Press release

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Paris, November 4, 2011 NYSE Euronext Paris : LG

RESULTS AS OF SEPTEMBER 30, 2011

SOLID SALES GROWTH IN A CONTINUING HIGH COST INFLATION ENVIRONMENT

OVER €2 BILLION OF DIVESTMENTS SECURED FOR DEBT REDUCTION

LAUNCHING A NEW COST SAVINGS PROGRAM OF €500 MILLION FOR 2012

THIRD QUARTER KEY FIGURES

▪ Sales up 1% to €4,211m (+6% like for like) ▪ Current operating income down 9% to €750m (-7% like for like)	▪ Net income Group share down 10% to €336m ▪ Net earnings per share down 10% to €1.17

YEAR-TO-DATE KEY FIGURES

▪ Sales up 2% to €11,471m (+4% like for like) ▪ Current operating income down 12% to €1,641m (-12% like for like)	▪ Net income Group share down 22% to €596m ▪ Net earnings per share down 22% to €2.08

***Note**: Sales and Current operating income are restated for 2011 and 2010 to reflect the reclassification of the Gypsum activities to discontinued operations.*

GROUP HIGHLIGHTS

- Sales increased for both the quarter and year-to-date thanks to the strength of volume growth in emerging markets.
- Cement prices have moved up from year-end, although average year-to-date pricing was slightly lower than last year.
- Cost inflation and foreign exchange lowered overall results. The Group achieved €50 million of structural cost savings in the quarter and €150 million year-to-date, on pace with the €200 million full-year target.
- The Group made the strategic decision to divest its Gypsum activities. In total, the Group has secured over €2 billion of divestment proceeds for 2011 for debt reduction.
- The Group is launching a new cost savings program of €500 million for 2012 and plans to realize most of these savings next year.

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

"In the current economic environment, the Group continues to be proactive and already secured over two billion euros of divestments as part of its actions to reduce debt. These efforts will continue and today the Group is announcing a new 500 million euros cost reduction program. These measures, including price actions in response to a high cost environment, are part of ongoing steps to strengthen profitability, reduce debt and maintain strong liquidity.

Looking ahead, the fundamentals of our business are strong. The Group, fully focused on its core businesses, foresees sustainable cash generating growth led by high quality positions, a unique exposure to emerging markets, and the advantages created by innovative products and solutions."

OUTLOOK

Overall the Group continues to see cement demand moving higher and maintains its estimate of market growth of between 2 to 5 percent in 2011 versus 2010. Emerging markets continue to be the main driver of demand and growth and Lafarge benefits from its well balanced geographic spread of high quality assets.

Overall pricing is expected to be stable to slightly higher for the year in the context of a higher cost inflation environment.

CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors of Lafarge, chaired by Bruno Lafont, met on November 3, 2011 and approved the accounts for the period ended September 30, 2011. Further to their limited review of the interim consolidated financial statements of Lafarge, the auditors have established a report which is included in the interim results financial report.

(€m)	THIRD QUARTER				YEAR-TO-DATE			
			Variation				Variation	
	2010	2011	Gross	Like for like	2010	2011	Gross	Like for like
Sales	4,161	4,211	1%	6%	11,202	11,471	2%	4%
EBITDA [1]	1,109	1,006	-9%	-6%	2,690	2,419	-10%	-9%
Current operating income	828	750	-9%	-7%	1,871	1,641	-12%	-12%
Operating margin (%)	*19.9%*	*17.8%*	*-210bps*		*16.7%*	*14.3%*	*-240bps*	
Net income Group share	372	336	-10%		765	596	-22%	
Earnings per share (€) [2]	€1.30	€1.17	-10%		€2.67	€2.08	-22%	
Free cash flow [3]	452	640	42%		935	507	-46%	
Group net debt					14,660	14,262	-3%	

Note: *Sales, EBITDA, Current operating income and Free Cash Flow are restated for 2011 and 2010 to reclassify the Gypsum activities to discontinued operations.*

(1) EBITDA is defined as the current operating income before depreciation and amortization on tangible and intangible assets and is a non-GAAP financial measure.
(2) Basic average number of shares outstanding of 286.1 million and 286.3 million year-to-date 2010 and 2011, respectively, and 286.1 million and 286.8 million for the third quarter 2010 and 2011 respectively.
(3) Free Cash Flow includes a €338 million one-time payment for the Gypsum competition fine paid in the third quarter 2010.

CURRENT OPERATING INCOME

(€m)	THIRD QUARTER			YEAR-TO-DATE		
	2010	2011	Variation	2010	2011	Variation
Cement	702	616	-12%	1,727	1,507	-13%
Aggregates & Concrete	140	136	-3%	163	165	+1%
Other	(14)	(2)	nm	(19)	(31)	nm
TOTAL	**828**	**750**	**-9%**	**1,871**	**1,641**	**-12%**

Note: *Current operating income has been restated for 2011 and 2010 to reflect the reclassification of the Gypsum division to discontinued operations.*

HIGHLIGHTS BY BUSINESS

CEMENT

- Sales increased 1% in the quarter (up 5% like for like) and increased 2% year-to-date (up 3% like for like), reflecting volume improvements in emerging markets partially offset by the negative impact of foreign exchange.
- Volumes increased 6% in the quarter (up 5% like for like) and 7% year-to-date (up 5% like for like), with growth driven by emerging markets.
- Pricing moved marginally higher in the third quarter versus last year while slightly down on a year-to-date basis.
- Despite the Group's cost reduction program, higher cost inflation and foreign exchange weighed on results and margins.

AGGREGATES & CONCRETE

- Sales moved up 1% in the quarter (up 6% like for like) and were up 3% year-to-date (up 5% like for like) as higher aggregates volumes and overall higher pricing was partially offset by foreign exchange.
- Current operating income declined 3% in the quarter (down 4% like for like) and increased 1% year-to-date (down 6% like for like) as volumes and pricing improved which helped partially compensate for higher cost inflation and foreign exchange.

INVESTMENTS AND DIVESTMENTS

- Investments totaled €892 million year-to-date, compared to €977 million in 2010.
  - Sustaining capital expenditures increased from €173 million in 2010 to €216 million in 2011.
  - Internal development capital expenditures declined from €763 million in 2010 to €546 million in 2011.
  - Acquisitions were €130 million in 2011 excluding a €51 million and €111 million third-party put, already recorded as debt, that were exercised in the first and third quarter, respectively.
- Capital expenditures for 2012 are planned to be no more than one billion euros for the year.
- Lafarge received €364 million in cash for divestments year-to-date including sales of minority stakes.

LIQUIDITY

- As of September 30, 2011, the Group had €4 billion in committed credit lines, of which €1 billion was drawn, with an average maturity of 2.5 years in addition to €2 billion 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 conference call at 9:00 CET, on November 4, 2011 hosted by Bruno Lafont, Chairman and Chief Executive Officer, and 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**).

The presentation may be followed via a live web cast on the Lafarge website as well as via teleconference:
- Dial in (France): +33 (0)1 70 99 42 77
- Dial in (UK or International): +44 (0)20 3450 9987
- Dial in (US): +1 646 254 3388

Please note that in addition to the web cast replay, a conference call playback will be available until the 12th of November 2011 midnight at the following numbers:
- France playback number: +33 (0)1 74 20 28 00 (pin code: 3707141#)
- UK or International playback number: +44 (0)20 7111 1244 (pin code: 3707141#)
- US playback number: +1 347 366 9565 (code: 3707141#)

Lafarge's next financial publication – Full Year 2011 results – will be on February 17, 2012 (before the NYSE Euronext Paris stock market opens).

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**

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