhstan. Selling prices rose significantly in Kazakhstan and Turkey, and to a lesser extent in India.
- business levels continued to improve in the United States, supported by upbeat trends in cement volumes and selling prices, in spite of the very tough weather conditions during the year, especially in the South-East region.
- and, lastly, a slight pick-up in activity levels in Europe (excluding France), with a small improvement in Switzerland in the Cement and Other Products & Services businesses, helping to offset the declines in the Concrete business in Switzerland and Italy.

These positive factors helped to make up for:

- a very small contraction in West Africa. The decline in the Cement business in Senegal, Mali and Mauritania was offset almost entirely by a firm improvement in the Aggregates business in Senegal.
- a very small business contraction in Egypt, with the dip in volumes almost entirely offset by the pick-up in selling prices, against the backdrop of a highly depressed macroeconomic environment owing to the very strong devaluation in the Egyptian pound in November 2016.

An analysis of operational sales by the Group's various business segments shows a small dip in the contribution from the Cement business to 51.0% of operational sales from 52.9% in 2016. The contribution from Concrete & Aggregates increased to 34.5% of operational sales in 2017 from 32.9% in 2016. Lastly, the contribution from Other Products & Services to the Group's operational sales stabilised at 14.5% in 2017, compared with 14.2% in 2016. The proportion of operational sales before eliminations generated by the Group's main businesses, i.e. Cement, Concrete & Aggregates, was stable at close to 86%.

The Group's ***consolidated EBITDA*** declined -3.0% to €444 million and -3.4% at constant scope and exchange rates. As a result, the EBITDA margin on consolidated sales came to 17.3%, compared with 18.7% in 2016. In line with sales trends, EBITDA was affected by very strong seasonal fluctuations during the year. After a decline of -13.0% in the first half, EBITDA rose +4.5% at constant scope and exchange rates in the second half of the year.

The decline in 2017 EBITDA compared with 2016 at constant scope and exchange rates was attributable to:

- a very steep decline in the EBITDA generated in Egypt. Following the sharp devaluation in November 2016, which halved the value of the Egyptian pound, it proved possible to counter the very strong inflation in production costs through a hike in selling prices only to a very limited extent. Against this backdrop, Egypt recorded a loss at EBITDA level over the year as a whole.
- a small decline in EBITDA in Turkey, where performance was held back by highly unfavourable weather conditions, especially in the Konya region at the beginning of the year. Higher volumes and selling prices in the Cement business were not sufficient to fully offset the strong increase in production costs that essentially resulted from the depreciation of the Turkish pound.

These negative factors were offset partly by:

- an improvement in the EBITDA generated in France in the Cement business and to a greater extent in the Concrete & Aggregates business.
- the continued EBITDA improvement in India, driven by a clear pick-up in cement volumes and a very small upturn in average selling prices.
- an increase in the EBITDA generated in Kazakhstan, with an increase in selling prices helping to offset the slight contraction in volumes.
- further improvement in EBITDA in the US in spite of highly unfavourable weather conditions in 2017, especially in the South-East region. The pick-up in volumes and average selling prices in the Cement business helped to offset the EBITDA contraction recorded by the Concrete business.
- stable EBITDA in West Africa, underpinned by a strong increase in the EBITDA generated by the Aggregates business in Senegal and the Cement business in Mauritania, offsetting the EBITDA contraction in the Cement business in Senegal and Mali.

The Group's ***consolidated EBIT*** came to €247 million, down -4.1% over the full year and down -5.9% at constant scope and exchange rates. The EBIT margin on consolidated sales came to 9.6% in 2017, compared with 10.5% in 2016.

Net financial expense improved by +€9.9 million to -€28.2 million, mainly due to:

- the -€2.8 million reduction in the cost of the net debt.
- an improvement in other financial income and expenses deriving from a +€5.7 million increase in net foreign exchange gains, and a +€2.2 million increase in the net impact of fair value adjustments on derivatives, offset partially by higher discounting expenses.

Tax expense declined -€13.5 million compared with 2016, of which -€21.1 million in income taxes and +€7.6 million in deferred taxes chiefly as a result of:

- the €9.9 million repayment by the French tax authorities following the French constitutional court's ruling that the 3% tax on dividend payments is unconstitutional.
- a lower rate of withholding tax on intragroup dividends (-€2.3 million).
- a -6.6% decrease in income before tax and non-recurring items.

- a decrease in net deferred tax benefits related to the negative impact of close to -€9 million on deferred tax assets linked to the loss carryforwards held by US subsidiaries, owing to the cut in the income tax rate in the United States from 35% to 21%.

Consolidated net income came to €155.9 million, down -5.4% compared with the previous year on a reported basis and down -7.9% at constant scope and exchange rates. The net margin stood at 6.1% of consolidated sales, compared with 6.7% in 2016.

Net income (Group share) increased by 2% à constant scope and exchange rate. On this basis, ***Earnings per share (Group share)*** came to €3.2 in 2017, up from €3.1 per share in 2016.

On the strength of these full-year 2017 results and its confidence in the Group's ability to continue pursuing its development, the Board of Directors decided at its meeting on 13 February 2018 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 6 April 2018.

1.2 Income statement analysed by geographical region

1.2.1. Income statement, France

(€ million)	2017	2016	Change compared with 2016 (%)	
			Reported	At constant scope
Consolidated sales	**890**	795	+12.0%	**+3.4%**
EBITDA	**129**	115	+12.3%	**+7.3%**
EBIT	**69**	59	+17.4%	**+16.8%**

Consolidated sales in France rose +3.4% at constant scope to €890 million. Despite adverse weather conditions, consolidated sales rose +10.8% at constant scope (+17.6% on a reported basis) in the fourth quarter.

EBITDA generated by the Group in France rose +7.3% at constant scope to €129 million, from €115 million in 2016. The EBITDA margin on consolidated sales was stable at 14.5%. After experiencing an EBITDA contraction of -1.5% at constant scope in the first half, the Group generated a healthy increase in EBITDA of +14.2% at constant scope in the second half of the year compared with the same period of 2016.

- ***In the Cement business***, operational sales rose +2.2% over the full year (+2.4% on a consolidated basis). This increase flowed from a very small improvement in volumes (+0.6%), with brisk growth in the domestic market, despite adverse weather conditions at the beginning and end of the year, which helped to offset the contraction in export volumes. Meanwhile, prices were stable in the domestic market and edged higher in export markets.
  In the fourth quarter, operational sales recorded by the business grew by +5.8% (+4.9% on a consolidated basis), with volumes moving up close to +6% even though weather conditions were far less favourable than in the same period of 2016.

EBITDA rose +1.9% over the full year, with a clear improvement in the second half (+5.1% vs. a fall of -2.5% in the first half). In 2017, the EBITDA margin on operational sales was stable compared with 2016.

- ***In the Concrete & Aggregates business****,* operational sales rose +2.8% at constant scope (+3.0% on a consolidated basis) over the full year. This performance reflected a decline of -4% at constant scope in concrete volumes and a rise in aggregates volumes of close to +10%. Prices firmed up significantly in concrete and were stable in aggregates.
  During the fourth quarter, operational sales recorded by the Concrete and Aggregates business grew by +8.8% (+8.5% on a consolidated basis) at constant scope, thanks to the construction sector's momentum in spite of the less favourable weather conditions than in the same period of 2016. Concrete volumes during the quarter remained stable at constant scope and rose by close to +15% in aggregates, while selling prices also moved higher.
  As a result of these factors, the EBITDA generated by the business in France was 6 times higher than it was in 2016, with the EBITDA margin on operational sales widening very significantly.
- ***In the Other Products & Services business*****,** operational sales rose +5.5% year-on-year (+5.6% on a consolidated basis).
  EBITDA declined -8.7%, primarily owing to the paper business, and the EBITDA margin on operational sales contracted by -70 basis points.

1.2.2. Income statement for Europe excluding France

(€ million)	2017	2016	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**410**	411	-0.3%	**+1.6%**
EBITDA	**95**	94	+0.3%	**+2.2%**
EBIT	**62**	59	+4.6%	**+6.6%**

Sales in Europe excluding France were stable on a reported basis (-0.3%) and moved +1.6% higher at constant scope and exchange rates. In the fourth quarter, consolidated sales declined -5.8% on a reported basis given the sharp depreciation in the Swiss franc against the euro during the period. Accordingly, sales rose +1.7% at constant scope and exchange rates. *Full-year EBITDA* was stable (+0.3%) on a reported basis and rose +2.2% at constant scope and exchange rates. Very strong seasonal fluctuations were also evident in the region since EBITDA rose +11.0% in the second half after a contraction of -7.6% at constant scope and exchange rates in the first half of the year. The EBITDA margin crept up to 23.1% in 2017 from 22.9% in 2016.

In **Switzerland**, the Group's consolidated sales remained stable (-0.1%) on a reported basis in 2017. At constant scope and exchange rates, they rose +1.9%. In the fourth quarter, consolidated sales declined -5.5% on a reported basis but rose +2.2% at constant scope and exchange rates.
The EBITDA generated in 2017 was stable on a reported basis and rose +1.9% at constant scope and exchange rates, with the healthy increase in the second half of the year (+12.0% at constant scope and exchange rate) making up for the decline in the first half (-9.3% at constant scope and exchange rates). The EBITDA margin on consolidated sales held firm at 23.3% in 2017.

- ***In the Cement business***, operational sales declined -2.9% on a reported basis and -1.0% at constant scope and exchange rates. Consolidated sales were almost stable on a reported basis (-0.6%), but grew +1.3% at constant scope and exchange rates. Volumes rose by more than +1% over the year as a whole, partially helping to counter the dip in average selling prices. Operational sales in the fourth quarter fell back -14.7% on a reported basis and -7.6% at constant scope and exchange rates. Consolidated sales dropped -11.0% on a reported basis and -4.1% at constant scope and exchange rates. Given the unfavourable weather conditions recorded in the final quarter, volumes sank more than 9% and average selling prices also moved lower.
  Accordingly, EBITDA recorded a decline of -0.9% at constant scope and exchange rates over the year as a whole. The EBITDA margin on operational sales was stable over the full year thanks to cost reductions.
- ***In the Concrete & Aggregates business***, operational sales moved -8.3% lower on a reported basis and dropped -6.5% at constant scope and exchange rates. Consolidated sales fell -8.4% on a reported basis and -6.6% at constant scope and exchange rates.

Volumes declined more than -5% in concrete and -8% in aggregates. Selling prices edged lower in concrete, but recorded a more significant fall in aggregates. In the fourth quarter, operational sales posted a hefty fall of -10.1% at constant scope and exchange rates (-10.7% on a consolidated basis) following unfavourable weather conditions that sparked volume declines of close to -16% in concrete and -12% in aggregates. Even though average selling prices continued to head lower in aggregates, they firmed up significantly in concrete.

Overall, EBITDA recorded a decline of -15.3% at constant scope and exchange rates over the year as a whole, and the EBITDA margin on operational sales narrowed by -170 basis points.

- ***The Precast business*** reported a healthy increase in its consolidated sales of +14.4% at constant scope and exchange rates (+12.2% on a reported basis) with the recovery in rail orders and the positive effects of the reorganisation launched at the beginning of the 2017 financial year.

  Overall, full-year EBITDA surged +91.6% at constant scope and exchange rates, with the EBITDA margin on operational sales moving up +450 basis points.

In **Italy**, consolidated sales declined -6.1% owing to a volume contraction of -9% over the year, albeit in a firmer pricing environment.
In the fourth quarter, sales declined -13.8%, with volumes dropping more than -16%, offset partly by an improvement in selling prices.
Against this backdrop of a volume contraction, but firmer selling prices, EBITDA grew +19.8%, with the EBITDA margin recording a significant improvement of +340 basis points over the year.

1.2.3. Income statement for the United States

(€ million)	2017	2016	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**393**	364	+8.1%	**+10.3%**
EBITDA	**60**	59	+1.9%	**+4.0%**
EBIT	**34**	33	+3.3%	**+5.4%**

Business in the United States again recorded growth in a firm macroeconomic environment that was supportive for the construction sector. Conversely, full-year sales were significantly held back by highly unfavourable weather conditions, firstly in California during the first quarter and then in the South-East region over the final 9 months of the year, with the exceptionally high rainfall. As a result, the Group's consolidated sales rose +8.1% on a reported basis and +10.3% at constant scope and exchange rates.
Consolidated sales in the fourth quarter moved up +9.7% on a reported basis and +19.6% at constant scope and exchange rates.
The Group recorded an increase of +1.9% in its EBITDA on a reported basis and of +4.0% at constant scope and exchange rates, with the margin on consolidated sales contracting by -90 basis points to 15.3% from 16.2% in 2016. With the unfavourable weather conditions prevailing throughout the year, especially in the South-East region, the seasonal effect was less clear-cut in 2017, with EBITDA rising by +4.4% in the second half after a +3.3% rise in the first half at constant scope and exchange rates.

- ***In the Cement business***, full-year operational sales grew +11.6% at constant scope and exchange rates (+9.3% on a reported basis). Consolidated sales moved up +12.2% at constant scope and exchange rates (+9.9% on a reported basis). Volumes grew close to +8%, thanks to the strong increase recorded in California, while they remained stable in the South-East region given that weather conditions were highly unfavourable during the year. Selling prices headed higher again in both regions.
  During the fourth quarter, operational sales in the Cement business grew by +15.8% at constant scope and exchange rates (+5.8% on a reported basis). Consolidated sales rose +16.6% at constant scope and exchange rates (+6.4% on a reported basis). This performance was underpinned by healthy volume growth in excess of +14%, especially in California, despite the fires that disrupted business, and the heavy rainfall accompanied by very low temperatures recorded in the South-East region. Against this backdrop, selling prices again held up very well again.

Overall, the EBITDA generated by the Cement business posted an increase of +15.6% at constant scope and exchange rates over the full year, while the EBITDA margin on operational sales improved by close to one percentage point.

- ***In the Concrete business***, 2017 consolidated sales grew +9.3% at constant scope and exchange rates (+7.1% on a reported basis). Volumes rose by close to +8%, with the increase in California offsetting the slight contraction in the South-East region as a result of the very poor weather conditions. Selling prices rose more significantly in California than in the South-East region, where competition was fiercer. During the fourth quarter, consolidated sales rose by +21.2% at constant scope and exchange rates (+11.4% on a reported basis) on the back of volume growth of over +18%.
  In this environment, the EBITDA recorded by the Concrete business still posted a hefty decline of -54.6% at constant scope and exchange rates (-55.5% on a reported basis) as a result of higher costs, especially materials and transport costs, and a substantial fall in productivity levels caused by the exceptionally poor weather conditions during the year.

1.2.4. Income statement for Asia

(€ million)	**2017**	**2016**	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**579**	538	+7.7%	**+16.1%**
EBITDA	**118**	119	-1.5%	**+4.7%**
EBIT	**72**	74	-2.9%	**+4.3%**

In Asia, sales totalled €579 million, up +7.7% on a reported basis and up +16.1% at constant scope and exchange rates. Fourth-quarter consolidated sales moved up +16.9% on a reported basis and +32.3% at constant scope and exchange rates. The EBITDA generated in the region in 2017 rose +4.7% at constant scope and exchange rates (-1.5% on a reported basis).

In **Turkey**, consolidated full-year sales came to €216 million in 2017, up +21.4% at constant scope and exchange rates, but down -1.5% on a reported basis.
Consolidated fourth-quarter sales posted a sharp increase of +36.7% at constant scope and exchange rates and rose +8.3% on a reported basis.
Over the full year, EBITDA dropped back -3.4% at constant scope and exchange rates (-21.7% on a reported basis), with a margin on consolidated sales of 17.2%, compared with 21.6% in 2016. Given the severe weather conditions at the beginning of the year, seasonal trends were especially marked this year in the Cement and the Concrete & Aggregates businesses. EBITDA rose +34.1% at constant scope and exchange rates in the second half of 2017, following a fall of -52.7% in the first half of 2017.

- ***In the Cement business***, the Group recorded an increase in its full-year operational sales of +21.2% at constant scope and exchange rates (-1.7% on a reported basis). Consolidated sales surged +24.7% at constant scope and exchange rates and moved up +1.1% on a reported basis. This performance reflected a rise in volumes in a market that remained buoyant despite a challenging political and geopolitical environment, plus highly

unfavourable weather conditions at the beginning of the year. In 2017, volumes rose by markedly. The hike in selling prices in the second half of the year meant that average selling prices increased over the year as a whole. During the fourth quarter, operational sales grew +33.9% at constant scope and exchange rates (+5.9% on a reported basis), while operational sales moved +39.7% higher at constant scope and exchange rates and +10.5% higher on a reported basis.
Given the steep rise in production costs and the negative impact of the depreciation in the Turkish pound on certain costs denominated in foreign currencies, the EBITDA generated by this business fell -3.2% at constant scope and exchange rates (-21.5% on a reported basis), with the EBITDA margin down close to 6 percentage points over the year as a whole.

- The operational sales recorded by the ***Concrete & Aggregates business*** rose +14.3% at constant scope and exchange rates (down -7.3% on a reported basis). Consolidated sales climbed +16.7% higher at constant scope and exchange rates (down -5.3% on a reported basis). This healthy business growth was driven by an increase in concrete volumes of more than +9%, particularly in the Konya region, and of close to +20% in aggregates volumes. Average concrete and aggregates selling prices both edged higher. In the fourth quarter, operational sales rose by +28.1% at constant scope and exchange rates (+1.7% on a reported basis) on the back of a strong volume growth in concrete and in aggregates and a healthy increase in average selling prices.
Taking these factors into account, the EBITDA generated by the business in 2017 rose +12.0% at constant scope and exchange rates (-9.1% on a reported basis), with the EBITDA margin on operating sales stable compared with 2016.

In **India**, the Group posted consolidated full-year 2017 sales of €313 million, up +12.5% at constant scope and exchange rates and up +13.8% on a reported basis. This performance was underpinned by strong volume growth over the year of more than +13%, with almost 5.5 million tonnes sold. This reflected the strategy implemented by the Group since year-end 2015 of seizing opportunities arising as the macroeconomic and industry environment improves. Average selling prices edged very slightly higher over the full year.
In the fourth quarter, consolidated sales rose +28.3% at constant scope and exchange rates (+23.5% on a reported basis) on the back of buoyant volume growth of close to +43%. Over the same period, average selling prices posted a clear-cut decline. The full-year 2017 EBITDA generated by the Group in India grew +6.0% at constant scope and exchange rates (+7.3% on a reported basis). The EBITDA margin on consolidated sales narrowed to 20.9%, compared with 22.2% in 2016.

In **Kazakhstan**, the Group recorded consolidated sales of €51 million, up +11.5% at constant scope and exchange rates (+15.1% on a reported basis). This firm operating performance was driven by a tangible increase in selling prices over the year as a whole, which offset the impact of a slight contraction in sales volumes of more than -1%.
The sales generated in Kazakhstan in the fourth quarter rose +37.0% at constant scope and exchange rates and +19.1% on a reported basis. In the same quarter, volumes posted a significant increase with selling prices moving lower.
Overall, the EBITDA generated over the period improved by +31.7% at constant scope and exchange rates and by +36.0% on a reported basis. The EBITDA margin on consolidated sales recorded a strong increase to reach 30.1%, up from 25.4% in 2016.

1.2.5. Income statement for Africa and the Middle East

(€ million)	2017	2016	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	**291**	346	-15.9%	**-0.4%**
EBITDA	**43**	70	-39.1%	**-48.7**
EBIT	**11**	33	-67.8%	**-101.7%**

In the Africa and Middle East region, consolidated sales came to €291 million, down -15.9% on a reported basis and almost stable (-0.4%) at constant scope and exchange rates. In the fourth quarter, sales remained stable (-0.2%) at constant scope and exchange rates and declined -3.5% on a reported basis.
Full-year EBITDA declined sharply to €43 million, down -48.7% at constant scope and exchange rates owing primarily to the highly unfavourable impact of the devaluation on production costs in Egypt.

In **Egypt**, full-year consolidated sales totalled €64 million, almost stable (-0.3%) at constant scope and exchange rates, but down a very hefty -45.3% on a reported basis. The change at constant scope and exchange rates was attributable to a decline in sales volumes of over -8%, given the devaluation's impact on the macroeconomic and industry environment. The volume contraction was offset by a healthy increase in average selling prices. In the fourth quarter, consolidated sales declined -7.6% at constant scope and exchange rates and -17.7% on a reported basis. In the same period, volumes declined by over -10%, but the impact of this was partially offset by the pick-up in average selling prices.
Against this backdrop, given the very sharp increase in production costs caused by the devaluation in the Egyptian pound in November 2016, the Group sank to an EBITDA loss of -€8.3 million compared with €19.5 million in positive EBITDA in 2016.

In **West Africa**, consolidated sales totalled €227 million, almost stable (-0.5%) at constant scope and exchange rates, but down -0.9% on a reported basis. Cement volumes dropped more than -4% across the region as a whole. Selling prices edged lower in Senegal and Mauritania. Conversely, they firmed up in Mali. In Senegal, the Aggregates business posted a very strong increase of +37.8% at constant scope and exchange rates. In the fourth quarter, consolidated sales rose +2.6% at constant scope and exchange rates (+1.8% on a reported basis) on the back of volume growth in cement of over +5% and a still deflationary pricing environment.

Taking these factors into account, EBITDA came to €51.0 million, up +0.8% at constant scope and exchange rates.

1.3 Income statement broken down by business segment

1.3.1 Cement

(€ million)	**2017**	2016	Change (%)	
			Reported	At constant scope and exchange rates
Volume (thousands of tonnes)	**22,943**	**21,875**	+4.9%	
Operational sales	**1,493**	1,490	+0.2%	**+6.4%**
Consolidated sales	**1,245**	1,244	+0.0%	**+6.8%**
EBITDA	**353**	380	-7.2%	**-6.5%**
EBIT	**220**	239	-8.3%	**-10.1%**

The **operational sales** recorded by the Cement business rose +6.4% at constant scope and exchange rates and remained stable on a reported basis (+0.2%). Consolidated sales rose +6.8% at constant scope and exchange rates (stable on a reported basis). This improvement in business trends at constant scope and exchange rates was driven by volume growth of +4.9%, especially in India, Turkey, the United States, Switzerland and France, which helped to offset the contractions in West Africa, Egypt, Kazakhstan and Italy. Average selling prices firmed up during the year, with an improvement across all regions, except for West Africa and Switzerland. In the fourth quarter, operational sales rose +5.4% on a reported basis and +13.5% at constant scope and exchange rates.

EBITDA came to €353 million, representing a decline of -6.5% at constant scope and exchange rates compared with 2016 EBITDA. This decline reflected a substantial fall in the contribution made by Egypt, which recorded an EBITDA loss of over €8 million in 2017 (compared with positive EBITDA of close to €20 million in 2016). This loss flowed from the highly negative impact of the November 2016 devaluation on production costs. In addition, EBITDA fell back, but far less significantly in Turkey, owing to the rise in production costs caused by the sharp devaluation in the Turkish pound during the year, as well as in Africa and in Switzerland. The EBITDA generated in France, the United States, India, Kazakhstan and Italy increased. The **EBITDA margin** on operational sales narrowed over the year to 23.7% from 25.6% in 2016.

The **EBIT** generated in 2017 by this business dropped -10.1% at constant scope and exchange rates (-8.3% on a reported basis) to €220 million, compared with €239 million in 2016.

1.3.2 Concrete & Aggregates

(€ million)	**2017**	2016	Change (%)	
			Reported	At constant scope and exchange rates
Concrete volumes (thousands of m³)	**9,686**	8,828	+9.7%	
Aggregates volumes (thousands of tonnes)	**24,407**	22,105	+10.4%	
Operational sales	**1,008**	928	+8.6%	**+4.4%**
Consolidated sales	**988**	905	+9.2%	**+4.8%**
EBITDA	**65**	57	+13.8%	**+5.3%**
EBIT	**18**	15	+17.1%	**+15.9%**

The Concrete & Aggregates business recorded **operational sales** up +8.6% on a reported basis and up +4.4% at constant scope and exchange rates.
Concrete volumes delivered rose +9.7% over the period, supported by an increase in Turkey, the United States and France (boosted by a positive scope of consolidation), which helped to offset the contraction recorded in Switzerland. Aggregates volumes rose +10.4%, with growth in France, Turkey and West Africa comfortably making up for the fall in Switzerland.
Average selling prices rose in France, Turkey and West Africa in both concrete and aggregates. While aggregates prices moved higher in Switzerland, they declined in concrete.
In the fourth quarter, operational sales posted a significant increase of +10.3% on a reported basis and of +10.0% at constant scope and exchange rates.
Thanks to these factors, **EBITDA** grew +5.3% at constant scope and exchange rates. The **EBITDA margin** on operational sales widened slightly to 6.4%, compared with 6.1% in 2016.
EBIT increased by +15.9% at constant scope and exchange rates to €18 million from €15 million in 2016.

1.3.3 Other Products & Services

(€ million)	**2017**	2016	Change (%)	
			Reported	At constant scope and exchange rates
Operational sales	**425**	399	+6.5%	**+8.7%**
Consolidated sales	**331**	305	+8.5%	**+9.3%**
EBITDA	**26**	20	+28.3%	**+29.7%**
EBIT	**10**	3	+211.4%	**+214.0%**

The **operational sales** recorded by the Other Products & Services business grew +6.5% on a reported basis and +8.7% at constant scope and exchange rates. Consolidated sales rose +8.5% on a reported basis and +9.3% at constant scope and exchange rates. Trends firmed

up across all the regions in which this business operates, including Switzerland, with a robust upswing in the rail sleeper business. In the fourth quarter, operational sales increased +14.2% on a reported basis and +19.0% at constant scope and exchange rates.
As a result, **EBITDA** rose from €20 million in 2016 to €26 million in 2017, with the **EBITDA margin** on operational sales widening to 6.2% from 5.1% in 2016.
EBIT made very significant headway during the year to reach €10 million, up from €3 million in 2016.

2. Balance sheet and cash flow statement

At 31 December 2017, the Group was in a healthy financial position.
Consolidated equity totalled €2,409 million, compared with €2,470 million at 31 December 2016. The decline in 2017 was chiefly the result of negative currency effects, which had a total net impact of -€192 million.
Net debt declined by -€125 million to €787 million at 31 December 2017, compared with €912 million at 31 December 2016. In 2017, the average cost of financial borrowings was 3.19% compared with 3.37% in 2016.
In December 2017 and January 2018, Vicat SA renewed early all its credit lines totalling €790 million. Bilateral credit lines totalling €240 million were extended for a period of 5 years and for an identical amount. The size of the syndicated loan was increased to €550 million, with a term of 5+1+1 years, with Vicat SA holding two extension options – one at the end of the first year and another at the end of the second year. By exercising these options at the end of each of the first two years, the initial term of 5 years can be retained, provided that the banks agree. This transaction has improved the Group's borrowing terms and extended the average maturity of its debt, which, on a pro forma basis, stood at close to 4 years at 31 December 2017.

Gearing (net debt/consolidated equity) improved substantially to reach 32.7%, below the 31 December 2016 figure of 36.9%. The Group's **financial leverage ratio (net debt/EBITDA)** came to 1.77x, down from 1.99x at 31 December 2016.
Given the level of the Group's net debt, bank covenants do not pose a threat to either the Group's financial position or its balance sheet liquidity. At 31 December 2017, Vicat complied with all financial ratios required by covenants in financing agreements.

The Group generated **cash flow** of €346.4 million in 2017 compared with €352.9 million in 2016, down -1.8% on a reported basis and down -3.4% at constant scope and exchange rates.

Vicat's *capital expenditure* amounted to €187 million in 2017, compared with €136 million in 2016. *Financial investments* during 2017 amounted to €29 million, versus €63 million in 2016.

The Group generated *free cash flow* of €179 million in 2017, compared with €254 million in 2016.

3. Outlook

In 2018, the macroeconomic environment is likely to be characterised by brisk economic growth, mitigated by political uncertainties in certain emerging markets and appreciation in the euro against most currencies. In addition, energy prices are expected to continue heading higher. The same is likely to apply to US and, to a lesser extent, European interest rates.
Against this backdrop, the Group has set itself the primary objective of improving its operating performance by implementing a proactive, but balanced commercial policy. More specifically, it will focus on expanding its sales volumes, raising its selling prices where the competitive environment permits, and continuing to pursue its policy of optimising production costs.

The Group is providing the following guidance concerning its regional markets:

In **France**, Cement consumption is expected to continue to recover in an improving macroeconomic and industry environment. Against this backdrop, cement volumes in the domestic market are expected to move higher, with selling prices firming up slightly. In the Concrete and Aggregates business, the volume and pricing improvements seen in 2017 are likely to continue in 2018.

In **Switzerland**, the Group expects volumes to remain stable and selling prices to edge higher in the Cement business against the backdrop of a macroeconomic environment forecast to grow very slightly and a still fiercely competitive industry environment. Pressure is likely to remain visible in the Concrete & Aggregates business, but to a lesser extent than in 2017.

In **Italy**, the Group will continue to pursue its selective business strategy in market conditions likely to improve very gradually. Against this backdrop, selling prices and volumes are expected to edge higher.

In the **United States**, the improvement in market conditions should continue in 2018 amid a supportive macroeconomic and industry environment. Accordingly, volumes and selling prices are expected to make further headway.

In **Turkey**, the international situation and domestic political strife are likely to affect the country's economic and financial position. Even so, the construction sector, especially infrastructure, is expected to remain buoyant and support the increase in cement volumes in 2018 amid expected continued favourable pricing conditions.

In **India**, the effects of the reforms undertaken by the government should show up gradually and benefit the entire economy. The Group expects cement volumes to grow amid an industry environment benefiting from the vast infrastructure and housing projects set in motion. Amid persistently fierce competition, selling prices are expected to remain highly volatile, while still moving broadly higher over the year as a whole.

In **Kazakhstan**, public investment should enable the market to continue to make headway, but in a slightly tougher competitive environment than in 2017.

In **Egypt**, the November 2016 devaluation of the Egyptian pound is again expected to hit the profitability of cement groups operating in the country. Even so, the Group expects its financial performance to progressively improve with the implementation of cost-reduction programs in an economic environment that should stabilise, even as the security context remains volatile.

In **West Africa**, the construction market is expected to grow amid a still competitive but stable environment. Against this backdrop, the Group expects cement volumes to improve across the market at large, and selling prices that should be better oriented.

4. Conference call

To accompany the publication of the Group's full-year 2017 results, Vicat is holding a conference call in English that will take place on Tuesday, 20 February 2018 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 9411
United States:	+1 646-828-8193

To listen to a playback of the conference call, which will be available until 27 February 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:	***5789880***#

Next report: First-quarter 2018 sales after the close on 2 May 2018.

Investor relations contact:
Stéphane Bisseuil:
Tel.: +33 (0) 1 58 86 86 14
stephane.bisseuil@vicat.fr

Press contacts:
Camille Penven:
Tel.: +33 (0)1 58 86 86 26
camille.penven@tbwa.com

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 €2,563 million** in 2017. 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.

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 2017 operational sales by geographical region and business:

(€ million)	Cement	Concrete & Aggregates	Other Products & Services	Inter-segment eliminations	**Consolidated sales**
France	361	457	256	-184	**890**
Europe (excluding France)	160	164	136	-49	**410**
United States	209	252	-	-67	**393**
Asia	513	94	34	-61	**579**
Africa and Middle East	250	42	-	-0	**291**
Operational sales	**1,493**	**1,008**	**425**	**-362**	**2,563**
Inter-segment eliminations	-248	-20	-94	362	
Consolidated sales	**1,245**	**988**	**331**	**-**	**2,563**

PRESS RELEASE

VICAT GROUP

CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2017

Consolidated financial statements for the financial year ended 31 December 2017 approved by the Board of Directors on 13 February 2018, to be submitted for shareholders' approval at the General Meeting on 6 April 2018

The notes to the consolidated financial statements for the 2017 financial year are available on the Company's web site at www.vicat.fr

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS		**December 31, 2017**	**December 31, 2016**
(in thousands of euros)	Notes		
NON CURRENT ASSETS			
Goodwill	3	1,006,987	1,048,954
Other intangible assets	4	117,959	106,465
Property, plant and equipment	5	1,837,759	1,992,508
Investment properties	7	16,240	17,839
Investments in associated companies	8	40,696	41,070
Deferred tax assets	25	111,860	157,897
Receivables and other non current financial assets	9	77,557	110,941
Total non current assets		**3,209,058**	**3,475,674**
CURRENT ASSETS			
Inventories and work in progress	10	351,303	385,770
Trade and other accounts	11	408,092	389,504
Current tax assets		45,001	53,447
Other receivables	11	174,251	188,721
Cash and cash equivalents	12	265,364	242,770
Total current assets		**1,244,011**	**1,260,212**
TOTAL ASSETS		**4,453,069**	**4,735,886**

LIABILITIES		**December 31, 2017**	**December 31, 2016**
(in thousands of euros)	Notes		
SHAREHOLDERS' EQUITY			
Share capital	13	179,600	179,600
Additional paid in capital		11,207	11,207
Consolidated reserves		1,985,313	2,022,313
Shareholders' equity		**2,176,120**	**2,213,120**
Minority interests		**233,442**	**257,054**
Shareholders' equity and minority interests		**2,409,562**	**2,470,174**
NON CURRENT LIABILITIES			
Provisions for pensions and other post employment benefits	14	115,084	142,353
Other provisions	15	108,703	107,101
Financial debts and put options	16	928,403	980,017
Deferred tax liabilities	25	160,668	204,959
Other non current liabilities		1,398	2,228
Total non current liabilities		**1,314,256**	**1,436,658**
CURRENT LIABILITIES			
Provisions	15	8,738	10,757
Financial debts and put options at less than one year	16	138,499	250,266
Trade and other accounts payable		328,450	316,345
Current taxes payable		41,188	46,835
Other liabilities	18	212,376	204,851
Total current liabilities		**729,251**	**829,054**
Total liabilities		**2,043,507**	**2,265,712**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**4,453,069**	**4,735,886**

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	2017	2016
Sales	**19**	2,563,464	2,453,771
Goods and services purchased		(1,660,025)	(1,554,840)
Added value	**1.22**	**903,439**	**898,931**
Personnel costs	20	(423,993)	(409,406)
Taxes		(58,709)	(56,466)
Gross operating income	**1.22 & 23**	**420,737**	**433,059**
Depreciation, amortization and provisions	21	(200,568)	(198,856)
Other income and expenses	22	11,423	21,745
Operating income	**23**	**231,592**	**255,948**
Cost of net financial debt	24	(27,665)	(30,475)
Other financial income	24	15,792	12,371
Other financial expenses	24	(16,321)	(20,007)
Net financial income (expense)	**24**	**(28,194)**	**(38,111)**
Earnings from associated companies	8	5,653	13,695
Profit (loss) before tax		**209,051**	**231,532**
Income tax	25	(53,200)	(66,727)
Consolidated net income		**155,851**	**164,805**
Portion attributable to minority interests		13,670	25,740
Portion attributable to the Group		**142,181**	**139,065**

EBITDA	**1.22 & 23**	**444,170**	**457,813**
EBIT	**1.22 & 23**	**247,150**	**257,832**
Cash flow from operations	**1.22**	**346,432**	**352,942**

Earnings per share (in euros)			
Basic and diluted Group share of net earnings per share	13	3.17	3.10

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
(in thousands of euros)	**2017**	**2016**
Consolidated net income	**155,851**	**164,805**
Other comprehensive income items		
Items not recycled to profit or loss :		
Remeasurement of the net defined benefit liability	25,685	3,548
Tax on non-recycled items	(6,421)	(1,848)
Items recycled to profit or loss :		
Net income from change in translation differences	(194,260)	(143,748)
Cash flow hedge instruments	(2,346)	(3,082)
Tax on recycled items	841	(194)
Other comprehensive income (after tax)	**(176,501)**	**(145,324)**
Total comprehensive income	**(20,650)**	**19,481**
Portion attributable to minority interests	(7,771)	(21,274)
Portion attributable to the Group	**(12,879)**	**40,755**

CONSOLIDATED CASH FLOWS STATEMENT			
(in thousands of euros)	**Notes**	**2017**	**2016**
Cash flows from operating activities			
Consolidated net income		**155,851**	**164,805**
Earnings from associated companies		(5,653)	(13,695)
Dividends received from associated companies		1,292	4,596
Elimination of non cash and non operating items :			
- depreciation, amortization and provisions		200,831	208,706
- deferred taxes		(2,092)	(9,707)
- net (gain) loss from disposal of assets		(3,450)	(3,966)
- unrealized fair value gains and losses		(1,671)	486
- other		1,324	1,717
Cash flows from operating activities	**1.22**	**346,432**	**352,942**
Change in working capital requirement		(3,434)	33,332
Net cash flows from operating activities (1)	**27**	**342,998**	**386,274**
Cash flows from investing activities			
Outflows linked to acquisitions of non-current assets :			
- property, plant and equipment and intangible assets		(179,474)	(139,304)
- financial investments		(12,324)	(37,582)
Inflows linked to disposals of non-current assets :			
- property, plant and equipment and intangible assets		15,529	7,567
- financial investments		4,126	7,170
Impact of changes in consolidation scope		(14,852)	(25,907)
Net cash flows from investing activities	**28**	**(186,995)**	**(188,056)**
Cash flows from financing activities			
Dividends paids		(69,890)	(80,239)
Increases in capital		(4,665)	-
Proceeds from borrowings		147,586	1,570
Repayments of borrowings		(242,723)	(129,405)
Acquisitions of treasury shares		(5,480)	(25,749)
Disposals or allocations of treasury shares		46,634	27,935
Net cash flows from financing activities		**(128,538)**	**(205,888)**
Impact of changes in foreign exchange rates		(16,315)	(8,517)
Change in cah position		**11,150**	**(16,187)**
Net cash and cash equivalents - opening balance	29	208,909	225,096
Net cash and cash equivalents - closing balance	29	220,058	208,909

(1) Including cash flows from income taxes € (47,299) thousand in 2017 and € (51,432) thousand in 2016.
Including cash flows from interests paid and received € (22,954) thousand euros in 2017 and € (28,708) thousand in 2016.

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, 2016	**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 (1)				(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**
Increase 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**
Consolidated net income				142,181		**142,181**	13,670	**155,851**
Other comprehensive income (1)				15,355	(170,415)	**(155,060)**	(21,441)	**(176,501)**
Total comprehensive income				*157,536*	*(170,415)*	***(12,879)***	*(7,771)*	***(20,650)***
Dividends paids				(66,341)		**(66,341)**	(7,742)	**(74,083)**
Net change in treasury shares			2,895	(496)		**2,399**		**2,399**
Changes in consolidation scope and additional				(2,511)		**(2,511)**	(633)	**(3,144)**
Increases in share capital				2,830		**2,830**	(7,539)	**(4,709)**
Other changes (2)				39,502		**39,502**	73	**39,575**
At December 31, 2017	**179,600**	**11,207**	**(60,714)**	**2,406,371**	**(360,344)**	**2,176,120**	**233,442**	**2,409,562**

(1) : Other comprehensive income includes mainly cumulative conversion differences from end 2003 as at end December 2017. As a reminder, applying the option offered by IFRS 1, the conversion differences accumulated before the transition date to IFRS were reclassified by allocating them to retained earnings as at that date.

(2) Mainly including the refund of € 38.9 million as a result of claims relating to the tax treatment of the capital gain on disposal of Soparfi securities, in 2014, by group subsidiaries (cf. note 2)

Group translation reserves at December 31, 2017 and 2016 are broken down by currency as follows (in thousands of euros) :

	December 31, 2017	**December 31, 2016**
US Dollar :	19,329	63,948
Swiss franc :	156,953	208,982
Turkish new lira :	(215,010)	(178,330)
Egyptian pound :	(126,542)	(128,268)
Kazakh tengue :	(73,097)	(85,609)
Mauritanian ouguiya :	(7,495)	(3,262)
Indian rupee :	(114,482)	(67,390)
	(360,344)	**(189,929)**