Media Release

Zurich, October 27, 2017

LafargeHolcim

LafargeHolcim continues growth in sales and EBITDA in Q3

- **Q3 Net Sales grow 4.1% year-on-year** to CHF 6.9 billion on a like-for-like basis
- **Q3 Operating EBITDA Adjusted up 5.9%** to CHF 1.75 billion on a like-for-like basis
- **Delivery of synergies ahead of target** helped improve Group Operating EBITDA Margin Adjusted by 80 basis points in Q3 and 100 basis points year to date
- **Net Income Group share up 8.1% year to date**, down in Q3 on disposal gains in prior year
- **2017 and 2018 outlook reset to reflect current business dynamics**

Jan Jenisch, Group CEO of LafargeHolcim said: "In the past two months I have visited many of our operations and have been impressed by the experience and enthusiasm of our employees. LafargeHolcim is a first-class company with growing profits in an attractive industry. While the company delivered solid quarterly results, they do not reflect our full potential. As the market leader, we will hold ourselves to a higher standard than anyone else in our sector.

"Today we have reset expectations for the Group's outlook to a level that reflects the current business dynamics. While I am reviewing the business, I have an immediate focus on simplification, cost discipline and performance management. We will reduce complexity and focus on operational excellence in order to fully realize the potential of LafargeHolcim. My goal is to generate leading margins and an attractive growth profile, positioned for sustainable value creation for our employees, customers and shareholders."

GROUP PERFORMANCE

LafargeHolcim delivered solid like-for-like Operating EBITDA Adjusted growth in the third quarter with positive contributions from Latin America, North America and Europe. Market conditions were challenging in Asia Pacific and Middle East Africa where actions are being taken to address weakness in key countries.

Like-for-like **cement volumes** were up 4.7 percent in Q3 and 1.8 percent for the year to date. Globally, cement prices improved by 5.6 percent in the quarter compared to the prior year on a like-for-like basis.

Synergies of CHF 97 million were delivered in Q3, with the Group exceeding its year-end target of CHF 1 billion of total synergies already in July.

Operating EBITDA Adjusted increased by 5.9 percent in the quarter to CHF 1,750 million on a like-for-like basis and was 9.2 percent higher for the year to date. Pricing, cost discipline and synergies contributed to higher margins with Operating EBITDA Margin Adjusted improving by 80 basis points in Q3 and 100 basis points for the first nine months.

Net Income Group share, at CHF 1,446 million, was up 8.1 percent year to date reflecting the increase in Operating EBITDA and a lower effective tax rate for the nine months 2017. Net Income Group share for the quarter declined to CHF 433 million on higher proceeds from disposals in the prior year period. Recurring Net Income grew by 7.9 percent to CHF 1,270 million for the year to date and was down to CHF 589 million for Q3.

Year to date, **Recurring Earnings Per Share** improved by 8.2 percent to CHF 2.10. Viewed on a quarterly basis, Recurring EPS was CHF 0.98, down on CHF 1.13 for the same period in 2016.

Net debt stood at CHF 15.5 billion at quarter end.

OUTLOOK: 2017 AND 2018

Overall cement demand globally is expected to increase by 1 to 3 percent in aggregate for 2017. Following a strong first half and solid Q3, growth in like-for-like Operating EBITDA Adjusted is expected to moderate further for the remainder of 2017.

For 2017, the Group expects to deliver:

- 5 to 7 percent growth in Operating EBITDA Adjusted over 2016 on a like-for-like basis
- Growth in Recurring EPS
- Net debt / Operating EBITDA Adjusted of around 2.5x

For 2018, the Group has reset some of the volume and pricing assumptions that underpinned earnings targets to reflect current business dynamics. We expect that this will translate into a growth rate for Operating EBITDA Adjusted on a like-for-like basis of at least 5 percent.

The business review is under way, including country strategies and a focus on simplification, cost discipline and performance management. A strategic and outlook update will be provided in March 2018 when full year 2017 results are published. On this occasion, the Group will also give an update on portfolio management. So far, the disposal program has completed CHF 4.4 billion in enterprise value.

KEY GROUP FIGURES

Group Q3

		July-Sep 2017	July-Sep 2016	±%	±% like-for-like
Sales of cement	million t	53.8	57.9	-7.0	4.7
Sales of aggregates	million t	80.1	81.3	-1.5	0.1
Sales of ready-mix concrete	million m^3	13.3	14.4	-7.4	-2.2
Net sales	million CHF	6,944	7,036	-1.3	4.1
Operating profit	million CHF	1,045	1,092	-4.3	-0.4
Operating EBITDA adjusted[1]	million CHF	1,750	1,717	1.9	5.9
Operating EBITDA margin adjusted[1]	%	25.2	24.4	80 bps	
Net income[2]	million CHF	433	1,045	-58.5	
Net income recurring[2]	million CHF	589	687	-14.3	
Recurring EPS	CHF	0.98	1.13	-13.3	
Cash flow from operating activities	million CHF	1,140	1,255	-9.2	-7.1
Operating Free Cash Flow[3]	million CHF	903	856	5.5	7.6

Group YTD

		Jan-Sep 2017	Jan-Sep 2016	±%	±% like-for-like
Sales of cement	million t	155.8	177.2	-12.1	1.8
Sales of aggregates	million t	208.1	211.5	-1.6	0.2
Sales of ready-mix concrete	million m^3	37.7	41.9	-10.1	-3.8
Net sales	million CHF	19,425	20,378	-4.7	4.3
Operating profit	million CHF	2,411	2,350	2.6	14.4
Operating EBITDA adjusted[1]	million CHF	4,286	4,290	-0.1	9.2
Operating EBITDA margin adjusted[1]	%	22.1	21.1	100 bps	
Net income[2]	million CHF	1,446	1,338	8.1	
Net income recurring[2]	million CHF	1,270	1,177	7.9	
Recurring EPS	CHF	2.10	1.94	8.2	
Cash flow from operating activities	million CHF	1,002	1,516	-33.9	-22.5
Operating Free Cash Flow[3]	million CHF	241	317	-23.9	68.3
Net financial debt[4]	million CHF	15,535	14,724	5.5	

1 Excluding merger, restructuring and other one-offs
2 Attributable to shareholders of LafargeHolcim Ltd
3 Cash flow from operating activities less net maintenance and expansion capex
4 Prior-year figure as of December 31, 2016

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REGIONAL PERFORMANCE

Asia Pacific

In the Asia Pacific region Operating EBITDA Adjusted was 5.9 percent lower than the prior-year period on a like-for-like basis despite a 13 percent increase in like-for-like net sales. India continued to perform strongly in the context of a normal monsoon season, when demand is normally muted. Higher volumes and prices more than offset higher fuel costs. In the Philippines, market conditions in the quarter remained challenging. Prices there are down compared to the prior-year period, and some large government infrastructure projects have been delayed. Management actions are underway across the Asia Pacific region, with initiatives in cost reduction, asset optimization, logistics and commercial transformation.

Asia Pacific Q3

		July-Sep 2017	July-Sep 2016	±%	±% like-for-like
Sales of cement	million t	21.4	25.8	-16.8	8.7
Sales of aggregates	million t	8.1	7.8	3.3	15.3
Sales of ready-mix concrete	million m^3	3.4	3.9	-13.6	8.7
Net sales	million CHF	1,797	1,894	-5.1	13.1
Operating EBITDA	million CHF	270	343	-21.4	-5.9
Operating EBITDA adjusted[1]	million CHF	284	358	-20.8	-5.9
Operating EBITDA margin	%	15.0	18.1		
Operating EBITDA margin adjusted[1]	%	15.8	18.9		
Cash flow from operating activities	million CHF	152	152	0.0	20.9
Operating Free Cash Flow[2]	million CHF	89	73	22.3	78.3

Asia Pacific YTD

		Jan-Sep 2017	Jan-Sep 2016	±%	±% like-for-like
Sales of cement	million t	67.6	86.4	-21.7	3.4
Sales of aggregates	million t	23.7	23.8	-0.1	12.1
Sales of ready-mix concrete	million m^3	9.5	11.9	-20.5	1.0
Net sales	million CHF	5,492	6,236	-11.9	5.3
Operating EBITDA	million CHF	887	1,125	-21.2	-9.6
Operating EBITDA adjusted[1]	million CHF	930	1,162	-20.0	-8.0
Operating EBITDA margin	%	16.2	18.0		
Operating EBITDA margin adjusted[1]	%	16.9	18.6		
Cash flow from operating activities	million CHF	221	571	-61.3	-52.8
Operating Free Cash Flow[2]	million CHF	48	327	-85.3	-81.3

1 Excluding merger, restructuring and other one-offs
2 Cash flow from operating activities less net maintenance and expansion capex

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Europe

Operating EBITDA Adjusted for Europe was up 5.2 percent on a like-for-like basis compared to Q3 2016, with particularly strong contribution from countries in Central and Eastern Europe including Russia. Earnings in the UK were lower on a like-for-like basis, driven by project delays and general economic slowdown. Underlying trends in France were solid as cement and ready-mix concrete volumes increased compared to the prior-year period. Progress continues on the revision of the industrial network. Aggregate and ready-mix concrete volumes were lower in Switzerland than in the prior-year period where a number of large projects have recently been completed.

Europe Q3

		July-Sep 2017	July-Sep 2016	±%	±% like-for-like
Sales of cement	million t	12.1	12.0	0.3	0.2
Sales of aggregates	million t	33.9	34.3	-1.3	-0.9
Sales of ready-mix concrete	million m^3	4.6	4.8	-3.8	-3.4
Net sales	million CHF	1,922	1,890	1.7	-0.4
Operating EBITDA	million CHF	424	402	5.4	3.7
Operating EBITDA adjusted[1]	million CHF	450	421	6.9	5.2
Operating EBITDA margin	%	22.1	21.3		
Operating EBITDA margin adjusted[1]	%	23.4	22.3		
Cash flow from operating activities	million CHF	327	431	-24.1	-24.4
Operating Free Cash Flow[2]	million CHF	277	371	-25.5	-25.4

Europe YTD

		Jan-Sep 2017	Jan-Sep 2016	±%	±% like-for-like
Sales of cement	million t	32.1	31.6	1.7	1.5
Sales of aggregates	million t	93.9	93.3	0.6	1.0
Sales of ready-mix concrete	million m^3	13.5	13.8	-2.5	-2.1
Net sales	million CHF	5,328	5,355	-0.5	1.4
Operating EBITDA	million CHF	937	950	-1.3	0.7
Operating EBITDA adjusted[1]	million CHF	1,000	997	0.3	2.2
Operating EBITDA margin	%	17.6	17.7		
Operating EBITDA margin adjusted[1]	%	18.8	18.6		
Cash flow from operating activities	million CHF	401	632	-36.6	-36.0
Operating Free Cash Flow[2]	million CHF	243	465	-47.7	-46.9

1 Excluding merger, restructuring and other one-offs
2 Cash flow from operating activities less net maintenance and expansion capex

Latin America

Latin America delivered a strong performance on the back of positive sales growth, translating to a 25.6 percent increase in Operating EBITDA Adjusted like-for-like compared to the prior year. Mexico delivered continued strong margins and earnings as the business delivered on its commercial strategy despite the impact of September's earthquakes on economic activity. Operating EBITDA Adjusted for Ecuador improved on the prior-year period on a like-for-like basis. In Argentina, commercial initiatives helped deliver another quarter of earnings growth.

Latin America Q3

		July-Sep 2017	July-Sep 2016	±%	±% like-for-like
Sales of cement	million t	6.7	6.3	6.0	9.5
Sales of aggregates	million t	1.0	1.6	-36.7	-22.1
Sales of ready-mix concrete	million m^3	1.4	1.6	-13.8	1.3
Net sales	million CHF	747	716	4.3	12.0
Operating EBITDA	million CHF	274	214	27.9	31.6
Operating EBITDA adjusted[1]	million CHF	288	234	23.1	25.6
Operating EBITDA margin	%	36.7	29.9		
Operating EBITDA margin adjusted[1]	%	38.5	32.7		
Cash flow from operating activities	million CHF	182	120	51.5	58.6
Operating Free Cash Flow[2]	million CHF	179	92	94.0	103.1

Latin America YTD

		Jan-Sep 2017	Jan-Sep 2016	±%	±% like-for-like
Sales of cement	million t	18.5	18.1	2.1	3.2
Sales of aggregates	million t	3.3	4.9	-32.8	-24.5
Sales of ready-mix concrete	million m^3	4.4	5.0	-12.1	-6.3
Net sales	million CHF	2,207	2,083	6.0	9.1
Operating EBITDA	million CHF	790	624	26.5	29.5
Operating EBITDA adjusted[1]	million CHF	785	655	19.8	23.1
Operating EBITDA margin	%	35.8	30.0		
Operating EBITDA margin adjusted[1]	%	35.6	31.5		
Cash flow from operating activities	million CHF	229	142	61.4	77.4
Operating Free Cash Flow[2]	million CHF	200	69	190.3	227.8

1 Excluding merger, restructuring and other one-offs
2 Cash flow from operating activities less net maintenance and expansion capex

Middle East Africa

Operating EBITDA Adjusted in Middle East Africa was 2.1 percent lower than in the prior-year period on a like-for-like basis. Earnings in Nigeria, which is slowly exiting from recession, were higher in the quarter than in the prior-year period, with favorable pricing more than offsetting an increase in cost. Economic conditions in Algeria deteriorated over the third quarter, which led to a marked decline in Q3 volumes compared to the prior-year period.

Middle East Africa Q3

		July-Sep 2017	July-Sep 2016	±%	±% like-for-like
Sales of cement	million t	8.8	9.5	-7.6	-5.0
Sales of aggregates	million t	2.7	2.9	-7.1	-7.1
Sales of ready-mix concrete	million m^3	1.1	1.4	-25.0	-25.0
Net sales	million CHF	812	882	-7.9	3.0
Operating EBITDA	million CHF	205	240	-14.4	-10.8
Operating EBITDA adjusted[1]	million CHF	232	248	-6.4	-2.1
Operating EBITDA margin	%	25.3	27.2		
Operating EBITDA margin adjusted[1]	%	28.6	28.1		
Cash flow from operating activities	million CHF	107	163	-34.0	-37.7
Operating Free Cash Flow[2]	million CHF	34	85	-60.5	-81.4

Middle East Africa YTD

		Jan-Sep 2017	Jan-Sep 2016	±%	±% like-for-like
Sales of cement	million t	26.9	31.2	-13.9	-4.7
Sales of aggregates	million t	8.0	8.9	-10.0	-7.1
Sales of ready-mix concrete	million m^3	3.6	4.6	-21.8	-19.4
Net sales	million CHF	2,560	3,012	-15.0	7.9
Operating EBITDA	million CHF	760	836	-9.1	14.8
Operating EBITDA adjusted[1]	million CHF	824	855	-3.6	21.2
Operating EBITDA margin	%	29.7	27.8		
Operating EBITDA margin adjusted[1]	%	32.2	28.4		
Cash flow from operating activities	million CHF	263	518	-49.2	-37.8
Operating Free Cash Flow[2]	million CHF	129	251	-48.6	-37.4

1 Excluding merger, restructuring and other one-offs
2 Cash flow from operating activities less net maintenance and expansion capex

North America

Operating EBITDA Adjusted for North America was up 7.6 percent for the third quarter on a like-for-like basis. Earnings in the US were significantly higher than in the prior-year period despite unfavorable weather. Demand for aggregates in the US was also impacted by a cautious sentiment for both private and public sector investment. Continued work on cost reduction and the ramp up of key plants such as St. Genevieve and Ravena are supporting earnings growth. In Canada, volumes of cement, aggregates and ready-mix concrete increased, underpinning an uplift in earnings.

North America Q3

		July-Sep 2017	July-Sep 2016	±%	±% like-for-like
Sales of cement	million t	5.9	6.0	-1.6	-1.6
Sales of aggregates	million t	34.4	34.6	-0.7	-0.7
Sales of ready-mix concrete	million m^3	2.9	2.6	8.8	-2.3
Net sales	million CHF	1,790	1,801	-0.6	-2.6
Operating EBITDA	million CHF	601	567	6.1	6.0
Operating EBITDA adjusted[1]	million CHF	621	575	7.9	7.6
Operating EBITDA margin	%	33.6	31.5		
Operating EBITDA margin adjusted[1]	%	34.7	32.0		
Cash flow from operating activities	million CHF	364	354	2.8	1.6
Operating Free Cash Flow[2]	million CHF	319	200	59.3	56.5

North America YTD

		Jan-Sep 2017	Jan-Sep 2016	±%	±% like-for-like
Sales of cement	million t	14.4	14.7	-2.6	-2.6
Sales of aggregates	million t	79.2	80.6	-1.8	-1.8
Sales of ready-mix concrete	million m^3	6.7	6.6	2.6	-1.8
Net sales	million CHF	4,194	4,204	-0.2	-1.8
Operating EBITDA	million CHF	1,172	957	22.5	21.7
Operating EBITDA adjusted[1]	million CHF	1,093	971	12.6	11.8
Operating EBITDA margin	%	27.9	22.8		
Operating EBITDA margin adjusted[1]	%	26.1	23.1		
Cash flow from operating activities	million CHF	198	171	15.4	13.9
Operating Free Cash Flow[2]	million CHF	-66	-269	75.6	75.2

1 Excluding merger, restructuring and other one-offs
2 Cash flow from operating activities less net maintenance and expansion capex

OTHER FINANCIAL DETAILS

Merger, restructuring and other one-offs amounted to CHF 165 million for the nine months 2017 consisting of CHF 301 million of merger-related and restructuring costs, partly offset by other one-offs of CHF 136 million resulting from the reversal of provisions in Q2 2017.

The contribution to Group profits from **joint ventures** increased by CHF 35 million compared to the first nine months of 2016. In Q3 the increase was CHF 13 million. The share of profits from **associates** in the year to date increased by CHF 51 million reflecting a larger contribution from Huaxin Cement, China, as a result of higher prices in the market and the integration of the Lafarge assets sold to Huaxin on 1 January 2017.

Net financial expenses of CHF 583 million are CHF 24 million lower compared to the first nine months 2016. This reflects financial synergy benefits arising from the merger as well as reduced levels of net financial debt in 2017 offset by non-recurring expenses in relation to ongoing legal cases.

The effective **tax** rate for the nine months 2017 is 27.2 percent deriving from a yearly projected tax rate of around 28 percent and the impact of the divestment of Vietnam in Q1 2017.

Net capital expenditure for the nine months was CHF 760 million of which CHF 291 million was expansion Capex.

Operating Free Cash Flow stood at CHF 241 million for nine months, compared with CHF 317 million for the same period in 2016.

In November 2016, the Group announced a **share buyback** program of up to CHF 1 billion over 2017-2018. Between June 1, 2017 and September 30, 2017, 5.2 million shares were repurchased to the value of CHF 297 million.

Net of tax, the proceeds of the **transactions** completed during the first nine months resulted in a net debt reduction of around CHF 1.1 billion. This follows the completion of the Vietnam divestment in Q1, the completion of the Chile divestment in Q3 and the remittance of full cash proceeds from announced transactions in China, with the exception of CHF 110 million which will be received in 2018 as previously disclosed.

Net debt stood at CHF 15.5 billion at quarter end.

RECONCILIATION TO GROUP ACCOUNTS

Reconciling measures of profit and loss to LafargeHolcim Group consolidated statement of income

Million CHF	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Operating profit	**1,045**	**1,092**	**2,411**	**2,350**
Depreciation, amortization and impairment of operating assets	578	534	1,709	1,673
Operating EBITDA	**1,623**	**1,626**	**4,120**	**4,023**
Merger, restructuring and other one offs	127	91	165	267
Operating EBITDA Adjusted	**1,750**	**1,717**	**4,286**	**4,290**

Reconciliation of Recurring Net Income with Net Income as disclosed in Financial Statements

Million CHF	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Net income	**471**	**1,103**	**1,625**	**1,555**
Merger related one-off costs	19	35	56	138
Other one-off costs above CHF 50 million	72	0	8	0
Gains on disposals and impairment	81	(420)	(222)	(386)
Bonds early repayment premiums	0	22	0	90
Recurring Net Income	**643**	**740**	**1,467**	**1,397**
of which Recurring Net income Group share	589	687	1,270	1,177

Adjustments disclosed net of taxation

Reconciliation of Operating Free Cash Flow to consolidated cash flows of LafargeHolcim Group

Million CHF	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Cash flow from operating activities	**1,140**	**1,255**	**1,002**	**1,516**
Purchase of property, plant and equipment	(286)	(429)	(864)	(1,279)
Disposal of property, plant and equipment	49	30	104	80
Operating Free Cash Flow	**903**	**856**	**241**	**317**

Reconciliation of Net Financial Debt to consolidated statement of LafargeHolcim Group

Million CHF	30 Sept 2017	31 Dec 2016
Current financial liabilities	**4,753**	**4,976**
Long-term financial liabilities	15,159	14,744
Cash and cash equivalents	(4,294)	(4,923)
Short-term derivative assets	(60)	(68)
Long-term derivative assets	(23)	(6)
Net Financial Debt	**15,535**	**14,724**

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 *website.*

ADDITIONAL INFORMATION

The analyst presentation of the results and our Q3 report are available on our website at www.lafargeholcim.com

The financial statements based on IFRS can be found on the LafargeHolcim Group website.

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About LafargeHolcim

LafargeHolcim is the leading global building materials and solutions company serving masons, builders, architects and engineers all over the world. Group operations produce cement, aggregates and ready-mix concrete which are used in building projects ranging from affordable housing and small, local projects to the biggest, most technically and architecturally challenging infrastructure projects. As urbanisation increasingly impacts people and the planet, the Group provides innovative products and building solutions with a clear commitment to social and environmental sustainability. With leading positions in all regions, LafargeHolcim employs around 90,000 employees in more than 80 countries and has a portfolio that is equally balanced between developing and mature markets.

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.

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