

OUR PERFORMANCE IN 2009

Climate change management

At Lafarge we are acting to reduce the carbon intensity of our products and our processes. This does not come from any one single factor. It is the result of a number of different actions and requires us to measure, improve and set targets for a range of factors.

HOW WE ACHIEVED OUR 20% CUT IN NET EMISSIONS

Lafarge has reduced net emissions per ton of cementitious product from 774 in 1990 to 614 in 2009. The single biggest contributor to this change has been the reduction in our clinker/cement factor. In 1990 clinker composed 84% of our cement; by 2009 we had reduced this to 75%. Just over half of the increase in net emissions per ton is due to this factor. The second biggest factor is the improved Specific heat consumption of our plants. This has come through investment : building and opening new plants, closing old and inefficient plants and improving some other plants. This accounts for 35% of the overall improvement made. The remainder of the improvement comes from increased use of alternative fuels.

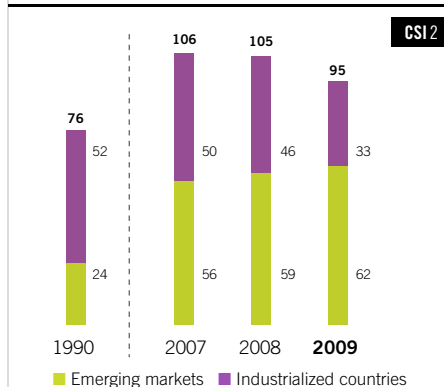
REDUCING GROSS ABSOLUTE EMISSIONS IN INDUSTRIALIZED COUNTRIES

Over the period 1990 to 2007 our production of cement in industrialized countries increased by 7% but our commitment to increasing our efficiency led to a 5% drop in our gross absolute emissions. Since 2007 we have continued to increase our efficiency but the greater part of our 38% reduction over 1990 is due to decreased demand resulting from the economic crisis.

*Net CO₂ emissions are the gross emissions less the emissions that come from burning waste.

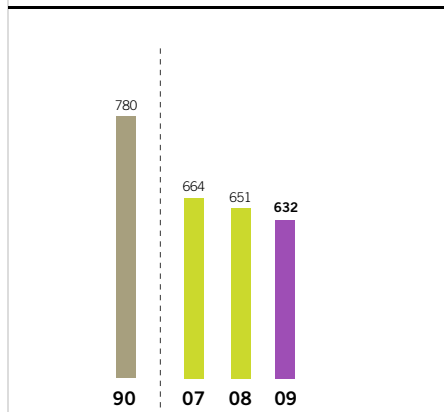
MANAGING OUR CARBON EMISSIONS (SCOPE 1)

Lafarge total gross CO₂ emissions    (millions of tons/year)



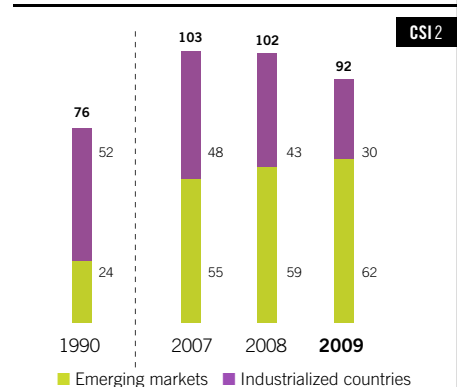
Our gross emissions declined in 2009, mainly due to the impact of the recession. Overall our gross emissions have grown by a quarter over 1990. Gross emissions in industrialized countries have seen a reduction of 38%, emerging markets have more than doubled.

Gross CO₂ emissions    (per ton of cementitious product)



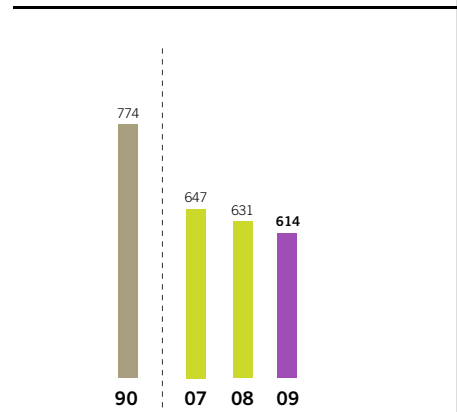
Our gross emissions per ton were 19% down on 1990 levels.

Lafarge total net CO₂ emissions*    (millions of tons/year)



Net emissions decreased in 2009 mainly due to the recession. Over 1990 net emissions rose by 22%. Industrialized countries saw a 42% decline while emerging economies net emissions are just over two and a half times higher than in 1990.

Net CO₂ emissions*     (per ton of cementitious product)



Our net emissions per ton were 20.7% down on 1990 levels, achieving our Sustainability Ambition for this measure one year ahead of target. For 2008 we were able to benchmark ourselves against seven other companies and Lafarge was first out of the group surveyed.

INCREASING THE USE OF NON-FOSSIL FUELS

Alternative fuel rate

(consumption of alternative fuels, as % thermal consumption)

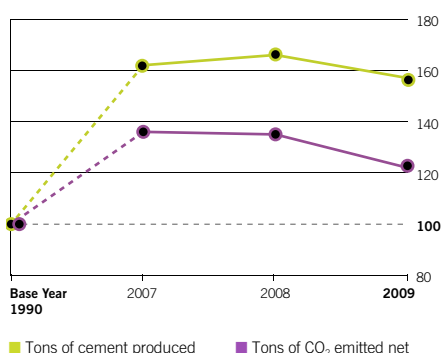
CSI 5 B



Our use of non-fossil fuels has increased by more than 25% over 2007. We are planning to increase usage in future years. For 2008, Lafarge was 3rd out of 8 companies surveyed.

Increasing the carbon efficiency of our operations

(Trend of net emissions against tons of cement produced)

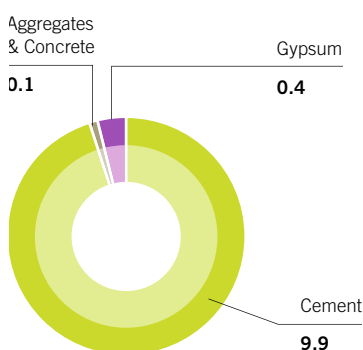


Our operations are becoming ever more carbon efficient. In 2009 we produced 57% more cement than in 1990 but our CO₂ emissions increased by only 22% over the same period.

Total energy consumption

MTOE (Million tons of oil equivalent)

EN3

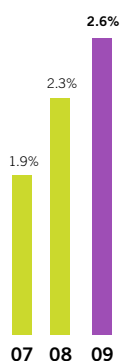


Our total energy consumption declined by just short of 12% in 2009 (10.4 MTOE). Just under 95% of our energy consumption is in the Cement business.

Biomass fuel rate

(consumption of biomass, as % thermal consumption)

CSI 6 B



Specifically our use of biomass fuels is growing too. Our 2009 level was over a third higher than the level for 2007. For 2008, Lafarge was in 5th position and still has room for improvement.

Cutting the clinker/cement factor

(ratio between clinker consumption and cement production calculated according to cement protocol)

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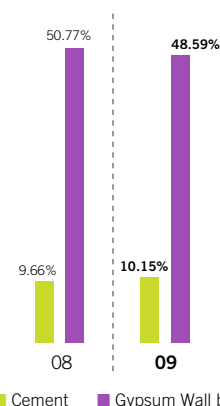


We are steadily reducing the clinker proportion of our cement. In 2008, Lafarge was 4th out of 8 companies who reported on this indicator.

Using alternative raw materials

(consumption of alternative raw materials, as % of total raw material for cement and clinker production and gypsum)

CSI 7



Our use of alternative raw materials broadly held steady through 2009.

Cutting our specific heat consumption

(clinker production, MJ/ton clinker)

CSI 4 B



The specific heat consumption of our plants is improving. Though product produced has increased by 59% since 1990, specific heat consumption has fallen by 19% over the same period. In 2008, Lafarge was 6th out of the 8 companies who reported on this indicator.

Fuel mix evolution in the cement business

(% of total)

EN3

	1990	2007	2008	2009
Coal	56.1%	44.1%	44.6%	43.8%
Coke	7.6%	22.0%	18.9%	19.8%
Oil	13.5%	5.9%	7.5%	8.3%
High viscosity fuels	2.1%	1.5%	0.7%	0.1%
Gas	18.1%	17.7%	17.8%	17.1%
Waste*	1.9%	6.9%	8.2%	8.3%
Biomass	0.7%	1.9%	2.3%	2.6%

Since 1990 use of alternative fuels has grown while coal and oil has declined. Gas has remained flat while our use of coke has almost doubled. We have virtually eliminated the use of high viscosity fuels.

* Used oils, solvents, tires, solid shredded waste, impregnated sawdust.