

LafargeHolcim 2016 Capital Markets Day

- **LafargeHolcim on track and delivering**
- **2018 targets adjusted for scope and currency effects**
 - **Adjusted operating EBITDA target upgraded to CHF 7 billion including CHF 200 million additional cost savings**
 - **CHF 5 per share operating Free Cash Flow**
- **Returning cash to shareholders within strict capital allocation discipline**
 - **Dividend of CHF 2 per share proposed at next AGM**
 - **Up to CHF 1 billion share buybacks over the next two years**

Eric Olsen, CEO of LafargeHolcim said: "LafargeHolcim has hit its stride. The Group is on track and the momentum of earnings and cash flow growth is accelerating. We re-affirm our commitment to a solid investment grade rating. Our potential to grow, benefiting from our unique portfolio, operational leverage, ability to differentiate our offer, and optimization of our cost base, underpins our 2018 targets. The result for shareholders is that, within our strict capital allocation discipline, we will deliver significant cash returns including the first tangible measures announced today."

Medium term Group targets adjusted and upgraded

Our 2018 targets have been adjusted to accurately reflect the adjusted scope¹ of the Group and to take into account the evolution of exchange rates². We have identified and initiated CHF 200 million of additional cost savings, which enables us to upgrade our 2018 adjusted operating EBITDA target to CHF 7 billion³, taking into account these adjustments. This translates into a 2018 run rate operating Free Cash Flow range of CHF 2.8 – 3.3 billion, or CHF 5 per share. We now expect a cumulated operating Free Cash Flow of CHF 7.5 billion over 2016-18.

We maintain our commitment to a 2018 run rate capex of less than CHF 2 billion and ROIC improvement of 300bps in 2018 vs. 2015 level.

¹Scope takes account of the changes in Group scale and size as a result of divestments and restructuring

²As of 1 November 2016

³Targets assume current scope adjusted for the entire CHF 5 billion disposal program and foreign exchange at 1 November 2016.

Cash returns to shareholders within strict capital allocation discipline

Consistent with our strict capital allocation discipline and commensurate with maintaining a solid investment grade credit rating, we will sustain an attractive dividend policy.

Therefore, we will propose a dividend per share of CHF 2, up from CHF 1.50 for the previous year, to shareholders at the May 2017 Annual General Meeting. We expect to grow the dividend from a minimum of CHF 2 per share targeting an average payout ratio of 50% through the cycle.

Reflecting our confidence in the strength of our portfolio and our ability to generate cash, we also intend to buy back up to CHF 1 billion of our shares over the next two years.

As the improvement of our operating performance crystallizes, we intend to return excess cash to shareholders, notably through special dividends.

Additional information

Information about the Capital Markets Day, including details how to connect to the webcast, can be found on the Group [web site](#).

Media Call: 9.00am CET

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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 100,000 employees around the world and combined net sales of CHF 29.5 billion in 2015. 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

Important disclaimer - forward-looking statements:

This document contains forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets, as the case may be, including with respect to plans, initiatives, events, products, solutions and services, their development and potential. Although LafargeHolcim believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are difficult to predict and generally beyond the control of LafargeHolcim, including but not limited to the risks described in the LafargeHolcim's annual report available on its Internet website (www.lafargeholcim.com) and uncertainties related to the market conditions and the implementation of our plans. Accordingly, we caution you against relying on forward looking statements. LafargeHolcim does not undertake to provide updates of these forward-looking statements.

Some non-GAAP measures are used in this release to help describe the performance of LafargeHolcim. A set of these non-GAAP definitions can be found on our [web site](#).