2013 Fourth Quarter Results

Bruno Lafont and Jean-Jacques Gauthier

February 19, 2014

France, Marseille – Mucem (Museum of European & Mediterranean Civilizations)

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This document does not constitute an offer to sell, or a solicitation of an offer to buy Lafarge shares.

In order to have comparative information, and in accordance with IFRS, 2012 figures have been restated to reflect the application of the amendments of IAS 19.

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Bruno Lafont

Chairman and CEO

France, Marseille – Mucem (Museum of European & Mediterranean Civilizations)

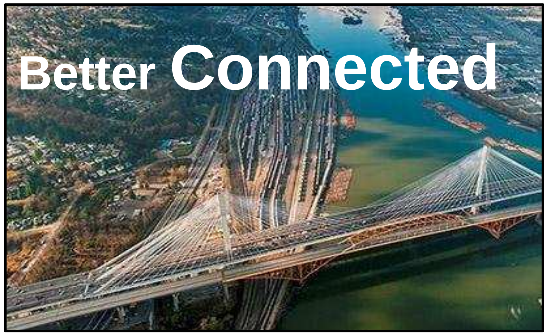
Operational Trends Continued to Improve in Q4

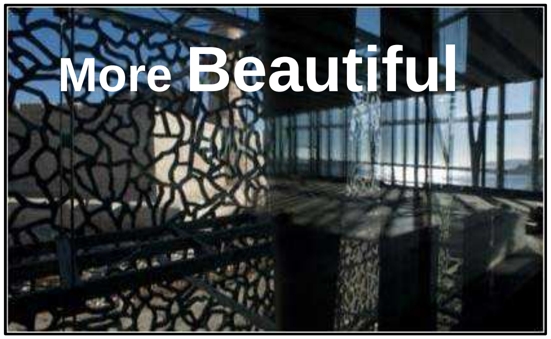
- **Volumes improving and prices remaining firm**
- **Cost reduction and innovation objectives achieved**
  - €670M delivered in 2013
  - >€600M objective for 2014
- **Net debt reduced by €1 bn in 2013**
  - Target to reduce net debt below €9 bn in 2014 is confirmed
- **Dividend of €1 per share proposed to the approval of shareholders**
- **Markets expected to grow between 2 to 5 percent in 2014**
  - They will benefit from the recovery in the United States, continuing growth in emerging markets and stabilization in Europe

Differentiate through Innovation

Additional EBITDA > €200M in 2014; €500M in 2015-2016

Provide Solutions and Services to Contribute to…





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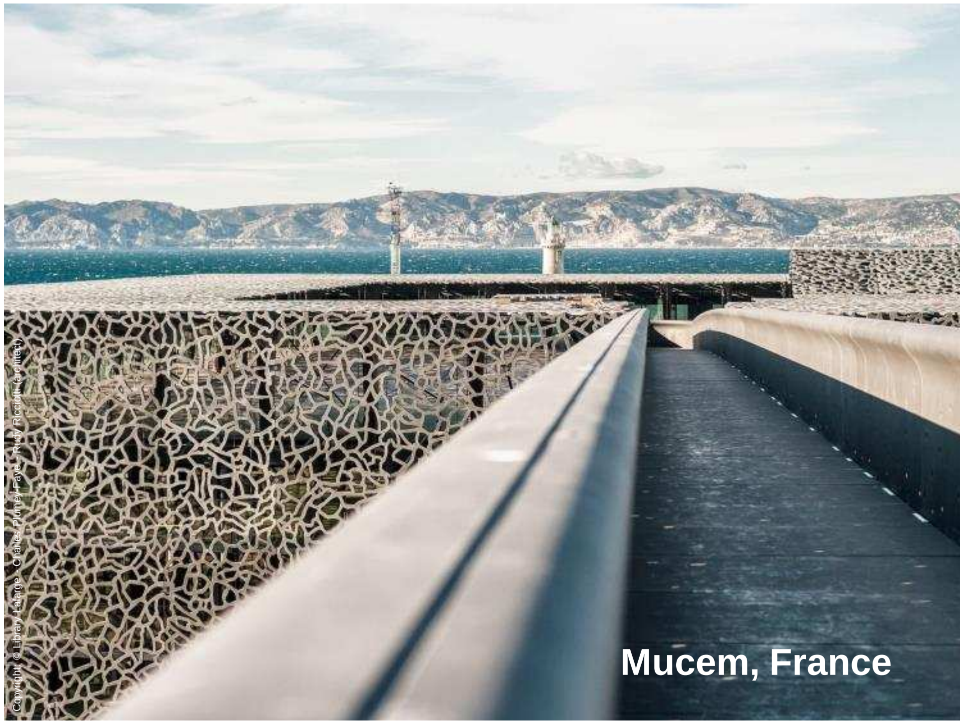
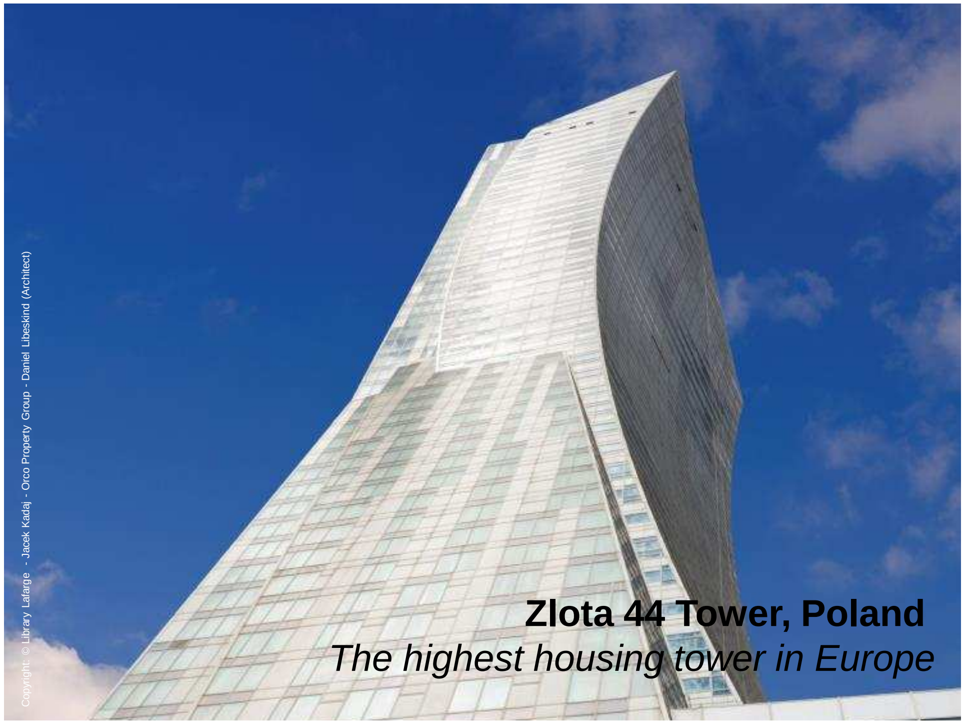
DuraBric Cement, Malawi
Cement mixed with soil


Mucem, France

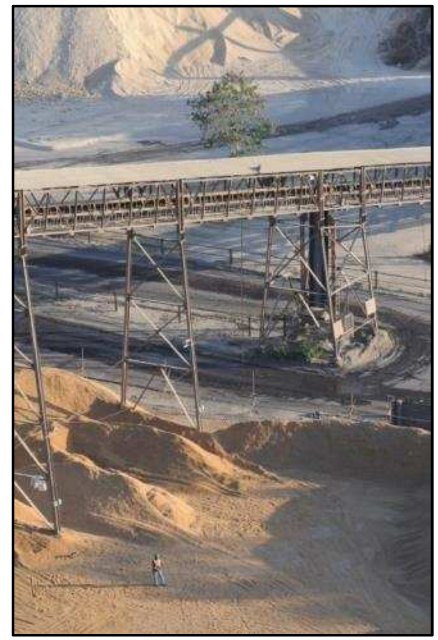

Zlota 44 Tower, Poland
The highest housing tower in Europe


Jeddah airport, Saudi Arabia

Execute Cost Savings and Focus on Prices

Cost Savings of more than €400M in 2014; €600M in 2015-2016

- **Focused on execution**
- **Full accountability for each action with alignment of the bonus scheme**
- **Actions launched in 2013 will increasingly deliver in 2014 and beyond**



Three Organic Growth Drivers

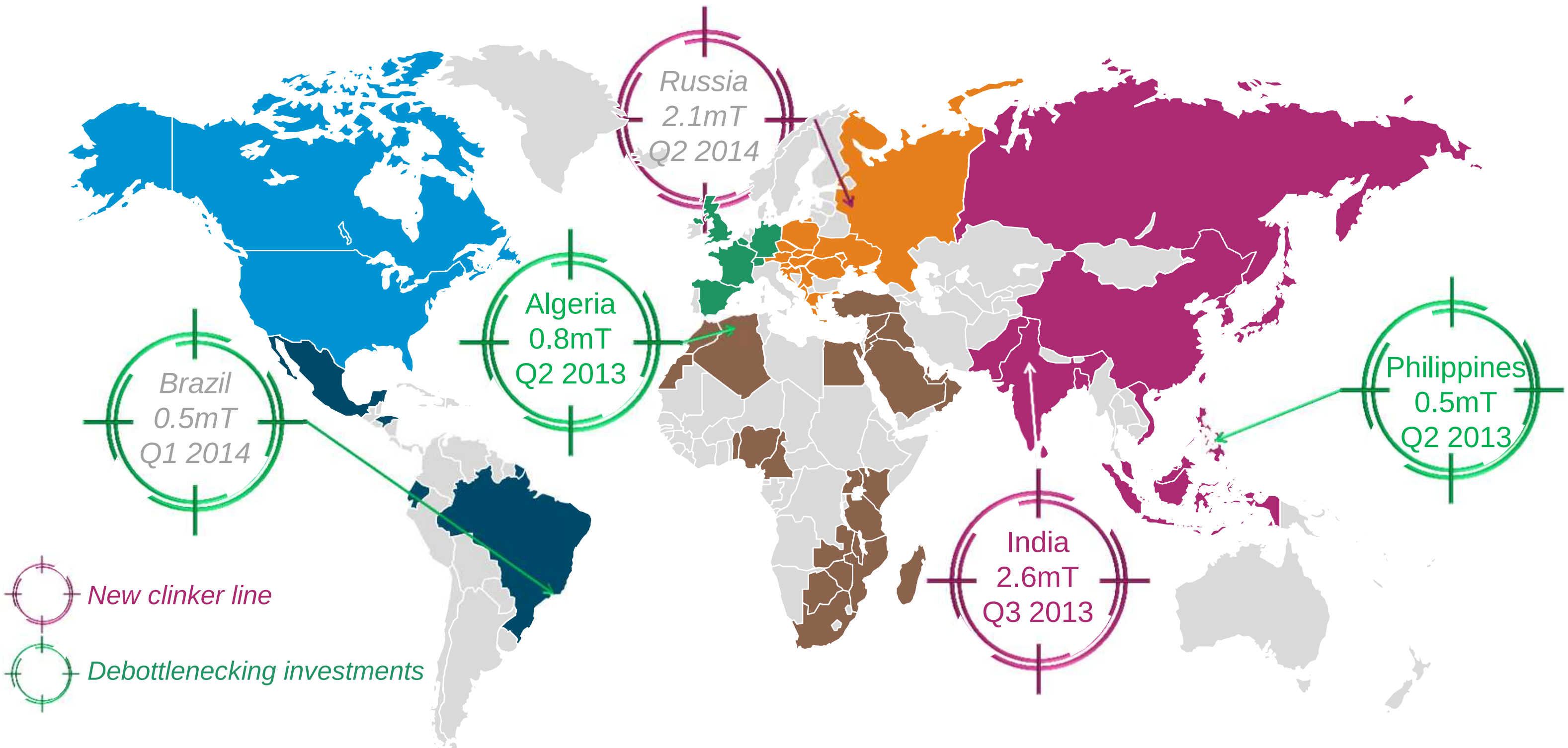
All Levers Will Contribute in 2014

- **Continuing growth in emerging countries**
- **Accelerating growth through innovation**
- **Progressive recovery in developed economies**

Leverage our portfolio to take full advantage of these drivers

Leverage our Portfolio

A Well Balanced Exposure; Organic Development Continues

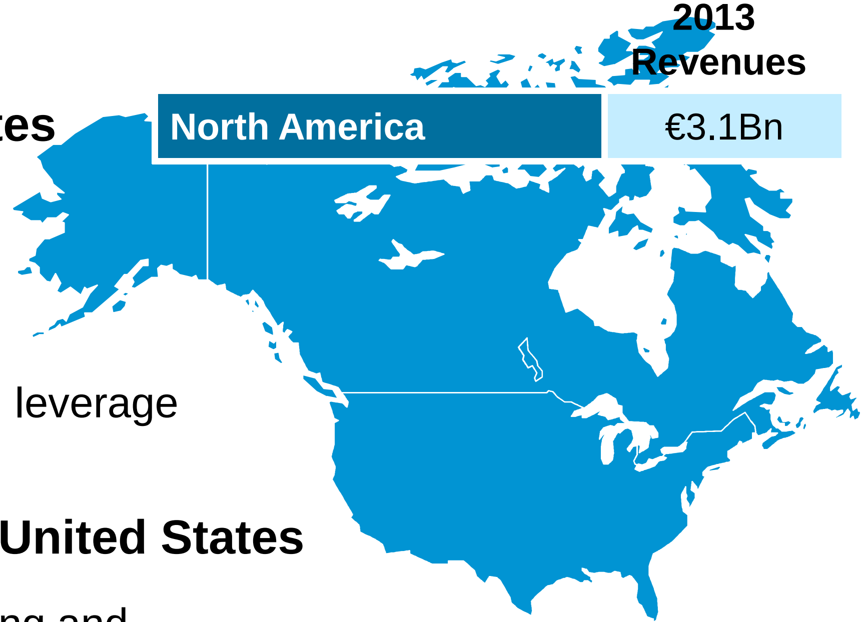


- **Construction growth continues in emerging markets where the underlying demand for our products is very strong**
- **We develop our leading positions through selective organic investments**
  - 4 million tonnes started in 2013; 2.6 million tonnes to be launched early 2014

A Significant Exposure to the North American Rebound

A Network of Integrated Positions Across the US and Canada

- **11 MT of capacity in the United States and 6 MT in Canada**
  - Refocus on stronghold positions largely completed
  - 75% utilization rate; significant operating leverage
- **Primary exposure to cement in the United States**
  - Well positioned to benefit from the housing and commercial segments recovery
- **Development projects at Ravena and Exshaw**



	2013 Revenues
North America	€3.1Bn

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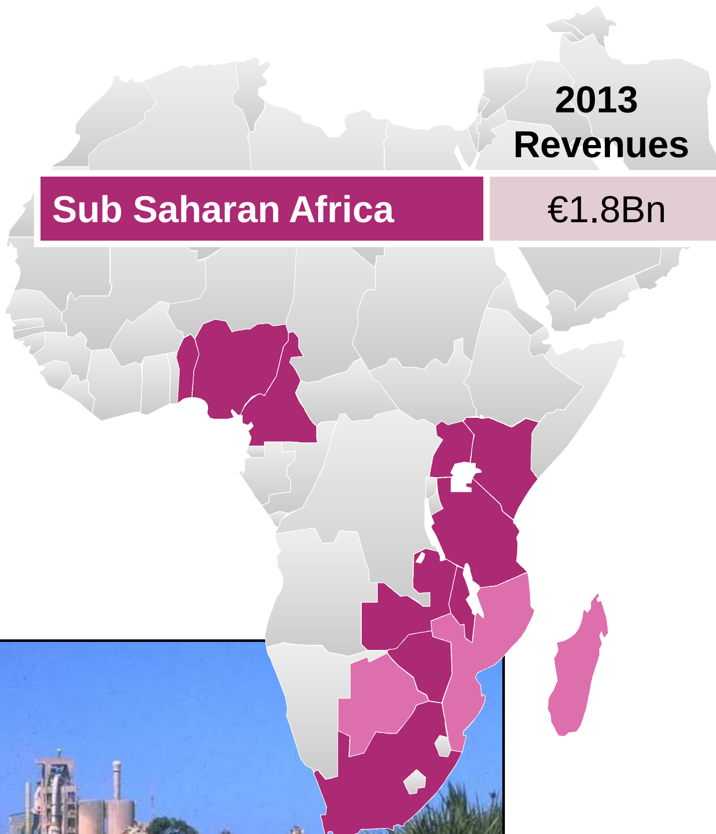
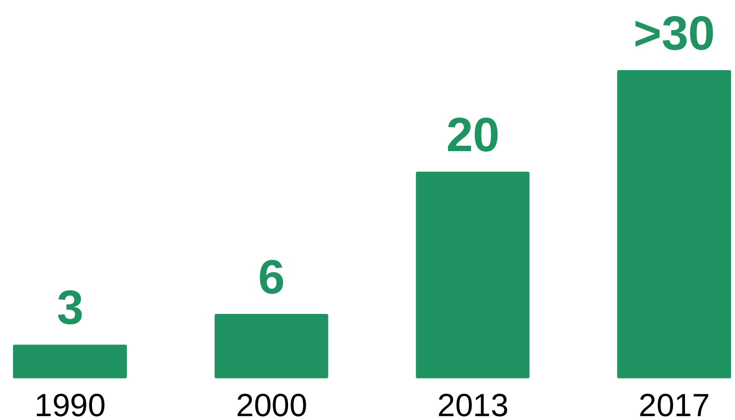
A Proven Track Record in Sub-Saharan Africa

> 10MT of Additional Capacity Planned in the Coming 4 Years



	2013 Revenues
Sub Saharan Africa	€1.8Bn

Lafarge Capacity & development plan



- **> 8.5MT of new capacity from mostly brownfield projects**
  - Nigeria, Tanzania and Zambia
- **1.5MT of debottlenecking throughout the region**

Driving Growth and Value Creation

- **We will increasingly benefit from three organic growth drivers**
  - This potential will be captured thanks to our competitive edge in innovation and our high-quality well spread portfolio of assets

- **We will continue to apply the utmost discipline in terms of capital allocation**
  - Strengthening our financial structure with the aim to return to an investment grade profile in 2014
  - Focus on dividend growth
  - Selectively invest in organic growth in our core markets while continuing to optimize our portfolio of assets

Drive a return on capital employed after tax above 8% by 2015;
Create sustainable value for shareholders

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Jean-Jacques Gauthier

- Chief Financial Officer

France, Marseille – Mucem (Museum of European & Mediterranean Civilizations)

Q4 Highlights

- **Like for like EBITDA growth in all regions, with solid performance in North America and Middle East and Africa**
  - Volumes continued to improve overall and prices were firm, sequentially stable from Q3 to Q4 and up 2.6% vs. Q4 2012
  - EBITDA up 14% on a like for like basis despite a €20M impact of destocking
- **Adverse non cash impact of foreign exchange rates**
  - -8% on Sales and EBITDA in Q4
- **Cost reduction and innovation measures objectives achieved, with €670M delivered in 2013; €200M generated in Q4**
  - EBITDA margin up 170 basis points in Q4 on a like for like basis
- **Strong net debt reduction achieved**
  - Net debt reduced by €1 billion compared to end December 2012 and by €0.6 billion in the quarter

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Key Figures

	12 Months				4th Quarter			
Volumes	**2013**	**2012**	**Variation**	**lfl** (2)	***2013***	***2012***	***Variation***	***lfl*** (2)
Cement (MT)	136.8	141.1	-3%	-	*34.9*	*34.8*	-	*3%*
Pure aggregates (MT)	192.8	188.3	2%	-	*49.2*	*47.1*	*4%*	*2%*
Ready-Mix Concrete (Mm^3)	30.7	31.8	-3%	-1%	*7.5*	*7.8*	*-4%*	*-2%*
Sales	**15,198**	**15,816**	**-4%**	**2%**	***3,714***	***3,809***	***-2%***	***5%***
EBITDA	3,102	3,423	-9%	2%	*793*	*844*	*-6%*	*14%*
EBITDA Margin	*20.4%*	*21.6%*	-120bps	10bps	*21.4%*	*22.2%*	*-80bps*	*170bps*
Current Operating Income	**2,075**	**2,413**	**-14%**	**3%**	***529***	***591***	***-10%***	***20%***
Net income Group share	601	365	65%		*213*	*83*	*nm*	
Earnings per share (in €)	**2.09**	**1.27**	**65%**		***0.74***	***0.29***	*nm*	
Net dividend (in €) (1)	**1.00**	**1.00**						
Free cash flow	**864**	**884**	**-2%**		***504***	***673***	***-25%***	
Net debt	10,330	11,317	-9%					

(1) Subject to the approval of Annual General Meeting
(2) At constant scope and exchange rates, excluding CO2 and one-time gains (North America: €24m in Q4 12 and €20m in Q1 13 and LATAM: €15m in Q4 12)

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Operational Review

Everyday life in Brazil - urban planning and street atmosphere in Rio de Janeiro

Overview of EBITDA by Geographical Area

By geographical zone	12 Months 2013	12 Months 2012	12 Months Variation	12 Months lfl [(2)]	*4th Quarter 2013*	*4th Quarter 2012*	*4th Quarter Variation*	*4th Quarter lfl [(2)]*
North America	560	558	-	18%	*143*	*160*	*-11%*	*26%*
Western Europe [(1)]	354	507	-30%	-16%	*94*	*106*	*-11%*	*8%*
Central & Eastern Europe [(1)]	201	256	-21%	-14%	*50*	*42*	*19%*	*65%*
Middle East and Africa	1,153	1,242	-7%	-	*297*	*295*	*1%*	*10%*
Latin America	240	296	-19%	-1%	*55*	*85*	*-35%*	*2%*
Asia	594	564	5%	13%	*154*	*156*	*-1%*	*11%*
EBITDA [(1)]	**3,102**	**3,423**	**-9%**	**2%**	***793***	***844***	***-6%***	***14%***

(1) Impacted by lower sales of carbon credits in 2013:

	12M 2013 versus 12M 2012	**Q4 2013 versus Q4 2012**
Western Europe:	€11m vs €73m (€62m lower proceeds)	€11m vs €17m (€6m lower proceeds)
Central and Eastern Europe:	€3m vs €26m (€23m lower proceeds	€3m vs €13m (€10m lower proceeds)
Group:	€14m vs €99m (€85m lower proceeds)	€14m vs €30m (€16m lower proceeds)

(2) At constant scope and exchange rates, and excluding CO2 and one-time gains (North America: €24m in Q4 12 and €20m in Q1 13 and LATAM: €15m in Q4 12)

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North America

Visible Operating Leverage in H2 and Strong Cost Reductions

	12 Months				4th Quarter			
Volumes	**2013**	**2012**	**Variation**	**lfl (1)**	***2013***	***2012***	***Variation***	***lfl (1)***
Cement (MT)	11.3	12.8	-12%	-3%	*2.9*	*3.0*	*-6%*	*3%*
Pure aggregates (MT)	92.3	97.2	-5%	1%	*23.5*	*24.7*	*-5%*	*1%*
Ready-Mix Concrete (Mm^3)	6.2	6.5	-4%	2%	*1.5*	*1.7*	*-5%*	*1%*
Sales	**3,137**	**3,375**	**-7%**	**5%**	***767***	***824***	***-7%***	***9%***
EBITDA	**560**	**558**	**-**	**18%**	***143***	***160***	***-11%***	***26%*** (2)
EBITDA Margin	*17.9%*	*16.5%*	*140bps*	*190bps*	*18.6%*	*19.4%*	*-80bps*	*250bps*
Current Operating Income	405	360	13%	32%	*105*	*111*	*-5%*	*43%*

- The region was impacted by the depreciation of the Canadian dollar and by targeted divestments achieved in line with the Group's strategy of focusing on the most promising geographic areas in the US.
- At constant scope and exchange rates, volumes and prices were up in Q4 across all product lines, supporting a healthy 9% increase in sales.
  - **In the United States**, prices remained firmly up in all product lines. Q4 volumes continued to increase solidly, supported by the recovery in the residential segment, somewhat catching up after a first-half year impacted by particularly adverse weather in the Northeast region.
  - **In Canada**, sales improved, thanks to the combined effect of pricing gains and higher volumes in aggregates, asphalt and paving and concrete, while cement volumes were slightly down. Solid growth in Western Canada more than offset a soft market in Quebec.
- EBITDA increased 26% like-for-like in the quarter, benefiting from the operating leverage as volumes recover, as well as from higher prices, cost-saving and innovation measures, and despite the impact of reduction in inventories.

(1) Variations like-for-like are calculated at constant scope and exchange rates, and excluding the one-time gains recorded for pensions (€24m in Q4 2012 and €20m in Q1 2013).
(2) Variation in Q4: gross variation: -11%; scope impact: -7%; FX impact: -9%; Q4 2012 one-time gains impact: -21%; lfl: +26%

Western Europe

Cost-Cutting in a Challenging Environment; Improving Situation in Q4

Volumes	12 Months 2013	12 Months 2012	12 Months Variation	12 Months lfl (2)	4th Quarter 2013	4th Quarter 2012	4th Quarter Variation	4th Quarter lfl (2)
Cement (MT)	14.0	16.4	-14%	-3%	3.4	3.9	-12%	-1%
Pure aggregates (MT)	59.4	50.9	17%	-3%	14.9	12.2	22%	1%
Ready-Mix Concrete (Mm^3)	9.1	9.8	-7%	-5%	2.3	2.3	-3%	-1%
Sales	**3,256**	**3,181**	**2%**	**-3%**	**802**	**748**	**7%**	**-1%**
EBITDA (1)	**354**	**507**	**-30%**	**-16%**	**94**	**106**	**-11%**	**8%**
EBITDA Margin (1)	*10.9%*	*15.9%*	*-500bps*	*-170bps*	*11.7%*	*14.2%*	*-250bps*	*100bps*
Current Operating Income (1) (3)	87	316	-72%	-34%	20	57	-65%	41%

- Overall, volume trends continued to ease in the fourth quarter despite contrasting market conditions.
  - **In France,** Q4 volumes were resilient, with relatively better market trends.
  - **In the UK**, our sales went up in the quarter with improved volume and a higher proportion of Aggregates and Asphalt and Paving sales from the assets contributed to the JV by Tarmac.
  - Activity in **Spain and Greece** remains affected by the challenging economic environment, and mitigating actions, such as innovation or development of exports, continued to be promoted. In Greece, domestic volumes stabilized in H2 compared to last year.
- Q4 EBITDA was up 8% like-for-like in the quarter, supported by strong cost-cutting initiatives.

(1) Impacted by lower carbon credit sales: 62 million euros versus the full year 2012, 6 million euros versus the fourth quarter 2012
(2) Variations like-for-like are calculated excluding the carbon credit sales, and at constant scope and exchange rates
(3) COI was impacted by the restarting of the depreciation of the assets in the UK: €80m full year impact

Central and Eastern Europe

Limited Infrastructure Spending Weighed on Volumes in H1

	12 Months				4th Quarter			
Volumes	**2013**	**2012**	**Variation**	**lfl (2)**	***2013***	***2012***	***Variation***	***lfl (2)***
Cement (MT)	12.5	13.2	-6%	-5%	*2.7*	*2.8*	*-5%*	*-1%*
Pure aggregates (MT)	20.7	22.3	-7%	-8%	*5.6*	*5.7*	*-3%*	*-3%*
Ready-Mix Concrete (Mm^3)	1.6	1.5	6%	6%	*0.4*	*0.3*	*24%*	*24%*
Sales	**1,145**	**1,270**	**-10%**	**-8%**	***258***	***281***	***-8%***	***-1%***
EBITDA (1)	**201**	**256**	**-21%**	**-14%**	***50***	***42***	***19%***	***65%***
EBITDA Margin (1)	*17.6%*	*20.2%*	*-260bps*	*-120bps*	*19.4%*	*14.9%*	*450bps*	*730bps*
Current Operating Income (1)	112	175	-36%	-27%	*27*	*21*	*29%*	*nm*

- Sales declines eased in H2, with limited infrastructure spending as a result of lower EU funds available in Poland and Romania but normalized comparables.
  - **In Poland,** cement volumes returned to positive territory, up 10% in Q4, after the strong decline seen in H1.
  - **In Romania,** the construction sector was impacted by lower infrastructure spending throughout the year.
  - **In Russia**, market trends were positive, but cement volumes were affected by production limitations and a competitive environment.
- EBITDA improved 8 million euros in the quarter, thanks to the combined effect of cost-saving and innovation measures and a positive impact of stock movements, more than offsetting the lower carbon credit sales.

(1) Impacted by lower carbon credit sales: 23 million euros versus the full year 2012, 10 million euros versus the fourth quarter 2012
(2) Variations like-for-like are calculated excluding the carbon credit sales, and at constant scope and exchange rates

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Middle East and Africa

Robust Performance with Higher Pricing and Self-Help Measures

	12 Months				4th Quarter			
Volumes	**2013**	**2012**	**Variation**	**lfl (1)**	***2013***	***2012***	***Variation***	***lfl (1)***
Cement (MT)	44.4	45.2	-2%	-4% (2)	*11.8*	*11.0*	*8%*	*3% (2)*
Pure aggregates (MT)	8.9	8.6	4%	6%	*2.2*	*2.0*	*12%*	*14%*
Ready-Mix Concrete (Mm^3)	6.9	7.0	-1%	-1%	*1.7*	*1.8*	*-1%*	*-1%*
Sales	**4,067**	**4,283**	**-5%**	**2%**	***1,035***	***1,017***	***2%***	***9%***
EBITDA	**1,153**	**1,242**	**-7%**	**-**	***297***	***295***	***1%***	***10%***
EBITDA Margin	*28.4%*	*29.0%*	*-60bps*	*-50bps*	*28.7%*	*29.0%*	*-30bps*	*20bps*
Current Operating Income	847	913	-7%	-	*222*	*213*	*4%*	*14%*

- The region benefitted from solid market trends in most markets, driving sales up 9% like for like in Q4 and 2% YTD.
  - **Nigeria** benefitted from strong market trends all along the year, with cement volumes sharply up. This largely offset the impact of the price adjustment in this country.
  - **In Algeria**, cement sales increased 9% both in Q4 and YTD supported by the development of new cement products.
  - **In Egypt,** the impact of gas shortage continued to ease in the fourth quarter as we progressively substitute gas for other fuels. Prices increased in response to high cost inflation.
  - **In Morocco**, sales of added-value products and the development of a strong distribution network drove up sales.
  - **In Iraq,** where cement demand continues to be strong, sales were impacted by the competitive environment.
- Q4 EBITDA was up 10% like for like, with a positive contribution from the vast majority of countries, thanks to higher volumes, strong cost-saving and innovation measures and pricing gains in many countries in response to cost inflation.

(1) At constant scope and exchange rates
(2) Domestic only

Latin America

Moderate Market Growth in a Strong Inflation Environment

	12 Months				4th Quarter			
Volumes	**2013**	**2012**	**Variation**	**lfl (1)**	***2013***	***2012***	***Variation***	***lfl (1)***
Cement (MT)	8.8	9.2	-4%	1%	*2.0*	*2.3*	*-14%*	*-*
Pure aggregates (MT)	2.8	2.7	2%	2%	*0.8*	*0.6*	*27%*	*27%*
Ready-Mix Concrete (Mm^3)	1.2	1.1	10%	10%	*0.3*	*0.3*	*18%*	*18%*
Sales	**869**	**961**	**-10%**	**5%**	***192***	***232***	***-17%***	***6%***
EBITDA	**240**	**296**	**-19%**	**-1%**	***55***	***85***	***-35%***	***2%***
EBITDA Margin	*27.6%*	*30.8%*	*-320bps*	*-170bps*	*28.6%*	*36.6%*	*-800bps*	*-130bps*
Current Operating Income	202	256	-21%	-3%	*46*	*76*	*-39%*	*-3%*

- Like-for-like sales were up 6% in the quarter, when excluding the effect of the devaluation of the Brazilian real against the euro and the impact of the divestment of our Honduras operations and the creation of a joint venture with Elementia in Mexico.
  - **In Brazil,** the construction market continues to experience subdued growth. Cement sales were positive, up 2% in the quarter, thanks to some pricing gains in response to significant cost inflation and despite some production limitations.
  - **In Ecuador,** market trends were solid, with higher prices and cement volumes.
- EBITDA was up 2% like-for-like in the quarter, as price hikes and cost savings and innovation actions more than offset the impact of sustained cost inflation.

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(1) Variations like-for-like are calculated at constant scope and exchange rates, and excluding the €15m one-time gain recorded in Q4 2012.

Asia

Positive Market Trends; Earnings Growth in 2013 despite Negative FX

	12 Months				4th Quarter			
Volumes	**2013**	**2012**	**Variation**	**lfl [1]**	***2013***	***2012***	***Variation***	***lfl [1]***
Cement (MT)	45.8	44.3	3%	3%	*12.1*	*11.8*	*3%*	*3%*
Pure aggregates (MT)	8.7	6.6	32%	30%	*2.2*	*1.9*	*19%*	*16%*
Ready-Mix Concrete (Mm^3)	5.7	5.9	-4%	-1%	*1.3*	*1.4*	*-15%*	*-15%*
Sales	**2,724**	**2,746**	**-1%**	**5%**	***660***	***707***	***-7%***	***4%***
EBITDA	**594**	**564**	**5%**	**13%**	***154***	***156***	***-1%***	***11%***
EBITDA Margin	*21.8%*	*20.5%*	*130bps*	*140bps*	*23.3%*	*22.1%*	*120bps*	*150bps*
Current Operating Income	422	393	7%	16%	*109*	*113*	*-4%*	*9%*

- Q4 sales were up 4% like-for-like, with pricing gains in response to cost inflation and higher volumes.
  - **In the Philippines,** the construction market was temporarily hit by the Yolanda typhoon in Q4, driving volumes down 2% in Q4. 2013 volumes increased a robust 9% reflecting buoyant market trends.
  - **In Malaysia**, sales were up 9% in the quarter mostly reflecting price gains.
  - **In India,** our new 2.6MT cement plant located in Rajasthan successfully started in Q4. Our regions were resilient despite a slowdown in the economy ahead of elections, impacting the construction industry.
  - **In China,** our cement volumes were up 4% in the quarter ; prices sequentially moved up 1% from Q3 to Q4, helped by some improvements in Chongqing and Sichuan.
  - **In South Korea**, improved market trends supported volume growth in the quarter.
- At constant scope and exchange rates, EBITDA experienced a double digit growth both in the quarter and year-to-date, supported by volume growth, pricing gains and visible impact of cost cutting and innovation measures.

(1) At constant scope and exchange rates

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Net Income

France – Extension to a villa in La Baule – Rocheteau-Saillard Architects

Net Income

Significant Gains on Disposals Offsetting Adverse FX Impacts

€m	12 Months 2013	12 Months 2012	4th Quarter 2013	4th Quarter 2012
EBITDA	**3,102**	**3,423**	***793***	***844***
Depreciation	(1,027)	(1,010)	*(264)*	*(253)*
Current Operating Income	**2,075**	**2,413**	***529***	***591***
Other income (expenses)	(55)	(493)	*48*	*(106)*
Net financial costs	(1,041)	(1,095)	*(249)*	*(289)*
Income from associates	19	5	*14*	*(6)*
Income taxes	(262)	(292)	*(74)*	*(76)*
Income from discontinued operations	46	16	*(1)*	*8*
Non-controlling interests	(181)	(189)	*(54)*	*(39)*
Net income Group Share (1)	**601**	**365**	***213***	***83***

(1) Net income attributable to the owners of the parent company

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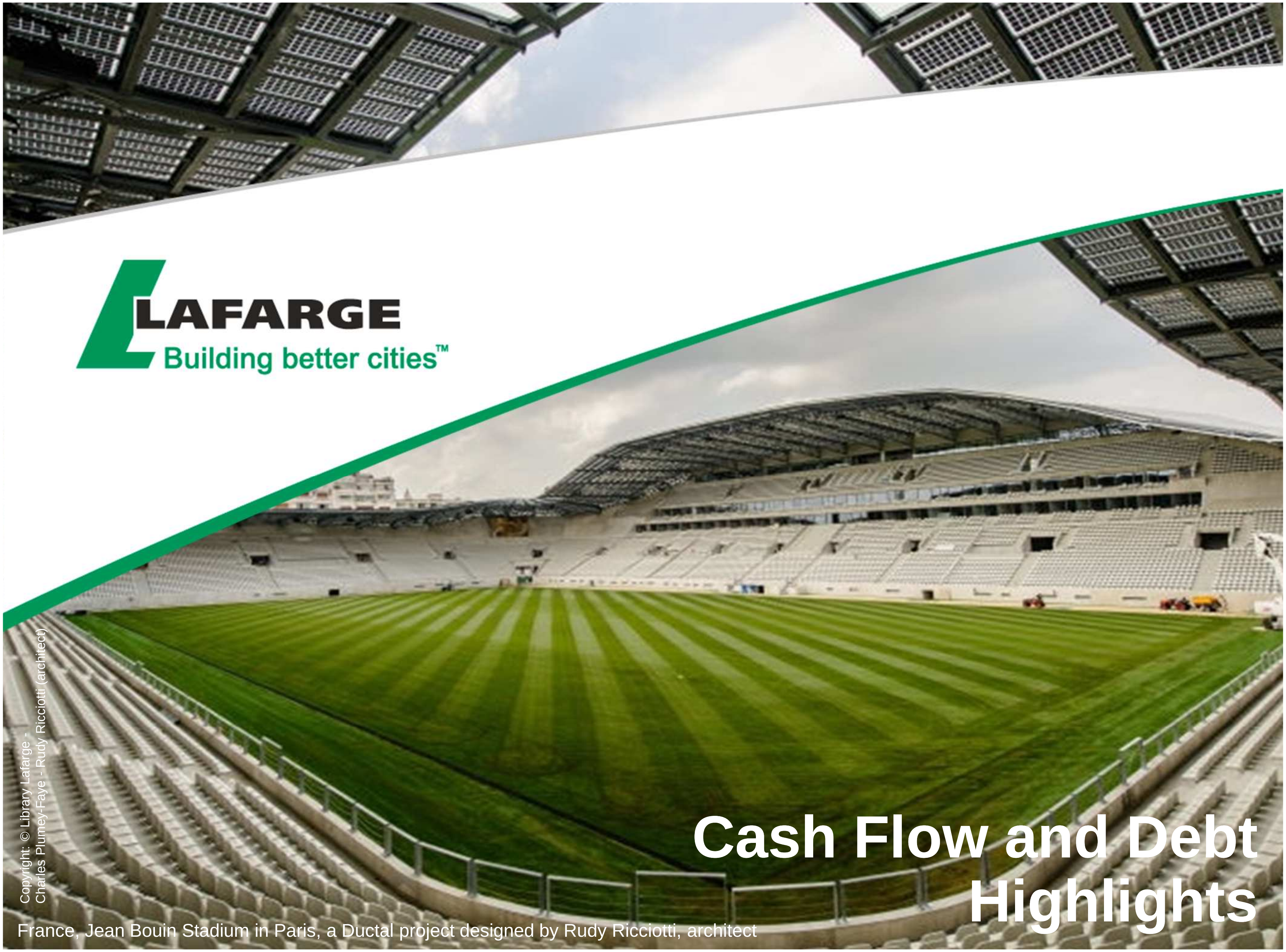

Cash Flow and Debt Highlights

France, Jean Bouin Stadium in Paris, a Ductal project designed by Rudy Ricciotti, architect

Cash Flow

Net Debt Reduced by 1 Billion Euros over the Year

€m	12 Months 2013	12 Months 2012	4th Quarter 2013	4th Quarter 2012
Cash flow from operations	1,291	1,580	*221*	*257*
Change in working capital	(36)	(304)	*455*	*626*
Sustaining capex	(391)	(392)	*(172)*	*(210)*
Free cash flow	**864**	**884**	***504***	***673***
Development investments [1]	(678) [3]	(425)	*(134)*	*(117)*
Divestments [2]	1,283 [3]	474	*235*	*357*
Cash flow after investments	**1,469**	**933**	***605***	***913***
Dividends	(507)	(299)	*(26)*	*(30)*
Equity issuance (repurchase)	3	9	-	-
Currency fluctuation impact	4	24	*29*	*59*
Change in fair value	25	(9)	*33*	*(23)*
Others	(7)	(1)	*(27)*	*(34)*
Net debt reduction (increase)	**987**	**657**	***614***	***885***
Net debt at the beginning of period	11,317	11,974	*10,944*	*12,202*
Net debt at period end	**10,330**	**11,317**	***10,330***	***11,317***

(1) Including net debt acquired and the acquisitions of ownership interests with no gain of control.
The acquisitions of ownership interests with no gain of control represented €2m in FY 2013 and €60m in FY 2012, excluding puts, already recorded as debt, exercised in the period (excluding a €28m put exercised in the second quarter 2012, and a €59m put exercised in the fourth quarter 2012).
(2) Including net debt disposed of, and the disposals of ownership interests with no loss of control
(3) The 0.2 billion euros of capital injection in 2013 of our new partner in India to finance new projects is included in the divestments, and the “development investments” include the related CAPEX

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Outlook 2014

Canada - Port Mann Bridge with ten lanes of traffic, a cable-stay bridge spanning the Fraser River and connecting the towns of Coquitlam and Surrey

2014 Outlook – Market [(1)] Overview

Cement

	Volumes (%)	Price	Highlights
North America	4 to 7	+	Market growth, notably supported by positive trends in the US residential an commercial sectors
Western Europe	-2 to 1	=/+	Overall stabilization at a low level. Growth expected in the UK, supported by the residential sector; slight decrease in France
Central and Eastern Europe	2 to 5	+	Market growth in Poland and Russia
Middle East and Africa	4 to 7	+	Solid market trends across the region
Latin America	2 to 5	+	Moderate growth in Brazil
Asia	2 to 5	+	Market growth expected in most markets
Overall	**2 to 5**	**+**	**Growth in all regions but Western Europe that should stabilize at low levels**

(1) Market growth forecast at national level – Lafarge volumes trends can differ from this outlook

2014 Outlook – Other Elements

- 2% energy cost inflation (0.3 euro per tonne)
- Continuous Focus on our Cost reduction and Innovation plan:
  - Cost reduction: > €400M
  - Innovation: > €200M
- Cost of debt (gross): ~6%
- Tax rate: 31%
- Capital expenditures: €1.1Bn
- We will continue to pursue further value creative divestments

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Conclusion

France, Marseille – Mucem (Museum of European & Mediterranean Civilizations)

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I. Other Information

Outlook 2014 – Market Overview

Canada - Port Mann Bridge with ten lanes of traffic, a cable-stay bridge spanning the Fraser River and connecting the towns of Coquitlam and Surrey

2014 Outlook – Market [1] overview

Cement

	Market Volumes (%)
North America	**4 to 7**
United States [1]	5 to 8
Canada	2 to 5
Western Europe	**-2 to 1**
France	-5 to -2
United Kingdom	4 to 7
Spain	-3 to 0
Greece	0 to 3
Central and Eastern Europe	**2 to 5**
Poland	3 to 6
Romania	-1 to 2
Russia [1]	5 to 8
Latin America	**2 to 5**
Brazil	2 to 5
Ecuador	2 to 5

	Market Volumes (%)
Middle East and Africa	**4 to 7**
Algeria	5 to 8
Egypt	4 to 7
Iraq	5 to 8
Kenya	4 to 7
Morocco	0 to 3
Nigeria	7 to 10
South Africa	0 to 3
Asia	**2 to 5**
China [1]	2 to 5
India [1]	3 to 6
Indonesia [1]	2 to 5
Malaysia	2 to 5
Philippines	7 to 10
South Korea	-3 to 0
Overall	**2 to 5**

(1) Market growth forecast at national level except for United States, Russia, China, India and Indonesia for which only relevant markets are considered

2014 Outlook – Market overview

Aggregates and Concrete

- **Main markets**
  - North America: Market growth, notably supported by positive trends in the US residential and commercial sectors, and some projects in Canada.
  - Western Europe: Overall stabilization at a low level. Growth expected in the UK, supported by the residential sector; slight decrease in France
  - Emerging markets: Market growth expected in most markets

- **Prices**
  - Price improvement expected for both Pure Aggregates and Ready-Mix concrete.

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II. Other information

Scope and Foreign Exchange Effects

Everyday life in Brazil - urban planning and street atmosphere in Rio de Janeiro

Sales by Geographical Area

Scope and Foreign Exchange Effects

12 Months

In million euros	**2013**	**2012**	Variation	Scope	FX effect	lfl
North America	3,137	3,375	-7%	-7%	-5%	5%
Western Europe	3,256	3,181	2%	5%	-	-3%
Central and Eastern Europe	1,145	1,270	-10%	-1%	-1%	-8%
Middle East and Africa	4,067	4,283	-5%	-	-7%	2%
Latin America	869	961	-10%	-4%	-11%	5%
Asia	2,724	2,746	-1%	-	-6%	5%
TOTAL	**15,198**	**15,816**	**-3.9%**	**-0.4%**	**-5.1%**	**1.6%**

EBITDA by Geographical Area

Scope and Foreign Exchange Effects

12 Months

In million euros	**2013**	**2012**	Variation	Scope	FX effect	Variation at constant scope and exchange rates	Impact of lower carbon credit sales and and one offs	Like for like variation(1)
North America	560	558	-	-10%	-7%	17%	-1%	18%
Western Europe	354	507	-30%	-4%	-	-26%	-10%	-16%
Central and Eastern Europe	201	256	-21%	-	-	-21%	-7%	-14%
Middle East and Africa	1,153	1,242	-7%	-	-7%	-	-	-
Latin America	240	296	-19%	-4%	-9%	-6%	-5%	-1%
Asia	594	564	5%	-	-8%	13%	-	13%
TOTAL	**3,102**	**3,423**	**-9%**	**-2%**	**-6%**	**-1%**	**-3%**	**2%**

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(1) At constant scope and exchange rates, and excluding the impact of carbon credit sales and one-off items (North America: €24m in Q4 12 and €20m in Q1 13 and LATAM: €15m in Q4 12)

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II. Other information

Information per Activity

Everyday life in Brazil - urban planning and street atmosphere in Rio de Janeiro

Cement

	12 Months 2013	12 Months 2012	12 Months Variation	12 Months lfl [2]	4th Quarter 2013	4th Quarter 2012	4th Quarter Variation	4th Quarter lfl [2]
Volumes Cement (MT)	136.8	141.1	-3%	-	*34.9*	*34.8*	*-*	*3%*
EBITDA Margin	25.8%	26.9%	-110bps	20bps	*27.1%*	*28.0%*	*-90bps*	*130bps*

By geographical zone	12 Months 2013	12 Months 2012	12 Months Variation	12 Months lfl [2]	4th Quarter 2013	4th Quarter 2012	4th Quarter Variation	4th Quarter lfl [2]
Sales	**10,333**	**11,085**	**-7%**	**1%**	***2,499***	***2,645***	***-6%***	***5%***
North America	1,255	1,387	-10%	3%	*299*	*327*	*-9%*	*6%*
Western Europe	1,423	1,668	-15%	-5%	*339*	*384*	*-12%*	*-2%*
Central and Eastern Europe	901	982	-8%	-6%	*192*	*210*	*-9%*	*-*
Middle East and Africa	3,541	3,737	-5%	1%	*905*	*884*	*2%*	*9%*
Latin America	759	854	-11%	3%	*161*	*205*	*-21%*	*2%*
Asia	2,454	2,457	-	5%	*603*	*635*	*-5%*	*5%*
EBITDA [1]	**2,665**	**2,983**	**-11%**	**2%**	***677***	***740***	***-9%***	***10%***
North America	290	281	3%	27%	*72*	*75*	*-4%*	*44%*
Western Europe [1]	255	414	-38%	-14%	*68*	*96*	*-29%*	*-15%*
Central and Eastern Europe [1]	189	238	-21%	-12%	*46*	*41*	*12%*	*53%*
Middle East and Africa	1,111	1,206	-8%	-1%	*289*	*289*	*-*	*9%*
Latin America	230	282	-18%	-	*48*	*84*	*-43%*	*-6%*
Asia	590	562	5%	12%	*154*	*155*	*-1%*	*11%*

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(1) Impacted by lower carbon credit sales
(2) At constant scope and exchange rates, and excluding CO_2 and one-time gains

Aggregates and Concrete

	12 Months				4th Quarter			
	2013	2012	Variation	lfl (1)	*2013*	*2012*	*Variation*	*lfl (1)*
Volumes Pure Aggregates (MT)	192.8	188.3	2%	-	*49.2*	*47.1*	*4%*	*2%*
Volumes Ready-Mix (Mm^3)	30.7	31.8	-3%	-1%	*7.5*	*7.8*	*-4%*	*-2%*
Sales (€m)	5,469	5,367	2%	3%	*1,353*	*1,316*	*3%*	*4%*
EBITDA	464	479	-3%	1%	*140*	*143*	*-2%*	*13%*
EBITDA Margin	8.5%	8.9%	-40bps	-10bps	*10.3%*	*10.9%*	*-60bps*	*80bps*

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(1) At constant scope and exchange rates, and excluding one-time gains

Aggregates and Other Related Activities

	12 Months			4th Quarter		
	2013	**2012**	**Variation**	***2013***	***2012***	***Variation***
EBITDA Margin	10.9%	12.0%	-110bps	*12.4%*	*14.6%*	*-220bps*

By geographical zone	12 Months 2013	12 Months 2012	Variation	lfl (1)	4th Quarter 2013	4th Quarter 2012	Variation	lfl (1)
Sales	**3,015**	**2,777**	**9%**	**3%**	***759***	***678***	***12%***	***6%***
Out of which Pure aggregates	*2,365*	*2,350*	*1%*	*1%*	*586*	*582*	*1%*	*4%*
North America	1,038	1,114	-7%	3%	*258*	*278*	*-7%*	*7%*
Western Europe	910	790	15%	-1%	*220*	*194*	*13%*	*-2%*
Other	417	446	-7%	-1%	*108*	*110*	*-2%*	*5%*
EBITDA	**329**	**334**	**-1%**	**1%**	***94***	***99***	***-5%***	***9%***
Out of which Pure aggregates	293	*306*	-4%	1%	*84*	*93*	*-10%*	*9%*
North America	147	157	-6%	10%	*39*	*50*	*-22%*	*6%*
Western Europe	109	107	2%	-11%	*35*	*37*	*-5%*	*-3%*
Other	37	42	-12%	-1%	*10*	*6*	*67%*	*81%*

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(1) At constant scope and exchange rates, and excluding one-time gains

Ready-Mix Concrete and Concrete Products

	12 Months 2013	12 Months 2012	12 Months Variation	4th Quarter 2013	4th Quarter 2012	4th Quarter Variation
EBITDA Margin	4.8%	4.9%	-10bps	*6.8%*	*6.0%*	*80bps*

By geographical zone	12 Months 2013	12 Months 2012	12 Months Variation	12 Months Ifl (1)	4th Quarter 2013	4th Quarter 2012	4th Quarter Variation	4th Quarter Ifl (1)
Sales	**2,834**	**2,977**	**-5%**	**2%**	***681***	***734***	***-7%***	***1%***
Out of which ready-mix concrete	*2,715*	*2,845*	*-5%*	*3%*	*654*	*702*	*-7%*	*2%*
North America	806	822	-2%	8%	*193*	*212*	*-9%*	*6%*
Western Europe	974	1,036	-6%	-3%	*239*	*248*	*-4%*	*-2%*
Other	935	987	-5%	4%	*222*	*242*	*-8%*	*2%*
EBITDA	**135**	**145**	**-7%**	**2%**	***46***	***44***	***5%***	***22%***
Out of which ready-mix concrete	*106*	*116*	*-9%*	*3%*	*38*	*36*	*6%*	*27%*
North America	49	51	-4%	8%	*16*	*19*	*-16%*	*3%*
Western Europe	29	32	-9%	2%	*10*	*10*	*-*	*24%*
Other	28	33	-15%	-4%	*12*	*7*	*71%*	*84%*

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(1) At constant scope and exchange rates, and excluding one-time gains

II. Other information

Sales variances for a selection of countries

Everyday life in Brazil - urban planning and street atmosphere in Rio de Janeiro

YTD Like-for-Like Sales Variance – Cement

Analysis by Region and Major Market as at Dec. 31, 2013	Volume effect	Other effects [1]	Activity variation vs. 2012
North America	**-2.6%**	**5.7%**	**3.1%**
United States	-2.7%	5.1%	2.4%
Canada	-2.4%	5.3%	2.9%
Western Europe	**-2.7%**	**-2.2%**	**-4.9%**
France	-3.2%[2]	-0.8%[2]	-4.0%
United Kingdom	10.8%	-4.9%	5.9%
Spain	0.0%[3]	-13.5%[3]	-13.5%
Greece	-8.3%	-2.4%	-10.7%
Central and Eastern Europe	**-5.2%**	**-0.8%**	**-6.0%**
Poland	-4.6%	0.0%	-4.6%
Romania	-16.1%	0.5%	-15.6%
Russia	-5.7%	-4.0%	-9.7%
Middle East and Africa	**-4.2%**	**6.0%[4]**	**1.8%**
Algeria	0.7%	8.2%	8.9%
Egypt	-22.1%	14.3%	-7.8%
Iraq	6.4%	-11.2%	-4.8%
Kenya	-5.1%	0.4%	-4.7%
Morocco	-6.1%	6.9%	0.8%
Nigeria	14.8%	-5.0%	9.8%
South Africa	0.7%	3.7%	4.4%
Latin America	**1.0%**	**2.0%**	**3.0%**
Brazil	-0.4%	2.9%	2.5%
Ecuador	8.8%	3.6%	12.4%
Asia	**3.2%**	**2.1%**	**5.3%**
China	2.8%	-0.5%	2.3%
India	1.5%	3.9%	5.4%
Indonesia	2.0%	3.0%	5.0%
Malaysia	0.5%	0.1%	0.6%
Philippines	8.6%	6.7%	15.3%
South Korea	4.5%	1.6%	6.1%
Cement domestic markets	**-1.1%**	**2.3%**	**1.2%**

(1) Other effects: including price effects, product and customer mix effects
(2) Lime, grey and white cement
(3) Spain volumes and prices strongly impacted by a higher proportion of clinker sales
(4) Out of which pure price effect : 2.5%

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YTD Like-for-Like Sales Variance

Aggregates and Concrete

Analysis by Major Market as at Dec. 31, 2013	Volume effect	Other effects (1)	Activity variation vs. 2012
Pure Aggregates	**0.4%**	**0.5%**	**0.9%**
France	-3.4%	1.7%	-1.7%
United Kingdom	19.1%	-11.5%	7.6%
Poland	-9.4%	-4.1%	-13.5%
United States	0.6%	1.3%	1.9%
Canada	1.5%	2.9%	4.4%
South Africa	7.0%	3.1%	10.1%
Ready-mix Concrete	**-0.9%**	**3.4%**	**2.5%**
France	-4.1%	1.3%	-2.8%
United Kingdom	44.7%	-6.1%	38.6%
United States	-2.2%	4.9%	2.7%
Canada	3.0%	6.2%	9.2%
South Africa	14.2%	10.0%	24.2%
India	-11.4%	4.1%	-7.3%

(1) Other effects: including price effects, product and customer mix effects

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VI. Other Information

Income statement

France – Extension to a villa in La Baule – Rocheteau-Saillard Architects

Other Income (Expenses)

€m	12 Months 2013	12 Months 2012	*4th Quarter 2013*	*4th Quarter 2012*
Net gains (losses) on disposals	295	53	*204*	*12*
Impairment of assets	(125)	(212)	*(70)*	*(29)*
Restructuring	(157)	(204)	*(54)*	*(40)*
Others	(68)	(130)	*(32)*	*(49)*
Total	**(55)**	**(493)**	***48***	***(106)***

Finance Costs and Average Interest Rate

€m	12 Months 2013	12 Months 2012	4th Quarter 2013	4th Quarter 2012
Financial charges on net debt	(834)	(889)	*(217)*	*(226)*
Foreign exchange	(52)	(23)	*13*	*(4)*
Others	(155)	(183)	*(45)*	*(59)*
Total	**(1,041)**	**(1,095)**	***(249)***	***(289)***

Average interest rate		December 31, 2013	Interest rate		December 31, 2012	Interest rate	
			Spot	Average		Spot	Average
Total gross debt [1]		**€13.7Bn**	**6.5%**	**6.2%**	**€14.0Bn**	**6.4%**	**6.2%**
Of which:	*Fixed rate*	*72%*	*7.9%*		*79%*	*7.1%*	
	Floating rate	*28%*	*3.0%*		*21%*	*3.8%*	

(1) Excluding puts and derivative instruments : -€0.1Bn as at December 31, 2013 and negligible as at December 31, 2012

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VI. Other Information

Statement of Financial Position & Cash Flow Statement

France, Jean Bouin Stadium in Paris, a Ductal project designed by Rudy Ricciotti, architect

Statement of Financial position

€m	Dec. 31, 2013	Dec. 31, 2012
Capital Employed	28,085	28,657
Out of which:		
Goodwill	*11,612*	*12,184*
Prop, plant & equip.	*14,752*	*14,992*
Working Capital	*504*	*391*
Other	*1,217*	*1,090*
Financial assets	656	698
Net assets held for sale (1)	-	1,892
Total	**28,741**	**31,247**

€m	Dec. 31, 2013	Dec. 31, 2012
Equity	16,506	17,748
Out of which:		
Equity attributable to the owners of the parent company	*14,555*	*15,666*
Non controlling interests	*1,951*	*2,082*
Net debt	10,330	11,317
Provisions	1,905	2,182
Total	**28,741**	**31,247**

(1) Following the announcement on February 18, 2011 of the agreement between Lafarge and Anglo American plc to combine their cement, aggregates, ready-mixed concrete, and asphalt & contracting businesses in the United Kingdom, and in accordance with IFRS 5, Lafarge UK's assets and liabilities to be contributed to this joint venture have been grouped in the consolidated statement of financial position on the lines "Assets held for sale" and "Liabilities associated with assets held for sale", respectively. The completion of this transaction was announced on January 7, 2013, and assets and liabilities of the joint-venture were proportionately consolidated thereon.
In addition, in 2012, the net assets held for sales also comprised the Gypsum activities in North America, as discontinued operations. They were divested in the course of the third quarter 2013.

Investments and Divestments

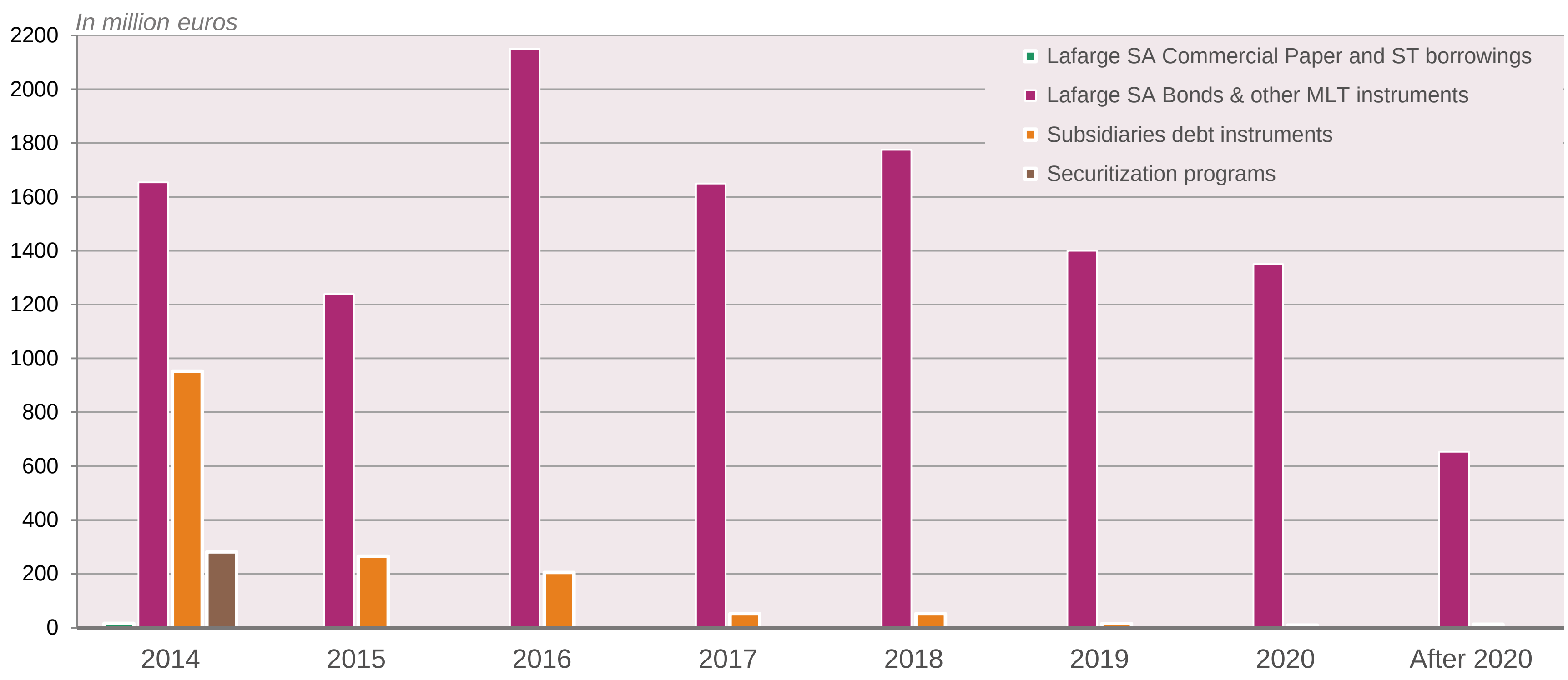
€m	12 Months 2013	12 Months 2012	4th Quarter 2013	4th Quarter 2012
Sustaining capital expenditures	(391)	(392)	*(172)*	*(210)*
Development capital expenditures	(655) [(3)]	(364)	*(131)*	*(59)*
Acquisitions [(1)]	(23)	(61)	*(3)*	*(58)*
Capital expenditures	**(1,069)** [(3)]	**(817)**	**(306)**	***(327)***
Divestments [(2)]	**1,283** [(3)]	**474**	**235**	***357***

(1) Including net debt acquired and the acquisitions of ownership interests with no gain of control.
The acquisitions of ownership interests with no gain of control represented €2m in FY 2013 and €60m in FY 2012, excluding puts, already recorded as debt, exercised in the period (excluding a €28m put exercised in the second quarter 2012, and a €59m put exercised in the fourth quarter 2012).
(2) Including net debt disposed of, and the disposals of ownership interests with no loss of control
(3) The 0.2 billion euros of capital injection in 2013 of our new partner in India to finance new projects is included in the divestments, and the “development investments” include the related CAPEX

Balanced Debt Maturity Schedule

Average maturity of gross debt is 4 years and 1 month

As at December 31, 2013 (1)

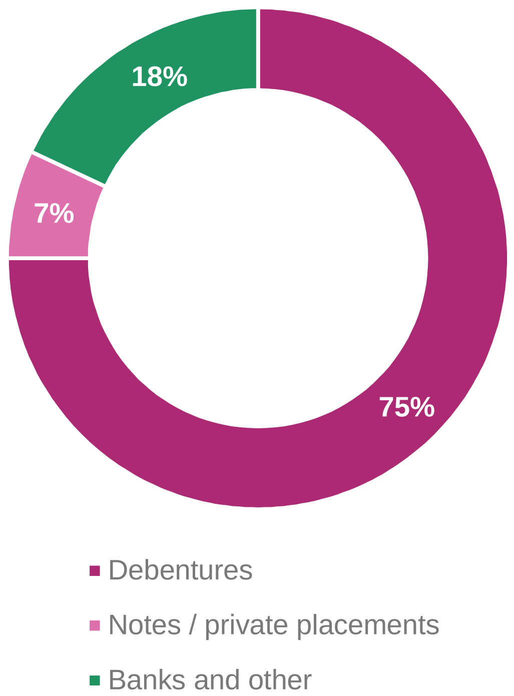


(1) Excluding puts on shares and derivatives instruments

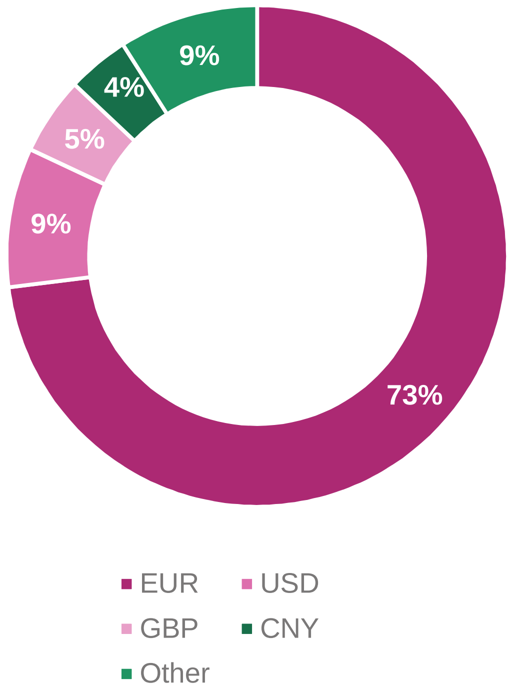
Gross Debt [(1)] by Currency and by Source of Financing

As at December 31, 2013

Split by source of financing



Split by currency



Total Gross Debt [(1)]: **€13.7 Bn**

(1) Excluding puts on shares and derivatives instruments

Strong Liquidity Backed by Well Balanced Committed Credit Lines

Lafarge SA committed credit lines of 3.4 billion euros with average maturity of 2.8 years

€bn, as at December 31, 2013	Amount	2014	2015	2016	2017	2018
Syndicated committed credit lines	1.2	-	1.2	-	-	-
Bilateral committed credit lines	2.2	-	0.3	0.5	0.7	0.7
Cash and cash equivalent	3.3					
Total sources of liquidity	**6.7**					
Short- term debt and short-term portion of long-term debt	2.9					
Credit line drawn as of December 31, 2013 (1)	-					
Total Available liquidity	**3.8**					

(1) Classified as long-term in the Group's Statement of Financial Position, as they can be refinanced on a medium and long-term basis through the committed credit lines.

Key definitions

- Amounts are generally given in million euros, and exceptions are mentioned.
- Variations are calculated based on amounts that include decimals, and may therefore not be totally consistent when calculated based on rounded disclosed figures.

Volumes	Volumes are shown by origin
Sales by Region	Group Sales by Region are disclosed after eliminations of inter regional sales and are shown by origin. Sales for each activity are disclosed by origin, and before elimination of inter regional/business line sales.
EBITDA	Current Operating Income before depreciation and amortization on tangible and intangible assets EBITDA Margin = EBITDA / Sales
Current Operating Income	Operating Income before “capital gains, impairment, restructuring and other”
Net income, Group share	Net income attributable to the owners of the parent company
Free Cash Flow	Net operating cash generated or used by continuing operations less sustaining capital expenditures
Like-for-Like variation	Variation at constant scope and exchange rates, unless indicated otherwise.
Strict Working Capital	Trade receivables plus inventories less trade payables
Strict Working Capital in days sales	$\frac{\text{Strict Working Capital end of N * 90 days}}{\text{Sales of the last quarter}}$