Press release

Paris, November 6, 2009 | Euronext Paris: LG

RESULTS AS OF SEPTEMBER 30, 2009

RESULTS CONTINUE TO BE IMPACTED BY ECONOMIC SLOWDOWN
POSITIVE IMPACT OF EMERGING MARKETS EXPOSURE ON OPERATING INCOME
STRONG CASH GENERATION AND STRICT COST CONTROL FURTHER REDUCE DEBT AND SUPPORT MARGIN RESILIENCE

YEAR-TO-DATE KEY FIGURES

▪ Sales down 15% to €12,243m (-14% like-for-like) ▪ Current operating income down 29% to €1,983m (-26% like-for-like) ▪ Current operating income margin down 320 basis points to 16.2%	▪ Net income Group share declined by 50% to €774m ▪ Net earnings per share declined to €2.99 ▪ Free cash flow improves 57% to €1 711m ▪ Net debt reduced by €2.3bn from year-end

THIRD-QUARTER KEY FIGURES

▪ Sales down 20% to €4,252 (-16% like-for-like) ▪ Current operating income down 28% to €852m (-22% like-for-like) ▪ Current operating income margin down 220 basis points to 20.0%	▪ Net income Group share declined by 38% to €404m ▪ Net earnings per share declined to €1.42 ▪ Free cash flow down 13% to €836m ▪ Net debt reduced by €775m during the quarter

GROUP HIGHLIGHTS

- Sales impacted by lower volumes, foreign exchange and scope effect
- Overall volume and margin declines eased in the third quarter
- Emerging markets current operating income rose 19% YTD, excluding Central & Eastern Europe
- Significant cost savings and control in capital expenditure achieved
- Cement EBITDA margin remained strong at 34.8% in the quarter, stable with last year
- Free cash flow improved by €620 million year-to-date, a 57% improvement
- Net debt reduced by €3.2bn over the last twelve months

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

"*The international economic slowdown showed early signs of stabilization in the third quarter. We anticipate volumes in mature markets may start to recover as of the second half of 2010.*

The strength of our emerging markets, excluding Central and Eastern Europe, continue to favourably impact our results. We expect the strategic advantage that our geographical portfolio gives us to continue as we move into next year.

Lower debt and resilient operating margins have been achieved through strong cash generation and significant cost savings. These efforts will continue through cost cutting, limited capital expenditure, and improved working capital. Combined with our strategic initiatives in emerging markets and development of innovative products, these actions strengthen Lafarge and will further reinforce our leadership position as the world economy recovers."

The Board of Directors of Lafarge, chaired by Bruno Lafont, met on November 5, 2009 to approve the accounts for the period ended September 30, 2009.

CONSOLIDATED ACCOUNTS

(€m)	First Nine Months			Third Quarter		
	2008	2009	Variation	2008	2009	Variation
Sales	14,386	12,243	-15%	5,317	4,252	-20%
Current operating income	2,789	1,983	-29%	1,178	852	-28%
Operating margin (%)	19.4%	16.2%	-320 bp	22.2%	20.0%	-220 bp
Net income Group share	1,558	774		647	404	
Excluding one-off items[1]	*1,420*	*731*	*-49%*	*647*	*404*	*-38%*
Earnings per share (€) [2]	€7.02	€2.99		€2.89	€1.42	
Excluding one-off items [1][2]	*€6.40*	*€2.82*	*-56%*	*€2.89*	*€1.42*	-51%
Free cash flow	1,091	1,711	+57%	962	836	-13%
Group net debt	17,802	14,613	-18%			

[1] Excluding net capital gains on sale of Egypt-Titan JV and legal provision adjustment for the 2002 Gypsum case in Q2 2008 and German cement case in Q2 2009.
[2] Basic average number of shares outstanding, as adjusted for the rights issue completed on April 28, 2009, outstanding of 221.8 million at the end of September 2008, compared to 258.9 million at the end of September 2009.

OUTLOOK

Annual cement volumes in Lafarge's markets are expected to decline between -6% to -8% in 2009. Overall pricing is expected to remain solid for the year, despite price declines in a limited number of markets. Energy costs declined in the third quarter and are expected to further ease into the fourth quarter as compared to 2008.

The progressive improvement of the economic environment along with government stimulus plans, with their announced large focus on infrastructure spending, are expected to have a positive impact on our markets as of the second half of 2010. In addition, the fundamental need for cement continues in developing economies due to the long-term trends of urbanization, demographic growth and infrastructure requirements.

CURRENT OPERATING INCOME

(€m)	FIRST NINE MONTHS			THIRD QUARTER		
	2008	2009	Variation	2008	2009	Variation
Cement	2,302	1,836	-20%	922	746	-19%
Aggregates & Concrete	496	147	-70%	259	116	-55%
Gypsum	40	42	+5%	9	10	+11%
Other	(49)	(42)		(12)	(20)	
TOTAL	**2,789**	**1,983**	**-29%**	**1,178**	**852**	**-28%**

HIGHLIGHTS BY BUSINESS

CEMENT

- Sales -12% year-to-date and -16% in the quarter due to lower volumes led by difficult market conditions in Europe and North America.
- Solid growth in key markets of the Middle East, Africa and Asia.
- Current operating income -20% year-to-date and -19% in the quarter, driven by lower volumes and negative foreign exchange impact.
- EBITDA margin remained strong at 34.8% in the third quarter, stable with last year despite sharp volume declines.
- Pricing remained solid overall with a limited number of markets showing price declines.
- Strong impact of the cost reduction program in all regions.

AGGREGATES & CONCRETE

- Sales -20% year-to-date and -26% in the quarter.
- Current operating income -70% year-to-date and -55% in the quarter, reflecting the large presence in developed markets where volumes declined strongly.
- Due to seasonality and exposure to mature markets, the declines in results more heavily impacted the Group in Q3 compared to previous quarters.
- Continuing development of value-added concrete products.
- Pricing improved overall across all product lines, with benefits seen from value-added products.
- Strong impact of the cost reduction program in all regions.

GYPSUM

- Sales -13% year-to-date and -11% in the quarter.
- Current operating income improved slightly compared to last year.
- Volume declines resulting from a general slowdown of housing construction in mature markets partially mitigated by some price improvement.
- Strong impact of the cost reduction program in all regions.

INVESTMENTS AND DIVESTMENTS

- Investments totaled €1,208 million year-to-date 2009, compared to €10,839 million in 2008.
  - Sustaining capital expenditure decreased by 64% to €199 million year-to-date.
  - Internal development capital expenditures declined by 20% to €926 million year-to-date.
- Since January 1st, Lafarge has announced total divestments of nearly €800 million. Cash received from disposals amounted to €588 million, compared to €342 million in 2008.

ADDITIONAL INFORMATION

Practical information:

There will be an analyst presentation at 9:00 local time at Lafarge Headquarters, 61 rue des Belles Feuilles, 75016 Paris. The presentation will be made in English with simultaneous French translation based on slides that can be downloaded from the Lafarge website (**www.lafarge.com**).

The presentation may be followed via a live web cast on the Lafarge website as well as via teleconference:
- Dial in number (France): +33 (0)1 70 99 42 80
- US dial in number: +1 212 444 0896
- International dial in number: +44 (0)20 7138 0843

Please note that in addition to the web cast replay, a conference call playback will be available from November 6, 2009 to November 16, 2009 online through **www.lafarge.com** or at the following numbers:
- France playback number: +33 (0)1 74 20 28 00 (code: 2562034#)
- US playback number: +1 347 366 9565 (code: 2562034#)
- International playback number: +44 (0)20 7111 124 (code: 2562034#)

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 more than 84,000 employees in 79 countries, Lafarge posted sales of Euros 19 billion in 2008.
In 2009 and for the fifth year in a row, Lafarge was listed in the 'Global 100 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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