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2014 Half-Year Results

Jean-Jacques Gauthier

July 25, 2014

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

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

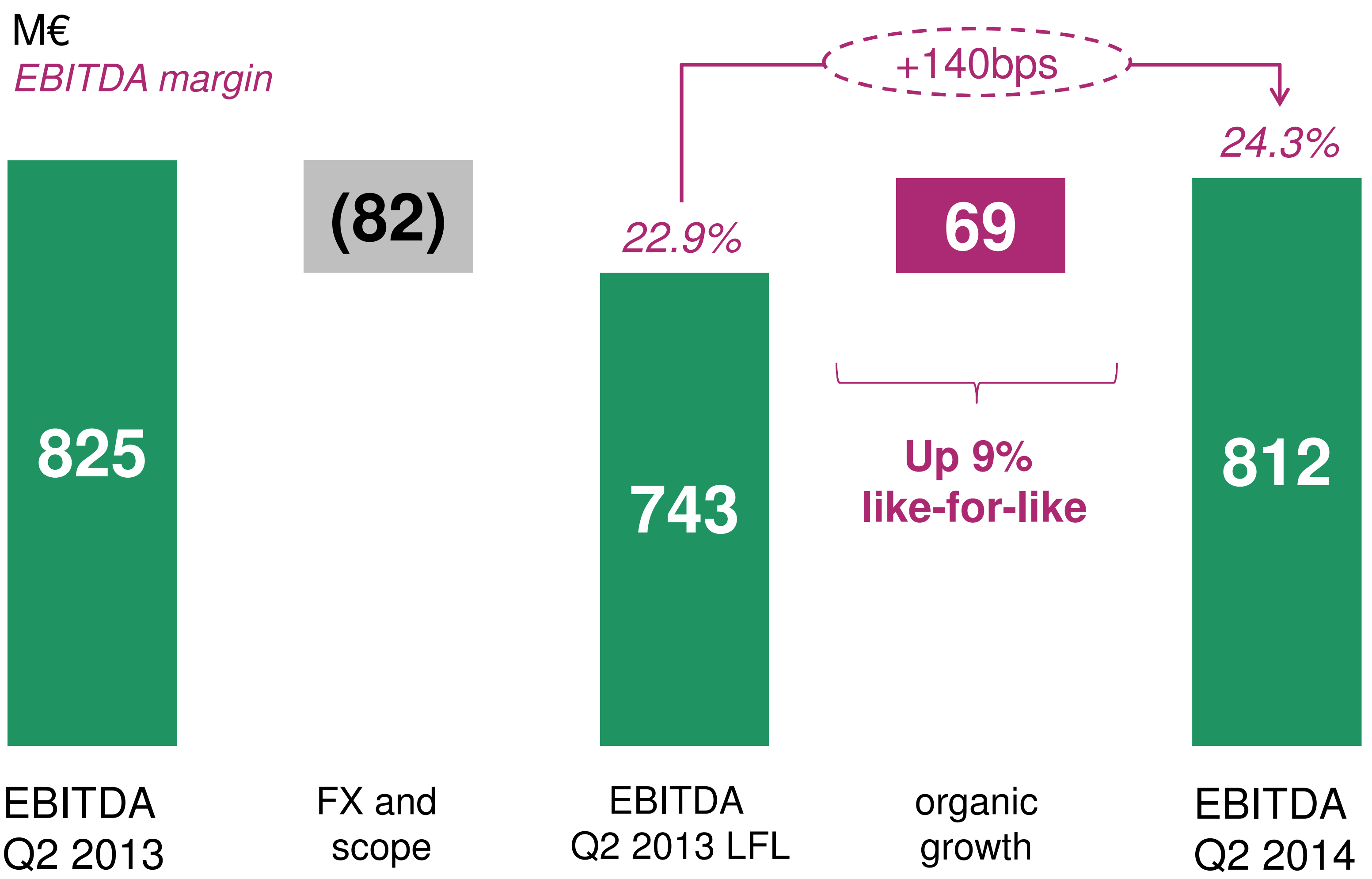
Q2 Highlights – 1/2

- **Solid organic growth, in a context of adverse exchange rates**
  - Cement volumes up 4% like for like
  - Sales up 3% and EBITDA up 9% at constant scope and exchange rates in Q2; fourth consecutive quarter of organic growth
  - Including joint ventures, sales were up 3% and EBITDA up 11% in Q2 at constant scope and exchange rates
- **Cost-saving and Innovation measures delivered €165M (1) in Q2, on track with plan**
- **EBITDA margin is up 140bps on a like for like basis and up 90bps on a gross basis, supported by cost cutting, innovation and price increases**
  - Cement prices are up 2.2% over Q2 2013 and sequentially up 1.4% over Q1

(1) Including the contributions of the joint-ventures.
Cost-saving and Innovation measures generated respectively €95M and €45M incremental EBITDA in Q2 when excluding the JV contribution

Significant Organic Growth

EBITDA Margin Up 140bps, supported by Cost Cutting and Innovation Measures



Q2 Highlights – 2/2

- **Deleveraging actions continued with further divestments secured**
  - €1.1Bn of divestments proceeds secured since the beginning of the year, with €0.4Bn received in the first semester
- **Outlook for 2014 unchanged**
  - Cement market growth of between 2 to 5 percent in 2014 vs. 2013
  - Objectives confirmed
- **We are on track with the planned merger to create LafargeHolcim**
  - A further step with the announcement of a list of proposed asset disposals

Key Figures

	6 Months				2nd Quarter			
	2014	2013	Variation	lfl(1)	*2014*	*2013*	*Variation*	*lfl(1)*
Volumes								
Cement (MT)	57.0	54.5	5%	7%	*31.1*	*30.6*	*2%*	*4%*
Pure aggregates (MT)	69.9	70.7	-1%	1%	*43.0*	*44.3*	*-3%*	*-1%*
Ready-Mix Concrete (Mm^3)	12.8	13.0	-1%	-2%	*7.1*	*7.2*	*-2%*	*-4%*
Sales	**6,000**	**6,234**	**-4%**	**6%**	***3,367***	***3,559***	***-5%***	***3%***
EBITDA	1,155	1,167	-1%	13%	*812*	*825*	*-2%*	*9%*
EBITDA Margin	*19.3%*	*18.7%*	*60bps*	*130bps*	*24.1%*	*23.2%*	*90bps*	*140bps*
Current Operating Income	**755**	**739**	**2%**	**20%**	***609***	***611***	***-***	***12%***
Net income Group share (2)	70	84	-17%		*205*	*201*	*2%*	
Earnings per share (in €)	**0.24**	**0.29**	**-17%**		***0.71***	***0.70***	***2%***	
Free cash flow	**(160)**	**(114)**	**nm**		***(37)***	***151***	***nm***	
Net debt	10,104	11,243	-10%					

(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

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Operational Review

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

North America

Strong Volumes in the US and Pricing Gains; Significant Cost Savings

	6 Months				2nd Quarter			
Volumes	**2014**	**2013**	**Variation**	**lfl(1)**	***2014***	***2013***	***Variation***	***lfl***
Cement (MT)	4.6	4.4	4%	4%	*3.1*	*2.9*	*6%*	*6%*
Pure aggregates (MT)	32.4	36.1	-10%	-4%	*22.1*	*24.0*	*-8%*	*-3%*
Ready-Mix Concrete (Mm^3)	2.3	2.5	-6%	-7%	*1.5*	*1.5*	*-1%*	*-3%*
Sales	**1,132**	**1,229**	-8%	4%	***756***	***794***	*-5%*	*6%*
EBITDA	**115**	**126**	-9%	30%	***177(2)***	***139***	*27%*	*48%*
EBITDA Margin	*10.2%*	*10.3%*	*-10bps*	*210bps*	*23.4%*	*17.5%*	*590bps*	*670bps*
Current Operating Income	50	48	4%	nm	*144*	*99*	*45%*	*69%*

- Q2 sales were up 6% like-for-like, with price gains across all product lines and higher cement volumes.
  - **In the United States**, prices moved higher on all product lines, while volumes were back to positive trends after a first quarter strongly impacted by adverse weather in the Northeast region.
  - **In Canada**, pricing gains and higher volumes in Western Canada compensated for a milder market in Quebec.
- EBITDA strongly improved in the quarter, reflecting the combined impact of the operating leverage in the United States and significant cost savings and innovation measures.

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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
(2) Including a €11m one-time gain in Q2 2014

Western Europe

Strong Cost-Cutting Initiatives Compensating Lower volumes

	6 Months				2nd Quarter			
Volumes	**2014**	**2013**	**Variation**	**lfl**	***2014***	***2013***	***Variation***	***lfl***
Cement (MT)	5.9	5.9	-	-	*3.3*	*3.5*	*-4%*	*-4%*
Pure aggregates (MT)	17.4	17.1	2%	3%	*9.2*	*9.7*	*-5%*	*-4%*
Ready-Mix Concrete (Mm^3)	3.7	3.8	-2%	-3%	*1.9*	*2.0*	*-8%*	*-9%*
Sales	**1,079**	**1,101**	-2%	-2%	***576***	***622***	*-7%*	*-7%*
EBITDA	**146**	**119**	23%	23%	***107***	***112***	*-4%*	*-4%*
EBITDA Margin	*13.5%*	*10.8%*	*270bps*	*270bps*	*18.6%*	*18.0%*	*60bps*	*60bps*
Current Operating Income	60	30	100%	103%	*64*	*68*	*-6%*	*-4%*

- Q2 sales decreased 7%, reflecting continuing lower volumes in several countries.
  - **In France,** construction activity was soft, and our volumes decreased across product lines.
  - **In Spain,** some signs of economic recovery are perceived, but have not yet translated into the construction sector.
  - Activity in **Greece** continued to show signs of improvement, resulting in a strong increase in our domestic cement volumes from low levels.
- EBITDA margin improved 60bps, supported by significant cost-cutting measures compensating for lower sales.
- Strong improvement in the contribution to the net result of our joint-venture **in the UK**, where synergies are ramping-up and the market is recovering.

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Central and Eastern Europe

EBITDA Growth Driven by A&C Projects and Cost Containment

Volumes	6 Months 2014	6 Months 2013	6 Months Variation	6 Months lfl	2nd Quarter 2014	2nd Quarter 2013	2nd Quarter Variation	2nd Quarter lfl
Cement (MT)	5.4	5.4	-	6%	*3.5*	*3.8*	*-9%*	*-3%*
Pure aggregates (MT)	9.4	7.9	20%	9%	*6.1*	*5.5*	*13%*	*7%*
Ready-Mix Concrete (Mm^3)	1.0	0.6	61%	61%	*0.6*	*0.4*	*50%*	*50%*
Sales	**489**	**488**	-	12%	***316***	***340***	*-7%*	*4%*
EBITDA	**71**	**45**	58%	57%	***88***	***80***	*10%*	*18%*
EBITDA Margin	*14.5%*	*9.2%*	*530bps*	*420bps*	*27.8%*	*23.5%*	*430bps*	*320bps*
Current Operating Income	28	1	nm	nm	*66*	*57*	*16%*	*22%*

- Sales in the second quarter were up 4% like-for-like, supported by several projects in aggregates and concrete. Overall, the construction market slightly paused in the second quarter, after the strong growth experienced in the first quarter thanks to a mild weather.
  - **In Poland**, sales were up 8%, supported by several infrastructure projects.
  - **In Romania,** cement volumes are up 6% year-to-date. They were down 4% in the second quarter, after the early start of projects due to favourable weather in the first quarter.
  - **In Russia**, the overall market consumption slightly increased. Our new 2 MT plant located in the south of the Moscow region started production in April and should progressively help us to capture expected market growth.
- Q2 EBITDA rose €8 million, with a solid improvement in margins, mostly driven by cost containment, and despite FX and scope impacts.

Middle East and Africa

Strong Performance with Solid Market Trends and Self-Help Measures

	6 Months				2nd Quarter			
Volumes	**2014**	**2013**	**Variation**	**lfl**	***2014***	***2013***	***Variation***	***lfl***
Cement (MT)	21.5	19.4	11%	7% (1)	*11.0*	*10.3*	*7%*	*2%* (1)
Pure aggregates (MT)	5.0	4.2	19%	19%	*2.6*	*2.3*	*14%*	*14%*
Ready-Mix Concrete (Mm^3)	2.8	2.5	8%	5%	*1.5*	*1.4*	*5%*	*2%*
Sales	**1,854**	**1,800**	3%	10%	***961***	***962***	*-*	*7%*
EBITDA	**529**	**487**	9%	15%	***279***	***270***	*3%*	*10%*
EBITDA Margin	*28.5%*	*27.1%*	*140bps*	*130bps*	*29.0%*	*28.1%*	*90bps*	*90bps*
Current Operating Income	400	351	14%	21%	*214*	*203*	*5%*	*13%*

- Sales were up 7% lfl in the quarter, with a 7% adverse impact of FX and contrasting trends in the region.
  - **In Nigeria,** cement sales raised 7% in Q2, capped by some temporary production limitations, and increased 10% year-to-date. Prices were positively oriented in response to cost inflation.
  - **In Algeria**, cement sales were up 3% versus a particularly high second quarter 2013, which was catching up after the strike in Q1 2013, and are up 16% YTD with a continuous focus put on innovative products.
  - **In Egypt,** our cement volumes improved 22% from a low level as measures to limit the impact of gas shortages gain momentum. Prices rose in a context of increased costs and cement shortage in the country.
  - **Iraqi** underlying cement demand continues to be strong, but June sales were impacted by the current situation.
- Q2 EBITDA was up 10% like-for-like, reflecting higher sales and significant cost-saving and innovation measures, and despite a €6m impact from the current situation in Iraq.

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(1) Domestic only

Latin America

Strong Forex and Scope Impact; High Cost Inflation Lowered Earnings

	6 Months				2nd Quarter			
Volumes	**2014**	**2013**	**Variation**	**lfl**	***2014***	***2013***	***Variation***	***lfl***
Cement (MT)	3.6	4.5	-19%	-	*1.7*	*2.3*	*-23%*	*-5%*
Pure aggregates (MT)	1.3	1.2	5%	3%	*0.7*	*0.7*	*-6%*	*-10%*
Ready-Mix Concrete (Mm^3)	0.7	0.6	24%	24%	*0.4*	*0.3*	*16%*	*16%*
Sales	**350**	**456**	-23%	7%	***177***	***238***	*-26%*	*1%*
EBITDA	**73**	**122**	-40%	-5%	***35***	***71***	*-51%*	*-24%*
EBITDA Margin	*20.9%*	*26.8%*	*nm*	*-280bps*	*19.8%*	*29.8%*	*nm*	*-590bps*
Current Operating Income	57	101	-44%	-9%	*26*	*60*	*-57%*	*-31%*

- Sales 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 1% with a low level of activity in the construction sector.
  - **In Brazil and Ecuador,** cement volumes were slightly down in the second quarter, impacted by non-working days during the soccer World Cup in Brazil and the unfavorable timing of Easter.
- EBITDA was down in the second quarter under the combined effect of lower volumes and cost inflation, notably for fuel and raw materials. The decrease in EBITDA margin is partly explained by an increase in costs of cement freight re-invoiced to customers.

Asia

Higher Volumes Mitigated Strong Cost Inflation and Adverse Forex

	6 Months				2nd Quarter			
Volumes	**2014**	**2013**	**Variation**	**lfl**	***2014***	***2013***	***Variation***	***lfl***
Cement (MT)	16.0	14.9	7%	7%	*8.5*	*7.8*	*8%*	*8%*
Pure aggregates (MT)	4.4	4.2	4%	-1%	*2.3*	*2.1*	*5%*	*-2%*
Ready-Mix Concrete (Mm^3)	2.3	3.0	-22%	-22%	*1.2*	*1.6*	*-21%*	*-21%*
Sales	**1,096**	**1,160**	-6%	5%	***581***	***603***	*-4%*	*5%*
EBITDA	**221**	**268**	-18%	-8%	***126***	***153***	*-18%*	*-10%*
EBITDA Margin	*20.2%*	*23.1%*	*-290bps*	*-270bps*	*21.7%*	*25.4%*	*-370bps*	*-360bps*
Current Operating Income	160	208	-23%	-12%	*95*	*124*	*-23%*	*-15%*

- Q2 sales were up 5% like-for-like, mainly driven by the ramp-up of our new plant in India.
  - **In India,** market growth was subdued with the general elections organized in April and May. 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 4% in the second quarter, despite the unfavorable timing of Easter in April.
  - **In Malaysia and South Korea**, our cement volumes were slightly down in the second quarter.
- Despite solid cost reductions, EBITDA decreased, impacted by cost inflation, notably higher power costs, and lower prices in North East India. Our new plant in Rajasthan continues to ramp up and its contribution to EBITDA will improve progressively.

Positive Operational Trends also Prevail in Joint Ventures

EBITDA margin up 160bps like-for-like including JV Contribution

	2nd Quarter including the contribution of the joint-ventures (1)				Joint ventures contribution in Q2 (1)	
	2014 Pro forma (1)	2013 reported	Gross Variation	lfl (2)	2014	2013
Volumes						
Cement (MT)	37.3	36.5	2%	4%	6.2	5.9
Pure aggregates (MT)	50.5	50.9	-1%	2%	7.5	6.6
Ready-Mix Concrete (Mm^3)	8.2	8.3	-1%	-3%	1.1	1.1
Sales	**3,961**	**4,112**	**-4%**	**3%**	**594**	**553**
EBITDA	930	922	1%	11%	118	97
EBITDA Margin	*23.5%*	*22.4%*	*110bps*	*160bps*	*19.9%*	*17.5%*

(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) At constant scope and exchange rates

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

Net Income

Net Income

€m	6 Months		2nd Quarter	
	2014	2013	*2014*	*2013*
EBITDA	**1,155**	**1,167**	***812***	***825***
Depreciation	(400)	(428)	*(203)*	*(214)*
Current Operating Income	**755**	**739**	***609***	***611***
Other income (expenses)	(73)	(55)	*(69)*	*(59)*
Net financial costs	(470)	(488)	*(238)*	*(245)*
Income from JV and associates	30	(11)	*41*	*14*
Income taxes	(100)	(60)	*(96)*	*(92)*
Income from discontinued operations	-	21	*-*	*12*
Non-controlling interests	(72)	(62)	*(42)*	*(40)*
Net income Group Share (1)	**70**	**84**	***205***	***201***

(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

	6 Months		2nd Quarter	
€m	2014	2013	*2014*	*2013*
Cash flow from operations	371	419	*286*	*388*
Change in working capital	(410)	(418)	*(256)*	*(170)*
Sustaining capex	(121)	(115)	*(67)*	*(67)*
Free cash flow	**(160)**	**(114)**	***(37)***	***151***
Development investments [1]	(322)	(371)	*(138)*	*(146)*
Divestments [2]	423	162	*75*	*47*
Cash flow after investments	**(59)**	**(323)**	***(100)***	***52***
Dividends	(52)	(130)	*(41)*	*(58)*
Equity issuance (repurchase)	(7)	2	*6*	*2*
Currency fluctuation impact	(35)	4	*(1)*	*31*
Change in fair value	(42)	(31)	*(51)*	*(51)*
Others	(63)	(55)	*34*	*(15)*
Net debt reduction (increase)	**(258)**	**(533)**	***(153)***	***(39)***
Net debt at the beginning of period	9,846	10,710	*9,951*	*11,204*
Net debt at period end	**10,104**	**11,243**	***10,104***	***11,243***

(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 H1 2014 and in H1 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.

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	3 to 6	+	Market growth in Poland and Russia
Middle East and Africa	3 to 6	+	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 (1): 31%
- Capital expenditures: €1.1Bn
- We will continue to pursue further value creative divestments

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(1) Excluding one-off effects

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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	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	**3 to 6**
Poland	5 to 8
Romania	-1 to 2
Russia	5 to 8
Latin America	**2 to 5**
Brazil	2 to 5
Ecuador	2 to 5

	Market Volumes (%)
Middle East and Africa	**3 to 6**
Algeria	5 to 8
Egypt	4 to 7
Iraq	5 to 8 [2]
Kenya	4 to 7
Morocco	-3 to 0
Nigeria	7 to 10
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) 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, 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

In million euros	6 Months					
	2014	**2013**	Variation	Scope	FX effect	lfl
North America	1,132	1,229	-8%	-2%	-10%	4%
Western Europe	1,079	1,101	-2%	-	-	-2%
Central and Eastern Europe	489	488	-	-6%	-6%	12%
Middle East and Africa	1,854	1,800	3%	-	-7%	10%
Latin America	350	456	-23%	-16%	-14%	7%
Asia	1,096	1,160	-6%	-	-11%	5%
TOTAL	**6,000**	**6,234**	**-3.8%**	**-2.0%**	**-7.3%**	**5.5%**

EBITDA by Geographical Area

Scope and Foreign Exchange Effects

In million euros	6 Months						
	2014	**2013**	Variation	Scope	FX effect	Impact of one-off [1]	lfl
North America	115	126	-9%	-4%	-13%	-22%	30%
Western Europe	146	119	23%	-	-	-	23%
Central and Eastern Europe	71	45	58%	5%	-4%	-	57%
Middle East and Africa	529	487	9%	1%	-7%	-	15%
Latin America	73	122	-40%	-24%	-11%	-	-5%
Asia	221	268	-18%	-	-10%	-	-8%
TOTAL	**1,155**	**1,167**	**-1%**	**-3%**	**-8%**	**-3%**	**13%**

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(1) €20m one-time gain recorded in Q1 2013 in North America

II. Other information

Information per Activity

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

Cement

	6 Months				2nd Quarter			
	2014	2013	Variation	lfl (1)	*2014*	*2013*	*Variation*	*lfl (1)*
Volumes Cement (MT)	57.0	54.5	5%	7%	*31.1*	*30.6*	*2%*	*4%*
Sales (€m)	4,399	4,517	-3%	7%	*2,416*	*2,531*	*-5%*	*5%*
EBITDA	1,051	1,074	-2%	11%	*687*	*705*	*-3%*	*8%*
EBITDA Margin	23.9%	23.8%	10bps	70bps	*28.4%*	*27.9%*	*50bps*	*90bps*

By geographical zone	Sales 6M 2014	EBITDA 6M 2014
Total	**4,399**	**1,051**
North America	497	76
Western Europe	584	103
Central and Eastern Europe	370	64
Middle East and Africa	1,666	515
Latin America	295	73
Asia	987	220

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

Aggregates and Concrete

	6 Months				2nd Quarter			
	2014	2013	Variation	lfl(1)	*2014*	*2013*	*Variation*	*lfl(1)*
Volumes Pure Aggregates (MT)	69.9	70.7	-1%	1%	*43.0*	*44.3*	*-3%*	*-1%*
Volumes Ready-Mix (Mm³)	12.8	13.0	-1%	-2%	*7.1*	*7.2*	*-2%*	*-4%*
Sales (€m)	1,887	1,987	-5%	2%	*1,115*	*1,182*	*-6%*	*1%*
Out of which Pure aggregates	807	841	-4%	5%	*492*	*523*	*-6%*	*3%*
Out of which Ready-Mix	1,098	1,159	-5%	-	*615*	*649*	*-5%*	*-1%*
EBITDA	110	102	8%	23%	*129*	*125*	*3%*	*14%*
Out of which Pure aggregates	85	62	37%	62%	*93*	*80*	*16%*	*29%*
Out of which Ready-Mix	22	34	-35%	-27%	*25*	*31*	*-19%*	*-14%*

(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

	6 Months				2nd Quarter			
	2014	2013	Variation	lfl (1)	*2014*	*2013*	*Variation*	*lfl (1)*
Sales (€m)	887	928	-4%	5%	*553*	589	*-6%*	*3%*
EBITDA	79	58	36%	60%	*96*	86	*12%*	*24%*
EBITDA Margin	8.9%	6.2%	270bps		*17.4%*	14.6%	*280bps*	

By geographical zone	Sales 6M 2014	EBITDA 6M 2014
Total	**887**	**79**
Out of which Pure aggregates	*807*	*85*
North America	365	35
Western Europe	254	31
Other	188	19

(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

	6 Months 2014	6 Months 2013	6 Months Variation	6 Months lfl (1)	2nd Quarter 2014	2nd Quarter 2013	2nd Quarter Variation	2nd Quarter lfl (1)
Sales (€m)	1,150	1,214	-5%	-	648	682	-5%	-
EBITDA	31	44	-30%	-21%	33	39	-15%	-8%
EBITDA Margin	3.0%	3.6%	-60bps		5.1%	5.7%	-60bps	

By geographical zone

	Sales 6M 2014	EBITDA 6M 2014
Total	**1,150**	**31**
Out of which Ready-Mix	*1,098*	*22*
North America	283	(3)
Western Europe	408	20
Other	407	5

(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 June 30, 2014	Volume effect	Other effects (1)	Activity variation vs. 2013
North America	**4.0%**	**1.1%**	**5.1%**
United States	6.1%	3.2%	9.3%
Canada	1.1%	0.2%	1.3%
Western Europe	**0.3%**	**-1.3%**	**-1.0%**
France	-5.0%(2)	-0.7%(2)	-5.7%
Spain	0.5%	-4.8%	-4.3%
Greece	11.7%	8.0%	19.7%
Central and Eastern Europe	**6.0%**	**1.8%**	**7.8%**
Poland	11.4%	2.6%	14.0%
Romania	6.2%	-3.0%	3.2%
Russia	3.8%	3.7%	7.5%
Middle East and Africa	**6.8%**	**3.1%**	**9.9%**
Algeria	10.1%	5.5%	15.6%
Egypt	19.5%	18.6%	38.1%
Iraq	5.0%	-9.4%	-4.4%
Kenya	5.3%	-2.3%	3.0%
Nigeria	5.1%	4.5%	9.6%
South Africa	-8.5%	2.5%	-6.0%
Latin America	**0.2%**	**4.1%**	**4.3%**
Brazil	0.3%	4.9%	5.2%
Ecuador	-0.2%	1.4%	1.2%
Asia	**7.8%**	**1.2%**	**9.0%**
India	33.0%	-12.1%(3)	20.9%
Indonesia	-2.0%	4.8%	2.8%
Malaysia	-1.0%	9.2%	8.2%
Philippines	2.8%	0.7%	3.5%
South Korea	-3.1%	1.9%	-1.2%
Cement domestic markets	**5.6%**	**1.4%**	**7.0%**
Main Joint ventures *(disclosed for information and not included in the regional sub-totals disclosed above)*			
UK	*4.9%*	*3.8%*	*9.0%*
Morocco	*-4.4%*	*3.6%*	*-0,8%*
China	*4.9%*	*-0.7%*	*4.2%*

Pure price: +2.1%
Geo mix and 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 6%

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YTD Like-for-Like Sales Variance

Aggregates and Concrete

Analysis by Major Market as at June 30, 2014	Volume effect	Other effects [(1)]	Activity variation vs. 2013
Pure Aggregates	**0.9%**	**4.2%**	**5.1%**
France	2.0%	-1.1%	0.9%
Poland	18.4%	3.4%	21.8%
United States	-3.9%	5.7%	1.8%
Canada	-3.6%	8.3%	4.7%
South Africa	8.8%	4.8%	13.6%
JV - United Kingdom [(2)]	7.0%	2.2%	9.2%

Ready-mix Concrete	**-2.4%**	**2.2%**	**-0.2%**
France	-5.8%	0.1%	-5.7%
United States	-9.0%	4.7%	-4.3%
Canada	-5.9%	2.9%	-3.0%
South Africa	-9.7%	6.6%	-3.1%
India	-19.5%	3.5%	-16.0%
JV – United Kingdom	10.8%	5.0%	15.8%

(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

© Rudy Ricciotti - Mario Bellini - Musée du Louvre - Lisa Ricciotti

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

Other Income (Expenses)

€m	6 Months 2014	6 Months 2013	*2nd Quarter 2014*	*2nd Quarter 2013*
Net gains (losses) on disposals	33	46	*7*	*1*
Impairment of assets	(6)	(22)	*-*	*(10)*
Restructuring	(43)	(57)	*(32)*	*(40)*
Others	(57)	(22)	*(44)*	*(10)*
Total	**(73)**	**(55)**	***(69)***	***(59)***

Finance Costs and Average Interest Rate

€m	6 Months 2014	6 Months 2013	*2nd Quarter 2014*	*2nd Quarter 2013*
Financial charges on net debt	(380)	(386)	*(190)*	*(197)*
Foreign exchange	(11)	(30)	*(9)*	*(15)*
Others	(79)	(72)	*(39)*	*(33)*
Total	**(470)**	**(488)**	***(238)***	***(245)***

Average interest rate		**June 30, 2014**			**December 31, 2013**		
			Interest rate			**Interest rate**	
			Spot	**Average**		**Spot**	**Average**
Total gross debt [(1)]		**€12.4Bn**	**6.4%**	**6.5%**	**€12.9Bn**	**6.6%**	**6.2%**
Of which:	*Fixed rate*	*69%*	*7.8%*		*74%*	*7.9%*	
	Floating rate	*31%*	*3.1%*		*26%*	*2.7%*	

(1) Excluding puts and derivative instruments : negligible as at June 30, 2014 and 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	June 30, 2014	Dec. 31, 2013
Capital Employed	27,105	27,073
Out of which:		
Goodwill	*11,041*	*11,027*
Prop, plant & equip.	*11,952*	*12,049*
Intangible assets	*356*	*370*
Investments in JV and associates	*3,088*	*3,174*
Working Capital	*668*	*453*
Financial assets	765	667
Total	**27,870**	**27,740**

€m	June 30, 2014	Dec. 31, 2013
Equity	16,133	16,285
Out of which:		
Equity attributable to the owners of the parent company	*14,361*	*14,555*
Non controlling interests	*1,772*	*1,730*
Net debt	10,104	9,846
Provisions	1,633	1,609
Total	**27,870**	**27,740**

Investments and Divestments

€m	6 Months 2014	6 Months 2013	*2nd Quarter 2014*	*2nd Quarter 2013*
Sustaining capital expenditures	(121)	(115)	*(67)*	*(67)*
Development capital expenditures	(263)	(352)	*(128)*	*(135)*
Acquisitions (1)	(59)	(19)	*(10)*	*(11)*
Capital expenditures	**(443)**	**(486)**	***(205)***	***(213)***
Divestments (2)	**423**	**162**	***75***	***47***

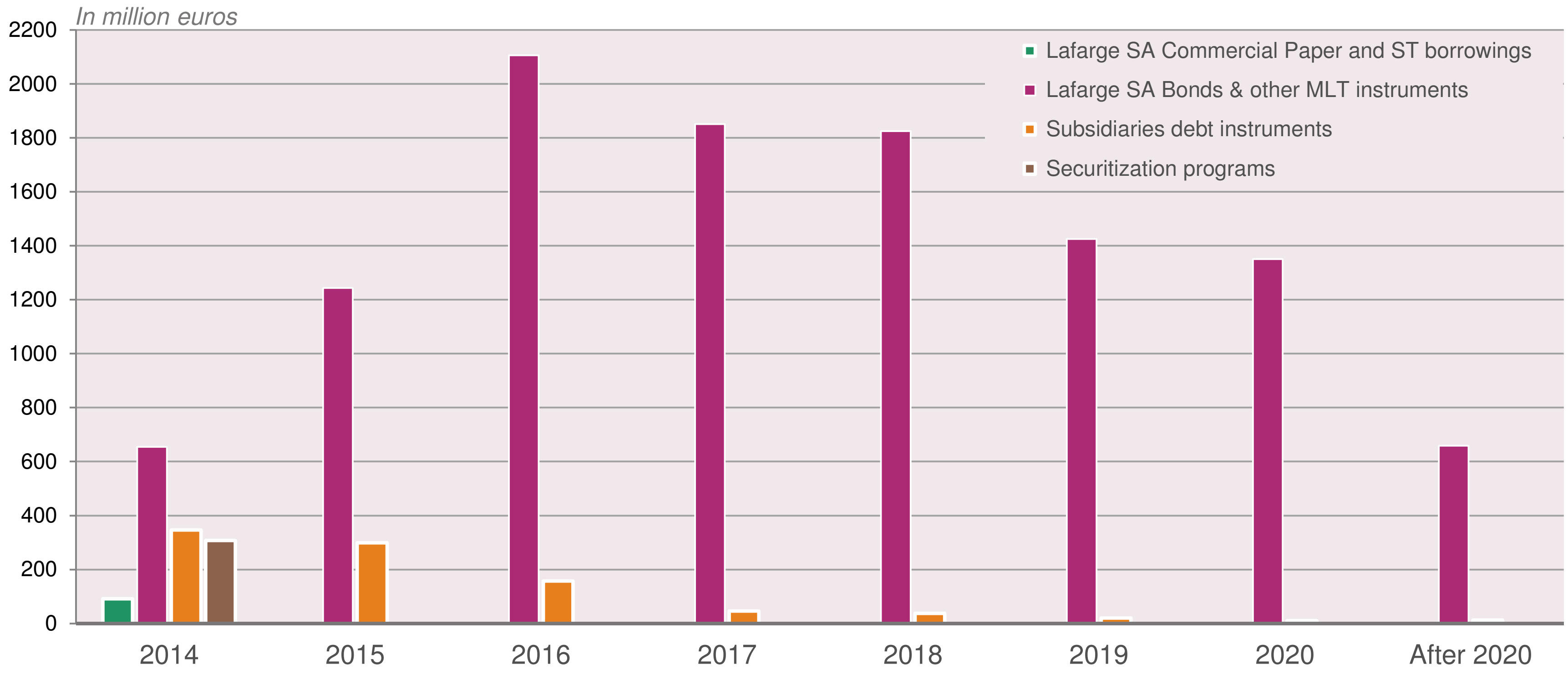
(1) Including net debt acquired and the acquisitions of ownership interests with no gain of control.
The acquisitions of ownership interests with no gain of control were negligible in H1 2014 and in H1 2013, excluding puts, already recorded as debt, exercised in the period (€11m put exercised in the second quarter 2014)

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

Balanced Debt Maturity Schedule

Average maturity of gross debt is 4 years and 1 month

As at June 30, 2014 (1)

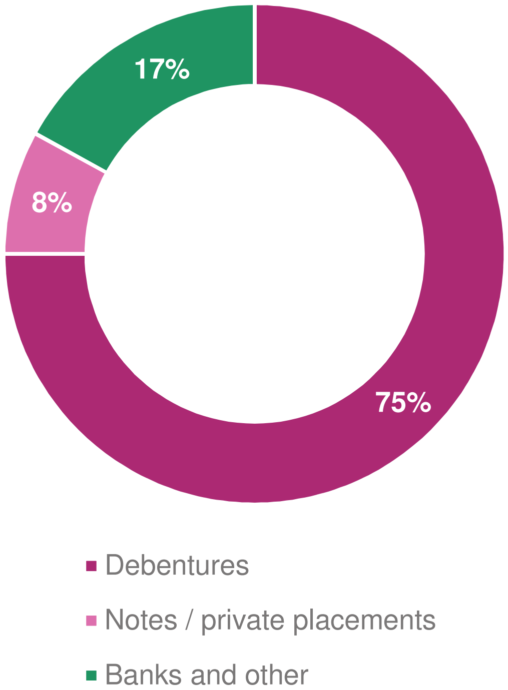


(1) Excluding puts on shares and derivatives instruments

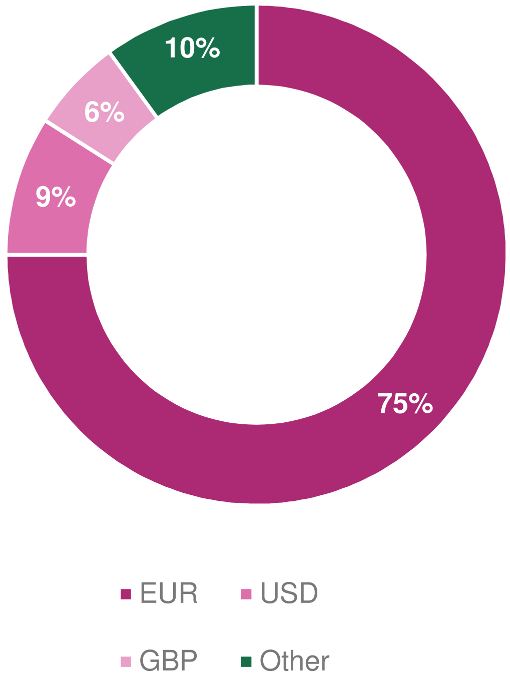
Gross Debt [1] by Currency and by Source of Financing

As at June 30, 2014

Split by source of financing



Split by currency



Total Gross Debt [1]: **€ 12.4Bn**

(1) Excluding puts on shares and derivatives instruments

Strong Liquidity Backed by Well Balanced Committed Credit Lines

Lafarge SA committed credit lines of 3.0 billion euros with average maturity of 3.1 years

€bn, as at June 30, 2014	Amount	2014	2015	2016	2017	2018
Syndicated committed credit lines	1.5	-	-	-	1.5	-
Bilateral committed credit lines	1.5	-	-	0.2	0.8	0.5
Cash and cash equivalent	2.3					
Total sources of liquidity	**5.3**					
Short- term debt and short-term portion of long-term debt	(2.4)					
Credit line drawn as of June 30, 2014	-					
Overnight debt and commercial papers (1)	(0.1)					
Total Available liquidity	**2.8**					

(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.

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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

	6 Months, after IFRS 11 application		Joint ventures contribution		6 Months before IFRS 11 application	
	H1 2014 reported	H1 2013 restated	H1 2014	H1 2013	H1 2014 Pro forma (1)	H1 2013 reported
Volumes						
Cement (MT)	57.0	54.5	11.3	10.7	68.3	65.2
Pure aggregates (MT)	69.9	70.7	13.9	13.1	83.8	83.8
Ready-Mix Concrete (Mm^3)	12.8	13.0	2.0	2.0	14.8	15.0
Sales	**6,000**	**6,234**	**1,084**	**1,014**	**7,084**	**7,248**
EBITDA	1,155	1,167	173	135	1,328	1,302
EBITDA Margin	*19.3%*	*18.7%*	*16.0%*	*13.3%*	*18.7%*	*18.0%*
Current Operating Income	**755**	**739**	**95**	**52**	**850**	**791**
Net income Group share (2)	70	84			70	84
Earnings per share (in €)	**0.24**	**0.29**			**0.24**	**0.29**
Cash Flow from operations	**371**	**419**	**40**	**20**	**411**	**439**
Net debt	10,104	11,243	562	638	10,666	11,881

(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	Strict Working Capital end of N * 90 days Sales of the last quarter