LAFARGE
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Press release

Paris, February 20, 2013

NYSE Euronext Paris: LG

RESULTS AS OF DECEMBER 31, 2012

STRONG PROGRESSION OF OPERATIONAL PERFORMANCE
SALES UP 3.5% AND CURRENT OPERATING INCOME UP 12% FOR THE YEAR
FIFTH CONSECUTIVE QUARTER OF OPERATING RESULTS GROWTH

FOURTH QUARTER KEY FIGURES

▪ Sales stable at €3,809m ▪ EBITDA up 7% to €856m ▪ Current operating income up 12% to €603m	▪ Net income Group share increased to €100m *(versus a loss of € 3m in 2011)*, or €0.34 per share

YEAR-TO-DATE KEY FIGURES

▪ Sales up 3.5% to €15,816m ▪ EBITDA up 7% to €3,450m ▪ Current operating income up 12% to €2,440m	▪ Net income Group share reached €432m, or €1.50 per share. Excluding one-off items[1], net income group share increased 70% to €772m, or €2.69 per share ▪ Dividend of €1 per share, subject to AGM approval

GROUP HIGHLIGHTS

- Sales increased 3.5% year-to-date, driven by successful price actions across all product lines to respond to cost inflation and by growth in emerging markets.
- The Group delivered on its cost savings target, achieving €410 million in the year; innovation plan roll out is gaining pace and actions generated €80 million of EBITDA in 2012.
- EBITDA and current operating income rose 7% and 12% respectively in the periods presented despite the continued slowdown in Europe. Operations outside of Europe generated more than 75% of the Group's EBITDA and rose 17% in the quarter and 19% year-to-date. Group EBITDA margin improved 130 basis points in both periods when excluding carbon credit sales.
- Net income Group share reached €432 million for the year, down 27% mainly because of the one-time €466 million gain related to gypsum divestments in 2011. Excluding one-offs items[1], net income Group share improved 70% year-to-date to €772 million.
- Net debt declined €0.9 billion in the fourth quarter, dropping to €11.3 billion. The Group has secured close to €900 million of divestments, of which €474 million were received in 2012, and will shortly exceed its objective of securing €1 billion.

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

"We have delivered on our objectives for 2012 and our results grew for the fifth consecutive quarter, driven by strong operational performance and growth in emerging markets which generated close to 60% of our sales.

We are progressing fast and I am convinced that we will deliver most of our 2012-2015 plan to generate €1.75 billion additional EBITDA through cost reduction and innovation measures by the end of 2014, close to one year ahead of our initial objective. We target to deliver €650 million additional EBITDA from these measures in 2013.

Whilst we adopt a cautious stance on the current market environment, our actions will drive net debt reduction to below €10 billion as soon as possible in 2013.

Going forward we will continue to extract the full potential of our uniquely diversified portfolio of high quality assets, selectively investing in organic growth in our core markets. All our actions strive towards growth in

[1] *Asset impairment in Q2 2012 on Greece and in Q4 2011 on Western Europe and the Emirates, restructuring charges, and one-time gains in 2011 on Gypsum divestments*

sales, earnings, return on capital employed and cash flows and my priority is to maximize value creation for our shareholders".

OUTLOOK

Overall the Group sees cement demand moving higher 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 benefits 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 maintains its target of reducing net debt to below €10 billion as soon as possible in 2013. Capital expenditures will be limited initially to €800 million in 2013. Additional divestments beyond the current target of €1 billion since the beginning of 2012 may lead to an increase of this expenditures level while maintaining our debt reduction objective.

CONSOLIDATED ACCOUNTS AS OF DECEMBER 31, 2012

The Board of Directors of Lafarge, chaired by Bruno Lafont, met on February 19, 2013 and approved the accounts for the year ended December 31, 2012. The auditors have completed their audit on the consolidated financial statements. Their report is in the process of being issued.

(€m)	FOURTH QUARTER				YEAR-TO-DATE			
			Variation				Variation	
	2012	2011	Gross	Like for like(4)	2012	2011	Gross	Like for like(4)
Volumes								
Cement (million tons)	34.8	36.5	-5%	-4%	141.1	145.3	-3%	-2%
Aggregates (million tons)	47.1	49.1	-4%	-5%	188.3	192.7	-2%	-3%
RMX Concrete (million m^3)	7.8	8.3	-5%	-3%	31.8	33.8	-6%	-2%
Results (million euros)								
Sales	3,809	3,813	-	-1%	15,816	15,284	3%	2%
EBITDA (1)	856	798	7%	5%	3,450	3,217	7%	4%
EBITDA margin (%)	*22.5%*	*20.9%*	*+160bps*		*21.8%*	*21.0%*	*+80bps*	
Current operating income	603	538	12%	9%	2,440	2,179	12%	7%
Net income Group share (2)	100	(3)			432	593	-27%	
Net income before non-recurring items(2)	*130*	*(109)*			*772*	*453*	*70%*	
Earnings per share (€) (3)	€0.34	€(0.01)			€1.50	€2.07	-28%	
Earnings per share before non-recurring items(2)	*€0.45*	*€(0.38)*			*€2.69*	*€1.58*	70%	
Free cash flow (1)	673	701	-4%		884	1,208	-27%	
Group net debt					11,317	11,974	-5%	

(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) Net income group share includes pre-tax restructuring charges of €40m and €41m for fourth quarter 2012 and 2011, respectively; €406m for impairment of Greek assets and pre-tax restructuring charges year-to-date 2012, €346m for impairment charges in Western Europe and the Emirates and restructuring charges offset by one-time gains of €466m related to gypsum divestments year-to-date 2011.

(3) Basic average number of shares outstanding of 287.1 million and 287.0 million for fourth quarter 2012 and 2011, respectively, and 287.1 million and 286.5 million year-to-date 2012 and 2011, respectively.

(4) At constant scope and exchange rates.

EBITDA (*) RESULTS BY REGION

(€m)	Fourth Quarter			Year-to-Date		
	2012	2011	Variation	2012	2011	Variation
North America	163	140	16%	546	431	27%
Western Europe	118	147	-20%	556	669	-17%
Central & Eastern Europe	41	56	-27%	255	329	-22%
Middle East & Africa	293	266	10%	1,235	1,131	9%
Latin America	85	66	29%	296	246	20%
Asia	156	123	27%	562	411	37%
TOTAL	**856**	**798**	**7%**	**3,450**	**3,217**	**7%**

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

SALES DEVELOPMENT AND FINANCIAL RESULTS

Sales volumes declined year-to-date, affected by the construction slowdown in Europe. However, solid domestic growth in Asia, Latin America and most countries of Middle East Africa largely mitigated this decline. In the fourth quarter, unfavorable weather conditions in the northern hemisphere, notably in the United States and in Central and Eastern Europe, weighed on volume trends.

Consolidated sales moved higher, up 3.5% year-to-date, supported by successful price actions to respond to cost inflation across all our product lines, higher cement volumes in Latin America and Asia, and favorable foreign exchange effects.

EBITDA improved 7% for both periods presented, supported by growth in Middle East & Africa, Latin America, Asia, and North America and favorable foreign exchange. Declines occurred in Western and Central & Eastern Europe due to the impact of poor weather conditions in the first and fourth quarters, €78 million of lower proceeds from the sale of carbon credits year-to-date compared to last year, and a challenging economic environment.

The Group continued to implement its performance and innovation measures; cost reduction actions contributed €410 million and innovation generated €80 million to year-to-date results.

Net income Group share declined, reflecting mostly a higher base comparison due to the one-off gains recorded in 2011 on the gypsum divestments. Excluding one-off items[1], net income Group share improved 70% year-to-date to €772 million.

At €11.3 billion, net debt declined by €0.9 billion in the quarter and €0.7 billion compared to December 2011.

INVESTMENTS, DIVESTMENTS AND LIQUIDITY

Investments totaled €817 million for year-to-date 2012, down from €1.2 billion in 2011.

- Sustaining capital expenditure was stable, at €392 million versus €389 million in 2011.
- Internal development capital expenditure and acquisitions declined to €425 million in 2012 from €810 million in 2011.

Lafarge received €474 million in cash from divestments through 2012, including sales of minority stakes and the divestment of assets in Missouri and Oklahoma (USA). Close to €900 million of divestments have been secured to date.

As at December 31, 2012, the Group had €3.4 billion in undrawn committed credit lines, with an average maturity of 2.5 years, in addition to €2.7 billion of cash on hand. Liquidity was further improved in the year through the issuance of €815 million mid-term bonds with no financial covenants and rates below 6 percent.

[1] Asset impairment in Q2 2012 on Greece and in Q4 2011 on Western Europe and the Emirates, restructuring charges, and one-time gains in 2011 on Gypsum divestments

ADDITIONAL INFORMATION

The analyst presentation of results and the financial report for the fourth quarter ended December 31, 2012, including the management report and consolidated financial statements (to the exception of the notes) are available on the Lafarge Website: **www.lafarge.com**

Practical information:
The annual results presentations will be hosted by Bruno Lafont, Chairman and CEO and Jean-Jacques Gauthier, Chief Financial Officer.

There will be **an analyst presentation at 9:00 AM CET** at the Pavillon Gabriel, 5 avenue Gabriel, 75008 Paris. 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 a live audio cast on the Lafarge website as well as via teleconference:
- Dial in (France): +33 (0)1 70 48 01 66
- Dial in (UK or International): +44 (0)20 3364 5381
- Dial in (US): +1 646 254 3388

Please note that in addition to the web cast replay, a conference call playback will be available until the 27th of February 2013 midnight at the following numbers:
- France playback number: +33 (0)1 74 20 28 00 (pin code: **7135431#**)
- UK or International playback number: +44 (0)20 3427 0598 (code: **4066080#**)
- US playback number: +1 347 366 9565 (code: **4066080#**)

A press conference will be held at 11:00 AM CET at the Pavillon Gabriel, 5 avenue Gabriel, 75008 Paris.
The presentation will be made in French with simultaneous English translation, available on-site or by phone:
- From France: +33 (1) 70 91 86 60
- From UK: +44 (0)20 7136 20 55

In addition, a conference call playback will be available until the 27th of February 2013 midnight:
- France playback number: +33 (0)1 74 20 28 00 (pin code: 92 93 244)
- UK playback number: +44 (0)20 3427 0598 (pin code: 14 56 212)

Lafarge's next financial publication – 1st Quarter 2013 results – will be on May 7, 2013 (before the NYSE Euronext Paris stock market opens).

NOTES TO EDITORS

Located in 64 countries with 65,000 employees, Lafarge is a world leader in building materials, with top-ranking positions in its Cement, Aggregates & Concrete businesses. In 2012, Lafarge posted sales of 15.8 billion euros.
Since 2010, the Lafarge Group has been part of the Dow Jones Sustainability World Index, the first global sustainability benchmark, in recognition of its sustainable development actions. With the world's leading building materials research facility, Lafarge places innovation at the heart of its priorities, working for sustainable construction and architectural creativity.
Additional information is available on the website at **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. 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.

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