

ANNUAL REPORT

VICAT

2014



**VICAT,
BUILDING
TOGETHER**



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Incity Tower, Lyon (France).



ALL 2014
PUBLICATIONS
CAN BE
FOUND AT
vicat.com



5 VALUES

COMMUNITY FOCUS

We are a French corporation with an international presence and a sound local footing as a partner for development. We promote local recruitment and, as part of our corporate social responsibility strategy, we ensure that the environmental impact of everything we do is controlled (local materials, ecodesign, recycling, etc.).

TECHNICAL EXPERTISE

Through our skills and know-how we aim for excellence with respect to the performance of our materials, products, and services, together with their implementation, for the greater benefit of customers. We think ahead and innovate to keep pace with and, better still, get the jump on the technical, social, and environmental changes affecting our markets.

SHARED FERVOR

Ever since Louis Vicat invented artificial cement, in our dealings with partners and customers, every one of us has been driven by a passion for our products and for the construction industry.

COMMITMENT TO PARTNERSHIP

We nurture a spirit of service where availability, attentiveness, dialogue, and cooperation within our teams are keys to customer relations. Communication boosts the efficiency and reactivity of the organization. As partners for our customers, it is our duty to foster development and value creation.

LONG-TERM RESPONSIBILITY

Ours is a family company founded 160 years ago. We are attached to our independence and we build for the long term. We capitalize on the confidence placed in us by private and public-sector partners: customers, suppliers, local representatives, teachers, scientists, etc.

BUILDING TOGETHER

Like Louis Vicat, the engineer who in 1817 invented artificial cement, the family firm founded 160 years ago looks to the future. We propose a range of high-performance materials, products, and services consistent with the evolution of the construction industry.

Through its cement plants, aggregate quarries, concrete batching plants, finishing products for the building industry, etc., wherever it is located the Group is devoted to furthering local development, fostering local employment, and treating the environment responsibly.

Through our technical expertise and the commitment and passion of our workforce, we nurture long-term relationships of trust with our customers and partners. Contributing to progress in the art of construction, together with our customers: that is our everyday objective for every project and in every place.



ALL THE VICAT GROUP'S
BUSINESSES ADVANCE
THE ART OF CONSTRUCTION.

This year we invite you to discover our know-how and the innovative constructive solutions that lead us to participate in so many construction projects throughout the world.

THIS IS NOT JUST A BRIDGE



Saint Paul Viaduct,
Tamarins Road
(Réunion Island).

it's also

CONCRETE

Saint Paul Viaduct is part of Tamarins Road on Réunion Island, in the Indian Ocean. The outstanding structure—750 m long, 26.70 m wide—is the largest on the new road and its shape is very complex (sweeping S bends, 6% incline). The concrete deck was built incrementally with 3-m-long segments.



THIS IS NOT JUST A FAÇADE

Concrete façade,
Flon neighborhood,
Lausanne (Switzerland).

it's also

ULTRA-HIGH-PERFORMANCE FIBER-REINFORCED CONCRETE

With UHPFRC it is possible to make extremely fine but exceptionally strong concrete 'lacework'. Here, 400 concrete units cloak the façade of a building in the Flon neighborhood in Lausanne, Switzerland, in a light and airy transparent veil. It is a striking example of modern design in concrete construction.

THIS IS NOT JUST A CYCLE PATH



Surface-retarded-concrete cycle path, Annecy-le-Vieux (France).

it's also

SURFACE-RETARDED CONCRETE

This exposed-aggregate concrete can be used to achieve a wide range of shades and textures. It is eminently suitable for all kinds of paving and urban development projects, and is a guarantee of integration into the local environment.

THIS IS NOT JUST AN ELEGANT RESIDENCE



Villa Casamaures, above Saint-Martin-le-Vinoux in the French Alps, where Prompt natural quick-setting cement is mined

it's also

PROMPT NATURAL QUICK-SETTING CEMENT

Villa Casamaures, a registered historic place, has benefited from Vicat know-how, from analysis of the original materials to formulation of a customized mortar mix design using Prompt natural quick-setting cement that is close to the original composition, only more durable. *Geste d'Or Grand Prix 2014*, Heritage category.

CLOSENESS OF RELATIONS WITH OUR CUSTOMERS, QUALITY OF OUR PRODUCTS, AND INNOVATION

THE GROUP WILL PURSUE ITS OBJECTIVES OF GENERATING HIGH CASH-FLOW AND CONTINUING TO REDUCE ITS DEBT.

The growth of close to 22% in Vicat's consolidated net profit in 2014 illustrates the Group's ability to reach its objectives of profitable growth in an economically and geopolitically trying environment. The dynamics of our facilities in the United States and in emerging countries have more than compensated the effect of the drop in France. The Group's scope of consolidation changed little in 2014: the major development was the increase in our shareholding in our Indian subsidiary in Karnataka, Vicat Sagar Cement—henceforth known as Kalburgi Cement—which is now wholly owned.

My appointment as chairman and CEO of the Group represents the continuity of an industrial strategy stamped with the family name. Over the last few years, implementing this strategy has doubled our cement production capacity, two thirds of which is currently fully used. Without any need for additional investment Vicat therefore benefits from a reserve for organic growth equal to one third of its total capacity, located mostly in emerging countries.

To take the fullest benefit of Vicat's advantages in the eleven countries where it works, the Group has adopted a simple economic model. It is based on higher volumes and selling prices, combined with reductions in production costs. The action of our workforce focuses on these three points. It is structured by local 'domestic' operational excellence plans. Under different names—'Udayam' and 'Vijaman' in India, '2/3/5' in the United States, 'Falken 2020' in Switzerland, 'Tatour El Kafaa' in Egypt, 'Vicat Verimlilik Artis 2020' in Turkey, and 'Challenge 2020' in France—, these plans cover all the industrial, administrative, and commercial aspects of our businesses.

2.4

BILLION EUROS OF SALES IN 2014.

Up 8% on a like-for-like basis and at constant exchange rates.

22%

GROWTH IN CONSOLIDATED NET PROFIT on a like-for-like basis and at constant exchange rates.



The closeness of our relations with customers, the quality of our products, and our capacity for innovation are the Group's strengths, and they are put to the fore by our personnel. Our partners benefit from the latest technologies developed by our laboratories: Ultimat® cement for use with recycled aggregate and tunneling spoil; Alpenat® high-performance low-carbon cement; concrete with enhanced thermal inertia; pervious concrete; insulating foamed concrete and bio-concrete for low-cost, recyclable thermal insulation of buildings; Skyflor® greened façades for urban biodiversity, etc. These innovations meet the expectations of our customers looking for sustainable-development opportunities. They are both the green shoots of future growth for the Group and keys for locking into partnerships that will help the development of our historic products and businesses.

Cement manufacturing is a heavy industry operating on local markets. Today, our businesses are smiled on as part of a circular economy that uses local materials and services, as well as alternative energies in the form of waste which is used beneficially in our modern industrial facilities.

In a changing industrial environment, our strategy in 2015 will follow the same lines as that of 2014. The Group will strive to keep achieving its objectives of high cash-flow generation that will enable us to seize any future opportunity for profitable external growth, in line with the policy of geographical diversification.

To achieve this, I know I can count on the 7,854 men and women of the Vicat Group working in eleven countries on four continents. I wish to thank them most sincerely for their attachment to the company, their efficiency, and their commitment to serving our customers.

GUY SIDOS
Chairman & CEO

CHIEF OPERATING OFFICER / SPECIAL ADVISOR

Raoul de Parisot

Prior to March 6, 2015:

Chief operating officer, with responsibility for France, Italy and Spain

As of March 6, 2015:

Advisor to the chairman

Didier Petetin

As of March 6, 2015:

Chief operating officer,

In charge of business in France (except Paper)

SENIOR EXECUTIVE VICE PRESIDENTS

Philippe Chiorra

Chief legal officer

Jean-Pierre Souchet

Chief financial officer

Bernard Titz

General secretary

Éric Bourdon

Chief scientific officer,

In charge of Performance and Investment,

In charge of France Cement business, Italy and Spain

Éric Holard

In charge of business in the United States

REGION / COUNTRY MANAGERS

Lukas Epple

In charge of business in Switzerland

Yves Keller

In charge of business in the Africa & Middle East region

Philippe Latournerie

In charge of business in Turkey and Kazakhstan

Markus Oberle

In charge of business in India

GOVERNANCE & SHAREHOLDERS

BOARD OF DIRECTORS as of December 31, 2014



Jacques Merceron-Vicat
Honorary chairman



Guy Sidos
Chairman and CEO



Pierre Breuil
Audit committee member



Raynald Dreyfus
Audit committee chairman
Compensation committee member



Louis Merceron-Vicat
Board member



Bruno Salmon
Compensation committee member



Xavier Chalandon
Compensation committee chairman



Sophie Féguieux
Board member



Jacques Le Mercier
Audit committee member
Compensation committee member

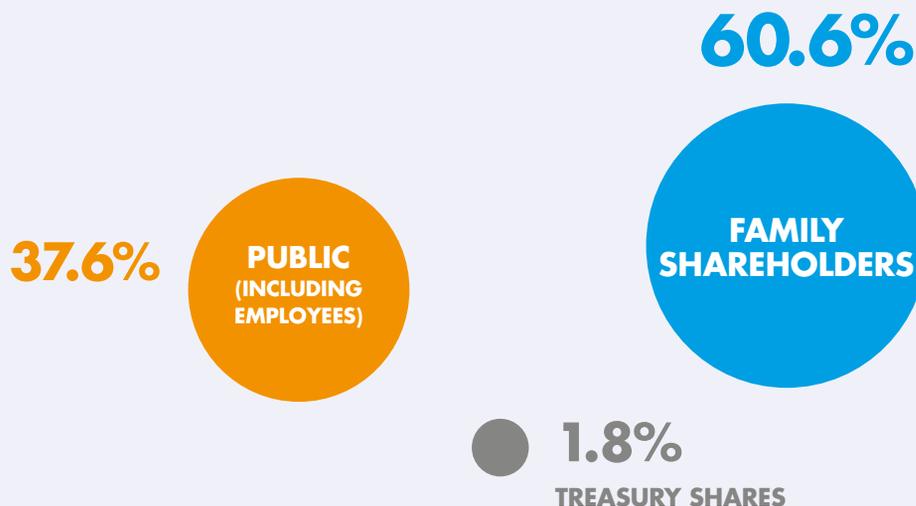


Sophie Sidos
Board member

SHARE CAPITAL

The Company's share capital amounts to 179,600,000 euros, consisting of 44,900,000 shares with par value of 4 euros each.

OWNERSHIP OF SHARE CAPITAL AS OF DECEMBER 31, 2014



STOCK MARKET INFORMATION

Vicat shares have qualified for trading under the *Service du Règlement Différé* (SRD) deferred settlement market since February 26, 2008. Vicat has been included in the SBF 120 index of the Paris Bourse since March 21, 2011.

SHARE PRICE TREND

(in euros)



DIVIDEND

SHARE INFORMATION

(in euros)

	2012	2013	2014
Earnings per share	2.87	2.68	2.86
Dividend per share	1.50	1.50	1.50

Based on results in 2014, and confident of the Group's ability to sustain its ongoing development, the Board of Directors has decided to propose that the Annual General Meeting of shareholders on May 6, 2015, vote to maintain the same dividend, i.e. 1.50 euros per share.

FINANCIAL INFORMATION

The Vicat group is dedicated to maintaining close communication with shareholders, transparency and ease of access to information at all times.

The Group undertakes to make information on its business, strategy, results, and objectives available to the public at regular intervals in the registration document and on its internet sites, www.vicat.fr and www.vicat.com.

SHAREHOLDER INFORMATION

SHAREHOLDER AND INVESTOR RELATIONS

Tel.: + 33 1 5886 8614

Fax: + 33 1 5886 8788

Email: relations.investisseurs@vicat.fr

Websites: www.vicat.fr, www.vicat.com

Symbol: VCT

ISIN code: FR0000031775

Sicovam: 03177

Bloomberg: VCT.PA

Reuters: VCTP.PA

AUDITORS

INCUMBENTS

KPMG Audit
Wolff & Associés SAS

ALTERNATES

Cabinet Constantin
Exponens Conseil et Expertise



CONSULT
ALL 2014
PUBLICATIONS AT
vicat.com
including information
on governance and
share capital.



2014

KEY FIGURES

IN 2014, THE GROUP'S SALES ROSE BY 8%
AND ITS EBITDA GREW 7% AT CONSTANT
SCOPE AND EXCHANGE RATES.

3 BUSINESSES
CEMENT, CONCRETE & AGGREGATE,
AND OTHER PRODUCTS & SERVICES

€2,423 M

SALES

in 2014, 66% of which was generated
outside France and 38% in emerging countries

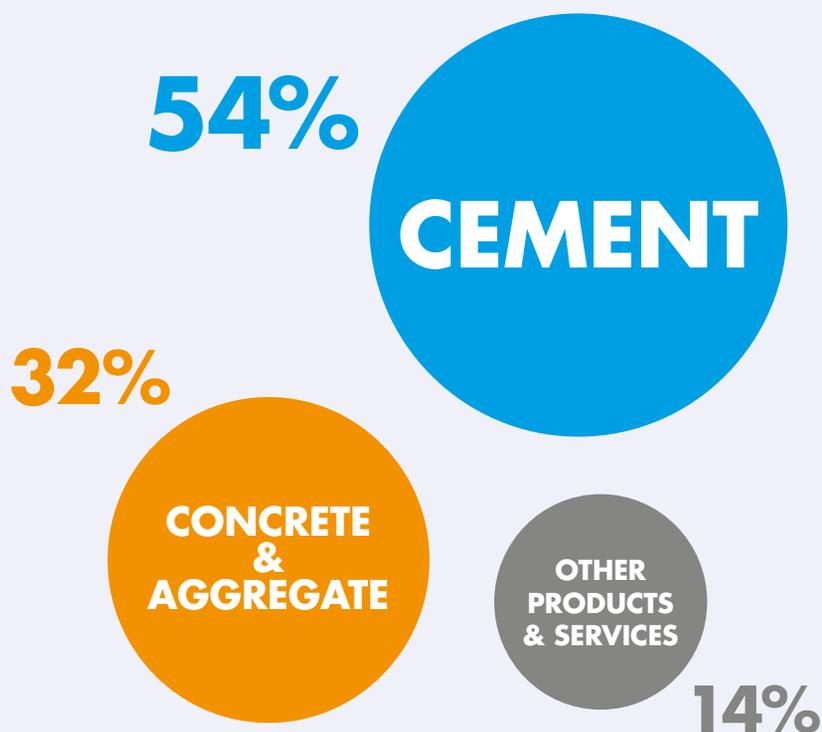
€442 M

EBITDA

€144 M

NET CONSOLIDATED INCOME

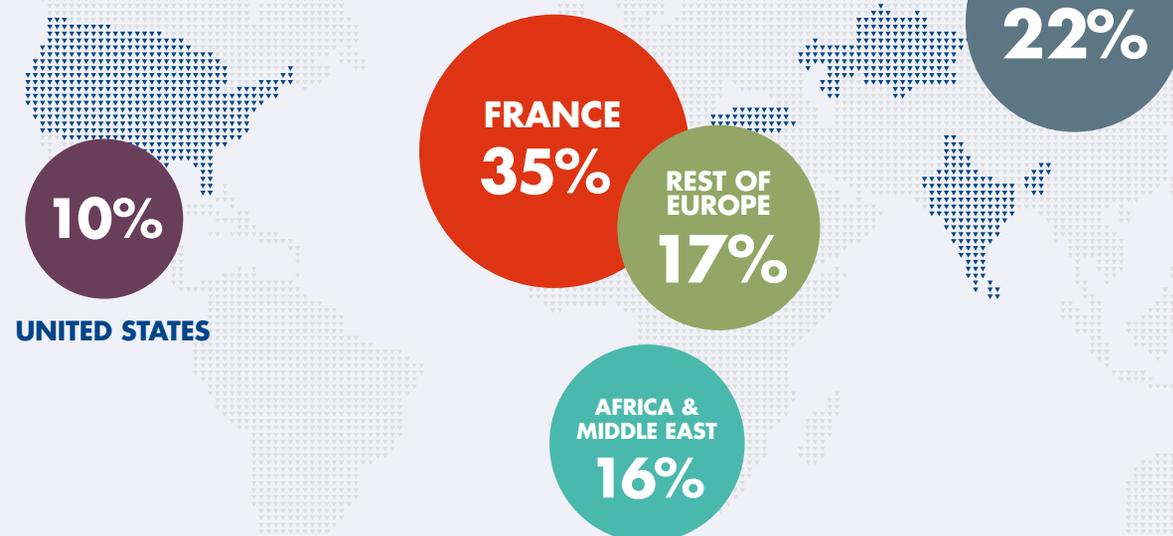
BREAKDOWN OF SALES BY BUSINESS LINE



2014 BUSINESS

Vicat recorded sound growth in both volume of business and operational profitability in 2014. The Group put the dynamics of recovery in the United States and Egypt to good effect and in Kazakhstan and India is now reaping increasing and visible benefits from the ramping up of its plants there.

BREAKDOWN OF SALES BY GEOGRAPHICAL AREA



11
COUNTRIES

France, Switzerland, Italy, United States, Egypt, Senegal, Mali, Mauritania, Turkey, Kazakhstan, India.

7,854
EMPLOYEES

5,276 of whom are outside France.

NEW GROWTH IN BUSINESS IN 2014

Fortified by its geographical diversity, the Group is pursuing a strategy of sustainably profitable growth. On the basis of the investments made in recent years and on its strong market positions, Vicat intends to continue generating high cash-flow and reducing its level of debt.

INDUSTRIAL FACILITIES

15
CEMENT
PLANTS

5
GRINDING
PLANTS

30
MILLION TONS CEMENT
PRODUCTION CAPACITY

243
CONCRETE
BATCHING
PLANTS

69
AGGREGATE
QUARRIES

SALES VOLUME



2014 IN PICTURES



1

Bharathi Cement: Asia's most promising Asian brand

A survey conducted by KPMG among consumers and manufacturers in 2014 found Bharathi Cement to be the most promising of the 1,500 Asian brands examined. Ravinder Reddy, marketing director of Bharathi Cement, received the trophy from the brand ambassador for Rémy Martin in India and the chairman of World Consulting and Research Corporation.

2

L'Isle d'Abeau showroom: constructive solutions for today and tomorrow

The Group has reconfigured its showroom in L'Isle d'Abeau, creating a teaching and learning space presenting Vicat's constructive solutions for today and tomorrow. The large exhibition area is aimed at a highly diversified public.

3

Skyflor®: a breath of fresh air in the central city

In association with landscape and architecture school Hépia, Creabéton Matériaux has launched a new self-contained ventilated green façade system known as Skyflor®. The system is based on a support made with high-performance concrete. Entirely appropriate for the development of sustainable cities, it serves as a natural air conditioner, whether for new-build or for rehabilitation projects.

4

Lyon's Grand Stade stadium project: technical performance

Vicat is a member of the consortium of builders of the future *Grand Stade* stadium of professional soccer club *Olympique Lyonnais*. The project required close to 120,000 m³ of concrete over a period of 14 months. This called for formulation of over 20 different mix designs, many of which were self-consolidating concrete.

5

Béton Vicat: special commendation

The jury of the first edition of the Sustainable Community Development competition organized at the Exhibition for Mayors and Local Authorities awarded its special commendation to Béton Vicat for the company's contribution to the paving of a neighborhood urban-renovation project in Vaulx en Velin, just outside Lyon. This commendation highlights not only Vicat's ability to carry out projects that are integrated into their surroundings but also its expertise in concrete.



6



8

8

Increased holding in Vicat Sagar Cement

The Vicat Group has acquired the stake Sagar Cements held in Vicat Sagar Cement. As a result of this operation, Vicat holds all the shares in the company which was renamed Kalburgi Cement at the start of 2015.



7



9

9

Fondation Sococim and education

At the 11th Festival of School Excellence organized by Fondation Sococim, a special prize was awarded to Mame Fatou Sy, one of the first students in the history of Sococim Industries to receive a scholarship. Handicapped by polio at the age of three, her educational trajectory has been exemplary, since she is currently in her 7th year of medical studies.

6

New investment: Mépieu belt conveyor

With the new overland conveyor now operating, it takes less than thirty minutes to transport rock from the new Mépieu quarry to the Montalieu cement plant, at a rate of 700 tons per hour. It is stored there in the new 30,000-ton pre-blending store. The quarry and conveyor ensure regular, long-term supply of limestone to the Montalieu plant.

7

Prompt natural quick-setting cement: 2014 Grand Prix Trophy, Innovation category in the Geste d'Or competition

At the International Heritage Show in Paris, in the 2014 Geste d'Or competition, Vicat won the *Grand Prix* trophy in the Innovation category for the renovation of the house in which Tina Modotti was born. The work included new artwork reflecting the life and work of the photographer and actress. Prompt natural quick-setting cement was used in a mix design jointly formulated by Vicat and Rôfix to meet the technical and decorative requirements of the project.



10

10

New investment in India

To boost its competitive edge and gain in autonomy with respect to electric power supplies, the Vicat Group has had a 30-MW thermal power plant built at its Bharathi Cement plant in India.

STRATEGIC FOCUSES

THE GROUP BENEFITS FROM A RESERVE FOR ORGANIC GROWTH EQUAL TO ONE THIRD OF ITS TOTAL CAPACITY.

CONTROLLED DEVELOPMENT OF THE GROUP

For the long term, the Group stresses controlled development of its different businesses, associating a fine balance of dynamic organic growth with a policy of selective external growth.

Internal growth is driven by capital expenditure for upgrading production capacity to meet market and customer demand and by research and innovation for expanding our product range and enhancing its quality.

The external growth policy is aimed selectively at tackling new markets with attractive growth potential and at consolidating the Group's presence on its current markets through vertical integration.

This development can be applied to existing businesses if the business opportunity matches the development objective the Group has set, or to the construction of new (greenfield) cement plants on markets with strong growth. This was the case for Kazakhstan and India.

This growth remains in all respects consistent with the size of the Group and its financial and operational capacity to absorb the investment. The purpose of growth is to create value for shareholders and, through its profitability, allow the Group to expand even more.

Chartreuse range (France), where Prompt natural quick-setting cement is mined.



Rhône river bank, Lyon (France).



BUSINESS-SPECIFIC DEVELOPMENT: EXPERTISE AND INNOVATION SERVING CUSTOMERS

The Group focuses primarily on its historical area of expertise, cement, and expands into the ready-mixed concrete and aggregate markets through vertical integration in order to secure access to cement consumption markets.

Cement, the Group's core business, underpins profitability. Cement is a bulk product of a heavy industry for which quality is an essential criterion.

Development into the ready-mixed concrete business is a function of the maturity of markets and the degree to which construction contractors integrate industrial concrete production. The objective is therefore to establish a network of concrete batching plants around cement plants and near consumption centers, by building new plants or acquiring existing companies active in this market.

The Group's presence in the aggregate sector is intended to provide a global response to its customers' construction materials requirements and to provide secure, local supplies of aggregate for development of the ready-mixed concrete business.

Expansion into the Aggregate business is achieved through acquisitions and capital investment aimed at both increasing the capacity of existing facilities and opening up new quarries and other installations.

The Group also has a number of complementary businesses on some markets, such as precast concrete products in Switzerland, transport in France, and bag production in France and in India, through which it supports its product offering and strengthens its regional positioning.

66%

SHARE OF SALES GENERATED OUTSIDE FRANCE

38%

SHARE OF SALES GENERATED IN EMERGING COUNTRIES



Bharathi Cement plant,
Andhra Pradesh (India).

BALANCED GEOGRAPHICAL DEVELOPMENT

The Group currently operates in eleven countries. It generates 66% of its sales outside France: 17% in the rest of Europe, 10% in the United States, and 38% in emerging countries (Egypt, Mali, Mauritania, Senegal, Turkey, Kazakhstan, and India).

The percentage of Group sales generated outside France, and especially in emerging economies, is expected to keep growing in the years ahead as a result of the increased production capacities of the older plants and the increased utilization rate of the new production facilities built in recent years.

The Group's strategy is designed to diversify its geographical exposure and to spread risk judiciously through a combination of investment in developed countries, which generate a steadier stream of cash flow, and in emerging countries which, while offering greater potential for long-term growth, may be exposed to stronger market fluctuations.

IMPLEMENTATION OF THE GROUP'S STRATEGY

The well-balanced strategy adopted by the Group in the past has enabled it to stand firm in today's ongoing unfavorable macroeconomic climate.

New cement plants were successfully built in Kazakhstan and India as a result of a sound financial situation, with levels of gearing and leverage among the lowest in the industry.

The Group is now aiming to gradually increase the utilization rate of its production facilities to benefit from a volume effect, without any additional investment. Achieving this objective, which will generate free cash flow, will help reduce the debt to which the Group committed in 2013.

With a stronger financial position and a broader scope of consolidation, further external growth operations can be envisaged, subject to the two consequences of contributing to growth and profitability and extending the coverage of risk.



Analyses are carried out in the materials and microstructures laboratory at the Louis Vicat Technical Center in L'Isle d'Abeau (France).

PRIORITY FOR CONSTRUCTIVE SOLUTIONS AND PROCESSES

THE GROUP CONCENTRATES ITS RESOURCES FOR RESEARCH, INNOVATION, DEVELOPMENT, AND PRODUCT CONTROL AT THE LOUIS VICAT TECHNICAL CENTER IN L'ISLE D'ABEAU, NEAR LYON.

The Louis Vicat Technical Center, which opened in 1993, is located in the heart of the Rhône-Alpes region, close to the cradle of the Group's beginnings in Grenoble and its emblematic Montalieu cement plant. It is staffed by a team of 90 scientists and technicians working in three laboratories:

- the materials and microstructures lab which analyzes materials;
- the Sigma Béton lab which checks aggregate and formulates and checks concrete;
- the laboratory for formulating industrial products for the building industry, which develops mixes for finishing products.

The main research and development projects are aimed at anticipating or meeting the demands of customers and responding to changes in construction standards. Its research leads the Group to file patents to protect the development of the products it creates.



EXPERT OPINION

LAURY BARNES-DAVIN

Vicat Research & Development Manager



What are the general R&D avenues the Vicat Group is pursuing?

First of all, we want to give our customers value-added by coming up with innovative solutions, including things that depart radically from the established construction systems currently on the market. More generally, all our developments are aimed at meeting customer demand—even if it has not yet been expressed—with products

that perform better, that are easier to use, and that are more environmentally responsible.

What are main issues you are working on right now?

We're currently researching four major issues connected with market requirements that might provide innovative technical solutions to the difficulties encountered on worksites: thermal renovation, sustainable development and reduction of

greenhouse-gas emissions, urban development and transport, and the architectural creativity that is made possible by concrete.

Obviously there's a dedicated team carrying out all this research!

Indeed there is! You don't get R&D without gray matter, and all our research is carried out by a devoted team in our laboratories in L'Isle d'Abeau and in the field.

Pressed powder pellets in autosampler awaiting X-ray diffraction (XRD) analysis.

Placement of fused beads on auto sample loader for X-ray fluorescence (XRF) analysis.



RESEARCH INTO PROCESSES

Improving the energy efficiency of cement plants and replacing fossil fuels with alternatives is a natural response to aspirations of a circular economy and reduced CO₂ emissions. The emissions question is in part addressed by increasing the use of biomass-derived fuels. In 2014, using alternative fuels saved burning the equivalent of 600,000 tons of coal. Cooperation between the people in Research & Development and in plants meant the switch to different kinds of energy was made without any impact on the quality of our cements.

More recently, new avenues of research have emerged. They concern the development of new cements which, for equivalent mechanical characteristics, reduce CO₂ emissions. This issue, which is fundamental for the future of the industry, and which corresponds to the Group's objective of contributing to the collective effort in favor of the environment, mobilizes considerable human resources in the fields of crystallography, heat control, and admixtures. Equipment applying the very latest technologies is used for this research, instruments like diffractometers, X-ray fluorescence spectrometers, and field-emission electron microscopes. This research led to production of a new cement in the first half of 2013, Alpenat®. More Alpenat® clinker was produced in 2014, and it is currently being tested by the Cement and Concrete research and development teams, now centralized in a single R&D department to accelerate the market release of new products. Applications for certification of the new products derived from these clinkers are currently being processed.

CONSTRUCTIVE SOLUTIONS

New concretes are regularly being developed to meet the expectations of customers in construction and civil engineering. Today's concretes have seen several technological breaks from the past, including self-consolidating concretes whose hyperfluidity allows them to flow smoothly into complex formwork. The development of high, then very-high-performance concretes (HPC and VHP) and, more recently, ultra-high-performance fiber-reinforced concrete (UHPC) has multiplied the strength of the material tenfold (200 MPa compressive strength). These concretes meet the construction requirements for tall buildings and other structures with increasingly high technical demands, while giving practically free rein to architectural creativity.

Changes to thermal design codes are taken into account. Research in this respect aims to determine very precisely how concrete contributes to the development of new constructive solutions for greater energy efficiency in buildings. Codes for calculating the thermal inertia of concrete are being developed under a joint research program with the French solar energy institute and atomic energy commission (INES/CEA) in Chambéry. The concrete research and development laboratory is also working on structural concrete with inherently insulating properties which will dispense with the need for independent insulation.

- An offering for eco-construction based on natural cement (quick-setting natural cement from the Chartreuse mountain range) and bio-sourced materials, like hempcrete, is now available on the market.
- The analysis capabilities of the Louis Vicat Technical Center make it possible to diagnose the disorders of concretes used in the 19th and 20th centuries and to propose remedial solutions. As a member of the *Cercle des Partenaires du Patrimoine* (heritage partners circle) of the French Ministry of Culture and Communication, Vicat takes part in research operations related to the restoration of old buildings.

90

SCIENTISTS AND TECHNICIANS
work in the Group's laboratories.

3

LABORATORIES
anticipating or meeting
the demands of customers.

CLOSE-UP PARTNERSHIP POLICY

The Louis Vicat Technical Center works with several public and private sector research centers (French atomic energy commission, national solar energy institute in Chambéry, Institut National Polytechnique in Grenoble, laboratories of schools of architecture and universities, laboratories of customers in construction and civil engineering, etc.). In 2007 the Vicat Group was a founding member of *Pôle Innovations Constructives*. This center of excellence based in the north of the Isère *département* focuses the work of a network of stakeholders in the construction industry, including manufacturers, institutional representatives, architects, medium, small, and very small enterprises, tradesmen, *Les Grands Ateliers de L'Isle d'Abeau* (itself a center of excellence), schools of architecture, the *École Nationale des Travaux Publics de l'État* engineering school, and the *Centre de Formation des Apprentis du BTP* apprenticeship center. It aims to promote greater awareness of innovations in the construction sector, particularly in response to the issues of sustainable construction.



CONSULT
THE 2014
REGISTRATION
DOCUMENT AT

vicat.com

including the Corporate Social
Responsibility report.



THE GROUP'S CSR APPROACH IS ANCHORED IN ITS ECONOMIC STRATEGY

EVERY SOCIAL, SOCIETAL, AND
ENVIRONMENTAL CHALLENGE TACKLED
IS A VECTOR OF PROGRESS FOR
THE GROUP'S BUSINESSES.

The Vicat Group's corporate social responsibility is a natural component of its overall 'sustainable construction' strategy. It is based on the five values the Group has passed down from its family origins: community focus, technical expertise, shared fervor, commitment to partnership, and long-term responsibility.

MAKING PEOPLE THE COMPANY'S CENTRAL CONCERN

One of the Group's top priorities is ensuring the health and safety of its personnel and anyone working on its sites. In 2014 the pattern-breaking 'zero accidents' strategy decided by General Management and implemented through a range of multi-year action plans bore its fruit. The year was marked by two records: the best ever improvement in results and the best ever safety indicators. In 2014 the number of lost-time accidents dropped 20% across the Group as a whole and 40% in France. The accident-frequency rate of the Group fell by 23% and that in France by 40%.

The Group payroll as of December 31, 2014, stood at 7,854 employees, up 1.8%. This rise is due to a combination of acquisitions in France and recruitment in India and the United States to keep up with development, and was moderated by departures in Senegal and Turkey resulting from organizational efficiency and adaptation to market changes.

The human-resources policy respects and encourages the values on which the Group's corporate culture is based. Ensuring staff loyalty by maintaining a high level of motivation, particularly by giving preference to internal promotion, is one of its major strengths. Performance, gender equality, employability, equity, and diversity are some of its fundamentals. While the low proportion of women in the salaried workforce (12.2%) is due in particular to the type of activity and jobs it offers, the Group is still among the top 100 companies the French Ministry for Women's Rights recognized in 2014 as being committed to feminization of managerial positions. Moreover, the Vicat Group steadfastly applies a policy for employment of the handicapped. And last but not least, direct management, in touch with employees and always ready to engage in open discussion, ensures dialogue and a social atmosphere of the highest quality within the Group.

25%

ALTERNATIVE FUELS

saved burning the equivalent
of 600,000 tons of coal.

20%

FEWER LOST-TIME ACCIDENTS THAN IN 2013

with a 40% drop in France.



The Veyle river was remodeled where it flows through the Saint Denis lès Bourg quarry (France).



VICAT COMMITMENT

AGRONOMY BENEFITING THE NIEVROZ AND FAVERGES QUARRIES IN FRANCE

After seven years of trials, the Vicat group has developed an innovative aftercare procedure which means that when disused quarry land is refarmed, it is immediately usable and has a high level of agronomical quality; this will ensure lasting acceptance of its activities.

Apart from its innovative technical and scientific features, it was the organizational innovation of this approach that led to success: working through an agro-ecological monitoring committee, the Vicat Group invited farmers to participate, both to define its quarry projects and to carry out restoration work, and it trained operators on the after-care procedure. In 2014 the Group signed its first voluntary commitment to agricultural rehabilitation of land with the local authority and agricultural representatives. The objective for the years ahead is to repeat this commendable procedure wherever the Group's disused sites are to be farmed.



Fondation Sococim has raised environmental awareness through practical applications like reforestation (Senegal).

More than 90,000 trees have been planted around the Başıtaş Çimento plant as a contribution to regional reforestation (Turkey).



Tapped water is a great leap forward (India).



VICAT COMMITMENT

VICAT IN INDIA

From its construction and through to production and marketing of its cement, the Kalburgi Cement plant in India has been an example of the Group's responsible commitment to the socio-economic development of the neighboring village communities of Burugpally, Garugpally, Chatrasala, Kherchkhed, Ganapur, and Irragpally.

To improve local health, the Group built 4.2 km of road, public lavatories, a drinking water reservoir, together with its distribution network, and a dispensary that serves around 500 patients every month.

To boost education, the Group built the first English-language primary school. It encourages high achievers to continue their education by awarding grants of 10,000 rupees when they turn 18.

The Group encourages local employment and pays the costs of training given to adults to increase their levels of skill.

TAKING AN ACTIVE ROLE IN THE ECONOMIC AND SOCIAL DEVELOPMENT OF THE COUNTRIES IN WHICH WE OPERATE

While the Vicat Group is based in France, it is also a local partner for community development internationally, in the countries where it works. It favors local employment. In 2014, in Kazakhstan, at the Mynaral cement plant, 43% of employees were recruited locally. The Group even became the largest employer in the region. It promotes local entrepreneurship through schemes such as aliZé® Savoie in France.

The Group's support of local communities is most frequently the result of long-term partnerships, often aimed at supporting policies for education and access to culture and sport. For example, the Group awards scholarships to high achievers in schools to help them throughout their university studies. And for three years the Group has been sponsoring promising women's sports teams such as the *Olympique Lyonnais* women's soccer team in France and the Senegal national women's volleyball team.

By respecting local cultures and taking account of the hopes and aspirations of stakeholders, the Group's actions produce intelligent effects. With respect to public health in India, for example, the Group built sanitation schemes for the people living close to its production plants. In Senegal, 2014 was marked by support for deployment of a national awareness campaign on the Ebola virus.

The Group stresses sound management of its environmental footprint around its facilities: it monitors air quality and designs and operates its production plants so as to minimize emissions that might inconvenience local residents.

BEING A PROPONENT OF STRATEGIES FOR SUSTAINABLE CONSTRUCTION

The Group contributes to evolutions in the art of building and renovating the world over. In the 2014 *Geste d'Or* competition organized at the International Heritage Show, three projects using products of the Vicat Group were awarded trophies.



Vicat employee at an aggregate site (France).

Restoration of Faverges quarry as farmland (France).



Peanut shells are used as an alternative fuel (Senegal).

The Group helps provide healthy living conditions in the towns and cities using its materials. Skyflor®, for instance, the result of work carried out jointly by Creabéton Matériaux, a Swiss subsidiary, and Geneva landscape and architecture school Hépia, is a new self-contained ventilated green façade system based on a support made with high-performance concrete.

Boldly tackling the future, the Group aims to accelerate the spread of innovative constructive solutions in response to the issues of energy transition, while at the same time adapting to the changes on its markets.

The Group has always understood the importance of environmental issues, and these are inseparable from its economic performance. Every year it invests to better control CO₂ emissions: in 2014 the Group set up modern kilns with high thermal efficiency. Independently of any drop in electric power consumption, substitution of traditional fossil fuels is an important means of leveraging emission reductions.

The Group has built up valuable experience in waste repurposing, as a result of which in 2014 it achieved a substitution rate of 24.6% of its overall fuel consumption, 7.8% of which was biomass-derived fuels.

In France the Vicat Group has joined the Strategic Orientation Council of the Foundation of Research into Biodiversity. Its quarries, boasting a solid reputation as places where biodiversity is created, are being used to test soil aftercare for agricultural purposes.

81%

PROPORTION OF QUARRIES
with a restoration plan.

CLOSE-UP TRAINING

In 2014 the Group's training plan remained focused on safety, accident prevention, and the environment, optimization of operational industrial performance (particularly through training for the 'industrial excellence plan' carried out in India), and sales performance. Some 128,000 hours of training were given throughout the year—50% more than in 2013—and more than 4,650 members of staff were involved in training at least once, up 4.5% on 2013.



BREAKDOWN OF SALES
BY GEOGRAPHICAL AREA

REST OF
EUROPE
17%

ASIA
22%

AFRICA
& MIDDLE EAST
16%

FRANCE
35%

UNITED
STATES
10%

2014

→ BUSINESS

THE GROUP CARRIES OUT ITS MAIN BUSINESSES – **CEMENT, READY-MIXED CONCRETE, AND AGGREGATE** – IN **11 COUNTRIES**. THESE SEGMENTS GENERATE 86% OF OPERATING REVENUES. THE GROUP IS ALSO ACTIVE IN COMPLEMENTARY BUSINESSES IN FRANCE, TURKEY, SWITZERLAND, AND INDIA.

Aerial view of the Montalieu cement plant, showing the latest investments: the limestone store and the overland conveyor (France).



FRANCE

FRANCE IS THE GROUP'S HISTORIC MARKET. VICAT CONDUCTS BUSINESS IN ALL THREE OF ITS MAIN ACTIVITIES THERE AND GENERATED 35% OF ITS SALES IN THE COUNTRY IN 2014.

Kiln and preheater tower, Montalieu cement plant.



2,578

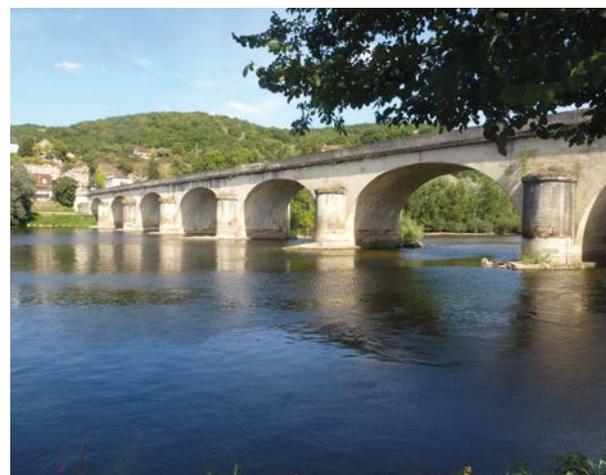
EMPLOYEES
as of December 31, 2014

831

MILLION EUROS
consolidated sales

BREAKDOWN OF SALES



Louis Vicat Bridge,
Souillac.

CEMENT

5 2.8

CEMENT PLANTS MILLION TONS SOLD



GROUP BUSINESS

As a result of effective business-development initiatives capitalizing on the specification work carried out over a number of years, the Group performed better than the market average. The Group is involved in two exceptional projects in Lyon: the *Stade des Lumières* stadium and the Incity high-rise building.

The Group expanded by acquiring concrete companies (Béton Carrières Villaroger, Truchon, Béton de Louhans), and benefited from mild weather in the Alps in the first quarter. The average selling price in 2014 was down, affected by the geographical and product mix.

SALES VOLUME

(in thousands of tons)

	2013	2014	Change
Domestic	2,673	2,596	- 2.9%
Export	213	199	- 6.6%
TOTAL	2,886	2,795	- 3.2%

PLANT OPERATION

Favorable weather at the start of 2014 led to high sales and clinker production up 6.5% at the end of June. Sales in the second half fell back somewhat, resulting in a 1.8% drop in clinker production for the year as a whole, while cement production dropped 2.5%. Production costs were kept under control despite reduced volumes. Energy costs were kept down by an appreciable increase in the percentage of alternative fuels burned.

CAPITAL EXPENDITURE

Construction work associated with the new limestone quarry for the Montalieu cement plant was completed in the fall of 2014. The 6-km overland conveyor was successfully put into industrial operation in October.



MARKET CONDITIONS

Despite the favorable fine weather of the first quarter, the construction business slowed down substantially in 2014. There were fewer than 300,000 new housing starts, down 34,000 (-10.3%). At the same time, civil engineering suffered severely after summer, particularly as a result of spending cuts by local authorities. Cement consumption in France dropped yet again; at 18.2 million tons, the tonnage sold in 2014 was the lowest since 1974 (-5.5%).

CEMENT CONSUMPTION

(in millions of tons)

	2013	2014	Change
Domestic production	17.3	16.4	- 5.2%
Imports	1.9	1.7	- 7.5%
TOTAL	19.2	18.2	- 5.5%



CONCRETE & AGGREGATE

144

BATCHING PLANTS

3.1

MILLION CUBIC METERS SOLD

40

AGGREGATE QUARRIES

9.9

MILLION TONS SOLD



GROUP BUSINESS

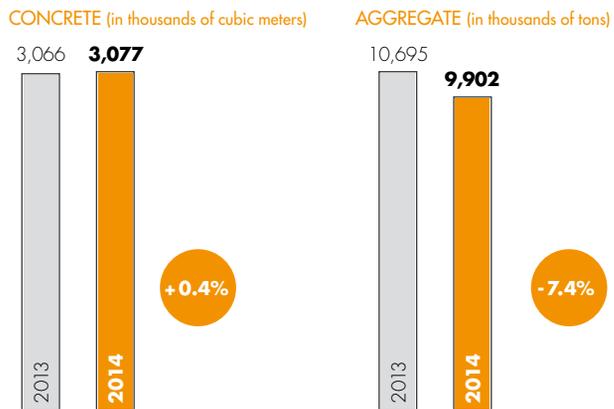
As a result of good weather at the start of the year, integration of new acquisitions (Truchon in Pontcharra, Béton Carrières Villaroger in Bourg St Maurice, and Bétons de Louhans), and two exceptional jobsites (Stade des Lumières stadium and the Incity building in Lyon), the business of Béton Vicat fared better than the market average, even on a like-for-like basis. On a tough market, the Group saw a drop in prices over the year. The Group is continuing to set up a marketing and sales organization devoted to the development of concretes with high value-added and is structuring its approach to customers to improve commercial effectiveness.

For the year as a whole the Aggregate business fell back 3.4% relative to 2013, on a like-for-like basis (-7.4% in all). This result reflects the reality of a challenging market in all regions. Selling prices improved in 2014.

Work in progress at Incity Tower, in central Lyon.



SALES VOLUME





Arnas gravel pit: dredging, loading, and river transport.

QUALITY AND ENVIRONMENT

The Concrete & Aggregate business's approach regarding quality and the environment was continued in 2014 as in previous years.

Béton Vicat, which is certified against ISO 9001 and OSHAS 18001, has 101 batching plants certified against the French NF standard (+2%).

On December 4, 2013 the Aggregate business's environmental approach was certified against international standard ISO 14001. This certification was renewed in September 2014.

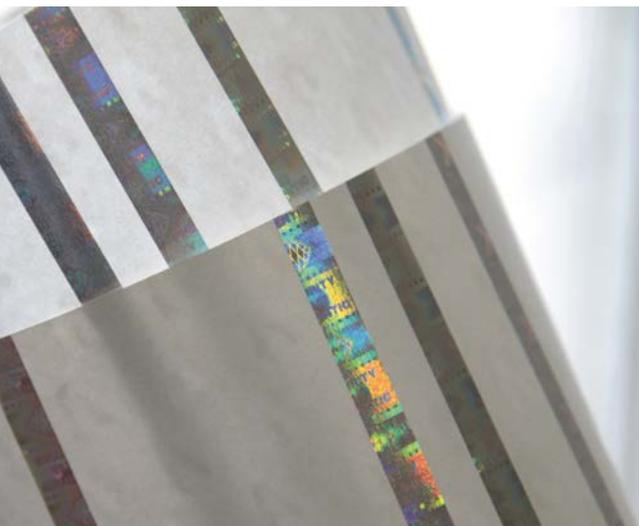


MARKET CONDITIONS

In 2014 the French ready-mixed concrete market consumed 36.6 million cubic meters, down 6% on 2013. The French aggregate market totaled 320 million tons in 2014, also down 6% for the year. This drop was felt on both the civil engineering and construction markets.



OTHER PRODUCTS & SERVICES



Hologram security paper produced by Papeteries de Vizille.



PAPETERIES DE VIZILLE PRINTING AND WRITING PAPERS

Sales of new products continued to rise in 2014, and now account for 47% of the total tonnage sold. These products concern the food packaging, high security, and special industrial paper markets. This development compensated the drop on historic markets. The company's international growth is continuing: 56% of sales are on export markets. To consolidate market awareness of Vizille products, especially internationally, the company exhibited at five international trade fairs.

BAGS

The company sold over 10 million bags to new customers. This was the result of sales prospecting operations and participation at three international trade fairs. With the new eight-color preprint machine operational at the end of 2013, production has moved up-market.

MARKET CONDITIONS

PRINTING AND WRITING PAPERS

In France, production of paper and board rose slightly. As throughout the rest of Europe, it is the packaging sector that fared best. Selling prices tended to fall on the check and publishing markets but held their ground for special papers, an expanding business sector for Papeteries de Vizille.

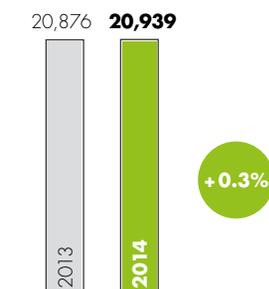
BAGS

2014 saw a rise in demand on most markets using industrial kraft paper bags (+4.3% in France, +3.9% for Europe as a whole).

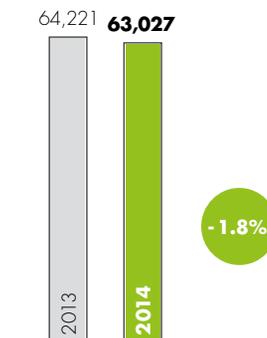
Kraft paper bag prices rose early in the year then fell back again at the end.

SALES VOLUME

PRINTING & WRITING PAPERS
(tons)



BAGS
(in thousands)





SATM & FILIALES TRANSPORT

Business in the road freight sector declined in 2014. Due to the drop in fuel prices, average transport prices fell slightly throughout the year. Against this backdrop, SATM Transport succeeded in maintaining its sales figures at the level of 2013, thanks in large part to:

- an increase in petrofuel haulage (tank trucks);
- appreciable improvement in sales for transport of mineral products using powder tankers;
- sustained multimodal business;
- thriving dump-truck business.

MAJOR PROJECTS

Compared to 2013, the business of the Major Projects division was down slightly in terms of both sales and volumes in 2014. The year saw commercial successes like the new coastal highway on Réunion Island in the Indian Ocean, the Lyon–Turin railroad, and the EPURE nuclear research project in France.



VICAT PRODUITS INDUSTRIELS (construction chemicals) VPI BUSINESS

On a dampened market, VPI's sales volume continued to make progress in 2014, gaining 2.7%. The average selling price was down slightly, chiefly as a result of the change in the business mix.

Sales in the construction sector remained stable as a result of an ambitious commercial action plan and entry onto the market of products that stand apart from the competition. Business in home-improvement products progressed by 12.4%. This performance was achieved through a strategy that refocused on the VPI brand and a dynamic product offering based on innovative products. Business in civil engineering was down 14.2% because of the absence of major underground works projects.



MARKET CONDITIONS

In 2014, for the third year running, the premixed mortar market suffered from serious decline in the new-build market (-5%) and from a lackluster renovation/improvement market (-0.5%).

BREAKDOWN OF SALES

(per business, in millions of euros)

	2013	2014	Change
SATM Transport	85.5	85.3	-0.2%
SATM Major Projects	5.3	5.3	-1.1%
TOTAL SATM	90.8	90.6	-0.3%



Innovative technical solutions by VPI for façades and exterior decoration.

BREAKDOWN OF SALES

(per business, in millions of euros)

	2013	2014	Change
Construction	47.7	47.6	-0.1%
Home improvement	21.9	24.7	+12.4%
Civil engineering	4.5	3.8	-14.2%
TOTAL VPI	74.1	76.1	+2.7%



EUROPE

THE GROUP HAS BEEN OPERATING IN SWITZERLAND SINCE 2001 WHEN IT ACQUIRED VIGIER AND IN ITALY SINCE 2003. VICAT GENERATED 17% OF ITS SALES IN EUROPE (EXCLUDING FRANCE) IN 2014.

La Poya Bridge (Switzerland).



1,171

EMPLOYEES
as of December 31, 2014

418

MILLION EUROS
consolidated sales

BREAKDOWN OF SALES



SWITZERLAND CEMENT

1 **1.0**
CEMENT PLANT MILLION TONS SOLD



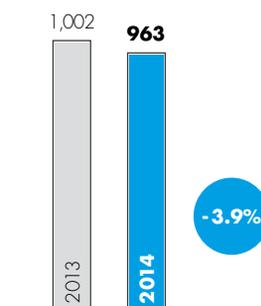
GROUP BUSINESS

After a record year in 2013 because of substantial deliveries to major projects located close to the plant, cement deliveries waned, though they are still at a high level. Selling prices were up slightly despite a less favorable product mix.

PLANT OPERATION

For the second year running, sales were greater than the plant's production capacity, so products were imported from French plants. Production costs were controlled, the reduction of denominators and higher maintenance costs being compensated by a reduction in energy costs and reduced clinker imports.

SALES VOLUME
(in thousands of tons)



LVT ballastless railroad track in the Gotthard Base Tunnel.



MARKET CONDITIONS

The construction sector was very buoyant, and benefited from mild weather at the start of the year. Population growth and sound public finances meant infrastructure work was kept up.

CEMENT CONSUMPTION

(in millions of tons)

	2013	2014	Change
Domestic production	4.6	4.6	+0.4%
Imports	0.6	0.6	-6.6%
TOTAL CONSUMPTION	5.2	5.1	-1.0%

Creabéton Matériaux supplied over 10,000 tons of precast concrete elements for the A9 freeway renovation project near Sion.



SWITZERLAND CONCRETE & AGGREGATE

20

BATCHING PLANTS

0.8

MILLION CUBIC METERS SOLD

19

AGGREGATE QUARRIES

3.4

MILLION TONS SOLD



GROUP BUSINESS

The planned end and slowdown of major projects explains the drop in concrete deliveries which still remained high, however. Selling prices improved slightly.

ENVIRONMENT

In addition to routine procedures for restoration of sites for agricultural or forestry applications, considerable work was carried out on improvements to the banks of the Aare river in connection with the extension of approved quarrying reserves at the Flumenthal site. The project involved creating wetlands along the river (a confluent of the Rhine) to encourage diversity of flora and fauna.

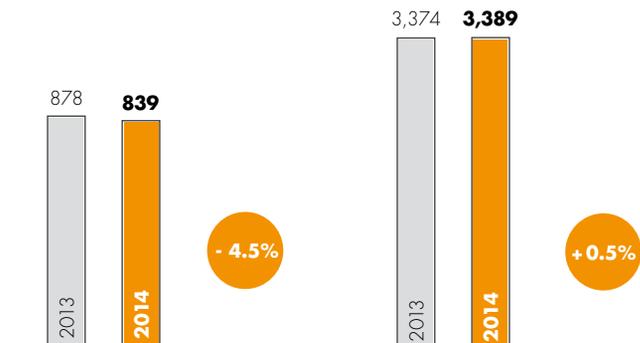
MARKET CONDITIONS

The construction sector continued to thrive. Work on major infrastructure projects continued at a fast pace, particularly because winter weather was not severe. Housing construction slowed down in the second half, however.

SALES VOLUME

CONCRETE (in thousands of cubic meters)

AGGREGATE (in thousands of tons)



SWITZERLAND PRECASTING



GROUP BUSINESS

Vigier's business remained brisk in 2014, with a 2% increase in sales volume and in the average prices of stock products. Deliveries of precast concrete elements increased by 29% as a result of winning contracts for large infrastructure projects. Sales of railroad ties were also very brisk.

2014 saw a successful increase in railroad-tie production capacity. The new plant, which came on line before the high season, meant increasing market demand could be met.

VOLUME AND SALES

(in thousands of tons and in millions of euros)

	2013	2014	Change
Sales volume	424	433	+2.3%
Sales	129.3	128.8	-0.4%



MARKET CONDITIONS

The sector continued brisk business as a result of high demand generated by a dynamic construction market. There was no decline in the pressure exerted by importers since demand in countries adjacent to Switzerland remained low.

ITALY CEMENT

1

GRINDING PLANT

2

TERMINALS

0.2

MILLION TONS SOLD



GROUP BUSINESS

The Italian market was sluggish. Steps taken to hold onto historic customers and to limit loss of sales volume weighed on prices. The company was careful to reduce credit risk.

The Group managed to maintain satisfactory business in Sardinia. The drop in domestic sales was partially offset by increased exports.

SALES VOLUME

(in thousands of tons)

	2013	2014	Change
TOTAL	238	234	-1.4%



MARKET CONDITIONS

The construction and engineering sector was more affected than others by the downturn in the economy. In addition, Italy experienced unfavorable weather in the fall and winter, with torrential rain in the northern part of the country.

CEMENT CONSUMPTION

(in millions of tons)

	2013	2014	Change
TOTAL	20.8	19.3	-7.2%

UNITED STATES

THE GROUP OPERATES ON TWO SEPARATE REGIONAL MARKETS: IN THE SOUTHEAST, IN ALABAMA, WHERE IT HAS BEEN ACTIVE SINCE 1974, AND IN CALIFORNIA, NEAR LOS ANGELES, SINCE 1987. VICAT GENERATED 10% OF ITS 2014 SALES IN THE COUNTRY.

Ragland cement plant, Alabama.



1,036
EMPLOYEES
as of December 31, 2014

247
MILLION EUROS
consolidated sales

BREAKDOWN OF SALES



CEMENT

2

CEMENT PLANTS

1.7

MILLION TONS SOLD



GROUP BUSINESS

In Alabama, cement sales volumes dropped for the year as a whole because of poor weather at the start of the year and a drop in direct sales for projects. The situation did improve somewhat, however, in the last quarter. Cement sales volumes in Georgia are still growing substantially, thanks to the Group's concrete subsidiaries and strong growth in direct project sales.

Sales volumes in California continued to rise relative to 2013 (+9.6%).

In 2014 cement selling prices rose substantially in all regions.

PLANT OPERATION

The utilization rate of both plants was up because of increased sales volumes. Ragland's variable costs dropped slightly, as a result of reduced power consumption and rates. Lebec's were kept under control: the effect of the strong rise in power rates was limited through increased use of alternative fuels.

CONCRETE

45

BATCHING PLANTS

2.0

MILLION CUBIC METERS SOLD



GROUP BUSINESS

Sales volumes in the Southeast were slightly higher than in 2013 due to the volumes sold by Walker which benefited from the construction boom around Atlanta. Otherwise, the Group's companies worked to improve profit margins by focusing attention on markets with greater value-added and by optimizing concrete mix designs and logistics.

In California volumes rose 5.5%, largely due to the sales of subsidiary Builders Concrete.

Selling prices increased vigorously throughout the year, reflecting improvements in macro-economic and business-sector environments.

SALES VOLUME

(in thousands of cubic meters)

	2013	2014	Change
Concrete	1,925	2,003	+4.0%



MARKET CONDITIONS

In 2014, with sound demand in the commercial sector and in public works, construction expenditure was slightly up on 2013, although the residential sector saw no change. In the public sector, growth was driven in large part by the roads sector, public transport, and waste processing.

CEMENT CONSUMPTION

(in millions of tons)

	2013	2014	Change
Southeast	6.1	6.6	+6.9%
California	8.3	8.9	+6.0%
TOTAL UNITED STATES	79.8	86.0	+7.8%

SALES VOLUME

(in thousands of tons)

	2013	2014	Change
Southeast	734	806	+9.8%
California	802	879	+9.6%
TOTAL	1,536	1,685	+9.7%



MARKET CONDITIONS

Trends on the concrete market were comparable to those in cement. Concrete consumption rose 7% to 246 million cubic meters across the country, though there were significant variations locally.

CONCRETE PRODUCTION

(in millions of cubic meters)

	2013	2014	Change
TOTAL UNITED STATES	230.0	246.4	+7.1%

▼ AFRICA & MIDDLE EAST

THE GROUP HAS BEEN WORKING IN WEST AFRICA (SENEGAL, MALI, MAURITANIA) SINCE 1999 AND IN EGYPT, IN THE SINAI REGION, SINCE 2003. VICAT GENERATED 16% OF ITS 2014 SALES IN THIS REGION.

Sinai Cement plant,
El Arish (Egypt).



1,102
EMPLOYEES
as of December 31, 2014

397
MILLION EUROS
consolidated sales

BREAKDOWN OF SALES



CONCRETE
& AGGREGATE



Hotel built
in Egypt.



EGYPT CEMENT

1 CEMENT PLANT **2.2** MILLION TONS SOLD



GROUP BUSINESS

Sinai Cement's sales were affected by the continued curfew in Northern Sinai in 2014, as a result of the interruptions it caused to the logistics chain. Nevertheless, improved security resulted in more regular operation of the plant, making it possible to meet market demand. Cement sales volumes rose 32.6%.

The rise in energy prices consequent to the reduction in public subsidies, together with reduced availability of cement due to energy shortages, resulted in strong growth in the average selling price.

PLANT OPERATION

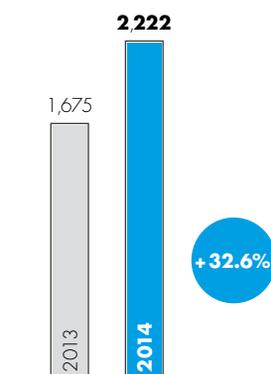
The disturbances engendered by poor security in 2013 reduced substantially in 2014, which allowed the plant to run more continuously. However, repeated attacks on the gas pipeline meant gas supplies were discontinued permanently in March 2014. The company has moved more strongly into the use of alternative fuels in order to limit the use of heavy oil.

Despite all the efforts made, production prices rose relative to 2013, largely because of strong rises in electricity and fuel prices.

CAPITAL EXPENDITURE

Sinai Cement started construction of two coal mills to get round the problem of the energy shortages with which Egypt has been faced since 2013. Startup is programmed for mid 2015.

SALES VOLUME
(in thousands of tons)



MARKET CONDITIONS

Be it the residential sector or public works, the construction sector picked up in 2014. Cement consumption rose 3.0% to 51.6 million tons, compared to 50.1 million in 2013. This growth varied substantially from one quarter to another.

CEMENT CONSUMPTION
(in millions of tons)

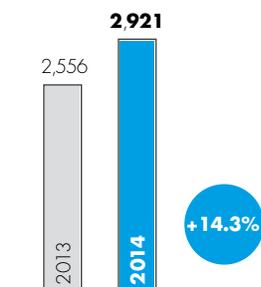
	2013	2014	Change
TOTAL	50.1	51.6	+3.0%





The 500-hectare jatropha plantations on the Sococim Industries quarry sites will produce biofuel.

SALES VOLUME
(in thousands of tons)



SENEGAL CEMENT

1 CEMENT PLANT **2.9** MILLION TONS SOLD

MARKET CONDITIONS

Cement consumption in Senegal stood at 3.1 million tons in 2014, up 11% compared to 2013. The increased availability of cement and its distribution throughout the country have made it a product in demand even in outlying rural areas where construction with permanent materials is a sign of social success.

CEMENT CONSUMPTION

(in millions of tons)

	2013	2014	Change
TOTAL	2.8	3.1	+10.7%



GROUP BUSINESS

Sococim Industries increased the volumes it sold on the domestic market, and exports also rose. The 2014 sales volume amounted to 2,921 thousand tons, an all-time record. Tough competition caused a drop in selling prices.

PLANT OPERATION

Clinker production increased by 140,000 tons year on year, and cement production by 180,000 tons. This good performance met rising market demand for cement.

SENEGAL AGGREGATE

2

AGGREGATE QUARRIES

2.5

MILLION TONS SOLD



GROUP BUSINESS

In 2014, the Aggregate business recorded growth of 8.4% compared to 2013, reaching 2,513 thousand tons sold. Business in basalt grew 4% compared to 2013. In the fourth quarter work resumed steadily on the airport project and increased in intensity on other major projects (BDIA freeway, for instance).

As for the limestone business, the increased sales volume in 2014 (+13%) was due to new urban development outside Dakar, aided by a mild rainy season.



MARKET CONDITIONS

Economic conditions were favorable in 2014, with steady construction business in Dakar and the surrounding region. The public-works situation was also good, but scattered across the entire country.

MALI CEMENT

0.7

MILLION TONS SOLD



GROUP BUSINESS

Commercial initiatives and a suitably adjusted pricing policy produced evolution comparable to that of the national market, despite a rise in local production. In 2014, the volumes sold rose 5.6% to 675 thousand tons.



MARKET CONDITIONS

2014 was characterized by stabilization after the political and security difficulties of 2012 and 2013. Under improved conditions the market is picking up, with persistently low prices since mid 2012.

CEMENT CONSUMPTION

(in thousands of tons)

	2013	2014	Change
TOTAL	1,615	1,715	+6.2%

MAURITANIA CEMENT

1

GRINDING PLANT

0.3

MILLION TONS SOLD



GROUP BUSINESS

BSA Ciment is involved in the main construction projects currently under way (silos, university, office buildings, hospital, and housing) as well as road and other public-works projects. The volumes sold rose by more than 14% to 321 thousand tons.



MARKET CONDITIONS

The market for cement in Mauritania is constantly growing, gaining 14% in 2014 after 19% in 2013. It is driven this year by new housing projects.

CEMENT CONSUMPTION

(in thousands of tons)

	2013	2014	Change
TOTAL	831	947	+14.3%

ASIA

THE GROUP HAS BEEN WORKING IN TURKEY, WHERE IT HAS TWO CEMENT PLANTS, SINCE 1991, IN KAZAKHSTAN SINCE 2007, AND IN INDIA SINCE 2008. THE THRIVING ECONOMIES OF THIS REGION UNDERPIN THE GROWTH OF THE GROUP WHICH GENERATED 22% OF ITS SALES THERE IN 2014.



Bharathi
Cement plant,
Andhra Pradesh
(India).

1,967

EMPLOYEES

as of December 31, 2014

530

MILLION EUROS

consolidated sales

BREAKDOWN OF SALES





Konya Science Center,
the city's first green building.

TURKEY CEMENT

2 **3.5**
CEMENT PLANTS MILLION TONS SOLD



GROUP BUSINESS

Demand early in the year resulting from the mild winter and projects that got under way in the last quarter of 2013 took our cement plants to the limits of their production capacity, before easing off. Domestic selling prices increased significantly across all the Group's markets in 2014.

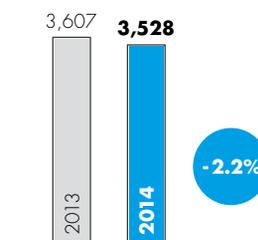
PLANT OPERATION

Annual maintenance put facilities back on track for achieving the expected energy efficiency. In addition, both plants made increasing use of alternative fuels.

CAPITAL EXPENDITURE

Capital expenditure chiefly concerned an increase in clinker production capacity at the Baştaş plant and adaptation of both cement plants to changes in environmental standards, with the construction of 150,000-ton clinker silos at each plant.

SALES VOLUME
(in thousands of tons)



MARKET CONDITIONS

The weather was particularly mild in the first quarter of 2014, leading to vigorous growth. Business slowed down from the second quarter, then picked up again at the end of the year with a more favorable macro-economic situation.

CEMENT CONSUMPTION

(in millions of tons)

	2013	2014	Change
TOTAL	62.9	64.9	+3.1%

TURKEY CONCRETE & AGGREGATE



Restoration at the Konya quarry involves afforestation and creation of a lake.

33

BATCHING PLANTS

2.3

MILLION CUBIC METERS SOLD



7

AGGREGATE QUARRIES

4.9

MILLION TONS SOLD

GROUP BUSINESS

Concrete production was down on 2013 as a result of the Soma mine disaster which prompted Department of Labor inspections targeting a lot of construction projects. Production picked up again as of October. Commercial initiatives made resumption possible in Ankara in the last quarter. Increased competition is prompting careful selection of only the most profitable projects.

The aggregate business moves with evolutions in the ready-mixed-concrete business.

MARKET CONDITIONS

The amount of concrete sold in 2014 increased by 5%, in parallel with the increased number of batching plants and operators in the sector. Aggregate consumption in 2014 is estimated at 380 million tons against 350 million in 2013. Aggregate is chiefly used by batching plants.

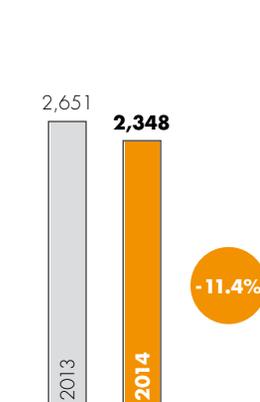
CONCRETE PRODUCTION

(in millions of cubic meters)

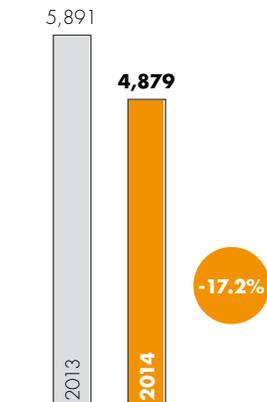
	2013	2014	Change
TOTAL	102.0	107.0	+4.9%

SALES VOLUME

CONCRETE
(in thousands of cubic meters)



AGGREGATE
(in thousands of tons)



KAZAKHSTAN CEMENT

1

CEMENT PLANT

1.3

MILLION TONS SOLD



GROUP BUSINESS

Correct operation of the plant, combined with good logistics, meant Jambyl Cement was able to increase the volumes it supplied in 2014 by 24%.

New production capacity coming on line in Kazakhstan forced selling prices down despite significant increases affecting components of the production cost (inflation, devaluation, energy).

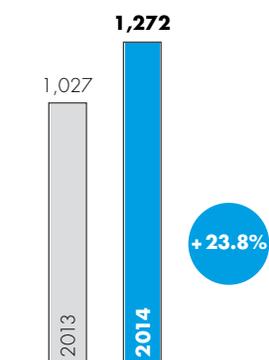
PLANT OPERATION

In 2014 clinker production increased 21% to 942 thousand tons and cement production rose by 23% to 1,270 thousand tons. This result demonstrates the good performance and excellent reliability of the plant throughout the year. Production costs also improved significantly, notably because of the production levels attained.



Maintenance staff at the Jambyl Cement plant in Mynaral.

SALES VOLUME
(in thousands of tons)



MARKET CONDITIONS

The growth in cement consumption in 2014, compared to 2013, is estimated at 6%. A 25% drop in the amount of cement imported, due partly to exchange-rate swings, made way for a 13% rise for domestic producers.

CEMENT CONSUMPTION

(in millions of tons)

	2013	2014	Change
Domestic production	6.7	7.6	+13.6%
Imports	1.6	1.2	-25.0%
TOTAL	8.2	8.7	+6.2%



INDIA CEMENT

2

CEMENT PLANTS

4.6

MILLION TONS SOLD



MARKET CONDITIONS

With the economy on hold while awaiting national governmental elections in May, there was a drop in the market. In the second part of the year, with the new government falling into battle order, there were still no positive effects on cement consumption. And in some regions there came the added difficulty of sand shortages due to the closure of illegal pits. Cement consumption in India's southern States (Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Kerala, and Goa) and in the State of Maharashtra is estimated to have been 88 million tons in 2014, down 3.5% on 2013.

CEMENT CONSUMPTION

(in millions of tons)

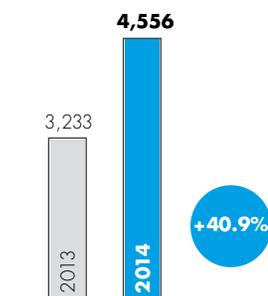
	2013	2014	Change
Consumption Southern India + Maharashtra	91.2	88.0	- 3.5%

GROUP BUSINESS

The output of the Group's two cement companies in India is marketed under the premium brand name 'Bharathi Cement'. The volumes sold under this brand name in 2014 were up close to 39% compared to 2013, at 4,486 million tons. In addition, Bharathi Cement began a clinker export business accounting for 70 thousand tons. This performance on a market that slumped by 3.5% is the result of the product being positioned as a 'premium' cement and of the Vicat Sagar Cement plant ramping up its production.

Against a background of excess capacity and with cement consumption marking time, there was some volatility in selling prices.

SALES VOLUME (in thousands of tons)



PLANT OPERATION

In 2014 the Bharathi Cement plant produced 2,219 million tons of clinker (+20.3%) and 2,742 million tons of cement (+15.0%). Per-ton cement production costs dropped, in part due to the continuous-improvement programs initiated in September 2013. In the fourth quarter the plant commissioned a 30-MW coal-fired power plant.

Vicat Sagar Cement started marketing cement in January 2013. In 2014 the plant produced 1,530 million tons of clinker (+120.5%) and 1,744 million tons of cement (+100%). Construction of the plant was finalized with commissioning of the 8.4-MW Gulbarga Power cogeneration plant and tying in to the railroad network.

The Bharathi Cement and Vicat Sagar Cement plants are continuing their expansion into alternative fuels.



Indian cement-plant worker.



Bharathi Cement power plant.

AGGREGATE



GROUP BUSINESS

Mines & Rock (a wholly-owned Bharathi Cement subsidiary) operates an aggregate quarry about 50 kilometers from Bangalore, in the State of Karnataka, and sells its output in the outskirts of northern Bangalore. Its business thrived in the first half of 2014, then shrank back in the second part of the year.

1

AGGREGATE QUARRY

0.7

MILLION TONS SOLD



CONSULT
THE 2014
REGISTRATION
DOCUMENT AT

vicat.com
including the
2014 accounts.



2014

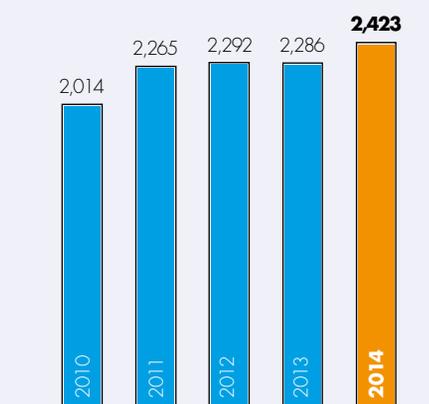
FINANCIAL INDICATORS

IN 2014, THE VICAT GROUP ACHIEVED A SOLID INCREASE
IN ITS ACTIVITY AND OPERATING PROFITABILITY.

The Group took advantage of the recovering US and Egyptian markets, and is now increasingly benefiting from the build-up of its plants in Kazakhstan and India. This geographical diversity is now helping the Group to fulfil its strategy of ongoing profitable growth. Vicat intends to leverage the investments it has made in recent years and its strong market positions to maintain its strong cash-flow generation and continue reducing debt.

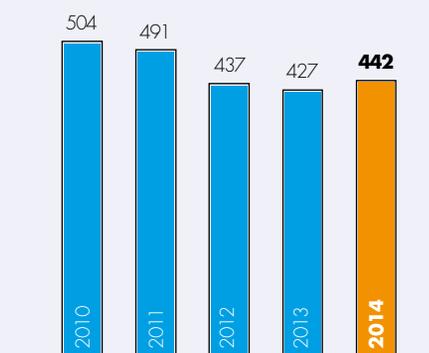
CONSOLIDATED SALES (IN MILLIONS OF EUROS)

Consolidated sales amounted to 2,423 million euros in 2014, up 6% as reported and up 8% on a like-for-like basis and at constant exchange rates.



EBITDA* (IN MILLIONS OF EUROS)

At 442 million euros the Group's EBITDA was up 3.6% on 2013, and up 7% on a like-for-like basis and at constant exchange rates.

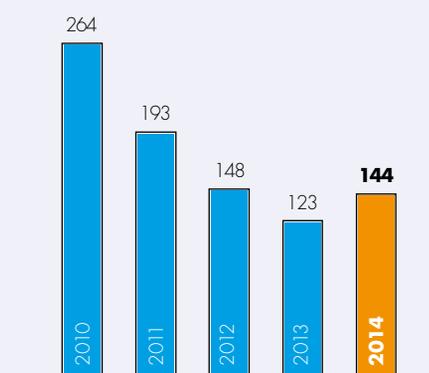


**Earnings Before Interest, Taxes, Depreciation and Amortization:
gross operating profit plus other ordinary income and expenses.
EBITDA is not a measure defined by accounting policies and
is calculated differently from one company to another.*

CONSOLIDATED NET INCOME

(IN MILLIONS OF EUROS)

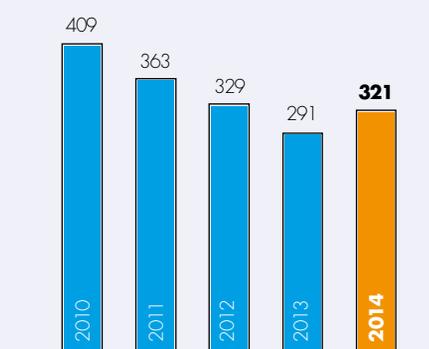
Consolidated net income rose 16.5% (21.8% on a like-for-like basis and at constant exchange rates), to €144 million, i.e. a 5.9% margin.



CASH FLOW FROM OPERATIONS

(IN MILLIONS OF EUROS)

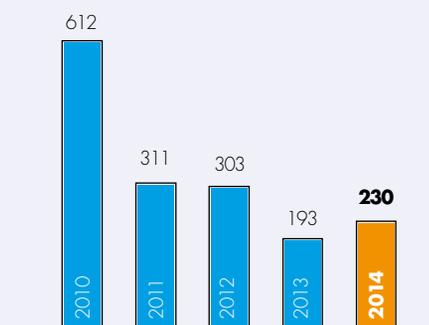
Cash flow from operations stood at 321 million euros in 2014, generating free cash flow of 148 million euros.



TOTAL INVESTMENTS

(IN MILLIONS OF EUROS)

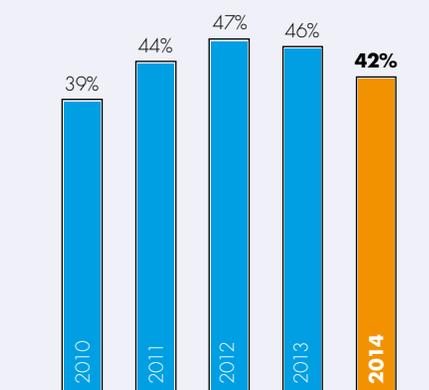
Pursuant to the Group's strategy, industrial investments, at €156 million, were down slightly in 2014 compared with the €175 million recorded 2013.



NET DEBT/ EQUITY

(IN PERCENT)

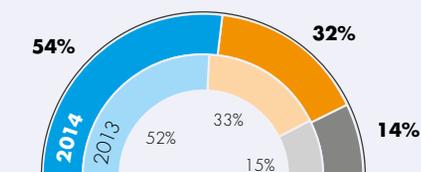
Gearing stood at 41.6% on December 31, 2014, compared to 46.5% on December 31, 2013.



BREAKDOWN PER BUSINESS

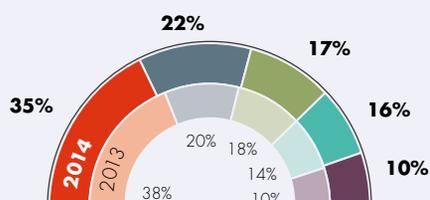
- Cement
- Concrete & Aggregate
- Other Products & Services

OPERATING SALES

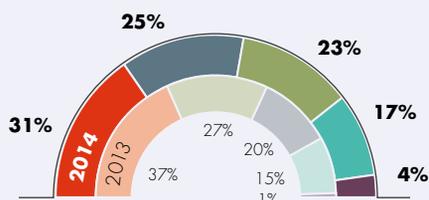
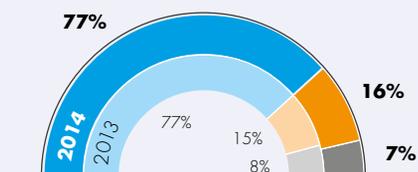


BREAKDOWN PER GEOGRAPHICAL AREA

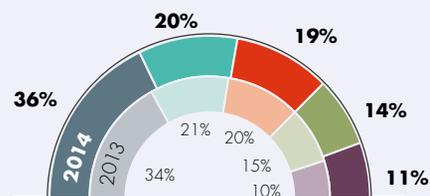
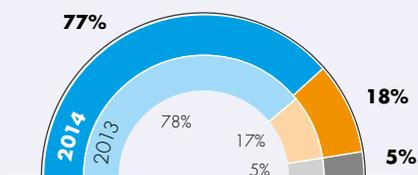
- France
- Europe (excluding France)
- United States
- Africa & Middle East
- Asia



EBITDA



NET CAPITAL EMPLOYED



FINANCIAL REPORTING CALENDAR

May 4, 2015

(posted after close)
Q1 2015 sales

August 4, 2015

(posted after close)
H1 2015 sales and earnings

May 6, 2015

Annual General
Meeting

November 3, 2015

(posted after close)
9M 2015 sales



ALL 2014 PUBLICATIONS CAN BE FOUND AT

vicat.com

ANNUAL REPORT

outlining the Group's strategy, businesses, and key facts and figures.
The Vicat Group / Corporate Social Responsibility / Business / Finance

REGISTRATION DOCUMENT

including the 2014 accounts, the annual financial report, and the corporate social responsibility report.

Presentation of the Group / Comments on the year / Corporate Social Responsibility /
Corporate governance / Information on the company and shareholding /
Risk factors / Financial information / Annual General Meeting / Additional information



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