

Paris, May 5, 2010

Euronext Paris: LG

## RESULTS AS OF MARCH 31, 2010

### RESULTS IMPACTED BY ADVERSE WEATHER CONDITIONS AND ECONOMIC ENVIRONMENT

#### LAFARGE DOUBLES ITS MARKET POSITION IN THE GROWING BRAZILIAN MARKET FOLLOWING THE DIVESTMENT OF ITS STAKE IN CIMPOR (PORTUGAL)

#### THE GROUP'S WELL BALANCED PORTFOLIO WILL BENEFIT IN 2010 FROM THE INCREASE IN WORLD CEMENT DEMAND

#### FIRST-QUARTER KEY FIGURES

<ul style="list-style-type: none"><li>▪ Sales down 10% to €3,276m (-8% like for like)</li><li>▪ Current operating income down 30% to €236m</li><li>▪ Current operating income margin down 200 basis points to 7.2%</li></ul>	<ul style="list-style-type: none"><li>▪ Net income Group share increased to €64m including €137m net capital gain on disposal of Cimpor investment</li><li>▪ Net earnings per share increased to €0.22 including €0.48 gain on disposal of Cimpor investment</li><li>▪ Free cash flow improved €167m</li></ul>
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#### GROUP HIGHLIGHTS

- First quarter results reflect seasonality, traditionally leading to low net results, and historically have not been indicative of activity in other quarters or the full year
- Very poor weather and the lower economic activity in developed countries and Eastern Europe negatively impacted volumes and margins
- Earnings stabilizing in Aggregates and Concrete
- Disposal of the investment interest in Cimpor in exchange for cement assets in Brazil, the fastest growing market in Latin America, to be received in the third quarter 2010
- Cost savings on target, achieving more than €50 million in structural savings for the quarter
- Free cash flow improved, helped by strong working capital actions and lower capital expenditures

#### OUTLOOK

Overall, the Group maintains its previous estimate that cement volumes in its markets will increase between 0 to 5 percent in 2010 as compared to 2009. We expect demand to start to recover in developed countries during the second half of the year with emerging markets showing strength overall. Pricing is expected to remain solid for the year, despite lower prices in a certain number of markets. Overall energy costs are forecasted to be stable on a full year basis.



The Board of Directors of Lafarge, chaired by Bruno Lafont, met on May 4, 2010 to approve the accounts for the period ended March 31, 2010.

### CONSOLIDATED ACCOUNTS AS OF MARCH 31, 2010

(€m)	FIRST QUARTER		
	2009	2010	Variation
Sales	3,629	3,276	-10%
Current operating income	335	236	-30%
Operating margin (%)	9.2%	7.2%	-200 bp
Net income / (loss) group share	(17)	64	nm
Earnings per share (€)	(0.08)	0.22	nm
Free cash flow	(253)	(86)	+66%
Group net debt	17,680	14,582	-18%

### CURRENT OPERATING INCOME AS OF MARCH 31, 2010

(€m)	FIRST QUARTER		
	2009	2010	Variation
Cement	384	299	-22%
Aggregates & Concrete	(64)	(72)	nm
Gypsum	17	10	-41%
Other	(2)	(1)	nm
<b>TOTAL</b>	<b>335</b>	<b>236</b>	<b>-30%</b>



## HIGHLIGHTS BY BUSINESS

### CEMENT

- Sales were down 8%, primarily resulting from the impact of adverse weather conditions in both developed and emerging markets along with the continued lower economic activity in North America, Western Europe, and Central and Eastern Europe.
- Current operating income was down 22%, driven by lower volumes.
- Pricing remained solid overall with most prices remaining firm or increasing compared to fourth quarter 2009 prices.
- Strong impact of the cost reduction program in all regions.

### AGGREGATES & CONCRETE

- Sales were down 16%, impacted by adverse weather and difficult market conditions in Europe and North America.
- Current operating loss of €72 million reflected the large presence in developed markets where volumes declined and results are traditionally lower due to seasonality.
- Despite volume declines, results stabilized compared to last year thanks to strong cost reduction measures.

### GYP SUM

- Sales were down 1% as volumes stabilized but prices were lower compared to last year first quarter.
- Current operating income declined €7 million as compared to last year.
- Strong impact of the cost reduction program in all regions.

## INVESTMENTS AND DIVESTMENTS

- Investments totaled €384 million in 2010, compared to €424 million in 2009.
  - Sustaining capital expenditures decreased by 40% to €45 million in 2010.
  - Internal development capital expenditures were about stable at €317 million in 2010.
  - Acquisitions were €22 million in 2010, slightly lower than last year.
- During the quarter, Lafarge achieved divestments of €36 million.



## ADDITIONAL INFORMATION

### Practical information:

There will be **an analyst conference call at 9:00 CET, on May 5, 2010** hosted by Jean-Jacques Gauthier, Chief Financial Officer. The presentation will be made in English with slides that can be downloaded from the Lafarge website ([www.lafarge.com](http://www.lafarge.com)).

The presentation may be followed via a live audiocast on the Lafarge website as well as via teleconference:

- Dial in number (France): +33 (0)1 70 99 42 84
- US dial in number: +1 212 444 0896
- International dial in number: +44 (0)20 7138 0845

Please note that in addition to the audiocast replay on the Lafarge website, a conference call playback will be available from May 5, 2010 to May 14, 2010 at the following numbers:

- France playback number: +33 (0)1 74 20 28 00 (code: 1251421#)
- US playback number: +1 347 366 9565 (code: 1251421#)
- International playback number: +44 (0)20 7111 1244 (code: 1251421#)

*This document 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, many of which are outside our control, including, but not limited to the risks described in the Company's annual report available on its Internet website ([www.lafarge.com](http://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](http://www.lafarge.com)).*

*This document does not constitute an offer to sell, or a solicitation of an offer to buy Lafarge shares.*

## 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 78,000 employees in 78 countries, Lafarge posted sales of Euros 15.9 billion in 2009.

In 2010 and for the sixth 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](http://www.lafarge.com)

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