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LAFARGE ANNOUNCES A PROJECT TO SELL ITS EUROPEAN AND SOUTH AMERICAN GYPSUM OPERATIONS FOR AN ENTERPRISE VALUE OF 1 BILLION EUROS

Lafarge announced that the Group has entered into exclusive negotiations with Etex Group for the sale of its European and South American Gypsum assets at an enterprise value of 1 billion euros. Under this proposed agreement, Lafarge would receive net cash proceeds of approximately 850 million euros and in addition would receive a 20% interest in the new partnership¹, which would combine the European and South American Gypsum activities of both Groups.

Lafarge's European and South American Gypsum division manufactures gypsum wallboard and other gypsum-based products such as plaster, joint compounds, and plaster blocks. In 2010, Lafarge's European and South American Gypsum operations generated consolidated sales of 895 million euros and EBITDA of 115 million euros.

This project will be submitted to the relevant authorities, notably anti-trust authorities. Moreover, there will be an information and consultation process with the relevant employee representative bodies.

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

“ This project unlocks immediate value for the Group while allowing Lafarge to participate in the new entity's future success. We are very pleased of the future prospects of this reinforced partnership with Etex Group, a strong industrial company with expertise in building materials and systems. This operation is positive for Lafarge and its shareholders and will contribute to the strengthening of the Group's balance sheet and to the optimization of its portfolio.”

¹ Contractual rights specify that Lafarge would be able to sell its 20% interest to Etex Group after 5 years



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 76,000 employees in 78 countries, Lafarge posted sales of Euros 16.2 billion in 2010.

Lafarge was ranked 6th in the “Carbon Disclosure Project” and entered the global “Dow Jones Sustainability Index” in 2010 in recognition of its sustainable development actions. 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

Etex Group is an industrial group that produces and markets high-quality building materials and systems. With headquarters in Belgium, the Group holds more than 90 subsidiaries across 40 countries and employs more than 13,500 people.

More information on Etex Group is available on the company’s website www.etexgroup.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.

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

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