

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
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- ▼ 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

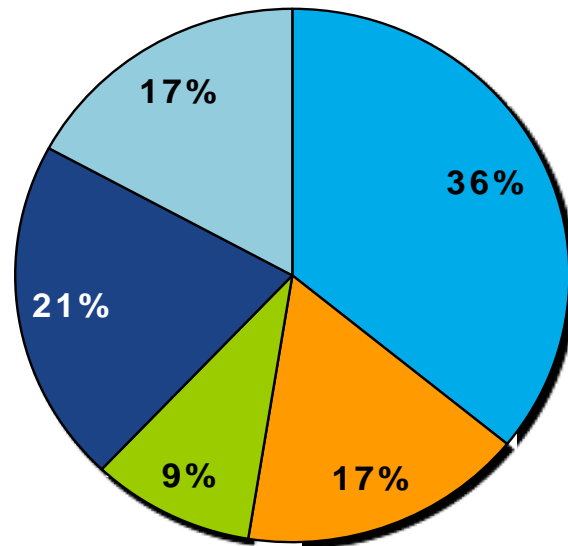
**EBIT is calculated by adjusting EBITDA for net depreciation, amortisation and additions to ordinary provisions



Consolidated sales by geographical region

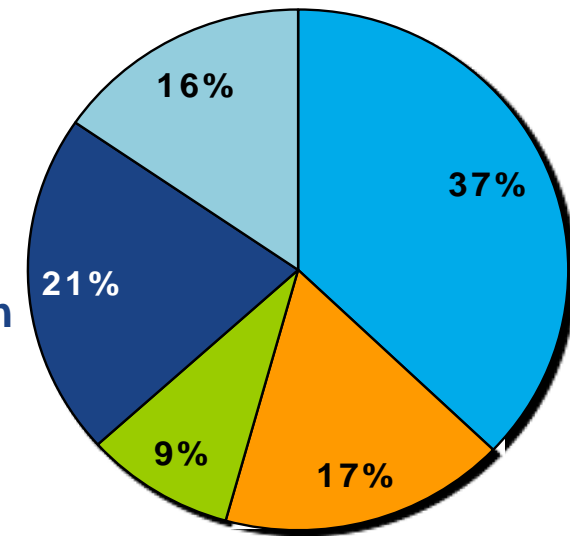
Contribution by region:

H1 2014



Contribution by region:

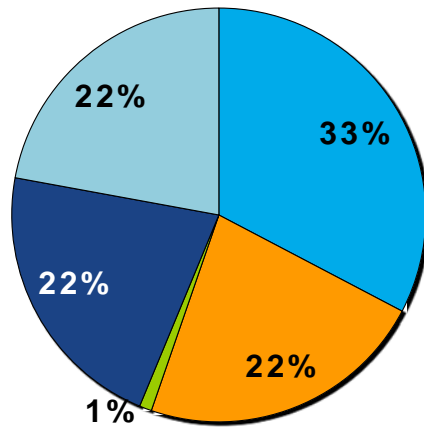
H1 2013



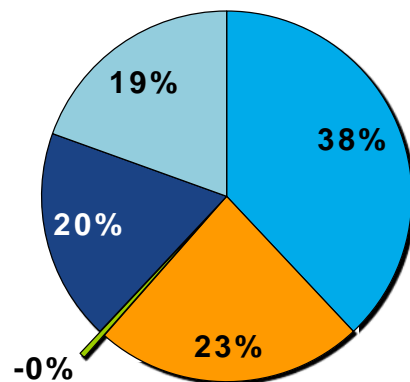
- ▼ Slight decrease in sales contribution from France
- ▼ Essentially stable contributions from all other regions

Analysis of EBITDA by geographical region

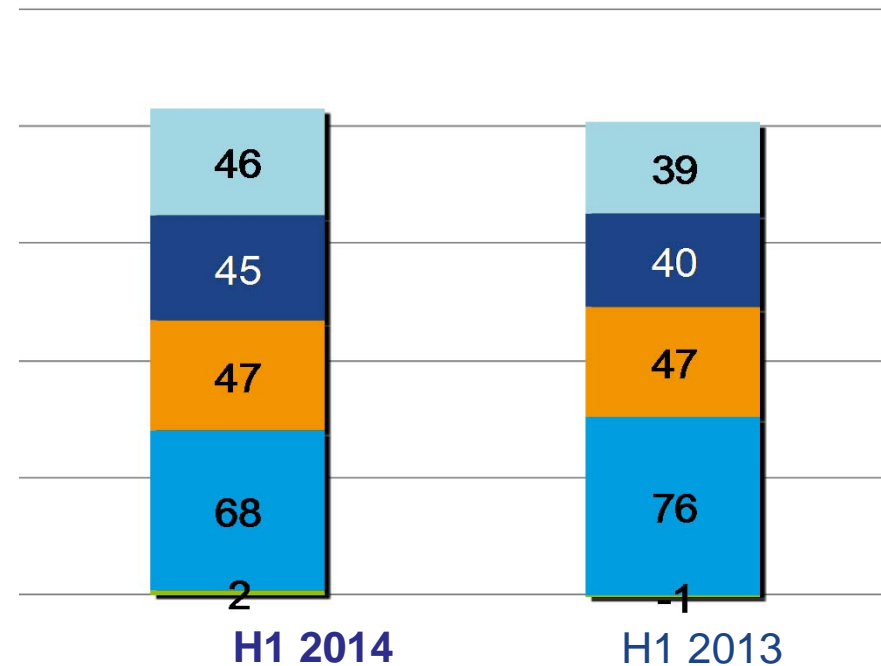
Contribution by region: H1 2014



Contribution by region: H1 2013



Contribution by region in million euros



France
Europe
USA

Turkey, India, Kazakhstan
Africa & Middle East

Analysis by region

France

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