



Capital Markets Day 2016

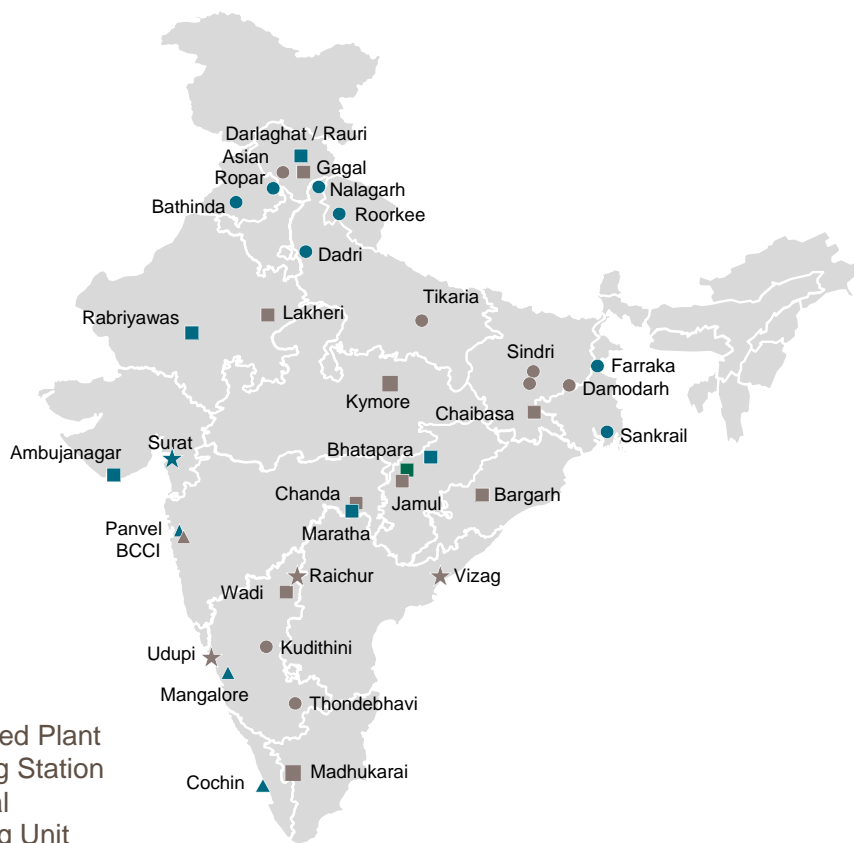
India Update

Martin Kriegner, India and South East Asia



LafargeHolcim

India – Overview



LTM 2016

Net sales (mCHF)	2993
Operating EBITDA (mCHF)	521
Cement volume sold (mt)	46
RMX volume sold (mm ³)	2
Cement capacity (mt)	67
FTE # (YE 2015)	18,240

Strengths

- Well positioned for future growth
- Balanced footprint in attractive markets
- Strong dealer & retailer network
- Two strong brands with price premium
- Pan India RMX network to capture infrastructure demand

Situation beginning of 2016

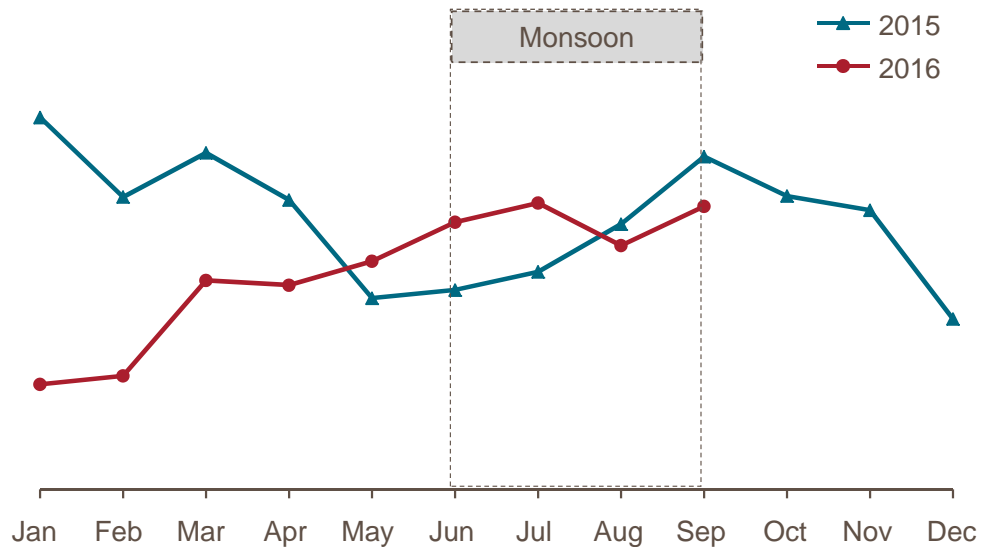
- ➔ Collapse in Pricing towards the end of 2015
- ➔ Potential to strengthen pricing management and marketing excellence
- ➔ Opportunity to benefit from decreasing fuel cost and other cost saving initiatives

Turnaround 2016 : Overall, CHF 38m op EBITDA improvement over 2015 YTD

Operating EBITDA, CHF Million



Focus on price & margin management



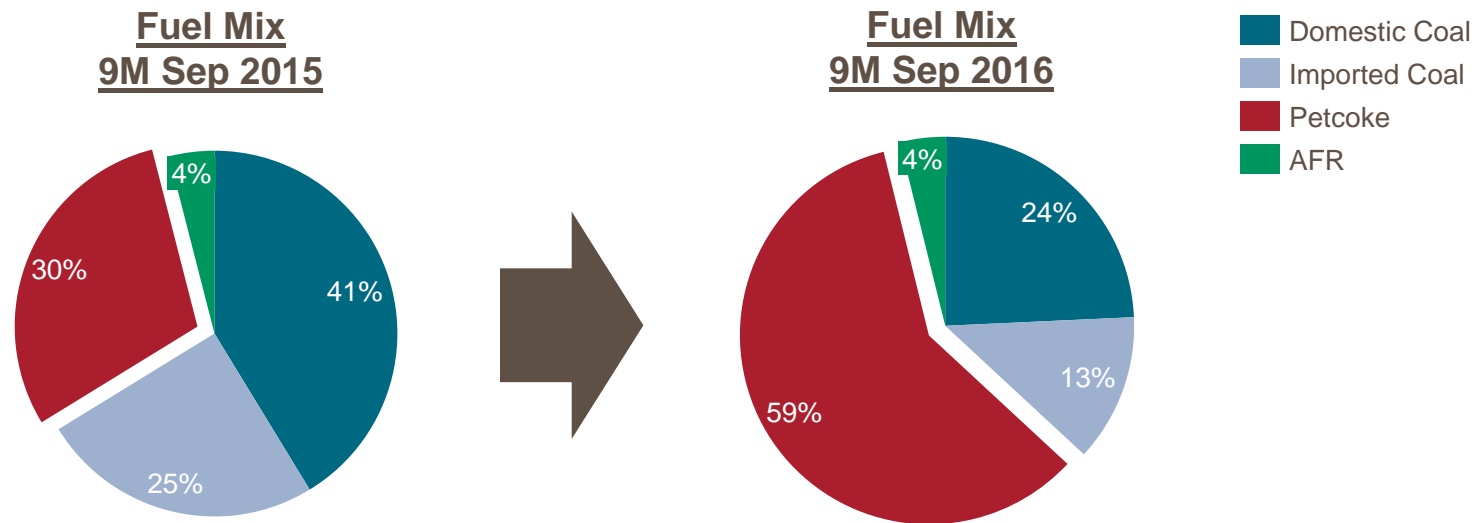
- Reversed falling price trend from March 2016
- Implemented a monsoon strategy to mitigate price erosion during monsoon period
 - › Detailed targets based on monsoon intensity, price elasticity, brand equity & market environment
- Established Pricing Academy to implement Pricing Projects for margin improvement

Differentiation through Sales & Branding Excellence



1) Construction Development Lab

Increased Fuel Flexibility has generated CHF 60 m savings



- Usage of petcoke doubled, from 30% to 60% of total fuel mix, Cement Kilns and Captive Power Plants combined
- Favorable pricing by leveraging centralised Group's Solid Fuels Purchasing entity
- Overall weighted average cost of fuels went down by 21% YTD versus last year

Optimization in Raw Material cost delivered CHF 10 m savings YTD

Clinker Factor reduction

Overall reduction in Clinker Factor led to a saving of CHF 10 million YTD versus last year

- Increased share of sustainable blended cements
- Increased addition of Fly Ash and Slag
- Fly Ash and Slag cost lower thanks to reduced freight rates and long-term contract

Other raw materials

Savings of CHF10+ million YTD versus last year

- Alternative raw materials
- Gypsum optimization

Alignment with our sustainability ambitions

Outlook

- ➔ Improving Supply demand equation in coming years
 - › Strong demand growth expected following a good monsoon in 2016 coupled with an acceleration in infrastructure spending (Freight corridors, roads, ports) and demographics
 - › Scaling down of creation of new capacities
- ➔ Well-positioned asset network in attractive markets for capturing growth with
 - › New capacity coming on-stream (Jamul and Sindri) and
 - › Significant potential for asset light expansion projects (debottlenecking/brown-fielding)
- ➔ Further differentiate ourselves through enhancing our commercial excellence and digital initiatives
- ➔ Leverage further fuel flexibility to manage energy price volatility
 - › Increase AFR utilization
 - › Open Captive Coal Mine
- ➔ Drive further cost excellence
 - › Supply Chain optimization
 - › Power cost efficiency