

LAFARGE TULA, MEXICO - 600,000 tpa state-of-the-art cement plant



***“The best start-up curve
for greenfield projects
in Lafarge history”***



“The Tula plant was delivered four months ahead of schedule and has beaten all the Lafarge's records in terms of safety”

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Tula plant commissioned

Lafarge has doubled its grey cement production capacity in Mexico with the inauguration of a new 600,000tpa state-of-the-art cement plant at Tula, near Mexico City, reinforcing its participation and enabling it to better serve this dynamic, fast growing market.



The new Tula plant, which was inaugurated in late-April in the presence of the Mexican Minister of Economy, and Bertrand Collomb, chairman of Lafarge, represents a total investment of US\$120m for an annual production capacity of 600,000tpa. The main supplier for the project was FCB. Ciment of France.

This modern, low cost, strategically located plant reinforces Lafarge's participation in the growth of the Mexican cement market. As one of the most competitive plants in the area, it should rapidly create value for the Group. As a first step, this investment should generate an EBITDA improvement greater than €20m as early as 2008.

Start-up success

According to Frank Brouwers, plant manager at Tula: "The construction of the state-of-the-art plant at Tula has been a huge success for the Group. The plant was delivered four months ahead of schedule, has beaten all the Group's records in terms of safety and is already running at close to full capacity, having also achieved what is seen as the best start-up curve in Lafarge history."



Photograph by Patrick John Buffe



Ribbon cutting ceremony (left to right): Frank Brouwers, Tula plant manager; Bertrand Collomb, chairman of Lafarge; Minister of Economy; Carlos Castillo, GM Lafarge Mexico; Governor of Hidalgo

performance. We are now ready to deliver the benefits to our clients and our shareholders”.

Increasing product range

Equipped with the latest technology and complying with the Group's environmental standards, the plant will allow Lafarge to offer a range of superior quality products in grey cement to the local market. In fact on April 17, 2006 the Tula plant set a precedent with the introduction of the new Lafarge-branded bagged cement into the local Mexican city market.

White cement will continue to be produced at the Group's nearby cement works at Vito, where capacity has also recently been doubled with a significant improvement in product quality, giving

Supporting a growing market

Bruno Lafont, chief executive officer of Lafarge noted at the opening ceremony: “I am particularly proud to inaugurate this new, state-of-the-art cement plant, exemplifying what Lafarge excels at: leading the way in innovation, technology, sustainable development and performance.

“We have been operating in Mexico since 1999, and have developed a sound knowledge of this growing market, our clients and their specific needs.

“The construction and the start-up of the plant have been a true success, in terms of efficiency, safety and industrial



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Bruno Lafont addresses guests at the opening ceremony, highlighting the successful start-up of the new facility

Lafarge a very useful market share in this more specialised product.

Continuing to build a presence in Mexico

Lafarge first entered the Mexican cement market in 1999 through its subsidiary Lafarge Cementos, which had purchased a small factory: Cemento Portland Blanco de Mexico.

In 2003 the Group announced the project to construct a new cement plant in Tula near to its existing plant in Vito.

As evidence of its commitment to Mexico, Lafarge is also in the Mexican gypsum market via a joint-venture with Comex (Comercial de Pinturas Mexicanas), with the on-going construction of a gypsum wallboard plant.



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