



PRESS RELEASE

Euronext: LG, NYSE: LR

Paris, October 20, 2004

Lafarge to inaugurate a cement plant built to the state-of-the-art production standards in Serbia and Montenegro

Lafarge's expansion in central Europe will take another step forward on Friday, October 22th, with the inauguration of a fully modernized cement plant with a capacity of 1.5 million tonnes in the presence of the Prime Minister of Serbia.

This dry process clinker production line has cost over €50 million and represents the largest foreign investment in the country for five years.

Equipped with the state-of-the-art technological standards and complying with the Group's environmental standards, this investment will enable the Beocin plant to keep pace with the construction market's strong growth potential in Serbia and Montenegro.

Lafarge acquired Beocinska Fabrika Cementa (BFC), which owns the Beocin plant and is the leading player in Serbia and Montenegro's cement market, during the April 2002 round of privatisation. The cement plant is located on the Danube, 110km from Belgrade and 100km from the Hungarian border.

"The Group's active expansion in central and eastern Europe, which started over a decade ago, reflects Lafarge's strategic focus on the region, which boasts strong growth potential. The Beocin plant now has everything it needs to serve the construction market in Serbia and Montenegro" commented Bernard Kasriel, Lafarge's Chief Executive Officer.

Notes to Editors:

1. Lafarge BFC is 84% owned by a joint-venture of Lafarge, and the Austrian Asamer and Wittersdorfer. Lafarge controls the management of Lafarge BFC.
2. Lafarge has built strong positions in central and eastern Europe, with a industrial presence in its four core businesses in Bosnia, Bulgaria, Croatia, Estonia, Hungary, Moldavia, Poland, Romania, Czech Republic, Russia, Serbia, Slovakia, Slovenia and Ukraine.
3. The Lafarge group's Cement division generated 46% of its sales and 42% of its operating income in emerging markets in 2003.
4. Lafarge, the world leader in building materials, holds top-ranking positions in all four of its Divisions: Cement, Aggregates & Concrete, Roofing and Gypsum. Lafarge employs 75,000 people in 75 countries. In 2003, the Group posted sales of €13.6 billion and operating profit on ordinary activities of €1.9 billion.



Further information is available on the web site at www.lafarge.com.

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