

PRESS RELEASE

2013 sales: €2,286 million

- Consolidated sales up 2.9% at constant scope and exchange rates
- Upbeat business trends in Turkey, Switzerland, Kazakhstan and improving in the United States
- Continued ramp-up of Group activity in India in a tough market environment
- Solid financial position, with a healthy balance sheet and reduction in financial debt



Paris La Défense, 3 February 2014: The Vicat group (NYSE Euronext Paris: FR0000031775 – VCT) today reports full-year 2013 sales of €2,286 million, representing a broadly stable performance compared with 2012 (down 0.3%). At constant scope and exchange rates, the Group's sales grew by 2.9% compared with the same period of 2012.

Consolidated sales by business segment:

(€ million)	Full-year 2013	Full-year 2012	% change	
			Reported	At constant scope and exchange rates
Cement	1,110	1,156	-4.0%	+0.9%
Concrete & Aggregates	876	826	+6.1%	+7.7%
Other Products & Services	300	310	-3.4%	-2.4%
Total	2,286	2,292	-0.3%	+2.9%

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A FRENCH REGISTERED
COMPANY WITH SHARE
CAPITAL OF €179,600,000
EEC IDENTIFICATION: FR 92 -
057 505 539
RCS NANTERRE

Commenting on these figures, the Group's CEO said: *"Leveraging its geographic diversification, the Vicat Group posted during the year a top-line increase at constant scope and exchange rates in a mixed macroeconomic environment. Switzerland, Turkey and Kazakhstan all recorded strong growth rates, as did India, despite a highly competitive situation competition that held back the Group's performance there during the year. In the United States, the upswing is now firmly entrenched and steadily gained pace throughout the year. While performance in France was again held back by the economic crisis, the situation improved gradually in Egypt toward the end of the year. Against this backdrop, the Vicat group has continued to pursue its strategy of maximising cash flow and paying down debt and is confident about 2014 and its ability to reach its medium- and long-term objectives."*

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Full-year 2013 consolidated sales came to €2,286 million, representing almost no change (down 0.3%) compared with 2012, but an increase of 2.9% at constant scope and exchange rates. Currency effects had a highly negative impact over the year, depressing full-year sales by €78 million and second-half sales alone by €56 million.

A breakdown of full-year operational sales between the Group's various business segments shows a decrease in the Cement division's contribution to 50.6% of operational sales, down from 52.3% in 2012. The contribution from Concrete & Aggregates increased to 34.2% of operational sales from 32.5% in 2012. Lastly, Other Products & Services posted a stable contribution of 15.2% of full-year 2013 operational sales.

Consolidated sales during the fourth quarter of 2013 stood at €545 million, down 2.9% compared with the same period of 2012, but up 2.1% at constant scope and exchange rates. Over the same period, Cement operational sales edged 1.6% lower at constant scope and exchange rates, while Concrete & Aggregates sales moved up 5.5%. Other Products and Services sales posted a slight increase (up 0.6%).

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

1. Geographical breakdown of consolidated full-year 2013 sales

1.1. France

(€ million)	Full-year 2013	Full-year 2012	% change	
			Reported	At constant scope
Consolidated sales	856	879	-2.6%	-3.3%

Sales in France fell by 3.3% in 2013. This decline was chiefly attributable to a depressed economic environment and particularly in the construction sector, unfavourable weather conditions at the beginning of the year and, lastly, a smaller number of business days in 2013 than in 2012 (2 days fewer).

During the fourth quarter, consolidated sales declined by 5.1% owing to the combined effect of a more unfavourable product mix and one business day less than in the previous year.

- In **Cement**, sales contracted by 7.6%. Operational sales (before inter-sector eliminations) fell back 6.1%. This was due to a 5.6% volume contraction as a result of the unfavourable weather conditions at the beginning of the year and a challenging economic and industry environment throughout the period. Average selling prices remained stable over the year as a whole in spite of an adverse product mix. During the fourth quarter, consolidated sales fell 8.4%. Operational sales were down 9.2%. This fall was largely attributable to a volume decline of close to 4% and a drop in selling prices owing to a highly unfavourable mix over the final quarter.

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- In **Concrete & Aggregates**, sales grew by 0.5%. While concrete volumes dipped slightly (down 0.9%), aggregates volumes rose by 5.0%. Average selling prices picked up slightly in concrete but slipped lower in aggregates. During the fourth quarter, consolidated sales were down 5.7% reflecting a marked drop in concrete volumes and stable aggregates volumes.
- In **Other Products & Services**, sales fell back 5.6% over the full year, but rose by 2.4% in the fourth quarter.

1.2. Europe (excluding France)

(€ million)	Full-year 2013	Full-year 2012	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	427	411	+4.0%	+6.0%

In Europe, excluding France, consolidated sales rose by 6.0% at constant scope and exchange rates and by 6.7% in the fourth quarter.

Amid upbeat market conditions, the Group's sales in **Switzerland** grew to €407 million over 2013 as a whole. The strong business performance in Switzerland continued into the fourth quarter, with sales settling at €105 million.

- In **Cement**, consolidated sales picked up to €113 million amid highly competitive conditions throughout the year, causing selling prices to fall slightly. Conversely, volumes again held up very well throughout the period. During the fourth quarter, trends remained broadly stable compared with the same period of 2012 when top-line performance was very strong.
- In **Concrete & Aggregates**, sales grew by 13.1% over the period as a whole. Selling prices rose slightly in concrete, but declined again in aggregates owing to a mildly adverse shift in the product mix. The Group's fourth-quarter sales recorded strong growth with a significant volume increase in concrete and aggregates on the back of highly favourable weather conditions.
- **Precast** sales grew by 2.2% over the full year, but slipped by 1.5% in the final quarter when competitive pressures intensified slightly.

In **Italy**, sales dropped by 18.1% compared with 2012 as a whole and by 18.3% in the fourth quarter. Business was again severely affected during the year by a highly challenging macroeconomic and industry environment. The rise in selling prices resulting from the Group's selective business policy and the development of export sales did not make up for the steep decline in volumes (down 25%). During the final quarter, volumes fell 26% in line with the trend seen throughout the year.

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1.3. United States

(€million)	Full-year 2013	Full-year 2012	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	221	196	+12.6%	+16.5%

In the United States, sales climbed 16.5% and surged 25.6% in the fourth quarter. This performance reflects the gradual, but now firmly entrenched turnaround in the US economy during 2013. Volume growth gained pace combined with moderate increases in selling prices, differently distributed between the South-East and California.

- In **Cement**, consolidated sales recorded a healthy increase of 6.3% over the full year (operational sales up 10.3%). The upturn in volumes continued during 2013 (growth of 5.3%) and the pace of growth was maintained during the fourth quarter with an increase of 10%. Conversely, while significant volume growth was recorded in California as new infrastructure projects started up, volumes in the South-East edged lower over the year as a whole, reflecting the extremely adverse weather conditions during the first three quarters, followed by a small increase in the last quarter of the year. While selling prices edged moderately higher in California, they recorded a stronger rise in the South-East. Lastly, consolidated sales moved up 9.7% during the final quarter (operational sales up 14.2%).
- In **Concrete**, sales advanced by 21.0%. This performance was driven by a rise of over 16% in volumes, reflecting a significant increase in both California and the South-East. This volume growth was also backed up by a solid increase in selling prices in each area where the Group operates. During the fourth quarter, business growth accelerated, particularly in California, with sales recording an increase of 32.5%.

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1.4. Turkey, India and Kazakhstan

(€million)	Full-year 2013	Full-year 2012	% change	
			Reported	At constant scope and exchange rates
Consolidated sales	461	442	+4.2%	+14.8%

In **Turkey**, sales rose by 16.5% to €235 million. After a first half in which the Group, like the entire industry, capitalised on the supportive weather conditions and an upbeat macroeconomic and industry environment, sales climbed more moderately in the fourth quarter (growth of 8.2%) owing to significantly more adverse weather conditions than in 2012.

- In **Cement**, consolidated sales moved up 16.7% in 2013. This trend was supported by a brisk rise in volumes (4%) together with higher selling prices. During the fourth quarter, sales grew by 15.3% despite a significant volume contraction as weather conditions were far less favourable than in the final quarter of 2012 but were fully offset by a firm pricing environment.
- **Concrete & Aggregates** sales rose by 16.3%. Growth in Concretes & Aggregates volumes of over 8% was underpinned by work on major housing projects, particularly in the Ankara region. Fourth-quarter sales remained stable at a high level thanks to a healthy increase in prices at the end of the year, which largely offset the volume contraction caused by the end of a number of large projects late in the year and adverse weather conditions.

In **India**, the Group's sales advanced by 12.7% to €155 million in 2013. With the start-up of Vicat Sagar, volumes posted a significant increase (close to 28%), and the Group's cement deliveries totalled over 3.2 million tonnes during 2013. Conversely, competition remained very fierce throughout the year, with a marked slowdown in infrastructure investment ahead of the elections due in spring 2014. In this environment, selling prices remained highly volatile, recording a very steep decline over the period as a whole. During the fourth quarter, the Group's sales in India posted a 13.1% increase, fuelled by strong volume growth of close to 26%.

The Group stepped up its deployment in the high-potential market of **Kazakhstan**, with volume growth of close to 5% and over 1 million tonnes sold during the year in a favourable pricing environment. As a result, full-year 2013 sales posted 14.3% growth, to €71 million. This performance reflects the positive momentum in the Kazakh construction sector, the progressive efficiency improvement in the manufacturing facilities and the gradual extension in the areas served by the Group.

During the fourth quarter, consolidated sales however dropped 10.4%. Indeed, business volumes reflected an unfavourable base of comparison attributable to the excellent weather conditions of late 2012 and to restrictions related to the low level of inventories in the second half.

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1.5. Africa and Middle East

(€ million)	Full-year 2013	Full-year 2012	% change	
			Reporte d	At constant scope and exchange rates
Consolidated sales	322	364	-11.6%	-7.6%

In the Africa and Middle East region, consolidated sales declined by 7.6% over the year as a whole and by 5.1% during the fourth quarter.

In **Egypt**, consolidated sales fell back 14.1% over the period owing to a significant decline in sales volumes (down 27%). This contraction was offset partly by a rise in average selling prices over the full year. The Group's business was again affected during 2013 by a challenging security environment that disrupted operation of the plant and marketing of its products. The action taken in August 2013 by government forces to restore security in the Sinai region gradually paid off, with fourth-quarter sales holding stable despite a maintenance shutdown. With the gradual restoration of security, the rhythm in deliveries improved but remains however restricted by the measures taken to maintain order.

In **West Africa**, sales fell by 4.7% in 2013. Over the full year, cement volumes dipped 2.1%. Although selling prices gradually stabilised in Senegal on a sequential basis, they were lower than in 2012. During the final quarter, sales contracted by 7.4% owing in particular to a slight volume contraction in a Senegalese market affected by numerous religious celebrations that all occurred towards the end of 2013, and marked lower volumes in maritime export markets.

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2. Divisional breakdown of full-year 2013 sales

2.1. Cement

(€ million)	Full-year 2013	Full-year 2012	% change	
			Reported	At constant scope and exchange rates
Volume (thousands of tonnes)	18,050	17,894	+0.9%	
Operational sales	1,332	1,377	-3.2%	+1.2%
Eliminations	(223)	(221)		
Consolidated sales	1,110	1,156	-4.0%	+0.9%

Consolidated Cement sales dropped by 4.0% but rose by 0.9% at constant scope and exchange rates. Volumes grew by 0.9% over the period.

During the fourth quarter, consolidated sales declined by 7.8% and by 0.7% at constant scope and exchange rates. Third-quarter volumes contracted by 0.9% during the period.

2.2. Concrete & Aggregates

(€ million)	Full-year 2013	Full-year 2012	% change	
			Reported	At constant scope and exchange rates
Concrete volumes (km ³)	8,525	7,928	+7.5%	
Aggregates volumes	22,773	21,516	+5.8%	
Operational sales	899	855	+5.2%	+6.8%
Eliminations	(23)	(29)		
Consolidated sales	876	826	+6.1%	+7.7%

Consolidated Concrete & Aggregates sales grew by 6.1% and by 7.7% at constant scope and exchange rates.

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Concrete delivery volumes rose by 7.5% over the period, with Aggregates volumes moving up 5.8%.

In the fourth quarter, consolidated sales rose by 2.6% and by 6.0% at constant scope and exchange rates. At the same time, volumes were stable in Concrete (down 0.1%) and moved up 1.6% in Aggregates.

2.3. Other Products & Services

(€ million)	Full-year 2013	Full-year 2012	% change	
			Reported	At constant scope and exchange rates
Operational sales	400	401	-0.1%	+1.6%
Eliminations	(100)	(91)		
Consolidated sales	300	310	-3.4%	-2.4%

Consolidated Other Products & Services sales declined by 3.4% and by 2.4% at constant scope and exchange rates. In the fourth quarter, consolidated sales were stable (down 0.1%) and edged 0.8% higher at constant scope and exchange rates.



3. Outlook regarding the Group's profitability and financial position in 2013

Vicat wishes to provide the following comments regarding its expected EBITDA margin, for 2013, which will be adversely affected by:

- lower volumes in France and Egypt,
- the challenging operating environment in Egypt,
- the start-up of the Vicat Sagar plant and a less dynamic macro-economic environment that led to pricing pressures in India,
- pricing pressure in Senegal.

These factors will be offset partly by:

- the gradual business upswing in the United States,
- the Group's upbeat top-line momentum in Switzerland, Kazakhstan, Turkey and in the domestic market of Senegal as well as Mali,
- the pursuit of productivity gains and greater use of alternative fuels, notably in Senegal
- and lastly, the policy of tight cost control and cost reductions.

Taking into account these factors and the significant negative impact of currency effects especially at the end of the year, EBITDA recorded by the Group in 2013 is expected to be stable at constant scope and exchange rates when compared to 2012.

With the start of the Vicat Sagar greenfield plant in India in early 2013, the Vicat Group has finalised an ambitious investment programme that has considerably extended its geographical reach and laid the foundations for long-term profitable growth.

Accordingly:

- **capital expenditure is expected to show a significant decline** in 2013 on the level recorded in 2012,
- **the Group's net debt at 31 December 2013 is expected to be lower than at 31 December 2012.**

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4. Conference call

To accompany the publication of its full-year 2013 sales, the Vicat group is organising a conference call that will be held in English on Tuesday, 4 February 2014 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 23
United Kingdom: +44 (0)20 3427 1914
United States: +1 212 444 0412

To listen to a playback of the conference call, which will be available until 7pm on 11 February 2014, 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: 9803771#

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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 €2,286 million** in 2013.

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). 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).

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Vicat group – Financial data - Appendices

Breakdown of sales to 31 December 2013 by business & geographical region

	Cement	Concrete & Aggregates	Other Products & Services	Inter-sector eliminations	Consolidated sales
France	366	437	232	(179)	856
Europe (excluding France)	180	175	128	(55)	427
United States	97	159	-	(35)	221
Turkey, Kazakhstan, India	387	108	40	(74)	461
Africa and Middle East	303	21	-	(2)	322
Operational sales	1 333	899	400	(346)	2 286
Inter-sector eliminations	(223)	(23)	(100)	346	-
Consolidated sales	1 110	876	300	-	2 286