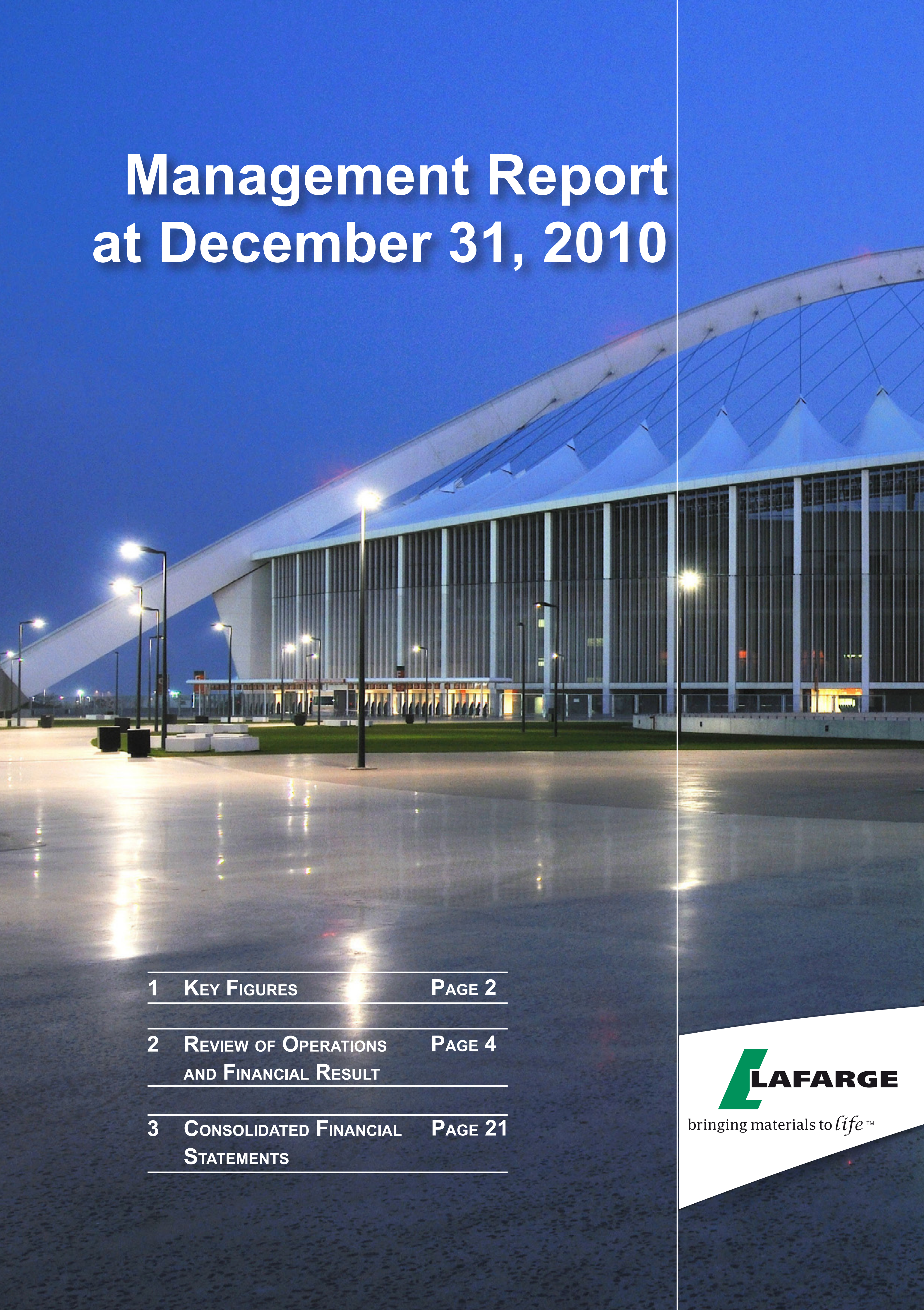

Management Report at December 31, 2010

1. Consolidated key figures

The Board of Directors of Lafarge, chaired by Bruno Lafont, met on February 17, 2011 and approved the accounts for the period ended December 31, 2010.
The statutory auditors have completed their audit on the consolidated financial statements. Their report is in the process of being issued.

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 statements 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.

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, many of which are outside our control, including, but not limited to the risks 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).
This document does not constitute an offer to sell, or a solicitation of an offer to buy Lafarge shares.

Sales

(million euros)	Full year 2010	Full year 2009	% Variance	4th quarter 2010	4th quarter 2009	% Variance
By geographic area of destination						
Western Europe	4,313	4,657	-7%	990	1,078	-8%
North America	3,336	3,028	10%	833	699	19%
Middle East and Africa	3,903	4,018	-3%	933	887	5%
Central and Eastern Europe	1,043	1,053	-1%	246	223	10%
Latin America	894	791	13%	265	165	61%
Asia	2,680	2,337	15%	692	589	17%
By business line						
Cement	9,656	9,477	2%	2,353	2,152	9%
Aggregates & Concrete	5,088	5,064	-	1,259	1,172	7%
Gypsum	1,422	1,334	7%	347	316	10%
Other	3	9	-67%	0	1	-100%
TOTAL	***16,169***	***15,884***	***2%***	***3,959***	***3,641***	***9%***

Current operating income

(million euros)	Full year 2010	Full year 2009	% Variance	4th quarter 2010	4th quarter 2009	% Variance
By geographic area of destination						
Western Europe	484	552	-12%	56	114	-51%
North America	130	(2)	nm	34	(17)	nm
Middle East and Africa	1,033	1,115	-7%	268	221	21%
Central and Eastern Europe	211	281	-25%	26	50	-48%
Latin America	218	158	38%	65	40	63%
Asia	365	373	-2%	81	86	-6%
By business line						
Cement	2,230	2,343	-5%	503	507	-1%
Aggregates & Concrete	216	193	12%	53	46	15%
Gypsum	58	38	53%	10	(4)	nm
Other	(63)	(97)	35%	(36)	(55)	35%
TOTAL	***2,441***	***2,477***	***-1%***	***530***	***494***	***7%***

Other key figures

(million euros, except per share data)	Full year 2010	Full year 2009	% Variance	4th quarter 2010	4th quarter 2009	% Variance
Net income – Group share (1)	827	736	12%	62	(38)	nm
Earnings per share (in euros) (2)	2.89	2.77	4%	0.22	(0.13)	nm
Free Cash Flow (3)	2,151(4)	2,834	-24%	848	1,123	-24%
Net Debt	13,993	13,795	1%			

(1) Net income/loss attributable to the owners of the parent company.
(2) The basic average numbers of shares outstanding are 286.1m for the period ended December 31, 2010 and 265.5m for the period ended December 31, 2009.
(3) Defined as the net operating cash less sustaining capital expenditures
(4) Excluding the €338M one-time payment for the Gypsum competition fine paid in the third quarter 2010.

2. Results of operations for the year ended December 31, 2010

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

Group highlights for the year

- Sales increased for the full year and quarter, helped by improved cement and aggregates volume trends, favorable foreign exchange, and new capacities in Brazil.
- Structural cost savings exceeded target, reaching 220 million euros for the year, of which 50 million euros in the fourth quarter.
- Current operating income slightly down for the year but rose for the quarter as higher sales volumes, favorable foreign exchange and cost cutting offset higher energy costs.
- Secured over 500 million euros of divestments, meeting target for the year.
- Significant cash flow generation in 2010 helped by strong results on working capital.
- Strong cash and liquidity position maintained.
- Lower cost base, new capacities, and actions to mitigate higher cost inflation are in place to drive earnings growth in 2011 as volumes recover.

Sales

Consolidated sales increased by 2% to 16,169 million euros from 15,884 million euros in 2009. At constant scope of consolidation and exchange rates, sales dropped by 3% for the full year, but showed progressive improvement when comparing quarterly trends over the course of the year (-8% in the first quarter, -2% in the second quarter, -2% in the third quarter and stable sales in the fourth quarter). In mature markets, our sales were bolstered by a steady volumes growth in North America and in the UK, while Spain and Greece continued to be impacted by the economic environment. In emerging markets, activities were contrasted, with favourable demand trends overall but lower volumes experienced in some markets.

Net changes in the scope of consolidation had a negative impact on our sales of 171 million euros or -1% (-3% in the first quarter, -3% in the second quarter, 0% in the third quarter and +2% in the fourth quarter), 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) while we began to benefit from the effect of the consolidation of our new assets in Brazil from the end of July 2010. Currency fluctuations were favourable at +899 million euros or +6% (+1% in the first quarter, +6% in the second quarter, +8% in the third quarter and +7% in the fourth quarter), reflecting the impact of the depreciation of the euro against most major currencies. The most significant currency impacts were due to the appreciation of the Canadian dollar, the US dollar, the South African rand, the Brazilian real, the Korean won, Malaysian ringit, and Indian rupee.

Current Operating Income

Current Operating Income was slightly down in 2010 versus 2009, at 2,441 million euros from 2,477 million euros in 2009, but increased by 7% in the fourth quarter.
Scope effects and currency fluctuations increased Current Operating Income by 44 million euros and 141 million euros, respectively, on a full year basis.

At constant scope and exchange rates, current operating income decreased by 8% for the full year, mostly due to lower volumes, higher input costs and lower prices in a few countries that were partially offset by strong cost reductions across the Divisions. However, on a like for like basis, the current operating income decline eased to 4% in the fourth quarter, reflecting improved volume trends for our 3 divisions.

Our Cement division and our Aggregates and Concrete division benefited from infrastructure spending in North America and in the UK along with a stabilization in residential housing trends. Our cement operations in emerging markets showed contrasted trends, with noticeable improvement in Latin America offset by lower trends in Middle East Africa and Asia. Our Gypsum division saw its Current Operating Income progressing on the back of particularly positive market trends in Asia and stabilization in most of the mature countries.

As a percentage of sales, current operating income margin was 15.1% in 2010, compared to 15.6% in 2009, reflecting overall lower level of volumes, higher input costs and lower prices in a few countries.

Group return on capital employed after tax (using the effective tax rate) is 5.8% compared to 6.0% in 2009, reflecting a higher tax rate (21.9% versus 19.6% in 2009) and slightly lower earnings.

Sales and Current Operating Income by segment

Individual Division information is discussed below before elimination of inter-Division sales.

Cement

Sales and Current Operating Income

	Full year				4th quarter			
	2010 (M€)	2009 (M€)	% Variation (%)	% Change at constant scope and exchange rates (%)	2010 (M€)	2009 (M€)	% Variation (%)	% Change at constant scope and exchange rates (%)
Sales before elimination of inter-division sales	10,280	10,105	2%	-3%	2,514	2,288	10%	1%
Current operating income	2,230	2,343	-5%	-10%	503	507	-1%	-9%

Sales

Contribution to our sales by geographic origin of sale for the years ended December 31, 2010 and 2009, and the related percentage change between the two periods were as follows:

	Full year			4th quarter		
	2010 (M€)	2009 (M€)	Variation 2010/2009 (%)	2010 (M€)	2009 (M€)	Variation 2010/2009 (%)
Western Europe	1,892	2,104	-10%	426	486	-12%
North America	1,333	1,189	12%	324	260	25%
Middle East and Africa	3,530	3,566	-1%	857	786	9%
Central and Eastern Europe	757	795	-5%	170	162	5%
Latin America	722	614	18%	213	133	60%
Asia	2,046	1,837	11%	524	461	14%
Sales before elimination of inter-division sales	**10,280**	**10,105**	**2%**	**2,514**	**2,288**	**10%**

Sales of the Cement Division increased by 2% to 10,280 million euros in 2010. Currency fluctuations had a positive impact of 550 million euros (or 5.4%) on sales. Changes in the scope of consolidation had a net negative impact of 49 million euros (or -0.6%), reflecting the disposal of our Chilean and Turkish operations, and the benefit of the new Brazilian assets for 5 months in 2010.

The total volume sold in 2010 was 135.7 million tons, representing a decrease versus 2009 of 3% at constant scope, with trends improving over the course of the year. For the first time since the fourth quarter 2008, total cement volumes sales returned to growth and increased by 1% to 34.4 million tons in the fourth quarter.

At constant scope and exchange rates, our sales dropped by 3% for the year but increased by 1% for the fourth quarter. In mature countries, positive volume trends continued in North America and in the UK. By contrast, Spain, and more significantly Greece, continued to be negatively impacted by difficult economic conditions. Market demand continued to post growth in most of the emerging markets, but our volumes in some countries were hindered by the entrance of new capacities and lower production levels. In a challenging environment, prices remained resilient overall, although several markets did show 2010 average prices lower than 2009 levels.

Current Operating Income

Contribution to our current operating income by region for the years ended December 31, 2010 and 2009, and the related percentage change between the periods were as follows:

	Full year			4th quarter		
	2010 (M€)	2009 (M€)	Variation 2010/2009 (%)	2010 (M€)	2009 (M€)	Variation 2010/2009 (%)
Western Europe	427	507	-16%	70	130	-46%
North America	79	24	229%	13	(1)	nm
Middle East and Africa	1000	1,048	-5%	267	212	26%
Central and Eastern Europe	193	262	-26%	22	47	-53%
Latin America	193	140	38%	58	35	66%
Asia	338	362	-7%	73	84	-13%
TOTAL	**2,230**	**2,343**	**-5%**	**503**	**507**	**-1%**

Current operating income decreased by 5% to 2,230 million euros in 2010, compared to 2,343 million euros in 2009, and by 1% in the last quarter.
Currency fluctuations had a positive impact of 5% or 116 million euros. Net changes in the scope of consolidation are negligible.

At constant scope and exchange rates, current operating income decreased by 10% for the year and by 9% for the quarter. As a percentage of the Division's sales, current operating income margin declined to 21.7% in 2010, from 23.2% in 2009, impacted by higher production costs that were not fully compensated by significant cost-cutting measures.

Return on capital employed after tax was 6.6% in 2010 compared to 7.3% in 2009.

Western Europe

Sales

In Western Europe, sales decreased by 10% to 1,892 million euros compared to 2009 and by 12% in the fourth quarter. Overall the rate of volume decline slowed as compared to 2009 trends.

At constant scope and exchange rates, domestic sales decreased by 11%, reflecting the particularly adverse market conditions in Greece and Spain. Elsewhere, some stabilization signs were witnessed, although the fourth quarter was impacted by poor weather. Volumes sold in Western Europe by destination, at 20.3 million tonnes, were down 10% compared with 2009.

- In France, domestic sales were down 7%, reflecting lower volumes, partly due to a delay in phasing of certain road building projects in our regions and strikes in the country in the fourth quarter, while prices were solid.
- In the United Kingdom, domestic sales stabilized, combining positive volume trends on the back of some transport projects with prices slightly down.
- In Spain, domestic sales experienced a drop of 26% due to lower volumes and pricing in the context of a significant decline in the Spanish construction sector.
- In Germany, domestic sales stabilized despite a small volume decline.
- In Greece, the overall economic and social situation continued to significantly deteriorate in 2010 and impacted the construction market. As a consequence, domestic volumes were down 26%.

Current Operating Income

Current operating income in Western Europe declined by 16%, to 427 million euros compared to 507 million euros in 2009.

At constant scope and exchange rates, current operating income decreased by 16% in 2010, as the impact of foreign exchange fluctuations and scope variations were negligible. For the year 2010, improved performance in reducing CO_2 emissions combined with lower volumes allowed the Group to sell 113 million euros of carbon credit, compared with 99 million euros in 2009. The fourth quarter operating income was impacted by the phasing of the sales of carbon credits (19 million euros sold in the fourth quarter 2010 versus 49 million euros in the fourth quarter 2009), and to a lesser extent, by increasing petcoke costs and lower volumes due to poor weather.

- In France, cost reduction actions helped mitigate the decline in volumes.
- In the United Kingdom, higher volumes and cost reduction measures more than offset the effect of lower prices.
- In Spain, optimization of the distribution network and other continuing cost reduction efforts partially mitigated the impact of the challenging market conditions.
- In Germany, stabilized sales and optimized fixed costs helped improving the current operating income.
- In Greece, increased operational performance and restructuring only partially offset the impact of the steep drop in sales and the increase in bad debt reserves booked in the context of difficult market conditions.

North America

Sales

Sales increased by 12% to 1,333 million euros compared to 1,189 million euros in 2009, and by 25% in the fourth quarter, driven by a significant improvement in volumes that increased three quarters in a row and benefiting from the appreciation of the US and Canadian dollars against the euro (impact of +102 million euros for the full year).

Domestic sales, at constant scope and exchange rates, increased by 3% for the full year. Volumes in North America experienced a significant increase of 7%, to 13.6 million tonnes. Domestic volumes increased by 6% and 10% in the United States and Canada respectively, driven by higher infrastructure spending and the stabilization of the residential market. Higher prices in Canada partly mitigated the price decline in the United States.

Current Operating Income

Current operating income in North America increased to 79 million euros compared to 24 million euros in 2009. At constant exchange rates, current operating income for the year more than doubled, reflecting the volume recovery and continued cost cutting measures.

Emerging markets

Sales

Sales in emerging markets increased by 4% to 7,055 million euros in 2010 from 6,812 million euros in 2009. The depreciation of euro versus most currencies of these countries had a positive impact on sales of 434 million euros, while the net effect of changes in scope negatively impacted the sales by 49 million euros. Activities in emerging markets generally had favorable market demand trends. In some cases our sales were lower as we readjusted to the entrance of new capacities or experienced lower production levels in some of our plants.

In the Middle East and Africa region, our sales slightly decreased by 1%, to 3,530 million euros, against 3,566 million Euros in 2009.

At constant scope and exchange rates, domestic sales decreased by 5% for the full year, but increased by 4% in the fourth quarter. Volumes sold in Middle East and Africa by destination were 40.2 million tonnes, against 44.1 million tonnes in 2009.

- In Egypt, our domestic sales decreased by 6% after a significant increase of 36% in 2009. The decline in sales was most significant in the second quarter due to lower volumes. Since then, volumes have returned to growth in the third and fourth quarters with prices slightly lower than last year.
- In Algeria, market trends continued to be solid but work stoppages and lower industrial performance led domestic sales to decrease by 5%.
- In Morocco, domestic sales slightly decreased by 2% with prices remaining solid.
- In Iraq, domestic sales increased by 14%, on the back of strong market demand and favorable prices.
- In Jordan, our volumes dropped by 46%, as new entrants significantly increased capacity in the country. Prices remained well-oriented, driven by increasing fuel costs.
- In Nigeria, our domestic volumes were stable due to a slowdown of government construction projects early in the year that has since recovered, with lower prices.

- In Kenya, our domestic sales contracted by 12% as new capacities entered the market, but our volume trends improved throughout the year.
- In South Africa, an expanded footprint led to a 12% increase in domestic sales.
- Lastly, two new plants started in 2010, in Uganda and Syria, and began to contribute to our sales from the second quarter and fourth quarter, respectively.

Our sales **in Central and Eastern Europe** dropped by 5% in 2010 to 757 million euros from 795 million euros in 2009. Appreciation of Eastern Europe currencies against the euro had a positive impact of 26 million euros.

At constant scope and exchange rates, domestic sales decreased by 9% but stabilized in the fourth quarter helped by improved market situation in Russia and Poland and despite poor weather. Volumes sold in Central and Eastern Europe by destination were 11.1 million tons year-to-date, still below 2009 level, but stabilized in the fourth quarter.

- In Poland, domestic volumes significantly improved in the second half of the year and consequently increased by 3% year-to-date, on the back of infrastructure projects, while prices were lower.
- In Russia, our domestic sales increased by 2% year-to-date, with double digit volume growth and favorable prices in the third and fourth quarters, thus fully absorbing the decrease in sales in the first semester.
- In Romania, the economic environment remained depressed, with domestic sales dropping by 20%.
- In Serbia, the increase in input costs led pricing gains, offsetting the drop in volumes.

In Latin America, our sales jumped by 18% to 722 million euros, from 614 million euros in 2009, benefiting from well-oriented markets and favourable currency fluctuations (impact of +62 million euros). Scope variations were neutral as the impact of the integration of our new Brazilian assets for 5 months fully offset the impact of the disposal of our Chilean operations in August 2009.
At constant scope and exchange rates, full year domestic sales increased by 7%, and by 13% in the fourth quarter. Volumes sold in Latin America by destination increased to 8.4 million tons from 7.6 million tons in 2009.

- In Brazil, domestic volumes of our historical assets rose 7%, bolstered by a buoyant market, while prices increased by 2%. Additionally, the new Brazilian assets integrated from the end of July 2010 and located in the dynamic north-east region of this country contributed to further benefit from the market growth.
- In Ecuador, domestic sales increased 12% with good market conditions and solid prices.
- Honduras sales declined slightly due to the economic and political environment.

Our sales **in Asia** grew by 11%, to 2,046 million euros, benefiting from the appreciation of most of the Asian currencies against the euro (impact of +200 million euros).

At constant scope and exchange rates, domestic sales were stable compared with 2009, and decreased by 1% in the fourth quarter. Volumes sold in Asia by destination were almost stable versus last year at 42.1 million tonnes.

- In China, the positive effect of higher prices and volumes in Yunnan was more than offset by lower volumes and prices in Chongqing and Sichuan due to increased competitor capacities in these regions, resulting in a drop of domestic sales by 5%. The start-up of our new capacities began to benefit our volumes in the end of the fourth quarter.

- In India, domestic sales grew 15% driven by solid market growth in the Northeast Region on the back of robust rural demand and sustained infrastructure works. The new production line at Sonadih and our grinding station in Mejia started in the second half of 2009 allowed us to fully benefit in 2010 from this market growth. Year-to-date, 2010 average prices were higher than in 2009, but were lower in the fourth quarter.
- In the Philippines, domestic sales increased by 4%, mostly due to favorable prices. The market remained solid, although it slowed down in the fourth quarter due to delays in governmental infrastructure spending.
- The South Korean market environment remained challenging, and our domestic sales decreased by 19%, impacted by a decline in both volumes and prices.
- In Malaysia, domestic sales increased by 3%, driven by a price hike advanced in the second quarter, while domestic volumes slightly decreased.
- In Indonesia, the new Aceh plant started its grinding activity in the second quarter, allowing us to better capture market growth through local manufacturing.

Current Operating income

Current operating income in emerging markets decreased by 5% in 2010 to 1,724 million euros compared to 1,812 million euros in 2009, representing 77% of the Cement Division's current operating income. Currency fluctuations had a positive impact of 105 million euros on current operating income.

At constant scope and exchange rates, current operating income decreased by 11%.

In Middle East and Africa, current operating income in 2010 decreased by 5% to 1,000 million euros compared to 1,048 million euros in 2009.
At constant scope and exchange rates, current operating income decreased by 9%, mostly due to lower volumes. In the last quarter, current operating income increased by 16%, benefiting from the reversal of a regulatory fee on past purchases of raw materials in Egypt for 67 million euros.

- In Egypt, aggressive cost cutting measures mitigated the impact of lower sales and enabled us to maintain solid operating margins.
- In Algeria, additional clinker purchases to continue to fulfill the market's needs in a context of lower production levels reduced our results.
- In Morocco, higher petcoke cost and slightly lower sales negatively impacted the earnings.
- In Nigeria, strong improvements were achieved in energy costs, fully offsetting the impact of slightly lower prices.
- In Iraq, higher sales combined with cost-cutting measures translated into a strong increase in current operating income.
- In Jordan, our results were hampered by the impact of lower volumes and higher fuel costs. Significant cost cutting measures, including temporary kiln shutdowns were also implemented to limit this impact.
- In Kenya, the impact of lower clinker purchases and other cost cutting measures fully offset the decrease in domestic sales.
- In South Africa, the earnings improvement was driven by higher volumes and cost reductions.

In Central and Eastern Europe, current operating income decreased by 26% to 193 million euros compared to 262 million euros in 2009.

At constant scope and exchange rates, current operating income decreased by 27% in 2010 and by 46% in the fourth quarter, partly due to bad weather conditions in December and a different phasing of the sales of carbon credits (8 million euros sold in the fourth quarter 2010 versus 16 million euros in the fourth quarter 2009). For the full year 2010, we sold 44 million euros of carbon credit, compared with 43 million euros in 2009.

- In Poland, the impact of lower prices was the primary driver for earnings decrease.
- In Russia, the strong improvement of both volumes and prices experienced in the second half of the year fully offset the impact of lower volumes in the first half of the year.
- In Romania, difficult market conditions drove the lower current operating income.
- In Serbia, increased prices helped to offset lower volumes and increased input costs.

In Latin America, current operating income increased by 38% to 193 million euros from 140 million euros in 2009 and by 66% in the fourth quarter, reflecting the positive market trends in the region, the impact of favourable currency fluctuations, and the integration of our new assets in Brazil for the last five months in 2010 partly offset by the impact of the deconsolidation of our Chilean operations sold in August 2009.

At constant scope and exchange rates, current operating income increased by 12% both in the year and the fourth quarter.

- Brazil continued to strongly improve through higher volumes and prices that more than offset the increase in input costs.
- In Ecuador, higher volumes drove the current operating income improvement.
- In Honduras, earnings slightly increased due to price improvement.

In Asia, current operating income decreased by 7% to 338 million euros in 2010 from 362 million euros in 2009.

At constant scope and exchange rates, current operating income decreased by 15% for the year and by 25% for the last quarter, mostly reflecting higher variable costs.

- In Malaysia, well-oriented domestic prices and contained costs assisted to offset the impact of the drop in export sales.
- In the Philippines, logistics optimization, favorable prices and volumes drove the improvement in current operating income.
- In India, good market conditions in the northeast and higher prices helped to absorb higher transportation costs and other input costs. Price pressure in the fourth quarter impacted moderately our earnings.
- In China, the significant increase in energy costs combined with lower prices lowered our operating results.
- In South Korea, lower energy costs were not sufficient to offset the impact of lower prices in a declining market.
- In Indonesia, the substitution of traded cement sales by sales of locally grinded clinker improved the profitability.

Aggregates & Concrete

Sales and Current Operating Income

	Full year				4th quarter			
	2010 (M€)	2009 (M€)	Variation 2010/2009 (%)	Variation at constant scope and exchange rates (%)	2010 (M€)	2009 (M€)	Variation 2010/2009 (%)	Variation at constant scope and exchange rates (%)
Sales before elimination of Inter-division Sales	5,093	5,067	1%	-3%	1,260	1,173	7%	-1%
Current operating income	216	193	12%	-8%	53	46	15%	-8%

Sales

Contribution to our sales by activity and geographic origin for the years ended December 31, 2010 and 2009, and the related percentage change between the two periods were as follows:

	Full year				4th quarter			
	2010 (M€)	2009 (M€)	Variation 2010/2009 (%)	Variation at constant scope and exchange rates (%)	2010 (M€)	2009 (M€)	Variation 2010/2009 (%)	Variation at constant scope and exchange rates (%)
Aggregates & related products	**2,511**	**2,377**	**6%**	**2%**	**624**	**564**	**11%**	**2%**
of which pure aggregates:								
Western Europe	807	830	-3%	-1%	185	189	-2%	-4%
North America	913	774	18%	7%	232	197	18%	7%
Emerging markets	316	303	4%	-4%	82	69	19%	2%
Total pure aggregates	**2,036**	**1,907**	**7%**	**2%**	**499**	**455**	**10%**	**2%**
Ready-mix concrete & concrete products	**2,946**	**3,032**	**-3%**	**-6%**	**724**	**687**	**5%**	**-2%**
of which ready-mix:								
Western Europe	1,181	1,270	-7%	-9%	275	296	-7%	-8%
North America	793	702	13%	1%	203	164	24%	10%
Emerging markets	864	948	-9%	-9%	218	206	6%	-6%
Total ready-mix concrete	**2,838**	**2,920**	**-3%**	**-6%**	**696**	**666**	**5%**	**-3%**
Elimination of intra Aggregates & Concrete Division sales	**(364)**	**(342)**	**6%**		**(88)**	**(78)**	**13%**	
Total Aggregates & Concrete before Elimination of Inter-division Sales	***5,093***	***5,067***	***1%***	***-3%***	***1,260***	***1,173***	***7%***	***-1%***

Sales of the Aggregates & Concrete Division increased by 1% to 5,093 million euros in 2010 compared to 5,067 million euros in 2009, and by 7% to 1,260 million euros in the fourth quarter.

The 2009 divestiture of our Chilean activities and some operations in North America had a negative impact on sales of 159 million euros or -3%, but this effect was more than offset by a positive effect of currency fluctuations (320 million euros for the year and 83 million euros for the last quarter).

At constant scope and exchange rates, sales declined by 3% year-on-year, and by 1% on the fourth quarter, benefiting from improved volumes in North America and in the UK, with contrasted trends in the other regions.

Sales of **pure aggregates** increased by 7% to 2,036 million euros in 2010 compared with 1,907 million euros in 2009. Currency fluctuations had a positive impact on sales of 126 million euros, partially offset by the net impact of scope changes of 30 million euros. At constant scope and exchange rates, sales increased by 2% both year-to-date and in the fourth quarter. Aggregates sales volumes in 2010 decreased by 1% to 193.2 million tonnes; at constant scope, sales volumes increased by 1%.

Sales of **ready-mix concrete** decreased by 3% to 2,838 million euros in 2010 compared with 2,920 million euros in 2009. Currency fluctuations had a positive impact on sales of 166 million euros while changes in scope of consolidation had a negative impact of 62 million euros. At constant scope and exchange rates, sales declined by 6% year-to date, and by 3% in the fourth quarter. Sales volumes of ready-mix concrete decreased 8% to 34.0 million cubic meters; at constant scope, sales volumes decreased by 5%.

Current Operating Income

Contribution to our current operating income by activity and by region for the years ended December 31, 2010 and 2009, and the related percentage change between the periods were as follows:

	Full year			4th quarter		
	2010 (M€)	2009 (M€)	Variation 2010/2009 (%)	2010 (M€)	2009 (M€)	Variation 2010/2009 (%)
Aggregates & related products	175	112	56%	47	31	52%
Ready-mix concrete & concrete products	41	81	-49%	6	15	-60%
TOTAL	***216***	***193***	***12%***	***53***	***46***	***15%***
By geographic area:						
Western Europe	62	94	-34%	4	23	-83%
North America	96	18	433%	39	12	225%
Emerging markets	58	81	-28%	10	11	-9%

Current operating income of the Aggregates & Concrete Division increased by 12% to 216 million euros in 2010 from 193 million euros in 2009. Changes in scope and currency fluctuations had a positive impact of 19 million euros and 23 million euros, respectively. At constant scope and exchange rates, current operating income declined by 8% both year-to-date and in the last quarter.

As a percentage of the Division's sales, current operating income margin improved to 4.2% in 2010, compared to 3.8% in 2009.

Current operating income for aggregates & related products increased by 56% to 175 million euros in 2010 from 112 million euros in 2009, mostly due to better volume trends in North America and in the UK, and the effect of cost cutting measures.
Current operating income for ready-mix concrete & concrete products was down 49% in the year, at 41 million euros in 2010, from 81 million euros in 2009, reflecting the impact of lower volumes and some price declines, mitigated by the increasing value generated by innovative products and strict cost management.

Return on capital employed after tax increased to 3.4% from 2.9% in 2009.

Western Europe

Sales

Pure aggregates sales in Western Europe decreased by 3% to 807 million euros compared with 830 million euros in 2009. The UK market improved all through the year on the back of major infrastructure projects, but the end of large projects and bad weather translated in lower volumes in the fourth quarter. In France, volume trends were positive in the second and third quarters, but the fourth quarter was impacted by adverse weather conditions and strikes in the country. Spain and Greece suffered from difficult economic conditions with reduced public spending. Overall, prices were solid.

Asphalt and paving sales increased, bolstered by several infrastructure projects in the UK.

Ready-mix concrete sales decreased by 7% to 1,181 million euros compared with 1,270 million euros in 2009. At constant scope and exchange rates, sales were down 9%. Ready-mix concrete volumes continued to grow in the UK driven by large projects and are stabilizing in France. In other parts of Western Europe, and noticeably in Greece and Spain, still depressed market conditions drove volume declines. Prices slightly decreased, notably in Spain.

Current Operating Income

Current operating income in Western Europe was down 34% to 62 million euros in 2010, mostly reflecting the impact of lower volumes and prices in the ready mix concrete activity.

North America

Sales

Pure aggregates sales and ready-mix concrete sales increased 18% to 913 million euros and 13% to 793 million euros in 2010 respectively, benefiting from higher infrastructure spending in the United States and Canada and from a gradual improvement of the residential housing construction. Prices were solid for aggregates, and were lower for ready-mix concrete, partly due to adverse product and geographical mix.

At constant scope and exchange rates, Asphalt and paving sales benefited from several projects in Canada and United States, and experienced Asphalt double digit volume growth in the West of Canada and in the East of United States with stable prices.

Current Operating Income

In North America, current operating income strongly increased to 96 million euros in 2010 from 18 million euros in 2009. Currency variations and scope variations had a positive impact of 13 million euros each. At constant scope and exchange rates, the increase in current operating income reflected the progressive improvement of market conditions in North America, with higher volumes for our 3 activities (Pure aggregates, Asphalt and Ready-Mix concrete) and the strict cost control.

Emerging Markets

Sales

In emerging markets, pure aggregates sales increased by 4%, while ready-mix concrete sales decreased by 9%.
At constant scope and exchange rates, pure aggregates decreased by 4% year-to-date, while ready mix concrete sales dropped by -9%, reflecting the completion of major projects in the Durban area in South Africa end of 2009.
Pure aggregates sales improved by 2% in the fourth quarter, confirming the marked improved volumes trends in Poland all along the year, supported by national and local road projects. The ready mix concrete sales decline slowed down to 6% in the fourth quarter, benefiting from an improved situation in Poland, Brazil or India.

Current Operating Income

Current operating income decreased by 28% to 58 million euros in 2010, reflecting volumes declines.

Gypsum

Sales and Current Operating Income

	Full year			4th quarter		
	2010 (M€)	2009 (M€)	Variation 2010/2009 (%)	2010 (M€)	2009 (M€)	Variation 2010/2009 (%)
Sales	1,441	1,355	6%	351	320	10%
Current operating income	58	38	53%	10	(4)	nm

Sales

Contribution to our sales by origin for the years ended December 31, 2010 and 2009 and the related percentage change between the two periods were as follows:

	Full year			4th quarter		
	2010 (M€)	2009 (M€)	Variation 2010/2009 (%)	2010 (M€)	2009 (M€)	Variation 2010/2009 (%)
Western Europe	753	762	-1%	180	175	3%
North America	184	180	2%	42	40	5%
Other regions	504	413	22%	129	105	23%
Sales before elimination of inter-division sales	***1,441***	***1,355***	***6%***	***351***	***320***	***10%***

At constant scope and exchange rates, sales increased 2% year-to-date, and 4% in the last quarter, mostly driven by higher volumes, while average 2010 prices were slightly down.

In 2010, sales volumes of wallboards grew by 3% to 690 million square meters, and by 5% in the fourth quarter.

In Western Europe, our sales decreased by 1% to 753 million euros, combining positive market trends in the UK and more challenging market conditions in France.

In North America, our sales increased by 2% to 184 million euros, benefiting from the favourable fluctuations of the Canadian and the US dollar versus the euro, but the level of activity remained low with depressed prices.

In the other regions, the sales increased by 22% to 504 million euros, mostly reflecting positive market trends in Asia and Latin America.

Current Operating Income

Contribution to our current operating income by region, for the years ended December 31, 2010 and 2009, and the related percentage change between the periods were as follows:

	Full year			4th quarter		
	2010 (M€)	2009 (M€)	Variation 2010/2009 (%)	2010 (M€)	2009 (M€)	Variation 2010/2009 (%)
Western Europe	58	48	21%	13	4	nm
North America	(46)	(43)	nm	(13)	(13)	-
Other regions	46	33	39%	10	5	100%
TOTAL	***58***	***38***	***53%***	***10***	***(4)***	***nm***

Current operating income increased by 53% to 58 million in 2010 from 38 million in 2009. Currency fluctuations and net scope changes were negligible.

At constant scope and exchange rates, current operating income improved due to an increase in volumes and tight cost control, and despite the lower selling prices compared with 2009. The increase in paper costs was fully offset by contained energy costs.

As a percentage of the Division’s sales, current operating income margin increased to 4.0% in 2010, from 2.8% in 2009.

Return on capital employed after tax increased to 3.4% in 2010 from 2.5% in 2009.

Other (including holdings)

Sales

Sales of our other operations decreased to 3 million euros in 2010 compared to 9 million euros in 2009.

Current Operating Income (Loss)

Current operating loss of our other operations, which includes central unallocated costs, reached 63 million euros in 2010 compared to a loss of 97 million euros in 2009, benefiting from a change in the pension indexation in the UK.

Operating income and net income

The table below shows our operating income and net income for the years ended December 31, 2010 and 2009:

	2010 (M€)	2009 (M€)	Variation 2010/2009 (%)
Current Operating Income	**2,441**	**2,477**	**-1%**
Gains on disposals, net	45	103	-56%
Other operating income (expenses)	(317)	(330)	4%
Operating Income	**2,169**	**2,250**	**-4%**
Finance (costs) income	(723)	(926)	22%
Of which *Finance costs*	(1,069)	(1,136)	6%
Finance income	346	210	65%
Income from associates	(16)	(18)	11%
Income before Income Tax	**1,430**	**1,306**	**9%**
Income tax	(316)	(260)	-22%
Net Income	1,114	1,046	7%
out of which:			
Net income Group share (1)	**827**	**736**	**12%**
Non-controlling interests	287	310	-7%

(1) Net income/loss attributable to the owners of the parent company

Gains on disposals, net, were 45 million euros in 2010 compared to 103 million euros in 2009.

Other operating expenses were 317 million euros versus 330 million euros in 2009, and mainly comprise 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 primarily in Western Europe.

Operating income decreased by 4% to 2,169 million euros, from 2,250 million euros in 2009.

Finance costs, comprised of financial expenses on net debt, foreign exchange results and other financial income and expenses, improved by 22% to 723 million euros from 926 million euros in 2009.

The financial expenses on net debt slightly increased by 2% from 760 to 773 million euros, reflecting the higher average cost of debt. The average interest rate on our gross debt was 5.3% in 2010, as compared to 5.1% in 2009.

Foreign exchange resulted in a loss of 26 million euros in 2010 compared with a loss of 37 million euros in 2009, mostly relating to loans and debts denominated in currencies for which no hedging market is available.

Other finance income and expenses include the gain of the disposal of Cimpor shares for 161 million euros. Excluding this one-off item, other financial costs were almost halved to 85 million euros, compared to 129 million euros in 2009, partly 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.

The contribution from our associates represented in 2010 a net loss of 16 million euros, versus a loss of 18 million euros in 2009.

Income tax increased to 316 million euros in 2010 from 260 million euros in 2009. The effective tax rate for 2010 increased to 21.9% from 19.6% in 2009, mostly reflecting the progressive withdrawal of temporary tax holidays, partly offset by the non taxable gain on the disposal of Cimpor shares.

Net income Group Share[1] grew by 12% to 827 million euros in 2010 from 736 million euros in 2009.

2010 and 2009 were impacted by significant one-off items. They included the reversal of the German competition litigation provision, the settlement of USG litigation, and the impairment loss on cement assets located in Western Europe in 2009, whereas in 2010, they comprised the gain on the disposal of Cimpor shares for 161 million euros.

Non controlling interests decreased 7% to 287 million euros, from 310 million euros in 2009, mostly reflecting the lower earnings in Jordan.

Basic earnings per share increased by 4% for 2010 to 2.89 euros, compared to 2.77 euros in 2009, reflecting the combined effect of the increase in the net income and the full impact of the April 2009 rights issue of 1.5 billion euros on the 2010 average number of shares. The basic average number of outstanding shares during the year, excluding treasury shares, was 286.1 million compared to 265.5 million in 2009.

Cash flow statement

Net cash provided by operating activities was € 2,172 million (€ 3,206 million at the end of 2009).

Excluding the non recurring payment of the Gypsum competition fine for € 338 million in July 2010, net cash provided by operating activities decreased by 22%, primarily reflecting the evolution of the change in working capital. In 2009, the strong reduction of our working capital by 1,029 million euros was a combination of actions taken to lower the number of sales days of working capital and the decrease in the activity level between December 2008 and December 2009. In 2010, we pursued our actions to optimize our strict working capital[2] that further decreased 11 days to 32 days when expressed as a number of days sales at the end of December 2010. However, the absolute level of working capital did not decline significantly as the level of sales activity started to increase in 2010, and as it compared to an already optimized level.

Net cash used in investing activities amounted to € 1,244 million (€ 1,074 million in 2009).

Sustaining capital expenditures were contained at 359 million euros in 2010 compared to 372 million in 2009.

Capital expenditures for the building of new capacity decreased to 950 million euros from 1,234 million euros in 2009, and reflect mainly major cement projects such as the extension of

[1] Net income/loss attributable to the owners of the parent company
[2] Strict working capital defined as trade receivables plus inventories less trade payables.

our capacities in Eastern India, China, Poland, Russia, Uganda and Nigeria, the reconstruction of our Aceh plant in Indonesia and the investments in new capacities in Syria and Saudi Arabia.

Including the sale of a non-controlling interest in Lafarge Malayan Cement Berhad for 141 million euros and the debt disposed of, the divestments operations performed as at December 31, 2010 have reduced, net of selling costs, the Group's net financial debt by 364 million euros. In addition to the proceeds of the sale of the minority stake in Lafarge Malayan Cement Berhad, disposals mainly included the second instalment of the divestment of our Venezuelan operations, the divestment of our A&C operations in Alsace and Swizerland and the sale of several industrial assets and lands.
In 2009, divestments mainly comprised the disposal of our Chilean operations, our cement Turkish and Venezuelan activities (first payment) and our Aggregates and Concrete activities in Eastern Canada.

Statement of financial position

At December 31, 2010 total equity stood at € 18,224 million (€ 16,800 million at the end of December 2009) and net debt at € 13,993 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 (1.2 billion euros), the net income for the period (1.1 billion euros), partly offset by the impact of dividends (-0.9 billion euros).

Compared to December 31, 2009, the generation of solid cash flow from operations, measures to further reduce the working capital requirements and execute our divestment program, while funding targeted investments and dividends translated in a decrease in the net debt by 0.6 billion euros, but were more than offset by the translation impact of the portion of the debt denominated in US dollar and British pound that appreciated against the euro during the period (0.5 billion euros) and the non recurring payment of the Gypsum competition fine (0.3 billion euros).

Post balance sheet events

Industrial and sales operations were temporarily halted in Egypt at the end of January and restarted as of the 6th of February. The Group's plant, which is located outside of Cairo, has remained secure and is operating with normal staffing levels. For 2010, Egypt's revenues represented 4 % of total Group revenues and long-term fundamentals remain strong.

Outlook

The Group estimates cement demand in its markets to grow between 3 to 6 percent in 2011 versus 2010. Emerging markets continue to be the main driver of demand and Lafarge benefits from its well balanced geographic spread of high quality assets. For developed markets, the Group expects that demand will continue to slowly recover.

Overall pricing is expected to move higher for the year, although levels of pricing movements will vary by market.

3. Consolidated financial statements

Consolidated statements of income

	YEARS ENDED DECEMBER 31,	
(million euros, except per share data)	**2010**	**2009**
REVENUE	**16,169**	**15,884**
Cost of sales	(12,015)	(11,707)
Selling and administrative expenses	(1,713)	(1,700)
OPERATING INCOME BEFORE CAPITAL GAINS, IMPAIRMENT, RESTRUCTURING AND OTHER	**2,441**	**2,477**
Gains on disposals, net	45	103
Other operating income (expenses)	(317)	(330)
OPERATING INCOME	**2,169**	**2,250**
Finance costs	(1,069)	(1,136)
Finance income	346	210
Share of profit of associates	(16)	(18)
INCOME BEFORE INCOME TAX EXPENSE	**1,430**	**1,306**
Income tax	(316)	(260)
NET INCOME	**1,114**	**1,046**
Out of which part attributable to:		
Owners of the parent of the Group	**827**	**736**
Non-controlling interests	287	310
EARNINGS PER SHARE *(euros)*		
NET INCOME - ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		
Basic earnings per share	2.89	2.77
Diluted earnings per share	2.89	2.77
BASIC AVERAGE NUMBER OF SHARES OUTSTANDING *(in thousands)*	**286,087**	**265,547**

Consolidated statement of comprehensive income

	AT DECEMBER 31,	
(million euros)	**2010**	**2009**
NET INCOME	**1,114**	**1,046**
Available for sale investments	(138)	381
Cash-flow hedge instruments	12	32
Actuarial gains / (losses)	(64)	(174)
Currency translation adjustments	1,175	(77)
Income tax on other comprehensive income	5	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	**990**	**162**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**2,104**	**1,208**
Out of which part attributable to :		
- Owners of the parent of the Group	1,712	937
- Non-controlling interests	392	271

Consolidated statement of financial position

	AT DECEMBER 31,	
(million euros)	2010	2009
ASSETS		
NON CURRENT ASSETS	**34,752**	**32,857**
Goodwill	14,327	13,249
Intangible assets	661	632
Property, plant and equipment	17,912	16,699
Investments in associates	422	335
Other financial assets	863	1,591
Derivative instruments	78	43
Deferred tax	489	308
CURRENT ASSETS	**7,742**	**6,640**
Inventories	1,647	1,702
Trade receivables	1,774	1,686
Other receivables	971	1,008
Derivative instruments	56	24
Cash and cash equivalents	3,294	2,220
TOTAL ASSETS	**42,494**	**39,497**
EQUITY & LIABILITIES		
Common stock	1,146	1,146
Additional paid-in capital	9,640	9,620
Treasury shares	(26)	(27)
Retained earnings	5,816	5,555
Other reserves	(555)	(370)
Foreign currency translation	123	(947)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	**16,144**	**14,977**
Non-controlling interests	2,080	1,823
EQUITY	**18,224**	**16,800**
NON CURRENT LIABILITIES	**16,765**	**16,652**
Deferred tax	871	887
Pension & other employee benefits	1,108	1,069
Provisions	633	939
Long-term debt	14,096	13,712
Derivative instruments	57	45
CURRENT LIABILITIES	**7,505**	**6,045**
Pension & other employee benefits	139	109
Provisions	146	136
Trade payables	1,996	1,652
Other payables	1,642	1,630
Current tax payable	314	193
Short term debt and current portion of long-term debt	3,184	2,265
Derivative instruments	84	60
TOTAL EQUITY AND LIABILITIES	**42,494**	**39,497**

Consolidated statement of cash flows

	YEARS ENDED DECEMBER 31,	
(million euros)	**2010**	**2009**
NET CASH PROVIDED (USED IN) BY OPERATING ACTIVITIES		
NET INCOME	**1,114**	**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	1,173	1,123
Impairment of assets	154	164
Share of profit of associates	16	18
(Gains) on disposals, net	(45)	(103)
Finance costs (income)	723	926
Income tax expenses	316	260
Others, net (including dividends received from equity affiliates)	(300)	(57)
Change in operating working capital items, excluding financial expenses and income taxes (see analysis below)	354	1,029
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES BEFORE IMPACTS OF FINANCIAL EXPENSES AND INCOME TAX	**3,505**	**4,406**
Cash payments for financial expenses	(919)	(827)
Cash payments for income tax	(414)	(373)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	**2,172**	**3,206**
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Capital expenditures	(1,331)	(1,645)
Investment in subsidiaries and joint ventures [(1)]	(27)	(29)
Investment in associates	(3)	(10)
Investment in available for sale investments	(19)	(35)
Disposals [(2)]	209	760
Net decrease in long-term receivables	(73)	(115)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	**(1,244)**	**(1,074)**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Capital increase (decrease) - owners of the parent company	26	1,448
Capital increase (decrease) - non controlling interests	15	86
Changes in ownership interests with no gain/loss in control	139	-
(Increase) decrease in treasury shares	-	-
Dividends paid	(575)	(393)
Dividends paid by subsidiaries to non controlling interests	(274)	(143)
Proceeds from issuance of long-term debt	2,207	4,495
Repayment of long-term debt	(1,174)	(6,829)
Increase (decrease) in short-term debt	(326)	(153)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**38**	**(1,489)**

	YEARS ENDED DECEMBER 31,	
(million euros)	**2010**	**2009**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**966**	**643**
Net effect of foreign currency translation on cash and cash equivalents and other non monetary impacts	108	(14)
Cash and cash equivalents at beginning of year	2,220	1,591
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**3,294**	**2,220**
(1) Net of cash and cash equivalents of companies acquired	*35*	*3*
(2) Net of cash and cash equivalents of companies disposed of	*23*	*54*
ANALYSIS OF CHANGES IN OPERATING WORKING CAPITAL ITEMS	***354***	***1,029***
(Increase)/decrease in inventories	*97*	*433*
(Increase)/decrease in trade receivables	*83*	*562*
(Increase)/decrease in other receivables – excluding financial and income taxes receivables	*30*	*361*
Increase/(decrease) in trade payables	*179*	*(236)*
Increase/(decrease) in other payables – excluding financial and income taxes payables	*(35)*	*(91)*

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 the 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						**736**	**243**	**(42)**	**937**	**271**	**1,208**
Dividends paid						(393)			**(393)**	(140)	**(533)**
Issuance of common stock	*91,216,782*		365	1,131					**1,496**	86	**1,582**
Share based payments				27					**27**		**27**
Treasury shares		*(56,645)*			13	(13)			**-**		**-**
Other movements - Non-controlling interests									**-**	(119)	**(119)**
BALANCE AT DECEMBER 31, 2009	**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						**827**	**(185)**	**1,070**	**1,712**	**392**	**2,104**
Dividends paid						(575)			**(575)**	(277)	**(852)**
Issuance of common stock	*463*								**-**	15	**15**
Share based payments				20					**20**		**20**
Treasury shares		*(16,590)*			1	(8)			**(7)**		**(7)**
Changes in ownership with no gain / loss of control						17			**17**	118	**135**
Other movements – Non-controlling interests									**-**	9	**9**
BALANCE AT DECEMBER 31, 2010	**286,453,779**	**363,558**	**1,146**	**9,640**	**(26)**	**5,816**	**(555)**	**123**	**16,144**	**2,080**	**18,224**