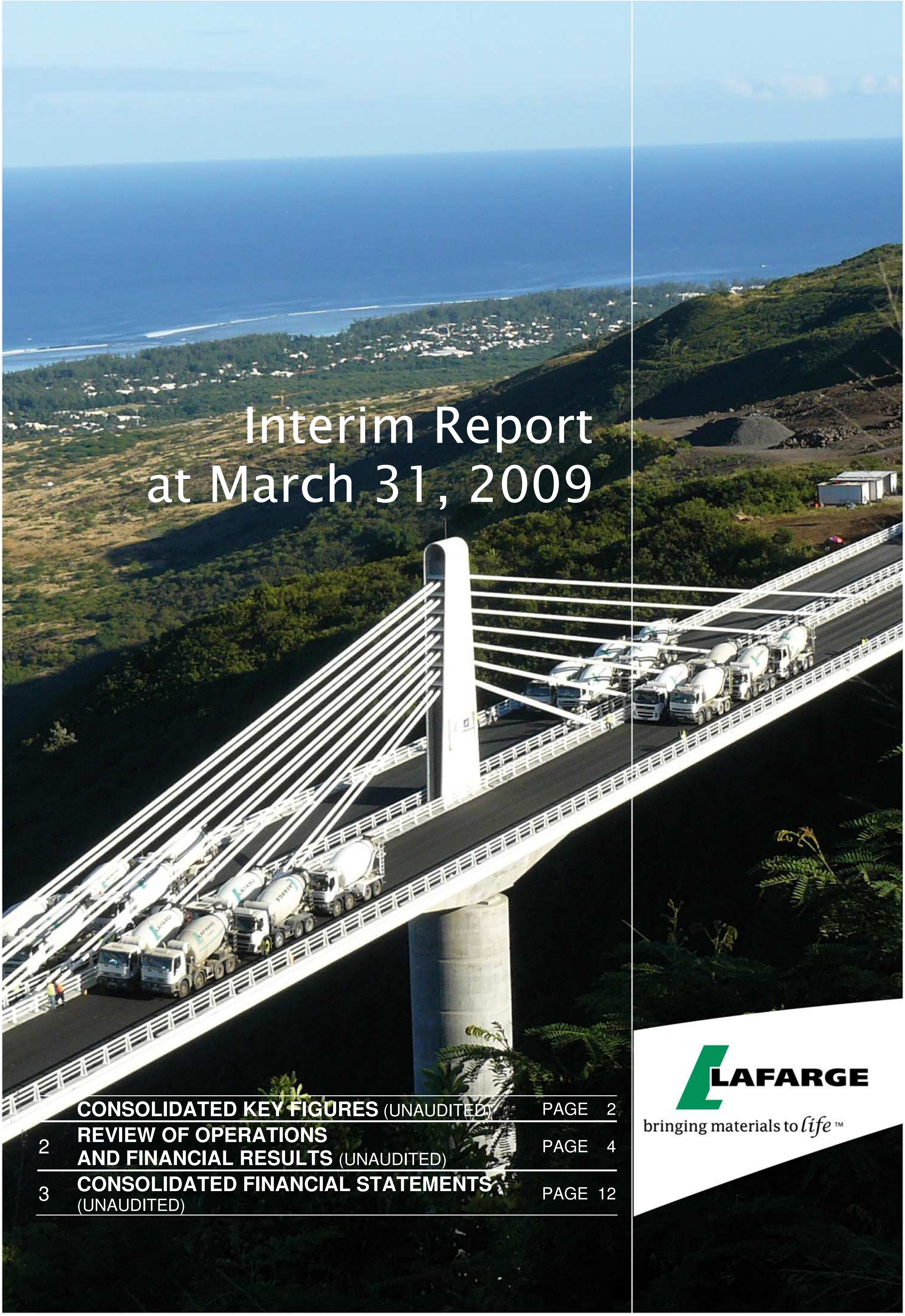
Interim Report at March 31, 2009



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1. Consolidated key figures *(unaudited)*

Hereinafter, and in our other shareholder and investor communications, "current operating income" refers to the subtotal "operating income before capital gains, impairment, restructuring and other" on the face of the Group's consolidated statement of income. This measure excludes from our operating results those elements that are by nature unpredictable in their amount and/or in their frequency, such as capital gains, asset impairments and restructuring costs. While these amounts have been incurred in recent years and may recur in the future, historical amounts may not be indicative of the nature or amount of these charges, if any, in future periods. The Group believes that the subtotal "current operating income" is useful to users of the Group's financial statements as it provides them with a measure of our operating results which excludes these elements, enhancing the predictive value of our financial statements and provides information regarding the results of the Group's ongoing trading activities that allows investors to better identify trends in the Group's financial performance.

In addition, current operating income is a major component of the Group's key profitability measure, return on capital employed (which is calculated by dividing the sum of "operating income before capital gains, impairment, restructuring and other", after tax, and income from associates by the averaged capital employed). This measure is used by the Group internally to: a) manage and assess the results of its operations and those of its business segments, b) make decisions with respect to investments and allocation of resources, and c) assess the performance of management personnel. However, because this measure has limitations as outlined below, the Group limits the use of this measure to these purposes.

The Group's subtotal within operating income may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating income as the effects of capital gains, impairment, restructuring and other amounts excluded from this measure do ultimately affect our operating results and cash flows. Accordingly, the Group also presents "operating income" within the consolidated statement of income which encompasses all amounts which affect the Group's operating results and cash flows.

Please note that, in a majority of our markets, the first quarter represents a lower share of our yearly sales and an even lower share of our profits due to the seasonality of our businesses.

Sales

(million euros)	1st quarter 2009	1st quarter 2008	% Variance
By geographical zone of destination			
Western Europe	1,107	1,506	- 26%
North America	533	655	- 19%
Middle East	426	269	58%
Central and Eastern Europe	175	318	- 45%
Latin America	207	233	- 11%
Africa	622	551	13%
Asia	559	468	19%
By business line			
Cement	2,186	2,374	- 8%
Aggregates & Concrete	1,096	1,232	- 11%
Gypsum	344	392	- 12%
Other	3	2	nm (1)
Total	***3,629***	***4,000***	***- 9%***

(1) Not meaningful

Current operating income

(million euros)	1st quarter 2009	1st quarter 2008	% Variance
By geographical zone of destination			
Western Europe	80	208	- 62%
North America	(151)	(81)	nm
Middle East	99	78	27%
Central and Eastern Europe	12	75	- 84%
Latin America	41	50	- 18%
Africa	177	127	39%
Asia	77	55	40%
By business line			
Cement	384	469	- 18%
Aggregates & Concrete	(64)	26	nm
Gypsum	17	20	- 15%
Other	(2)	(3)	nm
Total	***335***	***512***	***- 35%***

Other key figures

(million euros, except per share data)	1st quarter 2009	1st quarter 2008	% Variance
Net income - Group share	(17)	150	nm
Earnings per share (1) (in euros)	(0.08)	0.69	nm
Free cash flow (2)	(253)	(178)	nm
Net debt	17,680	16,135	10%

(1) Earnings Per Share adjusted to reflect the rights issue completed on April 28, 2009 using a 1.1510 factor on the average number of shares. The average number of shares outstanding before adjustment: 189.0m in 2008, 194.8m in 2009.
(2) Defined as the net cash used in operating activities less sustaining capital expenditures

2. Review of operations and financial results *(unaudited)*

All data regarding sales, sales volumes and current operating income include the proportional contributions of our proportionately consolidated subsidiaries.

Group highlights for the first quarter of 2009

- First quarter results reflect seasonality, traditionally leading to low net results, historically not indicative for the full year or other quarters.
- The economic slowdown and worse weather conditions negatively impacted volumes and margins.
- The organization continues to proactively implement forceful actions to increase cash flow.
- Lafarge benefited from its diverse geographic portfolio of cement assets, recording volume growth in the Middle East of 17%, in Africa of 9%, and in Asia of 7%.
- Cement Ebitda margin was stable at 24.5%, reflecting strong cost control.
- Prices remained firm overall, in line with cost inflation.

SIGNIFICANT PROGRESS ON ANNOUNCED €4.5 BN PROGRAM TO STRENGTHEN FINANCIAL STRUCTURE

- The Group successfully completed the €1.5 Bn capital raising launched in April 2009. Proceeds have been used to reduce the A1 and A2 tranches of the Orascom credit facility. The outstanding balance of tranche A2 is expected to be repaid prior to the end of June 2009, with the availability of the €1 Bn new credit line, eliminating the related debt covenant.
- Lafarge's €400 million announced cost saving program through 2011 being rapidly implemented.
- Divestments announced of above € 230 million out of the € 1 Bn program in 2009.
- Sustaining capital expenditures strongly reduced.
- Overall, Lafarge on track with its €3.5 Bn in debt reduction actions.

Overview of operations: sales and current operating income

Consolidated sales and current operating income

Compared to the first quarter of 2008, consolidated sales in the first quarter of 2009 decreased by 9.3% to 3,629 million euros. Strong declines in volumes in Europe and North America across the divisions were mitigated by growing cement markets in Africa, Middle East and Asia. In Europe and North America, the impact of difficult market conditions due to the on-going economic crisis was amplified by adverse weather conditions in the first two months of the year, compared to a mild winter in 2008. Prices remained firm in most countries, in line with inflation on input costs, but could not offset the impact of declining volumes. This led to an organic decline in sales in the quarter (-11.0%). The full consolidation in 2009 of the Orascom operations (vs. two months in the first quarter of 2008), positively contributed to sales. Conversely, sales were negatively impacted by the sale of our joint-venture with Titan in Egypt and of our Italian operations (respectively in May 2008 and December 2008) and by the deconsolidation of our Venezuelan operations since October 2008. Our Aggregates and Concrete division benefited from the effect of the consolidation of joint-ventures in the Middle East and of our newly acquired operations in India. Net changes in the scope of consolidation positively contributed to our sales (+ 3.0% in the quarter). Currency impacts were only slightly unfavorable (-1.3%), due mainly to the impact of the depreciation against the euro of the British pound, the Polish zloty and the Canadian dollar, partially offset by the appreciation of the US dollar and the Egyptian pound.

In the same period, the current operating income decreased by 34.6% (- 35.7% at constant scope and exchange rates), mainly reflecting the impact of declining volumes in the quarter across the divisions that were only partially offset by improved prices and strong cost reductions.
In our Cement division, solid growth in the Middle East, Africa and Asia, mitigated the impact of difficult market conditions in Europe and North America while our Aggregates and Concrete division, mainly exposed to these latter markets, experienced the strongest drop in current operating income in the quarter.

Please note that the first quarter historically has represented a lower share of our yearly sales and an even lower share of our profits due to the seasonality of our businesses in the Northern hemisphere. It may fluctuate significantly from one year to the other due to weather conditions that, in this case, were particularly favorable in the first quarter of 2008.

Sales and Current operating income by segment

Individual segment sales information is discussed below before elimination of interdivisional sales.

Cement

(million euros)	1st quarter 2009	1st quarter 2008	% Variance	Excluding foreign exchange and scope effects
Sales before elimination of interdivisional sales	2,335	2,554	- 8.6%	- 8.1%
Current operating income	384	469	- 18.1%	- 21.4%

Growing markets in the Middle East, Africa and Asia and positive pricing trends, in line with cost inflation, could not offset the impact of strongly declining volumes in Europe and North America, reflecting the impact of the economic slowdown and adverse weather conditions in the first two months of the year. The full consolidation of Orascom cement operations compared to only two months in 2008 positively contributed to the results in the quarter. However, this was partly mitigated by the impact of the deconsolidation of some of our assets in Egypt, Italy and Venezuela.

WESTERN EUROPE

Sales: ***€475 million at end of March 2009 (€682 million in 2008)***

Current operating income: ***€64 million at end of March 2009 (€132 million in 2008)***

At constant scope and exchange rates, domestic sales and current operating income declined respectively 26.7% and 52.5%. Double digit volume declines in all countries led the contraction in sales and current operating income in the quarter, reflecting market softness following the global economic crisis and adverse weather conditions in the first two months of the year. Prices increased in line with cost inflation in all countries but Spain. Tight cost control mitigated the decline in results.

NORTH AMERICA

Sales: ***€211 million at end of March 2009 (€266 million in 2008)***

Current operating loss: ***€-61 million at end of March 2009 (€-17 million in 2008)***

At constant scope and exchange rates, sales declined 26.3%. The current operating loss increased to 61 million euros in the quarter reflecting declining volumes due to a soft market combined with a harsh winter. Shipments declined both in the United States and in Canada (respectively by 25.9% and 27.2%). Prices remained at 2008 levels. Tight cost control helped mitigate the impact of higher input costs.

EMERGING MARKETS

Sales: ***€1,649 million at end of March 2009 (€1,606 million in 2008)***

Current operating income: ***€381 million at end of March 2009 (€354 million in 2008)***

Sales from our operations in emerging markets reflected contrasted trends across regions. While the Middle East, Africa and Asia, especially China, continued to show solid growth, Central and Eastern Europe was strongly affected by soft markets and by adverse weather conditions compared to the mild 2008 winter. Prices improved overall, in line with cost inflation. Current operating income improved as solid market trends in Africa, Middle East and Asia, improved prices, tight cost control and the full benefit of Orascom Cement acquisition more than offset the impact of adverse markets in Central and Eastern Europe, notably in Russia.

In the Middle East, solid market trends in most countries led the solid improvement in our domestic sales at constant scope and exchange rates (up 25.6%). The consolidation of Orascom Cement had a strong positive impact on the results as construction demand showed continued strength in key markets, notably in Egypt and in Iraq, where we benefited from the new plant in Bazian. In Egypt, prices increased to mitigate the impact of the strong rise in input costs, notably energy. In Jordan, reflecting the decline in fuel costs, prices decreased from last year's levels. At constant scope and exchange rates, the current operating income slightly decreased (-5.5%).

In Central and Eastern Europe our domestic sales at constant scope and exchange rates declined 37.3%. After two record years, these markets were strongly affected in the first quarter by the contraction in the housing market due to the economic crisis and by adverse weather conditions compared to last year. Despite price improvements in most countries combined with tight cost control, volume declines and price weakness in Russia due to competitive pressure led the reduction in current operating income in the quarter.

In Latin America, domestic sales grew by 4.9% at constant scope and exchange rates. Price improvement in Brazil and the benefit of the new plant in Ecuador more than offset some softness in volumes in Chile. At constant scope and exchange rates, the current operating income for the region was stable (-0.6%). In Venezuela, due to the on-going nationalization of the cement industry, our operations were deconsolidated since October 1, 2008.

In Africa, domestic sales grew solidly (up 17.5%), reflecting sound market trends and pricing gains in most countries, combined with good performance of our operations, notably of the new plant in Algeria. Cost control, improvement in prices and production performance in a context of growing markets led to a solid growth in our current operating income (up 19.5% at constant scope and exchange rates). Algeria, Kenya and Nigeria were the main contributors to this performance. The region also fully benefited from the consolidation of Orascom Cement operations in this quarter, notably due to the good performance of the new plant in Algeria.

In Asia, domestic sales and current operating income were up 16.5% and 40.3% respectively, at constant scope and exchange rates. Solid volume growth in most countries, Malaysia being the main exception, combined with pricing gains in a context of a rise in input costs contributed to this improvement. In China, volume growth compared to a low 2008 first quarter and closure of higher cost wet process lines contributed to increased earnings. India benefited from solid market growth in the Northeast region on the back of robust rural demand and sustained infrastructure works ahead of upcoming elections. In Malaysia, subsequent to the lifting of price controls by the government in June last year, prices increased in a context of rising input costs.

Aggregates & Concrete

(million euros)	1st quarter 2009	1st quarter 2008	% Variance	Excluding foreign exchange and scope effects
Sales before elimination of interdivisional sales	1,097	1,234	- 11.1%	- 18.8%
Current operating income	(64)	26	*nm*	*nm*

AGGREGATES AND OTHER RELATED PRODUCTS

Sales: ***€444 million at end of March 2009 (€536 million in 2008)***

Current operating loss: ***€-66 million at end of March 2009 (€-17 million in 2008)***

Volumes declined strongly, reflecting the global economic crisis that translated into lower construction activity and affected most of the markets where we operate. Poor weather conditions amplified this negative trend. Positive pricing trends combined with strict cost control could not offset the impact of the decline in volumes combined with adverse product mix effect.

In Western Europe, pricing gains in most countries and strict cost control could not offset the impact of soft markets and adverse weather conditions.

In North America, strict cost control and improved prices were more than offset by the impact of declining volumes, reflecting softness in the construction market and adverse weather conditions, and negative product mix effect.

Elsewhere in the world, results declined slightly, mainly reflecting softer markets in Central and Eastern Europe.

CONCRETE AND OTHER RELATED PRODUCTS

Sales: ***€725 million at end of March 2009 (€796 million in 2008)***

Current operating income: ***€2 million at end of March 2009 (€43 million in 2008)***

Contraction in volumes in most countries led to the decline in results in the quarter. Progress of the share of our value-added products at constant scope and strict cost control mitigated the effect of volume drops.

In Western Europe, the conjunction of slowdown in residential market and poor weather conditions led to a significant decline in volumes, although somewhat mitigated by pricing gains and strong cost control.

In North America, favourable product mix, pricing gains and tight cost control limited the impact on results of declining volumes.

Elsewhere in the world, current operating income was almost stable over last year despite contrasted trends across the countries.

Gypsum

(million euros)	1st quarter 2009	1st quarter 2008	% Variance	Excluding foreign exchange and scope effects
Sales before elimination of interdivisional sales	349	398	- 12.3%	- 9.2%
Current operating income	17	20	- 15.0%	+ 0.8%

Price improvement and tight cost control offset, at constant exchange rates, the impact on results of declining volumes triggered by the general slowdown in construction activity.

WESTERN EUROPE

Sales: ***€206 million at end of March 2009 (€240 million in 2008)***

Current operating income: ***€17 million at end of March 2009 (€27 million in 2008)***

Pricing gains in most countries and tight cost control could not offset the impact of decelerating residential markets in all countries.

NORTH AMERICA

Sales: ***€50 million at end of March 2009 (€48 million in 2008)***

Current operating income: ***€-8 million at end of March 2009 (€-15 million in 2008)***

Some price recovery since mid 2008 and cost reduction actions allowed for a reduction in the quarterly loss compared to last year, while volumes continued to decrease. Please note that the current operating income includes Lafarge corporate cost allocation, as in the past and for all countries.

OTHER COUNTRIES

Sales: ***€93 million at end of March 2009 (€110 million in 2008)***

Current operating income: ***€8 million at end of March 2009 (€8 million in 2008)***

In other countries, results remained stable overall, pricing gains and tight cost control offsetting the impact of generally declining volumes.

Other income statement items

Other elements of operating income: €-31 million (€-25 million in the first quarter of 2008)

Gains on disposals, net, amounted to 6 million euros compared to 2 million euros in 2008.

Other operating expenses amounted to 37 million euros, compared to 27 million euros in 2008, and mainly relate to restructuring costs.

Finance costs: €251 million (€190 million in the first quarter of 2008)

Financial expenses on net indebtedness increased to 226 million euros (from 183 million euros in the first quarter of 2008) mainly reflecting an additional month of financial interest on the Orascom Cement acquisition debt (acquisition completed end of January, 2008, resulting in only two months of financial interest expense on this debt in the first quarter of 2008).

The average interest rate on our gross debt was 5.4% during the first quarter of 2009 as compared to 5.3% in the first quarter of 2008.

Foreign exchange resulted in a negligible loss of 1 million euros (gain of 23 million euros in 2008).

Other finance costs slightly decreased to 24 million euros, compared to 30 million euros in the first quarter of 2008.

Income from associates: €1 million (€-16 million in the first quarter of 2008)

The net loss in 2008 reflected the negative contribution of our 35% stake in the Roofing entity. At the end of 2008, the losses incurred brought the book value of our investment to zero. Further equity losses in excess of our investment interest were not recognized as the Group has no obligation to fund such losses.

Income tax: €11 million (€62 million in the first quarter of 2008)

The reduction in the effective tax rate (20% in the first quarter of 2009 vs. 22% in 2008), reflects mainly the impact of the consolidation of three months of Orascom Cement operations vs. only two months in the first quarter of 2008 as the acquisition was finalized end of January, 2008, and the lower contribution of operations in mature markets taxed at higher rates.

Non-controlling interests: €60 million (€69 million in the first quarter of 2008)

The impact of higher results in Orascom Cement countries partially offset the impact of the buy back of minority interest positions in Romania and Russia in mid 2008 and decreasing results elsewhere.

Net loss, Group share [(1)]: €-17 million (Net income of €150 million in the first quarter of 2008)

The decline in net profit for the quarter results from the combination of lower operating results affected by volume decline in Europe and North America and higher finance costs. The net loss in the quarter reflects the usual impact of the seasonality in our activities, amplified this year by difficult weather conditions in Europe and North America.

Earnings per share [(2)]: €-0.08 (€0.69 in the first quarter of 2008)

In line with IFRS requirements, earnings per share have been adjusted, for all periods presented, to reflect the impact of the capital increase with preferential subscription rights launched on April 2, 2009, using a coefficient of 1.151 to adjust the number of shares. This coefficient is calculated as the last share price just before the detachment of the right over the Theoretical Ex-Rights Price ("TERP").

(1) Net income/loss attributable to the owners of the parent company
(2) Adjusted to reflect the rights issue for all periods presented

Cash flow statement

Net cash used by operating activities in the first quarter, amounted to €178 millions (€13 million at the end of March 2008).

Compared to last year, the deterioration reflects mainly the impact of lower operating results.

Net cash used in investing activities amounted to €411 million (vs. €6,109 million in the first quarter of 2008).

The strong focus on sustaining capital expenditure management, as per our plan to reduce debt in 2009, led to a 55% reduction in the amount of sustaining capital expenditure in the quarter, at 75 million euros (165 million euros in the first quarter of 2008).

Capital expenditures for the building of new capacity, at 321 million euros (244 million euros in the first quarter of 2008), reflect mainly major cement projects such as the extension of our capacities in Eastern India, China, Morocco, Poland and Nigeria, the reconstruction of our Aceh plant in Indonesia and the investments in new capacities in Syria and Saudi Arabia.

In 2008, external development reflected mainly the acquisition of Orascom Cement on January 23.

Disposals of 16 million euros (21 million euros in the first quarter of 2008) were mainly related to sales of small equipment and land.

Balance sheet statement

At March 31, 2009 total equity stood at €14,890 million (€14,635 million at the end of December 2008) **and net debt at €17,680 million** (€16,884 million at the end of December 2008).

The increase in equity reflects mostly the non cash impact of translating our foreign subsidiaries assets into euros, given the appreciation of various currencies in countries where we operate against the euro between December 31, 2008 and March 31, 2009 (positive impact of 0.3 billion euros in our equity).

The increase of 0.8 billion euros of the net consolidated debt mainly results from the impact of the usual seasonality on our cash flows and the negative translation impact resulting from the appreciation of the US dollar against the euro during the period.

Outlook for 2009

The high degree of uncertainty in the global economy and the challenge of establishing trends in the first quarter due to seasonality make forecasting difficult. As part of looking at various economic indicators, the outlook on volumes has been updated from our last forecast due to further weakening of conditions in Western and Eastern Europe. For 2009, cement volumes in Lafarge's markets are expected to be down -2 to -5% overall, with significant contrasts between markets. Pricing is expected to remain firm overall, although the lower volumes will pressure operating margins.

With regards to stimulus plans, the government actions taken and the large focus on infrastructure spending will have a positive impact on our markets. Although positive signs are already seen in China for 2009, it is in 2010 when most stimulus plans should have a significant impact in our markets.

3. Consolidated financial statements *(unaudited)*

Consolidated income statement

(million euros, except per share data)	3 months 2009	3 months 2008	December 31, 2008
Revenue	**3,629**	**4,000**	**19,033**
Cost of sales	(2,878)	(3,086)	(13,729)
Selling and administrative expenses	(416)	(402)	(1,762)
Operating income before capital gains, impairment, restructuring and other	**335**	**512**	**3,542**
Gains on disposals, net	6	2	229
Other operating income (expenses)	(37)	(27)	(409)
Operating income	**304**	**487**	**3,362**
Finance costs	(326)	(236)	(1,157)
Finance income	75	46	216
Income from associates	1	(16)	(3)
Income before income tax	**54**	**281**	**2,418**
Income tax	(11)	(62)	(479)
Net income	**43**	**219**	**1,939**
Out of which part attributable to:			
- Owners of the parent of the Group	**(17)**	**150**	**1,598**
- Non-controlling interests	60	69	341
Earnings per share (1)			
Net income - attributable to the owners of the parent company			
Basic earnings per share	(0.08)	0.69	7.19
Diluted earnings per share	(0.08)	0.68	7.16
Basic average number of shares outstanding (in thousands) (1)	**224,224**	**217,592**	**222,350**

(1) The current and comparative periods have been restated further to the April 2009 capital increase since such capital increase includes bonus elements for existing shareholders. See Note 5

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

(million euros)	March 31, 2009	March 31, 2008	December 31, 2008
Net income	**43**	**219**	**1,939**
Available for sale investments	39	(25)	(338)
Cash-flow hedge instruments	(7)	18	(53)
Actuarial gains / (losses)	(84)	-	(384)
Currency translation adjustments	328	(1,176)	(836)
Income tax on other comprehensive income	24	(3)	126
Other comprehensive income for the period, net of income tax	**300**	**(1,186)**	**(1,485)**
Total comprehensive income for the period	**343**	**(967)**	**454**
Out of which part attributable to:			
- Owners of the parent of the Group	*258*	*(955)*	*148*
- Non-controlling interests	*85*	*(12)*	*306*

The accompanying notes are an integral part of these consolidated financial statements.

The available for sale investments variation mainly relates to the change in the fair value of the shares of Cimentos de Portugal (CIMPOR), based on the market value as of March 31, 2009, which increased compared to the market value as of December 31, 2008. The difference with the acquisition cost is -176 million euros as of March 31, 2009 (-207 million euros as of December 31, 2008. Due to the volatility of financial markets, to the limited time frame during which the stock market value has stood lower than Lafarge investment cost – starting June 19,2008 –the spread between the market price and the investment costs has been considered neither significant nor prolonged as at December 31, 2008. In addition, the intrinsic value estimated by Lafarge is higher than its historical cost.

Consolidated statement of financial position

(million euros)	March 31, 2009	March 31, 2008	At December 31, 2008
ASSETS			
NON CURRENT ASSETS	**33,660**	**30,375**	**32,928**
Goodwill	13,755	13,843	13,374
Intangible assets	625	447	614
Property, plant and equipment	17,185	14,041	16,927
Investments in associates	490	312	563
Other financial assets	1,235	1,530	1,147
Derivative instruments - assets	87	19	122
Deferred income tax assets	283	183	181
CURRENT ASSETS	**7,221**	**7,366**	**7,680**
Inventories	2,242	1,959	2,195
Trade receivables	2,232	2,539	2,320
Other receivables	1,225	1,324	1,351
Derivative instruments - assets	166	232	223
Cash and cash equivalents	1,356	1,312	1,591
TOTAL ASSETS	**40,881**	**37,741**	**40,608**
EQUITY & LIABILITIES			
Common stock	781	781	781
Additional paid-in capital	8,437	8,434	8,462
Treasury shares	(36)	(48)	(40)
Retained earnings	5,204	4,561	5,225
Other reserves	(641)	26	(613)
Foreign currency translation	(602)	(1,199)	(905)
Equity attributable to owners of the parent company	**13,143**	**12,555**	**12,910**
Non-controlling interests	1,747	1,408	1,725
EQUITY	**14,890**	**13,963**	**14,635**
NON CURRENT LIABILITIES	**17,575**	**16,046**	**17,043**
Deferred income tax liability	874	784	923
Pension & other employee benefits liabilities	1,057	709	943
Provisions	1,015	900	976
Long-term debt	14,566	13,640	14,149
Derivative instruments - liabilities	63	13	52
CURRENT LIABILITIES	**8,416**	**7,732**	**8,930**
Pension & other employee benefits liabilities	66	55	67
Provisions	155	179	165
Trade payables	1,684	1,696	1,864
Other payables	1,724	1,630	2,039
Income tax payable	127	127	176
Short term debt and current portion of long-term debt	4,555	3,985	4,472
Derivative instruments - liabilities	105	60	147
TOTAL EQUITY AND LIABILITIES	**40,881**	**37,741**	**40,608**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

(million euros)	3 months 2009	3 months 2008	December 31 2008
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Net income	**43**	**219**	**1,939**
Adjustments for income and expenses which are non cash or not related to operating activities, financial expenses or income taxes:			
Depreciation and amortization of assets	286	253	1,076
Impairment losses	2	1	276
Income from associates	(1)	16	3
(Gains) on disposals, net	(6)	(2)	(229)
Finance costs (income)	251	190	941
Income taxes	11	62	479
Others, net (including dividends received from equity affiliates)	(18)	6	22
Change in operating working capital items, excluding financial expenses and income taxes (see analysis below)	(311)	(404)	(154)
Net operating cash generated before impacts of financial expenses and income taxes	**257**	**341**	**4,353**
Cash payments for financial expenses	(291)	(198)	(777)
Cash payments for income taxes	(144)	(156)	(575)
Net cash used in operating activities	**(178)**	**(13)**	**3,001**
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES			
Capital expenditures	(409)	(434)	(2,886)
Investment in subsidiaries and joint ventures [(1) / (3)]	(8)	(5,682)	(6,309)
Investment in associates	(2)	-	(63)
Investment in available for sale investments	(5)	-	(11)
Disposals [(2)]	16	21	615
Net decrease in long-term receivables	(3)	(14)	(117)
Net cash provided by (used in) investing activities	**(411)**	**(6,109)**	**(8,771)**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES			
Proceeds from issuance of common stock [(3)]	-	5	12
Non-controlling interest' share in capital increase/(decrease) of subsidiaries	-	-	90
(Increase) / Decrease in treasury shares	-	7	8
Dividends paid	-	-	(784)
Dividends paid by subsidiaries to non-controlling interests	(8)	(14)	(267)
Proceeds from issuance of long-term debt	436	5,482	9,208
Repayment of long-term debt	(134)	(284)	(1,094)
Increase (decrease) in short-term debt	40	891	(1,143)
Net cash provided by (used in) financing activities	**334**	**6,087**	**6,030**

The accompanying notes are an integral part of these consolidated financial statements.

	3 months		December 31
(million euros)	2009	2008	2008
Increase / (decrease) in cash and cash equivalents	**(255)**	**(35)**	**260**
Net effect of foreign currency translation on cash and cash equivalents and other non monetary impacts	20	(82)	(98)
Cash and cash equivalents at beginning of year	1,591	1,429	1,429
Cash and cash equivalents at end of the year	**1,356**	**1,312**	**1,591**
(1) Net of cash and cash equivalents of companies acquired	*-*	*236*	*306*
(2) Net of cash and cash equivalents of companies disposed of	*-*	*-*	*30*
(3) The Orascom Cement purchase price is shown net of the capital increase subscribed by the major shareholders of OCI in relation with this acquisition (2,492 million euros) on the line "investment in subsidiaries and joint ventures". The share issuance is considered as a non-cash transaction and therefore not reflected on the line "Proceeds from issuance of common stock".			
Analysis of changes in operating working capital items	**(311)**	**(404)**	**(154)**
(Increase) / decrease in inventories	(8)	(129)	(373)
(Increase) / decrease in trade receivables	123	(108)	206
(Increase) / decrease in other receivables – excluding financial and income taxes receivables	(41)	(10)	(292)
Increase / (decrease) in trade payables	(248)	(76)	53
Increase / (decrease) in other payables – excluding financial and income taxes payables	(137)	(81)	252

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	Outstanding shares	of which: Treasury shares	Common stock	Additional paid-in capital	Treasury shares	Retained earnings	Other reserves	Foreign currency translation	Equity attributable to owners of the parent company	Non-controlling interests	Equity
		(number of shares)		*(million euros)*							
Balance at January 1, 2008	***172,564,575***	***657,233***	**691**	**6,019**	**(55)**	**4,411**	**36**	**(104)**	**10,998**	**1,079**	**12,077**
Total comprehensive income for the period						*150*	*(10)*	*(1,095)*	***(955)***	*(12)*	***(967)***
Dividends									**-**	(9)	**(9)**
Issuance of common stock (Orascom Cement acquisition)	*22,500,000*		90	2,402					**2,492**	-	**2,492**
Issuance of common stock (exercise of stock options)	*73,840*			5					**5**	-	**5**
Share based payments				8					**8**	-	**8**
Treasury shares		*(63,503)*			7				**7**	-	**7**
Other movements – non-controlling interests									**-**	350	**350**
Balance at March 31, 2008	***195,138,415***	***593,730***	**781**	**8,434**	**(48)**	**4,561**	**26**	**(1,199)**	**12,555**	**1,408**	**13,963**
Balance at January 1, 2009	***195,236,534***	***436,793***	**781**	**8,462**	**(40)**	**5,225**	**(613)**	**(905)**	**12,910**	**1,725**	**14,635**
Total comprehensive income for the period						*(17)*	*(28)*	*303*	***258***	*85*	***343***
Dividends									**-**	(33)	**(33)**
Issuance of common stock [(1)]				(31)					**(31)**	-	**(31)**
Issuance of common stock (exercise of stock options)									**-**	-	**-**
Share based payments				6					**6**	-	**6**
Treasury shares		*(50)*			4	(4)			**-**	-	**-**
Other movements – non-controlling interests									**-**	(30)	**(30)**
Balance at March 31, 2009	***195,236,534***	***436,743***	**781**	**8,437**	**(36)**	**5,204**	**(641)**	**(602)**	**13,143**	**1,747**	**14,890**

The accompanying notes are an integral part of these consolidated financial statements.

(1) The amount disclosed in the line "Issuance of common stock" (Note 10) represents the costs incurred (47 million euros before taxes).

Notes to the consolidated financial statements

Note 1. Business description

Lafarge S.A. is a French limited liability company (*société anonyme*) governed by French law. Our commercial name is “Lafarge”. The company was incorporated in 1884 under the name “J et A Pavin de Lafarge”. Currently, our by-laws state that the duration of our company is until December 31, 2066, and may be amended to extend our corporate life. Our registered office is located at 61 rue des Belles Feuilles, 75116 Paris, France. The company is registered under the number “542105572 RCS Paris” with the registrar of the Paris Commercial Court (Tribunal de Commerce de Paris).

The Group organizes its operations into three divisions: Cement, Aggregates & Concrete and Gypsum.

The Group’s shares have been traded on the Paris stock exchange since 1923 and have been a component of the French CAC-40 market index since its creation, and also included in the SBF 250 index.

As used herein, the terms “Lafarge S.A.” or the “parent company” refer to Lafarge a société anonyme organized under French law, without its consolidated subsidiaries. The terms the “Group” or “Lafarge” refer to Lafarge S.A. together with its consolidated companies.

Condensed interim financial statements are presented in euros rounded to the nearest million.

The Board of Directors examined these interim financial statements on May 5th, 2009.

Note 2. Summary of significant accounting policies

2.1 – Accounting policies

The Group interim condensed consolidated financial statements at March 31, 2009 have been prepared in accordance with IAS 34 *Interim Financial Reporting.* They do not include all the IFRS required information and should therefore be read in connection with the 2008 annual report.

The accounting policies retained for the preparation of the Group interim condensed consolidated financial statements are compliant with the International Financial Reporting Standards (“IFRS”) as endorsed by the European Union as at March 31, 2009 and available on http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

These accounting policies are consistent with the ones applied by the Group at December 31, 2008 and described in the Note 2 of the 2008 annual report except for the points presented hereafter.

The Group has applied the following standards which are effective for the period beginning on or after January 1st, 2009. The adoption of these standards only impacts the presentation and the extent of the disclosures presented in the financial statements:

- IAS 1 revised, Presentation of financial statements. This standard introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. The Group has elected to present total comprehensive income in two statements (consolidated income statement and consolidated comprehensive income). The Group has also elected to apply the titles for the statements used in the Standard.
- IFRS 8, Operating segments. IFRS 8 replaces IAS 14 Segment Reporting. This Standard introduces the “management approach” to segment reporting. This Standard requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Group’s Chief Operating Decision Maker in order to assess each operating segment’s performance and to allocate resources to them. Segments determined in accordance with IFRS 8 are similar to the primary business segments identified under IAS 14. The disclosures required by IFRS 8, including the revised comparative information, are presented in Note 4;

The adoption of the following Standards and interpretations by the European Union has no effect on the Group’s financial statements:

- Revised IAS 23, Borrowing costs
- Revised IFRS 2, Share-based Payment – Vesting conditions and Cancellations
- Revised IAS 32 and IAS 1, Puttable Financial Instruments and Obligations Arising On Liquidation
- Revised IFRS 1 and IAS 27, Cost Of An Investment in a Subsidiary, Jointly Controlled Entity or Associate

- IFRIC 13, Customer Loyalty Program
- IFRIC 14 : IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- Improvements to IFRS except for the improvements related to IFRS 5 which are applicable on July 1, 2009

These accounting policies do not differ from the IFRS published by the IASB as the application of IFRIC 12 – Service concession Arrangements effective at March 30, 2009 once approved by the European Union, will not have any impact on the Group consolidated financial statements.

The Standard and interpretations of existing standards, presented hereafter, with an effective application in 2009 and once approved by the European Union, will not have any impact on the Group’s consolidated financial statements:

- Amendment to IFRS 7, Improving Disclosures about Financial Instruments
- IFRIC 15, Agreements for the Construction of Real Estate
- IFRIC 16, Hedges of a Net Investment in a Foreign Operation

Standards and Interpretations to existing standards that are not yet effective have not been early adopted by the Group.

The measurement procedures used for the interim condensed consolidated financial statements are the followings:

- Interim period income tax expense results from the estimated annual Group effective income tax rate applied to the pre-tax result of the interim period excluding unusual material items. This estimated annual tax rate takes into consideration, in particular, the expected impact of tax planning operations. The income tax charge related to any unusual item of the period is accrued using its specific applicable taxation (i.e. specific taxation for gains on disposals).

- Compensation costs recorded for stock options, employee benefits are included on a prorata basis of the estimated costs for the year.

2.2 – Seasonality

Demand for our cement and aggregates & concrete products is seasonal and tends to be lower in the winter months in temperate countries and in the rainy season in tropical countries. We usually experience a reduction in sales on a consolidated basis in the first quarter during the winter season in our principal markets in Western Europe and North America, and an increase in sales in the second and third quarters, reflecting the summer construction season.

Note 3. Significant operations

The Extraordinary Shareholder’s Meeting of Lafarge, held on March 31 2009, approved all the proposed resolutions and in particular the one permitting the launch of the 1.5 billion euros right issue, of which modalities were announced on April 1. The subscription period started April 2, 2009 and ended April 15, 2009 inclusive. The modalities and results of this right issue are presented in Note 10. Subsequent events.

Note 4. Segment information

The Group operates in the following three segments - Cement, Aggregates & Concrete and Gypsum – each of which represents separately managed strategic operating segments that have different capital requirements and marketing strategies. Each segment develops, manufactures and sells distinct products.

- The Cement segment produces and sells a wide range of cement and hydraulic binders adapted to the needs of the construction industry.
- The Aggregates & Concrete segment produces and sells aggregates, ready mix concrete, other concrete products and other products and services related to paving activities.
- The Gypsum segment mainly produces and sells drywall for the commercial and residential construction sectors.

Other and holding activities, not allocated to our core operating segments, are summarized in the “other” segment. This segment also includes the income from associates related to our share in Monier (Roofing activity).

Group management internally evaluates its performance based upon:

- operating income before capital gains, impairment, restructuring and other, share in net income of associates and,
- capital employed (defined as the total of goodwill, intangible and tangible assets, investments in associates and working capital).

Group financing, notably treasury process (including finance income and finance expenses), and income taxes are managed at Group level and are not allocated to segments.

The accounting policies applied to segment earnings comply with those described in Note 2 to the Consolidated Financial Statements of the 2008 annual report.

The Group accounts for intersegment sales and transfers at market prices.

(a) Segment information

March 31, 2009 *(million euros)*	Cement	Aggregates & Concrete	Gypsum	Other	Total
Statement of income					
Gross revenue	2,335	1,097	349	3	3,784
Less: intersegment	(149)	(1)	(5)	-	(155)
Revenue	**2,186**	**1,096**	**344**	**3**	**3,629**
Operating income before capital gains, impairment, restructuring and other	384	(64)	17	(2)	335
Gains on disposals, net	1	-	5	-	6
Other operating income (expenses)	(28)	(3)	(1)	(5)	(37)
Including impairment on assets and goodwill	*(1)*	-	*(1)*	-	*(2)*
Operating income	**357**	**(67)**	**21**	**(7)**	**304**
Finance costs					(326)
Finance income					75
Income from associates	1	-	-	-	1
Income taxes					(11)
Net income					**43**
Other information					
Depreciation and amortization	(189)	(65)	(20)	(12)	(286)
Other segment non cash income (expenses) of operating income	2	15	5	(8)	14
Capital expenditures	319	72	14	4	409
Capital employed	26,168	5,652	1,545	854	34,219
Balance Sheet					
Segment assets	29,570	6,933	1,899	1,943	40,345
Of which investments in associates	*334*	*21*	*119*	*16*	*490*
Unallocated assets [(a)]					536
Total Assets					**40,881**
Segment liabilities	2,443	1,163	383	1,839	5,828
Unallocated liabilities and equity [(b)]					35,053
Total Equity and Liabilities					**40,881**

[(a)] *Deferred tax assets and derivative instruments*

[(b)] *Deferred tax liability, financial debt, derivative instruments and equity*

March 31, 2008 *(million euros)*	**Cement**	**Aggregates & Concrete**	**Gypsum**	**Other**	**Total**
Statement of income					
Gross revenue	2,554	1,234	398	3	4,189
Less: intersegment	(180)	(2)	(6)	(1)	(189)
Revenue	**2,374**	**1,232**	**392**	**2**	**4,000**
Operating income before capital gains, impairment, restructuring and other	469	26	20	(3)	512
Gains on disposals, net	2	-	-	-	2
Other operating income (expenses)	(15)	(1)	(7)	(4)	(27)
Including impairment on assets and goodwill	*-*	*(1)*	*-*	*-*	*(1)*
Operating income	**456**	**25**	**13**	**(7)**	**487**
Finance costs					(236)
Finance income					46
Income from associates	5	3	4	(28)	(16)
Income taxes					(62)
Net income					**219**
Other information					
Depreciation and amortization	(164)	(62)	(19)	(8)	(253)
Other segment non cash income (expenses) of operating income	5	2	(8)	(3)	(4)
Capital expenditures	309	87	25	13	434
Capital employed	23,759	4,722	1,472	1,059	31,012
Balance Sheet					
Segment assets	26,896	5,980	1,844	2,159	36,879
Of which investments in associates	*122*	*58*	*107*	*25*	*312*
Unallocated assets [(a)]					862
Total Assets					**37,741**
Segment liabilities	2,597	1,087	363	1,248	5,295
Unallocated liabilities and equity [(b)]					32,446
Total Equity and Liabilities					**37,741**

(a) *Deferred tax assets and derivative instruments*

(b) *Deferred tax liability, financial debt, derivative instruments and equity*

December 31, 2008 *(millions euros)*	Cement	Aggregates & Concrete	Gypsum	Other	Total
Statement of income					
Gross revenue	11,720	6,580	1,546	29	19,875
Less: intersegment	(809)	(7)	(25)	(1)	(842)
Revenue	**10,911**	**6,573**	**1,521**	**28**	**19,033**
Operating income before capital gains, impairment, restructuring and other	2,964	623	36	(81)	3,542
Gains on disposals, net	228	(3)	-	4	229
Other operating income (expenses)	(294)	(70)	(9)	(36)	(409)
Including impairment on assets and goodwill	*(221)*	*(52)*	*(3)*	-	*(276)*
Operating income	**2,898**	**550**	**27**	**(113)**	**3,362**
Finance costs					(1,157)
Finance income					216
Income from associates	15	4	13	(35)	(3)
Income taxes					(479)
Net income					**1,939**
Other information					
Depreciation and amortization	(700)	(260)	(80)	(36)	(1,076)
Other segment non cash income (expenses) of operating income	10		(3)	(44)	(37)
Capital expenditures	2,109	556	144	77	2,886
Capital employed	25,547	5,503	1,484	731	33,265
Balance Sheet					
Segment assets	28,748	6,995	1,866	2,473	40,082
Of which investments in associates	*359*	*21*	*119*	*64*	*563*
Unallocated assets [a]					526
Total Assets					**40,608**
Segment liabilities	2,601	1,273	398	1,958	6,230
Unallocated liabilities and equity [b]					34,378
Total Equity and Liabilities					**40,608**

[a] *Deferred tax assets and derivative instruments*

[b] *Deferred tax liability, financial debt, derivative instruments and equity*

(b) Other information: geographic area information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

Non-current assets include goodwill, intangible assets, property, plant and equipment and investments in associates. They include the provisional allocation by region of the purchase price of Orascom Cement at each period end.

	March 31, 2009		March 31, 2008		December 31, 2008	
(million euros)	Revenue	Non-current assets	Revenue	Non-current assets	Revenue	Non-current assets
Western Europe	**1,107**	**7,695**	**1,506**	**7,630**	**6,021**	**7,478**
Of which:						
France	580	2,662	686	2,401	2,721	2,641
Spain	96	1,189	182	942	671	1,183
United Kingdom	195	1,557	311	2,018	1,191	1,529
North America	**533**	**6,173**	**655**	**5,284**	**4,270**	**5,964**
Of which:						
United States	332	5,080	381	4,254	2,215	4,876
Canada	201	1,093	274	1,030	2,055	1,088
Middle East	**426**	**6,334**	**269**	**5,305**	**1,611**	**6,197**
Egypt	185	2,792	106	2,237	504	2,744
Central and Eastern Europe	**175**	**1,811**	**318**	**1,643**	**1,761**	**1,920**
Latin America	**207**	**1,038**	**233**	**1,069**	**968**	**1,030**
Africa	**622**	**5,475**	**551**	**4,708**	**2,373**	**5,325**
Algeria	116	3,714	64	3,322	361	3,602
Asia	**559**	**3,529**	**468**	**3,004**	**2,029**	**3,564**
Total	**3,629**	**32,055**	**4,000**	**28,643**	**19,033**	**31,478**

(c) Major customers

The Group has no reliance on any of its customers.

Note 5. Earnings per share

The computation and reconciliation of basic and diluted earnings per share for the periods ended March 31, 2009 and 2008 and for December 31, 2008 are as follows:

	3 months		December 31
	2009	2008	2008
Numerator (in million euros)			
Net income attributable to owners of the parent of the Group	(17)	150	1,598
Denominator (in thousands of shares)			
Weighted average number of shares outstanding	224,224	217,592	222,350
Effect of dilutive securities — stock options	41	1,850	846
Weighted average number of shares outstanding — fully diluted	224,265	219,442	223,196
Basic earnings per share (euros)	**(0.08)**	**0.69**	**7.19**
Diluted earnings per share (euros)	**(0.08)**	**0.68**	**7.16**

To ensure comparability of earnings per share information, the weighted average number of shares outstanding for current period ended March 31, 2009 and previous comparative periods have been adjusted to reflect the fact that the Group capital increase, which occurred in April 2009 (Note 10), was performed under the form of a capital increase with preferential subscription rights at a price lower than the market price. Accordingly, the weighted average numbers of shares outstanding, used to compute basic and diluted earnings per share and presented above, have been adjusted by the ratio between the last price of the Company's shares before the preferential subscription right be detached (31.91 euros per share) and this price after detachment of the 4.19 euros right (27.72 euros per share).

Except this adjustment, the computation and reconciliation of basic and diluted earnings per share presents as follows:

	3 months		December 31
	2009	2008	2008
Denominator (in thousands of shares)			
Weighted average number of shares outstanding	194,800	189,039	193,172
Effect of dilutive securities — stock options	36	1,607	735
Weighted average number of shares outstanding — fully diluted	194,836	190,646	193,907
Basic earnings per share (euros)	**(0.09)**	**0.79**	**8.27**
Diluted earnings per share (euros)	**(0.09)**	**0.79**	**8.24**

Note 6. Debt

The debt split is as follows:

(million euros)	March 31, 2009	March 31, 2008	December 31, 2008
Long-term debt excluding put options on shares of subsidiaries	14,450	13,525	14,003
Put options on shares of subsidiaries, long-term	116	115	146
Long-term debt	**14,566**	**13,640**	**14,149**
Short-term debt and current portion of long-term debt excluding put options on shares of subsidiaries	4,331	3,630	4,278
Put options on shares of subsidiaries, short-term	224	355	194
Short-term debt and current portion of long-term debt	**4,555**	**3,985**	**4,472**
Total debt excluding put options on shares of subsidiaries	18,781	17,155	18,281
Total put options on shares of subsidiaries	340	470	340
Total debt	**19,121**	**17,625**	**18,621**

Analysis of debt excluding Put options on shares of subsidiaries by maturity:

(million euros)	March 31, 2009	March 31, 2008	December 31, 2008
Repayable in more than five years	4,612	4,315	4,571
Repayable between one and five years	9,838	9,210	9,432
Long-term debt	**14,450**	**13,525**	**14,003**
Short-term debt and current portion of long-term debt	4,331	3,630	4,278
Total debt	**18,781**	**17,155**	**18,281**

At March 31, 2009, 775 million euros of short-term debt (mainly commercial paper and short-term borrowings) have been classified as long-term based upon the Group's ability to refinance these obligations on a medium and long-term basis through its committed credit facilities. In addition, the drawdown for an amount of 1,500 million euros on the 1,825 million euros syndicated credit line of which the finale expiration date is July 2012, is classified as a long-term debt.

This short-term debt that the Group can refinance on a medium and long-term basis through its committed credit facilities is classified in the balance sheet under the section « Long-term debt ». The net variation of this short-term debt is shown in the cash flow statement in « proceeds from issuance of long-term debt » when it is positive, and in « repayment of long-term debt » when it is negative. At March 31, 2009, the net variation of this debt amounted to +251 million euros (compared +577 million euros at March 31, 2008 and +831 million euros at December 31, 2008).

Average spot interest rate

The average spot interest rate of the debt after swaps, as at March 31, 2009, is 4.1% (5.3% as of March 31, 2008 and 5.7% as of December 31, 2008).

Recent events

On February 18, 2009, we contracted with six banks a new 1 billion euros loan facility, available after the repayment of 1.6 billion euros on the outstanding amount of 2.6 billion euros on the A1 / A2 tranches of the 7.2 billion euros Orascom Cement acquisition credit facility, put in place in December 2007. This new facility will mature two years after its drawdown, to be made on June 30, 2009 at the latest (Note 10). This new loan facility comes with a leverage test as at June 30, 2010, granting each lender, on an individual basis, the option to ask for a repayment of its own share in the loan, should the leverage test not be met.

The proceeds of the rights issue, received on April 28, 2009 (Note 10), have been used for the full repayment of A1 tranche, i.e. 300 million euros, and for the repayment of 1.15 billion euros on A2 tranche. The remaining amount on A2 tranche stands at 1.15 billion euros following this repayment. As announced on February 20, 2009, this amount is expected to be repaid on June 30, 2009 at the latest, notably by using partially or totally the new 1 billion euros loan facility mentioned above. The total repayment of the balance of the A2 tranche will remove the financial covenant associated with the credit facility entered into to finance the acquisition of Orascom Cement.

Securitization program

In January 2000, the Group entered into a multi-year securitization agreement in France with respect to trade receivables. This program was renewed in 2005 for a 5-year period.

Under the program, some of the french subsidiaries agree to sell on a revolving basis, some of their accounts receivables. Under the terms of the arrangement, the subsidiaries involved in these programs do not maintain control over the assets sold and there is neither entitlement nor obligation to repurchase the sold receivables. In these agreements, the purchaser of the receivables, in order to secure his risk, only finance a part of the acquired receivables as it is usually the case for similar commercial transactions. As risks and benefits cannot be considered as being all transferred, these programs do not qualify for derecognition of receivables, and are therefore accounted for as secured financing.

Trade receivables therefore include sold receivables totaling 235 million euros as of March 31, 2009 (265 million euros as of March 31, 2008 and 261 million euros as of December 31, 2008).

The current portion of debt includes 204 million euros as of March 31, 2009, related to these programs (230 million euros as of March 31, 2008 and 227 million euros as of December 31, 2008).

The agreements are guaranteed by subordinated deposits totaling 31 million euros as of March 31, 2009 (35 million euros as of March 31, 2008 and 34 million euros as of December 31, 2008).

The Group owns no equity share in the special purpose entities.

Put options on shares of subsidiaries

As part of the acquisition process of certain entities, the Group has granted third party shareholders the option to require the Group to purchase their shares at predetermined conditions. These shareholders are either international institutions, such as the European Bank for Reconstruction and Development, or private investors, which are essentially financial or industrial investors or former shareholders of the acquiring entities. Assuming that all of these options were exercised, the purchase price to be paid by the Group, including debt and cash acquired, would amount to 383 million euros at March 31, 2009 (398 million euros at December 31, 2008).

Out of the outstanding debt at March 31, 2009, 237 million euros and 30 million euros can be exercised in 2009 and 2010, respectively. The remaining 116 million euros can be exercised starting 2011.

Put options granted to minority interests of subsidiaries are classified as debt. Out of the total options granted by the Group, the options granted to minority interests amounted to 340 million euros at March 31, 2009 (340 million euros at December 31, 2008), the remaining options were granted on shares of associates or joint ventures.

This specific debt is recorded by reclassifying the underlying minority interests and recording goodwill in an amount equal to the difference between the carrying value of minority interests and the value of the debt (respectively 232 million euros at March 31, 2009 and 232 million euros at December 31, 2008).

Note 7. Dividends distributed

The following table indicates the dividend amount per share the Group paid for the year 2007 as well as the dividend amount per share for 2008 proposed by our Board of Directors for approval at the annual general meeting of shareholders to be held on May 6, 2009.

(euros, except total dividend distribution)	2008 approved in 2009 *	2007 approved in 2008
Total dividend distribution (million euros)	393**	784
Base dividend per share	2,00	4,00
Increased dividend per share	2,20	4,40

** Proposed dividend. As this dividend is subject to approval by shareholders at the annual general meeting, it has not been included as a liability in these financial statements.*

***Based on an estimation of the number of shares eligible for dividends of 194,799,741 shares.*

Note 8. Legal and arbitration proceedings

In the ordinary course of its business, Lafarge is involved in a certain number of judicial and arbitral proceedings. Lafarge is also subject to certain claims and lawsuits which fall outside the scope of the ordinary course of its business, the most significant of which are summarized below.
Provisions for the charges that could result from these procedures are not recognized until they are probable and their amount can be reasonably estimated. The amount of provisions made is based on Lafarge's assessment of the level of risk on a case-by-case basis and depends on its assessment of the basis for the claims, the stage of the proceedings and the arguments in its defence, it being specified that the occurrence of events during proceedings may lead to a reappraisal of the risk at any moment.

Europe – Gypsum: On July 8, 2008, the Court of First Instance in Luxembourg confirmed the decision of the European Commission imposing a fine on Lafarge in the amount of 249.6 million euros for having colluded on market shares and prices with competitors between 1992 and 1998 for wallboard, essentially in the United Kingdom and Germany. Lafarge has lodged an appeal against this decision before the Court of Justice of the European Communities. Decision on this appeal should not happen before 2010.

Germany – Cement: Following investigations on the German cement market, the German competition authority, the Bundeskartellamt, announced on April 14, 2003, that it was imposing fines on German cement companies, including one in the amount of 86 million euros on Lafarge Zement, our German cement subsidiary for its alleged anti-competitive practices in Germany. Lafarge Zement believes that the amount of the fine is disproportionate in light of the actual facts and has brought the case before the Higher Regional Court, the Oberlandesgericht, in Düsseldorf. On August 15, 2007, Lafarge Zement partially withdrew its appeal and paid an amount of 16 million euros on November 2, 2007. The Court's decision related to the remaining part of the appeal should be given in 2009. No further payment or any guarantee is required to be made or given prior to the court's decision. Judgement on the merits of an eventual class action may depend on the outcome of this procedure.

A global provision of 300 million euros was recorded in 2002 in connection with these above two litigations. Following the payment of 16 million euros by Lafarge Zement on November 2, 2007, the existing provision has been decreased by this amount, as at December 31, 2007. The provision was increased by 36 million euros as of June 30, 2008 following the decision of the Court of First Instance in Luxembourg on July 8, 2008. As of March 31, 2009, this provision amounts to 320 million euros. Additional provisions were recorded in each of our annual financial statements since 2003 in relation to the interest on part of these amounts for a total amount of 74 million euros at March 31, 2009.

On competition issues, there are two industry-wide inquiries which do not constitute legal proceedings and for which no provision has been recorded.
In November 2008, the major European cement players, including Lafarge, were under investigation by the European Commission for alleged anti-competitive practices. It is not possible at this preliminary stage to draw any conclusions from the investigations.
In Greece, an inquiry on the cement industry was opened by the competition authorities in 2007. The level of risk cannot be appreciated at this stage.

United State of America –Hurricane Katrina : In late 2005, several class action lawsuits were filed in the United States District Court for the Eastern District of Louisiana. In their complaints, plaintiffs allege that our subsidiary, Lafarge North America Inc., and several other defendants are liable for death, bodily and personal injury and property and environmental damage to people and property in and around New Orleans, Louisiana, which they claim resulted from a barge that allegedly breached the Industrial Canal levee in New Orleans during or after Hurricane Katrina. This case has been transferred to the Court where most claims against the United State Government also reside. The Court is expected to rule on to whether the case should or should not be a class action during the third quarter of 2009.
Additionally, one of Lafarge North America Inc.'s insurers, the American Steamship Owners Mutual P&I Association, has filed a suit against it in the United States District Court for the Southern District of New York seeking a declaratory judgment to the effect that these claims are not covered under its insurance policy. Lafarge North America Inc has lodged an appeal against a decision stating that this claim was not covered under their insurance policy.
Lafarge North America Inc. vigorously defends itself in these actions. Lafarge North America Inc. believes that the claims against it are without merit and that these matters will not have a materially adverse effect on its results of operations, cash flows and financial position.

Finally, certain Group subsidiaries have litigation and claims pending in the normal course of business. The resolution of these matters should have any significant effect on the Company's and/or the Group's financial position, results of operations and cash flows. To the Company's knowledge, there are no other governmental, legal or arbitration proceedings which may have or have had in the recent past significant effects on the Company and/or the Group's financial position or profitability.

Note 9. Transactions with related parties

There were no significant related-party transactions during the period.

Note 10. Subsequent events

Capital increase

As stated in Note 3, Lafarge launched over a subscription period from April 2, 2009 to April 15, 2009 inclusive a capital increase of 1.5 billion euros. This capital increase resulted in the creation of 90,109,164 new shares with a 16.65 euros subscription price (i.e. 4.00 euros par value and a 12.65 euros issue premium), with a ratio of 6 new shares for 13 existing shares.

The set issue price represented a 46.2% discount to the closing price of the Company's shares on March 30, 2009, adjusted for the 2008 expected dividend of 2.00 euros per share which will not be paid on the new shares. This discount was 37.0% based on the theoretical ex-rights price also adjusted for the 2008 expected dividend.

The Group announced April 24, 2009, the completion of this capital increase, with total orders amounting to approximately 2.6 billion euros, i.e. a subscription rate of 172%.

The gross proceeds amount to 1,500 million euros (including 1,140 million euros of issue premium). Settlement, delivery and listing of the new shares took place on April 28, 2009.

The proceeds of the capital increase, received on April 28, 2009, have been used for the full repayment of A1 tranche, i.e. 300 million euros, and for the repayment of 1.15 billion euros on A2 tranche. The remaining amount on A2 tranche stands at 1.15 billion euros following this repayment. As announced on February 20, 2009, this amount is expected to be repaid on June 30, 2009 the latest, notably by using partially or totally the new 1 billion euros loan facility mentioned in Note 6. The total repayment of the balance of the A2 tranche will remove the financial covenant associated with the credit facility entered into to finance the acquisition of Orascom Cement.

Divestments

The Group announced May 4, 2009, the divestment in its cement, concrete and aggregates activities in Marmara and West Black Sea Regions in Turkey to the leading Turkish company in the cement sector, OYAK Cement Group, for an enterprise value of 163 million euros. The Share Sale Agreement includes 97.3% of Lafarge Aslan and of its controlled subsidiaries, including Lafarge Eregli controlled at 98.65% and Lafarge Beton controlled at 97.95% by Lafarge. It will be submitted to the Turkish Competition Board for approval.

The Group also announced May 4, 2009 the sale of its Asphalt assets in the Atlantic provinces of Canada to Halifax based Municipal Enterprise Company and of its Aggregate and Concrete activities in the Zurich region of Switzerland to the Eberhard Group for a total of 69 million euros.

These divestments are part of the Group's objective of 1 billion euros divestment plan in 2009.