



**LAFARGE AND STRABAG TO CREATE A COMMON COMPANY
IN CEMENT IN CENTRAL EUROPE**

Paris, Vienna, May 25, 2010

Lafarge, the world leader in building materials, and STRABAG, Central and Eastern Europe's largest construction company, are combining their cement activities in several countries of Central Europe. The two companies signed an agreement on May 25, 2010 creating the holding company Lafarge Cement CE Holding GmbH. The new company will have its headquarters in Austria.

Lafarge will bring its cement plants at Mannersdorf and Retznei in Austria, Cízkovice in Czech Republic and Trbovlje in Slovenia into the holding, while STRABAG will contribute the plant it is currently building in Pécs in Hungary. Lafarge then will hold a 70% interest in the new company, while STRABAG will hold 30%. As a result of this transaction, Lafarge debt will be reduced by 77.5 million euros.

Lafarge Cement CE Holding GmbH will have a total annual production capacity of 4.8 million tonnes of cement. These construction materials will be sold under the Lafarge brand name in all countries.

By joining their activities on the Austrian, Czech, Slovak, Slovenian and Hungarian markets, the two companies expect significant synergies in terms of investment and cost. *"The deal helps us to secure exactly the amount of cement we need in a year, namely 1.5 million tonnes, in just those countries in which we need it. It also allows us to achieve economies of scale in procurement and administration and to profit from the know-how of the global cement market leader,"* STRABAG CEO Dr. Hans Peter Haselsteiner says in explanation of the strategy.

Bruno Lafont, Chairman and CEO of Lafarge commented *"with this common company, we are really combining the strengths of two leaders on their respective markets. This strategic move will allow both companies to better cross their respective understanding and knowledge of customers' needs and producer capabilities; as a consequence, we believe it will contribute to product and services development in the near future and will be a benefit to our customers. Thanks to the larger industrial network created, we will also have value creation opportunities, notably through logistics optimization."*

Pending the approval by the relevant competition authorities, the company would become operational January 1st, 2011. It will be fully consolidated by Lafarge and at equity by STRABAG.

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 78,000 employees in 78 countries, Lafarge posted sales of € 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 website at www.lafarge.com.

STRABAG SE is one of Europe’s leading construction groups. With some 75,500 employees, STRABAG generated a construction output volume of € 13.0 billion in the 2009 financial year. From its core markets of Austria and Germany, STRABAG is present via its numerous subsidiaries in all countries of Eastern and South-East Europe, in selected markets in Western Europe and on the Arabian Peninsula. STRABAG’s activities span the entire construction industry (Building Construction and Civil Engineering, Transportation Infrastructures, Tunnelling) and cover the entire value-added chain in the field of construction. More information is available at www.strabag.com.

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