Quarterly Financial Report

Period ended September 30, 2014

LAFARGE
Building better cities™

1. Management Report

The Board of Directors of Lafarge, chaired by Bruno Lafont, met on November 4, 2014 to approve the accounts for the period ended September 30, 2014. Further to their limited review of the interim condensed consolidated financial statements of Lafarge, the auditors have established a report which is included in the Nine months 2014 Financial Report.

This interim management report should be read in conjunction with the interim condensed consolidated financial statements for the first nine months of the year and the company's Registration Document for the fiscal year 2013 filed with the Autorité des Marchés Financiers on April 2, 2014 under number D.14-0275. 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 three 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 joint-ventures and 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.

Amounts are generally expressed in million euros and variations like-for-like are variations at constant scope and exchange rates, unless indicated otherwise.

In order to have comparative information, and in accordance with IFRS, 2013 figures have been restated to reflect the application of the new accounting standard on joint arrangements (IFRS 11) applicable as at January 1, 2014.

*This document contains forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets, as the case may be, including with respect to plans, initiatives, events, products, solutions and services, their development and potential. Although Lafarge believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are difficult to predict and generally beyond the control of Lafarge, including but not limited to the risks described in the Lafarge's annual report available on its Internet website (*www.lafarge.com*) and uncertainties related to the market conditions and the implementation of our plans. Nothing contained herein is, or shall be relied on as, a promise or representation as to the future performance of Lafarge. Accordingly, we caution you against relying on forward looking statements. Lafarge does not undertake to provide updates of these forward-looking statements.*

More comprehensive information about Lafarge may be obtained on its Internet website (www.lafarge.com), including under "Regulated Information" section.

This communication does not constitute an offer to purchase or exchange or the solicitation of an offer to sell or exchange any securities of Lafarge.

1.1 Consolidated key figures

Summary of the key figures

	9 Months		Variation	Variation like-for-like [4]	3rd Quarter		Variation	Variation like-for-like [4]
Volumes	2014	2013			2014	2013		
Cement (MT)	88.0	85.7	3%	5%	31.0	31.2	-1%	1%
Pure Aggregates (MT)	120.3	123.2	-2%	-1%	50.4	52.5	-4%	-4%
RMX-Concrete (Mm3)	19.9	20.2	-1%	-2%	7.1	7.2	-1%	-2%
Sales (million euros)	9,636	9,934	-3%	4%	3,636	3,700	-2%	2%
EBITDA (million euros)	2,042	2,087	-2%	8%	887	920	-4%	2%
EBITDA Margin	*21.2%*	*21.0%*	*20bps*	*70bps*	*24.4%*	*24.9%*	*-50bps*	*20bps*
COI (million euros)	1,431	1,449	-1%	11%	676	710	-5%	2%
Net income – Group share [1]	288	388	-26%		218	304	-28%	
Earnings per share (euros) [2]	1.00	1.35	-26%		0.76	1.06	-28%	
Free Cash Flow [3]	200	336	-40%		360	450	-20%	
Net Debt	10,271	10,357	-1%					

(1) Net income attributable to the owners of the parent of the Group
(2) Based on an average number of shares outstanding of 287.5 million and 287.3 for the third quarter 2014 and 2013, and 287.4 million and 287.2 for the first nine months of 2014 and 2013, respectively
(3) Defined as the net cash generated or used in continuing operating activities less sustaining capital expenditures
(4) Variations like-for-like are calculated at constant scope and exchange rates, and excluding the €20m one-time gain recorded in the first quarter 2013 in North America

Sales by geographical area and activity

(in million euros)	9 Months		Variation	Scope	Foreign Exchange Effect	Variation like-for-like	3rd Quarter		Variation like-for-like
	2014	2013					2014	2013	
By geographical zone									
North America	2,195	2,317	-5%	-1%	-7%	3%	1,063	1,088	3%
Western Europe	1,603	1,672	-4%	-	-	-4%	524	571	-8%
Central & Eastern Europe	838	887	-6%	-6%	-5%	5%	349	399	-3%
Middle East and Africa	2,803	2,717	3%	-	-5%	10%[1]	949	917	9%[1]
Latin America	549	677	-19%	-15%	-9%	5%	199	221	2%
Asia	1,648	1,664	-1%	-	-7%	6%	552	504	6%
By activity									
Cement	6,429	6,575	-2%	-2%	-5%	5%	2,329	2,348	3%
Aggregates & Concrete	3,173	3,321	-4%	-	-5%	1%	1,295	1,340	-
Holding and others	34	38					12	12	
TOTAL	**9,636**	**9,934**	**-3%**	**-2%**	**-5%**	**4%**	**3,636**	**3,700**	**2%**

(1) At constant scope and exchange rates, and excluding the impact of the drop in volumes in Iraq in Q3 2014 in the current context. When including the drop in volumes in Iraq in Q3 2014, like-for-like MEA sales variations are 8% YTD, and 5% in Q3.

EBITDA by geographical area and activity

(in million euros)	9 Months 2014	9 Months 2013	Variation	Scope and one-offs(1)	Foreign Exchange Effect	Variation like-for-like (1)	3rd Quarter 2014	3rd Quarter 2013	Variation like-for-like (1)
By geographical zone									
North America	399	412	-3%	-8%	-9%	14%	284	286	9%
Western Europe	240	195	23%	13%	-	10%	94	76	-10%
Central & Eastern Europe	176	151	17%	-1%	-4%	22%	105	106	5%
Middle East and Africa	788	765	3%	-3%	-5%	11%	259	278	4%
Latin America	121	185	-35%	-24%	-7%	-4%	48	63	-1%
Asia	318	379	-16%	-	-6%	-10%	97	111	-15%
By activity									
Cement	1,787	1,822	-2%	-4%	-6%	8%	736	748	-
Aggregates & Concrete	279	291	-4%	-3%	-7%	6%	169	189	-3%
Holding and others	(24)	(26)					(18)	(17)	
TOTAL	2,042	2,087	-2%	-4%	-6%	8%	887	920	2%

(1) At constant scope and exchange rates, and excluding the following elements:
Group and activity levels: €20m one-time gain recorded in Q1 2013 in North America
Regional level: In Q3 2014, the €28m carbon credits sales (€26m in Western Europe, €2m in Central and Eastern Europe) compensate the effect of the drop in volumes in Iraq due to the current situation (€-24m). These elements are not restated from the Group like-for-like variations. Restatements are applied to Western Europe, Central and Eastern Europe and Middle East and Africa to better reflect the regional underlying performances.

1.2. Review of the results of operations

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.

Group highlights for the third quarter

- After a solid growth in the first half, volume trends eased in the third quarter with a more challenging comparable in Europe, mostly in France, and lower volumes in Iraq. Growth in most emerging markets and in the United States continued and we benefited from the startup of our new plants in India and in Russia. At constant scope and excluding the loss of volumes in the third quarter in Iraq, cement volumes are up 6% year-to-date and up 3% in the third quarter.
- Adverse impact of exchange rates reduced during the quarter, with a negative 2% and 3% impact respectively on sales and EBITDA (-69 million euros on sales and -26 million euros on EBITDA).
- Cost cutting and innovation measures generated respectively 75[1] million euros and 60[1] million euros during the quarter. In the first nine months, these measures contributed 425 million euros, putting us on track to deliver 600 million euros in 2014. Cement prices were stable quarter on quarter and up 2.2% year on year, underpinned by price increases in a context of cost inflation.
- Net income Group share is down 28%. Adjusted for one-time gains on divestments and merger-related costs, net income is stable. The improving contributions of joint ventures, notably in the United Kingdom, and the reduction of financial interests offset the impact of scope and adverse exchange rates.
- 1.4 billion euros of divestment proceeds have been secured since the beginning of the year. 0.9 billion euros are to be received, mostly in the fourth quarter and will contribute entirely to net debt reduction.
- With the recent formal filing in the European Union, all necessary notifications with regulatory authorities in relation to the planned merger with Holcim are now completed.

[1] *Total EBITDA figures before application of IFRS 11 on joint-ventures. After application of IFRS 11, these measures generated €115 million (€65 million for cost savings and €50 million for innovation) at EBITDA level.*

Overview of operations: Sales and EBITDA

After a first semester of 2014 in which the construction sector was better oriented than last year, the construction activity showed contrasted trends in the third quarter. The level of activity in most European countries slowed down, with the exception of the United Kingdom which continued to benefit from positive market trends. North America experienced higher volumes notably supported by growth in the residential sector in the United States. In most emerging markets, construction activity continued to benefit from solid trends.

At constant scope, cement sales volumes increased 5% year-to-date and 1% in the third quarter, primarily supported by solid growth in the United States, higher volumes in Egypt as we progressively implemented our fuel diversification strategy, the ramp-up of our new plants in Rajasthan (India) and in the Moscow region (Russia), our innovation actions and higher export sales. The positive impact of these factors has been somewhat mitigated by declines in France where the construction market remains subdued and in Iraq where the ability to transport cement across the country was limited in the quarter. Excluding the volume impact due to the specific situation in Iraq, domestic cement volumes increased 3% in the quarter. Our like-for-like aggregates and ready-mix volumes were respectively down 1% and 2% compared with the first nine months of 2013. In the third quarter, they were respectively down 4% and 2%, mostly reflecting the lower level of activity in France, and the completion last year of some large infrastructure projects in Western Canada.

Consolidated sales, at 9,636 million euros in the first nine months of 2014, were down 3% versus last year, and decreased 2% to 3,636 million euros in the third quarter.

Net changes in the scope of consolidation had a negative impact on year-to-date sales of -1.8% (or -179 million euros), mostly reflecting the divestment of our Honduran and Ukrainian cement operations, the effect of the deconsolidation of our Mexican operations after the formation of a joint-venture with Elementia, and the disposal of some aggregates assets in the United States. Currency impacts were unfavorable (-5.2% on the year-to-date sales, or -488 million euros), mainly due to the appreciation of the euro versus the Canadian dollar, the South African rand, the Brazilian real and various currencies in Asia, notably the Indian rupee.

At constant scope and exchange rates, consolidated sales rose 4% year-to-date and 2% in the third quarter, under the combined effect of higher volumes and increased prices across all product lines to address cost inflation. Cement prices were up 2.2% compared to the first nine months of 2013 in response to cost inflation.

EBITDA was also negatively impacted by exchange rates (-6%, or -111 million euros year-to-date) and changes in scope (-3% or -63 million euros year-to-date) and by a 20 million euros pension curtailment in North America recorded in the first quarter 2013.

At constant scope and exchange rates, EBITDA improved 8% compared with the first nine months of 2013. The EBITDA margin was up 70 basis points, bolstered by our measures to reduce costs and promote innovation, generating a total of additional EBITDA[2] of 425 million euros over the first nine months of 2014. In the third quarter, EBITDA was up 2% despite the lower volume environment experienced in Europe and the impact of Iraq on our earnings (-24 million euros in the third quarter), supported by self-help measures and positive trends in the United States and most markets in Middle East and Africa and 28 million euros of carbon credit sales.

---

[2] *Total EBITDA figures before application of IFRS 11 on joint-ventures. After application of IFRS 11, these measures generated 115 million euros in the third quarter (65 million euros for cost savings and 50 million euros for innovation) and 365 million euros in the first nine months of 2014.*

Review of operations by region

North America

Volumes	9 Months 2014	9 Months 2013	Variation	Variation like-for-like[1]	3rd Quarter 2014	3rd Quarter 2013	Variation	Variation like-for-like
Cement (MT)	8.7	8.4	3%	3%	4.1	4.0	2%	2%
Pure Aggregates (MT)	62.4	67.6	-8%	-4%	30.0	31.5	-5%	-4%
RMX-Concrete (Mm3)	4.1	4.3	-3%	-5%	1.8	1.8	-	-2%
Sales (million euros)	2,195	2,317	-5%	3%	1,063	1,088	-2%	3%
EBITDA (million euros)	399	412	-3%	14%	284	286	-1%	9%
EBITDA Margin	18.2%	17.8%	40bps	180bps	26.7%	26.3%	40bps	150bps
COI (million euros)	298	295	1%	22%	248	247	-	11%

(1) Variations like-for-like are calculated at constant scope and exchange rates, and excluding the €20m one-time gain recorded in the first quarter 2013

Overall, market trends are solid in the region, on the back of improved trends in the residential sector in the United States and the well-oriented economy in Western Canada. Volumes returned to positive territory from the second quarter 2014, after a first quarter particularly affected by adverse weather in our relevant regions in the United States and in Canada.

Sales decreased 5% year-to-date (2% in the third quarter), strongly impacted by the adverse effect of foreign exchange variations. On the first nine months of the year, the depreciation of the Canadian dollar and the US dollar against the euro had a negative impact of 7% on sales, while the effect of the divestment of some aggregates assets reduced sales by 1%.

At constant scope and exchange rates, sales were up 3% both year-to-date and in the third quarter, with price gains across all product lines and higher cement volumes.

- **In the United States,** the construction sector experienced a significant catch-up from March 2014, after a weak start of the year due to particularly adverse weather in the Northeast region. At constant scope, cement volumes sold increased 6% year-to-date and 5% compared to the third quarter 2013. Aggregates and Concretes activities, more exposed to the infrastructure segment, experienced lower trends. Aggregates volumes sold were stable versus the first nine months and increased 5% in the third quarter. Ready-mix sales volumes dropped 7% compared with the first nine months of 2013, and 2% versus the third quarter 2013, with a lower number of projects.
- **In Canada,** sales were overall stable, impacted by a late start of the construction season after a particularly harsh winter. At constant scope, cement volumes sold were stable compared with the first nine-months of 2013, and slightly decreased by 1% in the third quarter. Aggregates and ready-mix sales volumes both decreased 4% versus the first nine months of 2013, reflecting the phasing of some large projects that were completed in 2013.

At constant scope and exchange rates, and excluding a one-time gain of 20 million euros on pensions recorded in the first quarter 2013, EBITDA improved in the quarter and year-to-date, supported by higher volumes and prices in the United States. Prices were progressively increased in response to cost inflation.

Western Europe

Volumes	9 Months 2014	9 Months 2013	Variation	Variation like-for-like(1)	3rd Quarter 2014	3rd Quarter 2013	Variation	Variation like-for-like(1)
Cement (MT)	8.9	9.1	-2%	-2%	3.0	3.2	-6%	-6%
Pure Aggregates (MT)	25.5	26.1	-2%	-1%	8.1	9.0	-10%	-9%
RMX-Concrete (Mm3)	5.5	5.8	-5%	-5%	1.8	2.0	-9%	-9%
Sales (million euros)	1,603	1,672	-4%	-4%	524	571	-8%	-8%
EBITDA (million euros)	240	195	23%	10%	94	76	24%	-10%
EBITDA Margin	*15.0%*	*11.7%*	*330bps*	*180bps*	*17.9%*	*13.3%*	*460bps*	*-20bps*
COI (million euros)	110	62	77%	39%	50	32	56%	-23%

(1) At constant scope and exchange rates, and excluding the €26m carbon credits sold in the third quarter 2014.

Sales decreased 4% year-to-date and 8% compared to the third quarter 2013, reflecting lower volumes in several countries. The impact of changes in scope and exchange rates was negligible.

- **In France**, construction activity was soft over the first nine months, in line with our expectations. In the residential sector, housing permits were back to positive territory after more than two years of decline but short-term, housing starts are down, while the infrastructure segment is still challenging. Year-to-date, our cement, aggregates and ready-mix volumes contracted by 6%, 2% and 7%, respectively.
- **In Spain,** some signs of economic recovery are perceived, but are still to be translated into construction activity. Cement volumes dropped 1% year-to-date and 4% compared to the third quarter 2013.
- The construction activity **in Greece** showed some signs of improvement. Our cement and ready-mix concrete businesses were supported by several large infrastructures projects launched in early 2014. Cement volumes rose 4% compared to the first nine months of 2013, but paused in the third quarter, after a solid growth from low levels in the first-half of the year. Our aggregates and concrete businesses experienced double-digit growth over the first nine months of the year.

On a comparable basis, EBITDA increased 10% versus the first nine months of the year, but contracted 10% in the third quarter, mostly reflecting the impact of the lower volumes sold in France. However, the EBITDA margin was almost stable in the third quarter 2014 versus last year and improved solidly year-to-date, underpinned by significant cost-saving measures.

Central and Eastern Europe

	9 Months		Variation	Variation like-for-like(1)	3rd Quarter		Variation	Variation like-for-like(1)
Volumes	2014	2013			2014	2013		
Cement (MT)	9.3	9.8	-4%	2%	3.9	4.4	-9%	-2%
Pure Aggregates (MT)	16.3	15.1	8%	1%	6.9	7.2	-5%	-9%
RMX-Concrete (Mm3)	1.5	1.2	33%	33%	0.6	0.6	3%	3%
Sales (million euros)	838	887	-6%	5%	349	399	-13%	-3%
EBITDA (million euros)	176	151	17%	22%	105	106	-1%	5%
EBITDA Margin	*21.0%*	*17.0%*	*400bps*	*290bps*	*30.1%*	*26.6%*	*350bps*	*230bps*
COI (million euros)	109	85	28%	32%	81	84	-4%	3%

(1) At constant scope and exchange rates, and excluding the €2m carbon credits sold in the third quarter 2014.

Sales dropped 6% versus the first nine months of 2013, and 13% compared to the third quarter 2013, impacted by the depreciation of the Russian rouble and the effect of the divestment of our Ukrainian cement assets completed at the end of the third quarter 2013.

At constant scope and exchange rates, sales were up 5% year-to-date and contracted 3% in the quarter, supported by pricing gains while volumes marked a pause after a strong first half-year. Cement and aggregates product lines experienced lower volumes, while the ready-mix business continued to benefit from several projects.

- **In Poland,** construction market growth was subdued, as the former EU infrastructure plan ended while the effect of the new plan is expected to be more visible from the second half of 2015. Cement volumes were up 1% year-to-date and down 11% in the third quarter. Our aggregates and ready-mix concrete businesses were supported by several large projects now completed.
- **In Romania,** year-to-date cement volumes improved 2%, with a rebound from the residential segment compensating for a contraction of infrastructure works.
- **In Russia,** the overall cement market consumption slightly improved compared to last year. Our cement volumes increased 11% versus the first nine months 2013 and 19% compared with the third quarter 2013, reflecting the progressive ramp-up of our new 2 MT plant located in the south of the Moscow region that started production in April.

Like-for-like EBITDA increased 22% year-to-date and 5% versus the third quarter 2013, with a solid improvement in EBITDA margins, underpinned by cost containment and a strong focus on innovation.

Middle East and Africa

Volumes	9 Months 2014	9 Months 2013	Variation	Variation like-for-like(1)	3rd Quarter 2014	3rd Quarter 2013	Variation	Variation like-for-like(1)
Cement (MT)	31.8	29.6	7%	6%	10.3	10.2	-	5%
Pure Aggregates (MT)	7.5	6.3	17%	17%	2.5	2.1	15%	15%
RMX-Concrete (Mm3)	4.2	3.8	7%	4%	1.3	1.3	5%	2%
Sales (million euros)	2,803	2,717	3%	10%	949	917	3%	9%
EBITDA (million euros)	788	765	3%	11%	259	278	-7%	4%
EBITDA Margin	*28.1%*	*28.2%*	*-10bps*	*40bps*	*27.3%*	*30.3%*	*-300bps*	*-140bps*
COI (million euros)	593	562	6%	16%	193	211	-9%	7%

(1) At constant scope and exchange rates, domestic volumes only for volume like-for-like variation, and excluding the impact of the drop in volumes in Iraq in Q3 2014 in the current context. When including the drop in volumes in Iraq in Q3:
- Q3 like-for-like variations: domestic volumes: -2%, sales: 5%, EBITDA: -5%, COI: -6%.
- YTD like-for-like variations: domestic volumes: 4%, sales: 8%, EBITDA: 8%, COI: 11%.

Sales improved 3% in both the quarter and year-to-date, impacted by the depreciation of certain currencies within the region.

The region was affected by Iraq, where volumes were impacted by transportation limitations in certain parts of the country.

Excluding this impact, and at constant scope and exchange rates, sales improved 10% compared to the first nine months of 2013 and 9% in the quarter, with a positive contribution versus last year from most countries, both over the first nine months and in the third quarter.

- **In Nigeria,** our cement volumes increased 5% both year-to-date and versus the third quarter 2013, while prices were positively oriented in response to cost inflation. Underlying market trends are strong, but cement consumption growth was overall subdued as the demand in the first-half of the year was limited by the production levels in the country, whereas the third quarter was impacted by wet weather and a slowdown in infrastructure projects ahead of general elections expected in the first quarter 2015.
- **In Algeria,** cement sales rose 12% compared with the first nine months 2013, reflecting the significant cement needs in this country and the continuous focus put on innovative products. In the third quarter, cement volumes were flat versus last year, impacted by maintenance phasing. We continued to develop our ready-mix activities in the country to expand our customer offer.
- **In Egypt**, the underlying market trends are positive and improve with some recent announcements of infrastructure projects, but cement national production levels continue to be impacted by energy shortages. As usage of petcoke gains momentum, cement volumes improved 28% in the third quarter and 22% year-to-date, while prices rose in a context of increased costs and cement shortage in the country.
- **In Iraq**, cement volumes decreased 15% year-to-date and were almost halved in the third quarter, impacted by the reduced ability to transport cement across the country from June. This largely offset the solid growth experienced in the first five months of the year. Price levels were lower than last year, reflecting 2013 price adjustments linked to Iranian imports and a price drop in the north of the country from June.
- **In Kenya,** the construction activity was positively oriented. Our cement volumes were up 1% year-to-date, while average prices were lower than last year.
- **In Syria,** year-to-date cement volumes sold were limited, impacted by the current situation.[3]
- **In South Africa**, after a second quarter impacted by national strikes and the May general elections, the construction market experienced more positive trends. Our cement volumes were down 6% year-to-date and 1% versus the third quarter 2013, also impacted by the start-up of a new competitor's plant. Our aggregates volumes benefited from double-digit growth both year-to-date and in the quarter, bolstered by several road projects.

---

[3] *The current situation and the exposure of the Group in Syria are described in the note 2.1 to the consolidated financial statements included in the financial report as at September 30, 2014.*

At constant scope and exchange rates, and excluding the impact of the drop in volumes in Iraq, EBITDA margin rose 40bps year-to-date supported by the combined effect of higher sales and significant cost reduction and innovation measures, while some cost phasing and a 2013 one-time gain of 8 million euros impacted the variation of the third quarter.

Latin America

	9 Months		Variation	Variation like-for-like	3rd Quarter		Variation	Variation like-for-like
Volumes	2014	2013			2014	2013		
Cement (MT)	5.6	6.8	-18%	-2%	2.0	2.3	-16%	-5%
Pure Aggregates (MT)	2.2	2.0	10%	5%	0.9	0.8	18%	8%
RMX-Concrete (Mm3)	1.1	0.9	24%	24%	0.4	0.3	24%	24%
Sales (million euros)	549	677	-19%	5%	199	221	-10%	2%
EBITDA (million euros)	121	185	-35%	-4%	48	63	-24%	-1%
EBITDA Margin	*22.0%*	*27.3%*	*-530bps*	*-200bps*	*24.1%*	*28.5%*	*-440bps*	*-50bps*
COI (million euros)	97	156	-38%	-7%	40	55	-27%	-4%

Sales, operational earnings and margins were significantly impacted by the depreciation of the Brazilian real and the divestments achieved in 2013 (disposal of our Honduran activity completed at the end of November 2013 and deconsolidation of our Mexican operations after the formation of a joint-venture with Elementia in July 2013).

At constant scope and exchange rates, sales grew 5% year-to-date and 2% compared with the third quarter 2013, driven by pricing gains in response to cost inflation.

- **In Brazil,** cement volumes contracted 2% versus the first nine months 2013, and 5% in the third quarter with a deceleration of market demand after the soccer World Cup and ahead of October general elections. Prices increased to offset cost inflation. The new grinder located close to Rio was started at the end of the first quarter 2014.
- **In Ecuador,** the construction market slightly decreased due to infrastructure project delays. Some signs of improvement of the construction sector were perceived in September after six months of contraction, thanks to the reactivation of several large hydroelectric projects. Our cement sales increased 1% year-to-date.

Like-for-like EBITDA dropped 4% year-to-date and was almost stable versus the third quarter 2013, as the mild trends in the construction market in Brazil and cost inflation were almost offset by pricing gains and innovative measures.

Asia

Volumes	9 Months 2014	9 Months 2013	Variation	Variation like-for-like	3rd Quarter 2014	3rd Quarter 2013	Variation	Variation like-for-like
Cement (MT)	23.7	22.0	7%	7%	7.7	7.1	8%	8%
Pure Aggregates (MT)	6.4	6.1	5%	-1%	2.0	1.9	8%	-
RMX-Concrete (Mm3)	3.5	4.2	-17%	-17%	1.2	1.2	-4%	-4%
Sales (million euros)	1,648	1,664	-1%	6%	552	504	10%	6%
EBITDA (million euros)	318	379	-16%	-10%	97	111	-13%	-15%
EBITDA Margin	*19.3%*	*22.8%*	*-350bps*	*-330bps*	*17.6%*	*22.0%*	*-440bps*	*-440bps*
COI (million euros)	224	289	-22%	-16%	64	81	-21%	-24%

The region was strongly impacted by the adverse effects of exchange rate movements, notably the depreciation of the Indian rupee.

At constant scope and exchange rates, sales were up 6% both quarter-to-date and year-to-date, mainly driven by the ramp-up of our new plant in India and positive trends in the Philippines.

- **In India,** the construction market began to regain momentum after the general elections and the monsoon season. Our cement volumes strongly increased, supported by our 2.6 MT new plant in Rajasthan which started in the third quarter 2013 and is progressively ramping-up. Prices were slightly lower than last year.
- **In Malaysia,** cement volumes sold contracted 2% both year-to-date and in the third quarter. The construction market was positively oriented, but our production levels were limited at one of our plants. Cement prices were impacted by the start-up of new capacity in a context of significant cost inflation. Our ready-mix concrete sales were reduced versus last year after the completion of certain large projects, notably the construction of a new terminal in the international airport of Kuala Lumpur.
- **In the Philippines,** the construction market experienced a slow start to the year with delays in governmental spending, but market growth resumed from March with solid trends. Our cement volumes rose 5% versus the first nine months 2013 and 11% in the third quarter.
- **In South Korea,** construction activity was slightly below the level of last year, and our cement sales volumes decreased 3% compared with the first nine months of 2013.

Despite solid cost reductions, EBITDA decreased both year-to-date and in the quarter, impacted by overall high cost inflation within the region, notably higher energy costs, an adverse impact of purchases of clinker and lower prices in Malaysia in the third quarter. Our new plant in Rajasthan continues to ramp-up and its contribution to EBITDA will progressively improve.

Other income statement items

The table below shows our operating income and net income for the periods ended September 30, 2014 and 2013:

(million euros)	9 Months		Variation
	2014	2013	%
EBITDA	2,042	2,087	**-2%**
Depreciation	(611)	(638)	-4%
Current Operating Income	1,431	1,449	**-1%**
Net gains on disposals	33	91	
Other operating income (expenses)	(190)	(163)	
Operating Income	1,274	1,377	**-7%**
Net financial (costs) income	(701)	(751)	*-7%*
Share of net income (loss) of joint ventures and associates	63	3	
Income before Income Tax	**636**	**629**	**1%**
Income tax	(240)	(180)	33%
Net Income from continuing operations	**396**	**449**	**-12%**
Net income from discontinued operations	-	47	
Net income	**396**	**496**	**-20%**
of which part attributable to:			
- Owners of the parent Company	**288**	**388**	**-26%**
- Non-controlling interests	108	108	-

Depreciation decreased to 611 million euros in 2014 from 638 million euros in the first nine months of 2013, reflecting the variations in foreign currency rates and the impact of divestments achieved in 2013 and early 2014.

Net gains on disposals were 33 million euros in the first nine months of 2014 versus 91 million euros in 2013, and mainly comprise the gain on the disposal of some aggregates assets in Maryland (United States).

Other operating expenses amounted to 190 million euros in the first nine months of 2014 versus 163 million euros in 2013. In 2014, the Group notably recorded 59 million euros of restructuring charges as part of executing its cost-cutting program (16 million euros in the third quarter), and 47 million euros of costs linked to the merger project Lafarge Holcim.

Operating income contracted 7% versus last year, at 1,274 million euros. The effect of higher volumes and cost-savings and innovation measures compensated the adverse impact of foreign exchange variations, but operating income was impacted by the costs incurred linked to the merger project of Lafarge Holcim and lower gains on disposals versus last year.

Net financial costs, comprised of financial expenses on net debt, foreign exchange, and other financial income and expenses, were reduced, at 701 million euros versus 751 million euros in the first nine months of 2013.

The financial expenses on net debt, at 562 million euros, were reduced versus the first nine months of 2013, driven by the repayment of two bonds end of May and mid-July 2014 for a total amount of 1.6 billion euros, using divestment proceeds and a cheaper 750 million euros bond issued end of September 2013. This effect was mitigated by lower capitalized financial expenses as some projects were completed over the period. The average interest rate on our gross debt was 6.3% in the first nine months of 2014, almost stable versus last year.

Foreign exchange resulted in a loss of 21 million euros in the first nine months of 2014 compared with a loss of 63 million euros in 2013.

Other financial costs were 118 million euros in 2014 versus 110 million euros in 2013. They mainly comprise bank commissions, the amortization of debt issuance costs and the net interest costs related to pensions. They slightly rose versus last year due to an adverse impact of the derivative instruments.

The contribution from our joint-ventures and associates represented a net gain of 63 million euros in the first nine months of 2014, versus 3 million euros in 2013, primarily reflecting the rebound of our results in the United Kingdom, where synergies are ramping up and the market is recovering.

Income tax was 240 million euros in the first nine months of 2014, corresponding to an effective tax rate of 42%, due to a 38 million euros one-time non-cash impact linked to the divestment of our Maryland aggregates assets booked in the first quarter 2014.

Net income Group share[4] decreased to 288 million euros in the first nine months of 2014 (218 million euros in the third quarter 2014), under the combined effect of lower net gains on divestments and merger-related costs. Adjusted for these one-time elements, **net income and earnings per share** improved 18% versus the first nine months of 2013 and 3% in the third quarter, under the combined effect of organic growth, a higher contribution from the joint ventures, notably in the United Kingdom, and lower financial expenses, which more than offset the adverse impact of scope and foreign exchange rates.

Non-controlling interests were stable at 108 million euros versus last year, as the effect of higher volumes in several countries in Middle East and Africa was offset by the sales limitations in Iraq experienced since June 2014.

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

Cash flow statement

Net operating cash provided by continuing operations was 419 million euros in the first nine months of 2014, versus 534 million euros generated in 2013.

Net operating cash generated by continuing operations decreased 115 million euros, under the effect of the adverse evolution of foreign exchange rates on the EBITDA and higher financial expenses paid due to some phasing in the payment of coupons. Working capital requirements were maintained at a low level. Our actions to optimize the strict working capital[5] indeed limited the normal increase of working capital during the period due to the seasonality of our activity. When expressed as a number of days of sales, our strict working capital requirement was maintained stable compared to the optimized level at the end of the first nine months of 2013.

Net cash generated used in investing activities from continuing operations was 329 million euros in the first nine months of 2014, compared with 164 million euros of net cash generated in the first nine months of 2013.

Sustaining capital expenditures were slightly increased to 219 million euros in the first nine months of 2014, versus 198 million euros in 2013.

Capital expenditures for productivity projects and for the building of new capacity were contained to 398 million euros compared to 479 million euros in 2013, as part of our strict capex management. They mostly comprise investments to finalize our plant in Kaluga (Russia) which produced its first cement in April and investments on our projects in North America (Exshaw – Canada and Ravena – United States) as well as range of debottlenecking projects. Acquisitions were 160 million euros and primarily consist of some investments to reinforce our industrial network in France.

The divestment operations have reduced the Group's financial net debt by 524 million euros in the first nine months of 2014 (1,029 million euros in 2013). They were mainly related to the divestment of some aggregates quarries in Maryland and New Mexico (United States) and the sales of the remaining 20% stake in Siniat (Gypsum activities in Europe and Latin America).

Consolidated statement of financial position

At September 30, 2014, total equity stood at 17,455 million euros (16,285 million euros at the end of December 2013) **and net debt at 10,271 million euros** (9,846 million euros at the end of December 2013).

Total equity rose, under the effect of the 1,192 million euros positive non-cash impact of translating our foreign subsidiaries assets into euros combined, while the 396 million euros net income generated over the period largely offset the dividends (402 million euros).

The evolution of the net debt mostly reflects the impact of the usual seasonality on our cash flows and the capital expenditures invested in the first nine months of 2014, strongly mitigated by the optimization of the working capital and the divestments achieved over the period.

Outlook

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

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

The Group has decided to pause its stand-alone divestments pending completion of the planned merger.

---

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

2. Interim condensed consolidated financial statements

Consolidated statement of income

	9 months		3rd quarter		December 31,
(million euros, except per share data)	2014	2013*	2014	2013*	2013*
Revenue	**9,636**	**9,934**	**3,636**	**3,700**	**13,091**
Cost of sales	(7,366)	(7,543)	(2,671)	(2,674)	(9,944)
Selling and administrative expenses	(839)	(942)	(289)	(316)	(1,210)
Operating income before capital gains, impairment, restructuring and other	**1,431**	**1,449**	**676**	**710**	**1,937**
Net gains (losses) on disposals	33	91	-	45	291
Other operating income (expenses)	(190)	(163)	(84)	(62)	(295)
Operating income	**1,274**	**1,377**	**592**	**693**	**1,933**
Financial expenses	(793)	(840)	(269)	(268)	(1,122)
Financial income	92	89	38	5	138
Share of net income (loss) of joint-ventures and associates	63	3	33	14	-
Income before income tax	**636**	**629**	**394**	**444**	**949**
Income tax	(240)	(180)	(140)	(120)	(242)
Net income from continuing operations	**396**	**449**	**254**	**324**	**707**
Net income from discontinued operations	-	47	-	26	46
Net income	**396**	**496**	**254**	**350**	**753**
Of which attributable to:					
- Owners of the parent company	**288**	**388**	**218**	**304**	**601**
- Non-controlling interests (minority interests)	108	108	36	46	152
Earnings per share (euros)					
Attributable to the owners of the parent company					
Basic earnings per share	1.00	1.35	0.76	1.06	2.09
Diluted earnings per share	0.99	1.34	0.75	1.05	2.08
From continuing operations					
Basic earnings per share	1.00	1.19	0.76	0.97	1.93
Diluted earnings per share	0.99	1.18	0.75	0.96	1.92
Basic average number of shares outstanding (in thousands)	**287,402**	**287,242**	**287,457**	**287,317**	**287,268**

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IFRS 11.*

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

Consolidated statement of comprehensive income

	9 months		3rd quarter		December 31,
(million euros)	2014	2013*	2014	2013*	2013*
Net income	**396**	**496**	**254**	**350**	**753**
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains / (losses)	(39)	140	112	56	119
Income tax on items that will not be reclassified to profit or loss	19	(51)	(21)	(19)	(74)
Total items that will not be reclassified to profit or loss	**(20)**	**89**	**91**	**37**	**45**
Items that may be reclassified subsequently to profit or loss					
Available-for-sale investments	-	-	-	-	(14)
Cash-flow hedging instruments	(6)	4	(4)	2	8
Foreign currency translation adjustments	1,192	(1,415)	1,047	(727)	(1,698)
Income tax on items that may be reclassified to profit or loss	1	(1)	-	1	(1)
Total items that may be reclassified to profit or loss	**1,187**	**(1,412)**	**1,043**	**(724)**	**(1,705)**
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX	**1,167**	**(1,323)**	**1,134**	**(687)**	**(1,660)**
of which share of comprehensive income (loss) of joint-ventures and associates, net of income tax	*196*	*(85)*	*129*	*(8)*	*(32)*
TOTAL COMPREHENSIVE INCOME	**1,563**	**(827)**	**1,388**	**(337)**	**(907)**
Of which attributable to:					
- Owners of the parent company	***1,349***	***(838)***	***1,258***	***(321)***	***(928)***
- Non-controlling interests (minority interests)	*214*	*11*	*130*	*(16)*	21

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IFRS 11.*

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

Actuarial gains or losses

The evolution of the Group's net position on pension obligations resulted in an actuarial loss of 39 million euros recorded in equity during the first nine months 2014 (20 million euros net of tax), which essentially arises from the defined benefit pension plans in the United-Kingdom, in the United-States and in Canada. The actuarial losses on these plans result mainly from the decrease of discount rates partly offset by actuarial gains on plan assets.

Foreign currency translation adjustments

Change in cumulative foreign currency translation adjustments from January 1, 2014 to September 30, 2014 (closing rate) comprises 521 million euros due to the appreciation of the American dollar, Egyptian pound and the Iraqi dinar compared to the euro currency.

Consolidated statement of financial position

(million euros)	At September 30,		At December 31,	At January 1st
	2014	2013*	2013*	2013*
ASSETS				
NON CURRENT ASSETS	**29,651**	**28,883**	**28,447**	**29,301**
Goodwill	11,558	11,184	11,027	11,953
Intangible assets	370	363	370	426
Property, plant and equipment	12,381	12,273	12,049	13,441
Investments in joint-ventures and associates	3,214	3,110	3,174	1,550
Other financial assets	812	734	667	727
Derivative instruments	51	8	12	27
Deferred tax assets	1,246	1,178	1,125	1,141
Other receivables	19	33	23	36
CURRENT ASSETS	**6,824**	**7,422**	**6,786**	**8,695**
Inventories	1,540	1,475	1,425	1,526
Trade receivables	2,062	1,982	1,546	1,539
Other receivables	831	612	680	690
Derivative instruments	84	23	24	68
Cash and cash equivalents	2,307	3,330	3,111	2,606
Assets held for sale	-	-	-	2,266
TOTAL ASSETS	**36,475**	**36,305**	**35,233**	**37,996**
EQUITY & LIABILITIES				
Common stock	1,150	1,149	1,149	1,149
Additional paid-in capital	9,728	9,710	9,712	9,695
Treasury shares	(4)	(1)	(1)	(11)
Retained earnings	6,827	6,651	6,868	6,477
Other reserves	(910)	(833)	(885)	(925)
Foreign currency translation adjustments	(1,202)	(2,037)	(2,288)	(719)
Equity attributable to owners of the parent company	**15,589**	**14,639**	**14,555**	**15,666**
Non-controlling interests (minority interests)	1,866	1,808	1,730	1,868
EQUITY	**17,455**	**16,447**	**16,285**	**17,534**
NON CURRENT LIABILITIES	**13,020**	**13,596**	**13,156**	**14,121**
Deferred tax liabilities	813	835	785	897
Pension & other employee benefits	1,261	1,270	1,218	1,476
Provisions	521	605	504	638
Financial debt	10,366	10,808	10,580	11,028
Derivative instruments	1	6	1	3
Other payables	58	72	68	79
CURRENT LIABILITIES	**6,000**	**6,262**	**5,792**	**6,341**
Pension & other employee benefits	140	101	123	102
Provisions	90	122	104	123
Trade payables	2,014	1,847	1,830	1,725
Other payables	1,271	1,264	1,211	1,427
Current tax liabilities	139	24	112	213
Financial debt (including current portion of long-term debt)	2,319	2,869	2,398	2,328
Derivative instruments	27	35	14	52
Liabilities associated with assets held for sale	-	-	-	371
TOTAL EQUITY AND LIABILITIES	**36,475**	**36,305**	**35,233**	**37,996**

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IFRS 11.*

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

Consolidated statements of cash flows

	9 months		3rd quarter		December 31,
(million euros)	2014	2013*	2014	2013*	2013*
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Net income	**396**	**496**	**254**	**350**	**753**
Net income from discontinued operations	**-**	**47**	**-**	**26**	**46**
Net income from continuing operations	**396**	**449**	**254**	**324**	**707**
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	611	638	211	210	857
Impairment losses	19	50	13	28	110
Share of net (income) loss of joint-ventures and associates	(63)	(3)	(33)	(14)	-
Net (gains) losses on disposals, net	(33)	(91)	-	(45)	(291)
Financial (income) / expenses	701	751	231	263	984
Income tax	240	180	140	120	242
Others, net (including dividends received from equity-accounted investments)	(55)	(65)	(44)	(41)	(137)
Change in w orking capital items, excluding financial expenses and income tax (see analysis below)	(436)	(462)	(26)	(44)	(56)
Net operating cash generated by continuing operations before impacts of financial expenses and income tax	**1,380**	**1,447**	**746**	**801**	**2,416**
Interest (paid) received	(622)	(569)	(182)	(159)	(835)
Cash payments for income tax	(339)	(344)	(106)	(109)	(476)
Net operating cash generated by (used in) continuing operations	**419**	**534**	**458**	**533**	**1,105**
Net operating cash generated by (used in) discontinued activities	**-**	**1**	**-**	**-**	**1**
Net cash generated by (used in) operating activities	**419**	**535**	**458**	**533**	**1,106**
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES					
Capital expenditures	(624)	(681)	(236)	(212)	(950)
Investment in subsidiaries (1)	(76)	(14)	(54)	1	(18)
Investment in joint ventures and associates	(10)	(13)	(3)	(13)	(10)
Acquisition of available-for-sale financial assets	(10)	-	(6)	-	(1)
Disposals (2)	480	853	93	701	1,069
Net (increase) decrease in long-term receivables	(89)	19	(16)	20	15
Net cash provided by (used in) investing activities from continuing operations	**(329)**	**164**	**(222)**	**497**	**105**
Net cash provided by (used in) investing activities from discountinued operations	**-**	**(2)**	**-**	**(1)**	**(2)**
Net cash provided by (used in) investing activities	**(329)**	**162**	**(222)**	**496**	**103**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES					
Capital increase (decrease) - ow ners of the parent company	7	3	-	1	3
Capital increase (decrease) - non-controlling interests (minority interests)	-	-	-	-	-
Acquisitions of ow nership interests w ith no gain of control	(13)	(2)	(2)	-	(2)
Disposal of ow nership interests w ith no loss in control	44	188	8	178	188
(Increase) / Decrease in treasury shares	(14)	-	-	-	-
Dividends paid	(289)	(289)	(289)	(289)	(289)
Dividends paid by subsidiaries to non-controlling interests (minority interests)	(108)	(172)	(56)	(42)	(197)
Proceeds from issuance of long-term debt	1,007	1,334	655	270	1,288
Repayment of long-term debt	(1,757)	(882)	(639)	(198)	(1,459)
Increase (decrease) in short-term debt	140	40	30	(52)	8
Net cash provided by (used in) financing activities from continuing operations	**(983)**	**220**	**(293)**	**(132)**	**(460)**
Net cash provided by (used in) financing activities from discontinued operations	**-**	**-**	**-**	**-**	**-**
Net cash provided by (used in) financing activities	**(983)**	**220**	**(293)**	**(132)**	**(460)**

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IFRS 11*

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

	9 months		3rd quarter		December 31,
(million euros)	2014	2013*	2014	2013*	2013*
Increase / (decrease) in cash and cash equivalents from continuing operations	**(893)**	**918**	**(57)**	**898**	**750**
Increase (decrease) in cash and cash equivalents from discontinued operations	-	(1)	-	(1)	(1)
Net effect of foreign currency translation on cash and cash equivalents and other non monetary impacts	89	(193)	38	(40)	(244)
Cash and cash equivalents at the beginning of the year/period	3,111	2,606	2,326	2,473	2,606
Cash and cash equivalents at end of the year/period	**2,307**	**3,330**	**2,307**	**3,330**	**3,111**
(1) *Net of cash and cash equivalents of companies acquired*	*3*	*2*	*1*	*-*	*2*
(2) *Net of cash and cash equivalents of companies disposed of*	*-*	*(4)*	*-*	*52*	*(126)*
Analysis of changes in working capital items	**(436)**	**(462)**	**(26)**	**(44)**	**(56)**
(Increase) / decrease in inventories	(56)	(60)	(13)	63	(51)
(Increase) / decrease in trade receivables	(437)	(540)	3	(180)	(133)
(Increase) / decrease in other receivables – excluding financial and income tax receivables	(99)	(108)	(57)	(39)	(38)
Increase / (decrease) in trade payables	98	212	(73)	113	229
Increase / (decrease) in other payables – excluding financial and income tax payables	58	34	114	(1)	(63)

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IFRS 11.*

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, 2013	***287,255,502***	***157,283***	**1,149**	**9,695**	**(11)**	**6,477**	**(925)**	**(719)**	**15,666**	**1,868**	**17,534**
Net income						388			388	108	496
Other comprehensive income, net of income tax							92	(1,318)	(1,226)	(97)	(1,323)
Total comprehensive income						**388**	**92**	**(1,318)**	**(838)**	**11**	**(827)**
Dividends						(289)			**(289)**	(170)	**(459)**
Issuance of common stock	*98,952*			3					**3**	-	**3**
Share based payments				12					**12**	-	**12**
Treasury shares		*(139,348)*			10	(10)			**-**	-	**-**
Changes in ownership with no gain/loss of control						84			**84**	97	**181**
Other movements						1			**1**	2	**3**
Balance at September 30, 2013	***287,354,454***	***17,935***	**1,149**	**9,710**	**(1)**	**6,651**	**(833)**	**(2,037)**	**14,639**	**1,808**	**16,447**
Balance at January 1, 2014	***287,365,397***	***17,935***	**1,149**	**9,712**	**(1)**	**6,868**	**(885)**	**(2,288)**	**14,555**	**1,730**	**16,285**
Net income						288			288	108	396
Other comprehensive income, net of income tax							(25)	1,086	1,061	106	1,167
Total comprehensive income						**288**	**(25)**	**1,086**	**1,349**	**214**	**1,563**
Dividends						(289)			**(289)**	(113)	**(402)**
Issuance of common stock	*165,959*		1	6					**7**	-	**7**
Share based payments				10					**10**	-	**10**
Treasury shares		*52,970*			(3)	(11)			**(14)**	-	**(14)**
Changes in ownership with no gain/loss of control						(28)			**(28)**	32	**4**
Other movements						(1)			**(1)**	3	**2**
Balance at September 30, 2014	***287,531,356***	***70,905***	**1,150**	**9,728**	**(4)**	**6,827**	**(910)**	**(1,202)**	**15,589**	**1,866**	**17,455**

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IFRS 11.*

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, BP 40, 75782 Paris Cedex 16, 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 CAC All-Tradable (ex 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 November 4, 2014.

Note 2. Summary of significant accounting policies

2.1 Interim condensed consolidated financial statements

The Group's interim condensed consolidated financial statements at September 30, 2014 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, 2013.

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 September 30, 2014 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, 2013 and described in the Note 2 of the Group consolidated financial statements of the 2013 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 joint-ventures and 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 September 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.

In addition, the Group performed as of September 30, 2014 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, 2013. This review did not indicate an impairment situation as of September 30, 2014.
In Syria, following the extension of the conflict in the North of the country, the employees of our plant located in the Aleppo area were evacuated. The operations are suspended and we do not have access anymore to the plant since September 18, 2014. To our knowledge, the plant suffered only minor damages. As an act of war, the damages

caused by such events are not covered by the Group's insurance policies. At September 30, 2014, the carrying value of both plant and goodwill amounted to 225 million euros, including 84 million euros goodwill and the carrying value of net assets, including foreign currency translation reserve as at September 30, 2014, amounted to around 450 million euros before tax effects. A follow-up of the situation will be performed as of December 31, 2014.
The annual impairment test will be performed during the last quarter of the year.

2.2 New IFRS standards and interpretations

IFRS standards and IFRIC interpretations applicable from January 1, 2014

The new IFRS and interpretations published as of December 31, 2013 and effective from January 1, 2014, 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 2013 Registration Document (page F23), had no impact on the Group interim condensed consolidated financial statements at September 30, 2014, except IFRS 11 that have been applied retrospectively as at January 1st, 2013.

The Group has conducted a review of all the joint arrangements which are joint ventures. As a result, these joint ventures previously consolidated using proportionate consolidation method, are now accounted for using equity method (see Note 35 – List of significant subsidiaries, joint ventures and investments in associates - to the notes of the Group consolidated financial statements of the 2013 Registration Document, page F71).

The following tables present the impact of this change of method on the statement of income, the statement of comprehensive income, the statement of financial position, the statement of cash flows and the changes in equity:

Statement of income	**September 30, 2013**			**December 31, 2013**		
(million euros, except per share data)	**Published**	**IFRS 11 impact**	**Restated**	**Published**	**IFRS 11 impact**	**Restated**
Revenue	**11,484**	**(1,550)**	**9,934**	**15,198**	**(2,107)**	**13,091**
Cost of sales	(8,868)	1,325	(7,543)	(11,740)	1,796	(9,944)
Selling and administrative expenses	(1,070)	128	(942)	(1,383)	173	(1,210)
Operating income before capital gains, impairment, restructuring and other*	**1,546**	**(97)**	**1,449**	**2,075**	**(138)**	**1,937**
Net gains (losses) on disposals	91	-	91	295	(4)	291
Other operating income (expenses)	(194)	31	(163)	(350)	55	(295)
Operating income	**1,443**	**(66)**	**1,377**	**2,020**	**(87)**	**1,933**
Financial expenses	(880)	40	(840)	(1,177)	55	(1,122)
Financial income	88	1	89	136	2	138
Share of net income (loss) of joint-ventures and associates	5	(2)	3	19	(19)	-
Income before income tax	**656**	**(27)**	**629**	**998**	**(49)**	**949**
Income tax	(188)	8	(180)	(262)	20	(242)
Net income from continuing operations	**468**	**(19)**	**449**	**736**	**(29)**	**707**
Net income from discontinued operations	47	-	47	46	-	46
Net income	**515**	**(19)**	**496**	**782**	**(29)**	**753**
** Of which:*						
- Ebitda	*2,309*	*(222)*	*2,087*	*3,102*	*(308)*	*2,794*
- Depreciation and amortization	*(763)*	*125*	*(638)*	*(1,027)*	*170*	*(857)*
Of which attributable to:						
- Owners of the parent company	**388**	**-**	**388**	**601**	**-**	**601**
- Non-controlling interests(minority interests)	127	(19)	108	181	(29)	152
Earnings per share (euros)						
Attributable to the owners of the parent company						
Basic earnings per share	1.35	-	1.35	2.09	-	2.09
Diluted earnings per share	1.34	-	1.34	2.08	-	2.08
From continuing operations						
Basic earnings per share	1.19	-	1.19	1.93	-	1.93
Diluted earnings per share	1.18	-	1.18	1.92	-	1.92

Statement of comprehensive income	September 30, 2013			December 31, 2013		
(million euros)	Published	IFRS 11 impact	Restated	Published	IFRS 11 impact	Restated
Net income	**515**	**(19)**	**496**	**782**	**(29)**	**753**
Items that will not be reclassified to profit or loss	**89**	**-**	**89**	**45**	**-**	**45**
Items that may be reclassified to profit or loss	**(1,412)**	**-**	**(1,412)**	**(1,706)**	**1**	**(1,705)**
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	**(1,323)**	**-**	**(1,323)**	**(1,661)**	**1**	**(1,660)**
TOTAL COMPREHENSIVE INCOME	**(808)**	**(19)**	**(827)**	**(879)**	**(28)**	**(907)**
Of which attributable to :						
- Owners of the parent company	***(838)***	***-***	***(838)***	***(928)***	***-***	***(928)***
- Non-controlling interests(minority interests)	*30*	*(19)*	*11*	*49*	*(28)*	*21*

Consolidated statement of financial position	At January 1st, 2013			At September 30, 2013			At December 31, 2013		
(million euros)	Published	IFRS 11 impact	Restated	Published	IFRS 11 impact	Restated	Published	IFRS 11 impact	Restated
ASSETS									
NON CURRENT ASSETS	**30,180**	**(879)**	**29,301**	**29,944**	**(1,061)**	**28,883**	**29,358**	**(911)**	**28,447**
Goodwill	12,184	(231)	11,953	11,765	(581)	11,184	11,612	(585)	11,027
Intangible assets	620	(194)	426	575	(212)	363	574	(204)	370
Property, plant and equipment	14,992	(1,551)	13,441	15,010	(2,737)	12,273	14,752	(2,703)	12,049
Investments in joint ventures and associates	470	1,080	1,550	618	2,492	3,110	643	2,531	3,174
Other financial assets	698	29	727	735	(1)	734	656	11	667
Derivative instruments	27	-	27	8	-	8	12	-	12
Deferred tax assets	1,149	(8)	1,141	1,196	(18)	1,178	1,082	43	1,125
Other receivables	40	(4)	36	37	(4)	33	27	(4)	23
CURRENT ASSETS	**9,284**	**(589)**	**8,695**	**8,394**	**(972)**	**7,422**	**7,717**	**(931)**	**6,786**
Inventories	1,662	(136)	1,526	1,672	(197)	1,475	1,621	(196)	1,425
Trade receivables	1,762	(223)	1,539	2,416	(434)	1,982	1,929	(383)	1,546
Other receivables	779	(89)	690	747	(135)	612	797	(117)	680
Derivative instruments	68	-	68	23	-	23	24	-	24
Cash and cash equivalents	2,733	(127)	2,606	3,536	(206)	3,330	3,346	(235)	3,111
Assets held for sale	2,280	(14)	2,266	-	-	-	-	-	-
TOTAL ASSETS	**39,464**	**(1,468)**	**37,996**	**38,338**	**(2,033)**	**36,305**	**37,075**	**(1,842)**	**35,233**
EQUITY & LIABILITIES									
Equity attributable to owners of the parent company	**15,666**	**-**	**15,666**	**14,639**	**-**	**14,639**	**14,555**	**-**	**14,555**
Non-controlling interests	2,082	(214)	1,868	2,027	(219)	1,808	1,951	(221)	1,730
EQUITY	**17,748**	**(214)**	**17,534**	**16,666**	**(219)**	**16,447**	**16,506**	**(221)**	**16,285**
NON CURRENT LIABILITIES	**14,451**	**(330)**	**14,121**	**14,235**	**(639)**	**13,596**	**13,620**	**(464)**	**13,156**
Deferred tax liabilities	973	(76)	897	1,043	(208)	835	915	(130)	785
Pension & other employee benefits	1,492	(16)	1,476	1,284	(14)	1,270	1,234	(16)	1,218
Provisions	637	1	638	666	(61)	605	591	(87)	504
Financial debt	11,261	(233)	11,028	11,162	(354)	10,808	10,805	(225)	10,580
Derivative instruments	8	(5)	3	6	-	6	1	-	1
Other payables	80	(1)	79	74	(2)	72	74	(6)	68
CURRENT LIABILITIES	**7,265**	**(924)**	**6,341**	**7,437**	**(1,175)**	**6,262**	**6,949**	**(1,157)**	**5,792**
Pension & other employee benefits	102	-	102	102	(1)	101	123	-	123
Provisions	127	(4)	123	147	(25)	122	124	(20)	104
Trade payables	1,985	(260)	1,725	2,276	(429)	1,847	2,224	(394)	1,830
Other payables	1,567	(140)	1,427	1,510	(246)	1,264	1,447	(236)	1,211
Current tax liabilities	220	(7)	213	59	(35)	24	125	(13)	112
Financial debt (including current portion of long-term debt)	2,823	(495)	2,328	3,305	(436)	2,869	2,891	(493)	2,398
Derivative instruments	53	(1)	52	38	(3)	35	15	(1)	14
Liabilities associated with assets held for sale	388	(17)	371	-	-	-	-	-	-
TOTAL EQUITY AND LIABILITIES	**39,464**	**(1,468)**	**37,996**	**38,338**	**(2,033)**	**36,305**	**37,075**	**(1,842)**	**35,233**

Consolidated statement of cash flows	**September 30, 2013**			**December 31, 2013**		
(million euros)	Published	IFRS 11 impact	Restated	Published	IFRS 11 impact	Restated
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Net income	**515**	**(19)**	**496**	**782**	**(29)**	**753**
Net income from discontinued operations	**47**	**-**	**47**	**46**	**-**	**46**
Net income from continuing operations	**468**	**(19)**	**449**	**736**	**(29)**	**707**
Depreciation and amortization of assets	763	(125)	638	1,027	(170)	857
Impairment losses	55	(5)	50	125	(15)	110
Share of net income (loss) of joint ventures and associates	(5)	2	(3)	(19)	19	-
Net (gains) losses on disposals, net	(91)	-	(91)	(295)	4	(291)
Financial (income) / expenses	792	(41)	751	1,041	(57)	984
Income tax	188	(8)	180	262	(20)	242
Others, net (including dividends received from equity-accounted investments)	(108)	43	(65)	(168)	31	(137)
Change in working capital items, excluding financial expenses and income tax (see analysis below)	(491)	29	(462)	(36)	(20)	(56)
Net operating cash generated by continuing operations before impacts of financial expenses and income tax	**1,571**	**(124)**	**1,447**	**2,673**	**(257)**	**2,416**
Cash payments for financial expenses	(608)	39	(569)	(893)	58	(835)
Cash payments for income tax	(384)	40	(344)	(525)	49	(476)
Net operating cash generated by continuing operations	**579**	**(45)**	**534**	**1,255**	**(150)**	**1,105**
Net operating cash generated by (used in) discontinued activities	**1**	**-**	**1**	**1**	**-**	**1**
Net cash generated by (used in) operating activities	**580**	**(45)**	**535**	**1,256**	**(150)**	**1,106**
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES						
Capital expenditures	(747)	66	(681)	(1,051)	101	(950)
Investment in subsidiaries [1]	(14)	-	(14)	(15)	(3)	(18)
Investment in joint ventures and associates	-	(13)	(13)	-	(10)	(10)
Acquisition of available-for-sale financial assets	-	-	-	(1)	-	(1)
Disposals [2]	872	(19)	853	1,105	(36)	1,069
(Increase) decrease in long-term receivables	1	18	19	1	14	15
Net cash provided by (used in) investing activities from continuing operations	**112**	**52**	**164**	**39**	**66**	**105**
Net cash provided by (used in) investing activities from discountinued operations	**(2)**	**-**	**(2)**	**(2)**	**-**	**(2)**
Net cash provided by (used in) investing activities	**110**	**52**	**162**	**37**	**66**	**103**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES						
Capital increase (decrease) - owners of the parent company	3	-	3	3	-	3
Capital increase (decrease) - non-controlling interests	-	-	-	-	-	-
Acquisitions of ownership interests with no gain of control	(2)	-	(2)	(2)	-	(2)
Disposal of ownership interests with no loss in control	188	-	188	188	-	188
Dividends paid	(289)	-	(289)	(289)	-	(289)
Dividends paid by subsidiaries to non-controlling interests	(192)	20	(172)	(218)	21	(197)
Proceeds from issuance of long-term debt	1,481	(147)	1,334	1,410	(122)	1,288
Repayment of long-term debt	(979)	97	(882)	(1,561)	102	(1,459)
Increase (decrease) in short-term debt	63	(23)	40	9	(1)	8
Net cash provided by (used in) financing activities from continuing operations	**273**	**(53)**	**220**	**(460)**	**-**	**(460)**
Net cash provided by (used in) financing activities from discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**
Net cash provided by (used in) financing activities	**273**	**(53)**	**220**	**(460)**	**-**	**(460)**

Consolidated statement of cash flows	September 30, 2013			December 31, 2013		
(million euros)	Published	IFRS 11 impact	Restated	Published	IFRS 11 impact	Restated
Increase / (decrease) in cash and cash equivalents from continuing operations	**964**	**(46)**	**918**	**834**	**(84)**	**750**
Increase (decrease) in cash and cash equivalents from discontinued operations	(1)	-	(1)	(1)	-	(1)
Net effect of foreign currency translation on cash and cash equivalents and other non monetary impacts	(160)	(33)	(193)	(220)	(24)	(244)
Cash and cash equivalents at beginning of the year/period	2,733	(127)	2,606	2,733	(127)	2,606
Cash and cash equivalents at end of the year/period	**3,536**	**(206)**	**3,330**	**3,346**	**(235)**	**3,111**
[(1)] Net of cash and cash equivalents of companies acquired	*2*	*-*	*2*	*5*	*(3)*	*2*
[(2)] Net of cash and cash equivalents of companies disposed of	*11*	*(15)*	*(4)*	*(100)*	*(26)*	*(126)*
Analysis of changes in working capital items	**(491)**	**29**	**(462)**	**(36)**	**(20)**	**(56)**
(Increase) / decrease in inventories	(54)	(6)	(60)	(46)	(5)	(51)
(Increase) / decrease in trade receivables	(625)	85	(540)	(172)	39	(133)
(Increase) / decrease in other receivables – excluding financial and income tax receivables	(63)	(45)	(108)	(10)	(28)	(38)
Increase / (decrease) in trade payables	249	(37)	212	233	(4)	229
Increase / (decrease) in other payables – excluding financial and income tax payables	2	32	34	(41)	(22)	(63)

The application of IFRS 11 had no impact on equity Group's share but had the following impact on equity attributable to non-controlling interests (minority interests):

Changes in equity attributable to non-controlling interests (minority interests)	September 30, 2013			December 31, 2013		
(million euros)	Published	IFRS 11 impact	Restated	Published	IFRS 11 impact	Restated
Balance at January 1, 2013 attributable to non-controlling interests	**2,082**	**(214)**	**1,868**	**2,082**	**(214)**	**1,868**
Net income	127	(19)	108	181	(29)	152
Other comprehensive income, net of income tax	(97)	-	(97)	(132)	1	(131)
Total comprehensive income for the period	***30***	*(19)*	***11***	***49***	*(28)*	***21***
Dividends	(189)	19	(170)	(216)	19	(197)
Changes in ownership with no gain/loss of control	102	(5)	97	102	(5)	97
Other movements	2	-	2	(66)	7	(59)
Closing Balance attributable to non-controlling interests	**2,027**	**(219)**	**1,808**	**1,951**	**(221)**	**1,730**

Early application of standards

The Group has not early adopted standards and interpretations that are not yet mandatorily effective.

2.3 Seasonality

Market demand for the cement, aggregates and concrete activities is seasonal; weather conditions directly affect the level of activity in the construction sector. Thus, the consumption of the Group's products decreases during the winter months in temperate countries or heavy rainfall in tropical countries. The Group usually experiences a decline in sales in the first and fourth quarters on the European and North American markets reflecting the effects of winter, while summer season contributes to the increase of activity in the second and third quarters.

Note 3. Significant events of the period

3.1 Sale of minority stake in European and South American Gypsum operations

On February 12, 2014, the Group completed the sale of the 20% minority stake in European and South American gypsum operations to Etex. The net impact of this disposal is 145 million euros, net of cash disposed of in the consolidated cash flows on the line "Disposals" and -5 million euros for the loss on disposals before tax in the consolidated statement of income on the line “Net gains (losses) on disposals”.

3.2 Sale of aggregates assets in Maryland (United States)

On February 12, 2014, the Group completed the sale of five aggregates quarries and related assets, located in the State of Maryland (United States), to Bluegrass Materials. The net impact of this disposal is 207 million euros, net of transactions costs and cash disposed of in the consolidated cash flows on the line "Disposals" and 32 million euros for the gain on disposals before tax in the consolidated statement of income on the line “Net gains (losses) on disposals”.

3.3. Costs related to the proposed merger between Lafarge and Holcim

As of September 30, 2014, costs in the amount of 47 million euros were recorded in connection with the proposed merger between Lafarge and Holcim in the consolidated statement of income on the line "Other operating income (expense)" *(For more information on the proposed merger see Note 10).*

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 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 joint ventures and 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.

(a) Segment information

September 30, 2014 *(million euros)*	Western Europe	North America	Central and Eastern Europe	Middle East and Africa	Latin America	Asia	Total
STATEMENT OF INCOME							
Gross revenue	1,680	2,195	846	2,877	549	1,708	
Less: intersegment	(77)	-	(8)	(74)	-	(60)	
EXTERNAL REVENUE	**1,603**	**2,195**	**838**	**2,803**	**549**	**1,648**	**9,636**
EBITDA	**240**	**399** (b)	**176**	**788**	**121**	**318**	**2,042**
Depreciation and amortization	(130)	(101)	(67)	(195)	(24)	(94)	**(611)**
Operating income before capital gains, impairment, restructuring and other	**110**	**298**	**109**	**593**	**97**	**224**	**1,431**
Net gains (losses) on disposals	11	49	(2)	2	(36)	9	**33**
Other operating income (expenses)	(93)	(26)	(9)	(37)	(9)	(16)	**(190)**
Including impairment on assets and goodwill	*(1)*	*(11)*	*(3)*	*-*	*-*	*(4)*	***(19)***
OPERATING INCOME	**28**	**321**	**98**	**558**	**52**	**217**	**1,274**
OTHER INFORMATION							
Capital expenditures	89	136	117	103	67	112	**624**
Capital employed	5,664	4,974	2,617	10,760	1,267	3,211	**28,493**
STATEMENT OF FINANCIAL POSITION							
Segment assets	6,847	5,587	2,843	11,918	1,487	4,105	**32,787**
Of which investments in joint ventures and associates	*1,685* (a)	*29*	*43*	*872*	*180*	*405*	***3,214***
Unallocated assets (c)							**3,688**
TOTAL ASSETS							**36,475**
Segment liabilities	1,844	1,438	271	1,108	214	619	**5,494**
Unallocated liabilities and equity (d)							**30,981**
TOTAL EQUITY AND LIABILITIES							**36,475**

(a) *Including goodwill resulting from the creation of the Lafarge Tarmac joint venture in the United Kingdom as of January 7, 2013 for an amount of 545 million euros*

(b) *Including a gain of 24 million euros due to a pension plan amendment in the United States*

(c) *Deferred tax assets, derivative instruments and cash and cash equivalents*

(d) *Deferred tax liability, financial debt, derivative instruments and equity*

September 30, 2013 *(million euros)*	Western Europe	North America	Central and Eastern Europe	Middle East and Africa	Latin America	Asia	Total
STATEMENT OF INCOME							
Gross revenue	1,764	2,317	894	2,811	677	1,714	
Less: intersegment	(92)	-	(7)	(93)	-	(49)	
EXTERNAL REVENUE	**1,672**	**2,317**	**887**	**2,717**	**677**	**1,664**	**9,934**
EBITDA	**195**	**412[(a)]**	**151**	**765**	**185**	**379**	**2,087**
Depreciation and amortization	(133)	(117)	(66)	(203)	(29)	(90)	(638)
Operating income before capital gains, impairment, restructuring and other	**62**	**295**	**85**	**562**	**156**	**289**	**1,449**
Net gains (losses) on disposals	42	(1)	(20)	-	66	4	91
Other operating income (expenses)	(83)	(13)	(34)	(23)	(6)	(4)	(163)
Including impairment on assets and goodwill	*(14)*	*(5)*	*(31)*	-	-	-	*(50)*
OPERATING INCOME	**21**	**281**	**31**	**539**	**216**	**289**	**1,377**
OTHER INFORMATION							
Capital expenditures	91	76	235	85	37	157	**681**
Capital employed	5,562	4,917	2,662	10,387	1,282	3,016	**27,826**
STATEMENT OF FINANCIAL POSITION							
Segment assets	6,635	5,512	2,914	11,399	1,481	3,825	**31,766**
Of which investments in joint-ventures and associates	*1,620*	*27*	*41*	*801*	*212*	*409*	***3,110***
Unallocated assets [(b)]							**4,539**
TOTAL ASSETS							**36,305**
Segment liabilities	1,864	1,444	282	955	198	562	**5,305**
Unallocated liabilities and equity [(c)]							**31,000**
TOTAL EQUITY AND LIABILITIES							**36,305**

[(a)] *Including a gain of 20 million euros due to a pension plan amendment in the United States*
[(b)] *Deferred tax assets, derivative instruments and cash and cash equivalents*
[(c)] *Deferred tax liability, financial debt, derivative instruments and equity*

December 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	2,325	3,065	1,154	3,750	869	2,252	
Less: intersegment	(117)	-	(10)	(118)	-	(79)	
EXTERNAL REVENUE	**2,208**	**3,065**	**1,144**	**3,632**	**869**	**2,173**	**13,091**
EBITDA	**264**	**552**	**201**	**1,032**	**240**	**505**	**2,794**
Depreciation and amortization	(183)	(153)	(89)	(270)	(39)	(123)	(857)
Operating income before capital gains, impairment, restructuring and other	**81**	**399**	**112**	**762**	**201**	**382**	**1,937**
Net gains (losses) on disposals	45	(1)	(21)	(5)	269	4	291
Other operating income (expenses)	(186)	(23)	(49)	(35)	8	(10)	(295)
Including impairment on assets and goodwill	*(66)*	*(5)*	*(36)*	*-*	*-*	*(3)*	*(110)*
OPERATING INCOME	**(60)**	**375**	**42**	**722**	**478**	**376**	**1,933**
OTHER INFORMATION							
Capital expenditures	149	117	286	134	60	204	**950**
Capital employed	5,507	4,543	2,660	10,243	1,180	2,940	**27,073**
STATEMENT OF FINANCIAL POSITION							
Segment assets	6,679	5,040	2,863	11,278	1,361	3,740	**30,961**
Of which investments in joint-ventures and associates	*1,698*	*26*	*42*	*815*	*198*	*395*	***3,174***
Unallocated assets [(a)]							**4,272**
TOTAL ASSETS							**35,233**
Segment liabilities	1,925	1,257	250	998	180	560	**5,170**
Unallocated liabilities and equity [(b)]							**30,063**
TOTAL EQUITY AND LIABILITIES							**35,233**

[(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 September 30, 2014	External revenue September 30, 2013	External revenue December 31, 2013	Gross revenue September 30, 2014	Gross revenue September 30, 2013	Gross revenue December 31, 2013
Cement	6,429	6,575	8,645	6,903	7,049	9,256
Aggregates & Concrete	3,173	3,321	4,397	3,187	3,331	4,412
Other products	34	38	49	34	38	49
Eliminations				(488)	(484)	(626)
Total	**9,636**	**9,934**	**13,091**	**9,636**	**9,934**	**13,091**

(c) Information by country

	September 30, 2014		September 30, 2013		December 31, 2013	
(million euros)	External revenue	Non-current segment assets *	External revenue	Non-current segment assets *	External revenue	Non-current segment assets *
Western Europe	**1,603**	**5,686**	**1,672**	**5,616**	**2,208**	**5,617**
Of which:						
France	1,257	2,270	1,338	2,305	1,764	2,318
North America	**2,195**	**4,343**	**2,317**	**4,307**	**3,065**	**4,190**
Of which:						
*United States ***	788	1,115	813	1,181	1,077	1,149
*Canada ***	1,407	875	1,504	826	1,988	795
Central and Eastern Europe	**838**	**2,498**	**887**	**2,521**	**1,144**	**2,547**
Middle East and Africa	**2,803**	**10,619**	**2,717**	**10,241**	**3,632**	**10,170**
Of which:						
Egypt	351	2,235	267	2,203	368	2,137
Algeria	505	3,050	462	2,913	615	3,006
Nigeria	489	1,392	456	1,274	598	1,272
Latin America	**549**	**1,244**	**677**	**1,255**	**869**	**1,188**
Of which:						
Brazil	446	855	465	810	608	772
Asia	**1,648**	**3,133**	**1,664**	**2,990**	**2,173**	**2,908**
Total	**9,636**	**27,523**	**9,934**	**26,930**	**13,091**	**26,620**

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

*** Non-current segment assets excluding goodwill*

Note 5. Earnings per share

The basic and diluted earnings per share for the periods ended September 30, 2014 and 2013 and December 31, 2013 are as follows:

	9 months		December 31,
	2014	2013	2013
Numerator (in million euros)			
Net income attributable to owners of the parent company	288	388	601
Of which net income from continuing operations	*288*	*341*	*555*
Denominator (in thousands of shares)			
Weighted average number of shares outstanding	287,402	287,242	287,268
Total potential dilutive shares	2,189	1,982	1,964
Weighted average number of shares outstanding — fully diluted	289,591	289,224	289,232
Basic earnings per share (euros)	**1.00**	**1.35**	**2.09**
Diluted earnings per share (euros)	**0.99**	**1.34**	**2.08**
Basic earnings per share from continuing operations (euros)	**1.00**	**1.19**	**1.93**
Diluted earnings per share from continuing operations (euros)	**0.99**	**1.18**	**1.92**

Note 6. Debt

The debt split is as follows:

	At September 30,		At December 31,
(million euros)	2014	2013	2013
Long-term debt excluding put options on shares of subsidiaries	10,343	10,770	10,557
Put options on shares of subsidiaries, long-term	23	38	23
Long-term debt	**10,366**	**10,808**	**10,580**
Short-term debt and current portion of long-term debt excluding put options on shares of subsidiaries	2,319	2,858	2,387
Put options on shares of subsidiaries, short-term	-	11	11
Short-term debt and current portion of long-term debt	**2,319**	**2,869**	**2,398**
Total debt excluding put options on shares of subsidiaries	12,662	13,628	12,944
Total put options on shares of subsidiaries	23	49	34
Total debt	**12,685**	**13,677**	**12,978**

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” (702 million euros as at September 30, 2014, 7 million euros as at December 31, 2013 and 93 million euros as at September 30, 2013). At September 30, 2014, the net variation of this debt is an increase of 695 million euros (compared to an increase of 7 million euros as at December 31, 2013 and an increase of 93 million euros at September 30, 2013) 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 September 30, 2014, is 6.1% (6.3% as at September 30, 2013 and 6.6% as at December 31, 2013).

The average interest rate of the gross debt after swaps is 6.3% for the first 9 months 2014 (compared to 6.2% for the first 9 months 2013 and 6.2% for the full year 2013).

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 2013 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 364 million euros as of September 30, 2014 (379 million euros as of September 2013, 2013 and 358 million euros as of December 31, 2013).

The current portion of debt financing received from these programs includes 285 million euros as of September 30, 2014 (307 million euros as of September 30, 2013 and 282 million euros as of December 31, 2013).

The European securitization agreements are guaranteed by subordinated deposits and units totaling 79 million euros as of September 30, 2014 (72 million euros as of September 30, 2013 and 76 million euros as of December 31, 2013).

Information on financial instruments fair value

The main nature of the Group's financial assets and liabilities are similar to those identified in the Group consolidated financial statements as of December 31, 2013. Besides, differences between fair values and carrying amounts of those main natures of financial assets and liabilities have not significantly changed compared to December 31, 2013.

Note 7. Equity

(a) Dividends

The following table indicates the dividend amount per share approved in 2014 for the year 2013 (paid in July 2014), as well as the dividend amount per share approved in 2013 for the year 2012 (paid in July 2013).

(euros, except otherwise indicated)	2013	2012
Total dividend (million euros)	289	289
Base dividend per share	1.00	1.00
Increased dividend per share[1]	1.10	1.10

[1] See section 6.2.5 (c) (Articles of Association (Statuts) - Rights, preferences and restrictions attached to shares) of the 2013 Registration document for an explanation of our "Loyalty dividend".

(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 January 1st, 2014	Gains/(losses) arising during the period	Recycling to income statement	At September 30, 2014
Available-for-sale financial assets	7	-	-	7
Gross value	*17*	-	-	*17*
Deferred taxes	*(10)*	-	-	*(10)*
Cash flow hedge instruments	(20)	(17)	12	(25)
Gross value	*(29)*	*(22)*	*16*	*(35)*
Deferred taxes	*9*	*5*	*(4)*	*10*
Actuarial gains/(losses)	(872)	(20)	-	(892)
Gross value	*(1,189)*	*(39)*	-	*(1,228)*
Deferred taxes	*317*	*19*	-	*336*
Total Other reserves	***(885)***	***(37)***	**12**	***(910)***
Total Foreign currency translation	***(2,288)***	***1,081***	***5***	***(1,202)***
Total Other comprehensive income/(loss), net of income tax	***(3,173)***	***1,044***	***17***	***(2,112)***

Note 8. Legal and arbitration proceedings

In the ordinary course of its business, Lafarge is involved in 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: On April 14, 2003, the German competition authority (the Bundeskartellamt), announced that it was imposing fines on the major German cement companies, including our subsidiary Lafarge Zement, for anti-competitive practices in Germany. Further to the different steps of procedures and decisions from this date, and following a final judgment by the Federal Supreme Court on April 9, 2013, the final net payment borne by our subsidiary pursuant to this procedure amounted to 18.4 million euros.
In parallel to the above closed case, starting in 2006, a civil action was brought before the Dusseldorf District Court ("Landgericht") by third parties claiming for damages resulting from such anti-competitive practices in Germany. Procedures took place and, on December 17, 2013, the "Landgericht" of Düsseldorf rejected the damage claim and also upheld its position that the claims are time-barred. Claimants lodged an appeal to the Court of Appeal ("Oberlandesgericht") against the verdict. The hearing is expected to take place during the fourth quarter of 2014 for a judgment in 2015.

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 (62 million euros[6]), out of a total amount of penalty of 60 billion rupees (771 million euros[6]). Lafarge India PVT Limited vigorously challenges the merits of this order and, on August 31, 2012, lodged an appeal with the Competition Appeal Tribunal (the "COMPAT") as well as a request for a stay of the collection of the penalty until final Judgment of the COMPAT. On May 17, 2013, further to different initial procedural steps, the COMPAT issued an Order, granting a conditional stay, subject to the deposit of 10% of the penalty imposed by the Commission. Hence, Lafarge India PVT deposited the corresponding amount (ie 6.7 million euros) on June 24, 2013, while requesting the Tribunal to rectify and reduce this amount due to a calculation error. The application to rectify the amount of deposit will be heard along with the main appeal. Hearings on the merits of the case are ongoing and a final Order by the COMPAT may be expected in the course of 2015. No provision has been recorded.

United States – Canada – Gypsum: Commencing in December 2012, a series of antitrust cases have been filed against the entire wallboard industry, including Lafarge North America Inc., in federal courts located in several cities, including Philadelphia, Chicago and Charlotte in the United States of America. All these cases have now been consolidated in the Eastern District of Pennsylvania and Plaintiffs have filed a Consolidated Complaint. 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. Lafarge North America Inc. believes these lawsuits are without merit and intends to vigorously defend the litigation. No provision has been recorded.
Then, in September 2013, two class actions were filed, respectively in the jurisdictions of Quebec and Ontario (the latest on behalf of potential claimants in Canada) against the members of the wallboard industry, including our subsidiaries Lafarge Canada Inc. and Lafarge North America Inc.. The Plaintiffs allege generally that the industry colluded to raise prices between September 2011 and the date of the claim. Our subsidiaries believe they are without merit and intend to vigorously defend the litigation. No provision has been recorded.

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 European Economic Area, market sharing, and coordination of prices on the cement and related markets (concrete, aggregates). In the case of Lafarge, seven countries are quoted: France, the United Kingdom, Germany, Spain, the Czech Republic, Greece and Austria. Lafarge answered to the Commission's various requests for information. 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 (the "Commission") for an in-depth sector investigation. The Commission conducted this market investigation in relation to the supply of those products. On May 21, 2013, the Commission published its provisional

[6] *Translated using the closing exchange rate.*

findings report (the "Preliminary Report"), alleging the existence of combination of structural and conduct features giving rise to an adverse effect on competition in the Great Britain cement market. On June 25, 2013, Lafarge-Tarmac ("LT") responded to the Preliminary Report, strongly contesting the provisional findings and possible remedies. Then, on October 8, 2013, the Commission published its provisional decision on remedies, requiring LT to divest one cement plant together with certain ready-mixed plants (if required by a prospective purchaser) and two slag granulators ("Divestiture Package") and imposing some behavioural remedies notably related to the publication of cement market data and price announcement letters. LT responded to this provisional decision on remedies in November 2013. On January 14, 2014, the Commission's final report (the "Final Report") was published, confirming the Divestiture Package (except that there is no need for LT to divest the two slag granulators) and the behavioural remedies. In March 2014, LT disputed the conclusions of the Commission and lodged an appeal before the Competition Appeal Tribunal ("CAT"). By order dated September 11, 2014, the CAT ordered to stay the proceedings until April 1st, 2015, with hearings to take place on or after April 13, 2015.

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 with claims filed in Federal Court. A Hearing was held by the Court in October 2011 and a decision was handed down on March 2012 granting Summary Judgment in LNA's favour and against all remaining cases filed in the Federal Court. Plaintiffs appealed this decision but afterward, 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 won this Motion. Plaintiffs appealed this ruling on January 3, 2013 and in a Decision dated December 19, 2013, a three judge panel of the Court of Appeals reversed and remanded the case back to the Trial Court for a Jury Trial (with no official timetable at this stage).

Lafarge North America Inc. vigorously defends itself in this ongoing action. Lafarge North America Inc. believes that the claims against it are without merit. No provision has been recorded.

Greece – Heracles: In 1999, the European Commission (EC) ruled that part of a state aid granted in 1986 to Heracles, our listed subsidiary in Greece since 2001 was illegal and ordered the Greek state to recover from Heracles the amount of 7.3 million euros plus interest. By virtue of a subsequent letter in 1999, the EC indicated an amount computed based on 18% compound interest. In 2000, Heracles paid the overall amount (74 million euros, including compound interest), and filed a complaint before the First Instance Administrative Court of Athens ("CFI"). In 2001, the CFI ruled that in the absence of compound interest in the EC ruling, the Greek authorities could not execute an amount with such compound interest, and restricted the amount to be recovered to 25.6 million euros (corresponding to an amount calculated with simple interest). In 2005, the Greek authorities repaid to Heracles 44 million euros. The parties appealed. Several years later, after the CFI judgment was confirmed on appeal, the Supreme Administrative Court, in 2012, ordered the case to be sent back for a new appellate judgment to be issued on the merits of the 44 million euros amount paid back to Heracles. Further to a hearing which took place on February 13, 2014, Heracles became recently aware that a new appellate judgment was issued. This judgment quashed the CFI judgment of 2001, on the basis of which the Greek Authorities had repaid to Heracles 44 million euros. This new appellate judgment has been officially served to Heracles on October 13, 2014. Heracles disputes the appellate judgment and will defend vigorously against it with the Supreme Administrative Court and will review other actions to challenge the possible execution of this judgment. No provision is recorded in the books of the Group.

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 this respect.

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 2013 Registration Document.

Note 10. Other information

On April 7, 2014, Lafarge and Holcim announced the project to combine the two companies through a merger of equals to create LafargeHolcim, the most advanced group in the building materials industry. The project has been approved by the Boards of Directors of both companies and received the full support of their core shareholders.

LafargeHolcim would be a company listed on Euronext Paris and SIX in Zurich and would be a Swiss company domiciled in Switzerland. The proposed combination would be structured as a public exchange offer filed by Holcim for the shares of Lafarge. The Board of Directors of LafargeHolcim would be composed with equal numbers of Lafarge and Holcim directors. Additional information is available on the website http://lafargeholcim.projet-fusion.com/en.

The proposed combination is conditional upon, among other things, approval of the shareholders of Holcim, the contribution to the exchange offer by the shareholders of Lafarge of at least 2/3rd of the share capital and voting rights of Lafarge on a fully diluted basis and obtaining various approvals including regulatory and other approvals and customary consultations. The closing of the transaction is expected during the first half of 2015, subject to obtaining regulatory approvals required. By the completion of the transaction, the two companies continue to operate independently.

On July 7, 2014, following the signature of the Combination Agreement, Lafarge and Holcim published a list of proposed asset disposals to anticipate potential competition authorities' requirements. As part of the formal notification of the proposed merger on October 28, 2014 to the European Commission, and following the pre-notification discussions, the list of proposed assets for divestment in Europe has been amended compared with the list of assets presented on July 7, 2014. Thus, the Holcim's operations in Slovakia would be divested and the Lafarge's Mannersdorf cement plant located in Austria would be retained. In the rest of the world, the proposed list of assets remains the same, with the exception of the Philippines. The divestment process will be carried out in the framework of the relevant social processes and ongoing dialogue with the employee representatives' bodies. The proposed divestments will be subject to review of the regulatory authorities, to the agreement of our business partners when relevant, and to the closing of the public exchange offer. Linked to this announcement, an agreement has been signed on July 24, 2014 with Anglo American for the acquisition by Lafarge of their 50% interest in Lafarge Tarmac for a minimum value of 885 million British pounds; a condition of the acquisition is the completion of the merger between Lafarge and Holcim.

The Group did not identify any impact, to be accounted for in the interim condensed consolidated financial statements as at September 30, 2014, that could be caused by the closing of the merger, particularly related to the possible effect of mandatory public tenders, clauses of change of control or other specific legal, regulatory or contractual provisions such as financial instruments, tax, supply agreements, agreements with partners or employee benefits schemes, including pensions.

Discussions are on-going with the Trustee Board of the pension plan in the UK in relation to the potential impact of the merger on the financial support provided to the plan by the Group. The current accounting provision relating to the UK pension plan in the Group's consolidated financial statements corresponds to the net defined benefit liability determined under IAS 19 and amounts to 227 million euros as at September 30, 2014. Under the rules of the plan and in certain circumstances, the Trustee Board of the pension plan has the power to ultimately wind-up the plan on a solvency basis. At the end of June 2014, the shortfall on a solvency basis (being the measure which estimates how much an insurance company would require in order to take over the responsibility for payment of all the plan's benefits) was estimated at circa 1 billion of British pounds. In our view, there are currently no grounds that would justify a winding-up of the plan, and we are in active discussion with the Trustee Board in order to comfort them on the absence of impact of the merger on the financing of the plan.

Note 11. Subsequent events

No subsequent event.

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

This is a free translation into English of the statutory auditors' review report on the interim condensed consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and construed in accordance with professional standards applicable in France.

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 accompanying interim condensed consolidated financial statements of Lafarge for the period from January 1 to September 30, 2014.

The preparation of these interim condensed consolidated financial statements is 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 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 does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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 note 2.2 « New IFRS standards and interpretations » to the interim condensed consolidated financial statements which outlines the effects related to the application of IFRS 11 – Joint Arrangements from January 1, 2014.

Neuilly-sur-Seine and Paris-La Défense, November 4, 2014

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES

Arnaud de Planta | Frédéric Gourd

ERNST & YOUNG et Autres

Alain Perroux | Nicolas Macé