Nine Month Financial Report

For the period ended September 30, 2013

LAFARGE
Building better cities™

1. Management Report

The Board of Directors of Lafarge, chaired by Bruno Lafont, met on November 5, 2013 to approve the accounts for the period ended September 30, 2013. Further to their limited review of the interim condensed consolidated financial statements of Lafarge, the auditors have established a report which is included in the nine months 2013 Financial Report.

This nine months 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 2012 filed with the Autorité des Marchés Financiers on April 3, 2013 under number D.13-0276. 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 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.

Variations like-for-like are variations at constant scope and exchange rates.

2012 figures were restated to reflect the impact of the amendments to IAS 19. Additional information is provided in the notes to the interim condensed consolidated financial statements.

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

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

This document does not constitute an offer to sell, or a solicitation of an offer to buy Lafarge shares.

1.1 Consolidated key figures

Summary of the key figures

	9 Months 2013	9 Months 2012	Variation	Variation like-for-like	3rd Quarter 2013	3rd Quarter 2012	Variation	Variation like-for-like
Volumes								
Cement (MT)	101.9	106.3	-4%	-2%	*36.7*	*36.6*	-	*3%*
Pure Aggregates (MT)	143.6	141.2	2%	-	*59.8*	*57.0*	*5%*	*5%*
RMX-Concrete (Mm3)	23.2	24.0	-3%	-1%	*8.2*	*8.3*	*-1%*	*1%*
Sales (million euros)	**11,484**	**12,007**	**-4%**	**-**	**4,236**	**4,393**	**-4%**	**4%**
EBITDA (million euros)	2,309	2,579	-10%	-3%	1,007	1,066	-6%	4%
EBITDA Margin	*20.1%*	*21.5%*	*-140bps*	*-20bps (4)*	*23.8%*	*24.3%*	*-50bps*	*50bps (4)*
COI (million euros)	**1,546**	**1,822**	**-15%**	**-5%**	**755**	**810**	**-7%**	**5%**
Net income – Group share (1)	388	282	38%		304	303	-	
Earnings per share (euros) (2)	**1.35**	**0.98**	**38%**		**1.06**	**1.05**	**1%**	
Free Cash Flow (3)	360	211	71%		492	523	-6%	
Net Debt	10,944	12,202	-10%					

(1) Net income attributable to the owners of the parent of the Group
(2) Based on an average number of shares outstanding of 287.2 million for the first nine months of 2013 and 287.1 million for the first nine months of 2012 ; 287.3 million for the third quarter 2013 and 287.1 million for the third quarter 2012
(3) Defined as the net cash generated or used in continuing operating activities less sustaining capital expenditures
(4) Margins like-for-like are calculated excluding the carbon credit sales, and at constant scope and exchange rates

Sales and EBITDA by geographical zone and by business line

Sales

	9 Months 2013	9 Months 2012	Variation	Scope	Foreign Exchange Effect	Variation like-for-like	3rd Quarter 2013	3rd Quarter 2012	Variation like-for-like
By geographical zone									
North America	2,370	2,551	-7%	-7%	-4%	4%	1,111	1,156	10%
Western Europe	2,454	2,433	1%	5%	-	-4%	852	809	1%
Central & Eastern Europe	887	989	-10%	-	-1%	-9%	399	428	-5%
Middle East and Africa	3,032	3,266	-7%	-	-7%	-	1,015	1,070	4%
Latin America	677	729	-7%	-1%	-10%	4%	221	255	5%
Asia	2,064	2,039	1%	-	-5%	6%	638	675	5%
By business line									
Cement	7,311	7,899	-7%			-	2,588	2,772	4%
Aggregates & Concrete	4,103	4,040	2%			2%	1,627	1,597	5%
Holding and others	70	68					21	24	
TOTAL	**11,484**	**12,007**	**-4%**	**-**	**-4%**	**-**	**4,236**	**4,393**	**4%**

EBITDA

	9 Months 2013	9 Months 2012	Variation	Scope	Foreign Exchange Effect	Variation like-for-like	3rd Quarter 2013	3rd Quarter 2012	Variation like-for-like
By geographical zone									
North America	417	398	5%	-11%	-5%	21%	*288*	*270*	*23%*
Western Europe (1)	260	401	-35%	-2%	-	-33%	*110*	*146*	*-26%*
Central & Eastern Europe (1)	151	214	-29%	-	-	-29%	*106*	*127*	*-16%*
Middle East and Africa	856	947	-10%	-	-7%	-3%	*306*	*301*	*11%*
Latin America	185	211	-12%	-2%	-8%	-2%	*63*	*82*	*-6%*
Asia	440	408	8%	-	-6%	14%	*134*	*140*	*8%*
By business line									
Cement (1)	1,988	2,243	-11%			-3%	807	872	4%
Aggregates & Concrete	324	336	-4%			-1%	210	202	7%
Holding and others	(3)	0					(10)	(8)	
TOTAL (1)	**2,309**	**2,579**	**-10%**	**-2%**	**-5%**	**-3%**	***1,007***	***1,066***	4%

(1) Impacted by lower sales of carbon credits: No carbon credit sold in 2013, versus 69 million euros sold in the first 9 months of 2012:
- 56 million euros lower proceeds (11 million euros in the third quarter) for Western Europe
- 13 million euros lower proceeds (12 million euros in the third quarter) in Central and Eastern Europe

1.2. Review of operations and financial results

All data regarding sales, sales volume, EBITDA and COI include the proportional contributions of our proportionately consolidated subsidiaries.

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 first nine months of 2013

- Volume trends improved month after month in the third quarter, sustained by ongoing growth in most emerging markets, the recovery in the United States and Europe stabilizing at a low level. On the other hand, the third quarter was marked by adverse exchange rates which had a negative impact of 7% on both sales and EBITDA (respectively -286 million euros and -67 million euros in the quarter).
- Q3 EBITDA grew 4% at constant scope and exchange rates, benefiting notably from a solid performance in North America, Middle East / Africa and Asia. EBITDA margins improved 50 basis points on a like for like basis and excluding CO_2, supported by higher volumes, firm prices and the acceleration of cost reductions and innovation measures which generated respectively 130 million euros and 80 million euros additional EBITDA in the quarter. In the first nine months, these measures have generated a total of 470 million euros, and the Group is on track with its plan.
- Net debt at the end of September, at 10.9 billion euros, was reduced by 1.3 billion euros compared to end of September last year and by 0.9 billion euros in the quarter, notably thanks to divestments made at attractive multiples.
- The Group confirms its objective to deliver its 2012-2015 plan by the end of 2014, with at least 600 million euros of EBITDA coming from cost reduction and innovation measures in 2014.
- It announces new objectives beyond 2014 and plans to generate at least 1.1 billion euros of additional EBITDA from its actions in 2015-2016, of which 600 million euros from cost reductions and 500 million euros from innovation. This represents a minimum objective of 550 million euros per annum.

Overview of operations: Sales, EBITDA and Current Operating Income

After a first semester marked by an environment in which volumes were lower than expected in certain areas, the third quarter of 2013 experienced more positive trends versus last year in most countries, notably with the market recovery in the United States, continuing growth in most of our emerging countries and the stabilization at a low level in Europe. In parallel, the Group pursued its efforts on self-help measures, with results achieved on cost reductions and innovation running on track with its plan and significant steps secured in the quarter towards the Group objective to reduce net debt below 10 billion euros.

Volumes for our activities in the third quarter were back to positive territory in all regions but Central and Eastern Europe, with noticeable improvements in North America and Middle East and Africa. In the third quarter, at constant scope, cement, aggregates and ready-mix concrete volumes were up 3%, 5% and 1%, respectively, while year-to-date, cement sales volumes declined 2% and aggregates and ready-mix volumes sold stabilized.

Consolidated sales, at 11,484 million euros for the first nine months of 2013 and 4,236 million euros in the third quarter, were down 4% versus last year, both for the quarter and year-to-date.

Currency impacts were particularly unfavorable (-4.4% or -497 million euros year-to-date and -7.2% and -286 million euros in the third quarter), mainly due to the depreciation of the Canadian and US dollars, the South African rand, the Egyptian pound, the Brazilian real and the Indian rupee versus the euro. Net changes in the scope of consolidation had a slightly negative impact on sales (-0.5% or -79 million euros on the first nine months, and -0.9% or -46 million euros on the third quarter), as the effect of the divestment of two plants located in Missouri and Oklahoma (United States) was partly offset by the net impact of the consolidation of the joint-venture with Tarmac in the United Kingdom.

At constant scope and exchange rates, consolidated sales were up 0.5% year-to-date as the effect of increased prices across all of our product lines to address cost inflation and the volume progression experienced in the third quarter allowed us to offset the impact of the volume decrease in the first half of the year. In the third quarter, consolidated sales grew 4.5%, reflecting the positive market trends in North America, Middle East and Africa, Latin America and Asia, while Europe volumes stabilized.

EBITDA dropped in the quarter and year-to-date, when including a particularly adverse impact of foreign currency variations (-5% year-to-date and -7% in the quarter) and to a lesser extent the effect of the changes in scope (-2% year-to-date, -3% in the quarter). At constant scope and exchange rates, EBITDA decreased 3% year-to-date, but increased 4% in the third quarter with cost reduction and innovation actions more than offsetting the impact of cost inflation, an adverse 28 million euros impact of reduction of inventories in the quarter and the absence of carbon credit sales (no carbon credit sales in the first nine months of 2013, versus 69 million euros in the first nine months of 2012, and 23 million euros in the third quarter 2012). The Group continued to actively increase prices although the impact on EBITDA was limited by price adjustments in a limited number of countries and adverse mix effects. The Group generated 290 million euros of EBITDA through cost reduction measures and 180 million euros through innovation initiatives in the first nine months of 2013 (130 million euros and 80 million euros in the third quarter, respectively), on track with its 2013 objective.

Current operating income contracted 5% versus the first nine months of 2012, but grew 5% in the third quarter, at constant scope and exchange rates and when restating the impact of the depreciation of the UK assets that was stopped from March 1st, 2011 in accordance with IFRS, and restarted after the formation of the joint-venture with Tarmac on January 7th, 2013 (57 million euros of additional depreciation in the first nine months of 2013).

Review of operations by region

North America

	9 Months		Variation	Variation like-for-like	3rd Quarter		Variation	Variation like-for-like
Volumes	2013	2012			2013	2012		
Cement (MT)	8.4	9.8	-14%	-4%	4.0	4.1	-3%	8%
Pure Aggregates (MT)	68.8	72.5	-5%	1%	32.0	31.9	-	7%
RMX-Concrete (Mm3)	4.7	4.8	-3%	2%	2.0	1.9	2%	7%
Sales (million euros)	2,370	2,551	-7%	4%	1,111	1,156	-4%	10%
EBITDA (million euros)	417	398	5%	21%	288	270	7%	23%
EBITDA Margin	17.6%	15.6%	200bps		25.9%	23.4%	250bps	
COI (million euros)	300	249	20%	38%	249	219	14%	28%

Overall, market trends are solid in the region, on the back of the recovery in the residential sector in the United States and the well-oriented economy in Western Canada. The third quarter was marked by volume growth across all product lines, after a first semester 2013 particularly affected by adverse weather in our relevant regions in the United States, as well as floods across Canada.

Sales were down 7% year-to-date and 4% in the third quarter, impacted by the effect of the divestment of two plants located in Missouri and in Oklahoma at the end of November 2012, together with other smaller disposals in aggregates and concrete (negative impact on sales of -7%, or -172 million euros year-to-date). Foreign exchange variations also lowered sales with the depreciation of the Canadian and US dollar against the euro (negative impact of -4%, or -95 million euros, on year-to-date sales).

At constant scope and exchange rates, sales were up 4% year-to-date and a healthy 10% in the third quarter, with solid price gains across all product lines and volumes back to positive territory in the third quarter.

- **In the United States,** prices remained firmly up in all product lines, while volumes grew solidly in the third quarter, supported by the recovery in the residential segment and somewhat catching up after a first semester impacted by particularly adverse weather in the Northeast region. Year-to-date like-for-like cement and ready-mix sales volumes decreased 5% and 2%, respectively, while aggregates sales volumes were slightly up 1%.
- **In Canada,** sales increased both in the quarter and year-to-date, under the combined effect of price gains and solid growth in Western Canada more than offsetting a market slowdown in Quebec. In the third quarter, volumes and prices increased across all product lines. Year-to-date, like-for-like cement sales volumes decreased 3%, while aggregates and ready-mix sales volumes improved 1% and 3%, respectively, supported by several projects in Western Canada.

EBITDA increased 21% year-to-date like-for-like, with solid pricing, a continuous focus on cost-saving and innovation measures and a one-time gain of 20 million euros recorded in the first quarter and linked to management's decision to review pension commitments in North America (curtailment of defined benefit plans in the United States). In the third quarter, EBITDA increased 23% like-for-like, benefiting from the operating leverage as volumes recover and from on-going cost savings and innovation measures in both Canada and the United States and despite an adverse destocking effect.

Western Europe

Volumes	9 Months 2013	9 Months 2012	Variation	Variation like-for-like	3rd Quarter 2013	3rd Quarter 2012	Variation	Variation like-for-like
Cement (MT)	10.6	12.5	-15%	-3%	3.7	4.2	-11%	3%
Pure Aggregates (MT)	44.5	38.7	15%	-4%	15.4	12.8	21%	3%
RMX-Concrete (Mm3)	6.8	7.5	-8%	-6%	2.3	2.5	-5%	-3%
Sales (million euros)	2,454	2,433	1%	-4%	852	809	5%	1%
EBITDA (million euros) (1)	260	401	-35%	-33%	110	146	-25%	-26%
EBITDA Margin (1)	10.6%	16.5%	-590bps	-250bps(2)	12.9%	18.0%	-510bps	-290bps(2)
COI (million euros) (1)	67	259	-74%	-58%	46	98	-53%	-43%

(1) Impacted by lower carbon credit sales: 56 million euros versus the first nine months of 2012, 11 million euros versus the third quarter 2012
(2) Margins like-for-like are calculated excluding the carbon credit sales, and at constant scope and exchange rates

Overall, market trends continued to ease in the third quarter, stabilizing at a low level.

Changes in the scope of consolidation had a net positive impact on sales, reflecting the operations conducted in the context of the completion of the Lafarge Tarmac joint venture in the United Kingdom in January 2013. The effects of the divestments of some assets required by the competition authorities (notably a 1.4MT cement capacity plant and some ready-mix plants) and the deconsolidation of 50% of the remaining assets of Lafarge were more than offset by the impact of the integration of 50% of the assets brought by Tarmac into the joint-venture. The impact of foreign exchange rates was negligible.

At constant scope and exchange rates, sales were down 4% in the first nine months of 2013 versus last year (up 1% in the third quarter), mainly driven by volume trends.

- **France** was resilient, with volumes trends easing in the second and third quarters. In the first nine months of 2013, cement, aggregates and ready-mix volumes were down 3%, 3% and 4%, respectively.
- **In the UK**, the joint venture Lafarge Tarmac started in January 2013. The construction market was down in the first part of the year, it progressively improved entering the second quarter, and experienced a significant growth in the third quarter, supported by the housing segment. Overall, our sales went up in the quarter and year-to-date, reflecting a higher proportion of aggregates and asphalt and paving sales from the assets contributed to the JV by Tarmac.
- Activity in **Spain and Greece** was affected by the economic environment. Cement sales volumes were down 3% and 12% year-to-date, respectively. In a challenging environment, mitigating actions, such as cost-saving, adapting our industrial network and focusing on innovation and development of exports continue to be deployed.

EBITDA was down 35% in the first nine months of 2013 and 25% in the third quarter, under the combined effect of the absence of carbon credit sales in 2013 versus 56 million euros sold last year and the scope impact on the UK (negative impact of 32 and 9 million euros on EBITDA, on the first nine months of 2013 and the third quarter, respectively). Cost-cutting initiatives partially mitigated the combined effect of cost inflation and an adverse cost phasing that should reverse in the fourth quarter.

Central and Eastern Europe

Volumes	9 Months 2013	9 Months 2012	Variation	Variation like-for-like	3rd Quarter 2013	3rd Quarter 2012	Variation	Variation like-for-like
Cement (MT)	9.8	10.4	-6%	-6%	4.4	4.5	-3%	-3%
Pure Aggregates (MT)	15.1	16.6	-9%	-9%	7.2	7.5	-3%	-4%
RMX-Concrete (Mm3)	1.2	1.2	1%	1%	0.6	0.5	18%	18%
Sales (million euros)	887	989	-10%	-9%	399	428	-7%	-5%
EBITDA (million euros) (1)	151	214	-29%	-29%	106	127	-17%	-16%
EBITDA Margin (1)	17.0%	21.6%	-460bps	-350bps(2)	26.6%	29.7%	-310bps	-70bps(2)
COI (million euros) (1)	85	154	-45%	-44%	84	107	-21%	-21%

(1) Impacted by lower carbon credit sales: 13 million euros versus the first nine months of 2012, 12 million euros versus the third quarter 2012
(2) Margins like-for-like are calculated excluding the carbon credit sales, and at constant scope and exchange rates

The region has been impacted by limited infrastructure spending as a result of lower EU funds available in Poland and Romania.

In this context, sales were down 10% year-to-date, with an easing decline in the third quarter, due to normalized comparables. The foreign exchange variations had a negative effect on sales (-1% year-to-date, and -2% in the third quarter), while the impact of changes in scope was negligible.

At constant scope and exchange rates, sales were down 9% versus the first nine months of 2012 (5% in the third quarter).

- **In Poland,** building activity slowed down, after having been bolstered by the European Cup Games of June 2012 and EU funding. Cement sales volumes decreased 9% year-to-date and 1% in the third quarter, with an easing comparison base compared to the first semester and the contribution from our innovation actions. Aggregates sales volumes experienced relatively similar trends. Average cement prices were lower than the 2012 levels, mostly due to price erosion during the second half of 2012.
- **In Russia,** market trends were positive, but our sales were affected by the competitive environment and by production limitations at one plant. Cement sales volumes were down 7% year-to-date and 4% in the third quarter.
- **In Romania,** cement sales were down 15% both year-to-date and in the third quarter, impacted by lower infrastructure spending and competitive environment.

EBITDA decreased year-to-date, hampered by volume decline across all product lines, lower average prices in Poland and the absence of carbon credit sales in 2013. At constant scope and exchange rates and excluding carbon credit sales, the EBITDA decrease was limited in the quarter as cost savings and innovation measures mitigated the impact of lower volumes and a destocking effect.

Middle East and Africa

	9 Months		Variation	Variation like-for-like	3rd Quarter		Variation	Variation like-for-like
Volumes	2013	2012			2013	2012		
Cement (MT)	32.6	34.2	-5%	-6%[(1)]	11.2	10.8	4%	1%[(1)]
Pure Aggregates (MT)	6.7	6.6	2%	3%	2.3	2.2	4%	5%
RMX-Concrete (Mm3)	5.2	5.2	-1%	-1%	1.7	1.7	-2%	-2%
Sales (million euros)	3,032	3,266	-7%	-	1,015	1,070	-5%	4%
EBITDA (million euros)	856	947	-10%	-3%	306	301	2%	11%
EBITDA Margin	28.2%	29.0%	-80bps		30.1%	28.1%	200bps	
COI (million euros)	625	700	-11%	-5%	229	216	6%	15%

(1) domestic only

The region experienced contrasted trends, with markets well-oriented in most countries, but volumes were impacted by production limitations in Egypt due to gas shortages and the current situation in Syria. However, strong fundamentals for growth in the construction sector remain unchanged in this region, with significant needs for housing and infrastructure.

The third quarter was marked by volumes back in positive territory, but sales remain strongly impacted by a significant adverse impact of foreign exchange rate variations (-7%, or -221 million euros, reduction of year-to-date sales, -9%, or 98 million euros, on the third quarter sales).

At constant scope and exchange rates, sales were stable versus the first nine months of 2012 and up 4% in the quarter, benefiting from volumes and prices well oriented.

- **Nigeria** benefited from strong market trends. Cement sales increased 6% year-to-date (7% in the third quarter), with a double-digit volume growth largely offsetting the price adjustment implemented in this country.
- **Algeria's** underlying market demand continued to be strong, and our cement sales volumes increased 5% in the third quarter. Volumes are flat year-to-date, impacted by a 10-day work stoppage in the first quarter. Prices went up, generated by the development of the sales of new cement products. A new grinder, recently started, should help us to further capture market growth in the last part of the year.
- **In Egypt,** our cement sales volumes were affected by gas shortages and dropped 27% year-to-date. This impact started to ease in the third quarter as we progressively substituted other fuels to gas, and volumes sold in the third quarter were down 19% versus last year. Prices increased in response to high cost inflation.
- **In Morocco,** cement volumes were down 8% year-to-date, but stabilized from the second quarter with an easing comparison base, while prices were positively oriented to compensate for cost inflation.
- **In Iraq,** where cement demand remains strong, our sales were impacted by the competitive environment.
- **South Africa** benefited from solid market trends. Cement and aggregates sales volumes grew 2% and 8% year-to-date, respectively, while ready-mix concrete sales volumes soared 18% year-to-date, supported by road projects and renewable energy projects.
- **In Kenya**, construction market growth was dampened as elections were held in March 2013. Kenya experienced a 6% cement volume decline in the first nine months of 2013, after a 18% cement volume growth over the same period last year; the situation progressively improved entering into the third quarter, with slightly higher volumes versus last year.
- **Syria** continued to be impacted by the current situation.

At constant scope and foreign exchange rates, EBITDA increased 11% in the third quarter, with higher sales in Nigeria, Algeria, Morocco and South Africa and significant cost-saving and innovation measures achieved in many countries. Year-to-date, EBITDA is still slightly down by 3%, mostly reflecting the production limitations in Egypt. Prices moved higher in many markets in response to significant cost inflation.

Latin America

Volumes	9 Months 2013	9 Months 2012	Variation	Variation like-for-like	3rd Quarter 2013	3rd Quarter 2012	Variation	Variation like-for-like
Cement (MT)	6.8	6.9	-1%	1%	2.3	2.4	-3%	3%
Pure Aggregates (MT)	2.0	2.1	-5%	-5%	0.8	0.8	-2%	-2%
RMX-Concrete (Mm3)	0.9	0.8	7%	7%	0.3	0.3	6%	6%
Sales (million euros)	677	729	-7%	4%	221	255	-13%	5%
EBITDA (million euros)	185	211	-12%	-2%	63	82	-23%	-6%
EBITDA Margin	27.3%	28.9%	-160bps		28.5%	32.2%	-370bps	
COI (million euros)	156	180	-13%	-3%	55	72	-24%	-9%

In Latin America, market trends were positive overall. Sales were affected by a significant adverse impact of the depreciation versus the euro of the Brazilian real (10% year-to-date, or 68 million euros), and the effect of the deconsolidation of our Mexican cement operations now combined with Elementia assets from August 2013.

Sales grew 4% like-for-like year-to date and 5% in the third quarter, with higher prices and volumes.

- **In Brazil,** cement volumes were up 3% in the quarter, with contrasted pricing gains by region in a context of significant cost inflation. Year-to-date domestic cement sales were up 3%.
- **In Ecuador,** market trends were solid, with higher prices and volumes. Cement sales were up 12% versus the first nine months of 2012, and grew 19% in the third quarter, supported by higher demand in the infrastructure segment.

At constant scope and exchange rates, EBITDA was down 2% year-to-date and 6% in the third quarter, reflecting a particularly challenging inflationary environment and the impact of destocking in the third quarter that more than offset the effect of higher sales.

Asia

Volumes	9 Months 2013	9 Months 2012	Variation	Variation like-for-like	3rd Quarter 2013	3rd Quarter 2012	Variation	Variation like-for-like
Cement (MT)	33.7	32.5	3%	3%	11.1	10.6	4%	4%
Pure Aggregates (MT)	6.5	4.7	37%	36%	2.1	1.8	13%	13%
RMX-Concrete (Mm3)	4.4	4.5	-1%	4%	1.3	1.4	-6%	-6%
Sales (million euros)	2,064	2,039	1%	6%	638	675	-5%	5%
EBITDA (million euros)	440	408	8%	14%	134	140	-4%	8%
EBITDA Margin	21.3%	20.0%	130bps		21.0%	20.7%	30bps	
COI (million euros)	313	280	12%	19%	92	98	-6%	9%

In Asia, market trends were positive in most countries in which we operate, but our sales were particularly impacted by the effect of foreign exchange fluctuations that lowered sales by 5% year-to-date and by 10% in the third quarter.

At constant scope and exchange rates, sales grew 6% year-to-date and 5% in the quarter, with higher volumes and pricing gains in response to cost inflation.

- **In China,** cement sales volumes were up 2% year-to-date and were stable in the quarter. Prices increased in Sichuan and Guizhou, while they were still affected by the competitive environment in Yunnan and ChongQing.
- **In India,** market growth was subdued. Our cement sales volumes increased 3% year-to-date and 5% in the third quarter while prices improved to mitigate the impact of cost inflation. Our ready-mix sales volumes were down 10% versus the first nine months of 2012, but we were able to raise prices in response to cost inflation.
- **In Malaysia**, cement sales volumes stabilized. Average cement prices were lower than the price levels of the first nine months of 2012, mostly reflecting price erosion during the second half of 2012, but improved in the third quarter 2013.
- **The Philippines** benefited from solid market trends and the start-up of a new grinding facility in the second quarter, bolstering our volumes, up 12% both in the quarter and year-to-date, while prices rose solidly.
- **In South Korea,** improved market trends supported volume growth in the quarter. Domestic cement volumes were up 9% in the third quarter, and 2% year-to-date.

The devaluation of several currencies of the region against the euro reduced EBITDA by 6% year-to-date and by 12% in the quarter. At constant scope and exchange rates, EBITDA increased 14% year-to-date and 8% in the third quarter, supported by volume growth, pricing gains to face overall strong cost inflation, visible impact of cost cutting and innovation measures and the effect of lower coal prices in China.

Other income statement items

The table below shows our operating income and net income for the period ended September 30, 2013 and 2012:

(million euros)	9 Months		Variation
	2013	2012	%
EBITDA	**2,309**	**2,579**	**-10%**
Depreciation	(763)	(757)	1%
Current Operating Income	**1,546**	**1,822**	**-15%**
Net gains on disposals	91	41	
Other operating income (expenses)	(194)	(428)	
Operating Income	**1,443**	**1,435**	**1%**
Net financial costs	(792)	(806)	-2%
Of which Financial expenses	*(880)*	*(925)*	*-5%*
Financial income	*88*	*119*	*-26%*
Share of net income (loss) of associates	5	11	
Income before Income Tax	**656**	**640**	**3%**
Income tax	(188)	(216)	-13%
Net Income from continuing operations	**468**	**424**	**10%**
Net income from discontinued operations	47	8	
Net income	**515**	**432**	**19%**
of which part attributable to:			
- Owners of the parent Company	**388**	**282**	**38%**
- Non-controlling interests	127	150	-15%

Depreciation was 763 million euros in 2013 versus 757 million euros in the first nine months of 2012, with the restarting of the depreciation in the United Kingdom (57 million euros of additional depreciation year-to-date versus 2012), partly offset by the impact of the divestment of some US operations and the effect of the changes in foreign exchange rates.

Net gains on disposals were 91 million euros in the first nine months of 2013 versus 41 million euros in 2012, and mainly comprise the impact of the UK transaction, the positive effect of the creation of a joint-venture with Elementia in Mexico and the loss incurred on the divestment of our Ukraine cement assets.

Other operating expenses primarily reflect the impact of impairments, restructuring, and legal actions. They amounted to 194 million euros in the first nine months of 2013 (65 million euros in the third quarter) versus 428 million euros in 2012 (45 million euros in the third quarter). In 2013, the Group recorded 103 million euros of restructuring charges as part of executing its cost-cutting program, and 55 million euros of impairment on various assets. In 2012, the Group recorded 164 million euros of restructuring costs in the first nine months in the context of the implementation of its new country-based organization, and 200 million euros of impairment of goodwill and other assets given the sustained downturn in economic conditions in Greece.

Operating income slightly improved 1% to 1,443 million euros, as the lower restructuring and impairment charges recorded over the first nine months of 2013 versus last year more than offset the impact of the lower current operating income.

Net financial costs, comprised of financial expenses on net debt, foreign exchange, and other financial income and expenses, at 792 million euros in 2013 versus 806 million euros in 2012, decreased 2%.

The financial expenses on net debt decreased to 617 million euros from 663 million euros, reflecting the effect of a lower average net debt. The average interest rate on our gross debt was stable versus 2012, at 6.2% in the first nine months of 2013.

Foreign exchange resulted in a loss of 65 million euros in 2013 compared with a loss of 19 million euros in 2012, primarily relating to debt placed by certain countries in a currency different from the local currency, and for which no hedging market is available.

Other financial costs were reduced to 110 million euros in 2013 versus 124 million euros in 2012, and mainly comprise bank commissions, the amortization of debt issuance costs, and the net interest cost related to pensions.

The contribution from our associates represented a net gain of 5 million euros in 2013, versus a net gain of 11 million euros in the first nine months of 2012, primarily reflecting the evolution of the contribution of the 20% ownership in Siniat (Gypsum operations in Europe and Latin America), impacted by a non-recurring depreciation charge recorded in the first quarter 2013, while results generated by Unicem in Nigeria improved versus last year.

Income tax was 188 million euros in the first nine months of 2013, corresponding to an effective tax rate of 29%. In 2012, the effective tax rate was higher, impacted by a non-deductible impairment charge on goodwill.

Net income from continuing operations increased 10%, from 424 million euros to 468 million euros, as the lower impairment and restructuring charges and higher gains on disposals compensated the decrease in EBITDA.

Net income from discontinued operations was a gain of 47 million euros in the first nine months of 2013, versus a gain of 8 million euros last year, under the combined effect of improved operating results of our Gypsum operations in North America on the first eight months of the year and the net gain achieved on the divestment of these assets completed at the end of August 2013.

Net income Group share[1] was 388 million euros for the first nine months of 2013 compared to 282 million euros in 2012 despite the negative impact of foreign exchange on EBITDA and the absence of CO2 sales, and considering the 200 million euros pre-tax impairment charge on Greek assets recorded in 2012.

Non-controlling interests decreased to 127 million euros versus 150 million euros in 2012, mostly reflecting the effect of lower volumes in Egypt.

Basic earnings per share was 1.35 euro in the first nine months of 2013 (1.06 euro in the third quarter), compared to 0.98 euro in 2012 (1.05 euro in the third quarter 2012), reflecting the strong improvement in net income attributable to the owners of the parent company year-to-date, while the average number of shares was relatively stable.

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

Cash flow statement

Net operating cash generated by continuing operations was €579 million in the first nine months of 2013, versus €393 million in 2012.

Net operating cash generated by continuing operations improved 186 million euros, mostly reflecting a solid improvement of our working capital performance, notably thanks to a reduction in inventories. Compared to the end of September 2012, we have reduced the strict working capital[2] when expressed as a number of days of sales by 6 days, bringing it to a historical low at this point in the year (39 days), and reducing its normal increase over this period due to the seasonality of our operations. As a consequence, the variation of working capital was lower than last year, which more than compensated for the decline in cash flow from operations, reflecting the EBITDA evolution.

Net cash provided by investing activities from continuing operations was €112 million, compared with €340 million of net cash used in the first nine months of 2012.

Sustaining capital expenditures slightly increased, from 182 million euros in the first nine months of 2012 to 219 million euros in the first nine months of 2013.

Capital expenditures for productivity projects and for the building of new capacity were contained to 524 million euros, as part of our strict capex management. They mostly comprise investments in our on-going new cement plants projects in Russia and India and in our plants of Exshaw and Ravena in North America, as well as our fast-return new grinding capacities in the Philippines, Algeria and Brazil.

Net of net debt disposed of, and including the proceeds of the disposals of ownership interests with no loss of control, the divestment operations have reduced, net of selling costs, the Group's financial net debt by 1,048 million euros in the first nine months of 2013. They mainly comprise 0.5 billion euros of proceeds received from the sale of our US Gypsum assets, 0.2 billion euros capital injection of our new partner in India, the divestment of some aggregates quarries in Georgia (United States), the sale of cement operations in Ukraine and the first instalment of the divestment of some UK assets.

Consolidated statement of financial position

At September 30, 2013, total equity stood at €16,666 million (€17,748 million at the end of December 2012) **and net debt at €10,944 million** (€11,317 million at the end of December 2012).

Total equity decreased 1.1 billion euros, mostly reflecting the negative non cash impact of translating our foreign subsidiaries assets into euros, given the depreciation of various currencies in countries where we operate against the euro between December 31, 2012 and September 30, 2013 (1.4 billion euros). The evolution of the equity over the period also reflects the net income generated over the period (0.5 billion euros), the positive evolution of actuarial gains and losses and the capital injection of our new partner in India, partly offset by the dividends of the period (0.5 billion euros).

The decrease of 0.4 billion euros of the net consolidated debt mainly reflects strict capex discipline and divestments but also a solid improvement of our working capital performance.

Outlook

Overall, Lafarge sees cement growth in its markets of between 0 to 3 percent in 2013 versus 2012. This implies better trends in the second half of the year compared to the first half as market recovery is becoming evident in the United States, growth in most emerging markets continues and Europe is showing stabilization at a low level.

Higher pricing is expected for the year. Cost inflation continues, although at a lower rate than in 2012, benefiting from positive trends in coal and petcoke prices and reduced general inflation in developed countries.

The Group targets to deliver additional EBITDA of 650 million euros in 2013 through its cost reduction and innovation measures.

As stated, the objective is to reduce net debt to below 10 billion euros in 2013, and below 9 billion euros in 2014.

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[2] *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)	2013	2012*	2013	2012*	2012*
Revenue	**11,484**	**12,007**	**4,236**	**4,393**	**15,816**
Cost of sales	(8,868)	(9,087)	(3,122)	(3,227)	(11,934)
Selling and administrative expenses	(1,070)	(1,098)	(359)	(356)	(1,469)
Operating income before capital gains, impairment, restructuring and other	**1,546**	**1,822**	**755**	**810**	**2,413**
Net gains (losses) on disposals	91	41	45	(3)	53
Other operating income (expenses)	(194)	(428)	(65)	(45)	(546)
Operating income	**1,443**	**1,435**	**735**	**762**	**1,920**
Financial expenses	(880)	(925)	(281)	(298)	(1,255)
Financial income	88	119	2	36	160
Share of net income (loss) of associates	5	11	1	1	5
Income before income tax	**656**	**640**	**457**	**501**	**830**
Income tax	(188)	(216)	(128)	(146)	(292)
Net income from continuing operations	**468**	**424**	**329**	**355**	**538**
Net income from discontinued operations	47	8	26	11	16
Net income	**515**	**432**	**355**	**366**	**554**
Of which attributable to:					
- Owners of the parent company	**388**	**282**	**304**	**303**	**365**
- Non-controlling interests (minority interests)	127	150	51	63	189
Earnings per share (euros)					
Attributable to the owners of the parent company					
Basic earnings per share	1.35	0.98	1.06	1.05	1.27
Diluted earnings per share	1.34	0.98	1.05	1.05	1.27
From continuing operations					
Basic earnings per share	1.19	0.95	0.97	1.01	1.21
Diluted earnings per share	1.18	0.95	0.96	1.01	1.21
Basic average number of shares outstanding (in thousands)	**287,242**	**287,073**	**287,317**	**287,098**	**287,079**

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IAS 19 Amended.*

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)	2013	2012*	2013	2012*	2012*
Net income	**515**	**432**	**355**	**366**	**554**
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains / (losses)	140	(175)	57	(79)	(240)
Income tax on items that will not be reclassified to profit or loss	(51)	48	(19)	22	64
Total items that will not be reclassified to profit or loss	**89**	**(127)**	**38**	**(57)**	**(176)**
Items that may be reclassified subsequently to profit or loss					
Available-for-sale investments	-	-	-	-	-
Cash-flow hedging instruments	4	4	2	3	4
Foreign currency translation adjustments	(1,415)	100	(731)	(339)	(492)
Income tax on items that may be reclassified to profit or loss	(1)	(1)	-	-	(2)
Total items that may be reclassified to profit or loss	**(1,412)**	**103**	**(729)**	**(336)**	**(490)**
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX	**(1,323)**	**(24)**	**(691)**	**(393)**	**(666)**
TOTAL COMPREHENSIVE INCOME	**(808)**	**408**	**(336)**	**(27)**	**(112)**
Of which attributable to :					
- Owners of the parent company	***(838)***	***253***	***(321)***	***(56)***	***(248)***
- Non-controlling interests (minority interests)	*30*	*155*	*(15)*	*29*	136

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IAS 19 Amended.*

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

Foreign currency translation adjustments

Change in cumulative exchange differences on translating foreign operations from January 1, 2013 to September 30, 2013 (closing rate) amounts to -1,415 million euros including -673 million euros due to the depreciation of the Egyptian pound, the Algerian dinar, the Syrian pound and the Brazilian real compared to the euro currency.
During the third quarter, the change in cumulative exchange differences on translating foreign operations amounts to -731 million euros mainly due to the depreciation of the Algerian dinar, the US dollar, the Syrian pound and the Iraqi dinar compared to the euro currency.

Consolidated statement of financial position

(million euros)	At September 30,		At December 31,
	2013	2012*	2012*
ASSETS			
NON CURRENT ASSETS	**29,944**	**30,763**	**30,180**
Goodwill	11,765	12,537	12,184
Intangible assets	575	629	620
Property, plant and equipment	15,010	15,354	14,992
Investments in associates	618	479	470
Other financial assets	735	697	698
Derivative instruments	8	22	27
Deferred tax assets	1,196	1,004	1,149
Other receivables	37	41	40
CURRENT ASSETS	**8,394**	**10,831**	**9,284**
Inventories	1,672	1,743	1,662
Trade receivables	2,416	2,354	1,762
Other receivables	747	828	779
Derivative instruments	23	104	68
Cash and cash equivalents	3,536	3,422	2,733
Assets held for sale	-	2,380	2,280
TOTAL ASSETS	**38,338**	**41,594**	**39,464**
EQUITY AND LIABILITIES			
Common stock	1,149	1,149	1,149
Additional paid-in capital	9,710	9,693	9,695
Treasury shares	(1)	(12)	(11)
Retained earnings	6,651	6,393	6,477
Other reserves	(833)	(875)	(925)
Foreign currency translation adjustments	(2,037)	(185)	(719)
Equity attributable to owners of the parent company	**14,639**	**16,163**	**15,666**
Non-controlling interests (minority interests)	2,027	2,133	2,082
EQUITY	**16,666**	**18,296**	**17,748**
NON CURRENT LIABILITIES	**14,235**	**15,635**	**14,451**
Deferred tax liabilities	1,043	956	973
Pension & other employee benefits	1,284	1,443	1,492
Provisions	666	675	637
Financial debt	11,162	12,474	11,261
Derivative instruments	6	12	8
Other payables	74	75	80
CURRENT LIABILITIES	**7,437**	**7,663**	**7,265**
Pension & other employee benefits	102	168	102
Provisions	147	83	127
Trade payables	2,276	2,001	1,985
Other payables	1,510	1,666	1,567
Current tax liabilities	59	133	220
Financial debt (including current portion of long-term debt)	3,305	3,195	2,823
Derivative instruments	38	69	53
Liabilities associated with assets held for sale	-	348	388
TOTAL EQUITY AND LIABILITIES	**38,338**	**41,594**	**39,464**

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IAS 19 Amended.*

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

Consolidated statement of cash flows

	9 months		3rd quarter		December 31,
(million euros)	2013	2012*	2013	2012*	2012*
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Net income	**515**	**432**	**355**	**366**	**554**
Net income from discontinued operations	**47**	**8**	**26**	**11**	**16**
Net income from continuing operations	**468**	**424**	**329**	**355**	**538**
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	763	757	252	256	1,010
Impairment losses	55	183	27	13	212
Share of net (income) loss of associates	(5)	(11)	(1)	(1)	(5)
Net (gains) losses on disposals, net	(91)	(41)	(45)	3	(53)
Financial (income) / expenses	792	806	279	262	1,095
Income tax	188	216	128	146	292
Others, net (including dividends received from equity-accounted investments)	(108)	(39)	(50)	(69)	(68)
Change in working capital items, excluding financial expenses and income tax (see analysis below)	(491)	(930)	(45)	(128)	(304)
Net operating cash generated by continuing operations before impacts of financial expenses and income tax	**1,571**	**1,365**	**874**	**837**	**2,717**
Interest (paid) received	(608)	(610)	(169)	(133)	(954)
Cash payments for income tax	(384)	(362)	(119)	(109)	(487)
Net operating cash generated by (used in) continuing operations	**579**	**393**	**586**	**595**	**1,276**
Net operating cash generated by (used in) discontinued activities	**1**	**6**	**-**	**12**	**22**
Net cash generated by (used in) operating activities	**580**	**399**	**586**	**607**	**1,298**
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES					
Capital expenditures	(747)	(493)	(237)	(180)	(775)
Investment in subsidiaries and joint ventures (1)	(14)	43	-	(5)	21
Investment in associates	-	(3)	-	(1)	(3)
Acquisition of available-for-sale financial assets	-	(1)	-	1	(1)
Disposals (2)	872	87	701	24	413
Net (increase) decrease in long-term receivables	1	27	7	11	22
Net cash provided by (used in) investing activities from continuing operations	**112**	**(340)**	**471**	**(150)**	**(323)**
Net cash provided by (used in) investing activities from discountinued operations	**(2)**	**(2)**	**(1)**	**(1)**	**(4)**
Net cash provided by (used in) investing activities	**110**	**(342)**	**470**	**(151)**	**(327)**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES					
Capital increase (decrease) - owners of the parent company	3	9	1	-	9
Capital increase (decrease) - non-controlling interests (minority interests)	-	9	-	-	2
Acquisitions of ownership interests with no gain of control	(2)	(65)	-	(3)	(147)
Disposal of ownership interests with no loss in control	188	21	178	21	21
Dividends paid	(289)	(145)	(289)	(145)	(145)
Dividends paid by subsidiaries to non-controlling interests (minority interests)	(192)	(124)	(44)	(29)	(154)
Proceeds from issuance of long-term debt	1,481	1,012	309	723	1,069
Repayment of long-term debt	(979)	(576)	(242)	(239)	(1,928)
Increase (decrease) in short-term debt	63	60	(24)	71	(75)
Net cash provided by (used in) financing activities from continuing operations	**273**	**201**	**(111)**	**399**	**(1,348)**
Net cash provided by (used in) financing activities from discontinued operations	**-**	**(3)**	**-**	**(3)**	**-**
Net cash provided by (used in) financing activities	**273**	**198**	**(111)**	**396**	**(1,348)**

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IAS 19 Amended.*

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

	9 months		3rd quarter		December 31,
(million euros)	2013	2012*	2013	2012*	2012*
Increase / (decrease) in cash and cash equivalents from continuing operations	**964**	**254**	**946**	**844**	**(395)**
Increase (decrease) in cash and cash equivalents from discontinued operations	(1)	1	(1)	8	18
Net effect of foreign currency translation on cash and cash equivalents and other non monetary impacts	(160)	(3)	(38)	(41)	(61)
Reclassification of cash and cash equivalents as held for sale	-	(1)	-	(8)	-
Cash and cash equivalents at the beginning of the year/period	2,733	3,171	2,629	2,619	3,171
Cash and cash equivalents at end of the year/period	**3,536**	**3,422**	**3,536**	**3,422**	**2,733**
(1) *Net of cash and cash equivalents of companies acquired*	*2*	-	-	-	-
(2) *Net of cash and cash equivalents of companies disposed of*	*11*	*1*	*(30)*	-	*1*
Analysis of changes in working capital items	**(491)**	**(930)**	**(45)**	**(128)**	**(304)**
(Increase) / decrease in inventories	(54)	(209)	62	(14)	(183)
(Increase) / decrease in trade receivables	(625)	(707)	(205)	(135)	(107)
(Increase) / decrease in other receivables – excluding financial and income tax receivables	(63)	(64)	(28)	17	(44)
Increase / (decrease) in trade payables	249	6	140	(52)	24
Increase / (decrease) in other payables – excluding financial and income tax payables	2	44	(14)	56	6

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IAS 19 Amended.*
The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement 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, 2012	***287,247,518***	***233,448***	**1,149**	**9,684**	**(17)**	**6,217**	**(751)**	**(280)**	**16,002**	**2,197**	**18,199**
Net income						282			282	150	432
Other comprehensive income, net of income tax							(124)	95	(29)	5	(24)
Total comprehensive income						**282**	**(124)**	**95**	**253**	**155**	**408**
Dividends						(145)			**(145)**	(143)	**(288)**
Issuance of common stock									**-**	9	**9**
Issuance of common stock (stock options exercise)	*7,984*		-	-					**-**	-	**-**
Share based payments				9					**9**	-	**9**
Treasury shares		*(75,530)*			5	(5)			**-**	-	**-**
Changes in ownership with no gain/loss of control						42			**42**	(83)	**(41)**
Other movements						2			**2**	(2)	**-**
Balance at September 30, 2012	***287,255,502***	***157,918***	**1,149**	**9,693**	**(12)**	**6,393**	**(875)**	**(185)**	**16,163**	**2,133**	**18,296**
Balance at January 1, 2013	***287,255,502***	***157,283***	**1,149**	**9,695**	**(11)**	**6,477**	**(925)**	**(719)**	**15,666**	**2,082**	**17,748**
Net income						388			388	127	515
Other comprehensive income, net of income tax							92	(1,318)	(1,226)	(97)	(1,323)
Total comprehensive income						**388**	**92**	**(1,318)**	**(838)**	**30**	**(808)**
Dividends						(289)			**(289)**	(189)	**(478)**
Issuance of common stock (stock options exercise)	*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**	102	**186**
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**	**2,027**	**16,666**

**Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" following the application of IAS 19 Amended.*

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. 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 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 5, 2013.

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, 2013 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, 2012.

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, 2013 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, 2012 and described in the Note 2 of the Group consolidated financial statements of the 2012 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 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 (See paragraph 2.2 for more information on the impact of amendments of IAS 19 effective from January 1, 2013).

In addition, the Group performed as of September 30, 2013 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, 2012, namely for CGUs in Syria and Egypt in line with the current situation. The review of sensitive CGUs or group of CGUs did not indicate an impairment situation as of September 30, 2013. 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, 2013

The new IFRS and interpretations published as of December 31, 2012 and effective from January 1, 2013, 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 2012 Registration Document (page F 23), had no material impact on the Group interim condensed consolidated financial statements at September 30, 2013 except the amendments to IAS 19 that have been applied retrospectively as at January 1st, 2012.

The Group already applied the option offered by IAS 19 to recognize in other comprehensive income the actuarial gains or losses in the period in which they arise. As a result, these amendments impact mainly the financial component of the net periodic pension cost recorded in the consolidated statement of income and the recognition of non-vested past service costs:

- the financial component of the net periodic pension cost recorded as a financial expense is calculated by multiplying the fair value of plan assets by the discount rate instead of the expected return rate of plan assets. The difference with the actual return of plan assets is recorded in the other comprehensive income. As a result, this impacts neither the total amount of the obligation nor the equity. It only changes the split of the financial component of the net periodic pension cost between net income and other comprehensive income;
- non-vested past service costs from plan amendments are immediately recognized as an expense, and are no longer amortized over the remaining services lives of related employees. The unrecognized past service costs have been recorded in the provision for pension (non current) in counterpart of consolidated reserves for their total amount net of income tax as at January 1, 2012 (2 million euros).

Following the adoption of these amendments, the financial component of the net periodic pension cost which was previously recorded in "Operating income before gains, impairment, restructuring and other", is now presented in "Financial expenses" in the consolidated statement of income.

The following tables present the impact of this change of method on the statement of income and the statement of comprehensive income:

Statement of income	September 30, 2012			December 31, 2012		
(million euros, except per share data)	published	IAS 19 R impact	restated	published	IAS 19 R impact	restated
Revenue	**12,007**		**12,007**	**15,816**		**15,816**
Cost of sales	(9,098)	11	(9,087)	(11,945)	11	(11,934)
Selling and administrative expenses	(1,072)	(26)	(1,098)	(1,431)	(38)	(1,469)
Operating income before capital gains, impairment, restructuring and other	**1,837**	**(15)**	**1,822**	**2,440**	**(27)**	**2,413**
Net gains (losses) on disposals	41		41	53		53
Other operating income (expenses)	(428)		(428)	(546)		(546)
Operating income	**1,450**	**(15)**	**1,435**	**1,947**	**(27)**	**1,920**
Financial expenses	(872)	(53)	(925)	(1,191)	(64)	(1,255)
Financial income	119		119	160		160
Share of net income (loss) of associates	11		11	5		5
Income before income tax	**708**	**(68)**	**640**	**921**	**(91)**	**830**
Income tax	(234)	18	(216)	(316)	24	(292)
Net income from continuing operations	**474**	**(50)**	**424**	**605**	**(67)**	**538**
Net income from discontinued operations	8		8	16		16
Net income	**482**	**(50)**	**432**	**621**	**(67)**	**554**
Of which attributable to:						
- Owners of the parent company	**332**	**(50)**	**282**	**432**	**(67)**	**365**
- Non-controlling interests(minority interests)	150		150	189		189
Earnings per share (euros)						
Attributable to the owners of the parent company						
Basic earnings per share	1.16	(0.18)	0.98	1.50	(0.23)	1.27
Diluted earnings per share	1.15	(0.17)	0.98	1.50	(0.23)	1.27
From continuing operations						
Basic earnings per share	1.13	(0.18)	0.95	1.44	(0.23)	1.21
Diluted earnings per share	1.12	(0.17)	0.95	1.44	(0.23)	1.21

Statement of comprehensive income	September 30, 2012			December 31, 2012		
(million euros)	published	IAS 19 R impact	restated	published	IAS 19 R impact	restated
Net income	**482**	**(50)**	**432**	**621**	**(67)**	**554**
Items that will not be reclassified subsequently to profit or loss						
Actuarial gains / (losses)	(243)	68	(175)	(331)	91	(240)
Income tax on items that will not be reclassified to profit or loss	66	(18)	48	88	(24)	64
Total items that will not be reclassified to profit or loss	**(177)**	**50**	**(127)**	**(243)**	**67**	**(176)**
Total items that may be reclassified to profit or loss	**103**		**103**	**(490)**		**(490)**
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	**(74)**	**50**	**(24)**	**(733)**	**67**	**(666)**
TOTAL COMPREHENSIVE INCOME	**408**	**-**	**408**	**(112)**	**-**	**(112)**
Of which attributable to :						
- Owners of the parent company	***253***		***253***	***(248)***		***(248)***
- Non-controlling interests(minority interests)	*155*		*155*	*136*		*136*

This change of method has no impact on the statement of cash flows except for the lines directly linked to the statement of income (net income, financial (income) expenses, income tax and others).

Early application of standards

The Group has not early adopted standards and interpretations that are not yet mandatorily effective as at January 1, 2013.

Standards not yet effective with a potential impact on consolidated financial statements

The final assessment of the impacts of the new IFRS and interpretations published as of December 31, 2012 and not yet effective, 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 2012 Registration Document (page F 23) is not yet complete. However, based on a preliminary study, main impacts will be as follows:

- IFRS 10 – Consolidated financial statement, applicable for annual periods beginning on or after January 1, 2014: no material impact has been identified.
- IFRS 11 – Joint arrangements, applicable for annual periods beginning on or after January 1, 2014: main impacts will arise from the application of the equity method of accounting for interests in joint ventures, currently consolidated under the proportionate consolidation method. Based on the existing joint ventures as at January, 1, 2013, had the Group applied IFRS 11 for the period from January 1, 2013 to September 30, 2013, the impacts would have been as follows:
  - decrease by 1,550 million euros of revenue;
  - decrease by 221 million euros of Ebitda[3];
  - decrease by 97 million euros of “Operating incomes before capital gains, impairment, restructuring and other”;
  - decrease by 608 million euros of net debt[4].
- IFRS 12 – Disclosures of interests in other entities, applicable for annual periods beginning on or after January 1, 2014: the analysis of disclosures is not yet complete.

2.3 – Seasonality

Demand for our cement and aggregates & concrete products is seasonal and tends to be lower in the winter months in temperate countries and in the rainy season in tropical countries. We usually experience a reduction in sales on a consolidated basis in the first quarter during the winter season in our markets in Europe and North America, and an increase in sales in the second and third quarters, reflecting the summer construction season.

[3] *Ebitda (Earning before interests, taxes, depreciation and amortization) : operating income before capital gains, impairment losses, restructuring and others, before depreciation and amortization of property, plant and equipment and intangible assets.*
[4] *Net debt: sum of the long-term debt, short-term debt (including current portion of long-term debt), non current and current derivative instruments liabilities less the cash and cash equivalents, current and non current derivative instruments assets.*

Note 3. Significant events of the period

3.1 Completion of the Lafarge Tarmac joint venture

Context of the operation

The Competition Commission in May 2012 approved the proposed joint venture between Lafarge UK and Tarmac Quarry Materials subject to the sale of a portfolio of Tarmac and Lafarge construction materials operations in the United Kingdom.

Those disposals and the completion of the Lafarge Tarmac joint venture occurred in January 7, 2013. This joint venture combines their cement, aggregates, ready-mix concrete, asphalt and asphalt surfacing, maintenance services, and waste services businesses in the United Kingdom.

The creation of the new entity was achieved without exchanging cash.

Accounting treatment of the joint venture creation

As of December 31, 2012, in compliance with IFRS 5, assets and liabilities of Lafarge UK were grouped on the lines “Assets held for sale” and ‘Liabilities directly associated to assets held for sale” respectively in the consolidated statement of financial position (see *Note 3 (Significant events of the period)* to the consolidated financial statements as of December 31, 2012).

As of January 7, 2013, in accordance with IAS 27 approach further to the loss of control of Lafarge UK, the accounting treatment of the joint venture creation is as follows:

- Disposal of all of Group’s interest previously held in UK Lafarge entities and recognition of the disposal impact in the statement of income;
- Acquisition of 50% of Lafarge Tarmac for an amount equal to the fair value of the joint venture Lafarge Tarmac (50%). This joint takeover induces recognition of goodwill;
- Lafarge Tarmac whose 50% of voting rights are held by the Group, is consolidated using the proportionate method starting its creation.

Presentation of provisional impacts

The net impact of the joint venture creation and of the disposal of a business portfolio as required by the Competition Commission is a gain of 42 million euros in the consolidated statement of income on the line “Net gains (losses) on disposals”.

Details of the fair value of the net assets of Lafarge UK contributed, provisional net assets acquired (50% of Lafarge Tarmac) and provisional residual goodwill are as follows:

(million euros)	
Fair value of the joint venture Lafarge Tarmac (50%)	1,515
Provisional fair value of net assets acquired (50%)	1,156
Provisional goodwill	359

The goodwill is mainly attributable to the market shares and to the expected synergies through improvement of the operational logistical and purchasing efficiencies and the introduction of value-added products across a wider geographic area, which can’t be separately recognized.

The provisional fair value of assets and liabilities arising from the acquisition are as follows at the acquisition date:

(million euros)	Fair Value
Intangible assets	-
Property, plant and equipment	1,330
Inventories	69
Trade receivables	128
Other assets	81
Cash and cash equivalents	70
Provisions	(226)
Debt	-
Trade payables	(127)
Other liabilities	(169)
Non-controlling interests (Minority interests)	-
TOTAL NET ASSETS ACQUIRED	**1,156**

For the first nine months 2013, Lafarge Tarmac contributed revenues of 756 million euros and net income (Group share) of 1 million euros to the Group.

The net impact of disposals of business portfolio and of the creation of the joint venture is 30 million euros, net of cash disposed of in the consolidated cash flows on the line “Disposals”.

3.2 Disposal

3.2.1 Disposal of Gypsum Division operations

The Group has presented since September 2011 its Gypsum operations (activities in Middle East and Africa excluded) as discontinued operations as described in the Note 3.2.1 to the notes of the Group consolidated financial statements of the 2012 Registration Document (page F 24). The completion of the divestments occurred in August 2011 for Australia and during the last quarter 2011 for Western Europe, Central and Eastern Europe, Latin America and Asia.

Until the disposal date, in compliance with IFRS 5:
- assets and liabilities of Gypsum operations in North America were grouped on the lines “Assets held for sale” and ‘Liabilities directly associated to assets held for sale” respectively in the consolidated statement of financial position;
- the depreciation charge on depreciable assets ceased (13 million euros impact for the eight months 2013 and 15 million euros for nine months 2012).

On June 24, 2013, the Group signed a contract for the sale of its Gypsum operations in North America to an affiliate of Lone Star investment fund at an enterprise value of 700 million US dollars. This transaction was closed on August 30, 2013.

The impact of this disposal on the Group’s financial statements is as follows:
- Consolidated cash flows on the line “Disposals” : 530 million euros, net of cash disposed and before transaction costs;
- Consolidated statement of income on the line “Net income from discontinued operations”: 25 million euros for the net gain on disposal after tax.

3.2.2 Disposal of aggregates assets in Georgia (United States)

In February and March 2013, the Group disposed of 6 aggregates quarries in Georgia (United States). The net impact of this disposal is 115 million euros, net of cash disposed of in the consolidated cash flows on the line “Disposals” and 4 million euros for the net gain on disposal on the consolidated statement of income on the line “Net gains (losses) on disposals”.

3.2.3 Disposal of cement operations in Ukraine

In September 2013, the Group disposed of its cement asset in Ukraine to the group CRH. The net impact of this disposal is 83 million euros, net of cash disposed of in the consolidated cash flows on the line “Disposals” and (20) million euros for the net loss on disposal on the consolidated statement of income on the line “Net gains (losses) on disposals”.

3.3 Creation of a new entity in Mexico

In September 2013, the Group and Elementia have created an entity combining their cement assets in Mexico. The Group has brought to the new entity its two plants of Vito and Tula for a total capacity close to one million tons, while Elementia contributed the new one million tons plant that is currently building in central Mexico.

The new entity formed is held at 47% by the Group and 53% by Elementia and is recorded under equity method in the Group’s consolidated financial statements. Further to the loss of control, the disposal result is a gain of 81 million euros in the consolidated statement of income on the line “Net gains (losses) on disposals”. The value of the equity investment, which represents 47% of the fair value, equals to 181 million euros at the date of the creation of the entity.

3.4 Capital increase in Lafarge India Private Limited.

On July, 15, 2013, the Group completed the capital increase of 14 billion Indian Rupees (around 180 million euros) subscribed by Baring Private Equity Asia, and representing a 14% minority stake in its Indian subsidiary, Lafarge India Private Limited. The net impact in equity attributable to owners of the parent company of the Group is 93 million euros.

3.5 Issuance of bonds

In September 2013, the Group issued a 750 million euro bond with a 7 year maturity and fixed annual coupon of 4.75% to institutional investors.

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[5] 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 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.

[5] *Chief operating decision maker*

(a) Segment information

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	2,546	2,370	895	3,136	677	2,113	
Less: intersegment	(92)	-	(8)	(104)	-	(49)	
EXTERNAL REVENUE	**2,454**	**2,370**	**887**	**3,032**	**677**	**2,064**	**11,484**
EBITDA	**260**	**417**	**151**	**856**	**185**	**440**	**2,309**
Depreciation and amortization	(193)	(117)	(66)	(231)	(29)	(127)	**(763)**
Operating income before capital gains, impairment, restructuring and other	**67**	**300**	**85**	**625**	**156**	**313**	**1,546**
Net gains (losses) on disposals	42	(1)	(20)	-	66	4	**91**
Other operating income (expenses)	(104)	(18)	(34)	(25)	(6)	(7)	**(194)**
Including impairment on assets and goodwill	*(13)*	*(10)*	*(31)*	-	-	*(1)*	***(55)***
OPERATING INCOME	**5**	**281**	**31**	**600**	**216**	**310**	**1,443**
OTHER INFORMATION							
Capital expenditures	106	77	235	104	37	188	**747**
Capital employed	5,664	4,925	2,662	10,650	1,288	3,732	**28,921**
STATEMENT OF FINANCIAL POSITION							
Segment assets	7,042	5,539	2,914	11,790	1,487	4,803	**33,575**
Of which investments in associates	*145*	*14*	*41*	*203*	*211*	*4*	***618***
Unallocated assets [(a)]							**4,763**
TOTAL ASSETS							**38,338**
Segment liabilities	2,236	1,487	282	1,097	198	818	**6,118**
Unallocated liabilities and equity [(b)]							**32,220**
TOTAL EQUITY AND LIABILITIES							**38,338**

[(a)] *Deferred tax assets, derivative instruments and cash and cash equivalents*

[(b)] *Deferred tax liability, financial debt, derivative instruments and equity*

September 30, 2012 *(million euros)*	Western Europe	North America	Central and Eastern Europe	Middle East and Africa	Latin America	Asia	Total
STATEMENT OF INCOME							
Gross revenue	2,497	2,551	1,006	3,373	729	2,109	
Less: intersegment	(64)	-	(17)	(107)	-	(70)	
EXTERNAL REVENUE	**2,433**	**2,551**	**989**	**3,266**	**729**	**2,039**	**12,007**
EBITDA	**401**	**398**	**214**	**947**	**211**	**408**	**2,579**
Depreciation and amortization	(142)	(148)	(61)	(247)	(31)	(128)	(757)
Operating income before capital gains, impairment, restructuring and other	**259**	**250**	**153**	**700**	**180**	**280**	**1,822**
Net gains (losses) on disposals	(2)	1	-	-	-	42	41
Other operating income (expenses)	(310)	(53)	(23)	(28)	(2)	(12)	(428)
Including impairment on assets and goodwill	*(165)*	*(3)*	*(14)*	*(1)*	*-*	*-*	*(183)*
OPERATING INCOME	**(53)**	**198**	**130**	**672**	**178**	**310**	**1,435**
OTHER INFORMATION							
Capital expenditures	101	62	91	90	33	116	**493**
Capital employed	4,129	5,795	2,714	11,996	1,372	4,084	**30,090**
STATEMENT OF FINANCIAL POSITION							
Segment assets	5,275	6,456	2,996	13,180	1,599	5,156	**34,662**
Of which investments in associates	*153*	*20*	*40*	*216*	*41*	*9*	***479***
Assets held for sale	1,939	441	-	-	-	-	**2,380**
Unallocated assets [(a)]							**4,552**
TOTAL ASSETS							**41,594**
Segment liabilities	1,966	1,817	312	1,109	232	808	**6,244**
Liabilities associated with assets held for sale	318	30	-	-	-	-	**348**
Unallocated liabilities and equity [(b)]							**35,002**
TOTAL EQUITY AND LIABILITIES							**41,594**

[(a)] *Deferred tax assets, derivative instruments and cash and cash equivalents*

[(b)] *Deferred tax liability, financial debt, derivative instruments and equity*

December 31, 2012 *(million euros)*	Western Europe	North America	Central and Eastern Europe	Middle East and Africa	Latin America	Asia	Total
STATEMENT OF INCOME							
Gross revenue	3,271	3,375	1,293	4,423	961	2,832	
Less: intersegment	(90)	-	(23)	(140)	-	(86)	
EXTERNAL REVENUE	**3,181**	**3,375**	**1,270**	**4,283**	**961**	**2,746**	**15,816**
EBITDA	**507**	**558**	**256**	**1,242**	**296**	**564**	**3,423**
Depreciation and amortization	(191)	(198)	(81)	(329)	(40)	(171)	(1,010)
Operating income before capital gains, impairment, restructuring and other	**316**	**360**	**175**	**913**	**256**	**393**	**2,413**
Net gains (losses) on disposals	-	10	-	1	-	42	53
Other operating income (expenses)	(357)	(65)	(36)	(71)	(4)	(13)	(546)
Including impairment on assets and goodwill	*(178)*	*(7)*	*(19)*	*(5)*	*-*	*(3)*	*(212)*
OPERATING INCOME	**(41)**	**305**	**139**	**843**	**252**	**422**	**1,920**
OTHER INFORMATION							
Capital expenditures	156	112	121	142	72	172	**775**
Capital employed	4,081	5,060	2,686	11,560	1,332	3,938	**28,657**
STATEMENT OF FINANCIAL POSITION							
Segment assets	5,244	5,632	3,007	12,701	1,550	5,073	**33,207**
Of which investments in associates	*156*	*20*	*42*	*204*	*40*	*8*	***470***
Assets held for sale	1,849	431	-	-	-	-	**2,280**
Unallocated assets [(a)]							**3,977**
TOTAL ASSETS							**39,464**
Segment liabilities	1,956	1,675	359	1,110	217	893	**6,210**
Liabilities associated with assets held for sale	348	40	-	-	-	-	**388**
Unallocated liabilities and equity [(b)]							**32,866**
TOTAL EQUITY AND LIABILITIES							**39,464**

[(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			Gross revenue		
	September 30, 2013	September 30, 2012	December 31, 2012	September 30, 2013	September 30, 2012	December 31, 2012
Cement	7,311	7,899	10,373	7,834	8,440	11,085
Aggregates & Concrete	4,103	4,040	5,353	4,116	4,051	5,367
Other products	70	68	90	70	68	90
Eliminations				(536)	(552)	(726)
Total	**11,484**	**12,007**	**15,816**	**11,484**	**12,007**	**15,816**

(c) Information by country

(million euros)	September 30, 2013		September 30, 2012		December 31, 2012	
	External revenue	Non-current segment assets *	External revenue	Non-current segment assets *	External revenue	Non-current segment assets *
Western Europe	**2,454**	**5,751**	**2,433**	**4,197**	**3,181**	**4,231**
Of which:						
France	1,361	2,306	1,411	2,326	1,855	2,344
*United Kingdom****	756	1,626	632	-	822	-
North America	**2,370**	**4,313**	**2,551**	**5,096**	**3,375**	**4,700**
Of which:						
*United States ***	815	1,180	1,001	1,610	1,307	1,368
*Canada ***	1,555	829	1,550	910	2,068	894
Central and Eastern Europe	**887**	**2,521**	**989**	**2,559**	**1,270**	**2,642**
Middle East and Africa	**3,032**	**10,466**	**3,266**	**11,837**	**4,283**	**11,444**
Of which:						
Egypt	267	2,203	351	2,660	459	2,491
Algeria	462	2,913	431	3,142	584	3,133
Nigeria	456	1,274	450	1,350	572	1,319
Latin America	**677**	**1,263**	**729**	**1,336**	**961**	**1,310**
Of which:						
Brazil	465	810	508	920	666	905
Asia	**2,064**	**3,654**	**2,039**	**3,974**	**2,746**	**3,939**
Total	**11,484**	**27,968**	**12,007**	**28,999**	**15,816**	**28,266**

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

*** Non-current segment assets excluding goodwill*

**** Increase of non-current segment assets due to the creation of the Lafarge Tarmac joint venture (see Note 3.1)*

Note 5. Earnings per share

The computation and reconciliation of basic and diluted earnings per share for the periods ended September 30, 2013, September 30, 2012 and December 31, 2012 are as follows:

	9 months		December 31,
	2013	2012	2012
Numerator (in million euros)			
Net income attributable to owners of the parent company	388	282	365
Of which net income from continuing operations	*341*	*274*	*349*
Denominator (in thousands of shares)			
Weighted average number of shares outstanding	287,242	287,073	287,079
Total potential dilutive shares	1,982	1,128	1,183
Weighted average number of shares outstanding — fully diluted	289,224	288,201	288,262
Basic earnings per share (euros)	**1.35**	**0.98**	**1.27**
Diluted earnings per share (euros)	**1.34**	**0.98**	**1.27**
Basic earnings per share from continuing operations (euros)	**1.19**	**0.95**	**1.21**
Diluted earnings per share from continuing operations (euros)	**1.18**	**0.95**	**1.21**

Note 6. Debt

The debt split is as follows:

	At September 30,		At December 31,
(million euros)	2013	2012	2012
Long-term debt excluding put options on shares of subsidiaries	11,124	12,425	11,212
Put options on shares of subsidiaries, long-term	38	49	49
Non current financial debt	**11,162**	**12,474**	**11,261**
Short-term debt and current portion of long-term debt excluding put options on shares of subsidiaries	3,294	3,136	2,823
Put options on shares of subsidiaries, short-term	11	59	-
Current financial debt (including current portion of long-term debt)	**3,305**	**3,195**	**2,823**
Total debt excluding put options on shares of subsidiaries	14,418	15,561	14,035
Total put options on shares of subsidiaries	49	108	49
Total debt	**14,467**	**15,669**	**14,084**

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” (93 million euros as at September 30, 2013 and no amount as at December 31, 2012). As at September 30, 2013, the net variation of this debt is an increase of 93 million euros (compared to a decrease of 57 million euros as at September 30, 2012 and a decrease of 57 million euros as at December 31, 2012) 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, 2013, is 6.3% (6.1% as of September 30, 2012 and 6.4 % as of December 31, 2012).

The average interest rate of the gross debt after swaps is 6.2% for the first 9 months 2013 (6.2% for the first 9 months 2012 and 6.2% for the full year 2012).

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 2012 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 379 million euros as of September 30, 2013 (542 million euros as of September 30, 2012 and 371 million euros as of December 31, 2012).

The current portion of debt financing received from these programs includes 307 million euros as of September 30, 2013 (402 million euros as of September 30, 2012 and 300 million euros as of December 31, 2012).

The European securitization agreements are guaranteed by subordinated deposits and units totaling 72 million euros as of September 30, 2013 (140 million euros as of September 30, 2012 and 71 million euros as of December 31, 2012).

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, 2012. 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, 2012.

Note 7. Equity

(a) Dividends

The following table indicates the dividend amount per share the Group approved in 2013 for the year 2012 (paid in July 2013) as well as the dividend amount per share approved in 2012 for the year 2011 (paid in July 2012).

(euros, except otherwise indicated)	2012	2011
Total dividend (million euros)	289	145
Base dividend per share	1.00	0.50
Increased dividend per share*	1.10	0.55

** See section 6.2.5 (c) (Articles of Association (Statuts) - Rights, preferences and restrictions attached to shares) of the 2012 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 December 31, 2012	Gains/(losses) arising during the period	Recycling to income statement	At September 30, 2013
Available-for-sale financial assets	21	-	-	21
Gross value	*31*	-	-	*31*
Deferred taxes	*(10)*	-	-	*(10)*
Cash flow hedge instruments	(27)	-	3	(24)
Gross value	*(37)*	-	*4*	*(33)*
Deferred taxes	*10*	-	*(1)*	*9*
Actuarial gains/(losses)	(919)	89	-	(830)
Gross value	*(1,310)*	*140*	-	*(1,170)*
Deferred taxes	*391*	*(51)*	-	*340*
Total Other reserves	***(925)***	***89***	***3***	***(833)***
Total Foreign currency translation	***(719)***	***(1,359)***	***41***	***(2,037)***
Total Other comprehensive income/(loss), net of income tax	***(1,644)***	***(1,270)***	***44***	***(2,870)***

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 on 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, a civil action was brought before the Düsseldorf Regional Court by third parties claiming for damages resulting from such anti-competitive practices in Germany. Procedures with regard to the statute of limitation are taking place and the first instance judgment from the Düsseldorf Regional Court on this ground may be expected by the end of the year.

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 (57 million euros[6]), out of a total amount of penalty of 60 billion rupees (707 million euros[4]). 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 "CAT") as well as a request for a stay of the collection of the penalty until final Judgment of the CAT. On May 17, 2013, further to different initial procedural steps, the CAT 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 will resume in November 2013 and a final Order by the CAT may be expected in the course of 2014. 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 United Sates 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. Based on the information available at this stage on these recently served actions, 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 EEA, market sharing, and coordination of prices on the cement and related markets (concrete, aggregates). In the case of Lafarge, seven (7) countries are

[6] *Translated using the closing rate.*

quoted: France, the United Kingdom, Germany, Spain, the Czech Republic, Greece and Austria. The Commission's investigation is ongoing and Lafarge answered to its various requests for information. In November 2011, further to the answer by Lafarge of the last questionnaire received, the Commission notified Lafarge an injunction to waive any reserve to the answer and provide any further information deemed necessary to complete its investigation, under the threat of a penalty. Lafarge promptly complied with this new request for information and lodged a lawsuit with a view to obtaining the annulment of such injunction decision. By letter received on January 15, 2013, the European Commission confirmed that no penalty will be imposed to Lafarge under this injunction and, accordingly, Lafarge withdrew the lawsuit aiming to obtain its annulment. 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 findings report (the "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 responded to the Report, strongly contesting the provisional findings and possible remedies. Then, on 8 October 2013, the Commission published its provisional decision on remedies, requiring Lafarge-Tarmac to divest one cement plant together with certain ready-mixed plants and two slag granulators and imposing some behavioral remedies notably related to the publication of cement market data and price announcement letters. While responding to this provisional decision on remedies, Lafarge-Tarmac filed an interim appeal to the Competition Appeal Tribunal ("CAT") on October 22, 2013 based on procedural grounds. The final report (which will include the final decision on remedies) from the Commission is currently scheduled to be published in January 2014, subject to the consequences of the Order that the CAT may issue as a result of the Interim Appeal.

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. 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 recently, 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 have appealed this ruling on January 3, 2013. A decision by the Court of Appeals is expected during the first half-year 2014.

Lafarge North America Inc. vigorously defends itself in this ongoing action. Lafarge North America Inc. believes that the claims against it are without merit.

In connection with acquisitions made in past years, Lafarge or its subsidiaries are or may be faced with various demands or complaints, including those from minority shareholders.

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 particular, arbitration was ongoing between Lafarge's subsidiaries and the buyer of one of our businesses which was claiming a total of 59 million US dollars. By a final and binding decision delivered in August 2013, the arbitration tribunal accepted part of the plaintiffs' claims, ordering our subsidiaries to pay 16.6 million US dollars in damages (plus 2 million US dollars in costs) and rejecting the remaining claims in the amount of 43 million US dollars.

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 2012 Registration Document.

Note 10. 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 it 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, 2013.

These interim condensed consolidated financial statements are 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 the amendments to IAS19 – Employee benefits from January 1, 2013.

Neuilly-sur-Seine and Paris-La Défense, November 6, 2013

The Statutory Auditors
French original signed by

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