

NOTICE OF MEETING

ORDINARY SHAREHOLDERS' MEETING

Tuesday, May 15, 2012
5.00 p.m.
Salle Pleyel



bringing materials to *life*™

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AGENDA

1. Approval of the 2011 Company financial statements and transactions
2. Approval of the 2011 consolidated financial statements and transactions
3. Appropriation of earnings and setting of the dividend
4. Approval of a new related-party agreement (convention réglementée): amendment to Mr. Bruno Lafont's employment contract
5. Approval of a new related-party agreement (convention réglementée): amendment to the Shareholder agreement with NNS Holding Sàrl
6. Ratification of the cooptation of Mr. Ian Gallienne as a Director
7. Renewal of the term of office of Mr. Ian Gallienne as a Director
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This notice of Meeting is a translation of the French document "Avis de convocation" and is being furnished for information purposes only. In all matters of interpretation of information, views or opinions expressed therein, the original French version of the notice takes precedence over this translation.



Bruno Lafont,
Chairman and Chief Executive Officer

Dear shareholder,

I take great pleasure in inviting you to attend the Annual General Meeting of Lafarge Shareholders, to be held at 5.00 p.m. on Tuesday, May 15, 2012, at the Salle Pleyel, 252 rue du Faubourg Saint-Honoré, 75008 Paris.

This Meeting is a special moment of dialogue.

It is an opportunity for you to find out more about the Group's developments, and more importantly to express your opinion concerning our Group, regardless of the number of Lafarge shares you own.

On this occasion, I will be accompanied by the Group's Executive Committee and will present our results for 2011, along with our strategy and outlook for the future.

The Board of Directors will ask you to approve the distribution of 0.50 euro per share for the normal dividend and 0.55 euro per share for the loyalty dividend.

I attach a great deal of importance to this opportunity for discussion and to the vote of our individual shareholders, which is an expression of your confidence in our company.

I therefore sincerely hope that I will see you at our Annual General Meeting.

In the meantime, may I thank you for your continuing trust and your loyalty to Lafarge.

Yours sincerely,

Why did I receive this notice of Meeting and a voting form?

We sent you the notice of the Shareholders' Meeting and a voting form because you hold Lafarge shares. This brochure contains the resolutions on which you are being called

upon to vote, as a shareholder, and the information on these resolutions, so that you can make an informed decision. The voting form allows you to inform us of whether you

will attend the Shareholders' Meeting or vote by mail or by proxy, if you do not attend the Meeting.

Where can I find additional information?

On our website

All documents that must be provided in the context of this General Meeting are available on our website www.lafarge.com (Shareholders & Investors section).

The Group publications, including the 2011 Annual Report (Registration Document) that contains Lafarge S.A. statutory accounts and the Group's consolidated financial statements are available on our website at www.lafarge.com (Shareholders & Investors section).

The press releases concerning the Group's activities and results are also available on our website.

Upon Request

The 2011 Annual Report (Registration Document) including the statutory accounts and the Group consolidated financial statements and as the case may be other documents provided by article R. 225-83 of the French Commercial Code can be sent to you by completing the request form on page 63 and returning it to:

BNP Paribas Securities Services - Les Grands Moulins de Pantin - C.T.S. - Service aux Émetteurs / Service Assemblée Lafarge - 9, rue du Débarcadère 93761 Pantin Cedex 09 - France

By calling the toll free number



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For any question related to the Shareholders' Meeting, do not hesitate to contact us at the French toll free number.

At the head office

You can also consult all the documents that will be submitted to the Shareholders' Meeting which the Company is required to make available to its shareholders, at Lafarge's head office.

The notice prior to this Meeting, issued in compliance with article R. 225-73 of the French Commercial Code, was published in BALO, the French legal announcement bulletin, on March 19, 2012.

The Shareholders' Meeting will be recorded and broadcasted in real time on our website at www.lafarge.com and will be available for viewing thereafter.

Quorum rules for Shareholders' Meetings

The quorum applicable to Ordinary Shareholders' Meeting is 20% at the first convocation (art. L. 225-98 of the French Commercial Code) and the quorum for

Extraordinary Shareholders' Meetings is 25% at the first convocation and 20% at the second convocation (art. L. 225-96 of the French Commercial Code).

The 2012 Ordinary Shareholders' Meeting will be held at the first convocation, which will require a quorum of 20% of the voting rights present or represented.

WELCOME TO THE LAFARGE ORDINARY SHAREHOLDERS' MEETING

The Ordinary Shareholders' Meeting will be held at the first convocation on **Tuesday, May 15, 2012** at 5.00 p.m. at the Salle Pleyel, 252 rue du Faubourg Saint-Honoré, 75008 Paris.

All Lafarge shareholders are entitled to participate in the Shareholders' Meeting

You can attend the Shareholders' Meeting in person or vote by mail or proxy. The two required conditions are: you must

be a Lafarge shareholder (no matter how many shares you hold) and you must prove your identity as a shareholder

on **Thursday, May 10, 2012 (0.00 Paris time)**, and the supporting documents must reach us by Monday, May 10, 2012 at 3.00 p.m.

It is easier to participate in the Shareholders' Meeting

You do not need to block your shares to participate in the Shareholders' Meeting:

- If you hold registered shares, you have to be recorded in the issuer account or a managed account on Thursday, May 10, 2012 (0.00 Paris time);

- If you hold bearer shares, your bank will have to certify, at the latest on Thursday, May 10, 2012 (0.00 Paris time), that you are a shareholder by producing a statement of holdings when sending your voting form to **BNP Paribas Securities Services** (clearing bank).

Les Grands Moulins de Pantin - C.T.S. - Service aux Émetteurs/Service Assemblée Lafarge - 9, rue du Débarcadère 93761 Pantin Cedex 09 - France that must be received by **Monday, May 14, 2012 at 3.00 p.m.**

To come to the Shareholders' Meeting

To reach Salle Pleyel

Metro:

Line 2
Ternes station

Bus:

Lines 43, 93
Hoche - Saint Honoré station



HOW TO PARTICIPATE IN THE SHAREHOLDERS' MEETING?

New in 2012 @

To participate in the shareholders' meeting via internet

Shareholders may participate in the shareholders' meeting via internet by connecting to a secured dedicated website:

<https://gisproxy.bnpparibas.com/lafarge.pg>

By accessing this website, you can choose to vote on-line, give a proxy or ask for an admission card to attend in person.

I would like to participate in the shareholders' meeting via internet

I am a registered shareholder (pure registered shares)

Connect to the dedicated website (see address above) with login and password used for accessing your account data on the PlanetShares website of BNP Paribas Securities Services.

I am a registered shareholder (administered registered shares)

Connect to the dedicated website (see address above) with the login received by post with the notice of meeting and then follow the instructions displayed on the screen to obtain your password, which will be sent to you by post.

I am a bearer shareholder

Ask your authorised financial intermediary handling the management of your share account to arrange for a certificate of attendance and provide him with your e-mail address. Your intermediary will forward the certificate and your e-mail address to BNP Paribas Securities Services who will send you a login to access the General Meeting's dedicated website (see address above). Then follow the instructions displayed on the screen to obtain your password, which will be sent to you by post.

When you are connected to the secured dedicated website: <https://gisproxy.bnpparibas.com/lafarge.pg>, you may vote via internet, be represented by giving a proxy to the Chairman of the meeting or to another person or ask for an admission card.

I would like to give a proxy via internet

Notification of the appointment and cancellation of proxy can also be given electronically, in the following way:

I am a registered shareholder (pure registered shares)

Connect to the PlanetShares website (<https://planetshares.bnpparibas.com>) with your usual login and password, go to the "My shareholder space – my general meetings" page, then click on the "Representative appointment or dismissal" button.

I am a bearer shareholder or registered shareholder (administered registered shares)

Send an e-mail to the address paris.bp2s.france.cts.mandats@bnpparibas.com. This e-mail must contain the following information: Lafarge General Meeting, Surname, forename, address and bank references of the principal, and the surname, forename and, if possible, address of the proxy.

Ask the authorised financial intermediary handling the management of your share account to send a written confirmation to BNP Paribas Securities Services, Service Assemblées Générales, CTS Assemblées Générales, Les Grands Moulins de Pantin 9, rue du Débarcadère, 93761 Pantin Cedex.

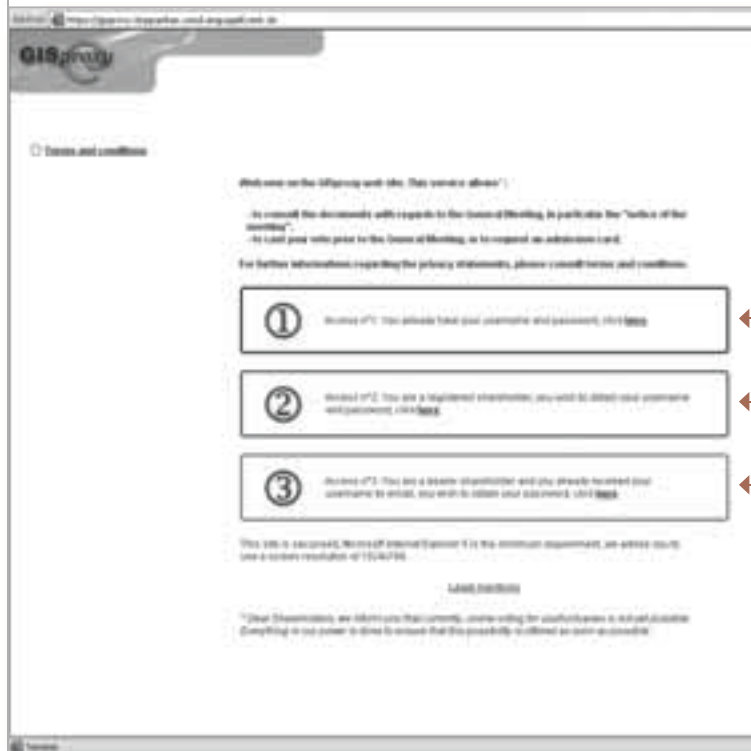
In order to be taken into account, confirmations of electronic appointments or cancellations of proxies must be received at the latest at 3 p.m. (Paris Time) on Monday, May 14, 2012.

Access to the secured website

The secured website dedicated to the General Meeting will be open from April 18, 2012 until May 14, 2012, 3 p.m. Paris time. It is nonetheless recommended that shareholders do not delay voting until the final day in order to take into account potential delays in the communication of access passwords.

To access the secured website

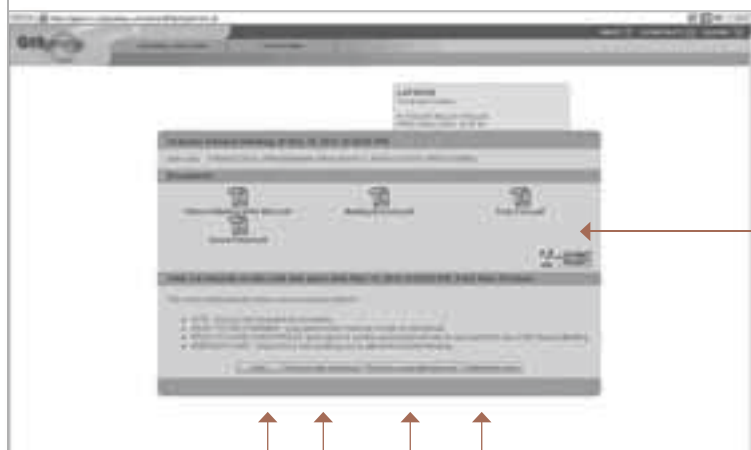
Access to the secured website dedicated to the General Meeting <https://gisproxy.bnpparibas.com/lafarge.pg> from April 18, 2012 until May 14, 2012, 3 p.m. Paris time



Access n°1: Access to the website with your login and password

Access n°2: You are a registered shareholder, ask for your login and password

Access n°3: You are a bearer shareholder, ask for your login and password



To download the documents that must be provided in the context of the general meeting

To ask for an admission card

To give a proxy to another person

To give a proxy to the Chairman of the Meeting

To vote via internet

To attend in person, vote or give a proxy in paper form

You can attend the Shareholders' Meeting in person or vote by mail or proxy. In any event, you mark your choice on the voting form enclosed with this notice.

To optimize preparations for the Ordinary Shareholders' Meeting, **you must send in your instructions as soon as possible.**

To fill out the voting form

I would like to attend the Shareholders' Meeting

- Check **box A** of the form.
- **Date** and **sign** at the bottom of the form.

BNP Paribas Securities Services, Lafarge's clearing bank, will send you your admission card.

If you have not received your admission card by **Monday, May 7, 2012**, you may call BNP Paribas Securities Services at **N°Vert 0 800 060 646** (toll free number for calls from France only) or +33 (0)1 55 77 61 00, which will give you the number of your admission card. This number will allow you to be identified on the day of the Shareholders' Meeting and you will be able to vote.

You need to arrive on the date of the Shareholders' Meeting with **your admission card** (or the number given to you by BNP Paribas Securities Services).

If you have not had the time to request your admission card, or if you have not received it on the day of the Shareholders' Meeting:

- your status as a registered shareholder will enable you to attend the Shareholders' Meeting by simply presenting proof of your identity at the appropriate desk in the Meeting room;
- as a bearer shareholder, you must ask your financial intermediary to provide you with a certificate of holding. This document will enable you to attend the Shareholders' Meeting.

I would like to be represented at the Shareholders' Meeting

To vote, you have to choose from 3 options:

To give your proxy to the Lafarge Chairman

- Check **box B** on the form.
- **Date** and **sign** the bottom of the form.

Your votes will be added to those of the Chairman. The Chairman will vote "yes" for the adoption of the resolutions submitted or recommended by the Board of Directors and "no" for the other ones.

To vote by mail

- Check **boxes B** and **2** of the form.
- Indicate your vote:

If you want to vote "no" on a resolution, or to "abstain" (an abstention is counted as a "no" vote), shade the box that corresponds to the number of the relevant resolution. Do not shade the box if you want to vote "yes" on a resolution.

- **Date** and **sign** the bottom of the form.

To give your proxy to a person of your choice

- Check **boxes B** and **3** of the form.
- Indicate the full name and address of the person who will represent you.
- **Date** and **sign** the bottom of the form.

Send in my voting form

I hold registered shares

(issuer account or administered account)
You return the form to BNP Paribas Securities Services using the pre-paid envelope provided.

BNP Paribas Securities Services must receive **your form no later than Monday, May 14, 2012 at 3.00 p.m.** (Paris time).

I hold bearer shares

You send the form to the financial intermediary (bank, brokerage firm or on-line broker) that administers your account.

We suggest you do this **as soon as possible**, because your financial intermediary must confirm that you are a shareholder by producing a certificate of holding that must be received with your form by BNP Paribas Securities Services, before **Monday, May 14, 2012 at 3.00 p.m.** (Paris time).

All operations related to the Shareholders' Meeting are conducted by BNP Paribas Securities Services, Lafarge's clearing bank.

BNP Paribas Securities Services
Les Grands Moulins de Pantin
C.T.S. Service aux Émetteurs /
Service Assemblée Lafarge
9, rue du Débarcadère
93761 Pantin Cedex 09 – France.

N°Vert 0 800 060 646
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Whatever your status is, do not send your voting form directly to Lafarge.

To fill out the voting form

B To be represented at the Shareholders' Meeting, check **box B**.

A To receive your admission card to attend the Shareholders' Meeting in person, check **box A**.

[illegible]

2 You vote by mail.

1 You give your proxy to the Lafarge Chairman.

3 You give your proxy to a person of your choice.

KEY FIGURES AT DECEMBER 31, 2011

Lafarge is a world leader in building materials, with top-ranking positions in its Cement, Aggregates & Concrete businesses. With a diversified and balanced geographic portfolio and 68,000 employees in 64 countries, Lafarge is at the heart of global growth supporting developing economies and responding to the tremendous need for housing and infrastructure in emerging countries.

SALES

In million euros




15,284

NUMBER OF
PRODUCTION SITES

1,600

REVENUES


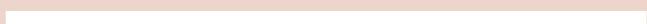
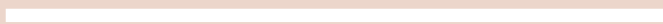
in million euros

2011		15,284
2010		14,834 ⁽²⁾
2009		15,884 ⁽³⁾

Sales growth driven by emerging markets.

EBITDA ⁽¹⁾


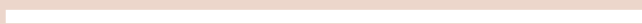

in million euros

2011		3,217
2010		3,488 ⁽²⁾
2009		3,600 ⁽³⁾

Resilience of EBITDA in an environment of higher cost inflation.

OPERATING INCOME BEFORE CAPITAL GAINS, IMPAIRMENT, RESTRUCTURING AND OTHERS ⁽¹⁾


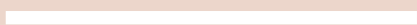

in million euros

2011		2,179
2010		2,393 ⁽²⁾
2009		2,477 ⁽³⁾

The achievement of 250 million euros of structural cost savings partially offset the impact of higher cost inflation on our results.

FREE CASH FLOW ⁽¹⁾

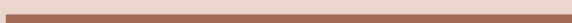

in million euros

2011		1,208
2010		1,761 ⁽²⁾
2009		2,834 ⁽³⁾

Cost reduction actions, control of the capital expenditure and working capital optimization mitigated the impact of the strong inflation on costs.

GROUP NET DEBT ⁽¹⁾



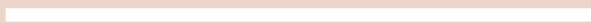
in million euros

2011		11,974
2010		13,993
2009		13,795

Significant reduction of Group net debt by 2 billion euros.

NET INCOME GROUP SHARE




in million euros

2011		593
2010		827
2009		736

Net income includes significant gains on disposals, but was impacted by cost inflation and goodwill impairment losses.

NET EARNINGS PER SHARE

in euros

2011		2.07
2010		2.89
2009		2.77

Net earnings per share decrease 28%.

DIVIDEND PER SHARE

in euros

2011		0.50
2010		1.00
2009		2.00

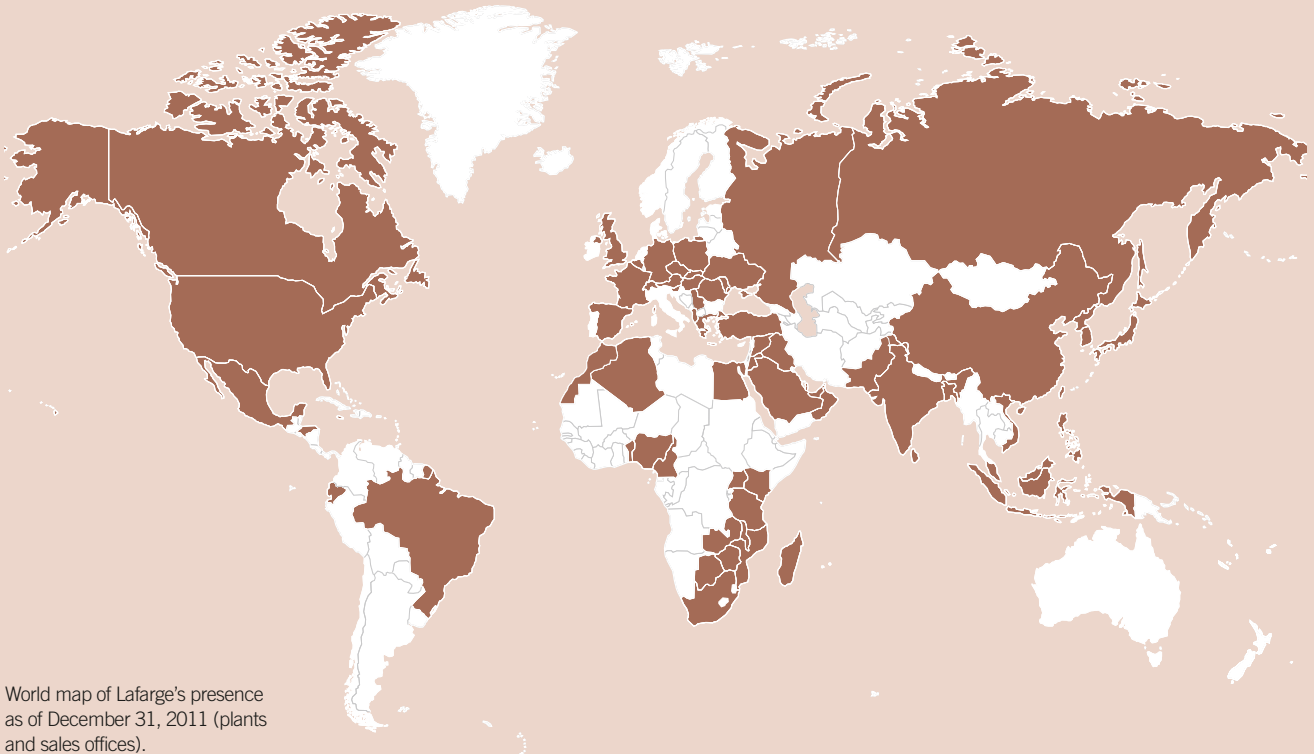
Dividend of 0.50 euro per share, proposed at General Assembly meeting on May 15, 2012.

(1) See section 4.2 (Accounting Policies and Definitions) in the Group's 2011 Annual Report (Registration Document).

(2) 2010 figures have been restated following the disposal of Gypsum activities as mentioned in Note 3 (Significant events) in the Group's 2011 Annual Report (Registration Document).
The free cash flow includes the 338 million euros one-time payment for the Gypsum competition fine.

(3) Data published in 2010 for 2009 and not restated following the disposal of Gypsum activities.

Lafarge | Worldwide



Cement | World Leader

REVENUES <i>in million euros</i>	NUMBER OF PLANTS	NUMBER OF EMPLOYEES	PRESENT IN
9,975	166	43,400	58 countries

Cement, hydraulic binders and lime for construction, renovation and public works.

Aggregates & Concrete | No. 2 & No. 4 Worldwide

REVENUES <i>in million euros</i>	NUMBER OF PLANTS	NUMBER OF EMPLOYEES	PRESENT IN
5,227	1,438	23,200	35 countries

Aggregates, ready-mix and precast concrete products, asphalt and paving for engineering structures, roads and buildings.

WHAT WAS THE GROUP'S PERFORMANCE IN 2011?

Consolidated key figures at December 31, 2011

(in millions of euros)	YEARS ENDED DECEMBER 31,		
	2011	2010	VARIATION
Sales	15,284	14,834	+3%
Current operating income	2,179	2,393	-9%
Operating margin (%)	14.3 %	16.1 %	-180bp
Net income Group share	593	827	-28%
Earnings per share (€) ⁽¹⁾	2.07	2.89	-28%
Free cash flow ⁽²⁾	1,208	1,761	-31%
Net debt	11,974	13,993	-14%

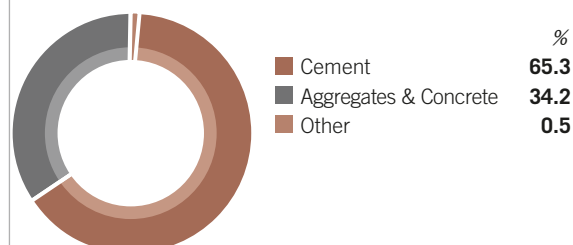
Note: Sales, EBITDA, Current operating income and Free Cash Flow are restated for 2011 and 2010 to reflect the reclassification of the Gypsum activities to discontinued operations.

(1) Basic average number of shares outstanding of 286.5 million and 286.1 million for 2011 and 2010, respectively, and 287.0 million and 286.1 million for the fourth quarter 2011 and 2010, respectively.

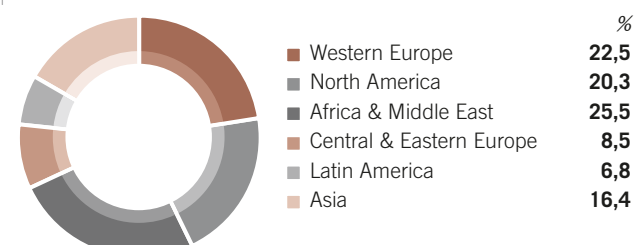
(2) Free Cash Flow for the full year includes the €338 million one-time payment for the Gypsum competition fine paid in the third quarter 2010.

Key figures by Division and by geographic area at December 31, 2011

GROUP REVENUES BY DIVISION



GROUP REVENUES BY GEOGRAPHIC AREA



Group highlights

- Current operating income grew in the fourth quarter from higher sales volumes, higher pricing, and cost cutting measures. For the year, higher cost inflation and the negative impact of foreign exchange lowered overall results.
- The Group successfully achieved its €2 billion net debt reduction target and strengthened its already solid liquidity. The strategic divestment of Gypsum assets generated a net gain of €466 million.
- Cost savings accelerated at the end of 2011, with €100 million delivered in the fourth quarter achieving €250 million for the full year, well above the €200 million target. As part of the announced program to reduce costs by €500 million, the Group plans to reach at least €400 million of savings in 2012.
- Net earnings were impacted by a non-cash goodwill write-off of €285 million, mainly in Greece.
- The Group will implement in 2012 its new country-based organization project to accelerate organic growth and innovation and reinforce efficiency.

Lafarge in 2011

(business description)

Sales

Compared to 2010, consolidated sales increased 3.0% to 15,284 million euros from 14,834 million euros for the full year.

Net changes in the scope of consolidation had a positive impact on our sales of 1.5% year-to-date, with the combined effect of the consolidation of our new cement Brazilian assets from July 2010 and the incremental contribution of our new cement plant in Syria, partly offset by the divestment of our South East assets in the United States from October 2011. Currency fluctuations were unfavorable (-3.0% year-to-date), driven by the depreciation against the euro of the Egyptian pound and most currencies in Middle East and Africa, along with the depreciation of the US dollar and Indian rupee.

At constant scope and exchange rates, consolidated sales increased 4.5% year-to-date, helped by strong volume increases throughout all our emerging markets while volumes in mature markets showed mixed trends. Western Europe benefited from higher volumes in France and the United Kingdom, helped by favorable fourth quarter weather, but was negatively impacted by the tougher economic environment in Greece and Spain. In North America, subdued growth was experienced in the United States while Canada showed more positive trends.

Current operating income

Current operating income decreased 9% in 2011 versus 2010, at 2,179 million euros from 2,393 million euros in 2010.

Net changes in the scope of consolidation has a positive net effect of 83 million euros on the current operating income on a full year basis, benefiting from the effect of the new cement capacities and with the stopping of depreciation of the UK assets as of March 1, 2011 due to their scheduled contribution to the joint-venture with Tarmac UK (50 million euros⁽¹⁾, see Note 3 (*Significant events to our consolidated financial statements*)), but they were more than offset by the effect of adverse currency fluctuations of 86 million euros.

At constant scope and exchange rates, current operating income decreased by 9% for the full year, mostly due to high cost inflation that was only partially offset by higher

volumes and strong cost reductions across the Divisions. An improvement was experienced in the fourth quarter, with current operating income up by 1%, reflecting the combined effect of improved prices, higher volumes helped by a mild winter, and a strong focus on cost containment.

Our Cement division benefited from higher volumes, with brisk construction activity in most emerging markets while mature markets experienced contrasted trends. In general, rising costs lowered overall earnings. Cement prices moved up 1% compared to the fourth quarter 2010, and were marginally higher than 2010 average levels.

Our Aggregates and Concrete division benefited from growth in France, in the United Kingdom, in Central and Eastern Europe and in Canada. Solid prices overall and strong cost cutting helped to partially offset cost inflation.

As a percentage of sales, current operating income margin was 14.3% in 2011, compared to 16.1% in 2010, primarily reflecting the impact of higher cost inflation.

Group return on capital employed was 6.8% compared to 7.4% in 2010, reflecting lower earnings.

Highlights by Division

Sales of the **Cement** Division were up 3.3% to 10,622 million euros in 2011, driven by solid market trends in most emerging markets, while mature markets experienced contrasted trends, with volume growth in Canada, the United Kingdom and France, stable volumes in the United States, and Greece and Spain still impacted by the difficult economic environment.

Currency fluctuations had a negative impact of 326 million euros (or -3.3%) on sales, particularly significant for the Middle East and Africa region. Changes in the scope of consolidation had a net positive impact of 249 million euros (or 2.4%), mostly reflecting the contribution of our new plant in Syria and the full year consolidation of our new Brazilian assets versus only 5 months in 2010, partly offset by the divestment of our South East assets in the United States from October 2011.

The total of volumes sold in 2011 was up 7% (+5% at constant scope) for the full year at 145.3 million tons, with all emerging market regions showing an increase versus 2010.

At constant scope and exchange rates, our sales increased 4.2%.

Current operating income decreased by 12% to 1,968 million euros in 2011, compared to 2,230 million euros in 2010.

Currency fluctuations had a negative impact of -4% or -83 million euros on our current operating income, partially offset by the positive effect of net changes in the scope of consolidation of 65 million euros (or 3%).

At constant scope and exchange rates, and excluding the impact of the Egyptian clay tax provision reversal in 2010 (67 million euros), current operating income decreased 9% for the year. As a percentage of the Division's sales, current operating income margin declined to 18.5% in 2011, from 21.0% in 2010, under the pressure of cost inflation, despite higher volumes and significant cost-cutting measures.

Return on capital employed was 7.4% in 2011 compared to 8.5% in 2010, reflecting lower earnings.

Sales of the **Aggregates & Concrete** Division were up 3% to 5,238 million euros in 2011 compared to 5,093 million euros in 2010.

Net scope effects and net impact of currency fluctuations were -32 million euros and -87 million euros on sales, respectively. The effect of the divestment of some of our activities in France, Portugal or in the South East of the United States was partly offset by the development of our Aggregates and Ready-mix concrete activities in some targeted emerging markets.

At constant scope and exchange rates, sales increased 5% year-on-year, benefiting from improved volumes in France, the United Kingdom, Canada and Central and Eastern Europe, with contrasted trends in the other regions.

Sales of pure aggregates increased by 6% to 2,164 million euros in 2011 compared with 2,036 million euros in 2010. Currency fluctuations had a negative impact on sales of 33 million euros, partially offset by the net impact of scope changes of 19 million euros. At constant scope and exchange rates, sales increased by 7% year-to-date. Aggregates sales volumes in 2011 were stable at 192.7 million tonnes; at constant scope, sales volumes increased by 1%.

Sales of ready-mix concrete were 2,843 million euros in 2011, stable versus 2010. Currency fluctuations and changes in scope of consolidation had a negative impact on sales of 50 million euros and 26 million euros, respectively. At constant scope and exchange rates, sales increased by 3% year-to date.

(1) Impact of 32 million euros for cement and 18 millions euros for A&C.

WHAT WAS THE GROUP'S PERFORMANCE IN 2011?

Sales volumes of ready-mix concrete were stable at 33.8 million cubic meters.

Current operating income of the Aggregates & Concrete Division increased by 10% to 237 million euros in 2011 from 216 million euros in 2010. Changes in scope had a positive impact of 19 million euros while the effect of currency fluctuations was negligible. At constant scope and exchange rates, current operating income was up 2% year-to-date.

As a percentage of the Division's sales, current operating income margin improved to 4.5% in 2011, compared to 4.2% in 2010, reflecting cost containment and further helped by the 18 million euros effect of the stopping of depreciation of the UK assets as of March 1, 2011 due to their scheduled contribution to the joint-venture with Tarmac UK (*see Note 3 (Significant events) to our consolidated financial statements of the Group's Annual Report (Registration document)*).

Current operating income for aggregates & related products increased by 10% to 192 million euros in 2011 from 175 million euros in 2010. Excluding the 15 million euros impact of the stopping of depreciation of the UK assets, current operating income stabilized, as higher sales and significant cost cutting measures implemented in all regions helped limit the impact of production and shipping costs increases.

Current operating income for ready-mix concrete & concrete products was up 10% in the year, at 45 million euros in 2011, from 41 million euros in 2010. Excluding the 3 million euros impact of the stopping of depreciation of the UK assets, current operating stabilized, under the combined effect of higher delivery costs and other costs partially passed on to customers, the value-added products incremental contribution and cost containment measures.

Return on capital employed increased to 4.7% in 2011 from 4.3% in 2010, reflecting the improving current operating income.

Operating income and net income

Net gains (losses) on disposals were 45 million euros in 2011, stable versus 2010, and mainly include the gain of the divestment of our operations in the South East of the United States and our A&C business in Portugal.

Other operating expenses primarily reflect the impact of impairments, restructuring, and legal actions. They were 541 million euros in 2011 versus 304 million euros in 2010. This is mainly comprised of an impairment of goodwill in Greece and United Arab Emirates for a total of 285 million euros, given the strained economic environment in those two countries, accelerated depreciation of some assets in Western Europe, restructuring costs for 61 million euros in various locations, and costs of on-going disposals. In 2010, the Group recorded closure and impairment costs of a paper plant in Sweden, the impairment of assets located in Western Europe and South Korea, and restructuring costs primarily in Western Europe.

Operating income decreased by 21% to 1,683 million euros, from 2,134 million euros in 2010.

Finance costs, comprised of financial expenses on net debt, foreign exchange results and other financial income and expenses, were 999 million euros versus 712 million euros in 2010.

The financial expenses on net debt increased 10% from 766 million euros to 841 million euros, reflecting the higher average cost of debt. The decisions of Standard & Poor's and Moody's to downgrade our credit rating on March 17, 2011 and August 8, 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 21 million euros of additional financial costs for 2011, and will be 65 million euros in 2012. The average interest rate on our gross debt was 5.7% in 2011, as compared to 5.3% in 2010.

Foreign exchange resulted in a loss of 79 million euros in 2011 compared with a loss of 24 million euros in 2010, mostly relating to loans and debts denominated in currencies for which no hedging market is available.

Other finance income and expenses included the gain of the disposal of Cimpor shares for 161 million euros in 2010. Excluding this one-off item, other financial costs slightly decreased from 83 million euros to 79 million euros, and mainly comprise bank commissions and the amortization of debt issuance costs.

The contribution from our associates represented in 2011 a net loss of 8 million

euros, versus a loss of 23 million euros in 2010.

Income tax increased to 432 million euros in 2011 from 305 million euros in 2010. The effective tax rate for 2011 increased to 63% from 21% in 2010, mostly reflecting the non-deductibility of impairments of goodwill, the one-off impact on the Egyptian deferred tax position to reflect the newly applicable tax rate and some other one-off elements such as the impact of the divestment of our South East US assets, while 2010 benefited from the non taxable gain on the disposal of Cimpor shares.

Net income from continuing operations was 244 million euros versus 1,094 million euros in 2010, mostly due to a significant impact from impairments in 2011, a lower current operating income, higher net financial expenses, some one-time negative effects on income tax and a difficult comparison basis due to a one time gain of 161 million euros relating to the sale of the investment in Cimpor in 2010.

Net income from discontinued operations increased to 492 million euros from 20 million euros, with a net non-recurring gain of 466 million euros, mostly due the gain of the divestments of our Gypsum operations in Europe, South America, Asia and Australia.

Net income Group Share⁽¹⁾ decreased 28% to 593 million euros in 2011 from 827 million euros in 2010.

2011 and 2010 were impacted by significant one-off items. In 2011, they included a net non-recurring gain of 466 million euros on discontinued operations, and impairments on goodwill for 285 million euros whereas in 2010, they comprised the gain on the disposal of Cimpor shares for 161 million euros.

Non-controlling interests were 143 million euros in 2011, halved versus 2010, under the combined effect of lower volumes, notably in Egypt and Jordan, and the one-off impact of the increase in the Egyptian tax rate, with a reevaluation of the opening deferred tax position.

Basic earnings per share decreased 28% for 2011 to 2.07 euros, compared to 2.89 euros in 2010, reflecting the decrease in net income - attributable to the owners of the parent company, while the average number of shares was relatively stable at 286.5 million versus 286.1 million in 2010.

(1) Net income/loss attributable to the owners of the parent company.

Cash flow statement

Net cash provided by continuing operating activities was 1,597 million euros in 2011, versus 2,098 million euros in 2010.

Excluding the non-recurring payment of the Gypsum competition fine for 338 million euros in July 2010, net cash provided by the operations decreased 839 million euros, reflecting the decrease of cash flows from operations and the evolution of the change in working capital requirements.

The decrease of cash flows from operations primarily comes from the decrease in operating earnings and higher income taxes paid, notably in North America and because of the progressive withdrawal of temporary tax holidays in certain emerging countries.

Due to the particularly optimized level of the working capital level at the end of 2010, the working capital requirements were stable at the end of December 2011 versus December 2010 level, while it decreased by 361 million euros between December 2009 and December 2010. In 2011, we pursued our actions to optimize our strict working capital requirements* that further decreased 2 days to 31 days when expressed as a number of days sales at the end of December 2011.

Net cash provided by investing activities from continuing operations was 891 million euros in 2011, while in 2010, 1,186 million euros were used by investing activities.

Sustaining capital expenditures were contained at 389 million euros in 2011 compared to 337 million in 2010.

Capital expenditures for the building of new capacity decreased to 665 million euros from 914 million euros in 2010, and reflect mainly major cement projects such as the extension of our capacities in Eastern India, China and Nigeria.

Including the acquisitions of ownership interests with no gain of control, acquisitions had a net impact of 145 million euros on our net debt, versus 83 million euros in 2010.

Acquisitions of ownership interests with no gain of control were 49 million euros in 2011, excluding two third-party puts, already recorded as debt, that were exercised in the period (a 51 million euros third-party put exercised in the first quarter, and a 111 million euros third-party put exercised in the third quarter).

Net of debt disposed of, and including the proceeds of the disposals of ownership interests with no loss of control, the divestment operations performed in 2011 have reduced, net of selling costs the Group's net financial debt by 2,226 million euros (362 million euros in 2010). In addition to the proceeds of the sale of some minority interests, disposals mainly comprise the proceeds of the sale of our Gypsum operations in Australia, Asia, Europe and South America, the proceeds of the divestment of our Cement and Concrete South East US assets, the proceeds of the sale of our Aggregates and concrete business in Portugal, the third instalment of the divestment of our Venezuelan operations and the sale of industrial assets. In 2010, in addition to the proceeds of the sale of the minority stake in Lafarge Malayan Cement Berhad, disposals mainly included the second instalment of the divestment of our Venezuelan operations and the sale of several industrial assets.

Consolidated statement of financial position

Total equity was 18,201 million euros at December 31, 2011, stable versus December 31, 2010.

The total equity was stable, with the positive impact of the net income for the period (0.7 billion euros), the effect of the capital increase granted to employees (0.1 billion euros), the impact of dividends (-0.5 billion euros) and the non cash impact of translating our foreign subsidiaries net assets into euros given the depreciation of some currencies against euro (-0.4 billion euros).

Net debt decreased 14% to 11,974 million euros from 13,993 million euros at the end of December 2010.

This two billion euros debt reduction was achieved through the execution of our divestment program, while net cash provided by operating activities was used to fund dividends and targeted investments.

As of December 31, 2011, the Group had €4 billion in committed credit lines, of which none was drawn, with an average maturity of 2.2 years in addition to €3.2 billion euros cash and equivalents.

Outlook

Overall the Group sees cement demand moving higher and estimates market growth of between 1 to 4 percent in 2012 versus 2011. Emerging markets are the main driver of demand growth 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.

* Strict working capital requirements defined as trade receivables plus inventories less trade payables.

WHAT WAS THE GROUP'S PERFORMANCE IN 2011?

Consolidated financial statements

Consolidated financial statements

Consolidated statements of income

YEARS ENDED DECEMBER 31,

<i>(million euros, except per share data)</i>	2011	2010*
REVENUE	15,284	14,834
Cost of sales	(11,627)	(10,920)
Selling and administrative expenses	(1,478)	(1,521)
OPERATING INCOME BEFORE CAPITAL GAINS, IMPAIRMENT, RESTRUCTURING AND OTHER	2,179	2,393
Net gains (losses) on disposals	45	45
Other operating income (expenses)	(541)	(304)
OPERATING INCOME	1,683	2,134
Finance costs	(1,142)	(1,055)
Finance income	143	343
Share of net income (loss) of associates	(8)	(23)
INCOME BEFORE INCOME TAX	676	1,399
Income tax	(432)	(305)
NET INCOME FROM CONTINUING OPERATIONS	244	1,094
Net income / (loss) from discontinued operations	492	20
NET INCOME	736	1,114
<i>Of which, attributable to:</i>		
Owners of the parent company	593	827
Non-controlling interests	143	287
EARNINGS PER SHARE (EUROS)		
NET INCOME - ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		
Basic earnings per share	2.07	2.89
Diluted earnings per share	2.06	2.89
FROM CONTINUING OPERATIONS		
Basic earnings per share	0.36	2.83
Diluted earnings per share	0.35	2.83
BASIC AVERAGE NUMBER OF SHARES OUTSTANDING (IN THOUSANDS)	286,514	286,087

* Figures have been adjusted as mentioned in Note 3.1.1 «Disposal of Gypsum Division operations» in the Group's 2011 Annual Report (Registration Document) following the disposal operations of Gypsum activities and are therefore not comparable with those presented in the 2010 Registration Document.

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Consolidated statement of comprehensive income

YEARS ENDED DECEMBER 31,

<i>(million euros)</i>	2011	2010
NET INCOME	736	1,114
Items that will not be reclassified subsequently to profit or loss		
Actuarial gains / (losses)	(345)	(64)
Income tax on items that will not be reclassified to profit or loss	145	9
Total items that will not be reclassified to profit or loss	(200)	(55)
Items that may be reclassified subsequently to profit or loss		
Available-for-sale financial assets	-	(138)
Cash-flow hedging instruments	1	12
Foreign currency translation adjustments	(400)	1,175
Income tax on items that may be reclassified to profit or loss	2	(4)
Total items that may be reclassified to profit or loss	(397)	1,045
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX	(597)	990
TOTAL COMPREHENSIVE INCOME	139	2,104
<i>Of which, attributable to:</i>		
Owners of the parent company	(6)	1,712
Non-controlling interests	145	392

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WHAT WAS THE GROUP'S PERFORMANCE IN 2011?

Consolidated financial statements

Consolidated statement of financial position

AT DECEMBER 31,

(million euros)	2011	2010
ASSETS		
NON-CURRENT ASSETS	31,172	34,752
Goodwill	12,701	14,327
Intangible assets	652	661
Property, plant and equipment	15,542	17,912
Investments in associates	604	422
Other financial assets	755	863
Derivative instruments	80	78
Deferred tax assets	804	489
Other receivables	34	-
CURRENT ASSETS	9,547	7,742
Inventories	1,531	1,647
Trade receivables	1,765	1,774
Other receivables	824	971
Derivative instruments	61	56
Cash and cash equivalents	3,171	3,294
Assets held for sale	2,195	-
TOTAL ASSETS	40,719	42,494
EQUITY & LIABILITIES		
Common stock	1,149	1,146
Additional paid-in capital	9,684	9,640
Treasury shares	(17)	(26)
Retained earnings	6,219	5,816
Other reserves	(751)	(555)
Foreign currency translation adjustments	(280)	123
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	16,004	16,144
Non-controlling interests	2,197	2,080
EQUITY	18,201	18,224
NON-CURRENT LIABILITIES	15,260	16,765
Deferred tax liabilities	933	871
Pension & other employee benefits	1,295	1,108
Provisions	637	633
Long-term debt	12,266	14,096
Derivative instruments	46	57
Other payables	83	-
CURRENT LIABILITIES	7,258	7,505
Pension & other employee benefits	167	139
Provisions	125	146
Trade payables	1,964	1,996
Other payables	1,499	1,642
Current tax payables	165	314
Short term debt and current portion of long-term debt	2,940	3,184
Derivative instruments	34	84
Liabilities associated with assets held for sale	364	-
TOTAL EQUITY AND LIABILITIES	40,719	42,494

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Consolidated statements of cash flows

YEARS ENDED DECEMBER 31,

(million euros)	2011	2010*
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
NET INCOME	736	1,114
NET INCOME FROM DISCONTINUED OPERATIONS	492	20
NET INCOME FROM CONTINUING OPERATIONS	244	1,094
<i>Adjustments for income and expenses which are non cash or not related to operating activities, finance income or costs, or income tax:</i>		
Depreciation and amortization of assets	1,038	1,093
Impairment losses	388	154
Share of net (income) loss of associates	8	23
Net (gains) losses on disposals	(45)	(45)
Finance (income) / costs	999	712
Income tax	432	305
Others, net (including dividends received from equity-accounted investments)	(59)	(305)
Change in working capital items, excluding financial expenses and income tax (see analysis below)	20	361
NET OPERATING CASH GENERATED BY CONTINUING OPERATIONS BEFORE IMPACTS OF FINANCIAL EXPENSES AND INCOME TAX	3,025	3,392
Cash payments for financial expenses	(944)	(911)
Cash payments for income tax	(484)	(383)
NET OPERATING CASH GENERATED BY CONTINUING OPERATIONS	1,597	2,098
NET OPERATING CASH GENERATED BY DISCONTINUED OPERATIONS	22	74
NET CASH GENERATED BY OPERATING ACTIVITIES	1,619	2,172
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Capital expenditures	(1,071)	(1,272)
Investment in subsidiaries and joint ventures ⁽¹⁾	(47)	(27)
Investment in associates	(4)	(3)
Acquisitions of available-for-sale financial assets	(3)	(19)
Disposals ⁽²⁾	2,084	208
Net decrease in long-term receivables	(68)	(73)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES FROM CONTINUING OPERATIONS	891	(1,186)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES FROM DISCONTINUED OPERATIONS	(48)	(58)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	843	(1,244)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Capital increase (decrease) - owners of the parent company	18	26
Capital increase (decrease) - non controlling interests	-	15
Acquisitions of ownership interests with no gain of control	(211)	-
Disposals of ownership interests with no loss in control	87	139
Dividends paid	(288)	(575)
Dividends paid by subsidiaries to non controlling interests	(199)	(273)
Proceeds from issuance of long-term debt	622	2,224
Repayment of long-term debt	(2,442)	(1,174)
Increase (decrease) in short-term debt	(42)	(323)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES FROM CONTINUING OPERATIONS	(2,455)	59
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES FROM DISCONTINUED OPERATIONS	(74)	(21)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(2,529)	38

* Figures have been adjusted as mentioned in Note 3.1.1 «Disposal of Gypsum Division operations» in the Group's 2011 Annual Report (Registration Document) following the disposal operations of Gypsum activities and are therefore not comparable with those presented in the 2010 Registration Document.

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WHAT WAS THE GROUP'S PERFORMANCE IN 2011?

Consolidated financial statements

	YEARS ENDED DECEMBER 31,	
(million euros)	2011	2010*
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	33	971
Increase (decrease) in cash and cash equivalents from discontinued operations	(100)	(5)
Net effect of foreign currency translation on cash and cash equivalents and other non monetary impacts	(56)	108
Cash and cash equivalents at beginning of year	3,294	2,220
CASH AND CASH EQUIVALENTS AT END OF YEAR	3,171	3,294
(1) Net of cash and cash equivalents of companies acquired	3	35
(2) Net of cash and cash equivalents of companies disposed of	117	23
Analysis of changes in working capital items	20	361
(Increase)/decrease in inventories	(89)	109
(Increase)/decrease in trade receivables	(193)	71
(Increase)/decrease in other receivables – excluding financial and income taxes receivables	(33)	31
Increase/(decrease) in trade payables	302	167
Increase/(decrease) in other payables – excluding financial and income tax payables	33	(17)

* Figures have been adjusted as mentioned in Note 3.1.1 «Disposal of Gypsum Division operations» in the Group's 2011 Annual Report (Registration Document) following the disposal operations of Gypsum activities and are therefore not comparable with those presented in the 2010 Registration Document.

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WHAT WAS THE GROUP'S PERFORMANCE IN 2011?

Consolidated financial statements

Consolidated statements of changes in equity

	OUTSTANDING SHARES	OF WHICH TREASURY SHARES	COMMON STOCK	ADDI- TIONAL PAID-IN CAPITAL	TREASURY SHARES	RETAINED EARNINGS	OTHER RESERVES	FOREIGN CURRENCY TRANSLATION ADJUST- MENTS	EQUITY ATTRIBU- TABLE TO THE OWNERS OF THE PARENT COMPANY	NON CONTROLLING INTERESTS	EQUITY
	(number of shares)										
BALANCE											
AT JANUARY 1, 2010	286,453,316	380,148	1,146	9,620	(27)	5,555	(370)	(947)	14,977	1,823	16,800
Net income	-	-	-	-	-	827	-	-	827	287	1,114
Other comprehensive income, net of income tax	-	-	-	-	-	-	(185)	1,070	885	105	990
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-	-	827	(185)	1,070	1,712	392	2,104
Dividends paid	-	-	-	-	-	(575)	-	-	(575)	(277)	(852)
Issuance of common stock	463	-	-	-	-	-	-	-	-	15	15
Share based payments	-	-	-	20	-	-	-	-	20	-	20
Treasury shares	-	(16,590)	-	-	1	(8)	-	-	(7)	-	(7)
Changes in ownership with no gain / loss of control	-	-	-	-	-	17	-	-	17	118	135
Other movements - Non-controlling interests	-	-	-	-	-	-	-	-	-	9	9
BALANCE											
AT DECEMBER 31, 2010	286,453,779	363,558	1,146	9,640	(26)	5,816	(555)	123	16,144	2,080	18,224
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	-	-	-	-	-	593	-	-	593	143	736
Other comprehensive income, net of income tax	-	-	-	-	-	-	(196)	(403)	(599)	2	(597)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-	-	593	(196)	(403)	(6)	145	139
Dividends paid	-	-	-	-	-	(288)	-	-	(288)	(199)	(487)
Issuance of common stock	793,739	-	3	24	-	-	-	-	27	26	53
Share based payments	-	-	-	20	-	-	-	-	20	-	20
Treasury shares	-	(130,110)	-	-	9	(9)	-	-	-	-	-
Changes in ownership with no gain / loss of control	-	-	-	-	-	109	-	-	109	145	254
Other movements	-	-	-	-	-	(2)	-	-	(2)	-	(2)
BALANCE											
AT DECEMBER 31, 2011	287,247,518	233,448	1,149	9,684	(17)	6,219	(751)	(280)	16,004	2,197	18,201

The notes to the consolidated financial statements are an integral part of the financial statements. They are contained in the Group's 2011 Annual Report (Registration Document) available directly on line on the website www.lafarge.com or upon request from the Investor Relations Department.

WHAT WAS THE GROUP'S PERFORMANCE IN 2011?

Annual financial statements of the parent company

Annual financial statements of the parent company

Lafarge S.A.'s annual financial statements for fiscal year 2010 are being submitted for your approval in the first resolution. In order to facilitate the reading of the Notice of Meeting document, we are presenting the statements in a simplified form. The full version of the Lafarge S.A. financial statements and notes can be obtained on request by completing the Document Request Form on page 63 and returning it to BNP Paribas securities services. Lafarge S.A. statutory accounts and notes are included in the Group's 2011 Annual Report (Registration Document) that is available for viewing at www.lafarge.com (Shareholders & Investors section).

Comments on the income statements and the balance sheets

The financial statements for the year ended December 31, 2011 show net income of 206 million euros compared to 49 million euros the previous year.

- These results reflect the following events:
 - the increase in operating income of 29 million euros due mainly to the new license contracts with our main subsidiaries;
 - the increase in dividends collected (+122 million euros) partly compensated by the increase in net financial expenses (-66 million euros) explains the increase in financial income (+56 million euros);
 - exceptional income of 72 million euros in 2011 mainly corresponds to the reversal of 1976 revaluation reserve of its investments in Lafarge Ciments and Lafarge Ciments Distribution following the transfer of these investments to its subsidiary Sofimo (+85 million euros);

- finally, income tax includes 103 million euros already received or receivable from subsidiaries included in the Group tax regime.
- The main trends in the balance sheet reflect the following:
 - the change in the gross value of investments (+613 million euros) which may be explained by, in particular:
 - the Lafarge North America capital increase (+1,144 million euros),
 - the Lafarge Centre de Recherche capital increase (+20 million euros),
 - the Sabelfi capital decrease (-551 million euros);
 - the increase in provisions of 21 million euros which corresponds to the increase of the provision for the potential consequences of the tax audit in progress;
 - the net decrease of 2,347 million euros in short and long-term loans, borrowings and current accounts granted to Group companies;
 - the decrease in equity of 297 million euros before profit or loss, resulting from the appropriation of the previous year's net income (+49 million euros), a dividend payment (-288 million euros), the share capital increase reserved for Group's employees (+27 million euros) and the decrease of the reevaluation reserve 1976 (-85 million euros);
 - the decrease in net debt of 1,466 million euros which stood at 11,518 million euros at year-end 2011.

As of December 31, 2011, gross debt was composed of bonds for 10,201 million euros, negotiable debt instruments of 703 million euros, borrowings from Group companies for 352 million euros and other bank borrowings for 1,575 million euros.

WHAT WAS THE GROUP'S PERFORMANCE IN 2011?

Annual financial statements of the parent company

Statements of income

YEARS ENDED DECEMBER 31,

<i>(million euros)</i>	2011	2010
Production sold (services)	488	422
Provision reversals	19	23
Operating Revenue	507	445
Other purchases and external expenses	(413)	(386)
Duties and taxes	(4)	(2)
Employee expenses	(142)	(141)
Depreciation and amortization	(23)	(21)
Provision allowance	(22)	(21)
Operating expenses	(604)	(571)
OPERATING INCOME	(97)	(126)
Income from investments	911	791
Interest and similar income	70	51
Foreign currency exchange gains	17	19
Provision reversals	1	89
Financial Income	999	950
Interest and similar expenses	(806)	(815)
Foreign currency exchange losses	(17)	(9)
Provision allowance	(13)	(19)
Financial Expenses	(836)	(843)
NET FINANCIAL INCOME (EXPENSES)	163	107
CURRENT OPERATING INCOME (LOSS) BEFORE TAX	66	(19)
EXCEPTIONAL INCOME (LOSS)	72	(8)
Income tax credit/(expense)	68	76
NET INCOME	206	49

The notes to the financial statements of the parent company are an integral part of the financial statements. They are contained in the Group's 2011 Annual Report (Registration Document) available directly on line on the website www.lafarge.com or upon request from the Investor Relations Department.

WHAT WAS THE GROUP'S PERFORMANCE IN 2011?

Annual financial statements of the parent company

Balance sheets

ASSETS

AT DECEMBER 31,

(million euros)	2011			2010
	GROSS AMOUNT	DEPRECIATION, AMORTIZATION, IMPAIRMENT	NET AMOUNT	NET AMOUNT
NON-CURRENT ASSETS				
Intangible assets and property, plant and equipment	199	105	94	104
Financial assets*	26,658	9	26,649	26,470
Investments	25,467	5	25,462	24,849
Long-term receivables from investments	1,178	4	1,174	1,607
Other financial assets	13	-	13	14
	26,857	114	26,743	26,574
CURRENT ASSETS				
Other receivables	2,313	-	2,313	3,508
Marketable securities	17	-	17	26
Cash and cash equivalents	1,296	-	1,296	1,303
	3,626	-	3,626	4,837
Bond redemption premiums	45	-	45	58
Cumulative translation adjustments	450	-	450	421
TOTAL ASSETS	30,978	114	30,864	31,890
* Of which less than one year			689	488

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WHAT WAS THE GROUP'S PERFORMANCE IN 2011?

Annual financial statements of the parent company

Balance sheets

EQUITY AND LIABILITIES (BEFORE APPROPRIATION)

AT DECEMBER 31,

(million euros)	2011	2010
NET EQUITY		
Common stock	1,149	1,146
Additional paid-in capital	9,853	9,828
Revaluation reserves	3	88
Legal reserve	93	91
Other reserves	649	649
Retained earnings	1,701	1,942
Net income for the year	206	49
Tax-driven provisions	1	2
	13,655	13,795
PROVISIONS FOR LOSSES AND CONTINGENCIES	125	104
FINANCIAL DEBT		
Bond issues	10,201	11,347
Bank borrowings*	1,575	1,206
Other loans and commercial paper	1,055	1,760
	12,831	14,313
Tax and employee-related liabilities	46	48
Other liabilities	3,833	3,089
LIABILITIES**	16,710	17,450
Cumulative translation adjustments	374	541
TOTAL EQUITY AND LIABILITIES	30,864	31,890
* Of which current bank overdrafts	169	56
** Of which less than one year	5,582	5,073

The notes to the financial statements of the parent company are an integral part of the financial statements. They are contained in the Group's 2011 Annual Report (Registration Document) available directly on line on the website www.lafarge.com or upon request from the Investor Relations Department.

WHAT WAS THE GROUP'S PERFORMANCE IN 2011?

Annual financial statements of the parent company

Statements of cash flows

	YEARS ENDED DECEMBER 31,	
(million euros)	2011	2010
CASH FLOW FROM OPERATIONS*	187	(235)
Change in working capital	1,741	(132)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES (I)	1,928	(367)
Capital expenditure	(44)	(28)
Investments	(1,164)	(1,255)
Repayment of investments	552	1,300
Net decrease in loans and miscellaneous	433	185
Disposals of assets	21	9
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES (II)	(202)	211
Proceeds from issuance of common stock	28	-
Dividends paid	(288)	(575)
NET CASH PROVIDED BY (USED IN) CAPITAL TRANSACTIONS (III)	(260)	(575)
INCREASE (DECREASE) IN NET DEBT (I+II+III)	1,466	(731)
NET DEBT AT END OF YEAR	11,518	12,984
Debt	12,831	14,313
Marketable securities	(17)	(26)
Cash and cash equivalents	(1,296)	(1,303)

* Cash flow from operations mainly comprises net income (+206 million euros) before depreciation and amortization (+35 million euros), provisions (-63 million euros) and a gain on investment disposal (+9 million euros).

The notes to the financial statements of the parent company are an integral part of the financial statements. They are contained in the Group's 2011 Annual Report (Registration Document) available directly on line on the website www.lafarge.com or upon request from the Investor Relations Department.

WHAT WAS THE GROUP'S PERFORMANCE IN 2011?

Annual financial statements of the parent company

Change in the financial income of the company during the last five years (articles R225-81, R225-83, R225-102 of the French Commercial Code)

	2011	2010	2009	2008	2007
1. CAPITAL STOCK					
Capital stock (euros)	1,148,990,072	1,145,815,116	1,145,813,264	780,946,136	690,258,300
Number of existing shares of common stock	287,247,518	286,453,779	286,453,316	195,236,534	172,564,575
Maximum number of future shares to be created	8,511,063	9,099,072	8,060,756	7,033,553	6,502,420
through conversion of bonds					
through exercise of stock options	8,511,063	9,099,072	8,060,756	7,033,553	6,502,420
2. TRANSACTIONS FOR THE YEAR (thousand euros)					
a) Gross sales revenues ⁽¹⁾	1,536,243	1,322,722	1,625,520	1,878,341	1,634,956
b) Income before taxes, profit-sharing and amortization and provisions	88,208	(320,834)	213,495	709,856	492,565
c) Income taxes	68,352	76,060	118,439	151,900	159,648
d) Employee profit-sharing owed for the year					
e) Income after taxes, profit sharing and amortization and provisions	205,507	49,032	254,309	780,352	668,817
f) Income distributed	144,559	287,903	575,207	392,654	784,026
including 10% increase ⁽²⁾	1,052	1,683	3,028	2,942	5,524
Earnings per share (euros)					
a) Income after taxes, employee profit-sharing but before amortization and provisions	0.84	(0.85)	1.16	4.41	3.78
b) Income after taxes, employee profit-sharing and amortization and provisions	0.72	0.17	0.89	4.00	3.88
c) Net dividend	0.500	1.000	2.000	2.000	4.000
Net loyalty dividend	0.550	1.100	2.200	2.200	4.400
3. PERSONNEL					
Number of employees at December 31	528	510	485	448	435
Payroll (thousand euros) ⁽³⁾	94,773	92,799	78,315	87,421	91,934
Social benefits (thousand euros) ⁽⁴⁾	47,369	48,098	35,088	33,261	37,383
Bonuses and profit-sharing paid (thousand euros)	1,732	2,142	1,592	3,382	2,806

(1) Gross sales revenues represent the revenues from ordinary activities, which include the sold production (services) and financial income. For 2008, only income and expenses on interest rate financial instruments are net. On the same basis, gross sales revenues for the previous years would have been as follows 1,856,807 in 2007.

(2) Increase in the dividend for registered shares held for more than two years.

(3) Including retirement indemnities, provision for performance shares grants.

(4) Social organizations, charitable projects and other employee expenses for impatriates, etc.

Resolutions to be submitted to the Ordinary Shareholders' Meeting

1. Approval of the 2011 Company financial statements and transactions
2. Approval of the 2011 consolidated financial statements and transactions
3. Appropriation of earnings and setting of the dividend
4. Approval of a new related-party agreement (convention réglementée): amendment to Mr. Bruno Lafont's employment contract
5. Approval of a new related-party agreement (convention réglementée): amendment to the Shareholder agreement with NNS Holding Sàrl
6. Ratification of the cooptation of Mr. Ian Gallienne as a Director
7. Renewal of the term of office of Mr. Ian Gallienne as a Director
8. Appointment of Mr. Gérard Lamarche as a Director
9. Renewal of the term of office of Mr. Paul Desmarais Jr. as a Director
10. Renewal of the term of office of Mr. Jérôme Guiraud as a Director
11. Renewal of the term of office of Mr. Michel Rollier as a Director
12. Renewal of the term of office of Mr. Nassef Sawiris as a Director
13. Renewal of the appointment of Deloitte & Associés as Statutory Auditor
14. Appointment of Ernst & Young et Autres as Statutory Auditor
15. Renewal of the appointment of BEAS as Alternate Auditor
16. Renewal of the appointment of Auditex as Alternate Auditor
17. Authorization granted to the Company to buy and sell its own shares
18. Powers to carry out corporate formalities

RESOLUTIONS TO BE SUBMITTED TO THE MEETING, AS PRESENTED BY THE BOARD

You will find below the proposed Resolutions that will be submitted to the Lafarge shareholders at the next Shareholders' Meeting on May 15, 2012.

The Resolutions are preceded by an introductory paragraph explaining the reasons for each resolution proposed. All these introductory paragraphs, taken with the business description in this notice of Shareholders' Meeting, form the report from the Board of Directors to the Shareholders' Meeting.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS AND APPROPRIATION OF EARNINGS (RESOLUTIONS 1 TO 3)

The **first two Resolutions** submit for shareholders' approval the statutory and consolidated financial statements of Lafarge for 2011, showing earnings of 205,507,226.30 euros and 593 million euros, respectively.

The **3rd Resolution** proposes an appropriation of the earnings for fiscal year 2011 that allows a normal dividend of 0.50 euro per share and a loyalty dividend of 0.55 euro per share. The loyalty dividend is awarded to shares which have been held in registered form for more than two years as of December 31, 2011, and are still in registered form on the dividend payment date.

The normal dividend and the loyalty dividend are eligible in full for the 40% deduction that applies to individuals who are tax residents of France. These individuals can also opt out of the progressive income tax rate schedule by opting for taxation at a flat rate of 21%, in which case the deduction will not apply (the overall tax rate from January 1, 2012 will amount to 34.5%, including social security contributions of 13.5% and will increase to 36.5% from July 1, 2012 further to an increase of social security contributions to 15.5%).

If this Resolution is adopted, the cash dividend will be paid on July 6, 2012. The shares will be traded ex-dividend as from July 3, 2012.

1ST RESOLUTION

Approval of the 2011 Company financial statements and transactions

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, having considered the report of the Board of Directors, the report of the Chairman of the Board of Directors on internal control procedures implemented by the Company, and the Statutory Auditors' report on the Company financial statements for the year ended December 31, 2011, approves the 2011 financial statements, as presented, and the transactions recorded therein and summarized in these reports.

The net income for the year was 205,507,226.30 euros.

2ND RESOLUTION

Approval of the 2011 consolidated financial statements and transactions

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, having considered the Report of the Board of Directors, the report of the Chairman of the Board of Directors on internal control procedures implemented by the Company and the Statutory Auditors' report on the 2011 consolidated financial statements, approves the 2011 consolidated financial statements, as presented, and the transactions recorded therein and summarized in these reports.

The net income, Group share, for the year was 593 million euros.

RESOLUTIONS TO BE SUBMITTED TO THE MEETING, AS PRESENTED BY THE BOARD

3RD RESOLUTION

Appropriation of earnings and setting of the dividend

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, approves the recommendations of the Board of Directors for the appropriation of earnings for the 2011 financial year:

(in euros)	
ORIGINS:	
Earnings	205,507,226.30
Retained earnings*	1,700,991,186.71
TOTAL	1,906,498,413.01
APPROPRIATION:	
Legal reserve	10,275,361.32
Dividend	
■ First dividend (5% of the par value of the share)	57,402,814.00
■ Additional dividend (total dividend – first dividend)	86,104,221.00
■ Maximum amount of the 10% increase	1,052,013.85
■ Total Dividend	144,559,048.85
Retained Earnings	1,751,664,002.84
TOTAL APPROPRIATIONS	1,906,498,413.01

* After inclusion of:

- the dividends received on treasury shares, which total 130,110.00 euros;
- the 10% increase not collected on the registered shares transferred into a bearer account between January 1 and June 30, 2011, i.e. 166,487.10 euros.

It sets the normal dividend at 0.50 euro per share and the loyalty dividend at 0.55 euro per share. The amount of the normal dividend and the loyalty dividend are eligible in full for the 40% deduction that applies to individual who are tax residents of France.

We remind the Shareholders' Meeting that the dividends distributed in previous years were as follows:

YEAR	NUMBER OF SHARES	DIVIDEND DISTRIBUTED
2008	195,236,534	
Normal dividend		2.00
Loyalty dividend		2.20
2009	286,453,316	
Normal dividend		2.00
Loyalty dividend		2.20
2010	286,453,779	
Normal dividend		1.00
Loyalty dividend		1.10

The General Meeting resolves that the dividend will be paid on July 6, 2012.

RELATED-PARTY AGREEMENTS (*CONVENTIONS RÉGLEMENTÉES*) (RESOLUTIONS 4 AND 5)

The **4th and 5th Resolutions** relate to the ratification of the “related-party” agreements (*conventions réglementées*) approved by the Board of Directors. It relates to agreements entered into during the 2011 fiscal year or at the beginning of 2012, between Lafarge and its Directors or a company that shares one or more Directors with Lafarge and not yet approved in a General Meeting.

The special report of the Statutory Auditors mentions as new agreements yet to be approved by the General Meeting the **amendment to Mr. Bruno Lafont's employment contract and the decision to maintain this employment contract, as well as the signature of an amendment to the Shareholder agreement with NNS Holding Sàrl**.

Decision to amend and maintain Mr. Bruno Lafont's employment contract

• Presentation of the transaction

At the Board of Directors' Meeting on July 27, 2011, further to a recommendation from the Corporate Governance and Nominations Committee, the Board of Directors decided to maintain Mr Bruno Lafont's employment contract and to amend said employment contract in order to remove Mr. Bruno Lafont's commitment not to leave the Company before June 30, 2011, in consideration of which the dismissal notice period could run up until this date.

• Grounds for the Board of Directors' decision

The Board considers that its decision to maintain Mr. Bruno Lafont's employment contract initially entered into on January 1, 1983 is warranted:

- in view of his 29 years of service with the Group (and the 24 years of performance of his employment contract until its suspension in 2006 upon his appointment as Chief Executive Officer); and
- as it encourages an internal promotion policy allowing for the appointment of corporate officers (*mandataires sociaux*) from among experienced senior executives (*cadres dirigeants*) with in-depth knowledge of the industry and markets on which Lafarge operates and for whom the loss of rights deriving from their employment contracts and length of service (e.g., contractual severance compensation under the collective bargaining agreement) would act as a drawback.

These decisions do not change Mr. Bruno Lafont's position, in particular with regard to his pension plan or severance compensation entitlement.

Amendment to the Shareholder agreement with NNS Holding Sàrl

• Presentation of the transaction

A 10-year shareholder agreement was entered into with certain members of the Sawiris family and NNS Holding Sàrl on December 9, 2007 following the acquisition of Orascom Cement (the Cement activity of Orascom Construction Industries S.A.E., acquired by the Group on January 23, 2008). This shareholder agreement contains certain commitments, in particular regarding the 22.5 million shares issued for their benefit as a result of the reserved capital increase of 2008, including a lock-up commitment and standstill commitment limiting shares acquisitions, which will expire on March 27, 2012.

At the Board of Directors' Meeting on March 15, 2012, further to a recommendation from the Corporate Governance and Nominations Committee, the Board of Directors decided to authorise the execution of an amendment to the Shareholder agreement with NNS Holding Sàrl, which will:

- maintain up to March 27, 2015 (3 years after the end of the “lock-up”) and only for the 22.5 million shares originally subscribed by NNS Holding Sàrl, the prior information of Lafarge SA by NNS Holding Sàrl of its intention to sell those shares,
- pre-approve a list of accepted major financial intermediaries, to implement, as the case may be, such sales,
- maintain until the term of the Shareholder agreement and only for the 22.5 million shares originally subscribed by NNS Holding Sàrl, the prohibition for NNS Holding Sàrl to sell these shares to Lafarge's competitors,
- align the disclosure requirements relating to transactions on shares on the existing legal and regulatory requirements.

• Grounds for the Board of Directors' decision

The Board of Directors acknowledges the absence of conflict between the corporate interest and the amendment, in that:

- it aims to adapt the Shareholder agreement in order to address (i) the term of certain of the main obligations contained in the agreement and (ii) the evolution of NNS Holding Sàrl's shareholding in Lafarge. As of March 27, 2012, the lock-up and standstill commitments included in the Shareholder Agreement and borne by NNS Holding Sàrl will terminate. Moreover, the number of shares initially covered by the Shareholder agreement was 22.5 million in March 2008, while NNS Holding Sàrl owned 40 million shares at December 31, 2011. These developments justify the proposed modifications,
- it aims to simplify and soften the residual obligations (to the lock-up and the standstill) while maintaining strict obligations to the benefit of Lafarge in relation to any sale of the 22.5 million shares originally subscribed by NNS Holding Sàrl, and approves in advance the list of accepted major financial intermediaries authorised to implement, as the case may be, such sales,
- it has no financial impact on Lafarge and provides no change in the financial arrangements that would exist between the parties,
- it gives no additional and specific right to NNS Holding Sàrl, compared to the other Lafarge shareholders.

The special report of the Statutory Auditors also sets forth the agreements and commitments approved during prior General Meetings and remaining effective in the year ended December 31, 2011.

RESOLUTIONS TO BE SUBMITTED TO THE MEETING, AS PRESENTED BY THE BOARD

4TH RESOLUTION

Approval of a new related-party agreement (*convention réglementée*): amendment to Mr. Bruno Lafont's employment contract

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings and on the special report prepared by the Statutory Auditors pursuant to Article L. 225-40 of the Commercial Code on agreements falling within the scope of Article L. 225-38 *et seq.* of said Code, approves the amendment to Mr. Bruno Lafont's employment contract set forth in the said report.

5TH RESOLUTION

Approval of a new related-party agreement (*convention réglementée*): amendment to the Shareholder agreement with NNS Holding Sàrl

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings and on the special report prepared by the Statutory Auditors pursuant to Article L. 225-40 of the Commercial Code on agreements falling within the scope of Article L. 225-38 *et seq.* of said Code, approves the amendment to the Shareholder agreement with, *inter alia*, NNS Holding Sàrl set forth in the said report.

GOVERNANCE – COMPOSITION OF THE BOARD OF DIRECTORS - TERMS OF OFFICE OF DIRECTORS (RESOLUTIONS 6 TO 12)

Composition of the Board of Directors – Changes and proposed resolutions:

The Board of Directors proposes several resolutions relating to its composition. These relate to:

- the ratification of the cooptation of Mr. Ian Gallienne as Director and the renewal of his term of office (**6th and 7th resolution**);
- the appointment of Mr. Gérard Lamarche (**8th resolution**); and
- the renewal of the term of office of Mssrs. Paul Desmarais Jr., Jérôme Guiraud, Michel Rollier and Nassef Sawiris (**resolutions 9 to 12**).

Mr. Ian Gallienne was coopted by the Board of Directors on November 3, 2011 following Mr. Gérald Frère's resignation, for the remainder of Mr. Frère's term of office, expiring at the end of this General Meeting. It is therefore proposed to ratify this cooptation and renew the term of office of Mr. Gallienne.

It is also proposed to appoint Mr. Gérard Lamarche as Director. This appointment will be in replacement of Mr. Thierry de Rudder, who does not wish to ask for the renewal of his term of office which expires at the end of this General Meeting. The Board thanks Mr. de Rudder for his large and active participation in the Meetings of the Board of Directors and its Committees, in particular the Audit Committee and the Remunerations Committee.

A biography of Mssrs Gallienne and Lamarche is provided below.



IAN GALLIENNE

(born on January 23, 1971,
French citizen)

EXPERIENCE AND EXPERTISE

Mr. Ian Gallienne was coopted as a Director by the Board of Directors of Lafarge on November 3, 2011. Mr. Ian Gallienne is Managing Director of Groupe Bruxelles Lambert (Belgium) since January 1, 2012. He has a degree in Management and Administration, with a specialization in Finance, from the E.S.D.E. in Paris and an MBA from INSEAD in Fontainebleau. He began his career in Spain, in 1992, as co-founder of a commercial company. From 1995 to 1997, he was a member of management of a consulting firm specialised in the reorganization of ailing companies in France. From 1998 to 2005, he was Manager of the private equity funds Rhône Capital LLC in New York and London. From 2005 to 2012, he founded and served as Managing Director of the private equity funds Ergon Capital Partners, Ergon Capital Partners II and Ergon Capital Partners III in Brussels. He has been a Director of Groupe Bruxelles Lambert (Belgium) since 2009 and of Imerys (France) since 2010.

Mr. Gallienne holds 1,143 Lafarge shares.

POSITIONS AND OTHER OFFICES IN FRENCH OR FOREIGN COMPANIES HELD BY MR. GALLIENNE OVER THE LAST FIVE YEARS

CURRENT POSITIONS:

In France:

Director of Lafarge (listed company)
Director of Imerys (listed company)
Director of PLU Holding S.A.S

Abroad:

Managing Director of Ergon Capital Partners S.A. (Belgium),
Ergon Capital Partners II S.A. (Belgium) and Ergon Capital Partners III S.A. (Belgium)
Director of Ergon Capital S.A. (Belgium)
Director of Steel Partners N.V. (Belgium)
Director of Gruppo Banca Leonardo SpA (Italy)
Managing Director of Egerton S.à r.l (Luxemburg) and Ergon Capital II s.à r.l (Luxemburg)
Managing Director of Groupe Bruxelles Lambert S.A (Belgium) (listed company)

POSITIONS HELD DURING THE LAST FIVE YEARS AND NO LONGER EXERCISED:

In France:

Director of Central Parc Villepinte S.A (until July 31, 2011)
Director of EliTech Group S.A.S (until December 31, 2011)
Director of the "Fonds de dotations du Palais"

Abroad:

Director of Arno Glass S.A (Luxemburg) until June 1, 2009
Director of La Gardenia Beauty SpA (Italy) until December 31, 2011
Director of Seves SpA (Italy) until December 31, 2011
Director of Groupe De Boeck S.A (Belgium) until December 31, 2011

**GÉRARD LAMARCHE**

(born on July 15, 1961,
Belgian citizen)

EXPERIENCE AND EXPERTISE

Mr. Gérard Lamarche is a Director of Groupe Bruxelles Lambert (Belgium), of which he is also Managing Director since January 1, 2012. He graduated from the University of Louvain-la-Neuve with a Bachelor's degree in Economic Sciences and a specialisation in Business Administration and Management. He also completed the Advanced Management Program for Suez Group Executives at the INSEAD Business School and took part in the 1998-99 Wharton International Forum, Global Leadership Series. He began his professional career in 1983 with Deloitte Haskins & Sells in Belgium, and became a M&A Consultant in the Netherlands in 1987. In 1988, he joined the Venture Capital Department of Société Générale de Belgique as Investment Manager. He was promoted to Controller in 1989, and in 1992 was appointed Advisor to the Director of Strategic Planning. He became Special Projects Advisor to the President and Secretary of the Suez Board of Directors (1995-1997) and participated in the merger between Compagnie de Suez and Lyonnaise des Eaux (1997); he was later appointed the new Group's Senior Vice President in charge of Planning, Control and Accounts Management. In July 2000, Mr. Gérard Lamarche joined NALCO (American subsidiary of the Suez Group and in industrial water treatment) as Director, Senior Executive Vice President and CFO. He was appointed Senior Executive Vice President – Finance (CFO) of the Suez Group in March 2004, becoming Executive Vice President, CFO of GDF SUEZ, and member of the Management and Executive Committees of the GDF SUEZ Group in July 2008.

Mr. Lamarche holds 1,143 Lafarge shares.

POSITIONS AND OTHER OFFICES IN FRENCH OR FOREIGN COMPANIES HELD BY MR. LAMARCHE OVER THE LAST FIVE YEARS**CURRENT POSITIONS:****In France:**

Director of Legrand (listed company)
Director of Total (listed company) (Mr. Lamarche was appointed by cooptation on 12 January 2012, until 2013)

Abroad:

Managing Director of Groupe Bruxelles Lambert S.A (Belgium) (listed company)

POSITIONS HELD DURING THE LAST FIVE YEARS AND NO LONGER EXERCISED:**In France:**

Director of Suez Environnement Company (from 19 May 2011 until 21 December 2011)
Director of Suez Environnement Company (from 5 December 2007 until 15 July 2008)
Director of Suez Environnement until 28 October 2010
Director of GDF Suez Energy Services until 16 June 2011

Abroad:

Director of Electrabel (Belgium) until 31 December 2011
Director of International Power plc (United Kingdom) (listed company) until 8 December 2011
Director of Europalia (Belgium) until 12 October 2011
Director of GDF Suez Belgium until 1st October 2011
Director of Sociedad General de Aguas de Barcelona (Agbar - Spain) until 28 June 2011
Director of Suez-Tractebel S.A (Belgium) until 25 January 2011
Director of Fortis Banque S.A. (Belgium) until 2 July 2010
Director of Leo Holding Company (United States) until 15 May 2009
Director of Suez Environnement North America (United States) until 31 December 2009
Director of GENFINA (Belgium) until 18 December 2008
Director of GDF Suez CC (Belgium) until 28 November 2008
Director of Distrigaz (Belgium) until 30 October 2008

The renewals of the terms of office of Mssrs Paul Desmarais Jr., Jérôme Guiraud, Michel Rollier and Nassef Sawiris will give the Board of Directors the opportunity to keep benefiting from the expertise and knowledge of these Directors.

It is also noted that :

- Mr. Michel Rollier is classified as independent Director;
- Mssrs Paul Desmarais Jr., Ian Gallienne and Gérard Lamarche are related to Groupe Bruxelles Lambert, a shareholder holding more than 10% of the share capital and voting rights of the Company; and
- Mssrs Nassef Sawiris and Jérôme Guiraud are related to NNS Holding Sàrl, a shareholder holding more than 10% of the share capital and voting rights of the Company.

In accordance with the provision of the Articles of association, these renewals and this appointment will be **for a term of four years** until the end of the General Meeting to be held in 2016 to approve the financial statements for the year ending December 31, 2015.

In addition, the term of office of Mr. Bertrand Collomb, currently Director and Honorary Chairman of Lafarge, will expire at the end of the General Meeting. It is not proposed to appoint any new Director at this Meeting as a result of this expiry.

The Board of Directors intends to thank Mr. Collomb for having brought to the Company his great knowledge, expertise and professionalism both as a long serving Director and as a result of his various executive positions within the Group, which he joined in 1975 and where he served as Chairman and Chief Executive Officer from 1989 to 2003 and Chairman of the Board of Directors from 2003 to 2007.

Composition and independence of the Board of Directors following the General Meeting (should all the proposed resolutions be approved)

Should the General Meeting approve all these resolutions, the Board of Directors will be composed of **16 Directors** following the Meeting.

Out of these Directors, the following **10 Directors will be classified as independent**: Ms Colette Lewiner, Hélène Ploix and Véronique Weill and Mssrs Michel Bon, Philippe Charrier, Philippe Dauman, Oscar Fanjul, Juan Gallardo, Baudouin Prot and Michel Rollier.

The percentage of independent Directors on the Board of Directors will correspond to 62.5% while maintaining and ensuring representation on the Board of the principal shareholders.

In addition, following the General Meeting the four Committees of the Board of Directors will be composed with the following percentage of independent Directors:

- Audit Committee: 71%;
- Corporate Governance and Nominations Committee: 71%;
- Remunerations Committee: 67%;
- Strategy, Investment and Sustainable Development Committee: 71%.

As a reminder, Directors are classified as independent by the Board of Directors using mainly the rules and criteria proposed in the Code of Corporate Governance for listed companies published by Afep-Medef and by carrying out materiality tests on business relationships between the Company and its Directors.

Information on the candidates for renewal as Director can be found in the section Composition of the Board of Directors of this document.

6TH RESOLUTION

Ratification of the cooptation by the Board of Directors of Mr. Ian Gallienne as Director

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, on the recommendation of the Board of Directors, and in accordance with the conditions stipulated in Article 14 of the bylaws, hereby ratifies the appointment as Director of Mr. Ian Gallienne in replacement of Mr. Gérald Frère upon the latter's resignation, for the remainder of Mr. Frère's term of office, expiring at the end of this Shareholders' Meeting.

7TH RESOLUTION

Renewal of the term of office of Mr. Ian Gallienne as Director

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, on the recommendation of the Board of Directors, and in accordance with the conditions stipulated in Article 14 of the bylaws, hereby renews Mr. Ian Gallienne's term of office as Director for a period of four years, expiring at the end of the Shareholder Meeting called to approve the financial statements for the 2015 financial year.

RESOLUTIONS TO BE SUBMITTED TO THE MEETING, AS PRESENTED BY THE BOARD

8TH RESOLUTION

Appointment of Mr. Gérard Lamarche as Director

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, on the recommendation of the Board of Directors, and in accordance with the conditions stipulated in Article 14 of the bylaws, hereby appoints as Director Mr. Gérard Lamarche for a period of four years, expiring at the end of the Shareholders' Meeting called to approve the financial statements for the 2015 financial year.

9TH RESOLUTION

Renewal of the term of office of Mr. Paul Desmarais Jr. as Director

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, on the recommendation of the Board of Directors, and in accordance with the conditions stipulated in Article 14 of the bylaws, hereby renews Mr. Paul Desmarais Jr.'s term of office as Director for a period of four years, expiring at the end of the Shareholder Meeting called to approve the financial statements for the 2015 financial year.

10TH RESOLUTION

Renewal of the term of office of Mr. Jérôme Guiraud as Director

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, on the recommendation of the Board of Directors, and in accordance with the conditions stipulated in Article 14 of the bylaws, hereby renews Mr. Jérôme Guiraud's term of office as Director for a period of four years, expiring at the end of the Shareholder Meeting called to approve the financial statements for the 2015 financial year.

11TH RESOLUTION

Renewal of the term of office of Mr. Michel Rollier as Director

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, on the recommendation of the Board of Directors, and in accordance with the conditions stipulated in Article 14 of the bylaws, hereby renews Mr. Michel Rollier's term of office as Director for a period of four years, expiring at the end of the Shareholder Meeting called to approve the financial statements for the 2015 financial year.

12TH RESOLUTION

Renewal of the term of office of Mr. Nassef Sawiris as Director

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, on the recommendation of the Board of Directors, and in accordance with the conditions stipulated in Article 14 of the bylaws, hereby renews Mr. Nassef Sawiris's term of office as Director for a period of four years, expiring at the end of the Shareholder Meeting called to approve the financial statements for the 2015 financial year.

GOVERNANCE – STATUTORY AND ALTERNATE AUDITORS (RESOLUTIONS 13 TO 16)

Proposal to renew the Statutory and Alternate Auditors

The term of the two Statutory Auditors, Deloitte & Associés and Ernst & Young Audit, expires at the end of this Shareholders' Meeting and we are recommending that you adopt the following resolutions:

- renewal of the appointment of Deloitte & Associés as Statutory Auditor for a term of 6 years, until the Shareholders' Meeting called to approve the financial statements for 2017 (**13th resolution**). The Deloitte & Associés partners are Mr. Arnaud de Planta and Mr. Frédéric Gourd;
- appointment of "Ernst & Young et Autres" for a term of 6 years, until the Shareholders' Meeting called to approve the financial statements for 2017 (**14th resolution**). This actually corresponds to the renewal of the appointment of the Statutory Auditor from the Ernst & Young network, although from a legal stand point it is necessary to propose the appointment of Ernst & Young et Autres, in replacement of Ernst & Young Audit. The Ernst & Young et Autres partners are Mr. Nicolas Macé and Mr. Alain Perroux, the later replacing Mr. Christian Mouillon.

The term of the two Alternate Auditors, BEAS and Auditex, also expire at the end of this Shareholders' Meeting and we are recommending in the **15th and 16th resolutions** that their appointment also be renewed for a term of 6 years, until the Shareholders' Meeting called to approve the financial statements for 2017.

RESOLUTIONS TO BE SUBMITTED TO THE MEETING, AS PRESENTED BY THE BOARD

Information on the auditors' fees and on the auditors' selection process

We are informing you that the total amount of fees collected by Deloitte & Associés and Ernst & Young and by the members of their networks for services provided to the Group during the 2011 financial year were as follows:

	DELOITTE & ASSOCIÉS (MILLION EUROS) (EXCL. TAX)	ERNST & YOUNG AUDIT (MILLION EUROS) (EXCL. TAX)
Services directly related to their duties as Statutory Auditors	11,4	6,8
Other services	0,3	0,3
TOTAL	11,7	7,1

These proposals to renew the Statutory and Alternate Auditors result from the selection process conducted by the Audit Committee. The term of the Statutory and Alternate Auditors' appointments, which were renewed in 2006 after a competitive bidding process, expire at the end of the Shareholders' Meeting of May 15, 2012.

The Board of Directors, upon recommendation of the Audit Committee and after noting the high quality of the services provided by the Auditors, resolved during its Meeting on February 16, 2012 that it should be proposed at the Shareholders' Meeting to renew the appointments of the current Statutory and Alternate Auditors.

13TH RESOLUTION

Renewal of appointment of Deloitte & Associés as Statutory Auditor

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, on the recommendation of the Board of Directors, hereby renews the appointment of Deloitte & Associés as Statutory Auditor for a period of six years, expiring at the end of the Shareholder Meeting called to approve the financial statements for the 2017 financial year.

14TH RESOLUTION

Appointment of Ernst & Young et Autres as Statutory Auditor

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, on the recommendation of the Board of Directors, hereby appoints Ernst & Young et Autres as Statutory Auditor for a period of six years, expiring at the end of the Shareholder Meeting called to approve the financial statements for the 2017 financial year.

15TH RESOLUTION

Renewal of appointment of BEAS as Alternate Auditor

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, on the recommendation of the Board of Directors, hereby renews the appointment of BEAS as Alternate Auditor for a period of six years, expiring at the end of the Shareholder Meeting called to approve the financial statements for the 2017 financial year.

16TH RESOLUTION

Renewal of appointment of Auditex as Alternate Auditor

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, on the recommendation of the Board of Directors, hereby renews the appointment of Auditex as Alternate Auditor for a period of six years, expiring at the end of the Shareholder Meeting called to approve the financial statements for the 2017 financial year.

AUTHORIZATION TO BUY BACK SHARES (RESOLUTION 17)

The **17th Resolution** allows the Company to buy its own shares within the limits set by the shareholders and by law. It replaces the authorizations previously granted by the shareholders at previous Shareholders' Meetings.

Main characteristics

The buyback program that we are recommending that you approve would have the following features:

- securities: shares;
- maximum percentage of capital authorized for buyback: 5%;
- maximum total amount of the program: 500 million euros;
- maximum unit purchase price: 80 euros;
- objectives of the program:
 - the implementation of any Company stock option plan under the terms of articles L. 225-177 *et seq.* of the Commercial Code or any similar plan; or
 - the allotment or sale of shares to employees under the French statutory profit-sharing scheme or the implementation of any employee savings plan on the conditions stipulated by law, in particular articles L. 3332-1 *et seq.* of the Labor Code; or
 - the allotment of consideration free shares under the terms of articles L. 225-197-1 *et seq.* of the Commercial Code; or
 - generally, to fulfill obligations linked with stock option programmes or other share allotment schemes in favour of employees or executive officers of the Company or of related entities; or
 - the delivery of shares on the exercise of rights attached to securities giving rights to the capital by redemption, conversion, exchange, presentation of a warrant or any other means; or
 - the cancellation of some or all of the shares purchased pursuant to the 15th resolution approved by the Combined General Meeting on May 12, 2011; or
 - the delivery of shares (in exchange, as payment, or otherwise) in connection with acquisitions, mergers, demergers or asset-for-share exchanges; or
 - market-making in the secondary market or maintenance of the liquidity of Lafarge shares by an investment services provider under a liquidity contract that complies with the Ethical Code recognized by the *Autorité des marchés financiers*;
- period: 18 months, until November 15, 2013;
- these transactions can be performed at any time, excluding the periods of public offering on the Company's shares.

Past utilisations

For information purposes, it is reminded that as of December 31, 2011, the Company:

- held 233,448 shares with a nominal value of 4 euros, representing 0.08% of its capital stock all assigned to cover the stock options and performance shares grants;
- has not purchased any shares within the shares buy-back program approved by the Meeting of May 12, 2011;
- has no pending liquidity agreement with an investment service provider.

Future utilisation

Although the Board of Directors wants to remain free to use this proposed authorisation in future for uses that have not been identified at this stage in line with the objectives presented above, it is not anticipated to use this buyback program for any use other than to cover stock options and performance shares grants.

17TH RESOLUTION

Authorization granted to the Company to buy and sell its own shares

The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary shareholders' meetings, having considered the report of the Board of Directors, hereby authorizes the Board of Directors, with the option of sub-delegation in accordance with applicable law and the articles of association of the Company, to purchase shares of the Company's stock or to have shares of the Company's stock purchased in the name of the Company up to a maximum number of shares representing 5% of the capital stock on the date the purchases are made, pursuant to Articles L. 225-209 *et seq.* of the Commercial Code. The number of treasury shares held by the Company at any time may not exceed 10% of the shares constituting the share capital of the Company at such time.

This authorization replaces the authorization granted under the seventh Resolution of the Combined Shareholders' Meeting on May 12, 2011.

RESOLUTIONS TO BE SUBMITTED TO THE MEETING, AS PRESENTED BY THE BOARD

For purposes of this resolution, the maximum purchase price per share is set at 80 euros. In the event of a transaction affecting capital, particularly through the capitalization of reserves or an allotment of bonus shares, or a split or reverse stock split, the price stipulated above will be adjusted accordingly.

The total amount allocated to this stock purchase program may not exceed 500 million euros.

These shares may be acquired, sold or transferred by any and all means, on one or more occasions, whether on the open market or over the counter, including through the acquisition or sale of blocks of shares, through the use of derivative financial instruments, warrants or securities giving the right to shares of the Company, or through the use of options, subject to the conditions stipulated by market authorities, with the following objectives:

- the implementation of any Company stock option plan under the terms of articles L. 225-177 *et seq.* of the Commercial Code or any similar plan; or
- the allotment or sale of shares to employees under the French statutory profit-sharing scheme or the implementation of any employee savings plan under applicable legal conditions, in particular articles L.3332-1 *et seq.* of the Labor Code; or
- the allotment of consideration free shares pursuant to the terms of articles L. 225-197-1 *et seq.* of the Commercial Code; or
- generally, to fulfill obligations linked with stock option programmes or other share allotment schemes in favour of employees or executive officers of the Company or of related entities; or
- the delivery of shares on the exercise of rights attached to securities giving rights to the capital by redemption, conversion, exchange, presentation of a warrant or any other means; or
- the cancellation of some or all of the shares purchased pursuant to the 15th resolution approved by the Combined General Meeting on May 12, 2011; or
- the delivery of shares (in exchange, as payment, or otherwise) in connection with acquisitions, mergers, demergers or asset-for-share exchanges; or
- market-making in the secondary market or maintenance of the liquidity of Lafarge shares by an investment services provider under a liquidity contract that complies with the ethical Code recognized by the *Autorité des marchés financiers*.

This authorization is granted for a period of 18 months from the date of this Meeting.

Transactions by the Board of Directors to buy, sell or transfer shares of the Company may be executed at any time, except during a tender offer for the Company's shares, in compliance with legal and regulatory requirements.

The Shareholders' Meeting grants all powers to the Board of Directors, with the option of sub-delegation in accordance with the applicable Law and the bylaws of the Company, to decide and to implement this resolution and set the terms and conditions thereof, to implement the present buy back program, and particularly to adjust the aforementioned purchase price in case of transactions that impact shareholders' equity, share capital or the par value of the shares, to place all market orders, enter into all agreements, make all declarations and perform all formalities and, generally take all necessary measures.

The **18th resolution** allows the Board to carry out the formalities required by law following the Meeting.

18th RESOLUTION

Delegation of powers to carry out corporate formalities

The General Meeting grants full powers to the bearer of an original, copy or extract of the minutes of its deliberations to carry out any formalities including the filing, publication, and others required under the laws or regulations in force, resulting from the approval of the resolutions above and/or any supplementary resolutions.

RESOLUTIONS TO BE SUBMITTED TO THE MEETING, AS PRESENTED BY THE BOARD

Authorizations delegated to the Board of Directors by the General Meeting

At March 15, 2012, the Board of Directors benefited from the following authorizations upon delegation by the General Meeting held on May 12, 2011:

TYPE OF AUTHORIZATION	MAXIMUM AMOUNTS	EXPIRATION DATE	MAXIMUM AUTHORIZED AMOUNT AVAILABLE AT MARCH 15, 2012 (EUROS)
Buy and sell its own shares (7 th resolution)	Up to 5% of the share capital Up to 500 million euros Unitary Purchase price up to 100 euros	November 12, 2012	5% of the share capital 500 million euros
Issue of bonds and other related securities (8 th resolution)	8 billions euros (nominal value)	July 12, 2013	7,950 million euros
Issue of shares or other equity securities with preferential subscription rights (9 th resolution)	560 million euros (nominal value) ⁽¹⁾	July 12, 2013	560 million euros
Issue of shares or other equity securities without preferential subscription rights (10 th resolution)	160 million euros (nominal value) ⁽²⁾	July 12, 2013	160 million euros
Issue of shares in an offer as set forth in article L. 411-2 of the French Monetary and Financial Code (11 th resolution)	160 million euros (nominal value) ^{(2) (3)}	July 12, 2013	160 million euros
Issue of shares or other equity securities as payment for contributions in kind (12 th resolution)	112 million euros (nominal value) ^{(2) (3)}	July 12, 2013	112 million euros
Increase in the number of shares to be issued in case of a capital increase with or without preferential subscription rights (13 th resolution)	Up to the amount applicable to the initial issue and to be applied against the global cap set forth in the 9 th resolution	July 12, 2013	-
Capital increase through incorporation of premiums, reserves, profits or other items (14 th resolution)	100 million euros (nominal value) ^{(2) (3)}	July 12, 2013	100 million euros
Reduction of share capital through cancellation of treasury shares (15 th resolution)	Up to 10% of the share capital for a 24-month period	July 12, 2013	10% of the share capital
Grant of options to subscribe for and/or purchase shares (16 th resolution)	3% of the share capital (on grant date)	July 12, 2013	2.55% of the share capital
Allotment of free existing or new shares (17 th resolution)	1% of the share capital (on grant date) ⁽⁴⁾	July 12, 2013	0.82% of the share capital
Issue of shares or other equity securities reserved for Group employees (18 th resolution)	50 million euros (nominal value)	July 12, 2013	46,825,044 euros
Capital increase reserved for a category of beneficiaries as part of a transaction reserved for employees (19 th resolution)	50 million euros (nominal value) ⁽⁵⁾	November 12, 2012	46,825,044 euros

(1) Global cap for the 9th, 10th, 11th, 12th, 13th and 14th resolutions.

(2) To be applied against the global cap set forth in the 9th resolution.

(3) To be applied against the cap set forth in the 10th resolution.

(4) To be applied against the cap set forth in the 16th resolution.

(5) To be applied against the cap set forth in the 18th resolution.

Use of authorizations in 2011

In 2011, the Board of Directors made use of the authorization granted in the 17th resolution by granting 20,000 performance shares to Mr Bruno Lafont, Chairman and Chief Executive Officer, on May 12, 2011.

Use of authorizations in 2012

The Board of Directors made use of the authorization granted in the 17th resolution during its meeting on March 15, 2012 by granting 789,920 stock options and 483,967 performance shares, of which 70,000 options and 20,000 performance shares were granted to the Chairman and Chief Executive Officer.

In addition, on March 15, 2012, we made use of the authorization to issue bonds and other related securities granted in the 8th resolution for a 50 million euros private placement under our EMTN Program.

Authorizations to be delegated to the Board of Directors by the General Meeting to be held on May 15, 2012

The General Meeting to be held on May 15, 2012 should vote upon the following delegations:

TYPE OF AUTHORIZATION TO BE VOTED UPON	MAXIMUM AMOUNTS	EXPIRATION DATE
Buy and sell its own shares (17 th resolution)	Up to 5% of the share capital Up to 500 million euros Purchase price of up to 80 euros	November 15, 2013

STATUTORY AUDITORS' REPORTS

Statutory Auditors' Report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English-speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report also includes information relating to the specific verification of information given in the Group's management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2011

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you for the year ended December 31, 2011 on:

- the audit of the accompanying consolidated financial statements of Lafarge;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2011 and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Goodwill, property plant and equipment, and intangible assets have been tested for impairment in accordance with the Group's accounting policies described in note 2.12 "Impairment of long-lived assets" to the consolidated financial statements. The estimates are established based on currently available information at the time of the preparation of the consolidated financial statements and are in keeping with the current economic crisis or political instability affecting some of the Group's markets, as described in note 2.3 "Use of estimates and judgments" to the consolidated financial statements. Therefore, as set out in note 10 "Goodwill" to the consolidated financial statements, for countries with a recent political instability, or European countries hit by the sovereign debt crisis, the operational and actuarial assumptions used in future discounted cash flows have been determined based on the specific country environment, for these countries, without taken into consideration any possible breach of the economical or geopolitical environment. In addition, the Group analyzed the sensitivity of the recoverable amount (particularly with regard to a change in the discount rate and the perpetual growth rate) for the main goodwill items. Our procedures consisted in reviewing available documents, assessing the reasonableness of retained valuations and the adequacy of the information disclosed in the notes to the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law, we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, February 27, 2012

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES

Arnaud de Planta

Frédéric Gourd

ERNST & YOUNG Audit

Christian Mouillon

Nicolas Macé

Statutory Auditor's Report on the annual financial statements

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English-speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the annual financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the annual financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the annual financial statements. This report also includes information relating to the specific verification of information given in the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2011

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you for the year ended December 31, 2011 on:

- the audit of the accompanying annual financial statements of Lafarge;
- the justification of our assessments;
- the specific verifications and information required by law.

These annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the annual financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the annual financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2011 and of the results of its operations for the year then ended, in accordance with French accounting principles.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Note "2.3 Financial assets" to the annual financial statements details the accounting principles and methods applied to investments and mentions that the earnings outlooks are established based on currently available information and are in keeping with the current economic crisis or political instability affecting some of the Group's markets. They do not take into consideration any possible breach of the economical or geopolitical environment. Our procedures consisted in reviewing available documents and assessing the reasonableness of retained valuations.

The assessments were made as part of our audit of the annual financial statements taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the annual financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the annual financial statements, or with the underlying information used to prepare these annual financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, February 27, 2012

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES

Arnaud de Planta

Frédéric Gourd

ERNST & YOUNG Audit

Christian Mouillon

Nicolas Macé

Special Report of the Statutory Auditors on Related-Party Agreements and Commitments

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2011

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby report on certain related-party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) concerning the implementation of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE GENERAL MEETING OF SHAREHOLDERS

Agreements and commitments authorized during the year

In accordance with Article L. 225-40 of the French Commercial Code (*Code de commerce*), we have been advised of certain related-party agreements and commitments which received prior authorization from your Board of Directors.

With Mr Bruno Lafont, Chairman and Chief Executive Officer of your company

CHANGE AND PRESERVATION OF MR. BRUNO LAFONT'S EMPLOYMENT CONTRACT, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

At its Meeting on July 27, 2011, the Board of Directors, upon the recommendation of the Committee of the corporate governance, decided to maintain Mr. Bruno Lafont's employment contract and to modify it in the effect to delete the clause of commitment of presence by which Mr. Bruno Lafont was committed not to leave the Company before June 30, 2011, in return of which the notice of termination could run until the same date.

As a consequence, the Board of Directors decided to adopt in all its capacities the new complete and amended version of this contract and confirmed its suspension, from January 1, 2006, when Mr. Bruno Lafont was named as Chief Executive Officer.

The Board of Directors considers that the 29 years seniority of Mr. Bruno Lafont within Lafarge Group together with the impact of this seniority on the internal promotion policy, which enables to promote experienced senior executives as corporate officers, justifies its decision to maintain the employment contract of Mr. Bruno Lafont.

These decisions do not modify Mr. Bruno Lafont situation relating especially to the potential benefits of its pension plan or severance indemnity.

Agreements and commitments authorized after closing

We have been advised of certain related party agreements and commitments which received prior authorization from your Board of Directors after closing.

With NNS Holding Sàrl, Orascom Construction Industries SAE, M. Nassef Sawiris and other parties

BOARD MEMBERS CONCERNED

Mr. Nassef Sawiris, a Director of your company, is also the Chairman and CEO of Orascom Construction Industries SAE and a Director of NNS Holding Sàrl.

Mr. Jérôme Guiraud, a Director of your company, is also a Director of Orascom Construction Industries SAE.

Amendment to the Shareholders' Agreement dated December 9, 2007

The Shareholders' Agreement contains various commitments concerning in particular the 22.5 million shares issued for the benefit of NNS Holding Sàrl through a reserved capital increase in 2008, among which some obligations of preservation of the shares and limitation of acquisition of shares which expire on March 27th, 2012.

The amendment authorized by the Board of Directors of March 15th, 2012 aims at:

- maintain until March 27th, 2015 and only on the 22.5 million shares initially subscribed by NNS Holding Sàrl, the preliminary disclosure obligation by NNS Holding Sàrl to Lafarge SA in case of potential disposal of its shares,
- pre-approve a list of main financial institutions as intermediaries accepted in order to, where necessary, implement such disposals,
- maintain until the term of the Shareholders' Agreement and only on the 22.5 million shares initially subscribed by NNS Holding Sàrl, the ban for NNS Holding Sàrl to dispose its shares to Lafarge competitors,
- align disclosure obligations after transactions on shares on the existing legal and statutory obligations.

The Board of Directors considers that this amendment is not going against the social interest of your company as it aims to update the Shareholders' Agreement, without any financial impact, and does not offer any additional specific right to NNS Holding Sàrl compared to other shareholders of your company.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS

Agreements and commitments approved in prior years whose implementation continued during the year

In accordance with Article R. 225-30 of the French Commercial Code (*Code de commerce*), we have been advised that the following agreements and commitments, already approved in prior years by the Shareholders' Meeting, remained effective during this financial year.

With BNP Paribas

BOARD MEMBERS CONCERNED

Ms. Hélène Ploix, Director of your company, is a Director of BNP Paribas, and Mr. Baudouin Prot, Director of your company, is Chairman of the Board of Directors of BNP Paribas.

a. Domiciliation agent agreement

At its Meeting on May 24, 2006, the Board of Directors authorized the domiciliation agent agreement between your company and BNP Paribas concerning the commercial paper program.

The amounts paid by your company in 2011 in respect of this agreement totaled €3,615.

b. Loan of 2.4 billion euros guaranteed by BNP Paribas for the acquisition of Orascom Building Materials Holding

At its Meeting on December 9, 2007, the Board of Directors authorized a loan agreement totaling 7.2 billion euros between your company and BNP Paribas and two other financial institutions to finance the acquisition of the share capital of the Egyptian company Orascom Building Materials Holding.

BNP Paribas had originally guaranteed to finance an amount of 2.4 billion euros. Under this agreement, the costs relating to the set-up of this line of credit correspond to the 13.8 million euros in commissions paid by your company to BNP Paribas in 2007.

As a result of this commitment, a 78 million euros debt payable to BNP Paribas was recorded in your company's balance sheet as at December 31, 2011 (unchanged compared to 2010).

c. Transfer of retirement plans for French executives, senior executives and members of the Executive Committee to Cardif Assurance Vie, a subsidiary of BNP Paribas

The Board of Directors authorized the conclusion of insurance contracts between your company and Cardif Assurance Vie, a subsidiary of BNP Paribas, the purpose of which was to transfer defined-benefit retirement plans. These agreements were authorized by the Board of Directors at its Meetings of August 1, 2007 and November 6, 2008 and approved by the Shareholders' Meetings of May 7, 2008 and of May 6, 2009.

As these agreements remained in effect in 2011, the total amount of contributions (allocated to retirement capital, expenses and other taxes) paid by your company in respect of the two current contracts with Cardif Assurances amounted to 14.8 million euros for the financial year ended December 31, 2011.

d. Agreement covering the management of its investments department with BNP Paribas Securities Services, a subsidiary of BNP Paribas

At its Meeting on September 8, 2004, the Board of Directors authorized an agreement covering the management of its investments department, shareholders' Meetings, employee shareholding plans and stock option plans with BNP Paribas Securities Services, a wholly owned subsidiary of BNP Paribas.

The amounts paid by your company in 2011 in respect of this agreement totaled 4.2 million euros.

AGREEMENTS AND COMMITMENTS APPROVED IN PRIOR YEARS WHICH WERE NOT IMPLEMENTED DURING THE YEAR

In addition, we have been advised that the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years were not implemented during the year.

1. With Mr. Bruno Lafont, Chairman and Chief Executive Officer of your company

SUPPLEMENTARY PENSION PLAN OF MR. BRUNO LAFONT

At its Meeting on December 16, 2005, the Board of Directors authorized an amendment to Mr. Bruno Lafont's employment contract, whereby he would benefit from a supplementary pension plan guaranteeing a pension based on his salary as a Director. The employment contract was suspended as from January 1, 2006, the date of Mr. Bruno Lafont's appointment as Chief Executive Officer. However, as a Director, he will continue to benefit from the supplementary retirement benefit.

Moreover, at its Meeting on November 6, 2008, the Board of Directors authorized the amendment of two supplementary benefit plans. One of these amendments consists in including the Company's Directors as potential beneficiaries of these benefit plans, which would provide, under certain conditions, a retirement payment based on the last salaries received, irrespective of any other legal retirement benefits received by the retired individual. The Shareholders' Meeting of May 6, 2009 approved this agreement.

MR. BRUNO LAFONT'S SUSPENDED EMPLOYMENT CONTRACT AND SEVERANCE INDEMNITY

At its Meeting on February 19, 2009, the Board of Directors authorized the amendment to Mr. Bruno Lafont's employment contract, for the purpose of adapting the severance indemnity to the Afep Medef recommendations regarding the compensation of Executive Directors.

Mr. Bruno Lafont's employment contract thus specifies (i) the conditions under which he would benefit from a contractual severance indemnity (change of control or a change in strategy on the part of your company and performance conditions based on three criteria), in the event he were to benefit from his employment contract at the end of his term as Chairman and Chief Executive Officer, and upon a dismissal and (ii) the calculation methodology and the maximum amount of this potential severance indemnity (limited to a maximum of two years of the total gross remuneration received).

2. With Orascom Construction Industries SAE

BOARD MEMBERS CONCERNED

Mr. Nassef Sawiris, a Director of your company, is also the Chairman and CEO of Orascom Construction Industries SAE.

Mr. Jérôme Guiraud, a Director of your company, is also a Director of Orascom Construction Industries SAE.

Amendment to the Agreement for the sale and purchase of the share capital of Orascom Building Materials Holding SAE reached between Lafarge and Orascom Construction Industrie SAE on December 9, 2007

At its Meeting on February 18, 2010, the Board of Directors authorized the signature of this amendment dated February 22, 2010.

Under the agreement dated December 9, 2007, your company acquired 50% of a joint venture in Saudi Arabia (Alsafwa Cement Company). The agreement also stipulated that Orascom Construction Industries SAE would transfer various licenses and authorizations, as well as shares and rights on land and tangible assets, as required for the company's activity, to the Company. Your company also benefited from a guarantee, pursuant to which a claim has been filed.

The purpose of the amendment, dated February 22, 2010, is (i) to set the general framework for the steps that your company has to implement to further develop the company and (ii) stipulates that these steps will be implemented without prejudice to the rights and claims of each party to the Agreement, which are preserved and maintained.

Neuilly-sur-Seine and Paris-La Défense, March 16, 2012

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIÉS
Arnaud de Planta Frédéric Gourd

ERNST & YOUNG AUDIT
Christian Mouillon Nicolas Macé

COMPOSITION OF THE BOARD OF DIRECTORS

Lafarge | Board of Directors



Michel Rollier, Michel Bon, Bertrand Collomb, Baudouin Prot, Philippe Charrier, Jérôme Guiraud, Ian Gallienne, Paul Desmarais, Jr.
Philippe Dauman, Véronique Weill, Nassef Sawiris, Juan Gallardo
Hélène Ploix, Thierry de Rudder, Bruno Lafont, Colette Lewiner, Oscar Fanjul

Presentation of the Directors – Expertise and experience

BRUNO LAFONT

(born on June 8, 1956)
French citizen

BUSINESS ADDRESS:

61, rue des Belles Feuilles, 75116 Paris, France

NUMBER OF LAFARGE SHARES HELD:

24,006

EXPERIENCE AND EXPERTISE

Chairman of the Board of Directors and Chief Executive Officer

Bruno Lafont was appointed as Chairman of the Board of Directors in May 2007. He has held the office of Director since May 2005 and Chief Executive Officer since January 1, 2006. He graduated from the Hautes Études Commerciales business school (HEC 1977, Paris) and the École Nationale d'Administration (ENA 1982, Paris). He began his career at Lafarge in 1983 and held various positions in finance and international operations. In 1995, Mr Lafont was appointed Group Executive Vice-President, Finance, then Executive Vice-President of the Gypsum Division in 1998. Mr Lafont joined the Group's General Management as Chief Operating Officer between May 2003 and December 2005. He also acts as Director for EDF and ArcelorMittal (Luxembourg).

POSITION (APPOINTMENT/RENEWAL/EXPIRY OF TERM OF OFFICE)

Appointment as Director of Lafarge in 2005. Expiry of his term of office after the General Meeting called to approve the 2012 financial statements. Chief Executive Officer since January 2006. Chairman and Chief Executive Officer since May 2007.

POSITIONS HELD IN FRANCE AND ABROAD OVER THE LAST FIVE YEARS

CURRENT POSITIONS:

In France:

Director, Chairman and Chief Executive Officer of Lafarge (listed company)
Director of EDF (listed company)

Abroad:

Director of ArcelorMittal (Luxembourg) (listed company)
Positions in various subsidiaries of the Group:
Director of Lafarge India Private Limited (India)
Director of Lafarge Shui On Cement Limited (China)

OVER THE LAST FIVE YEARS THAT HAVE ENDED, IN FRANCE AND INTERNATIONAL:

Abroad:

Positions in various subsidiaries of the Group

COMPOSITION OF THE BOARD OF DIRECTORS

OSCAR FANJUL (born on May 20, 1949) Spanish citizen	BUSINESS ADDRESS: Paseo de la Castellana, 28-5, ES-28046 Madrid, Spain	NUMBER OF LAFARGE SHARES HELD: 6,193
EXPERIENCE AND EXPERTISE		
Vice-Chairman of the Board and Director, member of the Corporate Governance and Nominations Committee, member of the Remunerations Committee Oscar Fanjul was appointed to the Lafarge Board of Directors in 2005 and has been Vice-Chairman of the Board since August 1, 2007. He began his career in 1972 working for the industrial holding I.N.I. (Spain), then acted as Chairman Founder and Chief Executive Officer and Founder of Repsol (Spain) until 1996. He acts as Chairman of Deoleo, S.A. (Spain) and Vice-Chairman of Omega Capital, SL (Spain). Oscar Fanjul also is a Director of Marsh & McLennan Companies (United States) and Acerinox (Spain).		
POSITION (APPOINTMENT/RENEWAL/EXPIRY OF TERM OF OFFICE)		
Appointment as Director of Lafarge in 2005. Expiry of his term of office after the General Meeting called to approve the 2012 financial statements.		
POSITIONS HELD IN FRANCE AND ABROAD OVER THE LAST FIVE YEARS		
CURRENT POSITIONS: In France: Director and Vice-Chairman of the Board of Lafarge (listed company) Abroad: Vice-Chairman of Omega Capital (Spain) Director of Marsh & McLennan Companies (USA) (listed company) Director of Acerinox (Spain) (listed company) Chairman of Deoleo, S.A. (Spain) (listed company)	OVER THE LAST FIVE YEARS THAT HAVE ENDED, IN FRANCE AND INTERNATIONAL: In France: Director of Areva (listed company) until 2011 Abroad: Director of Unilever (United Kingdom) (listed company) Director of Colonial (Spain) (listed company) Director of the London Stock Exchange (United Kingdom) (listed company)	
MICHEL BON (born on July 5, 1943) French citizen	BUSINESS ADDRESS: 86, rue Anatole-France, 92300 Levallois-Perret, France	NUMBER OF LAFARGE SHARES HELD: 6,800
EXPERIENCE AND EXPERTISE		
Director, member of the Audit Committee, member of the Strategy, Investment and Sustainable Development Committee Michel Bon was appointed to the Lafarge Board of Directors in 1993. He is Chairman of the Supervisory Board of Devoteam and Éditions du Cerf. He is also a Director of Sonepar and senior adviser to Roland Berger and Vermeer Capital. He previously served as Chairman and Chief Executive Officer of France Telecom from 1995 to 2002, and Chief Executive Officer then Chairman and Chief Executive Officer of Carrefour from 1985 to 1992.		
POSITION (APPOINTMENT/RENEWAL/EXPIRY OF TERM OF OFFICE)		
Appointment as Director of Lafarge in 1993. Expiry of his term of office after the General Meeting called to approve the 2012 financial statements.		
POSITIONS HELD IN FRANCE AND ABROAD OVER THE LAST FIVE YEARS		
CURRENT POSITIONS: In France: Director of Lafarge (listed company) Director of Sonepar Chairman of the Supervisory Board of Éditions du Cerf Chairman of the Supervisory Board of Devoteam (listed company) Abroad: Director of SONAE (Portugal)	OVER THE LAST FIVE YEARS THAT HAVE ENDED, IN FRANCE AND INTERNATIONAL: In France: Director of Provimi until 2010 Director of Editis until 2009 Censor of Asterop until 2008 Director of Banque Transatlantique until 2007 Abroad: Director of Myriad (Switzerland) until 2011 Director of Cie Européenne de Téléphonie (Luxembourg) until 2011	

COMPOSITION OF THE BOARD OF DIRECTORS

PHILIPPE CHARRIER (born on August 2, 1954) French citizen	BUSINESS ADDRESS: 60-62, rue d'Hauteville, 75010 Paris, France	NUMBER OF LAFARGE SHARES HELD: 5,382
EXPERIENCE AND EXPERTISE		
Director, member of the Remunerations Committee, member of the Strategy, Investment and Sustainable Development Committee Philippe Charrier was appointed to the Lafarge Board of Directors in 2005. He acts as President of Labco, Chairman of the Board of Directors of Alphident and Dental Emco S.A. He is also a Founder member of the Club Entreprise et Handicap and a Director of Rallye. He is President of the association Cap' Cités established in 2010 and President of the Clubhouse established in 2011. He was Vice-President, Chief Executive Officer and Director of CEnobiol from 2006 to 2010 and Chairman and Chief Executive Officer of Procter & Gamble France from 1999 to 2006. He joined Procter & Gamble in 1978 and held various financial positions before serving as Chief Financial Officer from 1988 to 1994, Marketing Director in France from 1994 to 1996, and Chief Operating Officer of Procter & Gamble Morocco from 1996 to 1998.		
POSITION (APPOINTMENT/RENEWAL/EXPIRY OF TERM OF OFFICE)		
Appointment as Director of Lafarge in 2005. Expiry of his term of office after the General Meeting called to approve the 2012 financial statements.		
POSITIONS HELD IN FRANCE AND ABROAD OVER THE LAST FIVE YEARS		
CURRENT POSITIONS:	OVER THE LAST FIVE YEARS THAT HAVE ENDED, IN FRANCE AND INTERNATIONAL:	
In France: Director of Lafarge (listed company) President of Labco Chairman of the Board of Directors of Alphident and Dental Emco S.A. (subsidiary of Alphident) Director of Rallye (listed company) Director and Vice-president of the UNAFAM	In France: Vice-President, Chief Executive Officer and Director of CEnobiol from 2006 to 2010 Chairman of the Supervisory Board of Spotless Group until 2010 Chairman of Entreprise et Progrès until 2009 Chairman and Chief Executive Officer of Procter & Gamble in France from 1999 to 2006	
BERTRAND COLLOMB (born on August 14, 1942) French citizen	BUSINESS ADDRESS: 61, rue des Belles Feuilles, 75116 Paris, France	NUMBER OF LAFARGE SHARES HELD: 112,942
EXPERIENCE AND EXPERTISE		
Director and Honorary Chairman Bertrand Collomb was appointed to the Lafarge Board of Directors in 1987 and served as Chairman and Chief Executive Officer from 1989 to 2003 and Chairman of the Board of Directors from 2003 to 2007. He previously held various executive positions with the Group, namely in North America, from 1975 to 1989 and in the French Ministry of Industry and government cabinets from 1966 to 1975. He is a Director of Total, Atco Ltd. (Canada) and DuPont (US). He is also a Chairman of the Institut des hautes études for Science and Technology and member of the Executive Committee of the European Institute of Innovation and Technology. He is a member of the Institut de France and Deputy Chairman of the "Académie des sciences morales et politiques".		
POSITION (APPOINTMENT/RENEWAL/EXPIRY OF TERM OF OFFICE)		
Appointment as Director of Lafarge in 1987. Expiry of his term of office after the General Meeting called to approve the financial statements for 2011, in accordance with the Articles of Association of Lafarge governing the Directors' age limit. Honorary Chairman of Lafarge.		
POSITIONS HELD IN FRANCE AND ABROAD OVER THE LAST FIVE YEARS		
CURRENT POSITIONS:	OVER THE LAST FIVE YEARS THAT HAVE ENDED, IN FRANCE AND INTERNATIONAL:	
In France: Director of Lafarge (listed company) Director of Total (listed company) Abroad: Director of Atco Ltd. (Canada) (listed company) Director of DuPont (USA) (listed company)	Abroad: Positions in various subsidiaries of the Group until 2007	

COMPOSITION OF THE BOARD OF DIRECTORS

PHILIPPE DAUMAN (born on March 1, 1954) American citizen	BUSINESS ADDRESS: 1515 Broadway, New York, NY 10036, USA	NUMBER OF LAFARGE SHARES HELD: 1,143
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EXPERIENCE AND EXPERTISE

Director, member of the Corporate Governance and Nominations Committee, member of the Strategy, Investment and Sustainable Committee, Philippe Dauman was appointed to the Lafarge Board of Directors in May 2007. He has been President and Chief Executive Officer of Viacom Inc. (US) since September 2006. He was previously Joint Chairman of the Board and Managing Director of DND Capital Partners LLC (US) from May 2000. Before creating DND Capital Partners, Philippe Dauman was Vice-Chairman of the Board of Viacom from 1996 to May 2000, Executive Vice-President from 1995 to May 2000, and Chief Counsel and Secretary of the Board from 1993 to 1998. Prior to that, he was a partner in New York law firm Shearman & Sterling. He served as Director of Lafarge North America from 1997 to 2006. He is currently a Director of Viacom Inc. and National Amusements Inc. (US), a member of the Dean's Council for the University of Columbia Law School, a member of the Business Roundtable (US), a member of the Executive Committee of the National Cable & Telecommunications Association (US), and Vice-president of the Partnership for New York (US). He is also a member of the Board of Kipp Foundation (US), a member of The Paley Center for Media's Council (US), and a member of the Executive Committee of Lenox Hill Hospital (US).

POSITION (APPOINTMENT/RENEWAL/EXPIRY OF TERM OF OFFICE)

Appointment as Director of Lafarge in 2007. Expiry of his term of office after the General Meeting called to approve the 2014 financial statements.

POSITIONS HELD IN FRANCE AND ABROAD OVER THE LAST FIVE YEARS

CURRENT POSITIONS:

OVER THE LAST FIVE YEARS THAT HAVE ENDED, IN FRANCE AND INTERNATIONAL:

In France:

Director of Lafarge (listed company)

Abroad:

Director, President and Chief Executive Officer of Viacom Inc. (USA) (listed company)
Director of National Amusements Inc. (USA) (listed company)

PAUL DESMARAI, JR.
(born on July 3, 1954)
Canadian citizen

BUSINESS ADDRESS:
751, Square Victoria, Montreal, Quebec H2Y 2J3, Canada

NUMBER OF LAFARGE SHARES HELD:
6,715

EXPERIENCE AND EXPERTISE

Director, member of the Strategy, Investment and Sustainable Development Committee

Paul Desmarais, Jr. was appointed to the Lafarge Board of Directors in January 2008. He has been Chairman and Co-Chief Executive Officer of Power Corporation of Canada (PCC) since 1996 and Co-Chief Executive Office and Chairman of the Board of Power Financial Corporation (PFC). Prior to joining PCC in 1981, he was at SG Warburg & Co. in London and Standard Brands Incorporated in New York. He was President and Chief Operating Officer of PFC from 1986 to 1989 and Chairman from 1990 to 2005. He is a Director and member of the Executive Committee of many Power group companies in North America. He is also Executive Director and Vice-Chairman of the Board of Pargesa Holding S.A. (Switzerland), and a Director of Groupe Bruxelles Lambert (Belgium), Total S.A. and GDF-Suez (France). Paul Desmarais, Jr. is Chairman of the Board of Governors of the International Economic Forum of the Americas, Founder and Chairman of the International Advisory Committee of the école des Hautes Études Commerciales (HEC) in Montreal and Founder and member of the International Advisory Board of the McGill University Faculty of Management. He is a member of the International Council and a Director of the INSEAD, and one of the trustees and Vice-president of the Brookings Institution (Washington, US). Paul Desmarais, Jr. is a member of the Economic Consultative Council directed by minister Flaherty (Canada), member of the Board of the Trudeau Foundation, Vice-Chairman of the Board and member of the Executive Committee of the CCCE (Conseil canadien des chefs d'entreprise). He is also member of the Honorary Council of the Peres Center for peace, member of the "National Strategy Council" of the Mazankowski Alberta Heart Institute, member of the BAC and Co-President of the national campaign for the preservation of nature in Canada (NCC). Paul Desmarais, Jr. studied at McGill University where he obtained a Bachelor's degree in Commerce. He then graduated from the European Institute of Business Administration (INSEAD) in Fontainebleau, France, with an MBA.

POSITION (APPOINTMENT/RENEWAL/EXPIRY OF TERM OF OFFICE)

Appointment as Director of Lafarge in 2008. Expiry of his term of office after the General Meeting called to approve the 2011 financial statements. The renewal of his term of office will be proposed at the Shareholders General Meeting to be held on May 15, 2012.

COMPOSITION OF THE BOARD OF DIRECTORS

PAUL DESMARAIS, JR. (born on July 3, 1954) Canadian citizen	BUSINESS ADDRESS: 751, Square Victoria, Montreal, Quebec H2Y 2J3, Canada	NUMBER OF LAFARGE SHARES HELD: 6,715
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POSITIONS HELD IN FRANCE AND ABROAD OVER THE LAST FIVE YEARS

CURRENT POSITIONS:

In France:

Director of Lafarge (listed company)
Director of Total S.A. (listed company)
Director of GDF-Suez (listed company)

Abroad:

Chairman of the Board and Co-Chief Executive Officer of Power Corporation of Canada (listed company)
Co-Chief Executive Officer and Director of Power Financial Corporation (Canada) (listed company)
Vice-Chairman of the Board of Directors and Deputy Managing Director of Pargesa Holding (Switzerland) (listed company)
Director and member of the Executive Committee of Great-West, Compagnie d'assurance-vie (Canada)
Director and member of the Executive Committee of Great-West Life & Annuity Insurance Company (USA) Director and member of the Executive Committee of Great-West Lifeco Inc. (Canada) (listed company)
Director and member of the Executive Committee of Groupe Bruxelles Lambert S.A. (Belgium) (listed company)
Director and member of the Executive Committee of Groupe Investors Inc. (Canada)
Director and member of the Executive Committee of London Insurance Group Inc. (Canada)
Director and member of the Executive Committee of London Life Compagnie d'assurance-vie (Canada)
Director and member of the Executive Committee of Mackenzie Inc. (Canada) (listed company)
Director and member of the Executive Committee of Canada Life Assurance Company (Canada)
Director and member of the Executive Committee of Canada Life Financial Corporation (Canada)
Director and member of the Executive Committee of Canada Life Capital Corporation (Canada)
Director and member of the Executive Committee of Power Corporation International (Canada)
Director and Vice-president of the Board of Square Victoria Communications Group Inc. (Canada)
Director and member of the Executive Committee of Crown Life Insurance Company (Canada)
Director and member of the Executive Committee of IGM Financial Inc. (Canada)
Member of the Supervisory Board of Parjointco N.V. (Netherlands)
Director of Gesca Ltée (Canada)
Director of La Presse Ltée (Canada)
Director of Power Communications Inc. (Canada)
Member of the Board of Directors of Putnam Investments LLC (USA)
Director of Power Financial B.V. (Netherlands)

OVER THE LAST FIVE YEARS THAT HAVE ENDED, IN FRANCE AND INTERNATIONAL:

In France:

Vice-Chairman of the Board of Imérys (listed company)
Member of the International Advisory Board of the Group La Poste

Abroad:

Director of GWL Properties (Canada) until 2007
Director of Les Journaux Trans-Canada (1996) Inc. (Canada)

COMPOSITION OF THE BOARD OF DIRECTORS

JUAN GALLARDO (born on July 28, 1947) Mexican citizen	BUSINESS ADDRESS: Monte Caucaso 915 - 4 piso, Col. Lomas de Chapultepec C.P., MX 11000 Mexico, Mexico	NUMBER OF LAFARGE SHARES HELD: 1,500
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EXPERIENCE AND EXPERTISE

Director, member of the Audit Committee, member of the Corporate Governance and Nominations Committee, member of the Remunerations Committee

Juan Gallardo was appointed to the Lafarge Board of Directors in 2003. He has been Chairman of Grupo Embotelladoras Unidas S.A. de C.V. (Mexico) since 1985. He is the Chairman of Grupo Azucarero Mexico S.A., a Director of IDEA S.A. and Caterpillar Inc. (USA). He is a member of the Mexican Business Roundtable. He was previously a member of the International Advisory Council of Lafarge, the Chairman of the Fondo Mexico, Vice-President of Home Mart Mexico and Director of Grupo Mexico S.A. de C.V. (Mexico).

POSITION (APPOINTMENT/RENEWAL/EXPIRY OF TERM OF OFFICE)

Appointment as Director of Lafarge in 2003. Expiry of his term of office after the General Meeting called to approve the 2012 financial statements.

POSITIONS HELD IN FRANCE AND ABROAD OVER THE LAST FIVE YEARS

CURRENT POSITIONS:

In France:

Director of Lafarge (listed company)

Abroad:

Chairman of the Board of Directors of Grupo Embotelladoras Unidas, S.A. de C.V. (Mexico) (listed company)
 Chairman of Grupo Azucarero Mexico S.A. (Mexico) (listed company)
 Director of IDEA S.A. (Mexico)
 Director of Caterpillar Inc. (USA) (listed company)

OVER THE LAST FIVE YEARS THAT HAVE ENDED, IN FRANCE AND INTERNATIONAL:

In France:

Member of the International Advisory Board of Textron Inc. (listed company)

Abroad:

Director of Mexicana de Aviacion (Mexico) until 2010
 Director of Grupo Mexico S.A. de C.V. (Mexico) (listed company)

IAN GALLIENNE (born on January 23, 1971) French citizen	BUSINESS ADDRESS: Avenue Marnix 24, 1000 Bruxelles, Belgium	NUMBER OF LAFARGE SHARES HELD: 1,143
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EXPERIENCE AND EXPERTISE**Director, member of the Remunerations Committee**

Ian Gallienne was appointed as a Director by the Board of Directors of Lafarge on November 3, 2011. Ian Gallienne is Managing Director of Groupe Bruxelles Lambert (Belgium) since January 1, 2012. He has a degree in Management and Administration, with a specialization in Finance, from the E.S.D.E. in Paris and an MBA from INSEAD in Fontainebleau. He began his career in Spain, in 1992, as co-founder of a commercial company. From 1995 to 1997, he was a member of management of a consulting firm specialised in the reorganization of ailing companies in France. From 1998 to 2005, he was Manager of the private equity funds Rhône Capital LLC in New York and London. From 2005 to 2012, he founded and served as Managing Director of the private equity funds Ergon Capital Partners, Ergon Capital Partners II and Ergon Capital Partners III in Brussels. He has been a Director of Groupe Bruxelles Lambert (Belgium) since 2009 and of Imerys (France) since 2010.

POSITION (APPOINTMENT/RENEWAL/EXPIRY OF TERM OF OFFICE)

Cooptation as a Director of Lafarge in 2011. Expiry of his term of office after the General Meeting called to approve the 2011 financial statements. The ratification of his cooptation by the Board of Directors and the renewal of his term of office will be proposed at the Shareholders General Meeting to be held on May 15, 2012.

POSITIONS HELD IN FRANCE AND ABROAD OVER THE LAST FIVE YEARS**CURRENT POSITIONS:****In France:**

Director of Lafarge (listed company)
Director of Imerys (listed company)
Director of PLU Holding S.A.S

Abroad:

Managing Director of Ergon Capital Partners S.A. (Belgium), Ergon Capital Partners II S.A. (Belgium) and Ergon Capital Partners III S.A. (Belgium)
Director of Ergon Capital S.A. (Belgium)
Director of Steel Partners N.V. (Belgium)
Director of Gruppo Banca Leonardo SpA (Italy)
Managing Director of Egerton S.à r.l (Luxemburg) and Ergon Capital II s.à r.l (Luxemburg)
Managing Director of Groupe Bruxelles Lambert S.A (Belgium) (listed company)

OVER THE LAST FIVE YEARS THAT HAVE ENDED, IN FRANCE AND INTERNATIONAL:**In France:**

Director of Central Parc Villepinte S.A (until July 31, 2011)
Director of EliTech Group S.A.S (until December 31, 2011)
Director of the "Fonds de dotations du Palais"

Abroad:

Director of Arno Glass S.A (Luxemburg) until June 1, 2009
Director of La Gardenia Beauty SpA (Italy) until December 31, 2011
Director of Seves Spa (Italy) until December 31, 2011
Director of Groupe De Boeck S.A (Belgium) until December 31, 2011

COMPOSITION OF THE BOARD OF DIRECTORS

JÉRÔME GUIRAUD (born on January 7, 1961) French citizen	BUSINESS ADDRESS: 4 Cork street, London W1S 3LB, United Kingdom	NUMBER OF LAFARGE SHARES HELD: 3,948
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EXPERIENCE AND EXPERTISE

Director, member of the Audit Committee

Jérôme Guiraud was appointed to the Lafarge Board of Directors in 2008. He graduated from Hautes Études Commerciales (HEC 1984 – Paris). Jérôme Guiraud started his career at the French Embassy in Zagreb (Croatia) in 1985 as Deputy to the Attaché Commercial. He joined the Société Générale group, at the Inspection Générale, department in 1986. From 1993 he has held various managing positions abroad, in Europe and in emerging countries on capital markets, then as Country Manager and Director of the Société Générale group's listed subsidiaries. He joined the NNS group in 2008. He is currently a Director Chief Executive Officer of NNS Capital and a Director and Audit Committee's member of Orascom Construction Industries (significant construction and in fertilizer company, listed on London, N.Y. and Cairo stock exchanges).

POSITION (APPOINTMENT/RENEWAL/EXPIRY OF TERM OF OFFICE)

Appointment as Director of Lafarge in 2008. Expiry of his term of office after the General Meeting called to approve the 2011 financial statements. The renewal of his term of office will be proposed at the Shareholders General Meeting to be held on May 15, 2012.

POSITIONS HELD IN FRANCE AND ABROAD OVER THE LAST FIVE YEARS

CURRENT POSITIONS:

In France:

Director of Lafarge (listed company)

Abroad:

Director Chief Executive Officer of NNS Capital (United Kingdom)

Director of Orascom Construction Industries S.A.E (Egypt) (listed company)

OVER THE LAST FIVE YEARS THAT HAVE ENDED, IN FRANCE AND INTERNATIONAL:

Abroad:

Chairman of the Executive Board of Société Générale Marocaine de Banque (Morocco) and Director of Morocco subsidiaries of the Groupe Société Générale from 2004 to 2008 (Morocco)

Director of Maphars (Morocco subsidiary of Sanofi-Aventis) from 2006 to 2008

Director of JET4YOU (Morocco subsidiary of TUI) from 2006 to 2008

COLETTE LEWINER

(born on September 19, 1945)
French citizen

BUSINESS ADDRESS:

Tour Europlaza-La Défense 4, 20 avenue André Prothin, 92927
Paris-La Défense, France

NUMBER OF LAFARGE SHARES HELD:

1,653

EXPERIENCE AND EXPERTISE**Director, member of the Strategy, Investment and Sustainable Development Committee**

Colette Lewiner was appointed to the Lafarge Board of Directors in 2010. She is currently Vice-President at Capgemini, and Global Leader of the “Energy, Utilities & Chemicals” sector that she created in 1998 when she joined the Group. She is also non executive Chairman of TDF. She is also Director of Bouygues, Colas (Groupe Bouygues), Eurotunnel, Nexans and TGS Nopec (Norway). From 1992 to 1998, she was Chairman and CEO of SGN-Réseau Eurisys, a subsidiary of Cogema (Areva group). From 1979 to 1992, Colette Lewiner held various positions within the EDF Group, at the Research & Development department, and then at the fuel procurement department that she managed in 1987. In 1989, she created the Development and Commercial Strategy Division and became the first woman Executive Vice-President at EDF. Colette Lewiner is also a member of the French Academy of Technologies and of the European Union Advisory Group on Energy. After entering the École normale supérieure and graduating as a Doctor in Physics (PhD), she started her career as an Associate Professor and Researcher at the Denis Diderot University in Paris.

POSITION (APPOINTMENT/RENEWAL/EXPIRY OF TERM OF OFFICE)

Appointment as Director of Lafarge in 2010. Expiry of her term of office after the General Meeting called to approve the 2013 financial statements.

POSITIONS HELD IN FRANCE AND ABROAD OVER THE LAST FIVE YEARS**CURRENT POSITIONS:****In France:**

Director of Lafarge (listed company)
Director of Nexans (listed company)
Director of Bouygues (listed company)
Director of Colas (Groupe Bouygues)
Director of Eurotunnel
Chairman of TDF (SAS)

Abroad:

Director of TGS-Nopec (Norway) (listed company)

OVER THE LAST FIVE YEARS THAT HAVE ENDED, IN FRANCE AND INTERNATIONAL:**In France:**

Director of La Poste until May 2011

Abroad:

Director of Ocean Rig (Norway) until 2010

COMPOSITION OF THE BOARD OF DIRECTORS

HÉLÈNE PLOIX (born on September 25, 1944) French citizen	BUSINESS ADDRESS: 162, rue du Faubourg-Saint-Honoré, 75008 Paris, France	NUMBER OF LAFARGE SHARES HELD: 1,971
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EXPERIENCE AND EXPERTISE

Director, member of the Audit Committee

Hélène Ploix was appointed to the Lafarge's Board of Directors in 1999. Hélène Ploix is Chairman of Pechel Industries SAS and Pechel Industries Partenaires SAS. She is also Chairman of FSH SAS. She was previously Deputy Chief Executive Officer of Caisse des Dépôts et Consignations (France) and Chairman and Chief Executive Officer of CDC Participations from 1989 to 1995, Chairman of the Caisse Autonome de Refinancement and Chairman of the Supervisory Board of CDC Gestion. She previously served as Special Counsel for the single currency at KPMG Peat Marwick from 1995 to 1996 and as Director of Alliance Boots plc (UK) from 2000 to July 2007. She is a member of the Supervisory Board of Publicis Groupe, a non-executive Director of BNP Paribas, Ferring S.A. (Switzerland), Sofina (Belgium) and, as Pechel Industries Partenaires' permanent representative, she is also a Director of SES (Store Electronic System) and member of the Supervisory Board of other non-listed companies.

POSITION (APPOINTMENT/RENEWAL/EXPIRY OF TERM OF OFFICE)

Appointment as Director of Lafarge in 1999. Expiry of her term of office after the General Meeting called to approve the 2012 financial statements.

POSITIONS HELD IN FRANCE AND ABROAD OVER THE LAST FIVE YEARS

CURRENT POSITIONS:

In France:

Director of Lafarge (listed company)
 Director of BNP Paribas (listed company)
 Member of the Supervisory Board of Publicis Groupe (listed company)
 Director of SES (Store Electronic Systems) (representing Pechel Industries Partenaires)
 Chairman of Pechel Industries SAS
 Chairman of Pechel Industries Partenaires SAS
 Chairman of FSH SAS
 Director of Ypso Holding S.A. (as legal representative of Pechel Industries Partenaires)
 Manager of Hélène Ploix SARL
 Manager of HMJ (Hélène Marie Joseph) SARL
 Manager of Sorepe Société Civile
 Member of the Supervisory Board of Goëmar Développement (as permanent representative of Pechel Industries Partenaires SAS)
 Member of the Supervisory Board of Laboratoires Goëmar (as permanent representative of Pechel Industries Partenaires SAS)

Abroad:

Director of Ferring S.A. (Switzerland)
 Director of Sofina (Belgium)
 Managing Director of Goëmar Holding (Luxembourg) – representing Pechel Industries Partenaires

OVER THE LAST FIVE YEARS THAT HAVE ENDED, IN FRANCE AND INTERNATIONAL:

In France:

Chairman of Pechel Services SAS
 Various positions as Director in relation with her position in Pechel Industries Partenaires (Xiring, Quinette Gallay, CVGB-Dourthe Kressman S.A., HFR6 S.A., SVP Management et Participations S.A.)

Abroad:

Director of Alliance Boots plc (United Kingdom) from 2000 to 2007
 Director of Completel NV (Netherlands) (end of the term of office December 31, 2010)

BAUDOUIN PROT (born on May 24, 1951) French citizen	BUSINESS ADDRESS: 3 rue d'Antin, 75002 Paris, France	NUMBER OF LAFARGE SHARES HELD: 1,250
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EXPERIENCE AND EXPERTISE**Director, member of the Strategy, Investment and Sustainable Development Committee and member of the Corporate Government and Nominations Committee**

Baudouin Prot has been appointed as Director of Lafarge in 2011. He is Chairman of BNP Paribas since December 2011. After graduating from the French business school HEC in 1972 and from ENA in 1976, Baudouin Prot joined the French Ministry of Finance where he stayed for four years. He then became Deputy Director of Energy and Raw Materials at the French Ministry of Industry for three years. He joined BNP in 1983 as Deputy Director of the intercontinental branch of Banque Nationale de Paris and became Director for Europe in 1985. In 1987, he joined the Central Networks Department, was promoted to Central Director in 1990, and became Executive Vice President of BNP in charge of networks in 1992. Baudouin Prot was appointed Chief Executive Officer of BNP in 1996 and Chief Operating Officer (Directeur général délégué) of BNP Paribas in 1999. In May 2000, he was appointed Director and Chief Operating Officer (Directeur général délégué) of BNP Paribas, and became Director and Chief Executive Officer of the bank in May 2003.

POSITION (APPOINTMENT/RENEWAL/EXPIRY OF TERM OF OFFICE)

Appointment as Director of Lafarge in 2011. Expiry of his term of office after the General Meeting called to approve the 2014 financial statements.

POSITIONS HELD IN FRANCE AND ABROAD OVER THE LAST FIVE YEARS**CURRENT POSITIONS:****In France:**

Director of Lafarge (listed company)
Chairman of BNP Paribas (listed company)
Director of Pinault-Printemps-Redoute (listed company)
Director of Veolia Environnement (listed company)

Abroad:

Director of Erbé SA (Belgium)
Director of Pargesa Holding SA (Switzerland) (listed company)

OVER THE LAST FIVE YEARS THAT HAVE ENDED, IN FRANCE AND INTERNATIONAL:**In France:**

Director of Accor (from January 2006 to February 2009) (listed company)
Chairman of the "Fédération Bancaire Française" (from September 2009 to August 2010)

Abroad:

Director of BNL S.p.A (Italy) (from February 2007 to September 2008)

COMPOSITION OF THE BOARD OF DIRECTORS

MICHEL ROLLIER (born on September 19, 1944) French citizen	BUSINESS ADDRESS: 23, place des Carmes-Déchaux, 63000 Clermont-Ferrand, France	NUMBER OF LAFARGE SHARES HELD: 1,758
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EXPERIENCE AND EXPERTISE

Director, member of the Audit Committee, member of the Corporate Governance and Nominations Committee

Michel Rollier was appointed to the Lafarge Board of Directors in 2008. He has been Managing Partner of the Compagnie Générale des Établissements Michelin since May 2005. He graduated from the Institut d'études politiques (1967) and the Université de Droit of Paris (1968). He previously held several positions with Ausseaud-Rey (International Paper Group) starting in 1971, including controller until 1982, Unit Operational Manager from 1982 to 1987, Chief Financial Officer between 1987 and 1994 and Deputy Managing Director from 1994 to 1996. Michel Rollier joined Michelin as Chief Legal Officer and Head of Financial Operations. He was appointed member of the Michelin Group Executive Council and Chief Financial and Legal Officer in 1999.

POSITION (APPOINTMENT/RENEWAL/EXPIRY OF TERM OF OFFICE)

Appointment as Director of Lafarge in 2008. Expiry of his term of office after the General Meeting called to approve the 2011 financial statements. The renewal of his term of office will be proposed at the Shareholders General Meeting to be held on May 15, 2012.

POSITIONS HELD IN FRANCE AND ABROAD OVER THE LAST FIVE YEARS

CURRENT POSITIONS:

In France:

Director of Lafarge (listed company)
 Managing Partner of the Compagnie Générale des Établissements Michelin (listed company)

Abroad:

Managing Partner of la Compagnie Financière Michelin (Switzerland)

OVER THE LAST FIVE YEARS THAT HAVE ENDED, IN FRANCE AND INTERNATIONAL:

In France:

Director of Moria (until September 2011)

THIERRY DE RUDDER (born on September 3, 1949) Belgian citizen	BUSINESS ADDRESS: Avenue Marnix 24, 1000 Bruxelles, Belgium	NUMBER OF LAFARGE SHARES HELD: 10,842
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EXPERIENCE AND EXPERTISE**Director, member of the Audit Committee, member of the Remunerations Committee**

Thierry de Rudder was appointed to the Lafarge Board of Directors in January 2008. He is a graduate in Mathematics from the University of Geneva and the Université Libre de Bruxelles and has an MBA from Wharton School (Philadelphia, USA). Thierry de Rudder starts his career in the United-States at Citibank in 1975 where he helds various positions in New York and Europe. He is currently Vice-Chairman of the Board of Director and Chairman of the Permanent Committee of Groupe Bruxelles Lambert which he joined in 1986 and was Director until December 2011. He is also Director of Electrabel (Belgium) and GDF-Suez (France).

Gérald Frère and Thierry de Rudder are brothers-in-law.

POSITION (APPOINTMENT/RENEWAL/EXPIRY OF TERM OF OFFICE)

Appointment as Director of Lafarge in 2008. Expiry of his term of office after the General Meeting called to approve the 2011 financial statements.

POSITIONS HELD IN FRANCE AND ABROAD OVER THE LAST FIVE YEARS**CURRENT POSITIONS:****In France:**

Director of Lafarge (listed company)
 Director of GDF-Suez (listed company)

Abroad:

Vice-Chairman of the Board and Chairman of the Permanent Committee of Groupe Bruxelles Lambert (Belgium)
 Director of Electrabel (Belgium)

OVER THE LAST FIVE YEARS THAT HAVE ENDED, IN FRANCE AND INTERNATIONAL:**In France:**

Director of Total S.A. (listed company)
 Director of Imerys until 2010 (listed company)

Abroad:

Various positions as Director in relation with his position in the Groupe Bruxelles Lambert (GBL Finance SA until 2009 and Immobilière Rue de Namur until 2007, GBL Participations until 2010)
 Director of Suez-Tractebel S.A. (Belgium) until 2010

COMPOSITION OF THE BOARD OF DIRECTORS

NASSEF SAWIRIS (born on January 19, 1961) Egyptian citizen	BUSINESS ADDRESS: 61, rue des Belles Feuilles, 75116 Paris, France	NUMBER OF LAFARGE SHARES HELD: 1,671 (this figure does not take into account the shares owned by NNS Holding Sàrl) See Section 6 (Major shareholders)
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EXPERIENCE AND EXPERTISE

Director, member of the Remunerations Committee, member of the Strategy, Investment and Sustainable Development Committee

Nassef Sawiris was appointed to the Lafarge Board of Directors in January 2008. Nassef Sawiris is the major shareholder, Chairman and the Chief Executive Officer of Orascom Construction Industries (OCI), currently the largest listed company on the Egyptian Stock Exchange. Mr Sawiris joined the Orascom Group in 1992 and became the Chief Executive Officer of Orascom Construction Industries in 1998 ahead of its initial public offering, which was successfully completed in 1999. He leads the company in devising its investment strategies. He led the establishment of its cement business, investments in natural gas industries and significant geographic expansion of the construction group. Through investment in complementary business, Mr Sawiris has grown the family business into an international corporation. He is also a Director of the BESIX Group (Belgium) and of NNS holding, a privately-owned investment group in Luxembourg and a Director of the Dubai International Financial Exchange (Nasdaq DIFC). He joined Citigroup's international Advisory Board in 2010. Nassef Sawiris holds a BA in Economics from the University of Chicago, USA.

POSITION (APPOINTMENT/RENEWAL/EXPIRY OF TERM OF OFFICE)

Appointment as Director of Lafarge in 2008. Expiry of his term of office after the General Meeting called to approve the 2011 financial statements. The renewal of his term of office will be proposed at the Shareholders General Meeting to be held on May 15, 2012.

POSITIONS HELD IN FRANCE AND ABROAD OVER THE LAST FIVE YEARS

CURRENT POSITIONS:

In France:

Director of Lafarge (listed company)

Abroad:

Chairman and Chief Executive Officer of Orascom Construction Industries S.A.E (OCI) (Egypt) (listed company)

Director of Besix (Belgium)

Director of NNS Holding (Luxembourg)

Director of Nasdaq DIFX (Dubai International Stock Exchange) (United Arab Emirates)

Director and General Manager of several subsidiaries of OCI Group (Egypt)

Chairman of Lafarge Cement Egypt (Egypt) and positions in various subsidiaries of the Group

OVER THE LAST FIVE YEARS THAT HAVE ENDED, IN FRANCE AND INTERNATIONAL:

Abroad:

Director of OBMH (Orascom Building Material Holding S.A.E)

Director of the Caire and Alexandria Stock Exchange from 2004 to 2007

VÉRONIQUE WEILL (born on September 16, 1959) French citizen	BUSINESS ADDRESS: 25, avenue Matignon, 75008 Paris, France	NUMBER OF LAFARGE SHARES HELD: 1,200
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EXPERIENCE AND EXPERTISE**Director, member of the Audit Committee**

Véronique Weill was appointed to the Lafarge Board of Directors in 2010. Madam Weill is currently Chief Operating Officer of the AXA group, in charge of Marketing, Distribution, IT, Operational Excellence, Procurement and GIE AXA since December 10, 2009. Since January 1, 2009, she is a member of the Executive Committee of the AXA group. Véronique Weill joined AXA in June 2006 as a Chief Executive Officer of AXA Business Services and Group Executive Vice-President of Operational Excellence. In January 2008, she was appointed Executive Vice-President IT and Operational Excellence of the group, including the worldwide management of the companies AXA Technology Services, AXA Group Solutions, AXA Business Services and transversal departments AXA Way Group (Group strategy of operational excellence and service quality) and Group IS (Group IT Strategy). Véronique Weill is also a member of the Scientific Board of the AXA Research Fund. She had previously spent more than 20 years at JP Morgan and has notably served as Group head of Operations for Business Banking and global head of IT & Operations for Asset Management and Private Clients. Véronique Weill graduated from the Institut d'Etudes Politiques of Paris and from the Université la Sorbonne (Licence de Lettres).

POSITION (APPOINTMENT/RENEWAL/EXPIRY OF TERM OF OFFICE)

Appointment as Director of Lafarge in 2010. Expiry of her term of office after the General Meeting called to approve the 2013 financial statements.

POSITIONS HELD IN FRANCE AND ABROAD OVER THE LAST FIVE YEARS**CURRENT POSITIONS:****In France:**

Director of Lafarge (listed company)
Chairman of the Board of AXA Group Solutions (SA)
Chairman and member of the Supervisory Board of GIE AXA Group Solutions
Chairman and member of the Executive Committee, AXA Technology Services (SAS)

Abroad:

Director of AXA Business Services Privates Ltd. (India)

OVER THE LAST FIVE YEARS THAT HAVE ENDED, IN FRANCE AND INTERNATIONAL:**In France:**

Chief Executive Officer of AXA Business Services

To summarize, in order to participate in the Ordinary Shareholders' Meeting on Tuesday, May 15, 2012, you need to:

- be a shareholder of Lafarge;
- request your admission card to attend in person and vote at the Shareholders' Meeting or give instructions to vote by mail or internet or be represented at the Shareholders' Meeting.

Do I need to block my shares to be able to vote?

You do not need to block your shares before the Shareholders' Meeting to be able to vote on the resolutions. You only need to prove you are a shareholder on Thursday, May 10, 2012, (0.00 Paris time) at the latest.

What do I need to do to prove that I am a shareholder?

If you hold registered shares, your account registration is enough to prove that you are a shareholder. You do not have to perform any special formality.

If you hold bearer shares, your financial intermediary has to prove that you are a shareholder through a certificate of holding when sending your voting form to BNP Paribas Securities Services, which is Lafarge's clearing bank.

How do I know if my financial intermediary has been informed that the Lafarge shares are not blocked?

Your financial intermediary was informed by an announcement published in the French mandatory legal notices bulletin (BALO) on March 19, 2012 and by a letter that he received from BNP Paribas Securities Services.

What is the difference between a registered and a bearer share?

The Lafarge registered shares can be either on issuer account (your securities account is opened with BNP Paribas Securities Services, since Lafarge delegated the management of issuer account shares to this service provider), or managed account (your securities account is opened with your financial intermediary). In both cases, Lafarge knows who the holders

of the shares are, and your contact for the Shareholders' Meeting is BNP Paribas Securities Services.

The shares are bearer shares when Lafarge does not know who holds them. Your securities account is opened with your financial intermediary, who is your contact for the Shareholders' Meeting.

Can I receive the notice of Meeting through the internet?

The regulations allow the Company to use the internet to communicate with its shareholders. However, they require the Company to obtain the prior written consent of interested shareholders.

Holders of registered shares can either use the document request form on page 63 to give us their permission and e-mail address in order to receive our notice of Meeting over the internet or must connect to the PlanetShares website (<https://planetshares.bnpparibas.com>) with their usual login and password.

If you then change your mind and decide to once again receive your notice by mail, you only need to inform us by letter addressed to:

BNP Paribas Securities Services
Les Grands Moulins de Pantin
C.T.S. - Service aux Émetteurs
Service Assemblée Lafarge
9, rue du Débarcadère
93761 Pantin Cedex 09

or by e-mail to the address:

paris_bp2s_cts_assemblees@bnpparibas.com within the deadlines mentioned in the article "R225-63 Code de commerce".

Can I vote via internet?

From the Ordinary Shareholders' Meeting of Tuesday, May 15, 2012, shareholders may

vote via internet. The Rules of procedure are explained on page 4. The secured website dedicated to the General Meeting will be open from April 18, 2012 until May 14, 2012, 3 p.m. (Paris time).

Can I receive more than one voting form? If so, why?

If you receive more than one voting form, this indicates that you hold Lafarge shares in several different accounts. Then you need to fill out and return each voting form received.

Where do I send in my voting form?

To BNP Paribas Securities Services for your registered shares. To the financial intermediary administering your shares in the case of bearer shares.

What is the deadline for sending in my voting form?

The voting form must be returned no later than, May 14, 2012, at 3.00 p.m. (Paris time), the deadline by which BNP Paribas Securities Services must be notified of your intentions. However, if you hold bearer shares, we advise that you check with your financial intermediary, since he may require more time to forward your instructions to BNP Paribas Securities Services.

What do I need to attend and participate in Lafarge's Shareholders' Meeting?

If you want to attend the Shareholders' Meeting and vote, you must arrive on the day of the Shareholders' Meeting with your admission card that you will have requested previously using the voting form (check box A).

From whom shall I request the admission card to attend the Shareholders' Meeting?

If you are a registered shareholder, ask BNP Paribas Securities Services by using the pre-paid envelope provided. If you hold bearer shares, ask the financial intermediary (bank, brokerage firm, on-line broker) with whom you have your securities account.

In both cases, you only need to check box A of the voting form and sign at the bottom of the form.

Otherwise, if you are a registered shareholder, you may also ask for your admission card on the PlanetShares website (<https://planetshares.bnpparibas.com>) with your usual login and password.

Who can vote at the Shareholders' Meeting?

All persons holding Lafarge shares on the date of Thursday, May 10, 2012 (0.00 Paris time), who can present valid proof of ownership.

What are the terms by which resolutions are adopted?

For ordinary matters, the Shareholders' Meeting can deliberate at the first convocation only if the shareholders present or represented hold at least 20% of the voting shares. No quorum is required for a second convocation. To be adopted, the resolutions must be approved by the majority (50% +1) of the votes present and represented at the Shareholders' Meeting.

For extraordinary matters, the required quorum is 25% of the voting rights at the first convocation and 20% of voting rights at the second convocation. To be adopted, the resolutions must be approved by two-thirds of the votes present and represented at the Shareholders' Meeting.

Where can I find the voting results on resolutions after the Shareholders' Meeting is concluded?

The voting results on each resolution are available on our website www.lafarge.com, approximately 48 hours after the Shareholders' Meeting.

A Shareholders' Meeting report will be also available on our website www.lafarge.com after the Meeting.

Can I ask a question to the Shareholders' Meeting?

Shareholders attending the Shareholders' Meeting may ask questions before the vote on the proposed resolutions.

Otherwise, any shareholder will be entitled to put written questions until the fourth business day preceding the date of the Meeting, namely until midnight, Paris time on May 9, 2012 (Article R. 225-84 of the Commercial code). Questions must be sent by registered letter with proof of receipt, by midnight on May 9, 2012, to: Lafarge, The Chairman of the Board of Directors, "Written question for the General Meeting", 61, rue des Belles Feuilles, 75116 Paris. In order to be taken into account, questions must be accompanied by a certificate of account registration.

When more than one question has the same content, a single reply may be given. The reply to a written question will be deemed to have been given if it appears on the website at www.lafarge.com (under Shareholders & Investors).

How can I opt for the flat tax rate before payment of the dividend voted at the Shareholders' Meeting?

Since 2008, French individual tax residents may opt for being taxed at a flat tax at a current rate of 21% on their dividends instead of being subject to the individual progressive income tax. Opting for the flat tax rate means that the 40% deduction and the 3,050 euros tax allowance for a married couple filing a joint tax return (1,525 euros for a single taxpayer) do not apply. The form "Option for the taxation of dividends" (Mode d'imposition des dividendes) enables you to exercise this option. It is available upon demand by calling the toll free number **N° Vert 0 800 060 646** (for calls from France only) or +33 1 55 77 61 00, and is also available on the website <http://planetshares.bnpparibas.com>. The form must be received by BNP Paribas Securities Services 15 days before the dividend payment, that is 22 June 2012 at the latest.

Regardless the fact that the taxpayer remains subject to the progressive income tax or chooses for being subject to the 21% flat tax rate, BNP Paribas Securities Services is required to deduct at source the social charges at the current global tax rate of 15.5% from July 1, 2012.

Who should I contact?

To obtain additional information:

All documents that must be provided in the context of this General Meeting are available on our website www.lafarge.com (Shareholders & Investors section).

You can obtain additional information by using the document request form on page 63 of this notice of Meeting brochure, by sending it in directly to:

**BNP Paribas Securities Services
Les Grands Moulins de Pantin
C.T.S. - Service aux Émetteurs
Service Assemblée Lafarge
9, rue du Débarcadère
93761 Pantin Cedex 09**

If, owing to your particular situation, you need additional information or copies of the notice of Meeting, please contact:

Lafarge, Service des Relations avec les Actionnaires,

61, rue des Belles Feuilles,
BP 40 – 75782 Paris Cedex 16 – France
Telephone toll free number:

N° Vert 0 800 060 646
APPEL GRATUIT DEPUIS UN POSTE FIXE

(for calls from France only)

Fax: +33 (0)1 44 34 12 37.

E-mail: actionnaires.individuels@lafarge.com

Or visit: **www.lafarge.com**,
(Shareholders & Investors section)

To participate in the Shareholders' Meeting:

- Contact BNP Paribas Securities Services if your shares are registered (to request your admission card or return your voting form).

**BNP Paribas Securities Services
Les Grands Moulins de Pantin
C.T.S. - Service aux Émetteurs
Service Assemblée Lafarge
9, rue du Débarcadère
93761 Pantin Cedex 09
France**

Téléphone: **N° Vert 0 800 060 646**
APPEL GRATUIT DEPUIS UN POSTE FIXE

(for calls from France only)

or +33 (0)1 55 77 61 00

Fax: +33 (0)1 55 77 34 17.

- Contact your financial intermediary if your shares are in bearer form (to request and return your voting form and to request your admission card).
- To vote or give your proxy, refer to page 4.

DOCUMENTS REQUEST FORM

Ordinary Shareholders' Meeting
Tuesday, May 15, 2012
at 5.00 p.m. at the Salle Pleyel



bringing materials to *life*™

To be returned directly to:

BNP Paribas Securities Services
Les Grands Moulins de Pantin
C.T.S. - Service aux Émetteurs
Service Assemblée Lafarge
9, rue du Débarcadère
93761 Pantin Cedex 09 - France

M. ☐ Mrs ☐ Ms ☐

Last name:

First name:

Full address:

.....

- **I own registered or bearer shares** ⁽¹⁾ and pursuant to the provisions of article R. 225-88 of the French Commercial Code, I am requesting Lafarge to send me all documents and information concerning the Ordinary Shareholders' Meeting of May 15, 2012, as listed in article R. 225-83 of the French Commercial Code.

Documents requested ☐ in French ☐ in English

- **As the holder of registered shares**, I am also requesting, pursuant to article R. 225-88 paragraph 3 of the French Commercial Code, that the documents and information mentioned in articles R. 225-81 and R. 225-83 of the same French Commercial Code be sent to me for each subsequent Shareholders' Meeting.

Documents requested ☐ in French ☐ in English

The regulations allow the Company to use the internet to communicate with its shareholders. However, they require the Company to obtain prior written consent from the shareholders.

- **I am a holder of registered shares and I would like to receive the notice of Meeting brochure by internet** (notice of Meeting and postal voting form or proxy form) for all future Shareholders' Meetings to be held ⁽²⁾.

☐ in French ☐ in English

My email address is:

Holders of registered shares can also opt for receiving notices of meeting by internet by connecting to the PlanetShares website (<https://planetshares.bnpparibas.com>).

Date: 2012

Signature

(1) In this case, please attach a copy of the statement of holdings issued by your financial intermediary.

(2) Should you subsequently change your mind, and wish to receive the notice of Meeting by mail, simply inform us by letter at the following address: BNP Paribas Securities Services - Les Grands Moulins de Pantin - C.T.S. - Service aux Émetteurs - Service Assemblée Lafarge - 9, rue du Débarcadère - 93761 Pantin Cedex 09 or by e-mail to the address paris_bp2s_cts_assemblees@bnpparibas.com within the deadlines mentioned in the article "R225-63 Code de commerce".



www.lafarge.com



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Production: Group Finance department

Design: Group Communication department –  Textuel

Designed & published by  Labrador +33 (0)1 53 06 30 80

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