

# Lafarge is a world leader in construction materials: cement, aggregates and concrete

## Profile

Lafarge is the world's #2 producer of cement, #2 producer of aggregates and #4 producer of ready-mix concrete. The group has two strategic priorities: high-growth cement markets and innovation, particularly in the areas of urbanisation and sustainable construction.

## Performance in 2013

The year 2013 was marked by a difficult first half affected by a challenging economic environment, as well as adverse weather conditions and exchange rate fluctuations. However, the second half benefited from a significant improvement in operational trends supported by the continued recovery in the US, the stabilisation of volumes in Europe and sustained growth in the Middle East/Africa and Asia. The group continued its efforts and achieved the objectives set in its cost-cutting and innovation programme, which contributed EUR 450 million and EUR 220 million, respectively, to EBITDA. At the same time, Lafarge reduced its net debt by EUR 1 billion, thanks to strict control of its capital allocation and targeted asset disposals.

## Key financial data

	2013	2012 <sup>(1)</sup>	2011
<b>Simplified income statement</b> (in EUR million)			
Turnover	<b>15,198</b>	15,816	15,284
Gross operating income (EBITDA)	<b>3,102</b>	3,423	3,217
Current operating income (EBIT)	<b>2,075</b>	2,413	2,179
Net income (group's share)	<b>601</b>	365	593

## Simplified balance sheet

  
(in EUR million)

Shareholders' equity (group's share)	<b>14,555</b>	15,666	16,004
Minority interests	<b>1,951</b>	2,082	2,197
Net financial debt	<b>10,330</b>	11,317	11,974
Debt-equity ratio (in %)	<b>63</b>	64	66
Financial net debt/EBITDA (x)	<b>3.3</b>	3.3	3.7

(1) The 2012 figures have been restated following the application of revised IAS 19

## Operating data

	2013	2012	2011
<b>Sales volume</b>			
Cement (in million tonnes)	<b>136.8</b>	141.1	145.3
Pure aggregates (in million tonnes)	<b>192.8</b>	188.3	192.7
Ready-mix concrete (in million m <sup>3</sup> )	<b>30.7</b>	31.8	33.8

**62**

countries where Lafarge is active

**64,000**

employees

**15.2**

EUR billion of turnover

**1,570**

production sites

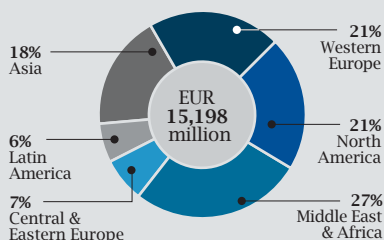
**1<sup>st</sup>**

Research centre worldwide for construction materials

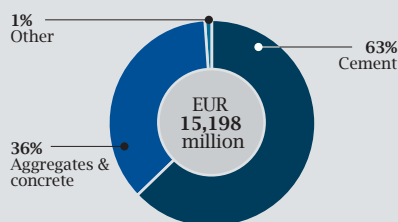
**#2**

worldwide in cement production

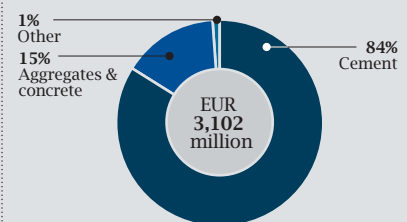
### Geographical breakdown of 2013 turnover



### Breakdown of 2013 turnover per sector



### Breakdown of 2013 EBITDA per sector





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## Outlook

Lafarge's management has confirmed its objective of completing its 2012-2015 plan one year ahead of its initial target, with more than EUR 600 million of additional EBITDA generated in 2014 through cost-cutting and innovation measures. The group also intends to reduce its net debt to less than EUR 9 billion. Finally, Lafarge projects global growth in cement demand in 2014 of between 2% and 5%, enjoying the benefit of the same trends as in the second half of 2013, such as the recovery in the US, the continuing growth in emerging markets and stabilisation in Europe. The group also plans to generate EUR 1.1 billion additional EBITDA in 2015 and 2016 from cost reduction and innovation.

## Share price 2013



## GBL and Lafarge

As Lafarge's main shareholder since 2006, GBL has supported its global business development strategy, particularly in emerging countries, and the promotion of innovation. Given the effects of the economic slowdown in industrialised countries, GBL has encouraged management initiatives designed to improve the productivity of existing assets and strengthen Lafarge's financial position: cost reduction and promotion of innovation, more flexible capital allocation and programme of targeted disposals. The effects of these initiatives can be seen in the 2012 and 2013 results and will continue in 2014.

## Market data and data on GBL's investment

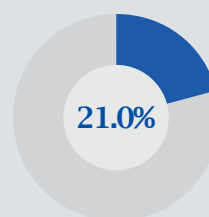
	2013	2012 <sup>(1)</sup>	2011
<b>Stock exchange data</b>			
Number of shares in issue (in thousands)	287,365	287,256	287,248
Stock market capitalisation (in EUR million)	15,653	13,854	7,802
Closing share price (in EUR/share)	54.47	48.23	27.16
Fully-diluted net income (in EUR/share)	2.08	1.27	2.06
Dividend (in EUR/share)	1.00 <sup>(2)</sup>	1.00	0.50

### GBL's investment

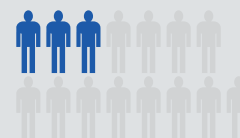
Percentage of share capital (in %)	21.0	21.0	21.0
Percentage of voting rights (in %)	27.2	27.4	27.4
Market value of the investment (in EUR million)	3,285	2,909	1,638
Dividends collected by GBL (in EUR million)	61	30	61
Representatives in statutory bodies	3	3	3

(1) Restating following the application of revised IAS 19  
(2) Subject to the approval by the 2014 General Meeting of Lafarge

### Capital held by GBL

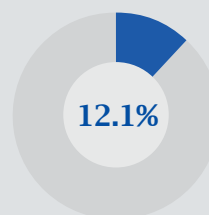


### Representatives in statutory bodies



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### Lafarge's contribution to net dividends collected on GBL's investments



### Lafarge's contribution to GBL's portfolio

