

# NOTICE OF MEETING

COMBINED SHAREHOLDERS' MEETING

**THURSDAY, MAY 7, 2015**

**AT 3:30 P.M**

**CARROUSEL DU LOUVRE**



 **LAFARGE**  
Building better cities™

# CONTENTS

	WELCOME TO THE LAFARGE COMBINED SHAREHOLDERS' MEETING	03
<b>1</b>	HOW TO PARTICIPATE IN THE SHAREHOLDERS' MEETING?	04
<b>2</b>	KEY FIGURES AT DECEMBER 31, 2014	08
<b>3</b>	WHAT WAS THE GROUP'S PERFORMANCE IN 2014?	10
<b>4</b>	AGENDA	29
<b>5</b>	RESOLUTIONS TO BE SUBMITTED TO THE MEETING, AS PRESENTED BY THE BOARD	30
<b>6</b>	STATUTORY AUDITORS' REPORTS	65
<b>7</b>	COMPOSITION OF THE BOARD OF DIRECTORS	80
<b>8</b>	PRACTICAL QUESTIONS	100
	DOCUMENTS REQUEST FORMS	103



*This Notice of meeting is a translation of the French document "Avis de convocation" and is being furnished for information purposes only. In all matters of interpretation of information, views or opinions expressed therein, the original French version of the notice takes precedence over this translation.*

# INVITATION TO THE ANNUAL GENERAL MEETING

**Dear shareholder,**

I take great pleasure in inviting you to attend the Annual General Meeting of Lafarge Shareholders, to be held at 3:30 p.m. on Thursday, May 7, 2015, at the Carrousel du Louvre, 99, rue de Rivoli, 75001 Paris, France.

This meeting is a special moment of dialogue.

It is an opportunity for you to find out more about the Group's developments, and more importantly to express your opinion concerning our Group, regardless of the number of Lafarge shares you own.

On this occasion, I will be accompanied by the Group's Executive Committee and will present our results for 2014, along with our strategy and outlook for the future.

The Board of Directors will ask you to approve the distribution of 1.27 euro per share for the normal dividend and 1.39 euro per share for the loyalty dividend.

I attach a great deal of importance to this opportunity for discussion and to the vote of our shareholders, which is an expression of your confidence in our Company.

I therefore sincerely hope that I will see you at our Annual General Meeting.

In the meantime, may I thank you for your continuing trust and your loyalty to Lafarge.

Yours sincerely,

**Bruno Lafont,**  
Chairman and Chief Executive Officer





## WHY THIS NOTICE OF MEETING AND A VOTING FORM?

We sent you the notice of the Shareholders' Meeting and a voting form because you hold Lafarge shares. This brochure contains the resolutions on which you are being

called upon to vote, as a shareholder, and the information on these resolutions, so that you can make an informed decision. The voting form allows you to inform us of whether you

will attend the Shareholders' Meeting or vote by mail or by proxy, if you do not attend the meeting.

## WHERE CAN I FIND ADDITIONAL INFORMATION?

### On our website

All documents that must be provided in the context of this General Meeting are available on our website **www.lafarge.com** (Shareholders & Investors section).

The Group publications, including the 2014 Registration Document (Annual Report) that contains Lafarge S.A. statutory accounts and the Group's consolidated financial statements are available on our website at **www.lafarge.com** (Shareholders & Investors section).

The press releases concerning the Group's activities and results are also available on our website.

### Upon Request

The 2014 Registration Document (Annual Report) including the statutory accounts and the Group consolidated financial statements and as the case may be other documents provided by Article R.225-83 of the French Commercial Code can be sent to you by completing the request form on page 103 and returning it to:

**BNP Paribas Securities Services - Les Grands Moulins de Pantin – CTS - Service aux Émetteurs/Service Assemblée Lafarge - 9, rue du Débarcadère 93761 Pantin Cedex 09 – France**

### By calling the toll free number

For any question related to the Shareholders' Meeting, do not hesitate to contact us at the toll free number 0 800 235 235 (for calls from France only).

### At the head office

You can also consult all the documents that will be submitted to the Shareholders' Meeting which the Company is required to make available to its shareholders, at Lafarge's head office.

- ◆ **The notice prior to this meeting, issued in compliance with Article R.225-73 of the French Commercial Code, was published in BALO, the French legal announcement bulletin, on March 16, 2015.**
- ◆ **The Shareholders' Meeting will be recorded and broadcast in real time on our website at **www.lafarge.com** and will be available for viewing thereafter.**

## QUORUM RULES FOR SHAREHOLDERS' MEETINGS

The quorum applicable to Ordinary Shareholders' Meetings is 20% at the first convocation (art. L.225-98 of the French Commercial Code) and the quorum for

Extraordinary Shareholders' Meetings is 25% at the first convocation and 20% at the second convocation (art. L.225-96 of the French Commercial Code).

**The 2015 Combined Shareholders' Meeting will be held at the first convocation, which will require a quorum of 25% of the voting rights present or represented.**

# WELCOME TO THE LAFARGE COMBINED SHAREHOLDERS' MEETING

The Combined Shareholders' Meeting will be held at the first convocation on **Thursday, May 7, 2015** at 3.30 p.m. at the Carrousel du Louvre, 99, rue de Rivoli, 75001 Paris.

## ALL LAFARGE SHAREHOLDERS ARE ENTITLED TO PARTICIPATE IN THE SHAREHOLDERS' MEETING

You can attend the Shareholders' Meeting in person or vote by mail or proxy. The two required conditions are: you must be a

Lafarge shareholder (no matter how many shares you hold) and you must prove your identity as a **shareholder on Tuesday, May 5.**

**2015 (0.00 Paris time)**, and the supporting documents must reach us by **Wednesday, May 6, 2015 at 3.00 p.m.**

## IT IS EASIER TO PARTICIPATE IN THE SHAREHOLDERS' MEETING

You do not need to block your shares to participate in the Shareholders' Meeting:

If you hold registered shares, you have to be recorded in the issuer account or a managed account on Tuesday, May 5, 2015 (0.00 Paris time):

If you hold bearer shares, your bank will have to certify that you are a shareholder at the latest on Tuesday, May 5, 2015 (0.00 Paris time) by producing a statement of holdings when sending your voting form to **BNP Paribas Securities Services** (clearing bank).

Les Grands Moulins de Pantin - C.T.S. -  
Service aux Émetteurs/Service Assemblée  
Lafarge - 9, rue du Débarcadère 93761 Pantin  
Cedex 09 - France that must be received by  
Wednesday, May 6, 2015 at 3.00 p.m.

## TO COME TO THE SHAREHOLDERS' MEETING

## TO REACH CARROUSEL DU LOUVRE

**Metro :**

Palais Royal – Musée du Louvre station

### Direct access from the station

to Carrousel du Louvre

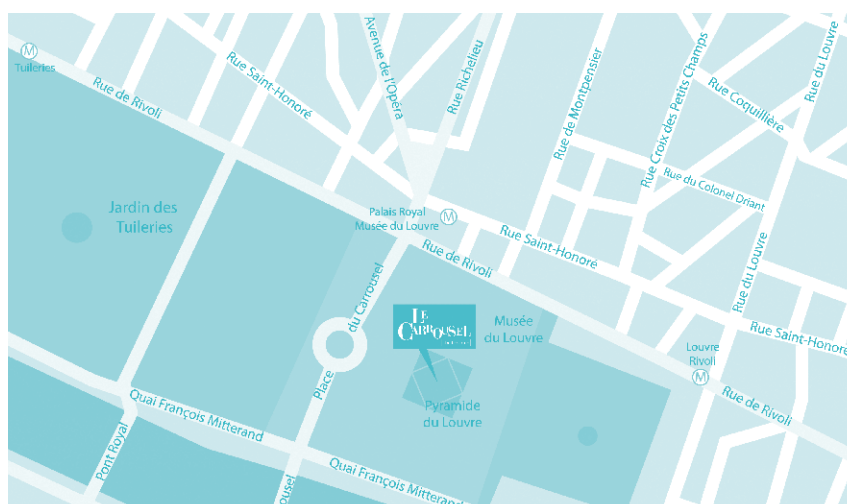
**Bus :**

Lines 21, 27, 39, 48, 67, 68, 69, 72, 81, 95.

Palais Royal – Musée du Louvre station

or Palais Royal – Comédie Française station

or Musée du Louvre station



# HOW TO PARTICIPATE IN THE SHAREHOLDERS' MEETING?

NEW@

## TO PARTICIPATE IN THE SHAREHOLDERS' MEETING VIA INTERNET

You can participate by connecting to a secured website (VOTACCESS) enables you to vote via Internet, give a proxy to the Chairman of Lafarge, give a proxy to another person, request and admission card as well as download documents for the Meeting.

### I am a registered shareholder (pure registered shares)

Connect to the PlanetShares website (<https://planetshares.bnpparibas.com>) with login and password used for accessing your account data on the PlanetShares website of BNP Paribas Securities Services and go to "My shareholder space - my General Meetings" page.

### I am an administered registered shareholder

Connect to the PlanetShares website (<https://planetshares.bnpparibas.com>) with the login received by post with the notice of meeting.

Please call the toll-free number **0 800 060 646** (for calls from France only) if you have lost your login or your password.

### I am a bearer shareholder

**If your financial intermediary is connected to VOTACCESS**, connect to your authorized financial intermediary website and access your share account, then follow instructions.

**If your financial intermediary is not connected to VOTACCESS**, notification of the appointment and cancellation of proxy can also be given electronically, in the following way:

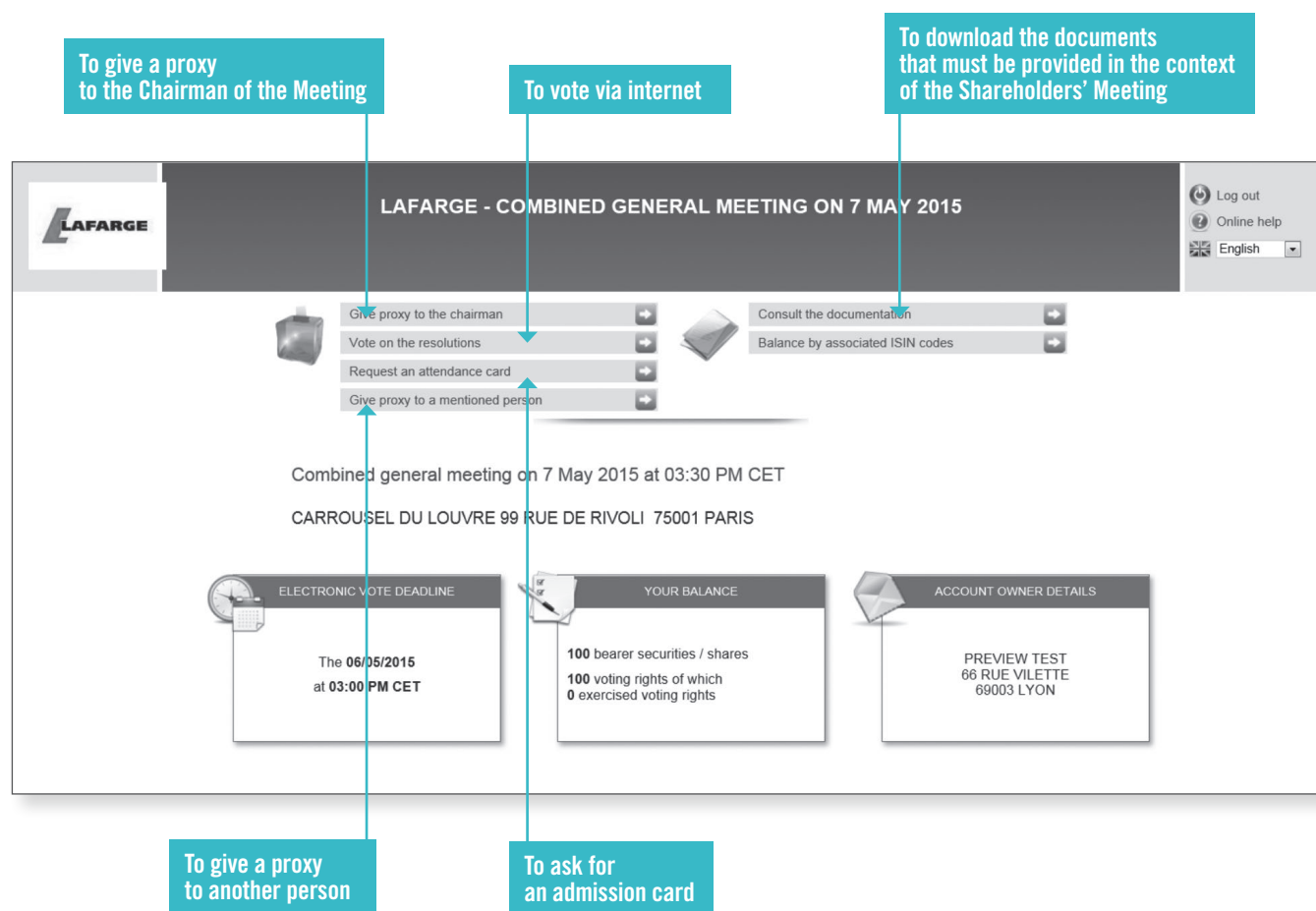
- **Send an e-mail** to the address [paris.bp2s.france.cts.mandats@bnpparibas.com](mailto:paris.bp2s.france.cts.mandats@bnpparibas.com). This e-mail must contain the following information: Lafarge meeting, May 7, 2015, family name, first name, address and bank references of the principal, and the family name, first name and, if possible, address of the proxy.
- **Ask the authorized financial intermediary handling the management of your share account to send a written confirmation** to BNP Paribas Securities Services, Service Assemblées Générales, CTS Assemblées Générales, Les Grands Moulins de Pantin 9, rue du Débarcadère, 93761 Pantin Cedex.

In order to be taken into account, confirmations of electronic appointments or cancellations of proxies must be received at the latest by 3 p.m. (Paris Time) on Wednesday, May 6, 2015.

### ACCESS TO THE SECURED WEBSITE

The secured website dedicated to the General Meeting will be open **from April 13, 2015 until May 6, 2015, 3 p.m. Paris time**. It is nonetheless recommended that shareholders do not delay voting until the final day.

## TO NAVIGATE ON THE SECURED WEBSITE (VOTACCESS)



## TO ATTEND IN PERSON, VOTE OR GIVE A PROXY IN PAPER FORM

You can attend the Shareholders' Meeting in person or vote by mail or proxy. In any event, mark your choice on the voting form enclosed with this notice.

To optimize preparations for the Combined Shareholders' Meeting, **you must send in your instructions as soon as possible.**

## TO FILL OUT THE VOTING FORM

### I WOULD LIKE TO ATTEND THE SHAREHOLDERS' MEETING

- ◆ Check **case A** of the form.
- ◆ **Date** and **sign** at the bottom of the form.

BNP Paribas Securities Services, Lafarge's clearing bank, will send you your admission card.

If you have not received your admission card by **Tuesday, May 5, 2015**, you may call BNP Paribas Securities Services at **0 800 060 646** (toll free number for calls from France only) or +33 (0)1 55 77 61 00, which will give you the number of your admission card. This number will allow you to be identified on the day of the Shareholders' Meeting and you will be able to vote.

You need to arrive on the date of the Shareholders' Meeting with **your admission card** (or the number given to you by BNP Paribas Securities Services).

If you have not had the time to request your admission card, or if you have not received it on the day of the Shareholders' Meeting,

- ◆ **Your status as a registered shareholder** will enable you to attend the Shareholders' Meeting by simply presenting proof of your identity at the appropriate desk in the meeting room;
- ◆ **As a bearer shareholder**, you must ask your financial intermediary to provide you with a certificate of holding. This document will enable you to attend the Shareholders' Meeting.

### I WOULD LIKE TO BE REPRESENTED AT THE SHAREHOLDERS' MEETING

To vote, you have to choose from 3 options:

#### To give your proxy to the Lafarge Chairman

- ◆ Check **case B** on the form.
- ◆ **Date** and **sign** the bottom of the form.

Your votes will be added to those of the Chairman. The Chairman will vote "yes" for the adoption of the resolutions submitted or recommended by the Board of Directors and "no" for the other ones.

#### To vote by mail

- ◆ Check **cases B** and **2** of the form.
- ◆ Indicate your vote:

If you want to vote "no" on a resolution, or to "abstain" (an abstention is counted as a "no" vote), shade the case that corresponds to the number of the relevant resolution. Do not shade the case if you want to vote "yes" on a resolution.

- ◆ **Date** and **sign** the bottom of the form.

#### To give your proxy to a person of your choice

- ◆ Check **cases B** and **3** of the form.
- ◆ Indicate the full name and address of the person who will represent you.
- ◆ **Date** and **sign** the bottom of the form.

## SEND IN MY VOTING FORM

### I hold registered shares

*(issuer account or administered account)*

Return the form to BNP Paribas Securities Services using the pre-paid envelope provided.

BNP Paribas Securities Services must receive **your form no later than Wednesday, May 6, 2015 at 3.00 p.m.** (Paris time).

### I hold bearer shares

Send the form to the financial intermediary (bank, brokerage firm or on-line broker) that administers your account.

We suggest you do this as soon as possible, because your financial intermediary must confirm that you are a shareholder by producing a certificate of holding that must be received with your form by BNP Paribas Securities Services, before **Wednesday, May 6, 2015 at 3.00 p.m.** (Paris time).

All operations related to the Shareholders' Meeting are conducted by BNP Paribas Securities Services, Lafarge's clearing bank.

BNP Paribas Securities Services  
Les Grands Moulins de Pantin CTS  
Service aux Émetteurs  
Assemblée LAFARGE  
9, rue du Débarcadère  
93761 Pantin Cedex 09 – France.

Toll free number: **0 800 060 646**  
(for calls from France only).

**Whatever your status is, do not send your voting form directly to Lafarge.**



# TO FILL OUT THE VOTING FORM

**B** To be represented at the Shareholders' Meeting, check box B.

**A** To receive your admission card to attend the Shareholders' Meeting in person, check box A.

**IMPORTANT : avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / Before selecting, please refer to instructions on reverse side.**

- A. ☐ QUELLE QUE SOIT L'OPTION CHOISIE, NOIRCIER COMME CECI ■ LA OU LES CASES CORRESPONDANTES, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, SHADE BOX(ES) LIKE THIS ■, DATE AND SIGN AT THE BOTTOM OF THE FORM
- B. ☐ J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

**LAFARGE**

Siège Social : 61, rue des Belles Feuilles  
BP 40 - 75782 Paris Cedex 16  
S.A. au capital de 1.151.381.400 Euros  
542 105 572 R.C.S. Paris

**ASSEMBLÉE GÉNÉRALE MIXTE**  
convoquée le 7 mai 2015 à 15 h 30 (heure de Paris),  
au Carrousel du Louvre, 99 rue de Rivoli, 75001 PARIS

**COMBINED SHAREHOLDERS' MEETING**  
to be held on May, 7th 2015 at 3.30 p.m. (Paris time)  
in Carrousel du Louvre, 99 rue de Rivoli, 75001 PARIS

**CADRE RÉSERVÉ À LA SOCIÉTÉ / For Company's use only**

Identifiant / Account

Nombre d'actions / Number of shares

Nominatif / Registered

Porteur / Bearer

Vote simple / Single vote

Vote double / Double vote

Nombre de voix / Number of voting rights

☐ **JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
Cf. au verso renvoi (2) - See reverse (2)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en notifiant comme ceci ■. Géranco, je vote en notifiant comme ceci ■ la case correspondante et pour lesquels Je vote NON ou je m'abstiens.

I vote YES all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box - like this ■, for which I vote NO or I abstain.

Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en notifiant comme ceci ■ la case correspondant à mon choix.

On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this ■.

1	2	3	4	5	6	7	8	9	Oui / Yes	Non/No	Oui / Yes	Non/No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A	<input type="checkbox"/>	F	<input type="checkbox"/>
10	11	12	13	14	15	16	17	18	B	<input type="checkbox"/>	G	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	C	<input type="checkbox"/>	H	<input type="checkbox"/>
19	20	21	22	23	24	25	26	27	D	<input type="checkbox"/>	J	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	E	<input type="checkbox"/>	K	<input type="checkbox"/>
28	29	30	31	32	33	34	35	36				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
37	38	39	40	41	42	43	44	45				
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

☐ **JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
Cf. au verso renvoi (3)

I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING  
See reverse (3)

☐ **JE DONNE POUVOIR A :** cf. au verso renvoi (4)

HEREBY APPOINT see reverse (4)

M., Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name

Adresse / Address

**ATTENTION :** S'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.

**CAUTION :** If it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.

Nom, Prénom, Adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement)  
- Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary)  
Cf. au verso renvoi (1) - See reverse (1)

Whatever your choice, do not forget to date and sign the form.

Date & Signature

**2** Vote by mail

**1** Give your proxy to the Lafarge Chairman.

**3** Give your proxy to a person of your choice.

# 2

## 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.

### REVENUE (in M€)

2014		12,843	Revenue increased 3% on a like for like basis <sup>(1)</sup> , thanks to continued growth in most emerging countries and the United States.
2013		13,091 <sup>(3)</sup>	

### EBITDA<sup>(2)</sup> (in M€)

2014		2,721	Ebitda increased 5% on a like for like basis <sup>(1)</sup> , sustained by cost reduction measures and innovation.
2013		2,794 <sup>(3)</sup>	

### OPERATING INCOME BEFORE CAPITAL GAINS, IMPAIRMENTS, RESTRUCTURING AND OTHERS (in M€)

2014		1,881	Operating income grew 7% on a like for like basis <sup>(1)</sup> .
2013		1,937 <sup>(3)</sup>	


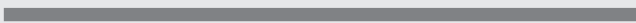
### FREE CASH-FLOW<sup>(2)</sup> (in M€)

2014		592	Free cash flow was impacted by non-recurring costs linked to the LafargeHolcim merger project and the adverse impact of the evolution of foreign exchange rates on Ebitda.
2013		754 <sup>(3)</sup>	


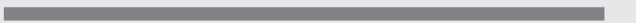
### GROUP NET DEBT<sup>(2)</sup> (in M€)

2014		9,310	The Group pursued its efforts to reduce net debt, which resulted in a further decrease of 0.5 billion euros.
2013		9,846 <sup>(3)</sup>	

### GROUP NET INCOME GROUP SHARE<sup>(5)</sup> (in M€)

2014		143	Net Income Group share was impacted by non-recurring items including a 385 million euros non cash impairment of assets.
2013		601	

### ADJUSTED<sup>(4)</sup> NET INCOME GROUP SHARE<sup>(5)</sup> (in M€)

2014		423	Adjusted net income Group Share rose 10%, driven by the Ebitda organic growth, the reduction of financial expenses and a higher contribution from the joint ventures.
2013		384	

### ADJUSTED<sup>(4)</sup> EARNINGS, PER SHARE (in €)

2014		1.47	Adjusted net income per share increased 10%.
2013		1.34	

### DIVIDEND PER SHARE (in €)

2014		1.27	Dividend of 1.27 euro per share proposed to the General meeting of shareholders on May 7, 2015.
2013		1.00	

(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).

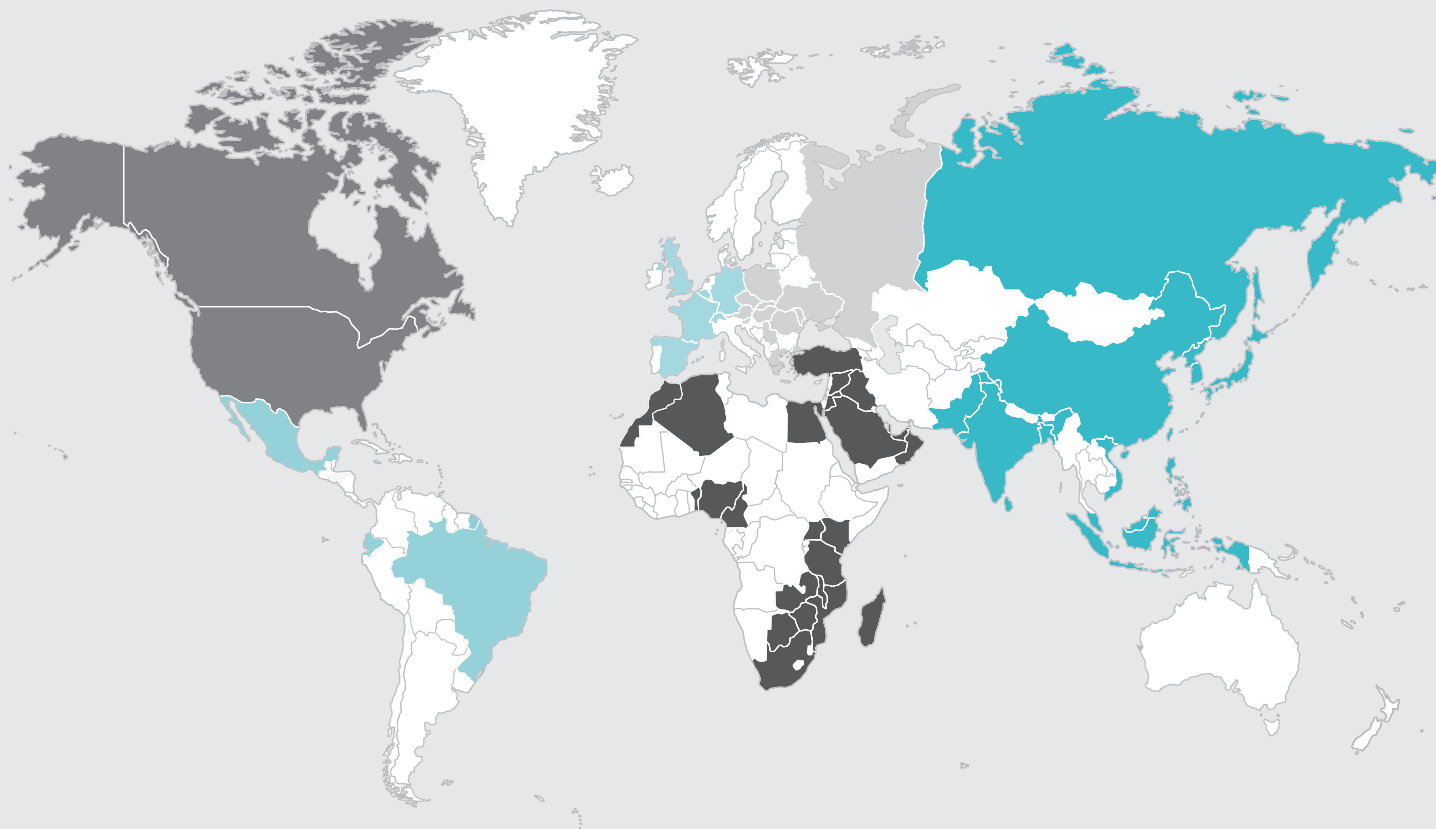
(3) 2013 figures have been restated following the application of IFRS 11.

(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)

Western Europe North America Central and Eastern Europe Middle East and Africa Latin America Asia



World map of Lafarge's presence as of December 31, 2014 (plants and sales offices).

## A WORLD LEADER IN CEMENT (December 31, 2014)

**8,545**  
revenue<sup>(1)</sup>  
million euros

**37,000**  
employees<sup>(2)</sup>

**55**  
countries<sup>(2)</sup>

**149**  
production sites<sup>(2)</sup>

## AGGREGATES AND CONCRETE NO.2 AND NO.4 WORLDWIDE (December 31, 2014)

**4,253**  
revenue<sup>(1)</sup>  
million euros

**26,000**  
employees<sup>(2)</sup>

**37**  
countries<sup>(2)</sup>

**1,463**  
production sites<sup>(2)</sup>

(1) Without joint ventures.

(2) With joint ventures.

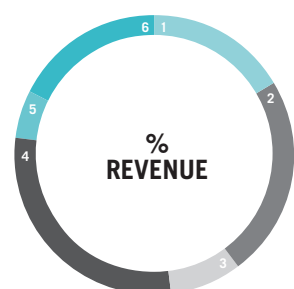
# WHAT WAS THE GROUP'S PERFORMANCE IN 2014?

## CONSOLIDATED KEY FIGURES AT DECEMBER 31, 2014

(in millions of euros unless otherwise indication)	2014	2013	Variation	Variation like-for-like <sup>(2)</sup>
Revenue	12,843	13,091	-2%	3%
Ebitda <sup>(1)</sup>	2,721	2,794	-3%	5%
Ebitda margin (%)	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 <sup>(3)</sup>	423	384	10%	
Adjusted Earnings per share (euros) <sup>(4)</sup>	1.47	1.34	10%	
Free cash flow <sup>(1)</sup>	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 GEOGRAPHIC AREA (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%



**2014 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 600<sup>(1)</sup> 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.

**LAFARGE IN 2014****SALES**

Consolidated sales, at 12,843 million euros in 2014 were down 2% versus last year.

Currency impacts were unfavorable (-3% on sales, or -412 million euros), mainly due to the appreciation of the euro versus the Canadian dollar, the South African rand, the Brazilian real, the Russian rouble and various currencies in Asia. The negative trend of the impact of exchange rates in the first three quarters of 2014 reversed in the fourth quarter as sales were positively impacted by a 2% exchange rates effect in the quarter (76 million euros). Net changes in the scope of consolidation had a negative impact on 2014 sales of -2% (or -212 million euros), mostly reflecting the divestment of our Honduran and Ukrainian cement operations, the deconsolidation of our Mexican operations, following the creation of a joint venture with Elementia, and the disposal of some aggregates assets in the United States.

On a comparable basis, consolidated sales were up 3% for the full year 2014, with the combination of higher volumes and increased prices across all of our product lines to address cost inflation. Cement prices were up 1.6% compared to 2013.

**EBITDA**

2014 full year Ebitda was also negatively impacted by exchange rates (-4%, or -92 million euros) and changes in scope (-3% or -85 million euros).

Ebitda was up 5% for the year, excluding scope, exchange rates, sales of carbon credits and a 20 million euros exceptional gain recorded in North America in the first quarter 2013, and the effect of the loss of cement volumes in Iraq in the second half of the year (-36 million euros). Carbon credit sales amounted to 37 million euros in 2014 versus 14 million euros in 2013. On a like-for-like basis, Ebitda margin was up 40 basis points in the full year, thanks to the contribution of our self-help measures, positive trends in the United States and most markets in Middle East and Africa which more than offset the impact of lower volumes in Europe and Brazil. Our internal measures to reduce costs and promote innovation generated a total additional Ebitda<sup>(2)</sup> of 600 million euros in 2014, with 370 million euros from cost-savings and 230 million euros from innovation.

(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).

(2) Total Ebitda figures before application of IFRS 11 on joint ventures. After application of IFRS 11, these measures generated 505 million euros in 2014 (310 million euros for cost savings and 195 million euros for innovation) and 140 million euros in the fourth quarter of 2014.

## VOLUMES, SALES, EBITDA AND CURRENT OPERATING INCOME BY REGION GEOGRAPHICAL AREA

### **North America - Volume Growth in the United States and Pricing Gains**

Market trends were solid in the region in 2014, on the back of improved trends in the residential sector in the United States and the well-oriented economy in Western Canada.

Sales decreased 2% versus 2013, strongly impacted by the adverse effect of foreign exchange variations. The depreciation of the Canadian dollar and the US dollar against the euro had a negative impact of 5% on sales, while the effect of the divestment of some aggregates assets reduced sales by 1%.

At constant scope and exchange rates, sales were up 4% compared to last year, with price gains across all product lines and higher cement volumes.

◆ **In the United States**, our sales grew 10% versus 2013, supported by a residential sector positively oriented throughout the year; housing starts exceeded 1,000,000 units in 2014. Cement volumes sold and aggregates volumes sold increased 6% and 4% respectively, compared with 2013 and at constant scope. Ready-mix sales volumes dropped 8% compared with 2013, with a lower number of projects.

◆ **In Canada**, sales were slightly up versus 2013, impacted by a late start to the construction season after a particularly harsh winter. At constant scope, cement volumes sold rose 2% compared to 2013. Aggregates and ready-mix sales volumes sold decreased 3% and 4% versus 2013, respectively, reflecting the phasing of some large projects completed in 2013 in Western Provinces, while our aggregates business benefited from a positive growth in Ontario with several infrastructure and civil engineering projects. The fourth quarter experienced improved trends, with cement volumes up 7% both in the West and the East and a strong progression of our aggregates business.

At constant scope and exchange rates, and excluding a one-off gain of 20 million euros on pensions recorded in the first quarter 2013, Ebitda rose solidly versus last year, supported by a robust improvement of our earnings in the Cement and Aggregates businesses both in Canada and the United States and cost saving and innovation measures successfully implemented in all product lines.

### **Western Europe - forceful cost-cutting initiatives mitigating lower volumes in France**

Sales decreased 4% for the year reflecting lower volumes in France, while the situation stabilized or improved in the other countries of this region. Exports from Spain and Greece continued to be developed in order to optimize kiln utilization. The impact of changes in scope and exchange rates was negligible.

◆ **In France**, construction activity was soft overall. In the residential sector, housing starts were still down in 2014, just below 300,000 units, with some gradual improvements expected in the course of 2015. The infrastructure segment compared with a challenging second half 2013, helped by a higher number of projects launched ahead of local elections. Compared with 2013, our Cement, Aggregates and Ready-mix volumes contracted by 6%, 4% and 7%, respectively.

◆ **In Spain**, some signs of economic recovery can be seen, and the construction sector has stabilized, with some improvements noticed in the fourth quarter. Currently, demand is mostly driven by the infrastructure segment that represents more than half of the country's total cement demand. Cement volumes were flat versus last year.

◆ **The construction activity in Greece** also showed signs of improvement. Cement volumes rose 5% compared to 2013, while our Aggregates and Concrete businesses experienced double-digit growth versus last year, reflecting several large infrastructure projects launched in early 2014.

On a comparable basis, Ebitda increased 4% and Ebitda margin rose 100 bps versus 2013, supported by significant cost-cutting measures compensating for lower sales.

### **Central and Eastern Europe - Ebitda Margin Improvement Driven by performance and innovation initiatives**

Sales dropped versus 2013, impacted by the depreciation of the Russian rouble and the effect of the divestment of our Ukrainian cement assets completed at the end of the third quarter 2013.

At constant scope and exchange rates, sales were up 4% compared to 2013 and stabilized in the fourth quarter. Cement and Aggregates product lines were supported by a strong first half, while the Ready-mix business benefited from several projects throughout the year.

◆ **In Poland**, sales were up 4% overall versus 2013. After a first half marked by a strong level of construction activity, the rest of the year was more subdued, as the first EU infrastructure plan ended, while the effect of the new plan is expected to be more visible from the second half of 2015. Cement volumes were stable versus 2013, while our Aggregates and Ready-mix concrete businesses were supported by several large projects.

◆ **In Romania**, cement volumes improved 2%, with a strong rebound from the residential segment compensating for a contraction of infrastructure works.

◆ **In Russia**, the overall cement market consumption slightly improved compared to last year. Our Cement volumes increased 9% versus 2013, reflecting the progressive ramp-up of our new plant of 2 million tonnes capacity, located in the south of the Moscow region, which started production in April, and despite a slowdown of the construction market in the fourth quarter.

Like-for-like Ebitda and Ebitda margins significantly improved versus last year, with a positive contribution from all the countries of this region. This robust performance was underpinned by cost containment and a strong focus on innovation in a weak-volume environment, and was achieved despite a 2 million euros adverse destocking impact in the fourth quarter in Aggregates.

### ***Middle East and Africa - Robust Performance despite some Challenging Situations in the Second Part of the Year***

The performance of the region was robust in 2014 despite several adverse events, demonstrating the strength of our asset portfolio.

The region was impacted by the depreciation of certain currencies, although the impact progressively reversed and was favorable in the fourth quarter. At constant scope and exchange rates, sales rose 5% and Ebitda 4% versus last year, with a positive contribution of most markets more than offsetting the impact of lower volumes in Iraq due to transportation limitations restricting the shipping of cement in certain parts of the country from June.

Excluding this impact, sales were up 6% like-for-like versus last year. They were slightly down in the fourth quarter, due to lower production levels in South Africa and the suspension of our operations in Syria from mid-September 2014.

- ◆ **In Nigeria**, our cement volumes increased 4% versus 2013, while prices were positively oriented in response to cost inflation. Underlying market trends are strong, but cement consumption growth was overall limited by production levels in the country in the first half, and by wet weather and some slowdown in infrastructure projects ahead of 2015 general elections in the second half of the year. Year-end prices reflect the pricing gains achieved in the year in response to cost inflation, after a temporary drop in the fourth quarter.
- ◆ **In Algeria**, cement sales rose 8% compared to 2013, reflecting the significant cement needs in this country and the continuous focus put on innovative products. We continued to develop our Ready-mix activities in the country to expand our customer offer.
- ◆ **In Egypt**, the underlying market trends are positive and further strengthened by recent announcements of infrastructure projects, but national cement production levels continue to be impacted by energy shortages. Cement volumes improved 17% compared to 2013, supported by our measures to diversify the fuel mix, while prices rose in a context of increased costs and cement shortage in the country. The clinker production in December was not only the highest of 2014, but the highest in the past two years. The context with a cost increase and a cement shortage have favored a cement price increase.
- ◆ **In Iraq**, cement volumes decreased 17% compared to 2013. Indeed, the solid growth experienced in the first five months of the year was offset by significant drop in volumes from June, due to the reduced ability to transport cement across the country. Price levels were lower than last year, reflecting 2013 price adjustments linked to Iranian imports and a price drop in the north of the country from June 2014.
- ◆ **In Kenya**, the construction activity was positively oriented. Our cement volumes were up 2% versus 2013, while average prices were lower than last year.
- ◆ **In Syria**, cement sales were limited, impacted by the current situation and the suspension of our operations from mid-September 2014 for security reasons.

- ◆ **In South Africa**, our cement volumes dropped 10% compared with last year, under the combined effect of national strikes and the May general elections, the start-up of a new competitor's plant and some temporary production limitations. Our Aggregates volumes benefited from double-digit growth, bolstered by several road projects.

At constant scope and exchange rates, and excluding the impact of the drop in volumes in Iraq, Ebitda margin rose 40 bps versus 2013, supported by successful cost savings and innovation measures, and reflecting solid earnings increases in Nigeria, East Africa and Algeria.

### ***Latin America - Subdued Market and Strong Inflation Environment***

Sales, operational earnings and margins were significantly impacted by the depreciation of the Brazilian real and the divestments achieved over the last two years (disposal of our Honduran activity completed at the end of November 2013 and deconsolidation of our Mexican operations after the creation of a joint venture with Elementia in July 2013 and divestment of our Ecuadorian cement operations in November 2014).

At constant scope and exchange rates, sales grew 3% versus 2013 driven by pricing gains in response to cost inflation.

- ◆ **In Brazil**, cement volumes contracted 2% versus 2013, with a deceleration of market demand after the soccer World Cup and ahead of the October general elections. Pricing gains were achieved in response to significant cost inflation.
- ◆ **In Ecuador**, the construction market decreased slightly due to infrastructure project delays. Some signs of improvement of the construction sector were perceived in September after six months of contraction, thanks to the reactivation of several large hydroelectric projects. We announced the divestment of our assets in Ecuador in May 2014, and this operation was completed in November 2014.

Like-for-like Ebitda dropped 10% compared to last year, under the combined effect of lower volumes, sustained cost inflation and one-time adverse elements notably impacting the fourth quarter.

### ***Asia - Higher Sales Mitigated Significant Cost Inflation***

The region was strongly impacted by the adverse effects of exchange rate movements, notably the depreciation of the Indian rupee during summer 2013. These effects partly reversed in the second part of the year, with the appreciation of certain currencies against the euro.

At constant scope and exchange rates, sales were up 6% versus last year, mainly driven by the ramp-up of our new plant in India and the strong level of construction activity in the Philippines.

- ◆ **In India**, the construction market began to regain momentum after the general elections and the monsoon season. Our cement volumes increased strongly, supported by our 2.6 million tonnes new plant in Rajasthan, which started operations in the third quarter of 2013. Prices were lower than last year.
- ◆ **In Malaysia**, Cement volumes sold slightly contracted slightly versus last year. The construction market was positively oriented, but our production levels were limited at one of our plants. Cement prices were

impacted by the start-up of new capacity in a context of significant cost inflation. Our Ready-mix concrete sales were down versus last year after the completion of certain large projects, notably the construction of a new terminal in the international airport of Kuala Lumpur.

- ◆ **In the Philippines**, the construction market benefited from solid trends. Our cement volumes rose 8% versus 2013 and experienced double-digit growth in the second half of the year.
- ◆ **In South Korea**, construction activity was slightly below the level of last year, and our cement sales volumes decreased 4% compared to 2013.
- ◆ **In Indonesia**, the growth in the demand for cement was subdued in 2014, due to the elections organized in the first half of the year. Our cement sales rose 5%, driven by pricing gains in response to cost inflation.

Despite solid cost reductions, Ebitda decreased versus last year, impacted by overall high cost inflation within the region, notably higher energy costs, production limitations and an adverse impact of purchases of clinker. Additionally, our new plant in India was in a ramp-up phase for most of the year, with a significant contribution to the volume increase, but with a limited generation of Ebitda; its utilization rate is now at full speed, and its Ebitda contribution should improve in 2015.

### CONSOLIDATED OPERATING INCOME AND CONSOLIDATED NET INCOME

**Depreciation** decreased to 840 million euros in 2014 from 857 million euros in 2013, reflecting the combined effect of the variations in foreign currency rates and the impact of divestments achieved in 2013 and early 2014, partly offset by the depreciation of the new plants in Russia and India.

**Net gains on disposals** amounted to 292 million euros for the year versus 291 million euros in 2013 and mainly comprise the gain on the disposal of our Ecuadorian cement assets and on the divestment of a cement plant in Russia (Korkino plant).

**Other operating expenses** amounted to 713 million euros for the year versus 295 million euros in 2013. In 2014, 385 million euros of impairments were recorded in the fourth quarter 2014, notably to reflect the current situation in Syria and the revision of the discount rate used for Iraq. Additionally, the Group recorded 80 million euros of restructuring charges, and 126 million euros of costs linked to the merger project Lafarge Holcim, including costs related to divestment projects.

**Operating income** was significantly impacted by non-cash impairment charges recorded in the fourth quarter 2014 and merger-related costs.

**Net financial costs**, comprised of financial expenses on net debt, foreign exchange, and other financial income and expenses, were strongly reduced, at 870 million euros versus 984 million euros in 2013.

The financial expenses on net debt, at 736 million euros, were reduced versus 2013, driven by the repayment of two bonds at end of May and mid-July 2014 for a total amount of 1.6 billion euros, using divestment proceeds and a lower-rate 750 million euros bond issued at end of September 2013. The average interest rate on our gross debt was 6.3% in 2014, almost stable versus last year.

Foreign exchange resulted in a gain of 28 million euros in 2014 compared with a loss of 51 million euros in 2013.

Other financial costs were 162 million euros in 2014 versus 154 million euros in 2013. They mainly comprise bank commissions, the amortization of debt issuance costs and the net interest costs related to pensions.

**The contribution from our joint ventures and associates** represented a net gain of 69 million euros in 2014, versus 0 million euros in 2013, primarily reflecting the rebound of our results in the United Kingdom, where synergies are ramping up and the market is recovering.

**Income tax** was impacted by several one-off impacts, notably the non-deductibility of impairments, and the one-off effect on the deferred tax positions to reflect the newly applicable tax rates, notably in Algeria and Spain. Additionally, as the income before tax was lower than in 2013, it mechanically increases the weight of the structural effects considered to calculate the effective tax rate.

**Net income Group share<sup>(1)</sup>**, at 143 million euros for 2014 was affected by one-off items, including:

- a total 385 million euros impairment of assets, notably related the current situation in Syria and due to a revision of the discount rate used for Iraq impairment testing;
- 292 million euros of gains and losses on divestments;
- merger-related costs (126 million euros total pre-tax costs; cash impact of 90 million euros net of tax); and
- 49 million euros of adverse one-off effects on the deferred tax positions to reflect the newly applicable tax rates in certain countries, notably in Algeria and Spain.

Excluding the impact of these non-recurring items net of tax, adjusted net income Group share, at 423 million euros versus 384 million euros in 2013, grew 10% for the year under the combined effect of organic growth, a higher contribution from the joint ventures, notably in the United Kingdom, and lower financial expenses, which more than offset the adverse impact of scope and foreign exchange rates.

**Non-controlling interests**, at 131 million euros, dropped 14% versus last year, as the effect of higher earnings in several countries in Middle East and Africa was more than offset by the combined impact of the sales limitations in Iraq experienced since June 2014, the effect of the deconsolidation of Honduras and a lower contribution from Asian companies due to cost inflation.

### CASH FLOWS

During the periods presented, the main sources of liquidity were:

- ◆ cash provided by operating activities;
- ◆ cash provided by the divestment of assets;
- ◆ cash provided by the issuance of bonds and commercial paper, share capital, bank loans and the drawdown of short and medium term credit lines.

(1) Net income/loss attributable to the owners of the parent company.



### a) Net cash provided by operating activities

**Net operating cash generated by continuing operations was 948 million euros in 2014 (versus 1,105 million euros in 2013).**

Net operating cash generated by continuing operations decreased 157 million euros, primarily reflecting the Lafarge Holcim merger-related costs paid over the period and the adverse evolution of foreign exchange rates on Ebitda. Working capital requirements were maintained at a low level thanks to our actions to optimize the strict working capital requirements<sup>(1)</sup>. When expressed as a number of days of sales, our strict working capital requirement remained stable compared to the optimized level at year-end 2013.

### b) Net cash provided by investing activities

**Net cash provided by investing activities from continuing operations was 35 million euros (compared with 105 million euros of net cash used in 2013).**

Sustaining capital expenditures were stable, representing 356 million euros in 2014.

Capital expenditures for productivity projects and for the building of new capacity were limited to 487 million euros compared to 594 million euros in 2013, as part of our strict capex management. They mostly comprise investments to finalize our plant in Kaluga (Russia) which produced its first cement in April 2014 and investments on our projects in North America (Exshaw – Canada and Ravena – United States) as well as range of debottlenecking projects, notably in sub-Saharan Africa. Acquisitions were 182 million euros and primarily consist of investments to reinforce our industrial network in France.

The divestment operations have reduced the Group's financial net debt by 1.15 billion euros in 2014 (1.25 billion euros in 2013). They mainly reflect the disposal of the Group's operations in Ecuador, the divestment of our Korkino plant in the Urals (Russia), some Aggregates quarries in Maryland and New Mexico (United States), the stake in the joint venture with Elementia in Mexico and the remaining 20% stake in Siniat (Gypsum activities in Europe and Latin America).

### c) Net cash used in financing activities

**At December 31, 2014, total net debt amounted to 9,310 million euros (9,846 million euros at the end of December 2013).**

Net debt was reduced to 9,310 million euros, as the Group pursued its actions to further strengthen its financial structure. Since the beginning of 2014, the Group secured 1.4 billion euros of divestments. 1.15 billion euros of cash was received in 2014 and the balance of 0.2 billion euros will further contribute to debt reduction in 2015 (divestment of operations in Pakistan).

### OUTLOOK AND EBITDA FORECAST FOR 2015

Overall the Group sees cement demand increasing for the full year 2015 between 2 to 5 percent versus 2014 in its markets, predominantly driven by growth in emerging markets.

Cost inflation in 2015 should continue, at a slower pace than in 2014 given recent evolution of fuel oil prices. This should result in higher prices overall.

The Group confirms its target to generate at least 1.1 billion euros of additional Ebitda from its cost reduction and innovation measures in 2015-2016. This represents a minimum objective of 550 million euros per annum.

In this context the Group should drive significant growth of its results and targets an Ebitda of between 3 billion and 3.2 billion euros in 2015.

Additionally, capital expenditures in 2015 will be limited at 1.1 billion euros, and net debt should be reduced to between 8.5 billion euros and 9 billion euros at year-end.

*The above forward-looking trends, targets or objectives, as the case may be, including with respect to plans, initiatives, events, products, solutions and services, their development and potential do not constitute forecasts regarding results or any other performance indicator. Although Lafarge believes that the trends, targets and objectives 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 section 5.1 (Risks factors) and uncertainties related to the market conditions and the implementation of our plans. Nothing contained herein is, or shall be relied on as, a promise or representation as to the future performance of Lafarge. Accordingly, we caution you against relying on forward looking statements.*

*Furthermore, these forward-looking statements are applicable to the Lafarge group on a standalone basis only and are not applicable to the LafargeHolcim group as from the date of completion of the planned merger of equals announced on April 7, 2014.*

#### Main assumptions underlying the Ebitda 2015 forecast

The above Ebitda 2015 forecast is applicable to the Lafarge group on a standalone basis only and is not applicable to the LafargeHolcim group as from the date of completion of the planned merger of equals announced on April 7, 2014. This forecast was prepared using accounting methods that are consistent with those applied by the Group for the preparation of historical information. It is based on a number of assumptions, including the following:

- the data was prepared based on exchange rates determined at Group level; the group is expecting a positive impact from exchange rates evolution on its 2015 results compared to 2014;
- cement demand growth assumptions on Group markets will reach 2 to 5 percent and will be driven by emerging markets notably in Middle East and Africa and Asia regions, and by the USA while cement demand growth will be moderate in Europe and Brazil;
- costs inflation will continue but at a slower pace compared to 2014 thanks to recent fuel oil price evolution. Overall costs inflation will reach 3% to 3.5% including positive trend on energy costs (Energy cost evolution assumed to be around -1% compared to 2014). This should result in higher prices overall;
- cost reduction and innovation measures will generate a minimum of 550 million euros of additional Ebitda in 2015.

(1) Strict working capital requirements: trade receivables plus inventories and work in progress less trade payables

## LAFARGEHOLCIM, A PROJECT FOR A MERGER OF EQUALS TO CREATE THE MOST ADVANCED PLAYER IN THE BUILDING MATERIALS SECTOR

The proposed merger between Lafarge and Holcim, announced on April 7, 2014, marks a major milestone in the history of the Group. The aim is to finalize the transaction in July 2015.

Factors such as accelerated urbanization, climate change and environmental protection have seen the construction market undergo major changes which are creating new needs with regard to products and solutions that will achieve more effective and more sustainable construction.

To support these developments and to become a driving force in the drastic changes occurring in the industry, Lafarge and Holcim are proposing to merge their businesses.

The aim is to create the most advanced Group in the building materials industry. The new group will have operations in 90 countries and will employ more than 100,000 people. Its platform for growth would be unmatched in the sector.

This merger would enable optimized capital allocation across the expanded footprint to drive improved Roce, and strong cash-flow generation and the robust balance sheet would provide financial strength. Targeted operational and financial synergies are estimated at 1.4 billion euros on a full run rate basis.

The merger would therefore be of benefit to shareholders and also to other stakeholders: customers, employees and local communities (see below).

### A BENEFICIAL TRANSACTION FOR ALL STAKEHOLDERS

**Customers will be able to take advantage of value-added products and integrated solutions best fitting their needs. The importance placed on innovation helps improve the value proposition, leading to new solutions tackling the challenges of sustainable construction.**

**Local communities will benefit from existing networks and best practices of Holcim and Lafarge in terms of engagement with local stakeholders, as well as the experience needed to further reduce our environmental impact.**

**Employees will be able to make the most of opportunities offered in a merger context: attractive career prospects in the most advanced group in building materials, as well as benefiting from the experience drawn from a larger pool of talent.**

**Shareholders will be able to capitalize on superior growth through rebalanced geographical footprints and major operational efficiency. Optimization of capital allocation and strong cash flow generation should provide financial strength.**

## Benefits of the project

Through the merger of Lafarge and Holcim, the leading companies in their sector, the new entity will have a strong hand:

- ◆ **A global geographical portfolio.** The two companies' implantations complement each other: Lafarge has a strong presence in Africa and the Middle East while Holcim has leading positions in Latin America and Asia-Pacific. By merging these two portfolios, the new Group will have a balanced geographical footprint in 90 countries, 73 of which are emerging countries.
- ◆ **A broader customer base, allowing more effective implementation of its strategy of innovation targeted at building better cities.** Through its global presence, sharing best practice and high-quality teams, the new Group will have an exceptional platform to leverage its operational performance. It will also be able to continue expanding its product offer and extend it on a wider scale, to a greater number of customers. The customers will also benefit from the new Group's innovation resources, combined at the Lyon research center and through a network of regional development laboratories. LafargeHolcim's cutting-edge products, solutions and services will specifically address the challenges of urbanization, affordable housing and sustainable construction.
- ◆ **A healthy financial structure.** The merger of the two groups would lead to operational and financial synergies, as a result of such factors as the rationalization of operations, better procurement policies, lower administrative costs, innovation transfers, better allocation of resources and reduced capital needs, and a lower working capital requirement. Optimization of the new Group's portfolio will also be achieved by divestments of assets representing an enterprise value of 6.5 billion euros.
- ◆ **A benchmark group in terms of sustainable development.** Lafarge and Holcim have the ambition of establishing the new Group as a benchmark player in sustainability. Each company has made strong commitments in this area, particularly with respect to the use of natural resources, the circular economy and reducing CO<sub>2</sub> emissions. They will continue to pursue these ambitions together.

## Preparing the merger

The merger will be implemented through a public exchange offer by Holcim Ltd for all outstanding Lafarge shares. Two committees have been formed to prepare for the creation of the new Group:

### ◆ An Integration Committee

This committee has the dual tasks of preparing the launch of the new Group and working on the integration project, which will only be rolled out after the merger, given that the two companies must remain competitors until the merger is effective.

Workstreams have been formed, made up equally of Lafarge and Holcim people, in order to address five key aims: creating the new company, preparing the integration of 90 countries, preparing the integration of the support functions, engaging employees and organizing the integration of management while at the same time ensuring the continuity of business.

### ◆ A Divestment Committee

Consisting of representatives from both companies, it has adopted a proactive approach in presenting the competition authorities with lists of assets that could be sold, after an evaluation of those situations where divestments appear necessary.

## DIVESTMENT PROJECT RELATED TO THE MERGER PROJECT

**The two groups announced on February 2, 2015 that they had entered exclusive negotiations further to a binding commitment made by CRH group regarding the sale of the following assets for an enterprise value of 6.5 billion euros (of which 4.2 billion euros represent the enterprise value of assets to be divested by Lafarge):**

**France:** in metropolitan France, all of Holcim's assets, except for its Altkirch cement plant and cement and aggregates sites in the Haut-Rhin region, and a Lafarge grinding station in Saint-Nazaire; Lafarge's assets on Reunion Island, except for its shareholding in Ciments de Bourbon;

**Germany:** Lafarge's assets;

**Hungary:** Holcim's operating assets;

**Romania:** Lafarge's assets;

**Serbia:** Holcim's assets;

**Slovakia:** Holcim's assets;

**United Kingdom:** Lafarge Tarmac's assets with the exception of the Cauldon cement plant and certain associated assets. In this respect, on July 24, 2014 Lafarge signed an agreement with Anglo American Plc for the acquisition by Lafarge of its 50% interest in Lafarge Tarmac. A condition of the acquisition is completion of the merger between Lafarge and Holcim;

**Canada:** Holcim's assets;

**United States:** Holcim's Trident cement plant (Montana) and some terminals in the Great Lakes area;

**The Philippines:** the shares of Lafarge Republic, Inc. (LRI) and other specific assets held by the major shareholders (namely Lafarge Holdings Philippines, Inc., South Western Cement Ventures, Calumboyon Holdings, Inc., and Round Royal, Inc.), except LRI's investment in (i) Lafarge Iligan, Inc., Lafarge Mindanao, Inc. and Lafarge Republic Aggregates, Inc., (ii) the cement terminal at the Harbour Center, Manila, and (iii) other related assets;

**Brazil:** assets from both Holcim and Lafarge, which include three integrated cement plants and two grinding stations (with a total of 3.6 million tonnes annual cement capacity), as well as some cement plants located in the South-eastern region of Brazil.

The divestment process will be carried out in the framework of the relevant social processes and the ongoing dialog with the employee representatives' bodies. It will be submitted to the relevant competition authorities. The shareholders of CRH have approved this project during the General meeting held on March 19, 2015. The divestments are subject to the completion of the merger, including a successful public exchange offer and approval by Holcim's shareholders, as well as the tender by the shareholders of Lafarge of at least two-thirds of the share capital and voting rights of Lafarge, in July 2015.

In the remaining jurisdictions where regulatory clearance is still pending, both groups will continue to cooperate with the relevant authorities.

## Agreement on revised terms for the merger of equals between both companies

On March 20, 2015, the Boards of Directors of Holcim and Lafarge announced that they have reached an agreement on revised terms for the merger of equals between both companies.

Both parties agreed on a new exchange ratio.

Wolfgang Reitzle and Bruno Lafont will be nonexecutive Co-Chairmen of the Board. The two Co-Chairmen will be working closely together to make this merger a success. Beat Hess will be Vice-Chairman of the Board.

A new Chief Executive Officer for the combined group, to be proposed by the Lafarge Board of Directors and accepted by the Holcim Board of Directors, will be appointed as from the closing of the transaction. The appointment is expected to be communicated in due course, at the latest upon filing of the public offer to the Lafarge shareholders.

The Holcim shareholder resolutions required to implement the combination are expected to be presented to a Holcim shareholders meeting on or about May 7, 2015.

Lafarge and Holcim have agreed that, subject to shareholder approval, the new company will announce a post-closing scrip dividend of 1 new LafargeHolcim share for each 20 existing shares.

With this amended agreement, the project to combine Lafarge and Holcim to become the most advanced company in its industry has taken another important step forward. Both companies are continuing to work intensively on preparing the closing of the transaction and the successful integration post-merger.

Certain key shareholders of both companies have confirmed their support for the revised merger terms. The Parties expect the transaction to close in July 2015.

*This section contains forward-looking information and statements about the combined businesses of Holcim and Lafarge after completion of the proposed transaction that have not been audited or independently verified. Forward-looking statements are statements that are not historical facts. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations. Although such forward-looking statements are believed to be reasonable, readers are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of the companies, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. The combined group may not realize the full benefits of the transaction. The information in this section does not constitute an offer to purchase or exchange or the solicitation of an offer to sell or exchange any securities of Lafarge.*

## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31,

(million euros, except per share data)	2014	2013 <sup>(1)</sup>
<b>REVENUE</b>	<b>12,843</b>	<b>13,091</b>
Cost of sales	(9,838)	(9,944)
Selling and administrative expenses	(1,124)	(1,210)
<b>OPERATING INCOME BEFORE CAPITAL GAINS, IMPAIRMENT, RESTRUCTURING AND OTHER</b>	<b>1,881</b>	<b>1,937</b>
Net gains (losses) on disposals	292	291
Other operating income (expenses)	(713)	(295)
<b>OPERATING INCOME</b>	<b>1,460</b>	<b>1,933</b>
Financial expenses	(1,034)	(1,122)
Financial income	164	138
Share of net income (loss) of joint ventures and associates	69	-
<b>INCOME BEFORE INCOME TAX</b>	<b>659</b>	<b>949</b>
Income tax	(385)	(242)
<b>NET INCOME FROM CONTINUING OPERATIONS</b>	<b>274</b>	<b>707</b>
Net income (loss) from discontinued operations	-	46
<b>NET INCOME</b>	<b>274</b>	<b>753</b>
<i>Of which attributable to:</i>		
<b>Owners of the parent company</b>	<b>143</b>	<b>601</b>
Non-controlling interests (minority interests)	131	152

#### EARNINGS PER SHARE (euros)

<b>ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY</b>		
Basic earnings per share	0.50	2.09
Diluted earnings per share	0.49	2.08
<b>From continuing operations</b>		
Basic earnings per share	0.50	1.93
Diluted earnings per share	0.49	1.92
<b>BASIC AVERAGE NUMBER OF SHARES OUTSTANDING (in thousands)</b>	<b>287,419</b>	<b>287,268</b>

<sup>(1)</sup> Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" of the Group's 2014 Annual Report (Registration Document) following the application of IFRS 11.

The notes to the consolidated financial statements are an integral part of the financial statements. They are contained in the Group's 2014 Annual Report (Registration Document) available directly on line on the website [www.lafarge.com](http://www.lafarge.com) or upon request from the Investor Relations Department.



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

YEARS ENDED DECEMBER 31,

(million euros)	2014	2013 <sup>(1)</sup>
<b>NET INCOME</b>	<b>274</b>	<b>753</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Actuarial gains / (losses)	(63)	119
Income tax on items that will not be reclassified to profit or loss	47	(74)
<b>Total items that will not be reclassified to profit or loss</b>	<b>(16)</b>	<b>45</b>
<b>Items that may be reclassified subsequently to profit or loss</b>		
Available-for-sale financial assets	8	(14)
Cash-flow hedging instruments	(13)	8
Foreign currency translation adjustments	1,193	(1,698)
Income tax on items that may be reclassified to profit or loss	3	(1)
<b>Total items that may be reclassified to profit or loss</b>	<b>1,191</b>	<b>(1,705)</b>
<b>OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX</b>	<b>1,175</b>	<b>(1,660)</b>
<i>of which share of comprehensive income (loss) of joint ventures and associates, net of income tax</i>	<i>216</i>	<i>(32)</i>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1,449</b>	<b>(907)</b>
<i>Of which attributable to:</i>		
<b>Owners of the parent company</b>	<b>1,218</b>	<b>(928)</b>
Non-controlling interests (minority interests)	231	21

(1) Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" of the Group's 2014 Annual Report (Registration Document) following the application of IFRS 11.

The notes to the consolidated financial statements are an integral part of the financial statements. They are contained in the Group's 2014 Annual Report (Registration Document) available directly on line on the website [www.lafarge.com](http://www.lafarge.com) or upon request from the Investor Relations Department.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AT DECEMBER 31,		AT JANUARY 1
(million euros)	2014	2013 <sup>(1)</sup>	2013 <sup>(1)</sup>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>	<b>28,933</b>	<b>28,447</b>	<b>29,301</b>
Goodwill	11,360	11,027	11,953
Intangible assets	349	370	426
Property, plant and equipment	12,052	12,049	13,441
Investments in joint ventures and associates	3,056	3,174	1,550
Other financial assets	739	667	727
Derivative instruments	50	12	27
Deferred tax assets	1,292	1,125	1,141
Other receivables	35	23	36
<b>CURRENT ASSETS</b>	<b>5,871</b>	<b>6,786</b>	<b>8,695</b>
Inventories	1,476	1,425	1,526
Trade receivables	1,597	1,546	1,539
Other receivables	714	680	690
Derivative instruments	123	24	68
Cash and cash equivalents	1,961	3,111	2,606
Assets held for sale	-	-	2,266
<b>TOTAL ASSETS</b>	<b>34,804</b>	<b>35,233</b>	<b>37,996</b>
<b>EQUITY AND LIABILITIES</b>			
Common stock	1,150	1,149	1,149
Additional paid-in capital	9,730	9,712	9,695
Treasury shares	(4)	(1)	(11)
Retained earnings	6,655	6,868	6,477
Other reserves	(884)	(885)	(925)
Foreign currency translation adjustments	(1,194)	(2,288)	(719)
Equity attributable to owners of the parent company	15,453	14,555	15,666
Non-controlling interests (minority interests)	1,836	1,730	1,868
<b>EQUITY</b>	<b>17,289</b>	<b>16,285</b>	<b>17,534</b>
<b>NON CURRENT LIABILITIES</b>	<b>12,099</b>	<b>13,156</b>	<b>14,121</b>
Deferred tax liabilities	847	785	897
Pension & other employee benefits	1,304	1,218	1,476
Provisions	515	504	638
Financial debt	9,371	10,580	11,028
Derivative instruments	2	1	3
Other payables	60	68	79
<b>CURRENT LIABILITIES</b>	<b>5,416</b>	<b>5,792</b>	<b>6,341</b>
Pension & other employee benefits	94	123	102
Provisions	75	104	123
Trade payables	1,897	1,830	1,725
Other payables	1,173	1,211	1,427
Current tax liabilities	106	112	213
Financial debt (including current portion of long-term debt)	2,045	2,398	2,328
Derivative instruments	26	14	52
Liabilities associated with assets held for sale	-	-	371
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>34,804</b>	<b>35,233</b>	<b>37,996</b>

(1) Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" of the Group's 2014 Annual Report (Registration Document) following the application of IFRS 11.

The notes to the consolidated financial statements are an integral part of the financial statements. They are contained in the Group's 2014 Annual Report (Registration Document) available directly on line on the website [www.lafarge.com](http://www.lafarge.com) or upon request from the Investor Relations Department.

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31,

(million euros)	2014	2013 <sup>(1)</sup>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
<b>NET INCOME</b>	<b>274</b>	<b>753</b>
<b>NET INCOME FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>46</b>
<b>NET INCOME FROM CONTINUING OPERATIONS</b>	<b>274</b>	<b>707</b>
<i>Adjustments for income and expenses which are non cash or not related to operating activities, financial expenses or income tax:</i>		
Depreciation and amortization of assets	840	857
Impairment losses	428	110
Share of net (income) loss of joint ventures and associates	(69)	-
Net (gains) losses on disposals	(292)	(291)
Financial (income) expenses	870	984
Income tax	385	242
Others, net (including dividends received from equity-accounted investments)	(76)	(137)
Change in working capital items, excluding financial expenses and income tax (see analysis below)	(92)	(56)
<b>NET OPERATING CASH GENERATED BY CONTINUING OPERATIONS BEFORE IMPACTS OF FINANCIAL EXPENSES AND INCOME TAX</b>	<b>2,268</b>	<b>2,416</b>
Interests (paid) received	(877)	(835)
Cash payments for income tax	(443)	(476)
<b>NET OPERATING CASH GENERATED BY (USED IN) CONTINUING OPERATIONS</b>	<b>948</b>	<b>1,105</b>
<b>NET OPERATING CASH GENERATED BY (USED IN) DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>1</b>
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>	<b>948</b>	<b>1,106</b>
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		
Capital expenditures	(861)	(950)
Investment in subsidiaries*	(76)	(18)
Investment in joint ventures and associates	(10)	(10)
Acquisition of available-for-sale financial assets	(15)	(1)
Disposals**	1,084	1,069
Net (increase) decrease in long-term receivables	(87)	15
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES FROM CONTINUING OPERATIONS</b>	<b>35</b>	<b>105</b>
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>(2)</b>
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>35</b>	<b>103</b>

(1) Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" of the Group's 2014 Annual Report (Registration Document) following the application of IFRS 11.

YEARS ENDED DECEMBER 31,

(million euros)	2014	2013 <sup>(1)</sup>
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Capital increase (decrease) - owners of the parent company	8	3
Capital increase (decrease) - non controlling interests (minority interests)	-	-
Acquisitions of ownership interests with no gain of control	(13)	(2)
Disposals of ownership interests with no loss of control	21	188
(Increase) / Decrease in treasury shares	(14)	-
Dividends paid	(289)	(289)
Dividends paid by subsidiaries to non controlling interests (minority interests)	(147)	(197)
Proceeds from issuance of long-term debt	612	1,288
Repayment of long-term debt	(2,632)	(1,459)
Increase (decrease) in short-term debt	58	8
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES FROM CONTINUING OPERATIONS</b>	<b>(2,396)</b>	<b>(460)</b>
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>(2,396)</b>	<b>(460)</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS</b>	<b>(1,413)</b>	<b>750</b>
Increase (decrease) in cash and cash equivalents from discontinued operations	-	(1)
Net effect of foreign currency translation on cash and cash equivalents and other non monetary impacts	263	(244)
Cash and cash equivalents at beginning of the year	3,111	2,606
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>1,961</b>	<b>3,111</b>
* Net of cash and cash equivalents of companies acquired	3	2
** Net of cash and cash equivalents of companies disposed of	(16)	(126)
<b>ANALYSIS OF CHANGES IN OPERATING WORKING CAPITAL ITEMS</b>	<b>(92)</b>	<b>(56)</b>
(Increase)/decrease in inventories	(32)	(51)
(Increase)/decrease in trade receivables	(22)	(133)
(Increase)/decrease in other receivables – excluding financial and income tax receivables	(35)	(38)
Increase/(decrease) in trade payables	(2)	229
Increase/(decrease) in other payables – excluding financial and income tax payables	(1)	(63)

(1) Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" of the Group's 2014 Annual Report (Registration Document) following the application of IFRS 11.

The notes to the consolidated financial statements are an integral part of the financial statements. They are contained in the Group's 2014 Annual Report (Registration Document) available directly on line on the website [www.lafarge.com](http://www.lafarge.com) or upon request from the Investor Relations Department.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Outstanding shares	Of which Treasury shares	Common stock	Additional paid-in capital	Treasury shares	Retained earnings <sup>(1)</sup>	Other reserves	Foreign currency translation adjustments	Equity attributable to the owners of the parent company	Non controlling interests <sup>(1)</sup>	Equity <sup>(1)</sup>
	(number of shares)		(million euros)								
<b>BALANCE AT JANUARY 1, 2013</b>	<b>287,255,502</b>	<b>157,283</b>	<b>1,149</b>	<b>9,695</b>	<b>(11)</b>	<b>6,477</b>	<b>(925)</b>	<b>(719)</b>	<b>15,666</b>	<b>1,868</b>	<b>17,534</b>
Net income						601			601	152	753
Other comprehensive income, net of income tax							40	(1,569)	(1,529)	(131)	(1,660)
<b>TOTAL COMPREHENSIVE INCOME</b>						<b>601</b>	<b>40</b>	<b>(1,569)</b>	<b>(928)</b>	<b>21</b>	<b>(907)</b>
Dividends						(289)			(289)	(197)	(486)
Issuance of common stock	109,895			3					3	-	3
Share based payments				14					14	-	14
Treasury shares		(139,348)			10	(10)			-	-	-
Changes in ownership with no gain / loss of control						84			84	97	181
Other movements						5			5	(59)	(54)
<b>BALANCE AT DECEMBER 31, 2013</b>	<b>287,365,397</b>	<b>17,935</b>	<b>1,149</b>	<b>9,712</b>	<b>(1)</b>	<b>6,868</b>	<b>(885)</b>	<b>(2,288)</b>	<b>14,555</b>	<b>1,730</b>	<b>16,285</b>
<b>BALANCE AT JANUARY 1, 2014</b>	<b>287,365,397</b>	<b>17,935</b>	<b>1,149</b>	<b>9,712</b>	<b>(1)</b>	<b>6,868</b>	<b>(885)</b>	<b>(2,288)</b>	<b>14,555</b>	<b>1,730</b>	<b>16,285</b>
Net income						143			143	131	274
Other comprehensive income, net of income tax							(19)	1,094	1,075	100	1,175
<b>TOTAL COMPREHENSIVE INCOME</b>						<b>143</b>	<b>(19)</b>	<b>1,094</b>	<b>1,218</b>	<b>231</b>	<b>1,449</b>
Dividends						(289)			(289)	(144)	(433)
Issuance of common stock	176,287		1	7					8	-	8
Share based payments				11					11	-	11
Treasury shares		52,603			(3)	(11)			(14)	-	(14)
Changes in ownership with no gain / loss of control						(35)			(35)	25	(10)
Other movements						(21)	20		(1)	(6)	(7)
<b>BALANCE AT DECEMBER 31, 2014</b>	<b>287,541,684</b>	<b>70,538</b>	<b>1,150</b>	<b>9,730</b>	<b>(4)</b>	<b>6,655</b>	<b>(884)</b>	<b>(1,194)</b>	<b>15,453</b>	<b>1,836</b>	<b>17,289</b>

(1) Figures have been adjusted as mentioned in Note 2 "Summary of significant accounting policies" of the Group's 2014 Annual Report (Registration Document) following the application of IFRS 11.

The notes to the consolidated financial statements are an integral part of the financial statements. They are contained in the Group's 2014 Annual Report (Registration Document) available directly on line on the website [www.lafarge.com](http://www.lafarge.com) or upon request from the Investor Relations Department.

## ANNUAL FINANCIAL STATEMENTS OF THE PARENT COMPANY

Lafarge S.A.'s annual financial statements for fiscal year 2014 are being submitted for your approval in the first resolution. In order to facilitate the reading of the Notice of Meeting document, we are presenting the statements in a simplified form. The full version of the Lafarge S.A. financial statements and notes can be obtained on request by completing the Document Request Form on page 103 and returning it to BNP Paribas securities services. Lafarge S.A. statutory accounts and notes are included in the Group's 2014 Annual Report (Registration Document) that is available for viewing at [www.lafarge.com](http://www.lafarge.com) (Shareholders & Investors section).

### COMMENTS ON INCOME STATEMENT AND FINANCIAL POSITION STATEMENTS

The financial statements for year 2014 show a net income after tax of 144 million euros to be compared with 462 million euros in 2013.

◆ These results reflect the following events:

- ◆ the significant decline in operating income of -108 million euros, mainly as a result of the costs of the projected merger with Holcim Ltd;
- ◆ the net financial income deteriorated by -259 million euros. The decrease in dividend received of -332 million euros being partly offset by a decrease in net financial expenses of 71 million euros;
- ◆ the exceptional gain of 5 million euros corresponds primarily to the reversal of provisions for bonus share awards;
- ◆ the income tax amount includes 92 million euros already received or receivable from subsidiaries in the Group tax regime.

◆ The main variations in the statement of financial position are:

- ◆ the change in the gross value of subsidiaries of -30 million euros is mainly due to the reduction of capital of Lafarge Brasil S.A.;
- ◆ the increase in provisions for losses and contingencies of 46 million euros due to the provision recorded on the contingencies in relation with the merger;
- ◆ the net increase in borrowings, loans and short and long term advances to Group entities for 905 million euros;
- ◆ the increase in equity of 181 million euros, before profit, resulting from the appropriation of undistributed income for 173 million euros and from capital increases for 8 million euros;
- ◆ the 562 million euros decrease in net debt which stood at 10,777 million euros at December 31, 2014.

On December 31, 2014 gross debt includes bonds for 10,008 million euros, borrowings from Group companies for 378 million euros and other borrowings from financial institutions for 651 million euros.

## STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31,

(million euros)	2014	2013
Production sold (services)	507	506
Provision reversals	5	21
<b>Operating Revenue</b>	<b>512</b>	<b>527</b>
Other purchases and external charges	(397)	(350)
Duties and taxes	(9)	(11)
Employee expenses	(150)	(153)
Depreciation and amortization	(24)	(24)
Provision allowance	(75)	(24)
<b>Operating expenses</b>	<b>(655)</b>	<b>(562)</b>
<b>OPERATING INCOME</b>	<b>(143)</b>	<b>(35)</b>
Income from investments	892	1,218
Interest and similar income	88	78
Foreign exchange gains	22	33
Provision reversals	1	4
<b>Financial Income</b>	<b>1,003</b>	<b>1,333</b>
Interest and similar expenses	(765)	(814)
Foreign exchange losses	(15)	(31)
Provision allowance	(8)	(14)
<b>Financial Expenses</b>	<b>(788)</b>	<b>(859)</b>
<b>NET FINANCIAL INCOME/(COST)</b>	<b>215</b>	<b>474</b>
<b>CURRENT OPERATING INCOME BEFORE TAX</b>	<b>72</b>	<b>439</b>
<b>EXCEPTIONAL INCOME/(LOSS)</b>	<b>5</b>	<b>(23)</b>
Income tax credit/(expense)	67	46
<b>NET INCOME</b>	<b>144</b>	<b>462</b>

The notes to the annual financial statements are an integral part of the financial statements. They are contained in the Group's 2014 Annual Report (Registration Document) available directly on line on the website [www.lafarge.com](http://www.lafarge.com) or upon request from the Investor Relations Department.

## BALANCE SHEETS

### ASSETS

AT DECEMBER 31,

(million euros)	2014			2013
	Gross amount	Depreciation, amortization, impairment	Net amount	Net amount
<b>Intangible assets and property, plant and equipment</b>	<b>241</b>	<b>144</b>	<b>97</b>	<b>93</b>
<b>Financial assets<sup>(1)</sup></b>	<b>26,274</b>	<b>0</b>	<b>26,274</b>	<b>25,754</b>
Investments	25,242	0	25,242	25,272
Long-term receivables from investments	1,021	0	1,021	471
Other financial assets	11	-	11	11
<b>NON-CURRENT ASSETS</b>	<b>26,515</b>	<b>144</b>	<b>26,371</b>	<b>25,847</b>
Other receivables	1,437	0	1,437	2,395
Marketable securities	4	-	4	1
Cash and cash equivalents	256	-	256	1,209
<b>CURRENT ASSETS</b>	<b>1,697</b>	<b>0</b>	<b>1,697</b>	<b>3,605</b>
Debenture redemption premiums	18	-	18	26
Cumulative translation adjustments	440	-	440	278
<b>TOTAL ASSETS</b>	<b>28,670</b>	<b>144</b>	<b>28,526</b>	<b>29,756</b>

(1) Of which less than one year

32 25

### EQUITY AND LIABILITIES (BEFORE APPROPRIATION)

AT DECEMBER 31,

(million euros)	2014	2013
Common stock	1,150	1,149
Additional paid-in capital	9,863	9,856
Revaluation reserves	3	3
Legal reserve	115	109
Other reserves	649	649
Retained earnings	1,727	1,560
Net income for the year	144	462
Tax-driven provisions	1	1
<b>NET EQUITY</b>	<b>13,652</b>	<b>13,789</b>
<b>PROVISIONS FOR LOSSES AND CONTINGENCIES</b>	<b>221</b>	<b>175</b>
Debenture issues	10,008	11,420
Bank borrowings <sup>(1)</sup>	651	769
Other loans and commercial paper	378	360
<b>Financial debt</b>	<b>11,037</b>	<b>12,549</b>
Tax and employee-related liabilities	59	48
Other liabilities	3,341	2,863
<b>LIABILITIES<sup>(2)</sup></b>	<b>14,437</b>	<b>15,460</b>
Cumulative translation adjustments	216	332
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28,526</b>	<b>29,756</b>

(1) Of which current bank overdrafts

1 10

(2) Of which less than one year

4,931 4,885

The notes to the annual financial statements are an integral part of the financial statements. They are contained in the Group's 2014 Annual Report (Registration Document) available directly on line on the website [www.lafarge.com](http://www.lafarge.com) or upon request from the Investor Relations Department.

## STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31,

(million euros)	2014	2013
<b>CASH FLOW FROM OPERATIONS<sup>(1)</sup></b>	<b>222</b>	<b>518</b>
Change in working capital	1,170	8
<b>NET CASH FROM OPERATING ACTIVITIES (I)</b>	<b>1,392</b>	<b>526</b>
Capital expenditure	(28)	(26)
Investments	(3)	0
Repayment of investments	33	217
Net decrease in loans and miscellaneous	(550)	27
Disposals of assets	0	0
<b>NET CASH FROM INVESTING ACTIVITIES (II)</b>	<b>(548)</b>	<b>218</b>
Proceeds from issuance of common stock	7	3
Dividends paid	(289)	(289)
<b>NET CASH USED IN/FROM CAPITAL TRANSACTIONS (III)</b>	<b>(282)</b>	<b>(286)</b>
<b>(INCREASE)/DECREASE IN NET DEBT (I+II+III)</b>	<b>562</b>	<b>458</b>
<b>NET DEBT AT YEAR END</b>	<b>10,777</b>	<b>11,339</b>
Debt	11,037	12,549
Marketable securities	(4)	(1)
Cash and cash equivalents	(256)	(1,209)

<sup>(1)</sup> Cash flow from operations mainly comprises net income (+144 million euros) before depreciation and amortization (+32 million euros), provisions (-46 million euros).

The notes to the annual financial statements are an integral part of the financial statements. They are contained in the Group's 2014 Annual Report (Registration Document) available directly on line on the website [www.lafarge.com](http://www.lafarge.com) or upon request from the Investor Relations Department.



**CHANGE IN THE FINANCIAL INCOME OF THE COMPANY DURING THE LAST FIVE YEARS  
(ARTICLES R.225-81, R.225-83, R.225-102 OF THE FRENCH COMMERCIAL CODE)**

	2014	2013	2012	2011	2010
<b>A. CAPITAL STOCK</b>					
Capital stock (in euros)	1,150,166,736	1,149,461,588	1,149,022,008	1,148,990,072	1,145,815,116
Number of existing shares of common stock	287,541,684	287,365,397	287,255,502	287,247,518	286,453,779
Maximum number of future shares to be created	6,093,284	7,000,955	8,455,389	8,511,063	9,099,072
through attribution/delivery of performance shares	340,669	-	-	-	-
through exercise of stock options	5,752,615	7,000,955	8,455,389	8,511,063	9,099,072
<b>B. TRANSACTIONS FOR THE YEAR (IN THOUSANDS OF EUROS)</b>					
a) Gross sales revenues <sup>(1)</sup>	1,537,001	1,846,797	1,542,723	1,536,243	1,322,722
b) Income before taxes, profit-sharing and amortization and provisions	158,995	472,361	109,709	88,208	(320,834)
c) Income taxes	67,388	46,183	65,750	68,352	76,060
d) Employee profit-sharing owed for the year	-	-	-	-	-
e) Income after taxes, profit sharing and amortization and provisions	144,018	462,306	102,842	205,507	49,032
f) Income distributed	367,732	289,556	289,341	144,550	287,903
including 10% increase <sup>(2)</sup>	2,643	2,140	2,028	1,002	1,683
<b>Earnings per share (in euros)</b>					
a) Income after taxes, employee profit-sharing but before amortization and provisions	0.55	1.80	0.61	0.84	(0.85)
b) Income after taxes, employee profit-sharing and amortization and provisions	0.50	1.61	0.36	0.72	0.17
c) Net dividend	1.270	1.000	1.000	0.500	1.000
Net loyalty dividend	1.390	1.100	1.100	0.550	1.100
<b>C. PERSONNEL</b>					
Number of employees at December 31	515	498	512	528	510
Payroll (in thousands of euros) <sup>(3)</sup>	102,729	104,210	102,597	94,773	92,799
Social benefits (in thousands of euros) <sup>(4)</sup>	47,373	49,149	47,494	47,369	48,098
Bonuses and profit-sharing paid (in thousands of euros)	3,223	2,507	1,388	1,732	2,142

(1) Gross sales revenues represent the revenues from ordinary activities, which include the production (services) sold and finance income.

(2) Increase in the dividend for registered shares held for more than two years.

(3) Including retirement indemnities, provision for performance share grants.

(4) Social organizations, charitable projects and other employee costs for impatriates, etc.

## I. RESOLUTIONS TO BE SUBMITTED TO THE ORDINARY SHAREHOLDERS' MEETING

- Approval of the 2014 financial statements and transactions **(1<sup>st</sup> resolution)**
- Approval of the 2014 consolidated financial statements and transactions **(2<sup>nd</sup> resolution)**
- Appropriation of earnings and setting of the dividend **(3<sup>rd</sup> resolution)**
- Approval of a new related-party agreement (convention réglementée): undertaking agreement between Groupe Bruxelles Lambert, Holcim Ltd and Lafarge **(4<sup>th</sup> resolution)**
- Approval of a new related-party agreement (convention réglementée): undertaking agreement between NNS Holding Sàrl, Mr Nassef Sawiris, Holcim Ltd and Lafarge **(5<sup>th</sup> resolution)**
- Approval of new related-party agreements (conventions réglementées): amendments to the French supplementary pension plans and to the related insurance contracts **(6<sup>th</sup> resolution)**
- Renewal of the term of office of Mr Philippe Dauman as Director **(7<sup>th</sup> resolution)**
- Renewal of the term of office of Mr Baudouin Prot as Director **(8<sup>th</sup> 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 **(9<sup>th</sup> resolution)**
- Authorization to the Company to buy and sell its own shares **(10<sup>th</sup> 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 **(11<sup>th</sup> resolution)**

## II. RESOLUTIONS TO BE SUBMITTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

- 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 **(12<sup>th</sup> resolution)**
- Delegation of authority to the Board of Directors to issue shares and securities entailing a capital increase, with preferential subscription rights **(13<sup>th</sup> 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 **(14<sup>th</sup> 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 **(15<sup>th</sup> resolution)**
- Delegation of authority to the Board of Directors to issue shares and securities entailing a capital increase as payment for contributions in kind **(16<sup>th</sup> 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 **(17<sup>th</sup> resolution)**
- Delegation of authority to the Board of Directors to increase the capital by incorporation of premiums, reserves, profits or other items **(18<sup>th</sup> resolution)**
- Authorization to the Board of Directors to reduce the share capital through cancellation of treasury shares, **(19<sup>th</sup> resolution)**
- Authorization to the Board of Directors to allot free existing or new shares, with cancellation of the preferential subscription right of the shareholders **(20<sup>th</sup> 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 **(21<sup>st</sup> 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 **(22<sup>nd</sup> 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 rights of the shareholders **(23<sup>rd</sup> resolution)**
- Amendment to the Articles of association – Participation to Shareholders' Meetings (amendment of the record date) **(24<sup>th</sup> resolution)**
- Amendment to the Articles of association – Competence to issue bonds and securities not entailing a capital increase **(25<sup>th</sup> resolution)**
- Delegation of powers to carry out corporate formalities **(26<sup>th</sup> resolution)**

# RESOLUTIONS TO BE SUBMITTED TO THE MEETING, AS PRESENTED BY THE BOARD

You will find below the proposed resolutions that will be submitted to the Lafarge shareholders at the next Combined Shareholders' Meeting on May 7, 2015.

The resolutions are preceded by an introductory paragraph explaining the reasons for each proposed resolution. All these introductory paragraphs, taken with the business description in the notice of Shareholders' Meeting, form the report from the Board of Directors to the Shareholders' Meeting. Reading of this report may not be dissociated from reading of the proposed resolutions.

Shareholders are also invited to read the Guide on "Draft resolutions submitted to the vote of shareholders of listed entities", published by the MEDEF (Mouvement des Entreprises de France, the French employers association) in collaboration with ANSA and Afep and available on [www.medef.com](http://www.medef.com) (Medef Corporate, "Publications" section) or on [www.lafarge.com](http://www.lafarge.com) ("Shareholders & Investors" section) for further information on the issues at stake in each type of resolution and the specific legal requirements applicable under French Law.

## I. RESOLUTIONS TO BE SUBMITTED TO THE ORDINARY SHAREHOLDERS' MEETING

### APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS AND APPROPRIATION OF EARNINGS (RESOLUTIONS 1 TO 3)

The **first two resolutions** submit to the shareholders' approval the statutory and consolidated financial statements of Lafarge for 2014, showing earnings of 144,018,217.48 euros and 143 million euros, respectively (net income attributable to the owners of the parent company of the Group).

The **3<sup>rd</sup> resolution** proposes an appropriation of the earnings for the 2014 financial year that allows a normal dividend of 1.27 euro per share and a loyalty dividend of 1.39 euro per share. The loyalty dividend is awarded to shares which have been held in registered form for more than two years as of December 31, 2014, and are still held in registered form on the dividend payment date.

The normal dividend and the loyalty dividend are eligible in full for the 40% deduction that applies to individuals who are French tax residents.

If this resolution is adopted, the dividend will become eligible for payment on May 12, 2015. The shares will be traded ex-dividend as from May 8, 2015.

### 1<sup>ST</sup> RESOLUTION

#### Approval of the 2014 financial statements and transactions

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, having considered the report of the Board of Directors, the report of the Chairman of the Board of Directors on internal control procedures implemented by the Company, and the statutory auditors' reports, approves the 2014 financial statements, as presented, and the transactions recorded therein and summarized in these reports.

The net income for the year was 144,018,217.48 euros.

### 2<sup>ND</sup> RESOLUTION

#### Approval of the 2014 consolidated financial statements and transactions

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, having considered the report of the Board of Directors, the report of the Chairman of the Board of Directors on internal control procedures implemented by the Company and the statutory auditors' reports, approves the 2014 consolidated financial statements, as presented, and the transactions recorded therein and summarized in these reports.

The net income, Group share, for the year was 143 million euros.

**3<sup>RD</sup> RESOLUTION****Appropriation of earnings and setting of the dividend**

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, approves the proposal from the Board of Directors for the appropriation of distributable profits for the 2014 financial year:

<b>Origins:</b>		(in euros)
Earnings		144,018,217.48
Retained earnings*		1,726,529,653.56
<b>TOTAL (DISTRIBUTABLE PROFITS)</b>		<b>1,870,547,871.04</b>
<b>Appropriation:</b>		
Legal reserve		70,514.80
Dividend**		
• First dividend (5% of the par value of the share)		57,494,229.20
• Additional dividend (total dividend – first dividend)		307,594,126.22
• Maximum amount of the 10% increase		2,643,447.72
<b>Total Dividend</b>		<b>367,731,803.14</b>
Retained earnings		1,502,745,533.10
<b>TOTAL APPROPRIATIONS</b>		<b>1,870,547,871.04</b>

\* After adjustments relating to events not taken into account on the date on which the appropriation of earnings submitted to the previous Shareholders' Meeting was completed (a) dividend received in relation to new shares giving right to dividend created before the ex-dividend date, which amounted to 121,948 euros, (b) dividend not received in relation to treasury shares held as of the ex-dividend date, which amounted to 52,970 euros, (c) acquisition or loss of the right to the 10% increase of the dividend for certain registered shares before the dividend becomes eligible for payment, corresponding to 220,597.60 euros.

\*\* This amount (and retained earnings) will be adjusted, if need be, to take into account the consequences of the realization of the following events (a) creation of new shares giving right to dividend before the ex-dividend date, (b) variation of the number of treasury shares before the ex-dividend date, (c) loss of the right to the 10% increase of the dividend for certain registered shares before the dividend becomes eligible for payment and (d) regularization on dividends paid for past financial year(s).

It sets the normal dividend at 1.27 euro per share and the loyalty dividend at 1.39 euro per share. The amount of the normal dividend and the loyalty dividend, when distributed to individual shareholders who are French tax residents, are eligible in full for the 40% deduction provided for in Article 158-3, 2 of the French General Tax Code.

We remind the Shareholders' Meeting that the dividends distributed in previous years were as follows:

<b>Financial Year</b>	<b>Number of shares</b>	<b>Dividend distributed</b>
<b>2013</b>	<b>287,365,397</b>	
Normal dividend		1.00
Loyalty dividend		1.10
<b>2012</b>	<b>287,255,502</b>	
Normal dividend		1.00
Loyalty dividend		1.10
<b>2011</b>	<b>287,247,518</b>	
Normal dividend		0.50
Loyalty dividend		0.55

All amounts mentioned in the above table in the column "Dividend distributed" are eligible to the 40% tax deduction mentioned above.

The Shareholders' Meeting resolves that the shares will be traded ex-dividend as from May 8, 2015 and that dividend will become eligible for payment on May 12, 2015.

## RELATED-PARTY AGREEMENTS (*CONVENTIONS RÉGLEMENTÉES*) (RESOLUTIONS 4 TO 6)

### 4<sup>TH</sup> AND 5<sup>TH</sup> RESOLUTIONS

The 4<sup>th</sup> and 5<sup>th</sup> resolutions relate to the ratification of “related-party” agreements (*conventions réglementées*) approved by the Board of Directors. These are agreements entered into during the 2014 financial year between Lafarge and its Directors or a company that shares one or more Directors with Lafarge or a shareholder holding more than 10% of the voting rights of the Company and not yet approved by the Shareholders’ Meeting.

As new agreements not yet approved by the Shareholders’ Meeting, the special report of the statutory auditors mentions the agreements between:

- ◆ **Groupe Bruxelles Lambert** (hereinafter “GBL”), **Holcim Ltd and the Company** entered into on April 6, 2014;
- ◆ **and NNS Holding Sàrl** (hereinafter “NNS”), **Mr Nassef Sawiris, Holcim Ltd and the Company** entered into on April 6, 2014.

### PRESENTATION OF THE AGREEMENTS AND GROUNDS FOR THE BOARD OF DIRECTORS’ DECISION

As part of the merger project between Lafarge and Holcim Ltd (the “transaction”), which would be finalized by means of a public exchange offer initiated by Holcim Ltd on the shares of Lafarge, two undertaking agreements were executed on April 6, 2014, one between Lafarge, Holcim Ltd and Groupe Bruxelles Lambert and the other between Lafarge, Holcim Ltd, Mr Nassef Sawiris and NNS Holding Sàrl. Information on these agreements has been published on the website of the *Autorité des marchés financiers*, in accordance with the provisions of Article L.233-11 of the French Commercial Code (AMF document No. 214C0562).

Under these agreements, Groupe Bruxelles Lambert, on the one hand, and Mr Nassef Sawiris and NNS Holding Sàrl, on the other hand, have undertaken to tender to the public exchange offer all Lafarge shares which they respectively held as of April 6, 2014 (i.e. 60,308,408 Lafarge shares for Groupe Bruxelles Lambert and 40,064,682 Lafarge shares for Mr Nassef Sawiris and NNS Holding Sàrl) to the public exchange offer, as well as any additional Lafarge shares they may acquire in future. Groupe Bruxelles Lambert on one hand, and Mr Nassef Sawiris and NNS Holding Sàrl on the other hand, have made a commitment to reiterate, if necessary, such undertaking to tender their shares.

The undertakings to tender their shares given by Groupe Bruxelles Lambert, on the one hand, and Mr Nassef Sawiris and NNS Holding Sàrl, on the other hand, will become void in the event (i) a third party files a public offer before the public exchange offer to be initiated by Holcim Ltd, or (ii) a competing public offer made by a third party, subsequent to the public exchange offer initiated by Holcim Ltd, is declared compliant by the *Autorité des marchés financiers*. However, in the event that, following such an offer by a third party, Holcim Ltd initiates a competing offer or makes a higher bid, such offer or higher bid being declared compliant by the *Autorité des marchés financiers* and the other principles and terms of the transaction remaining unchanged (in particular regarding governance of the new entity), the undertakings to tender their shares made by Groupe Bruxelles Lambert, on the one hand, and Mr Nassef Sawiris and NNS Holding Sàrl, on the other hand, will apply to this competing offer or higher bid made by Holcim Ltd.

Groupe Bruxelles Lambert, on the one hand, and Mr Nassef Sawiris and NNS Holding Sàrl, on the other hand, have declared not to be acting in concert with a third party in respect of Lafarge or Holcim Ltd and have undertaken not to act in concert with a third party in respect of Lafarge or Holcim Ltd for a specific period (the “restricted period”).

In addition, during the restricted period, Groupe Bruxelles Lambert, on the one hand, and Mr Nassef Sawiris and NNS Holding Sàrl, on the other hand, have made a commitment (on their behalf and on behalf of any of their subsidiaries holding Lafarge shares) to:

- ◆ **hold and not sell or otherwise transfer in any way, including by entering into a derivatives transaction, any Lafarge share** (permitted exceptions aside);
- ◆ **abstain from any initiative aiming at, or to solicit, encourage, facilitate or induce an alternative transaction or offer to the public exchange offer to be initiated by Holcim Ltd or to the proposed merger between Holcim Ltd and Lafarge (an “alternate proposal”), and to inform Lafarge and Holcim Ltd of any solicitation or proposal from a third party which could lead to an alternate proposal;**
- ◆ **abstain from having any discussion with any person or entity regarding an alternate proposal or to engage in any negotiation regarding an alternate proposal; or**
- ◆ **abstain from supporting or proposing publicly to support any alternate proposal.**

The two agreements will terminate on December 31, 2015, except in case of early termination, it being specified that if Holcim Ltd initiates the public exchange offer before December 31, 2015, the term of these agreements will be automatically extended until settlement-delivery of the public exchange offer.

The Board of Directors authorized the entering into of these agreements during its meeting on April 5, 2014, considering that the public exchange offer and the other related transactions were in the best interest of the Company, its shareholders, its employees and other stakeholders.



**4<sup>TH</sup> RESOLUTION - UNDERTAKING AGREEMENT BETWEEN GROUPE BRUXELLES LAMBERT, HOLCIM LTD AND THE COMPANY****Shareholders and Directors concerned:**

- ◆ Groupe Bruxelles Lambert, a shareholder of the Company;
- ◆ Mr Paul Desmarais, Director of the Company, is Vice-Chairman of the Board, Director and member of the Executive Committee of Groupe Bruxelles Lambert;
- ◆ Mr Ian Gallienne, Director of the Company, is Managing Director of Groupe Bruxelles Lambert; and
- ◆ Mr Gérard Lamarche, Director of the Company, is Managing Director of Groupe Bruxelles Lambert.

The shareholders and Directors mentioned above, having an interest in the agreement, will not take part in the vote. Their shares will be excluded from the quorum.

**5<sup>TH</sup> RESOLUTION - UNDERTAKING AGREEMENT BETWEEN NNS HOLDING SÀRL, MR NASSEF SAWIRIS, HOLCIM LTD AND THE COMPANY****Shareholders and Directors concerned:**

- ◆ NNS Holding Sàrl, shareholder of the Company;
- ◆ Mr Nassef Sawiris, Director of the Company, is a party to the agreement and a related-party to NNS Holding Sàrl; and
- ◆ Mr Jérôme Guiraud, Director of the Company, is a Director of NNS Holding Sàrl.

The shareholders and Directors mentioned above, having an interest in the agreement, will not take part in the vote. Their shares will be excluded from the quorum.

**6<sup>TH</sup> RESOLUTION**

The **6<sup>th</sup> resolution** relates to the amendments to the French supplementary pension plans and related insurance contracts with Cardif Assurance. These related-party agreements were approved by the Board of Directors during its meeting held on March 11, 2015 and are presented to this Shareholders' Meeting for approval.

**SUPPLEMENTARY PENSION PLANS: PRESENTATION OF THE AMENDMENTS AND GROUNDS FOR THE BOARD OF DIRECTORS' DECISION**

French executives and members of the Executive Committee of Lafarge are eligible to the following supplementary defined benefit pension plans (two plans, hereafter referred to as "the Plans"):

- ◆ "Régime Additif" for some executives of Lafarge and its French subsidiaries, and
- ◆ "Régime Comex" for members of the Executive Committee of Lafarge.

Potential beneficiaries have to retire and liquidate their pension rights from Lafarge or from one of its French subsidiaries in order to receive their unvested pension rights according to the Plans' rules.

Mr Bruno Lafont is one of the potential beneficiaries under the Plans. As a reminder, these Plans have already been approved by the shareholders, in particular during the Shareholders' Meeting of May 6, 2009.

Plans' amendments are necessary in order to maintain past-service pension rights for potential beneficiaries who would be localized within LafargeHolcim in Switzerland following the completion of the proposed merger between Lafarge and Holcim Ltd. These amendments are substantially as follows:

- ◆ Freeze of pension rights under the Plans from the date of localization of the potential beneficiary within LafargeHolcim in Switzerland: length of service and compensations received during this localization are not considered in the calculation of pension rights granted by the Plans (concerned beneficiaries being members of the Swiss LafargeHolcim pension funds during this period),
- ◆ Maintaining and vesting of pension rights under the Plans including in case of retirement from the Swiss entity LafargeHolcim (and no longer only in case of retirement from Lafarge or from one of its French subsidiary),
- ◆ Length of service and compensation received by an eligible beneficiary after being relocated in France (within Lafarge or one of its French subsidiaries) will be considered in the calculation of pension rights granted by the Plans,
- ◆ The above-mentioned amendments, which tend to anticipate potential impact of the proposed merger between Lafarge and Holcim Ltd, do not lead to an increase of current pension rights under the Plans,
- ◆ At the same time, some technical amendments in line with market practice are made to the Plans (review of pension indexation rules: for pensions in payment from March 2015, the indexation will be based on actual return of plans' assets managed by the insurance company in charge of paying the pensions to the beneficiaries).

None of the proposed amendments to the Plans' rules would lead to an increase of the potential pension rights to be granted to Mr Bruno Lafont.

### **INSURANCE CONTRACTS RELATED TO THE SUPPLEMENTARY PENSIONS PLANS: PRESENTATION OF THE AMENDMENTS AND GROUNDS FOR THE BOARD OF DIRECTORS' DECISION**

At its meeting held on November 6, 2008, the Board of Directors authorized the entering into of insurance contracts (the "Agreements") between the Company and Cardif Assurance Vie, a subsidiary of BNP Paribas, the purpose of which is to provide for an externalization of the management of the Plans. These Agreements were approved by the Shareholders' Meeting of May 6, 2009.

Mr Bruno Lafont may benefit from these Agreements.

The sole purpose of the amendments to the Agreements is to mirror the Plans' amendments which are described hereabove. The purpose of the Agreements being to externally manage the Plans, the Agreements include and referred to the Plans' rules and have then to be modified in order to be consistent with the new rules after adoption of the above-mentioned Plans' amendments. The amendments to the Agreements do not include any substantial modification nor any modification of the economic or financial conditions of the Agreements which remain in line with market practices.

**Director concerned:** Mr Bruno Lafont, Director and Chairman and Chief Executive Officer.

Mr Bruno Lafont, having an interest in the agreements, will not take part in the vote. His shares will be excluded from the quorum.

During its meeting held on February 17, 2015, the Board of Directors conducted its yearly review of related-party agreements and commitments approved by the Shareholders' Meeting in prior years that had a continuing effect in 2014, none of them having resulted in a payment in 2014 with the exception of the insurance contracts with Cardif Assurance Vie, as specified in the special report of the statutory auditors.

## **4<sup>TH</sup> RESOLUTION**

### **Approval of a new related-party agreement (convention réglementée): undertaking agreement between Groupe Bruxelles Lambert, Holcim Ltd and the Company**

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings and on the special report prepared by the statutory auditors pursuant to Article L.225-40 of the French Commercial Code on agreements falling within the scope of Article L.225-38 *et seq.* of the said Code, approves the agreement entered into between Groupe Bruxelles Lambert, Holcim Ltd and the Company on April 6, 2014, as well as the sections of the statutory auditors' special report relating to this agreement.

## **5<sup>TH</sup> RESOLUTION**

### **Approval of a new related-party agreement (convention réglementée): undertaking agreement between NNS Holding Sàrl, Mr Sawiris, Holcim Ltd and the Company**

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings and on the special report prepared by the statutory auditors pursuant to Article L.225-40 of the French Commercial Code on agreements falling within the scope of Article L.225-38 *et seq.* of the said Code, approves the agreement entered into between NNS Holding Sàrl, Mr Nassef Sawiris, Holcim Ltd and the Company on April 6, 2014, as well as the sections of the statutory auditors' special report relating to this agreement.

## **6<sup>TH</sup> RESOLUTION**

### **Approval of new related-party agreements (conventions réglementées): amendments to the French supplementary pension plans and to the related insurance contracts**

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings and on the special report prepared by the statutory auditors pursuant to Article L.225-40 of the French Commercial Code on agreements falling within the scope of Article L.225-38 *et seq.* of the said Code, approves the amendments to the supplementary pension Plans in France and to the related insurance contracts with Cardif Assurance Vie as described in the special report of the statutory auditors, as well as the sections of the statutory auditors' special report relating to these agreements.

## GOVERNANCE – COMPOSITION OF THE BOARD OF DIRECTORS - DIRECTORSHIPS (RESOLUTIONS 7 TO 8)

---

### Composition of the Board of Directors – Proposed resolutions

The Board of Directors proposes several resolutions relating to its composition.

The **7<sup>th</sup> and 8<sup>th</sup> resolutions** relate to the renewal of the term of office of two Directors, Messrs. Philippe Dauman and Baudouin Prot. These renewals would enable the Board of Directors to keep benefiting from their expertise and experience, which are described in the biographies below.

**Information on the candidates for renewal as Director can be found from page 80 to page 98 in this document.**

### TERM OF DIRECTORSHIPS

In accordance with the provisions of the Articles of Association, these renewals will be for a **term of four years** until the end of the Shareholders' Meeting to be held in 2019 to approve the financial statements for the year ending December 31, 2018.

## COMPOSITION AND INDEPENDENCE OF THE BOARD OF DIRECTORS FOLLOWING THE SHAREHOLDERS' MEETING (SHOULD ALL THE PROPOSED RESOLUTIONS BE APPROVED)

Should the Shareholders' Meeting approve all these resolutions, the Board of Directors would be composed of **18 Directors (including 2 Directors representing employees)** following the meeting.

Out of these Directors, the following **10 Directors will be classified as independent**: Ms Mina Gerowin, Hélène Ploix, Christine Ramon and Véronique Weill and Messrs. Philippe Charrier, Philippe Dauman, Oscar Fanjul, Juan Gallardo, Baudouin Prot and Michel Rollier.

**The percentage of independent Directors on the Board of Directors would correspond 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 the Afep-Medef and by carrying out materiality tests on business relationships between the Company and its Directors (or entities with which they are related).

In addition, with four women on the Board of Directors, **the proportion of women appointed to the Board will correspond to 25%** (not taking into account the two Directors representing employees for this computation).

The table below summarizes the expiry of the terms of office of the members of the Board of Directors, as it will be composed after this Meeting should the proposed resolutions mentioned above be adopted:

Directors	2016 (Shareholders' Meeting called to approve the 2015 financial statements)	2017 (Shareholders' Meeting called to approve the 2016 financial statements)	2018 (Shareholders' Meeting called to approve the 2017 financial statements)	2019 (Shareholders' Meeting called to approve the 2018 financial statements)
Bruno Lafont		X		
Oscar Fanjul		X		
Philippe Charrier		X		
Philippe Dauman				X
Paul Desmarais Jr.	X			
Juan Gallardo		X		
Mina Gerowin			X	
Ian Gallienne	X			
Jérôme Guiraud	X			
Luc Jeanneney			X <sup>(1)</sup>	
Gérard Lamarche	X			
Hélène Ploix		X		
Baudouin Prot				X
Christine Ramon			X	
Michel Rollier	X			
Nassef Sawiris	X			
Ewald Simandl			X <sup>(2)</sup>	
Véronique Weill			X	

<sup>(1)</sup> Director representing employees nominated by the Works Council of Lafarge S.A. and whose appointment became effective at the Board of Directors' meeting held on November 4, 2014, for a period of four years until November 4, 2018.

<sup>(2)</sup> Director representing employees nominated by the European Works Council and whose appointment became effective at the Board of Directors' meeting held on November 4, 2014, for a period of four years until November 4, 2018.

## **7<sup>TH</sup> RESOLUTION**

### **Renewal of the term of office of Mr Philippe Dauman as Director**

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, on the recommendation of the Board of Directors, and in accordance with the conditions stipulated in Article 14 of the Articles of Association, hereby renews Mr Philippe Dauman's term of office as Director for a period of four years, expiring at the end of the Shareholders' Meeting called to approve the financial statements for the 2018 financial year.

## **8<sup>TH</sup> RESOLUTION**

### **Renewal of the term of office of Mr Baudouin Prot as Director**

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, on the recommendation of the Board of Directors, and in accordance with the conditions stipulated in Article 14 of the Articles of Association, hereby renews Mr Baudouin Prot's term of office as Director for a period of four years, expiring at the end of the Shareholders' Meeting called to approve the financial statements for the 2018 financial year.



## 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 - "SAY ON PAY" (9<sup>TH</sup> RESOLUTION)

The 9<sup>th</sup> resolution submits to the advisory opinion of shareholders the elements of compensation due or granted to Mr Bruno Lafont, Chairman and Chief Executive Officer of the Company, for the year ended December 31, 2014 pursuant to the recommendations of the Afep-Medef Code which is the Corporate Governance Code to which the Company refers. The table summarizing these elements of compensation, contained in the 2014 Registration Document in Section 3.4.4, is reproduced below:

Compensation elements due or granted during the financial year	Amounts or book value submitted to the vote	Presentation
<b>Fixed compensation</b>	<b>975,000 euros</b> (amount paid)	No increase in 2014 compared to the 2013 fixed remuneration.
<b>Annual variable compensation</b>	<b>828,750 euros</b> (amount due, to be paid in 2015)	<p>The 2014 annual variable part represents 53% of the maximum bonus.</p> <p>The 2014 financial objectives set for the variable part related to: the variation in earnings per share, the free cash flow generation, the level of Ebitda, the Roce (return on capital employed) and the evolution in Lafarge's performance compared to competitors.</p> <p>The level of realization of these financial objectives was validated by the Remunerations Committee and the Board of Directors.</p> <p>The 2014 qualitative objectives were related to the following areas: health and safety, budgetary target and credit rating, measures to accelerate organic growth, strategic plan for the Group, financial communications and the development of the management team.</p> <p>The policy of the Company is to set the annual variable part of the Chairman and Chief Executive Officer, except if exceptional circumstances, to a maximum of 160% of the fixed remuneration. It is determined based on the achievement of financial objectives for 62.5% and on the realization of qualitative objectives for 37.5%.</p>
<b>Differed variable compensation</b>	<b>N/A</b>	The principle of a deferred variable compensation is not planned.
<b>Multi-annual variable compensation</b>	<b>0 euro</b> No amount is due	<p><b>2014 Value Enhancement Bonus:</b></p> <ul style="list-style-type: none"> <li>Grant of 92,000 "Value Enhancement Bonus" (VEB) units (Board of Directors of March 11, 2014).</li> <li>At the end of a four-year period (2014 to 2018), and only if the external performance condition linked to the share price has been achieved, payment of a bonus amounting to the difference between Lafarge's share price at the end of the program <sup>(1)</sup> and a stock price target set at 75 euros will be given. To determine the amount of this bonus, the difference will be multiplied by the number of VEB units granted, being said that if the internal performance condition also attached to the program is not achieved, 50% of the granted VEB units will be cancelled.</li> <li>Cap: the amount which could be granted by VEB unit is capped at 75 euros.</li> <li>Performance conditions: <ul style="list-style-type: none"> <li>the external performance condition is achieved if the share price target set at 75 euros is reached;</li> <li>the internal performance condition: level of average return on capital employed for 2014 to 2017 achieved by comparison to the performance benchmarks <sup>(2)</sup>. The number of VEB units giving right to payment depends on the level reached by the internal performance condition. If the minimum performance benchmark is not achieved, 50% of VEB units granted will be cancelled.</li> </ul> </li> <li>The program provides for a payment in 2018. No amount is due related to this compensation for 2014.</li> <li>At the date of grant, the valuation of this multi-annual variable remuneration is estimated at 578,680 euros. It is reassessed every year.</li> </ul> <p><b>Other multi-annual variable remuneration plans:</b></p> <ul style="list-style-type: none"> <li>The description of the attributed plans during the previous financial year, and still in place, is contained in the Registration Document.</li> </ul>

(1) Average first quoted prices of Lafarge shares during the twenty trading days preceding March 11, 2018.

(2) The performance benchmarks are fixed on Roce's average margin percentage as defined for the 2014 to 2017 period. They are not made public due to confidentiality issues.

Compensation elements due or granted during the financial year	Amounts or book value submitted to the vote	Presentation
<b>Exceptional compensation</b>	<b>N/A</b>	No exceptional compensation was granted to the Chairman and Chief Executive Officer for the 2014 financial year.
<b>Stock options, performance shares</b>	<b>Performance shares = 722,860 euros</b> (book value)	<b>2014 Performance shares grant:</b> <ul style="list-style-type: none"> <li>Grant of 23,000 performance shares, representing less than 10% of the total of performance shares granted and 0.01% of the current share capital of the Company.</li> <li>100% of the grant is subject to the achievement of external and internal performance conditions. The number of shares to be delivered at the end of a three-year period will depend on the level of achievement of these conditions over the period 2014-2016.</li> <li>Performance conditions: <ul style="list-style-type: none"> <li>External performance condition (related to 75% of the grant): Lafarge's relative performance in terms of (i) Total Shareholder Returns (TSR) and (ii) level of Return on Capital Employed (Roce), compared to a panel of reference companies including Lafarge's main competitors for the period from 2014 to 2016. The number of performance shares to be delivered will be determined depending on Lafarge's ranking in this panel;</li> <li>Internal performance condition (related to 25% of the grant): growth in the Group's Ebitda resulting from innovation and performance actions (target levels have been defined both for the 2014 financial year and for the period from 2014 to 2015).</li> </ul> </li> <li>This grant was decided by the Board of Directors on March 11, 2014 on the basis of the 21<sup>st</sup> resolution ("Authorization to the Board of Directors to grant free existing shares or shares to be issued") passed at the Shareholders' Meeting of May 7, 2013.</li> </ul>
	<b>Stock Options = N/A</b>	No grant of stock options.
<b>Directors' fees</b>	<b>30,000 euros</b> (amount due, to be paid in 2015)	Computation of Directors fees paid to Bruno Lafont in application of the allocation rules adopted by the Board of Directors on February 18, 2014, and set out in the Registration Document (30,000 euros = 10,000 euros (fixed fee) + 20,000 euros (variable fee)).
<b>Valuation of the fringe benefits</b>	<b>4,000 euros</b> (book value)	Mr Bruno Lafont benefits from a company car.

Compensation elements due or granted in 2014 submitted to the vote of the Shareholders' Meeting according to the procedure on related-party agreements and commitments	Amounts submitted to the vote	Presentation
<b>Severance compensation</b>	<b>0 euro</b> No amount is due	<b>Severance compensation related to the suspended employment contract of Mr Bruno Lafont:</b> In compliance with the procedure on related-party agreements and commitments, the shareholders have voted on this subject at the Combined Shareholders' Meeting of May 7, 2013 (5 <sup>th</sup> resolution) for the last time. The description of the severance compensation related to the suspended employment agreement of Mr Bruno Lafont is contained in the Registration Document.
<b>Non-compete clause payments</b>	<b>N/A</b>	There is no non-compete clause.
<b>Supplementary Pension Scheme</b>	<b>0 euro</b> No amount is due	<b>Supplementary Pension Scheme</b> In compliance with the procedure on related-party agreements and commitments, the shareholders have voted on this subject at the Shareholders' Meetings of May 24, 2006 (4 <sup>th</sup> resolution) and May 6, 2009 (4 <sup>th</sup> resolution). The description of the supplementary defined pensions benefits under the two collective plan applicable to Mr Bruno Lafont is contained in the Registration Document.

A description of the general principles for compensation of the Chairman and Chief Executive Officer as well as detailed information on compensation and benefits granted to the Chairman and Chief Executive Officer may be found in the 2014 Registration Document of the Company.

## 9<sup>TH</sup> 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

The Shareholders' Meeting, consulted in accordance with the recommendation set out in § 24.3 of the Afep-Medef Code of Corporate Governance of June 2013, being the Code to which the Company refers pursuant to Article L.225-37 of the French Commercial Code, deliberating pursuant to the quorum and majority requirements for ordinary meetings, gives a favorable opinion on the elements of compensation due or granted for the financial year 2014 to Mr Bruno Lafont, Chairman and Chief Executive Officer, as presented in Section 3.4.4 of the 2014 Registration Document of the Company.

### AUTHORIZATION TO BUY BACK SHARES (10<sup>TH</sup> RESOLUTION)

The **10<sup>th</sup> resolution** allows the Company to buy its own shares within the limits set by the shareholders and in accordance with applicable Law. It replaces the authorizations previously granted by the shareholders at each Shareholders' Meeting.

#### Main characteristics

The buyback program that we are recommending that you approve would have the following features:

- ◆ Securities: shares;
- ◆ Maximum percentage of capital authorized for buyback: 5%;
- ◆ Maximum total amount of the program: 500 million euros;
- ◆ Maximum unit purchase price: 100 euros;
- ◆ Objectives of the program:
  - ◆ the implementation of any Company stock option plan under the terms of Articles L.225-177 et seq. of the French Commercial Code or any similar plan; or
  - ◆ the allotment or sale of shares to employees under the French statutory profit-sharing scheme or the implementation of any employee savings plan on the conditions stipulated by Law, in particular Articles L.3332-1 et seq. of the French Labor Code; or
  - ◆ the allotment of free shares under the terms of Articles L.225-197-1 et seq. of the French Commercial Code; or
  - ◆ generally, to fulfil obligations linked with stock option programs or other share allotment schemes in favor of employees or executive officers of the Company or of related entities; or
  - ◆ the delivery of shares on the exercise of rights attached to securities giving rights to the capital by redemption, conversion, exchange, presentation of a warrant or any other means; or
  - ◆ the cancellation of some or all of the shares repurchased, subject to the approval by the Extraordinary Shareholders' Meeting of the **19<sup>th</sup> resolution** hereafter, according to the terms thereof; or
  - ◆ the delivery of shares (in exchange, as payment, or otherwise) in connection with acquisitions, mergers, demergers or asset-for-share exchanges; or
  - ◆ market-making in the secondary market or maintenance of the liquidity of Lafarge shares by an investment service provider under a liquidity contract that complies with the Ethical Code recognized by the Autorité des marchés financiers; or
  - ◆ implementation of any market practice recognized by the Autorité des marchés financiers, and more generally the carrying-out of any transaction compliant with regulations in force from time to time.
- ◆ Period: 18 months, until November 7, 2016;
- ◆ These transactions can be performed at any time, except during a tender offer for the Company's shares.

#### Past utilizations

For information purposes, it is indicated that the Company has not purchased any shares pursuant to the 9<sup>th</sup> resolution of the Shareholders' Meeting of May 7, 2014. As a reminder, the Company had purchased 250,000 shares assigned to cover performance shares grants using the authority granted by the 11<sup>th</sup> resolution of the Shareholders' Meeting of May 7, 2013.

In addition, the Company does not have any on-going liquidity agreement with an investment service provider.

#### Future utilization

Although the Board of Directors wants to remain free to use this proposed authorization in future for uses that have not been identified at this stage in line with the objectives presented above, it is not anticipated to use this buyback program for any use other than to cover performance shares grants or other grants of shares to employees or executive officers of the Group or to buy-back shares with a view of cancelling such repurchased shares, it being specified that the Company may not use the authorization below, even if it were approved by this Shareholders' Meeting, during the pre-offer period (which started on April 7, 2014, AMF document n°214C0514) and the offer period, if applicable, relating to the merger project between Holcim Ltd and the Company.

## 10<sup>TH</sup> RESOLUTION

### Authorization to the Company to buy and sell its own shares

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary Shareholders' Meetings, having considered the report of the Board of Directors, hereby authorizes the Board of Directors, with the option of sub-delegation in accordance with applicable Law and the Articles of Association of the Company, to purchase shares of the Company's stock or to have shares of the Company's stock purchase up to a maximum number of shares representing 5% of the capital stock on the date the purchases are made, pursuant to Articles L.225-209 *et seq.* of the French Commercial Code. The number of treasury shares held by the Company at any time may not exceed 10% of the shares constituting the share capital of the Company at such time.

This authorization replaces the authorization granted under the 9<sup>th</sup> resolution of the Shareholders' Meeting held on May 7, 2014.

For purposes of this resolution, the maximum purchase price per share is set at 100 euros. In the event of a transaction affecting capital or equity, particularly in case of capitalization of reserves and allotment of free shares, split or reverse stock split, the price stipulated above will be adjusted accordingly to take into account the impact of the transaction on the share value.

The total amount allocated to this stock purchase program may not exceed 500 million euros.

These shares may be acquired, sold or transferred by any and all means, on one or more occasions, whether on the markets or over the counter, including through the acquisition or sale of blocks of shares, through a tender offer or exchange offer, through the use of derivative financial instruments, warrants or securities giving the right to shares of the Company, or through the use of options, subject to the conditions stipulated by market authorities, with the following objectives:

- ◆ the implementation of any Company stock option plan under the terms of Articles L.225-177 *et seq.* of the French Commercial Code or any similar plan; or
- ◆ the allotment or sale of shares to employees under the French statutory profit-sharing scheme or the implementation of any employee savings plan under applicable legal conditions, in particular Articles L.3332-1 *et seq.* of the French Labor Code; or
- ◆ the allotment of free shares pursuant to the terms of Articles L.225-197-1 *et seq.* of the French Commercial Code; or
- ◆ generally, to fulfil obligations linked with stock option programs or other share allotment schemes in favor of employees or executive officers of the Company or of related entities; or
- ◆ the delivery of shares on the exercise of rights attached to securities giving rights to the capital by redemption, conversion, exchange, presentation of a warrant or any other means; or
- ◆ the cancellation of some or all of the shares repurchased, subject to the approval by the Extraordinary Shareholders' Meeting of the 19<sup>th</sup> resolution hereafter, according to the terms thereof; or
- ◆ the delivery of shares (in exchange, as payment, or otherwise) in connection with acquisitions, mergers, demergers or asset-for-share exchanges; or
- ◆ market-making in the secondary market or maintenance of the liquidity of Lafarge shares by an investment services provider under a liquidity contract that complies with the Ethical Code recognized by the *Autorité des marchés financiers*.

This program is also intended to enable the implementation of any market practice recognized by the *Autorité des marchés financiers*, and more generally the carrying-out of any transaction compliant with regulations in force from time to time. In such a case, the Company will inform its shareholders by press release.

This authorization is granted for a period of 18 months from the date of this Meeting.

Transactions by the Board of Directors to buy, sell or transfer shares of the Company may be executed at any time, except during a tender offer for the Company's shares, in compliance with legal and regulatory requirements.

The Shareholders' Meeting grants all powers to the Board of Directors, with the option of sub-delegation in accordance with the applicable Law and the Articles of Association of the Company, to decide and to implement this authorization and set the terms and conditions thereof, to implement the present buy back program, and particularly to adjust the aforementioned purchase price in case of transactions that impact shareholders' equity, share capital or the par value of the shares, to set the terms and conditions applying, if necessary, for the preservation of the rights of holders of securities or beneficiaries of stock options or free shares, in compliance with applicable Laws, regulations or contractual provisions, to place all market orders, enter into all agreements, make all declarations and perform all formalities and, generally take all necessary measures.

## ISSUANCES OF “SIMPLE” BONDS OR SECURITIES WHICH ARE BONDS GIVING RIGHT TO THE ALLOTMENT OF DEBT SECURITIES (11<sup>TH</sup> RESOLUTION)

In previous years, the Meeting has authorized the Board to carry out bond issuances on a regular basis in order to meet the Group's financing needs and allow good diversification of the Company's financing methods (in particular, as a complement to traditional bank financing).

Since the prior authorization granted by the Combined Shareholders' Meeting of May 7, 2013 is expiring soon, you are being asked to renew it in order to allow the Board to carry out issuances of bonds or securities which are bonds giving right to the allotment of debt securities conferring a claim against the Company up to a maximum nominal amount of 8 billion euros, depending on the Group's financing needs and market conditions.

The use of this authorization may not give rise to any capital increase and accordingly may not result in any dilution for the shareholders. Indeed, it does not permit the issuance of securities providing entitlement to equity securities (existing or newly issued) immediately or in the future, such issuances being the subject of separate resolutions that are a matter for the Extraordinary Shareholders' Meeting.

An issuance contract will govern the relations between the Company and the bondholders.

This authorization would cancel the 12<sup>th</sup> and 13<sup>th</sup> resolutions adopted by the Shareholders' Meeting held on May 7, 2013 and would be given for a term of 26 months.

### Legal framework and main characteristics

The purpose of the **11<sup>th</sup> resolution** is to authorize the Board of Directors, in accordance with Article 13 (Chapter III) of the Articles of Association of the Company, to issue (i) bonds that may not give right to the allotment of other debt securities, more commonly referred to as “simple bonds” and (ii) to issue securities which are bonds providing entitlement to the allotment of debt securities (of the Company or another company), more commonly known as “complex bonds”. These securities would not give rise to an increase of the Company's share capital.

“Complex bonds” are varied and include for instance bonds with bond subscription warrants attached.

If this resolution is adopted, the Board of Directors may determine the nature and characteristics of such bonds and securities, which are bonds providing entitlement to the allotment of debt securities to be created, in particular their interest rate, term and possibility of reducing or increasing the par value of the securities.

It is specified that negotiable debt securities covered by Articles L.213-1 to L.213-4-1 of the French Monetary and Financial Code are not covered by the **11<sup>th</sup> resolution** and in no event fall within the authority of the Shareholders' Meeting.

In addition, it is specified that it is also proposed that the shareholders vote an amendment to Article 13 (Chapter III) of the Articles of Association of the Company (**25<sup>th</sup> resolution**) and that approval of this **11<sup>th</sup> resolution** is therefore subject to a resolutive condition in case of the approval of the **25<sup>th</sup> resolution** at this Shareholders' Meeting. Indeed, the objective of the amendment to the Articles of Association being to enable the Board of Directors to issue the securities which are the subject of this **11<sup>th</sup> resolution**, approval of the **25<sup>th</sup> resolution** would thus render this resolution without purpose. As a result, approval of this **11<sup>th</sup> resolution** will have no legal effect should the **25<sup>th</sup> resolution** be approved.

### Common ceiling

An issuance ceiling of a nominal amount of 8 billion euros is set for this authorization. This maximum amount has been set to allow the Company to react under any circumstances. It is in proportion to the size of the Group and is consistent with the Group financing policy presented to the Board of Directors on a regular basis.

This ceiling is an overall ceiling applicable to all issuances of bonds, related securities or debt securities conferring such a claim against the Company.

Accordingly, the maximum nominal amount of all debt securities that may be issued pursuant to the **11<sup>th</sup> resolution** cannot exceed 8 billion euros or its exchange value. The par value of the other debt securities that could be issued pursuant to other resolutions submitted to this Meeting will count towards this ceiling.

To this ceiling will be added redemption premiums above the par value.

### Implemented issuances

For your information, the Company did not issue any bonds in 2014.

As a reminder, the Shareholders' Meeting held on May 7, 2013 had authorized the Board of Directors to issue up to 8,000 million euros of bonds or similar securities for a duration of 26 months. As at December 31, 2013, the amount remaining under the authorization amounted to 7,250 million euros, the Company having issued a 750 million euros bond since the authorization granted by the Shareholders' Meeting held on May 7, 2013.

During the 2013 exercise, the Company had issued on September 30, 2013 a bond of 750 million euros bearing an interest rate of 4.75% with a 7-year maturity.



## 11<sup>TH</sup> 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

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Meetings, having reviewed the Board of Directors' report and in accordance with the Articles of Association and Articles L.228-38 *et seq.* as well as Articles L.228-91 *et seq.* of the French Commercial Code:

- authorizes the Board of Directors to issue, on one or more occasions, in France and/or abroad, either in euros, or in any other currency or currency unit established by reference to several currencies, bonds for a limited or unlimited term;
- authorizes the Board of Directors to issue, on one or more occasions, in France and/or abroad, in the proportions and at the times it sees fit, either in euros, or in any other currency or currency unit established by reference to several currencies, any securities which are bonds providing entitlement to the allotment, immediately and/or in the future, of the debt securities governed by Articles L.228-92 § 3, L.228-93 § 6 and L.228-94 § 3 of the French Commercial Code such as bonds or related securities, subordinated securities for a limited or unlimited term or any other securities conferring in a single issuance the same claim against the Company;
- resolves that the maximum nominal amount of all of the aforementioned bonds to be issued cannot exceed 8 billion euros, or the exchange value on the date of the decision approving the issuance of this amount in a currency other than the euro or in any other currency unit established by reference to several currencies, it being specified that this maximum nominal amount will apply to all of the bonds but that this same amount will not include the redemption premiums above the par value, if such premiums are provided for; and
- resolves that this authorization cancels, if applicable, the unused portion of any prior authorization having the same purpose.

The Meeting grants full powers to the Board of Directors, with powers to subdelegate, in order to:

- carry out, on one or more occasions, such issuances up to the above-referenced limit;
- establish the terms of each of the issuances and determine the date, nature, amount, issuance currency and more generally their characteristics;
- establish the characteristics of the securities to be issued as well as, if applicable, of the debt securities to which they would give entitlement, in particular: set their par value, the date of ranking for dividend, the issuance price as well as the amount of the premium that may, if applicable, be requested at the issuance; decide, if applicable, whether they will be subordinated or not and if so, their rank of subordination in accordance with the provisions of Article L.228-97 of the French Commercial Code; set their interest rate (in particular the fixed and/or variable or zero coupon or indexed interest rate) or, in the case of securities with variable rates, the method of calculation of the latter, the interest payment date and its capitalization terms; set their term (limited or unlimited) and the other terms of the issuance (including the granting of guarantees or security interests), of amortization and/or early redemption (including the redemption by delivery of assets of the Company), if applicable with a fixed or variable premium, or repurchase by the Company; modify, during the lifespan of the relevant securities as well as the debt securities to which they would give right if applicable, the above-mentioned characteristics, in compliance with the applicable formalities;
- if needed, resolve to grant a guarantee or security interests on the securities to be issued, and establish their nature and characteristics;
- provide, if needed, for the redemption of the bonds issued through the delivery of assets of the Company; and
- generally, enter into any agreements, conclude any agreements with any banks and any organizations, take any measures and perform any required formalities, and generally, take all necessary measures.

This authorization is granted for a term of 26 months from the date of this Meeting, subject to the resolutive condition of the approval of the 25<sup>th</sup> resolution by this Shareholders' Meeting.

## II. RESOLUTIONS TO BE SUBMITTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

The substantial part of the delegations presented hereafter corresponds to delegations usually asked by the Company, as any other peer French listed company, in an Extraordinary Shareholders' Meeting. Such delegations have been established without taking into account the impact that the proposed merger with Holcim Ltd could have on their relevance or usefulness, nor the ability of the Company to use them during the merger project.

### ISSUANCES OF SECURITIES WHICH ARE BONDS PROVIDING ENTITLEMENT TO THE ALLOTMENT OF EXISTING EQUITY SECURITIES (12<sup>TH</sup> RESOLUTION)

Following the Act (Ordonnance) of July 31, 2014 relating to company Law, the Law provides that, except otherwise provided for by the Articles of Association, the power to decide or to authorize the issuance of bonds providing entitlement to the allotment of existing equity securities falls within the authority of the Board of Directors. Since the Articles of Association of the Company gives authority to the Extraordinary Shareholders' Meeting to decide on such issuances, as for the issuances giving rise to a capital increase, it is necessary to submit this **12<sup>th</sup> resolution** to your vote.

The use of this authorization may not give rise to any capital increase and accordingly may not result in any dilution for the shareholders. Indeed, it does not permit the issuance of securities providing entitlement, immediately or in the future, to newly issued equity securities, such issuances being the subject of separate resolutions that are a matter for the Extraordinary Shareholders' Meeting.

An issuance contract will govern the relations between the Company and the bondholders.

#### Legal framework and main characteristics

The purpose of the **12<sup>th</sup> resolution** is to authorize the Board of Directors, in accordance with Article 13 (Chapter III) of the Articles of Association of the Company, to issue securities which are bonds providing entitlement to the allotment of existing equity securities (of the Company or another company). These securities would not give rise to an increase in the Company's share capital.

If this resolution is adopted, the Board of Directors may determine the nature and characteristics of such securities to be created, in particular their interest rate, term and possibility of reducing or increasing the par value of the securities.

It is specified that negotiable debt securities covered by Articles L.213-1 to L.213-4-1 of the French Monetary and Financial Code are not covered by the **12<sup>th</sup> resolution** and in no event fall within the authority of the Shareholders' Meeting.

As specified hereinabove, it is also proposed that the shareholders vote an amendment to Article 13 (Chapter III) of the Articles of Association of the Company (**25<sup>th</sup> resolution**) and that approval of this **12<sup>th</sup> resolution** is therefore subject to a resolutive condition in case of the approval of the **25<sup>th</sup> resolution** at this Shareholders' Meeting. Indeed, the objective of the proposed amendment to the Articles of Association being to enable the Board of Directors to issue the securities which are the subject of this **12<sup>th</sup> resolution**, approval of the **25<sup>th</sup> resolution** would thus render this resolution without purpose. As a result, approval of this **12<sup>th</sup> resolution** will have no legal effect should the **25<sup>th</sup> resolution** be approved.

#### Common ceiling

An issuance ceiling of a nominal amount of 8 billion euros is set for this authorization. This maximum amount has been set to allow the Company to react under any circumstances. It is in proportion to the size of the Group and is consistent with the Group financing policy presented to the Board of Directors on a regular basis.

This ceiling is an overall ceiling applicable to all issuances of bonds, related securities or debt securities conferring such a claim against the Company.

Accordingly, the maximum nominal amount of all securities that may be issued pursuant to the **12<sup>th</sup> resolution** cannot exceed 8 billion euros or its exchange value and will count towards the ceiling determined in the **11<sup>th</sup> resolution**.

To this ceiling will be added redemption premiums above the par value.

#### Implemented issuances

During the 2014 financial year, the Company did not issue any such securities.

## 12<sup>TH</sup> 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

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for extraordinary meetings, having reviewed the Board of Directors' report and in accordance with the Articles of Association and Articles L.228-38 *et seq.* as well as Articles L.228-91 *et seq.* of the French Commercial Code:

- ◆ **d** authorizes the Board of Directors to issue, on one or more occasions, in France and/or abroad, in the proportions and at the time it deems fit, either in euros, or in any other currency or currency unit established by reference to several currencies, any securities which are bonds providing entitlement to the allotment, immediately and/or in the future, of existing equity securities governed by Articles L.228-92 § 3, L.228-93 § 6 and L.228-94 § 3 of the French Commercial Code;
- ◆ **d** resolves that the maximum nominal amount of all of the aforementioned bonds to be issued cannot exceed 8 billion euros, or the exchange value on the date of the decision approving the issuance of this amount in a currency other than the euro or in any other currency unit established by reference to several currencies, it being specified that this amount will count towards the overall ceiling provided for in the 11<sup>th</sup> resolution of this Meeting or, if applicable, the amount of the overall ceiling provided for pursuant to any similar resolutions that may replace the 11<sup>th</sup> resolution during the term of this delegation; to such amounts shall be added, if applicable, any redemption premiums above the par value; and
- ◆ **d** resolves that this authorization cancels, if applicable, the unused portion of any prior authorization having the same purpose.

The Meeting grants full powers to the Board of Directors, with powers to subdelegate, in order to:

- ◆ **d** carry out, on one or more occasions, such issuances up to the above-referenced limit;
- ◆ **d** establish the terms of each of the issuances and determine the date, nature, amount, issuance currency and more generally their characteristics;
- ◆ **d** establish the characteristics of the securities to be issued as well as the existing equity securities to which they would give entitlement, in particular: set their par value, the date of ranking for dividend, the issuance price as well as the amount of the premium that may, if applicable, be requested at the issuance; decide, if applicable, whether they will be subordinated or not and if so, their rank of subordination in accordance with the provisions of Article L.228-97 of the French Commercial Code; set their interest rate (in particular the fixed and/or variable or zero coupon or indexed interest rate) or, in the case of securities with variable rates, the method of calculation of the latter, the interest payment date and its capitalization terms; set their term (limited or unlimited) and the other terms of the issuance (including the granting of guarantees or security interests), of amortization and/or early redemption (including the redemption by delivery of assets of the Company), if applicable with a fixed or variable premium, or repurchase by the Company; modify, during the lifespan of the relevant securities as well as the existing equity securities to which they would give right, the above-mentioned characteristics, in compliance with the applicable formalities;
- ◆ **d** if needed, resolve to grant a guarantee or security interests on the securities to be issued, and establish their nature and characteristics;
- ◆ **d** provide, if needed, for the redemption through the delivery of assets of the Company; and
- ◆ **d** generally, enter into any agreements, conclude any agreements with any banks and any organizations, take any measures and perform any required formalities, and generally, take all necessary measures.

This authorization is granted for a term of 26 months from the date of this Meeting, subject to the resolutive condition of the approval of the 25<sup>th</sup> resolution by this Shareholders' Meeting.

## FINANCIAL AUTHORIZATIONS FOR CAPITAL INCREASES (RESOLUTIONS 13 TO 17)

**Resolutions 13 to 17** are financing authorizations for capital increases. In previous years, the Shareholders' Meeting has given the Board of Directors on a regular basis the necessary powers to permit it to increase the share capital by the issuance with or without the cancellation of shareholders' preferential subscription rights, at any time, on one or more occasions, of shares or so-called "complex" securities (i.e. constituted of a primary instrument giving rights to a secondary instrument) entailing a capital increase, and to determine the most appropriate transaction for the needs and development of the Group, based on the state of the market at the relevant time.

These resolutions can be divided in two major categories, those that can give rise to a capital increase with preferential subscription rights and those that can give rise to capital increases without preferential subscription right.

Any capital increase in cash provides the shareholders with a preferential subscription right, which is detachable and negotiable during the subscription period: every shareholder has the right to subscribe, during a minimum period of 5 trading days from the opening of the subscription period, a number of new shares proportional to that person's holding in the share capital.

The Board of Directors wishes to obtain, for some of these resolutions, the cancellation of the preferential subscription right.

Lastly, the Law sometimes provides for this cancellation: in particular, the voting of the delegation authorizing the Board of Directors to allot free shares (**20<sup>th</sup> resolution**) entails, by Law, an express waiver by the shareholders to their preferential subscription right in favor of beneficiaries of these allotments.

### Main characteristics

The Act (*Ordonnance*) of July 31, 2014, relating to corporation Law has modified the process for the issuance of so-called "complex" securities: it has limited the power of the extraordinary Shareholders' Meeting to the issuance of the following securities:

- ◆ "Complex" securities mentioned in Article L. 228-92 § 1 of the French Commercial Code, i.e. (i) those in which the primary security is an equity security to be issued by the Company and the secondary security is another equity security to be issued by, an existing equity security of, or a debt security of, the Company; and (ii) those in which the primary instrument is a debt security of the Company and the secondary security is an equity security to be issued by the Company.

These may consist in shares with share or bond warrants attached. They may also consist in bonds convertible into or redeemable for shares, in bonds with share warrants attached, or in "OCEANES" (bonds which are convertible into new shares or exchangeable for existing shares); in this case, access to the new equity securities may be carried out either at any time, or during specific periods, or on fixed dates (subject to the ceilings mentioned above), by way of a conversion (e.g., bonds convertible for shares), redemption (e.g., bonds redeemable for shares), exchange (e.g., bonds exchangeable for shares), presentation of a warrant (e.g., bonds with share warrants attached) or by any other means, during the term of the borrowings, irrespective of whether the shareholders have a preferential subscription right to such issued securities.

- ◆ "Complex" securities mentioned in Article L. 228-93 § 3 of the French Commercial Code, i.e. (i) those in which the primary security is an equity security to be issued by the Company and the secondary security is another equity security to be issued by, an existing equity security of, or a debt security of, a company which directly or indirectly owns more than half of the capital of the Company, or in which the Company owns more than half of the capital (an "Affiliate"); and (ii) those in which the primary security is a debt security of the Company and the secondary security is an equity security to be issued by an Affiliate. Said "complex" securities will have characteristics similar to those described above;

- ◆ "Complex" securities mentioned in Article L. 228-94 § 2 of the French Commercial Code, i.e. those in which the primary security is an equity security to be issued by the Company and the secondary security is an existing equity security of, or a debt security of, an unrelated company.

The Board of Directors generally prefers to carry out a standard capital increase with preferential subscription rights for shareholders (**13<sup>th</sup> resolution**).

However, depending on market conditions, the nature of the investors concerned by the issuance and the type of securities issued, it may be preferable, if not necessary, to cancel the preferential subscription right, so to place the securities under the best possible conditions, in particular when the speed of the transactions constitutes a condition that is essential to their success, or when the issuances are made on foreign financial markets. Any such cancellation may permit obtaining a larger pool of capital due to the more favorable terms of issuance. It may also provide for the possibility of carrying out mid-sized acquisitions paid for entirely in shares. A capital increase with cancellation of preferential subscription rights (**14<sup>th</sup> resolution**) would thus enable the Board of Directors to take advantage of certain opportunities that may arise in financial markets under certain circumstances (in particular in connection with exchange offers initiated by Lafarge or the issuance of securities underlying the securities issued by the Company or the subsidiaries of the Group). The resolution also provides that the Board may grant shareholders a priority period to subscribe to shares or securities entailing a capital increase.

The **14<sup>th</sup> resolution** also allows the issuance of shares or securities entailing a capital increase as payment for the securities of a company meeting the criteria set by Article L. 225-148 of the French Commercial Code in the framework of a public exchange offer made by the Company in France or abroad in accordance with local regulations.

The delegation provided in the **15<sup>th</sup> resolution** would permit facilitating Lafarge's access to markets by benefiting from the flexibility to approach qualified investors within the meaning of applicable regulation. These transactions are available exclusively to individuals providing portfolio investment and management services on behalf of third parties, and to qualified investors or a limited circle of investors, provided that such investors act for their own account. Applicable Law provides for an annual limit for these transactions of 20% of the share capital.

In accordance with Law, the issuance price of shares issued pursuant to **resolutions 14 and 15** must be at least equal to the weighted average of the prices during the three trading days on the Euronext Paris regulated market preceding the setting of the subscription price for the capital increase, minus 5% after the adjustment, if applicable, of this average to reflect the difference between the dates of ranking for dividend. In case of the issuance of securities giving access to the share capital of the Company, the issuance price of the securities giving access to the capital and the number of shares to which the conversion, redemption or generally the transformation of each security giving access to the capital may provide entitlement, will be such that the amounts collected by the Company shall be equal to the minimum regulatory price per share defined above. However, this method of calculation of the price will not apply in case of the issuance of shares or securities entailing a capital increase as payment for the securities of a company meeting the criteria set forth by Article L. 225-148 of the French Commercial Code, as described above, in which case the Board of Directors will have full flexibility to set the exchange ratio.

Regarding the capital increase through a contribution in kind (**16<sup>th</sup> resolution**), it enables the Board of Directors to increase the capital in order to pay for contributions in kind made to the Company and constituted of equity securities or of securities entailing a capital increase, with a view to carrying potential external growth transactions. The Board will make its decision based on the independent appraisers' reports concerning, *inter alia*, the value of the contributions.

The **17<sup>th</sup> resolution** would allow the Board of Directors to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights that is oversubscribed, in accordance with Article L. 225-135-1 of the French Commercial Code. Applicable regulations provide that this increase should be made at the same price as that of the initial issuance, and be limited both in time (30 days from the closing of the subscription period) and amount (the maximum number of shares to be issued in such case is limited to 15% of the initial issuance). Finally, this possible increase is subject to the ceiling included in the resolution approving such issuance and is granted for a term of twenty-six months.

Such delegations are granted for a period of 26 months from the date of this Shareholders' Meeting.

The Board of Directors may not use these delegations from the date on which a third party files a takeover bid for the Company's securities until the end of the offer period, unless the Shareholders' Meeting authorizes such use.

### Ceilings

The delegations in these resolutions apply to the increase in share capital up to an overall ceiling of **140 million shares, representing a maximum nominal value of €560 million (i.e. less than 50% of the capital as at December 31, 2014)** pursuant to the **13<sup>th</sup> resolution**.

**The following individual ceilings will count towards this overall ceiling:**

- ◆ a ceiling of **140 million shares**, that applies to capital increases with preferential subscription rights (**13<sup>th</sup> resolution**),
- ◆ a ceiling of **28 million shares**, representing a **maximum nominal value of €112 million (i.e., less than 10% of the Company's share capital as at December 31, 2014)**, that applies to capital increases by offer to the public without preferential subscription rights (**14<sup>th</sup> resolution**),
- ◆ a ceiling of **28 million shares**, that applies to capital increases by private placement without preferential subscription rights (**15<sup>th</sup> resolution**),
- ◆ a ceiling of **28 million shares**, that applies to capital increases by contributions in kind (**16<sup>th</sup> resolution**),
- ◆ a ceiling that corresponds, as of this day, to 15% of issuances that may be decided pursuant to 13<sup>th</sup> resolution to 16<sup>th</sup> (**17<sup>th</sup> resolution**).

**It being noted that issuances without preferential subscription rights decided pursuant to 15<sup>th</sup> resolution and 16<sup>th</sup> (and 17<sup>th</sup>, if applicable) will count towards the ceiling set for the 14<sup>th</sup> resolution, so that issuances that may be decided pursuant to 14<sup>th</sup> resolution to 16<sup>th</sup> (and 17<sup>th</sup>, if applicable) are limited to 28 million shares.**

Capital increases by incorporation of reserves (**18<sup>th</sup> resolution** – see *infra*) and capital increases reserved to employees (**resolutions 22 and 23** – see *infra*) will also count towards the overall ceiling.

To these ceilings will be added, if applicable, the nominal amount of any additional shares that may be issued, at the time of any new financial transactions, as adjustments made pursuant to applicable Laws and regulations or to applicable contractual provisions in order to preserve the rights of holders of securities giving access to the share capital or of beneficiaries of stock options or free shares.

In the event of an issuance of debt securities of the Company (bonds) in case of implementation of the authorizations granted pursuant to **resolutions 13 to 17**, the maximum nominal value of the debt securities may not exceed €8 billion or its exchange value in a foreign currency or currency unit established by reference to several currencies and would count towards the ceiling proposed in the **11<sup>th</sup> resolution** for bonds and related securities.

These delegations would cancel the previous delegations having the same purpose.

#### Use of previous delegations

Concerning capital increase transactions, you are reminded that the delegations granted by the Combined Shareholders' Meeting of May 7, 2013 have never been used.

For your information, on April 28, 2009 a capital increase was carried out of a gross amount, issuance premium included, of €1,500,317,581, through the issuance of 90,109,164 new shares with preferential subscription rights.

## 13<sup>TH</sup> RESOLUTION

### Delegation of authority to the Board of Directors to issue shares and securities entailing a capital increase, with preferential subscription rights

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' report and the statutory auditors' report, and in accordance with articles L.225-129 *et seq.* and L.228-91 *et seq.* of the French Commercial Code, and in particular articles L.225-129-2 and L.228-92 of said Code:

- ◆ delegates to the Board of Directors, with powers to subdelegate as permitted by Law and the Articles of Association, its authority to decide on one or more capital increases, in the proportions and at the times it sees fit, in France or abroad, either in euros, or in any other currency or currency unit established by reference to several currencies, through the issuance, for valuable consideration or free of consideration, of (i) common shares or (ii) securities governed by articles L.228-92 § 1, L.228-93 § 3 and L.228-94 § 2 of the French Commercial Code (a) giving access, immediately or in the future, by subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other way, to shares of the Company or of another company, or (b) giving rights to the allotment of debt securities, it being specified that subscription for such shares or securities may be in cash, or by offset of payable liquid debt, or in part by incorporation of reserves, profits or share premiums;
- ◆ resolves that the maximum nominal amount of capital increases that may be carried out immediately or in the future pursuant to this delegation may not exceed €560 million, i.e., 140 million shares corresponding to less than 50% of the capital on December 31, 2014, it being specified that the maximum nominal amount of capital increases that may be carried out pursuant to this delegation and those granted under the 14<sup>th</sup>, 15<sup>th</sup>, 16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> resolutions of this Meeting (or those granted pursuant to any similar resolutions that may replace such resolutions during the term of this delegation) is set at €560 million; to such ceilings shall be added, if applicable, the nominal amount of any additional shares that may be issued, at the time of any new financial transactions, as adjustments made pursuant to applicable Laws and regulations or to applicable contract provisions in order to preserve the rights of holders of securities giving access to the share capital or of beneficiaries of stock options or free shares;
- ◆ resolves that the nominal amount of the debt securities that may be issued pursuant to this delegation may not exceed €8 billion on the date of the decision approving the issuance, or the exchange value of this amount on the issuance date in the event of an issuance in a foreign currency or currency unit established by reference to several currencies. It is specified that this amount will count towards the overall ceiling provided for in the 11<sup>th</sup> resolution of this Meeting or, if applicable, towards any overall ceiling that may be provided for in a similar resolution replacing the 11<sup>th</sup> resolution during the term of this delegation, such amounts being increased, if applicable, by any redemption premiums above the par value;
- ◆ resolves that the shareholders have a preferential subscription right to shares and securities issued pursuant to this resolution in proportion to the number of shares that they hold. In addition, the Board of Directors will have the option to grant shareholders the right to subscribe for excess shares and securities beyond those they would be entitled to had they subscribed as of right, in proportion to their subscription rights and, in any event, up to the amounts requested;
- ◆ resolves that if the subscriptions as of right and, if applicable, subscriptions for excess shares, have not absorbed the entire share or security issuance as defined above, the Board of Directors may use, under the conditions provided by the Law and in the order it shall determine, one or the other of the following options: freely allocate all or part of the unsubscribed securities; publicly offer all or part of the unsubscribed securities on the French market or abroad and, more generally, limit the capital increase to the actual amount of subscriptions, provided that such amount represents, after the use of the two options referred to above, if applicable, at least three-quarters of the approved issuance;
- ◆ resolves that the issuance of warrants for the subscription of shares of the Company may be carried out by a subscription offer or a free allotment to holders of existing shares, it being specified that the fractional allotment rights and the corresponding securities will be sold under the conditions set out in Article L. 228-6-1 of the French Commercial Code;



- acknowledges that, the above-mentioned delegation automatically entails, in favor of the holders of issued securities giving access to the capital of the Company, a waiver by the shareholders of the preferential share subscription rights to which such securities entitle them immediately or in the future; and
- resolves that this delegation cancels any unused portion of any prior delegation having the same purpose.

This delegation is granted for a term of 26 months from the date of this Meeting.

The Board of Directors may not use these delegations from the date on which a third party files a takeover bid for the Company's securities until the end of the offer period, unless the Shareholders' Meeting authorizes such use.

The Shareholders' Meeting grants full powers to the Board of Directors, with powers to subdelegate as permitted by Law and the Articles of Association, to implement this delegation and in particular to decide on a capital increase, establish its amount, the issuance price as well as the amount of the premium that may, if applicable, be requested at issuance; establish the terms of the issuance, the nature and characteristics of the securities entailing a capital increase, possibly suspend the exercise of the rights attached to such securities in accordance with legal and regulatory provisions; establish the terms of the allotment of equity securities to which these securities provide entitlement, as well as the dates on which the allotment rights may be exercised; set the date from which the new shares will bear dividend rights, even if it is retroactive; if applicable, determine the procedure according to which the Company will have the option to buy or exchange on the market, at any moment or at set periods, the securities that have been issued or that must be issued immediately or in the future in order to cancel them or not, depending on the applicable legal provisions; in its sole discretion, charge the costs of the capital increases against the premium arising thereon, and deduct from this premium the sums necessary to increase the legal reserve; determine and make all necessary adjustments to take into account the impact of transactions involving the capital or the equity of the Company and set all procedures ensuring, if applicable, the preservation of the rights of holders of securities giving access to the share capital or of beneficiaries of stock options or free shares; duly record the completion of the capital increases, make the corresponding changes to the Articles of Association, carry out the required formalities, enter into any agreement, particularly in order to ensure the completion of the proposed issuances, and generally take all necessary measures.

## 14<sup>TH</sup> 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

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' report and the statutory auditors' report, and in accordance with articles L.225-129 *et seq.* and L.228-91 *et seq.* of the French Commercial Code, in particular articles L.225-129-2, L.225-135, L.225-136 and L.225-148 of the French Commercial Code:

- delegates to the Board of Directors, with powers to subdelegate as permitted by Law and the Articles of Association, its authority to decide on one or more capital increases of the Company, in the proportions and at the times it deems fit, by the issuance in France and/or abroad, by an offer to the public, either in euros, or in any other currency or currency unit established by reference to several currencies, through the issuance, for valuable consideration or free of consideration, of (i) common shares or (ii) securities governed by articles L.228-92 § 1, L.228-93 § 3 and L.228-94 § 2 of the French Commercial Code (a) giving access, immediately or in the future, by subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other way, to shares of the Company or of another company, or (b) giving rights to the allotment of debt securities. It is specified that subscription for such shares or securities may be in cash, or by offset of payable liquid debt, or in part by incorporation of reserves, profits or share premiums. These securities may in particular be issued to pay for securities contributed to the Company as contribution, in the context of a public exchange offer, implemented in France or abroad pursuant to local rules, involving securities complying with the conditions set out in Article L. 225-148 of the French Commercial Code;
- delegates to the Board of Directors, with powers to subdelegate as permitted by Law and the Articles of Association, authority to decide on the issuance of shares or securities giving access to the share capital of the Company to be issued after the issuance, by the companies in which the Company directly or indirectly owns more than half of the share capital, or by the Company that directly or indirectly owns more than half of the share capital of the Company, of securities giving access to the capital of the Company pursuant to Article L. 228-93 § 3 of the French Commercial Code; this decision entails, for the benefit of holders of securities to be issued by such companies belonging to the Company's group, a waiver by the shareholders of their preferential subscription right to the shares or securities giving access to the Company's capital to which these securities give rights to;
- decides that the maximum nominal amount of capital increases that may be carried out immediately or in the future pursuant to this delegation may not exceed €112 million, i.e., 28 million shares corresponding to less than 10% of the capital on December 31, 2014, it being specified that this amount shall count towards the overall ceiling set forth in the 13<sup>th</sup> resolution of this Meeting or, if applicable, towards any overall ceiling that may be provided for in a similar resolution replacing the 13<sup>th</sup> resolution during the term of this delegation. To these ceilings shall be added, if applicable, the nominal amount of any additional shares to be issued, at the time of any new financial transactions, as adjustments made pursuant to applicable Laws and regulations or to applicable contract provisions in order to preserve the rights of holders of securities giving access to the share capital or of beneficiaries of stock options or free shares;
- resolves that the maximum nominal amount debt securities that may be made pursuant to this delegation may not exceed €8 billion on the date of the decision approving the issuance, or its exchange value on the issuance date, in the event of issuance in a currency other than the euro or in any other currency unit established by reference to several currencies. It is specified that this amount shall count towards the overall ceiling set forth in the 11<sup>th</sup> resolution of this Meeting or, if applicable, towards the amount of any overall ceiling that may be set forth in a similar resolution replacing the 11<sup>th</sup> resolution during the term of this delegation; such amounts being increased by, if applicable, any redemption premium above the par value;

- resolves to cancel the preferential subscription right of the shareholders to the securities issued pursuant to this resolution and to grant the Board of Directors the power to grant to the shareholders a priority subscription period on the terms it shall establish in accordance with applicable legal and regulatory provisions to subscribe to all or part of the securities to be issued in application of the provisions of Article L. 225-135 of the French Commercial Code;
- acknowledges that if the subscriptions, including, if applicable, shareholders' subscriptions, do not absorb the entire issuance, the Board of Directors may limit the issuance to the actual amount of subscriptions received provided that it is equal to at least three-quarters of the approved issuance;
- resolves that (i) the issuance price of the shares will be at least equal to the minimum authorized by legal and regulatory provisions in force on the issuance date (as of the date hereof, the weighted average of the prices during the three trading days on the Euronext Paris regulated market (or any market that may replace it) preceding the determination of the subscription price for the capital increase minus 5%) after, if applicable, adjustments to this average in the event of a difference in dates of ranking for dividend; and (ii) the issuance price of securities giving access to the share capital and the number of shares to which the conversion, reimbursement or more generally the transformation, of each security giving access to the share capital may provide entitlement, will be such that the sum received immediately by the Company, plus the amount likely to be subsequently received by it, if applicable, is at least equal to the minimum subscription price defined in (i) of this paragraph for each share issued as a result of the issuance of such securities;
- acknowledges that this delegation automatically entails, in favor of the holders of issued securities giving access to the share capital of the Company, a waiver by shareholders of the preferential share subscription rights to which such securities entitle them immediately or in the future;
- resolves that these issuances may also be used as payment for securities contributed to the Company in connection with a public offer with an exchange component initiated by the Company in France or abroad in accordance with local rules for securities listed on a regulated market, under the conditions and subject to the reservations set forth in Article L. 225-148 of the French Commercial Code. It is specified that the Board of Directors has full powers, and powers to subdelegate in accordance with the Law, to establish the list of securities to be contributed to the exchange, the terms of the issuance, the exchange ratio as well as, if applicable, the amount of the cash balance to be paid without the price determination method defined above applying and to determine the terms of the offer and of the issuance; and
- resolves that this delegation cancels any unused portion of any prior delegation having the same purpose.

This delegation is granted for a term of 26 months from the date of this Meeting.

The Board of Directors may not use these delegations from the date on which a third party files a takeover bid for the Company's securities until the end of the offer period, unless the Shareholders' Meeting authorizes such use.

The Shareholders' Meeting grants full powers to the Board of Directors, with powers to sub delegate as permitted by Law and the Articles of Association, to implement this delegation and in particular to decide on the capital increase, establish its amount, the issuance price as well as the amount of the premium that may, if applicable, be requested at issuance; establish the terms of the issuance, the nature and characteristics of the securities entailing a capital increase, possibly suspend the exercise of the rights attached to such securities in accordance with legal and regulatory provisions; establish the terms of the allotment of equity securities to which these securities provide entitlement, as well as the dates on which the allotment rights may be exercised; set the date from which the new shares will bear dividend rights, even if it is retroactive; if applicable, determine the procedure according to which the Company will have the option to buy or exchange on the market, at any moment or at set periods, the securities that have been issued or that must be issued immediately or in the future in order to cancel them or not, depending on the applicable legal provisions; in its sole discretion, charge the costs of the capital increases against the premium arising thereon, and deduct from this premium the sums necessary to increase the legal reserve; determine and make all necessary adjustments to take into account the impact of transactions involving the capital or the equity of the Company and set all procedures ensuring, if applicable, the preservation of the rights of holders of securities giving access to the share capital or of beneficiaries of stock options or free shares; duly record the completion of the capital increases, make the corresponding changes to the Articles of Association, carry out the required formalities, enter into any agreement, particularly in order to ensure the completion of the proposed issuances, and generally take all necessary measures.

## 15<sup>TH</sup> 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

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' report and the statutory auditors' report, and in accordance with Article L. 225-129 *et seq.* of the French Commercial Code, in particular articles L.225-129-2, L.225-135, and L.225-136 as well as L.228-91 *et seq.* of said Code:

- delegates to the Board of Directors, with powers to subdelegate as permitted by Law and the Articles of Association, its authority to decide on one or more capital increases, in the proportions and at the times it sees fit, in France or abroad, pursuant to Article L. 411-2, II of the French Monetary and Financial Code, either in euros or in any other currency or currency unit established by reference to several currencies, through the issuance, for valuable consideration or free of consideration, of (i) common shares or (ii) securities governed by articles L.228-92 § 1, L.228-93 § 3 and L.228-94 § 2 of the French Commercial Code (a) giving access, immediately or in the future, by subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other way, to shares of the Company or of another company, or (b) giving rights to the allotment of debt securities. It is specified that subscription for such shares or other securities may be in cash, or by offset of payable liquid debt, or in part by incorporation of reserves, profits or share premiums;
- delegates to the Board of Directors, with powers to subdelegate as permitted by Law and the Articles of Association, authority to decide on the issuance of shares or securities giving access to the share capital of the Company to be issued after the issuance, by the companies in which the Company directly or indirectly owns more than half of the share capital, or by the Company that directly or indirectly owns more than half of the

share capital of the Company, of securities giving access to the capital of the Company pursuant to Article L. 228-93 § 3 of the French Commercial Code; this decision entails, for the benefit of holders of securities to be issued by such companies belonging to the Company's group, a waiver by the shareholders of their preferential subscription right to the shares or securities giving access to the Company's capital to which such securities give rights to;

- resolves to cancel the preferential subscription right of the shareholders to the securities issued pursuant to this resolution;
- resolves that the maximum nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this delegation may not exceed €112 million, i.e., 28 million shares corresponding to less than 10% of the capital on December 31, 2014, it being specified that this amount shall count towards the ceiling set forth in the 14<sup>th</sup> resolution of this Meeting and towards the overall ceiling set forth in the 13<sup>th</sup> resolution of this Meeting or, if applicable, towards any ceiling that may be provided for in a similar resolution replacing these resolutions during the term of this delegation. To these ceilings shall be added, if applicable, the nominal amount of any additional shares to be issued, at the time of any new financial transactions, as adjustments made pursuant to applicable Laws and regulations or to applicable contract provisions in order to preserve the rights of holders of securities giving access to the share capital or of beneficiaries of stock options or free shares;
- resolves that the nominal amount of the debt securities that may be issued pursuant to this delegation may not exceed €8 billion on the date of the decision approving the issuance, or the exchange value of this amount on the issuance date in the event of an issuance in a foreign currency or currency unit established by reference to several currencies; it being specified that this amount shall count towards the overall ceiling provided for in the 11<sup>th</sup> resolution of this Meeting, or, if applicable, towards any overall ceiling that may be provided for in a similar resolution replacing the 11<sup>th</sup> resolution during the term of this delegation, to which amounts shall be added, if applicable, any redemption premium above the par value;
- acknowledges that if the subscriptions do not absorb the entire issuance, the Board of Directors may limit the issuance to the actual amount of subscriptions received provided that it is equal to at least three-quarters of the approved issuance;
- resolves that (i) the issuance price of the shares will be at least equal to the minimum authorized by legal and regulatory provisions in force on the issuance date (as of the date hereof, the weighted average of the prices during the three trading days on the Euronext Paris regulated market (or any market that may replace it) preceding the determination of the subscription price for the capital increase minus 5%) after, if applicable, adjustments to this average in the event of a difference in the dates of ranking for dividend; and (ii) the issuance price of securities giving access to the share capital and the number of shares to which the conversion, reimbursement or more generally the transformation, of each security giving access to the share capital may entitle its holder, will be such that the sum received immediately by the Company, plus the amount likely to be subsequently received by it, if applicable, is at least equal to the minimum subscription price defined in (i) of this paragraph for each share issued pursuant to the issuance of such securities;
- acknowledges that this delegation automatically entails, in favor of the holders of issued securities giving access to the capital of the Company, a waiver by shareholders of the preferential share subscription rights to which such securities entitle them immediately or in the future; and
- resolves that this delegation cancels any unused portion of any prior delegation having the same purpose.

This delegation is granted for a term of 26 months from the date of this Meeting.

The Board of Directors may not use these delegations from the date on which a third party files a takeover bid for the Company's securities until the end of the offer period, unless the Shareholders' Meeting authorizes such use.

The Shareholders' Meeting grants full powers to the Board of Directors, with powers to subdelegate as permitted by Law and the Articles of Association, to implement this delegation and in particular to decide on the capital increase, establish its amount, the issuance price as well as the amount of the premium that may, if applicable, be requested at issuance; establish the terms of the issuance, the nature and characteristics of the securities entailing a capital increase, possibly suspend the exercise of the rights attached to such securities in accordance with legal and regulatory provisions; establish the terms of the allotment of equity securities to which these securities provide entitlement, as well as the dates on which the allotment rights may be exercised; set the date from which the new shares will bear dividend rights, even if it is retroactive; if applicable, determine the procedure according to which the Company will have the option to buy or exchange on the market, at any moment or at set periods, the securities that have been issued or that must be issued immediately or in the future in order to cancel them or not, depending on the applicable legal provisions; in its sole discretion, charge the costs of the capital increases against the premium arising thereon, and deduct from this premium the sums necessary to increase the legal reserve; determine and make all necessary adjustments to take into account the impact of transactions involving the capital or the equity of the Company and set all procedures ensuring, if applicable, the preservation of the rights of holders of securities giving access to the share capital or of beneficiaries of stock options or free shares; duly record the completion of the capital increases, make the corresponding changes to the Articles of Association, carry out the required formalities, enter into any agreement, particularly in order to ensure the completion of the proposed issuances, and generally take all necessary measures

## 16<sup>TH</sup> RESOLUTION

### Delegation of authority to the Board of Directors to issue shares and securities entailing a capital increase as payment for contributions in kind

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' report and the statutory auditors' report, and in accordance with Article L. 225-129 *et seq.*, in particular Article L. 225-147, paragraph 6 of the French Commercial Code and articles L.228-91 *et seq.* of the French Commercial Code:

- ◆ Delegates to the Board of Directors, with powers to subdelegate as permitted by Law and the Articles of Association, its authority to decide on one or more capital increases, in France or abroad, by the issuance, for valuable consideration or free of consideration, of (i) common shares or (ii) securities governed by articles L.228-92 § 1, L.228-93 § 3 and L.228-94 § 2 of the French Commercial Code (a) giving access, immediately or in the future, by subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other way, to shares of the Company or of another company, or (b) giving rights to the allotment of debt securities, within the limit of a maximum nominal amount of €112 million, representing 28 million shares and less than 10% of the social capital as at December 31, 2014, in order to remunerate contributions in kind to the Company and comprising equity securities or securities giving access to the capital, where provisions of Article L. 225-148 of the French Commercial Code do not apply;
- ◆ Acknowledges that, in accordance with the Law, the shareholders will have no preferential subscription right to the securities issued pursuant to this delegation;
- ◆ Resolves that the maximum nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this delegation shall be count towards the ceiling set forth in the 14<sup>th</sup> resolution of this Meeting as well as from the overall ceiling in the 13<sup>th</sup> resolution of this Meeting or, if applicable, the amount of the ceilings that may be set forth in any similar resolution replacing such resolutions during the term of this delegation; to these ceilings shall be added, if applicable, the nominal amount of any additional shares to be issued, at the time of any new financial transactions, as adjustments made pursuant to applicable Laws and regulations or to applicable contract provisions in order to preserve the rights of holders of securities giving access to the share capital or of beneficiaries of stock options or free shares.
- ◆ Resolves that the nominal amount of the debt securities that may be issued pursuant to this delegation may not exceed €8 billion on the date of the decision approving the issuance, or the exchange value of this amount on the issuance date in the event of an issuance in a foreign currency or currency unit established by reference to several currencies; it being specified that this amount will count towards the overall ceiling provided for in the 11<sup>th</sup> resolution of this Meeting, or, if applicable, towards any overall ceiling that may be provided for in a similar resolution replacing the 11<sup>th</sup> resolution during the term of this delegation, to which amounts shall be added, if applicable, any redemption premium above the par value;
- ◆ Resolves that this delegation cancels any unused portion of any prior delegation having the same purpose.

This delegation is granted for a term of 26 months from the date of this Meeting.

The Board of Directors may not use these delegations from the date on which a third party files a takeover bid for the Company's securities until the end of the offer period, unless the Shareholders' Meeting authorizes such use.

The Shareholders' Meeting grants full powers to the Board of Directors, with powers to subdelegate as permitted by Law and the Articles of Association, to implement this delegation and in particular to decide the capital increase(s) that will pay for the contributions and determine the shares and/or securities to be issued, establish the list of contributed securities, rule on the appraisal of the contributions, set the terms of the issuance of the shares and/or securities used to pay for the contributions, if applicable, the amount of the cash balance to be paid, approve the granting of specific advantages, and reduce, with the agreement of the contributors, the appraisal of the contribution or the compensation of particular advantages, establish the characteristics of the shares and/or securities to be used as payment for the contributions; establish and make all necessary adjustments to take into account the impact of transactions involving the capital or the equity of the Company and set all procedures ensuring, if applicable, the preservation of the rights of holders of securities giving access to the share capital or of beneficiaries of stock options or free shares; in its sole discretion, charge the costs of the capital increases against the premium arising thereon, and deduct from this premium the sums necessary to increase the legal reserve; determine the terms of the issuance, duly record the completion of the capital increases, make the corresponding changes to the Articles of Association, carry out the required formalities, and generally take all necessary measures.

## 17<sup>TH</sup> 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

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' report and the statutory auditors' report, and in accordance with Article L. 225-135-1 of the French Commercial Code:

- ◆ delegates to the Board of Directors, with powers to subdelegate as permitted by Law and the Articles of Association, its authority to decide to increase the number of securities to be issued in the event of an increase in the Company's share capital with or without preferential subscription rights, at the same price as that used for the initial issuance, within the limits as to time and quantity specified in applicable regulations on the date of the issuance (as of the date hereof, within thirty days following the close of the subscription period and up to 15% of the initial issuance), in particular with a view to granting an overallotment option in accordance with market practices;
- ◆ resolves that the nominal amount of capital increases decided upon by this resolution will count towards the ceiling set forth in the resolution approving the initial issuance and towards the overall ceiling set forth in the 13<sup>th</sup> resolution or, if applicable towards any ceiling provided for in a resolution of the same nature replacing this resolution during the term of this delegation;

The present delegation is granted for a term of 26 months from the date of this Meeting.

The Board of Directors may not use these delegations from the date on which a third party files a takeover bid for the Company's securities until the end of the offer period, unless the Shareholders' Meeting authorizes such use.

### CAPITAL INCREASE BY INCORPORATION OF RESERVES (18<sup>TH</sup> RESOLUTION)

In the **18<sup>th</sup> resolution**, you are asked to authorize the Board of Directors to increase the share capital through an incorporation of reserves, profits, premiums or other amounts, the capitalization of which could be carried out up to the nominal amount of €100 million.

#### Main characteristics

The rights of the shareholders will not be affected by such transactions, consisting in the issuance of new shares allotted free of charge to them or in the increase in the par value of existing shares. In effect, the increase in the Company's share capital is completed without any contribution of funds by the shareholders via an accounting entry consisting in a direct transfer to a "capital" account (incorporation into capital) of a sum drawn from one or more reserve accounts or assimilated accounts. It does not impact the shareholders' equity of the Company.

In the event of any such capital increase through the distribution of free shares, the beneficiaries of the allotment would be all shareholders on the date of the decision of capital increase through incorporation. Also, in accordance with the Company's Articles of Association, any shareholder who, at the end of the fiscal year, has held registered shares for at least two years and still holds them on the date of completion of any such increase in capital by the distribution of free shares, is entitled to receive additional free shares equal to 10% of the number distributed, rounded down to the nearest whole number.

This delegation cancels the previous delegation granted by the Combined Shareholders' Meeting of May 7, 2013 that was never used.

It would again be given for a period of 26 months.

The Board of Directors may not use these delegations from the date on which a third party files a takeover bid for the Company's securities until the end of the offer period, unless the Shareholders' Meeting authorizes such use.

#### Ceiling

This resolution sets a ceiling of €100 million for the nominal amount of capital increases that can be made under this authorization.

The amount of the capital increases made pursuant to this authorization would count towards the overall ceiling for capital increases set in the **13<sup>th</sup> resolution**.

### 18<sup>TH</sup> RESOLUTION

#### Delegation of authority to the Board of Directors to increase the capital by incorporation of premiums, reserves, profits or other items

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Meetings, having reviewed the Board of Directors' report, and in accordance with the provisions of Article L. 225-130 of the French Commercial Code:

- delegates to the Board of Directors, with powers to subdelegate as permitted by Law and the Articles of Association, its authority to decide on one or more increases in the share capital of the Company, in the proportions and at the times it sees fit, by the incorporation of reserves, profits, premiums or other sums that may be converted into capital under the terms of the Law and the Articles of Association, in the form of an allotment of free shares or an increase in the par value of existing shares or by a combination of these two methods;
- resolves, in case of an allotment of free shares that: (i) the shares allotted on the basis of existing shares with a double voting right and/or a gross-up dividend will benefit from these rights as of their allotment, and (ii) the fractional rights will not be negotiable or transferable and that the corresponding shares will be sold, the amounts resulting from the sale being allotted to the holders of rights under the Law and regulations;
- resolves that the total nominal amount of capital increases that may be made under the present delegation may not exceed €100 million; to these ceilings shall be added, if applicable, the nominal amount of any additional shares to be issued, at the time of any new financial transactions, as adjustments made pursuant to applicable Laws and regulations or to applicable contract provisions in order to preserve the rights of holders of securities giving access to the share capital or of beneficiaries of stock options or free shares;
- resolves that the nominal amount of capital increases made pursuant to this resolution will count towards the overall ceiling set forth in the 13<sup>th</sup> resolution of this Meeting or, if applicable, towards any ceiling provided for in a resolution of the same nature replacing this resolution during the term of this delegation; and
- resolves that this delegation cancels the unused portion of any prior delegation having the same purpose.

This delegation is granted for a term of 26 months from the date of this Meeting.

The Board of Directors may not use these delegations from the date on which a third party files a takeover bid for the Company's securities until the end of the offer period, unless the Shareholders' Meeting authorizes such use.

The Shareholders' Meeting grants full powers to the Board of Directors, with powers to subdelegate as permitted by Law and the Articles of Association, to implement this delegation including for the purpose of setting the amount and nature of the amounts to be incorporated in the capital, to set the number of new shares to be issued and/or the amount by which the par value of the existing shares will be increased, set the date of ranking for dividend (which may be retroactive), or the date on which the increase of the par value of the existing shares will be effective, establish and make all necessary adjustments to take into account the impact of transactions involving the capital or the equity of the Company and set all procedures ensuring, if applicable, the preservation of the rights of holders of securities giving access to the share capital or of beneficiaries of stock options or free shares, duly record the completion of the capital increases, make the corresponding changes to the Articles of Association, carry out the required formalities, and generally take all necessary measures.

### SHARE CAPITAL REDUCTION (19<sup>TH</sup> RESOLUTION)

The **19<sup>th</sup> resolution** authorizes the Board of Directors to reduce Lafarge's share capital by cancelling treasury shares held by the Company which were acquired within the framework of share buyback programs authorized before or after the Shareholders' Meeting.

The cancellation of the Company's treasury shares may pursue various financial objectives such as, for example, active management of share capital, balance sheet optimization or offsetting a dilution following a capital increase.

#### Main characteristics

The shares to be cancelled in the event of the use of this authorization would be those purchased in the framework of the share buyback programs authorized before or after this Meeting (and covered by **11<sup>th</sup> resolution** of that Meeting).

This authorization will be granted for a term of 26 months.

It would cancel the authorization previously granted by the Combined Shareholders' Meeting of May 7, 2013 that was never used.

#### Ceiling

In accordance with the Law, the Board of Directors may cancel treasury shares up to 10% of the Company's share capital in any 24-month period.



## 19<sup>TH</sup> RESOLUTION

### Authorization to the Board of Directors to reduce the share capital through cancellation of treasury shares

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' report and the statutory auditors' report:

- ◆ authorizes the Board of Directors, in accordance with articles L.225-209 *et seq.* of the French Commercial Code, to reduce the share capital, on one or more occasions, in the proportions and at the times it sees fit, by cancelling all or part of the shares purchased by the Company within the framework of the share buyback programs authorized by the Shareholders' Meeting before or after the approval of this resolution, it being specified that as of the date of each cancellation, the maximum number of shares canceled by the Company in the 24-month period before this cancellation including the shares concerned by this cancellation, may not exceed 10% of the capital of the Company as of this date (adjusted, if applicable, to take into account the transactions affecting the share capital after the date of this Meeting); and
- ◆ resolves that this authorization cancels the unused portion of any prior authorization having the same purpose.

This authorization is granted for a term of 26 months from the date of this Meeting.

The Shareholders' Meeting grants full powers to the Board of Directors, with powers to subdelegate as permitted by Law and the Articles of Association, to implement this authorization and in particular to decide on the final amount of the reduction in share capital, carry out and duly record the completion of future transactions involving the cancellation and reduction of the share capital, make the corresponding changes to the Articles of Association, carry out the necessary formalities, and generally take all necessary measures.

## ALLOTMENTS OF FREE SHARES AND STOCK-OPTIONS (RESOLUTIONS 20 AND 21)

**Resolutions 20 and 21** respectively cover allotments of free shares and share subscription and purchase options (ie: stock options) to employees and corporate executive officers of the Company.

Allotments of free shares and stock options are commonly used by French and foreign companies to reward and retain employees and senior executives by associating them to the success of their company, thereby aligning their interests on those of the shareholders.

### Grant policy

The Group's compensation policy aims at rewarding and retaining key talent while providing managers and employees with an opportunity to share in the success of the Group's business particularly through the grant of stock options and performance shares (allotments of free shares), which are connected to the Group's long term strategy. Stock options and/or performance shares are granted to the Chairman and Chief Executive Officer, senior management, middle management and some key performers in recognition of their commitment to and achievements for the Group.

Stock options and performance shares are granted by the Board of Directors upon a proposal put forward by the Remunerations Committee. These allocations are decided each year during a Board of Directors meeting, which usually occurs in March.

Regarding stock options, since 2002 the Group's practice is to allocate only share subscription options. No discount is applied to the exercise price of options.

Following the recommendations of the Afep-Medef Code, the Board has decided to limit the number of stock options and performance shares that can be granted to corporate executive officers of the Company. This rule provides that the respective stock options and performance shares attributable to these corporate executive officers may not exceed 10% of the total stock options granted and 10% of the total performance shares granted in the same fiscal year.

In accordance with the Afep-Medef Code, the current Group's policy is to subject all stock options and performance shares granted to the Chairman and members of the Executive Committee of the Group to achievement of performance conditions.

Since 2013, all the stock options and performance shares granted to other employees has also conditional upon performance conditions.

### Past grants - Performance objectives

Stock options and performance shares granted are subject to achievement of pre-defined performance conditions, for each beneficiary.

Performance shares granted since 2013 to the Chairman and Chief Executive Officer and members of the Executive Committee since 2011 are subject to achievement of performance conditions with an external and internal component, such conditions to be achieved over a period of several years (see table below). No stock options have been granted since 2012.

The levels set to achieve 100% of the internal performance conditions are ambitious.



## SUMMARY OF PERFORMANCE OBJECTIVES APPLICABLE TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND MEMBERS OF THE EXECUTIVE COMMITTEE SINCE 2013:

Chairman and Chief Executive Officer /Members of the Executive Committee		
2013	External objective	Relative performance of Lafarge and of its competitors (average for 2013, 2014 and 2015).
	Internal objectives	Ebitda growth relative to actions of cost reduction, innovation and performance in 2013 and 2014.
2014	External objective	Relative performance of Lafarge and of its competitors (average for 2014, 2015 and 2016).
	Internal objectives	Ebitda growth relative to actions of cost reduction and innovation in 2014 and 2015

A detailed presentation of grants made in the past is set out in the Company's Annual Report.

## MAIN CHARACTERISTICS OF FUTURE ALLOTMENTS

Resolutions 20 and 21 provide in particular that:

- the Board may subject the allotment of all or some of the performance shares or stock options to achievement of one or more performance conditions established by it;
- the number of stock options or performance shares allotted to corporate executive officers of the Company may not represent, respectively, more than 10% of the total stock options granted and 10% of the total performance shares granted by the Board in the same fiscal year;
- the granting of stock options or performance shares to corporate executive officers of the Company will be subject to achievement of one or more performance conditions to be established by the Board;
- a specific **ceiling** providing that the total number of **shares** allotted for free may not represent more than **1% of the share capital** on the date of the decision of the Board of Directors; this ceiling not counting towards the overall ceiling set forth in the **13<sup>th</sup> resolution**;
- for stock options, a specific **ceiling** also providing that the total number of **stock options** granted may not give right to shares representing more than **1% of the share capital** on the date of the decision of the Board of Directors; this ceiling not counting towards the overall ceiling set forth in the **13<sup>th</sup> resolution**. These allotments shall occur without any reduction or discount and the price to be paid when exercising the stock options, set by the Board of Directors, shall be at least equal (i) in the event of the granting of options to subscribe shares, to the average of the first quoted prices of the Company's share on Euronext Paris in the last twenty trading sessions prior to the day on which the subscription options will be granted and (ii) in the case of the granting of options to buy shares, at the average purchase price of the shares held by the Company.

These resolutions would be granted for a term of 26 months and would cancel the authorizations previously granted by the Combined Shareholders' Meeting of May 7, 2013 having the same purpose.

The preferential subscription right would be cancelled by Law.

In accordance with Company policy, all stock options and performance shares that may be granted to the Chairman and Chief Executive Officer and to the members of the Executive Committee in the framework of this new authorization will be subject to the achievement of performance conditions. At this stage, the Board of Directors envisages continuing to make allotments of free shares and stock options to employees and to the Chairman and Chief Executive Officer subject to achievement of internal and external performance conditions over a period of several years. Such performance criteria will be reviewed on a yearly basis, in line with the Group's strategic priorities.

### Potential volume of all stock options and performance shares and annual burn rate

As at end December 2014, the total number of performance shares allotted but not yet irrevocably vested (after deduction, if applicable, of shares cancelled in accordance with the provisions of the relevant plan) was 1,448,784, i.e., approximately 0.5% of the Company's capital as at December 31, 2014.

As at end December 2014, the total number of stock options granted but not yet exercised (after deduction, if applicable, of stock options cancelled in accordance with the provisions of the relevant plan) was 5,752,615, i.e., approximately 2% of the Company's capital as at December 31, 2014.

The potential volume of all (i) existing stock option plans and performance share plans as well as (ii) performance shares (or stock options, if applicable) that may be granted in the framework of the authorization given by the Combined Shareholders' Meeting of May 7, 2013 as well as in the framework of the authorizations requested in **Resolutions 20 and 21**, corresponds to 6.88% of the Company's fully diluted share capital.

In addition, the average annual burn rate of the Company over the past three fiscal years corresponds to 0.26%.

## 20<sup>TH</sup> RESOLUTION

### Authorization to the Board of Directors to allot free existing or new shares, with cancellation of the preferential subscription right of the shareholders

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' report and the statutory auditors' special report, in accordance with articles L.225-197-1 *et seq.* of the French Commercial Code:

- ◆ authorizes the Board of Directors, with powers to subdelegate in accordance with the Law, to allot, on one or more occasions, free existing or new shares of the Company;
- ◆ resolves that the beneficiaries may be employees of the Company or of companies or groupings related to the Company within the meaning of Article L. 225-197-2 of the French Commercial Code or corporate executive officers of the Company or of companies or groupings related to the Company and meeting the conditions laid down in Article L. 225-197-1, II of the French Commercial Code, or some of them;
- ◆ resolves that the Board of Directors will determine the identity of the beneficiaries of allotments as well as the conditions and, if applicable, the allotment criteria;
- ◆ resolves that the allotment of all or part of the shares may be subject to achievement of performance conditions established by the Board of Directors;
- ◆ resolves that the number of free shares allotted to corporate executive officers of the Company may not represent more than 10% of the total allotments made by the Board during any fiscal year;
- ◆ resolves that said allotments of free shares to corporate executive officers of the Company will be subject to achievement of performance conditions established by the Board of Directors;
- ◆ resolves that the total number of new or existing free shares allotted pursuant to this resolution may not represent more than 1 % of the share capital on the date of the decision of the Board of Directors;
- ◆ resolves that the allotment of said shares to the beneficiaries will become irrevocable, at the end of a minimum vesting period of 3 years with, if applicable, the beneficiaries being required to retain said shares for a period which may not be less than the period prescribed by the French Commercial Code (which at the present is set at (i) 2 years, given that (ii) no retention period is required if the vesting period is greater than or equal to 4 years). It is specified that the allotment of said shares to their beneficiaries shall become irrevocable before the expiration of the vesting period in case of disability of the beneficiary under the conditions set by the Law, or equivalent situation pursuant to local rules and that, in the same situations, said shares shall be freely transferable.
- ◆ acknowledges that, in case of a new allotment of free shares, this decision shall entail, as and when the said shares become irrevocably allotted, a capital increase by incorporation of reserves, profits or issuance premiums in favor of the beneficiaries of such shares and a correlative waiver by the shareholders of their preferential subscription right in respect of such shares in favor of the beneficiaries of such shares; and
- ◆ resolves that this authorization cancels the unused portion, if any, of any prior authorization having the same purpose.

This authorization is granted for a term of 26 months from the date of this Meeting.

The Shareholders' Meeting grants full powers to the Board of Directors, with authority to delegate as permitted by Law, to implement this resolution, determine whether the free shares allocated shall be newly issued and/or existing shares and, if applicable, modify its choice before the definitive granting of the shares, accomplish all acts, formalities and declarations, make, if applicable, the corresponding adjustments resulting from the transactions affecting the capital or equity of the Company in order to preserve the rights of beneficiaries (it being specified that the shares allotted in application of these adjustments will be deemed to have been allotted on the same date as the shares initially allotted), set the vesting periods and, if needed, retention period required for each beneficiary, in the conditions set forth above, provide for an option of temporarily suspending allotments rights, charge, if applicable, on reserves, profits or issuance premiums, the amounts necessary to pay up such shares, duly report, if applicable the capital increase(s) completed pursuant to this authorization, make any corresponding changes to the Articles of Association, and generally take any necessary measure.

## 21<sup>ST</sup> 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

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' Report and the statutory auditors' Special Report,

- ◆ authorizes the Board of Directors, under articles L.225-177 *et seq.* of the French Commercial Code, with powers to subdelegate in accordance with the Law, to grant, on one or more occasions, to employees, to corporate officers, or to certain among them, from the Company or from companies or groupings related to the Company, on the terms specified in Article L. 225-180 of said Code, options entitling their holders to subscribe for new shares in the Company to be issued in the form of an increase in its capital and options entitling their holders to purchase shares in the Company obtained by the Company repurchasing its own shares on the terms set forth by the Law;
- ◆ resolves that the total number of options to be granted pursuant to this resolution may not give right to shares representing more than 1% of the share capital on the date of the decision of the Board of Directors;
- ◆ resolves that the allotment of all or part of the options will be subject to the satisfaction of one or more performance criteria established by the Board of Directors;
- ◆ resolves that the number of options granted to corporate executive officers of the Company may not represent more than 10% of the total of the allotments made by the Board during any fiscal year;
- ◆ resolves that said allotments of options to corporate executive officers of the Company will be subject to the satisfaction of one or more performance criteria established by the Board of Directors;
- ◆ resolves that the subscription price or, as the case may be, the price payable on the exercise of the options will be set by the Board of Directors on the day the options are granted, within the limits and pursuant to the terms provided by Law, it being specified that the Board of Directors may not apply a discount to the subscription or purchase price of the shares, which is to be at least equal (i) in the event of a grant of subscription options, to the average of the first quoted prices of the Company's shares on the regulated market of Euronext Paris (or any market that may be substituted for it) during the twenty trading days preceding the date on which the options to subscribe for shares are granted, and (ii) in the event of a grant of share purchase options, the average trading price of the shares held by the Company pursuant to articles L.225-208 and L.225-209 of the French Commercial Code;
- ◆ resolves that the options must be exercised by their beneficiaries within a maximum period of 10 years from the date on which they are granted;
- ◆ acknowledges that this delegation entails the express waiver by the shareholders, in favor of the beneficiaries of options to subscribe for shares, of their preferential subscription rights relating to the shares that are to be issued as and when said options are exercised. The increase in the share capital resulting from the exercise of the options to subscribe for shares will be definitively completed by a mere declaration that the option is exercised accompanied by the subscription form and full payment, which may be made in cash or by offset of debts of the Company, and
- ◆ resolves that this authorization cancels the unused portion, of any prior authorization having the same purpose.

This authorization is granted for a term of 26 months from the date of this Meeting.

The Shareholders' Meeting grants full powers to the Board of Directors, with authority to delegate as permitted by Law and the Articles of Association, to set the other terms and conditions of the allotment of shares and of their exercise and notably to:

- ◆ set the conditions under which the options will be granted, and establish a list of beneficiaries of options, including the number of options granted to each;
- ◆ determine whether the stock options allocated shall be options to subscribe for and/or purchase shares and, if applicable, modify its choice before the opening of the exercise period;
- ◆ determine and make the necessary adjustments to preserve the interests of beneficiaries in the cases and under the conditions required by regulations then in force;
- ◆ set the terms and conditions of the options, and in particular: (i) the term of the options; (ii) the exercise dates or periods of the options; (iii) the rights date, which may be retroactive, of the new shares resulting from the exercise of subscription options;
- ◆ allow for the temporary suspension of the exercise of options during the maximum period allowed by applicable Law and regulations in the event that financial transactions involving the exercise of a right attached to the shares is carried out;
- ◆ where appropriate, limit, suspend, restrict or prohibit the exercise of options or the transfer or conversion into bearer shares of shares obtained by the exercise of options during certain periods or with effect from certain events; such decision may relate to some or all of the options or shares or to some or all of the grantees;
- ◆ carry out or cause to be carried out the required acts and formalities for purposes of finalizing and duly reporting capital increases that may be made pursuant to the authorization granted in this resolution; make the corresponding modifications to the Articles of Association, and generally take all necessary measures;
- ◆ at its sole discretion and if it deems it appropriate, charge the costs of the capital increases against the premium arising thereon, and deduct from this premium the sums necessary to increase the legal reserve to one tenth of the new share capital after each capital increase.

## EMPLOYEE SHAREHOLDING – CAPITAL INCREASES IN FAVOR OF EMPLOYEES (RESOLUTIONS 22 AND 23)

**22<sup>nd</sup> resolutions and 23<sup>rd</sup>** cover the different possible ways of increasing share capital in favor of employees. They are consistent with the Company's wish to allow its employees to share in the Group's profits by fostering a sense of implication and aligning their interests with those of the Company's shareholders.

### Main characteristics

The **22<sup>nd</sup> resolution** is intended to allow the Board to carry out capital increases of a maximum nominal amount of €50 million (i.e. approximately 4.4% of the capital as at December 31, 2014) reserved for employees and former employees of Lafarge subscribing to an employee savings plan or to a partnered employee savings plan (*plan partenarial d'épargne salariale*) of the Company or of the Group. This resolution requires the cancellation of preferential subscription rights. The term provided for in this delegation is twenty-six months.

The **23<sup>rd</sup> resolution** is intended to allow the implementation, in favor of employees and corporate officers of companies within the scope of consolidation of the Lafarge Group whose headquarters are located outside France, of alternative offers to those covered by the **22<sup>nd</sup> resolution**, given that in certain countries, legal or tax difficulties or uncertainties could make it desirable to do so. This resolution provides for the cancellation of the preferential subscription right. The term provided for in this authorization is eighteen months.

These two resolutions would allow the implementation, in favor of employees and corporate officers of the Lafarge Group, of shareholding schemes, either directly or through the intermediary of mutual funds or other vehicles or entities, as well as leveraged schemes (to date, the Company has not carried out any leveraged transaction). They entail, to the benefit of the beneficiaries, the cancellation of the preferential subscription right of the shareholders over the securities to be issued in this framework.

In general, the issuance price of new shares or securities entailing a capital increase within this framework will be determined by the Board of Directors under the conditions and within limits set by Law, and will be equal to at least 80% of the average opening price of the Company's shares during the twenty trading days prior to the date of the decision (or 70% in the case of a lock-up period in excess of 10 years).

### Ceiling

These two resolutions apply a common overall ceiling for capital increases of a maximum nominal amount of €50 million (or 12.5 million shares), which counts towards the overall ceiling set forth in the **13<sup>th</sup> resolution**. Any use of **resolutions 22 and 23** will count towards this maximum nominal amount of €50 million. To these ceilings shall be added, if applicable, the nominal amount of any additional shares to be issued, at the time of any new financial transactions, as adjustments made pursuant to applicable Laws and regulations or to applicable contract provisions in order to preserve the rights of holders of securities giving access to the share capital or of beneficiaries of stock options or free shares.

### Implemented operations

The last employee stock ownership plan took place in 2011.

In 2011, a capital increase reserved for employees took place under the "*Lafarge en action 2011*" (LEA 2011) program. The goal of this new employee stock ownership plan was to reach all employees of Lafarge, meaning that it was offered in a maximum number of countries where feasible. The subscription price for the shares was set at €36.98. In the case of LEA 2011, each employee was offered to subscribe for shares of Lafarge while benefiting from a contribution from their employer on the first 15 shares purchased. The share capital increase reserved to eligible employees was carried out on July 29, 2011; the amount of the capital increase was €3,174,956 corresponding to the issuance of 793,739 shares. The subscription rate was 44%. In the case where it was not possible to offer the "standard" LEA program in a country, employees could subscribe to an alternative plan providing the same economic benefits.

As at December 31, 2014, the employees held 1.62% of Lafarge's share capital and 2.20% of its voting rights.

## 22<sup>ND</sup> 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 preferential subscription rights of the shareholders

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' report and the statutory auditors' report, in accordance with articles L.225-129 *et seq.*, L.225-129-6 and L.225-138-1 of the French Commercial Code, articles L.228-91 *et seq.* of the French Commercial Code and articles L.3332-18 *et seq.* of the French Labor Code:

- ◆ delegates to the Board of Directors, with powers to subdelegate as permitted by Law and the Articles of Association, its authority to decide the capital increase, on one or more occasions, at the times and in accordance with the terms determined by it, up to a maximum nominal amount of €50 million, through the issuance of (i) common shares or (ii) securities governed by articles L.228-92 § 1, L.228-93 § 3 and L.228-94 § 2 of the French Commercial Code (a) giving access, immediately or in the future, by subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other way, to shares of the Company or of another company, or (b) giving rights to the allotment of debt securities, reserved for members of one or more employee savings plans (or any other plan for whose members a capital increase may be reserved on equivalent terms under Article L. 3332-1 *et seq.* of the French Labor Code or any analogous Law or regulation allowing a reserved capital increase in equivalent conditions) instituted within the Company and/or one or several companies or group of entities falling within the scope of the Company's consolidated financial statements pursuant to Article L. 233-16 of the French Commercial Code. It is specified that (i) this delegation may be used to implement leverage effect schemes, (ii) that this maximal amount of €50 million is common to the 22<sup>nd</sup> and 23<sup>rd</sup> resolutions of this Meeting and (iii) that the nominal amount of capital increases decided upon by this resolution will count towards the overall ceiling set forth in the 13<sup>th</sup> resolution or, if applicable, towards the overall ceiling potentially set forth in a resolution of the same nature replacing the 13<sup>th</sup> resolution during the term of this delegation; to these ceilings shall be added, if applicable, the nominal amount of any additional shares to be issued, at the time of any new financial transactions, as adjustments made pursuant to applicable Laws and regulations or to applicable contract provisions in order to preserve the rights of holders of securities giving access to the share capital or of beneficiaries of stock options or free shares.
- ◆ resolves that the issuance price of the shares or securities giving access to the share capital will be determined in accordance with the terms stipulated in Article L. 3332-18 *et seq.* of the French Labor Code and will be equal to at least 80% of the Reference Price (as defined below) or 70% of the Reference Price where the lock-up period stipulated by the plan in application of articles L.3332-25 and L.3332-26 of the French Labor Code is ten years or more. However, the Shareholders' Meeting expressly authorizes the Board of Directors to reduce or eliminate the above-mentioned discounts (within the legal and regulatory limits) as it sees fit, in particular to take account *inter alia* of locally applicable legal, accounting, tax and social security regimes. For the purposes of the present section, Reference Price refers to the average opening price of the Company's shares on the Euronext Paris regulated market (or any market that may be substituted for it) during the twenty trading days preceding the date of the decision setting the opening date of the subscription period for members of an employee savings plan (or similar plan);
- ◆ resolves, as an exemption to the foregoing, regarding issuances of shares that may be reserved for the employees of Lafarge Group companies, whether French or foreign, included within the scope of consolidation or combination of the Company's financial statements under Article L. 3344-1 of the French Labor Code, and which conduct business in the United States, that the Board of Directors may decide that: (i) the issuance price of the new shares shall be, subject to compliance with the applicable French legal and regulatory provisions and in accordance with Section 423 of the Internal Revenue Code, at least equal to 85% of the Company's share price on the Euronext Paris regulated market (or any market that may be substituted for it) on the opening date of the subscription period for the capital increase reserved for employees described in this paragraph; and (ii) the number of shares issued within the framework of the issuances mentioned in this paragraph may not represent more than a nominal amount of €10 million, increased if applicable, by the nominal amount of additional shares that may be issued in the future, at the time of any new financial transactions, to preserve the rights of holders of securities giving access to the share capital, or the rights of beneficiaries of options to subscribe for or purchase shares, or allotment of free shares, and will count towards the maximum nominal amount of the capital increase provided for in the first sub-section above;
- ◆ authorizes the Board of Directors to allot to the beneficiaries indicated above, in addition to the shares or securities entailing a capital increase subscribed for in cash, free shares or securities entailing a capital increase, whether or not of the same type of those to be subscribed for in cash, in full or partial substitution for the discount to the Reference Price and/or by way of a contribution. It is specified that the benefit resulting from such allotment may not exceed the legal or regulatory limits applicable under Article L. 3332-21 and L.3332-11 of the French Labor Code. It is further specified that the maximum nominal amount of the capital increases that may be carried out immediately or in the future as a result of the allotment of shares or securities entailing a capital increase allotted in this manner will count towards the ceilings mentioned in the first sub-section above up to the nominal value;
- ◆ authorizes the Board of Directors, under the conditions of this delegation, to sell shares to the members of a Company or Group savings plans (or similar plan), as provided for by Article L. 3332-24 of the French Labor Code. It is specified that the sales of shares carried out with a discount in favor of members of one or several savings plans referred to in this resolution will count towards the ceilings mentioned in the first sub-section above up to the nominal value;
- ◆ resolves to cancel in favor of the above-mentioned beneficiaries the preferential subscription rights of shareholders to securities to be issued pursuant to this resolution, and such shareholders shall also waive any rights to such free securities allotted pursuant to this resolution (including the portion of reserves, profits, or share premium incorporated into the share capital to the extent of the allotment of such free securities on the basis of this resolution); and
- ◆ resolves that this delegation cancels the unused portion, if any, of any prior delegation having the same purpose.

This delegation is granted for a term of 26 months from the date of this Meeting.

The Shareholders' Meeting delegates full powers to the Board of Directors, with powers to subdelegate as permitted by Law and the Articles of Association, to implement this resolution, to carry out any acts, formalities and declarations, establish in accordance with the Law a list of those companies for which the beneficiaries indicated above may subscribe for the shares or securities entailing a capital increase issued thereby and who may be allotted free shares or securities entailing a capital increase; decide that subscriptions may be made directly by beneficiaries belonging to an employee savings plan, or via dedicated mutual funds or other vehicles or entities permitted under the applicable Laws and regulations; determine the conditions in accordance with the Laws and regulations applicable to employee savings plan, in particular as regards length of service, that must be met by the beneficiaries of the capital increases; set the opening and closing dates for subscriptions; set the amounts of issuances to be made under this delegation and in particular determine the issuance prices, dates, time limits, terms and conditions of subscription, payment, delivery and date of ranking for dividend of the securities (which may be retroactive), rules for scaling down in the event of oversubscription and any other terms and conditions of the issuances, within the legal or regulatory limits in force, in the case of an allotment of free shares or of securities entailing a capital increase, determine the nature, characteristics and quantity of shares or securities entailing a capital increase to be issued, the quantity to be allotted to each beneficiary, and determine the dates, time limits, and terms and conditions of allotment of such shares or securities entailing a capital increase within the legal and regulatory limits in force and make any needed adjustments relating to any future transactions affecting the Company's capital, to duly record the completion of any capital increase pursuant to this delegation, to modify the Articles of Association accordingly and, if applicable, charge the costs of the capital increases against the premium arising thereon, and deduct from this premium the sums necessary to increase the legal reserve to one-tenth of the new share capital after each capital increase; enter into all agreements, in particular to ensure completion of the contemplated issuances and generally, take all necessary measures.

## 23<sup>RD</sup> 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 rights of the shareholders

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' report and the statutory auditors' report, and ruling in accordance with the provisions of articles L.225-129 *et seq.* of the French Commercial Code, articles L.228-91 *et seq.* of the French Commercial Code in particular articles L.225-129-1 and L.225-138 of the French Commercial Code:

1. acknowledges the fact that in certain countries, legal or tax-related difficulties or uncertainties may complicate or undermine the implementation of employee share ownership formulas directly or through the intermediary of a mutual fund (the eligible beneficiaries of the Lafarge Group companies whose registered offices are located in one of these countries, referred to hereafter as "Foreign Employees," are the employees or corporate officers of the Company and the Lafarge Group companies comprised within the scope of consolidation of the Company's financial statements under Article L. 233-16 of the French Commercial Code having their registered offices outside France) and the fact that the implementation for the benefit of certain Foreign Employees of alternatives to the formulas offered to French residents who are participants in one of the savings plans implemented by one of the Lafarge Group companies may be needed;
2. delegates to the Board of Directors, with powers to subdelegate as permitted by Law and the Articles of Association, its competence to carry out a capital increase, on one or more occasions, for a maximum nominal amount of €50 million, through the issuance of (i) common shares or (ii) securities governed by articles L.228-92 § 1, L.228-93 § 3 and L.228-94 § 2 of the French Commercial Code (a) giving access, immediately or in the future, by subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other way, to shares of the Company or of another company, or (b) giving rights to the allotment of debt securities, reserved for the category of the persons comprising (i) the Foreign Employees, and/or (ii) mutual funds (OPCVM) or other entities, with or without a legal personality and/or any person acting as a trustee (or "*fiduciaire*") in case shares would be held through a trust (or "*fiducie*"), invested in company securities whose unit holders, shareholders or beneficiaries are Foreign Employees, (iii) and/or the credit institutions (or subsidiaries of such credit institutions) intervening on the Company's request for one or several offers to all or some of the Foreign Employees of alternative formulas (whether including a shareholding component or not) providing an equivalent economic profile to one or more share offerings (structured or not) proposed to French residents participating in one of the savings plans set up by one of the Lafarge Group companies, and any entities controlled by these institutions within the meaning of Article L. 233-3 of the French Commercial Code. It is specified (i) that this maximal amount of €50 million is common to the 22<sup>nd</sup> and 23<sup>rd</sup> resolutions of this Meeting and (ii) that the nominal amount of capital increases decided upon by this resolution will count towards the overall ceiling set forth in the 13<sup>th</sup> resolution or, if applicable, towards the overall ceiling potentially set forth in a resolution of the same nature replacing the 13<sup>th</sup> resolution during the term of this delegation; to these ceilings shall be added, if applicable, the nominal amount of any additional shares to be issued, at the time of any new financial transactions, as adjustments made pursuant to applicable Laws and regulations or to applicable contract provisions in order to preserve the rights of holders of securities giving access to the share capital or of beneficiaries of stock options or free shares;
3. resolves that this delegation cannot be used other than in connection with an offer to employees (and assimilated beneficiaries) giving rise in addition to the previous, concomitant or subsequent use of the delegation conferred pursuant to the 22<sup>nd</sup> resolution of this Meeting and for the sole purpose of pursuing the objective set forth in paragraph 1 of this resolution;



4. resolves that the issuance price of the new shares or securities giving access to the capital to be issued under this delegation shall be determined by the Board of Directors on the basis of the Company's share price on the Euronext Paris regulated market (or any other market that may be substituted for it). This price will be equal to (i) the average opening price of the Company's shares on the Euronext Paris regulated market during the twenty trading days prior to the date of the decision setting the subscription price, average price that may be decreased by a maximum discount of 20%, or (ii) the price of the offering carried out previously or concurrently pursuant to the 22<sup>nd</sup> resolution of this Meeting;
5. resolves to cancel, in favor of the above-mentioned category of beneficiaries, the preferential subscription right of the shareholders to securities that might be issued pursuant to this delegation;
6. resolves that the Board of Directors will have all authority, with powers to subdelegate as permitted by Law and the Articles of Association, to implement this delegation on one or several occasions, within the limits and subject to the conditions specified above, particularly in order to:
  - ◆ Set the amount of the issuances that will be carried out pursuant to this authorization and to establish in particular the issuance price, date, time periods, terms and conditions of the subscription, the payment, the delivery and date of ranking for dividend of the securities (which may be retroactive), as well as the other terms and conditions of the issuance, within the legal and regulatory limits in force;
  - ◆ Establish the list of the beneficiary/ies of the cancellation of the preferential subscription right within the category defined above, as well as the number of shares to be subscribed by each of them;
  - ◆ Set the dates for the opening and closing of the subscription periods;
  - ◆ Acknowledge the completion of the capital increase, make the corresponding changes to the Articles of Association, carry out, directly or through a representative, all transactions and formalities relating to the capital increases;
  - ◆ Enter into any agreements, carry out, directly or indirectly by a representative, all transactions and terms, including the performance of all formalities following the capital increases and the corresponding change of the Articles of Association;
  - ◆ Apply, if it considers doing so to be appropriate, the costs of the capital increase to the corresponding amount of share premium and deduct from such amount the sum needed to increase the amount of the legal reserves to one-tenth of the new capital resulting from such capital increase;
  - ◆ Generally, to enter into any agreement, in particular to ensure the underwriting of the contemplated issuances, to take all measures and carry out all formalities necessary for the issuance, listing and financial service of the shares issued pursuant to this delegation and the exercise of the rights attached thereto or that result from the capital increases; and
7. resolves that this delegation is valid for a term of 18 months from this Shareholders' Meeting.

## AMENDMENT OF ARTICLES OF ASSOCIATION – PARTICIPATION TO THE SHAREHOLDERS' MEETING (AMENDMENT OF THE RECORD DATE) (24<sup>TH</sup> RESOLUTION)

Following a European harmonization of the record date, Article R. 225-85 of French Commercial Code now provides that the right to vote in the Shareholders' Meeting is limited to shareholders who can prove that their shares are represented by a book entry on the second business day preceding the Shareholders' Meeting (in contrast to three business days previously).

These new regulatory provisions are applicable as a matter of Law since January 1, 2015, notwithstanding provisions of Article 29, paragraph 6 of Articles of Association of the Company. Nevertheless, it is appropriate to amend the Articles of Association accordingly.

The 24<sup>th</sup> resolution aims to amend Articles of Association of the Company in order to bring statutory provisions into line with these new regulatory provisions.

## 24<sup>TH</sup> RESOLUTION

### Amendment of Articles of Association – Participation to the Shareholders' Meetings (amendment of the record date)

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' report and the statutory auditors' report, resolves that Article 29 paragraph 6 of the Articles of Association of the Company shall be amended concerning the record date as follows:

#### Article 29 – Holding of meetings of shareholders

Paragraph 6, Current wording

"A proxy or vote submitted before the meeting via a telecommunications method and the acknowledgement of receipt therefore, shall be considered as irrevocable and enforceable; it is specified that, in the case of a transfer of securities before the third business day prior to the meeting at zero hour Paris time, the Company shall invalidate or modify accordingly, as applicable, the proxy or the vote expressed before the meeting via a telecommunications method".

#### Article 29 – Holding of meetings of shareholders

Paragraph 6, **New wording**

"A proxy or vote submitted before the meeting via a telecommunications method and the acknowledgement of receipt therefore, shall be considered as irrevocable and enforceable; **it is specified that, in the case of a transfer of ownership before the date provided for by the regulation in force**, the Company shall invalidate or modify accordingly, as applicable, the proxy or the vote expressed before the meeting via a telecommunications method".



**AMENDMENT OF ARTICLES OF ASSOCIATION – COMPETENCE TO ISSUE BONDS AND SECURITIES NOT ENTAILING A CAPITAL INCREASE (25<sup>TH</sup> RESOLUTION)**

The **25<sup>th</sup> resolution** aims to amend Article 13 (Chapter III) of Articles of Association which grants the power to issue ordinary bonds to Ordinary Shareholders' Meeting of shareholders, and power to issue complex bonds giving access to existing equity securities to Extraordinary Shareholders' Meeting of shareholders, so that the Board of Directors would have a general competence in this area, as recognized by Article L. 228-40 of the French Commercial Code and implemented by nearly all other CAC 40 French companies.

It is appropriate to note that the issuance of complex bonds giving access to equity securities to be issued would remain under the competence of Extraordinary Shareholders' Meeting of shareholders, pursuant to applicable legal rules.

**25<sup>TH</sup> RESOLUTION****Amendment of Articles of Association – Competence to issue bonds and securities not entailing a capital increase**

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' report and the statutory auditors' report, resolves that Article 13 (Title III) of the Articles of Association of the Company shall be amended as follows:

Chapter III	Chapter III
Current wording	New wording
“Bonds. Article 13 “The Company may issue ordinary bonds, bonds convertible into shares, bonds exchangeable for shares or bonds with share warrants. Bond issues shall be decided by the Ordinary Shareholders' Meeting of shareholders; provided however, that the Extraordinary Shareholders' Meeting of shareholders shall decide on issues of bonds convertible into shares, bonds exchangeable for shares, bonds with share warrants and all issues of bonds which, in any way whatsoever, give entitlement to the allocation of securities representing a portion of the share capital. The terms applicable to the different types of bonds shall be determined in accordance with applicable Laws and regulations.”	<b>Reserved.</b>

The **26<sup>th</sup> resolution**, which is a customary resolution, permits carrying out the formalities required by Law following the Meeting.

**26<sup>TH</sup> RESOLUTION****Delegation of powers to carry out corporate formalities**

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, grants full powers to the bearer of an original, copy or extract of the minutes of its deliberations to carry out any formalities including the filing, publication, and others required under the Laws or regulations in force, resulting from the approval of the resolutions above and/or any supplementary resolutions.

## Authorizations to be delegated to the Board of Directors by the General Meeting to be held on May 7, 2015

The General Meeting to be held on May 7, 2015 should vote upon the following delegations to the Board of Directors:

Type of authorization to be voted upon	Maximum amounts	Expiration date
Authorization to the Company to buy and sell its own shares (10 <sup>th</sup> resolution)	Up to 5% of the share capital Up to 500 million euros Unitary Purchase price up to 100 euros	November 7, 2016
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 (11 <sup>th</sup> resolution)	8 billion euros <sup>(1)</sup> (nominal value)	July 7, 2017
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 (12 <sup>th</sup> resolution)	8 billion euros <sup>(1) (2)</sup> (nominal value)	July 7, 2017
Delegation of authority to the Board of Directors to issue shares and securities entailing a capital increase, with preferential subscription rights (13 <sup>th</sup> resolution)	560 million euros <sup>(3)</sup> (nominal value)	July 7, 2017
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 (14 <sup>th</sup> resolution)	112 million euros <sup>(4)</sup> (nominal value)	July 7, 2017
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 (15 <sup>th</sup> resolution)	112 million euros <sup>(4) (5)</sup> (nominal value)	July 7, 2017
Delegation of authority to the Board of Directors to issue shares and securities entailing a capital increase as payment for contributions in kind (16 <sup>th</sup> resolution)	112 million euros <sup>(4) (5)</sup> (nominal value)	July 7, 2017
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 (17 <sup>th</sup> resolution)	Up to the amount applicable to the initial issue and to be applied against the cap set forth in the 15 <sup>th</sup> and/or the 14 <sup>th</sup> resolution	July 7, 2017
Delegation of authority to the Board of Directors to increase the capital by incorporation of premiums, reserves, profits or other items (18 <sup>th</sup> resolution)	100 million euros <sup>(4)</sup> (nominal value)	July 7, 2017
Authorization to the Board of Directors to reduce the share capital through cancellation of treasury shares (19 <sup>th</sup> resolution)	Up to 10% of the share capital for a 24-month period	July 7, 2017
Authorization to the Board of Directors to allot free existing or new shares, with cancellation of the preferential subscription right of the shareholders (20 <sup>th</sup> resolution)	1.5% of the share capital (on grant date)	July 7, 2017
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 (21 <sup>st</sup> resolution)	1.5% of the share capital (on grant date)	July 7, 2017
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 rights of the shareholders (22 <sup>nd</sup> resolution)	50 million euros <sup>(4) (6)</sup> (nominal value)	July 7, 2017
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 rights of the shareholders (23 <sup>rd</sup> resolution)	50 million euros <sup>(4) (6)</sup> (nominal value)	November 7, 2016

(1) Subject to a resolutory condition in case of the approval of the 25<sup>th</sup> resolution at the General Meeting.

(2) To be counted towards the overall ceiling set forth in the 11<sup>th</sup> resolution.

(3) Overall ceiling for the 14<sup>th</sup>, 15<sup>th</sup>, 16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> resolutions.

(4) To be counted towards the overall ceiling set forth in the 13<sup>th</sup> resolution.

(5) To be counted towards the ceiling set forth in the 14<sup>th</sup> resolution.

(6) Common overall ceiling for the 22<sup>nd</sup> and the 23<sup>rd</sup> resolutions.

## STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS



This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French Law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report also includes information relating to the specific verification of information given in the management report. This report should be read in conjunction with, and is construed in accordance with, French Law and professional auditing standards applicable in France.

### FOR THE YEAR ENDED DECEMBER 31, 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- ◆ the audit of the accompanying consolidated financial statements of LAFARGE;
- ◆ the justification of our assessments;
- ◆ the specific verification required by Law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

#### I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Without qualifying our opinion, we draw your attention to Note 2.1.2 "Standards and interpretations applicable from January 1, 2014" to the consolidated financial statements which describes the impacts related to the application of IFRS 11 – Joint Arrangements from January 1, 2014.

#### II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- ◆ Goodwill, property, plant and equipment, and intangible assets have been tested for impairment in accordance with the Group's accounting policies as described in Note 2.12 "Impairment of non-current assets" to the consolidated financial statements. The estimates used have been prepared based on currently available information at the time of the preparation of the consolidated financial statements and take into consideration the current economic crisis or political instability affecting some of the Group's markets, as described in Note 2.3 "Use of estimates and judgment" to the consolidated financial statements. Therefore, as set out in Note 10 "Goodwill" to the consolidated financial statements, for European countries affected by the economic crisis and for Syria and Iraq, the operating assumptions and discount rates used in future discounted cash flows have been determined based on the specific country environment, for these countries, without taking into consideration any long term major disruption of the economic or geopolitical environment. In addition, the Group performed sensitivity tests on the recoverable amounts to a reasonable possible change of key assumptions (notably sensitivity to a one-point change in the discount rate or the perpetual growth rate) for the main goodwill items.

Our procedures consisted in reviewing available documents and the implementation of impairment testing, assessing the reasonableness of adopted valuations and the appropriateness of the information disclosed in the notes to the consolidated financial statements.

- ◆ Notes 2.3 “Use of estimates and judgment”, 2.23 and 22 “Income tax” to the consolidated financial statements specify that the recoverability of the deferred tax assets recognized as at December 31, 2014, notably those arising from the tax losses of the French tax consolidation which can be indefinitely carried forward, has been assessed by the Group on the basis of forecasts of future taxable profits. Our work consisted in reviewing the analysis performed on the recoverability of these assets, assessing the assumptions on which the used forecast data are based and verifying that the information disclosed in Notes 2.23 and 22 is appropriate.
- ◆ As mentioned in the first part of this report, note 2.1.2 “Standards and interpretations applicable from January 1, 2014” to the consolidated financial statements describes the effects of the application as from January 1, 2014 of IFRS 11 - Joint Arrangements. According to IAS 8, the comparative information disclosed in the consolidated financial statements was restated retrospectively to reflect this change in method. As a result, the comparative information is different from the consolidated financial statements published with respect to the previous fiscal year ended December 31, 2013. As part of our assessment of the accounting policies adopted by your Group, we reviewed the comparative data and the information disclosed in Note 2.1.2 to the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

### III. SPECIFIC VERIFICATION

As required by Law, we have also verified in accordance with professional standards applicable in France the information related to the Group in the management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, March 6, 2015

The Statutory Auditors

DELOITTE & ASSOCIÉS  
French original signed by

Arnaud de Planta

Frédéric Gourd

ERNST & YOUNG et Autres  
French original signed by

Alain Perroux

Nicolas Macé

# STATUTORY AUDITORS' REPORT ON THE **PROFIT FORECASTS** FOR THE YEAR 2015



This is a free translation into English of the statutory auditors' report on the profit reforecasts issued in the French language and is provided solely for the convenience of English speaking users.

To the Chairman and Chief Executive Officer,

In our capacity as statutory auditors of your company and in accordance with Commission Regulation (EC) n°809/2004, we hereby report to you on the Ebitda forecasts of Lafarge Group for the year 2015, set out in section 2.1.2 "Outlook and Ebitda forecast for 2015" of the 2014 registration document (*document de référence*).

It is your responsibility to compile the profit forecasts, together with the material assumptions upon which they are based, in accordance with the requirements of Commission Regulation (EC) n°809/2004 and ESMA's recommendations on profit forecasts.

It is our responsibility to express a conclusion, based on our work, in accordance with Annex I, item 13.2 of Commission Regulation (EC) n°809/2004, as to the proper compilation of these forecasts.

We performed the work that we deemed necessary according to the professional guidance issued by the French institute of statutory auditors (*Compagnie nationale des commissaires aux comptes* – CNCC) for this type of engagements. Our work included an assessment of the procedures undertaken by management to compile the profit forecasts as well as the implementation of procedures to ensure that the accounting policies used are consistent with the policies applied by Lafarge for the preparation of the historical financial information. Our work also included gathering information and explanations that we deemed necessary in order to obtain reasonable assurance that the profit forecasts have been properly compiled on the basis stated.

Since profit forecasts, by nature, are uncertain and may differ significantly from actual results, we do not express a conclusion as to whether the actual results reported will correspond to those shown in the profit forecasts.

In our opinion:

- ◆ the profit forecasts have been properly compiled on the basis stated; and
- ◆ that basis of accounting used for the profit forecasts is consistent with the accounting policies of Lafarge.

This report has been issued solely for the purpose the 2014 registration document (*document de référence*) with the French financial markets authority (*Autorité des marchés financiers* – AMF) and if need be, the admission to trading on a regulated market, and/or a public offer, of shares or debt securities, with a minimum denomination of 100,000 euros, of Lafarge in France and in other European Union member states in which a prospectus, including the registration document, approved by the AMF, is notified, and cannot be used for any other purpose.

Neuilly-sur-Seine and Paris-La Défense, March 6, 2015

The Statutory Auditors

DELOITTE & ASSOCIÉS  
French original signed by

Arnaud de Planta

Frédéric Gourd

ERNST & YOUNG et Autres  
French original signed by

Alain Perroux

Nicolas Macé

## STATUTORY AUDITORS' REPORT ON THE THE ANNUAL FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French Law in such reports, whether modified or not.

This information is presented below the opinion on the Company annual financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the Company annual financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the Company annual financial statements. This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders. This report should be read in conjunction with and construed in accordance with French Law and professional auditing standards applicable in France.

### FOR THE YEAR ENDED DECEMBER 31, 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you for the year ended December 31, 2014 on:

- ◆ the audit of the accompanying annual financial statements of LAFARGE,
- ◆ the justification of our assessments,
- ◆ the specific verifications and information required by Law.

These annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these annual financial statements, based on our audit.

#### I. OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection to obtain audit evidence about the amounts and disclosures in the annual financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the annual financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

#### II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de Commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Note "2.3 Financial assets" to the annual financial statements describes the accounting policies and methods applied to investments and states that the earnings outlooks are established based on currently available information and are in keeping with the current economic crisis or political instability affecting some of the Group's markets. These forecasts do not reflect any major disruption of the economical or geopolitical environment. Our work consisted in reviewing available documents and assessing the reasonableness of adopted valuations and the appropriateness of the information disclosed in the notes to the annual financial statements.

The assessments were made as part of our audit of the annual financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

#### III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French Law.

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the annual financial statements.

Concerning the information given in accordance with the requirements of Article L.225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the annual financial statements, or with the underlying information used to prepare these annual financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French Law, we have verified that the required information concerning the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, March 6, 2015

The Statutory Auditors

DELOITTE & ASSOCIÉS  
French original signed by

Arnaud de Planta

Frédéric Gourd

ERNST & YOUNG et Autres  
French original signed by

Alain Perroux

Nicolas Macé

# STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS WITH THIRD PARTIES



This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French Law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments with third parties.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code (*Code de Commerce*), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information provided for in Article R.225-31 of the French Commercial Code in respect of the performance of the agreements and commitments, already authorized by the Shareholders' Meeting and having continuing effect during the year, if any.

We conducted our procedures in accordance with the professional guidelines of the French National Institute of statutory auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement. These guidelines require that we agree the information provided to us with the relevant source documents.

## AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL TO THE SHAREHOLDERS' MEETING

### I. Agreements and commitments authorized during the year

Pursuant to Article L.225-40 of the French Commercial Code (*Code de commerce*), we have been advised of the following agreements previously authorized by your Board of Directors.

*With Groupe Bruxelles Lambert on the one hand, and with Mr Nassef Sawiris and NNS Holding Sàrl and on the other hand, (shareholders holding a fraction of the voting rights greater than 10%)*

#### **Board members concerned**

Mr Paul Desmarais, a director of your Company, is also Vice-Chairman of the Board, a director and member of the permanent Committee of Groupe Bruxelles Lambert; Mr Ian Galienne and Mr Gérard Lamarche, directors of your company, are also Managing Directors of Groupe Bruxelles Lambert.

Mr Nassef Sawiris is a director of your Company, and Mr Jérôme Guiraud, a director of your Company, is also a director of NNS Holding Sàrl.

#### **Agreements concluded in the context of merger project with Holcim**

As part of the merger project between the Lafarge and Holcim groups (the "Transaction"), which would be finalized by means of a public tender offer initiated by Holcim Ltd ("Holcim") on the shares of your Company (Lafarge S.A.), two agreements were executed on April 6, 2014, one between your Company, Holcim and Groupe Bruxelles Lambert and the other between your Company, Holcim, Mr Nassef Sawiris and NNS Holding Sàrl.

Under these agreements, Groupe Bruxelles Lambert, on the one hand, and Mr Nassef Sawiris and NNS Holding Sàrl, on the other hand, have undertaken to tender all Lafarge S.A. shares which they respectively held as of April 6, 2014 (i.e. 60,308,408 Lafarge S.A. shares for Groupe Bruxelles Lambert and, in aggregate, 40,064,682 Lafarge S.A. shares for Mr Nassef Sawiris and NNS Holding Sàrl) to the public exchange offer, as well as any additional Lafarge S.A. shares they may acquire in future.

Groupe Bruxelles Lambert on one hand, and Mr Nassef Sawiris and NNS Holding Sàrl on the other hand, have made a commitment to reiterate, if necessary, such undertaking to tender their shares.

The undertakings to tender their shares given by Groupe Bruxelles Lambert, on the one hand, and Mr Nassef Sawiris and NNS Holding Sàrl, on the other, will become void in the event (i) a third party files a public offer before the public exchange offer to be initiated by Holcim, or (ii) a competing public offer made by a third party, subsequent to the public tender offer initiated by Holcim, is declared compliant by the AMF. However, in the event that, following such an offer by a third party, Holcim initiates a competing offer or makes a higher bid, such offer or outbid being declared compliant by the AMF and the other principles and terms of the Transaction remaining unchanged (in particular regarding governance of the new entity), the undertakings to tender their shares made by Groupe Bruxelles Lambert, on the one hand, and Mr Nassef Sawiris and NNS Holding Sàrl, on the other hand, will apply to this competing offer or outbid made by Holcim.

Groupe Bruxelles Lambert, on the one hand, and Mr Nassef Sawiris and NNS Holding Sàrl, on the other hand, have declared not to be acting in concert with a third party in respect of your Company or Holcim and have undertaken not to act in concert with a third party in respect of your Company or Holcim for a specific period (the "restricted period").



In addition, during the restricted period, Groupe Bruxelles Lambert, on the one hand, and Mr Nassef Sawiris and NNS Holding Sàrl, on the other hand, have made a commitment (on their behalf and on behalf of any of their subsidiaries holding Lafarge S.A. shares) to:

- ◆ hold and not sell or otherwise transfer in any way, including by entering into a derivatives transaction, any Lafarge S.A. share (permitted exceptions aside);
- ◆ abstain from any initiative aiming at, or to solicit, encourage, facilitate or induce an alternative transaction or offer to the public exchange offer to be initiated by Holcim or to the proposed merger between Holcim and your Company (an "alternate proposal"), and to inform your Company and Holcim of any solicitation or proposal from a third party which could lead to an alternate proposal;
- ◆ abstain from having any discussion with any person or entity regarding an alternate proposal or to engage in any negotiation regarding an alternate proposal; or
- ◆ abstain from supporting or proposing publicly to support any alternate proposal.

The two agreements will terminate on December 31, 2015, except in case of early termination, it being specified that if Holcim initiates the public exchange offer before December 31, 2015, the term of these agreements will be automatically extended until settlement-delivery of the public exchange offer.

These agreements were previously authorized by the Board of directors of your Company at its meeting of April 5, 2014.

## II. Agreements and commitments authorized after closing

We have been informed of those agreements and commitments which had been authorized after closing and had received prior approval by your Board of Directors.

### *With Mr Bruno Lafont, Chairman & CEO of your Company*

Amendment of the French supplementary pension plans and related insurance contracts with Cardif Assurance Vie

#### **a) Supplementary pension plans**

French executives and members of the Executive Committee of your Company are eligible to the following supplementary defined benefit pension plans ("the Plans"):

- ◆ "Régime Additif" for some executive of your Company and its French subsidiaries, and
- ◆ "Régime Comex" for members of the Executive Committee of your Company.

Eligible beneficiaries have to retire from your Company or from one of its French subsidiaries in order to receive their unvested pension rights according to the Plans' rules.

Mr Bruno Lafont is one of the potential beneficiaries of the Plans, as described in the paragraph I.b.1 of the second part in this report. As a reminder, these Plans have received approval of the shareholders, notably during the General Meeting of May 6, 2009 to include the directors of your Company as potential beneficiaries of these Plans.

Plans' amendments are necessary in order to maintain past-service pension rights for eligible beneficiaries who would be localized within LafargeHolcim in Switzerland following the completion of the proposed merger between your Company and Holcim Ltd ("Holcim"). These amendments are substantially as follows:

- ◆ freeze of pension rights under the Plans from the date of localization of the eligible beneficiary within LafargeHolcim in Switzerland: length of service and compensations received during this localization are not considered in the calculation of pension rights granted by the Plans (concerned beneficiaries being members of the Swiss LafargeHolcim pension funds during this period);
- ◆ vesting of pension rights under the Plans also in case of retirement from the Swiss entity LafargeHolcim (and no longer only in case of retirement from your Company or from one of its French subsidiary);
- ◆ service period and compensation received by an eligible beneficiary after being relocalized in France (within your Company or one of its French subsidiaries) will be considered in the calculation of pension rights granted by the Plans;
- ◆ above amendments, which tend to anticipate potential impact of the proposed merger between your Company and Holcim, do not lead to an increase of current pension rights under the Plans;
- ◆ at the same time, some technical amendments in line with market practice including the review of pension indexation rules: for pensions in payment from March 2015, the indexation will be based on actual return of plans' assets managed by the insurance company.

None of the proposed amendments to the Plans' rules would lead to an increase of the pension rights granted to Mr Bruno Lafont.

#### **b) Insurance contracts related to the supplementary pensions plans**

As described in the paragraph I of the second part in this report, your Company has entered into insurance contracts (the « Insurance Contracts ») with the company Cardif Assurance Vie, a subsidiary of BNP-Paribas, the purpose of which was to transfer defined-benefit retirement plans.

Mr Bruno Lafont may benefit from these Insurance contracts since he is one of the potential beneficiaries of these Plans as mentioned in the previous paragraph a).

The purpose of the Insurance Contracts being to externally manage the Plans, the Insurance contracts include the Plans' rules and have then to be modified in order to be consistent with the new rules after adoption of the above Plans' amendments. The changes in Insurance Contracts do not include any substantial modification of economic or financial conditions which remain in line with market practices.

These amendments of the commitment in favor of Mr Bruno Lafont and those related to the supplementary pensions plans were previously authorized by the Board of directors of your Company on March 11, 2015.

## AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

### I. Agreements and commitments approved in prior years

#### **a) whose implementation continued during the year**

Pursuant to Article R.225-30 of the French Commercial Code (*Code de Commerce*), we have been informed that the following agreements and commitments, already approved by the Shareholders' Meeting in previous years, continued during the year.

##### *With BNP Paribas*

##### **Board members concerned**

Ms Hélène Ploix, a director of your Company, was also a director of BNP Paribas until May 14, 2014, and Mr Baudouin Prot, a director of your Company, was also Chairman of the Board of Directors of BNP Paribas until December 1, 2014.

##### **Transfer of retirement plans for French executives, senior executives and members of the Executive Committee to Cardif Assurance Vie, a subsidiary of BNP Paribas**

The Board of Directors authorized the conclusion of three insurance contracts between your Company and Cardif Assurance Vie, a subsidiary of BNP Paribas, the purpose of which was to transfer defined-benefit retirement plans. These agreements were authorized by the Board of Directors at its meetings of August 1, 2007 and November 6, 2008 and approved by the Shareholders' Meetings of May 7, 2008 and of May 6, 2009.

As these agreements remained in force in 2014, the total amount of contributions allocated to retirement capital, expenses and other taxes and paid by your Company in respect of two of the current contracts with Cardif Assurance Vie amounted to €1.3 million for the year ended December 31, 2014.

#### **b) which were not implemented during the year**

Furthermore, we have been informed that the following agreements and commitments, already approved by the Shareholders' Meeting in previous years, were not implemented during the year.

##### **1. With Mr Bruno Lafont, Chairman & CEO of your Company**

##### **Mr Bruno Lafont's suspended employment contract and severance compensation**

At its meeting on July 27, 2011, the Board of Directors decided to maintain Mr Bruno Lafont's suspended employment contract and to delete a clause of commitment of presence. This contract was approved by the Shareholders' Meeting on May 15, 2012. The employment contract was suspended as from January 1, 2006, the date of Mr Bruno Lafont's appointment as Chief Executive Officer. It includes contractual severance compensation, payable subject to certain conditions, including a performance condition.

At its meeting on February 19, 2009, the Board of Directors authorized the amendments to Mr Bruno Lafont's suspended employment contract, for the purpose of adapting the contractual severance compensation to the recommendations of the Afep Medef corporate governance code for listed companies regarding the compensation of executive corporate officers. This contract was approved by the Shareholders' Meeting on May 6, 2009.

The Shareholders' Meeting on May 7, 2013 confirmed the approval of these commitments relating to Mr Bruno Lafont's suspended employment contract.

It is recalled that, following the automatic resumption of his employment contract in the event Mr Bruno Lafont were to cease serving in his corporate offices (Chairman and Chief Executive Officer), the contractual severance compensation in case of dismissal (other than for gross negligence or serious misconduct) would only be owed to Mr Bruno Lafont if a series of conditions were met:

- the first condition covers the event triggering the right to receive contractual severance compensation. The dismissal must take place after a change of control or after a change in the Company's strategy;
- the second condition is performance-based. This condition will be satisfied and the contractual severance compensation would be paid if two of the following three criteria are satisfied. If only one criterion out of the three is satisfied, the condition will only be partially satisfied and only one half of the contractual severance compensation would be paid. If none of the criteria are satisfied, the condition would not be satisfied and no contractual severance compensation would be paid. The three criteria to be satisfied, over the last three fiscal years preceding the employment contract's termination, are as follows:
  - an after-tax average return on invested capital for the last three years greater than the Weighted Average Cost of Capital (WACC),
  - an EBITDA/Revenue ratio strictly greater than 18%, on average, for the last three years, and
  - an average bonus granted under the employment contract greater than 60% of the maximum bonus, on average, for the last three years.

The maximum amount of this contractual severance compensation would be equal to two years of total gross compensation received by Mr Bruno Lafont for the most favorable of the three years preceding the date of his dismissal notice. This calculation basis is the same as for the dismissal compensation under the Collective Bargaining Agreement. In addition, so as to ensure that the total amount of the compensation due to Mr Bruno Lafont in case of departure remains within this limit, such contractual severance compensation would be reduced by the amount of the dismissal compensation due to Mr Bruno Lafont pursuant to and in compliance with the terms of the Collective Bargaining Agreement applicable to engineers and executives in the cement production industry, which apply to his employment agreement in view of his length of service within the Group (31 years). In application of mandatory French labor Laws, the dismissal compensation is subject to the conditions set forth under the Collective Bargaining Agreement.

A job elimination or decrease in level of responsibilities would also constitute a case of dismissal providing entitlement to such compensations.

**Supplementary pension plan of Mr Bruno Lafont**

At its meeting on December 16, 2005, the Board of Directors authorized that Mr Bruno Lafont will benefit from a supplementary pension plan guaranteeing a pension based on his salary as a corporate officer. The employment contract was suspended as from January 1, 2006, the date of Mr Bruno Lafont's appointment as Chief Executive Officer. However, in his capacity as a corporate officer, he will continue to benefit from the supplementary retirement benefit.

Moreover, at its meeting on November 6, 2008, the Board of Directors authorized the amendment of two supplementary benefit plans. One of these amendments consists in including the Company's corporate officers as potential beneficiaries of these benefit plans, which would provide, under certain conditions, a retirement payment based on the last salaries received, irrespective of any other legal retirement benefits received by the retired individual. The Shareholders' Meeting of May 6, 2009 approved this agreement.

As described in the paragraph II of the first part in this report, these agreements and commitments have been previously authorized by the Board of directors of your Company on March 11, 2015.

**Conservation of rights relating to long-term compensation plans based on certain assumptions**

At its meeting on March 13, 2013, pursuant to Article L.225-42-1 of the French Commercial Code, the Board of Directors, on the recommendation of the Remunerations Committee decided and confirmed that, in case of retirement, death or disability, Mr Bruno Lafont will retain the rights from which he benefits or will benefit in relation to the attribution of share subscription or purchase options, the attribution of free shares, and other components of long-term (multi-year) compensation, subject to performance conditions. In case of death, the heirs of Mr Bruno Lafont will retain the benefit of his rights. This commitment was approved during the Shareholders' Meeting on May 7, 2013.

**2. With Orascom Construction Industries SAE**

**Board members concerned**

Mr Nassef Sawiris, a director of your Company, is also Chief Executive Officer as well as director of Orascom Construction Industries N.V., a company holding (following an exchange offering) the majority of the shares of Orascom Construction Industries SAE.

Mr Jérôme Guiraud, a director of your Company, is also a director of Orascom Construction Industries N.V.

**Settlement agreement dated June 21, 2012 between Orascom Construction Industries SAE and your Company**

The Orascom Building Materials share purchase agreement signed on December 9, 2007 between your Company and Orascom Construction Industries SAE (OCI) contained general warranties and specific indemnities. Further to negotiations following the triggering of some of the warranties and indemnities by your Company and the authorization granted by the Board of Directors at its meeting of May 15, 2012, the parties reached a settlement for an amount of € 73 million to be paid by OCI to your Company, the warranties being maintained for two specific matters. This agreement was approved by the Shareholders' Meeting on May 7, 2013.

**3. With NNS Holding Sàrl, Orascom Construction Industries SAE, Mr Nassef Sawiris and other parties**

**Board members concerned**

Mr Nassef Sawiris, a director of your Company, is also Chief Executive Officer as well as director of Orascom Construction Industries N.V., a company holding (following an exchange offering) the majority of the shares of Orascom Construction Industries SAE. He was also a director of NNS Holding Sàrl until 2013.

Mr Jérôme Guiraud, a director of your Company, is also a Board member of NNS Holding Sàrl and Orascom Construction Industries N.V.

**Amendment to the Shareholders' Agreement of December 9, 2007**

At its meeting on March 15, 2012, the Board of Directors authorized the signature of an amendment to the Shareholders' Agreement for the purpose of maintaining, with respect to the 22.5 million shares issued to NNS Holding Sàrl via a reserved capital increase in 2008, the undertaking by NNS Holding Sàrl (i) to inform your company first of any planned share disposals until March 27, 2015 and (ii) not to sell these shares to any competitors of your company until the expiration date of the Shareholders' Agreement. This agreement was approved by the Shareholders' Meeting on May 15, 2012.

Neuilly-sur-Seine and Paris-La Défense, March 12, 2015

The statutory auditors

DELOITTE & ASSOCIÉS  
French original signed by

ERNST & YOUNG et Autres  
French original signed by

Arnaud de Planta

Frédéric Gourd

Alain Perroux

Nicolas Macé

# REPORT OF THE STATUTORY AUDITORS ON THE ISSUE OF SHARES AND OTHER FINANCIAL INSTRUMENTS WITH AND WITHOUT CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS



This is a free translation into English of a report issued in French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with and construed in accordance with French Law and professional auditing standards applicable in France.

## COMBINED SHAREHOLDERS' MEETING OF MAY 7, 2015

### (13<sup>th</sup> to 17<sup>th</sup> resolutions)

To the Shareholders,

In our capacity as statutory auditors of your company and in compliance with articles L. 228-92 and L. 225-135 *et seq.* of the French commercial code (*Code de commerce*), we hereby report on the proposed delegation of authority to your board of directors to decide on any issues of shares and other marketable securities, transactions upon which you are being asked to vote.

Your board of directors proposes, on the basis of its report:

- ◆ that it be delegated, with powers to sub-delegate, for a period of twenty-six months from the date of this meeting, the authority to decide on the following transactions and to determine the terms and conditions for these issues and, if necessary, to cancel your preferential subscription rights:
  - ◆ the issue of ordinary shares and securities, in compliance with articles L. 228-92 paragraph 1, L. 228-93 paragraph 3 and L. 228-94 paragraph 2 of the French commercial code, (a) giving access to shares of the capital of the company or another company or (b) giving entitlement to an allocation of debt securities, with preferential subscription rights (thirteenth resolution);
  - ◆ the issue of ordinary shares and securities, in compliance with articles L. 228-92 paragraph 1, L. 228-93 paragraph 3 and L. 228-94 paragraph 2 of the French commercial code, by a public offering, (a) giving access to shares of the capital of the company or another company or (b) giving entitlement to an allocation of debt securities, with cancellation of preferential subscription rights (fourteenth resolution), it being specified that:
    - ◆ these securities may be issued for the purpose of paying for the securities contributed to the company in connection with a public offer with an exchange component in accordance with article L. 225-148 of the French commercial code;
    - ◆ these securities may result from the issuance, by the companies for which your Company directly or indirectly owns more than half of the capital, or by the company which directly or indirectly owns more than half of the capital of your Company, of securities giving access to the capital of your Company in accordance with the article L.228-93 paragraph 3 of the French commercial code;
  - ◆ the issue, in one or several offers, covered by article L. 411-2, II of the French monetary and financial Code (*Code monétaire et financier*), of ordinary shares and securities, in compliance with articles L. 228-92 paragraph 1, L. 228-93 paragraph 3 and L. 228-94 paragraph 2 of the French commercial code, (a) giving access to shares of the capital of the company or another company or (b) giving entitlement to an allocation of debt securities, with cancellation of preferential subscription rights (fifteenth resolution), it being specified that these securities may result from the issuance, by the companies for which your Company directly or indirectly owns more than half of the capital, or by the company which directly or indirectly owns more than half of the capital of your Company, of securities giving access to the capital of your Company in accordance with the article L.228-93 paragraph 3 of the French commercial code;
- ◆ that it be delegated, with powers to sub-delegate, for a period of twenty-six months from the date of this meeting, the authority to determine the terms and conditions of the issue of ordinary shares and securities in compliance with articles L. 228-92 paragraph 1, L. 228-93 paragraph 3 and L. 228-94 paragraph 2 of the French commercial code (a) giving access to ordinary shares of the company or another company or (b) giving entitlement to an allocation of debt securities, in order to pay for the contributions in kind made to the company and comprised of equity securities to be issued within the limit of a maximum nominal amount of €112 million, representing 28 million shares and less than 10% of the Company's capital as of December 31, 2014 (sixteenth resolution).

In the event of share capital increases, immediately or at a future date, the aggregate amount of shares issued may not exceed € 560 million representing 140 million shares, according to the thirteenth resolution. The same overall ceiling applies to five resolutions (from the thirteenth to the seventeenth resolutions).

In addition to this overall ceiling, sub-ceilings apply:

- ◆ the ceiling that applies to issuances with preferential subscription rights (thirteenth resolution) is of a nominal amount of € 560 million;
- ◆ the ceiling that applies to issuances with cancellation of preferential subscription rights (fourteenth resolution) is of a nominal amount of € 112 million. Any amounts resulting from any offers covered by article L. 411-2, II of the French monetary and financial code (fifteenth resolution), and any potential issuances as payment for contributions in-kind (sixteenth resolution) will count towards this sub-ceiling.

In the event of an issuance of debt securities of the company, the aggregate nominal value of the debt securities may not, according to the thirteenth resolution, exceed € 8 billion for the thirteenth to thirteenth resolutions, it being noted that this amount will be included in the ceiling of € 8 billion proposed in the eleventh resolution.

These ceilings reflect the additional number of shares to be issued as part of the implementation of the delegations mentioned in the thirteenth to sixteenth resolutions, in accordance with article L. 225-135-1 of the French commercial code, if you adopt the seventeenth resolution.

Your board of directors is responsible for preparing a report in accordance with articles R. 225-113 *et seq.* of the French commercial code. It is our responsibility to report on the fairness of the financial information taken from the accounts on the proposed cancellation of preferential subscription rights and on other information provided in the report relating to these transactions.

We performed those procedures we considered necessary to comply with professional guidance issued by the French national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying the contents of the board of directors' report relating to these transactions and the methods used for determining the issue price of the equity securities to be issued.

Subject to a subsequent examination of the terms and conditions for these proposed issues, we have no matters to report on the methods used for determining the issue price of the equity securities to be issued described in the board of directors' report in accordance with the fourteenth and fifteenth resolutions.

Moreover, as this report does not specify the methods for determining the issue price of the equity securities to be issued in accordance with the thirteenth and sixteenth resolutions, we cannot report on the methods used to determine the issue price or on the amount.

Since the definitive terms and conditions, under which these issues will be performed, have not yet been determined, we cannot express an opinion on them and, consequently, on the proposed cancellation of preferential subscription rights presented to you in the fourteenth and fifteenth resolutions.

In accordance with article R. 225-116 of the French commercial code, we will issue an additional report, if necessary, when your board of directors exercises its authority in the event of any issue of securities giving access to other securities of the capital, or giving entitlement to an allocation of debt securities in the event of any issue of securities giving access to the equity securities to be issued and any issues of shares with cancellation of preferential subscription rights.

Neuilly-sur-Seine and Paris-La Défense, March 25, 2015

The statutory auditors

DELOITTE & ASSOCIÉS  
French original signed by

Arnaud de Planta

Frédéric Gourd

ERNST & YOUNG et Autres  
French original signed by

Alain Perroux

Nicolas Macé

## REPORT OF THE STATUTORY AUDITORS ON THE REDUCTION IN CAPITAL



This is a free translation into English of a report issued in French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with and construed in accordance with French Law and professional auditing standards applicable in France.

### COMBINED SHAREHOLDERS' MEETING OF MAY 7, 2015

#### (19<sup>th</sup> resolution)

To the Shareholders,

In our capacity as statutory auditors of Lafarge and in compliance with article L.225-209 of the French commercial code (*Code de commerce*) in respect of the reduction in capital by cancellation of the company's own shares previously purchased, we hereby report on our assessment of the terms and conditions of the proposed reduction in capital.

Your board of directors requests that it be empowered for a twenty-six-month period from the date of this meeting, to cancel, once or in several times, the shares it authorized your company to repurchase, for an amount not exceeding 10% of its total share capital, every twenty-four months, in accordance with the aforementioned article; this authorization to purchase the company's own shares is subject to the approval by the shareholders' meeting (tenth resolution) and would be given for a period of eighteen months from the date of this meeting for up to a maximum of 5% of its capital as of the date of purchase.

We performed those procedures we considered necessary to comply with professional guidance issued by the French national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying that the terms and conditions for the proposed reduction in capital are fair.

We have no matters to report on the terms and conditions of the proposed reduction in capital, which can be performed only after your shareholders' meeting has already approved the repurchase by your company of its own shares.

Neuilly-sur-Seine and Paris-La Défense, March 25, 2015

The statutory auditors

DELOITTE & ASSOCIÉS  
French original signed by

Arnaud de Planta

Frédéric Gourd

ERNST & YOUNG et Autres  
French original signed by

Alain Perroux

Nicolas Macé



## STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION OF THE PROPOSED FREE ALLOTMENT OF EXISTING SHARES OR SHARES TO BE ISSUED TO EMPLOYEES AND EXECUTIVE OFFICERS, OR CERTAIN CATEGORIES OF THEM

◆

This is a free translation into English of a report issued in French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with and construed in accordance with French Law and professional auditing standards applicable in France.

### COMBINED SHAREHOLDERS' MEETING OF MAY 7, 2015

#### (20<sup>th</sup> resolution)

To the Shareholders,

In our capacity as statutory auditors of your company and in accordance with Article L.225-197-1 of the French commercial code (*Code de commerce*), we hereby report on the authorization of the proposed free allotment of existing shares or shares to be issued, on one or more occasions, to employees and executive officers, or certain categories of them, of Lafarge and affiliated companies or groupings within the meaning set forth in Article L. 225-197-2 of the French commercial code. The total number of freely-allotted shares may not represent more than 1% of the share capital as of the date of the board of directors' decision, it being specified that this ceiling not counting towards the overall ceiling set forth in the 13<sup>th</sup> resolution.

Your board of directors proposes that it be authorized, for a term of 26 months from the date of this Meeting, to freely allot existing shares or shares to be issued.

It is the board of directors' responsibility to prepare a report on the transaction that it intends to carry out. It is our responsibility to report on the information provided to you in respect of this proposed transaction.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Auditing Body (*Compagnie Nationale des Commissaires aux Comptes*) relating to this type of engagement. Our work consisted in verifying more specifically that the proposed procedures and data presented in the board of directors' report comply with the legal provisions.

We have no comments on the information given in the board of directors' report in connection with the proposed free allotment of shares.

Neuilly-sur-Seine and Paris-La Défense, March 25, 2015

The statutory auditors

DELOITTE & ASSOCIÉS  
French original signed by

Arnaud de Planta

Frédéric Gourd

ERNST & YOUNG et Autres  
French original signed by

Alain Perroux

Nicolas Macé

## STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION TO GRANT SHARE SUBSCRIPTION OR PURCHASE OPTIONS



This is a free translation into English of a report issued in French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with and construed in accordance with French Law and professional auditing standards applicable in France.

### COMBINED SHAREHOLDERS' MEETING OF MAY 7, 2015

#### (21<sup>st</sup> resolution)

To the Shareholders,

In our capacity as statutory auditors of your company and in compliance with articles L.225-177 and R. 225-144 of the French commercial code (*Code de commerce*), we hereby report on the authorization to grant share subscription or purchase options, on one or more occasions, to employees and executive officers, or certain categories of them, from Lafarge or from affiliated companies or groupings in accordance with the conditions referred to in article L.225-180 of the aforementioned code, a transaction upon which you are being asked to vote. The total number of options to be granted may not represent more than 1 % of the share capital as of the date of the board of directors' decision, it being specified that this ceiling does not count towards the overall ceiling set forth in the thirteenth resolution.

Your board of directors proposes, based on its report, that it be authorized, for a term of 26 months to grant share subscription or purchase options.

Your board of directors is responsible for preparing a report on the reasons for the offer of share subscription or purchase options and on the proposed methods used for determining the share subscription or purchase price. Our responsibility is to express an opinion on the proposed methods for determining the share subscription or purchase price.

We performed those procedures we considered necessary to comply with professional guidance issued by the French national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying that the methods proposed for determining the share subscription or purchase price are included in the board of directors' report and are in accordance with legal and regulatory requirements.

We have nothing to report on the methods proposed for determining the share subscription or purchase price.

Neuilly-sur-Seine and Paris-La Défense, March 25, 2015

The statutory auditors

DELOITTE & ASSOCIÉS  
French original signed by

Arnaud de Planta

Frédéric Gourd

ERNST & YOUNG et Autres  
French original signed by

Alain Perroux

Nicolas Macé

## STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND/OR SECURITIES ENTAILING A CAPITAL RESERVED FOR MEMBERS OF EMPLOYEE SAVING PLANS

This is a free translation into English of a report issued in French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with and construed in accordance with French Law and professional auditing standards applicable in France.

### COMBINED SHAREHOLDERS' MEETING OF MAY 7, 2015

#### (22<sup>th</sup> resolution)

To the Shareholders,

In our capacity as statutory auditors of your company and in accordance with Articles L.228-92 and L.225-135 *et seq.* of the French commercial code (*Code de commerce*), we hereby report on the proposed delegation to the board of directors the authority to decide the capital increase, on one or more occasions, through the issuance of common shares and/or securities (a) giving access, immediately or in the future, by subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other way, to shares of the company or of another company, or (b) giving rights to the allotment of debt securities, with cancellation of preferential subscription rights, reserved for members of one or more employee savings plans (or any other plan for whose members a capital increase may be reserved on equivalent terms under Article L.3332-1 *et seq.* of the French Labor Code (*Code du travail*) or any similar Law or regulation allowing a reserved capital increase under equivalent conditions) set up within the company and/or one or several companies or groupings of entities falling within the scope of the company's consolidated financial statements pursuant to Article L.233-16 of the French commercial code, a transaction upon which you are being asked to vote.

The maximum nominal amount of the capital increases, likely to be carried out immediately or in the future, may not exceed €50 million, this maximum amount being shared with the 23<sup>rd</sup> resolution, but which do not count towards the overall ceiling set forth in the 13<sup>th</sup> resolution.

This issue is submitted for your approval in accordance with Articles L.225-129-6 of the French commercial code and L.3332-18 *et seq.* of the French Labor Code.

Based on its report, the Board of Directors proposes to you to be delegated, with powers to sub-delegate, for a period of 26 months from the date of this Meeting, the authority to decide the capital increase of one or more occasions and proposes that you cancel your preferential subscription rights. The final terms and conditions of this capital increase will be determined by the Board of Directors.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French commercial code. Our role is to express an opinion on the fair presentation of the quantified information extracted from the accounts, on the proposed cancellation of preferential subscription rights and on certain other information concerning the issuance, contained in this report.

We performed the procedures that we deemed necessary in accordance with the professional guidelines of the French national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying the content of the Board of Directors' report in respect of this transaction and the terms and conditions governing the determination of the issue price of securities to be issued.

Subject to a subsequent review of the proposed issue(s) which could be decided, we have no comments on the terms and conditions governing the determination of the issue price of the securities to be issued as presented in the Board of Directors' report.

The definitive terms, under which these issue(s) would be performed, having not yet been determined, we do not express an opinion on these and, consequently, on the proposed cancellation of preferential subscription rights presented to you.

In accordance with Article R.225-116 of the French commercial code, we will issue an additional report, when your Board of Directors exercises its authority in the event of any issue of securities giving access to other securities of the capital, or giving entitlement to an allocation of debt securities in the event of any issue of securities giving access to the equity securities to be issued and any issues of shares.

Neuilly-sur-Seine and Paris-La Défense, March 25, 2015

The statutory auditors

DELOITTE & ASSOCIÉS  
French original signed by

Arnaud de Planta

Frédéric Gourd

ERNST & YOUNG et Autres  
French original signed by

Alain Perroux

Nicolas Macé

# STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND/OR SECURITIES ENTAILING A CAPITAL INCREASE RESERVED FOR A CATEGORY OF BENEFICIARIES AS PART OF A TRANSACTION RESERVED FOR EMPLOYEES



This is a free translation into English of a report issued in French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with and construed in accordance with French Law and professional auditing standards applicable in France.

## COMBINED SHAREHOLDERS' MEETING OF MAY 7, 2015

### (23<sup>rd</sup> resolution)

To the Shareholders,

In our capacity as statutory auditors of your company and in accordance with articles L.228-92 and L.225-135 *et seq.* of the French commercial code (*Code de commerce*), we hereby report on the proposed delegation to the board of directors the authority to decide the capital increase, on one or more occasions, through the issuance of common shares and/or securities (a) giving access, immediately or in the future, by subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other way, to shares of the company or of another company, or (b) giving rights to the allotment of debt securities, with cancellation of preferential subscription rights, reserved for one of the categories of any of the persons comprising:

- (I) the employees or corporate officers of the Lafarge Group companies comprised within the scope of consolidation of the company's financial statements under article L.233-16 of the French commercial code having their registered offices outside France (the "Foreign Employees"), or/and
- (II) mutual funds (OPCVM) or other entities, with or without a legal personality and/or any person acting as a trustee (or "fiduciaire") in case shares would be held through a trust (or "fiducie"), invested in company securities whose unit holders, shareholders or beneficiaries are Foreign Employees,
- (III) and/or the financial or credit institutions intervening on the company's request for one or several offers to all or some of the Foreign Employees of alternative formulas providing an equivalent economic profile to one or more share offerings proposed to French residents participating in one of the savings plans set up by one of the Lafarge Group companies, and any entities controlled by these institutions within the meaning of article L.233-3 of the French commercial code, a transaction upon which you are being asked to vote.

The maximum nominal amount of the capital increases, likely to be carried out immediately or in the future may not exceed €50 million, this maximum amount being shared with the 22<sup>nd</sup> and 23<sup>rd</sup> resolutions, but which do not count towards the overall ceiling set forth in the 13<sup>th</sup> resolution.

Based on its report, the board of directors proposes to you to be delegated, with powers to sub-delegate, for a period of 18 months from the date of this meeting, the authority to decide of one or more issues and proposes that you cancel your preferential subscription rights; it being specified that this delegation of authority may only be used in connection with an offer made to employees that requires the use, previously, simultaneously or subsequently, of the delegation conferred pursuant to the 22<sup>nd</sup> resolution of this meeting. The final terms and conditions of this capital increase will be determined by the board of directors.

It is the responsibility of the board of directors to prepare a report in accordance with articles R. 225-113 *et seq.* of the French commercial code. Our role is to express an opinion on the fair presentation of the quantified information extracted from the accounts, on the proposed cancellation of preferential subscription rights and on certain other information concerning the issuance, contained in this report.

We performed the procedures that we deemed necessary in accordance with the professional guidelines of the French national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying the content of the board of directors' report in respect of this transaction and the terms and conditions governing the determination of the issue price of securities to be issued.

Subject to a subsequent review of the proposed issue(s) which could be decided, we have no comments on the terms and conditions governing the determination of the issue price of the securities to be issued as presented in the board of directors' report.

The definitive terms, under which these issue(s) would be performed, having not yet been determined, we do not express an opinion on these and, consequently, on the proposed cancellation of preferential subscription rights presented to you.

In accordance with article R.225-116 of the French commercial code, we will issue an additional report, when your board of directors exercises its authority in the event of any issue of securities giving access to other securities of the capital, or giving entitlement to an allocation of debt securities in the event of any issue of securities giving access to the equity securities to be issued and any issues of shares.

Neuilly-sur-Seine and Paris-La Défense, March 25, 2015

The statutory auditors

DELOITTE & ASSOCIÉS  
French original signed by

Arnaud de Planta

Frédéric Gourd

ERNST & YOUNG et Autres  
French original signed by

Alain Perroux

Nicolas Macé

## LAFARGE BOARD OF DIRECTORS



Back, from left to right: Luc Jeanneney, Hélène Ploix, Baudouin Prot, Paul Desmarais, Jr., Oscar Fanjul (Vice-chairman of the Board of Directors), Michel Rollier, Philippe Dauman, Juan Gallardo, Ian Gallienne, Christine Ramon, Mina Gerowin, Philippe Charrier, Jérôme Guiraud, Gérard Lamarche, Nassef Sawiris. Front, from left to right: Véronique Weill, Bruno Lafont (Chairman and Chief Executive Officer), Ewald Simandl.

## PRESENTATION OF THE DIRECTORS – EXPERTISE AND EXPERIENCE

## BRUNO LAFONT - born on June 8, 1956 - French citizen



61, rue des Belles  
Feuilles, 75116 Paris,  
France

Number of Lafarge S.A.  
shares held: 37,506

## Experience and expertise

**Chairman of the Board of Directors and Chief Executive Officer**

Bruno Lafont was appointed as Chairman of the Board of Directors in May 2007. He has held the office of Director since May 2005 and Chief Executive Officer since January 1, 2006. He graduated from the Hautes Études Commerciales business school (HEC 1977, Paris) and the École Nationale d'Administration (ENA 1982, Paris). He began his career at Lafarge in 1983 and held various positions in finance and international operations. In 1995, Mr Lafont was appointed Group Executive Vice-President, Finance, then Executive Vice-President of the Gypsum Division in 1998. Mr Lafont joined the Group's General Management as Chief Operating Officer between May 2003 and December 2005. He also acts as Director for EDF and ArcelorMittal (Luxembourg). Bruno Lafont is a member of the Executive Committee of the World Business Council for Sustainable Development (WBCSD) where he co-chairs the Energy Efficiency in Buildings project. He presently chairs the Energy & Climate Change Working Group of the European Round Table of Industrialists and the Sustainable Development Commission of the Medef (Mouvement des Entreprises de France, the French employers association). Mr Lafont is a special advisor to the Mayor of Chongqing (China).

## Position (appointment/renewal/expiry of term of office)

Appointment as Director of Lafarge in 2005. Expiry of his term of office after the General Meeting called to approve the 2016 financial statements. Chief Executive Officer since January 2006. Chairman and Chief Executive Officer since May 2007.

## Positions held in France and abroad over the last five years

## Current positions:

**In France:**

Director, Chairman and Chief Executive Officer of Lafarge (listed company)  
Director of EDF (listed company)

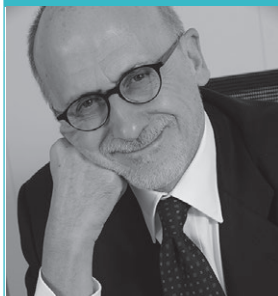
**Abroad:**

Director of ArcelorMittal (Luxembourg) (listed company)  
Director of Lafarge Shui On Cement Limited (China) (a Group company)

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

**Abroad:**

Positions in various subsidiaries of the Group

**OSCAR FANJUL** - born on May 20, 1949 - Spanish citizen

Paseo de la Castellana,  
28-5°, ES-28046 Madrid,  
Spain

Number of Lafarge S.A.  
shares held: 6,193

**Experience and expertise**

**Vice-Chairman of the Board of Directors, Chairman of the Corporate Governance and Nominations Committee, Chairman of the Remunerations Committee, member of the Audit Committee, member of the Strategy, Investment and Sustainable Development Committee**

Oscar Fanjul was appointed to the Lafarge Board of Directors in 2005 and has been Vice-Chairman of the Board since August 1, 2007. He began his career in 1972 working for the industrial holding I.N.I. (Spain), acted as Chairman Founder and Chief Executive Officer of Repsol (Spain), and was then Chairman of Deoleo S.A (Spain). He currently acts as Vice-Chairman of Omega Capital, SL (Spain). Oscar Fanjul is also a Director of Marsh & McLennan Companies (United States) and Acerinox (Spain).

Independent Director, Oscar Fanjul in particular brings to the Board his experience as an executive officer and Director of international industrial groups as well as his expertise in finance and corporate governance. In addition to his specific duties as Vice-Chairman of the Board, Oscar Fanjul ensures coordination and coverage of work and topics to be addressed by the Corporate Governance and Nomination Committee and the Remunerations Committee, which he chairs.

**Position** (appointment/renewal/expiry of term of office)

Appointment as Director of Lafarge in 2005. Expiry of his term of office after the General Meeting called to approve the 2016 financial statements.

**Positions held in France and abroad over the last five years****Current positions:****In France:**

Director and Vice-Chairman of the Board of Lafarge (listed company)

**Abroad:**

Vice-Chairman of Omega Capital (Spain)  
Director of Marsh & McLennan Companies (USA) (listed company)  
Director of Acerinox (Spain) (listed company)

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

Director of Areva (listed company) until 2011

**Abroad:**

Chairman of Deoleo, S.A. (Spain) (listed company) until 2014  
Director of the London Stock Exchange (United Kingdom) (listed company) until 2010



**PHILIPPE CHARRIER** - born on August 2, 1954 - French citizen



60-62, rue d'Hauteville,  
75010 Paris, France

Number of Lafarge S.A.  
shares held: 6,118

**Experience and expertise**

**Director, member of the Remunerations Committee, member of the Strategy, Investment and Sustainable Development Committee**

Philippe Charrier was appointed to the Lafarge Board of Directors in 2005. He is Chief Executive Officer and Director of Labco, and Chairman of the Board of Directors of Alphident and Dental Emco S.A. He is also a Founding member of the Club Entreprise et Handicap, and Director and Chairman of the Audit Committee of Rallye. He is the Founder and President of the Clubhouse France association established in 2011. He is President and Director of the association Unafam.

He was Vice-President, Chief Executive Officer and Director of CEnobiol from 2006 to 2010 and Chairman and Chief Executive Officer of Procter & Gamble France from 1999 to 2006. He joined Procter & Gamble in 1978 and held various financial positions before serving as Chief Financial Officer from 1988 to 1994, Marketing Director in France from 1994 to 1996, and Chief Operating Officer of Procter & Gamble Morocco from 1996 to 1998.

Independent Director, Philippe Charrier in particular brings to the Board his experience as an executive officer and Director of international industrial groups as well as his expertise in the field of sustainable development and marketing.

**Position (appointment/renewal/expiry of term of office)**

Appointment as Director of Lafarge in 2005. Expiry of his term of office after the General Meeting called to approve the 2016 financial statements.

**Positions held in France and abroad over the last five years**

**Current positions:**

**In France:**

Director of Lafarge (listed company)  
Chief Executive Officer and Director of Labco  
Chairman of the Board of Directors of Alphident and Dental Emco S.A. (subsidiary of Alphident)  
Director of Rallye (listed company)  
Director and President of the UNAFAM (association)  
Founder and President of Clubhouse France (association)

**Abroad:**

Director of various international Labco affiliates

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

**In France:**

Chairman of Labco  
Chairman of the Supervisory Board of Spotless group until 2010  
Vice-President, Chief Executive Officer and Director of CEnobiol from 2006 to 2010  
Director of La Fondation Nestlé pour la Nutrition

**PHILIPPE DAUMAN** - born on March 1, 1954 - American citizen

1515 Broadway,  
New York, NY 10036, USA

Number of Lafarge S.A.  
shares held: 1,143

**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 President and Chief Executive Officer of Viacom Inc. (US) since September 2006. He was previously Joint Chairman of the Board and Chief Executive Officer of DND Capital Partners LLC (US) 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. (US), a member of the Dean's Council for the University of Columbia Law School, a member of the Business Roundtable (US), a member of the Board of the National Cable & Telecommunications Association (US) and Co-Chairman of the Partnership for New York (US). He is also a member of The Paley Center for Media's Board (US), a member of the Board of Kipp Foundation (US), and a member of the Executive Committee of the Board of Lenox Hill Hospital (US).

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

**Position (appointment/renewal/expiry of term of office)**

Appointment as Director of Lafarge in 2007. The renewal of his term of office will be proposed at the Shareholders' Meeting convened on May 7, 2015.

**Positions held in France and abroad over the last five years****Current positions:****In France:**

Director of Lafarge (listed company)

**Abroad:**

Director, President and Chief Executive Officer of  
Viacom Inc. (USA) (listed company)  
Director of National Amusements Inc. (USA)

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

N/A

**PAUL DESMARAIS, JR.** - born on July 3, 1954 - Canadian citizen



751, Square Victoria,  
Montreal, Quebec H2Y  
2J3, Canada

Number of Lafarge S.A.  
shares held: 6,715

**Experience and expertise**

**Director, member of the Strategy, Investment and Sustainable Development Committee**

Paul Desmarais, Jr. was appointed to the Lafarge Board of Directors in January 2008.

He joined the Power Corporation of Canada in 1981 and he was appointed as its Vice-President the year after. In 1984, he led the creation of Power Financial Corporation (PFC) in order to consolidate Power's main financial interests with those of Pargesa Holding SA. Mr Desmarais was Vice-Chairman and Chief Operating Officer of PFC from 1986 to 1989, Executive Director and Vice-Chairman of the Board from 1989 to 1990, Executive Director and Chairman from 1990 to 2005, Chairman of the Executive Committee from 2006 to 2008 and he is Executive Co-Chairman of the Board of PFC since 2008. Furthermore, he was also Vice-Chairman of the Board of Power Corporation from 1991 to 1996. He was appointed Chairman and Co-CEO of Power Corporation in 1996. After the takeover of Pargesa by PFC and the Belgian Group Frère in 1990, Mr Desmarais worked in Europe from 1991 to 1994, during which period he developed the partnership with Groupe Frère group and worked on the restructuring of the Pargesa group. He was a Member of the Management Committee of Pargesa from 1982 to 1990, Executive Vice-Chairman of the Committee in 1991 and then Executive Chairman. He was appointed Managing Director in 2003 and Chairman of the Board of Pargesa in 2013.

Paul Desmarais, Jr. studied at McGill University (Canada) where he obtained a Bachelor's degree in Commerce. He then graduated from the European Institute of Business Administration (INSEAD) in Fontainebleau, France, with an MBA.

Paul Desmarais, Jr. in particular brings to the Board his expertise in finance and management of equity investments as well as his experience as a Director of international industrial groups and his knowledge of North America.

**Position (appointment/renewal/expiry of term of office)**

Appointment as Director of Lafarge in 2008. Expiry of his term of office after the General Meeting called to approve the 2015 financial statements.



## Positions held in France and abroad over the last five years

### Current positions:

#### In France:

Director of Lafarge (listed company)<sup>(1)</sup>

Director of Total S.A. (listed company)<sup>(1)</sup>

#### Abroad:

Director of Power Corporation of Canada (Canada) (listed company)

Director of AppDirect (USA)

Director of Steve Nash Fitness Centers (Canada)

Director of Best Friends (Canada)

*The following positions are held as representative of Power Corporation of Canada:*

Co-Chairman and Director of Power Financial Corporation (Canada) (listed company)<sup>(1)</sup>

Chairman of the Board of Directors and Deputy Managing Director of Pargesa Holding (Switzerland) (listed company)<sup>(1)</sup>

Director and member of the Executive Committee of Great-West, life insurance company (Canada)

Director and member of the Executive Committee of Great-West Life & Annuity Insurance Company (USA)

Director and member of the Executive Committee of Great-West Lifeco Inc. (Canada) (listed company)<sup>(1)</sup>

Vice-Chairman of the Board, Director and member of the Permanent Committee of Groupe Bruxelles Lambert S.A. (Belgium) (listed company)<sup>(1)</sup>

Director and member of the Executive Committee of Group Investors Inc. (Canada)

Director and member of the Executive Committee of London Insurance Group Inc. (Canada)

Director and member of the Executive Committee of London Life life insurance company (Canada)

Director and member of the Executive Committee of Mackenzie Inc. (Canada)

Director and member of the Executive Committee of Canada Life Assurance Company (Canada)

Director and member of the Executive Committee of Canada Life Financial Corporation (Canada)

Director and member of the Executive Committee of Canada Life Capital Corporation (Canada)

Director and Chairman of the Board of Power Corporation International (Canada)

Director and Vice-President of the Board of Square Victoria Communications Group Inc. (Canada)

Director and member of the Executive Committee of IGM Financial Inc. (Canada) (listed company)<sup>(1)</sup>

Member of the Supervisory Board of Parjointco N.V. (Netherlands)

Director and Vice-President of the Board of Gesca Ltée (Canada)

Director and Vice-President of the Board of La Presse Ltée (Canada)

Director of Power Communications Inc. (Canada)

Director and member of the Executive Committee of Putnam Investments LLC (USA)

Director of Great-West Financial (Canada) Inc. (Canada)

Director and Chairman of 171263 Canada Inc. (Canada)

Director of 152245 Canada Inc. (Canada)

Director of GWL&A Financial Inc. (USA)

Director of Great-West Financial (Nova Scotia) Co. (Canada)

Director of Great-West Life & Annuity Insurance Company of New York (USA)

Member of the Supervisory Board of Power Financial Europe B.V. (Netherlands)

Director and Member of the Management Board of The Canada Life Insurance Company of Canada (Canada)

Director of SGS S.A. (Switzerland) (listed company)<sup>(1)</sup>

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

#### In France:

Director of GDF-Suez (listed company) until 2014

#### Abroad:

Director and member of the Executive Committee of Crown Life Insurance Company (Canada) until 2012

Vice-Chairman of the Board of 3819787 Canada Inc. (Canada) until 2010

<sup>(1)</sup> These positions are held as representative of Power Corporation of Canada. Directorships in listed companies held as representative of companies in which a Director holds an executive office and whose main activity is to acquire and manage holdings do not count towards the number of directorships held, pursuant to the Afep-Medef Code. As a result, the number of directorships in listed companies held by Mr Desmarais Jr. is in line with the limitations recommended by the Afep-Medef Code.

**JUAN GALLARDO** - born on July 28, 1947 - Mexican citizen



Monte Caucaso 915 -  
4 piso, Col. Lomas  
de Chapultepec C.P.,  
MX 11000 Mexico,  
Mexico

Number of Lafarge S.A.  
shares held: 1,500

**Experience and expertise**

**Director, member of the Audit Committee, member of the Corporate Governance and Nominations Committee, member of the Remunerations Committee**

Juan Gallardo was co-opted to the Lafarge Board of Directors in 2003. He has been Chairman of Organizacion Cultiba SAB de CV (Holding of Grupo GEPP and Grupo Azucarero Mexico) (Mexico) since 1985. He is also a Director of IDEA S.A., Caterpillar, Inc. (USA) and Banco Santander (Mexico). Juan Gallardo coordinated the private sector efforts in the Alena negotiations as well as in the free-trade agreement between Mexico and the European Union. He is a member of the Mexican Business Roundtable. He was previously a member of the International Advisory Council of Lafarge, Chairman of the Board of Directors of Fondo Mexico, Vice-President of Home Mart Mexico and Director of Grupo Mexico S.A. de C.V. (Mexico).

Independent Director, Juan Gallardo in particular brings to the Board his experience as a Director of international industrial groups, his expertise in finance as well as his knowledge of North and Latin America.

**Position** (appointment/renewal/expiry of term of office)

Co-optation as Director of Lafarge in 2003. Expiry of his term of office after the General Meeting called to approve the 2016 financial statements.

**Positions held in France and abroad over the last five years**

**Current positions:**

**In France:**

Director of Lafarge (listed company)

**Abroad:**

Chairman of the Board of Organizacion Cultiba SAB de CV (Mexico) (listed company)  
Director of IDEA S.A. (Mexico)  
Director of Caterpillar Inc. (USA) (listed company)  
Director of Banco Santander (Mexico) (listed company)

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

**Abroad:**

Director of Mexicana de Aviacion (Mexico) until 2010

**IAN GALLIENNE** - born on January 23, 1971 - French citizen

Avenue Marnix 24,  
1000 Bruxelles, Belgium

Number of Lafarge S.A.  
shares held: 1,143

**Experience and expertise****Director, member of the Corporate Governance and Nominations Committee, member of the Remunerations Committee**

Ian Gallienne was co-opted to the Lafarge Board of Directors in 2011. Ian Gallienne has been Managing Director of Groupe Bruxelles Lambert (Belgium) since January 1, 2012. He has a degree in Management and Administration, with a specialization in Finance, from the E.S.D.E. in Paris and an MBA from Insead in Fontainebleau. He began his career in Spain, in 1992, as co-founder of a commercial company. From 1995 to 1997, he was a member of management of a consulting firm specialized in the reorganization of ailing companies in France. From 1998 to 2005, he was manager of the private equity funds Rhône Capital LLC in New York and London. In 2005, he founded the private equity funds Ergon Capital in Brussels and he was its Managing Director until 2012. He has been a Director of Groupe Bruxelles Lambert (Belgium) since 2009, of Imerys (France) since 2010, of Pernod Ricard (France) since 2012 and SGS (Switzerland) since 2013.

Ian Gallienne in particular brings to the Board his expertise in finance and management of equity investments as well as his experience as a Director of international industrial groups.

**Position (appointment/renewal/expiry of term of office)**

Co-optation as a Director of Lafarge in 2011. Expiry of his term of office after the General Meeting called to approve the 2015 financial statements.

**Positions held in France and abroad over the last five years****Current positions:****In France:**

Director of Lafarge (listed company)<sup>(1)</sup>  
Director of Imerys (listed company)<sup>(1)</sup>  
Director of Pernod Ricard (listed company)<sup>(1)</sup>

**Abroad:**

Director of SGS (Switzerland) (listed company)<sup>(1)</sup>  
Managing Director of Groupe Bruxelles Lambert S.A. (Belgium) (listed company)  
Director of Gruppo Banca Leonardo SpA (Italy)  
Member of the Supervisory Board of Kartesia GP (Luxembourg)  
Director of Erbe SA (Belgium)  
Director of Ergon Capital SA (Belgium)  
Managing Director of Ergon Capital II Sàrl (Luxembourg)  
Director of Steel Partners NV (Belgium)

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

Director of PLU Holding S.A.S. (until April 26, 2012)  
Director of Central Parc Villepinte S.A. (until July 31, 2011)  
Director of EliTech group S.A.S. (until December 31, 2011)  
Director of the "Fonds de dotation du Palais" (until December 21, 2011)

**Abroad:**

Director of Ergon Capital Partners SA (Belgium) until March 20, 2014  
Director of Ergon Capital Partners II SA (Belgium) until March 20, 2014  
Director of Ergon Capital Partners III SA (Belgium) until March 20, 2014  
Managing Director of Egerton Sàrl (Luxembourg) until October 3, 2013  
Member of the Supervisory Board of Arno Glass Luxco SCA (Luxembourg) until April 27, 2012  
Director of La Gardenia Beauty Sp. (Italy) until December 31, 2011  
Director of Seves SpA (Italy) until December 31, 2011  
Director of Publihold (Belgium) until December 31, 2011

<sup>(1)</sup> These positions are held as representative of Groupe Bruxelles Lambert S.A. Directorships in listed companies held as representative of companies in which a Director holds an executive office and whose main activity is to acquire and manage holdings do not count towards the number of directorships held, pursuant to the Afep-Medef Code.



**MINA GEROWIN** - Born on May 27, 1951 - American citizen



37 Ovington Square,  
SW3 1LJ, London,  
United Kingdom

Number of Lafarge S.A.  
shares held: 1,200

**Experience et expertise**

**Director, member of the Strategy, Investment and Sustainable Development Committee**

Mina Gerowin was appointed to the Lafarge Board of Directors in 2014. She is a Director of CNH Industrial NV (Netherlands) and of EXOR SpA (Italy) and a member of the Global Advisory Committee of Samsung Asset Management (South Korea).

Born in New York, Ms Gerowin has an A.B. from Smith College in Political Economy, a J.D. from the University of Virginia School of Law, an M.B.A. from Harvard Business School where she was a Baker Scholar and a D.H.L. h.c. from the University of New Haven. She practiced Law in Switzerland and New York then worked as Investment Banker in International Mergers and Acquisitions at Lazard Frères in New York and Paris. Ms Gerowin formed her own consulting and investing company, completing five LBO transactions and participated in their direction as an officer and Director. After their sale she consulted internationally. Ms Gerowin joined Paulson & Co. in 2004 where she was Managing Director of Paulson Europe LLP in London until 2012.

Independent Director, Ms Gerowin brings to the Board of Directors her expertise in finance and in management of equity investments as well as her experience as a Director of an international industrial group.

**Position (appointment/renewal/expiry of term of office)**

Appointment as Director of Lafarge in 2014. Expiry of her term of office after the General Meeting called to approve the 2017 financial statements.

**Positions held in France and abroad over the last five years**

**Current positions:**

**In France:**

Director of Lafarge (listed company)

**Abroad:**

Director of CNH Industrial NV (Netherlands) (listed company)

Director of EXOR SpA (Italy) (listed company))

Member of the Global Advisory Committee of Samsung Asset Management (South Korea)

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

**In France:**

N/A

**Abroad:**

Managing shareholder of Paulson Europe LLP until 2012

**JÉRÔME GUIRAUD** - born on January 7, 1961 - French citizen

4 Cork Street, London  
W1S 3LG, United Kingdom

Number of Lafarge S.A.  
shares held: 3,948

**Experience and expertise****Director, member of the Audit Committee**

Jérôme Guiraud was appointed to the Lafarge S.A. Board of Directors in 2008. He graduated from École des Hautes Études Commerciales (HEC 1984 –Paris). Jérôme Guiraud started his career at the French Embassy in Zagreb (Croatia) in 1985 as Deputy to the Commercial Attaché. He joined the Société Générale group in the Inspection Générale department in 1986. From 1993 he has held various managing positions abroad, in Europe and in emerging countries on capital markets, then as Country manager and Director of the Société Générale group's listed subsidiaries. He joined the NNS group in 2008. He is currently Director and Chief Executive Officer of NNS Capital, Director of NNS Holding and Director of OCI NV (significant construction and fertilizer company, listed on the Euronext Amsterdam stock exchange).

Jérôme Guiraud in particular brings to the Board his expertise in finance, his experience as an executive officer and Director of international groups as well as his knowledge of Eastern Europe, Africa and the Middle East.

**Position (appointment/renewal/expiry of term of office)**

Appointment as Director of Lafarge in 2008. Expiry of his term of office after the General Meeting called to approve the 2015 financial statements.

**Positions held in France and abroad over the last five years****Current positions:****In France:**


Director of Lafarge (listed company)

**Abroad:**

Director of OCI NV (Netherlands) (listed company)  
Director Chief Executive Officer of NNS Capital (United Kingdom)  
Director of NNS Holding Sàrl (Luxembourg)  
Director of NNS (Luxembourg)  
Director of OS (Luxembourg)

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

Director of Orascom Construction Industries S.A.E. (Egypt) (listed company) from 2008 to 2013

LUC JEANNENEY - born on June 26, 1967 - French citizen		
 <p>2 avenue du général de Gaulle, 92140 Clamart, France</p> <p>Number of Lafarge S.A. shares held: 250</p> <p>Number of Lafarge 2000 shares held: 270.20</p> <p>(Group savings plan invested in Lafarge SA shares - see Section 6.1.4 Employee share ownership for further information)</p>	<h3>Experience and expertise</h3> <p><b>Director - Designation by the Works Council of Lafarge S.A. in accordance with French Law</b></p> <p>Further to his designation by the Works Council of Lafarge S.A., the appointment of Luc Jeanneney as Director became effective as of November 4, 2014 for a period of four years.</p> <p>Luc Jeanneney is currently the Purchasing Director for Lafarge operations in France. He joined Lafarge in 2006, being in charge of Purchasing for Latin-America (2006-2009), based in Brazil. Returning to France within the Group Purchasing Team, he has been project manager for the purchasing reporting (2010) and in charge of the Group's natural gas and liquid fuel sourcing and risk management (2011-2012).</p> <p>He is an elected member of the Supervisory board of Lafarge employee funds: FCPE Lafarge 2000 (since 2012, for a four year term) and FCPE Plan d'Epargne Groupe &amp; PERCO (since 2013, for a four year term).</p> <p>Previously, he worked for PSA Peugeot Citroën as purchasing project manager (1996-2001) and Purchasing Director for Brazil and Argentina (2002-2005).</p> <p>Luc Jeanneney has an Engineering degree (Ecole des Mines d'Alès – 1989), he graduated from the Ecole Supérieure des Sciences Economiques et Commerciales (ESSEC – 1992) and completed a master degree in political sciences (IPLH Paris – 2014).</p> <p>Luc Jeanneney in particular brings to the Board his vision as employee as well as his knowledge of the Group and its businesses, in particular through his experience in Purchasing, as well as his knowledge of Brazil and Latin America in general.</p>	
	<h3>Position (appointment/renewal/expiry of term of office)</h3> <p>Appointment as Director of Lafarge in 2014. Expiry of his term of office in November 2018.</p>	
	<h3>Positions held in France and abroad over the last five years</h3>	
	<h4>Current positions:</h4> <p><b>In France:</b> Director of <u>Lafarge</u> (listed company) Member of the Supervisory board of Lafarge 2000 Member of the Supervisory board of FCPE Plan d'Epargne Groupe Lafarge &amp; PERCO</p> <p><b>Abroad:</b> N/A</p>	<h4>Over the last five years that have ended, in France and abroad:</h4> <p>N/A</p>

**GÉRARD LAMARCHE** - born on July 15, 1961 - Belgian citizen

Avenue Marnix 24, 1000  
Bruxelles, Belgium

Number of Lafarge S.A.  
shares held: 1,143

**Experience and expertise****Director, member of the Audit Committee, member of the Strategy, Investment and Sustainable Development Committee**

Gérard Lamarche was appointed to the Lafarge Board of Directors in 2012. He graduated from the University of Louvain-la-Neuve with a Bachelor's degree in Economics. He also completed the Advanced Management Program for Suez Group Executives at the Insead Business School and took part in the 1998-99 Wharton International Forum (Global Leadership Series). He began his professional career in 1983 with Deloitte Haskins & Sells in Belgium, and became M&A Consultant in the Netherlands in 1987. In 1988, he joined the Venture Capital department of Société Générale de Belgique as Investment manager. He was promoted to Controller in 1989, and in 1992 was appointed Advisor to the Director of Strategic Planning. He became Special Projects Advisor to the President and Secretary of the Suez Board of Directors (1995-1997) and was later appointed the new group's Senior Vice-President in charge of Planning, Control and Accounts Management. In 2000, Mr Gérard Lamarche joined NALCO (American subsidiary of the Suez group and world leader in industrial water treatment) as Director, Senior Executive Vice-President and CFO. He was appointed CFO of the Suez group in March 2004. Gérard Lamarche was appointed Director of Groupe Bruxelles Lambert (GBL) (Belgium) in April 2011, of which he is also Managing Director since January 1, 2012. Gérard Lamarche is also a Director of Legrand, Total and SGS (Switzerland) as well as censor of GDF Suez.

Gérard Lamarche in particular brings to the Board his expertise in finance and management of equity investments as well as his experience as an executive officer and Director of international industrial groups.

**Position (appointment/renewal/expiry of term of office)**

Appointment as Director of Lafarge in 2012. Expiry of his term of office after the General Meeting called to approve the 2015 financial statements.

**Positions held in France and abroad over the last five years****Current positions:****In France:**

Director of Lafarge (listed company)<sup>(1)</sup>  
Director of Legrand (listed company)  
Director of Total S.A. (listed company)<sup>(1)</sup>  
Censor of GDF Suez (listed company)<sup>(1)</sup>

**Abroad:**

Managing Director of Groupe Bruxelles Lambert S.A. (Belgium) (listed company)  
Director of SGS (Switzerland) (listed company)<sup>(1)</sup>

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

Director of Suez Environnement Company (from May 19, 2011 until December 21, 2011)  
Director of GDF Suez Energy Services (from September 15, 2005 until June 16, 2011)  
Director of Suez Environnement (from April 20, 2004 until October 28, 2010)

**Abroad:**

Director of Electrabel (Belgium) until December 31, 2011  
Director of International Power plc (United Kingdom) (listed company) until December 8, 2011  
Director of Europalia International (Belgium) until November 13, 2011  
Director of GDF Suez Belgium until October 1, 2011  
Director of Sociedad General de Aguas de Barcelona (Spain) until June 28, 2011  
Director of Suez-Tractebel S.A. (Belgium) until January 25, 2011  
Director of Fortis Banque S.A. (Belgium) until July 2, 2010

<sup>(1)</sup> These positions are held as representative of Groupe Bruxelles Lambert S.A. Directorships in listed companies held as representative of companies in which a Director holds an executive office and whose main activity is to acquire and manage holdings do not count towards the number of directorships held, pursuant to the Afep-Medef Code.

## HÉLÈNE PLOIX - born on September 25, 1944 - French citizen



162, rue du Faubourg-  
Saint-Honoré, 75008  
Paris, France

Number of Lafarge S.A.  
shares held: 2,883

### Experience and expertise

#### Director, Chairman of the Audit Committee (until February 18, 2014), member of the Strategy, Investment and Sustainable Development Committee

Hélène Ploix was appointed to the Lafarge Board of Directors in 1999. Hélène Ploix is Chairman of Pechel Industries SAS and Pechel Industries Partenaires SAS. She is also Chairman of FSH SAS. She was previously Deputy Chief Executive Officer of Caisse des Dépôts et Consignations (CDC) and Chairman and Chief Executive Officer of CDC Participations from 1989 to 1995, Chairman of the Caisse Autonome de Refinancement and Chairman of the Supervisory Board of CDC Gestion. She previously served as Special Counsel for the single currency at KPMG Peat Marwick from 1995 to 1996 and as Director of Alliance Boots plc (United Kingdom) from 2000 to July 2007 and Director of BNP Paribas from 2003 to May 2014. She is a member of the Supervisory Board of Publicis groupe, a Director of Sofina (Belgium), Genesis Emerging Markets Fund Limited (Guernsey) and, as Pechel Industries Partenaires' permanent representative, she is also a Director of SES (Store Electronic System). Independent Director, Hélène Ploix in particular brings to the Board her recognized expertise in finance and her experience as an executive officer and Director of international industrial groups. The Board also benefits from her extensive knowledge of the Group, which she accompanies since 1999.

### Position (appointment/renewal/expiry of term of office)

Appointment as Director of Lafarge S.A. in 1999. Expiry of her term of office after the General Meeting called to approve the 2016 financial statements.

### Positions held in France and abroad over the last five years

#### Current positions:

##### In France:

Director of Lafarge (listed company)  
Member of the Supervisory Board of Publicis group (listed company)  
Director of SES (Store Electronic Systems) (representing Pechel Industries Partenaires) (listed company)<sup>(1)</sup>  
Chairman of Pechel Industries SAS  
Chairman of Pechel Industries Partenaires SAS  
Chairman of FSH SAS  
Chairman of Sogama Crédit Associatif  
Manager of Hélène Ploix SARL  
Manager of HMJ (Hélène Marie Joseph) SARL  
Manager of Sorepe Société Civile

##### Abroad:

Director of Ferring S.A. (Switzerland)  
Director of Sofina (Belgium) (listed company)  
Director of Genesis Emerging Markets Fund Limited (Guernsey) (listed company)

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

##### In France:

Director of BNP Paribas (listed company) until May 2014  
Manager of Goëmar Holding until March 2014  
Director of Ypso Holding S.A. (as legal representative of Pechel Industries Partenaires) until October 2013  
Member of the Supervisory Board of Goëmar Développement (as permanent representative of Pechel Industries Partenaires SAS) until 2013  
Member of the Supervisory Board of Laboratoires Goëmar (as permanent representative of Pechel Industries Partenaires SAS) until 2013

##### Abroad:

Director of Completel NV (Netherlands) (end of term of office December 31, 2010)

<sup>(1)</sup> Directorships in listed companies held as representative of companies in which a Director holds an executive office and whose main activity is to acquire and manage holdings do not count towards the number of directorships held, pursuant to the Afp-Medef Code.

**BAUDOUIN PROT** - born on May 24, 1951 - French citizen

3 rue d'Antin,  
75002 Paris, France

Number of Lafarge S.A.  
shares held: 1,250

**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.

**Position (appointment/renewal/expiry of term of office)**

Appointment as Director of Lafarge in 2011. The renewal of his term of office will be proposed at the Shareholders' Meeting convened on May 7, 2015.

**Positions held in France and abroad over the last five years****Current positions:****In France:**

Director of Lafarge (listed company)  
Director of Kering (listed company)  
Director of Veolia Environnement (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



## CHRISTINE RAMON - Born on April 16, 1967- South African citizen



44 Kloof Road,  
Bedfordview, 2007,  
Johannesburg, South  
Africa

Number of Lafarge S.A.  
shares held: 1,200

### Experience et expertise

#### Director of the Board, member of the Audit Committee

Christine Ramon was appointed to the Lafarge Board of Directors in 2014. She is Chief Financial Officer and Executive Director of the Board of AngloGold Ashanti Limited (South Africa) listed both on the JSE in South Africa and on the NYSE.

She was an Executive Director and the Chief Financial Officer of Sasol Limited, an international integrated energy and chemical company listed in South Africa and New York, from 2006 to 2013. Previously she served as Chief Executive and Financial Director of Johnnic Holdings Limited (South Africa) and Non-Executive Director of Transnet Limited (South Africa).

Ms Ramon is a Chartered Accountant and completed the Senior Executive Programme at Harvard Business School (United States). She currently serves as Deputy Chair of the Financial Reporting Standards Council in South Africa and also previously served as a member of the Financial Reporting Investigations Panel in South Africa. Ms Ramon served as Chairman of the CFO Forum of the Top 40 listed companies in South Africa from 2011 until 2013. She was previously a member of the Standing Advisory Committee to the International Accounting Standards Board.

Independent Director, Ms Ramon brings to the Board of Directors her experience as a Director and executive officer of an international industrial group, her expertise in finance and in the extraction sector as well as her knowledge of Africa.

### Position (appointment/renewal/expiry of term of office)

Appointment as Director of Lafarge in 2014. Expiry of her term of office after the General Meeting called to approve the 2017 financial statements.

### Positions held in France and abroad over the last five years

#### Current positions:

##### In France:

Director of Lafarge (listed company)

##### Abroad:

Chief Financial Officer and Executive Director of the Board of AngloGold Ashanti (South Africa) (listed company)

Non Executive Director of MTN Group Limited (listed company)

Deputy Chairperson of the Financial Reporting Standards Council in South Africa

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

##### In France:

N/A

##### Abroad:

Director of Sasol Limited (South Africa) (listed company) until 2013

Positions in various subsidiaries of the Sasol group until 2013

Director of Transnet Limited (South Africa) until 2010

**MICHEL ROLLIER** - born on September 19, 1944 - French citizen

27, cours de l'Île Seguin,  
92100 Boulogne-  
Bilancourt, France

Number of Lafarge S.A.  
shares held: 1,758

**Experience and expertise**

**Director, Chairman of the Audit Committee (since February 18, 2014), member of the Corporate Governance and Nominations Committee, member of the Strategy, Investment and Sustainable Development Committee**

Michel Rollier was appointed to the Lafarge Board of Directors in 2008. Since May 2012, he has been Chairman of Plateforme de la Filière Automobile (PFA). He is also Chairman of the Supervisory Board of Michelin, Chairman of the Supervisory Board of Somfy S.A. and Chairman of the Board of Directors of Siparex Associés.

Michel Rollier graduated from the Institut d'études politiques (1967) and the Université de Droit de Paris (1968). He previously held several positions with Aussedat-Rey (International Paper group) starting in 1971, including controller until 1982, Unit Operational manager from 1982 to 1987, Chief Financial Officer between 1987 and 1994 and Deputy Managing Director from 1994 to 1996. Michel Rollier joined Michelin in 1996 as Chief Legal Officer and Head of Financial Operations. He was appointed member of the Michelin group Executive Council and Chief Financial and Legal Officer in 1999 before being appointed as Managing Partner of the Compagnie Générale des Établissements Michelin in May 2005 until May 2012.

Michel Rollier is also a member of the High Committee of Corporate Governance set up in October 2013 following the latest amendments to the Afep-Medef Code.

Independent Director, Michel Rollier in particular brings to the Board his expertise in finance and corporate governance, as well as his experience as an executive officer and Director of international industrial groups.

**Position (appointment/renewal/expiry of term of office)**

Appointment as Director of Lafarge in 2008. Expiry of his term of office after the General Meeting called to approve the 2015 financial statements.

**Positions held in France and abroad over the last five years****Current positions:****In France:**

Director of Lafarge (listed company)  
Chairman of the Supervisory Board of Michelin  
Chairman of the Supervisory Board of Somfy S.A.  
(listed company)  
Chairman of the Board of Directors of Siparex  
Associés  
Chairman of Plateforme de la Filière Automobile  
(PFA)

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

Managing Partner of the Compagnie Générale des  
Établissements Michelin (listed company)  
(until May 2012)  
Director of Moria (until September 2011)

**Abroad:**

Managing Partner of la Compagnie Financière Michelin  
(Switzerland) (until May 2012)

## NASSEF SAWIRIS - born on January 19, 1961 - Egyptian citizen



Mijnweg, 6167 AC  
Geleen, Netherlands

Number of Lafarge S.A.  
shares held: 1,671  
(this figure does not  
take into account  
the shares owned  
by NNS Holding Sàrl)

See Section 6.1.1  
(Major shareholders)

### Experience and expertise

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

Nassef Sawiris was appointed to the Lafarge Board of Directors in January 2008.

Nassef Sawiris is a Director and the Chief Executive Officer of OCI N.V. (the Netherlands). He joined the Orascom Group in 1992, became the Chief Executive Officer of OCI N.V.'s predecessor, Orascom Construction Industries (OCI S.A.E.) (Egypt), in 1998 and was also appointed Chairman of OCI S.A.E. in 1999. Mr Sawiris is also a Director of OCI Partners LP (USA) and of the BESIX group (Belgium). Mr Sawiris served on the Board of Directors of the Cairo & Alexandria Stock Exchanges (Egypt) from 2004-2007 and was also a Director of the Nasdaq DIFX (Dubai). Nassef Sawiris holds a BA in Economics from the University of Chicago, USA.

Nassef Sawiris in particular brings to the Board his expertise as an entrepreneur and business developer as well as his experience as an executive officer and Director of international industrial groups. The Board also benefits from his extensive knowledge of Africa and the Middle East and of the Group's businesses.

### Position (appointment/renewal/expiry of term of office)

Appointment as Director of Lafarge in 2008. Expiry of his term of office after the General Meeting called to approve the 2015 financial statements.

### Positions held in France and abroad over the last five years

#### Current positions:

##### In France:

Director of Lafarge (listed company)

##### Abroad:

Director and Chief Executive Officer of OCI N.V. (The Netherlands) (listed company)  
Director of OCI Partners LP (USA) (listed company)  
Director of BESIX (Belgium)

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

##### Abroad:

Chairman and Chief Executive Officer of Orascom Construction Industries S.A.E. (OCI) (Egypt) (listed company) until 2013  
Director of NNS Holding Sàrl (Luxembourg) until 2013  
Director of Nasdaq DIFX (Dubai International Stock Exchange) (United Arab Emirates) until 2011  
Chairman of Lafarge Cement Egypt S.A.E. (Egypt) and positions in various subsidiaries of the Group until 2012  
Director and General Manager of several subsidiaries of OCI Group (Egypt)

**EWALD SIMANDL** - born on February 15, 1959 - Austrian citizen

**Gumpendorfer Straße  
19-21, AT-1060 Vienna,  
Austria**

**Number of Lafarge S.A.  
shares held: 213**

**Experience and expertise****Director - Designation by the European Works Council in accordance with French Law; member of the Remunerations Committee**

Further to his designation by the European Works Council of the Lafarge Group, the appointment of Ewald Simandl as Director became effective as of November 4, 2014 for a period of four years.

Ewald Simandl is a highly committed specialist in IT with great experience in the development and networking of computer systems. His strengths are in analyzing, defining and implementing business processes, where his knowledge in business is a perfect addition.

In 1986, he began his career in the former "Perlmöser Zementwerke AG" in Vienna, which was bought in 1996 by Lafarge. His key responsibilities are Organization, Planning and Programming of business processes in a SAP-System, ongoing training for users as well as defining and leading national and international projects. Ewald Simandl brings to the Board of Directors his vision as an employee as well as his knowledge of the Group and its businesses and his expertise in IT transformation projects.

**Position (appointment/renewal/expiry of term of office)**

Appointment as Director of Lafarge in 2014. Expiry of his term of office in November 2018.

**Positions held in France and abroad over the last five years****Current positions:****In France:**

Director of Lafarge (listed company)

**Abroad:**

N/A

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

N/A

**VÉRONIQUE WEILL** - born on September 16, 1959 - French citizen



25, avenue Matignon,  
75008 Paris, France

Number of Lafarge S.A.  
shares held: 1,200

**Experience and expertise**

**Director, member of the Audit Committee, member of the Remunerations Committee**

Véronique Weill was appointed to the Lafarge Board of Directors in 2010.

Véronique Weill is a graduate of the Institut d'études politiques de Paris and of the Université la Sorbonne (Licence de Lettres). She spent more than 20 years at J.P. Morgan and has notably served as Group head of Operations for Investment Banking and global head of IT & Operations for Asset Management and Private Clients. Véronique Weill joined AXA in June 2006 as a Chief Executive Officer of AXA Business Services and Group Executive Vice-President of Operational Excellence. In January 2008, she was appointed Executive Vice-President IT and Operational Excellence of the Group. Since January 1, 2009, Véronique Weill is a member of the Executive Committee of the AXA Group and since December 2009, she has been Chief Operating Officer of AXA. She is now in charge of Group Marketing, Distribution, IT, Operational Excellence, Procurement and GIE AXA (headquarters' shared services). Véronique Weill is a member of the AXA Research Fund Scientific Committee. As from January 1, 2013, Véronique Weill is a member of the Management Committee of the AXA Group. Independent Director, Véronique Weill in particular brings to the Board her expertise in finance, her knowledge of corporate functions and her experience as an executive officer of an international group.

**Position (appointment/renewal/expiry of term of office)**

Appointment as Director of Lafarge in 2010. Expiry of her term of office after the General Meeting called to approve the 2017 financial statements.

**Positions held in France and abroad over the last five years**

**Current positions:**

**In France:**

Director of Lafarge (listed company)  
Director of AXA Assistance S.A.  
Member of the Executive Committee of AXA Group Solutions (SAS)  
Chairman of the Supervisory Board of GIE AXA  
Member of the Supervisory Board of GIE AXA Group Solutions  
Chairman and member of the Executive Committee, AXA Technology Services (SAS)  
Permanent representative of Vamopar on the Board of FamilyProtect  
Permanent representative of AXA on the Board of AXA France IARD and AXA France Vie

**Abroad:**

Director of AXA Business Services Private Ltd. (India)

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

N/A





### To summarize, in order to participate in the Combined Shareholders' Meeting on Thursday, May 7, 2015, you need to:

- ◆ be a shareholder of Lafarge;
- ◆ request your admission card to attend in person and vote at the Shareholders' Meeting or give instructions to vote by mail or Internet or be represented at the Shareholders' Meeting.

#### Do I need to block my shares to be able to vote?

You do not need to block your shares before the Shareholders' Meeting to be able to vote on the resolutions. You only need to prove you are a shareholder on Tuesday, May 5, 2015, (0.00 Paris time) at the latest.

#### What do I need to do to prove that I am a shareholder?

If you hold registered shares, your account registration is enough to prove that you are a shareholder. You do not have to perform any special formality.

If you hold bearer shares, your financial intermediary has to prove that you are a shareholder through a certificate of holding when sending your voting form to BNP Paribas Securities Services, which is Lafarge's clearing bank.

#### How do I know if my financial intermediary has been informed of the Shareholders' Meeting?

Your financial intermediary was informed by an announcement published in the French mandatory legal notices bulletin (BALO) on March 16, 2015 and by a letter that he received from BNP Paribas Securities Services.

#### What is the difference between a registered and a bearer share?

The Lafarge registered shares can be either on issuer account (your securities account is opened with BNP Paribas Securities Services, since Lafarge delegated the management of issuer account shares to this service provider), or managed account (your securities account is opened with your financial intermediary). In both cases, Lafarge knows who the holders of the shares are, and your contact for the Shareholders' Meeting is BNP Paribas Securities Services.

The shares are bearer shares when Lafarge does not know who holds them. Your securities account is opened with your financial intermediary, who is your contact for the Shareholders' Meeting.

#### Can I receive the notice of meeting through the Internet?

The regulations allow the Company to use the Internet to communicate with its shareholders. However, they require the Company to obtain the prior written consent of interested shareholders.

Holders of registered shares can either use the document request form on page 103 to give us their permission and e-mail address in order to receive our notice of meeting over the Internet or must connect to the PlanetShares website (<https://planetshares.bnpparibas.com>) with their usual login and password.

If you then change your mind and decide to once again receive your notice by mail, you only need to inform us by letter addressed to:

BNP Paribas Securities Services  
Les Grands Moulins de Pantin  
C.T.S. - Service aux Émetteurs  
Service Assemblée Lafarge  
9, rue du Débarcadère  
93761 Pantin Cedex 09

or by e-mail to the address:

[paris-bp2s\\_cts\\_assemblees@bnpparibas.com](mailto:paris-bp2s_cts_assemblees@bnpparibas.com)  
within the deadlines mentioned in the Article R. 225-63 of the French Code of commerce.

#### Can I vote via Internet?

All shareholders may vote *via* Internet. The Rules of procedure are explained on page 4. The secured website dedicated to the General Meeting will be open from April 13, 2015 until May 6, 2015, 3 p.m. (Paris time).

#### Can I receive more than one voting form? If so, why?

If you receive more than one voting form, this indicates that you hold Lafarge shares in several different accounts. Then you need to fill out and return each voting form received.

#### Where do I send in my voting form?

To BNP Paribas Securities Services for your registered shares. To the financial intermediary administering your shares in the case of bearer shares.

#### What is the deadline for sending in my voting form?

The voting form must be returned no later than, Wednesday, May 6, 2015, at 3.00 p.m. (Paris time), the deadline by which BNP Paribas Securities Services must be notified of your intentions. However, if you hold bearer shares, we advise that you check with your financial intermediary, since he may require more time to forward your instructions to BNP Paribas Securities Services.

#### What do I need to do in order to attend and participate in Lafarge's Shareholders' Meeting?

If you want to attend the Shareholders' Meeting and vote, you must arrive on the day of the Shareholders' Meeting with your admission card that you will have requested previously using the voting form (check case A) or *via* Internet.

#### From whom shall I request the admission card to attend the Shareholders' Meeting?

If you are a registered shareholder, ask BNP Paribas Securities Services by using the pre-paid envelope provided. If you hold bearer shares, ask the financial intermediary (bank, brokerage firm, on-line broker) with whom you have your securities account.

In both cases, you only need to check case A of the voting form and sign at the bottom of the form.

Otherwise, if you are a registered shareholder, you may also ask for your admission card on the PlanetShares website (<https://planetshares.bnpparibas.com>) with your usual login and password. If you hold bearer shares or administered registered shares, you may connect to your authorized financial intermediary website and access your share account.

### Who can vote at the Shareholders' Meeting?

All persons holding Lafarge shares on the date of Tuesday, May 5, 2015 (0.00 Paris time), who can present valid proof of ownership.

### What are the terms by which resolutions are adopted?

For ordinary matters, the Shareholders' Meeting can deliberate at the first convocation only if the shareholders present or represented hold at least 20% of the voting shares. No quorum is required for a second convocation. To be adopted, the resolutions must be approved by the majority (50% +1) of the votes present and represented at the Shareholders' Meeting.

For extraordinary matters, the required quorum is 25% of the voting rights at the first convocation and 20% of voting rights at the second convocation. To be adopted, the resolutions must be approved by two-thirds of the votes present and represented at the Shareholders' Meeting.

### Where can I find the voting results on resolutions after the Shareholders' Meeting is concluded?

The voting results on each resolution will be available on our website [www.lafarge.com](http://www.lafarge.com), approximately 48 hours after the Shareholders' Meeting.

A Shareholders' Meeting report will also be available on our website [www.lafarge.com](http://www.lafarge.com) after the meeting.

### Can I ask a question at the Shareholders' Meeting?

Shareholders attending the Shareholders' Meeting may ask questions before the vote on the proposed resolutions.

Otherwise, any shareholder will be entitled to put written questions until the fourth business

day preceding the date of the meeting, namely until midnight, Paris time on April 30, 2015 (Article R. 225-84 of the Commercial Code). Questions must be sent by registered letter with proof of receipt, by midnight on April 30, 2015, to: Lafarge, The Chairman of the Board of Directors, "Written question for the General Meeting", 61, rue des Belles Feuilles, 75116 Paris. In order to be taken into account, questions must be accompanied by a certificate of account registration.

When more than one question has the same content, a single reply may be given. The reply to a written question will be deemed to have been given if it appears on the website at [www.lafarge.com](http://www.lafarge.com) (under Shareholders & Investors).

### Which type of taxation applies to the dividend paid for fiscal year 2014?

Dividends and assimilated distributions collected as from January 1, 2014 by natural persons who are tax residents in France, are mandatorily taxed according to the progressive income tax scale of natural persons after the application of 40% tax relief (providing dividends entitle to such relief).

Furthermore, these same revenues are submitted to a mandatory withholding non-definitive tax, on the applicable revenue at a rate of 21%. This amount is withheld at source by the revenue paying institution (BNP Paribas Securities Services). It is done as a down payment of the income tax: it is attributable to the amount of the income tax due for the year during which the revenues are collected, and in the case of surplus it is refunded by the tax administration.

Finally, these same revenues are submitted to social security contributions at the current global rate of 15.5%. The latter are withheld at source by the paying institution of the revenues (BNP Paribas Securities Services).

## WHO SHOULD I CONTACT?

### To obtain additional information:

All documents that must be provided in the context of this General Meeting are available on our website [www.lafarge.com](http://www.lafarge.com) (Shareholders & Investors section).

You can obtain additional information by using the document request form on page 103 of this notice of meeting brochure, by sending it in directly to:

**BNP Paribas Securities Services  
Les Grands Moulins de Pantin  
C.T.S. - Service aux Émetteurs/  
Service Assemblée Lafarge  
9, rue du Débarcadère  
93761 Pantin Cedex 09**

If, owing to your particular situation, you need additional information or copies of the notice of meeting, please contact:

Lafarge, Service des Relations avec les Actionnaires,  
61, rue des Belles Feuilles,  
BP 40 – 75782 Paris Cedex 16 – France

Toll free number: **0 800 235 235**  
(for calls from France only)

Fax: +33 (0)1 44 34 12 37.

E-mail: [actionnaires.individuels@lafarge.com](mailto:actionnaires.individuels@lafarge.com)  
Or visit: **[www.lafarge.com](http://www.lafarge.com)**, (Shareholders & Investors section)

### To participate in the Shareholders' Meeting:

➔ Contact BNP Paribas Securities Services if your shares are registered (to request your admission card or return your voting form).

BNP Paribas Securities Services (banque centralisatrice) Les Grands Moulins de Pantin - C.T.S. - Service aux Émetteurs / Service Assemblée Lafarge - 9, rue du Débarcadère 93761 Pantin Cedex 09, France

Toll free number: **0 800 060 646**  
(for calls from France only)

or +33 (0)1 55 77 61 00

Fax: +33 (0)1 55 77 34 17.

➔ Contact your financial intermediary if your shares are in bearer form (to request and return your voting form and to request your admission card).

➔ To vote or give your proxy, refer to page 4.



# DOCUMENTS REQUEST FORMS

## Ordinary Shareholders' Meeting Thursday, May 7, 2015 at 3.30 p.m. at the Carrousel du Louvre

To be returned directly to:



**BNP Paribas Securities Services  
Les Grands Moulins de Pantin  
C.T.S. - Service aux Émetteurs  
Service Assemblée Lafarge  
9, rue du Débarcadère  
93761 Pantin Cedex 09**

M. ☐ Mrs ☐ Ms ☐

Last name: .....

First name: .....

Full address: .....

.....

- ◆ **I own registered or bearer shares<sup>(1)</sup>** and pursuant to the provisions of Article R. 225-88 of the French Commercial Code, I am requesting Lafarge to send me all documents and information concerning the Ordinary Shareholders' Meeting of May 7, 2015, as listed in Article R. 225-83 of the French Commercial Code.

Documents requested ☐ in French ☐ in English

- ◆ **As the holder of registered shares**, I am also requesting, pursuant to Article R. 225-88 paragraph 3 of the French Commercial Code, that the documents and information mentioned in articles R. 225-81 and R. 225-83 of the same French Commercial Code be sent to me for each subsequent Shareholders' Meeting.

Documents requested ☐ in French ☐ in English

La réglementation autorise l'utilisation d'Internet pour la communication entre la Société et ses actionnaires. Mais elle exige que vous ayez donné au préalable votre accord par écrit.

- ◆ **I am a holder of registered shares and I would like to receive the notice of Meeting brochure by Internet** (notice of Meeting and postal voting form or proxy form) for all future Shareholders' Meetings to be held<sup>(2)</sup>.

☐ in French ☐ in English

My email address is: .....

Holders of registered shares can also opt for receiving notices of meeting by Internet by connecting to the PlanetShares website (<https://planetshares.bnpparibas.com>).

Date ..... 2015

Signature

(1) In this case, please attach a copy of the statement of holdings issued by your financial intermediary.

(2) Should you subsequently change your mind, and wish to receive the notice of Meeting by mail, simply inform us by letter at the following address: BNP Paribas Securities Services - Les Grands Moulins de Pantin - C.T.S. - Service aux Émetteurs - Service Assemblée Lafarge - 9, rue du Débarcadère - 93761 Pantin Cedex 09 or by e-mail to the address [paris\\_bp2s\\_cts\\_assemblees@bnpparibas.com](mailto:paris_bp2s_cts_assemblees@bnpparibas.com) within the deadlines mentioned in the article "R. 225-63 Code de commerce".





[www.lafarge.com](http://www.lafarge.com)



This document is printed in France by an Imprim'Vert certified printer on PEFC certified paper produced from sustainably managed forest.

© Lafarge – Photo Credits & Copyright: Cover: Media Library Lafarge - Charles Plumey-Faye - Rudy Ricciotti (architect).



**LAFARGE**  
61, rue des Belles Feuilles – BP 40  
75782 Paris Cedex 16 – France  
Tél. : + 33 1 44 34 11 11  
Fax : + 33 1 44 34 12 00  
[www.lafarge.com](http://www.lafarge.com)

