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Building better cities™

2014 Full Year Results

Bruno Lafont and Jean-Jacques Gauthier

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

Disclaimer

This document contains forward-looking statements. Although Lafarge believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are difficult to predict and generally beyond the control of Lafarge, including but not limited to the risks described in the Lafarge's annual report available on its Internet website (www.lafarge.com) and uncertainties related to the market conditions and the implementation of our plans. Nothing contained herein is, or shall be relied on as, a promise or representation as to the future performance of Lafarge. Accordingly, we caution you against relying on forward looking statements. Lafarge does not undertake to provide updates of these forward-looking statements.

Furthermore, these forward-looking statements are applicable to the Lafarge group on a standalone basis only and are not applicable to the LafargeHolcim group as from the date of completion of the planned merger of equals announced on April 7, 2014.

More comprehensive information about Lafarge may be obtained on its internet website (www.lafarge.com), including in the "Regulated Information" section.

This document does not constitute an offer to purchase or exchange or the solicitation of an offer to sell or exchange any securities of Lafarge.

In compliance with the IFRS accounting standards, the Group has applied the new standard IFRS 11 from January 1st, 2014. IFRS requires restating the corresponding period of 2013 to have comparable information from one year to the other.

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Bruno Lafont
Chairman and CEO

Algeria, City of Algiers – Building better cities - Notre-Dame d'Afrique cable car

A Successful Transformation

Solid Results in 2014 in a Volatile Environment

- **Solid growth like for like, demonstrating the strength of our portfolio**
  - Solid performance of Middle East Africa, despite some specific situations
  - North America continue to benefit from solid trends in the United States
  - Europe progressively stabilizing with some countries already recovering like the UK
- **2012 – 2015 cost reduction and innovation targets achieved one year ahead of schedule**

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Focusing on Our Customers and Our Markets

Innovation Driving Solid, Sustainable and More Profitable Growth

- **An organization deeply transformed**
- **All segments contributing to results**
  - €230M delivered this year
- **The most advanced portfolio of valued added products and solutions**
  - More than 400 new products launched since 2012

Network of micro retail outlets in Tanzania

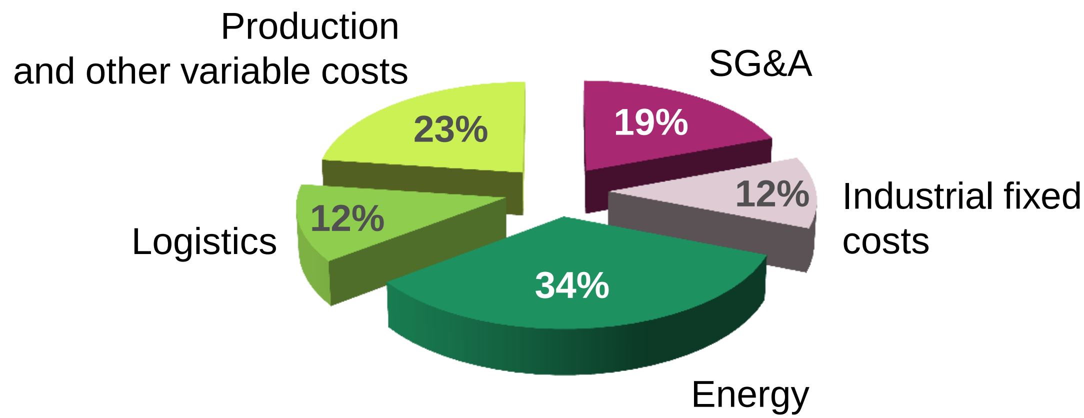
Affordable housing in the Philippines

Construction Development Lab in Algeria

An Optimized Cost Base

€370M Cost Savings in 2014; A Proven Track Record Since 2006

Split of 2014 cost savings



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New operating model
in our plants

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21% of alternative fuels
in 2014
(vs. 14% in 2011)

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Optimization of energy
procurement, notably power
costs

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Capital Expenditure Sustainably Lowered

Maintenance Capex to Remain below 60% of Depreciation

- **Proven track record optimizing maintenance capex**
- **Development focused on debottlenecking**
  - Additional 9mT produced in 2014 vs. 2012 for a minimal investment

New grinding station in M'Sila – Algeria

Conveyor of the Ferzikovo plant in Russia

Significant Growth of Results Expected in 2015

EBITDA of Between €3.0bn and €3.2bn in 2015

- **Expected 2 to 5 cement volume growth in 2015**
- **Objective to generate more than €550m through cost cutting and innovation is confirmed**
- **Improving exchange rates**
- **We will continue to apply a strict capital allocation discipline**

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Our Planned Merger is Four Months Ahead

Significant Steps Taken Towards Completion

▪ **15 December 2014**	**EU Clearance obtained**
▪ **23 December 2014**	**Announcement of the future Executive Committee**
▪ **2 February 2015**	**Announcement of an agreement aiming at selling to CRH for €6.5bn a large set of assets from Lafarge and Holcim in Europe, Brazil, the Philippines and Canada**

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Jean-Jacques Gauthier

- Chief Financial Officer

France, Paris – Philarmonic society

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Highlights

- **Solid operating results in a volatile environment**
  - Growth continued in the United States; solid performance in Middle East Africa which further improved results; Europe benefitting from cost cutting and progressively stabilizing market conditions
  - Cement prices increased 1.6% for the year, partly offsetting cost inflation
- **Cost reduction and innovation objective achieved with €600m generated this year**
  - €370m from cost reduction, €230m from innovation
- **Negative impact of foreign exchange rates for the year, with €-92m impact on EBITDA**
- **Net income has been affected by one-off items; Adjusted Net income Group share is up 10%**
- **Net debt was further reduced at €9.3bn at year end**

Key Figures

	12 Months				4th Quarter			
	2014	**2013**	**Variation**	**lfl(1)**	***2014***	***2013***	***Variation***	***lfl(1)***
Volumes								
Cement (MT)	116.4	114.4	2%	4%	*28.4*	*28.7*	*-1%*	*1%*
Pure aggregates (MT)	161.4	165.0	-2%	-1%	*41.1*	*41.8*	*-2%*	*-1%*
Ready-Mix Concrete (Mm^3)	26.4	26.7	-1%	-2%	*6.5*	*6.5*	*-1%*	*-3%*
Sales	**12,843**	**13,091**	**-2%**	**3%**	***3,207***	***3,157***	***2%***	***1%***
EBITDA	2,721	2,794	-3%	5%	*679*	*707*	*-4%*	*-1%*
EBITDA Margin	*21.2%*	*21.3%*	*-10bps*	*40bps*	*21.2%*	*22.4%*	*-120bps*	*-30bps*
Current Operating Income	**1,881**	**1,937**	**-3%**	**7%**	***450***	***488***	***-8%***	***-3%***
Net income Group share	143	601	nm		*(145)*	*213*	*nm*	
Adjusted net income (2)	423	384	10%		*68*	*96*	*-29%*	
Adjusted EPS (in €) (2)	**1.47**	**1.34**	**10%**		***0.24***	***0.33***	***-27%***	
Net dividend (in €) (3)	**1.00**	**1.00**						
Free cash flow	**592**	**754**	**-21%**		***392***	***418***	***-6%***	
Net debt	9,310	9,846	-5%					

(1) At constant scope and exchange rates, and excluding one-time elements:
A €20m one-time gain recorded in Q1 2013 in North America, CO_2 sales and the loss of volumes in Iraq in H2 2014 in the current situation
(2) Adjusted for non-recurring items, net of tax: merger-related costs, gains and losses on divestments, non-cash impairments and one-time effects on the deferred tax positions to reflect newly applicable tax rates, notably in Algeria and Spain.
(3) Subject to the approval of Annual General Meeting. In addition, Lafarge may decide to increase its dividend to equalize it with that to be announced by Holcim as per the Combination Agreement between Lafarge and Holcim signed on July 7, 2014. Payment date of the Lafarge dividend can be accelerated compared to past practices of Lafarge and will be communicated at a later stage.

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Operational Review

Nigeria, City of Lagos

Margin up 60bps, including Joint Ventures

Results Growth like for like Driven by Self-Help Measures

	12 Months including the contribution of the joint-ventures (1)				Joint ventures contribution (1)	
	2014 Pro forma (1)	2013 reported	Gross Variation	lfl(2)	2014	2013
Volumes						
Cement (MT)	139.0	136.8	2%	4%	22.6	22.4
Pure aggregates (MT)	190.8	192.8	-1%	-	29.4	27.8
Ready-Mix Concrete (Mm^3)	30.6	30.7	-	-1%	4.2	4.0
Sales	**15,167**	**15,198**	**-**	**4%**	**2,324**	**2,107**
EBITDA	3,091	3,102	-	7%	370	308
EBITDA Margin	*20.4%*	*20.4%*	-	*60bps*	*15.9%*	*14.6%*

(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, and excluding one-time elements:
A €20m one-time gain recorded in Q1 2013 in North America, CO2 sales (€28m and €9m sold in Q3 and Q4 2014 respectively, versus €14m sold in Q4 2013) and the loss of volumes in Iraq in H2 2014 (-€24m in Q3 2014 and -€12m in Q4 2014)

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North America

Volumes Growth in the US and Pricing Gains – Strong Trends in Q4

Volumes	12 Months 2014	12 Months 2013	12 Months Variation	12 Months lfl(1)	4th Quarter 2014	4th Quarter 2013	4th Quarter Variation	4th Quarter lfl
Cement (MT)	11.7	11.3	4%	4%	*3.0*	*2.9*	*6%*	*6%*
Pure aggregates (MT)	85.5	90.5	-6%	-2%	*23.1*	*22.9*	*1%*	*5%*
Ready-Mix Concrete (Mm^3)	5.5	5.6	-3%	-5%	*1.3*	*1.3*	*-2%*	*-5%*
Sales	**3,008**	**3,064**	-2%	4%	***813***	***747***	*9%*	*6%*
EBITDA	**578**	**552**	5%	19%	***179***	***140***	*28%*	*32%*
EBITDA Margin	*19.2%*	*18.0%*	*120bps*	*250bps*	*22.0%*	*18.7%*	*330bps*	*440bps*
Current Operating Income	441	398	11%	28%	*143*	*103*	*39%*	*46%*

- Like-for-like sales increased both in the quarter and over the year, with price gains across all product lines and higher cement volumes.
  - **In the United States**, the residential sector was positively oriented throughout the year. In this respect, cement volumes improved 6% both in the quarter and versus last year. Aggregates volumes were also positively oriented, while ready-mix volumes decreased 8% versus last year, with a lower number of projects.
  - **In Canada**, cement volumes improved 7% both in the West and the East in the fourth quarter and 2% for the year. Aggregates and ready-mix volumes were slightly down compared with last year, reflecting the phasing of some large projects completed in 2013 in Western Provinces, while our aggregates business benefited from a positive growth in Ontario with several infrastructure and civil engineering projects.
- EBITDA and EBITDA margin improved solidly in the quarter and in the year, supported by higher cement volumes, higher prices across all product lines in response to cost inflation, cost savings and innovation measures.

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

Western Europe

Forceful Cost-Cutting Initiatives Mitigating Lower Volumes in France

Volumes	12 Months 2014	12 Months 2013	12 Months Variation	12 Months lfl(1)	4th Quarter 2014	4th Quarter 2013	4th Quarter Variation	4th Quarter lfl(1)
Cement (MT)	11.8	12.0	-2%	-2%	2.9	2.9	-2%	-2%
Pure aggregates (MT)	33.0	34.4	-4%	-3%	7.5	8.3	-10%	-8%
Ready-Mix Concrete (Mm^3)	7.3	7.7	-6%	-6%	1.8	1.9	-8%	-9%
Sales	**2,109**	**2,208**	-4%	-4%	**506**	**536**	-6%	-6%
EBITDA	**291**	**264**	10%	4%	**51**	**69**	-26%	-16%
EBITDA Margin	*13.8%*	*12.0%*	*180bps*	*100bps*	*10.1%*	*12.9%*	*-280bps*	*-110bps*
Current Operating Income	104	81	28%	13%	(6)	19	nm	nm

- Sales decreased both in the quarter and versus 2013, reflecting lower volumes in France.
  - **In France,** in line with our expectations, construction activity was soft comparing to a strong Q4 2013.
  - **In Spain,** some signs of economic recovery have been perceived and the construction sector stabilized, with some improvements noticed in the fourth quarter.
  - Activity in **Greece** continued to show signs of improvement and domestic cement volumes sold rose both in the quarter and versus last year.
- At constant scope and exchange rates, and excluding carbon credit sales, EBITDA margin increased 100bps versus 2013, supported by significant cost-cutting measures.
- 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, and €3m in Q4 2014, versus €11m in Q4 2013)

Central and Eastern Europe

EBITDA Margin Improvement Driven by Self-Help Measures

	12 Months				4th Quarter			
Volumes	**2014**	**2013**	**Variation**	**lfl (1)**	***2014***	***2013***	***Variation***	***lfl (1)***
Cement (MT)	12.1	12.5	-3%	2%	*2.8*	*2.7*	*-*	*-*
Pure aggregates (MT)	21.7	20.7	6%	-1%	*5.4*	*5.6*	*-1%*	*-7%*
Ready-Mix Concrete (Mm^3)	2.0	1.6	21%	21%	*0.4*	*0.4*	*-8%*	*-8%*
Sales	**1,067**	**1,145**	-7%	4%	***229***	***258***	*-11%*	*-1%*
EBITDA	**226**	**201**	12%	15%	***50***	***50***	*-*	*-5%*
EBITDA Margin	*21.2%*	*17.6%*	*360bps*	*200bps*	*21.8%*	*19.4%*	*250bps*	*-80bps*
Current Operating Income	135	112	21%	20%	*26*	*27*	*-4%*	*nm*

- On a comparable basis, sales rose 4% versus last year supported by a strong first semester, and stabilized in Q4.
  - **In Poland,** sales were up 4% versus last year. Construction market growth was subdued in the second semester, 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,** cement volumes rose both in the quarter and full year, with a strong rebound in the residential segment compensating for a contraction of infrastructure work.
  - **In Russia**, cement volumes sold increased both in the quarter and for the year, reflecting the progressive ramp-up of our new 2 MT plant located in the south of the Moscow region that started production in April, and despite a slowdown of the construction market in the fourth quarter.
- EBITDA and EBITDA margin for the year significantly improved, underpinned by cost saving and innovation measures in a low volume environment.

(1) At constant scope and exchange rates, and excluding carbon credit sales (€2m recorded in Q3 2014, and €6m in Q4 2014, versus €3m in Q4 2013)

Middle East and Africa

Robust Performance Despite some Challenging Situations in H2

Volumes	12 Months 2014	12 Months 2013	12 Months Variation	12 Months lfl (1)	4th Quarter 2014	4th Quarter 2013	4th Quarter Variation	4th Quarter lfl (1)
Cement (MT)	41.6	40.2	4%	4% (2)	*9.8*	*10.6*	*-7%*	*-5%* (2)
Pure aggregates (MT)	9.7	8.5	14%	14%	*2.2*	*2.2*	*3%*	*3%*
Ready-Mix Concrete (Mm^3)	5.5	5.2	7%	4%	*1.4*	*1.4*	*8%*	*4%*
Sales	**3,711**	**3,632**	2%	6%	***908***	***915***	*-1%*	*-2%*
EBITDA	**1,043**	**1,032**	1%	8%	***255***	***267***	*-4%*	*-2%*
EBITDA Margin	*28.1%*	*28.4%*	*-30bps*	*40bps*	*28.1%*	*29.2%*	*-110bps*	*20bps*
Current Operating Income	778	762	2%	10%	*185*	*200*	*-7%*	*-2%*

- 2014 performance was robust despite several adverse events, demonstrating the strength of our asset portfolio. At constant scope and exchange rates, sales rose 5% and EBITDA 4% versus last year, with a positive contribution of most markets more than offsetting the impact of lower volumes **in Iraq** in the second half of the year.
- Excluding this impact, sales were up 6% like-for-like versus last year. They were slightly down in Q4, due to lower production levels in **South Africa** and the suspension of our operations in **Syria** from mid-September 2014.
  - **In Nigeria,** our cement volumes increased both in Q4 and versus 2013 while prices temporarily dropped in Q4 despite cost inflation. Year-end prices reflected the Q1 increase.
  - **In Algeria**, sales rose 8% versus last year with a continuous focus on innovative products.
  - **In Egypt**, our cement volumes improved significantly over the year, as the utilization rate of our plant rose. Prices grew in a context of increased costs, notably costs to implement alternative sources of fuels.
- EBITDA margin like-for-like improved both in Q4 and for the year, supported by successful cost savings and innovation measures, and reflecting significant earnings increases in Nigeria, East Africa and Algeria.

(1) At constant scope and exchange rates, and excluding the impact of the loss of volumes in Iraq in H2 2014 in the current context.
When including the drop in volumes in Iraq in H2 : 12M: domestic volumes: 1% , sales: 5%, EBITDA: 4%
Q4 : domestic volumes: -8% , sales: -4%, EBITDA: -6%

(2) Domestic only

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Latin America

Subdued Market and Strong Inflation Environment

Volumes	12 Months 2014	12 Months 2013	12 Months Variation	12 Months Lfl	4th Quarter 2014	4th Quarter 2013	4th Quarter Variation	4th Quarter Lfl
Cement (MT)	7.3	8.8	-18%	-2%	*1.7*	*2.0*	*-17%*	*-4%*
Pure aggregates (MT)	3.0	2.8	9%	2%	*0.8*	*0.8*	*8%*	*-7%*
Ready-Mix Concrete (Mm³)	1.4	1.2	16%	16%	*0.3*	*0.3*	*-4%*	*-4%*
Sales	**712**	**869**	-18%	3%	***163***	***192***	*-15%*	*-3%*
EBITDA	**150**	**240**	-37%	-10%	***29***	***55***	*-47%*	*-30%*
EBITDA Margin	*21.1%*	*27.6%*	*-650bps*	*-310bps*	*17.8%*	*28.6%*	*-1090bps*	*-740bps*
Current Operating Income	119	202	-41%	-14%	*22*	*46*	*-52%*	*-35%*

- Sales increased 3% versus last year and slightly contracted in the fourth quarter, when excluding the effect of the devaluation of the Brazilian real against the euro and the impact of the divestments achieved on the last 18 months.
  - **In Brazil,** the construction market experienced mild trends throughout the year, impacted by the summer sports events and the election in the second half of the year. In this environment, cement volumes slightly dropped, while pricing gains were achieved in response to significant cost inflation.
- EBITDA contracted in the quarter and versus last year, under the combined effect of lower volumes, sustained cost inflation and one-time adverse elements notably impacting the fourth quarter.

Asia

Higher Sales Mitigated Significant Cost Inflation

Volumes	12 Months 2014	12 Months 2013	Variation	lfl	4th Quarter 2014	4th Quarter 2013	Variation	lfl
Cement (MT)	31.9	29.6	8%	8%	*8.2*	*7.6*	*9%*	*9%*
Pure aggregates (MT)	8.5	8.2	3%	-3%	*2.1*	*2.1*	*-3%*	*-10%*
Ready-Mix Concrete (Mm^3)	4.7	5.4	-12%	-12%	*1.2*	*1.2*	*4%*	*4%*
Sales	**2,236**	**2,173**	3%	6%	***588***	***509***	*16%*	*8%*
EBITDA	**433**	**505**	-14%	-11%	***115***	***126***	*-9%*	*-15%*
EBITDA Margin	*19.4%*	*23.2%*	*-380bps*	*-370bps*	*19.6%*	*24.8%*	*-520bps*	*-500bps*
Current Operating Income	304	382	-20%	-17%	*80*	*93*	*-14%*	*-19%*

- Sales grew both in the fourth quarter and versus last year, mainly driven by the ramp-up of our new plant in India and strong level of construction activity in the Philippines.
  - **In India,** the construction market began to regain momentum after the general elections and the monsoon season. Our cement volumes increased strongly, supported by our 2.6 MT new plant in Rajasthan which started in Q3 2013. Prices were lower than last year levels.
  - **In the Philippines,** our cement volumes increased quarter after quarter, experiencing double-digit growth in the second half of the year. Cement sales improved 7% versus last year.
  - **In South Korea and in Malaysia**, our cement volumes slightly contracted, with some production limitations in Malaysia and a soft construction market in South Korea.
  - **In Indonesia**, cement sales rose, mostly driven by price increases in response to cost inflation.
- Despite solid cost reductions, EBITDA decreased, impacted by overall high cost inflation within the region, notably higher energy costs, production limitations and an adverse impact of purchases of clinker.

Net Income

France, Paris – Fondation Louis Vuitton

Net Income

Adjusted Net Income up 10% for the Year, Supported by Reduced Financial Costs and a Higher Contribution of our JV

€m	12 Months 2014	12 Months 2013	*4th Quarter 2014*	*4th Quarter 2013*
EBITDA	**2,721**	**2,794**	***679***	***707***
Depreciation	(840)	(857)	*(229)*	*(219)*
Current Operating Income	**1,881**	**1,937**	***450***	***488***
Other income (expenses)	(421)	(4)	*(264)*	*68*
Net financial costs	(870)	(984)	*(169)*	*(233)*
Income from JV and associates	69	-	*6*	*(3)*
Income taxes	(385)	(242)	*(145)*	*(62)*
Income from discontinued operations	-	46	*-*	*(1)*
Non-controlling interests	(131)	(152)	*(23)*	*(44)*
Net income, Group Share (1)	**143**	**601**	***(145)***	***213***
Adjusted net income, Group Share (2)	**423**	**384**	***68***	***96***

(1) Net income attributable to the owners of the parent company
(2) Adjusted for non-recurring items, net of tax: merger-related costs, gains and losses on divestments (including the gain on the divestment of our Gypsum operations in the United States, presented in the 2013 net income from discontinued operations), non-cash impairments, and one-time effects on the deferred tax positions to reflect newly applicable tax rates, notably in Algeria and Spain.

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Cash Flow and Debt Highlights

France, Paris – Fondation Louis Vuitton

Cash Flow

€m	12 Months 2014	12 Months 2013	4th Quarter *2014*	4th Quarter 2013
CFFO excluding merger costs	1,130	1,161	*232*	165
Net cash merger costs	(90)	-	*(47)*	-
Change in working capital	(92)	(56)	*344*	406
Sustaining capex	(356)	(351)	*(137)*	(153)
Free cash flow	**592**	**754**	***392***	**418**
Development investments [1]	(669)	(630)	*(111)*	(118)
Divestments [2]	1,145	1,248	*621*	219
Cash flow after investments	**1,068**	**1,372**	***902***	**519**
Dividends	(436)	(486)	*(39)*	(25)
Equity issuance (repurchase)	(6)	3	*1*	-
Currency fluctuation impact	17	4	*96*	4
Change in fair value	(16)	25	*(2)*	30
Others	(91)	(54)	*3*	(17)
Net debt reduction (increase)	**536**	**864**	***961***	**511**
Net debt at the beginning of period	9,846	10,710	*10,271*	10,357
Net debt at period end	**9,310**	**9,846**	***9,310***	**9,846**

(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 2014 and in 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 2015

United States - Elmwood, New Jersey – Refurbishment in Ductal, the ultra-high performance concrete of Lafarge, of the Pulaski Skyway Bridge carrying a four-lane freeway over the Passaic and Hackensack rivers linking Jersey City to Newark airport.

2015 Outlook – Market [1] Overview

Cement

	Volumes (%)	Price	Highlights
North America	3 to 6	+	Market growth, notably supported by positive trends in the US residential and commercial sectors and in Eastern Canada
Western Europe	0 to 3	=/+	Improvement expected in most markets; slight decrease in France
Central and Eastern Europe	-2 to 1	+	Market growth in most markets with the exception of Russia
Middle East and Africa	5 to 8	+	Solid market trends across the region
Latin America	0 to 3	+	Moderate growth in Brazil, driven by the Rio region
Asia	4 to 7	+	Market growth expected in most markets
Overall	**2 to 5**	**+**	**Growth in most markets**

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

2015 Outlook – Other Elements

- EBITDA for the year 2015 between €3.0bn and €3.2bn
- -1% for energy cost inflation (-0.1 euro per tonne), reflecting a drop in fuel prices (petcoke and coal), partly compensated by increases in power in regulated markets
- Continuous focus on our Cost reduction and Innovation plan:
  - Cost reduction: €300m
  - Innovation: €250m
- Cost of debt (gross): ~6%
- Tax rate: 34%(1)
- Capital expenditures: €1.1bn
- Net debt between €8.5bn and €9.0bn at year-end

(1) Excluding one-off effects

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Conclusion

Philippines – Affordable Housing

I. Other Information

Outlook 2015 – Market Overview

United States - Elmwood, New Jersey – Refurbishment in Ductal, the ultra-high performance concrete of Lafarge, of the Pulaski Skyway Bridge carrying a four-lane freeway over the Passaic and Hackensack rivers linking Jersey City to Newark airport.

2015 Outlook – Market [1] overview

Cement

	Market Volumes (%)
North America	**3 to 6**
United States	5 to 8
Canada	-1 to 2
Western Europe	**0 to 3**
France	-2 to 1
United Kingdom	5 to 8
Spain	4 to 7
Greece	3 to 6
Central and Eastern Europe	**-2 to 1**
Poland	2 to 5
Romania	2 to 5
Russia	-12 to -9
Latin America	**0 to 3**
Brazil	0 to 3

	Market Volumes (%)
Middle East and Africa	**5 to 8**
Algeria	4 to 7
Egypt	4 to 7
Iraq	7 to 10
Kenya	8 to 11
Morocco	-1 to 2
Nigeria	3 to 6
South Africa	2 to 5
Asia	**4 to 7**
China	1 to 4
India	5 to 8
Indonesia	3 to 6
Malaysia	5 to 8
Philippines	9 to 12
South Korea	-2 to 1
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

2015 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.

II. Other information

Scope and Foreign Exchange Effects

France, City of Lyon – Lyon Confluence district, in the Lyon former Docks district. Shopping center designed by architect Jean-Paul Viguier. Lafarge concrete has been used for the exterior surfaces around the center.

Sales by Geographical Area

Scope and Foreign Exchange Effects

12 Months

In million euros	**2014**	**2013**	Variation	Scope	FX effect	Impact of one-off (1)	lfl
North America	3,008	3,064	-2%	-1%	-5%	-	4%
Western Europe	2,109	2,208	-4%	-	-	-	-4%
Central and Eastern Europe	1,067	1,145	-7%	-5%	-6%	-	4%
Middle East and Africa	3,711	3,632	2%	-	-3%	-1%	6%
Latin America	712	869	-18%	-14%	-7%	-	3%
Asia	2,236	2,173	3%	-	-3%	-	6%
TOTAL	**12,843**	**13,091**	**-2%**	**-2%**	**-3%**	**-**	**3%**

(1) At constant scope and exchange rates, and excluding the loss of volumes in Iraq in H2 2014 in the current context. When including the drop in volumes in Iraq in H2 2014, like-for-like MEA sales variations are up 5% FY.

EBITDA by Geographical Area

Scope and Foreign Exchange Effects

In million euros	12 Months 2014	2013	Variation	Scope	FX effect	Impact of one-off [(1)]	lfl[(1)]
North America	578	552	5%	-3%	-6%	-5%	19%
Western Europe	291	264	10%	-1%	-	7%	4%
Central and Eastern Europe	226	201	12%	-3%	-2%	2%	15%
Middle East and Africa	1,043	1,032	1%	-	-3%	-4%	8%
Latin America	150	240	-37%	-22%	-5%	-	-10%
Asia	433	505	-14%	-	-3%	-	-11%
TOTAL	**2,721**	**2,794**	**-3%**	**-3%**	**-4%**	**-1%**	**5%**

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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, carbon credit sales and the impact of the loss of volumes in Iraq in H2 2014 in the current context

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II. Other information

Information per Activity

Nigeria, City of Lagos

Cement

	12 Months				4th Quarter			
	2014	**2013**	**Variation**	**lfl (1)**	***2014***	***2013***	***Variation***	***lfl (1)***
Sales (€m)	9,166	9,256	-1%	5%	*2,263*	*2,207*	*3%*	*2%*
EBITDA	2,380	2,438	-2%	5%	*593*	*616*	*-4%*	*-1%*
EBITDA Margin	26.0%	26.3%	-30bps	-10bps	*26.2%*	*27.9%*	*-170bps*	*-80bps*

By geographical zone

	Sales 12M 2014	**EBITDA 12M 2014**
Total	**9,166**	**2,380**
North America	1,287	327
Western Europe	1,157	246
Central and Eastern Europe	804	203
Middle East and Africa	3,314	1,016
Latin America	597	155
Asia	2,007	433

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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, carbon credit sales and the impact of lower cement volumes in Iraq due to the transport limitations in the second semester 2014

Aggregates and Concrete

	12 Months				4th Quarter			
	2014	2013	Variation	lfl(1)	2014	2013	Variation	lfl(1)
Sales (€m)	4,271	4,412	-3%	1%	1,084	1,081	-	-1%
Out of which Pure aggregates	1,866	1,923	-3%	3%	477	476	-	1%
Out of which Ready-Mix	2,322	2,387	-3%	-1%	580	572	1%	-3%
EBITDA	394	411	-4%	5%	115	120	-4%	1%
Out of which Pure aggregates	267	242	10%	23%	75	68	10%	22%
Out of which Ready-Mix	75	111	-32%	-28%	26	38	-32%	-33%

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

	12 Months				4th Quarter			
	2014	**2013**	**Variation**	**lfl (1)**	***2014***	***2013***	***Variation***	***lfl (1)***
Sales (€m)	2,151	2,234	-4%	2%	*554*	557	*-1%*	*1%*
EBITDA	289	272	6%	18%	*81*	74	*9%*	*19%*
EBITDA Margin	13.4%	12.2%	120bps		*14.6%*	13.3%	*130bps*	

By geographical zone	**Sales 12M 2014**	**EBITDA 12M 2014**
Total	**2,151**	**289**
Out of which Pure aggregates	*1,866*	*267*
North America	978	162
Western Europe	481	61
Other	407	44

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

	12 Months				4th Quarter			
	2014	**2013**	**Variation**	**lfl (1)**	***2014***	***2013***	***Variation***	***lfl (1)***
Sales (€m)	2,447	2,506	-2%	-1%	611	598	*2%*	*-2%*
EBITDA	105	139	-24%	-20%	34	46	*-26%*	*-26%*
EBITDA Margin	4.3%	5.5%	-120bps		5.6%	7.7%	*-210bps*	

By geographical zone	Sales 12M 2014	EBITDA 12M 2014
Total	**2,447**	**105**
Out of which Ready-Mix	*2,322*	*75*
North America	697	30
Western Europe	781	37
Other	844	8

(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

Nigeria, City of Lagos

YTD Like-for-Like Sales Variance – Cement

Analysis by Region and Major Market as at December 31, 2014	**Volume effect**	**Other effects (1)**	**Activity variation vs. 2013**
North America	**3.9%**	**2.0%**	**5.9%**
United States	5.5%	4.1%	9.6%
Canada	1.8%	0.2%	2.0%
Western Europe	**-1.9%**	**-1.4%**	**-3.3%**
France	-6.7%	-1.8%	-8.5%
Spain	-0.4%	-3.8%	-4.2%
Greece	5.1%	7.1%	12.2%
Central and Eastern Europe	**1.9%**	**0.1%**	**2.0%**
Poland	-0.1%	-0.8%	-0.9%
Romania	2.1%	-1.2%	0.9%
Russia	8.9%	1.8%	10.7%
Middle East and Africa	**0.7%**	**4.1%**	**4.8%**
Algeria	3.6%	4.1%	7.7%
Egypt	16.9%	20.9%	37.8%
Iraq	-16.7%	-7.2%	-23.9%
Kenya	1.6%	-1.9%	-0.3%
Nigeria	4.0%	2.8%	6.8%
South Africa	-9.6%	0.6%	-9.0%
Latin America	**-2.2%**	**4.3%**	**2.1%**
Brazil	-2.2%	4.1%	1.9%
Ecuador	-2.0%	1.4%	-0.6%
Asia	**8.6%**	0.3%	8.9%
India	34.8%	-9.6%(3)	25.2%
Indonesia	-3.0%	7.9%	4.9%
Malaysia	-1.5%	3.3%	1.8%
Philippines	7.6%	-0.4%	7.2%
South Korea	-3.7%	1.2%	-2.5%
Cement domestic markets	**2.9%**	**1.4%**	**4.3%**
Main Joint ventures ***(disclosed for information and not included in the regional sub-totals disclosed above***			
UK	*4.4%*	*5.1%*	*9.5%*
Morocco	*-5.9%*	*3.4%*	*-2.5%*
China	*1.0%*	*-3.0%*	*-2.0%*

Pure price: + 1.6%
Geo mix & other effects: -0.2%

(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 4%

YTD Like-for-Like Sales Variance

Aggregates and Concrete

Analysis by Major Market as at December 31, 2014	Volume effect	Other effects (1)	Activity variation vs. 2013
Pure Aggregates	**-1.2%**	**3.8%**	**2.6%**
France	-4.5%	0.7%	-3.8%
Poland	2.8%	-1.5%	1.3%
United States	3.8%	6.4%	10.2%
Canada	-2.9%	5.5%	2.6%
South Africa	14.5%	7.3%	21.8%
JV - United Kingdom (2)	7.8%	4.3%	12.1%

Ready-mix Concrete	**-2.5 %**	**1.2%**	**-1.3%**
France	-7.5%	-0.3%	-7.8%
United States	-8.1%	4.2%	-3.9%
Canada	-4.1%	3.2%	-0.9%
South Africa	-1.8%	3.0%	1.2%
India	-11.4%	3.7%	-7.7%
JV – United Kingdom	11.8%	5.7%	17.5%

(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

France, City of Lyon – Lyon Confluence district, in the Lyon former Docks district. Shopping center designed by architect Jean-Paul Viguier. Lafarge concrete has been used for the exterior surfaces around the center.

Other Income (Expenses)

€m	12 Months 2014	12 Months 2013	4th Quarter 2014	4th Quarter 2013
Net gains (losses) on disposals	292	291	*259*	*200*
Impairment of assets	(385)	(110)	*(366)*	*(60)*
Restructuring	(80)	(131)	*(21)*	*(51)*
Merger-related costs	(126)	-	*(79)*	-
Others	(122)	(54)	*(57)*	*(21)*
Total	**(421)**	**(4)**	***(264)***	***68***

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Finance Costs and Average Interest Rate

€m	12 Months 2014	12 Months 2013	*4th Quarter 2014*	*4th Quarter 2013*
Financial charges on net debt	(736)	(779)	*(174)*	*(201)*
Foreign exchange	28	(51)	*49*	*12*
Others	(162)	(154)	*(44)*	*(44)*
Total	**(870)**	**(984)**	***(169)***	***(233)***

Average interest rate		December 31, 2014			December 31, 2013		
			Interest rate			Interest rate	
			Spot	Average		Spot	Average
Total gross debt [1]		**€11.4Bn**	**6.4%**	**6.3%**	**€12.9Bn**	**6.6%**	**6.2%**
Of which:	*Fixed rate*	*71%*	*8.0%*		*74%*	*7.9%*	
	Floating rate	*29%*	*2.6%*		*26%*	*2.7%*	

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

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VI. Other Information

Statement of Financial Position & Cash Flow Statement

Philippines - Affordable housing, colored houses in the village of Iliga

Statement of Financial position

€m	Dec. 31, 2014	Dec. 31, 2013
Capital Employed	27,403	27,073
Out of which:		
Goodwill	*11,360*	*11,027*
Prop, plant & equip.	*12,052*	*12,049*
Intangible assets	*349*	*370*
Investments in JV and associates	*3,056*	*3,174*
Working Capital	*586*	*453*
Financial assets	739	667
Total	**28,142**	**27,740**

€m	Dec. 31, 2014	Dec. 31, 2013
Equity	17,289	16,285
Out of which:		
Equity attributable to the owners of the parent company	*15,453*	*14,555*
Non controlling interests	*1,836*	*1,730*
Net debt	9,310	9,846
Provisions	1,543	1,609
Total	**28,142**	**27,740**

Investments and Divestments

€m	12 Months 2014	12 Months 2013	4th Quarter 2014	4th Quarter 2013
Sustaining capital expenditures	(356)	(351)	*(137)*	*(153)*
Development capital expenditures	(487)	(594)	*(89)*	*(115)*
Acquisitions (1)	(182)	(36)	*(22)*	*(3)*
Capital expenditures	**(1,025)**	**(981)**	***(248)***	***(271)***
Divestments (2)	**1,145**	**1,248**	***621***	***219***

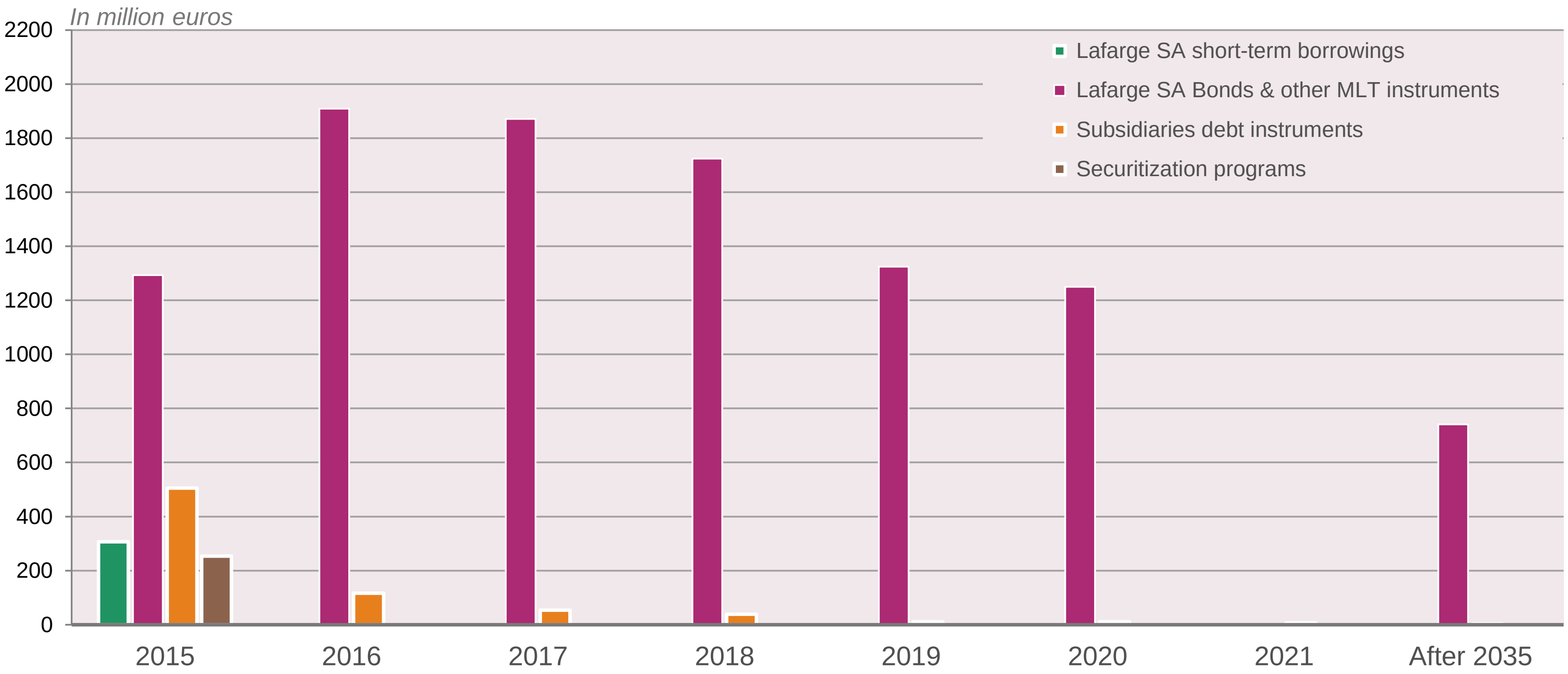
(1) Including net debt acquired and the acquisitions of ownership interests with no gain of control.
The acquisitions of ownership interests with no gain of control were negligible in FY 2014 and in FY 2013, excluding puts, already recorded as debt, exercised in the period (€11m put exercised in the 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 December 31, 2014 (1)



(1) Excluding puts on shares and derivatives instruments

NB : €0.3Bn 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.

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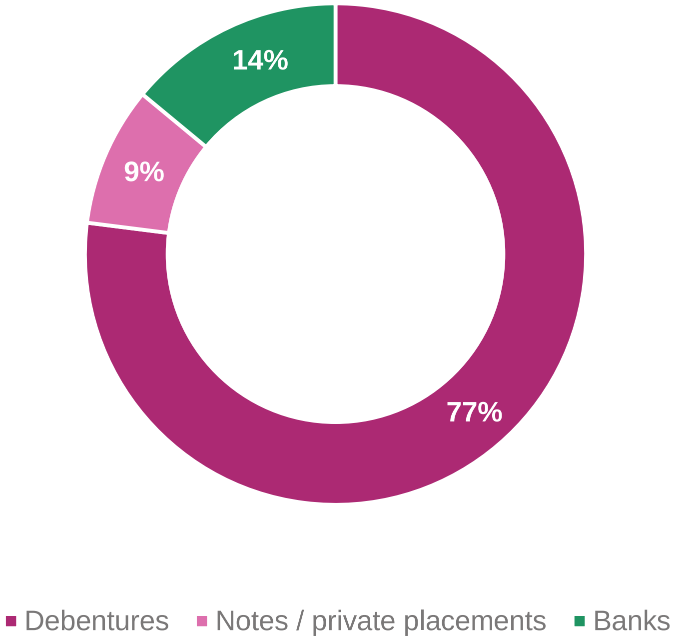
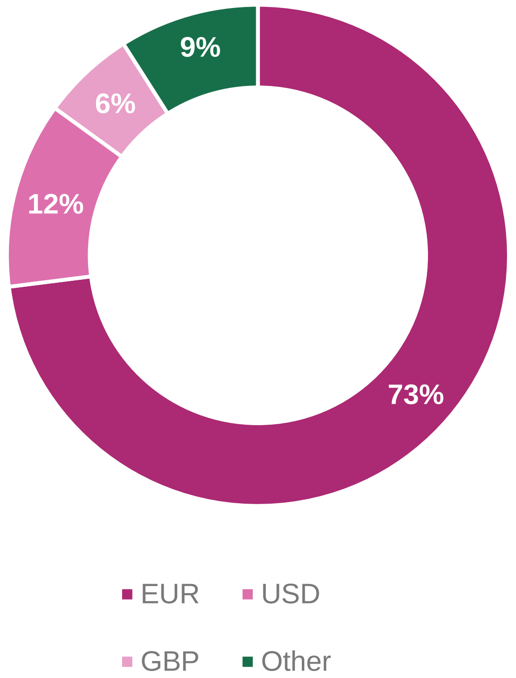
Gross Debt [1] by Currency and by Source of Financing

As at December 31, 2014

Split by source of financing



Split by currency [2]



Total Gross Debt [1]: **€ 11.4Bn**

(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 2.7 years

€bn, as at December 31, 2014	Amount	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 equivalents	2.0				
Total sources of liquidity	**5.0**				

Short-term debt and short-term portion of long-term debt	(2.0)
Credit lines drawn as of December 31, 2014 (1)	-
Overnight debt and other short-term borrowings (1)	(0.4)
Total available liquidity	**2.6**

LAFARGE

(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.

VII. Other Information

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

Philippines - Affordable housing, colored houses in the village of Iliga

IFRS 11 - New Accounting Standard on Joint Arrangements

	12 Months, after IFRS 11 application		Joint ventures contribution		12 Months before IFRS 11 application	
	FY 2014 reported	FY 2013 restated	FY 2014	FY 2013	FY 2014 Pro forma (1)	FY 2013 reported
Volumes						
Cement (MT)	116.4	114.4	22.6	22.4	139.0	136.8
Pure aggregates (MT)	161.4	165.0	29.4	27.8	190.8	192.8
Ready-Mix Concrete (Mm^3)	26.4	26.7	4.2	4.0	30.6	30.7
Sales	**12,843**	**13,091**	**2,324**	**2,107**	**15,167**	**15,198**
EBITDA	2,721	2,794	370	308	3,091	3,102
EBITDA Margin	*21.2%*	*21.3%*	*15.9%*	*14.6%*	*20.4%*	*20.4%*
Current Operating Income	**1,881**	**1,937**	**203**	**138**	**2,084**	**2,075**
Net income Group share (2)	143	601			143	601
Cash Flow from operations	**1,040**	**1,161**	**150**	**130**	**1,190**	**1,291**
Net debt	9,310	9,846	495	484	9,805	10,330

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