Press Release

Paris, February 19, 2014
NYSE, Euronext Paris: LG

RESULTS AS OF DECEMBER 31, 2013

Q4 OPERATIONAL TRENDS SIGNIFICANTLY IMPROVED
EBITDA UP 14% LIKE FOR LIKE IN THE QUARTER
2013 RESULTS UP LIKE FOR LIKE, BUT IMPACTED BY ADVERSE EXCHANGE RATES
COST REDUCTION AND INNOVATION OBJECTIVES ACHIEVED WITH €670 MILLION GENERATED IN 2013
NET DEBT REDUCED BY €1 BILLION COMPARED TO LAST YEAR

FOURTH QUARTER KEY FIGURES (1)

▪ Sales down 2% to €3,714m, up 5% like for like ▪ EBITDA down 6% to €793m, up 14% like for like	▪ Current operating income down 10% to €529m, up 20% like for like ▪ Net result Group share up from €83m to €213m (from €0.29 to €0.74 per share)

FULL-YEAR KEY FIGURES (1)

▪ Sales down 4% to €15,198m, up 2% like for like ▪ EBITDA down 9% to €3,102m, up 2% like for like	▪ Current operating income down 14% to €2,075m, up 3% like for like ▪ Net result group share up 65% to €601m (€2.09 per share) ▪ Dividend of €1 per share, subject to AGM approval

(1) like for like variations are calculated excluding the impact of scope, exchange rates, CO_2 and one-time gains (North America: €24m in Q4 12 and €20m in Q1 13 and LATAM: €15m in Q4 12)

GROUP HIGHLIGHTS

- Volumes continued to improve, supported by ongoing growth in most emerging markets, the recovery in the United States and stabilizing Europe, confirming Q3 trends. Adverse exchange rates continued to weigh on sales and EBITDA (respectively €-259 million and €-63 million in the quarter).
- With a total of €670 million generated (€450 million from cost savings and €220 million from innovation measures), the Group has reached its 2013 objective (originally targeting €650 million, with €200 million from innovation and €450 million from cost reduction).
- Q4 EBITDA grew 14% on a like for like basis, increasing in all regions, driven by higher volumes, firm prices and the acceleration of cost reductions and innovation measures. The solid performance in North America, Middle East / Africa and Asia in particular supported this growth. EBITDA margin in the quarter improved 170 basis points on a like for like basis.
- Net income Group Share in the quarter, at €213 million benefited from gains on divestments.
- Net debt was reduced by €1 billion over the year as the Group continued to take targeted actions to deleverage, and stood at €10.3 billion on December 31. Since then, we have secured €380 million which have already been finalized.
- The Group confirms its objective to deliver its 2012-2015 plan by the end of 2014, with at least €600 million of EBITDA coming from cost reduction and innovation measures in 2014 and to reduce net debt below €9 billion.

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

"In the fourth quarter we saw much more positive operational trends, accelerating compared to the third quarter, while exchange rates continued to be adverse. The Group implemented targeted actions to promote innovation and reduce costs and debt. These measures continue to gain momentum and I am confident that we are particularly well positioned to succeed and deliver on our objectives in 2014 and beyond.

Looking at 2014, we are determined and confident, and we expect an overall growth in our markets of between 2 to 5 percent. In this improving environment, the Group will take full advantage of its three organic growth drivers: emerging markets, where construction trends continue to be very favorable, accelerated growth through innovation and the progressive recovery of developed economies, starting with North America.

We will continue to apply the utmost discipline in capital allocation and our aim is to return to an investment grade profile this year. In line with this objective and targeting a step-improvement in our return on capital employed, we will pursue the development of our most promising positions through selective organic investments. We notably plan to add more than 10 million tonnes of cement capacity in existing locations in the coming four years in Sub-Saharan Africa, to further reinforce our leadership position in this region and benefit from accelerated growth."

OUTLOOK

Overall, Lafarge sees cement growth in its markets of between 2 to 5 percent in 2014 versus 2013. Markets shall increasingly benefit from the recovery in the United States and the continuing growth in emerging markets as Europe overall stabilizes.

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

The Group targets to deliver additional EBITDA of above €600 million in 2014 through its cost reduction and innovation measures (above €400 million from cost savings and more than €200 million from innovation). Beyond 2014, in 2015-2016, it plans to generate at least €1.1 billion of additional EBITDA from its actions of which €600 million from cost reductions and €500 million from innovation. This represents a minimum objective of €550 million per annum.

The Group is also aiming to reduce net debt below €9 billion in 2014.

CONSOLIDATED ACCOUNTS AS AT DECEMBER 31, 2013

The Board of Directors of Lafarge, chaired by Bruno Lafont, met on February 18, 2014 and approved the accounts for the year ended December 31, 2013. The auditors have completed their audit on the consolidated financial statements. Their report is in the process of being issued.

	Fourth Quarter				Full Year			
			Variation				Variation	
	2013	**2012**[3]	**Gross**	**Like for like**[4]	**2013**	**2012**[3]	**Gross**	**Like for like**[4]
Volumes								
Cement (million tons)	34.9	34.8	-	3%	136.8	141.1	-3%	-
Pure Aggregates (million tons)	49.2	47.1	4%	2%	192.8	188.3	2%	-
Ready-Mix Concrete (million m^3)	7.5	7.8	-4%	-2%	30.7	31.8	-3%	-1%
Results (million euros)								
Sales	3,714	3,809	-2%	5%	15,198	15,816	-4%	2%
EBITDA[1]	793	844	-6%	14%	3,102	3,423	-9%	2%
EBITDA margin (%)	*21.4%*	*22.2%*	*-80bps*	*+170bps*	*20.4%*	*21.6%*	*-120bps*	*10bps*
Current Operating Income	529	591	-10%	20%	2,075	2,413	-14%	3%
Net income Group share	213	83	nm		601	365	65%	
Earnings per share (€)[2]	0.74	0.29	nm		2.09	1.27	65%	
Free cash flow[1]	504	673	-25%		864	884	-2%	
Net debt					10,330[5]	11,317	-9%	

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

(2) Basic average number of shares outstanding of 287.3 million and 287.1 million for fourth quarter 2013 and 2012, and of 287.3 and 287.1 for the year 2013 and 2012 respectively.

(3) 2012 figures have been restated further to the application of IAS19R.

(4) Like for like is calculated at constant scope and exchange rates and excluding CO_2 and one-time gains (North America: €24m in Q4 12 and €20m in Q1 13 and LATAM: €15m in Q4 12).

(5) Including the €380 million enterprise value of secured divestments announced around year end and already closed, the net debt would have been below €10 billion.

EBITDA [(1)] RESULTS BY REGION

(€m)	Fourth Quarter				Full Year			
	2013	2012	Variation		2013	2012	Variation	
			Gross	Like for like [(2)]			Gross	Like for like [(2)]
North America	143	160	-11%	26%	560	558	-	18%
Western Europe	94	106	-11%	8%	354	507	-30%	-16%
Central and Eastern Europe	50	42	19%	65%	201	256	-21%	-14%
Middle East and Africa	297	295	1%	10%	1,153	1,242	-7%	-
Latin America	55	85	-35%	2%	240	296	-19%	-1%
Asia	154	156	-1%	11%	594	564	5%	13%
TOTAL	**793**	**844**	**-6%**	**14%**	**3,102**	**3,423**	**-9%**	**2%**

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

(2) Like for like is calculated at constant scope and exchange rates and excluding CO_2 and one-time gains (North America: €24m in Q4 12 and €20m in Q1 13 and LATAM: €15m in Q4 12).

SALES DEVELOPMENT AND FINANCIAL RESULTS

Volumes increased again in the fourth quarter, as the more positive market trends experienced in Q3 continued to prevail. The Group's volumes benefited from the continuing recovery in the residential market in the United States and by sustained growth in Middle East and Africa and in Asia. At the same time, Europe showed stabilizing volumes for the second consecutive quarter.

Consolidated sales decreased 2% in the fourth quarter, still affected by adverse foreign exchange (-7.5%, or €-259 million), notably in Brazil, India, South Africa and Canada. At constant scope and exchange rates sales grew 5%, supported by higher volumes and improved prices to address cost inflation across all product lines.

Q4 EBITDA was also impacted by exchange rates (-8%, or €-63 million), one-time gains in Q4 2012 (total of €39 million) and lower CO_2 sales (€14 million in Q4 2013 vs. €30 million in Q4 2012). On a like for like basis, Q4 EBITDA increased 14%, notably supported by North America and Middle East Africa which improved by respectively 26% and 10%. The acceleration of our cost reduction and innovation actions more than offset cost inflation and the total adverse €20 million impact of the further reduction of our inventories in the fourth quarter. Cement prices were sequentially stable from Q3 to Q4 2013 and were up 2% year on year. In 2013, the Group actively increased prices although the impact on EBITDA was limited by price adjustments in a small number of countries and adverse mix effects.

Net income Group Share in the quarter, at €213 million benefited from the gain on the divestment of the Group's operations in Honduras (€172 million, net of tax).

Net debt was reduced by €1 billion over the year as the Group continued to take targeted actions to deleverage, and stood at €10.3 billion on December 31. Since then, we have secured €380 million of divestments which have already been finalized. These divestments include the 20% remaining stake in the Gypsum joint-venture with Etex and Maryland assets. Strict capex discipline, divestments and some improvement in working capital performance contributed to this debt reduction.

INVESTMENTS AND DIVESTMENTS

Investments totaled €306 million for the quarter.

- Sustaining capital expenditures amounted to €172 million.
- Development investments amounted to €134 million. It included investments in the plants of Exshaw (Western Canada) and Ravena (New York, United States) and in the new cement plant projects in Kaluga (Russia) and Rajasthan (India).

Our plant in Rajasthan (2.6 million tonnes) started its operations in October. Reaping the benefits of our debottlenecking investments, we have also started additional capacities in the Philippines, Brazil (Rio) and Algeria (total of 1.8 million tonnes) which are progressively ramping up allowing us to seize market growth in these countries.

With the sale of Honduras completed in the fourth quarter, proceeds from divestments received by the Group in 2013 reached €1.3 billion. Divestments mainly included the sale of US gypsum assets, a few aggregates quarries in the United States and cement assets in Ukraine and in Honduras, all made in attractive conditions. It also includes €0.2 billion received from our new partner in India to contribute to the Group's development in this country. Going forward, the Group shall continue to pursue further value creative divestments.

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ADDITIONAL INFORMATION

The analyst presentation of results and the financial report for the fourth quarter ended December 31, 2013, including the management report and consolidated financial statements (with 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 76 77 22 31
- Dial in (UK or International): +44 (0)20 3427 1903
- Dial in (US): +1 646 254 3360

Please note that in addition to the web cast replay, a conference call playback will be available until the 26th of February 2014 midnight at the following numbers:
- France playback number: +33 (0)1 74 20 28 00 (pin code: 7876266#)
- UK or International playback number: +44 (0)20 3427 0598 (code: 7876266#)
- US playback number: +1 347 366 9565 (code: 7876266#)

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) 76 77 22 26
- From UK: +44 (0)20 3427 1906

In addition, a conference call playback will be available until the 26th of February 2014 midnight:
- France playback number: +33 (0)1 74 20 28 00 (pin code: 5086611#)
- UK playback number: +44 (0)20 3427 0598 (pin code: 7192613#)
- US playback number: +1 347 366 9565 (code: 7192613#)

Lafarge's next financial publication – 2014 First Quarter results – will be on May 6, 2014 (before the NYSE Euronext Paris stock market opens).

NOTES TO EDITORS

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

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