

LAFARGEHOLCIM NINE MONTH RESULTS 2015 AND 2018 TARGETS

- Strategic plan and medium term targets announced with key focus on free cash flow generation of at least CHF 10 billion over the next three years
- Merger integration and synergies well on track with actions and initiatives launched in the third quarter; accelerated delivery by end of 2017
- Nine month results impacted by merger and restructuring costs, adverse foreign exchange, an economic slowdown in China and Brazil as well as softness in France and in Switzerland
- Good performance in the United States, United Kingdom and most countries in Asia Pacific and Latin America

This media release represents the Group 2014 and 2015 results as if the merger to create LafargeHolcim had occurred on January 1, 2014; it excludes divested or deconsolidated assets, but includes the newly consolidated subsidiaries (UNICEM Nigeria, Bangladesh, Lafarge Shui On Cement). The figures do not take into consideration any purchase price accounting impact. (*see details on p 13) Adjusted Operating EBITDA stands for operating EBITDA adjusted for merger and restructuring costs.

2015 NINE MONTH & THIRD QUARTER KEY FIGURES

- *Net Sales:* Q3 at CHF 7,825 million, -8.7 percent (-1.1% like for like)
9M at CHF 22,042 million, -6.5 percent (-0.6% like for like)
- *Adjusted Operating EBITDA:* Q3 CHF 1,639 million, -16.1 percent (-8.9% like for like)
9M CHF 4,355 million, -9.0 percent (-3.2% like for like)

Eric Olsen, CEO of LafargeHolcim, commenting on the first set of results since the closing of the merger said "In this quarter, following a thorough integration preparation, we kick-started the actual integration process to have the right organizational structure, action plans and people in place in order to ensure the success of the merger.

"On December 1st, at the Capital Markets Day, we will present the new company's first three-year plan, including a clear roadmap on how we plan to achieve our new targets, one of which is a cumulative 2016 to 2018 free cash flow generation of at least CHF 10 billion. This plan will come into effect on January 1st, 2016 and will become the benchmark against which we will measure LafargeHolcim's performance, including management incentive plans."

Eric Olsen continued "The first nine months of this year and in particular the third quarter, have been impacted by the difficult economic context in some of our large markets, and considerable negative foreign exchange fluctuations. In addition, the closing of the merger triggered both one-off costs and organizational changes, the benefits of which will start coming through next year. At the same time, we have also seen solid market trends that, combined with our commercial efforts, led to good performance in several countries such as Argentina, Mexico, the Philippines, the United Kingdom and the United States."

"In short, we have started laying solid foundations for the new company on which we will build the future success of LafargeHolcim. I am confident in our ability to deliver on the announced synergies and thanks to disciplined capital allocation and superior execution we will outperform our sector. We will maximize cash flow and create sustainable value with the focus on returning excess cash to shareholders while continuing to provide our customers with world-leading innovative products and solutions."

2016 – 2018 STRATEGIC PLAN

The 2016-18 three-year LafargeHolcim strategic plan is built on five value creating pillars:

- **Synergies and cost leadership** – accelerate full merger synergy delivery to the end of 2017 and drive continuous cost reductions
- **Commercial excellence** – accelerate full merger synergy delivery, targeted customer-centric driven solutions to deliver differentiation, continuous focus on value, cross selling, early project involvement and integrated offerings
- **Lean capital spending** – manage capex strictly, asset-light business model leveraging existing asset footprint and tightly manage working capital requirements
- **Dynamic portfolio management** – optimize portfolio and extract full value, with expected divestments of CHF 3.5 billion¹ in 2016
- **Strict capital allocation discipline** – commit to a solid investment grade rating, progressive dividend policy and returning excess cash to shareholders through dividends or share buy-backs

¹Including divestments required in India as part of the merger

The plan does not rely on a market recovery and assumes only 2 percent underlying market growth. In the case of a more rapid and solid recovery of the world markets, the Group stands to benefit from greater operating leverage thanks to its well balanced and geographically diversified portfolio.

Together with our commitment to a solid investment grade rating, this strategic plan translates into the following medium term Group targets²:

- **Free cash flow³**
 - Cumulative free cash flow 2016 to 2018 to be at least CHF 10 billion with an annual run rate in 2018 of at least CHF 6 per share
- **Capex⁴**
 - Cumulative capex 2016 to 2017 of maximum CHF 3.5 billion
- **Operating EBITDA⁵**
 - At least CHF 8.0 billion in 2018
- **ROIC**
 - Increase by at least 300bps from 2015 levels by 2018 based on operational improvements
- **Cash returns to shareholders**
 - Proposed 2015 dividend per share of CHF 1.50
 - Objective to progressively grow dividend and target a pay-out ratio of 50 percent over the cycle
 - Return excess cash to shareholders commensurate with a solid investment grade credit rating

² Constant scope and exchange rates

³ Free cash flow after maintenance and expansion capex

⁴ Excluding capitalized merger implementation costs

⁵ Operating EBITDA before restructuring costs

2015 NINE MONTHS & THIRD QUARTER – HIGHLIGHTS

- Sales volumes in all product lines declined slightly in the first nine months of 2015 due to lower than expected demand in a number of markets impacted by an economic downturn notably in Brazil and China and a lack of infrastructure projects in India. In the third quarter, volume trends stabilized and countries such as Argentina, Mexico, the Philippines and the United Kingdom continued to perform well. In the United States where the market recovery is well under way, we are increasing capacity through revamping and reopening plants.
- Foreign exchange fluctuations had a significant negative impact on net sales of CHF 1.4 billion and adjusted operating EBITDA of CHF 0.3 billion in the first nine months of 2015. This was in part due to the effect of the unpegging of the Swiss franc from the Euro at the beginning of the year and in part to the devaluation of several emerging market currencies during the period.
- Net sales in the nine month period came to CHF 22,042 million at constant exchange rates, broadly stable (-0.6 percent), underpinned by improving performance in North America, Latin America and the Middle East Africa regions. However, China, India and Europe had a negative impact on net sales in the period. In the third quarter, Latin America and Asia Pacific (excluding China and India) continued to see positive trends, whilst Middle East Africa experienced more difficult conditions in Egypt, Nigeria and Zambia. Overall net sales in the quarter reached CHF 7,825 million, down 1.1 percent like for like.
- Adjusted operating EBITDA was down 3.2 percent like for like to CHF 4,355 million in the nine months through September. In the third quarter, adjusted operating EBITDA came to CHF 1,639 million, down 8.9 percent, or down 7.2 percent excluding CO₂ sales of CHF 36 million in the third quarter 2014.
- Merger and restructuring as well as other one-off costs reached CHF 699 million year to date, of which CHF 250 million are merger transaction costs and CHF 320 million are merger implementation costs.
- Synergy action plans started to deliver with CHF 36 million generated in the third quarter. This came primarily from the most immediate actions that we have taken such as optimizing logistic flows in overlapped countries and launching the review of our procurement contracts.
- Cash flow declined 55 percent in the first nine months to CHF 697 million and in the third quarter to CHF 315 million. This is due to merger costs, lower operating EBITDA and disappointing performance in working capital in the third quarter. Detailed plans are in place to improve working capital performance by year end.

- In the third quarter, capital expenditure came to CHF 581 million making a total of CHF 1,688 million year to date. Net debt stood at CHF 18.3 billion at the end of September, impacted by the seasonality of working capital.

2015 OUTLOOK

LafargeHolcim expects that the contrasted evolution of the global economy will continue. A number of markets including China, Brazil, France, India and Switzerland will remain challenging, others such as Argentina, Mexico, the Philippines, the United Kingdom and the United States will likely see continuing positive trends.

The Group estimates that cement volumes will be higher for 2015 in all regions except Europe. Aggregates volumes are expected to be higher in all regions except in Latin America and Europe. Ready-mix concrete volumes are expected to decrease in all regions, except Asia Pacific.

Net debt is expected to be below CHF 17.5 billion on a reported basis at the end of the year. This level would correspond to CHF 15.5 billion before the impact of the squeeze-out and the fair value adjustment booked on the Lafarge S.A. bonds in the opening balance sheet. Compared with our previous guidance, this is slightly higher due to the weakening of the Swiss franc against the US dollar and the Euro in the quarter and the timing of the closing of the India divestment.

2015 synergy targets confirmed with CHF 100 million expected by the end of the year and capital expenditure below CHF 1.4 billion for the second half of 2015.

2015 NINE MONTH RESULTS – DETAILED COMMENTS

Sales volumes

On a pro forma basis, the consolidated cement volumes for the Group in the first nine months of 2015 decreased slightly by 1.3 percent to 189.2 million tonnes as increased shipments in North America and Latin America were offset by declines in Europe and in China. Solid increases were however reported in many markets, including in Egypt, Mexico, Philippines, Canada and the United States. Aggregates volumes were 1.6 percent lower and reached 216.3 million tonnes. Increases in the United States and Middle East Africa did not compensate for lower volumes in Europe over the nine months and in Western Canada in the third quarter. In ready-mix concrete, volumes declined 3.0 percent to 42.6 million cubic meters mainly because of lower performance in Brazil, the United States and France.

Group – Pro Forma information

		Jan-Sept 2015	Jan-Sept 2014	±%	±% like-for-like
Sales of cement	million t	189.2	191.8	-1.3	-1.3
Sales of aggregates	million t	216.3	219.9	-1.6	-1.6
Sales of ready-mix concrete	million m ³	42.6	43.9	-3.0	-3.0
Net sales	million CHF	22,042	23,562	-6.5	-0.6
Operating EBITDA	million CHF	3,657	4,506	-18.8	-14.4
Operating EBITDA adjusted ¹	million CHF	4,355	4,785	-9.0	-3.2
Operating EBITDA margin	%	16.6	19.1		
Operating EBITDA margin adjusted ¹	%	19.8	20.3		
Cash flow from operating activities	million CHF	697	1,359	-48.7	-54.9

¹ Excluding merger and restructuring costs.

Group – Pro Forma information

		July-Sept 2015	July-Sept 2014	±%	±% like-for-like
Sales of cement	million t	65.3	65.2	+0.2	+0.2
Sales of aggregates	million t	86.8	88.2	-1.7	-1.7
Sales of ready-mix concrete	million m ³	15.3	15.3	-0.4	-0.4
Net sales	million CHF	7,825	8,570	-8.7	-1.1
Operating EBITDA	million CHF	1,311	1,837	-28.6	-23.2
Operating EBITDA adjusted ¹	million CHF	1,639	1,953	-16.1	-8.9
Operating EBITDA margin	%	16.8	21.4		
Operating EBITDA margin adjusted ¹	%	20.9	22.8		
Cash flow from operating activities	million CHF	315	1,179	-73.3	-80.0

¹ Excluding merger and restructuring costs.

Financial results

Consolidated net sales reached CHF 22,042 million in the period under review, a slight decrease of 0.6 percent at constant exchange rates, as better performance in North America, Latin America and Middle East Africa did not fully compensate for the lower sales in Europe, China and India. In the third quarter, net sales were down 1.1 percent like for like with improving trends in Latin America and in Asia Pacific excluding China and India. Middle East Africa net sales were impacted in the quarter by more challenging market conditions in Nigeria, Zambia and Egypt. In North America, the impact of lower oil prices in Western Canada limited the growth rate of the region in the quarter.

In the first nine months of the year, foreign exchange rates negatively impacted net sales by 6.0 percent (or CHF -1.4 billion) as a combination of the effect of the adjustment of the Swiss franc at the beginning of the year following the decision by the Swiss National Bank and the devaluation of several emerging market currencies over the period. Most significant impacts

were experienced across Europe (negative impact of CHF -667 million), Latin America (CHF -280 million, half of it in Brazil), Middle East Africa (CHF -363 million with largest impacts in Algeria and Nigeria) and Asia Pacific (CHF -152 million, mainly in Australia and Malaysia).

At constant exchange rates and adjusted for merger and restructuring costs, operating EBITDA was down 3.2 percent year to date. Operating EBITDA margin was 16.6 percent and adjusted for merger and restructuring costs stood at 19.8 percent.

Merger, restructuring and one-off costs were at CHF 699 million year to date. In the third quarter, they amounted to CHF 328 million, of which a total of CHF 272 million was incurred to implement synergy action plans (including a CHF 220 million restructuring provision for the reorganization of the corporate head offices). One-off costs in the quarter also include CHF 30 million of merger transaction costs and CHF 26 million of other non-merger related one-off costs.

Cash flow from operating activities decreased 54.9 percent to CHF 697 million at constant exchange rates in the first nine months of the year mainly driven by merger costs and lower operating EBITDA in Brazil, Indonesia and India. Change in net working capital also negatively impacted the cash flow from operating activities. The usual seasonality at the end of September was amplified by a disappointing performance in working capital. Expressed as a number of days of sales, working capital was higher by 4 days. Action plans are in place to bring working capital to normalized levels by the end of the year.

Capital expenditure

With a disciplined approach to capital allocation, LafargeHolcim confirms its target of being below CHF 1.4 billion in capital expenditures for the second half of 2015. In the third quarter the Group reported capital expenditures of CHF 581 million. In the first nine months of 2015 they reached CHF 1,688 million of which CHF 643 million for maintenance. At CHF 1,045 million, expansion capex mainly comprised of the ongoing large projects launched pre-merger that are being finalized. This includes the revamping projects in North America as well as new lines in Algeria, Indonesia, Brazil and Nigeria.

KEY FIGURES PER GROUP REGION

Lower performance in China, India and Indonesia affects performance in Asia Pacific

Asia Pacific – Pro forma information

		Jan-Sept 2015	Jan-Sept 2014	±%	±% like-for-like
Sales of cement	million t	90.1	91.1	-1.1	-1.1
Sales of aggregates	million t	25.4	25.8	-1.5	-1.5
Sales of ready-mix concrete	million m ³	11.9	11.8	+0.8	+0.8
Net sales	million CHF	6,685	7,076	-5.5	-3.4
Operating EBITDA	million CHF	1,129	1,297	-12.9	-11.1
Operating EBITDA adjusted ¹	million CHF	1,164	1,315	-11.5	-9.6
Operating EBITDA margin	%	16.9	18.3		
Operating EBITDA margin adjusted ¹	%	17.4	18.6		
Cash flow from operating activities	million CHF	562	564	-0.3	-0.1

¹ Excluding merger and restructuring costs.

Asia Pacific – Pro forma information

		July-Sept 2015	July-Sept 2014	±%	±% like-for-like
Sales of cement	million t	29.5	28.9	+2.1	+2.1
Sales of aggregates	million t	9.5	8.4	+12.6	+12.6
Sales of ready-mix concrete	million m ³	4.1	4.1	+1.2	+1.2
Net sales	million CHF	2,136	2,337	-8.6	-2.3
Operating EBITDA	million CHF	345	406	-15.1	-8.7
Operating EBITDA adjusted ¹	million CHF	344	414	-16.8	-10.5
Operating EBITDA margin	%	16.1	17.4		
Operating EBITDA margin adjusted ¹	%	16.1	17.7		
Cash flow from operating activities	million CHF	204	160	+27.7	+32.5

¹ Excluding merger and restructuring costs.

Pressure in France, Switzerland and Azerbaijan weighs on results in Europe

Europe – Pro forma information

		Jan-Sept 2015	Jan-Sept 2014	±%	±% like-for-like
Sales of cement	million t	31.9	33.9	-5.7	-5.7
Sales of aggregates	million t	92.1	94.0	-2.0	-2.0
Sales of ready-mix concrete	million m ³	14.0	14.1	-0.7	-0.7
Net sales	million CHF	5,573	6,411	-13.1	-2.7
Operating EBITDA	million CHF	863	1,101	-21.6	-12.7
Operating EBITDA adjusted ¹	million CHF	961	1,160	-17.1	-7.3
Operating EBITDA margin	%	15.5	17.2		
Operating EBITDA margin adjusted ¹	%	17.3	18.1		
Cash flow from operating activities	million CHF	275	349	-21.2	-18.8

¹ Excluding merger and restructuring costs.

Europe – Pro forma information

		July-Sept 2015	July-Sept 2014	±%	±% like-for-like
Sales of cement	million t	11.8	12.5	-5.2	-5.2
Sales of aggregates	million t	33.4	34.2	-2.3	-2.3
Sales of ready-mix concrete	million m ³	4.9	4.8	+3.6	+3.6
Net sales	million CHF	1,999	2,271	-12.0	-1.8
Operating EBITDA	million CHF	360	496	-27.5	-18.5
Operating EBITDA adjusted ¹	million CHF	377	507	-25.7	-14.1
Operating EBITDA margin	%	18.0	21.9		
Operating EBITDA margin adjusted ¹	%	18.9	22.3		
Cash flow from operating activities	million CHF	238	398	-40.1	-36.7

¹ Excluding merger and restructuring costs.

Solid trends in most markets in Latin America more than offset the challenging economic environment in Brazil

Latin America – Pro forma information

		Jan-Sept 2015	Jan-Sept 2014	±%	±% like-for-like
Sales of cement	million t	21.2	21.1	+0.4	+0.4
Sales of aggregates	million t	5.8	8.2	-29.0	-29.0
Sales of ready-mix concrete	million m ³	5.5	5.9	-7.4	-7.4
Net sales	million CHF	2,457	2,649	-7.3	+3.3
Operating EBITDA	million CHF	679	712	-4.7	+0.9
Operating EBITDA adjusted ¹	million CHF	690	714	-3.4	+2.7
Operating EBITDA margin	%	27.6	26.9		
Operating EBITDA margin adjusted ¹	%	28.1	26.9		
Cash flow from operating activities	million CHF	202	173	+16.7	+8.6

¹ Excluding merger and restructuring costs.

Latin America – Pro forma information

		July-Sept 2015	July-Sept 2014	±%	±% like-for-like
Sales of cement	million t	7.6	7.3	+3.5	+3.5
Sales of aggregates	million t	2.1	2.9	-28.1	-28.1
Sales of ready-mix concrete	million m ³	1.9	2.0	-3.5	-3.5
Net sales	million CHF	840	924	-9.1	+7.0
Operating EBITDA	million CHF	233	253	-7.8	+1.2
Operating EBITDA adjusted ¹	million CHF	238	254	-6.1	+3.3
Operating EBITDA margin	%	27.8	27.4		
Operating EBITDA margin adjusted ¹	%	28.4	27.5		
Cash flow from operating activities	million CHF	99	146	-32.0	-35.7

¹ Excluding merger and restructuring costs.

Contrasted market situations in Middle East Africa

Middle East Africa – Pro forma information

		Jan-Sept 2015	Jan-Sept 2014	±%	±% like-for-like
Sales of cement	million t	32.0	32.7	-2.0	-2.0
Sales of aggregates	million t	8.5	8.2	+3.3	+3.3
Sales of ready-mix concrete	million m ³	4.1	4.5	-7.7	-7.7
Net sales	million CHF	3,459	3,773	-8.3	+1.3
Operating EBITDA	million CHF	1,067	1,212	-12.0	-1.5
Operating EBITDA adjusted ¹	million CHF	1,092	1,248	-12.5	-2.1
Operating EBITDA margin	%	30.8	32.1		
Operating EBITDA margin adjusted ¹	%	31.6	33.1		
Cash flow from operating activities	million CHF	644	801	-19.6	-9.7

¹ Excluding merger and restructuring costs.

Middle East Africa – Pro forma information

		July-Sept 2015	July-Sept 2014	±%	±% like-for-like
Sales of cement	million t	10.4	10.5	-1.7	-1.7
Sales of aggregates	million t	3.0	2.8	+9.0	+9.0
Sales of ready-mix concrete	million m ³	1.3	1.4	-2.2	-2.2
Net sales	million CHF	1,070	1,264	-15.3	-5.1
Operating EBITDA	million CHF	300	404	-25.8	-15.3
Operating EBITDA adjusted ¹	million CHF	311	418	-25.7	-15.1
Operating EBITDA margin	%	28.1	32.0		
Operating EBITDA margin adjusted ¹	%	29.0	33.1		
Cash flow from operating activities	million CHF	192	335	-42.7	-35.6

¹ Excluding merger and restructuring costs.

Solid performance in the United States and Canada

North America – Pro forma information

		Jan-Sept 2015	Jan-Sept 2014	±%	±% like-for-like
Sales of cement	million t	16.0	15.5	+3.3	+3.3
Sales of aggregates	million t	84.6	83.8	+1.0	+1.0
Sales of ready-mix concrete	million m ³	7.0	7.5	-6.7	-6.7
Net sales	million CHF	4,177	3,951	+5.7	+5.4
Operating EBITDA	million CHF	839	744	+12.8	+12.8
Operating EBITDA adjusted ¹	million CHF	857	760	+12.9	+12.8
Operating EBITDA margin	%	20.1	18.8		
Operating EBITDA margin adjusted ¹	%	20.5	19.2		
Cash flow from operating activities	million CHF	97	(40)	+340.0	+373.4

¹ Excluding merger and restructuring costs.

North America – Pro forma information

		July-Sept 2015	July-Sept 2014	±%	±% like-for-like
Sales of cement	million t	7.0	6.9	+2.0	+2.0
Sales of aggregates	million t	38.8	39.9	-2.9	-2.9
Sales of ready-mix concrete	million m ³	3.0	3.2	-5.7	-5.7
Net sales	million CHF	1,889	1,866	+1.2	+2.5
Operating EBITDA	million CHF	507	498	+1.7	+2.4
Operating EBITDA adjusted ¹	million CHF	519	501	+3.6	+4.3
Operating EBITDA margin	%	26.8	26.7		
Operating EBITDA margin adjusted ¹	%	27.5	26.8		
Cash flow from operating activities	million CHF	353	267	+32.1	+31.7

¹ Excluding merger and restructuring costs.

** For the purpose of the proposed merger, the 2014 pro forma information that was included in the Registration Document registered on May 11, 2015 reflected only the effect of the merger Lafarge/Holcim and its direct consequences (notably the divestments to CRH) as known at that time. Now with the merger completed, the pro forma financial information included in this media release, in addition to the merger and the latest changes in the scope of the divestments achieved in the context of the merger Lafarge/Holcim, also reflects the impact of the reclassification of merger related and restructuring costs, the deconsolidation of the Australian business operated under a joint-venture and the effect of the divestments achieved over the course of 2014 and 2015 initiated or completed. These figures do not take into consideration any purchase price accounting impact.*

Additional information

The analyst presentation of the results and the nine months interim report are available on the website of LafargeHolcim at www.lafargeholcim.com

The financial statements based on IFRS can also be found on this website.

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 32 billion (EUR 26 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