Press release

LAFARGE
bringing materials to life

Paris, November 7, 2008 Euronext Paris: LG

RESULTS AS OF SEPTEMBER 30, 2008

STRONG THIRD QUARTER OPERATING RESULTS
FOCUS ON FREE CASH FLOW GENERATION

YEAR-TO-DATE KEY FIGURES: INCREASE IN PROFITABILITY WITH OPERATING MARGIN UP 100 BP

▪ Sales **up 8%** to €14,386 million **up 15%** at constant exchange rate ▪ Current operating income **up 14%** to €2,789 million **up 20%** at constant exchange rate	▪ Operating margin **up to 19.4%** from 18.4% ▪ Net income Group share **up 12%** to €1,420M excluding one-off items [(1)] ▪ Net earnings per share slightly **up to €7.37** excluding one-off items [(1)] ▪ Free cash flow **up 27%** to €1,091 M

[(1)] Excluding the impact in 2007 of the disposal of the Roofing business and our Cement and Aggregates & Concrete operations in Central Anatolia, Turkey, and in 2008 the disposal of the Lafarge Titan joint venture in Egypt and the Gypsum provision adjustment.

THIRD QUARTER KEY FIGURES: CURRENT OPERATING INCOME UP 40% IN EMERGING MARKETS

▪ Sales **up 9%** to €5,317 million **up 15%** at constant exchange rate ▪ Current operating income **up 9%** to €1,178 million **up 15%** at constant exchange rate	▪ Net income Group share **up 8%** to €647 M ▪ Net earnings per share **down 4%** to €3.33 ▪ Free cash flow **up 22%** to €962 M

BRUNO LAFONT, CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF LAFARGE, SAID:

“In a deteriorating business environment, Lafarge continues to perform, delivering another quarter of strong earnings and improved operating margins. This reflects the good balance of our geographical portfolio, the positive impact of Orascom, and the strong resilience of our operations.

Taking into account the economic consequences of the financial crisis, our priority in the short term is to focus on free cash flow generation, cost reductions and deleveraging. The Group has been able to deliver on its commitments and to achieve the best performance of the sector in the last three years. I am confident it will continue to do so in the future in the best interests of our shareholders.

Given the current exceptional uncertainty, we are not in a position to confirm our 2010 targets. However key demographic indicators and infrastructure needs over the next decade remain very positive for our industry and Lafarge is well positioned to lead our sector in meeting these opportunities.”

KEY ACTIONS TO RESPOND TO THE ENVIRONMENT

Building on the success of its Excellence 2008 program, Lafarge launches today the following steps.

- Lafarge will reduce costs by €120 million by the end of 2009, as part of a new €400 million cost cutting program to be achieved over a three year period from 2009 to 2011. This follows Lafarge’s successful cost reduction program carried out from 2006 to 2008 that will exceed €400 million at the end of this year.
- Lafarge will limit its total capital expenditure in 2009 to approximately 2 billion euros.
- Lafarge will expand its divestment program beyond the €1 billion target set for 2008-2009, in order to provide additional financial flexibility.

GROUP HIGHLIGHTS

- Strong contribution from emerging markets, with current operating income up 47% in the first nine months and 40% in the third quarter (+ 55% and + 45% respectively, at constant exchange rate).
- Strong resilience of our operations in developed markets.
- Improved pricing in a context of higher input costs.
- Contribution of the Orascom acquisition, finalized at the end of January, to earnings growth. Technical delays experienced in the first half now resolved.
- Innovation strategy contributed to mitigate the impact of volumes slowdown in developed markets.
- Growth in current operating income despite a negative currency effect. At constant exchange rate, current operating income increased by 20% in the first nine months and 15% in the third quarter.
- Solid liquidity position with 1.0 billion euros of free cash flow generated in the 3rd quarter, 1.5 billion euros in cash at the end of September, 3.1 billion euros of committed revolving credit facilities, and a balanced schedule of debt maturities.

CONSOLIDATED ACCOUNTS

(€m)	FIRST NINE MONTHS			THIRD QUARTER		
	2007	2008	Variation	2007	2008	Variation
Sales	13,279	14,386	+ 8%	4,894	5,317	+ 9%
Current operating income	2,442	2,789	+ 14%	1,082	1,178	+ 9%
Operating margin (%)	18.4%	19.4%	+ 100 bp	22.1%	22.2%	+ 10 bp
Net income Group share	1,534	1,558		600	647	
Excluding one-off items[1]	1,273	1,420	12%	600	647	8%
Earnings per share (€) [2]	€8.86	€8.08		€3.48	€3.33	
Excluding one-off items [1][2]	*€7.35*	*€7.37*	-	*€3.48*	*€3.33*	*- 4%*
Free cash flow	862	1,091	+ 27%	786	962	+ 22%
Group net debt	9,103	17,802				

[1] *Excluding the impact in 2007 of the disposal of the Roofing business and our Cement and Aggregates & Concrete operations in Central Anatolia, Turkey, and in 2008 the disposal of the Lafarge Titan joint venture in Egypt and the Gypsum provision adjustment.*

[2] *Basic average number of shares outstanding of 192.7 million at the end of September 2008, compared to 173.1 million end of September 2007.*

CURRENT OPERATING INCOME

(€m)	FIRST NINE MONTHS			THIRD QUARTER		
	2007	2008	Variation	2007	2008	Variation
Cement	1,860	2,302	+ 24%	790	922	+17%
Aggregates & Concrete	531	496	- 7%	287	259	- 10%
Gypsum	97	40	- 59%	15	9	- 40%
Other	(46)	(49)		(10)	(12)	
TOTAL	**2,442**	**2,789**	**+ 14%**	**1,082**	**1,178**	**+ 9%**

HIGHLIGHTS BY BUSINESS

CEMENT: STRONG EARNINGS GROWTH

- Sales +15% both year-to-date and in the third quarter (+ 9% year-to-date and + 8% for the quarter at constant scope and exchange rates).
- Current operating income rose strongly, + 24% in the first nine months of the year and +17% in the third quarter (+ 11% and + 7% respectively, at constant scope and exchange rates).
- The operating margin improved significantly to 25.8%, from 24.0% in first nine months of 2007 (increase of 30 bp in the 3rd quarter).
- Solid growth in emerging markets, which accounted for 65% of year-to-date results, with particular strength seen in Africa and in Asia. Overall, volumes in emerging markets increased by 33%.
- Strong contribution of Orascom Cement, consolidated since the end of January 2008, supported by strong market growth.
- Good resilience of our operations in developed countries, despite the slowdown in certain mature markets.
- Improved pricing at a time of higher energy and transport costs.
- Positive impact of the cost-cutting program in all regions.

AGGREGATES AND CONCRETE: TIGHT COST CONTROLS, SOLID PRICING

- Sales -2% year-to-date and in the quarter (+3% and +4% at constant exchange rates).
- Current operating income: -7% year-to-date and -10% in the third quarter (-1% and -4%, respectively, at constant exchange rates).
- Improved pricing and cost reductions partially mitigated the decline in volumes due to the slowdown in the United States, Spain and the UK and input cost increases.
- Bolstered by our innovation strategy, value-added concrete products accounted for 25% of volumes in the first nine months of 2008, versus 20% in the same period last year and contributed to mitigate the impact of volumes slowdown in some developed countries.

GYPSUM: BUSINESS HIT BY TOUGH MARKET CONDITIONS IN THE US

- Sales flat for the third quarter and -2% year-to-date.
- Current operating income -40% in the quarter and -59% year-to-date.
- Market conditions were still very difficult in the United States due to the downturn in the housing market.

INVESTMENTS AND DIVESTMENTS

- Sustaining capital expenditure was down 7% at €553 million in the nine months of 2008 (€597 million in 2007).
- Development capital expenditure to increase production capacity totaled €1,162 million in the first nine months of 2008, compared to €577 million in 2007, reflecting the internal development program in Cement to meet demand which continues to increase in emerging markets.
- Acquisitions totaled €9.1 billion and consisted mainly of the acquisition of Orascom Cement, effective as of January 23, 2008. The total acquisition price amounted to €8.3 billion and was financed through the issuance of 22.5 million shares for €2.5 billion and a syndicated credit facility.
- Disposals amounted to €342 million, primarily relating to the sale of the 50% stake in the Lafarge Titan joint venture in Egypt.

ADDITIONAL INFORMATION

Practical information:

Analyst/investor conference call on Lafarge's third quarter results as of September 30, 2008
Following the release of Lafarge's 2008 Third Quarter Results, a conference call will be held on:
November 7th, 2008 at **9.00am French time**, in English
Hosted by Bruno Lafont, Chief Executive Officer, and Jean-Jacques Gauthier, Chief Financial Officer

If you wish to participate in the conference call, please dial:
From France: +33 (0)1 70 99 42 97
From UK, toll free (UK only): 0800 028 1299
From USA, toll free (US only): 1888 935 4577
International dial in number: +44 (0)20 7806 1968
Conference call name: "**Lafarge**"

Please note that a conference call playback will be available online through www.lafarge.com one hour after the end of the conference call.
You may also access it from 11:00, until November 15th, at 00:00 AM French time at the following numbers:
From France: +33 (0)1 71 23 02 48
From UK, toll free (UK only): 0800 559 3271
From USA, toll free (US only): 1866 239 0765
International dial in number: +44 (0)20 7806 1970
Pin code for all numbers: **4683488#**

Press conference

A press conference hosted by Bruno Lafont and Jean-Jacques Gauthier will be held on **November 7 at 11.00am**, French time at Lafarge's head office, 61 rue des Belles Feuilles, 75016 Paris, France.

This release may contain forward-looking statements. Such forward-looking statements do not constitute forecasts regarding the Company's results or any other performance indicator, but rather trends or targets, as the case may be. These statements are by their nature subject to risks and uncertainties as described in the Company's annual report available on its Internet website (www.lafarge.com). These statements do not reflect future performance of the Company, which may materially differ. The Company does not undertake to provide updates of these statements.
More comprehensive information about Lafarge may be obtained on its Internet website (www.lafarge.com), under Regulated Information.

NOTES TO EDITORS

Lafarge is the world leader in building materials, with top-ranking positions in all of its businesses: Cement, Aggregates & Concrete and Gypsum. With 90,000 employees in 76 countries, Lafarge posted sales of Euros 17.6 billion and net income of Euros 1.9 billion in 2007.
Lafarge is the only company in the construction materials sector to be listed in the 2008 '100 Global Most Sustainable Corporations in the World'. With the world's leading building materials research facility, Lafarge places innovation at the heart of its priorities, working for sustainable construction and architectural creativity.
Additional information is available on the web site at www.lafarge.com.

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