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# 2010 Nine Month Results

Bruno Lafont and Jean-Jacques Gauthier

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A photograph of a large cable-stayed bridge at night, illuminated with lights. The bridge spans across a body of water, with its reflection visible. The sky is dark blue, and the bridge's structure is highlighted by the lights.

# Introduction

Bruno Lafont



## Overview – Solid Third Quarter Performance

- Volume declines stabilized in a challenging business environment
  - Trends improved in most developed countries in third quarter
  - Emerging markets showed strength, although the Group had lower volumes in some growing markets
  - Central and Eastern Europe showed first signs of market improvements since mid-2008
  
- Lafarge executed its priority actions
  - Pricing remained solid overall
  - €50M of structural cost savings in the quarter, €170M YTD
  - Cash flow generation remained strong, with a significant decrease of number of days of working capital and debt reduction in the quarter
  - Middle East Africa performance substantially improved from the second quarter
  - Brazilian assets acquired were successfully integrated into the Group



## Overview – Focus on Debt Reduction and Return to Earnings Growth

- Tight focus continued on debt management
  - Secured more than €350M of divestments as part of debt reduction with more than €500M targeted by end of year
  - Capex limitation and new cost reduction plans in place for 2011
  - Strong liquidity position with €3.8Bn of committed credit lines
  
- Portfolio of assets already in place to capture growth
  - Emerging markets remain the key driver for growth
  - 70% of Lafarge current cement capacities in emerging markets
  - Portfolio is well balanced, with no emerging market representing more than 5% of total sales
  - Lafarge volumes expected to increase in emerging countries in 2011 as new capacities are absorbed by market growth
  - Lafarge to benefit from a solid and balanced base of assets in developed countries as markets improve



## Key Figures

| €m                                     | 9 Months      |                            |                              | 3 <sup>rd</sup> Quarter |                          |            |                    |
|----------------------------------------|---------------|----------------------------|------------------------------|-------------------------|--------------------------|------------|--------------------|
|                                        | 2009          | 2010                       | Variation lfl <sup>(1)</sup> | 2009                    | 2010                     | Variation  | lfl <sup>(1)</sup> |
| <b>Sales</b>                           | <b>12,243</b> | <b>12,210</b>              | - -4%                        | <b>4,252</b>            | <b>4,498</b>             | <b>6%</b>  | <b>-2%</b>         |
| EBITDA                                 | 2,832         | 2,790                      | -1% -7%                      | 1,132                   | 1,140                    | 1%         | -8%                |
| <b>Current Operating Income</b>        | <b>1,983</b>  | <b>1,911</b>               | <b>-4%</b> <b>-10%</b>       | <b>852</b>              | <b>839</b>               | <b>-2%</b> | <b>-10%</b>        |
| <i>Operating Margin</i>                | <i>16.2%</i>  | <i>15.7%</i>               |                              | <i>20.0%</i>            | <i>18.7%</i>             |            |                    |
| Net income Group share <sup>(2)</sup>  | 774           | 765                        | -1%                          | 404                     | 372                      | -8%        |                    |
| Excluding one-off items <sup>(3)</sup> | 731           | 604                        | -17%                         | 404                     | 371                      | -8%        |                    |
| <b>Earnings per share (in €)</b>       | <b>2.99</b>   | <b>2.67</b>                | <b>-11%</b>                  | <b>1.42</b>             | <b>1.30</b>              | <b>-8%</b> |                    |
| Excluding one-off items <sup>(3)</sup> | <b>2.82</b>   | <b>2.11</b>                | <b>-25%</b>                  | <b>1.42</b>             | <b>1.30</b>              | <b>-8%</b> |                    |
| <b>Free cash flow<sup>(4)</sup></b>    | <b>1,711</b>  | <b>1,303<sup>(5)</sup></b> | <b>-24%</b>                  | <b>836</b>              | <b>812<sup>(5)</sup></b> | <b>-3%</b> |                    |
| Net debt                               | 14,613        | 14,660                     | -                            |                         |                          |            |                    |

(1) At constant scope and exchange rates

(2) Net income attributable to the owners of the parent company

(3) Excluding German cement case in Q2 2009 for €43m and the gain on the disposal of Cimpor shares in 2010 for €161m

(4) Defined as the net operating cash generated by continuing operations less sustaining capital expenditures

(5) Excluding the €338m one-time payment for the Gypsum competition fine paid in the third quarter 2010.



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Cement

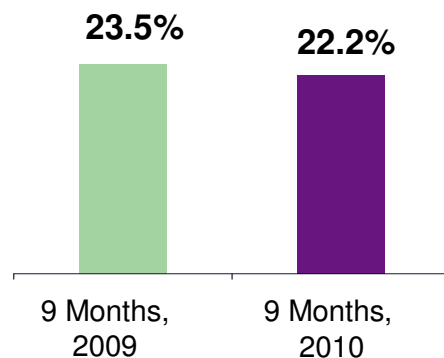


# Cement Highlights

Contrasted Volume Trends between Markets  
Solid Pricing Overall

| MT                       | 9 Months |       |           |                    | 3 <sup>rd</sup> Quarter |       |           |                    |
|--------------------------|----------|-------|-----------|--------------------|-------------------------|-------|-----------|--------------------|
|                          | 2009     | 2010  | Variation | Lfl <sup>(3)</sup> | 2009                    | 2010  | Variation | Lfl <sup>(3)</sup> |
| Volumes                  | 107.6    | 101.3 | -6%       | -4%                | 37.6                    | 35.9  | -5%       | -4%                |
| <b>€m</b>                |          |       |           |                    |                         |       |           |                    |
| Sales <sup>(1)</sup>     | 7,817    | 7,766 | -1%       | -4%                | 2,672                   | 2,803 | 5%        | -3%                |
| EBITDA                   | 2,393    | 2,310 | -3%       | -8%                | 931                     | 902   | -3%       | -11%               |
| Current Operating Income | 1,836    | 1,727 | -6%       | -11%               | 746                     | 702   | -6%       | -13%               |

## Operating margin<sup>(2)</sup>



- (1) Before elimination of inter divisional sales  
 (2) Current Operating Income / Sales  
 (3) At constant scope and exchange rates

- In mature markets, volumes continued to show positive trends in Q3, particularly in North America and UK, while Spain and Greece volumes continued to decrease.
- In emerging countries, markets overall continued to perform positively, although showing contrasted results.
- Prices solid overall, despite price declines in certain markets.
- Tight cost control supported a robust EBITDA margin at 32.2% in Q3, despite higher energy costs.



# Cement highlights

## Contrasted trends between regions

| By geographical zone          | 9 Months     |              |            | 3 <sup>rd</sup> Quarter |            |            |
|-------------------------------|--------------|--------------|------------|-------------------------|------------|------------|
|                               | 2009         | 2010         | Variation  | 2009                    | 2010       | Variation  |
| <b>Current Op Income (€m)</b> | <b>1,836</b> | <b>1,727</b> | <b>-6%</b> | <b>746</b>              | <b>702</b> | <b>-6%</b> |
| Western Europe                | 377          | 357          | -5%        | 163                     | 134        | -18%       |
| North America                 | 25           | 66           | 164%       | 73                      | 81         | 11%        |
| Central and Eastern Europe    | 215          | 171          | -20%       | 110                     | 104        | -5%        |
| Middle East and Africa        | 836          | 733          | -12%       | 270                     | 261        | -3%        |
| Latin America                 | 105          | 135          | 29%        | 41                      | 57         | 39%        |
| Asia                          | 278          | 265          | -5%        | 89                      | 65         | -27%       |

- Western Europe trends improved overall in UK and France, but severe impact of the economic crisis in Greece lowered Q3 earnings.
- North America positive volumes and aggressive cost cutting measures supported earnings growth.
- Central and Eastern Europe experienced noticeable volume increases in Russia and Poland in Q3.
- Middle East and Africa progressively improved during Q3 relative to the first half of the year.
- Latin America bolstered by a dynamic market in Brazil and the newly acquired assets.
- Asia suffered from adverse weather conditions and challenging market environment in South Korea and China, in a context of rising energy costs.



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Aggregates & Concrete

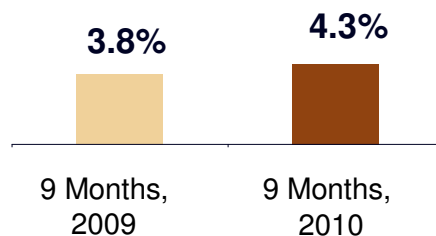


# Aggregates & Concrete Highlights

## Volume Improvements and Tight Cost Management

| €m                       | 9 Months |       |           |                    | 3 <sup>rd</sup> Quarter |       |           |                    |
|--------------------------|----------|-------|-----------|--------------------|-------------------------|-------|-----------|--------------------|
|                          | 2009     | 2010  | Variation | Lfl <sup>(3)</sup> | 2009                    | 2010  | Variation | Lfl <sup>(3)</sup> |
| Sales <sup>(1)</sup>     | 3,894    | 3,833 | -2%       | -3%                | 1,413                   | 1,512 | 7%        | -                  |
| EBITDA                   | 342      | 359   | 5%        | -6%                | 181                     | 207   | 14%       | -                  |
| Current Operating Income | 147      | 163   | 11%       | -8%                | 116                     | 140   | 21%       | 3%                 |

### Operating margin<sup>(2)</sup>



- Sales continued to increase in the third quarter, supported by volume growth in North America and in the UK.
- Margins improved, reflecting continuous cost containment and volumes improvement.
- Ready-Mix sales of Value Added Products improved at comparable scope and significantly contributed to earnings.

(1) Before elimination of inter divisional sales

(2) Current Operating Income / Sales

(3) At constant scope and exchange rates



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Gypsum

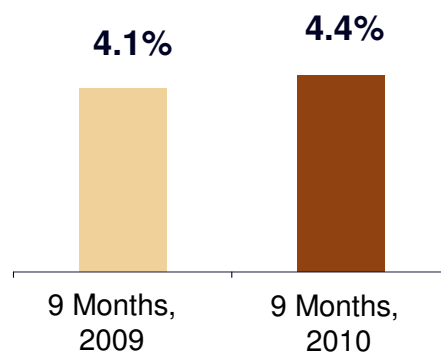


# Gypsum Highlights

## Continuing Results Improvement

| Mm <sup>2</sup>          | 9 Months |       |           | 3 <sup>rd</sup> Quarter |      |           |
|--------------------------|----------|-------|-----------|-------------------------|------|-----------|
|                          | 2009     | 2010  | Variation | 2009                    | 2010 | Variation |
| Volumes                  | 502      | 517   | 3%        | 176                     | 173  | -2%       |
| <b>€m</b>                |          |       |           |                         |      |           |
| Sales <sup>(1)</sup>     | 1,035    | 1,090 | 5%        | 339                     | 365  | 8%        |
| EBITDA                   | 102      | 113   | 11%       | 29                      | 37   | 28%       |
| Current Operating Income | 42       | 48    | 14%       | 10                      | 14   | 40%       |

Operating margin <sup>(2)</sup>



- Volumes increased by 3% year-to-date, but slightly decreased by 2% in Q3.
- Solid market trends in Asia continued in Q3, while market conditions in France were tougher.
- Operating margins improved in a context of slightly lower prices, due to tight cost control.

(1) Before elimination of inter divisional sales  
 (2) Current Operating Income / Sales



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Net Income



## Net Income

| €m                                            | 9 Months     |                      | 3 <sup>rd</sup> Quarter |            |
|-----------------------------------------------|--------------|----------------------|-------------------------|------------|
|                                               | 2009         | 2010                 | 2009                    | 2010       |
| <b>Current Operating Income</b>               | <b>1,983</b> | <b>1,911</b>         | <b>852</b>              | <b>839</b> |
| Other income (expenses)                       | (18)         | (145)                | (16)                    | (35)       |
| Finance costs, net                            | (678)        | (499) <sup>(1)</sup> | (222)                   | (216)      |
| Income from associates                        | (14)         | (14)                 | (9)                     | (1)        |
| Income taxes <sup>(2)</sup>                   | (244)        | (284)                | (109)                   | (127)      |
| Non-controlling interests                     | (255)        | (204)                | (92)                    | (88)       |
| <b>Net income Group Share <sup>(3)</sup></b>  | <b>774</b>   | <b>765</b>           | <b>404</b>              | <b>372</b> |
| <b>Excluding one-off items <sup>(4)</sup></b> | <b>731</b>   | <b>604</b>           | <b>404</b>              | <b>371</b> |

(1) Including the gain on the disposal of Cimpor shares for €161m

(2) Effective tax rate moving from 19% end of September 2009 to 22% end of September 2010, primarily due to expiration of tax holidays, and despite the non taxable gain on the disposal of Cimpor shares

(3) Net income attributable to the owners of the parent company

(4) Excluding German cement case in Q2 2009 and the gain on the disposal of Cimpor shares in 2010



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# Cash Flow and Debt Highlights



## Cash Flow

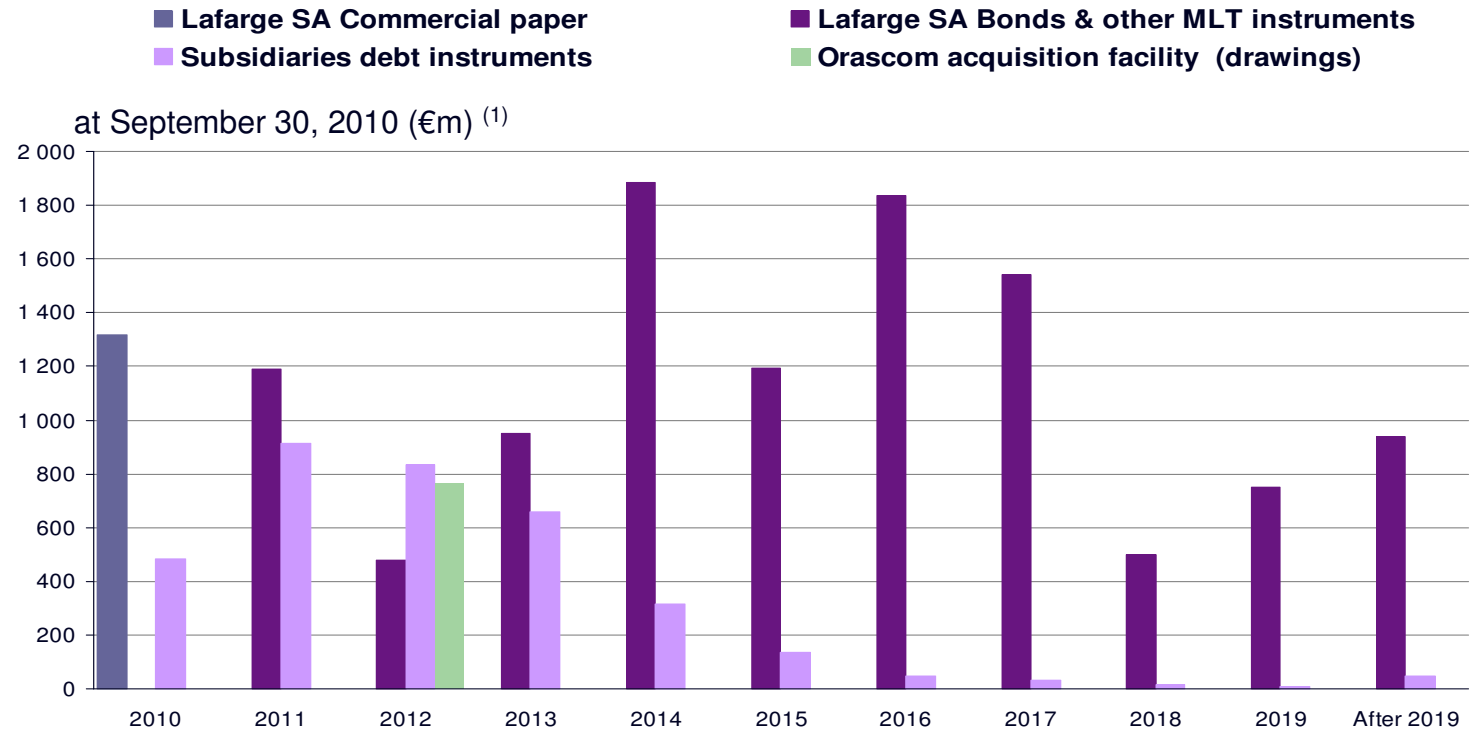
| €m                                                    | 9 Months      |                      | 3 <sup>rd</sup> Quarter |                    |
|-------------------------------------------------------|---------------|----------------------|-------------------------|--------------------|
|                                                       | 2009          | 2010                 | 2009                    | 2010               |
| Cash flow from operations                             | 1,772         | 1,833 <sup>(1)</sup> | 857                     | 883 <sup>(1)</sup> |
| Change in working capital                             | 138           | (344)                | 43                      | (1)                |
| Sustaining capex                                      | (199)         | (186)                | (64)                    | (70)               |
| <b>Free cash flow excluding non recurring payment</b> | <b>1,711</b>  | <b>1,303</b>         | <b>836</b>              | <b>812</b>         |
| Non-recurring payment <sup>(1)</sup>                  | -             | (338)                | -                       | (338)              |
| <b>Free cash flow</b>                                 | <b>1,711</b>  | <b>965</b>           | <b>836</b>              | <b>474</b>         |
| Development investments <sup>(2)</sup>                | (1,011)       | (836)                | (262)                   | (234)              |
| Divestments <sup>(2)</sup>                            | 633           | 286 <sup>(3)</sup>   | 454                     | 181 <sup>(3)</sup> |
| <b>Cash flow after investments</b>                    | <b>1,333</b>  | <b>415</b>           | <b>1,028</b>            | <b>421</b>         |
| Dividends                                             | (510)         | (821)                | (407)                   | (611)              |
| Equity issuance (repurchase)                          | 1,445         | 20                   | (2)                     | 7                  |
| Currency fluctuation impact                           | 144           | (362)                | 225                     | 645                |
| Change in fair value                                  | (74)          | (13)                 | (70)                    | 40                 |
| Others                                                | (67)          | (104)                | 1                       | (2)                |
| <b>Net debt reduction (increase)</b>                  | <b>2,271</b>  | <b>(865)</b>         | <b>775</b>              | <b>500</b>         |
| Net debt at the beginning of period                   | 16,884        | 13,795               | 15,388                  | 15,160             |
| <b>Net debt at period end</b>                         | <b>14,613</b> | <b>14,660</b>        | <b>14,613</b>           | <b>14,660</b>      |

(1) The €338m one-time payment for the Gypsum competition fine paid in the third quarter 2010 is excluded from the cash flow from operations and presented in a separate line to facilitate comparability of periods

(2) Including debt acquired / Net of the debt disposed of

(3) Including the divestment of a minority stake in Lafarge Malayan Cement Berhad for €141m in Q3 2010

## Balanced Debt Maturity Schedule



- All Lafarge SA long-term debt obligations due in 2010 refinanced
- No financial covenants on debt at Lafarge SA level

(1) Excluding puts on shares and derivatives instruments: €0.3bn



## Strong Liquidity Backed by Well Balanced Committed Credit Lines

| €m, as at September 30, 2010                       | Line<br>currency | Line<br>size | Amount<br>available | Expiry<br>date          | Financial<br>covenant | MAC<br>clause |
|----------------------------------------------------|------------------|--------------|---------------------|-------------------------|-----------------------|---------------|
| Syndicated credit facility                         | EUR              | 1,764        | 1,764               | 28/07/13 <sup>(1)</sup> | No                    | No            |
| Bilateral committed credit facilities              | EUR              | 2,024        | 2,024               | Various <sup>(2)</sup>  | No                    | No            |
| <b>Total Lafarge SA committed<br/>credit lines</b> |                  | <b>3,788</b> | <b>3,788</b>        |                         |                       |               |

- Cash and cash equivalents of €2.4Bn
- Lafarge SA committed unused credit lines of €3.8Bn with average maturity of 2.9 years
  - No major line maturing in 2010, and only €650m maturing by the end of 2012
  - 24 banks participating to the syndicated credit facility
- All credit facilities are free of any financial covenant

(1) Except €110m, maturing on July 28, 2012.

(2) From April 2011 to July 2015



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A photograph of a cable-stayed bridge at night, illuminated with white lights. The bridge spans across a body of water, with its reflection visible. The sky is dark blue. The bridge has two prominent towers and numerous stay cables. In the background, a truss bridge is also visible.

Outlook 2010



## 2010 Outlook – Market\* Overview - updated

|                            | Volumes (%)    | Price    | Highlights                                                                                                 |
|----------------------------|----------------|----------|------------------------------------------------------------------------------------------------------------|
| North America              | 1 to 5         | -        | Volume improvement continues                                                                               |
| Western Europe             | -10 to -6      | =/-      | Stabilization at low level                                                                                 |
| Central and Eastern Europe | -4 to 0        | =/-      | Stabilization at low level                                                                                 |
| Middle East and Africa     | 1 to 5         | =/+      | Solid market trends in most countries                                                                      |
| Latin America              | 10 to 14       | +        | Solid market trends; prices improving                                                                      |
| Asia                       | 6 to 10        | =/+      | Solid market trends in most countries                                                                      |
| <b>Overall</b>             | <b>-1 to 3</b> | <b>=</b> | <b>Solid market trends in most emerging countries and stabilization or slow recovery in mature markets</b> |

\* Market growth forecast at national level

## Outlook 2010 – Other Elements

- Net energy cost per tonne of cement stable for the full year
- Structural cost reduction of more than €200M
- Cost of debt (gross): circa 5.5%
- Tax rate: 24% <sup>(1)</sup>
- Capital expenditures:
  - Sustaining: €350M
  - Development: €950M

(1) Impacted by country mix



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A photograph of a cable-stayed bridge at night, illuminated with white lights. The bridge spans across a body of water, with its reflection visible. The sky is dark blue. The bridge has two prominent towers with multiple stay cables. In the background, a truss bridge is also visible.

Conclusion



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# I. Other Information

Outlook 2010 – Market Overview



## 2010 Outlook – Market <sup>(1)</sup> overview

### Cement – North America and Europe

| Cement                            | Volume (%)       | Price        |
|-----------------------------------|------------------|--------------|
| <b>Overall</b>                    | <b>-1 to 3</b>   | <b>=</b>     |
| <b>North America</b>              | <b>1 to 5</b>    | <b>-</b>     |
| United States                     | 1 to 5           | -            |
| Canada                            | 5 to 9           | = / +        |
| <b>Western Europe</b>             | <b>-10 to -6</b> | <b>= / -</b> |
| France                            | -5 to -1         | = / +        |
| United Kingdom                    | 0 to 4           | = / -        |
| Spain                             | -20 to -16       | -            |
| Germany                           | -5 to -1         | =            |
| Greece                            | -22 to -18       | = / -        |
| Austria                           | -8 to -4         | = / -        |
| <b>Central and Eastern Europe</b> | <b>-4 to 0</b>   | <b>= / -</b> |
| Poland                            | 2 to 6           | -            |
| Romania                           | -16 to -12       | = / -        |
| Russia <sup>(1)</sup>             | 0 to 4           | +            |
| Serbia                            | -11 to -7        | +            |

(1) Market growth forecast at national level except for China, India and Russia for which only relevant markets are considered



## 2010 Outlook – Market <sup>(1)</sup> overview

### Cement – Middle East and Africa, Latin America and Asia

| Cement                        | Volume (%)      | Price        |
|-------------------------------|-----------------|--------------|
| <b>Middle East and Africa</b> | <b>1 to 5</b>   | <b>=/+</b>   |
| Egypt                         | 2 to 6          | =            |
| Iraq                          | 12 to 16        | +            |
| Jordan                        | -9 to -5        | = / +        |
| Algeria                       | 2 to 6          | = / +        |
| Kenya                         | 5 to 9          | =            |
| Morocco                       | 0 to 4          | =            |
| Nigeria                       | 4 to 8          | =            |
| South Africa                  | 0 to 4          | = / +        |
| Zambia                        | 1 to 5          | =            |
| <b>Latin America</b>          | <b>10 to 14</b> | <b>+</b>     |
| Brazil                        | 11 to 15        | +            |
| Honduras                      | -5 to -1        | +            |
| Ecuador                       | 4 to 8          | +            |
| <b>Asia</b>                   | <b>6 to 10</b>  | <b>= / +</b> |
| China <sup>(1)</sup>          | 11 to 15        | -            |
| India <sup>(1)</sup>          | 9 to 13         | +            |
| Indonesia                     | 2 to 6          | = / +        |
| Malaysia                      | 2 to 6          | +            |
| Philippines                   | 6 to 10         | +            |
| South Korea                   | -10 to -6       | -            |
| Bangladesh                    | 10 to 14        | = / +        |

(1) Market growth forecast at national level, except for China, India and Russia for which only relevant markets are considered



## 2010 Outlook – Market overview

### Aggregates & Concrete – Gypsum

- Aggregates and Concrete
  - For mature markets, stabilization is confirmed for all markets
  - For emerging markets
    - Pure aggregates: volume growth in most countries, Poland and Brazil being particularly dynamic; continued softness in South Africa; solid pricing overall
    - Ready-Mix: stabilized volumes and prices partially lower
  
- Gypsum
  - Slight improvement in volumes and prices



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## II. Other Information

Cement – Regional information

# Cement: YTD Like for Like Sales Variance (1)



| Cement – Analysis by Region and in Major Markets as at September 30, 2010 | Volume effect              | Other effects (2) | Activity variation vs. 2009 |
|---------------------------------------------------------------------------|----------------------------|-------------------|-----------------------------|
| <b>North America</b>                                                      | <b>4.1%</b> <sup>(3)</sup> | <b>-3.4%</b>      | <b>0.7%</b>                 |
| <b>Western Europe</b>                                                     | <b>-8.6%</b>               | <b>-1.7%</b>      | <b>-10.3%</b>               |
| France                                                                    | -5.5%                      | -0.3%             | -5.8%                       |
| United Kingdom                                                            | 5.6%                       | -3.8%             | 1.8%                        |
| Spain                                                                     | -18.3%                     | -9.1%             | -27.4%                      |
| Germany                                                                   | 0.3%                       | 1.6%              | 1.9%                        |
| Greece                                                                    | -26.0%                     | -1.0%             | -27.0%                      |
| <b>Central and Eastern Europe</b>                                         | <b>-8.3%</b>               | <b>-2.6%</b>      | <b>-10.9%</b>               |
| Poland                                                                    | 2.6%                       | -8.5%             | -5.9%                       |
| Romania                                                                   | -16.4%                     | -1.6%             | -18.0%                      |
| Serbia                                                                    | -12.1%                     | 10.4%             | -1.7%                       |
| Russia                                                                    | -7.8%                      | -1.9%             | -9.7%                       |
| <b>Middle East and Africa</b>                                             | <b>-8.8%</b>               | <b>1.5%</b>       | <b>-7.3%</b>                |
| Egypt                                                                     | -7.5%                      | 0.3%              | -7.2%                       |
| Iraq                                                                      | 11.6%                      | -2.3%             | 9.3%                        |
| Jordan                                                                    | -49.4%                     | 5.3%              | -44.1%                      |
| Algeria                                                                   | -6.3%                      | 0.9%              | -5.4%                       |
| South Africa                                                              | 10.2%                      | 1.9%              | 12.1%                       |
| Morocco                                                                   | -3.3%                      | 0.5%              | -2.8%                       |
| Kenya                                                                     | -18.7%                     | -3.7%             | -22.4%                      |
| Nigeria                                                                   | -2.6%                      | 0.1%              | -2.5%                       |
| <b>Latin America</b>                                                      | <b>4.1%</b>                | <b>1.3%</b>       | <b>5.4%</b>                 |
| Brazil                                                                    | 6.7%                       | 1.6%              | 8.3%                        |
| Ecuador                                                                   | 6.0%                       | 2.6%              | 8.6%                        |
| <b>Asia</b>                                                               | <b>-3.8%</b>               | <b>4.0%</b>       | <b>0.2%</b>                 |
| China                                                                     | -3.2%                      | -3.2%             | -6.4%                       |
| South Korea                                                               | -19.9%                     | -7.0%             | -26.9%                      |
| India                                                                     | 7.6%                       | 14.2%             | 21.8%                       |
| Malaysia                                                                  | -1.0%                      | 2.1%              | 1.1%                        |
| Philippines                                                               | 5.8%                       | 3.4%              | 9.2%                        |
| <b>Cement domestic markets</b>                                            | <b>-5.3%</b>               | <b>0.3%</b>       | <b>-5.0%</b>                |

(1) Variance on like for like sales on domestic markets before elimination of sales between Divisions

(2) Other effects: including price effects, product and customer mix effects

(3) Volumes in the United States: 2.8%; in Canada: 8.2%

(4) Pure price effect: 0.4%

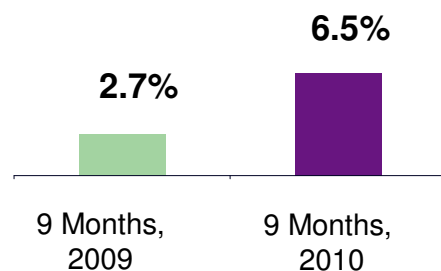
(5) Mainly due to an increase in excise taxes



## Cement: North America

| MT                       | 9 Months |       |           |                    | 3 <sup>rd</sup> Quarter |      |           |                    |
|--------------------------|----------|-------|-----------|--------------------|-------------------------|------|-----------|--------------------|
|                          | 2009     | 2010  | Variation | Lfl <sup>(3)</sup> | 2009                    | 2010 | Variation | Lfl <sup>(3)</sup> |
| Volumes <sup>(1)</sup>   | 9.8      | 10.2  | 4%        | 4%                 | 4.1                     | 4.4  | 7%        | 7%                 |
| <b>€m</b>                |          |       |           |                    |                         |      |           |                    |
| Sales <sup>(2)</sup>     | 929      | 1,009 | 9%        | 1%                 | 382                     | 439  | 15%       | 3%                 |
| EBITDA                   | 125      | 170   | 36%       | 21%                | 105                     | 117  | 11%       | 1%                 |
| Current Operating Income | 25       | 66    | 164%      | 90%                | 73                      | 81   | 11%       | 2%                 |

### Operating margin<sup>(4)</sup>



- Positive volume trends in Canada and in the United States helped by higher infrastructure spending and stabilization in the residential markets.
- Prices remained solid in Canada, decreased somewhat in the United States.
- Current operating income increased, helped by significant cost cutting measures and continued volume growth.

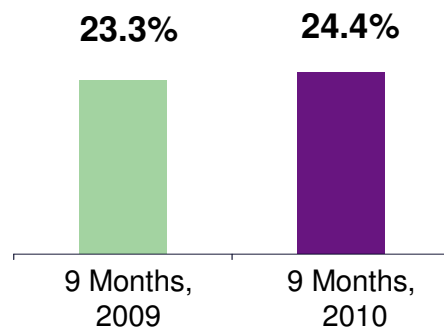
(1) By destination  
 (2) Before elimination of inter divisional sales  
 (3) At constant scope and exchange rates  
 (4) Current Operating Income / Sales



## Cement: Western Europe

| MT                       | 9 Months |       |           | 3 <sup>rd</sup> Quarter |      |           |
|--------------------------|----------|-------|-----------|-------------------------|------|-----------|
|                          | 2009     | 2010  | Variation | 2009                    | 2010 | Variation |
| Volumes <sup>(1)</sup>   | 17.3     | 15.6  | -10%      | 6.1                     | 5.3  | -13%      |
| <b>€m</b>                |          |       |           |                         |      |           |
| Sales <sup>(2)</sup>     | 1,618    | 1,466 | -9%       | 550                     | 498  | -9%       |
| EBITDA                   | 494      | 469   | -5%       | 204                     | 172  | -16%      |
| Current Operating Income | 377      | 357   | -5%       | 163                     | 134  | -18%      |

### Operating margin <sup>(3)</sup>



- (1) By destination  
 (2) Before elimination of inter divisional sales  
 (3) Current Operating Income / Sales

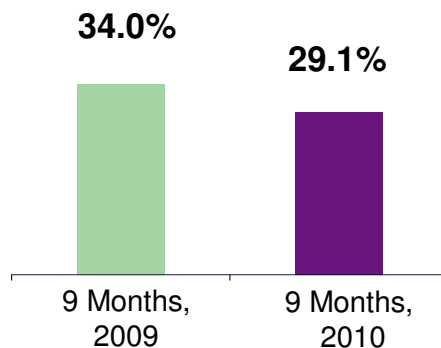
- Positive volume trends in the UK with stabilization in France and Germany.
- Spain and particularly Greece continued to suffer from the economic environment.
- Prices remained firm overall, despite decreases in Spain.
- Operating margin decrease in Q3 heavily impacted by economic crisis impact on Greece combined with higher fuel prices, partially offset with higher carbon credit sales.



## Cement: Central And Eastern Europe

| MT                       | 9 Months |      |           |                    | 3 <sup>rd</sup> Quarter |      |           |                    |
|--------------------------|----------|------|-----------|--------------------|-------------------------|------|-----------|--------------------|
|                          | 2009     | 2010 | Variation | Lfl <sup>(3)</sup> | 2009                    | 2010 | Variation | Lfl <sup>(3)</sup> |
| Volumes <sup>(1)</sup>   | 9.5      | 8.7  | -8%       | -8%                | 4.0                     | 4.0  | -         | -                  |
| <b>€m</b>                |          |      |           |                    |                         |      |           |                    |
| Sales <sup>(2)</sup>     | 633      | 587  | -7%       | -11%               | 262                     | 275  | 5%        | 1%                 |
| EBITDA                   | 246      | 207  | -16%      | -19%               | 121                     | 116  | -4%       | -8%                |
| Current Operating Income | 215      | 171  | -20%      | -23%               | 110                     | 104  | -5%       | -8%                |

### Operating margin<sup>(4)</sup>



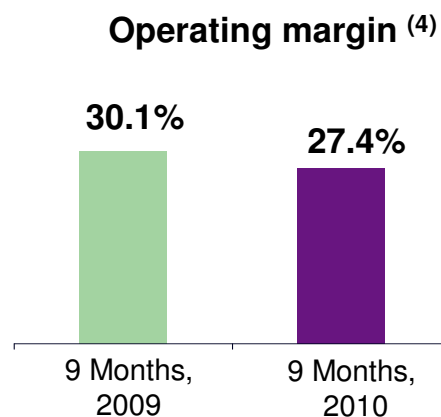
- Volume stabilized in the third quarter, helped by volume growth in Russia and Poland in Q3.
- Notable positive pricing trend in Russia in Q3, but overall, prices decreased against last year.
- Current operating income slightly decreased as pricing could not offset higher input costs.

- (1) By destination  
 (2) Before elimination of inter divisional sales  
 (3) At constant scope and exchange rates  
 (4) Current Operating Income / Sales



## Cement: Middle East and Africa

| MT                       | 9 Months |       |           |                    | 3 <sup>rd</sup> Quarter |      |           |                    |
|--------------------------|----------|-------|-----------|--------------------|-------------------------|------|-----------|--------------------|
|                          | 2009     | 2010  | Variation | Lfl <sup>(3)</sup> | 2009                    | 2010 | Variation | Lfl <sup>(3)</sup> |
| Volumes <sup>(1)</sup>   | 33.9     | 30.2  | -11%      | -9%                | 10.9                    | 10.1 | -7%       | -7%                |
| <b>€m</b>                |          |       |           |                    |                         |      |           |                    |
| Sales <sup>(2)</sup>     | 2,780    | 2,673 | -4%       | -7%                | 878                     | 893  | 2%        | -6%                |
| EBITDA                   | 1,028    | 934   | -9%       | -12%               | 332                     | 329  | -1%       | -8%                |
| Current Operating Income | 836      | 733   | -12%      | -16%               | 270                     | 261  | -3%       | -11%               |



- (1) By destination
- (2) Before elimination of inter divisional sales
- (3) At constant scope and exchange rates
- (4) Current Operating Income / Sales

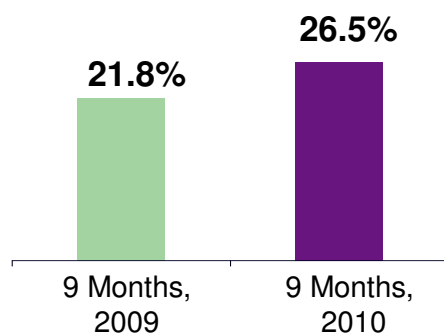
- Results continue to be impacted by lower volumes in Jordan, but trends improved from the second quarter 2010 as other key markets advanced.
- Prices remained solid overall.
- EBITDA margins at a strong 36.8% in Q3 despite lower volumes.



## Cement: Latin America

| MT                       | 9 Months |      |           |                    | 3 <sup>rd</sup> Quarter |      |           |                    |
|--------------------------|----------|------|-----------|--------------------|-------------------------|------|-----------|--------------------|
|                          | 2009     | 2010 | Variation | Lfl <sup>(3)</sup> | 2009                    | 2010 | Variation | Lfl <sup>(3)</sup> |
| Volumes <sup>(1)</sup>   | 5.9      | 5.9  | -         | 4%                 | 2.0                     | 2.3  | 15%       | 6%                 |
| <b>€m</b>                |          |      |           |                    |                         |      |           |                    |
| Sales <sup>(2)</sup>     | 481      | 509  | 6%        | 5%                 | 162                     | 211  | 30%       | 9%                 |
| EBITDA                   | 131      | 159  | 21%       | 12%                | 49                      | 67   | 37%       | 7%                 |
| Current Operating Income | 105      | 135  | 29%       | 12%                | 41                      | 57   | 39%       | 7%                 |

### Operating margin<sup>(4)</sup>



- Sales increased by 9% like for like in the quarter, driven by positive Brazilian market.
- The integration of the new assets in Brazil began to contribute to the earnings growth.
- Margins significantly improved due to positive prices and volumes and tight cost control.

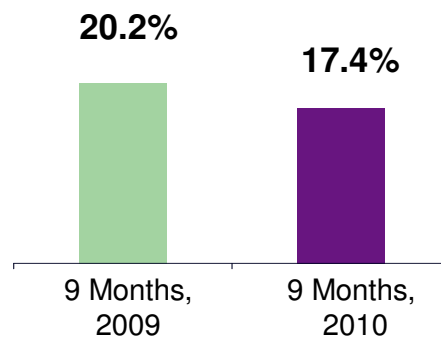
- (1) By destination  
 (2) Before elimination of inter divisional sales  
 (3) At constant scope and exchange rates  
 (4) Current Operating Income / Sales



## Cement: Asia

| MT                       | 9 Months |       |           |                    | 3 <sup>rd</sup> Quarter |      |           |                    |
|--------------------------|----------|-------|-----------|--------------------|-------------------------|------|-----------|--------------------|
|                          | 2009     | 2010  | Variation | Lfl <sup>(3)</sup> | 2009                    | 2010 | Variation | Lfl <sup>(3)</sup> |
| Volumes <sup>(1)</sup>   | 31.2     | 30.7  | -2%       | -2%                | 10.5                    | 9.8  | -7%       | -7%                |
| <b>€m</b>                |          |       |           |                    |                         |      |           |                    |
| Sales <sup>(2)</sup>     | 1,376    | 1,522 | 11%       | 1%                 | 438                     | 487  | 11%       | -5%                |
| EBITDA                   | 369      | 371   | 1%        | -8%                | 120                     | 101  | -16%      | -29%               |
| Current Operating Income | 278      | 265   | -5%       | -12%               | 89                      | 65   | -27%      | -39%               |

### Operating margin<sup>(4)</sup>



- (1) By destination  
 (2) Before elimination of inter divisional sales  
 (3) At constant scope and exchange rates  
 (4) Current Operating Income / Sales

- Adverse weather conditions, entry of new capacities into Sichuan and Chongqing, and particularly adverse market conditions in South Korea lowered volumes.
- Pricing remains solid overall, with successful price increase in Malaysia and Philippines in a context of rising input costs.
- Current operating income decreased due to lower volumes and higher energy costs.



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## III. Other information

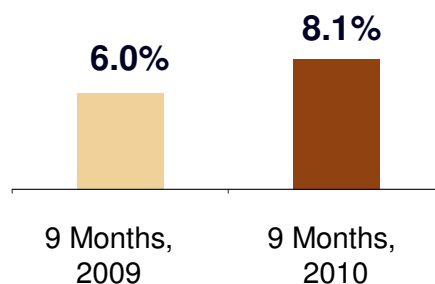
Aggregates & Concrete Division  
by Product Line and Geographical zone



## Pure Aggregates

| MT                       | 9 Months |       |           |                    | 3 <sup>rd</sup> Quarter |      |           |                    |
|--------------------------|----------|-------|-----------|--------------------|-------------------------|------|-----------|--------------------|
|                          | 2009     | 2010  | Variation | Lfl <sup>(3)</sup> | 2009                    | 2010 | Variation | Lfl <sup>(3)</sup> |
| Volumes                  | 147.7    | 145.1 | -2%       | 1%                 | 58.1                    | 58.2 | -         | 3%                 |
| <b>€m</b>                |          |       |           |                    |                         |      |           |                    |
| Sales <sup>(1)</sup>     | 1,452    | 1,537 | 6%        | 2%                 | 561                     | 621  | 11%       | 3%                 |
| EBITDA                   | 202      | 239   | 18%       | 12%                | 104                     | 129  | 24%       | 13%                |
| Current Operating Income | 87       | 124   | 43%       | 30%                | 68                      | 89   | 31%       | 22%                |

### Operating margin<sup>(2)</sup>



- Sales increased by 3% like for like in the third quarter, supported by positive volume trends in North America and in the UK.
- Overall, price level improved.
- Continuous tight cost control management is reflected in the increase of operating margins, together with the improvement in volumes and prices.

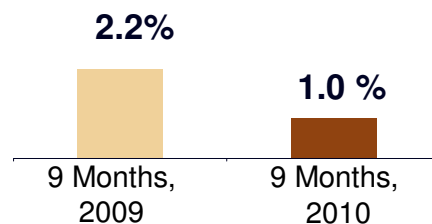
(1) Before elimination of inter divisional sales  
 (2) Current Operating Income / Sales  
 (3) At constant scope and exchange rates



## Ready-Mix Concrete

| Mm <sup>3</sup>          | 9 Months |       |           |                    | 3 <sup>rd</sup> Quarter |      |           |                    |
|--------------------------|----------|-------|-----------|--------------------|-------------------------|------|-----------|--------------------|
|                          | 2009     | 2010  | Variation | Lfl <sup>(3)</sup> | 2009                    | 2010 | Variation | Lfl <sup>(3)</sup> |
| Volumes                  | 28.5     | 25.6  | -10%      | -6%                | 9.8                     | 9.1  | -7%       | -3%                |
| <b>€m</b>                |          |       |           |                    |                         |      |           |                    |
| Sales <sup>(1)</sup>     | 2,254    | 2,142 | -5%       | -7%                | 766                     | 776  | 1%        | -4%                |
| EBITDA                   | 112      | 88    | -21%      | -30%               | 43                      | 42   | -2%       | -21%               |
| Current Operating Income | 49       | 22    | -55%      | -66%               | 21                      | 19   | -10%      | -33%               |

### Operating margin<sup>(2)</sup>



- (1) Before elimination of inter divisional sales  
 (2) Current Operating Income / Sales  
 (3) At constant scope and exchange rates

- Volumes declined 3% like for like in the third quarter versus 6% year-to-date, helped by improved volume trends in the UK, and more recently in North America.
- Price levels largely stabilized at Q2 levels.
- EBITDA margin remained close to stable in Q3 due to significant cost containment.



## YTD Sales at September 30, 2010

Like for Like Sales Variance Analysis by Region and in Major Markets

| Aggregates & Concrete     | Volume effect | Other effects* | Activity variation vs. 2009 |
|---------------------------|---------------|----------------|-----------------------------|
| <b>Pure Aggregates</b>    | 1.2%          | 0.5%           | 1.7%                        |
| France                    | -2.1%         | 0.3%           | -1.8%                       |
| United Kingdom            | 12.9%         | 0.6%           | 13.5%                       |
| North America             | 6.5%          | 0.4%           | 6.9%                        |
| South Africa              | -33.5%        | 3.9%           | -29.6%                      |
| <b>Ready-mix Concrete</b> | -5.6%         | -1.7%          | -7.3%                       |
| France                    | -5.3%         | -1.3%          | -6.6%                       |
| United Kingdom            | 11.9%         | -4.4%          | 7.5%                        |
| North America             | 1.6%          | -3.2%          | -1.6%                       |
| South Africa              | -21.8%        | 2.2%           | -19.6%                      |

\* Other effects: including price effects, product and customer mix effects



# Aggregates & Concrete:

## Additional Information by Geographical Zone

|                                                 | 9 Months     |              |                        | 3 <sup>rd</sup> Quarter |              |                        |
|-------------------------------------------------|--------------|--------------|------------------------|-------------------------|--------------|------------------------|
|                                                 | 2009         | 2010         | Var Lfl <sup>(3)</sup> | 2009                    | 2010         | Var Lfl <sup>(3)</sup> |
| <b>Volumes <sup>(1)</sup></b>                   |              |              |                        |                         |              |                        |
| <b>Pure Aggregates</b> (millions of tonnes)     | <b>147.7</b> | <b>145.1</b> | <b>1%</b>              | <b>58.1</b>             | <b>58.2</b>  | <b>3%</b>              |
| <i>Of which</i>                                 |              |              |                        |                         |              |                        |
| Western Europe                                  | 50.0         | 47.6         |                        | 16.8                    | 16.2         |                        |
| North America                                   | 69.4         | 72.3         |                        | 31.5                    | 31.7         |                        |
| Other countries                                 | 28.3         | 25.2         |                        | 9.8                     | 10.3         |                        |
| <b>Ready-mix</b> (millions of m <sup>3</sup> )  | <b>28.5</b>  | <b>25.6</b>  | <b>-6%</b>             | <b>9.8</b>              | <b>9.1</b>   | <b>-3%</b>             |
| <i>Of which</i>                                 |              |              |                        |                         |              |                        |
| Western Europe                                  | 10.8         | 10.0         |                        | 3.6                     | 3.5          |                        |
| North America                                   | 5.2          | 5.2          |                        | 2.1                     | 2.1          |                        |
| Other countries                                 | 12.5         | 10.4         |                        | 4.1                     | 3.5          |                        |
| <b>Sales <sup>(2)</sup> (millions of €)</b>     |              |              |                        |                         |              |                        |
| <b>Total Aggregates &amp; Concrete</b>          | <b>3,894</b> | <b>3,833</b> | <b>-3%</b>             | <b>1,413</b>            | <b>1,512</b> | <b>0%</b>              |
| <i>Of which Pure Aggregates</i>                 |              |              |                        |                         |              |                        |
| <b>Total</b>                                    | <b>1,452</b> | <b>1,537</b> | <b>2%</b>              | <b>561</b>              | <b>621</b>   | <b>3%</b>              |
| Western Europe                                  | 641          | 622          |                        | 214                     | 214          |                        |
| North America                                   | 577          | 681          |                        | 259                     | 308          |                        |
| Other countries                                 | 234          | 234          |                        | 88                      | 99           |                        |
| <i>Of which Ready-mix</i>                       |              |              |                        |                         |              |                        |
| <b>Total</b>                                    | <b>2,254</b> | <b>2,142</b> | <b>-7%</b>             | <b>766</b>              | <b>776</b>   | <b>-4%</b>             |
| Western Europe                                  | 974          | 906          |                        | 321                     | 307          |                        |
| North America                                   | 538          | 590          |                        | 210                     | 248          |                        |
| Other countries                                 | 742          | 646          |                        | 235                     | 221          |                        |
| <b>Current Operating Income (millions of €)</b> |              |              |                        |                         |              |                        |
| <b>Total Aggregates &amp; Concrete</b>          | <b>147</b>   | <b>163</b>   | <b>-8%</b>             | <b>116</b>              | <b>140</b>   | <b>3%</b>              |
| <i>Of which</i>                                 |              |              |                        |                         |              |                        |
| Western Europe                                  | 71           | 58           |                        | 21                      | 20           |                        |
| North America                                   | 6            | 57           |                        | 71                      | 96           |                        |
| Other countries                                 | 70           | 48           |                        | 24                      | 24           |                        |

(1) By destination

(2) Before elimination of inter divisional sales by origin

(3) At constant scope and exchange rates



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## IV. Other information

Gypsum division  
by Geographical zone



# Gypsum:

## Additional Information by Geographical Zone

|                                                   | 9 Months |       |                        | 3 <sup>rd</sup> Quarter |      |                        |
|---------------------------------------------------|----------|-------|------------------------|-------------------------|------|------------------------|
|                                                   | 2009     | 2010  | Var Lfl <sup>(2)</sup> | 2009                    | 2010 | Var Lfl <sup>(2)</sup> |
| <b>Volumes</b>                                    |          |       |                        |                         |      |                        |
| <b>Total Boards</b> (millions of m <sup>2</sup> ) | 502      | 517   | 3%                     | 176                     | 173  | -1%                    |
| <b>Sales <sup>(1)</sup></b> (millions of €)       |          |       |                        |                         |      |                        |
| <b>Total Gypsum</b>                               | 1,035    | 1,090 | 1%                     | 339                     | 365  | 1%                     |
| <i>Of which</i>                                   |          |       |                        |                         |      |                        |
| Western Europe                                    | 587      | 573   |                        | 182                     | 182  |                        |
| North America                                     | 140      | 142   |                        | 47                      | 46   |                        |
| Other countries                                   | 308      | 375   |                        | 110                     | 137  |                        |
| <b>Current Operating Income</b> (millions of €)   |          |       |                        |                         |      |                        |
| <b>Total Gypsum</b>                               | 42       | 48    | 9%                     | 10                      | 14   | 33%                    |
| <i>Of which</i>                                   |          |       |                        |                         |      |                        |
| Western Europe                                    | 44       | 45    |                        | 10                      | 12   |                        |
| North America                                     | (30)     | (33)  |                        | (10)                    | (11) |                        |
| Other countries                                   | 28       | 36    |                        | 10                      | 13   |                        |

(1) Before elimination of inter divisional sales by origin

(2) At constant scope and exchange rates



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## V. Other Information

Income statement



## Other Income (Expenses)

| €m                              | 9 Months    |              | 3 <sup>rd</sup> Quarter |             |
|---------------------------------|-------------|--------------|-------------------------|-------------|
|                                 | 2009        | 2010         | 2009                    | 2010        |
| Net gains (losses) on disposals | 62          | 50           | 16                      | 5           |
| Impairment of assets            | (41)        | (94)         | (6)                     | (14)        |
| Restructuring                   | (72)        | (59)         | (28)                    | (10)        |
| Others                          | 33          | (42)         | 2                       | (16)        |
| <b>Total</b>                    | <b>(18)</b> | <b>(145)</b> | <b>(16)</b>             | <b>(35)</b> |



## Finance Costs and average interest rate

| €m                            | 9 Months     |                    | 3 <sup>rd</sup> Quarter |              |
|-------------------------------|--------------|--------------------|-------------------------|--------------|
|                               | 2009         | 2010               | 2009                    | 2010         |
| Financial charges on net debt | (586)        | (580)              | (195)                   | (208)        |
| Foreign exchange              | (6)          | (24)               | (1)                     | 10           |
| Others                        | (86)         | 105 <sup>(1)</sup> | (26)                    | (18)         |
| <b>Total</b>                  | <b>(678)</b> | <b>(499)</b>       | <b>(222)</b>            | <b>(216)</b> |

| Average interest rate           | December 31, 2009 |               |         | September 30, 2010 |         |      |
|---------------------------------|-------------------|---------------|---------|--------------------|---------|------|
|                                 |                   | Interest rate |         | Interest rate      |         |      |
|                                 |                   | Spot          | Average | Spot               | Average |      |
| Total gross debt <sup>(2)</sup> | €15.7 Bn          | 5.3%          | 5.1%    | €16.7 Bn           | 5.3%    | 5.3% |
| <i>Of which: Fixed rate</i>     | 68%               | 6.3%          |         | 67%                | 6.5%    |      |
| <i>Floating rate</i>            | 32%               | 2.9%          |         | 33%                | 3.0%    |      |

(1) Including gain on disposal of Cimpor for €161m

(2) Excluding puts: € 0.3Bn



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## VI. Other Information

Statement of Financial Position <sup>(1)</sup> & Cash Flow Statement

(1) Former Balance sheet



## Statement of Financial Position

| €m                              | Dec.<br>31, 2009 | Sept.<br>30, 2010 | €m                               | Dec.<br>31, 2009 | Sept.<br>30, 2010 |
|---------------------------------|------------------|-------------------|----------------------------------|------------------|-------------------|
| Capital Employed                | 31,836           | 33,960            | Equity                           | 16,800           | 17,649            |
| <i>Out of which:</i>            |                  |                   | <i>Out of which:</i>             |                  |                   |
| <i>Goodwill</i>                 | 13,249           | 14,200            | <i>Shareholders' equity</i>      | 14,977           | 15,699            |
| <i>Prop, plant &amp; equip.</i> | 16,699           | 17,523            | <i>Non controlling interests</i> | 1,823            | 1,950             |
| <i>Working Capital</i>          | 921              | 1,255             |                                  |                  |                   |
| <i>Other</i>                    | 967              | 982               | Net debt                         | 13,795           | 14,660            |
| Financial assets                | 1,591            | 958               | Provisions                       | 2,832            | 2,609             |
| <b>Total</b>                    | <b>33,427</b>    | <b>34,918</b>     | <b>Total</b>                     | <b>33,427</b>    | <b>34,918</b>     |



## Investments and Divestments

| €m                                | 9 Months     |                          | 3 <sup>rd</sup> Quarter |                          |
|-----------------------------------|--------------|--------------------------|-------------------------|--------------------------|
|                                   | 2009         | 2010                     | 2009                    | 2010                     |
| Sustaining capital expenditures   | 199          | 186                      | 64                      | 70                       |
| Development capital expenditures  | 926          | 795                      | 244                     | 245                      |
| Acquisitions                      | 85           | 41                       | 18                      | (11) <sup>(1)</sup>      |
| <b>Capital expenditure</b>        | <b>1,210</b> | <b>1,022</b>             | <b>326</b>              | <b>304</b>               |
| <b>Divestments <sup>(2)</sup></b> | <b>633</b>   | <b>286<sup>(3)</sup></b> | <b>454</b>              | <b>181<sup>(3)</sup></b> |

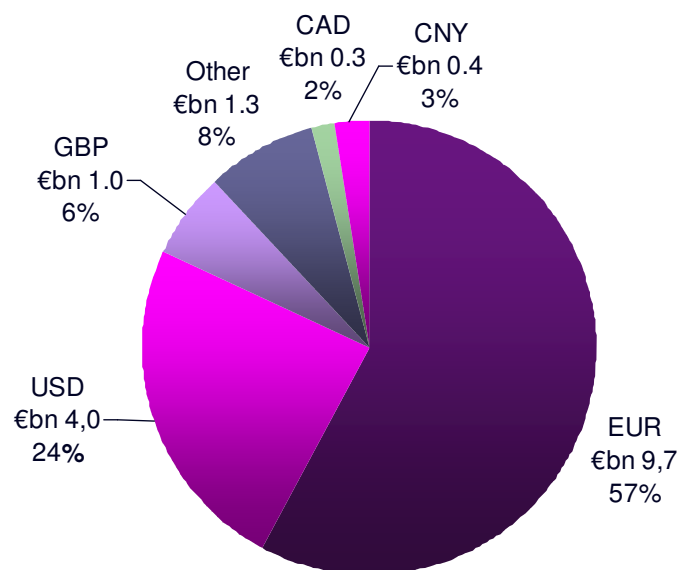
(1) Including the cash inflow on the acquisition of Brazilian assets for €30m

(2) Net of the debt disposed of

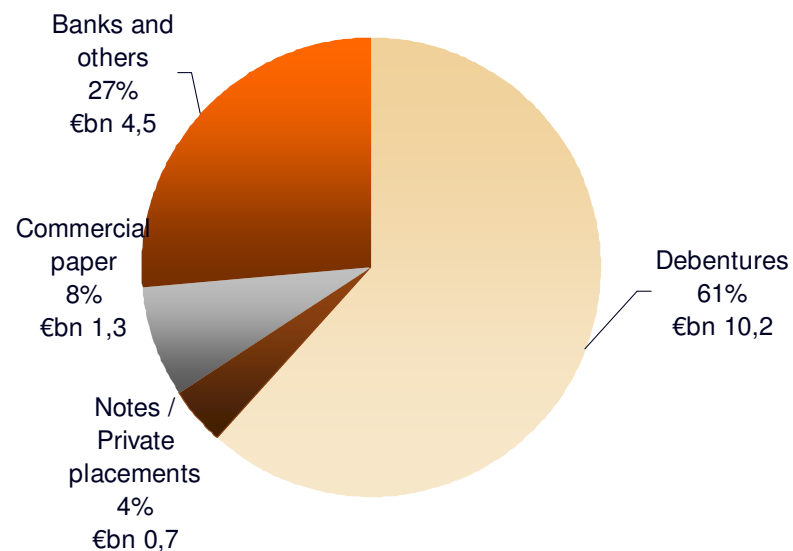
(3) Including the divestment of a minority stake in Lafarge Malayan Cement Berhad for €141m in Q3 2010

# Gross Debt by Currency and by Source of Financing as at September 30, 2010

Split by currency



Split by source of financing



Total Gross Debt <sup>(1)</sup>: **€16.7Bn**

(1) Excluding puts & derivatives : €0.3bn