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2014 Nine Months Results

Bruno Lafont and Jean-Jacques Gauthier

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

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In order to have comparative information, and in accordance with IFRS, 2013 figures have been restated to reflect the application of the new accounting standard on joint arrangements (IFRS 11) applicable as at January 1, 2014.

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Bruno Lafont

Chairman and CEO

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

Introduction

- **Underlying trends improving progressively**
- **Cost reduction and innovation objectives confirmed for Q4 and 2015**
- **Lafarge Holcim planned merger well on track**

Underlying Trends Improving Progressively

- **Growth to continue in the United States and overall in emerging markets; we will benefit from our well-balanced portfolio of assets**
  - Lafarge operates in nine out the ten countries worldwide that will experience GDP growth above 6% between now and 2050[1]
- **Exchange rates impact easing**
  - Affected our EBITDA by €-111M in the first nine months
- **Declining energy prices**

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(1) Expected cagr. GDP growth 2014-2050 according to a Citi survey

Cost Reduction and Innovation Measures on Track

- **Objectives for 2014 and 2015 confirmed**
  - €600M for 2014
  - €550M for 2015; €300M from cost cutting and €250M from innovation

- **Action plans implemented**
  - On going fuel cost reduction
  - New initiatives continue to be pursued

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Planned Merger Well On Track

- **All notifications with regulatory authorities completed**
- **Divestment process proceeding according to plan**
- **Integration Committee at work**

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Jean-Jacques Gauthier

- Chief Financial Officer

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

Q3 Highlights

- **2% like for like sales and EBITDA growth**
  - Growth continued in the United States and in most countries of Middle East Africa while volumes contracted in Europe with more demanding comparable and after a solid growth in H1
  - Cement prices were firm sequentially from Q2 to Q3 and are up 2.2% yoy
  - CO2 sales offset the impact of loss of volumes in Iraq
- **Negative impact of foreign exchange rates started to reduce, with a 3% non-cash translational impact on Q3 EBITDA**
- **Cost reduction and innovation measures continue to progress, slightly penalized in Q3 by timing effect on costs; on track with our full year objective**
  - €135m generated in Q3; €425m YTD; total target of €600m for the year
- **Adjusted for one-offs(1), Net income Group share is stable**
- **€1.4bn of divestments secured to date; €0.9bn are to be received mostly in Q4**

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(1) Adjusted for one-time gains on divestments and merger-related costs

Key Figures

	9 Months				3rd Quarter			
	2014	2013	Variation	lfl(1)	*2014*	*2013*	*Variation*	*lfl(1)*
Volumes								
Cement (MT)	88.0	85.7	3%	5%	*31.0*	*31.2*	*-1%*	*1%*
Pure aggregates (MT)	120.3	123.2	-2%	-1%	*50.4*	*52.5*	*-4%*	*-4%*
Ready-Mix Concrete (Mm^3)	19.9	20.2	-1%	-2%	*7.1*	*7.2*	*-1%*	*-2%*
Sales	**9,636**	**9,934**	**-3%**	**4%**	***3,636***	***3,700***	***-2%***	***2%***
EBITDA	2,042	2,087	-2%	8%	*887*	*920*	*-4%*	*2%*
EBITDA Margin	*21.2%*	*21.0%*	*20bps*	*70bps*	*24.4%*	*24.9%*	*-50bps*	*20bps*
Current Operating Income	**1,431**	**1,449**	**-1%**	**11%**	***676***	***710***	***-5%***	***2%***
Net income Group share (2)	288	388	-26%		*218*	*304*	*-28%*	
Earnings per share (in €)	**1.00**	**1.35**	**-26%**		***0.76***	***1.06***	***-28%***	
Free cash flow	**200**	**336**	**-40%**		***360***	***450***	***-20%***	
Net debt	10,271	10,357	-1%					

(1) At constant scope and exchange rates, and excluding a €20m one-time gain recorded in Q1 2013 in North America
(2) Net income attributable to the owners of the parent company

Operational Review

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

North America

Volumes Growth in the US and Pricing Gains

Volumes	9 Months 2014	9 Months 2013	9 Months Variation	9 Months lfl(1)	3rd Quarter 2014	3rd Quarter 2013	3rd Quarter Variation	3rd Quarter lfl
Cement (MT)	8.7	8.4	3%	3%	*4.1*	*4.0*	*2%*	*2%*
Pure aggregates (MT)	62.4	67.6	-8%	-4%	*30.0*	*31.5*	*-5%*	*-4%*
Ready-Mix Concrete (Mm^3)	4.1	4.3	-3%	-5%	*1.8*	*1.8*	*-*	*-2%*
Sales	**2,195**	**2,317**	-5%	3%	***1,063***	***1,088***	*-2%*	*3%*
EBITDA	**399**	**412**	-3%	14%	***284***	***286***	*-1%*	*9%*
EBITDA Margin	*18.2%*	*17.8%*	*40bps*	*180bps*	*26.7%*	*26.3%*	*40bps*	*150bps*
Current Operating Income	298	295	1%	22%	*248*	*247*	*-*	*11%*

- Q3 sales were up 3% like-for-like, with price gains across all product lines and higher cement volumes.
  - **In the United States**, the residential sector continued to be positively oriented. Prices moved higher on all product lines. Cement and aggregates volumes increased 5%, while ready-mix volumes decreased 2%, with a lower number of projects.
  - **In Canada**, volumes were slightly down across all product lines, reflecting the phasing of some large projects that were completed in 2013.
- EBITDA improved 9% in the quarter, supported by higher volumes and prices in the United States.

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(1) At constant scope and exchange rates, and excluding a €20m one-time gain recorded in Q1 2013 in North America

Western Europe

Strong Cost-Cutting Initiatives Mitigating Lower volumes

	9 Months				3rd Quarter			
Volumes	**2014**	**2013**	**Variation**	**lfl(1)**	***2014***	***2013***	***Variation***	***lfl(1)***
Cement (MT)	8.9	9.1	-2%	-2%	*3.0*	*3.2*	*-6%*	*-6%*
Pure aggregates (MT)	25.5	26.1	-2%	-1%	*8.1*	*9.0*	*-10%*	*-9%*
Ready-Mix Concrete (Mm^3)	5.5	5.8	-5%	-5%	*1.8*	*2.0*	*-9%*	*-9%*
Sales	**1,603**	**1,672**	-4%	-4%	***524***	***571***	*-8%*	*-8%*
EBITDA	**240**	**195**	23%	10%	***94***	***76***	*24%*	*-10%*
EBITDA Margin	*15.0%*	*11.7%*	*330bps*	*180bps*	*17.9%*	*13.3%*	*460bps*	*-20bps*
Current Operating Income	110	62	77%	39%	*50*	*32*	*56%*	*-23%*

- Q3 sales decreased 8%, reflecting lower volumes in several countries.
  - **In France,** construction activity was soft, in line with our expectations.
  - **In Spain,** some signs of economic recovery are perceived, but are still to be translated into the construction sector.
  - Activity in **Greece** continued to show signs of improvement, although domestic cement volumes paused in Q3 after a strong growth from low levels in H1.
- After a strong improvement in H1, like-for-like EBITDA margin was almost stable in Q3, supported by significant cost-cutting measures compensating for lower sales. For the nine first months, EBITDA and margins are solidly up.
- Strong improvement in the contribution to the net result of our joint-venture **in the UK**, where synergies are ramping-up as planned and the market continues to recover.

(1) At constant scope and exchange rates, and excluding carbon credit sales (€26m recorded in Q3 2014)

Central and Eastern Europe

EBITDA Growth Driven by Cost Containment and Innovation

	9 Months				3rd Quarter			
Volumes	**2014**	**2013**	**Variation**	**Ifl(1)**	***2014***	***2013***	***Variation***	***Ifl(1)***
Cement (MT)	9.3	9.8	-4%	2%	*3.9*	*4.4*	*-9%*	*-2%*
Pure aggregates (MT)	16.3	15.1	8%	1%	*6.9*	*7.2*	*-5%*	*-9%*
Ready-Mix Concrete (Mm^3)	1.5	1.2	33%	33%	*0.6*	*0.6*	*3%*	*3%*
Sales	**838**	**887**	-6%	5%	***349***	***399***	*-13%*	*-3%*
EBITDA	**176**	**151**	17%	22%	***105***	***106***	*-1%*	*5%*
EBITDA Margin	*21.0%*	*17.0%*	*400bps*	*290bps*	*30.1%*	*26.6%*	*350bps*	*230bps*
Current Operating Income	109	85	28%	32%	*81*	*84*	*-4%*	*3%*

- On a comparable basis, sales decreased 3% in the third quarter, supported by pricing gains while volumes marked a pause after a strong first half-year.
  - **In Poland**, construction market growth was subdued in the quarter, as the former EU infrastructure plan ended while the effect of the new plan is expected to be more visible from the second half of 2015.
  - **In Romania,** year-to-date cement volumes improved 2%, with a strong rebound from the residential segment compensating for a contraction of infrastructure works.
  - **In Russia**, our cement volumes increased 19% in Q3, reflecting the progressive ramp-up of our new 2 MT plant located in the south of the Moscow region that started production in April.
- Q3 EBITDA rose 5% like-for-like, with a solid improvement in margin, underpinned by cost containment and a strong focus on innovation.

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(1) At constant scope and exchange rates, and excluding carbon credit sales (€2m recorded in Q3 2014)

Middle East and Africa

Solid Market Trends and Self-Help Measures strongly Mitigated Iraq

	9 Months				3rd Quarter			
Volumes	**2014**	**2013**	**Variation**	**lfl (1)**	***2014***	***2013***	***Variation***	***lfl (1)***
Cement (MT)	31.8	29.6	7%	6%	*10.3*	*10.2*	*-*	*5%*
Pure aggregates (MT)	7.5	6.3	17%	17%	*2.5*	*2.1*	*15%*	*15%*
Ready-Mix Concrete (Mm^3)	4.2	3.8	7%	4%	*1.3*	*1.3*	*5%*	*2%*
Sales	**2,803**	**2,717**	3%	10%	***949***	***917***	*3%*	*9%*
EBITDA	**788**	**765**	3%	11%	***259***	***278***	*-7%*	*4%*
EBITDA Margin	*28.1%*	*28.2%*	*-10bps*	*40bps*	*27.3%*	*30.3%*	*-300bps*	*-140bps*
Current Operating Income	593	562	6%	16%	*193*	*211*	*-9%*	*7%*

- **In Iraq**, volumes were impacted by transportation limitations in certain parts of the country. Some improvements were experienced from the end of September.
- Excluding this impact, Q3 sales improved 10% like-for-like, with positive trends in most markets.
  - **In Nigeria,** our cement volumes increased 5% both year-to-date and versus the third quarter 2013, while prices were positively oriented in response to cost inflation.
  - **In Algeria**, cement volumes were flat in Q3, impacted by maintenance phasing. YTD sales rose 12% with a continuous focus put on innovative products.
  - **In Egypt,** our Q3 cement volumes improved 28% as usage of petcoke gains momentum. Prices rose in a context of increased costs and cement shortage in the country.
  - **In South Africa,** the construction market experienced more positive trends after the national strikes and the general elections. Several road projects notably supported our aggregates volumes.
- EBITDA margin was up 40 bps lfl YTD, with cost phasing and a 2013 one-time gain impacting the Q3 variation.

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(1) At constant scope and exchange rates, and excluding the impact of the loss in volumes in Iraq in Q3 2014 in the current context. When including the drop in volumes in Iraq in Q3 : domestic volumes: -2% in Q3%, sales: 5%, EBITDA: -5%, COI: -6%

Latin America

Scope Impact; Innovation Offsetting High Cost Inflation and Mild Markets

	9 Months				3rd Quarter			
Volumes	**2014**	**2013**	**Variation**	**lfl**	***2014***	***2013***	***Variation***	***lfl***
Cement (MT)	5.6	6.8	-18%	-2%	*2.0*	*2.3*	*-16%*	*-5%*
Pure aggregates (MT)	2.2	2.0	10%	5%	*0.9*	*0.8*	*18%*	*8%*
Ready-Mix Concrete (Mm^3)	1.1	0.9	24%	24%	*0.4*	*0.3*	*24%*	*24%*
Sales	**549**	**677**	-19%	5%	***199***	***221***	*-10%*	*2%*
EBITDA	**121**	**185**	-35%	-4%	***48***	***63***	*-24%*	*-1%*
EBITDA Margin	*22.0%*	*27.3%*	*-530bps*	*-200bps*	*24.1%*	*28.5%*	*-440bps*	*-50bps*
Current Operating Income	97	156	-38%	-7%	*40*	*55*	*-27%*	*-4%*

- Sales and margins were significantly impacted by adverse exchange rates and by the deconsolidation of our cement activities in Honduras and Mexico.
- On a like-for-like basis, sales were up 2% QTD and 5% YTD, driven by pricing gains in response to cost inflation.
    - **In Brazil,** cement volumes dropped 5% in the third quarter, with a deceleration of market demand after the soccer World Cup and ahead of October general elections.
    - **In Ecuador,** some signs of improvement of the construction sector were perceived in September after six months of contraction, thanks to the reactivation of several large hydroelectric projects.
- EBITDA was almost stable in the third quarter, as the mild trends in the construction market in Brazil and cost inflation were mostly offset by pricing gains and innovative measures.

Asia

Higher Volumes Mitigated Strong Cost Inflation

Volumes	9 Months 2014	9 Months 2013	9 Months Variation	9 Months lfl	3rd Quarter 2014	3rd Quarter 2013	3rd Quarter Variation	3rd Quarter lfl
Cement (MT)	23.7	22.0	7%	7%	*7.7*	*7.1*	*8%*	*8%*
Pure aggregates (MT)	6.4	6.1	5%	-1%	*2.0*	*1.9*	*8%*	-
Ready-Mix Concrete (Mm^3)	3.5	4.2	-17%	-17%	*1.2*	*1.2*	*-4%*	*-4%*
Sales	**1,648**	**1,664**	-1%	6%	***552***	***504***	*10%*	*6%*
EBITDA	**318**	**379**	-16%	-10%	***97***	***111***	*-13%*	*-15%*
EBITDA Margin	*19.3%*	*22.8%*	*-350bps*	*-330bps*	*17.6%*	*22.0%*	*-440bps*	*-440bps*
Current Operating Income	224	289	-22%	-16%	*64*	*81*	*-21%*	*-24%*

- Q3 sales were up 6% like-for-like, mainly driven by the ramp-up of our new plant in India and positive trends in the Philippines.
  - **In India,** the construction market began to regain momentum after the general elections and the monsoon season. Our cement volumes strongly increased, supported by our 2.6 MT new plant in Rajasthan started in Q3 2013, still in a ramp-up phase.
  - **In the Philippines,** market growth resumed and our cement volumes raised 11% in Q3.
  - **In Malaysia and South Korea**, our cement volumes were slightly down in the third quarter. Prices in Malaysia were impacted by the start-up of new capacity.
- Despite solid cost reductions, EBITDA decreased, impacted by lower prices in Malaysia and high cost inflation within the region, notably higher energy costs.

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Positive Operational Trends also Prevail in Joint Ventures

Margin up 100bps, Reflecting Synergies and Market Recovery in the UK

	3rd Quarter including the contribution of the joint-ventures (1)				Joint ventures contribution in Q3 (1)	
	2014 Pro forma (1)	2013 reported	Gross Variation	lfl	2014	2013
Volumes						
Cement (MT)	36.5	36.7	-	1%	5.5	5.5
Pure aggregates (MT)	58.5	59.8	-2%	-2%	8.1	7.3
Ready-Mix Concrete (Mm^3)	8.3	8.2	-	-1%	1.2	1.0
Sales	**4,248**	**4,236**	**-**	**2%**	**612**	**536**
EBITDA	992	1,007	-1%	4%	105	87
EBITDA Margin	*23.4%*	*23.8%*	*-40bps*	*30bps*	*17.2%*	*16.2%*

+100 basis points

(1) Calculated on the basis of the accounting principles prevailing as at December 31, 2013 (i.e. applying the proportionate consolidation method for the joint-ventures)

Net Income

Department of Islam Arts, Musée du Louvre - Paris, France

Net Income

€m	9 Months 2014	9 Months 2013	3rd Quarter 2014	3rd Quarter 2013
EBITDA	**2,042**	**2,087**	***887***	***920***
Depreciation	(611)	(638)	*(211)*	*(210)*
Current Operating Income	**1,431**	**1,449**	***676***	***710***
Other income (expenses)	(157)	(72)	*(84)*	*(17)*
Net financial costs	(701)	(751)	*(231)*	*(263)*
Income from JV and associates	63	3	*33*	*14*
Income taxes	(240)	(180)	*(140)*	*(120)*
Income from discontinued operations	-	47	*-*	*26*
Non-controlling interests	(108)	(108)	*(36)*	*(46)*
Net income Group Share (1)	**288**	**388**	***218***	***304***

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

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Cash Flow and Debt Highlights

Department of Islam Arts, Musée du Louvre - Paris, France

Cash Flow

€m	9 Months 2014	9 Months 2013	3rd Quarter 2014	3rd Quarter 2013
Cash flow from operations	855	996	*484*	*577*
Change in working capital	(436)	(462)	*(26)*	*(44)*
Sustaining capex	(219)	(198)	*(98)*	*(83)*
Free cash flow	**200**	**336**	***360***	***450***
Development investments [1]	(558)	(512)	*(236)*	*(141)*
Divestments [2]	524	1,029	*101*	*867*
Cash flow after investments	**166**	**853**	***225***	***1,176***
Dividends	(397)	(461)	*(345)*	*(331)*
Equity issuance (repurchase)	(7)	3	*-*	*1*
Currency fluctuation impact	(79)	-	*(44)*	*(4)*
Change in fair value	(14)	(5)	*28*	*26*
Others	(94)	(37)	*(31)*	*18*
Net debt reduction (increase)	**(425)**	**353**	***(167)***	***886***
Net debt at the beginning of period	9,846	10,710	*10,104*	*11,243*
Net debt at period end	**10,271**	**10,357**	***10,271***	***10,357***

(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 were negligible in 9M 2014 and in 9M 2013, excluding puts, already recorded as debt, exercised in the period (€11m put exercised in the second quarter 2014)

(2) Including net debt disposed of, and the disposals of ownership interests with no loss of control.

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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 and 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	3 to 6 [2]	+	Solid market trends across the region
Latin America	0 to 3	+	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
(2) Excluding Iraq

2014 Outlook – Other Elements

- 2% energy cost inflation (0.3 euro per tonne), mostly due to power in regulated markets
- Continuous focus on our Cost reduction and Innovation plan:
  - Cost reduction: > €400M
  - Innovation: > €200M
- Cost of debt (gross): ~6%
- Tax rate [(1)]: 31%
- Capital expenditures: €1.1Bn

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(1) Excluding one-off effects and the impact of reduced earnings in Iraq

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Conclusion

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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	5 to 8
Canada	1 to 4
Western Europe	**-2 to 1**
France	-5 to -2
United Kingdom	4 to 7
Spain	-3 to 0
Greece	7 to 10
Central and Eastern Europe	**2 to 5**
Poland	5 to 8
Romania	-1 to 2
Russia	0 to 3
Latin America	**0 to 3**
Brazil	0 to 3

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

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(1) Market growth forecast at national level except for United States, Russia, China, India and Indonesia for which only relevant markets are considered
(2) Excluding Iraq
(3) Underlying market trend

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.
  - Western Europe: Overall stabilization at a low level. Growth expected in the UK, supported by the residential sector; 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

In million euros	9 Months					
	2014	**2013**	Variation	Scope	FX effect	lfl
North America	2,195	2,317	-5%	-1%	-7%	3%
Western Europe	1,603	1,672	-4%	-	-	-4%
Central and Eastern Europe	838	887	-6%	-6%	-5%	5%
Middle East and Africa	2,803	2,717	3%	-	-5%	10%(1)
Latin America	549	677	-19%	-15%	-9%	5%
Asia	1,648	1,664	-1%	-	-7%	6%
TOTAL	**9,636**	**9,934**	**-3%**	**-2%**	**-5%**	**4%**

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(1) At constant scope and exchange rates, and excluding the drop in volumes in Iraq in Q3 2014 in the current context. When including the drop in volumes in Iraq in Q3 2014, like-for-like MEA sales variations are 8% YTD.

EBITDA by Geographical Area

Scope and Foreign Exchange Effects

9 Months

In million euros	**2014**	**2013**	Variation	Scope	FX effect	Impact of one-off (1)	lfl(1)
North America	399	412	-3%	-3%	-9%	-5%	14%
Western Europe	240	195	23%	-1%	-	14%	10%
Central and Eastern Europe	176	151	17%	-3%	-4%	2%	22%
Middle East and Africa	788	765	3%	-	-5%	-3%	11%
Latin America	121	185	-35%	-24%	-7%	-	-4%
Asia	318	379	-16%	-	-6%	-	-10%
TOTAL	**2,042**	**2,087**	**-2%**	**-3%**	**-6%**	**-1%**	**8%**

(1) At constant scope and exchange rates, and excluding:
- At Group level: a €20m one-time gain recorded in Q1 2013 in North America
- At Regional level: in Q3 2014, the €28m carbon credits sales (€26m in Western Europe, €2m in Central and Eastern Europe)

compensate the effect of the drop in volumes in Iraq (-€24m). These elements are not restated from the Group like-for-like-variations. Restatements are applied to Western Europe, Central and Eastern Europe and Middle East and Africa to better reflect regional underlying performances.

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II. Other information

Information per Activity

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

Cement

	9 Months				3rd Quarter			
	2014	2013	Variation	lfl (1)	*2014*	*2013*	*Variation*	*lfl (1)*
Sales (€m)	6,903	7,049	-2%	5%	*2,504*	*2,532*	*-1%*	*2%*
EBITDA	1,787	1,822	-2%	8%	*736*	*748*	*-2%*	*3%*
EBITDA Margin	25.9%	25.8%	10bps	50bps	*29.4%*	*29.5%*	*-10bps*	*40bps*

By geographical zone	Sales 9M 2014	EBITDA 9M 2014
Total	**6,903**	**1,787**
North America	940	227
Western Europe	876	197
Central and Eastern Europe	637	156
Middle East and Africa	2511	768
Latin America	460	122
Asia	1479	317

LAFARGE (1) At constant scope and exchange rates, and excluding a one-time gain recorded in Q1 2013 in North America

Aggregates and Concrete

	9 Months				3rd Quarter			
	2014	2013	Variation	lfl[(1)]	2014	2013	Variation	lfl[(1)]
Sales (€m)	3,187	3,331	-4%	1%	*1,300*	*1,344*	*-3%*	-
Out of which Pure aggregates	1,389	1,447	-4%	3%	*582*	*606*	*-4%*	-
Out of which Ready-Mix	1,742	1,815	-4%	-1%	*644*	*656*	*-2%*	*-2%*
EBITDA	279	291	-4%	6%	*169*	*189*	*-11%*	*-3%*
Out of which Pure aggregates	192	174	10%	23%	*107*	*112*	*-4%*	*4%*
Out of which Ready-Mix	49	73	-33%	-26%	*27*	*39*	*-31%*	*-23%*

LAFARGE (1) At constant scope and exchange rates, and excluding a one-time gain recorded in Q1 2013 in North America

Aggregates and other related activities

	9 Months				3rd Quarter			
	2014	2013	Variation	Ifl [1]	*2014*	*2013*	*Variation*	*Ifl [1]*
Sales (€m)	1,597	1,677	-5%	3%	*710*	749	*-5%*	-
EBITDA	208	198	5%	16%	*129*	140	*-8%*	*1%*
EBITDA Margin	13.0%	11.8%	120bps		*18.2%*	18.7%	*-50bps*	

By geographical zone	Sales 9M 2014	EBITDA 9M 2014
Total	**1,597**	**208**
Out of which Pure aggregates	*1,389*	*192*
North America	709	114
Western Europe	371	41
Other	309	37

LAFARGE (1) At constant scope and exchange rates, and excluding a one-time gain recorded in Q1 2013 in North America

Ready-Mix and Concrete Products

	9 Months				*3rd Quarter*			
	2014	2013	Variation	lfl (1)	*2014*	*2013*	*Variation*	*lfl (1)*
Sales (€m)	1,836	1,908	-4%	-	686	694	*-1%*	*-1%*
EBITDA	71	93	-24%	-16%	40	49	*-18%*	*-12%*
EBITDA Margin	3.9%	4.9%	-100bps		5.8%	7.1%	*-130bps*	

By geographical zone	Sales 9M 2014	EBITDA 9M 2014
Total	**1,836**	**71**
Out of which Ready-Mix	*1,742*	*49*
North America	513	14
Western Europe	596	28
Other	633	7

LAFARGE (1) At constant scope and exchange rates, and excluding a one-time gain recorded in Q1 2013 in North America

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II. Other information

Sales variances for a selection of countries

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

YTD Like-for-Like Sales Variance – Cement

Analysis by Region and Major Market as at September 30, 2014	Volume effect	Other effects (1)	Activity variation vs. 2013
North America	**3.2%**	**1.1%**	**4.3%**
United States	5.5%	3.9%	9.4%
Canada	0.0%	-0.4%	-0.4%
Western Europe	**-2.1%**	**-1.4%**	**-3.5%**
France	-6,2%(2)	-1.4%(2)	-7.6%
Spain	-1.1%	-4.9%	-6.0%
Greece	4.0%	5.1%	9.1%
Central and Eastern Europe	**2.5%**	**0.6%**	**3.1%**
Poland	1.3%	0.6%	1.9%
Romania	1.6%	-1.3%	0.3%
Russia	10.7%	1.1%	11.8%
Middle East and Africa	**3.7%**	**4.7%**	**8.4%**
Algeria	6.7%	4.9%	11.6%
Egypt	22.3%	22.1%	44.4%
Iraq	-14.6%	-5.6%	-20.2%
Kenya	1.3%	-1.7%	-0.4%
Nigeria	4.9%	5.7%	10.6%
South Africa	-5.6%	0.7%	-4.9%
Latin America	**-1.6%**	**4.1%**	**2.5%**
Brazil	-1.8%	4.8%	3.0%
Ecuador	-0.6%	1.3%	0.7%
Asia	**8.4%**	**0.4%**	**8.8%**
India	34.1%	-11.7%(3)	22.4%
Indonesia	-0.7%	6.8%	6.1%
Malaysia	-1.5%	5.2%	3.7%
Philippines	5.4%	0.7%	6.1%
South Korea	-2.8%	1.8%	-1.0%
Cement domestic markets	**3.8%**	**1.5%**	**5.3%**
Main Joint ventures ***(disclosed for information and not included in the regional sub-totals disclosed above)***			
UK	*4.7%*	*3.7%*	*8.4%*
Morocco	*-4.0%*	*3.5%*	*-0.5%*
China	*2.6%*	*-1.2%*	*1.4%*

Pure price: + 2.2%
Geo mix & other effects: -0.7%

(1) Other effects: including price effects, product and customer mix effects
(2) Lime, grey and white cement
(3) Impacted by geographical mix – prices in East down 5%

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YTD Like-for-Like Sales Variance

Aggregates and Concrete

Analysis by Major Market as at September 30, 2014	Volume effect	Other effects (1)	Activity variation vs. 2013
Pure Aggregates	**-1.3%**	**4.4%**	**3.1%**
France	-2.4%	0.4%	-2.0%
Poland	6.1%	0.5%	6.6%
United States	0.2%	7.1%	7.3%
Canada	-4.5%	7.3%	2.8%
South Africa	13.6%	5.2%	18.8%
JV - United Kingdom (2)	7.2%	3.3%	10.5%

Ready-mix Concrete	**-2.3%**	**1.5%**	**-0.8%**
France	-6.9%	-0.1%	-7.0%
United States	-6.6%	4.3%	-2.3%
Canada	-4.3%	2.6%	-1.7%
South Africa	-4.8%	3.8%	-1.0%
India	-15.4%	4.1%	-11.3%
JV – United Kingdom	11.2%	5.3%	16.5%

(1) Other effects: including price effects, product and customer mix effects
(2) All aggregates products
NB : the contribution of the joint-ventures are disclosed for information and are not included in the totals disclosed

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VI. Other Information

Income statement

Department of Islam Arts, Musée du Louvre - Paris, France

Other Income (Expenses)

€m	9 Months 2014	9 Months 2013	*3rd Quarter 2014*	*3rd Quarter 2013*
Net gains (losses) on disposals	33	91	*-*	*45*
Impairment of assets	(19)	(50)	*(13)*	*(28)*
Restructuring	(59)	(80)	*(16)*	*(23)*
Merger-related costs	(47)	-	*(30)*	*-*
Others	(65)	(33)	*(25)*	*(11)*
Total	**(157)**	**(72)**	***(84)***	***(17)***

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Finance Costs and Average Interest Rate

€m	9 Months 2014	9 Months 2013	3rd Quarter 2014	3rd Quarter 2013
Financial charges on net debt	(562)	(578)	*(182)*	*(192)*
Foreign exchange	(21)	(63)	*(10)*	*(33)*
Others	(118)	(110)	*(39)*	*(38)*
Total	**(701)**	**(751)**	***(231)***	***(263)***

Average interest rate		September 30, 2014	Interest rate Spot	Interest rate Average	December 31, 2013	Interest rate Spot	Interest rate Average
Total gross debt (1)		**€12.7Bn**	**6.1%**	**6.3%**	**€12.9Bn**	**6.6%**	**6.2%**
Of which:	*Fixed rate*	*65%*	*8.0%*		*74%*	*7.9%*	
	Floating rate	*35%*	*2.7%*		*26%*	*2.7%*	

(1) Excluding puts and derivative instruments : €-0.1Bn as at September 30, 2014 and negligible as at December 31, 2013

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VI. Other Information

Statement of Financial Position & Cash Flow Statement

Department of Islam Arts, Musée du Louvre - Paris, France

Statement of Financial position

€m	Sept. 30, 2014	Dec. 31, 2013
Capital Employed	28,493	27,073
Out of which:		
Goodwill	*11,558*	*11,027*
Prop, plant & equip.	*12,381*	*12,049*
Intangible assets	*370*	*370*
Investments in JV and associates	*3,214*	*3,174*
Working Capital	*970*	*453*
Financial assets	812	667
Total	**29,305**	**27,740**

€m	Sept. 30, 2014	Dec. 31, 2013
Equity	17,455	16,285
Out of which:		
Equity attributable to the owners of the parent company	*15,589*	*14,555*
Non controlling interests	*1,866*	*1,730*
Net debt	10,271	9,846
Provisions	1,579	1,609
Total	**29,305**	**27,740**

Investments and Divestments

€m	9 Months 2014	9 Months 2013	3rd Quarter 2014	3rd Quarter 2013
Sustaining capital expenditures	(219)	(198)	*(98)*	*(83)*
Development capital expenditures	(398)	(479)	*(135)*	*(127)*
Acquisitions (1)	(160)	(33)	*(101)*	*(14)*
Capital expenditures	**(777)**	**(710)**	***(334)***	***(224)***
Divestments (2)	**524**	**1,029**	***101***	***867***

(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 were negligible in 9M 2014 and in 9M 2013, excluding puts, already recorded as debt, exercised in the period (€11m put exercised in the second quarter 2014)

(2) Including net debt disposed of, and the disposals of ownership interests with no loss of control.

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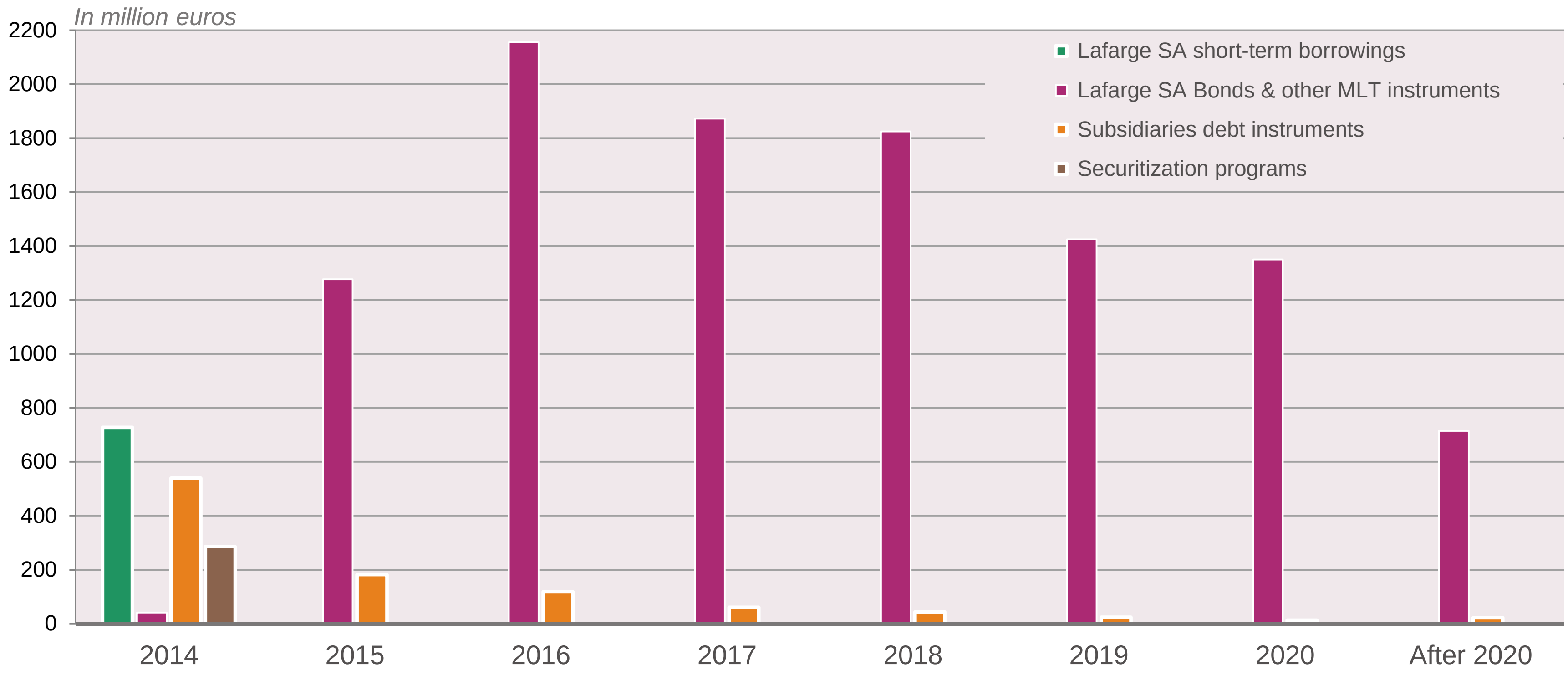
Balanced Debt Maturity Schedule

Average maturity of gross debt is 4 years and 2 months

As at September 30, 2014 (1)



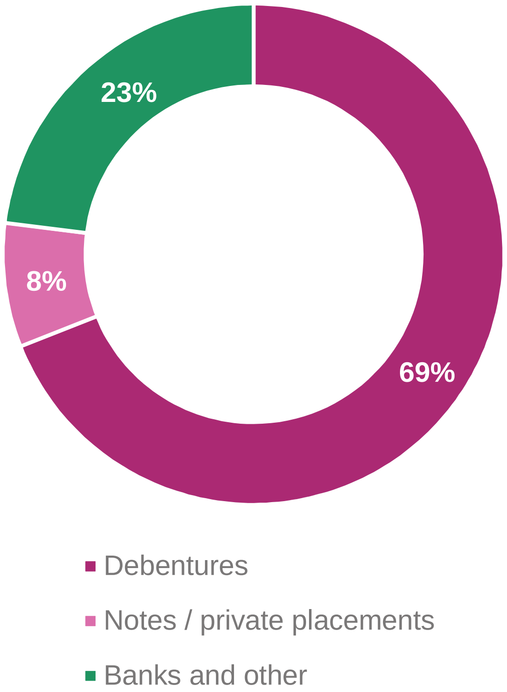
(1) Excluding puts on shares and derivatives instruments

NB : €0.7 Bn Lafarge SA short-term borrowings are 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.

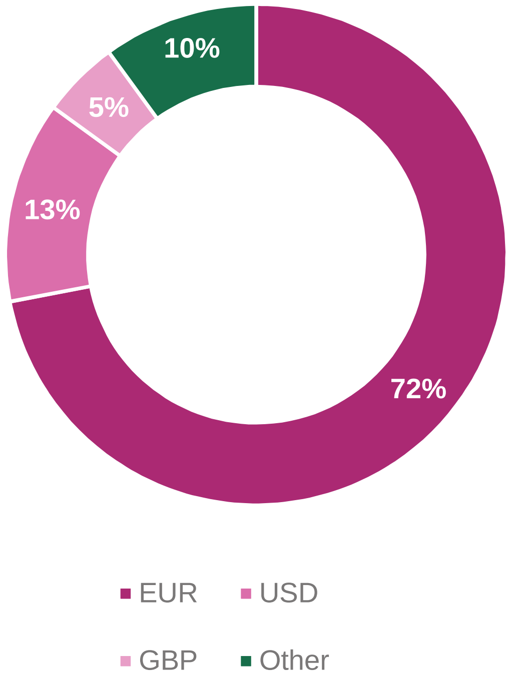
Gross Debt (1) by Currency and by Source of Financing

As at September 30, 2014

Split by source of financing



Split by currency (2)



Total Gross Debt (1): **€ 12.7Bn**

(1) Excluding puts on shares and derivatives instruments
(2) After swaps

Strong Liquidity Backed by Well Balanced Committed Credit Lines

Lafarge SA committed credit lines of 3.0 billion euros with average maturity of 2.9 years

€bn, as at September 30, 2014	Amount	2014	2015	2016	2017	2018
Syndicated committed credit lines	1.5	-	-	-	1.5	-
Bilateral committed credit lines	1.5	-	-	0.2	0.6	0.7
Cash and cash equivalent	2.3					
Total sources of liquidity	**5.3**					
Short- term debt and short-term portion of long-term debt	(2.3)					
Credit line drawn as of September 30, 2014 (1)	(0.1)					
Overnight debt and other short-term borrowings (1)	(0.6)					
Total Available liquidity	**2.3**					

(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.

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VII. Other Information

IFRS 11 on Joint Arrangements - Main Impacts on Group Key Figures

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

IFRS 11 - New Accounting Standard on Joint Arrangements

	9 Months, after IFRS 11 application		Joint ventures contribution		9 Months before IFRS 11 application	
	9M 2014 reported	9M 2013 restated	9M 2014	9M 2013	9M 2014 Pro forma (1)	9M 2013 reported
Volumes						
Cement (MT)	88.0	85.7	16.8	16.2	104.8	101.9
Pure aggregates (MT)	120.3	123.2	22.0	20.4	142.3	143.6
Ready-Mix Concrete (Mm^3)	19.9	20.2	3.2	3.0	23.1	23.2
Sales	**9,636**	**9,934**	**1,696**	**1,550**	**11,332**	**11,484**
EBITDA	2,042	2,087	278	222	2,320	2,309
EBITDA Margin	*21.2%*	*21.0%*	*16.4%*	*14.3%*	*20.5%*	*20.1%*
Current Operating Income	**1,431**	**1,449**	**158**	**97**	**1,589**	**1,546**
Net income Group share (2)	288	388			288	388
Earnings per share (in €)	**1.00**	**1.35**			**1.00**	**1.35**
Cash Flow from operations	**855**	**996**	**107**	**74**	**962**	**1,070**
Net debt	10,271	10,357	583	587	10,854	10,944

(1) Calculated on the basis of the accounting principles prevailing as at December 31, 2013 (i.e. applying the proportionate consolidation method for the joint-ventures)
(2) Net income attributable to the owners of the parent company

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	$\frac{\text{Strict Working Capital end of N * 90 days}}{\text{Sales of the last quarter}}$