



## First-quarter 2013 sales up 2.7% at constant scope and exchange rates

- Solid business momentum in Kazakhstan, Turkey and the US
- Continued build-up in business in India where competitive pressure is intensifying
- Unfavourable environment in France and Egypt

**Paris La Défense, April 24, 2013:** The Vicat Group (NYSE Euronext Paris: FR0000031775 – VCT) today reported its sales for the three months ended March 31, 2013, which amounted to €491 million, a rise of 1.2% (2.7%, at constant scope and exchange rates).



### Consolidated sales by business segment

(€ million)	1 <sup>st</sup> quarter 2013	1 <sup>st</sup> quarter 2012	% change	
			Reported	At constant scope and exchange rates
<b>Cement</b>	256	255	<b>+0.2%</b>	+3.1%
<b>Concrete &amp; Aggregates</b>	175	162	<b>+8.1%</b>	+7.8%
<b>Other Products &amp; Services</b>	60	68	<b>-11,6%</b>	-10.9%
<b>Total</b>	491	485	<b>+1.2%</b>	+2.7%

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A FRENCH REGISTERED COMPANY  
WITH SHARE CAPITAL OF  
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**Commenting on these figures, the Group's CEO said:** *"Vicat's sales moved higher during the first quarter despite unfavourable weather conditions that have accentuated seasonality of our activity in certain zones. In this mixed environment, during this year, Vicat intends to confirm the rightness of its strategy of controlled geographical expansion while reaping benefits from its capital expenditure policy and its modern production facilities."*

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*In this presentation, and unless indicated otherwise, all changes are stated on a year-on-year basis (2013/2012), on a consolidated basis, and at constant scope and exchange rates.*

Consolidated sales came to €491 million euros in the first quarter of 2013, a rise of 1.2% by comparison with the same period in 2012. At constant scope and exchange rates, sales increased by 2.7%.

Over the period, at constant scope and exchange rates, sales rose by 3.1% in Cement and by 7.8% in Concrete & Aggregates. In Other Products & Services, sales moved down 10.9%.

The breakdown of operational sales by segment during the first quarter shows a small dip in the contribution from Cement, which now generates 53.6% of operational sales compared with 54.3% in the first quarter of 2012. Concrete & Aggregates accounted for 32.0% of operational sales, compared with 30.8% in the same year-ago period. Lastly, Other Products & Services contributed 14.4% of operational sales against 14.9% in the first quarter of 2012.

The main factors underlying the sales trend in the first quarter of 2013 were the following:

- a sharp decline in volumes in France, a region that was again hit by poor weather and by difficult macro-economic and sector conditions during the period,
- another downturn in business in Egypt, owing to security-related troubles, despite small signs of improvement in March,
- the build-up in the Group's business activities in India and Kazakhstan,
- a significant rebound in volumes in the United States and in Turkey,
- a generally favourable price climate across all regions other than essentially India and West Africa.

## 1. Consolidated sales for the three months ended March 31, 2013

### 1.1. France

(€million)	1 <sup>st</sup> quarter 2013	1 <sup>st</sup> quarter 2012	% change	
			Reported	At constant scope
Consolidated sales	<b>183</b>	198	-7.2%	-7.9%

In France, consolidated sales decreased by 7.9% to €183 million in the first quarter. The decline during the period, which included two fewer business days than in the same year-ago period, was due mainly to another extremely harsh winter and to the downturn in the construction market.

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By segment:

- **In the Cement business**, sales were down 14.2%. Operational sales (before inter-sector eliminations) fell by 8.7%. Volumes declined significantly (by 12.0%) during the quarter, owing to poor weather conditions and the ending of large projects. Conversely, the average selling price rose appreciably in the first three months.
- **In Concrete & Aggregates**, sales increased by 1.4%. This business was also hard-hit by adverse weather conditions. Against this backdrop, volumes increased by nearly 5% in concrete but decreased by about 4% in aggregates. The average selling price eroded slightly in concrete but moved higher in aggregates.
- **In other Products & Services**, sales fell by 16.6%, because of adverse weather conditions, which dealt the Transportation and Large Projects business a severe blow.

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

(€ million)	1 <sup>st</sup> quarter 2013	1 <sup>st</sup> quarter 2012	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	73	74	-1.1%	+0.4%

In Europe, excluding France, sales were stable overall at €73 million in the first quarter of 2013.

In **Switzerland**, the Group's sales increased by 1.6% at constant scope and exchange rates in the first quarter.

- *In Cement*, volumes rose by nearly 14%. Selling prices edged down as competitive pressures edged up and owing to an unfavourable product mix in the early part of the year. Due to these factors, sales increased by 5.4% and by 7.2% at constant scope and exchange rates.
- *In Concrete & Aggregates*, sales contracted by 4.5% (by 2.9% at constant scope and exchange rates). Even so, volumes advanced by 9% in concrete and by 6.5% in aggregates, and average selling prices ex-works were stable, on the whole.
- *The Prefabrication business* registered a 0.4% contraction in sales but an increase of 1.3% at constant scope and exchange rates, despite a 2.4% volume decline, due primarily to poor weather conditions.

In **Italy**, sales fell by 12.5%. The steady increase in selling prices, resulting from the targeted marketing policy and growth in export sales, did not offset the 19.5% drop in volumes in a domestic market that remains highly challenging, coupled with adverse weather conditions.

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## 1.3. United States

(€ million)	1 <sup>st</sup> quarter 2013	1 <sup>st</sup> quarter 2012	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	<b>46</b>	41	+12.4%	+13.9%

In the United States, sales growth remained robust in a healthy macro-economic climate. The uptrend in volumes has been confirmed in each of the last four quarters and is expected to continue, together with marked rises in selling prices. Against this backdrop, the Group's sales rose by 13.9% compared with the first quarter of 2012.

- **In the Cement business**, sales expanded by 13.7%. In keeping with the trends that emerged at the end of 2012, volumes continued to advance (up 12.7%), with strong growth in California (up 22%) driven by the early start-up of infrastructure projects. In this region, selling prices were stable overall by comparison with the first quarter of 2012, and prices are expected to increase in April. In the South-East, despite rather poor weather, volumes edged up by 2% in a favourable pricing environment.
- **In the Concrete business**, sales were up 14.0%. This trend reflects a significant improvement in volumes (up 9.3%), underpinned by growth in both the South-East and in California. Selling prices during the first quarter of 2013 were up in both regions by comparison with the same year-ago period.

## 1.4. Turkey, India, Kazakhstan

(€ million)	1 <sup>st</sup> quarter 2013	1 <sup>st</sup> quarter 2012	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	<b>101</b>	77	+32.4%	+38.0%

Sales for the region jumped by 38.0% to €101 million.

In **Turkey**, sales rose by an impressive 84% to €45 million. In a context of strong economic growth, the Group, as the whole of the industry, benefited from better weather conditions than in the first quarter of 2012.

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- *In Cement*, the Group's sales surged by 86%. This growth was driven by a 74% jump in volumes coupled with a solid advance in selling prices.
- *In Concrete & Aggregates*, sales also rose sharply, by nearly 81%. In this business as well, volumes were driven up by a favourable base effect from weather conditions and by the start-up of several large housing projects. As in Cement, selling prices in this business remained healthy.

In **India**, sales totalled €44 million in the first quarter of 2013, up 10.6% at constant scope and exchange rates. During the quarter, the Vicat Sagar and Bharathi Cement plants both continued their build up. The Group benefited from the “Bharathi Cement” brand for all of its products and again boosted its cement volumes, by over 20% to nearly 694,000 tonnes for the quarter. Selling prices continued to experience high volatility during the first quarter.

In **Kazakhstan**, where the weather was favourable and major infrastructure work continued during the quarter, the Group stepped up its deployment in this high-potential market. Sales generated over the period rose by 43.2% to €12.4 million, with volume growth of 23.2%, in a favourable price climate.

## **1.5. Africa and Middle East**

(€million)	1 <sup>st</sup> quarter 2013	1 <sup>st</sup> quarter 2012	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	<b>87</b>	96	-9.6%	-6.7%

In the Africa and Middle East region, sales declined by 6.7% to €87 million.

- In **Egypt**, sales fell by 10.6% to €22.8 million. This was due to a sharp contraction in volumes, which dropped by more than 22%. During the first two months of the year, the Group's business was again affected by a tense security context, however the situation improved during the month of March. Meanwhile, selling prices have increased appreciably since the beginning of the year. Lastly, since gas supplies were restored at the beginning of October 2012, operating performance has improved steadily.
- In **West Africa**, sales were down 5.1%, despite volumes being well oriented, due to persistent pricing pressures in Senegal. During the quarter, volumes registered solid growth in the Senegalese and Malian domestic markets, which offset the fall in export shipments to other countries. The solid momentum seen in the domestic market is expected to continue in 2013 under the combined effects of improved economic conditions and the anticipated recovery in large projects.



## 2. Sales for the three months ended March 31, 2013 by business segment

### 2.1. Cement

(€ million)	1 <sup>st</sup> quarter 2013	1 <sup>st</sup> quarter 2012	% change	
			Reported	At constant scope and exchange rates
Volume (thousands of tonnes)	4,099	3,794	+8.0%	
Operational sales	304	299	+1.8%	+4.3%
Eliminations	(48)	(44)		
<b>Consolidated sales</b>	<b>256</b>	<b>255</b>	<b>+0.2%</b>	<b>+3.1%</b>

### 2.2. Concrete & Aggregates

(€ million)	1 <sup>st</sup> quarter 2013	1 <sup>st</sup> quarter 2012	% change	
			Reported	At constant scope and exchange rates
Concrete volumes (in thousands of m <sup>3</sup> )	<b>1,798</b>	1,477	+21.7%	
Aggregates volumes (in thousands of tonnes)	<b>4,728</b>	4,293	+10.1%	
Operational sales	<b>181</b>	170	+6.7%	+6.5%
Eliminations	<b>(6)</b>	(8)		
<b>Consolidated sales</b>	<b>175</b>	<b>162</b>	<b>+8.1%</b>	<b>+7.8%</b>

### 2.3 Other Products & Services

(€ million)	1 <sup>st</sup> quarter 2013	1 <sup>st</sup> quarter 2012	% change	
			Reported	At constant scope and exchange rates
Operational sales	<b>82</b>	82	+0.4%	+0.3%
Eliminations	<b>(22)</b>	(14)		
<b>Consolidated sales</b>	<b>60</b>	<b>68</b>	<b>-11.6%</b>	<b>-10.9%</b>



## 3. Change in consolidated financial position at March 31, 2013

The Group notes that, historically, the first quarter has not been representative of financial performance over the full year.

Net debt amounted to 52% of consolidated shareholders' equity at March 31, 2013 compared with 46% at December 31, 2012, thereby confirming the Vicat Group's financial strength.

Given the level of the Group's net debt, bank covenants do not pose a threat either to the Group's financial position or to its balance sheet liquidity. At December 31, 2013, Vicat comfortably met all the ratios in the covenants laid down in financing agreements.

## 4. 2013 Outlook

Vicat Sagar's greenfield plant in India started its industrial operations in December 2012, bringing to an end the Vicat Group's ambitious investment programme. This programme has considerably increased the Group's geographical diversification and laid the foundations for long-term profitable growth.

The Group now intends to take advantage of its strong market positions, the quality of its production facilities and its strict cost control, with the aim of gradually maximising cash flow and reducing debt, before starting a new phase of its international development strategy.

For 2013, the Group wishes to provide the following comments concerning its various markets:

- **In France**, the Group expects the economic and sector environment to remain difficult in 2013, particularly in the first half. This should lead to a further fall in volumes, with prices remaining favourable.
- **In Switzerland**, the overall operating environment is likely to remain positive, with volumes expected to improve slightly.
- **In Italy**, the Group expects the situation to improve after a tough year in 2012. Given current levels of cement consumption, volumes should gradually stabilise and selling prices should recover.
- **In the United States**, the Group expects its markets to continue improving in terms of both volumes and prices.
- **In Turkey**, last year's improvement in the sector environment is likely to continue in 2013. The Group should be able to take full advantage of its efficient production facilities and strong market positions.
- **In Egypt**, the market should remain buoyant in terms of volumes and prices evolution is expected to be favourable. The Group remains confident about the positive performance of the Egyptian market in the medium and long term.
- **In West Africa**, volumes should continue to rise. In the circumstances, the Group will continue its efforts to use its modern, efficient production base to expand sales across the whole West Africa region.
- **In India**, Vicat Sagar's greenfield plant launched its industrial operations in late 2012. The resulting increase in sales in the first half of 2013, along with the ongoing build-up at Bharathi Cement, will gradually make the Group a major player in Southern India. With its stronger market position and its modern, efficient production facilities, the Vicat Group should benefit from a buoyant construction market in 2013, although prices are likely to remain volatile.
- **In Kazakhstan**, the Group's ideal geographical location and highly effective production base should enable it to take full advantage of a market poised for solid growth in the construction and infrastructure sectors, in what is expected to remain a supportive pricing environment.

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## 5. Conference call

To accompany the publication of the Group's first-quarter 2013 sales, Vicat is holding a conference call in English that will take place on Thursday, April 25, 2013 at 3:00 p.m. Paris time (2:00 p.m. London time and 9:00 a.m. New York time).

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

France: +33(0)1 70 99 42 86  
United Kingdom: +44(0)20 7136 6283  
United States: +1 718 971 5738

To listen to a playback of the conference call, which will be available until midnight on May 10, 2013, 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

Access code: **8249758#**

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### Next date for shareholders:

**April 26, 2013 (2:00 p.m.): Annual General Meeting of the Shareholders**

### Next publication:

**August 6, 2013 (after the market closes): first-half 2013 sales and earnings**

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## ABOUT VICAT

The Vicat Group has **over 7,500 employees** working in three core divisions, Cement, Concrete & Aggregates and Other Products & Services, which generated **consolidated sales of €2,292 million** in 2012.

The Group **operates in eleven countries**: France, Switzerland, Italy, the United States, Turkey, Egypt, Senegal, Mali, Mauritania, Kazakhstan and India. Nearly 62% of its sales are generated outside France.

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

## Disclaimer:

This press release may contain forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets.

These statements are by their nature subject to risks and uncertainties as described in the Company's annual report available on its website ([www.vicat.fr](http://www.vicat.fr)). These statements do not reflect the future performance of the Company, which may differ significantly. The Company does not undertake to provide updates of these statements.

Further information about Vicat is available from its website ([www.vicat.fr](http://www.vicat.fr)).

## Vicat Group – Financial Information– Appendix

### Breakdown of sales for the three months ended March 31, 2013 by business segment & geographical region

(€ thousand)	Cement	Concrete & Aggregates	Other Products & Services	Inter-sector eliminations	Consolidated sales
France	81,593	91,381	51,635	-41,179	<b>183,430</b>
Europe (excluding France)	35,516	26,235	20,580	-9,365	<b>72,966</b>
USA	19,930	33,368		-6,866	<b>46,432</b>
Turkey, India, Kazakhstan	85,430	24,380	9,510	-17,942	<b>101,378</b>
Africa & Middle East	81,801	5,914		-796	<b>86,919</b>
<b>Operational sales</b>	<b>304,270</b>	<b>181,278</b>	<b>81,725</b>	<b>-76,148</b>	<b>491,125</b>
Inter-sector eliminations	-48,585	-6,237	-21,326	76,148	
<b>Consolidated sales</b>	<b>255,685</b>	<b>175,041</b>	<b>60,399</b>		<b>491,125</b>