



# 3<sup>rd</sup> quarter results 2015



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# Content

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**1 – Overview and key figures**

**2 – Results by Group region**

**3 – Outlook**

**4 – Annex**



# 1 – Overview and key figures



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## Q3 Highlights

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- Nine months results impacted by merger and restructuring costs, adverse foreign exchange, economic slowdown in China and Brazil as well as softness in France and Switzerland
- Good performance in the United States, United Kingdom and most countries in Asia Pacific and Latin America
- Merger integration and synergies well on track with actions and initiatives launched in Q3; accelerated delivery by end of 2017
- Squeeze out of remaining Lafarge minority shareholders and first tranche of liability management successfully completed
- Medium term targets announced with key focus on free cash flow generation of at least CHF 10 billion over the next three years

# Key financial figures

## CHFm

	Q3				9M			
	2014	2015	Variance	LFL	2014	2015	Variance	LFL
<b>Volumes</b>								
Cement (Mt)	65.2	65.3	0.2%	0.2%	191.8	189.2	-1.3%	-1.3%
Aggregates (Mt)	88.2	86.8	-1.7%	-1.7%	219.9	216.3	-1.6%	-1.6%
Ready-mix (Mm <sup>3</sup> )	15.3	15.3	-0.4%	-0.4%	43.9	42.6	-3.0%	-3.0%
<b>Net sales</b>	<b>8'570</b>	<b>7'825</b>	<b>-8.7%</b>	<b>-1.1%</b>	<b>23'562</b>	<b>22'042</b>	<b>-6.5%</b>	<b>-0.6%</b>
Operating EBITDA	1'837	1'311	-28.6%	-23.2%	4'506	3'657	-18.8%	-14.4%
Operating EBITDA margin	21.4%	16.8%	-4.6pp		19.1%	16.6%	-2.5pp	
<b>Operating EBITDA adj*</b>	<b>1'953</b>	<b>1'639</b>	<b>-16.1%</b>	<b>-8.9%</b>	<b>4'785</b>	<b>4'355</b>	<b>-9.0%</b>	<b>-3.2%</b>
<b>Operating EBITDA margin adj*</b>	<b>22.8%</b>	<b>20.9%</b>	<b>-1.9pp</b>		<b>20.3%</b>	<b>19.8%</b>	<b>-0.5pp</b>	
<b>Cash flow from Op activities</b>	<b>1'179</b>	<b>315</b>	<b>-73.3%</b>	<b>-80.0%</b>	<b>1'359</b>	<b>697</b>	<b>-48.7%</b>	<b>-54.9%</b>

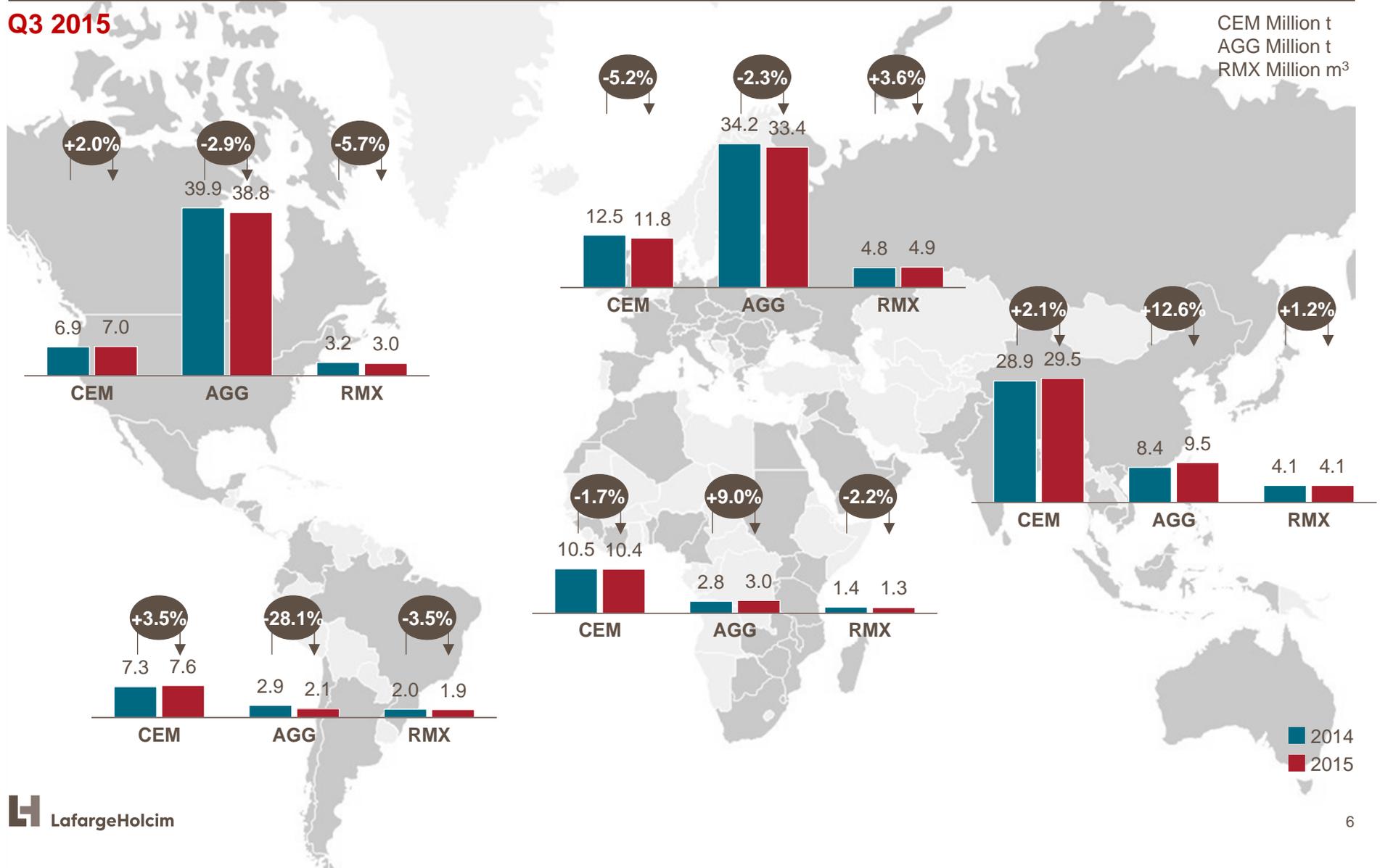
All figures as shown in the presentation are pro-forma financials, i.e. including merger and latest changes in scope of the divestments achieved in the context of the merger as well as reflecting the impact of the reclassification of merger and restructuring cost, the deconsolidation of Cement Australia and the effect of the divestments achieved over the course of 2014 and 2015 initiated or completed by Lafarge. These figures do not take into consideration any purchase price accounting impact on operating EBITDA which will mainly come from inventory valuation.

\*Operating EBITDA adjusted excludes all merger related and restructuring costs

# Sales volumes

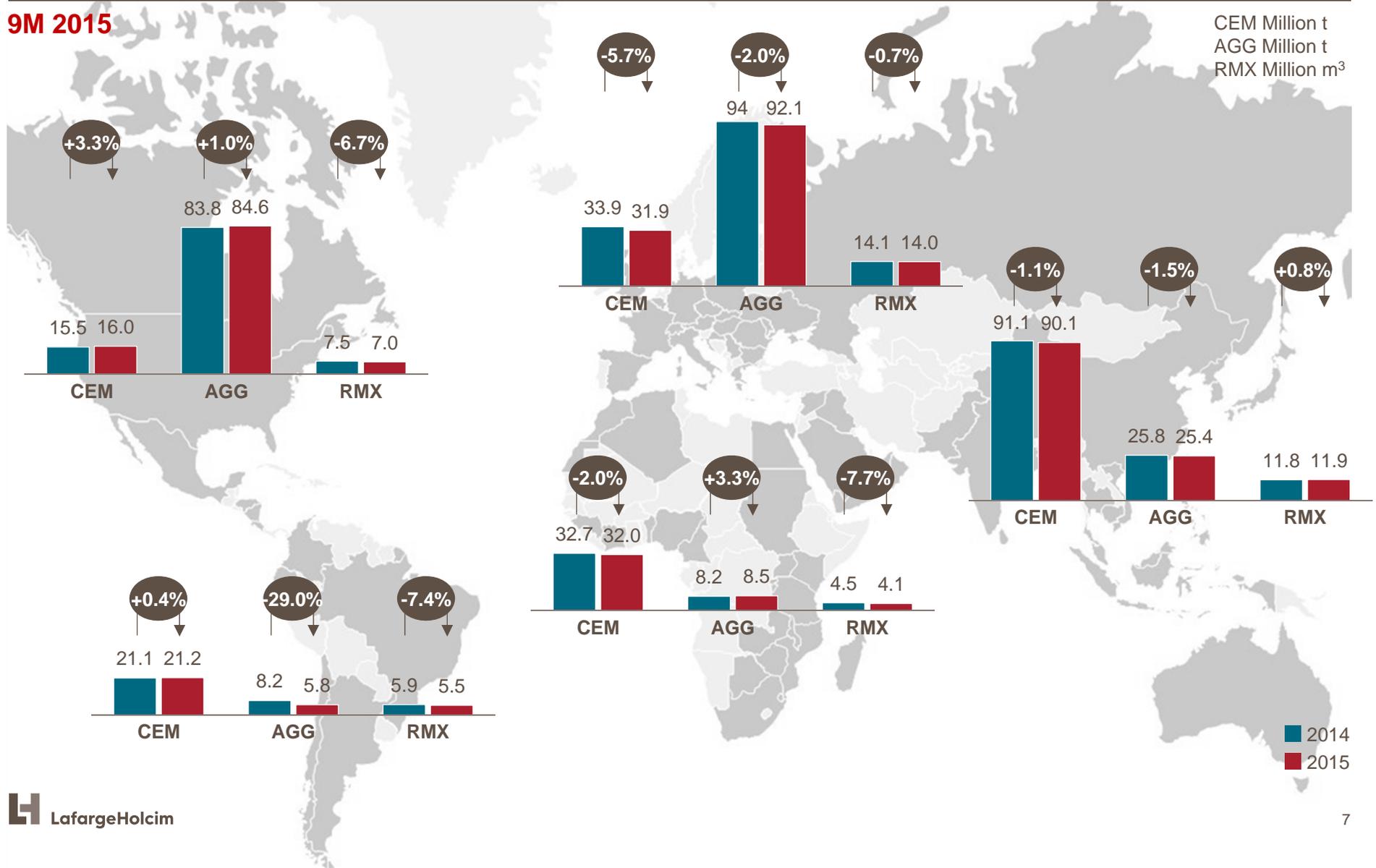
Q3 2015

CEM Million t  
AGG Million t  
RMX Million m<sup>3</sup>



# Sales volumes

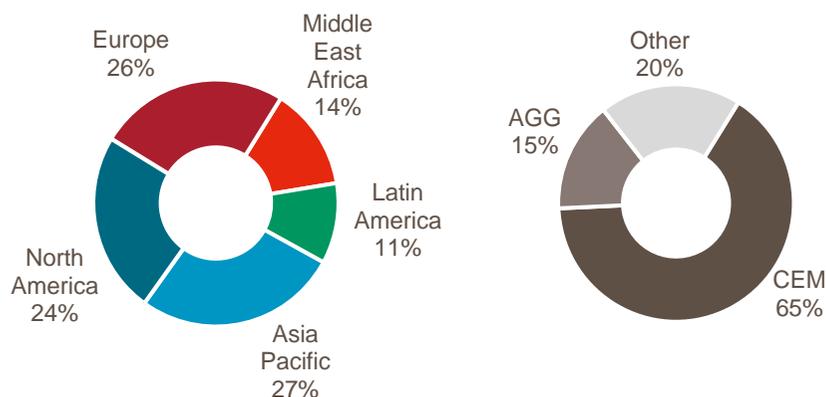
9M 2015



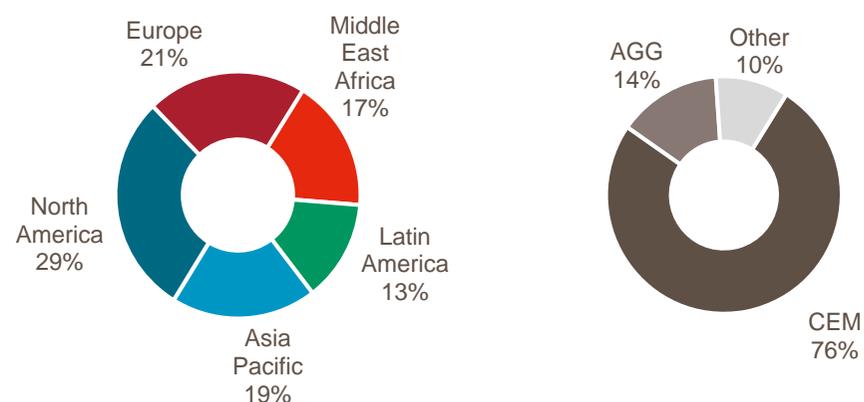
# Net Sales / Operating EBITDA

Q3 2015

## Net Sales



## Operating EBITDA adj



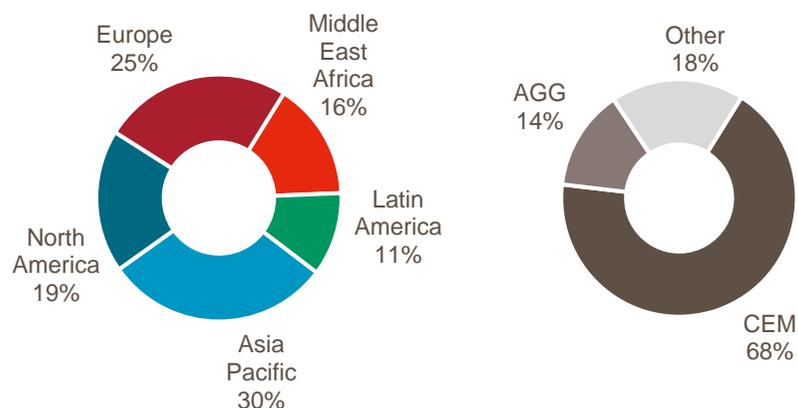
CHFm	Q3 14	Q3 15	Variance	LFL
Asia Pacific	2'337	2'136	-8.6%	-2.3%
Latin America	924	840	-9.1%	7.0%
Europe	2'271	1'999	-12.0%	-1.8%
North America	1'866	1'889	1.2%	2.5%
Middle East Africa	1'264	1'070	-15.3%	-5.1%
<b>Group</b>	<b>8'570</b>	<b>7'825</b>	<b>-8.7%</b>	<b>-1.1%</b>
Cement	5'546	5'121	-7.6%	0.5%
Aggregates	1'279	1'181	-7.6%	-0.4%
Other	1'745	1'523	-12.7%	

CHFm	Q3 14	Q3 15	Variance	LFL
Asia Pacific	414	344	-16.8%	-10.5%
Latin America	254	238	-6.1%	3.3%
Europe	507	377	-25.7%	-14.1%
North America	501	519	3.6%	4.3%
Middle East Africa	418	311	-25.7%	-15.1%
<b>Group</b>	<b>1'953</b>	<b>1'639</b>	<b>-16.1%</b>	<b>-8.9%</b>
Cement	1'567	1'243	-20.7%	-13.1%
Aggregates	252	232	-7.9%	-1.7%
Other	134	164	22.4%	

# Net Sales / Operating EBITDA

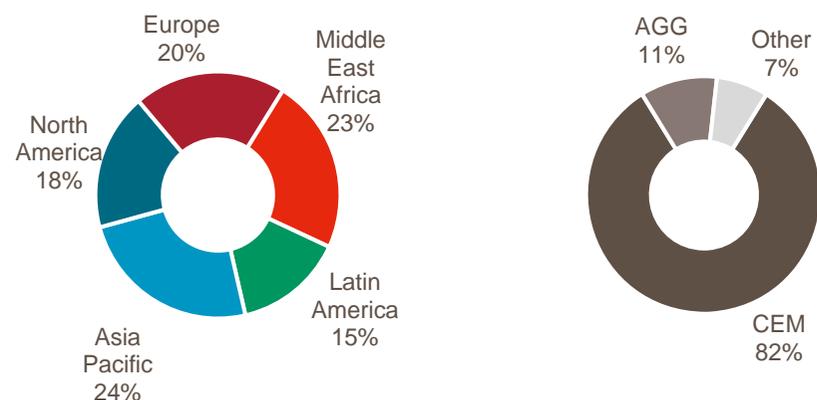
9M 2015

## Net Sales



CHFm	9M 14	9M 15	Variance	LFL
Asia Pacific	7'076	6'685	-5.5%	-3.4%
Latin America	2'649	2'457	-7.3%	3.3%
Europe	6'411	5'573	-13.1%	-2.7%
North America	3'951	4'177	5.7%	5.4%
Middle East Africa	3'773	3'459	-8.3%	1.3%
<b>Group</b>	<b>23'562</b>	<b>22'042</b>	<b>-6.5%</b>	<b>-0.6%</b>
Cement	15'885	14'986	-5.7%	0.4%
Aggregates	3'255	3'032	-6.9%	-0.5%
Other	4'422	4'024	-9.0%	

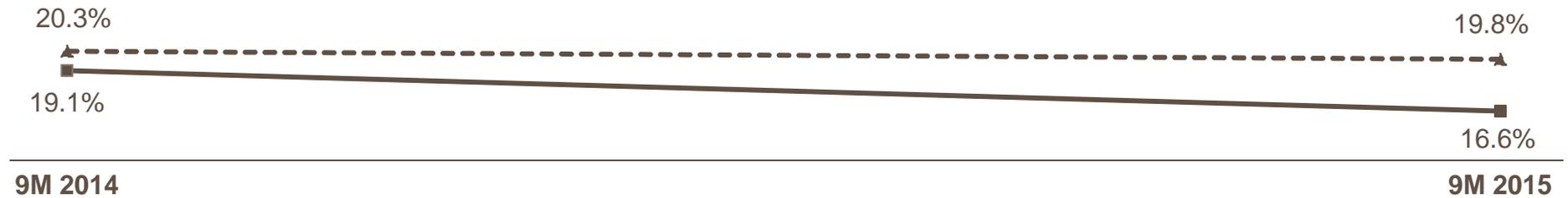
## Operating EBITDA adj



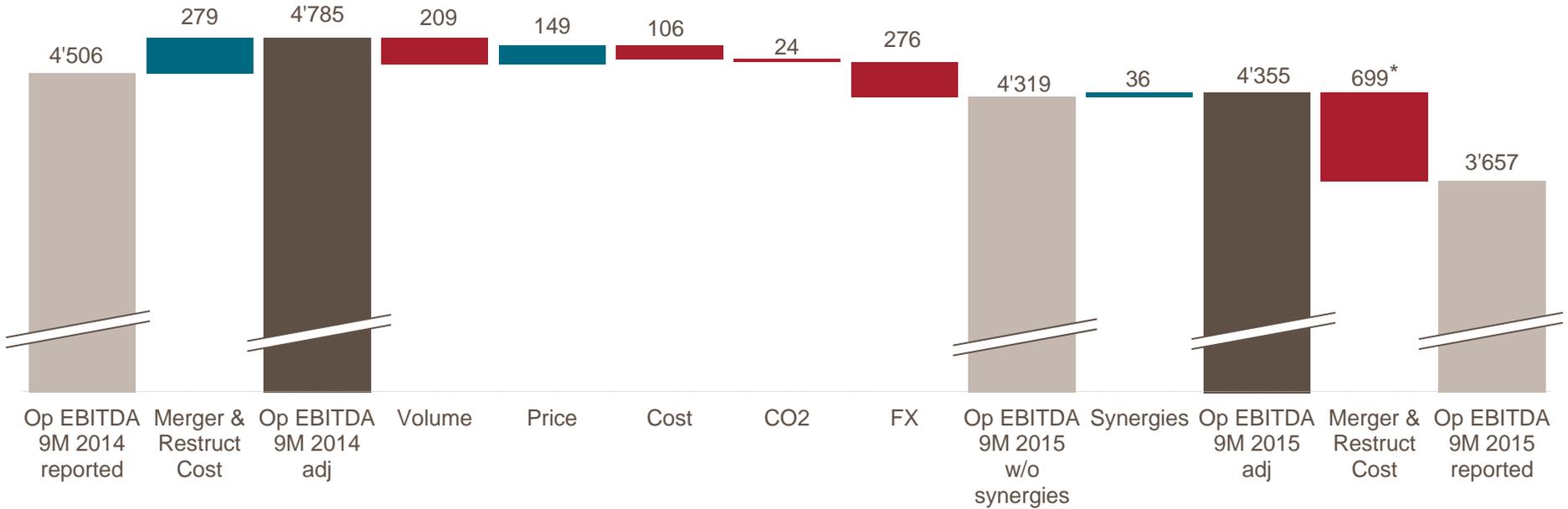
CHFm	9M 14	9M15	Variance	LFL
Asia Pacific	1'315	1'164	-11.5%	-9.6%
Latin America	714	690	-3.4%	2.7%
Europe	1'160	961	-17.1%	-7.3%
North America	760	857	12.9%	12.8%
Middle East Africa	1'248	1'092	-12.5%	-2.1%
<b>Group</b>	<b>4'785</b>	<b>4'355</b>	<b>-9.0%</b>	<b>-3.2%</b>
Cement	4'066	3'583	-11.8%	-5.6%
Aggregates	517	462	-10.6%	-5.4%
Other	202	310	53.5%	

# Operating EBITDA bridge

## Operating EBITDA margin



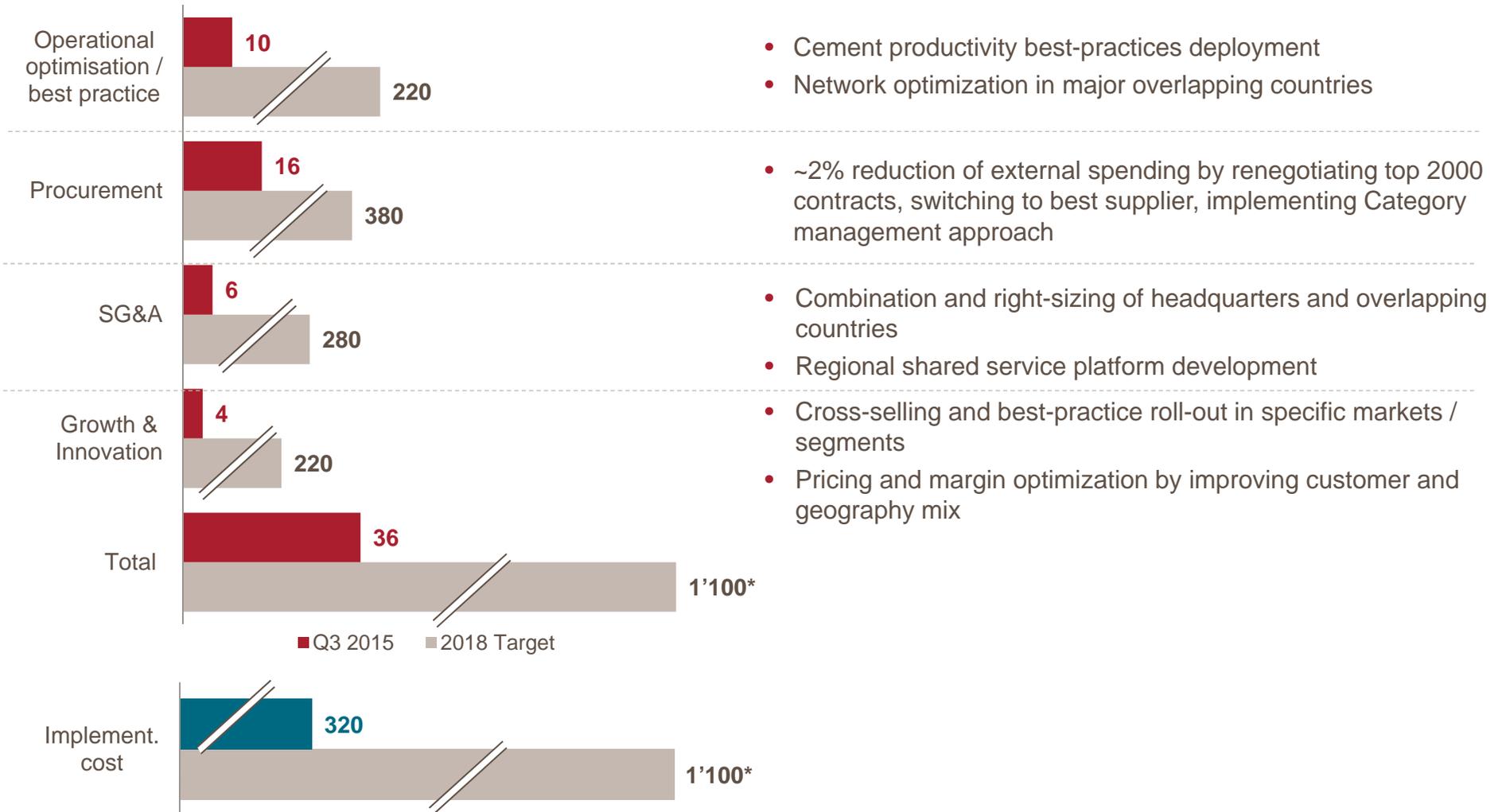
### CHFm



\* of which CHF320m is implementation cost, CHF250m merger related cost and CHF129m restructuring cost

# Synergies

## CHFm



# Cash flow

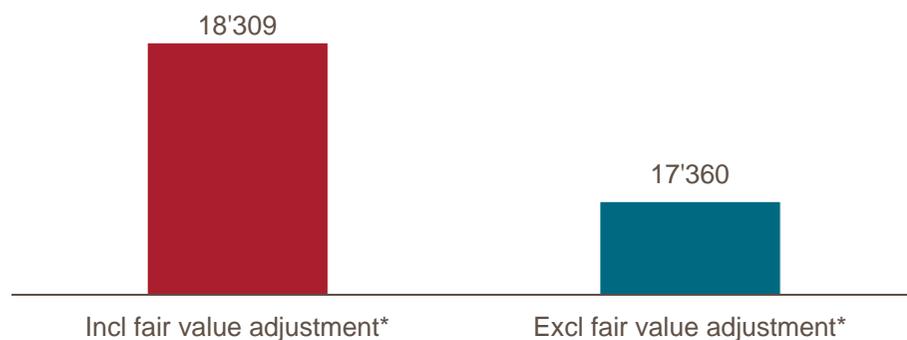
CHFm

	Q3			9M		
	2014	2015	LFL	2014	2015	LFL
Cash flow from operating activities	1'179	315	-80.0%	1'359	697	-54.9%
Maintenance capex	-256	-257	-11.9%	-556	-643	-29.3%
Expansion capex	-387	-324	1.7%	-1'197	-1'045	3.7%

# Net Financial Debt

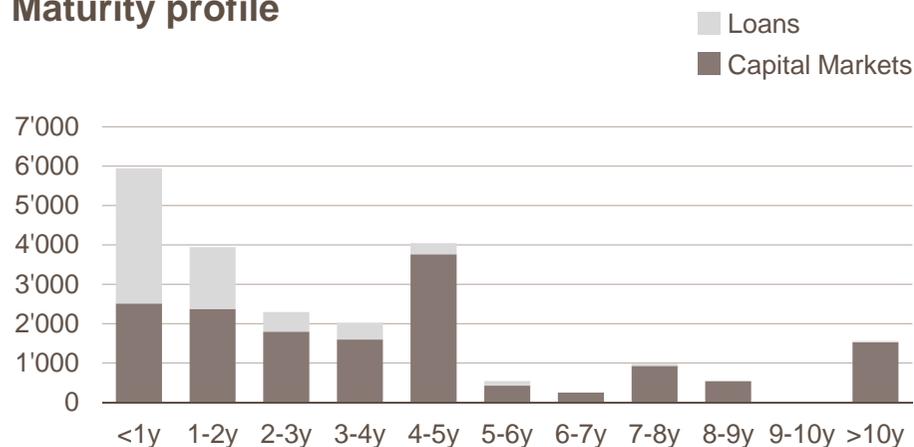
## CHFm

### Net Financial Debt (per September 30, 2015)



\* Fair value adjustment: Purchase Price Allocation on debt CHF 1'286m less CHF 337m for amortization in Q3 2015

### Maturity profile



### Liquidity Summary

- Cash + marketable securities: CHFm 4'666
- Cash + marketable securities + unused committed credit lines: CHFm 11'269

### Debt summary

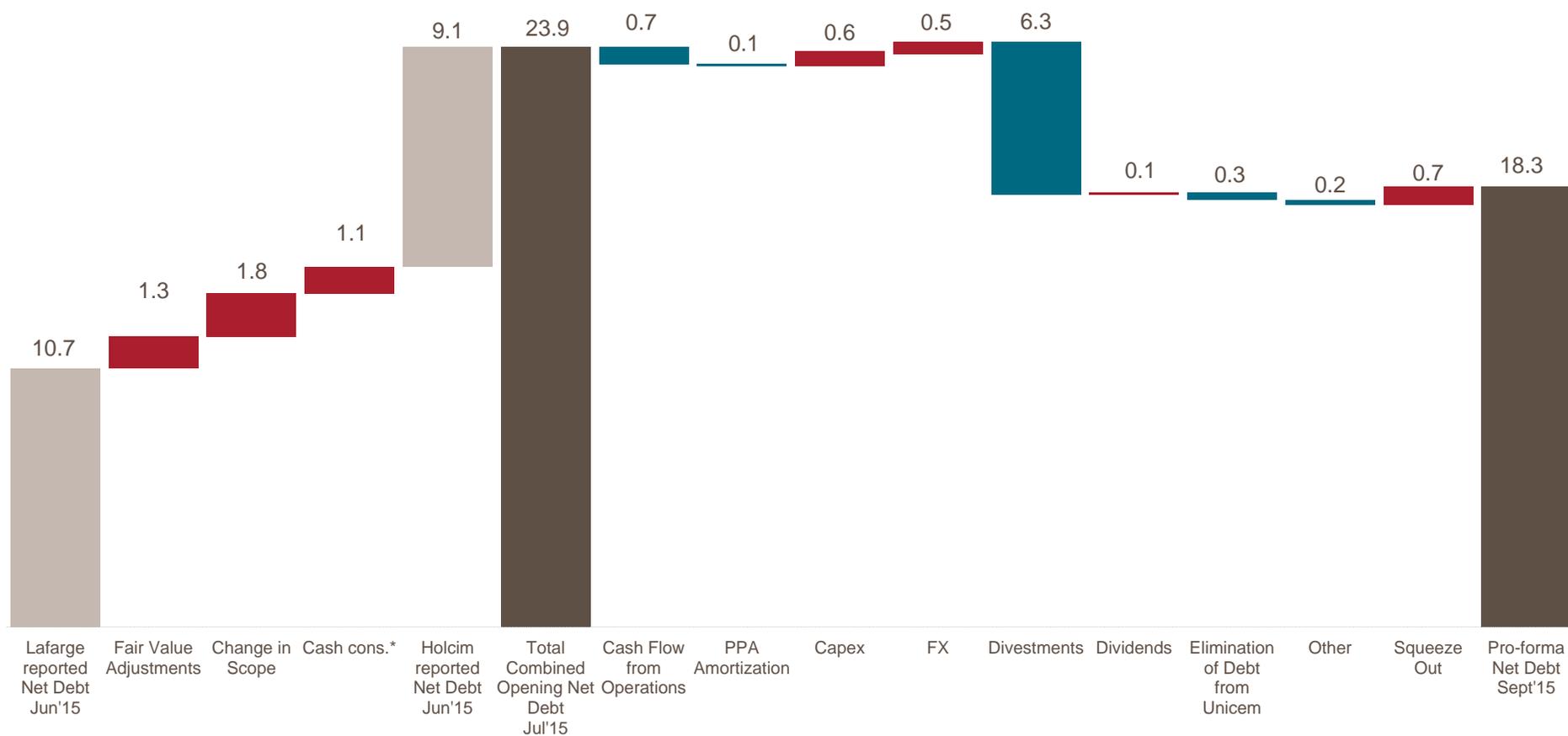
- Current financial liabilities: CHFm 5'959
- Fixed to floating ratio: 51% to 49%
- Capital markets 72%; Loans 28%
- Corporate vs. subsidiary debt: 75% to 25%
- Average total maturity: 4.3 years
- CP borrowings: CHFm 707
- No financial covenants in Corporate credit lines

### Net Financial Debt by currency

- 42% EUR
- 26% USD
- 13% CHF
- 19% other

# Net Financial Debt bridge

CHFbn



\*Total cash consideration in connection with mandatory take-overs, non-compete clauses and merger related agreement



## 2 – Results by Group region



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# Asia Pacific

CHFm

	Q3				9M			
	2014	2015	Variance	LFL	2014	2015	Variance	LFL
<b>Volumes</b>								
Cement	28'884	29'503	2.1%	2.1%	91'063	90'099	-1.1%	-1.1%
Aggregates	8'444	9'506	12.6%	12.6%	25'785	25'403	-1.5%	-1.5%
Ready-mix	4'098	4'148	1.2%	1.2%	11'798	11'889	0.8%	0.8%
<b>Net sales</b>	<b>2'337</b>	<b>2'136</b>	<b>-8.6%</b>	<b>-2.3%</b>	<b>7'076</b>	<b>6'685</b>	<b>-5.5%</b>	<b>-3.4%</b>
Operating EBITDA	406	345	-15.1%	-8.7%	1'297	1'129	-12.9%	-11.1%
Operating EBITDA margin	17.4%	16.1%	-1.3pp		18.3%	16.9%	-1.4pp	
<b>Operating EBITDA adj*</b>	<b>414</b>	<b>344</b>	<b>-16.8%</b>	<b>-10.5%</b>	<b>1'315</b>	<b>1'164</b>	<b>-11.5%</b>	<b>-9.6%</b>
<b>Operating EBITDA margin adj</b>	<b>17.7%</b>	<b>16.1%</b>	<b>-1.6pp</b>		<b>18.6%</b>	<b>17.4%</b>	<b>-1.2pp</b>	
Cash flow from operating activities	160	204	27.7%	32.5%	564	562	-0.3%	-0.1%

\* Excluding the effect of India and China, op EBITDA adjusted was up 3.1% at CHF 711m, due to effective management of growth and costs, despite the challenging market environment

# Middle East Africa

CHFm

	Q3				9M			
	2014	2015	Variance	LFL	2014	2015	Variance	LFL
<b>Volumes</b>								
Cement	10'544	10'369	-1.7%	-1.7%	32'699	32'045	-2.0%	-2.0%
Aggregates	2'783	3'032	9.0%	9.0%	8'182	8'451	3.3%	3.3%
Ready-mix	1'370	1'340	-2.2%	-2.2%	4'465	4'122	-7.7%	-7.7%
<b>Net sales</b>	<b>1'264</b>	<b>1'070</b>	<b>-15.3%</b>	<b>-5.1%</b>	<b>3'773</b>	<b>3'459</b>	<b>-8.3%</b>	<b>1.3%</b>
Operating EBITDA	404	300	-25.8%	-15.3%	1'212	1'067	-12.0%	-1.5%
Operating EBITDA margin	32.0%	28.1%	-3.9pp		32.1%	30.8%	-1.3pp	
<b>Operating EBITDA adj</b>	<b>418</b>	<b>311</b>	<b>-25.7%</b>	<b>-15.1%</b>	<b>1'248</b>	<b>1'092</b>	<b>-12.5%</b>	<b>-2.1%</b>
<b>Operating EBITDA margin adj</b>	<b>33.1%</b>	<b>29.0%</b>	<b>-4.1pp</b>		<b>33.1%</b>	<b>31.6%</b>	<b>-1.5pp</b>	
Cash flow from operating activities	335	192	-42.7%	-35.6%	801	644	-19.6%	-9.7%

# Latin America

## CHFm

	Q3				9M			
	2014	2015	Variance	LFL	2014	2015	Variance	LFL
<b>Volumes</b>								
Cement	7'293	7'551	3.5%	3.5%	21'124	21'198	0.4%	0.4%
Aggregates	2'873	2'066	-28.1%	-28.1%	8'204	5'824	-29.0%	-29.0%
Ready-mix	1'957	1'889	-3.5%	-3.5%	5'950	5'510	-7.4%	-7.4%
<b>Net sales</b>	<b>924</b>	<b>840</b>	<b>-9.1%</b>	<b>7.0%</b>	<b>2'649</b>	<b>2'457</b>	<b>-7.3%</b>	<b>3.3%</b>
Operating EBITDA	253	233	-7.8%	1.2%	712	679	-4.7%	0.9%
Operating EBITDA margin	27.4%	27.8%	0.4pp		26.9%	27.6%	0.7pp	
<b>Operating EBITDA adj</b>	<b>254</b>	<b>238</b>	<b>-6.1%</b>	<b>3.3%</b>	<b>714</b>	<b>690</b>	<b>-3.4%</b>	<b>2.7%</b>
<b>Operating EBITDA margin adj</b>	<b>27.5%</b>	<b>28.4%</b>	<b>0.9pp</b>		<b>26.9%</b>	<b>28.1%</b>	<b>1.2pp</b>	
Cash flow from operating activities	146	99	-32.0%	-35.7%	173	202	16.7%	8.6%

# Europe

CHFm

	Q3				9M			
	2014	2015	Variance	LFL	2014	2015	Variance	LFL
<b>Volumes</b>								
Cement	12'451	11'807	-5.2%	-5.2%	33'855	31'932	-5.7%	-5.7%
Aggregates	34'195	33'406	-2.3%	-2.3%	93'976	92'063	-2.0%	-2.0%
Ready-mix	4'759	4'931	3.6%	3.6%	14'141	14'043	-0.7%	-0.7%
<b>Net sales</b>	<b>2'271</b>	<b>1'999</b>	<b>-12.0%</b>	<b>-1.8%</b>	<b>6'411</b>	<b>5'573</b>	<b>-13.1%</b>	<b>-2.7%</b>
Operating EBITDA	496	360	-27.5%	-18.5%	1'101	863	-21.6%	-12.7%
Operating EBITDA margin	21.9%	18.0%	-3.9pp		17.2%	15.5%	-1.7pp	
<b>Operating EBITDA adj</b>	<b>507</b>	<b>377</b>	<b>-25.7%</b>	<b>-14.1%</b>	<b>1'160</b>	<b>961</b>	<b>-17.1%</b>	<b>-7.3%</b>
<b>Operating EBITDA margin adj</b>	<b>22.3%</b>	<b>18.9%</b>	<b>-3.7pp</b>		<b>18.1%</b>	<b>17.3%</b>	<b>-0.8pp</b>	
Cash flow from operating activities	398	238	-40.1%	-36.7%	349	275	-21.2%	-18.8%

# North America

CHFm

	Q3				9M			
	2014	2015	Variance	LFL	2014	2015	Variance	LFL
<b>Volumes</b>								
Cement	6'862	7'002	2.0%	2.0%	15'491	16'007	3.3%	3.3%
Aggregates	39'943	38'766	-2.9%	-2.9%	83'789	84'603	1.0%	1.0%
Ready-mix	3'156	2'975	-5.7%	-5.7%	7'498	6'992	-6.7%	-6.7%
<b>Net sales</b>	<b>1'866</b>	<b>1'889</b>	<b>1.2%</b>	<b>2.5%</b>	<b>3'951</b>	<b>4'177</b>	<b>5.7%</b>	<b>5.4%</b>
Operating EBITDA	498	507	1.7%	2.4%	744	839	12.8%	12.8%
Operating EBITDA margin	26.7%	26.8%	0.1pp		18.8%	20.1%	1.3pp	
<b>Operating EBITDA adj</b>	<b>501</b>	<b>519</b>	<b>3.6%</b>	<b>4.3%</b>	<b>760</b>	<b>857</b>	<b>12.9%</b>	<b>12.8%</b>
<b>Operating EBITDA margin adj</b>	<b>26.8%</b>	<b>27.5%</b>	<b>0.7pp</b>		<b>19.2%</b>	<b>20.5%</b>	<b>1.3pp</b>	
Cash flow from operating activities	267	353	32.1%	31.7%	-40	97	340.0%	373.4%



## 3 – Outlook

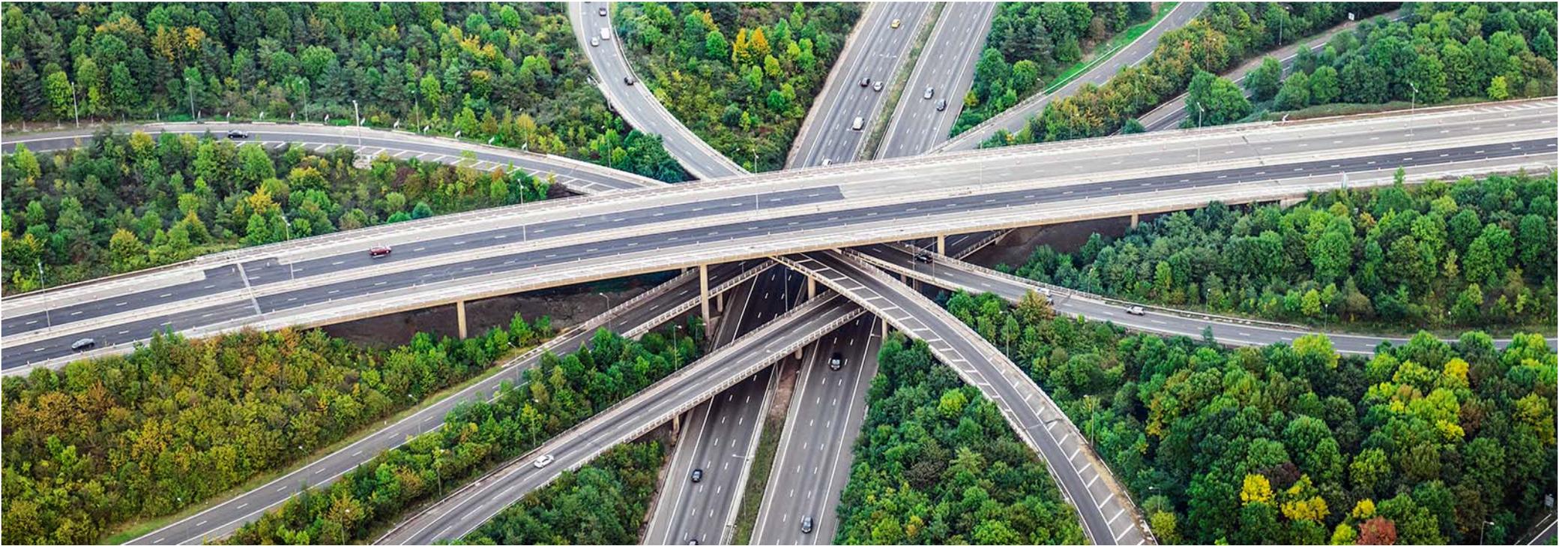


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## Outlook for 2015

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- The Group estimates that cement volumes will be higher for 2015 in all regions except Europe
- Aggregate volumes are expected to be higher in all regions except Latin America and Europe
- Ready-mix volumes are expected to decrease in all regions, except Asia Pacific
- Net debt is expected to be below CHF 17.5 billion at year-end
- 2015 synergy targets confirmed with CHF 100 million expected by year end
- Total CAPEX below CHF 1.4 billion for the second half of 2015
- Energy costs are expected to be slightly below previous years' levels



## 4 – Annex



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# Volume and price development Cement

## 9M 2015

	Volume	Price & Other
<b>Asia Pacific</b>	<b>-1.1%</b>	<b>-1.9%</b>
Bangladesh	-6.8%	-4.9%
China	-6.4%	-15.7%
India	-1.7%	-2.0%
Indonesia	-0.9%	-5.2%
Malaysia	2.6%	-0.3%
New Zealand	-2.7%	-2.2%
Sri Lanka	16.9%	-1.5%
Philippines	9.2%	1.5%
South Korea	6.7%	-0.8%
Vietnam	12.6%	0.5%
<b>Latin America</b>	<b>0.4%</b>	<b>5.4%</b>
Argentina	7.0%	29.2%
Brazil	-10.2%	-3.5%
Chile	4.4%	5.8%
Colombia	3.0%	4.1%
Costa Rica	1.3%	4.1%
Ecuador	-11.3%	0.0%
El Salvador	6.7%	3.1%
Mexico	21.7%	5.7%
Nicaragua	-2.1%	2.8%
<b>North America</b>	<b>3.3%</b>	<b>8.9%</b>
Canada	6.4%	-1.0%
USA	3.0%	9.4%

\* Local figures not published yet

	Volume	Price & Other
<b>Europe</b>	<b>-5.7%</b>	<b>-1.4%</b>
Azerbaijan	-26.7%	-10.5%
Bulgaria	5.1%	0.7%
Belgium	-14.3%	-4.0%
Croatia	15.2%	-7.0%
France	-7.2%	-2.3%
Germany	-16.3%	-9.0%
Greece	-11.3%	4.1%
Hungary	5.4%	-3.5%
Italy	-15.7%	-6.8%
Poland	-5.0%	-4.0%
Romania	15.3%	-0.8%
Russia	-3.9%	4.3%
Serbia	0.8%	-3.0%
Spain	17.6%	8.1%
Switzerland	-11.5%	-4.0%
United Kingdom	0.9%	-0.9%
<b>Middle East Africa</b>	<b>-2.0%</b>	<b>0.6%</b>
Algeria	-0.3%	4.5%
Egypt	12.4%	-9.2%
Iraq	-10.1%	-15.0%
Kenya*		
Lebanon*		
Morocco*		
Nigeria	0.8%	5.9%
South Africa	-6.4%	-1.9%
<b>Group</b>	<b>-1.3%</b>	<b>1.7%</b>

# Volume and price development AGG

## 9M 2015

	Volume	Price & Other
<b>Asia Pacific</b>	<b>-1.5%</b>	<b>-7.5%</b>
Australia	-4.3%	-6.3%
Indonesia	8.7%	4.4%
<b>Latin America</b>	<b>-29.0%</b>	<b>4.0%</b>
Brazil	-16.1%	-11.4%
Mexico	-79.5%	34.8%
<b>North America</b>	<b>1.0%</b>	<b>2.6%</b>
Canada	-0.5%	-3.7%
USA	2.1%	10.3%

	Volume	Price & Other
<b>Europe</b>	<b>-2.0%</b>	<b>2.5%</b>
Belgium	-2.7%	7.3%
Bulgaria	23.3%	2.0%
France	-11.6%	4.7%
Germany	7.5%	15.5%
Italy	-5.3%	3.8%
Poland	-3.9%	-2.8%
Romania	72.3%	-15.1%
Switzerland	-8.9%	0.8%
Spain	7.2%	-2.2%
United Kingdom	2.9%	5.4%
<b>Middle East Africa</b>	<b>3.3%</b>	<b>0.5%</b>
South Africa	2.8%	1.9%
<b>Group</b>	<b>-1.6%</b>	<b>1.2%</b>

# Condensed Statement of Financial position

**CHFm**

	Sept 30, 2015
Invested Capital	59'319
Out of which:	
Goodwill	17'695
Prop, Plant & Equipment	37'209
Intangible assets	1'531
Investments in JV and associates	3'194
Net Working Capital	2'511
Financial assets and other LT assets	1'360
Provisions	-4'181
Net assets held for sale	792
<b>Total</b>	<b>60'111</b>

	Sept 30, 2015
Equity	38'309
Out of which:	
Equity attributable to the LH shareholders	33'871
Non controlling interest	4'438
Net debt <sup>(1)</sup>	18'309
Deferred taxes & other	3'493
<b>Total</b>	<b>60'111</b>

(1) Including CHF 92m of derivative instruments (net asset)

# Contact information and event calendar

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## Contact information

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## Event calendar

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December 1, 2015

March 17, 2016

May 12, 2016

Capital Markets Day

Annual Results 2015 (estimated date)

Annual General Meeting

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