

Combined General Meeting

May 7th, 2015

Report

REPORT ON THE COMBINED SHAREHOLDERS' MEETING HELD ON MAY 7, 2015



Lafarge's Combined shareholders' meeting, which was held in Paris on May 7, 2015 under the chairmanship of Bruno Lafont, approved all resolutions submitted for their vote.

The shareholders' meeting approved a dividend of €1.27 per share and a loyalty dividend of €1.39 per share. The dividend will be paid on May 12, 2015.

The shareholders' meeting also approved the renewal of the terms of office as directors of Messrs Philippe Dauman and Baudouin Prot, new related party agreements ("*conventions réglementées*"), all the financial authorisations and the proposed amendments to the Articles of Association.

In addition, the shareholders' meeting provided the opportunity to present the project of merger of equals with Holcim to create the most advanced player in the building materials sector.

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1. Results of the votes at the General Meeting and Quorum

Number of shareholders present or represented, or having voted by mail or internet: 11,732

Quorum: 203,927,709 shares, representing 70.84% of the shares with voting rights

Number of voting rights: 316,830,620, representing 76.79% of the existing voting rights at the shareholders' meeting and 76.78% of the total number of voting rights.

All resolutions have been passed:

| Resolutions | | For | Against | Abstain |
|------------------------------------|--|-------------|------------|---------|
| 1st resolution | Approval of the 2014 financial statements and transactions | 316 297 223 | 229 414 | 303 983 |
| | | 99,83 % | 0,07 % | 0,10 % |
| 2nd resolution | Approval of the 2014 consolidated financial statements and transactions | 316 453 551 | 236 340 | 140 729 |
| | | 99,88 % | 0,07 % | 0,04 % |
| 3rd resolution | Appropriation of earnings and setting of the dividend | 315 354 892 | 1 316 082 | 159 646 |
| | | 99,53 % | 0,42 % | 0,05 % |
| 4th resolution* | Approval of a new related-party agreement (<i>convention réglementée</i>): undertaking agreement between Groupe Bruxelles Lambert, Holcim Ltd and Lafarge | 170 149 218 | 1 154 330 | 161 177 |
| | | 99,23 % | 0,67 % | 0,09 % |
| 5th resolution** | Approval of a new related-party agreement (<i>convention réglementée</i>): undertaking agreement between NNS Holding Sàrl, Mr. Nassef Sawiris, Holcim Ltd and Lafarge | 198 952 923 | 1 156 116 | 158 570 |
| | | 99,34 % | 0,58 % | 0,08 % |
| 6th resolution | Approval of new related-party agreements (<i>conventions réglementées</i>): amendments to the French supplementary pension plans and to the related insurance contracts | 313 700 536 | 2 912 582 | 145 874 |
| | | 99,03 % | 0,92 % | 0,05 % |
| 7th resolution | Renewal of the term of office of Mr. Philippe Dauman as Director | 312 530 390 | 4 130 506 | 169 724 |
| | | 98,64 % | 1,30 % | 0,05 % |
| 8th resolution | Renewal of the term of office of Mr. Baudouin Prot as Director | 311 011 487 | 5 643 264 | 175 869 |
| | | 98,16 % | 1,78 % | 0,06 % |
| 9th resolution | Advisory opinion on the elements of compensation due or granted to the Chairman and Chief Executive Officer, Mr. Bruno Lafont, for the financial year 2014 | 304 640 437 | 12 013 743 | 176 440 |
| | | 96,15 % | 3,79 % | 0,06 % |
| 10th resolution | Authorization to the Company to buy and sell its own shares | 316 005 365 | 657 148 | 168 107 |
| | | 99,74 % | 0,21 % | 0,05 % |
| 11th resolution | Authorization to the Board of Directors to issue bonds and securities which are bonds providing entitlement to the allotment of debt securities and not giving rise to an increase of the Company's share capital | 316 337 297 | 324 251 | 169 072 |
| | | 99,84 % | 0,10 % | 0,05 % |
| 12th resolution | Authorization to the Board of Directors to issue securities which are bonds providing entitlement to the allotment of existing equity securities and not giving rise to an increase of the Company's share capital | 315 744 085 | 901 250 | 185 285 |
| | | 99,66 % | 0,28 % | 0,06 % |
| 13th resolution | Delegation of authority to the Board of Directors to issue shares and securities entailing a capital increase, with preferential subscription rights | 301 892 989 | 14 760 748 | 176 883 |
| | | 95,29 % | 4,66 % | 0,06 % |

| | | | | |
|-----------------------------------|---|-------------|------------|---------|
| 14th resolution | Delegation of authority to the Board of Directors to issue shares and securities entailing a capital increase, with cancellation of the preferential subscription right of the shareholders | 308 918 104 | 7 723 209 | 189 307 |
| | | 97,50 % | 2,44 % | 0,06 % |
| 15th resolution | Delegation of authority to the Board of Directors to issue shares and securities entailing a capital increase in an offer covered by article L.411-2, II of the French Monetary and Financial Code, with cancellation of the preferential subscription right of the shareholders | 302 104 088 | 14 538 355 | 188 177 |
| | | 95,35 % | 4,59 % | 0,06 % |
| 16th resolution | Delegation of authority to the Board of Directors to issue shares and securities entailing a capital increase as payment for contributions in kind | 309 997 382 | 6 663 641 | 169 597 |
| | | 97,84 % | 2,10 % | 0,05 % |
| 17th resolution | Delegation of authority to the Board of Directors to increase the number of securities to be issued in case of a capital increase with or without preferential subscription rights | 297 958 162 | 18 687 430 | 185 028 |
| | | 94,04 % | 5,90 % | 0,06 % |
| 18th resolution | Delegation of authority to the Board of Directors to increase the capital by incorporation of premiums, reserves, profits or other items | 312 543 148 | 4 106 419 | 181 053 |
| | | 98,65 % | 1,30 % | 0,06 % |
| 19th resolution | Authorization to the Board of Directors to reduce the share capital through cancellation of treasury shares | 314 907 722 | 1 740 331 | 182 567 |
| | | 99,39 % | 0,55 % | 0,06 % |
| 20th resolution | Authorization to the Board of Directors to allot free existing or new shares, with cancellation of the preferential subscription right of the shareholders | 286 044 175 | 30 477 044 | 309 401 |
| | | 90,28 % | 9,62 % | 0,10 % |
| 21st resolution | Authorization to the Board of Directors to grant options to subscribe for or purchase shares, with cancellation of the preferential subscription right of the shareholders | 285 755 625 | 30 889 146 | 185 849 |
| | | 90,19 % | 9,75 % | 0,06 % |
| 22nd resolution | Delegation of authority to the Board of Directors to issue shares and/or securities entailing a capital increase reserved for members of employee savings plans, with cancellation of the preferential subscription right of the shareholders | 312 810 579 | 3 836 696 | 183 345 |
| | | 98,73 % | 1,21 % | 0,06 % |
| 23rd resolution | Delegation of authority to the Board of Directors to issue shares and/or securities entailing a capital increase reserved for a category of beneficiaries as part of a transaction reserved for employees, with cancellation of the preferential subscription right of the shareholders | 312 776 903 | 3 855 696 | 198 021 |
| | | 98,72 % | 1,22 % | 0,06 % |
| 24th resolution | Amendment to the Articles of association – Participation to Shareholders' Meetings (amendment of the record date) | 316 220 216 | 420 787 | 189 617 |
| | | 99,81 % | 0,13 % | 0,06 % |
| 25th resolution | Amendment to the Articles of association – Competence to issue bonds and securities not entailing a capital increase | 286 323 015 | 30 297 790 | 209 815 |
| | | 90,73 % | 9,56 % | 0,07 % |
| 26th resolution | Delegation of powers to carry out corporate formalities | 316 472 586 | 151 716 | 206 318 |
| | | 99,89 % | 0,05 % | 0,07 % |

* Specific quorum, as Groupe Bruxelles Lambert and related persons did not take part in the vote of the resolution: 143,611,443 shares, representing 63.11% of the shares with voting rights for this resolution, and 196 198 088 voting rights, representing 67.20% of the existing voting rights for this resolution and 47.54% of the total number of voting rights. The adjustment of voting rights mechanism contained in the articles of association applied and, following adjustment, the number of voting rights taking part in the vote was 171,464,725.

** Specific quorum, as NNS Holding Sàrl and related persons did not take part in the vote of the resolution: 163,859,079 shares, representing 66,12 % of the shares with voting rights for this resolution, and 236 693 360 voting rights, representing 71.19% of the existing voting rights for this resolution and 57,36% of the total number of voting rights. The adjustment of voting rights mechanism contained in the articles of association applied and, following adjustment, the number of voting rights taking part in the vote was 200,267,609.

2. Pre-AGM consultation : Shareholders' areas of interest



The General Meeting is an opportunity to answer precisely shareholders' questions. As every year, we organized a pre-meeting consultation on our website.

Below are the shareholders' main areas of interest:

Pre-AGM consultation

Key points

Proposed merger of Lafarge and Holcim

Debt reduction and financial structure

Dividend

Financial Results

Innovation

Governance and directors' pay

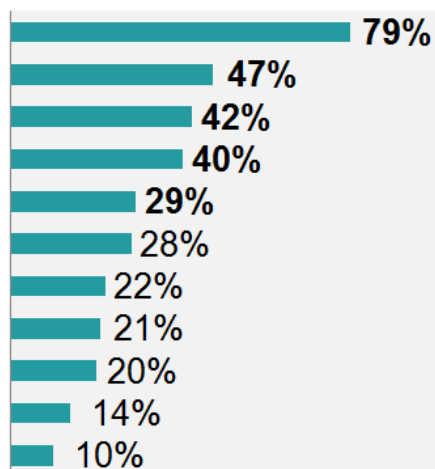
Industrial performance

Share price

Presence in emerging markets

Shareholders' club

Sustainable development



3. The General Meeting : snapshot

Strong results in 2014 and positive outlooks for 2015

The 2015 Lafarge General Meeting was an opportunity to review the year 2014

"All the transformation work we have done over a period of several years is now paying off," said Bruno Lafont. "By refocusing on our core business, by further consolidating our market-based approach to work even more closely with our customers, by putting innovation at the heart of strategy, and by redrawing the geography of our portfolio to support urban growth, we have delivered strong results."

Compared with 2013:

- **our annual revenue increased by 3%;**
- **our EBITDA was 5% higher;**
- **our net income Group share was up by 10%.**

We also hit our cost reduction target a full year early, and succeeded in **reducing our debt to just over €9 billion.**

Bruno Lafont confirmed our targets for this year:

- **To achieve EBITDA of between €3 billion and €3.2 billion, with at least €550 million attributable to cost cutting and innovation.**
- **To remain on target with improving our financial structure through investments totaling €1.1 billion.**
To continue the process of reducing our debt to between €8.5 billion and €9 billion by the end of the year.

LafargeHolcim: the merger project in progresses

The plan to merge with Holcim was one of the headline issues at this General Meeting. Bruno Lafont presented an update on the decisive milestones we have already reached in preparing for **this merger of equals**, with particular emphasis on **governance and regulatory approvals by competition authorities.**

LafargeHolcim will become **a global leader** with the ability to respond effectively to the great construction challenges of today and tomorrow. This leadership will be visible in four distinct areas of our business:

- We will be **better positioned to support the trend towards urbanization.**
- We will have **the best innovation policy focused on building better cities.**
- We will have **the greatest technical and industrial expertise delivered by the best professionals in the industry using the very latest technologies installed in our cutting-edge plants.**
- We will set **the benchmark for sustainability.**

4. Answers to shareholders' questions

You may listen to the questions and answers session in English by viewing the broadcast of the General Meeting on our website: www.lafarge.com.



5. The Board of Directors after the General Meeting

REELECTION AND APPOINTMENT OF DIRECTORS

The Combined Meeting of May 7, 2015 renewed the terms of office of Mr Philippe Dauman and Baudouin Prot.

Philippe Dauman, born on **March 1, 1954** – American citizen

Experience and Expertise

Director, Chairman of the Strategy, Investment and Sustainable Development Committee, member of the Corporate Governance and Nominations Committee

Philippe Dauman was appointed to the Lafarge Board of Directors in 2007. He has been Chief Executive Officer of Viacom Inc. (USA) since September 2006. He was previously Joint Chairman of the Board and Chief Executive Officer of DND Capital Partners LLC (USA) from May 2000. Before creating DND Capital Partners, Philippe Dauman was Deputy Chairman of the Board of Viacom from 1996 to May 2000, Executive Vice-President from 1995 to May 2000, and General Counsel and Secretary of the Board from 1993 to 1998. Prior to that, he was a partner in New York law firm Shearman & Sterling. He served as Director of Lafarge North America Inc. from 1997 to 2006. He is currently a Director of Viacom Inc. and National Amusements Inc. (USA), a member of the Dean's Council for the University of Columbia Law School (USA), a member of the Business Roundtable (USA), a member of the Board of the National Cable & Telecommunications Association (USA) and Co-Chairman of the Partnership for New York (USA). He is also a member of The Paley Center for Media's Board (USA), a member of the Board of Kipp Foundation (USA), and a member of the Executive Committee of the Board of Lenox Hill Hospital (USA).



Independent Director, Philippe Dauman in particular brings to the Board of Directors his knowledge of the Lafarge Group, in particular in North America, as well as his experience as an executive officer and Director of international industrial groups

Positions held in France and abroad over the last five years

Current positions

| | |
|-----------|---|
| In France | Director of <u>Lafarge</u> (listed company) |
| Abroad | Director, President and Chief Executive Officer of <u>Viacom Inc.</u> (USA) company) Director of <u>National Amusements Inc.</u> (USA) |

Over the last five years that have ended, in France and abroad

| | |
|-----------|-----|
| In France | N/A |
| Abroad | N/A |

Baudouin Prot, born on May 24, 1951 – French citizen

Experience and Expertise

Director, member of the Corporate Governance and Nominations Committee, member of the Strategy, Investment and Sustainable Development Committee

Baudouin Prot was appointed to the Lafarge S.A. Board of Directors in 2011. He was previously Chairman of BNP Paribas from December 2011 to December 2014. After graduating from the French business school HEC in 1972 and from ENA in 1976, Baudouin Prot joined the French Ministry of Finance where he stayed for four years. He then became Deputy Director of Energy and Raw Materials at the French Ministry of Industry for three years. He joined BNP in 1983 as Deputy Director of the intercontinental branch of Banque Nationale de Paris and became Director for Europe in 1985. In 1987, he joined the Central Networks department, was promoted to Central Director in 1990, and became Executive Vice-President of BNP in charge of networks in 1992. Baudouin Prot was appointed Chief Executive Officer of BNP in 1996 and Chief Operating Officer (Directeur général délégué) of BNP Paribas in 1999. In May 2000, he was appointed Director and Chief Operating Officer (Directeur général délégué) of BNP Paribas, and became Director and Chief Executive Officer of the bank in May 2003. Baudouin Prot is also a Director of Kering and Veolia Environnement.



Independent Director, Baudouin Prot in particular brings to the Board his expertise in finance and banking and his experience as an executive officer and Director of international groups.

Positions held in France and abroad over the last five years

Current positions

| | |
|-----------|--|
| In France | Director of <u>Lafarge</u> (listed company) |
| | Director of <u>Kering</u> (listed company) |
| | Director of <u>Veolia Environnement</u> (listed company) |
| Abroad | N/A |

Over the last five years that have ended, in France and abroad

| | |
|-----------|---|
| In France | Director and Chairman of BNP Paribas (listed company) (until December 1, 2014) |
| | Chairman of the “Fédération Bancaire Française” (from September 2009 to August 2010) |
| Abroad | Director of Pargesa Holding S.A. (Switzerland) (listed company) (until May 2014) |
| | Director of Erbé S.A. (Belgium) (until December 2013) |

A complete biography of each director already in office on May 7, 2014 can be found in the Annual report 2014, available on www.lafarge.com.

BOARD COMPOSITION

Following the General Meeting, the Board of Directors is composed of the following **18 directors**, including **2 Directors representing employees** (Mr. Luc Jeanneney and Ewald Simandl), and out of which **10 have been classified as independent**:

| | |
|---|--|
| Mr. Bruno Lafont (Chairman and Chief Executive Officer) | Mr. Luc Jeanneney <i>(Director representing employees)</i> |
| Mr. Oscar Fanjul <i>(independent)</i> (Vice-Chairman of the Board of Directors – Lead Independent Director) | Mr. Gérard Lamarche |
| Mr. Philippe Charrier <i>(independent)</i> | Ms. Hélène Ploix <i>(independent)</i> |
| Mr. Philippe Dauman <i>(independent)</i> | Mr. Baudouin Prot <i>(independent)</i> |
| Mr. Paul Desmarais Jr. | Ms. Christine Ramon <i>(independent)</i> |
| Mr. Juan Gallardo <i>(independent)</i> | Mr. Michel Rollier <i>(independent)</i> |
| Mr. Ian Gallienne | Mr. Nassef Sawiris |
| Ms. Mina Gerowin <i>(independent)</i> | Mr. Ewald Simandl <i>(Director representing employees)</i> |
| Mr. Jérôme Guiraud | Ms. Véronique Weill <i>(independent)</i> |

The percentage of independent Directors at the Board corresponds to 62.5 % (not taking into account the two Directors representing employees for this computation), while maintaining and ensuring representation on the Board of the principal shareholders.

As a reminder, Directors are classified as independent by the Board of Directors using mainly the rules and criteria proposed in the Code of Corporate Governance for listed companies published by Afep-Medef and by carrying out materiality tests on the business relationships between the Company and its Directors.

The Board of Directors is **international and diverse**, made up of individuals with different backgrounds and experience.

The proportion of women elected to the Board (four women out of 18) stands at 25% (not taking into account the two Directors representing employees for this computation).

COMPOSITION OF THE COMMITTEES

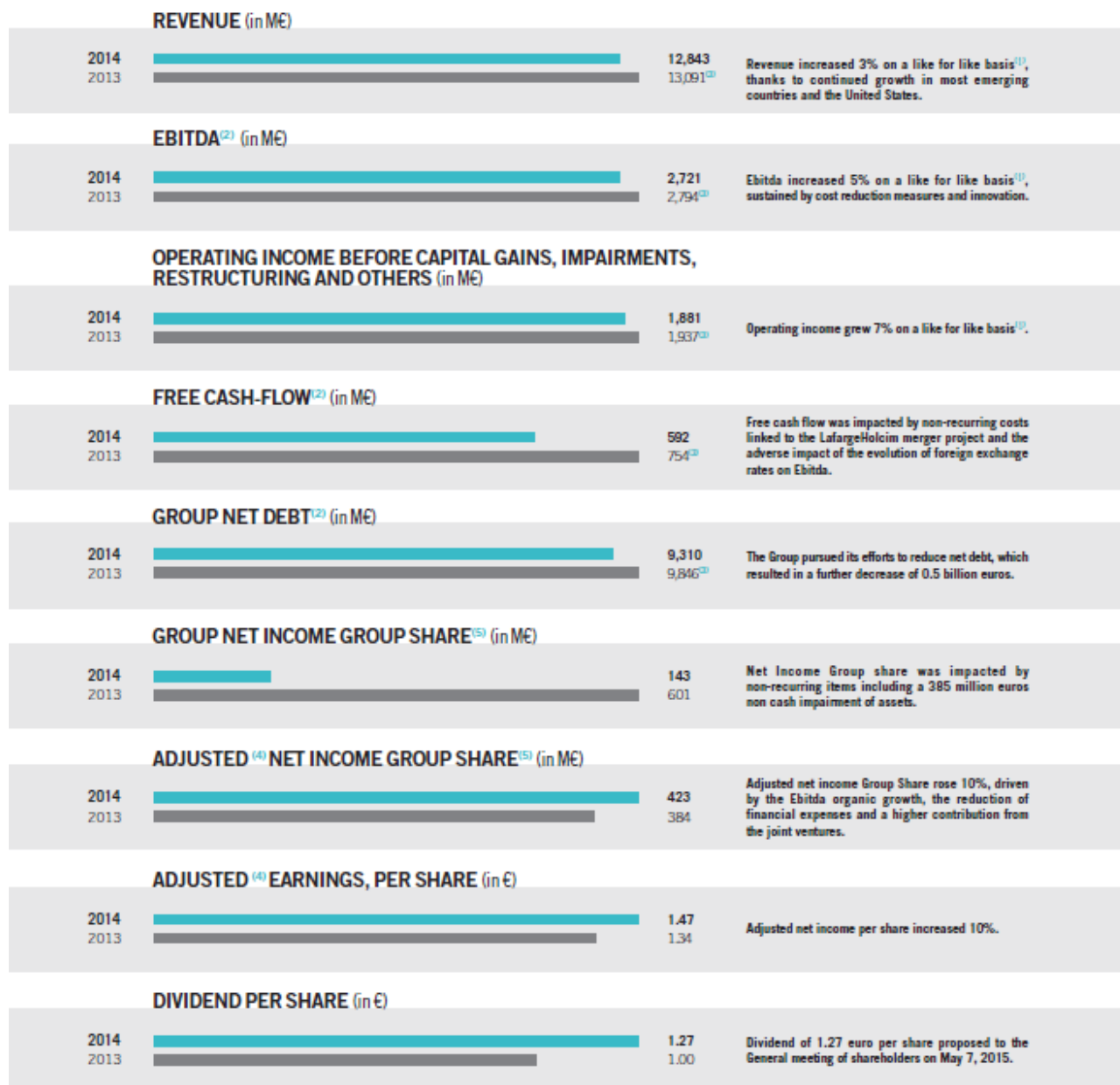
In addition, following the General Meeting the four Committees of the Board of Directors are composed as follows, with a percentage of independent Directors as indicated below:

| <u>Audit Committee :</u> | <u>Corporate Governance and Nominations Committee :</u> |
|---|---|
| Mr. Michel Rollier <i>(independent) (Chairman of the Committee)</i> | Mr. Oscar Fanjul <i>(independent) (Chairman of the Committee)</i> |
| Mr. Oscar Fanjul <i>(independent)</i> | Mr. Philippe Dauman <i>(independent)</i> |
| Mr. Juan Gallardo <i>(independent)</i> | Mr. Juan Gallardo <i>(independent)</i> |
| Mr. Jérôme Guiraud | Mr. Ian Gallienne |
| Mr. Gérard Lamarche | Mr. Baudouin Prot <i>(independent)</i> |
| Ms. Christine Ramon <i>(independent)</i> | Mr. Michel Rollier <i>(independent)</i> |
| Ms Véronique Weill <i>(independent)</i> | Mr. Nassef Sawiris |
| Percentage of independent : 71% | Percentage of independent : 71% |

| <u>Remunerations Committee :</u> | <u>Strategy, Investment and Sustainable Development Committee :</u> |
|---|--|
| Mr. Oscar Fanjul <i>(independent) (Chairman of the Committee)</i> | Mr. Philippe Dauman <i>(independent) (Chairman of the Committee)</i> |
| Mr. Philippe Charrier <i>(independent)</i> | Mr. Philippe Charrier <i>(independent)</i> |
| Mr. Juan Gallardo <i>(independent)</i> | Mr. Paul Desmarais Jr. |
| Mr. Ian Gallienne | Mr. Oscar Fanjul <i>(independent)</i> |
| Mr. Nassef Sawiris | Ms. Mina Gerowin <i>(independent)</i> |
| Mr. Ewald Simandl <i>(Director representing employees)</i> | Mr. Gérard Lamarche |
| Ms Véronique Weill <i>(independent)</i> | Ms Hélène Ploix <i>(independent)</i> |
| | Mr. Baudouin Prot <i>(independent)</i> |
| | Mr. Michel Rollier <i>(independent)</i> |
| | Mr. Nassef Sawiris |
| Percentage of independent : 67% | Percentage of independent : 71% |

6. Key figures at December 31, 2014

A world leader in building materials, Lafarge employs 63,000 people in 61 countries, and posted sales of 12.8 billion euros in 2014. As a top-ranking player in its Cement, Aggregates & Concrete Businesses, it contributes to the construction of cities around the world, through its innovative solutions providing them with more housing and making them more compact, more durable, more beautiful, and better connected. With the world's leading building materials research facility, Lafarge places innovation at the heart of its priorities in order to contribute to more sustainable construction and to better serve architectural creativity.



(1) Like for like variations are calculated excluding the impact of scope, exchange rates, carbon credit sales, the one-time gain of 20 million euros booked in 2013 on North America and the impact of the sales volumes decrease in Iraq due to the present situation (36 million euros).

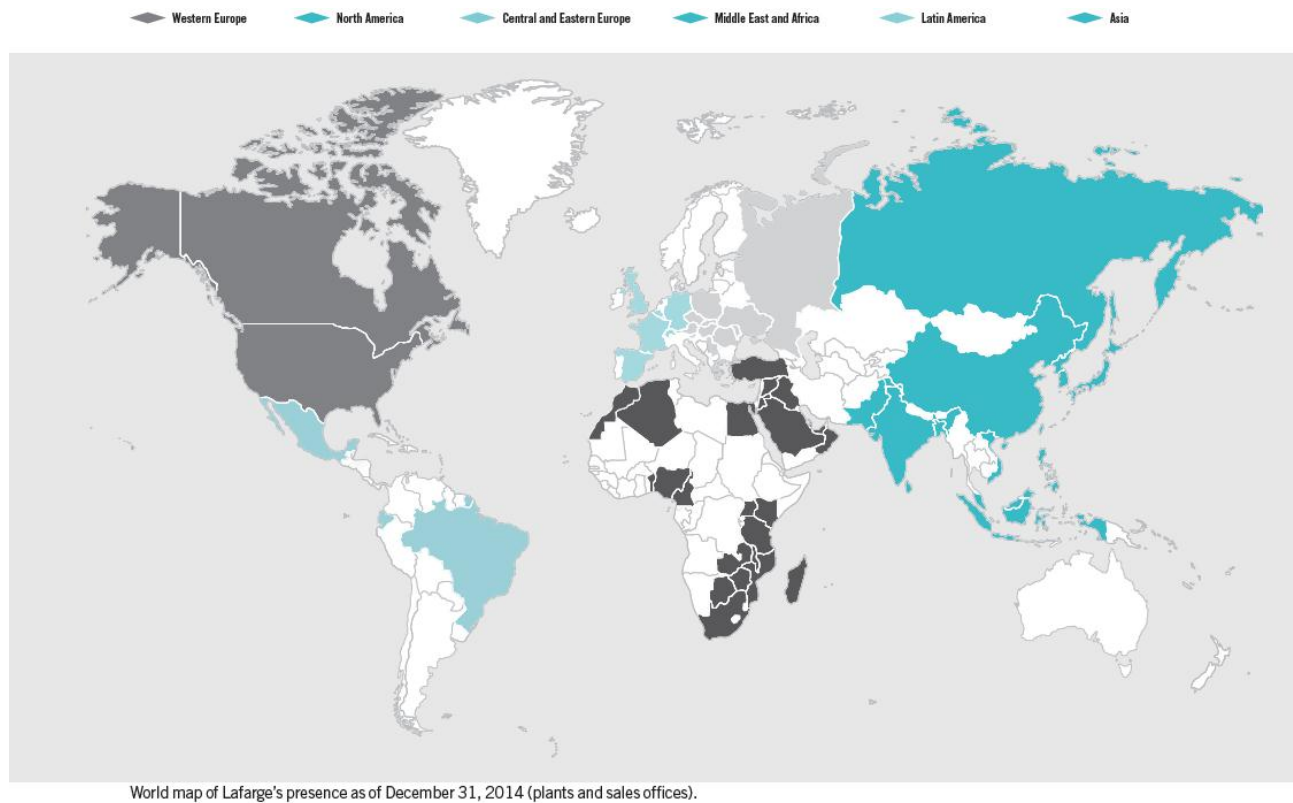
(2) See Section 2.2 (Accounting policies and definitions) in the Group's 2014 Annual Report (Registration Document).

(3) 2013 figures have been restated following the application of IFRS 11.

(4) Adjusted for non-recurring items, net of tax: merger costs, gains and losses on divestments (including the gain on the divestment of our Gypsum operations in the United States, presented in the 2013 net income from discontinued operations), non-cash impairments and one-off effects on the deferred tax positions to reflect the newly applicable tax rates, notably in Algeria and Spain.

(5) Net income attributable to the owners of the parent of the Group.

LAFARGE WORLDWIDE (DECEMBER 31, 2014)



A WORLD LEADER IN CEMENT (AT DECEMBER 31, 2014)

8,545

revenue¹
million euros

37,000

employees²

55

countries²

149

production sites²

AGGREGATES & CONCRETE NO. 2 & NO. 4 WORLDWIDE (DECEMBER 31, 2014)

4,253

revenue¹
million euros

26,000

employees²

37

countries²

1,463

production sites²

¹ Without joint ventures.

² With joint ventures.

WHAT WAS THE GROUP'S PERFORMANCE IN 2014?

CONSOLIDATED KEY FIGURES AT DECEMBER 31, 2014

| (in millions of euros unless otherwise indication) | 2014 | 2013 | Variation | Variation like-for-like ⁽²⁾ |
|--|---------------|--------|-----------|--|
| Revenue | 12,843 | 13,091 | -2% | 3% |
| Ebitda ⁽¹⁾ | 2,721 | 2,794 | -3% | 5% |
| <i>Ebitda margin (%)</i> | 21.2% | 21.3% | -10 bps | 40 bps |
| Current Operating Income | 1,881 | 1,937 | -3% | 7% |
| Reported Net income Group share | 143 | 601 | nm | |
| Adjusted Net income Group share ⁽³⁾ | 423 | 384 | 10% | |
| Adjusted Earnings per share (euros) ⁽⁴⁾ | 1.47 | 1.34 | 10% | |
| Free cash flow ⁽¹⁾ | 592 | 754 | -21% | |
| Net debt | 9,310 | 9,846 | -5% | |

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

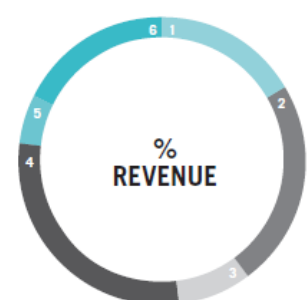
(2) Calculation of the like-for-like variations: at constant scope and exchange rates, and excluding CO2 sales, a 20 million euros one-time gain recorded in Q1 2013 in North America and the loss of volumes in Iraq in H2 2014 in the current situation.

- Western Europe: 29 million euros of carbon credit sales in 2014 versus 11 million euros in 2013.
- Central and Eastern Europe: 8 million euros of carbon credit sales in 2014 versus 3 million euros in 2013.
- Middle East and Africa: -36 million euros effect of the loss of volumes in Iraq in H2 2014.

(3) Adjusted for non-recurring items, net of tax: project of merger-related costs, gains and losses on divestments (including the gain on the sale of our Gypsum operations in the United States, presented in the 2013 net income from discontinued operations), non-cash impairments and one-time effects on the deferred tax positions to reflect the newly applicable tax rates in some countries.

(4) Basic average number of shares outstanding of 287.5 million and 287.3 million for fourth quarter 2014 and 2013, and 287.4 million and 287.3 million for the year 2014 and 2013, respectively.

Key figures by Division and by geographic area (AT DECEMBER 31, 2014)



| | |
|-------------------------------|-------|
| 1. Western Europe | 16.4% |
| 2. North America | 23.5% |
| 3. Central and Eastern Europe | 8.3% |
| 4. Middle East and Africa | 28.9% |
| 5. Latin America | 5.5% |
| 6. Asia | 17.4% |



| | |
|-------------------------------|-------|
| 1. Western Europe | 23.6% |
| 2. North America | 12.5% |
| 3. Central and Eastern Europe | 8.8% |
| 4. Middle East and Africa | 30.0% |
| 5. Latin America | 3.5% |
| 6. Asia | 21.6% |

GROUP HIGHLIGHTS

After a first semester of 2014 in which the construction sector was better oriented than last year, the construction activity showed more moderate growth in the second half of the year, due to a higher comparison basis in Europe, notably in France, and lower volumes sold in Iraq. Most emerging markets, the United States and the United Kingdom benefited from solid trends throughout the year.

Like-for-like, cement volumes are up 4% for the year thanks to continued growth in most emerging markets and the United States, the benefit from our innovation actions and the startup of our new plants in India and in Russia.

Sales and Ebitda were impacted by the adverse effect of changes in scope and foreign exchange variations.

Like-for-like sales and Ebitda rose respectively 3% and 5% for the year. Group Ebitda margin improved 40bps like-for-like over the period driven by solid performance in most of our regions and despite strong inflation in Latin America and Asia. The Group delivered its 2014 cost cutting and innovation target, generating 600¹ million euros in the year (370 million euros from cost cutting and 230 million euros from innovation).

Reported Net income Group share is affected by one-off items, including 385 million euros non-cash impairment of assets and gains and losses on divestments. 2014 Net income Group share adjusted for one-off items is up 10% compared to 2013, supported by Ebitda organic growth, lower restructuring and financial charges and the steady improvement of joint ventures' net profit.

Group Net debt was further reduced, at 9.3 billion euros as of December 31, 2014. 0.2 billion euros of additional cash proceeds from divestments secured in 2014 are expected to be received in 2015 and will contribute to further reduce net debt.

The 2014 year was also marked by the announcement of a project of merger of equals between Lafarge and Holcim on April 7, 2014. Since this announcement, major steps towards the completion of the merger project were achieved and the project is fully on track to be finalized in July 2015.

¹

Total Ebitda figures before application of IFRS 11 on joint-ventures. After application of IFRS 11, these measures generated 505 million euros at Ebitda level (310 million euros from cost cutting and 195 million euros from innovation).