



## 2016 consolidated nine months sales

- Growth of +3.4% in the Vicat group's sales over the first nine months of the year and +1.7% in the third quarter at constant scope and exchange rates\*
- Solid growth in the Group's sales at constant scope and exchange rates across all geographical regions except Europe (excl. France)
- Very strong currency headwinds: on a reported basis, nine-month sales were almost stable (-0.9%) and fell -1.7% in the third quarter

**Paris La Défense, 3 November 2016:** The Vicat group (Euronext Paris: FR0000031775 – VCT) today reported its nine-month 2016 sales, which came to €1,867 million, up +3.4% at constant scope and exchange rates compared with the same period of the previous year. On a reported basis, the Group's sales fell -0.9% compared with the same period of 2015. In the third quarter, sales grew +1.7% at constant scope and exchange rates and contracted -1.7% on a reported basis.



### Consolidated sales by business segment:

(€ million)	Nine-months 2016	Nine-months 2015	Change (%)	
			Reported	At constant scope and exchange rates*
<b>Cement</b>	<b>951</b>	978	-2.8%	+4.1%
<b>Concrete &amp; Aggregates</b>	<b>680</b>	666	+2.2%	+3.9%
<b>Other Products &amp; Services</b>	<b>236</b>	240	-1.7%	-0.5%
<b>Total</b>	<b>1,867</b>	1,883	-0.9%	+3.4%

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

**Commenting on these figures, the Group's Chairman and CEO said:** "Over the first nine months of the year, our sales performance at constant scope and exchange rates was solid. On a reported basis, the negative impact of currency effects was particularly strong. Excluding currency effects, our sales during the period were boosted by further growth in the United States, improvement in the French market, and a rebound in the markets in India, Egypt and Kazakhstan. In Turkey, business trends remained brisk in spite of recent events. In West Africa, the strong performance recorded in Senegal helped to partly offset the decline in Mauritania. Lastly, the temporary slowdown in our business in Switzerland held back the Europe (excluding France) region. Against this backdrop, Vicat continues to pursue its strategy and remains focused on its objectives of maximizing its cash flow and reducing its debt."

\* A definition of the alternative performance measures (APMs), such as "at constant scope and exchange rates", "operational sales", "EBITDA", "net debt", "gearing" and "leverage" is provided in the appendix to this press release.



**Consolidated sales in the first nine months of 2016** came to €1,867 million, representing a decrease of -0.9% on a reported basis and an increase of +3.4% at constant scope and exchange rates compared with the same period of 2015. Operational sales fell back -0.3% on a reported basis, but rose +3.8% at constant scope and exchange rates.

Analysed by business segment, operational sales at constant scope and exchange rates show:

- growth in the Cement business of +4.2% (-1.9% on a reported basis)
- an increase of +4.1% in the Concrete & Aggregates business (+2.3% on a reported basis)
- a rise of +1.6% in the Other Products & Services business (stable on a reported basis at -0.1%).

An analysis of operational sales on a reported basis generated by the Group's various businesses shows a very small decrease in the contribution from Cement, which stood at 53.1% of operational sales, down from 53.9% in the first nine months of 2015. Concrete & Aggregates contributed 32.6% of operational sales, compared with 31.8% in the first nine months of 2015. Lastly, the contribution from Other Products & Services remained stable at 14.3% of operational sales.

**In the third quarter of 2016**, consolidated sales totalled €629 million, up +1.7% at constant scope and exchange rates, but down -1.7% on a reported basis compared with the same period of 2015.

Third-quarter operational sales also advanced +1.3% at constant scope and exchange rates compared with the same period of 2015, but declined -1.9% on a reported basis.

Analysed by business segment, this overall trend at constant scope and exchange rates reflects:

- growth in the Cement business of +2.7% (-2.6% on a reported basis)
- a small increase of +0.9% in the Concrete & Aggregates business (+0.2% on a reported basis)
- a -3.0% contraction in Other Products & Services (-3.9% on a reported basis).

***In this press release, and unless indicated otherwise, all changes are calculated based on the first nine months of 2016 by comparison with the first nine months of 2015 and are stated at constant scope and exchange rates.***



## 1. Analysis of consolidated sales in the nine months to 30 September 2016 by geographical region

### 1.1. France

(€ million)	Nine-months 2016	Nine-months 2015	Change (%)	
			Reported	At constant scope
Consolidated sales	<b>604</b>	581	+4.0%	<b>+4.0%</b>

Consolidated sales recorded in France in the nine months to 30 September 2016 totalled €604 million. They grew +4.0% at constant scope, reflecting the gradual improvement in economic and industry conditions. After the very strong improvement in the first quarter (+8.9%) owing to supportive weather conditions, and a very small increase in the second quarter (+0.9%) despite the unsettled labour climate in France and less favourable weather conditions, consolidated sales came to €199 million, representing an increase of +3.1% in the third quarter.

- *In the Cement business*, operational sales rose +3.5% over the period as a whole (consolidated sales up +2.9%). Volumes sold in the domestic market and to export markets rose by over +8% during the period. Selling prices edged slightly lower in the domestic market throughout the period.
  - Operational sales recorded by the Cement business in the third quarter rose +0.7% (+4.2% on a consolidated basis) supported by volume growth (over +5%) in the third quarter, particularly in export markets. Average selling prices edged down in the domestic market compared with the third quarter of 2015.
- The *Concrete & Aggregates business* recorded a +3.4% increase in its operational sales and a +3.1% rise in its consolidated sales on the back of volume growth of over +7% in Concrete and near-stability in Aggregates. Selling prices again headed lower in Concrete, while remaining almost stable in Aggregates.
  - Operational sales recorded by the business grew +0.9% in the third quarter (+0.4% on a consolidated basis). During the quarter, volumes rose close to +2% in Concrete and declined around -3% in Aggregates. Selling prices were quasi-stable in Concrete, but dropped lower in Aggregates. On a sequential basis (third quarter of 2016 compared with the second quarter of 2016), Concrete prices recorded a significant improvement.
- *In the Other Products & Services business*, operational sales advanced +8.0% (+7.3% on a consolidated basis).



## **1.2. Europe (excluding France)**

(€ million)	Nine-months 2016	Nine-months 2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	<b>310</b>	328	-5.5%	<b>-2.8%</b>

Nine-month 2016 sales in Europe excluding France contracted -5.5% on a reported basis and -2.8% at constant scope and exchange rates compared with the same period of 2015. During the third quarter, sales came to €112 million, down -6.5% at constant scope and exchange rates (-8.0% on a reported basis).

In **Switzerland**, the Group's consolidated sales over the first nine months of 2016 declined -3.0% at constant scope and exchange rates (-5.8% on a reported basis). The Group's sales performance in Switzerland was held back by the end of deliveries to a number of large projects and lower average selling prices as a result of the fiercer competitive pressures in the second half of 2015. Consolidated sales in the third quarter declined -6.4% at constant scope and exchange rates (-8.0% on a reported basis).

- *In the Cement business*, operational sales declined -4.3% at constant scope and exchange rates (-7.1% on a reported basis). Consolidated sales fell -7.4% at constant scope and exchange rates (-10.1% on a reported basis). Over the period as a whole, volumes fell close to -2%, primarily as a result of the end of deliveries to a number of major projects. Selling prices declined owing to the fierce competitive pressures in the third quarter of 2015.
  - Operational sales recorded by the business in the third quarter moved down -3.3% at constant scope and exchange rates and -4.9% on a reported basis. Consolidated sales dropped -5.3% at constant scope and exchange rates and -6.9% on a reported basis. Volumes rose by more than +3% during the period, reflecting the improvement in the industry environment and the resumption of certain projects. Average selling prices were lower than in the third quarter of 2015, but less so given the base of comparison effect.
- *In the Concrete & Aggregates business*, operational sales rose +5.4% at constant scope and exchange rates (+2.3% on a reported basis) in the first nine months of 2016. Consolidated sales moved up +5.6% at constant scope and exchange rates and +2.5% on a reported basis. Concrete volumes dipped around -1% as certain major projects were completed and the start-up of others was delayed. This contraction in Concrete volumes was fully offset by an increase in Aggregates volumes, supported by a very strong increase in the landfill business. As a result, ex-works prices dipped lower in Concrete, while

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market prices in Aggregates were supported by brisk trends in the “landfill” business.

- In the third quarter, operational sales were almost stable (-0.9%) at constant scope and exchange rates, but declined -2.5% on a reported basis. Consolidated sales fell back -1.3% at constant scope and exchange rates (-2.9% on a reported basis). In the third quarter, volumes started moving higher again in Concrete, but declined in Aggregates. Lastly, average selling prices declined very slightly in Concrete and were almost stable in Aggregates.
- *The Precast business* posted a decline in its operational and consolidated sales of -9.5% at constant scope and exchange rates (-12.1% on a reported basis). 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 prefabricated products also contributed to the decline.
  - Operational sales recorded by the business in the third quarter contracted -13.1% at constant scope and exchange rates and by -14.6% on a reported basis. Consolidated sales dropped back -13.2% at constant scope and exchange rates and -14.7% on a reported basis.

In **Italy**, consolidated sales rose +2.8% owing to growth in sales volumes of over +4% in a domestic market still marked by tough macroeconomic and industry conditions. Selling prices headed lower over the period.

- Consolidated sales in Italy moved down -7.9% in the third quarter owing to a contraction of close to -7% in volumes delivered over the period. Selling prices were again lower than in the third quarter of 2015, but moved higher on a sequential basis (by comparison with the second quarter of 2016).



## 1.3. United States

(€ million)	Nine-months 2016	Nine-months 2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	<b>276</b>	260	+5.8%	+6.0%

Business in the United States maintained its growth momentum in a still upbeat macroeconomic environment that was supportive for the construction sector. Against this backdrop, in spite of highly unfavourable weather conditions since the beginning of the year in California, the Group's consolidated sales moved up +6.0% at constant scope and exchange rates (+5.8% on a reported basis).

In the third quarter, the Group's business remained firm. Its consolidated sales totalled €100 million, up +3.1% at constant scope and exchange rates (+2.7% on a reported basis).

- *In the Cement business*, operational sales grew +12.3% at constant scope and exchange rates (+12.2% on a reported basis). Consolidated sales soared +19.6% higher (+19.5% on a reported basis). Volumes continued to grow (over +4%) on the back of upbeat trends in the South-East region (over +15%), which fully offset the volume contraction in California (close to -7%) largely caused by the very poor weather conditions throughout the period. Selling prices rose significantly across both areas as a result of the hikes introduced in 2015 and those announced during the first half of 2016.
  - Operational sales recorded by the business in the third quarter rose +5.1% at constant scope and exchange rates and +4.7% on a reported basis. Consolidated sales moved up +5.9% at constant scope and exchange rates and +5.5% on a reported basis. This smaller increase than in previous quarters reflected a volume contraction of around -5%. Volume growth in the South-East region (over +5%) failed to offset the strong contraction (close to -16%) in California caused largely by unfavourable weather conditions. Selling prices continued to move significantly higher in both regions during the quarter.
- *In the Concrete business*, operational sales and consolidated sales were almost stable (-0.3%) at constant scope and exchange rates (-0.4% on a reported basis). Volumes contracted close to -6% during the period, with the very brisk trends in the South-East region (+10%) not fully offsetting the steep volume contraction in California (-11%) mainly attributable to the poor weather conditions. Prices recorded a healthy increase in both regions.
  - Operational (and consolidated) sales recorded by the business in the third quarter rose +1.7% at constant scope and exchange rates (+1.3% on a reported basis). In line with the trends in the Cement business, the solid increase in volumes in the South-East region (over +11%) was not sufficient



to offset entirely the decline of close to -8% in California. All in all, volumes contracted by over -2% during the quarter, while prices continued to firm up.

## **1.4. Asia (Turkey, India and Kazakhstan)**

(€ million)	Nine-months 2016	Nine-months 2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	<b>407</b>	442	-7.9%	<b>+5.1%</b>

Sales across Asia as a whole came to €407 million in the first nine months of 2016, rising +5.1% at constant scope and exchange rates, but declining -7.9% on a reported basis.

Third-quarter consolidated sales in the region totalled €139 million, down -1.4% at constant scope and exchange rates (-11.2% on a reported basis).

In **Turkey**, consolidated sales came to €164 million, up +5.1% at constant scope and exchange rates, but down -4.8% on a reported basis. In the third quarter, sales decreased -6.9% at constant scope and exchange rates (-10.0% on a reported basis) amid a macroeconomic and industry environment disrupted by the political events over the period.

- *In the Cement business*, operational sales rose +2.9% at constant scope and exchange rates, but declined -6.7% on a reported basis. Consolidated sales remained stable over the period (+0.6%) at constant scope and exchange rates (but declined -8.8% on a reported basis) on the back of higher volumes. Operations were boosted by the restart of the first kiln at its Bastas plant in Ankara, which offset the impact of lower volumes in the Konya market. Selling prices recorded a sharp fall over the period given the impact of recent political events on the macroeconomic environment and fiercer competition.
  - Operational sales recorded by the business in the third quarter dropped -8.5% at constant scope and exchange rates (-11.9% on a reported basis). Consolidated sales fell -6.9% at constant scope and exchange rates (-10.4% on a reported basis). Given the political events in July and the related delays to certain projects, delivery volumes over the period were quasi-stable and growth seen in the Ankara market almost completely offset the contraction in the Konya market. Selling prices moved lower in both the Ankara and Konya markets. Even so, despite the macroeconomic and political turbulence during the period, selling prices dipped only very slightly compared with the second quarter of 2016.
- The operational sales recorded by the *Concrete & Aggregates business* surged +12.7% higher at constant scope and exchange rates (+2.1% on a reported



basis). Consolidated sales also grew +12.6% at constant scope and exchange rates (+2.0% on a reported basis). Over the first half as a whole, volumes rose in Concrete and in Aggregates, as the momentum of the Ankara market offset the decline recorded in the Konya region. In this environment, despite fiercer competition in the Konya market, selling prices remained quasi-stable in Concrete and moved higher in Aggregates.

- Operational sales recorded by the business in the third quarter dropped -4.8% at constant scope and exchange rates (-7.5% on a reported basis). Consolidated sales fell -6.8% at constant scope and exchange rates (-9.3% on a reported basis). As in Cement, this business was affected by political events and the related delays to certain projects during the period, and the increase in volumes in the Ankara market was not sufficient to offset the contraction in the Konya region. As a result, selling prices edged slightly lower in Concrete but picked up slightly in Aggregates.

**In India**, the Group posted consolidated sales of €205 million in the first nine months of 2016, up +5.2% at constant scope and exchange rates (-0.5% on a reported basis). This performance was driven by strong volume growth over the period of close to +21%, with almost 3.7 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, with a number of major projects starting up. Selling prices fell away sharply owing to fiercer competition at the beginning of the year and a far less favourable geographical mix.

- In the third quarter, consolidated sales in India fell -1.9% at constant scope and exchange rates (-4.9% on a reported basis). This slight contraction reflected slower volume growth by comparison with previous quarters. Nonetheless, but nevertheless at close to +8%. Selling prices improved gradually over the period, recording a sequential increase (compared with the second quarter of 2016), while remaining below the levels seen in the same period of 2015. Against this backdrop, the Group decided to prioritise selling price increases over higher delivery volumes.

**In Kazakhstan**, the Group posted consolidated sales of €38 million, up +5.0% at constant scope and exchange rates. On a reported basis, sales sank -40.2% on account of the very steep devaluation in the Kazakhstani tenge in the second half of 2015. Volumes rose close to +4% and selling prices moved higher throughout the period.

- Consolidated sales generated in Kazakhstan in the third quarter rose +13.0% at constant scope and exchange rates (-30.8% on a reported basis). This solid business growth was due to significant volume growth (close to +7%) and by a clear rebound in selling prices.





## 1.5. Africa and Middle East

(€ million)	Nine-months 2016	Nine-months 2015	Change (%)	
			Reported	At constant scope and exchange rates
Consolidated sales	271	272	-0.6%	<b>+4.6%</b>

In the Africa and Middle East region, consolidated sales came to €271 million, up +4.6% at constant scope and exchange rates and almost stable (-0.6%) on a reported basis. The Group's performance in the region was characterized by a healthy top-line increase in Egypt, which completely offset the impact of weaker sales in West Africa.

Consolidated sales during the third quarter in the region came to €80 million, representing an increase of +16.7% at constant scope and exchange rates (+10.2% on a reported basis). The Group reaped the benefit during the period of firmer trends in West Africa and a clear pick-up in business in Egypt.

- In **Egypt**, consolidated sales totalled €97 million, up +18.3% at constant scope and exchange rates (+5.0% on a reported basis). This performance reflected volume growth of close to +19% over the period as a whole. Selling prices continued to decline on a year-on-year basis owing mainly to the heavy pressures observed in 2015.
  - Consolidated sales generated in Egypt during the third quarter surged +36.2% at constant scope and exchange rates (+19.2% on a reported basis). Volumes grew +27% in the quarter, a clear acceleration driven by supportive weather conditions and the reduced impact of Ramadan, which this year fell entirely in the second quarter. Selling prices remained below the levels recorded in the same period of 2015. That said, prices picked up in September.
- In **West Africa**, consolidated sales declined -2.4% at constant scope and exchange rates (-3.4% on a reported basis) as the healthy increase in Senegal offset only partially the contraction in Mauritania. Cement volumes grew throughout the period (by over +3%), with an increase in Senegal and Mali offsetting the steep decline recorded in Mauritania. Selling prices edged lower in Senegal over the first nine months of the year. They fell further in Mali and Mauritania.
  - Consolidated sales generated in West Africa during the third quarter rose +6.3% at constant scope and exchange rates (+5.3% on a reported basis) on the back of strong growth in volumes (of over +11%), especially in Senegal given a more supportive base of comparison, with selling prices improving there very slightly on levels in the third quarter of 2015.



## 2. Breakdown of nine-month 2016 sales by business segment

### 2.1. Cement

(€ million)	Nine-months 2016	Nine-months 2015	Change (%)	
			Reported	At constant scope and exchange rates
Volume (thousands of)	16,637	15,127	+10.0%	
Operational sales	1,136	1,157	-1.9%	+4.2%
Eliminations	(184)	(179)		
Consolidated sales	951	978	-2.8%	+4.1%

Operational sales in the Cement business fell -1.9% on a reported basis, but rose +4.2% at constant scope and exchange rates. Volumes posted strong growth of +10.0% over the period. During the third quarter, operational sales came to €375 million, representing a decline of -2.6% on a reported basis, but an increase of +2.7% at constant scope and exchange rates. Third-quarter cement volumes grew +5.9%.

### 2.2. Concrete & Aggregates

(€ million)	Nine-months 2016	Nine-months 2015	Change (%)	
			Reported	At constant scope and exchange rates
Concrete volumes (thousands of m <sup>3</sup> )	6,564	6,258	+4.9%	
Aggregates volumes (thousands of tonnes)	16,320	15,430	+5.8%	
Operational sales	698	682	+2.3%	+4.1%
Eliminations	(18)	(16)		
Consolidated sales	680	666	+2.2%	+3.9%

The Concrete & Aggregates business recorded operational sales up +2.3% on a reported basis and up +4.1% at constant scope and exchange rates. Delivery volumes rose +4.9% in Concrete and +5.8% in Aggregates. In the third quarter, operational sales came to €242 million, stable compared with the third quarter of 2015 (+0.2% on a reported basis and +0.9% at constant scope and exchange rates). Volumes were down in Concrete (-1.1%) and stable (-0.1%) in Aggregates.



## **2.3. Other Products & Services**

(€ million)	Nine-months 2016	Nine-months 2015	Change (%)	
			Reported	At constant scope and exchange rates
Operational sales	306	306	-0.1%	+1.6%
Eliminations	(75)	(66)		
Consolidated sales	236	240	-1.7%	-0.5%

The operational sales recorded by the Other Products & Services division were quasi-stable (-0.1%) on a reported basis and rose +1.6% at constant scope and exchange rates. In the third quarter, operational sales declined -3.9% or -3.0% at constant scope and exchange rates to reach €105 million.

## **3. Trends in financial structure**

### **Financial position at 30 September 2016**

Vicat's financial position remains very healthy.

Gearing (net debt/equity) stood at 40.0% at 30 September 2016, versus 43.8% at 30 September 2015.

Its leverage ratio (net debt/EBITDA) was 2.18x at 30 September 2016 vs. 2.44x at 30 September 2015.

Bank covenants do not pose a threat to either the Group's financial position or its balance sheet liquidity. Vicat meets all the ratios laid down in the covenants stipulated in the financing agreements.



## 4. 2016 Outlook

In 2016, the Group expects a progression in performance, capitalizing on an activity increase at constant scope and exchange rates on its main markets and an improvement in its industrial performance, due notably to globally lower energy costs.

On this basis, the Group expects, at constant rates, a tangible improvement in its EBITDA. In light of the strong negative impact of exchange rate variations this year, notably the Kazakh tenge, the Turkish pound, the Egyptian pound, devalued by -14% early in the year and devalued by around -48% today, the Indian Rupee and, to a lesser extent, the Swiss franc, EBITDA on a reported basis should improve slightly year-on-year.

In this context, the Group should be in a position to confirm in 2016 the success of its policy of optimizing cash flows and reducing its level of debt.

## 5. Financial reporting calendar

In the next few weeks, the Group will publish its full reporting schedule for 2017. Please note that the Group will now report its full-year sales and results at the same time.

Therefore its **2016 sales and results will be released on 27 February 2017** after the market close.

## 6. Conference call

To accompany the publication of its nine-month 2016 sales, the Vicat group is organising a conference call in English that will take place on Friday 4 November 2016 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) 20 7026 5967
United States:	+1 719 325 4746

To listen to a playback of the conference call, which will be available until 9 November 2016, dial one of the following numbers:

France:	+33 (0) 1 70 48 00 94
United Kingdom:	+44 (0)20 7984 7568
United States:	+1 719 457 0820
Access code:	<b>2835190#</b>

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## 7. Next publication:

**2016 sales and results** on **27 February 2017** after the market close.

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### ABOUT VICAT

The Vicat Group has **close to 7,900 employees** working in three core divisions, Cement, Concrete & Aggregates and Other Products & Services, which generated **consolidated sales of €2,458 million** in 2015. The Group **operates in eleven countries**: France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan and India. Over 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](http://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](http://www.vicat.fr).



## 8. Vicat group – Financial data - Appendix

### 8.1 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)
- **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.

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## 8.2 Breakdown of nine-month sales to 30 September 2016 by business segment & geographical region

	Cement	Concrete & Aggregates	Other Products & Services	Inter-segment eliminations	Consolidated sales
France	265	286	186	(134)	<b>604</b>
Europe (excluding France)	123	135	93	(41)	<b>310</b>
United States	144	178	-	(47)	<b>276</b>
Asia	354	78	27	(52)	<b>407</b>
Africa and Middle East	250	21	-	-	<b>271</b>
<b>Operational sales</b>	<b>1,136</b>	<b>698</b>	<b>306</b>	<b>(274)</b>	<b>1,867</b>
Inter-segment eliminations	(185)	(18)	(71)	274	
<b>Consolidated sales</b>	<b>951</b>	<b>680</b>	<b>236</b>	<b>-</b>	<b>1,867</b>