Press release

Paris, November 5, 2010 — Euronext Paris: LG

SOLID PERFORMANCE IN A CHALLENGING BUSINESS ENVIRONMENT

THIRD-QUARTER KEY FIGURES

▪ Sales up 6% to € 4,498m ▪ Current operating income down 2% to € 839m	▪ Net income Group share declined 8% to € 372m ▪ Net earnings per share declined to € 1.30

YEAR-TO-DATE KEY FIGURES

▪ Sales stable at € 12,210m ▪ Current operating income down 4% to €1,911m	▪ Net income Group share declined 1% to € 765m ▪ Net earnings per share declined to € 2.67

GROUP HIGHLIGHTS

- Sales increased 6% in the quarter with volume declines stabilizing and favorable foreign exchange rates.
- Current operating income declined 2% in the quarter due to inflation of input costs and the impact of lower volumes, partially offset by cost cutting and favorable foreign exchange rates.
- Cost savings of €300 million achieved year-to-date, of which €170 million are structural.
- Middle East and Africa continued to generate strong EBITDA margins in the quarter and increased earnings over the second quarter.
- Quarter shows first signs of market improvements in Central and Eastern Europe since mid-2008.
- Successfully integrated new cement assets in Brazil since end of July, contributing to an increase in Latin America's current operating income.
- Aggregates and Concrete current operating income grew 21% in the third quarter.
- Working capital improved by ten days compared to third quarter last year.
- Strong cash and liquidity position maintained.

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

"Lafarge's overall performance held up well in the quarter thanks to our balanced high quality portfolio and to the operational efforts of all our business units. This occurred despite the absence of a significant recovery in developed markets.
Moving forward, we will continue to implement our strict financial discipline and expect to benefit from solid volume growth in emerging markets."

OUTLOOK

Based on demand trends seen through the third quarter, the Group has maintained its overall growth estimates in its markets and expects cement market demand to be between -1 to +3 percent in 2010 as compared to 2009. Due to supply-demand evolution, volume trends for the Group may vary from local market trends in some countries.
Pricing is expected to remain solid through the year, despite lower prices in some markets.

While we remain prudent on mature market trends as we enter 2011, we expect to see solid growth in the emerging markets. As seen in recent years, these markets will continue to drive cement demand as urbanization, demographics and infrastructure needs result in higher rates of construction.

CONSOLIDATED ACCOUNTS

The Board of Directors of Lafarge, chaired by Bruno Lafont, met on November 4, 2010 and approved the consolidated financial statements for the period ended September 30, 2010.

(€m)	THIRD QUARTER				YEAR-TO-DATE			
	2009	2010	Variation Gross	Variation Like for like	2009	2010	Variation Gross	Variation Like for like
Sales	4,252	4,498	6%	-2%	12,243	12,210	-	-4%
Current operating income	852	839	-2%	-10%	1,983	1,911	-4%	-10%
Operating margin (%)	20.0%	18.7%	-130 bps		16.2%	15.7%	-50 bps	
Net income Group share	404	372	-8%		774	765	-1%	
Excluding one-off items[1]	*404*	*371*	*-8%*		*731*	*604*	*-17%*	
Net earnings per share (€) [2]	€1.42	€1.30	-8%		€2.99	€2.67	-11%	
Excluding one-off items [1][2]	*€1.42*	*€1.30*	*-8%*		*€2.82*	*€2.11*	*-25%*	
Free cash flow [3]	836	812	-3%		1,711	1,303	-24%	
Group net debt					14,613	14,660	-	

[1] *Excluding net capital gains on sale of Cimpor investment in 2010 and adjustment of legal provision for the German cement case in Q2 2009.*
[2] *Basic average number of shares increased in April 2009 due to the rights issue completed by the Group. Basic average number of shares outstanding of 285.0M and 258.9M for the third quarter and year-to-date 2009, respectively, compared to 286.1M for both the third quarter and year-to-date 2010.*
[3] *Free cash flow excluding the €338M one-time payment for the Gypsum competition fine paid in the third quarter 2010.*

CURRENT OPERATING INCOME

(€m)	THIRD QUARTER			YEAR-TO-DATE		
	2009	2010	Variation	2009	2010	Variation
Cement	746	702	-6%	1,836	1,727	-6%
Aggregates & Concrete	116	140	21%	147	163	11%
Gypsum	10	14	40%	42	48	14%
Other	(20)	(17)		(42)	(27)	
TOTAL	**852**	**839**	**-2%**	**1,983**	**1,911**	**-4%**

HIGHLIGHTS BY BUSINESS

CEMENT

- Sales were up 5% in the quarter and down 1% year-to-date, reflecting the impact of lower volumes being offset by the stronger benefit of foreign exchange.
- Volume declines were -5% in the quarter and -6% year-to-date, with volume growth in North America and Latin America helping to partially offset declines in other regions.
- Pricing remained solid overall.
- Cost reduction program strongly benefited all regions.
- Current operating income down 6% in the quarter and year-to-date due to lower overall volumes and higher energy costs.

AGGREGATES & CONCRETE

- Sales moved up 7% in the quarter with volume growth for aggregates and slower rates of volume decline in the ready mix concrete business and were down 2% year-to-date.
- EBITDA margins improved both year-to-date and in the quarter.
- Current operating income grew 21% in the quarter and 11% year-to-date, reflecting the impact of improved sales, favorable foreign exchange, and strong cost reduction measures.

GYPSUM

- Sales were up 8% in the quarter and up 5% year-to-date as volume growth compensated for lower pricing.
- Current operating income was slightly higher for the quarter and year-to-date as market activity stabilized.

INVESTMENTS, DIVESTMENTS AND LIQUIDITY

- Investments totaled €1 billion year-to-date 2010, compared to €1.2 billion year-to-date 2009.
  - Sustaining capital expenditures decreased by 7% to €186 million in 2010.
  - Internal development capital expenditures were down 14% to €795 million in 2010.
  - Acquisitions were €35 million in 2010, down from last year.
- Year-to-date, Lafarge received €286 million in cash for divestments and in total has secured over €350 million to date, in line with our target of at least €500 million by year-end.
- As of September 30, 2010, the Group had €3.8 billion in committed credit lines with an average maturity of 3 years in addition to €2.4bn of cash on hand. There are no financial covenants on debt at the Lafarge SA level.

ADDITIONAL INFORMATION

Practical information:

There will be an analyst presentation at 11:00 am 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:
- France dial in number: +33 (0)1 70 99 42 87
- US dial in number: +1 212 444 0895
- International dial in number: +44 (0)20 7138 0844

Please note that a conference call playback will be available from November 5, 2010 to November 15, 2010 online through **www.lafarge.com** or at the following numbers:
- France playback number: +33 (0) 1 74 20 28 00 (code: 9863745#)
- US playback number: +1 347 366 9565 (code: 9863745#)
- International playback number: +44 (0) 207 111 1244 (code: 9863745#)

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.

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.

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