Financial Report

For the First Quarter ended March 31, 2013

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1. Management Report

The Board of Directors of Lafarge, chaired by Bruno Lafont, met on May 6, 2013 to approve the accounts for the period ended March 31, 2013. Further to their limited review of the first quarter condensed consolidated financial statements of Lafarge, the auditors have established a report which is included in the Financial Report for the first quarter ended March 31, 2013.

This first quarter management report should be read in conjunction with the interim condensed consolidated financial statements for the first three months of the year and the company's Registration Document for the fiscal year 2012 filed with the Autorité des Marchés Financiers on April 3, 2013 under number D.13-0276. Lafarge operates in a constantly evolving environment, which exposes the Group to risk factors and uncertainties in addition to the risk factors related to its operations. A detailed description of these risk factors and uncertainties is included in chapter 5 "Risks and control" of the company's Registration Document. The materialization of these risks could have a material adverse effect on our operations, our financial condition, our results, our prospects or our share price, particularly during the remaining nine months of the fiscal year. There may be other risks that have not yet been identified or whose occurrence is not considered likely to have such a material adverse effect as of the date hereof.

Hereinafter, and in our other shareholder and investor communications, "current operating income" (COI) refers to the subtotal "operating income before capital gains, impairment, restructuring and other" on the face of the Group's consolidated statements of income. This measure excludes from our operating results those elements that are by nature unpredictable in their amount and/or in their frequency, such as capital gains, asset impairments and restructuring costs. While these amounts have been incurred in recent years and may recur in the future, historical amounts may not be indicative of the nature or amount of these charges, if any, in future periods. The Group believes that the subtotal "current operating income" is useful to users of the Group's financial statements as it provides them with a measure of our operating results which excludes these elements, enhancing the predictive value of our financial statements and provides information regarding the results of the Group's ongoing trading activities that allows investors to better identify trends in the Group's financial performance.

In addition, current operating income is a major component of the Group's key profitability measure, return on capital employed (which is calculated by dividing the sum of "operating income before capital gains, impairment, restructuring and other" and income from associates by the averaged capital employed). This measure is used by the Group internally to: a) manage and assess the results of its operations and those of its business segments, b) make decisions with respect to investments and allocation of resources, and c) assess the performance of management personnel. However, because this measure has limitations as outlined below, the Group limits the use of this measure to these purposes.

The Group's subtotal within operating income may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating income as the effects of capital gains, impairment, restructuring and other amounts excluded from this measure do ultimately affect our operating results and cash flows. Accordingly, the Group also presents "operating income" within the consolidated statement of income which encompasses all amounts which affect the Group's operating results and cash flows.

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

Variations like-for-like are variations at constant scope and exchange rates.

2012 figures were restated to reflect the impact of the amendments to IAS 19. Additional information is provided in the notes to the condensed consolidated financial 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. 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 document does not constitute an offer to sell, or a solicitation of an offer to buy Lafarge shares.

1.1 Consolidated key figures

Volumes

	1st Quarter 2013	1st Quarter 2012	Variation	Variation like-for-like
Cement (MT)	28.7	31.3	-8%	-6%
Pure Aggregates (MT)	32.9	33.2	-1%	-7%
Ready-Mix concrete (Mm3)	6.7	7.1	-6%	-3%

Sales

Million euros	1st Quarter		Variation	Scope Effect	Foreign Exchange Effect	Variation like-for-like
By geographical zone	2013	2012				
North America	448	490	-9%	-5%	-1%	-3%
Western Europe	708	753	-6%	+5%	-	-11%
Central & Eastern Europe	148	181	-18%	-	-	-18%
Middle East and Africa	940	1,044	-10%	-	-5%	-5%
Latin America	218	241	-10%	-	-10%	-
Asia	674	644	5%	-1%	-2%	8%
By business line						
Cement	2,084	2,308	-10%			
Aggregates & Concrete	1,032	1,025	1%			
Holding and others	20	20	-			
TOTAL	**3,136**	**3,353**	**-6.5%**	**-**	**-2.7%**	**-3.8%**

EBITDA

Million euros	1st Quarter		Variation	Scope Effect	Foreign Exchange Effect	Variation like-for-like
By geographical zone	2013	2012				
North America	(12)	(42)	71%	-2%	-	73%
Western Europe (1)	5	82	-94%	-6%	-	-88%
Central & Eastern Europe	(35)	(14)	nm			
Middle East and Africa	246	317	-22%	-	-3%	-19%
Latin America	51	59	-14%	-	-7%	-7%
Asia	125	109	15%	-	-4%	19%
By business line						
Cement (1)	405	519	-22%			
Aggregates & Concrete	(28)	(15)	-87%			
Holding and others	3	7	nm			
TOTAL (1)	**380**	**511**	**-26%**	**-3%**	**-4%**	**-19%**

(1) Impacted by lower sales of carbon credits: lower proceeds of 22 million euros

nm: not meaningful

Other key figures

Million euros, except earnings per share	1st Quarter 2013	1st Quarter 2012	Variation %
Current Operating Income	124	262	-53%
Net income – Group share (1)	(117)	(60)	nm
Earnings per share (in euros) (2)	(0.41)	(0.21)	nm
Free Cash Flow (3)	(297)	(434)	32%
Net Debt	11,812	12,364	-4%

(1) Net income attributable to the owners of the parent of the Group
(2) Based on an average number of shares outstanding of 287.1 million in the first quarter 2013 and 287.0 million in the first quarter 2012
(3) Defined as the net cash generated or used in continuing operating activities less sustaining capital expenditures

1.2. Review of operations and financial results

All data regarding sales, sales volume, EBITDA and COI include the proportional contributions of our proportionately consolidated subsidiaries.

When we analyze our volumes and sales trends per country, and unless specified, we comment on the domestic volumes and sales both originating and completed within the relevant geographic market, and thus exclude export sales and volumes.

Please note that the first quarter historically has represented a lower share of our yearly sales and an even lower share of our profits due to the seasonality of our businesses in the Northern Hemisphere. It may fluctuate significantly from one year to the other due to weather conditions.

Group highlights for the first quarter 2013

- First quarter results were affected by lower volumes reflecting overall harsh weather conditions, temporary production limitations in Algeria and Egypt and two working days less in the quarter representing a third of the volume decline.
- The Group has continued to successfully implement price increases to address cost inflation. These actions have gained pace during the quarter and will fully deliver in the coming months.
- Performance and innovation measures continued to deliver results and generated respectively 60 million euros and 40 million euros EBITDA in the quarter, despite low volumes. The Group is on track to achieve its target to generate incremental EBITDA of 650 million euros from performance and innovation actions in 2013.
- Net debt at the end of March decreased 0.6 billion euros compared to Q1 last year. It moved slightly higher compared to year-end 2012 due to normal seasonal working capital needs. The Group continues to progress towards its debt reduction target. With the most recent divestment of our plant in Ukraine, we have secured 1 billion euros of disposals since January 1st, 2012.

Overview of operations: Sales, EBITDA and Current Operating Income

Volumes for our activities declined in the quarter, notably affected by a particularly long winter in Europe and North America, a high comparable in the first quarter 2012 and two less trading days on average. A 10 day production interruption in Algeria in March, now solved, and gas shortage in Egypt against which solutions are actively developed, added to this trend. At constant scope, cement, aggregates and concrete sales volumes declined 6%, 7% and 3%, respectively.

Consolidated sales, at 3,136 million euros in the first quarter 2013, were down 6% versus last year. Net changes in the scope of consolidation were neutral on sales, as the effect of the divestment of two plants located in Missouri and Oklahoma (United States) was offset by the impact of the consolidation of the joint-venture with Tarmac in the United Kingdom. Currency impacts were unfavorable (-2.7% in the quarter), mainly due to the depreciation of South African rand, the Egyptian pound, the Brazilian real and the Indian rupee versus the euro.

At constant scope and exchange rates, consolidated sales were down 4%, as the effect of increased prices across all of our product lines to address cost inflation partly offset the impact of the declines in volumes.

EBITDA dropped 26% in the quarter, including the adverse impact of foreign currency variations and changes in scope. At constant scope and exchange rates, it decreased 19% with performance and innovation actions and improved pricing mitigating the impact of lower volumes and the cost inflation. The Group continued to focus on its self-help measures, and generated 60 million euros of EBITDA through performance measures and 40 million euros through innovation initiatives in the first quarter 2013.

Current operating income was 124 million euros in the first quarter 2013, representing a decline of 38% versus last year at constant scope and exchange rates, and when restating the impact of the depreciation of the UK assets that was stopped from March 1st, 2011 in accordance with IFRS, and restarted after the formation of the joint-venture with Tarmac on January 7th, 2013 (19 million euros of additional depreciation in the first quarter 2013).

Review of operations by region

North America

Volumes	1st Quarter 2013	1st Quarter 2012	Variation	Variation like-for-like
Cement (MT)	1.5	2.0	-25%	-17%
Pure Aggregates (MT)	12.4	14.1	-12%	-7%
RMX-Concrete (Mm3)	1.1	1.1	-	2%
Sales (million euros)	448	490	-9%	-3%
EBITDA (million euros)	(12)	(42)	71%	73%
EBITDA Margin	*nm*	*nm*		
COI (million euros)	(50)	(90)	44%	43%

Overall, market trends are solid in the region, on the back of improved trends in the residential sector in the United States and well oriented economy in Western Canada, but the first quarter 2013 was particularly affected by adverse weather in our relevant regions in the United States.

Accordingly, sales were down 9% versus the first quarter 2012. The effect of the divestment of two plants located in Missouri and in Oklahoma at the end of November 2012, together with other smaller disposals in aggregates and concrete reduced sales by 5%. Foreign exchange variations also lowered sales with the depreciation of the Canadian and US dollar against the euro (negative impact of 1% on sales).

At constant scope and exchange rates, sales were down 3%, with solid price gains across all product lines and lower volumes.

- **In the United States,** prices moved higher on all product lines, mostly offsetting lower volumes, which were strongly impacted by tough weather in the northeast region. Like-for-like cement, aggregates and ready-mix sales volumes decreased 27%, 5% and 2%, respectively versus the first quarter 2012.
- **In Canada,** sales were overall stable, with pricing gains compensating for lower volumes due to tough weather. Like-for-like cement and aggregates sales volumes decreased 2% and 9% respectively, while ready-mix sales volumes were up 4%, supported by several projects in Western Canada.

EBITDA improved 30 million euros under the combined effect of higher prices, strong cost-cutting and innovation measures and a one-time gain of 20 million euros linked to the management's decision to review pension commitments in North America (curtailment of defined benefit plans in the United States).

Western Europe

Volumes	1st Quarter 2013	1st Quarter 2012	Variation	Variation like-for-like
Cement (MT)	2.9	3.8	-24%	-12%
Pure Aggregates (MT)	13.4	12.0	12%	-12%
RMX-Concrete (Mm3)	2.0	2.4	-15%	-12%
Sales (million euros)	708	753	-6%	-11%
EBITDA (million euros) (1)	5	82	-94%	-88%
EBITDA Margin (1)	*nm*	*10.9%*		
COI (million euros) (1)	(61)	36	nm	nm

(1) Impacted by the absence of carbon credit sales in the first quarter 2013, versus 22 million euros sold in the first quarter 2012

Overall building activity was particularly low in the first quarter 2013, due to cold weather throughout the quarter, less trading days, and a challenging economic situation. As a result, sales were down 6% in the quarter when compared to the first quarter 2012.

Changes in the scope of consolidation had a net positive impact on sales, reflecting the operations conducted in the context of the completion of the Lafarge Tarmac joint venture in the United Kingdom in January 2013. The effects of the divestments of some assets required by the competition authorities (notably a 1.4MT cement capacity plant and some ready-mix plants) and the deconsolidation of 50% of the remaining assets of Lafarge were more than offset by the impact of the integration of 50% of the assets brought by Tarmac into the joint-venture. The impact of foreign exchange rates was negligible.

At constant scope and exchange rates, sales were down 11% in the first quarter 2013 versus last year, mostly impacted by the drop in sales volumes experienced across all business lines.

- **France** experienced lower volumes for all three product lines with adverse weather and low construction activity. Cement, aggregates and ready-mix sales volumes were down 8%, 11% and 8%, respectively.
- **In the UK,** the market was impacted by adverse weather in March and was down in the quarter. After completion of the required divestments, the joint venture started in January, and the integration progresses quickly. The product mix has largely changed, notably with a larger exposure to aggregates and asphalt & paving businesses which traditionally present a more marked seasonality during winter.
- Activity in **Spain and Greece** was affected by the challenging economic environment. Cement sales volumes were down 25% and 27%, respectively. Capacity rationalization is taking place progressively. Plant mothballing and closures have been recently announced by some competitors in Spain, and Heracles, the Group's Greek subsidiary, released on March 26, 2013 a plan to ensure the competitiveness and the sustainable course of the development of the company. Exports are also being developed.

Despite strong cost-cutting measures, EBITDA decreased under the combined effect of lower sales, lower carbon credit sales and the scope impact on the UK (negative impact of 16 million euros on EBITDA).

Central and Eastern Europe

Volumes	1st Quarter 2013	1st Quarter 2012	Variation	Variation like-for-like
Cement (MT)	1.6	1.8	-14%	-14%
Pure Aggregates (MT)	2.4	3.1	-22%	-22%
RMX-Concrete (Mm3)	0.2	0.2	nm	nm
Sales (million euros)	148	181	-18%	-18%
EBITDA (million euros)	(35)	(14)	nm	nm
EBITDA Margin	*nm*	*nm*		
COI (million euros)	(56)	(34)	nm	nm

The quarter was marked by a harsh and long winter resulting in lower volumes and deferring the price increases usually implemented after winter time to the second quarter.

In this context, sales were down 18% like-for-like. The impact of scope and foreign exchange variations was negligible.

- **In Poland,** building activity slowed down, after having being bolstered by the European Cup Games of June 2012 and EU funding. The first quarter 2013 was strongly impacted by unfavourable weather and less projects in the period, driving our volumes down in all three product lines.
- **In Russia,** cement volumes were down 19%, impacted by production limitations at one plant.
- **In Romania,** the construction market was marked by constrained financing of infrastructure projects, high inventories in distribution channels and adverse weather. Cement volumes were down 10% in the quarter.

EBITDA decreased, as volumes declined across the three product lines in several markets.

Middle East and Africa

	1st Quarter 2013	1st Quarter 2012	Variation	Variation like-for-like
Volumes				
Cement (MT)	10.1	11.2	-10%	-13%[1]
Pure Aggregates (MT)	2.0	2.0	-	1%
RMX-Concrete (Mm3)	1.6	1.7	-4%	-4%
Sales (million euros)	940	1,044	-10%	-5%
EBITDA (million euros)	246	317	-22%	-19%
EBITDA Margin	*26.2%*	*30.4%*		
COI (million euros)	167	235	-29%	-26%

(1) domestic only

The region was impacted by a particularly high first quarter 2012 comparison base for a few markets, together with production limitations in Egypt and Algeria. However, strong fundamentals for growth in the construction sector remain unchanged in this region.

Sales were down 10% in the first quarter 2013 compared with 2012. The variation of foreign exchange rates has a 5% adverse impact on sales. At constant scope and exchange rates, sales were down 5%, with higher pricing overall, but lower volumes in some markets.

- **Nigeria** benefited from strong market growth. Our cement sales volumes were up 5% in the quarter, while prices were slightly adjusted downwards.
- **Algeria's** underlying market demand continued to be strong, but cement sales volumes were impacted by 10-day work stoppages, now solved. Prices went up, supported by the development of the sales of value added products.
- **In Egypt** our cement sales volumes were impacted by gas shortages and dropped 31%. We increased prices strongly in response to high cost inflation and measures are being implemented to secure the sourcing of solid fuels.
- **Morocco, South Africa and Kenya** experienced cement volume declines, after a double-digit growth in the first quarter 2012; the Kenyan construction market slowed down ahead of elections held in March 2013.
- **Syria** continued to be impacted by the current situation.

EBITDA decreased, mostly reflecting a high comparison base, the impact of the production limitations in Egypt and Algeria and cost inflation.

Latin America

Volumes	1st Quarter 2013	1st Quarter 2012	Variation	Variation like-for-like
Cement (MT)	2.2	2.3	-4%	-4%
Pure Aggregates (MT)	0.5	0.6	-14%	-14%
RMX-Concrete (Mm3)	0.3	0.2	11%	11%
Sales (million euros)	218	241	-10%	-
EBITDA (million euros)	51	59	-14%	-7%
EBITDA Margin	*23.4%*	*24.5%*		
COI (million euros)	41	48	-15%	-9%

In Latin America, sales were impacted by a 10% adverse impact of foreign exchange rate variations, and were stable like-for like, with higher prices compensating for lower volumes.

- **In Brazil,** cement consumption was slightly down in the first quarter 2013, after a 13% increase in the first quarter 2012, and due to less trading days as the Holy Week was in March this year. In this context, our cement sales volumes were down 7% in the first quarter 2013.
- **In Ecuador,** market trends were solid, with higher prices and volumes. Cement sales were up 4%.

EBITDA decreased, impacted by the depreciation of the Brazilian real and lower volumes.

Asia

Volumes	1st Quarter 2013	2012	Variation	Variation like-for-like
Cement (MT)	10.4	10.2	3%	3%
Pure Aggregates (MT)	2.2	1.4	59%	55%
RMX-Concrete (Mm3)	1.5	1.5	2%	10%
Sales (million euros)	674	644	5%	8%
EBITDA (million euros)	125	109	15%	19%
EBITDA Margin	*18.5%*	*16.9%*		
COI (million euros)	83	67	24%	31%

In Asia, market trends were positive in most countries where we operate, and sales grew 5%.

Foreign exchange fluctuations had a negative effect of 2% on sales, mainly coming from the depreciation of the Indian rupee against the euro, while the scope impact was negligible.

At constant scope and exchange rates, sales were up 8% like-for-like, with pricing gains in response to cost inflation and higher volumes.

- **In China,** cement domestic sales volumes were up 5%, while prices were slightly down, affected by increased supply.
- **In India,** market growth was subdued. Our cement sales volumes increased 3% while prices improved to offset cost inflation. Our ready-mix sales volumes were slightly down, but we were able to raise prices in response to cost inflation.
- **In Malaysia**, cement sales volumes went up, but prices decreased versus the first quarter 2012, mostly reflecting price erosion during the second half of 2012.
- **The Philippines** benefited from solid market trends, with volumes and prices rising solidly, despite the adverse timing of the Holy week.
- **In South Korea,** domestic cement sales slightly increased, with pricing gains compensating for lower volumes.

EBITDA increased 19%, mostly reflecting higher volumes and prices in most markets in this region together with the impact of innovation initiatives launched in various countries.

Other income statement items

The table below shows our operating income and net income for the period ended March 31, 2013 and 2012:

(million euros)	1st Quarter		Variation
	2013	2012	%
EBITDA	**380**	**511**	**-26%**
Depreciation	(256)	(249)	3%
Current Operating Income	**124**	**262**	**-53%**
Net gains on disposals	45	37	nm
Other operating income (expenses)	(48)	(110)	nm
Operating Income	**121**	**189**	**-36%**
Net financial (costs) income	(254)	(255)	-
Of which Financial expenses	*(298)*	*(319)*	
Financial income	*44*	*64*	
Share of net income (loss) of associates	(4)	4	nm
Income before Income Tax	**(137)**	**(62)**	**nm**
Income tax	39	31	26%
Net Income from continuing operations	**(98)**	**(31)**	**nm**
Net income from discontinued operations	9	3	nm
Net income	**(89)**	**(28)**	**nm**
of which part attributable to:			
- Owners of the parent Company	**(117)**	**(60)**	**nm**
- Non-controlling interests	28	32	-13%

Depreciation was 256 million euros in 2013 versus 249 million euros in the first quarter 2012, with the restarting of the depreciation in the United Kingdom compensating for the impact of the divestment of some US operations.

Net gains on disposals were 45 million euros in the first quarter 2013 versus 37 million euros in 2012, and mainly comprise the impacts of the UK transaction.

Other operating expenses primarily reflect the impact of impairments, restructuring, and legal actions. They amounted to 48 million euros in the first quarter 2013 versus 110 million euros in 2012. In 2013, the Group recorded 19 million euros of restructuring charges as part of executing its cost-cutting program, and 17 million euros of impairment. In 2012, the Group recorded 94 million euros of restructuring costs in the first quarter, in the context of the implementation of its new country-based organization.

Operating income decreased 36% to 121 million euros, reflecting the impact of the lower volumes on operational results, partly offset by the lower restructuring charges recorded this quarter versus last year.

Net finance costs, comprised of financial expenses on net debt, foreign exchange, and other financial income and expenses, were stable, at 254 million euros versus 255 million euros in the first quarter 2012.

The financial expenses on net debt decreased to 202 million euros from 214 million euros, reflecting the effect of a lower average net debt of 0.5 billion euros. The average interest rate on our gross debt was 6.2% in the first quarter 2013, compared to 6.3% in the first quarter 2012.

Foreign exchange resulted in a loss of 15 million euros in the first quarter 2013 compared with a gain of 3 million euros in 2012, mostly relating to debt placed by certain countries in a currency different from the local currency, and for which no hedging market is available.

Other financial costs were reduced to 37 million euros in the first quarter 2013 versus 44 million euros in 2012, and mainly comprise bank commissions, the amortization of debt issuance costs, and the net interest costs related to pensions.

The contribution from our associates represented a net loss of 4 million euros in the first quarter 2013, versus a net gain of 4 million euros in 2012, primarily reflecting the evolution of the contribution of the 20% ownership in Siniat (Gypsum operations in Europe and Latin America), impacted by a non-recurring depreciation charge.

With a loss before tax of 137 million euros, **income tax** was a benefit of 39 million euros in the first quarter 2013.

Net income from continuing operations was a loss of 98 million euros in 2013 versus a loss of 31 million euros in the first quarter 2012, as the reduction of restructuring charges only partly offset the impact of the lower EBITDA.

Net income from discontinued operations was a gain of 9 million euros in the quarter, versus 3 million euros last year, reflecting the results of our Gypsum operations in North America, helped by improved housing construction market and higher pricing.

Net income Group share[1] was a loss of 117 million euros versus a loss of 60 million euros in the first quarter 2012, reflecting the seasonality of our business, amplified by particularly adverse weather this year and production limitations in Algeria and Egypt.

Non-controlling interests slightly decreased to 28 million euros versus 32 million euros in the first quarter 2012, mainly reflecting the effect of lower volumes in some countries in the Middle East and Africa.

Basic earnings per share was (0.41) euro in 2013, compared to (0.21) euro in the first quarter 2012, reflecting the decrease in net income attributable to the owners of the parent company, while the average number of shares was relatively stable.

[1] *Net income/loss attributable to the owners of the parent company*

Cash flow statement

Net operating cash used by continuing operations was €244 million in the first quarter 2013, versus €383 million in 2012.

Net operating cash used by continuing operations improved 139 million euros. Our actions to optimize the strict working capital[2] limited the normal increase of strict working capital during the quarter due to the seasonality of our activity and resulted in a positive evolution of the variation of the change in working capital, while cash flow from operations decreased, reflecting the EBITDA evolution.

Net cash used in investing activities from continuing operations was €177 million, compared with €105 million of net cash provided in the first quarter 2012.

Sustaining capital expenditures were stable at 53 million euros in the first quarter 2013.

Capital expenditures for productivity projects and for the building of new capacity were contained to 235 million euros, as part of our strict capex management. They mostly comprise investments in our on-going new cement plants projects in Russia and India as well as our fast-return new grinding capacities in the Philippines, Algeria and Brazil.

Net of net debt disposed of, and including the proceeds of the disposals of ownership interests with no loss of control, the divestment operations have reduced, net of selling costs, the Group's financial net debt by 132 million euros in the quarter (71 million euros last year). They were mainly related to the divestment of some aggregates quarries in Georgia, and the first instalment of the divestment of some UK assets.

With the Ukraine divestment announced on April 26, 2013, and some smaller deals signed in February 2013, we have secured 1 billion euros of divestments since January 1st, 2012, of which 0.6 billion euros have been received to date. The remainder, or 0.4 billion euros, will contribute to further debt reduction in 2013.

Consolidated statement of financial position

At March 31, 2013, total equity stood at €17,797 million (€17,748 million at the end of December 2012) **and net debt at €11,812 million** (€11,317 million at the end of December 2012).

Total equity was stable, as the positive non cash impact of translating our foreign subsidiaries assets into euros, given the appreciation of various currencies in countries where we operate against the euro between December 31, 2012 and March 31, 2013 (0.2 billion euros) was offset by the net loss and the dividends of the period.

The increase of 0.5 billion euros of the net consolidated debt mainly results from the impact of the usual seasonality on our cash flows and of the capital spending (0.3 billion euros).

Outlook

Overall the Group continues to see cement demand increasing for the full year and estimates market growth of between 1 to 4 percent in 2013 versus 2012. Emerging markets continue to be the main driver of demand and Lafarge will benefit from its well-balanced geographic spread of high quality assets.

We expect higher pricing for the year and that cost inflation will continue, although at a slightly lower rate than in 2012.

The Group targets to reduce net debt to below 10 billion euros as soon as possible in 2013. Capital expenditures will be limited initially to 800 million euros in 2013. While maintaining our debt reduction objective, additional divestments during the rest of the year may lead to an increase in the capex number.

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[2] *Strict working capital: trade receivables plus inventories less trade payables.*

2. Interim condensed consolidated financial statements

Consolidated statement of income

(million euros, except per share data)	3 months		December 31,
	2013	2012*	2012*
Revenue	**3,136**	**3,353**	**15,816**
Cost of sales	(2,667)	(2,728)	(11,934)
Selling and administrative expenses	(345)	(363)	(1,469)
Operating income before capital gains, impairment, restructuring and other	**124**	**262**	**2,413**
Net gains (losses) on disposals	45	37	53
Other operating income (expenses)	(48)	(110)	(546)
Operating income	**121**	**189**	**1,920**
Financial expenses	(298)	(319)	(1,255)
Financial income	44	64	160
Share of net income (loss) of associates	(4)	4	5
Income before income tax	**(137)**	**(62)**	**830**
Income tax	39	31	(292)
Net income from continuing operations	**(98)**	**(31)**	**538**
Net income from discontinued operations	9	3	16
Net income	**(89)**	**(28)**	**554**
Of which attributable to:			
- Owners of the parent company	**(117)**	**(60)**	**365**
- Non-controlling interests (minority interests)	28	32	189
Earnings per share (euros)			
Attributable to the owners of the parent company			
Basic earnings per share	(0.41)	(0.21)	1.27
Diluted earnings per share	(0.41)	(0.21)	1.27
From continuing operations			
Basic earnings per share	(0.44)	(0.22)	1.21
Diluted earnings per share	(0.44)	(0.22)	1.21
Basic average number of shares outstanding (in thousands)	**287,125**	**287,028**	**287,079**

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IAS 19 Amended*

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

	3 months		December 31,
(million euros)	2013	2012*	2012*
Net income	**(89)**	**(28)**	**554**
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains / (losses)	8	(2)	(240)
Income tax on items that will not be reclassified to profit or loss	(6)	(4)	64
Total items that will not be reclassified to profit or loss	**2**	**(6)**	**(176)**
Items that may be reclassified subsequently to profit or loss			
Available-for-sale investments	-	-	-
Cash-flow hedging instruments	3	3	4
Foreign currency translation adjustments	211	(204)	(492)
Income tax on items that may be reclassified to profit or loss	(1)	(1)	(2)
Total items that may be reclassified to profit or loss	**213**	**(202)**	**(490)**
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX	**215**	**(208)**	**(666)**
TOTAL COMPREHENSIVE INCOME	**126**	**(236)**	**(112)**
Of which attributable to :			
- Owners of the parent company	*81*	*(235)*	*(248)*
- Non-controlling interests (minority interests)	*45*	*(1)*	136

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IAS 19 Amended*

The accompanying notes are an integral part of these consolidated financial statements.

Foreign currency translation adjustments

Change in cumulative exchange differences on translating foreign operations from January 1, 2013 to March 31, 2013 (closing rate) comprises +234 million euros due to the appreciation of the US dollar, the Brazilian real, the Algerian dinar and the Philippine peso compared with the euro currency, partially compensated by -119 million euros mainly due to the depreciation of the Egyptian pound and Syrian pound compared to the euro currency.

Consolidated statement of financial position

(million euros)	At March 31,		At December 31,
	2013	2012*	2012*
ASSETS			
NON CURRENT ASSETS	31,939	30,678	30,180
Goodwill	12,596	12,589	12,184
Intangible assets	635	629	620
Property, plant and equipment	16,201	15,274	14,992
Investments in associates	468	469	470
Other financial assets	732	732	698
Derivative instruments	9	59	27
Deferred tax assets	1,258	884	1,149
Other receivables	40	42	40
CURRENT ASSETS	8,052	9,300	9,284
Inventories	1,876	1,638	1,662
Trade receivables	1,945	1,875	1,762
Other receivables	977	891	779
Derivative instruments	70	39	68
Cash and cash equivalents	2,729	2,590	2,733
Assets held for sale	455	2,267	2,280
TOTAL ASSETS	39,991	39,978	39,464
EQUITY & LIABILITIES			
Common stock	1,149	1,149	1,149
Additional paid-in capital	9,699	9,688	9,695
Treasury shares	(1)	(12)	(11)
Retained earnings	6,357	6,154	6,477
Other reserves	(920)	(755)	(925)
Foreign currency translation adjustments	(526)	(451)	(719)
Equity attributable to owners of the parent company	15,758	15,773	15,666
Non-controlling interests (minority interests)	2,039	2,153	2,082
EQUITY	17,797	17,926	17,748
NON CURRENT LIABILITIES	15,412	14,976	14,451
Deferred tax liabilities	1,093	903	973
Pension & other employee benefits	1,458	1,264	1,492
Provisions	703	643	637
Financial debt	12,070	12,051	11,261
Derivative instruments	6	41	8
Other payables	82	74	80
CURRENT LIABILITIES	6,782	7,076	7,265
Pension & other employee benefits	115	163	102
Provisions	152	136	127
Trade payables	2,104	1,836	1,985
Other payables	1,633	1,493	1,567
Current tax liabilities	196	160	220
Financial debt (including current portion of long-term debt)	2,472	2,924	2,823
Derivative instruments	72	36	53
Liabilities associated with assets held for sale	38	328	388
TOTAL EQUITY AND LIABILITIES	39,991	39,978	39,464

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IAS 19 Amended*

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of cash flows

(million euros)	3 months		December 31,
	2013	2012*	2012*
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Net income	**(89)**	**(28)**	**554**
Net income from discontinued operations	**9**	**3**	**16**
Net income from continuing operations	**(98)**	**(31)**	**538**
Adjustments for income and expenses which are non-cash or not related to operating activities, financial expenses or income tax:			
Depreciation and amortization of assets	256	249	1,010
Impairment losses	17	4	212
Share of net (income) loss of associates	4	(4)	(5)
Net (gains) losses on disposals, net	(45)	(37)	(53)
Financial (income) / expenses	254	255	1,095
Income tax	(39)	(31)	292
Others, net (including dividends received from equity-accounted investments)	(54)	7	(68)
Change in working capital items, excluding financial expenses and income tax (see analysis below)	(292)	(571)	(304)
Net operating cash generated by continuing operations before impacts of financial expenses and income tax	**3**	**(159)**	**2,717**
Interest (paid) received	(142)	(138)	(954)
Cash payments for income tax	(105)	(86)	(487)
Net operating cash generated by (used in) continuing operations	**(244)**	**(383)**	**1,276**
Net operating cash generated by (used in) discontinued activities	**1**	**(11)**	**22**
Net cash generated by (used in) operating activities	**(243)**	**(394)**	**1,298**
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES			
Capital expenditures	(289)	(180)	(775)
Investment in subsidiaries and joint ventures [1]	(7)	(4)	21
Investment in associates	-	(2)	(3)
Acquisition of available-for-sale financial assets	-	-	(1)
Disposals [2]	122	62	413
Net (increase) decrease in long-term receivables	(3)	19	22
Net cash provided by (used in) investing activities from continuing operations	**(177)**	**(105)**	**(323)**
Net cash provided by (used in) investing activities from discountinued operations	**(1)**	**-**	**(4)**
Net cash provided by (used in) investing activities	**(178)**	**(105)**	**(327)**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES			
Capital increase (decrease) - owners of the parent company	-	9	9
Capital increase (decrease) - non-controlling interests (minority interests)	-	9	2
Acquisitions of ownership interests with no gain of control	-	(2)	(147)
Disposal of ownership interests with no loss in control	10	-	21
Dividends paid	-	-	(145)
Dividends paid by subsidiaries to non-controlling interests (minority interests)	(73)	(14)	(154)
Proceeds from issuance of long-term debt	806	231	1,069
Repayment of long-term debt	(489)	(210)	(1,928)
Increase (decrease) in short-term debt	123	(99)	(75)
Net cash provided by (used in) financing activities from continuing operations	**377**	**(76)**	**(1,348)**
Net cash provided by (used in) financing activities from discontinued operations	**-**	**-**	**-**
Net cash provided by (used in) financing activities	**377**	**(76)**	**(1,348)**

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IAS 19 Amended*

The accompanying notes are an integral part of these consolidated financial statements.

(million euros)	3 months		December 31,
	2013	2012*	2012*
Increase / (decrease) in cash and cash equivalents from continuing operations	**(44)**	**(564)**	**(395)**
Increase (decrease) in cash and cash equivalents from discontinued operations	-	(11)	18
Net effect of foreign currency translation on cash and cash equivalents and other non monetary impacts	40	(17)	(61)
Reclassification of cash and cash equivalents as held for sale	-	11	-
Cash and cash equivalents at the beginning of the year/period	2,733	3,171	3,171
Cash and cash equivalents at end of the year/period	**2,729**	**2,590**	**2,733**
(1) Net of cash and cash equivalents of companies acquired	-	-	-
(2) Net of cash and cash equivalents of companies disposed of	*41*	*2*	*1*
Analysis of changes in working capital items	**(292)**	**(571)**	**(304)**
(Increase) / decrease in inventories	(136)	(125)	(183)
(Increase) / decrease in trade receivables	(34)	(187)	(107)
(Increase) / decrease in other receivables – excluding financial and income tax receivables	(33)	(37)	(44)
Increase / (decrease) in trade payables	(59)	(124)	24
Increase / (decrease) in other payables – excluding financial and income tax payables	(30)	(98)	6

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IAS 19 Amended*

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of changes in equity

	Outstanding shares	*of which: Treasury shares*	*Common stock*	Additional paid-in capital	Treasury shares	Retained earnings*	Other reserves*	Foreign currency translation	Equity attributable to owners of the parent company	Non-controlling interests (minority interests)	Equity
	(number of shares)			(million euros)							
Balance at January 1, 2012	***287,247,518***	***233,448***	**1,149**	**9,684**	**(17)**	**6,217**	**(751)**	**(280)**	**16,002**	**2,197**	**18,199**
Net income						(60)			(60)	32	(28)
Other comprehensive income, net of income tax							(4)	(171)	(175)	(33)	(208)
Total comprehensive income						**(60)**	**(4)**	**(171)**	**(235)**	**(1)**	**(236)**
Dividends									-	(45)	**(45)**
Issuance of common stock									-	9	**9**
Share based payments				4					**4**		**4**
Treasury shares		*(74,860)*			5	(5)			-		-
Changes in ownership with no gain/loss of control									-	(6)	**(6)**
Other movements						2			**2**	**(1)**	**1**
Balance at March 31, 2012	***287,247,518***	***158,588***	**1,149**	**9,688**	**(12)**	**6,154**	**(755)**	**(451)**	**15,773**	**2,153**	**17,926**
Balance at January 1, 2013	***287,255,502***	***157,283***	**1,149**	**9,695**	**(11)**	**6,477**	**(925)**	**(719)**	**15,666**	**2,082**	**17,748**
Net income						(117)			(117)	28	(89)
Other comprehensive income, net of income tax							5	193	198	17	215
Total comprehensive income						**(117)**	**5**	**193**	**81**	**45**	**126**
Dividends									-	(90)	**(90)**
Issuance of common stock	*16,557*			1					**1**		**1**
Share based payments				3					**3**		**3**
Treasury shares		*(138,448)*			10	(10)			-		-
Changes in ownership with no gain/loss of control						6			**6**	3	**9**
Other movements						1			**1**	(1)	-
Balance at March 31, 2013	***287,272,059***	***18,835***	**1,149**	**9,699**	**(1)**	**6,357**	**(920)**	**(526)**	**15,758**	**2,039**	**17,797**

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IAS 19 Amended*

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the interim condensed consolidated financial statements

Note 1. Business description

Lafarge S.A. is a French limited liability company (*société anonyme*) governed by French law. Our commercial name is "Lafarge". The company was incorporated in 1884 under the name "J et A Pavin de Lafarge". Currently, our by-laws state that the duration of our company is until December 31, 2066, and may be amended to extend our corporate life. Our registered office is located at 61 rue des Belles Feuilles, 75116 Paris, France. The company is registered under the number "542105572 RCS Paris" with the registrar of the Paris Commercial Court (Tribunal de Commerce de Paris).

The Group has a country-based organization (See Note 4).

The Group's shares have been traded on the Paris stock exchange since 1923 and have been a component of the French CAC-40 market index since its creation, and also included in the SBF 250 index.

As used herein, the terms "Lafarge S.A." or the "parent company" refer to Lafarge, a société anonyme organized under French law, without its consolidated subsidiaries. The terms the "Group" or "Lafarge" refer to Lafarge S.A. together with the companies included in the scope of consolidation.

Interim condensed consolidated financial statements are presented in euros rounded to the nearest million.

The Board of Directors approved these interim condensed consolidated financial statements on May 6, 2013.

Note 2. Summary of significant accounting policies

2.1 – Interim condensed consolidated financial statements

The Group's interim condensed consolidated financial statements at March 31, 2013 have been prepared in accordance with IAS 34 – Interim Financial Reporting. They do not include all the IFRS required information and should therefore be read in connection with the Group's consolidated financial statement for the year ended December 31, 2012.

The accounting policies retained for the preparation of the Group interim condensed consolidated financial statements are compliant with the International Financial Reporting Standards ("IFRS") as endorsed by the European Union as of March 31, 2013 and available on http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

These accounting policies are consistent with the ones applied by the Group at December 31, 2012 and described in the Note 2 of the Group consolidated financial statements of the 2012 Registration Document except for the points presented in paragraph below 2.2 New IFRS standards and interpretations.

The measurement procedures used for the interim condensed consolidated financial statements are the following:

- Interim period income tax expense results from the estimated annual Group effective income tax rate applied to the pre-tax result (excluding share of net income of associates) of the interim period excluding unusual material items. The income tax charge related to any unusual item of the period is accrued using its specific applicable taxation (i.e. specific taxation for gains on disposals);

- Compensation costs recorded for stock options and employee benefits are included on a prorata basis of the estimated costs for the year. For the countries where the Group's pension and other post-retirement benefit obligations and related plan assets are the most significant – i.e. the United States of America, Canada and the United Kingdom – actuarial valuations are updated at the end of March and the related amounts of pensions and other employee benefits recognized in the interim statement of financial position are adjusted accordingly. For the other countries, actuarial valuations are performed annually and amounts recognized in the interim statement of financial position are based on estimates made at the end of the previous year (See paragraph 2.2 for more information on the impact of amendments of IAS 19 effective from January 1, 2013).

In addition, the Group performed as of March 31, 2013 a review of indicators of impairment relating to goodwill allocated to Cash Generating Units (CGUs) or group of CGUs for which sensitivity analyses of the recoverable amounts have been presented in the consolidated financial statements as of December 31, 2012. This review did not indicate an impairment situation as of March 31, 2013. A follow-up of this review will be done during the next quarters, namely for CGUs in Greece and Spain in line with the economic context of these countries.

2.2 – New IFRS standards and interpretations

IFRS standards and IFRIC interpretations applicable from January 1, 2013

The new IFRS and interpretations published as of December 31, 2012 and effective from January 1, 2013, listed in the Note 2.27 – Accounting pronouncements at the closing date not yet effective – to the notes of the Group consolidated financial statements of the 2012 Registration Document (page F 23), had no material impact on the Group interim condensed consolidated financial statements at March 31, 2013 except the amendments to IAS 19 that have been applied retrospectively as at January 1st, 2012.

The Group already applies the option offered by IAS 19 to recognize in other comprehensive income the actuarial gains or losses in the period in which they arise. As a result, these amendments impact mainly the financial component of the net periodic pension cost recorded in the consolidated statement of income and the recognition of non-vested past service costs:

- the financial component of the net periodic pension cost recorded as a financial expense is calculated by multiplying the fair value of plan assets by the discount rate instead of the expected return rate of plan assets. The difference with the actual return of plan assets is recorded in the other comprehensive income. As a result, this impacts neither the total amount of the obligation nor the equity. It only changes the split of the financial component of the net periodic pension cost between net income and other comprehensive income;
- non-vested past service costs from plan amendments are immediately recognized as an expense, and are no longer amortized over the remaining services lives of related employees. The unrecognized past service costs have been recorded in the provision for pension (non current) in counterpart of consolidated reserves for their total amount net of income tax as at January 1, 2012 (2 million euros).

Following the adoption of these amendments, the financial component of the net periodic pension cost which was previously recorded in “Operating income before gains, impairment, restructuring and other”, is now presented in “Financial expenses” in the consolidated statement of income.

The following tables present the impact of this change of method on the statement of income and the statement of comprehensive income:

Statement of income	March 31, 2012			December 31, 2012		
(million euros, except per share data)	published	IAS 19 R impact	restated	published	IAS 19 R impact	restated
Revenue	3,353		3,353	15,816		15,816
Cost of sales	(2,731)	3	(2,728)	(11,945)	11	(11,934)
Selling and administrative expenses	(355)	(8)	(363)	(1,431)	(38)	(1,469)
Operating income before capital gains, impairment, restructuring and other	**267**	**(5)**	**262**	**2,440**	**(27)**	**2,413**
Net gains (losses) on disposals	37		37	53		53
Other operating income (expenses)	(110)		(110)	(546)		(546)
Operating income	**194**	**(5)**	**189**	**1,947**	**(27)**	**1,920**
Financial expenses	(302)	(17)	(319)	(1,191)	(64)	(1,255)
Financial income	64		64	160		160
Share of net income (loss) of associates	4		4	5		5
Income before income tax	**(40)**	**(22)**	**(62)**	**921**	**(91)**	**830**
Income tax	25	6	31	(316)	24	(292)
Net income from continuing operations	**(15)**	**(16)**	**(31)**	**605**	**(67)**	**538**
Net income from discontinued operations	3		3	16		16
Net income	**(12)**	**(16)**	**(28)**	**621**	**(67)**	**554**
Of which attributable to:						
- Owners of the parent company	**(44)**	**(16)**	**(60)**	**432**	**(67)**	**365**
- Non-controlling interests(minority interests)	32		32	189		189
Earnings per share (euros)						
Attributable to the owners of the parent company	(0.15)	(0.06)	(0.21)	1.50	(0.23)	1.27
Basic earnings per share	(0.15)	(0.06)	(0.21)	1.50	(0.23)	1.27
Diluted earnings per share						
From continuing operations	(0.16)	(0.06)	(0.22)	1.44	(0.23)	1.21
Basic earnings per share	(0.16)	(0.06)	(0.22)	1.44	(0.23)	1.21
Diluted earnings per share						

Statement of comprehensive income	March 31, 2012			December 31, 2012		
		IAS 19 R			IAS 19 R	
(million euros)	published	impact	restated	published	impact	restated
Net income	(12)	(16)	(28)	621	(67)	554
Items that will not be reclassified subsequently to profit or loss						
Actuarial gains / (losses)	(24)	22	(2)	(331)	91	(240)
Income tax on items that will not be reclassified to profit or loss	2	(6)	(4)	88	(24)	64
Total items that will not be reclassified to profit or loss	(22)	16	(6)	(243)	67	(176)
Total items that may be reclassified to profit or loss	(202)		(202)	(490)		(490)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	(224)	16	(208)	(733)	67	(666)
TOTAL COMPREHENSIVE INCOME	(236)		(236)	(112)		(112)
Of which attributable to :						
- Owners of the parent company	*(235)*		*(235)*	*(248)*		*(248)*
- Non-controlling interests(minority interests)	*(1)*		*(1)*	*136*		*136*

This change of method has no impact on the statement of cash flows except for the lines directly linked to the statement of income (net income, financial (income) expenses, income tax and others).

Early application of standards

The Group has not early adopted standards and interpretations that are not yet mandatorily effective at January 1st, 2013.

2.3 – Seasonality

Demand for our cement and aggregates & concrete products is seasonal and tends to be lower in the winter months in temperate countries and in the rainy season in tropical countries. We usually experience a reduction in sales on a consolidated basis in the first quarter during the winter season in our markets in Europe and North America, and an increase in sales in the second and third quarters, reflecting the summer construction season.

Note 3. Significant events of the period

3.1 Completion of the Lafarge Tarmac joint venture

Context of the operation

The Competition Commission in May 2012 approved the proposed joint venture between Lafarge UK and Tarmac Quarry Materials subject to the sale of a portfolio of Tarmac and Lafarge construction materials operations in the United Kingdom.

Those disposals and the completion of the Lafarge Tarmac joint venture occurred in January 7, 2013. This joint venture combines their cement, aggregates, ready-mix concrete, asphalt and asphalt surfacing, maintenance services, and waste services businesses in the United Kingdom.

The creation of the new entity was achieved without exchanging cash.

Accounting treatment of the joint venture creation

As of December 31, 2012, in compliance with IFRS 5, assets and liabilities of Lafarge UK were grouped on the lines “Assets held for sale” and ‘Liabilities directly associated to assets held for sale” respectively in the consolidated statement of financial position (see *Note 3 (Significant events of the period)* to the consolidated financial statements as of December 31, 2012).

As of January 7, 2013, in accordance with IAS 27 approach further to the loss of control of Lafarge UK, the accounting treatment of the joint venture creation is as follows:

- Disposal of all of Group’s interest previously held in UK Lafarge entities and recognition of the disposal impact in the statement of income;
- Acquisition of 50% of Lafarge Tarmac for an amount equal to the fair value of the joint venture Lafarge Tarmac (50%). This joint takeover induces recognition of goodwill;
- Lafarge Tarmac whose 50% of voting rights are held by the Group, is consolidated using the proportionate method starting its creation.

Presentation of provisional impacts

The net impact of the joint venture creation and of the disposal of a business portfolio as required by the Competition Commission is a gain of 42 million euros in the consolidated statement of income on the line “Net gains (losses) on disposals”.

Details of the fair value of the net assets of Lafarge UK contributed, provisional net assets acquired (50% of Lafarge Tarmac) and provisional residual goodwill are as follows:

(million euros)	
Fair value of the joint venture Lafarge Tarmac (50%)	1,515
Provisional fair value of net assets acquired (50%)	1,156
Provisional goodwill	359

The goodwill is mainly attributable to the market shares and to the expected synergies through improvement of the operational logistical and purchasing efficiencies and the introduction of value-added products across a wider geographic area, which are not separately recognized.

The provisional fair value of assets and liabilities arising from the acquisition are as follows:

(million euros)	Fair Value
Intangible assets	-
Property, plant and equipment	1,330
Inventories	69
Trade receivables	128
Other assets	136
Cash and cash equivalents	15
Provisions	(226)
Debt	-
Trade payables	(127)
Other liabilities	(169)
Non-controlling interests (Minority interests)	-
TOTAL NET ASSETS ACQUIRED	**1,156**

For the first quarter 2013, Lafarge Tarmac contributed revenues of 223 million euros and net income (Group share) of -15 million euros to the Group.

The net impact of disposals of business portfolio and of the creation of the joint venture is 10 million euros, net of cash disposed of in the consolidated cash flows on the line “Disposals”.

3.2 Disposal of Gypsum Division operations

The Group has presented since September 2011 its Gypsum operations (activities in Middle East and Africa excluded) as discontinued operations as described in the Note 3.2.1 to the Group consolidated financial statements of the 2012 Registration Document. The completion of the divestments occurred in August 2011 for Australia and during the last quarter 2011 for Western Europe, Central and Eastern Europe, Latin America and Asia.

Interests, not disposed of, continue to be consolidated and are presented in separate lines in the consolidated financial statements. As of March 31, 2013, the related assets and liabilities held for sale have not materially changed compared to December 31, 2012.

The depreciation charge on depreciable assets ceased (5 million euros impact for the first quarter 2013 and for the first quarter 2012).

3.3 Disposal of aggregates assets in Georgia (United States)

In February and March 2013, the Group disposed of 6 aggregates quarries in Georgia (United States). The net impact of this disposal is 115 million euros, net of cash disposed of in the consolidated cash flows on the line “Disposals” and 4 million euros for the net gain on disposal on the consolidated statement of income on the line “Net gains (losses) on disposals”.

Note 4. Operating segment information

The Group is organized by countries. Countries or group of countries are the Group's operating segments. For purposes of presentation, 6 regions corresponding to the aggregation of countries or group of countries are reported (except for North America which is an operating segment):

- Western Europe
- North America
- Central and Eastern Europe
- Middle East and Africa
- Latin America
- Asia

The information presented hereafter by reportable segment is in line with that reported to the Chief Executive Officer[3] for the purposes of making decisions about allocating resources to the segment and assessing its performance.

Each operating segment derives its revenues from the following products:

- a wide range of cement and hydraulic binders adapted to the needs of the construction industry;
- aggregates and concrete;
- other products: mainly gypsum.

Group management internally follows the performance of the business based upon:

- Revenues by origin of production;
- Earning before interests, taxes, depreciation and amortization (EBITDA), defined as the total of operating income before capital gains, impairment losses, restructuring and others, before depreciation and amortization of property, plant and equipment and intangible assets;
- Operating income before capital gains, impairment losses, restructuring and others; and
- Capital employed, defined as the total of goodwill, intangible assets and property, plant and equipment, investments in associates and working capital.

Group financing, notably treasury process (including financial income and expenses), and income taxes are managed at Group level and are not allocated to segments.

The accounting policies used for segment information indicators comply with those applied for the consolidated financial statements (as described in Note 2).

The Group accounts for intersegment sales and transfers at market prices.

[3] the Chief Operating Decision Maker

(a) Segment information

March 31, 2013 *(million euros)*	Western Europe	North America	Central and Eastern Europe	Middle East and Africa	Latin America	Asia	Total
STATEMENT OF INCOME							
Gross revenue	740	448	148	979	218	687	
Less: intersegment	(32)	-	-	(39)	-	(13)	
EXTERNAL REVENUE	**708**	**448**	**148**	**940**	**218**	**674**	**3,136**
EBITDA	**5**	**(12)**	**(35)**	**246**	**51**	**125**	**380**
Depreciation and amortization	(66)	(38)	(21)	(79)	(10)	(42)	**(256)**
Operating income before capital gains, impairment, restructuring and other	**(61)**	**(50)**	**(56)**	**167**	**41**	**83**	**124**
Net gains (losses) on disposals	42	3	-	-	-	-	**45**
Other operating income (expenses)	(28)	(5)	(1)	(9)	(3)	(2)	**(48)**
Including impairment on assets and goodwill	*(10)*	*(5)*	*(1)*	*-*	*-*	*(1)*	***(17)***
OPERATING INCOME	**(47)**	**(52)**	**(57)**	**158**	**38**	**81**	**121**
OTHER INFORMATION							
Capital expenditures	36	19	115	26	12	81	**289**
Capital employed	5,794	5,098	2,829	11,484	1,391	4,127	**30,723**
STATEMENT OF FINANCIAL POSITION							
Segment assets	7,259	5,604	3,054	12,664	1,639	5,250	**35,470**
Of which investments in associates	*144*	*20*	*42*	*211*	*42*	*9*	***468***
Assets held for sale	-	455	-	-	-	-	**455**
Unallocated assets [(a)]							**4,066**
TOTAL ASSETS							**39,991**
Segment liabilities	2,371	1,558	261	1,132	248	873	**6,443**
Liabilities associated with assets held for sale	-	38	-	-	-	-	**38**
Unallocated liabilities and equity [(b)]							**33,510**
TOTAL EQUITY AND LIABILITIES							**39,991**

[(a)] *Deferred tax assets, derivative instruments and cash and cash equivalents*

[(b)] *Deferred tax liability, financial debt, derivative instruments and equity*

March 31, 2012 *(million euros)*	Western Europe	North America	Central and Eastern	Middle East and Africa	Latin America	Asia	Total
STATEMENT OF INCOME							
Gross revenue	765	490	182	1,074	241	670	
Less: intersegment	(12)	-	(1)	(30)	-	(26)	
EXTERNAL REVENUE	**753**	**490**	**181**	**1,044**	**241**	**644**	**3,353**
EBITDA	**82**	**(42)**	**(14)**	**317**	**59**	**109**	**511**
Depreciation and amortization	(46)	(48)	(20)	(82)	(11)	(42)	(249)
Operating income before capital gains, impairment, restructuring and other	**36**	**(90)**	**(34)**	**235**	**48**	**67**	**262**
Net gains (losses) on disposals	(1)	(1)	-	-	-	39	37
Other operating income (expenses)	(51)	(35)	(6)	(12)	(3)	(3)	(110)
Including impairment on assets and goodwill	*(1)*	*(2)*	*(1)*	-	-	-	*(4)*
OPERATING INCOME	**(16)**	**(126)**	**(40)**	**223**	**45**	**103**	**189**
OTHER INFORMATION							
Capital expenditures	36	20	43	16	17	48	**180**
Capital employed	4,397	5,417	2,705	11,911	1,414	4,000	**29,844**
STATEMENT OF FINANCIAL POSITION							
Segment assets	5,601	5,906	2,925	13,245	1,648	4,814	**34,139**
Of which investments in associates	*152*	*18*	*41*	*213*	*36*	*9*	***469***
Assets held for sale	1,831	436	-	-	-	-	**2,267**
Unallocated assets [(a)]							**3,572**
TOTAL ASSETS							**39,978**
Segment liabilities	1,892	1,561	249	1,120	247	698	**5,767**
Liabilities associated with assets held for sale	302	26	-	-	-	-	**328**
Unallocated liabilities and equity [(b)]							**33,883**
TOTAL EQUITY AND LIABILITIES							**39,978**

[(a)] *Deferred tax assets, derivative instruments and cash and cash equivalents*

[(b)] *Deferred tax liability, financial debt, derivative instruments and equity*

December 31, 2012 *(million euros)*	Western Europe	North America	Central and Eastern Europe	Middle East and Africa	Latin America	Asia	Total
STATEMENT OF INCOME							
Gross revenue	3 271	3 375	1 293	4 423	961	2 832	
Less: intersegment	(90)	-	(23)	(140)	-	(86)	
EXTERNAL REVENUE	**3 181**	**3 375**	**1 270**	**4 283**	**961**	**2 746**	**15 816**
EBITDA	**507**	**558**	**256**	**1 242**	**296**	**564**	**3 423**
Depreciation and amortization	(191)	(198)	(81)	(329)	(40)	(171)	(1 010)
Operating income before capital gains, impairment, restructuring and other	**316**	**360**	**175**	**913**	**256**	**393**	**2 413**
Net gains (losses) on disposals	-	10	-	1	-	42	53
Other operating income (expenses)	(357)	(65)	(36)	(71)	(4)	(13)	(546)
Including impairment on assets and goodwill	*(178)*	*(7)*	*(19)*	*(5)*	*-*	*(3)*	*(212)*
OPERATING INCOME	**(41)**	**305**	**139**	**843**	**252**	**422**	**1 920**
OTHER INFORMATION							
Capital expenditures	156	112	121	142	72	172	**775**
Capital employed	4 081	5 060	2 686	11 560	1 332	3 938	**28 657**
STATEMENT OF FINANCIAL POSITION							
Segment assets	5 244	5 632	3 007	12 701	1 550	5 073	**33 207**
Of which investments in associates	*156*	*20*	*42*	*204*	*40*	*8*	***470***
Assets held for sale	1 849	431	-	-	-	-	**2 280**
Unallocated assets [a]							**3 977**
TOTAL ASSETS							**39 464**
Segment liabilities	1 952	1 681	359	1 107	217	892	**6 208**
Liabilities associated with assets held for sale	348	40	-	-	-	-	**388**
Unallocated liabilities and equity [b]							**32 868**
TOTAL EQUITY AND LIABILITIES							**39 464**

[a] *Deferred tax assets, derivative instruments and cash and cash equivalents*

[b] *Deferred tax liability, financial debt, derivative instruments and equity*

(b) Information by product line

(million euros)	External revenue			Gross revenue		
	March 31, 2013	March 31, 2012	December 31, 2012	March 31, 2013	March 31, 2012	December 31, 2012
Cement	2,084	2,308	10,373	2,222	2,448	11,085
Aggregates & Concrete	1,032	1,025	5,353	1,035	1,028	5,367
Other products	20	20	90	20	20	90
Eliminations				(141)	(143)	(726)
Total	3,136	3,353	15,816	3,136	3,353	15,816

(c) Information by country

(million euros)	March 31, 2013		March 31, 2012		December 31, 2012	
	External revenue	Non-current segment assets *	External revenue	Non-current segment assets *	External revenue	Non-current segment assets *
Western Europe	708	5,799	753	4,390	3,181	4,231
Of which:						
France	408	2,340	446	2,298	1,855	2,344
United Kingdom	223	1,632	202	-	822	-
North America	448	4,674	490	4,975	3,375	4,700
Of which:						
*United States ***	157	1,314	201	1,906	1,307	1,368
*Canada ***	291	883	289	892	2,068	894
Central and Eastern Europe	148	2,660	181	2,522	1,270	2,642
Middle East and Africa	940	11,346	1,044	11,810	4,283	11,444
Of which:						
Egypt	93	2,370	127	2,628	459	2,491
Algeria	128	3,170	130	3,182	584	3,133
Nigeria	148	1,354	149	1,313	572	1,319
Latin America	218	1,370	241	1,395	961	1,310
Of which:						
Brazil	146	948	169	989	666	905
Asia	674	4,051	644	3,869	2,746	3,939
Total	3,136	29,900	3,353	28,961	15,816	28,266

** Non-current segment assets include goodwill, intangible assets, property, plant and equipment and investments in associates*

*** Non-current segment assets excluding goodwill*

Note 5. Earnings per share

The computation and reconciliation of basic and diluted earnings per share for the periods ended March 31, 2013, March 31, 2012 and December 31, 2012 are as follows:

	3 months		December 31,
	2013	2012	2012
Numerator (in million euros)			
Net income attributable to owners of the parent company	(117)	(60)	365
Of which net income from continuing operations	*(126)*	*(63)*	*349*
Denominator (in thousands of shares)			
Weighted average number of shares outstanding	287,125	287,028	287,079
Total potential dilutive shares	2,052	1,121	1,183
Weighted average number of shares outstanding — fully diluted	289,177	288,149	288,262
Basic earnings per share (euros)	**(0.41)**	**(0.21)**	**1.27**
Diluted earnings per share (euros)	**(0.41)**	**(0.21)**	**1.27**
Basic earnings per share from continuing operations (euros)	**(0.44)**	**(0.22)**	**1.21**
Diluted earnings per share from continuing operations (euros)	**(0.44)**	**(0.22)**	**1.21**

Note 6. Debt

The debt split is as follows:

	At March 31,		At December 31,
(million euros)	2013	2012	2012
Long-term debt excluding put options on shares of subsidiaries	12,021	12,002	11,212
Put options on shares of subsidiaries, long-term	49	49	49
Long-term debt	**12,070**	**12,051**	**11,261**
Short-term debt and current portion of long-term debt excluding put options on shares of subsidiaries	2,472	2,839	2,823
Put options on shares of subsidiaries, short-term	-	85	-
Short-term debt and current portion of long-term debt	**2,472**	**2,924**	**2,823**
Total debt excluding put options on shares of subsidiaries	14,493	14,841	14,035
Total put options on shares of subsidiaries	49	134	49
Total debt	**14,542**	**14,975**	**14,084**

The short-term debt that the Group can refinance on a medium and long-term basis through its committed credit facilities is classified in the statement of financial position under the section non-current liabilities “Financial debt” (710 million euros as at March 31, 2013 and no amount as at December 31, 2012). At March 31, 2013, the net variation of this debt is an increase of 710 million euros (compared to an increase of 12 million euros at March 31, 2012 and a decrease of 57 million euros at December 31, 2012) and is presented in the statement of cash flows in “Proceeds from issuance of long-term debt”.

Interest rate

The average spot interest rate of the gross debt after swaps, as at March 31, 2013, is 6.2% (6.3% as of March 31, 2012 and 6.4 % as of December 31, 2012).

The average interest rate of the net debt after swaps (gross debt minus cash and cash equivalents) is 7.1% for the first quarter of 2013 compared to 7.2% for the first quarter of 2012 and for the full year 2012.

Securitization program

The Group entered into multi-year securitization agreements with respect to trade receivables as described in the Note 17 of the Group consolidated financial statements of the 2012 Registration Document.

Under these programs, some of the French and North American subsidiaries agree to sell trade receivables. These trade receivables sold remain on the statement of financial position and totaled 308 million euros as of March 31, 2013 (434 million euros as of March, 2012 and 371 million euros as of December 31, 2012).

The current portion of debt financing received from these programs includes 249 million euros as of March 31, 2013 (322 million euros as of March 31, 2012 and 300 million euros as of December 31, 2012).

The European securitization agreements are guaranteed by subordinated deposits and units totaling 59 million euros as of March 31, 2013 (112 million euros as of March 31, 2012 and 71 million euros as of December 31, 2012).

Note 7. Equity

(a) Dividends

The following table indicates the dividend amount per share proposed for the year 2012 to Annual General Meeting of shareholders called on May 7, 2013 as well as the dividend amount per share approved in 2012 for the year 2011 (paid in July 2012).

(euros, except otherwise indicated)	2012	2011
Total dividend (million euros)	289[3]	145
Base dividend per share	1.00[1]	0.50
Increased dividend per share[2]	1.10[1]	0.55

[1] Proposed dividend. As this dividend is subject to approval by the shareholders at the Annual General Meeting, it has not been included as a liability in these financial statements as of March 31, 2013.

[2] See section 6.2.5 (c) (Articles of Association (Statuts) - Rights, preferences and restrictions attached to shares) of the 2012 Registration document for an explanation of our "Loyalty dividend".

[3] Based on an estimate of the number of shares eligible for dividends of 287,098,219 shares.

(b) Other comprehensive income – part attributable to the owners of the parent company

The roll forward for the period of other comprehensive income, for the part attributable to the owners of the parent company, is as follows:

	At December 31, 2012	Gains/(losses) arising during the period	Recycling to income statement	At March 31, 2013
Available-for-sale financial assets	21	-	-	21
Gross value	*31*	-	-	*31*
Deferred taxes	*(10)*	-	-	*(10)*
Cash flow hedge instruments	(27)	1	1	(25)
Gross value	*(37)*	*2*	*1*	*(34)*
Deferred taxes	*10*	*(1)*	-	*9*
Actuarial gains/(losses)	(919)	3	-	(916)
Gross value	*(1,310)*	*9*	-	*(1,301)*
Deferred taxes	*391*	*(6)*	-	*385*
Total Other reserves	***(925)***	***4***	***1***	***(920)***
Total Foreign currency translation	***(719)***	***193***	**-**	***(526)***
Total Other comprehensive income/(loss), net of income tax	***(1,644)***	***197***	***1***	***(1,446)***

Note 8. Legal and arbitration proceedings

In the ordinary course of its business, Lafarge is involved in a certain number of judicial and arbitral proceedings. Lafarge is also subject to certain claims and lawsuits which fall outside the scope of the ordinary course of its business, the most significant of which are summarized below.

The amount of provisions made is based on Lafarge's assessment of the level of risk on a case-by-case basis and depends on its assessment of the basis for the claims, the stage of the proceedings and the arguments in its defense, it being specified that the occurrence of events during proceedings may lead to a reappraisal of the risk at any moment.

Competition

Germany – Cement: Following investigations on the German cement market, the German competition authority, the Bundeskartellamt, announced on April 14, 2003, that it was imposing fines on the major German cement companies, including one in the amount of 86 million euros on Lafarge Zement, our German cement subsidiary for anti-competitive practices in Germany. Considering that the amount of the fine was disproportionate in light of the actual facts, Lafarge Zement has brought the case before the Düsseldorf Court of Appeals (the "Oberlandesgericht"). Moreover, on August 15, 2007, Lafarge Zement partially withdrew its appeal. Consequently Lafarge Zement paid an amount of 16 million euros on November 2, 2007 and reduced the related provision of the same amount (It should be noted that the Bundeskartellamt claims for payment of accrued interests on this amount, which has been granted by the court). Finally, the Düsseldorf Court of Appeals' decision related to the remaining part of the appeal has been given on June 26, 2009, exempting Lafarge Zement partly and reducing the remaining fine very significantly to 24 million euros. Lafarge Zement then appealed to the Federal Supreme Court on the basis of legal grounds.

On April 9, 2013, the Federal Supreme Court notified its final judgment confirming the verdict of Düsseldorf Court of Appeals, subject to a 5% reduction of the fine (corresponding to 1.2 million euros). Hence, Lafarge Zement will pay the 24 million euros fine during the second quarter (minus the 1.2 million euros reduction, plus 1.5 millions euros of interests), which amount was fully booked. Lafarge Zement is also entitled to request repayment from the Bundeskartellamt of a 6 million euros amount (from the 16 million euros paid on November 2, 2007), which amount should be repaid during the second quarter 2013.

In parallel to the above case, a civil action was brought by third parties claiming for damages resulting from such anti-competitive practices in Germany. Further to the hearings which took place in March 2012, the Düsseldorf Regional Court pronounced itself on various points of law. Additional pleadings with regard to statute of limitation are taking place.

India – Cement: An investigation started in 2011 against the major players of the cement Indian market. Further to this investigation, by an Order dated June, 21, 2012, the Competition Commission of India has found cement manufacturers in violation of the provisions of the Competition Act, 2002, which deals with anticompetitive agreements. The Commission has imposed a penalty on 11 cement manufacturers, including our subsidiary Lafarge India PVT Limited. The Commission has also imposed a penalty on the Indian Cement Manufacturers Association. The penalty imposed on Lafarge India PVT Limited amounts to 4.8 billion rupees (67 million euros), out of a total amount of penalty of sixty billion rupees (830 million euros). Lafarge India PVT Limited vigorously challenges the merits of this order and, on August 31, 2012, lodged an appeal to the Competition Appeal Tribunal as well as a request for a stay of the collection of the penalty until final Judgment of the Competition Appeal Tribunal. On December, 6, 2012, the Competition Appeal Tribunal issued an Order granting an interim stay of the Commission Order, preventing at this stage the Commission from collecting the penalty and Lafarge India PVT to pay a deposit. Lafarge India PVT anticipates the Competition Appeal Tribunal to issue a further Order on the request for stay in the second quarter of 2013.
No provision has been recorded.

United States – Gypsum: Commencing in December, 2012, a series of antitrust cases have been filed against the entire wallboard industry, including Lafarge North America Inc., in several jurisdictions, including Philadelphia, Chicago and Charlotte. Plaintiffs generally allege that the industry colluded to raise prices in the years 2012 and 2013. The plaintiffs do not allege any direct evidence of an agreement among the defendants, and instead rely largely on alleged circumstantial evidence. Some later filed actions extend the allegations of concerted activity to 2008 and others expand the scope to include certain wallboard “finishing products”. Based on the information known, Lafarge North America Inc. believes these lawsuits are without merit and intends to vigorously defend the litigation.

Also on competition matters, there are two industry-wide inquiries which do not constitute judicial proceedings and for which no provision has been recorded:

Europe – Cement: In November 2008, the major European cement players, including Lafarge, were investigated by the European Commission for alleged anti-competitive practices. By a letter dated December 6, 2010, the Commission notified the parties of the opening of an official investigation (which do not however constitute a statement of objection), while reminding them that at that stage, it did not have conclusive evidence of anti-competitive practices. The alleged offences, which will be the subject of the detailed investigation, involve any possible restrictions of commercial trade in or upon entry to the EEA, market sharing, and coordination of prices on the cement and related markets (concrete, aggregates). In the case of Lafarge, seven (7) countries are quoted: France, the United Kingdom, Germany, Spain, the Czech Republic, Greece and Austria. The Commission’s investigation is ongoing and Lafarge answered to its various requests for information. In November 2011, further to the answer by Lafarge of the last questionnaire received, the Commission notified Lafarge an injunction to waive any reserve to the answer and provide any further information deemed necessary to complete its investigation, under the threat of a penalty. Lafarge promptly complied with this new request for information and lodged a lawsuit with a view to obtaining the annulment of such injunction decision. By letter received on January 15, 2013, the European Commission confirmed that no penalty will be imposed to Lafarge under this injunction and, accordingly, Lafarge withdrew the lawsuit aiming to obtain its annulment. During the third quarter of 2012, European officials visited the French, German and European cement association. The completion date of this investigation is unknown and no conclusion can be drawn at this stage.

United Kingdom (UK) – Cement: On January 18, 2012, the UK Office of Fair Trading (OFT) announced that it had referred the aggregates, cement and ready-mixed concrete markets (the “Industry”) in the UK to the Competition Commission for an in-depth sector investigation. The OFT believes that it has reasonable grounds to suspect that competition problems may exist due to the existing market structure in the UK, and considers that the Industry displays a number of features which may potentially adversely affect the way competition operates in the UK. As a result, the Competition Commission is conducting an in-depth sector investigation into competition in relation to the supply of those products, and will decide whether or not any structural and/or behavioural remedies will be required. Further to hearings which took place in December 2012, our UK subsidiaries continues to fully cooperate with the Competition Commission, which is expected to issue a provisional findings report during the second quarter of 2013, with further hearings organized afterwards. At this stage, we cannot assess the potential consequences of this investigation.

Other proceedings

United States – Hurricane Katrina: In late 2005, several class action and individual lawsuits were filed in the United States District Court for the Eastern District of Louisiana. In their Complaints, plaintiffs allege that our subsidiary, Lafarge North America Inc. (LNA), and/or several other defendants including the federal government, are liable for death, bodily and personal injury and property and environmental damage to people and property in and around New Orleans, Louisiana. Some of the referenced complaints claim that these damages resulted from a barge under contract to LNA that allegedly breached the Inner Harbor Navigational Canal levee in New Orleans during or after Hurricane Katrina. On May 21, 2009, the Court denied plaintiffs’ Motion for Class Certification.

The Judge trial involving the first few plaintiffs commenced in late June, 2010. In a ruling dated January 20, 2011, the Judge ruled in favor of LNA. These plaintiffs filed a Notice of Appeal, but then withdrew it. Our subsidiary then filed a Motion for Summary Judgment against all the remaining plaintiffs. A Hearing was held by the Court in October 2011 and a decision was handed down on March 20, 2012 granting Summary Judgment in LNA's favour and against all remaining cases filed in the Federal Court. Plaintiffs appealed this decision but recently, voluntarily dismissed their appeal. A new case was filed against LNA on September 16, 2011 by the Parish of Saint Bernard in Louisiana State Court. LNA moved to remove the case to Federal Court before the same Judge who had the main litigation and has won that Motion. LNA then moved for Summary Judgment against the Parish of Saint Bernard and has recently won this motion. Plaintiffs have appealed this ruling on January 3, 2013.

Lafarge North America Inc. vigorously defends itself in all these ongoing actions. Lafarge North America Inc. believes that the claims against it are without merit and that these matters will not have a materially adverse effect on its financial condition.

In connection with disposals made in the past years, Lafarge and its subsidiaries provided customary warranties notably related to accounting, tax, employees, product quality, litigation, competition, and environmental matters. Lafarge and its subsidiaries received or may receive in the future notice of claims arising from said warranties. In view of the current analysis, it is globally concluded that no significant provision has to be recognized in relation to such claims and disposals In particular, there is an ongoing arbitration between Lafarge's subsidiaries and the buyer of one of our businesses which is claiming a total of 59 million US dollars on grounds considered unfounded by our subsidiaries and for which no provision has been taken. We expect that the final and binding sentence of the arbitration tribunal will be delivered during the first semester 2013.

Finally, certain Group subsidiaries have litigation and claims pending in the normal course of business. The resolution of these matters should not have any significant effect on the Company's and/or the Group's financial position, results of operations and cash flows. To the Company's knowledge, there are no other governmental, legal or arbitration proceedings which may have or have had in the recent past significant effects on the Company and/or the Group's financial position or profitability.

Note 9. Transactions with related parties

There were no significant related-party transactions during the period neither evolution in the nature of the transactions as described in Note 30 of the consolidated financial statements included in the Group 2012 Registration Document.

Note 10. Subsequent events

No subsequent event.

Statutory auditors' review report on the interim condensed consolidated financial statements

(Free translation of a French language original)

To the Chairman and Chief Executive Officer,

In our capacity as statutory auditors of Lafarge and in accordance with your request, we have reviewed the interim condensed consolidated financial statements of Lafarge contained in the accompanying report for the period from January 1 to March 31, 2013.

These interim condensed consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently can only provide moderate assurance that the financial statements, taken as a whole, do not contain any material misstatements. This level of assurance is less than that obtained from an audit.

Based on our review, nothing has come to our attention that causes us to believe that these interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to the note 2.2 « New IFRS standards and interpretations » to the financial statements which outlines the effects of the application of the amendments to IAS19 applied from January 1, 2013.

Neuilly-sur-Seine and Paris-La Défense, May 7, 2013

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES		ERNST & YOUNG et Autres	
Arnaud de Planta	Frédéric Gourd	Alain Perroux	Nicolas Macé