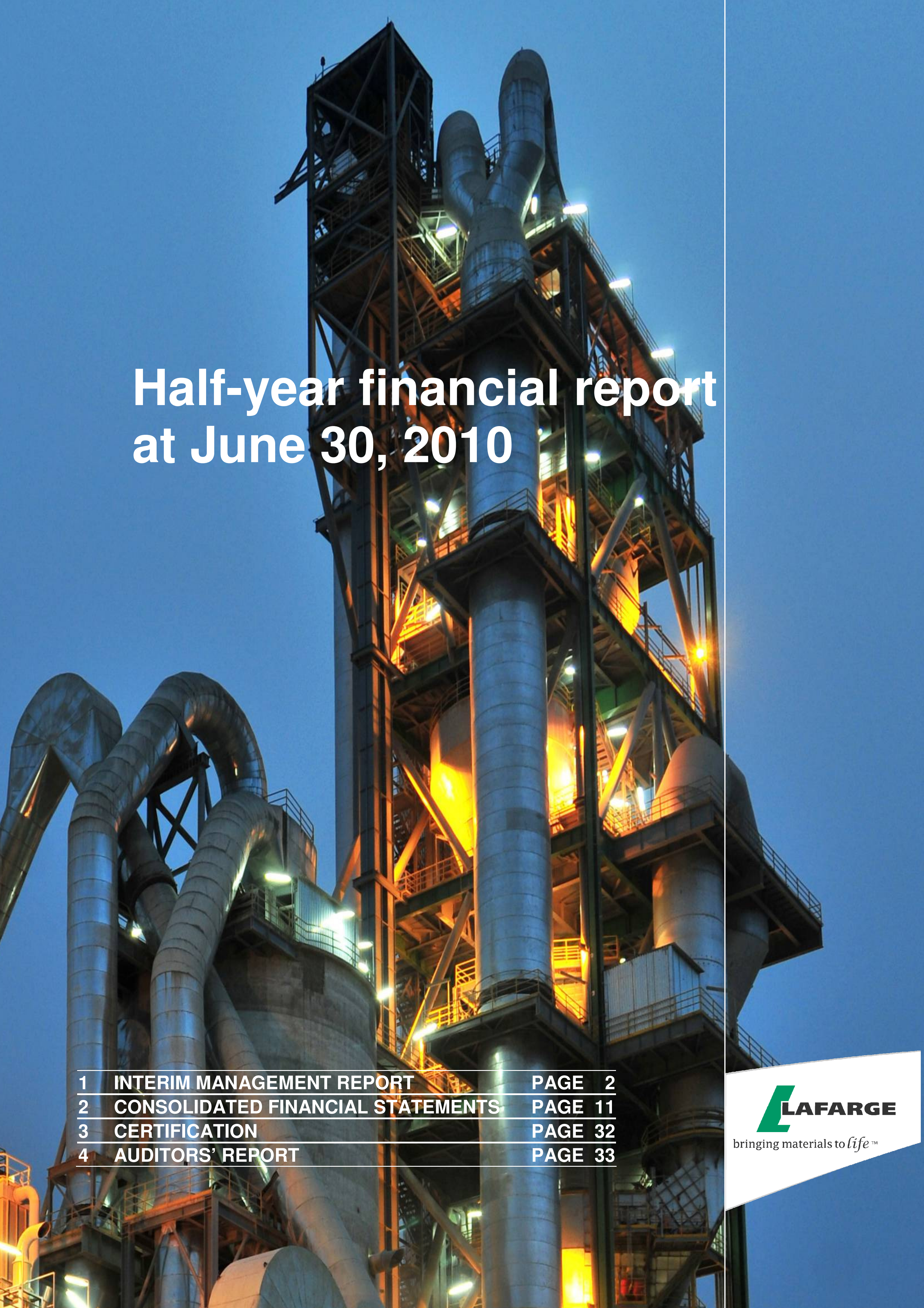

Half-year financial report at June 30, 2010

LAFARGE

bringing materials to *life* ™

The Board of Directors of Lafarge, chaired by Bruno Lafont, met on July 29, 2010 and approved the accounts at June 30, 2010. Further to their limited review of the condensed half-year consolidated financial statements of Lafarge, the auditors have established a report which is included in the half-year financial report.

This half-year interim management report should be read in conjunction with the consolidated financial statements for the half-year (including note 10 "Transactions with related parties") and the company's Annual Report (document de reference) for the fiscal year 2009 filed with the Autorité des Marchés Financiers on March 11, 2010 under number D.10-0104. Lafarge operates in a constantly evolving environment, which exposes the Group to risk factors and uncertainties in addition to the risk factors related to its operations. A detailed description of theses risk factors and uncertainties is included in chapter 2 "Risk factors" of the company's Annual Report. The materialization of theses risks could have a material adverse effect on our operations, our financial condition, our results, our prospects or our share price, particularly during the remaining six months of the fiscal year. There may be other risks that have not yet been identified or whose occurrence is not considered likely to have such a material adverse effect as of the date hereof.

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.

1. Consolidated key figures

Sales

(million euros)	6 months 2010	6 months 2009	% Variance	2nd quarter 2010	2nd quarter 2009	% Variance
By geographic area of destination						
Western Europe	2,203	2,390	-8%	1,227	1,283	-4%
North America	1,388	1,363	2%	938	830	13%
Middle East and Africa	1,978	2,148	-8%	1,039	1,100	-6%
Central and Eastern Europe	426	489	-13%	299	314	-5%
Latin America	374	418	-11%	200	211	-5%
Asia	1,343	1,183	14%	733	624	17%
By business line						
Cement	4,674	4,821	-3%	2,657	2,635	1%
Aggregates & Concrete	2,320	2,479	-6%	1,403	1,383	1%
Gypsum	715	685	4%	375	341	10%
Other	3	6	-50%	1	3	nm
TOTAL	***7,712***	***7,991***	***-3%***	***4,436***	***4,362***	***2%***

Current operating income

(million euros)	6 months 2010	6 months 2009	% Variance	2nd quarter 2010	2nd quarter 2009	% Variance
By geographic area of destination						
Western Europe	284	267	6%	238	187	27%
North America	(74)	(122)	nm (1)	72	29	148%
Middle East and Africa	494	607	-19%	263	331	-21%
Central and Eastern Europe	65	110	-41%	90	98	-8%
Latin America	89	74	20%	50	33	52%
Asia	214	195	10%	123	118	4%
By business line						
Cement	1,025	1,090	-6%	726	706	3%
Aggregates & Concrete	23	31	-26%	95	95	-
Gypsum	34	32	6%	24	15	60%
Other	(10)	(22)	nm	(9)	(20)	nm
TOTAL	***1,072***	***1,131***	***-5%***	***836***	***796***	***5%***

(1) Not meaningful

Other key figures

(million euros, except per share data)	6 months 2010	6 months 2009	% Variance	2nd quarter 2010	2nd quarter 2009	% Variance
Net income – Group share	393	370	6%	329	387	-15%
Excluding one-off items (1)	233	327	-29%	306	344	-11%
Earnings per share (in euros) (2)	1.37	1.51	-9%	1.15	1.45	-21%
Excluding one-off items (1) (2)	0.81	1.33	-39%	1.07	1.29	-17%
Free Cash Flow (3)	491	875	-44%	577	1,128	-49%
Net Debt	15,160	15,388	-1%			

(1) Excluding legal provision adjustments for the German cement case in Q2 2009 and the gain on the disposal of Cimpor shares in 2010

(2) Basic average number of shares increased in April 2009 due to the rights issue completed by the Group. Basic number of shares outstanding of 266.9M and 245.7M for the second quarter and first half ended June 2009, respectively, compared to 286.1M for both the second quarter and first half ended June 2010

(3) Defined as the net cash generated by operating activities less sustaining capital expenditures

2. Review of operations and financial results

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

Group highlights for the first half of 2010

- Increase in current operating income in the second quarter.
- Slower cement volumes decline between the first and second quarter.
- Growth of EBITDA margin for the Cement division of 110 basis points to 32.7% in the second quarter, stable year-to-date, despite lower volumes.
- Strong EBITDA margins in Middle East Africa region at 34.7% in second quarter, although operating results impacted by lower volumes in some markets.
- Achievement of €200 million total cost savings year-to-date, of which €120 million are structural.
- Impact of higher restructuring charges in 2010 on net income.
- Foreign exchange translation raising net debt by €1Bn compared to year-end.
- Strong cash and recent refinancing enhancing liquidity position.

Overview of operations: sales and current operating income

Consolidated sales and current operating income

The activity of the second quarter 2010 showed volume growth in North America, signs of stabilization in most mature countries, with the exception of Greece and Spain, and contrasted volume trends in emerging markets. This resulted in an increase in sales of 2% versus the second quarter 2009 from 4,362 million euros to 4,436 million euros. At constant scope and foreign exchange rates, sales decreased by 4% year-to-date (-8% in the first quarter, -2% in the second quarter). Cement prices remained firm in most countries, but could not offset the impact of declining volumes. For the first six months, net changes in the scope of consolidation had a negative impact on our sales of 3%, reflecting the disposal of our Chilean and Turkish operations (respectively in August and December 2009) and the divestiture of aggregates and concrete assets in North America (mostly in June 2009). Currency fluctuations were favorable (+4% year-to-date and +6% in the second quarter), reflecting the impact of the progressive depreciation of the euro against most major currencies, among which the most significant impacts were the appreciation of the Canadian dollar, the South African rand, the Brazilian real, the Polish zloty and some Asian currencies (Korean won, Malaysian ringit, Indian rupee).

Year-to-date, the current operating income decreased by 9% at constant scope and foreign exchange rates and witnessed significant improvement between the first quarter (- 30%) and the second quarter (flat). The results reflect the improvement of mature markets from historically low levels of activity, tight cost management, and lower volumes in certain emerging markets.

Our Cement division derived 80% of its current operating income from emerging countries, where market demand was generally good outside Central and Eastern Europe. Nevertheless, a few countries recorded lower volumes. In mature markets, volume trends stabilized in Western Europe, except for Greece and Spain, and grew in North America. Our Aggregates and Concrete division benefited from improved market trends for aggregates in North America, while the rest of the markets experienced contrasted trends. The Gypsum division experienced increased volumes overall, with particularly positive market trends seen in Asia.

Sales and Current operating income by segment

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

Cement

(million euros)	6 months 2010	6 months 2009	6 months % Variation	6 months % Change at constant scope and exchange rates	2nd quarter 2010	2nd quarter 2009	2nd quarter % Variation	2nd quarter % Change at constant scope and exchange rates
Sales before elimination of interdivisional sales	4,963	5,145	-4%	-5%	2,826	2,810	1%	-4%
Current operating income	1,025	1,090	-6%	-9%	726	706	3%	-2%

After the tough weather conditions in the first quarter, volume trends grew in most of the mature markets, with the exception of Greece and Spain, whose economies continue to be more negatively impacted by the economic crisis. In emerging countries, our volumes were negatively affected by market downturn in Eastern Europe, new capacities entering some markets and work stoppages in Algeria.
Given the strong exposure of our cement activities to non-euro areas and the current depreciation of the euro against many of these currencies, foreign exchange had a significant positive impact on our sales, particularly in the second quarter (+3% year-to-date and +6% on the second quarter sales). The disposals of our Chilean and Turkish activities in 2009 impacted the sales comparison by -2% for the first-half 2010.

WESTERN EUROPE

Sales: ***€ 968 million at end of June 2010 (€ 1,068 million in 2009)***
€ 560 million in the second quarter of 2010 (€ 593 million in 2009)

Current operating income: ***€ 223 million at end of June 2010 (€ 214 million in 2009)***
€ 187 million in the second quarter of 2010 (€ 150 million in 2009)

At constant scope and exchange rates, domestic sales decreased by 10% in the first semester (-15% in the first quarter and -6% in the second quarter). Positive volume trends experienced in UK, Germany and, to a lesser extent, in France during the second quarter were offset by volume declines in Spain and Greece leading to sales contraction. Prices were slightly below the level of the first semester 2009, but were stable when compared to fourth quarter 2009. The increase in current operating income of 4% for the first-half (25% in the second quarter) was led by strong cost control measures and lower energy costs and further helped by higher carbon credit sales (58 million euros for the first half 2010, 24 million euros higher than last year).

NORTH AMERICA

Sales: ***€ 570 million at end of June 2010 (€ 547 million in 2009)***
€ 385 million in the second quarter of 2010 (€ 336 million in 2009)

Current operating income: ***€ -15 million at end of June 2010 (€ -48 million in 2009)***
€ 42 million in the second quarter of 2010 (€ 13 million in 2009)

At constant scope and exchange rates, domestic sales decreased by 1% in the first semester (-12% in the first quarter and +6% in the second quarter). After the tough weather conditions of the first quarter, domestic sales increased in the second quarter, driven by volume growth both in the United States and Canada. The price increases in Canada partly mitigated the lower prices in the United States. Volume recovery, favourable fuel prices and continued cost cutting measures drove the strong improvement of the current operating income in the second quarter and led to a significantly lower loss year-to-date.

EMERGING MARKETS

Sales:	***€ 3,425 million at end of June 2010 (€ 3,530 million in 2009)*** ***€ 1,881 million in the second quarter of 2010 (€ 1,881 million in 2009)***
Current operating income:	***€ 817 million at end of June 2010 (€ 924 million in 2009)*** ***€ 497 million in the second quarter of 2010 (€ 543 million in 2009)***

In the Middle East and Africa region, domestic sales at constant scope and exchange rates decreased by 8% (- 10% in the second quarter). Nigeria and Morocco's volume trends improved into the second quarter and Iraq benefited from solid market trends for the full first-half. In Algeria, where the market remains strong, work stoppages prevented us from fully capturing this increased cement demand. In Egypt, while market fundamentals remained solid, a price increase advanced by the Group for the early part of the second quarter resulted in lower volumes for us during this period. After readjusting to the market conditions in June, our volume trends began to recover with pricing in line with last year June levels. Lastly, our sales continued to be negatively impacted by new capacities entering Jordan and Kenya. Prices remained solid overall, with Iraqi prices moving slightly higher than late 2009 levels. At constant scope and exchange rates, current operating income decreased by 18% to 472 million euros year-to-date, reflecting the impact of lower volumes and the base effect of Iraqi prices.

In Central and Eastern Europe our domestic sales at constant scope and exchange rates declined by 19% year-to date. Despite some lower rates of declines (-35% in the first quarter, -11% in the second quarter), our sales were strongly affected in the first half of the year by lower economic activity and adverse weather conditions. Poland showed the most positive volume trends within the region, with volumes stabilizing during the second quarter 2010. In Russia, volumes declined but at a slower rate in the second quarter. Overall, prices were slightly below the price levels observed in the first semester 2009, notably in Russia and Poland. Current operating income decreased by 39% at constant scope and exchange rates (-10% in the second quarter), reflecting the lower volumes and prices. Second quarter operating margins did stabilize due to strong cost cutting measures and higher sales of carbon credits (sales of carbon credits were 22 million euros in the first half 2010, a 5 million euros increase from first-half last year).

In Latin America, at constant scope and exchange rates, domestic sales grew by 4% (5% in the second quarter) and the current operating income increased by 16% (+30% in the second quarter). Positive market trends in Brazil, price improvement in most countries, and strong cost cutting measures contributed to this positive performance.

In Asia, domestic sales were up 3% (6% in the first quarter and 1% in the second quarter) at constant scope and exchange rates. In China, the positive effect of higher prices and volumes in Yunnan was offset by lower prices in Chonqing and Sichuan due to increased capacities in these regions. This decrease in sales, combined with higher energy costs, lowered the current operating income. India continued to benefit from solid market growth in the Northeast region despite shortages of railway wagons; price increases were driven by the increase in input costs and in excise duties. In Indonesia, the new Aceh plant started up as a grinding station in a first step, allowing us to capture market growth, and in Philippines, our volumes benefited from very positive market trends in a context of a higher selling price and contained costs. Overall, at constant scope and exchange rates, the current operating income decreased by 9% in the second quarter, but increased 1% year-to-date.

Aggregates & Concrete

(million euros)	6 months 2010	6 months 2009	% Variation	% Change at constant scope and exchange rates	2nd quarter 2010	2nd quarter 2009	% Variation	% Change at constant scope and exchange rates
Sales before elimination of interdivisional sales	2,321	2,481	-6%	-5%	1,403	1,384	1%	1%
Current operating income	23	31	-26%	-45%	95	95	-	-4%

At constant scope and exchange rates, Aggregates and Concrete sales decreased by 5% year-to-date, but increased 1% in the second quarter, benefiting from improved volume trends in North America. The 2009 divestiture of our Chilean activities and some operations in North America had a negative impact on our sales of 6%, but this effect was almost offset by a positive effect of foreign exchange fluctuations (+5% year-to date, +6% in the second quarter), mostly reflecting the appreciation of the Canadian dollar and the South African rand.

AGGREGATES AND OTHER RELATED PRODUCTS

Sales: ***€ 1,080 million at end of June 2010 (€ 1,093 million in 2009)***
€ 691 million in the second quarter of 2010 (€ 649 million in 2009)

Current operating income: ***€ 15 million at end of June 2010 (€ -8 million in 2009)***
€ 67 million in the second quarter of 2010 (€ 58 million in 2009)

Pure aggregates sales stabilized year-to-date due to improved volumes in the second quarter. Asphalt and Paving activity returned to positive market trends in the second quarter, with double digit organic growth. Our operating margins improved, helped by higher volumes and continuous tight cost control.

In Western Europe, the UK market continued to improve on the back of major infrastructure projects. France also experienced positive volume trends in the second quarter. By contrast, Spain and Greece continued to suffer from the financial crisis and reduction of public spending. Overall, prices were slightly down, mostly due to Spain, but higher volumes and tight cost control drove current operating income improvement.

In North America, our activities benefited from higher infrastructures spending in the United States and Canada volumes continued to improve due to stimulus packages. Firm prices overall, tight cost and particularly good Canadian performance drove current income improvement.

Elsewhere in the world, results declined slightly, mainly reflecting still soft markets in Central and Eastern Europe and the end of major projects in the Durban area in South Africa.

CONCRETE AND OTHER RELATED PRODUCTS

Sales: ***€ 1,411 million at end of June 2010 (€ 1,552 million in 2009)***
€ 811 million in the second quarter of 2010 (€ 827 million in 2009)

Current operating income: ***€ 8 million at end of June 2010 (€ 39 million in 2009)***
€ 28 million in the second quarter of 2010 (€ 37 million in 2009)

Contraction in volumes in most countries, although at slower rates of decline in the second quarter, and lower prices led to the decline in results, despite progress of the share of our value-added products at constant scope and strict cost control.

In Western Europe, ready-mix concrete volumes continued to grow in the UK throughout the first-half, and volumes stabilized in France. In other parts of Western Europe, still depressed market conditions drove volume declines. Prices slightly decreased, mostly in Spain and in the UK, partially due to product mix.

In North America, volumes were flat year-to-date, but showed positive trends in the second quarter, notably due to increased institutional and commercial works in East Canada and gradual improvement of the residential demand in East US.

Elsewhere in the world, current operating income declined over last year, despite contrasted trends across the countries, mainly driven by adverse market conditions in Central and Eastern Europe and the end of major projects in South Africa.

Gypsum

(million euros)	6 months 2010	2009	% Variation	% Change at constant scope and exchange rates	2nd quarter 2010	2009	% Variation	% Change at constant scope and exchange rates
Sales before elimination of interdivisional sales	725	696	4%	0%	381	347	10%	4%
Current operating income	34	32	6%	1%	24	15	60%	53%

Sales increased by 4%, mostly related to favourable currency fluctuations impact. At constant scope and exchange rates, sales were flat year-to-date, but increased by 4% in the second quarter, mostly driven by positive market conditions in Asia.

At constant scope and exchange rates, current operating income improved, notably in the second quarter, due to an increase in volumes and a tight cost control, and despite the negative impact of lower selling prices compared to the first half 2009.

Other income statement items

Other elements of the operating income ***€ -110 million at end of June 2010 (€ -2 million in 2009)***
€ -69 million in the second quarter of 2010 (€ 29 million in 2009)

Other elements of the operating income primarily reflect the impact of disposals, impairments, restructuring, and legal actions. In the first half of 2010, net gains on disposals were 45 million euros compared to 46 million euros in 2009. Other operating expenses were 155 million euros versus 48 million euros in 2009. Other operating expenses were lowered in 2009 by a provision reversal of 43 million euros following the decision of the Court in Düsseldorf in the 2002 German cement case to reduce the competition fine imposed on the Group. In the first half 2010, the Group recorded closure and impairment costs of a paper plant in Sweden, the impairment of assets located in Western Europe and South Korea due to the impact of the economic environment, and restructuring costs in various locations.

Finance costs ***€ 283 million at end of June 2010 (€ 456 million in 2009)***
€ 200 million in the second quarter of 2010 (€ 205 million in 2009)

Financial expenses on net indebtedness decreased to 372 million euros in the first half of 2010, compared with 391 million euros in the first half of 2009, mainly reflecting the decrease in the net debt versus the first half of 2009.

The average interest rate on our gross debt was 5.2% during the first half of 2010 as compared to 5.0% in the first half of 2009.

Foreign exchange resulted in a loss of 34 million euros in the first half 2010 (loss of 5 million euros in 2009), mostly relating to loans and debts denominated in currencies for which no hedging market is available.

Other finance costs and income include the gain of the disposal of Cimpor shares for 160 million euros (including the 23 million euros dividend received in the second quarter). Excluding this one-off item, other financial costs decreased to 37 million euros, compared to 60 million euros in the first half of 2009, due to the negative impact in 2009 of the accelerated amortization of syndication costs on the Orascom credit line following early reimbursement of tranches A1 and A2.

Income tax ***€ 157 million at end of June 2010 (€ 135 million in 2009)***
€ 156 million in the second quarter of 2010 (€ 124 million in 2009)

The effective tax rate increased to 23.1% in 2010 from 20.1% in 2009, mostly reflecting the progressive withdrawal of temporary tax holidays, partly offset by the non taxable gain on the disposal of Cimpor shares.

Non-controlling interests ***€ 116 million at end of June 2010 (€ 163 million in 2009)***
€ 66 million in the second quarter of 2010 (€ 103 million in 2009)

Non-controlling interests in the first half of 2010 declined compared to the first half of 2009, mostly due to the impact of lower earnings in Jordan, Egypt and Central and Eastern Europe region.

Net income, Group share [1] ***€ 393 million at end of June 2010 (€ 370 million in 2009)***
€ 329 million in the second quarter of 2010 (€ 387 million in 2009)

Adjusted for the legal provision adjustment for the German cement case in the second quarter of 2009 and the gain on the disposal of Cimpor shares in 2010, net income decreased by 29% for the first half of the year and by -11% for the second quarter, partially reflecting the impact of lower volumes in some countries but also the improvement of mature markets from historically low levels of activity in the second quarter.

Earnings per share ***€ 1.37 at end of June 2010 (€ 1.51 in 2009)***
€ 1.15 in the second quarter of 2010 (€ 1.45 in 2009)

Adjusted for the reversal of the provision on the German cement case in the second quarter of 2009 and the gain on the disposal of Cimpor shares for 160 million euros in 2010, earnings per share decreased by 39% for the first half of the year, reflecting the decrease in the adjusted net income and the full impact of the April 2009 rights issue on the average number of shares.

[1] *Net income/loss attributable to the owners of the parent company*

Cash flow statement

Net cash provided by operating activities in the first half was € 607 million in the first half of 2010 (€ 1,010 million at the end of June 2009).

This reduction primarily reflects the evolution of the change in working capital. In 2009, the strong reduction between December 2008 and June 2009 of our working capital expressed in number of days of sales totally offset the usual increase of our working capital between December and June, which reflects the seasonality of our sales. In the first half of 2010, we pursued our actions to optimize our working capital that further decreased when expressed as a number of sales days at the end of June but to a lesser extent as it compared to an already optimized level in December 2009. This improvement only partly offset the impact of the usual seasonality of our sales.

Net cash used in investing activities amounted to € 696 million (€ 735 million in the first half of 2009).

Sustaining capital expenditures declined 14% to 116 million euros in the first half 2010 compared to 135 million euros in the first half of 2009.

Capital expenditures for the building of new capacity decreased to 550 million euros from 682 million euros in the first half of 2009, and reflect mainly major cement projects such as the extension of our capacities in Eastern India, China, Poland, Uganda and Nigeria, the reconstruction of our Aceh plant in Indonesia and the investments in new capacities in Syria and Saudi Arabia.

Disposals of 105 million euros (179 million euros in the first half of 2009) were mainly related to sale of several industrial assets and lands.

Statement of financial position

At June 30, 2010 total equity stood at € 18,616 million (€ 16,800 million at the end of December 2009) **and net debt at € 15,160 million** (€ 13,795 million at the end of December 2009).

The increase in equity mostly reflects the non cash impact of translating our foreign subsidiaries net assets into euros given the appreciation of most of the currencies against euro (2.3 billion euros), the net income for the period (0.5 billion euros), partly offset by the impact of approved dividends (-0.8 billion euros).

Compared to December 31, 2009, the increase of 1.4 billion euros of the net consolidated debt results mostly result from the negative translation impact (1.0 billion euros) coming primarily from the appreciation of the US dollar and the British pound against the euro during the period. Additionally, the net cash provided by operating activities and by divestments was offset by capital expenditures and dividends paid to non-controlling interests.

Outlook for 2010

Based on demand trends seen through the second quarter, the Group has reduced its growth estimates in its markets and expects cement demand to be between -1 to +3 percent in 2010 as compared to 2009.

Based on second quarter activity, we have lowered our full year volume estimates for Western and Eastern Europe and increased our volume estimates for North America.
Continued market growth is expected in the Asia, Latin America and Middle East Africa regions.
Due to supply-demand evolution in some countries, volume trends for the Group may temporarily be impacted and we are taking action to mitigate the impact of these situations.

Structural 2010 cost savings should exceed our target of 200 million euros for the year.
Pricing is expected to remain solid through the year, despite lower prices in some markets.

The Group takes additional actions for 2011 to further reduce its debt level, including a new target of more than 200 million euros structural cost savings and the reduction of capital expenditures to no more than 1 billion euros.

This document 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.

Consolidated financial statements

Consolidated statements of income

(million euros, unless otherwise indicated)	6 months 2010	6 months 2009	2nd quarter 2010	2nd quarter 2009	December 31, 2009
Revenue	**7,712**	**7,991**	**4,436**	**4,362**	**15,884**
Cost of sales	(5,815)	(6,014)	(3,179)	(3,136)	(11,707)
Selling and administrative expenses	(825)	(846)	(421)	(430)	(1,700)
Operating income before capital gains, impairment, restructuring and other	**1,072**	**1,131**	**836**	**796**	**2,477**
Gains on disposals, net	45	46	25	40	103
Other operating income (expenses)	(155)	(48)	(94)	(11)	(330)
Operating income	**962**	**1,129**	**767**	**825**	**2,250**
Finance costs	(547)	(589)	(290)	(263)	(1,136)
Finance income	264	133	90	58	210
Income from associates	(13)	(5)	(16)	(6)	(18)
Income before income tax	**666**	**668**	**551**	**614**	**1,306**
Income tax	(157)	(135)	(156)	(124)	(260)
Net income	**509**	**533**	**395**	**490**	**1,046**
Out of which part attributable to:					
- Owners of the parent of the Group	**393**	**370**	**329**	**387**	**736**
- Non-controlling interests	116	163	66	103	310
Earnings per share					
Net income - attributable to the owners of the parent company:					
- Basic earnings per share	1.37	1.51	1.15	1.45	2.77
- Diluted earnings per share	1.37	1.50	1.15	1.45	2.77
Basic average number of shares outstanding (in thousands)	**286,084**	**245,734**	**286,084**	**266,951**	**265,547**

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

Consolidated statement of comprehensive income

(million euros)	6 months 2010	6 months 2009	2nd quarter 2010	2nd quarter 2009	December 31, 2009
Net income	**509**	**533**	**395**	**490**	**1,046**
Available for sale investments	(138)	215	-	176	381
Cash-flow hedge instruments	-	15	(3)	22	32
Actuarial gains / (losses)	(115)	(369)	(86)	(285)	(174)
Currency translation adjustments	2,313	(194)	1,143	(522)	(77)
Income tax on other comprehensive income	36	95	29	71	-
Other comprehensive income for the period, net of income tax	**2,096**	**(238)**	**1,083**	**(538)**	**162**
Total comprehensive income for the period	**2,605**	**295**	**1,478**	**(48)**	**1,208**
Out of which part attributable to:					
- Owners of the parent of the Group	*2,266*	*177*	1,304	(81)	*937*
- Non-controlling interests	*339*	*118*	174	33	*271*

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

Available-for-sale investments

The unrealized gain on the shares of Cimentos de Portugal (CIMPOR), which amounts to 148 million euros, has been transferred to the consolidated statements of income further to the sale of this asset *(see Notes 3 and 7)*.

Actuarial gains / (losses)

The evolution of the Group's net position on pension obligations resulted in an actuarial loss of 115 million euros in equity (loss of 80 million euros net of tax effect) during the first six months of 2010, which essentially arises from the defined benefit pension plans in the United-States and in Canada. The actuarial losses on these plans result notably from the impact of lower discount rates on the pension obligations.

Currency translation adjustments

Change in cumulative exchange differences on translating foreign operations from January 1, 2010 to June 30, 2010 (closing rate) comprises 1,096 million euros due to the appreciation of the Algerian dinar, the Egyptian pound, the US dollar and the Malaysian ringgit compared to the euro currency.

Consolidated statement of financial position

(million euros)	At June 30, 2010	At June 30, 2009	At December 31, 2009
ASSETS			
NON CURRENT ASSETS	**36,479**	**33,137**	**32,857**
Goodwill	14,667	13,321	13,249
Intangible assets	1,437	615	632
Property, plant and equipment	18,500	16,880	16,699
Investments in associates	372	469	335
Other financial assets	1,004	1,415	1,591
Derivative instruments - assets	88	64	43
Deferred income tax assets	411	373	308
CURRENT ASSETS	**8,244**	**7,264**	**6,640**
Inventories	1,883	1,941	1,702
Trade receivables	2,414	2,387	1,686
Other receivables	1,056	1,089	1,008
Derivative instruments - assets	118	101	24
Cash and cash equivalents	2,773	1,746	2,220
TOTAL ASSETS	**44,723**	**40,401**	**39,497**
EQUITY & LIABILITIES			
Common stock	1,146	1,141	1,146
Additional paid-in capital	9,629	9,580	9,620
Treasury shares	(26)	(27)	(27)
Retained earnings	5,365	5,189	5,555
Other reserves	(587)	(657)	(370)
Foreign currency translation	1,143	(1,054)	(947)
Equity attributable to owners of the parent company	**16,670**	**14,172**	**14,977**
Non-controlling interests	1,946	1,700	1,823
EQUITY	**18,616**	**15,872**	**16,800**
NON CURRENT LIABILITIES	**17,865**	**18,520**	**16,652**
Deferred income tax liability	932	864	887
Pension & other employee benefits liabilities	1,302	1,347	1,069
Provisions	633	1,002	939
Long-term debt	14,867	15,267	13,712
Derivative instruments - liabilities	131	40	45
CURRENT LIABILITIES	**8,242**	**6,009**	**6,045**
Pension & other employee benefits liabilities	124	58	109
Provisions	166	121	136
Trade payables	2,050	1,770	1,652
Other payables	2,477	1,907	1,630
Income tax payable	284	161	193
Short term debt and current portion of long-term debt	2,905	1,935	2,265
Derivative instruments - liabilities	236	57	60
TOTAL EQUITY AND LIABILITIES	**44,723**	**40,401**	**39,497**

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

Consolidated statements of cash flows

	6 months		2nd quarter		December 31,
(million euros)	**2010**	**2009**	**2010**	**2009**	**2009**
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Net income	**509**	**533**	**395**	**490**	**1,046**
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	578	569	298	283	1,123
Impairment losses	80	35	59	33	164
Income from associates	13	5	16	6	18
(Gains) on disposals, net	(46)	(46)	(26)	(40)	(103)
Finance costs (income)	283	456	200	205	926
Income taxes	157	135	156	124	260
Others, net (including dividends received from equity affiliates)	18	(30)	2	(12)	(57)
Change in operating working capital items, excluding financial expenses and income taxes (see analysis below)	(343)	95	(58)	406	1,029
Net operating cash generated before impacts of financial expenses and income taxes	**1,249**	**1,752**	**1,042**	**1,495**	**4,406**
Cash payments for financial expenses	(434)	(498)	(301)	(207)	(827)
Cash payments for income taxes	(208)	(244)	(93)	(100)	(373)
Net cash used in operating activities	**607**	**1,010**	**648**	**1,188**	**3,206**
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES					
Capital expenditures	(679)	(842)	(314)	(433)	(1,645)
Investment in subsidiaries and joint ventures [1]	(14)	(21)	(13)	(13)	(29)
Investment in associates	(1)	(4)	(1)	(2)	(10)
Investment in available for sale investments	(24)	(17)	(6)	(12)	(35)
Disposals [2]	105	179	69	163	760
Net decrease in long-term receivables	(83)	(30)	(49)	(27)	(115)
Net cash provided by (used in) investing activities	**(696)**	**(735)**	**(314)**	**(324)**	**(1,074)**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES					
Proceeds from issuance of common stock	13	1,447	6	1,447	1,448
Non-controlling interests' share in capital increase/(decrease) of subsidiaries	-	-	-	-	86
(Increase) / Decrease in treasury shares	-	-	-	-	-
Dividends paid	-	-	-	-	(393)
Dividends paid by subsidiaries to non-controlling interests	(210)	(103)	(190)	(95)	(143)
Proceeds from issuance of long-term debt	804	2,671	266	2,235	4,495
Repayment of long-term debt	(240)	(4,091)	4	(3,957)	(6,829)
Increase (decrease) in short-term debt	109	(32)	132	(72)	(153)
Net cash provided by (used in) financing activities	**476**	**(108)**	**218**	**(442)**	**(1,489)**

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

	6 months		2nd quarter		December 31,
(million euros)	2010	2009	2010	2009	2009
Increase / (decrease) in cash and cash equivalents	**387**	**167**	**552**	**422**	**643**
Net effect of foreign currency translation on cash and cash equivalents and other non monetary impacts	166	(12)	68	(32)	(14)
Cash and cash equivalents at beginning of year	2,220	1,591	2,153	1,356	1,591
Cash and cash equivalents at end of the year	**2,773**	**1,746**	**2,773**	**1,746**	**2,220**
(1) Net of cash and cash equivalents of companies acquired	*-*	*-*	*-*	*(236)*	*3*
(2) Net of cash and cash equivalents of companies disposed of	*2*	*37*	*-*	*37*	*54*
SUPPLEMENTAL DISCLOSURES					
Analysis of changes in operating working capital items	**(343)**	**95**	**(58)**	**406**	**1,029**
(Increase) / decrease in inventories	(16)	247	30	255	433
(Increase) / decrease in trade receivables	(507)	(56)	(375)	(179)	562
(Increase) / decrease in other receivables – excluding financial and income taxes receivables	44	286	74	327	361
Increase / (decrease) in trade payables	161	(147)	171	101	(236)
Increase / (decrease) in other payables – excluding financial, income taxes payables and in 2010 the debt relating to the European Commission fine (See Note 8)	(25)	(235)	42	(98)	(91)

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

Consolidated statements 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, 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						*370*	*(44)*	*(149)*	***177***	*118*	***295***
Dividends						(393)			**(393)**	(110)	**(503)**
Issuance of common stock	*90,109,164*		360	1,105					**1,465**		**1,465**
Issuance of common stock (exercise of stock options)	-								**-**		**-**
Share based payments				13					**13**		**13**
Treasury shares		*(56,645)*			13	(13)			**-**		**-**
Other movements – non-controlling interests									**-**	(33)	**(33)**
Balance at June 30, 2009	***285,345,698***	***380,148***	**1,141**	**9,580**	**(27)**	**5,189**	**(657)**	**(1,054)**	**14,172**	**1,700**	**15,872**
Balance at January 1, 2010	***286,453,316***	***380,148***	**1,146**	**9,620**	**(27)**	**5,555**	**(370)**	**(947)**	**14,977**	**1,823**	**16,800**
Total comprehensive income for the period						*393*	*(217)*	*2,090*	***2,266***	*339*	***2,605***
Dividends						(575)			**(575)**	(227)	**(802)**
Issuance of common stock (exercise of stock options)	*463*								**-**		**-**
Share based payments				9					**9**		**9**
Treasury shares		*(16,470)*			1	(8)			**(7)**		**(7)**
Other movements – non-controlling interests									**-**	11	**11**
Balance at June 30, 2010	***286,453,779***	***363,678***	**1,146**	**9,629**	**(26)**	**5,365**	**(587)**	**1,143**	**16,670**	**1,946**	**18,616**

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

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 July 29, 2010.

Note 2. Summary of significant accounting policies

2.1 – Consolidated interim financial statements

The Group interim condensed consolidated financial statements at June 30, 2010 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 2009 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 June 30, 2010 and available on http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

These accounting policies are consistent with the ones applied by the Group at December 31, 2009 and described in the Note 2 of the 2009 Annual Report except for the points presented in paragraph 2.2 New IFRS standards and interpretations – infra.

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.

In addition, within the framework of the current context of economic crisis, the Group performed as at June 30, 2010, a review of indicators of impairment relating to goodwill allocated to Cash Generating Units. This review did not highlight any impairment situation as at June 30, 2010.

2.2 – New IFRS standards and interpretations

Application of the revised standards IFRS 3 and IAS 27 from January 1st, 2010

The IFRS 3 – Business Combinations – and IAS 27 – Consolidated and Separate Financial Statements – revised standards were published by the IASB on January 10, 2008 and adopted by the European Union on June 3, 2009 are effective from January 1st, 2010.

Accounting principles applicable from now for transactions within the scope of these standards are described hereafter.
The revised standards IFRS 3 and IAS 27 are applied prospectively. Deals completed prior to January 1st, 2010 are not restated.
Business combinations completed prior January 1st, 2010, were accounted for in accordance with the principles described in the Note 2.5 – Business combinations, related goodwill and intangible assets - to the notes of the Group consolidated financial statements of the 2009 Annual Report (page F 14).

Business combinations completed from January 1st, 2010

Business combinations are accounted for using the acquisition method. Under this method:

- the identifiable assets acquired and liabilities assumed are measured at fair value at the acquisition date,
- the non-controlling interests are measured either at fair value or at the non-controlling interests' proportionate share in the acquiree's net identifiable assets. This option is available on a transaction-by-transaction basis.

Acquisition costs are expensed and are presented in the consolidated statements of income on the line "Other operating income (expenses)".

Any contingent consideration assumed in a business combination is measured at fair value at the acquisition date even if it is not probable that an outflow of resources will be required to settle the obligation. After acquisition date, the contingent consideration is re-valued at fair value at each reporting closing. Subsequent changes to the fair value of the contingent consideration beyond one year from the acquisition date will be recognized in the statement of income if the contingent consideration is a financial liability.

At the acquisition date, the goodwill is measured as the difference between:

- the fair value of the consideration transferred, plus the amount of any non-controlling interests in the acquiree, and in a business combination achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree, accordingly re-valuated through the statements of income; and
- the net fair value of the identifiable assets acquired and the liabilities assumed on the acquisition date.

After initial recognition, the goodwill is measured at cost less any accumulated impairment losses.

Acquisition of additional interests in a controlled subsidiary

In the event of the acquisition of additional interests in a controlled subsidiary, the difference between the acquisition cost and the carrying amount of the non-controlling interests acquired is recognised directly in equity and attributed to the owners of the parent company with no change in the consolidated carrying amount of the subsidiary's net assets and liabilities including goodwill.

Partial disposal of interests without loss of control

In the event of the partial disposal of interests of a controlled subsidiary without any change on the control exercised over this entity, the difference between consideration received and the carrying amount of the interests disposed of is recognised directly in equity and attributed to the owners of the parent company with no change in the consolidated carrying amount of the subsidiary's net assets and liabilities including goodwill.

Disposal of interests with loss of control

The loss of control triggers the recognition of a gain (loss) on disposal determined on both shares sold and retained at transaction date.
Any investment retained is accordingly measured at its fair value through the statements of income upon the date the control is lost.

Other IFRS standards and IFRIC interpretations applicable from January 1st, 2010

The new IFRS and interpretations effective from January 1st, 2010, listed in the Note 2.1 – Basis of preparation and Note 2.27 – Accounting pronouncements not yet effective – to the notes of the Group consolidated financial statements of the 2009 Annual Report (page F 11 and F 22), had no material impact on the Group interim condensed consolidated financial statements at June 30, 2010.

Since the publication of the Annual Report 2009, the European Union has adopted the following standards. These standards have no impact on the Group consolidated financial statements:

- Improvements to IFRS (applicable in January 1st, 2010)
- Amended IFRS 1 – Additional Exemptions for First-Time Adopters (applicable in January 1st, 2010)
- Amended IFRS 1 – Limited Exemption from Comparative IFRS 7 Disclosures for First-Time Adopters (applicable for financial periods beginning on or after July 1st, 2010)
- Amended IFRS 2 – Group Cash-settled Share-based Payment Transactions (applicable in January 1st, 2010)
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments (applicable for financial periods beginning on or after July 1st, 2010)

Early application of standards

The Group has not early adopted standards and interpretations that are not yet mandatorily effective.

Accounting pronouncements not yet effective (not yet endorsed by European Union)

- Improvements to IFRS (applicable depending on Standards for financial periods beginning on or after July 1st, 2010 or January 1st, 2011).

2.3 – 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 Europe and North America, and an increase in sales in the second and third quarters, reflecting the summer construction season.

Note 3. Significant events of the period

3.1 Disposal Cimentos de Portugal (CIMPOR)

The Group sold early in February 2010 its 17.28% stake in Cimpor to Votorantim in exchange for cement operations of Votorantim in Brazil and the dividends paid by Cimpor related to its 2009 year-end.

As at June 30, 2010, the right to receive these operations, which have been transferred July 19, 2010 *(see Note 11)*, is reflected on the line "Intangible assets" of the consolidated statement of financial position for an amount of 755 million euros. This amount corresponds to the value of the cement operations to be received from Votorantim and evaluates our sold Cimpor stake at 6.5 euros per share, which moreover equals the price for which the Portuguese constructor Teixeira Duarte sold its 22.17% Cimpor stake in mid-February 2010 to the Brazilian conglomerate Camargo Correa.

Based on the above and taking into account the 23 million euros dividends paid by Cimpor during the second quarter of 2010, this transaction generated a non taxable gain of 160 million euros, net of related costs, which is reflected on the line "Finance income" of the consolidated statements of income since the Cimpor investment was an available-for-sale financial asset.

The date on which Lafarge obtains control (acquisition date) July 19, 2010, will be the initial accounting date for the cement operations transferred to the Group by Votorantim, which notably comprise two grinding stations, one cement plant, slag supply contracts and clinker supply to grinding stations. These operations have been gathered at this date in a newly created brazilian company called SPC. Given the short lapse of time with the publication date of its consolidated interim financial statements, the Group has not, at this stage made a detailed review of SPC's accounts which would serve as the basis for determining the fair value of assets acquired and liabilities assumed and measuring the contingent liabilities attributable to SPC. The evaluation of identifiable purchased assets, liabilities and contingent liabilities assumed, as defined by the revised standard IFRS 3 – Business Combinations, requires experts' appraisals (internal and external), which is currently in progress at the present date. As a result, the purchase price allocation exercise and the recognition of the related goodwill will be finalized at the latest within the 12 months of the acquisition date.

3.2 Bonds issue

In April 2010, Lafarge placed under its EMTN program a 500 million euros bond with a 8-year maturity and a fixed annual coupon of 5.0%. The proceeds of this transaction will refinance a bond maturing in July 2010 for the same amount *(see Note 6)*.

3.3 Litigations

On June 17, 2010, the European Union Court of Justice rejected Lafarge's appeal against 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. The payment of the fine and accrued interest (additional provisions were recorded in each of our annual financial statements since 2003 in relation to the accrued interests) was made on July 23, 2010, for a total amount of 338 million euros *(see Note 8)*. This amount was fully reserved. It is reflected as at June 30, 2010 on the line "Other payables" of the consolidated statement of financial position, since it has no more at this date the characteristics of a provision.

Note 4. Business segment and geographic area information

In accordance with IFRS 8, Operating segments, the information presented hereafter by operating segment is the same as that reported to the Chief Operating Decision Maker (the Chief Executive Officer) for the purposes of making decisions about allocating resources to the segment and assessing its performance.

The Group operates in three operating segments (Cement, Aggregates & Concrete and Gypsum), defined as business segments, 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, relating to paving activities, other products and services.
- 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.

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 2009 annual report.

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

For the geographical information, the revenue is presented by region or country of destination of the revenue.

(a) Segment information

June 30, 2010 *(million euros)*	Cement	Aggregates & Concrete	Gypsum	Other	Total
Statement of income					
Gross revenue	4,963	2,321	725	2	8,011
Less: intersegment	(289)	(1)	(10)	1	(299)
Revenue	**4,674**	**2,320**	**715**	**3**	**7,712**
Operating income before capital gains, impairment, restructuring and other	1,025	23	34	(10)	1,072
Gains on disposals, net	43	1	-	1	45
Other operating income (expenses)	(99)	(14)	(37)	(5)	(155)
Including impairment on assets and goodwill	*(58)*	*(6)*	*(16)*	-	*(80)*
Operating income	**969**	**10**	**(3)**	**(14)**	**962**
Finance costs					(547)
Finance income					264
Income from associates	(14)	3	(2)	-	(13)
Income taxes					(157)
Net income					**509**
Other information					
Depreciation and amortization	(383)	(129)	(42)	(24)	(578)
Other segment non cash income (expenses) of operating income	(82)	5	(30)	3	(104)
Capital expenditures	556	71	32	20	679
Capital employed	28,535	5,764	1,579	(360)	35,518
Balance Sheet					
Segment assets	32,796	7,117	2,006	2,187	44,106
Of which investments in associates	*198*	*37*	*131*	*6*	*372*
Unallocated assets [(a)]					617
Total Assets					**44,723**
Segment liabilities	2,832	1,189	354	2,661	7,036
Unallocated liabilities and equity [(b)]					37,687
Total Equity and Liabilities					**44,723**

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

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

June 30, 2009 *(million euros)*	Cement	Aggregates & Concrete	Gypsum	Other	Total
Statement of income					
Gross revenue	5,145	2,481	696	6	8,328
Less: intersegment	(324)	(2)	(11)	-	(337)
Revenue	**4,821**	**2,479**	**685**	**6**	**7,991**
Operating income before capital gains, impairment, restructuring and other	1,090	31	32	(22)	1,131
Gains on disposals, net	4	37	5	-	46
Other operating income (expenses)	(20)	(19)	(4)	(5)	(48)
Including impairment on assets and goodwill	*(32)*	*(2)*	*(1)*	-	*(35)*
Operating income	**1,074**	**49**	**33**	**(27)**	**1,129**
Finance costs					(589)
Finance income					133
Income from associates	(8)	-	3	-	(5)
Income taxes					(135)
Net income					**533**
Other information					
Depreciation and amortization	(372)	(130)	(41)	(26)	(569)
Other segment non cash income (expenses) of operating income	40	13	7	(57)	3
Capital expenditures	652	135	34	21	842
Capital employed	25,300	5,446	1,509	609	32,864
Balance Sheet					
Segment assets	28,861	6,783	1,881	2,338	39,863
Of which investments in associates	*311*	*17*	*125*	*16*	*469*
Unallocated assets [(a)]					538
Total Assets					**40,401**
Segment liabilities	2,376	1,190	406	2,394	6,366
Unallocated liabilities and equity [(b)]					34,035
Total Equity and Liabilities					**40,401**

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

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

December 31, 2009 *(million euros)*	Cement	Aggregates & Concrete	Gypsum	Other	Total
Statement of income					
Gross revenue	10,105	5,067	1,355	9	16,536
Less: intersegment	(628)	(3)	(21)	-	(652)
Revenue	**9,477**	**5,064**	**1,334**	**9**	**15,884**
Operating income before capital gains, impairment, restructuring and other	2,343	193	38	(97)	2,477
Gains on disposals, net	62	40	5	(4)	103
Other operating income (expenses)	(209)	(41)	(63)	(17)	(330)
Including impairment on assets and goodwill	*(152)*	*(8)*	*(4)*	-	*(164)*
Operating income	**2,196**	**192**	**(20)**	**(118)**	**2,250**
Finance costs					(1,136)
Finance income					210
Income from associates	(27)	2	5	2	(18)
Income taxes					(260)
Net income					**1,046**
Other information					
Depreciation and amortization	(733)	(265)	(81)	(44)	(1,123)
Other segment non cash income (expenses) of operating income	(133)	13	21	(20)	(119)
Capital expenditures	1,278	225	102	40	1,645
Capital employed	24,924	5,102	1,437	373	31,836
Balance Sheet					
Segment assets	28,647	6,279	1,829	2,367	39,122
Of which investments in associates	*182*	*17*	*128*	*8*	*335*
Unallocated assets [(a)]					375
Total Assets					**39,497**
Segment liabilities	2,451	1,044	382	1,851	5,728
Unallocated liabilities and equity [(b)]					33,769
Total Equity and Liabilities					**39,497**

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

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

(b) 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 are allocated to segments based on their geographical locations.

Non-current assets include goodwill, intangible assets, property, plant and equipment and investments in associates. They include since December 31, 2009, the final allocation by region of the purchase price of Orascom Cement and its provisional allocation before that date.

	June 30, 2010		June 30, 2009		December 31, 2009	
(million euros)	Revenue	Non-current assets	Revenue	Non-current assets	Revenue	Non-current assets
Western Europe	**2,203**	**7,004**	**2,390**	**7,540**	**4,657**	**6,964**
Of which:						
France	1,132	2,333	1,228	2,679	2,328	2,333
Spain	147	1,016	205	1,187	390	1,030
United Kingdom	447	1,650	413	1,685	833	1,541
North America	**1,388**	**6,700**	**1,363**	**5,836**	**3,028**	**5,799**
Of which:						
United States	751	5,427	795	4,787	1,674	4,691
Canada	637	1,273	568	1,049	1,354	1,108
Middle East and Africa	**1,978**	**13,473**	**2,148**	**11,599**	**4,018**	**11,927**
Of which:						
Egypt	383	3,106	383	2,726	704	2,779
Algeria	227	3,343	243	3,503	460	3,056
Central and Eastern Europe	**426**	**1,939**	**489**	**1,802**	**1,053**	**1,875**
Latin America	**374**	**1,563**	**418**	**1,037**	**791**	**710**
Asia	**1,343**	**4,296**	**1,183**	**3,471**	**2,337**	**3,640**
Total	**7,712**	**34,975**	**7,991**	**31,285**	**15,884**	**30,915**

(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 June 30, 2010, June 30, 2009 and December 31, 2009 are as follows:

	6 months		December 31,
	2010	2009	2009
Numerator (in million euros)			
Net income attributable to owners of the parent of the Group	393	370	736
Denominator (in thousands of shares)			
Weighted average number of shares outstanding	286,084	245,734	265,547
Effect of dilutive securities — stock options	319	147	260
Weighted average number of shares outstanding — fully diluted	286,403	245,881	265,807
Basic earnings per share (euros)	**1.37**	**1.51**	**2.77**
Diluted earnings per share (euros)	**1.37**	**1.50**	**2.77**

Note 6. Debt

The debt split is as follows:

	June, 30		December 31,
(million euros)	2010	2009	2009
Long-term debt excluding put options on shares of subsidiaries	14,797	15,188	13,634
Put options on shares of subsidiaries, long-term	70	79	78
Long-term debt	**14,867**	**15,267**	**13,712**
Short-term debt and current portion of long-term debt excluding put options on shares of subsidiaries	2,681	1,718	2,033
Put options on shares of subsidiaries, short-term	224	217	232
Short-term debt and current portion of long-term debt	**2,905**	**1,935**	**2,265**
Total debt excluding put options on shares of subsidiaries	17,478	16,906	15,667
Total put options on shares of subsidiaries	294	296	310
Total debt	**17,772**	**17,202**	**15,977**

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

	June 30,		December 31,
(million euros)	2010	2009	2009
Repayable in more than five years	5,917	5,772	5,959
Repayable between one and five years	8,880	9,416	7,675
Long-term debt	**14,797**	**15,188**	**13,634**
Repayable between six months and one year	1,519	440	1,161
Repayable in less than six months	1,162	1,278	872
Total debt	**17,478**	**16,906**	**15,667**

At June 30, 2010, 1,122 million euros of short-term debt 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.

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 statement of financial position under the section “Long-term debt”. The net variation of this short-term debt is shown in the statement of cash flows in “proceeds from issuance of long-term debt” when it is positive, and in “repayment of long-term debt” when it is negative. At June 30, 2010, the net variation of this debt amounted to an increase of 186 million euros (compared to a decrease of 1,270 million euros at June 30, 2009 and a decrease of 1,088 million euros at December 31, 2009).

Average spot interest rate

The average spot interest rate of the debt after swaps, as at June 30, 2010, is 5.2% (5.2% as of June 30, 2009 and 5.3% as of December 31, 2009).

Recent events

In the second quarter 2010, Lafarge placed under its EMTN program a 500 million euros bond with a 8-year maturity and a coupon of 5.0% (settlement on April, 13th), in order to refinance the 500 million euros private placement, maturing on July 6th, 2010.

Securitization program

In January 2000, the Group entered into a multi-year securitization agreement in France for Cement and Gypsum activities with respect to trade receivables. This program was renewed in 2005, and in 2010 for a 5-year period. Two other securitization agreements with respect to trade receivables were implemented in September 2009, one in France (for some of the Aggregates and Concrete activities) for a 5-year period and the other in North America (United States and Canada) for a 3-year period. In March 2010, a fourth securitization agreement with respect to trade receivables was implemented both in Spain and United Kingdom, also for a 5-year period, for some of the Cement, Aggregates and Concrete activities of these 2 countries.

Under the programs, some of the French, North American, British and Spanish subsidiaries agree to sell on a revolving basis, some of their accounts receivables. Under the terms of the arrangements, 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 finances 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 912 million euros equivalent as of June 30, 2010 (265 million euros as of June 30, 2009 and 745 million euros as of December 31, 2009).

The current portion of debt includes 419 million euros equivalent as of June 30, 2010, related to these programs (230 million euros equivalent as of June 30, 2009 and 407 million euros as of December 31, 2009) and the non-current portion of debt includes 334 million euros as of June 30, 2010, corresponding to the North American securitization agreement implemented in 2009 (235 million euros as of December 31, 2009).

The European securitization agreements are guaranteed by subordinated deposits and units totaling 159 million euros as of June 30, 2010 (35 million euros as of June 30, 2009 and 103 million euros as of December 31, 2009).

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 335 million euros at June 30, 2010 (339 million euros at June 30, 2009 and 345 million euros at December 31, 2009).

Out of the outstanding debt at June 30, 2010, 265 million euros can be exercised in 2010 and 2011. The remaining 70 million euros can be exercised starting 2012.

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 294 million euros at June 30, 2010 and 310 million euros at December 31, 2009, the remaining options were granted on shares of associates or joint ventures.

This specific debt is recorded by reclassifying the underlying minority interests and, since the put options were granted before January 1st 2010, recording goodwill in an amount equal to the difference between the carrying value of minority interests and the value of the debt (respectively 158 million euros at June 30, 2010 and 163 million euros at December 31, 2009).

Note 7. Equity

(a) Dividends

The following table indicates the dividend amount per share the Group approved in 2010 for the year 2009 (paid in July 2010) and the one approved in 2009 for the year 2008 (paid in July 2009).

(euros, except otherwise indicated)	2009	2008
Total dividend (million euros)	575	393
Base dividend per share	2.00	2.00
Increased dividend per share	2.20	2.20

(b) Other reserves and currency translation adjustments

The detailed roll forward for the period of other reserves and currency translation is presented in the following table:

	December 31, 2009	Gains/(losses) arising during the year	Recycling to income statement	June 30, 2010
Change in unrealized gains/(losses) on available for sale investments	160	10	(148)	22
Gross value	169	10	(148)	31
Deferred taxes	(9)	-	-	(9)
Change in unrealized gains/(losses) on cash flow hedge instruments	(42)	(2)	3	(41)
Gross value	(55)	(5)	5	(55)
Deferred taxes	13	3	(2)	14
Change in actuarial gains/(losses)	(488)	(80)	-	(568)
Gross value	(661)	(115)	-	(776)
Deferred taxes	173	35	-	208
Total Other reserves	***(370)***	***(72)***	***(145)***	***(587)***
Total Foreign currency translation	***(947)***	***2 090***	***-***	***1 143***
Total other comprehensive income	**(1 317)**	**2 018**	**(145)**	**556**

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 defense, 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. On June 17, 2010, the European Union Court of Justice rejected Lafarge's appeal against this decision. Therefore, Lafarge has agreed with the European Commission that the payment of the fine and accrued interest (additional provisions were recorded in each of our annual financial statements since 2003 in relation to the accrued interests) will be made on July 23, 2010, for a total amount of 338 million euros. This amount was fully reserved.

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 the major 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. Considering that the amount of the fine was disproportionate in light of the actual facts, Lafarge Zement has brought the case before the Higher Regional Court, the Oberlandesgericht, in Düsseldorf. Moreover, on August 15, 2007, Lafarge Zement partially withdrew its appeal. Consequently Lafarge Zement paid an amount of 16 million euros on November 2, 2007 and reduced the related provision of the same amount.

Finally, the Court's decision related to the remaining part of the appeal has been given on June 26, 2009, exempting Lafarge Zement partly and reducing the remaining fine very significantly to 24 million euros. Lafarge Zement has appealed to the Supreme Court on the basis of legal grounds. The decision of the Supreme Court should be given in the year 2010.

Assessment on the merits of a potential civil action brought by third parties to obtain damages may depend on the outcome of the above mentioned procedure. There has been no development on this potential civil action at this stage further to the decision of the Düsseldorf Appeal Court.

The global provision in connection with this case amounts to 24 million euros as at June 30, 2010, unchanged compared to March 31, 2010.

Competition: Also on competition matters, there are three 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 investigated by the European Commission for alleged anti-competitive practices. The Commission's investigation is ongoing. The date of its closure is still unknown. No conclusion can be drawn at this stage;
- 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;
- in South Africa, an inquiry on the cement industry was opened by the competition authorities in 2009. The level of risk cannot be appreciated at this stage.

United States of America – Hurricane Katrina: In late 2005, several class action and individual 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/or several other defendants including the federal government, are liable for death, bodily and personal injury and property and environmental damage to people and property in and around New Orleans, Louisiana. Some of the referenced complaints claim that these damages resulted from a barge under contract to Lafarge North America Inc. that allegedly breached the Inner Harbor Navigational Canal levee in New Orleans during or after Hurricane Katrina. On May 21, 2009, the Court denied plaintiffs' Motion for Class Certification. At this stage, only individual cases may be tried. Hearings of a first trial involving a handful of plaintiffs commenced in June, 2010. A first instance decision on this trial should be given in the year 2010.

Additionally, in connection with this litigation, one of Lafarge North America Inc.'s insurers, the American Steamship Owners Mutual P&I Association, filed a suit against it in the United States District Court for the Southern District of New York seeking a judgment that these claims are not covered under its insurance policy. Lafarge North America Inc. lodged an appeal against the Court's decision, which had found that this claim was not covered under the insurance policy. Finally, some of Lafarge North America Inc.'s other insurers (the "Other Insurers") filed two suits in the same court seeking a judgment that they are not required to indemnify our subsidiary for these claims and the expenses incurred in connection therewith. The lower court granted judgment on these claims largely in favour of our subsidiary. All three insurance cases were then consolidated before the United States Court of Appeals for the Second Circuit and, on March 15, 2010 the Court upheld the decision in favor of the American Steamship Owners Mutual P & I Association and also found that while the Other Insurers' policies of insurance applied to the incident, the Other Insurers did not have to reimburse Lafarge North America Inc for its legal fees and other litigations costs incurred prior to the Court's ruling (in the event our subsidiary is found to be liable by a court of final review, the policy limits available from the Other Insurers' insurance is approximately 50 million US dollars). Lafarge North America Inc. did not lodge a request to the Supreme Court against the decision of the Court of Appeals.

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 financial condition.

India/Bangladesh: The Group holds, jointly with Cementos Molins, 59% of Lafarge Surma Cement which is operating a cement plant in Bangladesh. This cement plant is supplied by its Indian affiliate with limestone extracted from a quarry in the Meghalaya region of India. These operations in Bangladesh are consolidated under the proportionate method. These operations contributed as at December 31, 2009 to the Group's total assets and operating income before capital gains, impairment, restructuring and other, for respectively 91 and 12 million euros. At a hearing on February 5th, 2010, the Supreme Court of India decided to suspend the mining activities of the quarry, due to the fact that its location is today regarded as a forest area, making it necessary to obtain a new mining permit. The procedure for obtaining the new permit continues before the Indian Supreme Court.

Finally, certain Group subsidiaries have litigation and claims pending in the normal course of business. The resolution of these matters should not 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. Commitments and Contingencies

The procedures implemented by the Group allow all the major commitments to be collated and prevent any significant omissions.

a) Collateral guarantees and other guarantees

The following details collateral guarantees and other guarantees provided by the Group:

(million euros)	June 30, 2010	December 31, 2009
Securities and assets pledged	1,107	1,014
Property collateralizing debt	96	96
Guarantees given	130	136
Total	**1,333**	**1,246**

The Group has granted indemnification commitments in relation to 2009 disposals of assets, for which the exposure is considered remote, for a total amount maximum of 301 million euros, a part of which is counter-guaranted by the non controlling shareholders in the Venezuelan transaction. The total amount of capped indemnification commitments still in force at June 30, 2010 is 230 million euros (189 million euros at end of December 31, 2009).

Further to the 2008 acquisitions of Orascom Cement and of L&T in India, the Group has received indemnification commitments of a maximum amount of 2,240 million euros and 137 million euros respectively. Besides, the Group received an indemnification commitment unlimited in the amount further to the acquisition of 50% of Grupo GLA from the former partners of Orascom Cement.

As part of the sale of our Cimpor investment to Votorantim *(See Note 3)*, Votorantim's obligations to transfer to the Group its cement operations are guaranteed by bank letters of credit in favour of Lafarge for an aggregate amount of 700 million euros.

b) Contractual obligations

The following details the Group's significant contractual obligations.

	Payments due per period				
(million euros)	Less than 1 year	1 to 5 years	More than 5 years	June 30, 2010	December 31, 2009
Debt [(1)]	2 681	8 880	5 917	17 478	15 667
of which finance lease obligations	*10*	*31*	*14*	*55*	*56*
Scheduled interest payments [(2)]	861	2 546	1 652	5 059	4 879
Net scheduled obligation on interest rate swaps [(3)]	12	10	-	22	59
Operating leases	190	490	275	955	940
Capital expenditures and other purchase obligations	779	636	168	1 583	1 447
Other commitments	228	60	15	303	373
Total	**4 751**	**12 622**	**8 027**	**25 400**	**23 365**

(1) Debt excluding put options on shares of subsidiaries (see Note 6)

(2) Scheduled interest payments associated with variable rate are computed on the basis of the rates in effect at June 30. Scheduled interest payments include interest payments on foreign exchange derivative instruments, but do not include interests on commercial papers which are paid in advance.

(3) Scheduled interest payments of the variable leg of the swaps are computed based on the rates in effect at June 30

The Group leases certain land, quarries, building and equipment. Total rental expense under operating leases was 101 million euros and 201 million euros for the periods ended June 30, 2010 and December 31, 2009, respectively.

Future expected funding requirements or benefit payments related to our pension and postretirement benefit plans are not included in the above table, because future long-term cash flows in this area are uncertain. Refer to the amount reported under the "current portion" of pension and other employee benefits liabilities in the balance sheet or in Note 23 to the Consolidated Financial Statements of the 2009 annual report for further information on these items.

c) Other commitments

The following details the other commitments of the Group.

(million euros)	June 30, 2010	December 31, 2009
Commitments received		
Unused confirmed credit lines	3,888	3,457
Commitments given		
Put options to purchase shares in associates or joint-ventures	41	35

In addition, the European Bank for Reconstruction and Development (EBRD) increased late 2009 by 15% its minority stake in our cement operations in Russia. Starting from December 2015, the Group will have the right to buy back this additional minority stake at fair market value. Assuming that this call option is not exercised, the Group could be induced to sell all or part of its own stake to a third party or to the EBRD.

Note 10. Transactions with related parties

There were no significant related-party transactions during the period neither evolution in the nature of the transactions as described in Note 30 of the Consolidated Financial Statements included in the Group 2009 annual report.

Note 11. Subsequent events

Bonds issue

Lafarge announced July 7th, 2010 that it placed 550 million US dollar bonds with a five year maturity and a fixed annual coupon of 5.5%. The proceeds of this transaction will refinance part of the existing debt.

Sale of a minority interest in Lafarge Malayan Cement Berhad

Lafarge announced July 16th, 2010 that it has executed the sale of a minority interest of 11.2% in Lafarge Malayan Cement Berhad ("LMCB") by way of placement done on Bursa Malaysia Securities Berhad. The net proceeds of this operation amount to 141 million euros. Lafarge keeps the management control of the Malayan activities and remains the majority shareholder with a 51% controlling shareholding in LMCB.

Actual transfer to the Group of Votorantim's cement operations

On July 19th, 2010, Votorantim actually transferred to Lafarge its cement operations in exchange of the Group's Cimpor investment *(see Note 3)*.

Maturity extension of syndicated credit facility

On 27 July 2010, Lafarge signed an amendment to the 1,850,000,000 euros syndicated credit line, which purpose was to extend its maturity by one year.

The new maturity has therefore been extended to 28 July 2013 for an amount of 1,654,000,000 euros (the maturity of 85 million euros remains unchanged on 28 July 2012 and around 111 millions euros have matured on 28 July 2010).

Certification

We certify that, to our knowledge, the condensed consolidated financial statements for the half year have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, and of the financial position and results of Lafarge and its consolidated subsidiaries, and that the half year management report attached provides a true and fair chart of significant events that occurred during the first six months of the year, their effect on the financial statements, the significant transactions with related parties and a description of the main risks and uncertainties for the next six months.

Paris, July 30, 2010

French original signed by	*French original signed by*
Jean-Jacques Gauthier	Bruno Lafont
Chief Financial Officer	Chairman and Chief Executive Officer

Statutory auditors' review report on first-half year financial information for 2010

(Free translation of a French language original)

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Lafarge, for the period from January 1 to June 30, 2010,
- the verification of the information contained in the interim management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently can only provide moderate assurance that the financial statements, taken as a whole, do not contain any material misstatements. This level of assurance is less than that obtained from an audit.
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information provided in the interim management report commenting the condensed half-year consolidated financial statements that we reviewed.
We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, July 29, 2010

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES — ERNST & YOUNG Audit

Pascal Pincemin — Frédéric Gourd — Christian Mouillon