

HALF-YEAR 2014 RESULTS

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Disclaimer

- ▼ This presentation 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 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 at its website (www.vicat.fr)



Key points

- ▼ **Solid growth in sales and EBITDA**
- ▼ **A return to growth in Egypt and rapid growth in India**
- ▼ **Robust financial position**

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



Audited condensed consolidated income statement:

Millions of euros	H1 2014	H1 2013	Change (published)	Change (at constant scope and exchange rates)
Consolidated sales	1, 218	1,148	+6.1%	+10.8%
EBITDA*	208	201	+3.1%	+8.8%
<i>EBITDA margin (%)</i>	<i>17.1</i>	<i>17.5</i>		
EBIT**	115	105	+9.4%	+15.8%
<i>EBIT margin (%)</i>	<i>9.5</i>	<i>9.2</i>		
Consolidated net income	56	59	-5.4%	-1.6%
<i>Consolidated net margin (%)</i>	<i>4.6</i>	<i>5.2</i>		
Net income, Group share	51	55	-7.6%	-4.6%
Cash flow	144	138	+4.0%	+10.4%

*EBITDA is calculated by adjusting gross operating income for other ordinary income and expenses

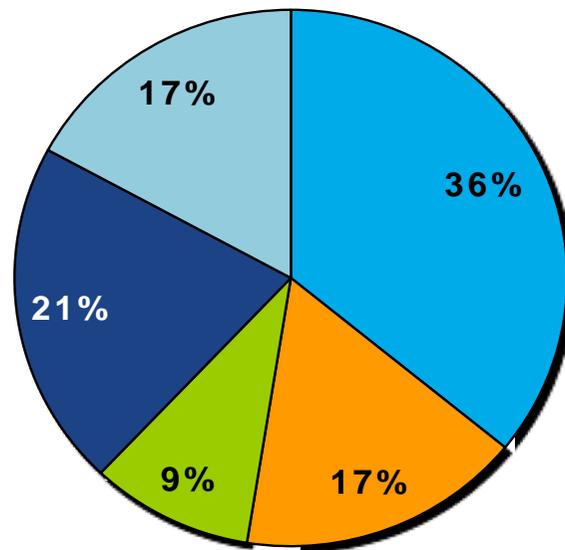
**EBIT is calculated by adjusting EBITDA for net depreciation, amortisation and additions to ordinary provisions



Consolidated sales by geographical region

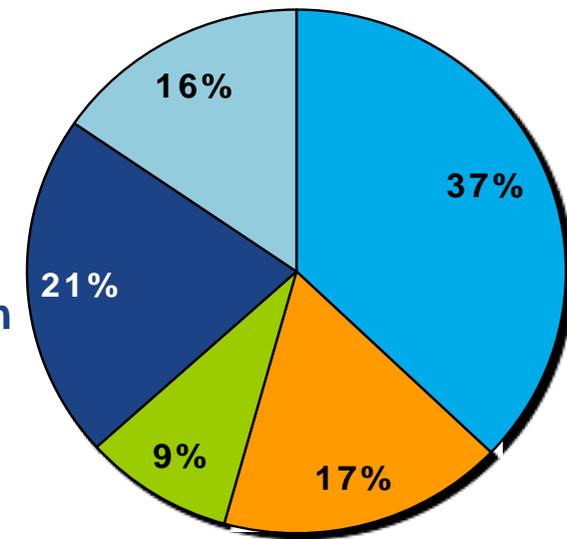
Contribution by region:

H1 2014



Contribution by region:

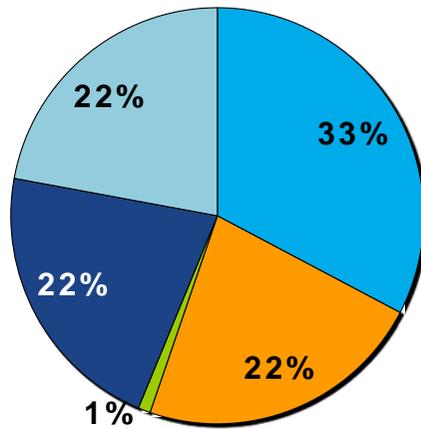
H1 2013



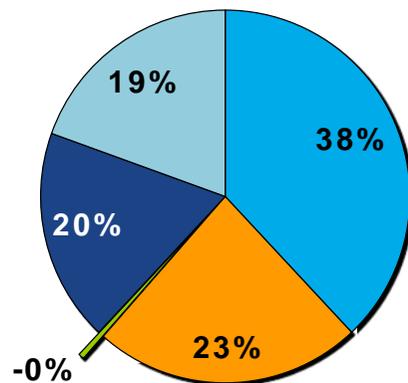
- ▼ Slight decrease in sales contribution from France
- ▼ Essentially stable contributions from all other regions

Analysis of EBITDA by geographical region

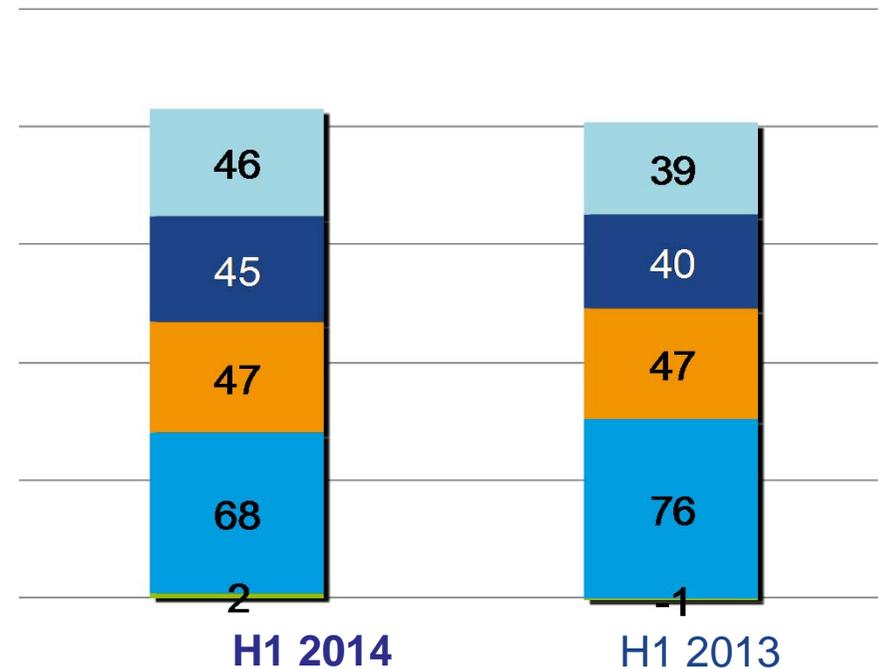
Contribution by region: H1 2014



Contribution by region: H1 2013



Contribution by region in million euros



France
Europe
USA

Turkey, India, Kazakhstan
Africa & Middle East

Analysis by region

France

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Millions of euros	30/06/2014	30/06/2013	Change (published)	Change (At constant scope and exchange rates)
Sales	437	426	+2.6%	+1.5%
EBITDA	68	76	-10.9%	-10.2%
EBIT	42	46	-7.8%	-6.1%

- ▼ **Sales up by +1.5%, EBITDA down by -10.2%**
 - ▼ Good weather conditions and sharp rise in volumes in Q1
 - ▼ Lower average sale prices and a temporary increase in some operational costs and expenses
- ▼ **Cement sales grow by +2.2%**
 - ▼ Volumes grow by more than +4%, due to good weather conditions
 - ▼ Average selling prices down due in large part to unfavourable product mix
 - ▼ EBITDA down by -10.5%
- ▼ **Concrete & Aggregates sales up by +1.5%**
 - ▼ Concrete volumes rose by higher than +2% in concrete and were up by +3% in aggregates.
 - ▼ Average selling prices slightly lower
 - ▼ EBITDA down by -12.3%
- ▼ **Other Products & Services, up by +5.6%**
 - ▼ Stable EBITDA



Analysis by region

Europe (excl. France)

Millions of euros	30/06/2014	30/06/2013	Change (published)	Change (At constant scope and exchange rates)
Sales	203	197	+2.8%	+1.9%
EBITDA	47	47	-1.4%	-2.0%
EBIT	29	33	-11.0%	-11.4%

- ▼ In **Switzerland**, consolidated sales up by +2.5%, and EBITDA down by -1.3%
 - ▼ In the Cement business, consolidated sales down by -6.8% with EBITDA down by -0.9%
 - ▼ Stable volumes but selling prices down slightly as a result of 2013 contraction and less favourable client mix
 - ▼ In the Concrete & Aggregates business, consolidated sales rose by +9.6% and EBITDA down by -0.7%
 - ▼ Volumes up in concrete (+12%) and in aggregates (+13%)
 - ▼ Selling prices stable in concrete and higher in aggregates
 - ▼ The Precast business was up by +2.7%, EBITDA lower by -3.1%
 - ▼ Volumes up (+4%) but prices down due to competitive climate
- ▼ In **Italy**, consolidated sales fell by -8.6%, EBITDA down by -18.8%
 - ▼ Volumes down by -7%, despite higher export volumes
 - ▼ Selling prices down over the period but second quarter sales trend slightly up

Analysis by region

USA

Millions of euros	30/06/2014	30/06/2013	Change (published)	Change (At constant scope and exchange rates)
Sales	116	103	+11.8%	+16.3%
EBITDA	2	(1)	n.s	n.s
EBIT	(9)	(13)	+29.3%	+26.5%

- ▼ In favourable macro-economic climate, sales rise by +16.3% and EBITDA moves into positive territory boosted in particular by +19% sales growth in Q2
 - ▼ In the Cement business, sales expanded by +19.1%
 - ▼ In line with trends, volumes continued to advance, rising by more than +12%
 - Strong growth in California due to good weather conditions
 - In the South-East, volumes down due to adverse weather conditions early in the year
 - ▼ Selling prices higher than in H1 2013, with greater increase in South-East
 - ▼ EBITDA goes from a loss of 0.3 million euros to a gain of 0.3 million euros
 - ▼ In the Concrete business, sales were up +15.1%
 - ▼ Volumes up by +9%, underpinned by strong growth in the two regions, but more particularly in California
 - ▼ Selling prices up in both regions, the result of improved volumes and market climate
 - ▼ EBITDA rose sharply to more than 2 million euros, up from a loss of 0.5 million in H1 2013

Analysis by region

Turkey, India, Kazakhstan

Millions of euros	30/06/2014	30/06/2013	Change (published)	Change (At constant scope and exchange rates)
Sales	254	244	+4.0%	+24.9%
EBITDA	45	40	+13.8%	+38.3%
EBIT	24	19	+24.4%	+53.6%

- ▼ **In Turkey**, sales were €109 million, up +15.3% with EBITDA up by +26.3%
 - ▼ *Cement* operational sales up by +16.6%, consolidated sales up +25.5% and EBITDA increases by +26.1%
 - ▼ Volumes down by slightly more than -5% as a result of heavy storms but offset by solid increase in prices
 - ▼ *Concrete & Aggregates* sales rose by +1.3% with EBITDA increasing by +34.1%
 - ▼ Volumes dropped in both concrete and aggregates due to poor weather conditions
 - ▼ Selling prices remained on a good trend
- ▼ **In India**, sales totalled €113 million, up +49.4%. EBITDA increases by a factor of 3.2, at +260.2%
 - ▼ Volumes increase by about +52%, with over 2.5 million tonnes of cement delivered
 - ▼ Selling prices remain very volatile due to competitive market conditions but rose in Q2 following the national election and were stable year-on-year
- ▼ **In Kazakhstan**, sales dropped by -19% (-1.2% at constant scope and exchange rates) and EBITDA lower by -3.7% at 11 million euros
 - ▼ Sales down due to an unfavourable basis of comparison linked to mild weather conditions in H1 2013
 - ▼ Sales grew by +5% in Q2

Analysis by region

Africa & Middle East

Millions of euros	30/06/2014	30/06/2013	Change (published)	Change (At constant scope and exchange rates)
Sales	208	177	+17.7%	+20.7%
EBITDA	46	39	+16.9%	+20.3%
EBIT	29	21	+41.0%	+45.5%

- ▼ In Egypt, sales came to €61.8 million, up +40.6%
 - ▼ Significant growth in volumes of +19% due to fast-growing market with improved security conditions
 - ▼ Substantial increase in selling prices
 - ▼ EBITDA up by +97%
- ▼ In West Africa, sales rose by +13.5%
 - ▼ Volumes up +17% over the period
 - ▼ Selling prices lower, affected by decline seen in 2013
 - ▼ EBITDA fell by -1.5%

Financial position

Balance sheet items

- ▼ At June 30, 2014, the Group had a robust financial structure with a strong equity position and net debt under control at €1,183 million
 - ▼ Net debt is expected to fall over the course of 2014 as a whole, in line with the Group's policy of deleveraging
- ▼ Consolidated equity totalled €2,246 million, compared with €2,292 million at December 31, 2013
- ▼ The gearing ratio stood at 52.7% and the leverage ratio (net debt/EBITDA) was 2.7, down from 2.8 a year earlier
 - ▼ Both ratios are expected to improve significantly during the second half of the year

Recent Events

- ▼ Vicat to own 100% of Vicat Sagar Cement
 - ▼ Group announced acquisition of Sagar Cements' stake in Vicat Sagar Cement
 - ▼ The plant has a capacity of 3 million tonnes of cement per year with latest production technologies, captive generating station and access to rail network
 - ▼ Net cost of operations relating to this transaction around €46 million
- ▼ Renegotiation of Group's credit lines
 - ▼ Group has finalized renegotiation of bilateral credit lines for €240 million and of its syndicated loan for €480 million
 - ▼ Average maturity of Group's debt brought to nearly 5 years
 - ▼ Average cost of financial debt as a whole is around 4.1%

Financial position

Cash flow and Capex

- ▼ The Group generated cash flow of €144 million
 - ▼ compared with €138 million in the same period of 2013
- ▼ The Vicat Group's capital expenditure amounted to €73 million
 - ▼ down from €78 million in the first half of 2013
 - ▼ expected to be around €150 million over 2014 as a whole

Outlook

- ▼ The detailed information concerning the outlook for the Group's various markets is available in the press release for the 2014 half-year results on our website www.vicat.com