

LafargeHolcim gives its roadmap for the second half of the year – Focus on successful execution of the integration and free cash-flow generation

- **Improve margins and profitability including cost cutting**
- **Deliver synergies of at least CHF 100 million**
- **Reduce capex by at least CHF 200 million**
- **Maintain strength of balance sheet while offering attractive dividend policy**

LafargeHolcim today announces its roadmap for the second half of 2015 as it releases half-year results for Lafarge S.A. as well as Holcim Ltd, the predecessor company of LafargeHolcim Ltd.

Eric Olsen, CEO of LafargeHolcim says: "We continue to operate in a demanding global market environment and this has affected our first-half performance. However, as a new company we have hit the ground running. A team of 200 senior leaders of LafargeHolcim met as early as last week to align on priorities, targets and initiatives to drive the integration process. It is a great team we have on board. We have launched a set of synergy acceleration activities covering areas such as capex, procurement, cement industrial performance, network optimization as well as commercial transformation. We expect to see first tangible results in all areas by year-end."

LafargeHolcim expects to deliver at least CHF 100 million synergies impacting earnings in the period until year-end as part of its program to achieve CHF 1.5 billion (EUR 1.4 billion) run rate synergies by year three.

Leveraging its new footprint, the company has also launched a review of its asset base and the planned capital expenditures for the remainder of the year. It targets an overall reduction in capex of at least CHF 200 million until year-end, compared to what both companies had planned to spend on a standalone basis. This results in capex of below CHF 1.4 billion for the second half of 2015. In parallel, the company has also launched a portfolio review for further optimization.

The company has defined capital allocation discipline as a key focus area with a view to reduce capex and maximize cash generation and returns for shareholders. While ensuring a solid investment grade rating, one objective is to offer an attractive dividend policy.

As a first step, LafargeHolcim has decided on a progressive dividend policy, starting at least at CHF 1.30 per share for the financial year 2015, subject to the approval of the Annual General Meeting in 2016. This will apply to all shares, including the new shares to be awarded to shareholders as a scrip

dividend of one share per 20 shares held that was announced in March. This scrip dividend is now expected to be issued on September 8, 2015.

In terms of net debt, the Group expects net proceeds of around CHF 6.0 billion by year-end from divestments that will be used to reduce debt, supporting a solid financial structure. This would lead to a net debt below CHF 15.0 billion by year-end 2015, prior to the fair value adjustment on the Lafarge debt and a potential squeeze-out of Lafarge S.A.

LafargeHolcim will host its first Capital Markets Day on December 1, 2015 and the new financial calendar for the company can be viewed online.

Practical information:

There will be an analyst conference call at 10:00 am CEST on July 29, 2015 hosted by Eric Olsen, CEO of LafargeHolcim, Thomas Aebischer, CFO of LafargeHolcim and Jean-Jacques Gauthier, Chief Integration Officer – Organization and Human Resources and CFO of Lafarge S.A. The presentation will be made in English with slides that can be downloaded on www.lafargeholcim.com

To access the call, please dial one of the following numbers 10-15 minutes prior to the start of the conference call in order to avoid waiting time:

- Europe: +41 58 310 50 00
- United Kingdom: +44 203 059 58 62
- United States: +1 631 570 56 13

The half-year results of Holcim Ltd and Lafarge S.A. as stand-alone companies are available today from 7.00 am CEST on www.lafargeholcim.com.

About LafargeHolcim

With a well-balanced presence in 90 countries and a focus on Cement, Aggregates and Concrete, LafargeHolcim (SIX Swiss Exchange, Euronext Paris: LHN) is the world leader in the building materials industry. The Group has 115,000 employees around the world and combined net sales of CHF 33 billion (EUR 27 billion) in 2014. LafargeHolcim is the industry benchmark in R&D and serves from the individual homebuilder to the largest and most complex project with the widest range of value-adding products, innovative services and comprehensive building solutions. With a commitment to drive sustainable solutions for better building and infrastructure and to contribute to a higher quality of life, the Group is best positioned to meet the challenges of increasing urbanization.

More information is available on www.lafargeholcim.com