



Strong increase in full-year 2014 sales: growth of +8.0% at constant scope and exchange rates

- Buoyant growth in India and Kazakhstan
- Continued recovery in business in Egypt and the United States
- Persistently challenging macro-economic environment in France
- Solid financial position

Paris La Défense, 3 February 2015: The Vicat group (NYSE Euronext Paris: FR0000031775 – VCT) has today reported its consolidated full-year 2014 sales, which came to €2,423 million, up +6.0% compared with the previous year and up +8.0% at constant scope and exchange rates.

Consolidated sales by business segment:

(€ million)	Full-year 2014	Full-year 2013	% change	
			Reported	At constant scope and exchange rates
Cement	1,261	1,110	+13.7%	+17.7%
Concrete & Aggregates	860	876	-1.8%	-1.5%
Other Products & Services	301	300	+0.3%	-0.2%
Total	2,423	2,286	+6.0%	+8.0%

Commenting on these figures, the Group's CEO said: "Continued business growth was the key feature of Vicat's performance in 2014. This was achieved largely through its capital expenditure in emerging markets in recent years, especially in Asia, but also thanks to the gradual improvement in business levels in the United States and Egypt. The Group's momentum in these regions largely offset the impact of a persistently challenging macroeconomic environment in France. Against this backdrop, we are maintaining our aim of maximising our cash flow and reducing our debt."



VICAT INVESTOR

CONTACT:

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

VICAT PRESS CONTACT:

FRANÇOIS LESAGE
TEL.: +33 (0)1 58 86 86 26
francois.lesage@tbwa-corporate.com

HEAD OFFICE:

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

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

EU VAT IDENTIFICATION
NUMBER: FR 92 - 057 505 539
RCS NANTERRE



Consolidated sales in the 2014 financial year came to €2,423 million, representing an increase of +6.0% and growth of +8.0% at constant scope and exchange rates compared with 2013.

During the period, the operational sales of the Cement business posted a substantial increase of +14.9% at constant scope and exchange rates (+17.7% on a consolidated basis), while the Concrete & Aggregates business declined slightly (-1.5%) and Other Products & Services stabilised (growth of +0.3%). As a result, the breakdown of operational sales by business shows a tangible increase in the Cement division's contribution to 53.7% of operational sales, up from 50.6% in the year ended 31 December 2013. The Concrete & Aggregates contributed 31.9% of operational sales, compared with 34.2% in 2013. Other Products & Services contributed a smaller share of operational sales at 14.4% in 2014, compared with 15.2% in 2013.

Consolidated sales in the fourth quarter of 2014 totalled €576 million, up +5.5% compared with the same period in 2013 and up +2.6% at constant scope and exchange rates. Over the same period, Cement operational sales rose by +11.9% at constant scope and exchange rates, while Concrete & Aggregates and Other Products & Services sales declined by -8.8% and -4.9% respectively.

In this press release, and unless indicated otherwise, all the changes are stated on a full-year basis (2014/2013), and at constant scope and exchange rates.

1. Geographical breakdown of consolidated full-year 2014 sales

1.1. France

(€ million)	Full-year 2014	Full-year 2013	% change	
			Reported	At constant scope
Consolidated sales	831	856	-2.9%	-3.7%

Sales in France fell by -3.7% in 2014 at constant scope. The decline in business was the result of a weak macroeconomic environment, particularly the tangible slowdown in the construction sector. After clement weather conditions at the beginning of the year, sales nevertheless posted a decline of -8.6% in the fourth quarter.

- **In the Cement business**, consolidated sales fell by -4.4%. Operational sales slipped -3.0% lower on account of weaker volumes (down -2.4%) and selling prices mainly as a result of an unfavourable product mix at the beginning of the year. During the fourth quarter, consolidated sales posted a decline of -8.2%, with operational sales down -4.8%. The contraction in the final quarter was the product of a volume reduction of over -10%, offset to some extent by a very modest increase in selling prices following an improvement in the product mix and geographical mix.

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- **In the Concrete & Aggregates business**, consolidated sales declined by -4.9%. Concrete volumes were stable, aggregates volumes fell by over -7%. Conversely, selling prices edged lower in concrete, but rose in aggregates. In the fourth quarter, sales contracted by -10.6% reflecting weaker concrete and aggregates volumes.
- **In the Other Products & Services business**, consolidated sales were stable at -0.5% over the full year, but slipped -4.3% in the fourth quarter.

1.2. Europe (excluding France)

(€ million)	Full-year 2014	Full-year 2013	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	418	428	-2.1%	-3.5%

Sales in Europe excluding France moved -3.5% lower over the full year and dropped -9.7% in the fourth quarter at constant scope and exchange rates.

In Switzerland, on the back of an exceptional year in 2013, Vicat's full-year sales contracted by -3.5% at constant scope and exchange rates despite generally supportive conditions. Fourth-quarter sales declined by -10.1% at constant scope and exchange rates. This contraction reflects the impact of certain projects that began in 2013 and ended over the summer.

- **In the Cement business**, consolidated sales fell by -5.0% at comparable scope and exchange rates. Operational sales dropped by -5.1% following a volume contraction of around -4% and a slight decrease in the average selling price owing predominantly to an unfavourable product mix. In the fourth quarter, consolidated sales dropped by -3.1%. Operational sales over the same period were down -7.2% owing to a volume reduction of less than -7%, offset to some extent by a very small price increase (reflecting the lower sales flowing from major projects).
- **In the Concrete & Aggregates business**, consolidated sales contracted by -4.9% over the year as a whole. With stable selling prices in concrete and slightly higher selling prices in aggregates, lower concrete volumes were solely responsible for the top-line contraction as aggregates volumes were stable. In the fourth quarter, sales in this business recorded a hefty contraction (-18.1%) owing to a significant volume decline in concrete and aggregates, again resulting from the end of major projects. Selling prices dipped slightly in concrete, but advanced significantly in aggregates (positive customer mix reflecting the end of certain major projects).
- **The Precast business** was stable (down -0.4%) over the year, but saw a -4.1% decrease in the fourth quarter.

In Italy, sales fell by -3.9% over the full year following a drop in sales volumes of just over -1%, driven by the export business, and a slightly larger fall in prices. In the fourth quarter, sales were stable (-0.3%), with the growth in sales volumes making up for the fall in prices.



1.3. United States

(€ million)	Full-year 2014	Full-year 2013	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	247	221	+11.7%	+11.6%

Sales in the United States rose by +11.6% at constant scope and exchange rates. In the fourth quarter, growth was +14.7% and at +5.2% at constant scope and exchange rates. This performance reflects the gradual upturn in the US economy.

- The **Cement business** posted further growth in its consolidated sales, with the full-year total rising by +16.7% (operational sales up +17.5%). Volume growth was close to +10% over the full year, with comparable growth in California and in the Southeast. Taking both zones together, selling prices moved close to +8% higher compared with 2013. In the fourth quarter, consolidated sales grew by +15.2% at constant scope and exchange rates (growth of +16.3% in operational sales), on the back of volume growth nearing +6%, driven mostly by the Southeast and another price hike in California during October.
- **In the Concrete business**, consolidated sales advanced by +9.6% at constant scope and exchange rates. This performance was the result of a +4.0% increase in sales volumes, with a sharp rise in California and a very small upturn in the Southeast. Selling prices recorded a solid increase over the period with the improvement in the macroeconomic and sector environment. In the fourth quarter, sales growth in this business ran at +1.6% at constant scope and exchange rates. Accounting for this weaker increase was the Group's business strategy late in the year of hiking its selling prices, which fully offset a volume contraction of around -4%.



1.4. Asia (Turkey, India and Kazakhstan)

(€ million)	Full-year 2014	Full-year 2013	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	530	461	+15.1%	+27.2%

Sales rose by +27.2% over the full year, with solid growth across the three countries. Business momentum in the region carried through into the fourth quarter, with a fresh top-line increase of +22.9% at constant scope and exchange rates.

In Turkey, sales totalled €229 million, up +11.7% at constant scope and exchange rates. After a first half during which the Group was able to capitalise on favourable weather conditions and a favorable macroeconomic and sector environment, albeit less buoyant than in 2013, sales continued to grow in the fourth quarter and posted a +13.1% increase.

- **In the Cement business**, consolidated sales grew +22.9% over the period at constant scope and exchange rates. Operational sales advanced by +16.6%. This trend was the result of a hike in selling prices, which largely offset a volume contraction of slightly over -2% over the year as a whole. Weather conditions were excellent in the first quarter, but became far less favourable in the following two quarters. Even so, the Group posted renewed volume growth in the final quarter (+11%) thanks to a consistently favourable pricing environment. Accordingly, consolidated sales rose by +29.1% in the fourth quarter (operational sales up +22.3%).
- **The Concrete & Aggregates business** recorded a -4.3% sales contraction at constant scope and exchange rates. Volumes in concrete declined (by around -11%) and dropped even further in aggregates (by over -17%). Selling prices in concrete and in aggregates rose firmly as a result of the selective strategy pursued by the Group in this segment. In the fourth quarter, sales recorded a steeper decline (-9.2%) on account of a high base for comparison. While the volume contraction was slightly over -6% in concrete, it was far more substantial in aggregates (around -12%) owing to fewer deliveries on major projects, and a deliberate cutback in production for quarry management purposes. Accordingly, selling prices posted a tangible increase, particularly in aggregates.

In India, the Group posted full-year sales of €230 million, up +54.7% at constant scope and exchange rates. Volumes recorded very significant growth (+41%) with cement shipments totalling close to 4.5 million tonnes. Selling prices started to firm up from the second quarter onwards, recording a solid increase over the full year.

In the fourth quarter, the Group's sales in India surged +41.8% at constant scope and exchange rates, albeit on the back of a more moderate rise in volumes (+10%), as the Group focused on the dynamics of firmer selling prices.

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In Kazakhstan, the Group continued to ramp up its business in this market, with sales growing to €71 million, up +18.0% at constant scope and exchange rates. Business trends were underpinned by a significant volume increase of close to +24%, with cement shipments totalling close to 1.3 million tonnes over the year. However, selling prices fell during the period mainly on account of uncertainties relating to the devaluation at the beginning of the year, to monetary instability and commodity price trends. Selling prices were practically unchanged in the fourth quarter, while volumes grew by almost +11%. As a result, sales rose by +9.2% at constant scope and exchange rates.

1.5. Africa and Middle East

(€ million)	Full-year 2014	Full-year 2013	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	397	322	+23.4%	+24.5%

In the Africa and Middle East region, consolidated sales advanced by +24.5% at constant scope and exchange rates over the year as a whole and by +22.0% in the fourth quarter.

In Egypt, consolidated sales moved up +58.6% at constant scope and exchange rates. This increase reflected impressive growth in shipped volumes of close to +33% thanks to a buoyant market and an improved security situation in the North Sinai region. Although demand remained firm during the year, supply was hampered by energy cuts. As a result, selling prices moved significantly higher. In the fourth quarter, sales grew +50.3% on the back of volume growth of over +28% and further firm pricing trends.

In West Africa, sales climbed by +12.8% amid supportive market conditions across all the countries in the region. Cement volumes rose by close to +15% while selling prices, though stabilising very gradually on a sequential basis, posted a very small year-on-year decline as a result of the contraction recorded in the previous year. During the fourth quarter, business momentum remained intact, with volumes moving up close to +12% and sales growing by +11.1%.



2. Breakdown of full-year 2014 sales by business

2.1. Cement

(€ million)	Full-year 2014	Full-year 2013	% change	
			Reported	At constant scope and exchange rates
Volume (thousands of tonnes)	20,530	18,050	+13.7%	
Operational sales	1,483	1,333	+11.3%	+14.9%
Eliminations	(222)	(223)		
Consolidated sales	1,261	1,110	+13.7%	+17.7%

Consolidated sales recorded by the Cement business grew by +13.7% or +17.7% at constant scope and exchange rates (operational sales were up +14.9%). Volumes rose by +13.7% over the full year. In the fourth quarter, consolidated sales advanced by +18.5% or +14.8% at constant scope and exchange rates (operational sales were up +11.9%). Fourth-quarter cement volumes rose by +7.7%.

2.2. Concrete & Aggregates

(€ million)	Full-year 2014	Full-year 2013	% change	
			Reported	At constant scope and exchange rates
Concrete volumes (km ³)	8,273	8,525	-3.0%	
Aggregates volumes	21,215	22,773	-6.8%	
Operational sales	882	899	-1.9%	-1.5%
Eliminations	(22)	(13)		
Consolidated sales	860	876	-1.8%	-1.5%

Consolidated sales in the Concrete & Aggregates business fell back -1.8%, or -1.5% at constant scope and exchange rates.

Shipped concrete volumes declined by -3.0% over the year, while aggregates volumes slipped -6.8% lower.

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In the fourth quarter, consolidated sales declined by -6.5% or -9.1% at constant scope and exchange rates. Volumes were down -5.4% in concrete and -10.5% in aggregates.

2.3. Other Products & Services

(€ million)	Full-year 2014	Full-year 2013	% change	
			Reported	At constant scope and exchange rates
Operational sales	399	400	-0.4%	+0.3%
Eliminations	(98)	(100)		
Consolidated sales	301	300	+0.3%	-0.2%

Consolidated sales in the Other Products & Services business edged up +0.3%, but slipped -0.2% lower at constant scope and exchange rates. In the fourth quarter, consolidated sales fell by -3.7% or -4.7% at constant scope and exchange rates.



3. Elements to appreciate the Group's profitability and balance sheet position in 2014

The Group states that the level of EBITDA generated by the Group in 2014 will be underpinned by the ramp-up in business in India and Kazakhstan and by the turnaround in business levels in Egypt, the United States and Turkey. These positive factors will offset the negative impact on EBITDA of the top-line contraction in Europe as well as the non-renewal of CO² sales in Switzerland in 2014 (equivalent to a negative impact of 7 million euros when compared to 2013)

The operating margin (EBITDA/sales) is however expected to narrow slightly against 2013, reflecting the CO² impact in Switzerland and the shift in the Group's geographical sales mix during 2014 arising from:

- a larger contribution from countries with still comparatively lower margins and strong potential for improvement (Asia, Egypt and the United States)
- a smaller contribution from France, where margins are historically higher, given the business contraction over the year.

Taking all these factors into account, the **EBITDA generated by the Group in 2014 is expected to show an increase compared with 2013.**

In line with the Group's strategy, capital expenditure is expected to have slightly declined in 2014 on the level recorded in 2013, while **the Group's net debt at 31 December 2014 is likely to have declined against its level at 31 December 2013.**

5. Conference call

To accompany the publication of its full-year 2014 sales, the Vicat group is organising a conference call that will be held in English on Wednesday, 4 February 2015 at 3pm Paris time (2pm London time and 9am New York time).

To take part in the conference call live, dial one of the following numbers:

France: +33 (0)1 76 77 22 27

United Kingdom: +44 (0)20 3427 1912

United States: +1 646 254 3361

To listen to a playback of the conference call, which will be available until 7pm on 12 February 2015, dial one of the following numbers:

France: +33 (0) 1 74 20 28 00

United Kingdom: +44 (0)20 3427 0598

United States: +1 347 366 9565

Accesscode: **9520328#**

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Investor relations contact:

Stéphane Bisseuil
Tel: +33 (0)1 58 86 86 13
stephane.bisseuil@vicat.fr

Press contacts:

François Lesage
Tel: +33 (0)1 58 86 86 26
francois.lesage@tbwa-corporate.com

ABOUT VICAT

The Vicat Group has **over 7,700 employees** working in three core divisions, Cement, Concrete & Aggregates and Other Products & Services, which generated **consolidated sales of €2,423 million** in 2014.

The Group **operates in 11 countries**: France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan and India. Close to 66% of its sales are generated outside France.

The Vicat Group is the heir to an industrial tradition dating back to 1817, when Louis Vicat invented artificial cement. Founded in 1853, the Vicat Group now operates **three core lines** of business: **Cement**, **Ready-Mixed Concrete** and **Aggregates**, as well as related activities.

Disclaimer:

This press release may contain forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets. These statements are by their nature subject to risks and uncertainties as described in the Company's annual report available on its website (www.vicat.fr). These statements do not reflect the future performance of the Company, which may differ significantly. The Company does not undertake to provide updates of these statements.

Further information about Vicat is available from its website (www.vicat.fr).



Vicat group – Financial data - Appendices

Breakdown of sales to 31 December 2014 by business & geographical region

	Cement	Concrete & Aggregates	Other Products & Services	Inter-sector eliminations	Consolidated sales
France	356	422	234	(180)	831
Europe (excluding France)	173	170	129	(54)	418
United States	114	174	-	(42)	247
Turkey, Kazakhstan, India	466	92	36	(64)	530
Africa and Middle East	374	24	-	(0)	397
Operational sales	1,483	882	399	(341)	2,423
Inter-sector eliminations	(222)	(22)	(98)	341	-
Consolidated sales	1,261	860	301	-	2,423