

Paris, July 31, 2009

Euronext Paris: LG

RESULTS AS OF JUNE 30, 2009

**RESULTS IMPACTED BY ECONOMIC SLOWDOWN
EMERGING MARKETS EXPOSURE MITIGATES IMPACT ON OPERATING INCOME
STRONG CASH GENERATION, DEBT REDUCED BY €2.3 BN IN THE QUARTER**

FIRST-HALF KEY FIGURES

<ul style="list-style-type: none"> ▪ Sales down 12% to €7,991m ▪ Current operating income down 30% to €1,131m <ul style="list-style-type: none"> ▪ Emerging markets up 24% to €376m excluding Central and Eastern Europe 	<ul style="list-style-type: none"> ▪ Free Cash flow up €746m to €875m ▪ Net debt reduced by €1,496m from year end ▪ Net income Group share declined to €370m ▪ Net earnings per share declined to €1.51
--	--

SECOND-QUARTER KEY FIGURES

<ul style="list-style-type: none"> ▪ Sales down 14% to €4,362m ▪ Current operating income down 28% to €796m <ul style="list-style-type: none"> ▪ Emerging markets up 21% to €482m excluding Central and Eastern Europe 	<ul style="list-style-type: none"> ▪ Free Cash flow up €21m to €1,128m ▪ Net debt reduced by €2,292m from first quarter ▪ Net income Group share declined to €387m ▪ Net earnings per share declined to €1.45⁽¹⁾
--	--

(1) In line with IFRS requirements, the EPS has been adjusted to reflect the rights issue completed on April 28, 2009.

GROUP HIGHLIGHTS

- Free cash flow improved by €746 million year-to-date
- Net debt declined by €2,292 million in the second quarter
- Lafarge continued to implement significant cash generation actions by reducing costs, improving working capital, and limiting capital expenditures.
- The economic slowdown negatively impacted volumes and margins, particularly in developed markets, for both the quarter and year-to-date.
- Lafarge benefited from the well-positioned geographic portfolio of its cement assets, including new plants started in 2008, recording strong operating income growth in the Middle East, Africa, and Asia.
- Prices remained overall in line with cost inflation.
- Successful refinancing, eliminating debt covenant and extending the group's debt maturity profile

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

"Lafarge achieved a strong increase in cash generation in the first half of 2009, despite a decline in current operating income.

Our operational performance in reducing costs, sustaining capex, and improving working capital along with the benefit of our well-balanced geographic portfolio has enabled the Group to better weather the downturn. We have already made substantial progress in the action plan launched in February. Approximately €750 million in divestments have been secured to date, the €1.5 billion capital raising was finalized and debt refinancing has been completed on competitive terms. All these actions have reduced net debt, eliminating the related debt covenant and have extended the group's debt maturity profile.

Although some positive signals start to be seen, our priority is to continue to successfully implement our action plan, and to be flexible in responding to the challenging market trends. The effects of our operational improvements in combination with our focus on innovative products and development projects will enable us to continue to lead the sector at the time of the economic recovery."



The Board of Directors of Lafarge, chaired by Bruno Lafont, met on July 30, 2009 to approve the accounts for the period ended June 30, 2009.

CONSOLIDATED ACCOUNTS

(€m)	FIRST HALF			SECOND QUARTER		
	2008	2009	Variation	2008	2009	Variation
Sales	9,069	7,991	-12%	5,069	4,362	-14%
Current operating income	1,611	1,131	-30%	1,099	796	-28%
Operating margin (%)	17.8%	14.2%	-360 bp	21.7%	18.2%	-350 bp
Net income Group share	911	370	nm	761	387	nm
<i>Excluding one-off items⁽¹⁾</i>	773	327	-58%	623	344	-45%
Earnings per share (€) ⁽²⁾	€4.13	€1.51	nm	€3.44	€1.45	nm
<i>Excluding one-off items⁽¹⁾⁽²⁾</i>	€3.50	€1.33	-62%	€2.81	€1.29	-54 %
Free cash flow	129	875	nm	307	1,128	nm
Group net debt	17,323	15,388	- 11%			

⁽¹⁾ Excluding net capital gains on sale of Egypt-Titan JV and legal provision adjustments for the 2002 Gypsum case in Q2 2008 and German cement case in Q2 2009.

⁽²⁾ Basic average number of shares outstanding, as adjusted for the rights issue completed on April 28, 2009, of 220.8 million at the end of June 2008, compared to 245.7 million end of June 2009.

OUTLOOK FOR 2009

Based on the market situations observed in the second quarter, we have updated our outlook on volumes for the full year 2009. While the rate of decline is expected to slow in the second half of the year as compared to the first half, annual cement volumes in Lafarge's markets are expected to be down -4% to -8% overall, with significant differences between markets. The lower volumes will continue to place pressure on operating margins. Pricing is expected to remain overall in line with cost inflation and energy costs should ease in the second half of the year.

With regards to stimulus plans, government actions and the focus on infrastructure spending will have a positive impact on our markets. This year the Group has already seen strong benefits in China and expects most other stimulus plans to drive construction spending in 2010. Fundamentally, the global cement industry is supported by strong, long-term trends such as urbanization, demographic growth and infrastructure needs in developing economies.



CURRENT OPERATING INCOME

(€m)	FIRST HALF			SECOND QUARTER		
	2008	2009	Variation	2008	2009	Variation
Cement	1,380	1,090	-21%	911	706	-23%
Aggregates & Concrete	237	31	-87%	211	95	-55%
Gypsum	31	32	+3%	11	15	+36%
Other	(37)	(22)		(34)	(20)	
TOTAL	1,611	1,131	-30%	1,099	796	-28%

HIGHLIGHTS BY BUSINESS

CEMENT

- Sales -12% in the quarter and -10% year-to-date due to lower volumes led by difficult market conditions in Europe and North America.
- Solid growth in the key markets of the Middle East, Africa and Asia.
- Current operating income -23% in the quarter and -21% year-to-date, driven by lower volumes.
- Ebitda margin remained strong at 31.6% in the second quarter, down only 220 basis points in the face of sharp volume declines.
- Pricing in line with cost inflation.
- Positive impact of the cost reduction program in all regions.

AGGREGATES & CONCRETE

- Sales -19% in the quarter and -15% year-to-date.
- Current operating income -55% in the quarter and -87% year-to-date, reflecting the large presence in developed markets where volumes declined strongly.
- Pricing improved overall across all product lines, with benefits seen from value-added products.
- Continuing development of value-added concrete products at constant scope, which accounted for 21% of concrete volumes for the first-half of the year.
- Positive impact of the cost reduction program in all regions.

GYPSUM

- Sales -14% in the quarter and -13% year-to-date.
- Current operating income improved slightly compared to last year.
- Volume declines resulting from a general slowdown of housing construction in mature markets partially mitigated by some price improvement
- Positive impact of the cost reduction program in all regions.

INVESTMENTS AND DIVESTMENTS

- Investments totaled €884 million year-to-date 2009, compared to €9,728 million in 2008.
 - Sustaining capital expenditure decreased by 62% to €135 million in the first-half of 2009.
 - Internal development capital expenditure amounted to €682 million year-to-date.
 - Acquisitions showed a large decrease in 2009 following the acquisition of Orascom Cement in January 2008.
- Disposals amounted to €179 million, compared to €321 million in 2008.

Since June 30th, Lafarge has announced further divestments. With these announcements, total divestments of nearly €750 million have been announced in 2009.



ADDITIONAL INFORMATION

Practical information: Analyst conference call

There will be **an analyst conference call at 9:00 CET, on July 31, 2009** hosted by Jean-Jacques Gauthier, Chief Financial Officer. The presentation will be made in English with slides that can be downloaded from the Lafarge website (www.lafarge.com).

The presentation may be followed via a live web cast on the Lafarge website as well as via teleconference:

- Dial in (France): +33 (0) 1 70 99 42 70
- Dial in (UK or International): +44 (0) 20 7138 0824
- Dial in (US): +1 212 444 0481

Please note that in addition to the web cast replay, a conference call playback will be available until the 10th of August 2009 midnight at the following numbers:

- France playback number: +33 (0)1 71 23 02 48 (pin code: 1309594 #)
- Dial in (UK or International): +44 (0)20 7806 1970 (pin code: 1309594 #)
- Dial in (US): +1 718 354 1112 (pin code: 1309594 #)

NOTES TO EDITORS

Lafarge is the world leader in building materials, with top-ranking positions in all of its businesses: Cement, Aggregates & Concrete and Gypsum. With more than 84,000 employees in 79 countries, Lafarge posted sales of Euros 19 billion in 2008.

In 2009 and for the fifth year in a row, Lafarge was listed in the 'Global 100 Most Sustainable Corporations in the World'. With the world's leading building materials research facility, Lafarge places innovation at the heart of its priorities, working for sustainable construction and architectural creativity. Additional information is available on the web site at www.lafarge.com

This release may contain forward-looking statements. Such forward-looking statements do not constitute forecasts regarding the Company's results or any other performance indicator, but rather trends or targets, as the case may be. These statements are by their nature subject to risks and uncertainties as described in the Company's annual report available on its Internet website (www.lafarge.com). These statements do not reflect future performance of the Company, which may materially differ. The Company does not undertake to provide updates of these statements.

More comprehensive information about Lafarge may be obtained on its Internet website (www.lafarge.com), under Regulated Information.

COMMUNICATIONS

Stéphanie Lincourt +33(0) 1 44 34 19 47
Stephanie.lincourt@lafarge.com

Claire Mathieu : +33(0) 1 44 34 18 18
Claire.mathieu@lafarge.com

INVESTOR RELATIONS

Jay Bachmann: +33 (0) 1 44 34 93 71
Jay.bachmann@lafarge.com

Danièle Daouphars: +33 (0) 1 44 34 11 51
Daniele.daouphars@lafarge.com

Stéphanie Billet: +33 (0) 1 44 34 94 59
Stephanie.billet@lafarge.com