

ANNUAL REPORT





Ragland cement plant,
Alabama (United States).

AT THE HEART OF OUR HISTORY

Like Louis Vicat, the engineer who in 1817 invented artificial cement, the family firm founded more than 160 years ago looks to the future.

We continue to develop a range of high-performance materials, products, and services tailored to match the evolutions taking place in 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.

AT THE HEART OF OUR DAILY LIFE



Vicat products are all around us!

Bridges, viaducts, office towers, museums, stadiums, apartment buildings, houses, swimming pools, cycle paths, roundabouts, dams, tunnels, etc.

What they have in common is that they are all made with products of the Group. Vicat products are used in any number of buildings, roads, and streets all around us. They are thus part of our heritage, of our daily lives, and of our future too.

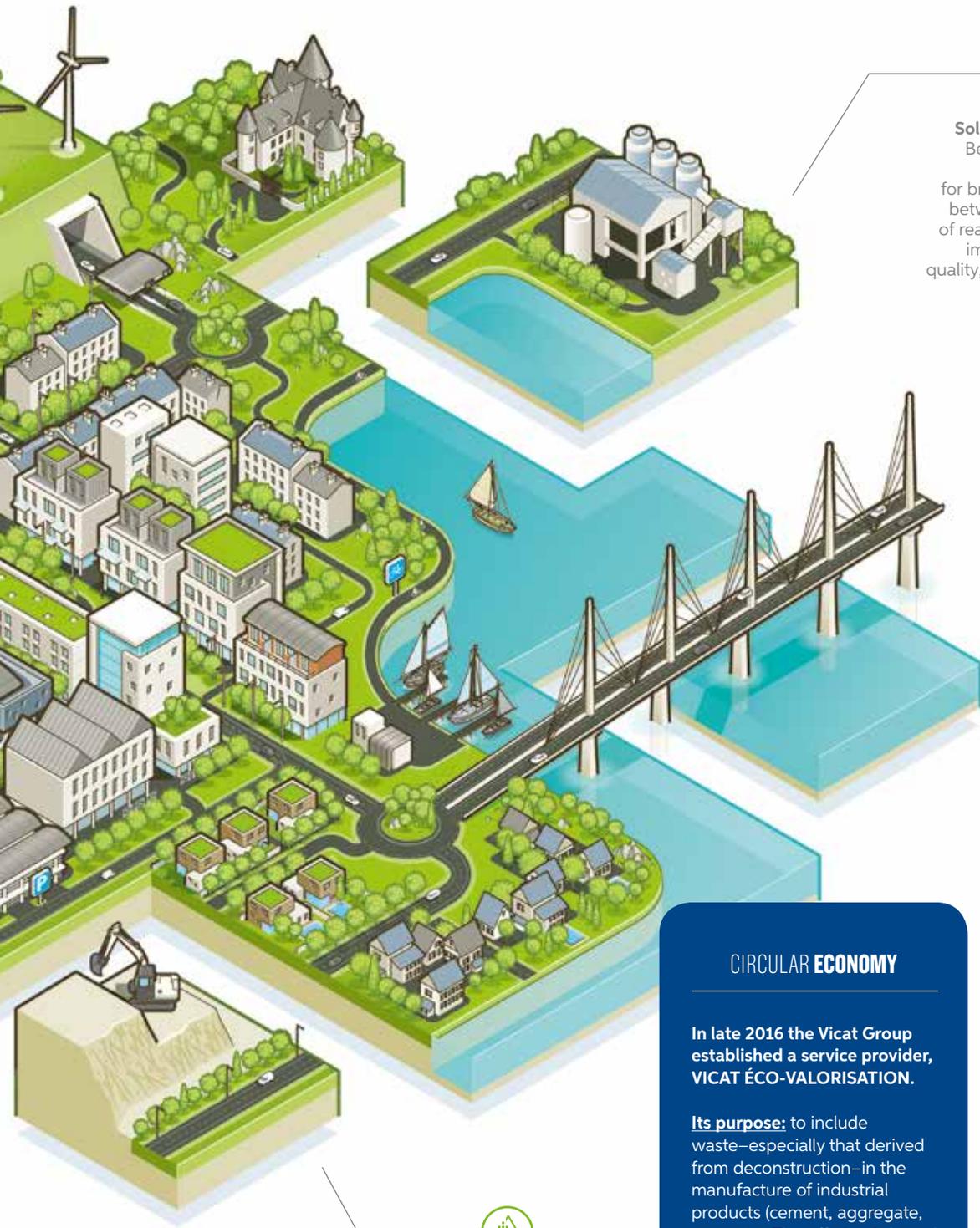


CEMENT

From historic know-how to today's constructive solutions

Cement, a highly sought after construction material across the planet,

is used principally to make concrete. The Vicat Group manufactures a wide range of cements—both artificial and natural—to meet the needs of all those involved in construction.



CONCRETE

Solutions for sustainable construction
 Be it decorative or self-consolidating, for roads or complex architecture, for bridges or tunnels, and everything in between, Vicat has a thorough offering of ready-mixed concretes meeting every imperative relating to environmental, quality, and safety concerns that will meet the specific needs of every project.



OTHER PRODUCTS & SERVICES

BUILDING FINISHING PRODUCTS

So customers can build with confidence, VPI designs, manufactures, and markets a range of mineral-based adhesives, wall coatings, and premixed mortars for construction professionals, engineering contractors, and private individuals.

MINERAL ADMIXTURES

A leading name in technical admixtures for concrete, Condensil markets ultrafine admixtures for key players in the European construction sector.

PRECASTING

Creabeton Matériaux manufactures precast concrete products for construction, civil engineering and road building, outdoor decoration and public spaces, including tailor-made items.

CIRCULAR ECONOMY

In late 2016 the Vicat Group established a service provider, VICAT ÉCO-VALORISATION.

Its purpose: to include waste—especially that derived from deconstruction—in the manufacture of industrial products (cement, aggregate, concrete). The offering is based on a four-pronged approach: waste-to-heat conversion, making use of alternative fuels for cement plants; beneficial disposal of non-inert soil; a waste-stream logistics-platform service; and an offering of recycled aggregate.



AGGREGATE

Local raw materials
 Whether virgin or recycled, aggregate is a raw material for sustainable construction. It is vital for making concrete and road pavements.

AT THE HEART OF OUR KNOW-HOW

Three lines of business for global offering.

The Vicat Group boasts top-class know-how in the cement, ready-mixed concrete, and aggregate businesses through over 160 years of research, discoveries, and involvement in countless construction and major infrastructure projects.



AGGREGATE

The Vicat Group currently produces and markets more than 22 million metric tons of aggregate per year.

This is the production of 66 quarries in five countries: France, Switzerland, Turkey, Senegal, and India. Aggregate (sand and gravel) is a natural material that, in one form or another, Man has always used to build homes and adapt his environment. Large volumes of aggregate are used to build roads and make concrete.





CEMENT



Cement, the secrets of which were unveiled by Louis Vicat in 1817, has always been the Group's core business, one it has been conducting for more than 160 years. A fine mineral powder, cement is the result of a multi-stage manufacturing process. Different categories of cement, including natural cement, meet specific requirements. The Group currently has production capacity in excess of 30 million metric tons per year across 11 countries.

- 1 Bharathi Cement plant, Andhra Pradesh (India).
- 2 Aggregate barge on the River Seine (France).
- 3 Façade of a building of the Swatch Group, made with ultra-high-performance fiber-reinforced concrete (Switzerland).



CONCRETE

While concrete, the result of combining cement, sand, gravel, water, and admixtures, is a simple material at heart, it is also complex, requiring advanced know-how. Since the applications of concrete are extremely varied, the Vicat Group produces a wide range of ready-mixed concretes satisfying

the latest requirements for ease of placement, aesthetics, and performance. The Group's ready-mixed concrete businesses currently run 230 batching plants in five countries: France, the United States, Turkey, Switzerland, and Mauritania. They produce 8.8 million cubic meters per year.

AT THE HEART

OF OUR BUSINESS ENVIRONMENTS

15%

UNITED STATES

45% SHARE OF CEMENT IN OPERATING SALES
 55% SHARE OF CONCRETE IN OPERATING SALES
 14% OF EMPLOYEES WORLDWIDE



14%

AFRICA & THE MIDDLE EAST

EGYPT, SENEGAL, MALI, MAURITANIA

91% SHARE OF CEMENT IN OPERATING SALES
 9% SHARE OF CONCRETE & AGGREGATE IN OPERATING SALES
 14% OF EMPLOYEES WORLDWIDE



The Vicat group works in 11 different countries

Where the Group started business in a country through acquisition, it capitalizes on regional identity by using local brand names.

BREAKDOWN OF SALES BY GEOGRAPHICAL AREA

FRANCE

36% SHARE OF CEMENT IN OPERATING SALES

39% SHARE OF CONCRETE & AGGREGATE IN OPERATING SALES

25% SHARE OF OTHER PRODUCTS & SERVICES IN OPERATING SALES

30% OF EMPLOYEES WORLDWIDE



REST OF EUROPE

SWITZERLAND, ITALY

36% SHARE OF CEMENT IN OPERATING SALES

38% SHARE OF CONCRETE & AGGREGATE IN OPERATING SALES

26% SHARE OF OTHER PRODUCTS & SERVICES IN OPERATING SALES

14% OF EMPLOYEES WORLDWIDE



16%

22%

ASIA

TURKEY, KAZAKHSTAN, INDIA

77% SHARE OF CEMENT IN OPERATING SALES

17% SHARE OF CONCRETE & AGGREGATE IN OPERATING SALES

6% SHARE OF OTHER PRODUCTS & SERVICES IN OPERATING SALES

28% OF EMPLOYEES WORLDWIDE



VICAT IN NUMBERS



11

COUNTRIES

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



8,009

EMPLOYEES

5,569 of whom are outside France.



2.4

BILLION EUROS SALES

68% generated outside France, including 36% in emerging countries.



15

CEMENT PLANTS

and 5 grinding plants represent annual cement production capacity of 30 million tons.



230

CONCRETE BATCHING PLANTS

located close to the Group's main cement plants.



66

AGGREGATE QUARRIES

Much of the aggregate extracted is used to make concrete.

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FINANCIAL INDICATORS

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LUCIE® luminous
paving slab combining
innovative technology
and modern design.

BALANCE



Ours is a family company founded more than 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.

PERFORM- ANCE



CEMENT

53%

OF OPERATING SALES



CONCRETE & AGGREGATE

33%

OF OPERATING SALES



OTHER PRODUCTS
& SERVICES

14%

OF OPERATING SALES

VICAT IMPROVED PROFITABILITY IN 2016

SALES OF
2,454
MILLION EUROS IN 2016

4.1%
GROWTH IN SALES IN 2016
AT CONSTANT SCOPE OF CONSOLIDATION
AND EXCHANGE RATES

8,009
EMPLOYEES

By virtue of its development model based on geographical diversification of entities and a sustained high level of cost-effectiveness for its industrial facilities, the Group's development model has engendered continued progress despite unstable monetary and geopolitical backgrounds.

The Group's financial situation has been further improved as a result of repayment of 10% of its net debt. This was made possible by generation of high cash flow and does not compromise the operational condition of its industrial assets.

This success is also the result of hard work on productivity by production, administrative, and sales personnel who have given every proof of their enormous professionalism, efficacy, availability, and creativity. I extend my deepest thanks to the eight thousand men and women working for Vicat for all they have done to achieve this level of performance.

Two hundred years ago Louis Vicat unveiled the mysteries of artificial cement, known at the time as 'artificial hydraulic lime'. Seeking no financial advantage, he took out no patent and while continuing his research gave free advice to entrepreneurs embarking upon the manufacture of cement. In June the cement industry will mark this bicentennial, in Paris, by means of an international scientific symposium showcasing the modernity of the material whose discovery

was as important in the history of humanity as that of bronze and iron. Vicat will be present, and this summer will relay the message in the French pavilion at Expo 2017 in Astana, Kazakhstan.

After first helping his father in his research, in 1853 Joseph Vicat built a cement plant that marked the beginnings of the Vicat Group. Vicat's DNA is bound in this simple story: innovation, ethics, entrepreneurship, family.

Today still, Vicat is changing and adapting to a changing world. But its values continue to resonate in everything it does, from innovation in its ultra-modern laboratories to quality and service to partners and clients.

**VICAT'S DNA IS
BOUND IN ITS HISTORY:
INNOVATION, ETHICS,
ENTREPRENEURSHIP,
FAMILY.**

Vicat's integration into its environment entered a new dimension in 2016, with the creation of a new business, *Vicat Éco-Valorisation*, a vector for development in the harnessing of short-supply-chain waste streams in a circular economy. Judicious use of raw materials and recycled waste is reaching a new level of industrialization with this ambitious, environmentally responsible, and profitable undertaking.

Consolidated by the vigor of 2016, Vicat is entering 2017 with confidence. Our main markets are moving in the right direction in terms of both volumes and selling prices. Our objective is to keep consolidating our positions and to further reduce our debt while awaiting the opportunity to take a new step forward in our development.

GUY SIDOS
CHAIRMAN AND CEO



“By virtue of its development model based on geographical diversification of entities and a sustained high level of cost-effectiveness for its industrial facilities, the Group’s development model has engendered continued progress despite unstable monetary and geopolitical backgrounds.”

GOVERNANCE & SHAREHOLDERS

BOARD OF DIRECTORS



Jacques
Merceron-Vicat
Honorary chairman



Guy Sidos
Chairman & CEO



Delphine André



Xavier Chalandon



Sophie Fégueux



Jacques Le Mercier



Louis
Merceron-Vicat



Emmanuelle Salles



Bruno Salmon



Éléonore Sidos



Sophie Sidos

AUDIT COMMITTEE

Jacques Le Mercier
Chairman
Delphine André
Xavier Chalandon
Éléonore Sidos

COMPENSATION COMMITTEE

Xavier Chalandon
Chairman
Jacques Le Mercier
Bruno Salmon

AUDITORS INCUMBENTS

KPMG Audit
Wolff & Associés SAS

AUDITORS ALTERNATES

Cabinet Constantin
Exponens Conseil
et Expertise

OPERATIONAL EXECUTIVES

CHIEF OPERATING OFFICER

Didier Petetin

Senior executive in charge of business
in France (*excluding Paper*)

SENIOR EXECUTIVE VICE PRESIDENTS

Éric Bourdon

Chief scientific officer,
Performance and investment director,
Director, Cement business in France,
Italy, and Spain

Philippe Chiorra

Chief legal officer

Éric Holard

Director, United States

Jean-Pierre Souchet

Chief financial officer

Bernard Titz

Corporate secretary

ZONE / COUNTRY DIRECTORS

Lukas Epple

Switzerland

Yves Keller

Africa and the Middle East

Philippe Latournarie

Turkey and Kazakhstan

Markus Oberle

India

SHARE CAPITAL

AS OF DECEMBER 31, 2016
THE COMPANY'S SHARE CAPITAL AMOUNTS
TO 179,600,000 EUROS, CONSISTING
OF 44,900,000 SHARES WITH PAR VALUE
OF FOUR EUROS EACH.

37.7%

PUBLIC
(INCLUDING 1.5% EMPLOYEES)

60.7%

FAMILY SHAREHOLDERS

1.6%

TREASURY SHARES

CONTROLLED DEVELOPMENT

Deploying a balanced strategy has enabled the Group to keep expanding despite an uncertain macroeconomic environment.

68%

SHARE OF SALES
GENERATED OUTSIDE FRANCE

36%

SHARE OF SALES GENERATED
IN EMERGING COUNTRIES

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, or to the construction of new (greenfield) cement plants on markets with strong growth.

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.

BUSINESS-SPECIFIC DEVELOPMENT

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. 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.

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.

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.

BALANCED GEOGRAPHICAL DEVELOPMENT

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 or exchange-rate fluctuations.

The Group currently operates in eleven countries. It generates 68% of its sales outside France: 17% in the rest of Europe, 15% in the United States, and 36% 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 production-capacity increases implemented in the older plants and the increased utilization rate of the new production facilities built in recent years.



SALES VOLUMES IN 2016

21.9

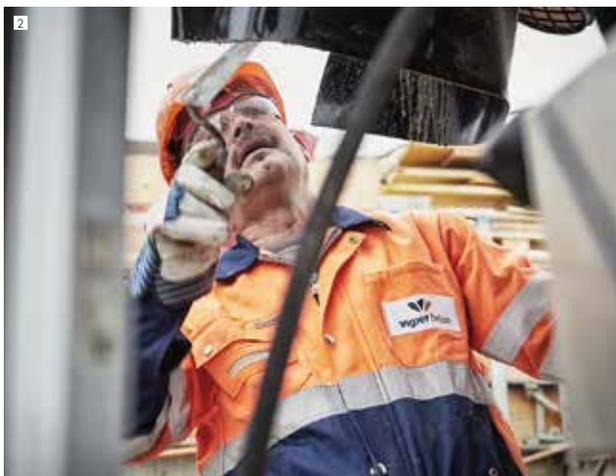
MILLION TONS
OF CEMENT
UP 10.5%

8.8

MILLION CUBIC METERS
OF CONCRETE
UP 3.4%

22.1

MILLION TONS
OF AGGREGATE
UP 5.5%



1 Baştaş Çimento plant near Ankara (Turkey).
2 Vigier Beton employee (Switzerland).



Conveyor supplying
the Ragland plant (United States).

INNOVATION



We think ahead and innovate to keep pace with and get the jump on technical, social, and environmental changes. We promote local recruitment and ensure that the environmental impact of everything we do is controlled (local materials, ecodesign, recycling, etc.).

RESPON- SIBILITY

20 INNOVATION

22 CORPORATE SOCIAL
RESPONSIBILITY (CSR)

REDUCING THE CARBON FOOTPRINT OF CONSTRUCTIVE SOLUTIONS

Vicat's research into means of reducing its environmental impact and carbon emissions even more is ongoing.



One of the aims of the 90 research scientists developing innovative products and processes at the Louis Vicat Technical Center is to reduce the environmental impact of construction. For Vicat, reducing its carbon footprint is an unwavering global course of action. The Group's research and development policy focuses on three main factors: development of innovative 'low-carbon' cements; deployment of more ecologically friendly production processes,

particularly through short supply chains and repurposing of waste; and incessant innovation to come up with solutions for the future through eco-design.

DEVELOPMENT OF INNOVATIVE 'LOW-CARBON' CEMENTS AND CONCRETES

The ultra-high-performance cements of the UP range, including SMART^{UP}, make it possible to concentrate excellent mechanical performance in a small volume, and there-

fore to use less material to achieve the same function.

The UP range also includes PROMPT^{UP} natural quick-setting cement and ALPENAT^{UP} (an innovation developed by the Vicat research laboratory). Both of these cements are produced with a lower firing temperature and involve different chemistry to conventional Portland cement; together, these factors generate up to 40% savings in CO₂ emissions. Then there is ULTIMAT^{UP}, a cement specially formulated to allow potentially reactive recycled aggregate to be used to make concrete, thereby avoiding disposal of repurposable products and putting to good effect the qualities of a high-performance cement that resists sulfate attack.

Vicat research also investigates the development of materials with high thermal or acoustic insulation properties. Such more ecological construction materials (hempcrete, for instance, or cement foam) make for substantial energy savings, improve the comfort of occupants, and reduce indoor air pollution.

GLOBAL IMPROVEMENT OF THE INDUSTRIAL PROCESS FROM EXTRACTION OF RAW MATERIALS THROUGH TO CONSTRUCTION

The main source of CO₂ emissions in the cement industry is the production of clinker, the semi-finished product from which artificial cement is made. The raw materials for making clinker have to be heated to a high temperature for the chemical and mineralogical reactions required to take place. Replacing the fossil energy used to produce



CLOSE-UP

LOUIS VICAT TECHNICAL CENTER



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

- the materials and microstructures lab which analyzes materials;
- the Sigma Béton lab which determines aggregate characteristics and checks and formulates concrete;

- the laboratory for formulating industrial products for the building industry, which develops mixes for finishing products.

Its main research and development projects are aimed at anticipating or meeting the demands of customers and responding to changes in construction standards, societal requirements, and performance expectations. Its research leads the Group to file patents to protect the development of the products derived from its R&D.

the heat for firing clinker is therefore the top priority for reducing CO₂ emissions. At Vicat's French cement manufacturing sites these days, biomass and repurposing of waste replaces 50% of the fossil fuels that were once used. The target is to reach a substitution rate of 60% by 2020.

Certain waste streams used as alternative raw materials replacing limestone can also reduce CO₂ emissions during clinker production.

The alternative fuel and raw-material sources used are mostly procured by setting up short supply chains for repurposing waste. Not only does this initiative reduce the level of CO₂ emissions during firing, but it also prevents disposing of waste as a landfill material when it can actually be of value.

Increasing the amount of additions to cement reduces its clinker content, and thus reduces the CO₂ emissions involved in producing the same amount of cement. The Group thus emphasizes the use of additions that do not involve CO₂ emissions such as uncalcined limestone and pozzolans. By-products from other industries, such as blast-furnace slag or fly ash from coal-fired power plants, are also used, within reason.

Lastly, Vicat is doing the utmost to reduce the consumption of diesel fuel for transporting rock. The Montalieu cement plant, for instance, benefited from capital expenditure of over 25 million euros in

the period 2014–2015 to build the longest overland conveyor in Europe; it is 6.5 kilometers long and saves consumption of 1,000 liters of diesel per day.

PREPARING THE FUTURE: R&D PROJECTS

Consistent with France's Grenelle environmental legislation and recent legislation concerning energy transition for green growth, Vicat carries out research to keep reducing its environmental impact and carbon emissions. Current studies are seeking to find solutions for capturing part of the CO₂ emissions discharged from kiln stacks and using them beneficially.

Innovation for the future also looks at the design of 'smart concretes and constructive systems' allowing optimized energy management in buildings (insulation, inertia) and favoring the use and generation of renewable energy while at the same time guaranteeing the sustainability and recyclability of the materials of which they are made.

In addition, 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, ENGINEERS,
AND TECHNICIANS

WORK IN THE GROUP'S LABORATORIES

3

LABORATORIES

ANTICIPATING OR MEETING
THE DEMANDS OF CUSTOMERS

REDUCING OUR
CARBON FOOTPRINT
IS AN UNWAVERING
GLOBAL COURSE
OF ACTION

ENERGETIC APPROACH FOR GLOBAL PERFORMANCE

CSR has become everyone's business. It is an irreversible movement committed to meeting the issues of sustainable construction.



The Group's 'CSR' performance is an integral part of its overall performance. Initiatives aimed at reducing the drain on natural resources, at encouraging recycling of construction materials, or at implementing waste-to-energy schemes are expressions of this combined interest. In parallel, the Group has taken a stand in promoting biodiversity and preserving ecosystems in the places where it works. All this has been made possible by the painstaking attention that is paid to relations with all stakeholders, whether within or beyond the company, with the result that the types of CSR initiatives deployed by the Group (in education, economic and social development, the environment, etc.) are abundant and varied.

CIRCULAR ECONOMY AT THE HEART OF PRODUCTION PROCESSES

Natural resources are vital for the Group's production processes. Conscious that they are not limitless and that they must be consumed as wisely and sparingly as possible, the Group ensures that their use is increasingly subject to the principles of circular economy. This approach has been developed not just through the industrial expertise acquired over many years but also through implementation of new technologies in our processes.



1 Sassenage quarry, near Grenoble (France).
2 Peanut shells used as alternative fuel (Senegal).



CLOSE-UP

LOCALLY ENGAGED PLAYER COMMITTED TO THE DEVELOPMENT OF THE PLACES WHERE IT WORKS

The community-oriented approach the Vicat Group implements with respect to issues like educational support, culture, self-improvement through sport, or environmental protection, whether through the daily running of its businesses or through sponsorship, is primarily deployed locally in order to meet the needs of the people and natural habitats adjacent to its facilities. The Group also counts on the involvement of its personnel to help make projects succeed. Under the 'Plant Trees for Future Generations' program of NGO Project Nature, for instance, trees were planted in Kazakhstan by employees of the local subsidiary on International Mother Earth Day.

For example, by adjusting water abstraction strictly in accordance with consumption requirements, the Group's rate of water recycling has regularly increased. In 2016 it was 65% in the cement business and 82% for aggregate. At the same time, the proportion of recycled materials used in the manufacture of cement rose from 8 to 14%. By insisting on setting up short supply chains for the recycled materials it uses, the Group has become a partner with high value-added in the areas where it works, generating employment and a capacity for eliminating or repurposing waste in its cement plants.

At the international Pollutec trade fair held in Lyons in December 2016, conscious of its strengths in the field, the Group announced its Vicat Éco-Valorisation offering aimed developing the best possible economic and environmental answers to the problem of derelict urban environments that need to be deconstructed, decontaminated, and rebuilt in accordance with the principles of sustainable construction.

With regard to biodiversity, the Group's participation in the 'natural capital accounting' workshop of the 'business and biodiversity' platform set up by the European Union is important. It is testimony not only to its commitment to biodiversity, but above all to the expertise it has acquired in the restoration of quarries, both during and at the end of their commercial operation. These endeavors are carried out in conjunction with, and benefit from, the support of nature associations such as Lo Parvi, in the case of the Mèpieu quarry in the north of France's Isère region, a facility that has been visited by several officials of the European Commission who have thus observed the effectiveness of the method and the positive results obtained for the preservation of animal and plant life. ►►

90%

ALTERNATIVE FUELS IN SWITZERLAND, A RECORD FOR THE GROUP WHOSE AVERAGE SUBSTITUTION RATE IS 25%.

THE 2016 REGISTRATION DOCUMENT CAN BE FOUND AT VICAT.COM. IT INCLUDES THE COMPANY'S CORPORATE SOCIAL RESPONSIBILITY REPORT

►► ACTING AGAINST CLIMATE CHANGE

The Group is aware of the carbon impact of its businesses (15 million tons of CO₂ emissions in 2016). It has drawn up a low-carbon roadmap for reducing its carbon footprint through new organizational methods, incorporation or development of new technologies derived from its Research and Development drive, and better use of materials in the construction of housing and transport infrastructures.

The Vicat Group is a director of Shift Project, a French think tank specializing in energy transition that regularly puts forward proposals to decision-makers at local and central government levels, inviting them to become involved operationally in the low-carbon economy.

In-house, the 'CO₂' workgroup made up of representatives from each line of business oversees the initiatives already set up and structured around lower energy consumption, recovery of waste heat from facilities, development of biomass energy streams, and marketing of 'low-carbon' products or constructive solutions. In 2016, the share of biomass in alternative fuels rose 6%, and even reached 30% in Switzerland. By setting up photovoltaic power plants in Senegal and France, the Group is changing its energy mix to include increasingly large amounts of renewable energy. With respect to cement, the Group has developed Alpenat^{UP}, an extremely high-performance cement that reduces greenhouse gas emissions by 30%, compared to a conventional cement.

MAKING PERSONNEL THE COMPANY'S CENTRAL CONCERN

One of the Group's top priorities is ensuring the health and physical and mental safety of all those who work for the company, not just employees but also subcontractors' personnel working on our sites.

Continuation of the zero-accident strategy decided by General Management in 2014 produced further improvements—and substantial ones—to accident prevention and safety at work sites in 2016. All safety indicators improved and more records were broken. After dropping

31%

PROPORTION OF CEMENT PLANTS
CERTIFIED AGAINST ISO 14001



Rhône River bank, Lyons (France).

below the symbolic barrier of 10 in 2015, the accident-frequency rate fell to 8.5 in 2016, which represents a year-on-year improvement of 9%.

The number of lost-time accidents within the Group has fallen 17% in two years. The accident-severity rate stands at 0.26, 25% lower than in 2015.

The Group headcount as of December 31, 2016, stood at 8,101 employees, compared to 7,928 on December 31, 2015. This 2.2% rise is due to a combination of recruitment in Turkey, India, and the United States, and staff departures in France where the end-of-year headcount continued to drop between 2015 and 2016, falling 1.6% (2.4% excluding trainees under a cooperative education program (CEP)). This trend reflects the slow growth in the country and the difficulties encountered on markets in which the Group works. In France the Group did persevere, however, with its CEP trainee recruitment policy between 2015 and 2016, increasing their numbers by 66%.

The overall increase in the average age of Group employees from 42.6 (2015) to 43.1 (2016) and in average seniority from 9.4 (2015) to 9.9 (2016) is a reflection of the general stability of staff numbers and illustrates the responsible career sustainability the Group strives to encourage.

The Group's human-resources policy respects and encourages the values on which

Vicat'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.

By virtue of its values and culture, the Vicat Group has always recognized the positive impact of women in the workforce. Gender equality is one of the essential factors of the Group's human-resources policy. The low proportion of women in the workforce (10.3%) is due in particular to the types of activity and jobs it offers.

The Group's results with respect to gender equality placed it 42nd in the French Ministry for Women's Rights' 2016 ranking for commitment to feminization of managerial positions (38th in 2015).

The Vicat Group steadfastly applies a policy for employment of the handicapped. And last but not least, direct hands-on management, in touch with employees and always ready to engage in open discussion, ensures a social atmosphere and dialogue of the highest quality within the Group.

The result of all this is that in 2016 no company in the Group was the subject of a complaint or conviction for discrimination, for use of forced labor or child labor, or for moral or sexual harassment, and not a day of strike was recorded.



CLOSE-UP

ISO 50001 CERTIFICATION IN FRANCE BENEFITS AND OPPORTUNITIES

Echoing the energy audits carried out in 2015, on September 20, 2016, the Group undertook to obtain ISO 50001 certification for its electricity-intensive facilities. Certification against this internationally recognized standard will show that the Group manages its sites in accordance with strict environmental criteria. The accompanying audits are a convincing means of ensuring that the environmental management system is kept at an optimum level. Implementation of this initiative will enable the Group to reduce its energy footprint while at the same time improving its cost-efficiency.



CLOSE-UP

SUPPORTING WOMEN ENTREPRENEURS IS A LEADING ACTION FOR THE VICAT GROUP



Supporting women entrepreneurs is a leading action for the Vicat Group, which sees its own values reflected in them, for they need to demonstrate commitment, creativity, and pragmatism to overcome the obstacles that social stereotyping puts in their path. In Senegal, eighty women from the Colobane Gouye Mouride neighborhood of Rufisque are able to develop their independence because of the support that Fondation Sococim is giving their women's

advancement group (WAG), Kaay Baakh. The women's missions are to process locally harvested cereals, fruits, and vegetables and to organize literacy training for members and their children. After first assisting the group in its bid to get approvals for marketing their foodstuffs, the Sococim foundation helped the WAG extend its activities, resulting in the creation of five new jobs in 2016.



Vicat employees at the La Grave de Peille cement plant (France).

EXPERTISE



Due to our skills and know-how we can realistically aim for excellence with respect to the performance of our materials, products, and services, for the greater benefit of customers. For nearly two centuries, every one of us has been driven by a passion for our products, the construction industry, and customer service. We nurture a spirit of service and proximity in our customer relations.

PROX- IMITY



28 FRANCE **32** REST OF EUROPE

36 UNITED STATES

38 AFRICA & MIDDLE EAST

42 ASIA



FRANCE

UPWARD GROWTH SWING RESUMES

Vicat conducts all three of its businesses in France, the Group's historic market, generating 33% of its sales in the country in 2016.

Saint Gervais bridge, French Alps.

FRANCE IN FIGURES



CEMENT

36%

OF SALES



CONCRETE & AGGREGATE

39%

OF SALES



OTHER PRODUCTS & SERVICES

25%

OF SALES

€795M

CONSOLIDATED SALES

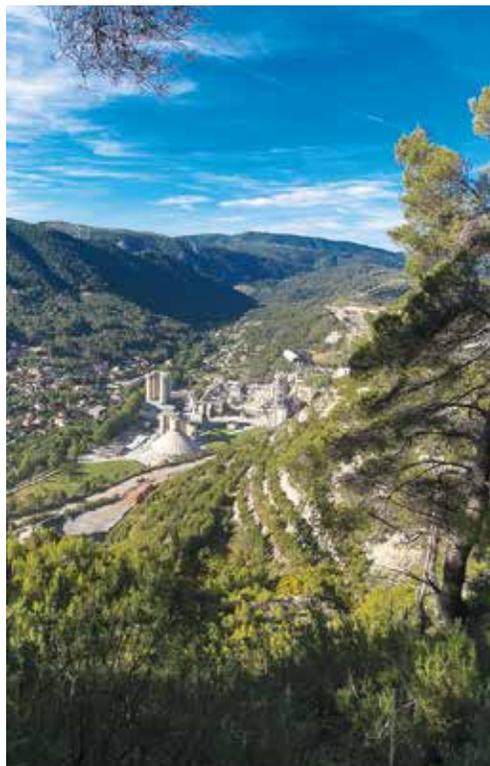
2,440

EMPLOYEES

At the national level the building sector picked up in 2016. In public works too, there was progress in the scope of projects carried out. While this did confirm an improvement, the level of business was still very low following the slumps observed in recent years. Cement consumption is estimated to have been close to 17.4 million tons, up more than 1.5% on 2015. The concrete market improved close to 3% and business was stable in aggregate. For 2017 the Group is expecting further gradual improvement in the macro-economic situation and business background; sales volumes over the entire year should increase very slightly and selling prices should also improve a little.

CEMENT

Sales volumes grew 6% to 2.9 million tons on the domestic and export markets, confirming the gradual recovery of the macro-economic and business environment that has been observed since the 4th quarter of 2015. This rise in volumes compensated a slight drop in average selling prices resulting partly from increased export sales. Deployment of the operational-perfor-



La Grave de Peille cement plant, near Nice (France).

mance improvement plan has continued in our plants, generating significant lowering of production costs, on top of reduced fuel and electric power prices. The fuel substitution rate increased to close to 50% across all plants.

The main capital-expenditure item for the year was the start of the gasifier project at the Créchy plant, that is scheduled to come into service in 2018. Vicat has patented the process which will further improve the use of alternative fuels by gasifying solid waste.



5

CEMENT PLANTS

3

GRINDING PLANTS

2.9

MILLION TONS SOLD

- 1 Saint Égrève cement plant, near Grenoble.
- 2 Vicat control room operator at La Grave de Peille cement plant.
- 3 Club Med under construction in Samoëns.

CONCRETE & AGGREGATE

Concrete sales volumes rose 4% to 2.9 million cubic meters. Aggregate volumes remained stable at 9.0 million metric tons sold.

In the aggregate business, activity related to handling excavation spoil increased very significantly, confirming the Group's determination to be a player in circular economy. Average selling prices in both businesses fell slightly over the year. They picked up in the 4th quarter, reaching the same level as in the 4th quarter of 2015.

The Group is continuing to consolidate its concrete business by means of targeted external-growth operations and adjustments to its industrial assets.



134

BATCHING PLANTS

2.9

MILLION CUBIC METERS SOLD

38

AGGREGATE QUARRIES

9.0

MILLION TONS SOLD



CLOSE-UP

VICAT SYNERGIES IN ACTION

In 2016, Carrefour Supply Chain had a logistics platform built in the new Mondon 'Actipôle' business park about 30 km from Nancy, eastern France. The 65,000 m² of warehouse space serves Carrefour stores throughout the east of France. All Vicat facilities

in the Lorraine region joined forces to come up with the best Vicat proposal. Materials such as aggregate and hydraulic road binders were transported by SATM, and the proximity of two batching plants ensured high concrete placement rates.



CLOSE-UP

CLUB MED IN SAMOËNS 'ZERO-DISCHARGE' PROJECT FOR VICAT

Club Med, one of the world's largest providers of luxury all-inclusive resort vacations, is building a new vacation village in Alpine ski resort Samoëns 1600, scheduled to open in December 2017. Vicat personnel are contributing all their expertise for the complex of 420 rooms and 45 chalet apartments. The project is far from ordinary: not only is it one of the largest projects on

mountain sites, but the construction lead time –six months for structural work–is very short and is further complicated by logistics difficulties due to restricted access to the site. With constant concern for its environmental impact, Vicat committed to instituting a 'zero-discharge' project, which involves recycling all process water and concrete waste.



OTHER PRODUCTS & SERVICES

In France, the Other Products & Services division covers activities that complement the Group's cement and concrete & aggregate businesses: things such as Transport and Major Works (primarily SATM), construction chemicals (Vicat Produits Industriels - VPI), and the paper business (Papeteries de Vizille).

TRANSPORT & MAJOR WORKS

SATM Transport uses three types of haulage vehicle: tanker, dump, and flatbed trucks. Sales for the business grew close to 7% in 2016, reaching 86 million euros. SATM Grands Travaux is involved in major infrastructure projects to supply concrete from mobile batching plants with suitable capacity. The business generated much higher sales and volumes in 2016 than in 2015; sales rose 62% to 18 million euros.

PAPETERIES DE VIZILLE

The Papeteries de Vizille paper mill in the Grenoble region operates in two sectors: production of printing and writing papers, and manufacture of paper bags.

Sales volumes in printing and writing papers dropped 4% to 19,000 tons. New products and cooking and decor papers now account for 58% of the tonnage sold, partially compensating the drop on historic markets (check paper, map paper, etc.). Exports to 41 countries represent 49% of sales.

Sales volumes of bags increased 5% to 59 million. The company is pursuing the development of niche markets and other sectors with strong growth such as food-grade papers, as well as exports.

CONSTRUCTION CHEMICALS

Vicat Produits Industriels (VPI) is a leading player on the market for premixed mortars used in construction and engineering. In 2016 sales volumes declined 1% and sales dropped 4% to 72 million euros, for economic recovery takes a little longer to kick in on the building finishing market.



REST OF EUROPE

STIFF RESISTANCE ON A COMPETITIVE MARKET

*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 2016.*

Reuchenette cement plant (Switzerland).

REST OF EUROPE IN FIGURES



CEMENT

36%

OF SALES



CONCRETE & AGGREGATE

38%

OF SALES



OTHER PRODUCTS & SERVICES

26%

OF SALES

€411M

CONSOLIDATED SALES

1,110

EMPLOYEES



SWITZERLAND

The Swiss construction index remains at a particularly high level: Civil Engineering business is continuing to move forward, compensating a drop in Construction business. Overall, market prospects are on the favorable side, but more effects of the shock of the strong franc may still lie ahead. Across the country cement consumption grew more than 3% to 5.1 million tons. Domestic deliveries rose 4% to 4.3 million tons. Imports decreased slightly, dropping 2% to 0.7 million tons.

CEMENT

GROUP BUSINESS

In 2016 cement sales volumes grew by close to 3%, reaching 0.9 million tons, boosted by new projects and mild weather at the end of the year. The additional sales volume made it possible to partially compensate the pressure on selling prices.



Designer paving for external works.

PLANT OPERATION

Increased sales allowed the cement plant to demonstrate the progress achieved in terms of productivity and to confirm its operational efficiency. By dint of hard work, our personnel managed to reduce production costs. On the industrial front, the performance of the plant, which achieved a fossil-fuel substitution rate of 90%, is worthy of particular note.



1

CEMENT PLANT

0.9

MILLION TONS SOLD



CLOSE-UP

OBERFELD,
AN ECOLOGICALLY
EXEMPLARY
NEIGHBORHOOD

The Oberfeld neighborhood in Ostermundigen, near Bern, is one of Switzerland's first residential projects where motor traffic is prohibited. Around 270 people live in the 100 apartments of the housing cooperative, and all have committed to not using their own motor vehicle. The concept applied here is based on the fundamental pillars of sustainability that are wealth of social life, use of natural materials, and low energy consumption. The Oberfeld housing cooperative targeted natural materials, including precast concrete products and a cement whose manufacture reduces CO₂ emissions. Both were supplied by Vigier Ciment.



19

BATCHING PLANTS

0.7

MILLION
CUBIC METERS SOLD

20

AGGREGATE QUARRIES

3.0

MILLION TONS SOLD



SWITZERLAND

**CONCRETE
& AGGREGATE**

The high volume of concrete deliveries in the 4th quarter meant the year ended very close to the level of 2015, at 0.7 million cubic meters sold. Aggregate volume sales dropped almost 6% to 3.0 million tons. Business was buoyed up by a very strong rise in the 'waste' business throughout the year, illustrating the merits of the Group strategy aimed at being an active participant in the circular economy. Selling prices were down in concrete but made progress in the aggregate business.



**OTHER PRODUCTS
& SERVICES**

PRECASTING

Demand for precast concrete products remained sound throughout 2016, but prices were under pressure from importers as a result of the Swiss-franc exchange cap being abandoned in 2015.

On a competitive market the Group saw sales volumes shrink by close to 6%, down to 403 thousand tons. This drop is essentially the result of reduced sales of rail ties due to postponement of projects by the railroad operator. Average precast concrete products selling prices lost ground.



- 1 Oberfeld neighborhood, near Bern.
- 2 Installing DeltaBloc® vehicle-restraint system
- 3 Vigier Ciment employee.



ITALY

Nationwide cement consumption recorded a new 4% drop. Although Italy experienced favorable weather, construction work slowed down relative to 2015. Sardinia, where the Cimento Centro Sud grinding plant is located, performed better than the other regions, all of which experienced a slump.

CEMENT

Volume sales rose almost 4% to 181,000 tons, most of which was sold on the domestic market despite bleakness in the sector and in the macro-economic environment generally. Against this background average selling prices fell.





UNITED STATES

CONTINUED IMPROVEMENT AGAINST FAVORABLE MACRO-ECONOMIC BACKDROP

*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 15% of its 2016 sales in the country.*

National Cement concrete-batching plant, Atlanta.

UNITED STATES IN FIGURES



CEMENT

45%

OF SALES



CONCRETE

55%

OF SALES

€363M

CONSOLIDATED SALES

1,088

EMPLOYEES

Construction expenditure continued to rise in 2016 due to business in the residential and commercial sectors. There was a slow-down in the public sector, especially in California, due to a shortage of financing induced by the electoral period. Because of very different weather conditions, cement consumption followed contrary tendencies on Vicat's regional markets. The weather in the Southeast was generally better than in 2015. California, however, after four years of drought, had a rainy first half and suffered from a downturn in public works, which had a negative impact on cement and concrete consumption.



National Ready Mixed Concrete Co. employee.

CEMENT

GROUP BUSINESS

Cement sales volumes rose close to 4% in 2016, attaining 2.0 million tons due to buoyant business in the Southeast region that offset the slowdown recorded in California. Volume sales in the Southeast grew 15% on the back of milder weather, the good performance of customers, and a good number of direct projects. Average selling prices rose appreciably in the Southeast. In California, despite new customers, sales volumes slumped 7% because of the weather and a decline in public-works activity. Price rises were possible, however, and compensated the temporary drop in volumes sold.

PLANT OPERATION

2016 saw continued efforts to reduce production costs in both plants. The variable costs of both plants fell as a result mostly of a drop in fuel prices, replacement of coal by cheaper natural gas, and savings on electric power costs.

CONCRETE

In 2016 the Group's 44 batching plants sold 2.0 million cubic meters of concrete. This is down 4% on the year before. The drop in sales volumes in California was partially compensated by the good performance of the market in the Southeast due chiefly to favorable weather and the flourishing Atlanta market. Selling prices were on the right track in both the Southeast and California.



2

CEMENT PLANTS



44

BATCHING PLANTS

2.0

MILLION TONS SOLD

2.0

MILLION CUBIC METERS SOLD

Across the country, cement consumption rose more than 3% to 95 million tons, with close to 12% growth in the Southeast, and dropped 1% in California. As for cement, concrete consumption rose 2% to 262 million cubic meters nationwide.



AFRICA & MIDDLE EAST

REGIONAL GROWTH ON THE COATTAILS OF STRONG RECOVERY IN EGYPT

The group has been working in West Africa (Senegal, Mali, Mauritania) since 1999 and in Egypt since 2003. Vicat generated 14% of its 2016 sales in this region.

Sococim Industries cement plant, Rufisque, near Dakar (Senegal).

AFRICA & MIDDLE EAST IN FIGURES



CEMENT

91%

OF SALES



AGGREGATE

9%

OF SALES

€346M

CONSOLIDATED SALES

1,145

EMPLOYEES



EGYPT

The recovery in the construction sector that has been ongoing for two years continued into 2016 in both the residential sector and in public works. Cement consumption rose 8% to 58 million tons.

CEMENT

GROUP BUSINESS

Sales volumes rose more than 27% to 2.6 million tons. The Group also took advantage of the greater availability of its industrial assets to develop a business in clinker sales on the local market. Export cement sales improved as well. Average selling prices were up slightly over the year as a whole.

PLANT OPERATION

The coal mills that came into service at the end of 2015, enabling coal to be used to fire the kilns, both reduced production costs—despite inflation of the price of electricity—and induced more regular operation of the plant; coal stockpiles meant the plant could keep producing, without interruptions to kiln operation, despite persistent security tensions in North Sinai at times.



Sinai Cement Company plant near El Arish (Egypt).



1
CEMENT PLANT

2.6
MILLION TONS SOLD



SENEGAL

The economic situation of the Senegalese construction sector was good in 2016. Accordingly, domestic cement consumption rose 3% to 3.3 million tons and it is estimated that the regional market (Senegal, Côte d'Ivoire, Mali, Burkina Faso) accounted for 10 million tons. Demand for aggregate also rose.

CEMENT

GROUP BUSINESS

Sales volumes grew 6% to 2.7 million tons over the year. Growth in domestic sales, which was higher than market growth, and increasing exports to Mali resulted in more selective selection of other export destinations with lower margins. Average selling prices dipped slightly over the year as a result of competition.

PLANT OPERATION

The cement plant performed well on the back of the Jëm Kanam operational excellence plan. The fuel substitution rate increased in 2016.



2

AGGREGATE QUARRIES

2.9

MILLION TONS SOLD

AGGREGATE

The aggregate business grew 12% to 2.8 million tons sold. With very strong demand for basalt, the commissioning of a new crushing plant produced a very appreciable increase in production in the last quarter of 2016, helping to meet the growing needs of customers. The limestone aggregate business also grew, with increased sales. The market shortage of basalt prompted some customers to fall back on limestone.



1

CEMENT PLANT

2.7

MILLION TONS SOLD



CLOSE-UP

SENEGAL: CULTURE LEVERAGING DEVELOPMENT

A conference organized at the Fondation Sococim Cultural Center on the topic of 'Cultural diversity in Senegal: opportunities for sustainable development' was honored by the presence of a prestigious speaker, Pape Massène Sène, curator of IFAN's Théodore Monod Museum and expert consultant to both the International Organization of the French-Speaking World (OIF) and UNESCO. "Cultural diversity generates peace, interchange, and open-mindedness, and as such is a factor in progress and development", he insisted. During the summer of 2016 the Cultural Center presented a movie program. Members of the library were able to watch movies about different times, cultures, and topics that addressed issues of poverty, history, immigration in today's world, and interculturalism.



- 1 Fondation Sococim sponsors an 80-member Women's Advancement Group.
- 2 Sococim Industries employee.



MALI

Despite uncertain security in the country, cement consumption increased by around 7%.

CEMENT

Group sales volumes increased 9% to 0.8 million tons. The Vicat Group remained the market leader in 2016. The Group is moving ahead with its plan to build a grinding plant near Bamako; work is expected to start in 2017.



MAURITANIA

The cement market lost 3%, falling to 0.9 million tons as projects under way were put on hold against a sluggish economic backdrop due to the slump in iron prices. Despite that, the market has seen new players arrive in the country.

CEMENT

The market situation and the country's cement overcapacity led to a 23% drop in sales that fell to 0.2 million tons.



1

GRINDING PLANT

0.2

MILLION TONS SOLD



0.8

MILLION TONS SOLD



ASIA

SOUND GROWTH LIMITED BY CURRENCY DEPRECIATION

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 Group generated 22% of its sales there in 2016.

Bharathi Cement plant, Andhra Pradesh (India).

ASIA IN FIGURES



CEMENT

77%

OF SALES



CONCRETE & AGGREGATE

17%

OF SALES



OTHER PRODUCTS & SERVICES

6%

OF SALES

€538M

CONSOLIDATED SALES

2,226

EMPLOYEES



TURKEY

Despite an awkward political and geopolitical background, the construction sector posted sustained growth, partly as a result of a favorable baseline effect since 2015 was affected by stricter regulatory requirements on jobsites, an uncertain political situation, and more unfavorable weather.

Cement consumption across the country rose nearly 4% to 68 million tons in 2016. Concrete sales volumes were up 6% at 114 million cubic meters. Aggregate consumption is estimated at 400 million tons.

CEMENT

GROUP BUSINESS

Sales volumes were up, reaching 4.0 million tons. The sales increase was great at Baştaş due to the start-up of kiln No. 1 at the end of 2015. The extra cement produced was absorbed as a result of sales strategy and the signature of major contracts for the concrete business in 2015. Sales volumes were in decline in the Konya region where the start of work on major projects is still pending. There was a moderate drop in selling prices.



Baştaş Çimento plant, near Ankara (Turkey).

PLANT OPERATION

The start-up of kiln No. 1 at the Baştaş plant at the end of 2015, together with the Viva operational excellence plan, generated greater volume and better productivity. Production costs at both plants were favorably impacted by the Viva plan.

A new roller press that came into service at the Baştaş plant in April 2016 has increased cement milling capacity. The Konya plant will benefit from a direct feed from the high-voltage power grid in the first half of 2017, which will make for considerable savings on energy costs.



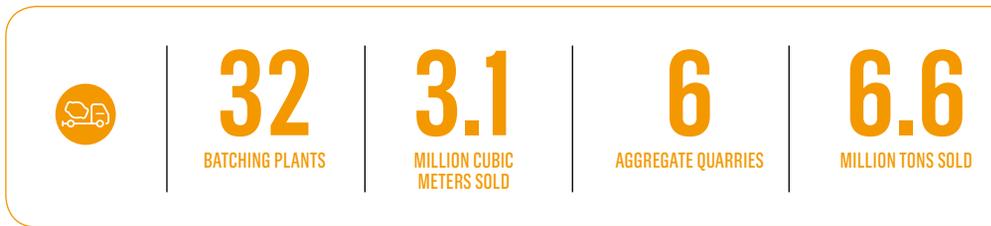
2

CEMENT PLANTS

4.0

MILLION TONS SOLD

📍 TURKEY (contd)



CONCRETE & AGGREGATE

Concrete sales volumes increased almost 10% to 3.1 million cubic meters and aggregate volumes rose nearly 18% to 6.6 million tons sold. These increases were induced by the start of work on major contracts that had been pending since 2015. Selling prices fell slightly for concrete but increased for aggregate.



CLOSE-UP

MORE EFFICIENT RAIL TRANSPORT IN KAZAKHSTAN



In September 2016 the Mynaral railroad terminal and a new line serving the Jambyl cement plant were officially opened by Vicat Chairman and CEO Guy Sidos. The new facilities will not only increase the speed of unloading but will also improve the safety of logistics personnel. In addition, they will improve efficiency by increasing the number of cars in each delivery. Every year, 28,000 cars carrying two million tons of cement and raw materials pass through the Jambyl plant. The plant can now send 37 rail cars—carrying 2,700 tons of cement—to the station at a time.



KAZAKHSTAN

Construction activity was affected by the downturn in the economy subsequent to the devaluation of the tenge and the drop in the prices of oil and raw materials, which are the main source of revenue in the state budget. National cement consumption shrank 6% to 9.0 million tons. However, the weakness of the national currency protected the domestic market from imports, the volume of which decreased by more than half.

CEMENT

GROUP BUSINESS

The year was marked by new progress not only in sales volumes, up 2% at close to 1.4 million tons, but also in selling prices throughout the year.

PLANT OPERATION

Clinker production is stable at close to 1 million tons. The plant performed particularly well, producing more than the nominal capacity of the installations. Production costs were held in check despite the inflation resulting from the past devaluation of the tenge.



1
CEMENT PLANT

1.4
MILLION TONS SOLD



Bharathi Cement plant, Andhra Pradesh.



2

CEMENT PLANTS

4.8

MILLION TONS SOLD



1

AGGREGATE QUARRY

0.7

MILLION TONS SOLD

INDIA

CEMENT

Cement consumption in the Group's market catchment, i.e. the states of southern India (Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Kerala, and Goa) and the State of Maharashtra, is estimated to have been 92 million tons, up 7%, after a 2% drop between 2014 and 2015. Demand for cement was particularly strong in the southern states and muted in Maharashtra. The background of overcapacity induced a certain degree of volatility in selling prices. After hovering at a historically low level until May 2014, prices in the southern states of India rose sharply between 2014 and 2015, followed by a period of downward correction between 2015 and 2016. Prices also dropped in Maharashtra.

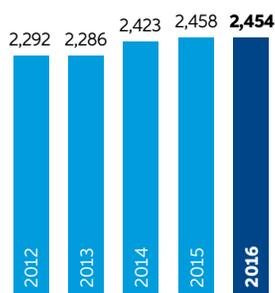
The products of both of the Group's local cement plants, Kalburgi Cement and Bharathi Cement, are marketed under the brand name 'Bharathi Cement'. The sales volumes of both companies rose close to 20% with sales of over 4.8 million tons. This is a reflection of the strategy the Group has been implementing since the end of 2015, i.e. seizing the opportunities offered by the improvement observed in different sectors and in the macro-economic environment as a whole, which includes the start-up of a number of large projects. As for average selling prices, they dropped due to stiffer competitive pressure and a distinctly unfavorable geographic mix. Production costs were reduced at both plants.

AGGREGATE

The Group operates an aggregate quarry about 50 kilometers from Bangalore, in the State of Karnataka, and sells its output in the outskirts of northern Bangalore. Sales volumes shrank 10% to 0.7 million tons.

FINANCIAL INDICATORS

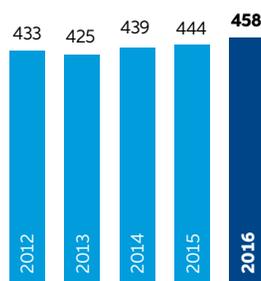
Vicat recorded sound performance in 2016 despite highly disturbed geopolitical and monetary environments. Operating profit increased in the wake of the dynamic sales approach of the Group's personnel and excellent cost control.



(in millions of euros)

CONSOLIDATED NET SALES

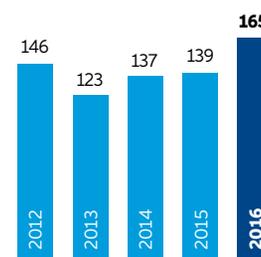
Consolidated sales for 2016 remained stable at 2,454 million euros. At constant consolidation scope and exchange rates, sales were up 4.1% compared to 2015.



(in millions of euros)

EBITDA*

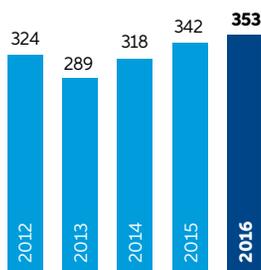
Compared with 2015, the Group's consolidated EBITDA rose by 3.2% to 458 million euros, and rose 8.0% at constant consolidation scope and exchange rates.



(in millions of euros)

CONSOLIDATED NET INCOME*

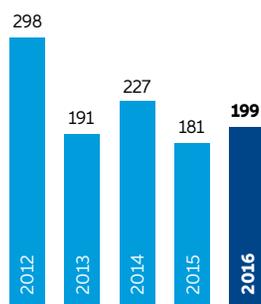
Consolidated net income rose 18.1% to 165 million euros, and rose 25.3% at constant consolidation scope and exchange rates, yielding a 6.7% margin.



(in millions of euros)

CASH FLOW FROM OPERATIONS*

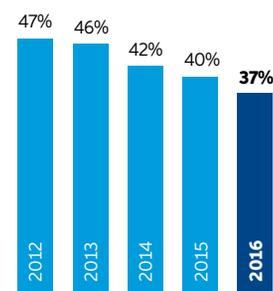
Cash flows from operations amounted to 353 million euros, generating free cash flow of 254 million euros in 2016.



(in millions of euros)

TOTAL INVESTMENTS*

Investments in 2016 amounted to 199 million euros, following the trend of the last four years, in accordance with the Group's strategy.



(in %)

NET DEBT/EQUITY

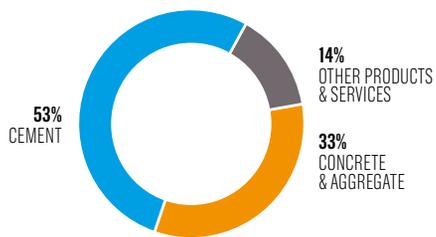
The gearing ratio was 36.9% as at December 31, 2016, compared with 40.3% as at December 31, 2015.

* The figures for 2012 to 2015 have been reformulated in accordance with the new accounting standard applied to take account of greenhouse gas emissions rights.

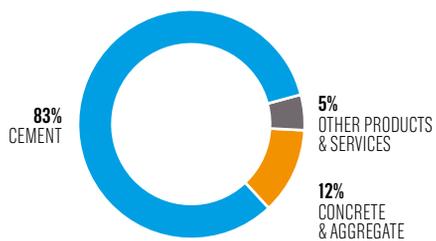
BREAKDOWN PER BUSINESS IN 2016

CEMENT CONCRETE & AGGREGATE OTHER PRODUCTS & SERVICES

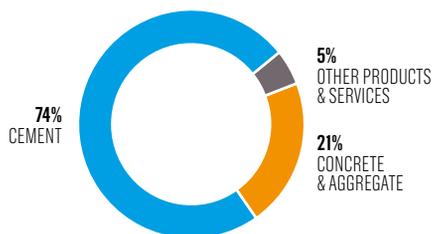
OPERATING SALES



EBITDA



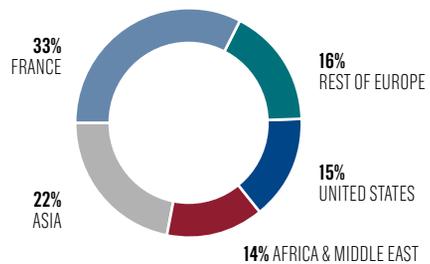
NET CAPITAL EMPLOYED



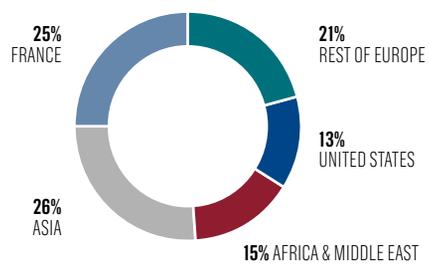
BREAKDOWN PER GEOGRAPHICAL AREA IN 2016

FRANCE REST OF EUROPE UNITED STATES AFRICA & MIDDLE EAST ASIA

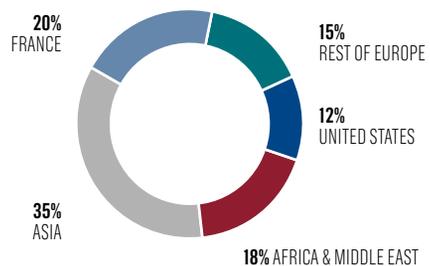
OPERATING SALES



EBITDA

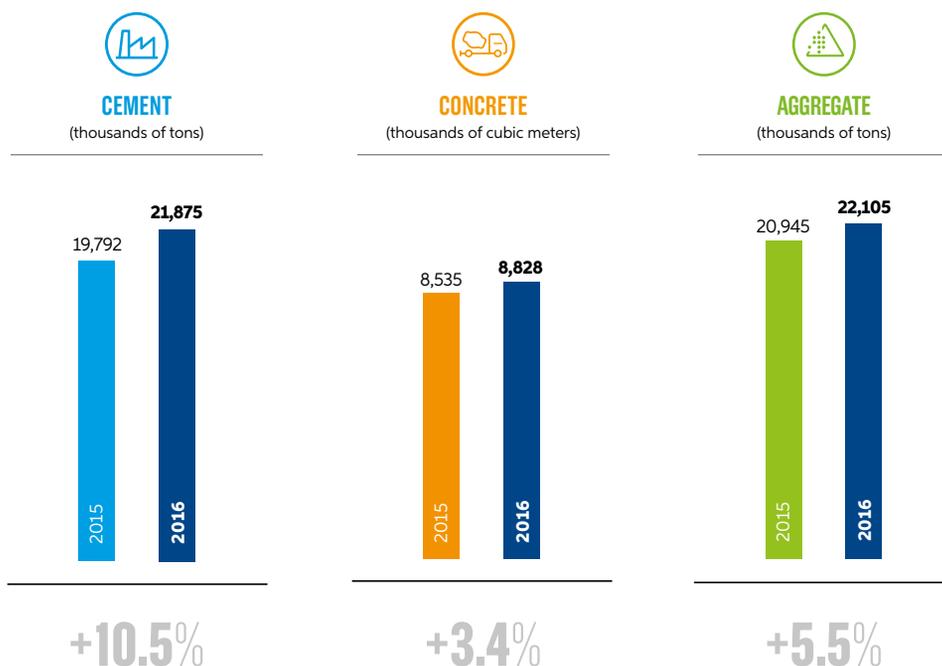


NET CAPITAL EMPLOYED



CONSULT THE 2016 REGISTRATION DOCUMENT INCLUDING THE 2016 FINANCIAL STATEMENTS AT VICAT.COM

EVOLUTION OF SALES VOLUMES



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

Based on results in 2016, 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 April 18, 2017 vote to maintain the same dividend, i.e. 1.50 euros per share.

SHARE INFORMATION
(in euros)

	2014	2015	2016
Earnings per share	2.72*	2.63*	3.10
Dividend per share	1.50	1.50	1.50

*reformulated.



Montalieu cement plant,
Isère (France).

FINANCIAL REPORTING CALENDAR

APRIL 18, 2017
Annual General Meeting

MAY 2, 2017
(posted after close)
Q1 2017 sales

AUGUST 3, 2017
(posted after close)
H1 2017 sales and earnings

NOVEMBER 6, 2017
(posted after close)
9M 2017 sales

SHAREHOLDER INFORMATION

SHAREHOLDER AND INVESTOR
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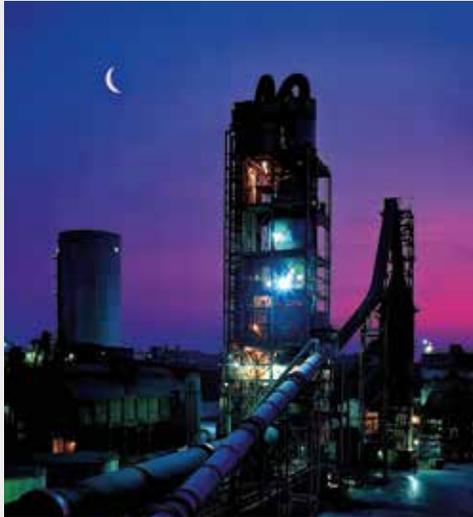
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