LAFARGE
Building better cities™

Press Release

Paris, July 26, 2013
NYSE, Euronext Paris: LG

RESULTS AS OF JUNE 30, 2013

RESILIENT Q2 RESULTS DESPITE PARTICULARLY ADVERSE WEATHER CONDITIONS
NET DEBT REDUCTION OBJECTIVE CONFIRMED
PERFORMANCE AND INNOVATION OBJECTIVES CONFIRMED

SECOND QUARTER KEY FIGURES

▪ Sales down 3% to €4,112m (stable like for like) ▪ EBITDA down 8% to €922m (-3% like for like)	▪ Current operating income down 11% to €667m (-4% like for like) ▪ Net result Group share at €201m (€0.70 per share), vs. €39m in Q2 2012 (€0.14 per share)

FIRST-HALF KEY FIGURES

▪ Sales down 5% to €7,248m (-2% like for like) ▪ EBITDA down 14% to €1,302m (-9% like for like)	▪ Current operating income down 22% to €791m (-12% like for like) ▪ Net result group share at €84m (€0.29 per share), vs. €-21m in H1 2012 (€-0.07 per share)

GROUP HIGHLIGHTS

- Q2 EBITDA showed a good resilience, despite prevailing adverse weather conditions, notably in North America, the absence of CO_2 sales and negative impact of foreign exchange.
- Performance and innovation measures generated respectively €100 million and €60 million additional EBITDA in the quarter. In the first-half, we have generated a total of €260 million, on track with our plan.
- EBITDA margin excluding CO_2 was stable at constant scope and exchange rates in the quarter, supported by performance and innovation measures and price increases which offset the impact of lower volumes and cost inflation.
- Net income Group Share in the quarter, at €201 million favorably compares to €39 million in Q2 2012 which was negatively impacted by exceptional items.
- Net debt at the end of June decreased €0.7 billion compared to end of June last year, reflecting the strict control of investments and working capital optimization which supported the 35% free cash flow increase in the quarter. With the recently announced divestment of its US gypsum operations, the Group has secured €1.5 billion[1] since the beginning of 2012, of which €0.9 billion will be received in H2.

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

"Our results in the second quarter resisted in an environment which was marked by a conjunction of unfavorable circumstances. We increased prices and performance and innovation results are in line with our 2013 €650 million additional EBITDA target.

Taking into account first-half volumes, we foresee a cement demand growth in our markets of between 0 to 3 percent in 2013, which implies more positive trends in the second half.

We are fully mobilized to deliver on our strategy which objective is to create sustainable value for our shareholders. This means focusing on actions within our control, including through performance and innovation. Creating value also means we will continue the utmost discipline in terms of capital allocation as well as pursuing our portfolio optimization. And it starts with strengthening our financial structure, which means to be back to an investment grade status as quickly as possible, reducing net debt below €10 billion in 2013 and below €9 billion in 2014."

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[1] Excluding €0.2bn capital injection of our new partner in India, as announced in May 2013

OUTLOOK

Overall the Group sees cement growth in its markets of between 0 to 3 percent in 2013 versus 2012, factoring in low volumes in the first-half. 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. Cost inflation will continue, although at a lower rate than in 2012, benefiting from positive trends in coal and petcoke prices.

The Group targets to deliver additional EBITDA of €650 million in the year through its performance and innovation measures.

Our objective is to reduce net debt to below €10 billion in 2013, and below €9 billion in 2014.

CONSOLIDATED ACCOUNTS AS AT JUNE 30, 2013

The Board of Directors of Lafarge, chaired by Bruno Lafont, met on July 25, 2013 and approved the accounts for the period ended June 30, 2013. Further to their limited review of the interim condensed consolidated financial statements of Lafarge, the auditors have established a report, which is included in the half-year financial report.

	Second Quarter				First-Half			
			Variation				Variation	
	2013	2012[3]	Gross	Like for like[4]	2013	2012[3]	Gross	Like for like[4]
Volumes								
Cement (million tons)	36.5	38.4	-5%	-3%	65.2	69.7	-6%	-4%
Pure Aggregates (million tons)	50.9	51.0	-	-1%	83.8	84.2	-	-4%
Ready-Mix Concrete (million m^3)	8.3	8.6	-4%	-	15.0	15.7	-5%	-1%
Results (million euros)								
Sales	4,112	4,261	-3%	-	7,248	7,614	-5%	-2%
EBITDA[1]	922	1,002	-8%	-3%	1,302	1,513	-14%	-9%
EBITDA margin (%)	*22.4%*	*23.5%*	*-110bps*		*18.0%*	*19.9%*	*-190bps*	
Current Operating Income	667	750	-11%	-4%	791	1,012	-22%	-12%
Net income Group share	201	39	nm		84	(21)	nm	
Earnings per share (€)[2]	0.70	0.14	nm		0.29	(0.07)	nm	
Free cash flow[1]	165	122	35%		(132)	(312)	nm	
Net debt					11,881	12,550	-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) Basic average number of shares outstanding of 287.3 million and 287.1 million for second quarter 2013 and 2012, and of 287.2 and 287.1 for the first-half 2013 and 2012 respectively.

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

(4) At constant scope and exchange rates.

EBITDA (*) RESULTS BY REGION

(€m)	Second Quarter				First-Half			
			Variation				Variation	
	2013	2012	Gross	Like for like (1)	2013	2012	Gross	Like for like (1)
North America	141	170	-17%	-8%	129	128	1%	17%
Western Europe	145	173	-16%	-14%	150	255	-41%	-38%
Central and Eastern Europe	80	101	-21%	-21%	45	87	-48%	-48%
Middle East and Africa	304	329	-8%	-1%	550	646	-15%	-10%
Latin America	71	70	1%	7%	122	129	-5%	1%
Asia	181	159	14%	16%	306	268	14%	17%
TOTAL	**922**	**1,002**	**-8%**	**-3%**	**1,302**	**1,513**	**-14%**	**-9%**

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

SALES DEVELOPMENT AND FINANCIAL RESULTS

Volumes declined in the second quarter, affected by a high comparable in 2012 and continuing adverse weather. Temporary fuel shortage in Egypt also put some pressure on volumes.

Consolidated sales decreased 3% in the second quarter affected by adverse foreign exchange. At constant scope and exchange rates they were stable, as increased prices across all of our product lines to address cost inflation offset the impact of lower volumes.

At constant scope and exchange rates, EBITDA declined by 3% with performance and innovation actions almost offsetting the impact of lower volumes and the absence of carbon credit sales in Q2 2013 (vs. CO_2 proceeds of €24 million in Q2 2012).

Net income Group Share in the quarter, at €201 million favorably compares to €39 million in Q2 2012, negatively impacted by a pre-tax impairment of €200 million recorded on Greek assets.

Net debt declined by €0.7 billion relative to the end of June last year. Compared to year-end 2012, the increase has been strictly limited despite usual impact of seasonality. This reflects strict capex discipline, actions on working capital optimization and divestments.

DIVESTMENTS AND INVESTMENTS

Lafarge received €49 million in cash for divestments in the quarter. With the most recent divestments announced, the Group has secured €1.5 billion[1] of divestments since January 1st 2012, of which €655 million have been received to date. The remainder will contribute to further debt reduction in 2013 and we will continue to pursue further value creative divestments in 2013.

Investments totaled €230 million for the quarter.

- Sustaining capital expenditures remained strictly constrained at €72 million.
- Development investments amounted to €158 million in the second quarter of 2013, including mainly investments in our on-going new cement plant projects in Russia and India and in our plants of Exshaw and Ravena in North America.

Going forward, the Group plans to continue to seize growth opportunities of our uniquely diversified portfolio, selectively investing in its core markets.

[1] Excluding €0.2bn capital injection of our new partner in India, as announced in May 2013

ADDITIONAL INFORMATION

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

Practical information:
There will be an analyst conference call at 9:00 CET, on July 26, 2013 hosted by Jean-Jacques Gauthier, Chief Financial Officer. The presentation will be made in English with slides that can be downloaded from the Lafarge website (www.lafarge.com).

The presentation may be followed via an audiocast on the Lafarge website as well as via teleconference:
- Dial in (France): +33(0)1 76 77 22 27
- Dial in (UK or International): +44(0)20 3427 1905
- Dial in (US): +1646 254 3366

Please note that in addition to the web cast replay, a conference call playback will be available until August 2, 2013 midnight at the following numbers:
- France playback number: +33 (0)1 74 20 28 00 (pin code: 2958760#)
- UK or International playback number: +44 (0)20 3427 0598 (pin code: 2958760#)
- US playback number: +1 347 366 9565 (pin code: 2958760#)

Lafarge's next financial publication – 3rd Quarter 2013 results – will be on November 6, 2013 (before the NYSE Euronext Paris stock market opens).

NOTES TO EDITORS

A world leader in building materials, Lafarge employs 65,000 people in 64 countries, and posted sales of €15.8 billion in 2012. 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. 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. More information is available on Lafarge's website: www.lafarge.com

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