Press Release

Paris, May 6, 2014
NYSE, Euronext Paris : LG

RESULTS AS OF MARCH 31, 2014

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POSITIVE OPERATIONAL TRENDS CONTINUE DESPITE ADVERSE EXCHANGE RATES
Q1 EBITDA UP 21% LIKE FOR LIKE

€125M DELIVERED THROUGH COST REDUCTION AND INNOVATION MEASURES, ON TRACK TO ACHIEVE FULL YEAR OBJECTIVE

NET DEBT REDUCED BY €1.3 BILLION COMPARED TO MARCH 31, 2013

FIRST QUARTER KEY FIGURES *

As required by IFRS 11, applicable as at January 1, 2014, the 2013 figures have been restated (more information p.4).

▪ Sales down 2% to €2,633m (up 9% like for like) ▪ Stable EBITDA at €343m (up 21% like for like)	▪ Current operating income up 14% to €146m (up 69% like for like) ▪ Net result group share at €-135m (€-0.47 per share), vs. €-117m in Q1 2013 (€-0.41 per share)

** like for like variations are calculated excluding the impact of scope, exchange rates and a €20m one-time gain recorded in Q1 2013. Note that first quarter results reflect seasonality. Q1 results are traditionally lower relative to other quarters in the year.*

Q1 RESULTS - GROUP HIGHLIGHTS

- Cement volumes improved 11% in the first quarter, with continuing strength in emerging markets and solid growth in most of the European countries. As expected, adverse exchange rates continued to weigh on sales and EBITDA, with a negative impact of respectively -8% and -10% (€-195 million on sales and €-29 million on EBITDA).
- Like for like, EBITDA increased 21% and EBITDA margin was up 130 basis points, with a particularly good performance in Middle East Africa. The solid operational trend overall reflects volume growth combined with the impact of our actions to reduce costs and promote innovation. Our prices continued to increase in response to the inflation on costs.
- Cost reduction and innovation measures generated respectively €80[1] million and €45[1] million in the quarter, on track to deliver more than €600 million in 2014.
- Net income in the first quarter 2013 was impacted by €45 million one-time gains on divestments. Excluding this impact, first quarter 2014 net income is improving by c.€30 million, underpinned by the improvement in current operating income.
- Net debt at the end of March decreased €1.3 billion compared to Q1 last year, reflecting higher cash flows and the deleveraging actions taken by the Group. Free cash flows improved by 54%, reflecting our efforts to reduce costs and optimize our working capital and our capital expenditures.

BRUNO LAFONT, CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF LAFARGE, SAID:

“Our first quarter results confirmed the positive trends experienced at the end of last year. Our volumes were supported by continuing growth in emerging markets and the progressive improvement in several European markets. North America was affected by a harsh winter but the underlying market trends are positive.

Our outlook for the year is confirmed and we expect to see cement demand growth in our markets of between 2 to 5 percent in 2014.

We remain fully focused on achieving our objectives. We will generate more than €600 million additional earnings through cost savings and innovation and aim at bringing our net debt below €9 billion by the end of the year, applying the utmost capital allocation discipline. Thanks to our actions, the group is ideally positioned to take the next step of its development with our project to create LafargeHolcim, the most advanced group in building materials through a merger of equals. This project will sustainably generate superior value and new opportunities for our customers, our employees, local communities and our shareholders.”

[1] Total EBITDA figures before application of IFRS 11 on joint-ventures. After application of IFRS 11, these measures generated €110 million (€70 million for cost savings and €40 million for innovation) at EBITDA level.

OUTLOOK

Overall the Group continues to see cement demand increasing for the full year and estimates market growth of between 2 to 5 percent in 2014 versus 2013. Emerging markets continue to be the main driver of demand and Lafarge will benefit from its well-balanced geographic spread of high quality assets.

Cost inflation should continue at a similar pace as in 2013, which should result in higher prices overall.

As announced in 2013, the Group targets to reduce net debt to below €9 billion in 2014*.

CONSOLIDATED ACCOUNTS AS AT MARCH 31, 2014

The Board of Directors of Lafarge, chaired by Bruno Lafont, met on May 5, 2014 and approved the accounts for the period ended March 31, 2014. Further to their limited review of the interim condensed consolidated financial statements of Lafarge, the auditors have established a report which is included in the interim financial report.

	First Quarter			
			Variation	
	2014	2013[3]	Gross	Like for like[4]
Volumes				
Cement (million tons)	25.9	23.9	8%	11%
Pure Aggregates (million tons)	26.9	26.4	2%	4%
Ready-Mix Concrete (million m^3)	5.7	5.8	-	-1%
Results (million euros)				
Sales	2,633	2,675	-2%	9%
EBITDA[1]	343	342	-	21%
EBITDA margin (%)	*13.0%*	*12.8%*	*20bps*	*130bps*
Current Operating Income	146	128	14%	69%
Net income Group share	(135)	(117)	nm	
Earnings per share (€)[2]	(0.47)	(0.41)	nm	
Free cash flow[1]	(123)	(265)	54%	
Net debt[5]	9,951	11,204	-11%	

(1) EBITDA is defined as the current operating income before depreciation and amortization on tangible and intangible assets and free cash flow is the net cash generated or used in continuing operating activities less sustaining capital expenditures. They are both non-GAAP financial measures

(2) Basic average number of shares outstanding of 287.4 million and 287.1 million for first quarter 2014 and 2013, respectively.

(3) Figures have been restated further to the application of IFRS11 on joint-ventures.

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

(5) Before application of IFRS 11 on joint-ventures, net debt figures stood at €10,445 million at the end of March 2014 and at €11,812 million at the end of March 2013.

* This objective, announced in 2013, was based on figures as reported, i.e. before the impact of the application of IFRS 11 on joint-ventures.

EBITDA (1) RESULTS BY REGION

(€m)	First Quarter			
	2014	2013(3)	Variation	
			Gross	Like for like(2)
North America	(62)	(13)	nm	nm
Western Europe	39	7	nm	nm
Central and Eastern Europe	(17)	(35)	nm	nm
Middle East and Africa	250	217	15%	21%
Latin America	38	51	-25%	20%
Asia	95	115	-17%	-4%
TOTAL	**343**	**342**	**-**	**21%**

(1) EBITDA is defined as the current operating income before depreciation and amortization on tangible and intangible assets and is a non-GAAP financial measure.

(2) Like for like variations are calculated excluding the impact of scope, exchange rates and a €20m one-time gain recorded in Q1 2013 in North America.

(3) Figures have been restated further to the application of IFRS11 on joint-ventures.

SALES DEVELOPMENT AND FINANCIAL RESULTS

Cement volumes increased 11% at constant scope in the quarter, notably supported by our innovation actions, solid trends in Middle East Africa, improved conditions in most European countries and the startup of our new plant in Rajasthan. Q1 is traditionally a lower quarter in our business due to the seasonality effect in the northern hemisphere. Weather conditions were contrasted across the countries where we operate with mild weather conditions in most central and eastern European countries but a particularly harsh winter in North America and in Russia and heavy rains in a few other regions, like the western part of France or South Africa. It is worth noting that in North America, the underlying market trends are solid. Our aggregates and ready-mix volumes were respectively up 4% and down 1% in the quarter. These product lines have a larger exposure to North America and have consequently been more affected by the prevailing weather conditions in this region.

Consolidated sales were up 9% at constant scope and exchange rates, with the combination of higher volumes and increased prices across all of our product lines to address cost inflation. As expected, exchange rates impacted negatively our sales by -8% in the first quarter (€-195 million), reflecting the appreciation of the Euro against several emerging currencies starting second half of 2013.

Q1 EBITDA was also impacted by exchange rates (-10%, or €-29 million) and compares to a Q1 2013 EBITDA that included a one-time gain (€20 million gain linked to management's decision to review pension commitments in North America). On a like for like basis, EBITDA increased 21%, reflecting the solid volume trends and the result of our cost saving and innovation actions and despite a negative €34 million impact of destocking as we continue to optimize our level of inventories. Cement prices were up 2% compared to Q1 2013 and increased 1.5% compared to Q4 2013, in response to cost inflation.

Net loss Group Share in the quarter, at €-135 million, reflects the seasonality of our volumes.

Net debt declined by €1.3 billion relative to Q1 last year. It moved slightly higher compared to year-end 2013 due to normal seasonal working capital needs which was though limited thanks to our actions to optimize our inventories level and to the proceeds from divestments received in Q1.

DIVESTMENTS AND INVESTMENTS

Lafarge received €348 million in cash for divestments in the quarter, including the 20% remaining stake in the Gypsum partnership with Etex and Maryland aggregates assets (US).

Investments totaled €238 million for the quarter.

- Sustaining capital expenditures remained almost stable at €54 million.
- Development investments amounted to €184 million in the first quarter of 2014. It mainly included the finalization of our plant in Kaluga (Russia) which produced its first cement in April and investments in our projects in North America (Exshaw – Canada and Ravena – United States) as well as a range of debottlenecking projects.

Going forward, we plan to continue to selectively invest in our core geographies, notably in sub-Saharan Africa, where we have announced a plan to increase our capacity in the region by 10 million tonnes over 4 years.

MERGER OF EQUALS TO CREATE LAFARGEHOLCIM

On April 7, 2014, Lafarge and Holcim announced their project to combine the two companies through a merger of equals, unanimously approved by their respective Boards of Directors and fully supported by the core shareholders of both companies. Update on the process will be provided as and when relevant. Information on the project is available on Lafarge Website: http://lafargeholcim.projet-fusion.com/fr.

IMPACT OF IFRS 11

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

The main impact resulting from the application of IFRS 11 is that joint ventures held by the Group that were previously consolidated using proportionate consolidation method, are now accounted for under the equity method. It results in a reclassification from their contribution on a separate line in the profit and loss statement and the balance sheet with no impact on Net income – Group share and Equity – Group share.

You will find hereafter the Group's key figures as (i) now published in accordance with IFRS 11 and (ii) pro-forma as if we have continued to apply the previous standard.

First Quarter Key Figures	**As published - after application of IFRS 11**		**Pro forma - before application of IFRS 11**	
	2014	**2013**	**2014**	**2013**
Volumes				
Cement (million tons)	25.9	23.9	31.0	28.7
Pure Aggregates (million tons)	26.9	26.4	33.3	32.9
Ready-Mix Concrete (million m^3)	5.7	5.8	6.6	6.7
Results (million euros)				
Sales	2,633	2,675	3,123	3,136
EBITDA[1]	343	342	398	380
EBITDA margin (%)	*13.0%*	*12.8%*	*12.7%*	*12.1%*
Current Operating Income	146	128	162	124
Net income Group share	(135)	(117)	(135)	(117)
Earnings per share (€)[2]	(0.47)	(0.41)	(0.47)	(0.41)
Free cash flow[1]	(123)	(265)	(200)	(297)
Net debt	9,951	11,204	10,445	11,812

(1) EBITDA is defined as the current operating income before depreciation and amortization on tangible and intangible assets and free cash flow is the net cash generated or used in continuing operating activities less sustaining capital expenditures. They are both non-GAAP financial measures.

(2) Basic average number of shares outstanding of 287.4 million and 287.1 million for first quarter 2014 and 2013, respectively.

ADDITIONAL INFORMATION

The analyst presentation of results and the quarterly financial report, including the interim management report and the interim condensed consolidated financial statements are available on the Lafarge Website: www.lafarge.com

Practical information:
There will be an analyst conference call at 9:00 CET, on May 6, 2014 hosted by Jean-Jacques Gauthier, Chief Financial Officer. The presentation will be made in English with slides that can be downloaded from the Lafarge website (www.lafarge.com).

The presentation may be followed via an audiocast on the Lafarge website as well as via teleconference:
- Dial in (France): +33(0)1 76 77 22 21
- Dial in (UK or International): +44(0)20 3427 1904
- Dial in (US): +1 212 444 0481

Please note that in addition to the web cast replay, a conference call playback will be available until May 13, 2014 midnight at the following numbers:
- France playback number: +33 (0)1 74 20 28 00 (pin code: 8981956#)
- UK or International playback number: +44 (0)20 3427 0598 (pin code: 8981956#)
- US playback number: +1 347 366 9565 (pin code: 8981956#)

Lafarge's next financial publication – 2nd Quarter 2014 results – will be on July 25, 2014 (before the NYSE Euronext Paris stock market opens).

NOTES TO EDITORS

A world leader in building materials, Lafarge employs 64,000 people in 62 countries, and posted sales of €15.2 billion in 2013. As a top-ranking player in its Cement, Aggregates and Concrete businesses, it contributes to the construction of cities around the world, through its innovative solutions providing them with more housing and making them more compact, more durable, more beautiful, and better connected. With the world's leading building materials research facility, Lafarge places innovation at the heart of its priorities in order to contribute to more sustainable construction and to better serve architectural creativity.
More information is available on Lafarge's website: www.lafarge.com

Important disclaimer - forward-looking statements:
This document contains forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets, as the case may be, including with respect to plans, initiatives, events, products, solutions and services, their development and potential. 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.
More comprehensive information about Lafarge may be obtained on its Internet website (www.lafarge.com), including under "Regulated Information" section.
This communication does not constitute an offer to purchase or exchange or the solicitation of an offer to sell or exchange any securities of Lafarge.

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