

RESULTS AS OF JUNE 30, 2015

**H1 EBITDA UP 6% WITH FAVORABLE EXCHANGE RATES
IN A STILL CONTRASTED ECONOMIC ENVIRONMENT**

**€250M DELIVERED IN H1 THROUGH COST CUTTING AND INNOVATION MEASURES,
ON TRACK TO ACHIEVE FULL YEAR OBJECTIVE**

LAFARGEHOLCIM CREATED ON JULY 10, FOLLOWING SUCCESSFUL COMPLETION OF THE EXCHANGE OFFER

**NET INCOME FOR H1 IS UP 57%, AT €182M, EXCLUDING ONE-OFF ITEMS;
NET RESULT IMPACTED BY TIMING ACCOUNTING IMPACTS LINKED TO THE MERGER**

SECOND QUARTER KEY FIGURES*

<ul style="list-style-type: none"> ▪ Sales up 5% to €3,540m (stable like for like) ▪ EBITDA up 1% to €820m (down 2% like for like) ▪ Current operating income stable at €608m (down 3% like for like) 	<ul style="list-style-type: none"> ▪ Net result Group share at €-381m (€-1.32 per share) vs. €205m in Q2 2014 (€0.71 per share) ▪ Adjusted for one off items¹, Net income Group share is at €210m (€0.73 per share), down 11%
--	--

FIRST-HALF KEY FIGURES*

<ul style="list-style-type: none"> ▪ Sales up 5% to €6,319m (stable like for like) ▪ EBITDA up 6% to €1,223m (up 2% like for like) ▪ Current operating income up 8% to €813m (up 6% like for like) 	<ul style="list-style-type: none"> ▪ Net result Group share at €-477m (€-1.66 per share), vs. €70m in H1 2014 (€0.24 per share) ▪ Adjusted for one off items¹, Net income Group share, at €182m (€0.63 per share), is up 57%
---	---

* like for like variations are calculated excluding the impact of scope and exchange rates

Q2 GROUP HIGHLIGHTS

- Like for like, cement volumes for the second quarter were down 3%, reflecting a decrease in export sales. On domestic markets, they were up 2%. Positive developments in many markets, notably in Canada, Romania, Philippines and several countries in Middle East and Africa, and the ramp up of our new capacities in Rajasthan (India) and in Russia offset the impact of adverse weather in the United States and the impact of subdued markets in France and Brazil and continuing challenging conditions in Iraq and Syria.
- EBITDA was up 1% in Q2, supported by favorable exchange rates (€52m or +6%) that more than offset the impact of divested businesses (€-25m or -3%). At constant scope and exchange rates, EBITDA was down 2%, reflecting lower volumes and the effect of moderate on-going cost inflation and price adjustments in a limited number of countries. These impacts mitigated the positive effect of our cost cutting and innovation measures which generated respectively €60 million and €65 million during the quarter. For the first half, these measures contributed €250 million, on track to deliver our full year objective in 2015.
- Adjusted Net income Group share for H1 is up 57% or 66 million euros when excluding one-off items mostly recorded in the second quarter. These one-off items notably include €450 million of impairment on some of the assets to be divested to CRH in Q3. As disclosed in our full year accounts, these losses will be more than offset by the gains on the other assets included in the transaction. These gains can only be recognized at closing of the divestments which is currently expected in H2.
- Adjusted net income Group share in Q2 decreased 11% or 27 million euros, as the effect of lower net financial charges was offset by higher tax provisions.
- Net debt stands at €10.3 billion, reflecting the usual seasonality in cash flow and the earlier payment of dividend compared to past practice as part of the completion of the merger. Cash flow from operations before merger costs benefitted from the reduction in cash financial expenses in the second quarter and rose 17% to €355 million.

¹ Adjusted for post-tax impact of impairments, restructuring and merger related costs

OUTLOOK

Overall the Group continues to see cement demand increasing for the full year. Taking into account volumes trends observed in the first half of the year, we now estimate market growth of between 1 to 4 percent in 2015 vs. 2014.

Cost inflation in 2015 should continue albeit at a slower pace than in 2014 given the evolution of fuel oil prices. This should result in higher prices overall. The Group should also benefit from more favorable exchange rates.

The Group confirms its target to generate, at constant scope, €550 million of additional EBITDA per annum from its cost reduction and innovation measures in 2015. Taking into account the impact of the expected divestments in the context of the merger to create LafargeHolcim, this target should have been reduced by c. 10%.

On a stand-alone basis and unconnected to the merger with Holcim, Lafarge would have expected an EBITDA approximately 4% below the low end of the initial guidance of €3.0 billion to €3.2 billion in 2015. Following the successful completion of the merger the standalone guidance is not relevant anymore as Lafarge results will be impacted by several items including required divestments and ramp-up of the synergies.

CONSOLIDATED ACCOUNTS AS AT JUNE 30, 2015

The Board of Directors of Lafarge, chaired by Eric Olsen, met on July 28, 2015 and approved the accounts for the period ended June 30, 2015. 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 interim financial report.

	Second Quarter				First Half			
	2015	2014	Variation		2015	2014	Variation	
			Gross	Like for like ⁽²⁾			Gross	Like for like ⁽²⁾
<i>Volumes</i>								
Cement (million tons)	29.7	31.1	-4%	-3%	54.7	57.0	-4%	-3%
Pure Aggregates (million tons)	43.2	43.0	1%	1%	69.7	69.9	-	1%
Ready-Mix Concrete (million m ³)	6.8	7.1	-3%	-4%	12.3	12.8	-4%	-4%
<i>Results (million euros)</i>								
Sales	3,540	3,367	5%	-	6,319	6,000	5%	-
EBITDA ⁽¹⁾	820	812	1%	-2%	1,223	1,155	6%	2%
EBITDA margin (%)	23.2%	24.1%	-90bps	-50bps	19.4%	19.3%	10bps	50bps
Current Operating Income	608	609	-	-3%	813	755	8%	6%
Net income Group share	(381)	205	nm		(477)	70	nm	
Adjusted net income Group share ⁽³⁾	210	237	-11%		182	116	57%	
Adjusted earnings per share (€)	0.73	0.82	-11%		0.63	0.40	57%	
Free cash flow ⁽¹⁾	(14)	(37)	nm		(155)	(160)	3%	
Net debt					10,253	10,104	1%	

EBITDA⁽¹⁾ RESULTS BY REGION

(€m)	Second Quarter				First Half			
	2015	2014	Variation		2015	2014	Variation	
			Gross	Like for like ⁽²⁾			Gross	Like for like ⁽²⁾
North America	214	177	21%	7%	170	115	48%	36%
Western Europe	96	107	-10%	-11%	153	146	5%	-7%
Central and Eastern Europe	86	88	-2%	4%	76	71	7%	12%
Middle East and Africa	295	279	6%	5%	554	529	5%	4%
Latin America	(6)	35	nm	nm	14	73	nm	nm
Asia	135	126	7%	-5%	256	221	16%	1%
TOTAL	820	812	1%	-2%	1,223	1,155	6%	2%

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

⁽²⁾ Variations like for like are calculated as follows:

At Group level: at constant scope and exchange rates

At regional level: variations like-for-like are at constant scope and exchange rates and exclude:

- carbon credit sales (€15m of credits sold in Q1 2015 versus none in Q1 2014 in Western Europe)
- a €23m adverse impact from the loss in volumes in Iraq due to transport limitations.

⁽³⁾ Adjusted for impairments, restructuring charges and merger-related costs, net of tax



SALES DEVELOPMENT AND FINANCIAL RESULTS

Cement volumes decreased 3% at constant scope in the quarter, due to lower export sales. On domestic markets, volumes increased 2% overall, reflecting contrasted trends amongst our markets. Volumes were supported by continuing positive trends in many markets such as Romania, the Philippines, Egypt or Canada while adverse weather limited growth in the United States. Some markets faced more challenging economic or political environments. This was notably the case in France, where the construction sector remains subdued, in Brazil that faces a very challenging overall environment, in Iraq where difficulties to transport cement across the country prevail since June last year and in Syria. Our aggregates volumes were up 1% in the second quarter, as positive trends in North America more than offset the subdued market in France. Our ready-mix volumes were down 4%, mainly reflecting lower activity in France, Poland and Brazil.

Consolidated sales were stable in the second quarter at constant scope and exchange rates. Exchange rates continued to be favorable (positive impact on sales of €249 million or 8% in Q2) while the impact of our divestments, notably in Ecuador, Russia and Pakistan, reduced our sales by -3% in the quarter (€-75 million).

Q2 EBITDA improved 1%, supported by favorable exchange rates (positive impact of €52 million or 6%) that mitigated the impact of scope (€-25 million or -3%). At constant scope and exchange rates, it was down 2%, showing contrasted trends amongst our main geographies. Despite a limited growth in the United States due to wet weather, North America posted another quarter of sustained growth, supported by higher volumes in Canada, positive pricing trends in the United States and cost reduction and innovation actions. Western Europe suffered from the soft activity in France that also faced a demanding comparable in Q2 2104, while Spain showed slow-paced recovery signs. In Greece, the growing uncertainty around the economic outlook has not impacted the market yet and volumes grew in the quarter. Middle East and Africa showed a strong performance with most countries being positively oriented. When adjusted for the impact of the loss of volumes in Iraq, and despite some adverse effect of the earlier Ramadan that slipped by c. 10 days into Q2, EBITDA for the region was up 5% like for like and EBITDA margin was up 180 basis points. This reflects positive volume trends overall and cost cutting and innovation measures. Latin America which now only includes Brazil suffered from the challenging economic and competitive environment that currently prevails in the country. Finally, Asia was affected by continuing cost inflation and lower prices overall. This was mitigated by solid volume trends in the Philippines and the results from our cost cutting and innovation actions. Overall, Group EBITDA margin was slightly down (-50 basis points) in the quarter but is up 50 basis points for the first half-year. This reflects mainly our cost reduction and innovation actions that more than offset the impact of on-going cost inflation and lower volumes. Cement prices were overall down 0.5% compared to Q2 2014 but increased 0.5% compared to Q1 2015.

Net result from our joint ventures and associates were stable in the quarter at €41 million, as solid improvements in our joint ventures in Nigeria and in the UK were mitigated by more difficult market conditions in China.

As mentioned, Net result Group share in the second quarter was impacted by one-off items in connection with the creation of LafargeHolcim that was finalized on July 10, following the successful completion of the exchange offer. These one-off items include €450 million of impairment on some of the assets to be divested to CRH in Q3. As disclosed in our full year accounts, these losses will be more than offset by gains on other assets and the crystallization of exchange gains but these gains can only be recognized once the transaction is closed. Pre-tax merger costs of €94 million were booked in the second quarter and one-off restructuring costs, mainly reflecting reorganization measures in our operations in France, amounted to €51 million, compared to €32 million in Q2 2014.

Excluding one-off items (post tax effect of impairments, restructuring costs and merger costs), net income Group share amounts to €210 million in Q2. Compared to last year it reduced €27 million as the effect of lower financial expenses was offset by higher provisions on tax (€40 million). In H1, adjusted net income rose 57% to €182 million.

NET DEBT, DIVESTMENTS AND INVESTMENTS

Lafarge received €232 million in cash for divestments in the quarter, mainly reflecting the proceeds for our operations in Pakistan.

Investments totaled €262 million for the quarter.

- Sustaining capital expenditures remained limited, at €82 million vs. €67 million in Q2 2014.
- Development investments amounted to €180 million in the second quarter of 2015. It mainly included investments in our projects in North America (Exshaw – Canada and Ravenna – United States) and in Algeria as well as a few debottlenecking projects, notably in the Philippines.

Net debt increased by a moderate €149 million relative to end of Q2 last year, despite the impact of paying the dividend of Lafarge SA (€368 million) in early May ahead of the launch of the exchange offer to complete our merger with Holcim, rather than in July, as per past practice. It moved higher compared to year-end 2014 due to normal seasonal working capital needs.



MERGER OF EQUALS TO CREATE LAFARGEHOLCIM

On April 7, 2014, Lafarge and Holcim announced their project to combine the two companies through a merger of equals, to create LafargeHolcim, the most advanced and innovative group in the building materials industry, operating in 90 countries and creating superior value for its stakeholders.

Subsequently, the two groups made the following announcements:

- On October 28, 2014, that they have completed all necessary notifications with regulatory authorities worldwide and on December 15, 2014, announced that the European Commission provided clearance for the proposed merger;
- On December 23, 2014, Lafarge and Holcim announced that they had selected the Executive Committee of the future Group;
- On February 2, 2015, that they entered into exclusive negotiations further to a binding commitment made by CRH regarding the sale of several assets;
- On March 20, 2015, that they reached an agreement to amend certain terms of the project of merger of equals between both companies, including:
 - A new exchange ratio,
 - Wolfgang Reitzle and Bruno Lafont to be non-executive Co-Chairmen of the Board, and
 - A new Chief Executive Officer for the combined Group to be proposed by the Lafarge Board of Directors and accepted by the Holcim Board of Directors;
- On April 9, 2015 that, in respect of the amended agreement, Eric Olsen, EVP Operations of Lafarge was appointed as the future CEO of LafargeHolcim;
- On April 14, 2015 the proposed nominations for the future Board of Directors of LafargeHolcim; and
- In April 2015 the two groups announced a package of asset divestments in India, in the United States and that they have received the European Commission's approval for CRH as a suitable buyer for the assets in the EU.
- On June 1, 2015, Holcim launched the exchange offer to acquire more than two thirds of Lafarge shares. Success of the offer was announced on July 9, with 87.5% of the shares having been tendered to the offer. The deal was completed on July 10 and, on July 13, LafargeHolcim replaced Lafarge in the CAC 40 Euronext index. The exchange offer has been reopened on July 15, 2015 and full information on the offer is available on the Lafarge website: www.lafarge.com/en/merger-project

CHANGE IN THE LAFARGE S.A. BOARD COMPOSITION

As they have been appointed as directors of LafargeHolcim from closing of the merger project, Messrs. Paul Desmarais Jr., Nassef Sawiris and Philippe Dauman have decided to resign from their board position at Lafarge S.A. following the Board meeting of July 28, 2015. The Board has accepted their resignation. The Board shall henceforth be composed of 15 members. More information is available on the Lafarge website: www.lafarge.com ("Corporate Governance" section).



ADDITIONAL INFORMATION

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

Practical information:

There will be an analyst conference call at 10:00 a.m. CET on July 29, 2015 hosted by Eric Olsen, CEO of LafargeHolcim, Thomas Aebischer, Chief Financial Officer of LafargeHolcim and Jean-Jacques Gauthier, Chief Integration Officer – Organization and Human Resources of LafargeHolcim and Chief Financial Officer of Lafarge S.A. The presentation will be made in English. Slides are available to download from the LafargeHolcim website www.lafargeholcim.com.

To access the call, please dial one of the following numbers 10-15 minutes prior to the start of the conference call in order to avoid waiting time:

- Europe: +41 58 310 50 00
- United Kingdom: +44 203 059 58 62
- United States: +1 631 570 56 13

NOTES TO EDITORS

More information is available on Lafarge, a member of LafargeHolcim, on its website: www.lafarge.com

Important disclaimer - forward-looking statements:

This document contains forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets, as the case may be, including with respect to plans, initiatives, events, products, solutions and services, their development and potential. Although Lafarge believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are difficult to predict and generally beyond the control of Lafarge, including but not limited to the risks described in the Lafarge's annual report available on its Internet website (www.lafarge.com) and uncertainties related to the market conditions and the implementation of our plans. 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.

CONTACTS

PRESS RELATIONS

Lafarge.press@lafarge.com

Christel des Royeries: +33 (0)1 44 34 19 47

Sabine Wacquez: +33 (0)1 44 34 96 83

Elodie Woillez: +33 (0)1 44 34 11 70

INVESTOR RELATIONS

Stéphanie Billet: +33 (0)1 44 34 93 71
Stephanie.billet@lafarge.com

Michael Bennett: +33 (0)1 44 34 11 51
Michael.bennett@lafarge.com

Laurence Le Gougec: +33 (0)1 44 34 94 59
Laurence.legougec@lafarge.com