Financial Report
for the First Quarter ended March 31, 2012

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The Board of Directors of Lafarge, chaired by Bruno Lafont, met on May 3, 2012 to approve the accounts for the period ended March 31, 2012. Further to their limited review of the first quarter condensed consolidated financial statements of Lafarge, the auditors have established a report which is included in the Financial Report for the first quarter ended March 31, 2012.

This first quarter management report should be read in conjunction with the interim condensed consolidated financial statements for the first three months of the year and the company's Registration Document for the fiscal year 2011 filed with the Autorité des Marchés Financiers on April 10, 2012 under number D.12-0315. Lafarge operates in a constantly evolving environment, which exposes the Group to risk factors and uncertainties in addition to the risk factors related to its operations. A detailed description of these risk factors and uncertainties is included in chapter 2 "Risk factors" of the company's Registration Document. The materialization of these risks could have a material adverse effect on our operations, our financial condition, our results, our prospects or our share price, particularly during the remaining nine months of the fiscal year. There may be other risks that have not yet been identified or whose occurrence is not considered likely to have such a material adverse effect as of the date hereof.

Hereinafter, and in our other shareholder and investor communications, "current operating income" (COI) 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" 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.

EBITDA is defined as the current operating income before depreciation and amortization on tangible and intangible assets and is a non-GAAP financial measure.

The Group has implemented its new organization, with the change to a country-based organization, and has consequently adapted its external reporting. Operational results are now primarily analyzed on a country basis versus previously by product line, and the results are presented by region.

Since July 2011, the Group is committed in a disposal project of the main part of the Gypsum Division and disposed of its Gypsum operations in Western Europe, Central and Eastern Europe, Latin America and Asia in the second half of 2011. In accordance with IFRS, until the activities are effectively divested, the contribution of the Gypsum discontinued activities to the Group's consolidated statements of income and statements of cash flows is presented on specific lines for all the periods presented. In the Group's consolidated statement of financial position, Gypsum discontinued assets and liabilities are shown on separate lines for March 2012 and December 2011, with no restatement for prior periods.

1.1 Consolidated key figures

Volumes

	1st quarter 2012	1st quarter 2011	% Variance
Cement (MT)	31.3	31.1	1%
Pure Aggregates (MT)	33.2	34.7	-4%
Ready-Mix concrete (Mm3)	7.1	7.6	-7%

Sales

(million euros)	1st quarter 2012	1st quarter 2011	% Variance
By geographical zone			
North America	490	436	12%
Western Europe	753	844	-11%
Central and Eastern Europe	181	179	1%
Middle East and Africa	1,044	975	7%
Latin America	241	209	15%
Asia	644	563	14%
By business line			
Cement	2,308	2,161	7%
Aggregates and Concrete	1,025	1,024	-
Holdings and others	20	21	-5%
Total	***3,353***	***3,206***	***5%***

EBITDA

(million euros)	1st quarter 2012	1st quarter 2011	% Variance
By geographical zone			
North America	(46)	(75)	39%
Western Europe	94	151	-38%
Central and Eastern Europe	(14)	(9)	-56%
Middle East and Africa	315	274	15%
Latin America	59	53	11%
Asia	108	85	27%
By business line			
Cement	513	469	9%
Aggregates and Concrete	(17)	1	nm
Holdings and others	20	9	nm
Total	***516***	***479***	***8%***

nm: not meaningful

Other key figures

(million euros, except per share data)	1st quarter 2012	1st quarter 2011	% Variance
Current Operating Income (COI)	267	208	28%
Net income - Group share (1)	(44)	(29)	nm
Earnings per share (in euros) (2)	(0.15)	(0.10)	nm
Free cash flow (3)	(434)	(275)	nm
Net debt	12,364	14,240	-13%

(1) Net income attributable to the owners of the parent of the Group
(2) Based on an average number of shares outstanding of 286.1 million for the first quarter 2011 and 287.0 million for the first quarter 2012
(3) Defined as the net cash generated or used in operating activities less sustaining capital expenditures

1.2. Review of operations and financial results (unaudited)

All data regarding sales, sales volume, EBITDA and COI include the proportional contributions of our proportionately consolidated subsidiaries.

When we analyze our volumes and sales trends per country, and unless specified, we comment the domestic volumes and sales both originating and completed within the relevant geographic market, and thus exclude export sales and volumes.

Please note that the first quarter historically has represented a lower share of our yearly sales and an even lower share of our profits due to the seasonality of our businesses in the Northern hemisphere. It may fluctuate significantly from one year to the other due to weather conditions.

Group highlights for the first quarter of 2012

- Sales increased for the quarter, driven by improved pricing across all product lines and higher cement volumes in emerging markets.
- EBITDA and current operating income rose in the quarter, driven by higher activity in Middle East and Africa, Asia, Latin America, and North America.
- The Group achieved 70 million euros of cost savings and is on track to reach at least 400 million euros for the year.
- Net income group share and earnings per share improved when excluding the first quarter 2012 restructuring charge of 94 million euros taken as part of implementing the cost reduction program.
- Strong liquidity improved through the extension of a credit facility that brings total undrawn back-up committed facilities to 3.4 billion euros with an average maturity of about 3 years.
- The UK Competition Commission approved the proposed joint venture between Lafarge's UK operations and Tarmac, subject to a number of conditions which both parties are confident can be met.
- The Group implemented its new country-based organization in the first quarter which will accelerate organic growth and innovation as well as reinforce efficiency.

Overview of operations: sales, EBITDA and Current Operating Income

Overall, the first quarter 2012 was marked by a continuous increase in sales in emerging markets, while the situation in mature markets is still contrasted, with mild weather in North America versus an unusually cold month of February in some locations in Europe and a tough comparison base with a strong first quarter 2011.

Cement sales volumes, at 31.3 million tons, were up 1% versus the first quarter 2011. At constant scope, domestic sales volumes grew 3%, with a 5% increase in emerging markets, a 16% growth in North America, and a 12% decrease in Western Europe.

At constant scope, pure aggregates and ready-mix concrete sales volumes sold were down 6% and 3%, respectively.

Compared to the first quarter of 2011, consolidated sales in the first quarter of 2012 were up 4.6% to 3,353 million euros, with higher cement volumes and prices well-oriented across all our business lines.

Net changes in the scope of consolidation had a negative impact on our sales of 0.8%, reflecting the effect of the divestment of our southeast US assets and of A&C Portugal activities, partially offset by several targeted operations achieved in the aggregates and concrete business lines optimizing our asset portfolio. Currency impacts were slightly favorable (0.5%), due mainly to the impact of the appreciation against the euro of the US dollar, the Canadian dollar and the Chinese renminbi, partially offset by the effect of the depreciation of the Indian rupee, the South African rand and the Polish zloty.

In the same period, EBITDA rose 8% (6% at constant scope and exchange rates) due to higher volumes, higher pricing and strong cost-cutting measures, with 70 million euros of cost savings achieved in the quarter.

Current Operating income increased 28% in total and by 17% at constant scope and exchange rates and when restating the impact of the stopping of depreciation of the UK assets as of March 1st, 2011 due to their scheduled contribution to the joint-venture with Tarmac UK (10 million euros less depreciation, see note 3 to the interim condensed consolidated financial statements).

Review of operations by region

North America

	1st quarter		% Variation	% Change at constant scope and exchange rates
	2012	2011		
Volumes				
- Cement (MT)	2.0	2.0	-1%	16%
- Pure Aggregates (MT)	14.1	12.8	10%	9%
- RMX-Concrete (mm3)	1.1	1.2	-11%	14%
Sales (million euros)	490	436	12%	18%
EBITDA (million euros)	(46)	(75)	39%	32%
COI (million euros)	(95)	(136)	30%	24%

Overall, the building materials sector benefited from mild weather, leading to an improvement of volume in all our business lines at constant scope.

- **In the United States**, cement prices moved higher and sales volumes were up 19% helped by mild weather and improving trends in the residential market, while Aggregates and RMX concrete sales volumes were down 1% and 9% respectively, as the first quarter 2011 benefited from significant projects in Louisiana or Georgia.
- **In Canada**, cement sales volumes were up 13%, Aggregates and RMX concrete sales volumes were up 18% and 29% respectively, notably with several major projects in West Canada.

Sales were up 12%. The effect of the divestment of our Southeast US assets in October 2011 reduced sales by 9 percentage points, while the impact of the appreciation of the Canadian dollar and the US dollar against the euro was 3 percentage points favourable for sales. At constant scope and exchange rates, sales were up 18%, reflecting higher volumes and improvement in cement prices in the United States.

EBITDA in the region improved 29 million euros versus last year, under the combined effect of higher sales, strong cost-cutting measures and lower cost inflation. The effect of the divestment of our Southeast US operations also positively contributed to results.

Western Europe

	1st quarter		% Variation	% Change at constant scope and exchange rates
	2012	2011		
Volumes				
- Cement (MT)	3.8	4.3	-11%	-11%
- Pure Aggregates (MT)	12.0	14.9	-19%	-17%
- RMX-Concrete (mm3)	2.4	3.1	-21%	-16%
Sales (million euros)	753	844	-11%	-10%
EBITDA (million euros)	94	151	-38%	-40%
EBITDA Margin (%)	12.5%	17.9%		
COI (million euros)	48	88	-45%	-59%

Western Europe building activity was particularly low in the first quarter 2012 versus last year, impacted by a cold winter, a challenging economic environment in Spain and Greece, and a difficult base comparison due to particularly favorable weather conditions in the first quarter 2011.

As a result, sales volumes at constant scope experienced decreases across all business lines, while prices were stable overall.

- **In France**, construction activity was strongly impacted by the cold weather in February, and experienced lower volumes for all our business lines. Our cement, pure aggregates and RMX concrete domestic sales volumes were down 7%, 13% and 8%, respectively. Prices were solid overall.
- **In the United Kingdom**, our cement domestic sales volumes were relatively stable, with various project works supporting the building sector. Our pure aggregates and RMX concrete sales volumes were down 14% and 12%, respectively, reflecting the completion of some road projects, notably the A46 and M25 projects. Average prices improved.
- **In Spain and Greece**, our cement domestic sales volumes decreased 28% and 43%, respectively, under a challenging economic environment.

Sales were down 11%. Net changes in the scope of consolidation had a negative impact on sales of 2 percentage points, corresponding to the effect of the divestment of our A&C activities in Portugal, while the appreciation of the British pound against the euros was slightly positive. At constant scope and exchange rates, sales were down 10%.

Despite strong cost cutting measures, EBITDA in the region decreased under the combined effect of lower sales, lower carbon credit proceeds and cost inflation. The sales of carbon credit were 22 million euros versus 45 million euros in the first quarter 2011.

Central and Eastern Europe

	1st quarter		% Variation	% Change at constant scope and exchange rates
	2012	2011		
Volumes				
- Cement (MT)	1.8	1.9	-3%	-6%
- Pure Aggregates (MT)	3.1	3.0	-	-9%
- RMX-Concrete (mm3)	0.2	0.2	-25%	-11%
Sales (million euros)	181	179	1%	3%
EBITDA (million euros)	(14)	(9)	-56%	-13%
COI (million euros)	(34)	(26)	-31%	-9%

In Central and Eastern Europe, market conditions continued to improve in most markets, but unfavorable weather conditions in some countries impacted the level of activity of the building materials sector.

Scope effects were slightly positive (+1 percentage point on sales), as the Group strengthened its positions within this region last year through various operations, including the rehabilitation of a plant in Poland (Nowa Huta), the successful start-up of clinker production at our new cement plant in Hungary as part of the deal with Strabag, and the strengthening of our aggregates activities in Russia. Foreign exchange had a negative impact on sales of 3 percentage points, mostly due to the depreciation of the Polish zloty against the euro.

At constant scope and exchange rates, sales were up 3% helped by prices well oriented but with sales volumes down for all our business lines. Contrasted trends were experienced within the region:

- **Poland** benefited from higher prices in all our business lines, but was strongly impacted by unfavourable weather and less project work in the quarter. Our cement domestic sales volumes were down 11%, after the strong increase of 56% observed last year for the same period. Our pure aggregates sales volumes were also down, with some destocking effect at our customers' premises.
- **Russia** was bolstered by strong market trends and significant price improvements. Our domestic cement sales volumes increased 15%.
- **Romania** experienced positive volumes across all activities, with cement domestic sales volumes up by 1%.

EBITDA in the region decreased 13% like for like, with higher prices partially offsetting the combined effect of higher costs and lower volumes.

Middle East and Africa

	1st quarter		% Variation	% Change at constant scope and exchange rates
	2012	2011		
Volumes				
- Cement (MT)	11.2	11.4	-1%	2%(1)
- Pure Aggregates (MT)	2.0	2.1	-7%	-9%
- RMX-Concrete (mm3)	1.7	1.3	30%	12%
Sales (million euros)	1,044	975	7%	6%
EBITDA (million euros)	315	274	15%	15%
EBITDA Margin (%)	30.2%	28.1%		
COI (million euros)	234	197	19%	19%

(1) domestic only

Market trends remained strong in most markets where we operate in Middle East and Africa, supported by increasing demand for housing and infrastructure needs.

The larger part of our operations in Middle East and Africa pertains to the cement business line, which experienced solid sales growth in most markets. Cement domestic sales volumes increased 2% like for like, but lower exports lowered overall volumes. Pure Aggregates sales volumes were down 9%, while RMX concrete sales volumes benefited from an increasing presence in Iraq and from solid market trends in most countries.

- **In Algeria**, underlying market trends and production efficiency remain strong, but our first quarter cement sales only rose 1%, due to unusually cold weather in February which slowed building activity.
- **In Egypt**, cement domestic sales volumes were up 2%, with prices progressively recovering from low levels seen in the second half of 2011, but still lower than first quarter 2011 average levels.
- **Iraq** domestic sales are supported by strong needs for housing, and we have strengthened our presence with the Kerbala plant located in the South together with the development of our ready-mix activities. Cement domestic sales volumes were up 4%, with average prices below the first quarter 2011 levels.
- **In Kenya**, our cement domestic sales volumes increased a strong 25%, bolstered by a buoyant market.
- **In Morocco**, strong market growth led to an 18% increase in our domestic cement sales volumes.
- **In Nigeria**, the ramp-up of our 2.2 MT new line started in the third quarter 2011 allowed us to further capture market growth, which, combined with higher average selling prices, resulted in a 51% increase in our cement domestic sales.
- **In South Africa**, favourable market conditions generated double-digit volume growth for our cement and aggregates sales volumes. Our RMX concrete business line experienced a slight decrease in volumes.

At constant scope and exchange rates, sales were up 6%, and EBITDA rose 15%, driven by higher volumes and prices, and cost-cutting.

Latin America

	1st quarter		% Variation	% Change at constant scope and exchange rates
	2012	2011		
Volumes				
- Cement (MT)	2.3	2.0	11%	11%
- Pure Aggregates (MT)	0.6	0.5	33%	33%
- RMX-Concrete (mm3)	0.2	0.2	32%	32%
Sales (million euros)	241	209	15%	16%
EBITDA (million euros)	59	53	11%	11%
EBITDA Margin (%)	24.5%	25.4%		
COI (million euros)	48	42	14%	15%

The construction markets remained strong within the region, and as a result, all our business lines reported double-digit volume growth with price improvements.

- **In Brazil**, our cement domestic sales volumes were up 13%, with improved production levels and good market conditions, while our aggregates and concrete activities benefited from various infrastructure projects in the region of Rio.
- **In Honduras**, our cement domestic sales were up 7%, while in **Ecuador**, our domestic cement sales rose 22%.

As a result, at constant scope and exchange rates, sales were up 16%, while EBITDA rose 11%, driven by higher sales which helped compensate strong cost inflation.

Asia

	1st quarter		% Variation	% Change at constant scope and exchange rates
	2012	2011		
Volumes				
- Cement (MT)	10.2	9.5	7%	7%
- Pure Aggregates (MT)	1.4	1.4	-	-5%
- RMX-Concrete (mm3)	1.5	1.6	-6%	-6%
Sales (million euros)	644	563	14%	12%
EBITDA (million euros)	108	85	27%	25%
EBITDA Margin (%)	16.8%	15.1%		
COI (million euros)	66	43	53%	53%

In Asia, market trends were positive in most markets where we operate, and our sales grew 12% like for like, when restating the positive effect of foreign exchange fluctuations of 2% on sales.

- **In India**, cement domestic sales were up 22% with good market trends and well-oriented prices, while ready-mix sales were slightly down by 1%.
- **In Indonesia**, our cement domestic sales rose 7% with prices well oriented, but market growth was subdued in the region of Aceh due to the pre-electoral period.
- **In Malaysia**, the construction market was dynamic, especially for the infrastructure segment, resulting in positive volume trends for all our business lines. Our domestic cement sales were up 5%.
- **In Philippines**, the recovery of governmental spending experienced from the second half of 2011 continued in 2012 and our cement domestic sales grew 11% in the quarter.
- **In China**, sales volumes benefited from 3MT capacities added in 2011, but overall market growth was subdued with the governmental monetary tightening that started in the second half of 2011. Our

domestic cement sales volumes increased 2%, while average prices were down, with increased competition on some locations.

- **In South Korea**, market conditions improved, and our domestic cement sales were up 48%, mostly due to price gains recovering from low historical levels.

EBITDA in the region improved 25% like for like, due to a significant increase in prices and cement volumes and despite significant cost inflation, notably energy costs.

Other income statement items

The table below shows our operating income and net income for the period ended March 31, 2012 and 2011:

	1st quarter 2012 (M€)	1st quarter 2011 (M€)	% Variation (%)
EBITDA	**516**	**479**	**8%**
Depreciation	(249)	(271)	-8%
Current Operating Income	**267**	**208**	**28%**
Gains on disposals, net	37	5	nm
Other operating income (expenses)	(110)	(32)	nm
Operating Income	**194**	**181**	**7%**
Net financial (costs) income	(238)	(184)	
Of which Financial expenses	*(302)*	*(263)*	*15%*
Financial income	*64*	*79*	*-19%*
Share of net income (loss) of associates	4	(4)	nm
Income before Income Tax	**(40)**	**(7)**	**nm**
Income tax	25	3	nm
Net Income from continuing operations	**(15)**	**(4)**	**nm**
Net income from discontinued operations	3	10	nm
Net income	**(12)**	**6**	**nm**
of which part attributable to:			
- Owners of the parent of the Company	**(44)**	**(29)**	**nm**
- Non-controlling interests	32	35	-9%

Depreciation was reduced to 249 million euros versus 271 million euros in 2011, under the combined effect of the stopping of the depreciation of our UK assets and the outsourcing of certain mobile equipment to increase operating flexibility and allow focus on our core business activities.

Gains on disposals, net, were 37 million euros in the first quarter of 2012, versus 5 million euros in the first quarter 2011, and mainly comprise the gain on the divestment of most of our minority position in Lafarge Aso Cement in Japan to our partner Aso Corporation.

Other operating expenses primarily reflect the impact of impairments, restructuring, and legal actions. They were 110 million euros in the first quarter 2012 versus 32 million euros in 2011. In 2012, the Group recorded 94 million euros in restructuring charges as part of executing of its cost-cutting program. In 2011, other operating expenses mainly comprised restructuring expenses and accelerated depreciation of some assets in Western Europe.

Operating income rose 7% to 194 million euros versus 181 million euros in the first quarter 2011.

Net Finance costs, comprised of financial expenses on net debt, foreign exchange, and other financial income and expenses, were 238 million euros versus 184 million euros in 2011.

The financial expenses on net debt slightly increased to 214 million euros from 204 million euros, the impact of higher interest rates offsetting the effect of a lower average debt of 2 billion euros. The decision of Standard & Poor's and Moody's to downgrade our credit rating on March 17th, 2011 and August 8th, 2011, respectively, triggered step-up clauses on certain of our bonds, increasing the rate of interest to be paid. The impact of the application of these step-up clauses was 16 million euros of additional financial costs for the first quarter 2012. The average interest rate on our gross debt was 6.3% in the first quarter 2012, compared to 5.6% in 2011.

Foreign exchange resulted in a gain of 3 million euros in the first quarter 2012 compared with a gain of 34 million euros in 2011, mostly relating to loans and debts denominated in currencies for which no hedging market is available.

Other financial costs slightly rose from 14 million euros to 27 million euros, and mainly comprise bank commissions and the amortization of debt issuance costs.

The contribution from our associates represented in the first quarter 2012 a net gain of 4 million euros, versus a net loss of 4 million euros in the first quarter 2011.

With a loss before tax of 40 million euros, **income tax** was a gain of 25 million euros in the first quarter 2012, helped by the tax impact of the divestments of the period.

Net income from continuing operations was a loss of 15 million euros in the first quarter 2012 versus a loss of 4 million euros in 2011, under the combined effect of improved current operating income and higher restructuring charges.

Net income from discontinued operations was a gain of 3 million euros in the first quarter 2012 reflecting the results of our Gypsum operations in North America. In the first quarter 2011, net income from discontinued operations included the results of all our Gypsum operations (except for Middle East and Africa operations) and was 10 million euros.

Net income Group Share[1] was a loss of 44 million euros in the first quarter 2012 versus a loss of 29 million euros in 2011.

Non controlling interests were 32 million euros in 2012, compared to 35 million euros in 2011, with higher results in Nigeria offset by lower earnings in Jordan.

Basic earnings per share was -0.15 euro in the first quarter 2012, compared to -0.10 euro in 2011, reflecting the decrease in net income attributable to the owners of the parent company, while the average number of shares was relatively stable.

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[1] *Net income/loss attributable to the owners of the parent company*

Cash flow statement

Net operating cash used by continuing operations was €383 millions in the first quarter 2012 (€225 million at the end of March 2011).

Net operating cash used by continuing operations increased 158 million euros, primarily reflecting the evolution of the change in non strict working capital[1], while our actions to optimize the strict working capital[1] limited the normal increase of strict working capital during the quarter due to the seasonality of our activity. The strict working capital, when expressed as a number of days sales, decreased 1 day versus the first quarter 2011.

Net cash used in investing activities from continuing operations was €105 million (vs. €260 million in the first quarter of 2011).

Sustaining capital expenditures in the quarter were stable at 51 million euros, compared to the first quarter of 2011 (50 million euros).

Capital expenditures for the building of new capacity were strongly reduced to 124 million euros, versus 189 million euros in the first quarter of 2011, as part of our strict capex management.

Including the acquisitions of ownership interests with no gain of control[2], and the debt acquired, acquisitions had a net impact of 13 million euros on our net debt, versus 54 million euros in the first quarter 2011.

Disposals of 71 million euros (11 million euros in the first quarter of 2011) were mainly related to the divestment of most of our minority position in Lafarge Aso Cement in Japan to our partner Aso Corporation.

Consolidated statement of financial position

At March 31, 2012 total equity stood at €17,928 million (€18,201 million at the end of December 2011) **and net debt at €12,364 million** (€11,974 million at the end of December 2011).

The decrease in equity mostly reflects the non cash impact of translating our foreign subsidiaries assets into euros, given the depreciation of various currencies in countries where we operate against the euro between December 31, 2011 and March 31, 2012 (negative impact of 0.2 billion euros on our equity).

The increase of 0.4 billion euros of the net consolidated debt mainly results from the impact of the usual seasonality on our cash flows and of the capital spending (0.2 billion euros) mitigated by the positive translation impact (0.1 billion euros) coming primarily from the depreciation of the US dollar against the euro during the period.

Outlook for 2012

Overall the Group continues to see cement demand moving higher and maintains its estimated market growth of between 1 to 4 percent in 2012 versus 2011. Emerging markets continue to be the main driver of demand and Lafarge benefits from its well balanced geographic spread of high quality assets.

We expect higher pricing for the year and that cost inflation will increase at a lower rate than in 2011.

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.

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[1] *Strict working capital: trade receivables plus inventories less trade payables. Non strict working capital relates to the other receivables and payables (e.g. VAT, short-term employees benefits)*

[2] *In the first quarter 2011, acquisitions of ownership interests with no gain of control were 39 million euros excluding a 51 million euros third-party put, already recorded as debt, that was exercised in the period.*

2. Interim condensed consolidated financial statements

Consolidated statement of income

	3 months		December 31,
(million euros, except per share data)	2012	2011*	2011
Revenue	**3,353**	**3,206**	**15,284**
Cost of sales	(2,731)	(2,621)	(11,627)
Selling and administrative expenses	(355)	(377)	(1,478)
Operating income before capital gains, impairment, restructuring and other	**267**	**208**	**2,179**
Net gains (losses) on disposals	37	5	45
Other operating income (expenses)	(110)	(32)	(541)
Operating income	**194**	**181**	**1,683**
Financial expenses	(302)	(263)	(1,142)
Financial income	64	79	143
Share of net income (loss) of associates	4	(4)	(8)
Income before income tax	**(40)**	**(7)**	**676**
Income tax	25	3	(432)
Net income from continuing operations	**(15)**	**(4)**	**244**
Net income from discontinued operations	3	10	492
Net income	**(12)**	**6**	**736**
Of which attributable to:			
- Owners of the parent company	**(44)**	**(29)**	**593**
- Non-controlling interests	32	35	143
Earnings per share (euros)			
Attributable to the owners of the parent company			
Basic earnings per share	(0.15)	(0.10)	2.07
Diluted earnings per share	(0.15)	(0.10)	2.06
From continuing operations			
Basic earnings per share	(0.16)	(0.13)	0.36
Diluted earnings per share	(0.16)	(0.13)	0.35
Basic average number of shares outstanding (in thousands)	**287,028**	**286,101**	**286,514**

**Figures have been adjusted as mentioned in Note 3.1.1 "Disposal of Gypsum Division operations" to the Group consolidated financial statements of the 2011 Registration Document following the disposal operations of Gypsum activities and are therefore not comparable with those presented in the interim financial report as of March 31, 2011.*

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

(million euros)	3 months 2012	3 months 2011	December 31, 2011
Net income	**(12)**	**6**	**736**
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains / (losses)	(24)	30	(345)
Income tax on items that will not be reclassified to profit or loss	2	(15)	145
Total items that will not be reclassified to profit or loss	**(22)**	**15**	**(200)**
Items that may be reclassified subsequently to profit or loss			
Available for sale investments	-	-	-
Cash-flow hedge instruments	3	8	1
Currency translation adjustments	(204)	(961)	(400)
Income tax on items that may be reclassified to profit or loss	(1)	(3)	2
Total items that may be reclassified to profit or loss	**(202)**	**(956)**	**(397)**
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	**(224)**	**(941)**	**(597)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(236)**	**(935)**	**139**
Of which attributable to :			
- Owners of the parent company	***(235)***	***(866)***	***(6)***
- Non-controlling interests	*(1)*	*(69)*	*145*

The accompanying notes are an integral part of these consolidated financial statements.

Actuarial gains or losses

The evolution of the Group's net position on pension obligations resulted in an actuarial loss of 24 million euros in equity during the first three months 2012 (loss of 22 million euros net of tax effect), which essentially arises from the defined benefit pension plans in the United-Kingdom, in the United-States and in Canada. The actuarial losses on these plans result notably from the increase of inflation partly offset by actual returns on plan assets higher than those expected.

Currency translation adjustments

Change in cumulative exchange differences on translating foreign operations from January 1, 2012 to March 31, 2012 (closing rate) comprises -281 million euros due to the depreciation of the US dollar, Egyptian pound, Iraqi dinar and Syrian pound partly offset by +170 million euros due to the appreciation of the Algerian dinar and Polish zloty compared with the euro currency.

Consolidated statement of financial position

(million euros)	At March 31, 2012	At March 31, 2011	At December 31, 2011
ASSETS			
NON CURRENT ASSETS	**30,678**	**31,956**	**31,172**
Goodwill	12,589	13,161	12,701
Intangible assets	629	611	652
Property, plant and equipment	15,274	16,418	15,542
Investments in associates	469	406	604
Other financial assets	732	741	755
Derivative instruments	59	61	80
Deferred tax assets	884	520	804
Other receivables	42	38	34
CURRENT ASSETS	**9,300**	**8,489**	**9,547**
Inventories	1,638	1,646	1,531
Trade receivables	1,875	1,951	1,765
Other receivables	891	887	824
Derivative instruments	39	54	61
Cash and cash equivalents	2,590	2,263	3,171
Assets held for sale	2,267	1,688	2,195
TOTAL ASSETS	**39,978**	**40,445**	**40,719**
EQUITY & LIABILITIES			
Common stock	1,149	1,146	1,149
Additional paid-in capital	9,688	9,645	9,684
Treasury shares	(12)	(22)	(17)
Retained earnings	6,172	5,784	6,219
Other reserves	(771)	(535)	(751)
Foreign currency translation	(451)	(734)	(280)
Equity attributable to owners of the parent company	**15,775**	**15,284**	**16,004**
Non-controlling interests	2,153	1,846	2,197
EQUITY	**17,928**	**17,130**	**18,201**
NON CURRENT LIABILITIES	**14,974**	**15,925**	**15,260**
Deferred tax liabilities	903	813	933
Pension & other employee benefits	1,262	1,024	1,295
Provisions	643	580	637
Financial debt	12,051	13,391	12,266
Derivative instruments	41	56	46
Other payables	74	61	83
CURRENT LIABILITIES	**7,076**	**7,390**	**7,258**
Pension & other employee benefits	163	134	167
Provisions	136	114	125
Trade payables	1,836	1,804	1,964
Other payables	1,493	1,681	1,499
Current tax liabilities	160	202	165
Financial debt (including current portion of long-term debt)	2,924	3,097	2,940
Derivative instruments	36	74	34
Liabilities associated with assets held for sale	328	284	364
TOTAL EQUITY AND LIABILITIES	**39,978**	**40,445**	**40,719**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of cash flows

(million euros)	3 months 2012	3 months 2011*	December 31, 2011
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Net income	**(12)**	**6**	**736**
Net income from discontinued operations	**3**	**10**	**492**
Net income from continuing operations	**(15)**	**(4)**	**244**
Adjustments for income and expenses which are non cash or not related to operating activities, financial income or expenses or income tax:			
Depreciation and amortization of assets	249	271	1,038
Impairment losses	4	12	388
Share of net (income) loss of associates	(4)	4	8
Net (gains) losses on disposals, net	(37)	(5)	(45)
Financial (income) / expenses	238	184	999
Income tax	(25)	(3)	432
Others, net (including dividends received from equity-accounted investments)	2	(14)	(59)
Change in working capital items, excluding financial expenses and income tax (see analysis below)	(571)	(427)	20
Net operating cash generated by continuing operations before impacts of financial expenses and income tax	**(159)**	**18**	**3,025**
Cash payments for financial expenses	(138)	(149)	(944)
Cash payments for income tax	(86)	(94)	(484)
Net operating cash generated by continuing operations	**(383)**	**(225)**	**1,597**
Net operating cash generated by (used in) discontinued activities	**(11)**	**(44)**	**22**
Net cash generated by (used in) operating activities	**(394)**	**(269)**	**1,619**
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES			
Capital expenditures	(180)	(242)	(1,071)
Investment in subsidiaries and joint ventures [(1)]	(4)	1	(47)
Investment in associates	(2)	-	(4)
Acquisition of available-for-sale financial assets	-	(3)	(3)
Disposals [(2)]	62	11	2,084
(Increase) decrease in long-term receivables	19	(27)	(68)
Net cash provided by (used in) investing activities from continuing operations	**(105)**	**(260)**	**891**
Net cash provided by (used in) investing activities from discountinued operations	**-**	**(9)**	**(48)**
Net cash provided by (used in) investing activities	**(105)**	**(269)**	**843**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES			
Capital increase (decrease) - owners of the parent company	9	2	18
Capital increase (decrease) - non-controlling interests	9	-	-
Acquisitions of ownership interests with no gain of control	(2)	(90)	(211)
Disposal of ownership interests with no loss in control	-	-	87
Dividends paid	-	-	(288)
Dividends paid by subsidiaries to non-controlling interests	(14)	(26)	(199)
Proceeds from issuance of long-term debt	231	46	622
Repayment of long-term debt	(210)	(423)	(2,442)
Increase (decrease) in short-term debt	(99)	61	(42)
Net cash provided by (used in) financing activities from continuing operations	**(76)**	**(430)**	**(2,455)**
Net cash provided by (used in) financing activities from discontinued operations	**-**	**10**	**(74)**
Net cash provided by (used in) financing activities	**(76)**	**(420)**	**(2,529)**

**Figures have been adjusted as mentioned in Note 3.1.1 "Disposal of Gypsum Division operations" to the Group consolidated financial statements of the 2011 Registration Document following the disposal operations of Gypsum activities and are therefore not comparable with those presented in the interim financial report as of March 31, 2011.*

The accompanying notes are an integral part of these consolidated financial statements.

	3 months		December 31,
(million euros)	**2012**	**2011***	**2011**
Increase / (decrease) in cash and cash equivalents from continuing operations	**(564)**	**(915)**	**33**
Increase (decrease) in cash and cash equivalents from discontinued operations	(11)	(43)	(100)
Net effect of foreign currency translation on cash and cash equivalents and other non monetary impacts	(17)	(73)	(56)
Cash and cash equivalents at beginning of the year/period	3,171	3,294	3,294
Reclassification of cash and cash equivalents as held for sale	11	-	-
Cash and cash equivalents at end of the year/period	**2,590**	**2,263**	**3,171**
(1) Net of cash and cash equivalents of companies acquired	*-*	*2*	*3*
(2) Net of cash and cash equivalents of companies disposed of	*2*	*6*	*117*
SUPPLEMENTAL DISCLOSURES			
Analysis of changes in working capital items	**(571)**	**(427)**	**20**
(Increase) / decrease in inventories	(125)	(109)	(89)
(Increase) / decrease in trade receivables	(187)	(300)	(193)
(Increase) / decrease in other receivables – excluding financial and income tax receivables	(37)	1	(33)
Increase / (decrease) in trade payables	(124)	9	302
Increase / (decrease) in other payables – excluding financial and income tax payables	(98)	(28)	33

**Figures have been adjusted as mentioned in Note 3.1.1 "Disposal of Gypsum Division operations" to the Group consolidated financial statements of the 2011 Registration Document following the disposal operations of Gypsum activities and are therefore not comparable with those presented in the interim financial report as of March 31, 2011.*

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements 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 owners of the parent company	Non-controlling interests	Equity
		(number of shares)	*(million euros)*								
Balance at January 1, 2011	***286,453,779***	***363,558***	**1,146**	**9,640**	**(26)**	**5,816**	**(555)**	**123**	**16,144**	**2,080**	**18,224**
Net income						(29)			**(29)**	35	**6**
Other comprehensive income, net of income tax							20	(857)	**(837)**	(104)	**(941)**
Total comprehensive income for the period						*(29)*	*20*	*(857)*	***(866)***	*(69)*	***(935)***
Dividends									**-**	(111)	**(111)**
Share based payments				5					**5**		**5**
Treasury shares		*(59,500)*			4	(4)			**-**	-	**-**
Changes in ownership with no gain/loss of control						1			**1**	(53)	**(52)**
Other movements – non-controlling interests									**-**	(1)	**(1)**
Balance at March 31, 2011	***286,453,779***	***304,058***	**1,146**	**9,645**	**(22)**	**5,784**	**(535)**	**(734)**	**15,284**	**1,846**	**17,130**
Balance at January 1, 2012	***287,247,518***	***233,448***	**1,149**	**9,684**	**(17)**	**6,219**	**(751)**	**(280)**	**16,004**	**2,197**	**18,201**
Net income						(44)	-		**(44)**	32	**(12)**
Other comprehensive income, net of income tax							(20)	(171)	**(191)**	(33)	**(224)**
Total comprehensive income for the period						*(44)*	*(20)*	*(171)*	***(235)***	*(1)*	***(236)***
Dividends									**-**	(45)	**(45)**
Issuance of common stock									**-**	9	**9**
Share based payments				4					**4**		**4**
Treasury shares		*(74,860)*			5	(5)			**-**	-	**-**
Changes in ownership with no gain/loss of control									**-**	(6)	**(6)**
Other movements						2			**2**	(1)	**1**
Balance at March 31, 2012	***287,247,518***	***158,588***	**1,149**	**9,688**	**(12)**	**6,172**	**(771)**	**(451)**	**15,775**	**2,153**	**17,928**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

Note 1. Business description

Lafarge S.A. is a French limited liability company (*société anonyme*) governed by French law. Our commercial name is “Lafarge”. The company was incorporated in 1884 under the name “J et A Pavin de Lafarge”. Currently, our by-laws state that the duration of our company is until December 31, 2066, and may be amended to extend our corporate life. Our registered office is located at 61 rue des Belles Feuilles, 75116 Paris, France. The company is registered under the number “542105572 RCS Paris” with the registrar of the Paris Commercial Court (Tribunal de Commerce de Paris).

The Group has a country-based organization (See Note 3.1).

The Group’s shares have been traded on the Paris stock exchange since 1923 and have been a component of the French CAC-40 market index since its creation, and also included in the SBF 250 index.

As used herein, the terms “Lafarge S.A.” or the “parent company” refer to Lafarge, a société anonyme organized under French law, without its consolidated subsidiaries. The terms the “Group” or “Lafarge” refer to Lafarge S.A. together with the companies included in the scope of consolidation.

Interim condensed consolidated financial statements are presented in euros rounded to the nearest million.

The Board of Directors approved these interim condensed consolidated financial statements on May 3, 2012.

Note 2. Summary of significant accounting policies

2.1 – Interim condensed consolidated financial statements

The Group’s interim condensed consolidated financial statements at March 31, 2012 have been prepared in accordance with IAS 34 – Interim Financial Reporting. They do not include all the IFRS required information and should therefore be read in connection with the Group’s consolidated financial statement for the year ended December 31, 2011.

The accounting policies retained for the preparation of the Group interim condensed consolidated financial statements are compliant with the International Financial Reporting Standards (“IFRS”) as endorsed by the European Union as of March 31, 2012 and available on http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

These accounting policies are consistent with the ones applied by the Group at December 31, 2011 and described in the Note 2 of the Group consolidated financial statements of the 2011 Registration Document except for the points presented in paragraph 2.2 New IFRS standards and interpretations.

The measurement procedures used for the interim condensed consolidated financial statements are the following:

- Interim period income tax expense results from the estimated annual Group effective income tax rate applied to the pre-tax result (excluding share of net income of associates) of the interim period excluding unusual material items. The income tax charge related to any unusual item of the period is accrued using its specific applicable taxation (i.e. specific taxation for gains on disposals).

- Compensation costs recorded for stock options and employee benefits are included on a prorata basis of the estimated costs for the year. For the countries where the Group’s pension and other post-retirement benefit obligations and related plan assets are the most significant – i.e. the United States of America, Canada and the United Kingdom – actuarial valuations are updated at the end of March and the related amounts of pensions and other employee benefits recognized in the interim statement of financial position are adjusted accordingly. For the other countries, actuarial valuations are performed annually and amounts recognized in the interim statement of financial position are based on estimates made at the end of the previous year.

In addition, the Group performed as of March 31, 2012, a review of indicators of impairment relating to goodwill allocated to Cash Generating Units (CGUs) or group of CGUs for which sensitivity analyses of the recoverable amounts have been presented in the consolidated financial statements as of December 31, 2011. A follow-up of this review will be done during the next quarters, namely for CGUs in Greece and Spain in line with the economic context of these countries.

2.2 – New IFRS standards and interpretations

IFRS standards and IFRIC interpretations applicable from January 1, 2012

The new IFRS and interpretations published as of December 31, 2011 and effective from January 1, 2012, listed in the Note 2.27 – Accounting pronouncements at the closing date not yet effective – to the notes of the Group consolidated financial statements of the 2011 Registration Document (page F 22), had no material impact on the Group interim condensed consolidated financial statements at March 31, 2012.

Early application of standards

The Group has not early adopted standards and interpretations that are not yet mandatorily effective at January 1, 2012.

2.3 – Seasonality

Demand for our cement and aggregates & concrete products is seasonal and tends to be lower in the winter months in temperate countries and in the rainy season in tropical countries. We usually experience a reduction in sales on a consolidated basis in the first quarter during the winter season in our markets in Europe and North America, and an increase in sales in the second and third quarters, reflecting the summer construction season.

Note 3. Significant operations of the period

3.1 New country-based organization

In November 2011, the Group announced a new organization project following the disposal of most of its gypsum activities and refocusing on Cement, Aggregates and Concrete. Its aim is to increase the differentiation through the development of higher value-added products and solutions for construction.

This new organization project has been implemented during the first quarter of 2012. It includes:

- the implementation of an organization based on countries or group of countries, with CEO responsibilities extended to cover all cement, aggregates and concrete activities, using common support functions;
- the removal of one hierarchical layer, with the aim of cutting out the regional level;
- the resulting transformation of the structure and responsibilities of the Executive Committee, including the creation of a Performance function and an Innovation function.

Consequently, the internal reporting as well as the segment information have been reviewed (See Note 4) and the Middle East and Africa goodwill (1,130 million euros) has been reallocated to the countries / group of countries of this region as at January 1, 2012. This new allocation has no effect on the results of impairment tests made as of December 31, 2011.

3.2 Discontinued operations and Assets held for sale

3.2.1 Disposal of Gypsum Division operations

Since July 2011, the Group has been committed to a disposal project of the main part of the Gypsum Division which was a specific business segment of the Group. During the second half 2011, the Group disposed of its Gypsum operations in Western Europe, Central and Eastern Europe, Latin America and Asia. Accordingly, its Gypsum operations (activities in Middle East and Africa excluded) were presented as Discontinued operations as described in the Note 3.1.1 to the Group consolidated financial statements of the 2011 Registration Document.

Interests that continue to be consolidated are presented in separate lines in the consolidated financial statements. As of March 31, 2012, the consolidated statement of financial position includes 436 million euros in the line “Assets held for sale” mainly comprised of goodwill and property, plant and equipment and 26 million euros in the line “Liabilities associated with assets held for sale” mainly comprised of trade payables.

The following table provides the net income attributable to the discontinued operations:

STATEMENTS OF INCOME FROM DISCONTINUED OPERATIONS	3 months		December 31,
(million euros, except per share data)	2012	2011	2011
Revenue	**56**	**351**	**1,236**
Cost of sales	(50)	(288)	(1,028)
Selling and administrative expenses	(2)	(47)	(133)
Operating income before capital gains, impairment, restructuring and other	**4**	**16**	**75**
Other operating income (expenses) (including gains (losses) on disposals)	(1)	-	466
Operating income	**3**	**16**	**541**
Financial income (loss)	-	(1)	(6)
Share of net income (loss) of associates	-	1	(15)
Income before income tax	**3**	**16**	**520**
Income tax	-	(6)	(28)
Net income / (loss) from discontinued operations	**3**	**10**	**492**
Of which, attributable to:			
Owners of the parent company	**3**	**10**	**490**
Non-controlling interests	-	-	2
Earnings per share from discontinued operations (euros)			
- basic earnings per share	0.01	0.03	1.71
- diluted earnings per share	0.01	0.03	1.71

The depreciation charge on depreciable assets ceased (5 million euros impact as of March 31, 2012).

3.2.2 Agreement between Lafarge and Anglo American

Assets and liabilities of Lafarge Cement UK and Lafarge Aggregates and Concrete UK that will be contributed to the joint venture with Tarmac Quarry Materials, have been presented since February 18, 2011 as Assets held for sale (as described in Note 3.1.2 to the Group consolidated financial statements of the 2011 Registration Document). As of May 1, 2012, the Competition Commission approved the proposed joint venture between Lafarge UK and Tarmac subject to a number of disposals which both Lafarge and Anglo American are confident can be achieved.

The depreciation charge on depreciable assets ceased (15 million euros impact as of March 31, 2012). As of March 31, 2012, the assets held for sale of Lafarge UK amount to 1,831 million euros and essentially comprise goodwill and property, plant and equipment. The liabilities directly associated with assets held for sale of Lafarge UK amount to 302 million euros and notably comprise trade payables.

3.3 Other events

During the period, the Group recorded 94 million euros in restructuring charges as part of the execution of its cost-cutting program.

Note 4. Operating segment information

As of January 1, 2012, the organization by division has been replaced by a country-based organization (see Note 3), countries or group of countries becoming the Group's operating segments. For purposes of presentation, 6 regions corresponding to the aggregation of countries or group of countries are reported (except for North America which is an operating segment):

- Western Europe
- North America
- Central and Eastern Europe
- Middle East and Africa
- Latin America
- Asia

2011 comparative figures have been restated accordingly.

The information presented hereafter by reportable segment is in line with that reported to the Chief Executive Officer[4] for the purposes of making decisions about allocating resources to the segment and assessing its performance.

Each operating segment derives its revenues from the following products:

- a wide range of cement and hydraulic binders adapted to the needs of the construction industry;
- aggregates and concrete;
- other products: mainly gypsum.

Group management internally follows the performance of the business based upon:

- Revenues by origin of production;
- Earning before interests, taxes, depreciation and amortization (EBITDA), defined as the total of operating income before capital gains, impairment losses, restructuring and others, before depreciation and amortization of property, plant and equipment and intangible assets;
- Operating income before capital gains, impairment losses, restructuring and others; and
- Capital employed, defined as the total of goodwill, intangible assets and property, plant and equipment, investments in associates and working capital.

Group financing, notably treasury process (including financial income and expenses), and income taxes are managed at Group level and are not allocated to segments.

The accounting policies used for segment information indicators comply with those applied for the consolidated financial statements (as described in Note 2).

The Group accounts for intersegment sales and transfers at market prices.

[4] the Chief Operating Decision Maker

(a) Segment information

March 31, 2012 *(million euros)*	Western Europe	North America	Central and Eastern Europe	Middle East and Africa	Latin America	Asia	Total
STATEMENT OF INCOME							
Gross revenue	765	490	182	1,074	241	670	
Less: intersegment	(12)	-	(1)	(30)	-	(26)	
EXTERNAL REVENUE	**753**	**490**	**181**	**1,044**	**241**	**644**	**3,353**
EBITDA	**94**	**(46)**	**(14)**	**315**	**59**	**108**	**516**
Depreciation and amortization	(46)	(49)	(20)	(81)	(11)	(42)	(249)
Operating income before capital gains, impairment, restructuring and other	**48**	**(95)**	**(34)**	**234**	**48**	**66**	**267**
Net gains (losses) on disposals	(1)	(1)	-	-	-	39	37
Other operating income (expenses)	(51)	(35)	(6)	(12)	(3)	(3)	(110)
Including impairment on assets and goodwill	*(1)*	*(2)*	*(1)*	*-*	*-*	*-*	*(4)*
OPERATING INCOME	**(4)**	**(131)**	**(40)**	**222**	**45**	**102**	**194**
OTHER INFORMATION							
Capital expenditures	36	20	43	16	17	48	**180**
Capital employed	4,397	5,417	2,705	11,911	1,414	4,000	**29,844**
STATEMENT OF FINANCIAL POSITION							
Segment assets	6,516	5,966	2,965	14,146	1,891	5,245	**36,729**
Of which investments in associates	*152*	*18*	*41*	*213*	*36*	*9*	***469***
Assets held for sale	1,831	436	-	-	-	-	**2,267**
Unallocated assets [(a)]							**982**
TOTAL ASSETS							**39,978**
Segment liabilities	1,892	1,561	249	1,120	247	698	**5,767**
Liabilities associated with assets held for sale	302	26	-	-	-	-	**328**
Unallocated liabilities and equity [(b)]							**33,883**
TOTAL EQUITY AND LIABILITIES							**39,978**

[(a)] *Deferred tax assets and derivative instruments*
[(b)] *Deferred tax liability, financial debt, derivative instruments and equity*

March 31, 2011 *(million euros)*	Western Europe	North America	Central and Eastern Europe	Middle East and Africa	Latin America	Asia	Total
STATEMENT OF INCOME							
Gross revenue	863	436	185	1,005	209	594	
Less: intersegment	(19)	-	(6)	(30)	-	(31)	
EXTERNAL REVENUE	**844**	**436**	**179**	**975**	**209**	**563**	**3,206**
EBITDA	**151**	**(75)**	**(9)**	**274**	**53**	**85**	**479**
Depreciation and amortization	(63)	(61)	(17)	(77)	(11)	(42)	(271)
Operating income before capital gains, impairment, restructuring and other	**88**	**(136)**	**(26)**	**197**	**42**	**43**	**208**
Net gains (losses) on disposals	2	-	-	-	-	3	5
Other operating income (expenses)	(19)	-	(4)	(5)	-	(4)	(32)
Including impairment on assets and goodwill	*(12)*	*-*	*-*	*-*	*-*	*-*	*(12)*
OPERATING INCOME	**71**	**(136)**	**(30)**	**192**	**42**	**42**	**181**
OTHER INFORMATION							
Capital expenditures	48	21	39	87	1	46	**242**
Capital employed	5,048	6,342	2,438	12,024	1,488	4,030	**31,370**
STATEMENT OF FINANCIAL POSITION							
Segment assets	7,384	6,717	2,677	13,848	2,233	5,263	**38,122**
Of which investments in associates	*91*	*16*	*49*	*171*	*20*	*60*	***406***
Assets held for sale	1,688	-	-	-	-	-	**1,688**
Unallocated assets [(a)]							**635**
TOTAL ASSETS							**40,445**
Segment liabilities	2,194	1,158	224	1,093	225	706	**5,600**
Liabilities associated with assets held for sale	284	-	-	-	-	-	**284**
Unallocated liabilities and equity [(b)]							**34,561**
TOTAL EQUITY AND LIABILITIES							**40,445**

[(a)] *Deferred tax assets and derivative instruments*

[(b)] *Deferred tax liability, financial debt, derivative instruments and equity*

December 31, 2011 *(million euros)*	Western Europe	North America	Central and Eastern Europe	Middle East and Africa	Latin America	Asia	Total
STATEMENT OF INCOME							
Gross revenue	3,547	3,110	1,323	4,200	905	2,510	
Less: intersegment	(70)	-	(30)	(108)	-	(103)	
EXTERNAL REVENUE	**3,477**	**3,110**	**1,293**	**4,092**	**905**	**2,407**	**15,284**
EBITDA	**669**	**431**	**329**	**1,131**	**246**	**411**	**3,217**
Depreciation and amortization	(213)	(235)	(73)	(311)	(42)	(164)	(1,038)
Operating income before capital gains, impairment, restructuring and other	**456**	**196**	**256**	**820**	**204**	**247**	**2,179**
Net gains (losses) on disposals	21	27	-	-	(1)	(2)	45
Other operating income (expenses)	(314)	(18)	(15)	(173)	(9)	(12)	(541)
Including impairment on assets and goodwill	*(253)*	*(7)*	*(10)*	*(115)*	-	*(3)*	*(388)*
OPERATING INCOME	**163**	**205**	**241**	**647**	**194**	**233**	**1,683**
OTHER INFORMATION							
Capital expenditures	218	93	158	307	56	239	**1,071**
Capital employed	4,432	5,518	2,524	12,037	1,377	4,054	**29,942**
STATEMENT OF FINANCIAL POSITION							
Segment assets	7,128	6,135	2,837	14,224	1,886	5,369	**37,579**
Of which investments in associates	*148*	*18*	*41*	*288*	*37*	*72*	***604***
Assets held for sale	1,762	433	-	-	-	-	**2,195**
Unallocated assets [(a)]							**945**
TOTAL ASSETS							**40,719**
Segment liabilities	1,883	1,685	249	1,125	257	736	**5,935**
Liabilities associated with assets held for sale	337	27	-	-	-	-	**364**
Unallocated liabilities and equity [(b)]							**34,420**
TOTAL EQUITY AND LIABILITIES							**40,719**

[(a)] *Deferred tax assets and derivative instruments*

[(b)] *Deferred tax liability, financial debt, derivative instruments and equity*

(b) Information by product line

(million euros)	Revenues from external customers			Revenues from external customers		
	March 31, 2012	March 31, 2011	December 31, 2011	March 31, 2012	March 31, 2011	December 31, 2011
Cement	2,308	2,161	9,975	2,448	2,300	10,622
Aggregates & Concrete	1,025	1,024	5,227	1,028	1,026	5,238
Other products	20	21	82	20	20	82
Eliminations				(143)	(140)	(658)
Total	**3,353**	**3,206**	**15,284**	**3,353**	**3,206**	**15,284**

(c) Information by country

(million euros)	March 31, 2012		March 31, 2011		December 31, 2011	
	Revenues from external customers	Non-current segment assets*	Revenues from external customers	Non-current segment assets	Revenues from external customers	Non-current segment assets
Western Europe	**753**	**4 390**	**844**	**5 167**	**3 477**	**4 422**
Of which:						
France	446	2 245	479	2 417	2 193	2 256
United Kingdom	202	-	205	60	935	-
North America	**490**	**4 975**	**436**	**5 755**	**3 110**	**5 149**
Of which:						
*United States ***	249	1 906	198	2 305	1 471	1 998
*Canada ***	289	892	238	866	1 763	914
Central and Eastern Europe	**181**	**2 522**	**179**	**2 267**	**1 293**	**2 465**
Middle East and Africa	**1 044**	**11 810**	**975**	**12 042**	**4 092**	**12 070**
Of which:						
Egypt	127	2 628	130	2 532	481	2 729
Algeria	130	3 182	129	3 086	518	3 059
Latin America	**241**	**1 395**	**209**	**1 434**	**905**	**1 403**
Of which:						
Brazil	169	989	147	1 028	658	993
Asia	**644**	**3 869**	**563**	**3 931**	**2 407**	**3 991**
Total	**3 353**	**28 961**	**3 206**	**30 596**	**15 284**	**29 499**

** The decrease in non current segment assets (including goodwill, intangible assets, property, plant and equipment and investments in associates) relates to the reclassification as "Assets held for sale" of the items mentioned in Note 3.2 "Discontinued operations and assets held for sale"*

*** Non-current assets excluding goodwill*

Note 5. Earnings per share

The computation and reconciliation of basic and diluted earnings per share from continuing operations for the periods ended March 31, 2012, March 31, 2011 and December 31, 2011 are as follows:

	3 months		December 31,
	2012	2011	2011
Numerator (in million euros)			
Net income attributable to owners of the parent company	(44)	(29)	593
Of which net income from continuing operations	(47)	*(39)*	*103*
Denominator (in thousands of shares)			
Weighted average number of shares outstanding	287 028	286 101	286 514
Total potential dilutive shares	1 121	230	801
Weighted average number of shares outstanding — fully diluted	288 149	286 331	287 315
Basic earnings per share (euros)	**(0,15)**	**(0,10)**	**2,07**
Diluted earnings per share (euros)	**(0,15)**	**(0,10)**	**2,06**
Basic earnings per share from continuing operations (euros)	**(0,16)**	**(0,13)**	**0,36**
Diluted earnings per share from continuing operations (euros)	**(0,16)**	**(0,13)**	**0,35**

Note 6. Debt

The debt split is as follows:

	At March 31,		At December 31,
(million euros)	2012	2011	2011
Long-term debt excluding put options on shares of subsidiaries	12,002	13,328	12,216
Put options on shares of subsidiaries, long-term	49	63	50
Long-term debt	**12,051**	**13,391**	**12,266**
Short-term debt and current portion of long-term debt excluding put options on shares of subsidiaries	2,839	2,943	2,842
Put options on shares of subsidiaries, short-term	85	154	98
Short-term debt and current portion of long-term debt	**2,924**	**3,097**	**2,940**
Total debt excluding put options on shares of subsidiaries	14,841	16,271	15,058
Total put options on shares of subsidiaries	134	217	148
Total debt	**14,975**	**16,488**	**15,206**

Analysis of debt excluding put options on shares of subsidiaries by maturity:

	At March 31,		At December 31,
(million euros)	2012	2011	2011
Repayable in more than five years	4,836	6,126	4,869
Repayable between one and five years	7,166	7,202	7,347
Long-term debt	**12,002**	**13,328**	**12,216**
Repayable between six months and one year	1,832	623	1,627
Repayable in less than six months	1,007	2,320	1,215
Short-term debt and current portion of long-term debt	**2,839**	**2,943**	**2,842**
Total debt	**14,841**	**16,271**	**15,058**

As of March 31, 2012, 69 million euros of short-term debt have been classified as long-term based upon the Group's ability to refinance these obligations on a medium and long-term basis through its committed credit facilities.

This short-term debt that the Group can refinance on a medium and long-term basis through its committed credit facilities is classified in the statement of financial position under the section "Long-term debt". The net variation of this short-term debt is shown in the statement of cash flows in "Proceeds from issuance of long-term debt" when it is positive, and in "Repayment of long-term debt" when it is negative. At March 31, 2012, the net variation of this debt amounted to an increase of 12 million euros (compared to a decrease of 325 million euros at March 31, 2011 and a decrease of 667 million euros at December 31, 2011).

The syndicated credit facility signed in 2004 for a 5-year term and an initial amount of 1,850 million euros, has been amended several times successfully. Through the last amendment of March 19, 2012, the amount was reduced to 1,235 million euros and the maturity extended to July 28, 2015 for 1,200 million euros. This syndicated credit facility contains an optional exit mechanism, on an individual basis, if the consolidated net debt to EBITDA ratio is higher than 4.75. Such an event would not be considered an event of default and would have no impact on the status of the Group's other financing arrangements.

Interest rate

The average spot interest rate of the gross debt after swaps, as at March 31, 2012, is 6.3% (5.6% as of March 31, 2011 and 6.2% as of December 31, 2011).

The average interest rate of the net debt after swaps (gross debt minus cash and cash equivalents) is 7.2% for the first quarter 2012 compared to 6.2% in the first quarter 2011 and 6.3% for the year 2011.

Securitization program

The Group entered into multi-year securitization agreements with respect to trade receivables as described in the Note 17 of the Group consolidated financial statements of the 2011 Registration Document.

Under these programs, some of the French, North American, British and Spanish subsidiaries agree to sell trade receivables. These trade receivables sold remain on the statement of financial position and totaled 434 million euros as of March 31, 2012 (649 million euros as of March 31, 2011 and 537 million euros as of December 31, 2011).

The current portion of debt financing received from these programs includes 322 million euros as of March 31, 2012 (516 million euros as of March 31, 2011 and 404 million euros as of December 31, 2011).

The European securitization agreements are guaranteed by subordinated deposits and units totaling 112 million euros as of March 31, 2012 (133 million euros as of March 31, 2011 and 133 million euros as of December 31, 2011).

Put options on shares of subsidiaries

As part of the acquisition process of certain entities, the Group has granted third party shareholders the option to require the Group to purchase their shares at predetermined conditions. These shareholders are either international institutions, such as the European Bank for Reconstruction and Development, or private investors, which are essentially financial or industrial investors or former shareholders of the acquired entities. Assuming that all of these options were exercised, the purchase price to be paid by the Group, including debt and cash acquired, would amount to 149 million euros as of March 31, 2012 (162 million euros as of December 31, 2011).

Out of the outstanding put options as of March 31, 2012, 100 million euros can be currently exercised. A portion of the remaining 49 million euros can be exercised starting in 2014 and the remaining starting in 2015.

Put options granted to non controlling interests of subsidiaries are classified as debt of the Group. Out of the total options granted by the Group, the options granted to non controlling interests amounted to 134 million euros and 148 million euros as of March 31, 2012 and December 31, 2011, respectively, the remaining options were granted on shares of joint ventures.

The goodwill resulting from put options granted to non controlling interests amounts to 60 million euros and 71 million euros as of March 31, 2012 and December 31, 2011, respectively.

Note 7. Equity

(a) Dividends

The following table indicates the dividend amount per share the Group paid for the year 2010 as well as the dividend amount per share for 2011 proposed by our Board of Directors for approval at the Annual General Meeting of shareholders to be held on May 15, 2012.

(euros, except otherwise indicated)	2011*	2010
Total dividend (million euros)	145**	288
Base dividend per share	0.50	1.00
Increased dividend per share	0.55	1.10

** Proposed dividend. As this dividend is subject to approval by shareholders at the Annual General Meeting, it has not been included as a liability in these financial statements as at March 31, 2012.*

*** Based on an estimation of the number of shares eligible for dividends of 287,014,070 shares.*

(b) Other comprehensive income – part attributable to the owners of the parent company

The roll forward for the period of other comprehensive income, for the part attributable to the owners of the parent company, is as follows:

	December 31, 2011	Gains/(losses) arising during the period	Recycling to income statement	March 31, 2012
Available-for-sale financial assets	21	-	-	21
Gross value	*31*	-	-	*31*
Deferred taxes	*(10)*	-	-	*(10)*
Cash flow hedge instruments	(29)	2	-	(27)
Gross value	*(41)*	*3*	-	*(38)*
Deferred taxes	*12*	*(1)*	-	*11*
Actuarial gains/(losses)	(743)	(22)	-	(765)
Gross value	*(1,070)*	*(24)*	-	*(1,094)*
Deferred taxes	*327*	*2*	-	*329*
Total Other reserves	***(751)***	***(20)***	**-**	***(771)***
Total Foreign currency translation	***(280)***	***(162)***	***(9)***	***(451)***
Total Other comprehensive income/(loss), net of income tax	***(1,031)***	***(182)***	***(9)***	***(1,222)***

Note 8. Legal and arbitration proceedings

In the ordinary course of its business, Lafarge is involved in a certain number of judicial and arbitral proceedings. Lafarge is also subject to certain claims and lawsuits which fall outside the scope of the ordinary course of its business, the most significant of which are summarized below.

The amount of provisions made is based on Lafarge's assessment of the level of risk on a case-by-case basis and depends on its assessment of the basis for the claims, the stage of the proceedings and the arguments in its defense, it being specified that the occurrence of events during proceedings may lead to a reappraisal of the risk at any moment.

Competition

Germany – Cement: Following investigations on the German cement market, the German competition authority, the Bundeskartellamt, announced on April 14, 2003, that it was imposing fines on the major German cement companies, including one in the amount of 86 million euros on Lafarge Zement, our German cement subsidiary for anti-competitive practices in Germany. Considering that the amount of the fine was disproportionate in light of the actual facts, Lafarge Zement has brought the case before the Higher Regional Court, the Oberlandesgericht, in Düsseldorf. Moreover, on August 15, 2007, Lafarge Zement partially withdrew its appeal. Consequently Lafarge Zement paid an amount of 16 million euros on November 2, 2007 and reduced the related provision of the same amount.

Finally, the Court's decision related to the remaining part of the appeal has been given on June 26, 2009, exempting Lafarge Zement partly and reducing the remaining fine very significantly to 24 million euros. Lafarge Zement has appealed to the Supreme Court on the basis of legal grounds. The decision of the Supreme Court should be given in 2012.

Assessment on the merits of a potential civil action brought by third parties to obtain damages may depend on the outcome of the above mentioned procedure. There has been no significant development on this potential civil action at this stage further to the decision of the Düsseldorf Appeal Court.

The global provision in connection with this case amounts to 24 million euros as of March 31, 2012.

South Africa – Cement: In South Africa, an inquiry by cement players was opened by the competition authorities in 2009 regarding possible infringements to competition rules. Our subsidiary Lafarge industries South Africa (Proprietary) Ltd cooperated with the South African authority ("Authority") during the course of the procedure. In 2009 and in November 2011 some competitors agreed having had anticompetitive behaviors during the previous years and signed agreements with the Authority to cease the proceedings. Our subsidiary also decided to enter into a settlement agreement with the Authority to cease the proceedings. Further to negotiation, a settlement was reached on March 6, 2012, with our subsidiary agreeing to pay an amount of 15 million euros within 6 months as from the date of settlement in consideration for termination of the proceedings.

Also on competition matters, there are three industry-wide inquiries which do not constitute judicial proceedings and for which no provision has been recorded:

Europe – Cement: In November 2008, the major European cement players, including Lafarge, were investigated by the European Commission for alleged anti-competitive practices. By a letter dated December 6, 2010, the Commission notified the parties of the opening of an official investigation (which do not however constitute a statement of objection), while reminding them that at that stage, it did not have conclusive evidence of anti-competitive practices. The alleged offences, which will be the subject of the detailed investigation, involve any possible restrictions of commercial trade in or upon entry to the EEA, market sharing, and coordination of prices on the cement and related markets (concrete, aggregates). In the case of Lafarge, seven (7) countries are quoted: France, the United Kingdom, Germany, Spain, the Czech Republic, Greece and Austria. The Commission's investigation is ongoing and Lafarge is answering to its various requests for information. In November 2011, further to the answer by Lafarge of the last questionnaire received, the Commission notified Lafarge an injunction to waive any reserve to the answer and provide any further information deemed necessary to complete its investigation, under the threat of a penalty. Lafarge promptly complied with this new request for information and lodged a lawsuit before the EU General Court with a view to obtaining the annulment of such injunction decision. The completion date of this investigation is unknown and no conclusion can be drawn at this stage.

United Kingdom (UK) – Cement: On January, 18, 2012, the UK Office of Fair Trading (OFT) announced that it had referred the aggregates, cement and ready-mixed concrete markets (the "Industry") in the UK to the Competition Commission for an in-depth sector investigation. The OFT believes that it has reasonable grounds to suspect that competition problems may exist due to the existing market structure in the UK, and considers that the Industry displays a number of features which may potentially adversely affect the way competition operates in the UK. As a result, the UK Competition Commission will conduct an in-depth sector investigation into competition in relation to the supply of those products, and decide whether or not any structural and/or behavioural remedies will be required. Our UK subsidiaries will continue to fully cooperate with the UK Competition Commission, which is expected to conclude

its investigation in the coming years (late 2013 or early 2014). At this stage, we cannot assess the potential consequences of this investigation.

India – Cement: An investigation started in 2011 against the major players of the cement Indian market, including our subsidiary Lafarge India PVT Ltd. This investigation which was initiated by the Director General of the Competition Commission of India ("CCI") concludes to the existence of anticompetitive behaviours in India. Lafarge India PVT Ltd., which is the less significant player in terms of market share among the implicated companies, vigorously defends itself against these allegations essentially based on economic speculations. Hearings took place before the CCI in February 2012, and a decision is expected in 2012. No conclusion on the outcome of this procedure can be drawn at this stage.

Other proceedings

United States of America – Hurricane Katrina: In late 2005, several class action and individual lawsuits were filed in the United States District Court for the Eastern District of Louisiana. In their Complaints, plaintiffs allege that our subsidiary, Lafarge North America Inc., and/or several other defendants including the federal government, are liable for death, bodily and personal injury and property and environmental damage to people and property in and around New Orleans, Louisiana. Some of the referenced complaints claim that these damages resulted from a barge under contract to Lafarge North America Inc. that allegedly breached the Inner Harbor Navigational Canal levee in New Orleans during or after Hurricane Katrina. On May 21, 2009, the Court denied plaintiffs' Motion for Class Certification.

The Judge trial involving the first few plaintiffs commenced in late June, 2010 and briefing to the Court closed in October. In a ruling dated January 20, 2011, the Judge ruled in favor of our subsidiary, Lafarge North America Inc. These plaintiffs filed a Notice of Appeal, but then withdrew it. Our subsidiary then filed a Motion for Summary Judgment against all the remaining plaintiffs' cases filed in Federal Court. A Hearing was held by the Court in October 2011 and a decision was handed down by the Court on March 20, 2012 granting Summary Judgment in Lafarge North America Inc's favour. Plaintiffs have now filed a Notice of Appeal of the Court's decision. A new case was filed in Louisiana State Court against Lafarge North America Inc by the Parish of Saint Bernard on September 16, 2011. Our subsidiary has moved to remove the case to Federal Court before the same Judge who heard all the previous claims against Lafarge North America Inc. and this Motion was recently granted.

Lafarge North America Inc. vigorously defends itself in all these ongoing actions. Lafarge North America Inc. believes that the claims against it are without merit and that these matters will not have a materially adverse effect on its financial condition.

India / **Bangladesh:** The Group holds, jointly with Cementos Molins, 59% of Lafarge Surma Cement which is operating a cement plant in Bangladesh. This cement plant is supplied by its Indian affiliate with limestone extracted from a quarry in the Meghalaya region of India. At a hearing on February 5 , 2010, the Supreme Court of India decided to suspend the mining activities of the quarry, due to the fact that its location is today regarded as a forest area, making it necessary to obtain a new mining permit. By a favourable decision dated July 6, 2011, the Supreme Court has declared to see no reason to interfere with the past decisions of the Ministry of Environment and Forest granting the clearances to our subsidiary during the course of the project (including site clearance dated June 1999, Environmental Impact Assessment clearance dated August 2001 and revised in April 2010 and the Stage 1 Forest Clearance dated April 2010). Accordingly the Court decides to stand vacated its interim order dated February 5, 2010 suspending the mining activities of our subsidiary and to allow the application filed by our subsidiary to obtain a new clearance from the Ministry of Environment and Forest. Further to this decision, and pending to the granting of a Stage 2 Forest Clearance for which the procedures were continuing before the Ministry of Environment and Forest, by a letter dated August 5, 2011 the State Government of Meghalaya allowed our Indian subsidiary to immediately restart its mining activities in the already broken-up area of the quarry. Therefore, Lafarge Surma Cement had restarted in a normal way the operations of its cement plant, thanks to the supply of limestone extracted from this area of its Indian affiliate's quarry. The new mining permit has been obtained by Lafarge Surma Cement from the Ministry of Environment and Forest (MOEF) on February 29, 2012 and Lafarge Surma Cement is operating in a normal way.

In connection with disposals made in the past years, Lafarge and its subsidiaries provided customary warranties notably related to accounting, tax, employees, product quality, litigation, competition, and environmental matters. Lafarge and its subsidiaries received or may receive in the future notice of claims arising from said warranties. In view of the current analysis, it is globally concluded that no significant provision has to be recognized in relation to such claims and disposals.

Finally, certain Group subsidiaries have litigation and claims pending in the normal course of business. The resolution of these matters should not have any significant effect on the Company's and/or the Group's financial position, results of operations and cash flows. To the Company's knowledge, there are no other governmental, legal or arbitration proceedings which may have or have had in the recent past significant effects on the Company and/or the Group's financial position or profitability.

Note 9. Transactions with related parties

During the period, Lafarge has recognized a receivable for an amount of 60 million euros as of March 31, 2012 related to warranties granted by Orascom Construction Industries[5] (OCI) to compensate a loss of an equivalent amount recorded during the quarter. This receivable is recoverable under an indemnity to be received from OCI.

Note 10. Subsequent events

See Note 3.2.2 Agreement between Lafarge and Anglo American.

[5] Related to the Orascom acquisition (agreement dated December 9, 2007)

Statutory auditors' review report on the interim condensed consolidated financial statements

(Free translation of a French language original)

To the Chairman and Chief Executive Officer,

In our capacity as statutory auditors of Lafarge and in accordance with your request, we have reviewed the interim condensed consolidated financial statements of Lafarge contained in the accompanying report for the period from January 1, 2012 to March 31, 2012.

These interim condensed consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently can only provide moderate assurance that the financial statements, taken as a whole, do not contain any material misstatements. This level of assurance is less than that obtained from an audit.

Based on our review, nothing has come to our attention that causes us to believe that these interim condensed consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Neuilly-sur-Seine and Paris-La Défense, May 4, 2012

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

Arnaud de Planta Frédéric Gourd

Alain Perroux Nicolas Macé