



# Third Quarter 2016 Results

Eric Olsen, CEO and Ron Wirahadiraksa, CFO

November 4, 2016



LafargeHolcim



# 01 Overview of Q3 2016 Results

Eric Olsen, Chief Executive Officer

# Delivering on our commitments

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- ➔ Strong earnings growth momentum sustained in Q3 driven by pricing strategy and disciplined cost management
  - ➔ Adjusted operating EBITDA up 10.5% like-for-like in Q3
  - ➔ Margins continued to improve; adjusted operating EBITDA margin up 290 bps in Q3
  - ➔ Operating EBITDA synergies delivery ahead of schedule, outperforming full year targets after only 9 months; at least CHF 100 million incremental synergies expected in Q4
  - ➔ Strong improvement in operating Free Cash Flow at CHF 856 million in Q3, notably supported by lower expansion capex and tight net working capital management
- ➔ Transactions closed in Q3 resulted in a net debt reduction of close to CHF 1 billion

On track to reach our 2016 objectives

# Solid support to earnings momentum

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- In India, prices continued to improve despite strong Monsoon season
- In Nigeria, actions to reduce dependence on gas and to increase prices underpins results growth potential for the coming quarters
- Solid price trends and cost management continue to drive solid improvement in results in the US
- Strong performance in Europe thanks to decisive costs reductions and delivery of synergies

# On track to achieve our objectives

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- ➔ 2016 will be a year of solid progress towards our 2018 targets
  - At least high single digit like-for-like improvement in adjusted operating EBITDA
- ➔ Net debt reduction and cash flow improvement in line with our commitment to a solid investment grade rating
  - Net debt expected at circa CHF 13 billion with CHF 3.5 billion proceeds expected from divestments
  - CAPEX maintained below CHF 2 billion



## 02 Q3 2016 results and Performance analysis

Ron Wirahadiraksa, Chief Financial Officer

# Key financial figures

CHF m	Q3 2016	Q3 2015	±	Like-for-like	9M 2016	9M 2015	±	Like-for-like
<b>Volumes</b>								
Cement (Mt)	57.9	65.5	-11.6%	-4.2%	177.2	189.4	-6.4%	-1.5%
Aggregates (Mt)	83.4	86.8	-3.9%	-2.8%	213.6	216.3	-1.3%	0.2%
Ready-mix (Mm <sup>3</sup> )	14.4	15.3	-5.9%	-5.5%	41.9	42.6	-1.5%	-1.4%
<b>Net Sales</b>	<b>7'036</b>	<b>7'824</b>	<b>-10.1%</b>	<b>-3.1%</b>	<b>20'378</b>	<b>22'041</b>	<b>-7.5%</b>	<b>-1.8%</b>
<b>Operating EBITDA</b>	<b>1'594</b>	<b>1'309</b>	<b>21.8%</b>	<b>32.9%</b>	<b>3'947</b>	<b>3'655</b>	<b>8.0%</b>	<b>14.5%</b>
<b>Operating EBITDA adj. <sup>1)</sup></b>	<b>1'685</b>	<b>1'645</b>	<b>2.4%</b>	<b>10.5%</b>	<b>4'214</b>	<b>4'356</b>	<b>-3.3%</b>	<b>2.0%</b>
<b>Operating EBITDA margin adj. <sup>1)</sup></b>	<b>23.9%</b>	<b>21.0%</b>	<b>293bp</b>	<b>295bp</b>	<b>20.7%</b>	<b>19.8%</b>	<b>91bp</b>	<b>78bp</b>
<b>Net income</b>	<b>1'103</b>	<b>820</b>	<b>34.5%</b>		<b>1'555</b>	<b>953</b>	<b>63.2%</b>	
<b>Recurring Net Income <sup>2)</sup></b>	<b>740</b>	<b>366</b>	<b>101.9%</b>		<b>1'397</b>	<b>786</b>	<b>77.7%</b>	
<b>Operating Free Cash Flow <sup>3)</sup></b>	<b>856</b>	<b>30</b>			<b>317</b>	<b>-697</b>		
<b>Capex Net</b>	<b>-399</b>	<b>-577</b>	<b>-30.9%</b>		<b>-1'199</b>	<b>-1'684</b>	<b>-28.8%</b>	
<b>Net Debt</b>					<b>16'497</b>	<b>18'309</b>	<b>-9.9%</b>	
<b>Earnings per share (in CHF)</b>	<b>1.72</b>	<b>1.23</b>	<b>57.3%</b>		<b>2.21</b>	<b>1.18</b>	<b>111.0%</b>	

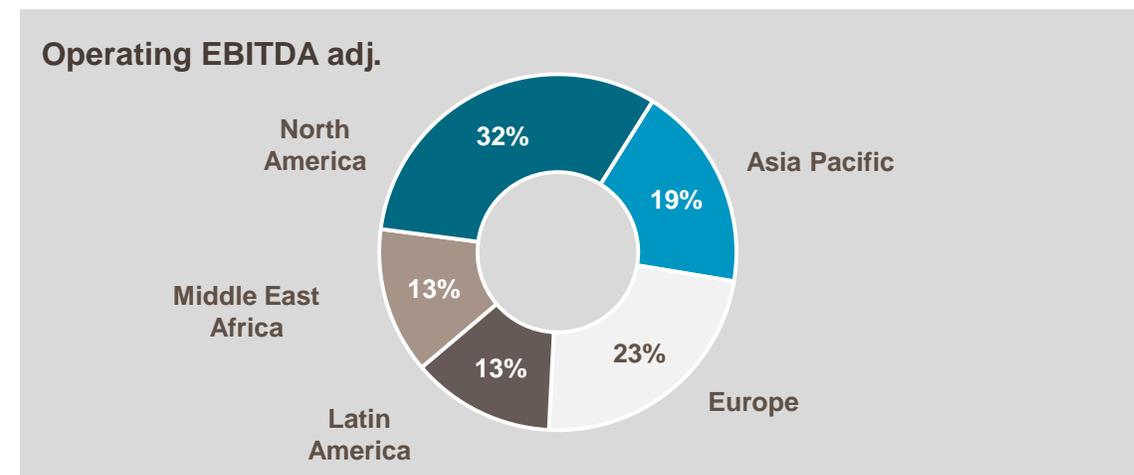
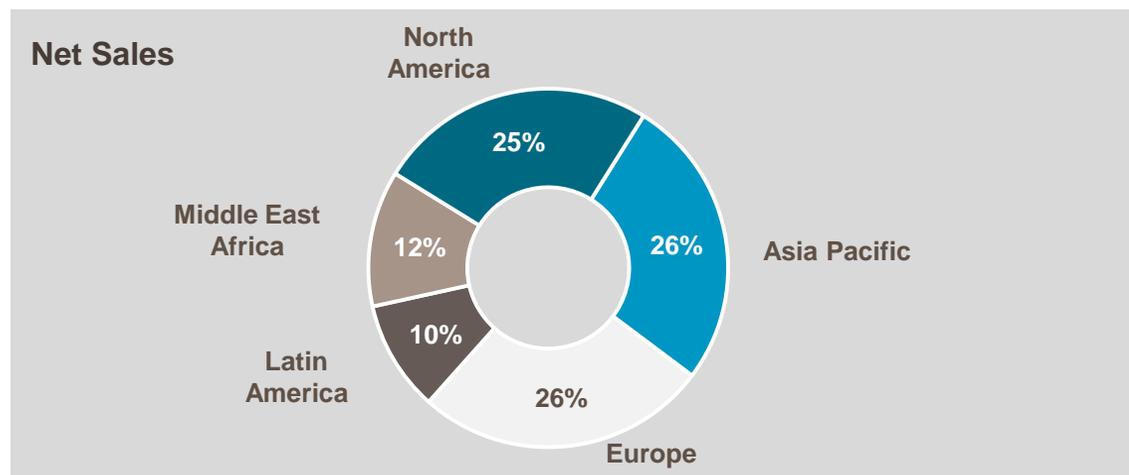
All figures are pro forma financials. They include the changes in the scope of the divestments achieved in connection with the merger, the impact of merger, restructuring and other one-offs, the deconsolidation of the Australian business operated under a joint-venture and the effect of the divestments achieved over the course of 2015. The scope perimeter was impacted by minor changes in Q1 2016, the deconsolidation of South Korea in Q2 2016 and the deconsolidation of Morocco, Ivory Coast and Sri Lanka in Q3 2016. 2 cement plants with a capacity of 5 Mt in Lafarge India remain classified as discontinued operations.

1) Excluding merger, restructuring and other one-offs (in Q3 2016: CHF 57 million implementation cost related to synergies and CHF 34 million restructuring costs and other one-offs not related to the merger / 9M: CHF 174 million implementation cost related to synergies and CHF 93 million restructuring costs and other one-offs not related to the merger)

2) Recurring net income is adjusted for post-tax merger-related one-offs, costs of early bond repayments and gains/losses on disposals and impairments

3) Cash Flow from operating activities less net maintenance and expansion capex

# Net Sales and adjusted operating EBITDA<sup>1)</sup> by Region – Q3 2016



CHF m	Q3 2016	Q3 2015	±	Like-for-like
Asia Pacific	1'894	2'136	-11.3%	-5.9%
Europe	1'890	1'999	-5.5%	-1.6%
Latin America	716	842	-14.9%	-7.4%
Middle East Africa	882	1'065	-17.2%	1.4%
North America	1'801	1'892	-4.8%	-6.0%
Corporate / Eliminations	-148	-109		
<b>Group</b>	<b>7'036</b>	<b>7'824</b>	<b>-10.1%</b>	<b>-3.1%</b>

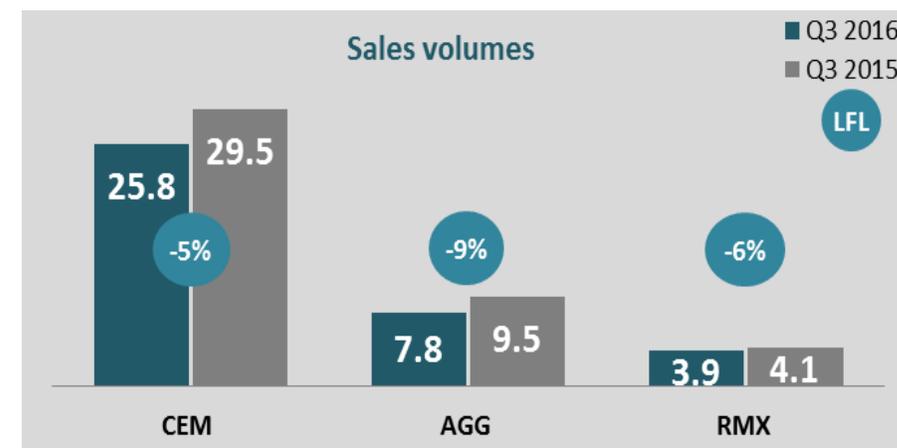
CHF m	Q3 2016	Q3 2015	±	Like-for-like
Asia Pacific	338	350	-3.4%	6.7%
Europe	418	376	11.3%	16.3%
Latin America	234	240	-2.4%	7.5%
Middle East Africa	240	309	-22.6%	-5.1%
North America	574	519	10.6%	9.2%
Corporate	-119	-149	20.3%	20.5%
<b>Group</b>	<b>1'685</b>	<b>1'645</b>	<b>2.4%</b>	<b>10.5%</b>

<sup>1)</sup> Excluding merger, restructuring and other one-offs

# Asia Pacific

CHF m	Q3 2016	Q3 2015	±	Like-for-like
Net Sales	1'894	2'136	-11.3%	-5.9%
Operating EBITDA adj. <sup>1)</sup>	338	350	-3.4%	6.7%
Operating EBITDA margin adj. <sup>1)</sup>	17.8%	16.4%	147bp	211bp
Cash flow from Op activities	152	204	-25.6%	-19.9%
Capex Net	-79	-134	-41.4%	

<sup>1)</sup> Excluding merger, restructuring and other one-offs

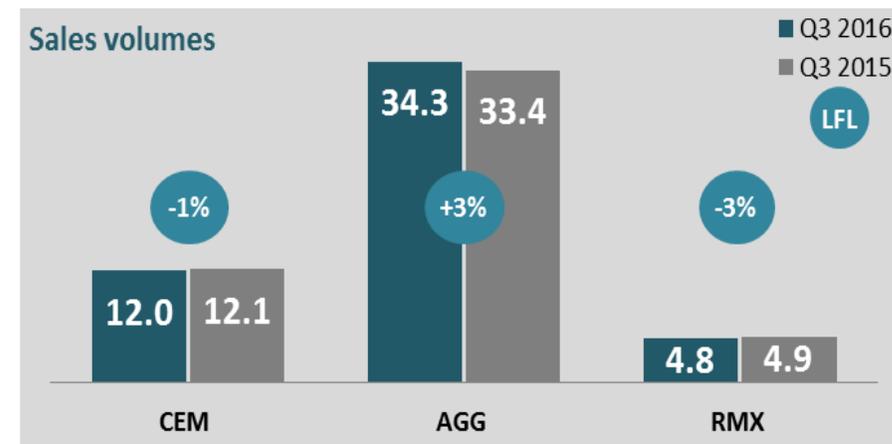


- › Solid rise in adjusted operating EBITDA margin of ~150 bps
  - › Continued turnaround in India, supported by price and cost discipline in despite extended monsoon that impacted volumes
  - › Market environment still buoyant in the Philippines
  - › Strong contribution from cost reduction and synergies in China
  - › Persistent challenging conditions in Indonesia and Malaysia

# Europe

CHF m	Q3 2016	Q3 2015	±	Like-for-like
Net Sales	1'890	1'999	-5.5%	-1.6%
Operating EBITDA adj. <sup>1)</sup>	418	376	11.3%	16.3%
Operating EBITDA margin adj. <sup>1)</sup>	22.1%	18.8%	333bp	342bp
Cash flow from Op activities	431	238	80.8%	85.3%
Capex Net	-59	-87	-32.1%	

<sup>1)</sup> Excluding merger, restructuring and other one-offs

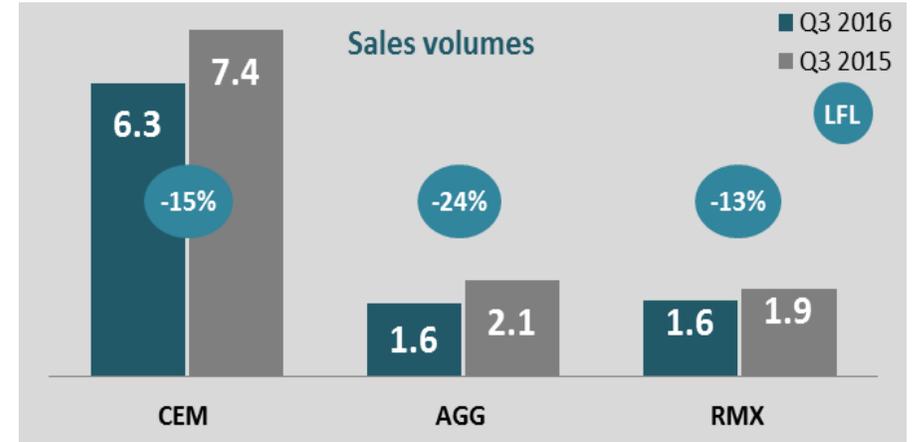


- › Strong growth of adjusted operating EBITDA and margin improvement of ~330 bps
  - › Resilient performance in most countries
  - › Improving overall trends in volumes in cement and aggregates, supported by mild weather in September
  - › Positive effects from on-going restructuring and costs initiatives across the region notably in the UK
  - › Improvement in pricing and synergy delivery in Russia
  - › Environment remains challenging in Spain, Italy and Poland
  - › Depreciation of GBP weighing on reported net sales and operating EBITDA

# Latin America

CHF m	Q3 2016	Q3 2015	±	Like-for-like
Net Sales	716	842	-14.9%	-7.4%
Operating EBITDA adj. <sup>1)</sup>	234	240	-2.4%	7.5%
Operating EBITDA margin adj. <sup>1)</sup>	32.7%	28.5%	417bp	462bp
Cash flow from Op activities	120	100	20.7%	37.9%
Capex Net	-28	-50	-44.1%	

<sup>1)</sup> Excluding merger, restructuring and other one-offs

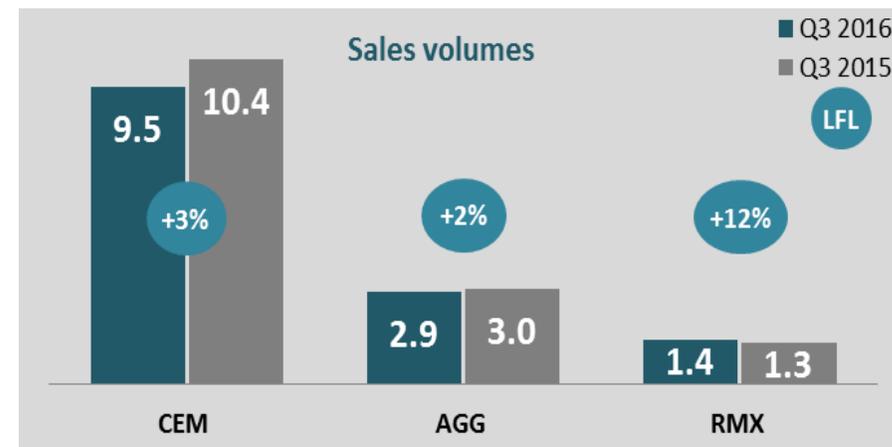


- › Strong margin expansion of ~420 bps despite difficult environment in Brazil
  - › Strong contribution from Mexico and Argentina on the back of pricing initiatives and tight cost control
  - › Successful costs measures in the region overall and in particular Ecuador

# Middle East Africa

CHF m	Q3 2016	Q3 2015	±	Like-for-like
Net Sales	882	1'065	-17.2%	1.4%
Operating EBITDA adj. <sup>1)</sup>	240	309	-22.6%	-5.1%
Operating EBITDA margin adj. <sup>1)</sup>	27.2%	29.1%	-188bp	-179bp
Cash flow from Op activities	163	190	-14.6%	0.9%
Capex Net	-77	-149	-48.1%	

<sup>1)</sup> Excluding merger, restructuring and other one-offs

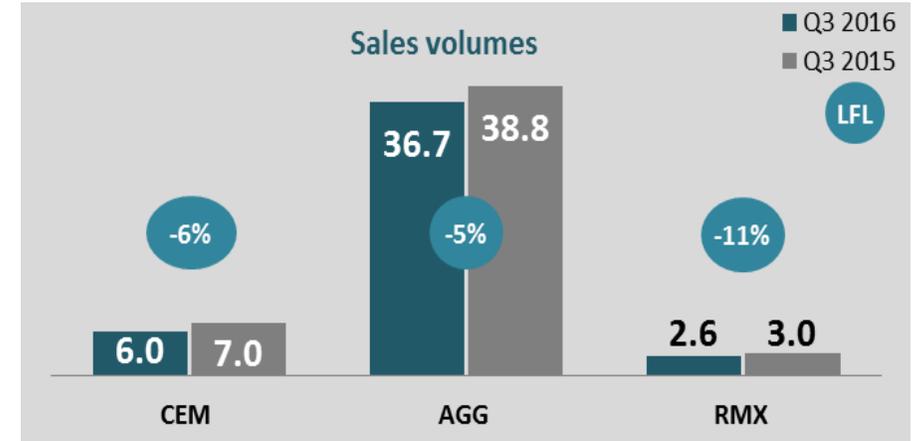


- › Excluding Nigeria, significant improvement of adjusted operating EBITDA (+29% like-for-like) and margin (~310 bps)
- › Stronger performance in Middle East, Northern and sub Saharan Africa
  - › Effective pricing initiatives in Egypt and Algeria, disciplined cost management particularly in Egypt and Lebanon
- › Still a difficult situation in Nigeria, but challenges addressed
  - › Continued sequential price improvement in the quarter, September exit price back to Q3 2015 levels
  - › Improved fuel flexibility following gas shortages earlier in 2016 enabled production levels to recover at the end of the quarter and plan in place to solve logistical issues and restore full supply to customers
- › Continued strong performance from our equity-accounted joint-venture that includes all our operations in Morocco and Ivory Coast

# North America

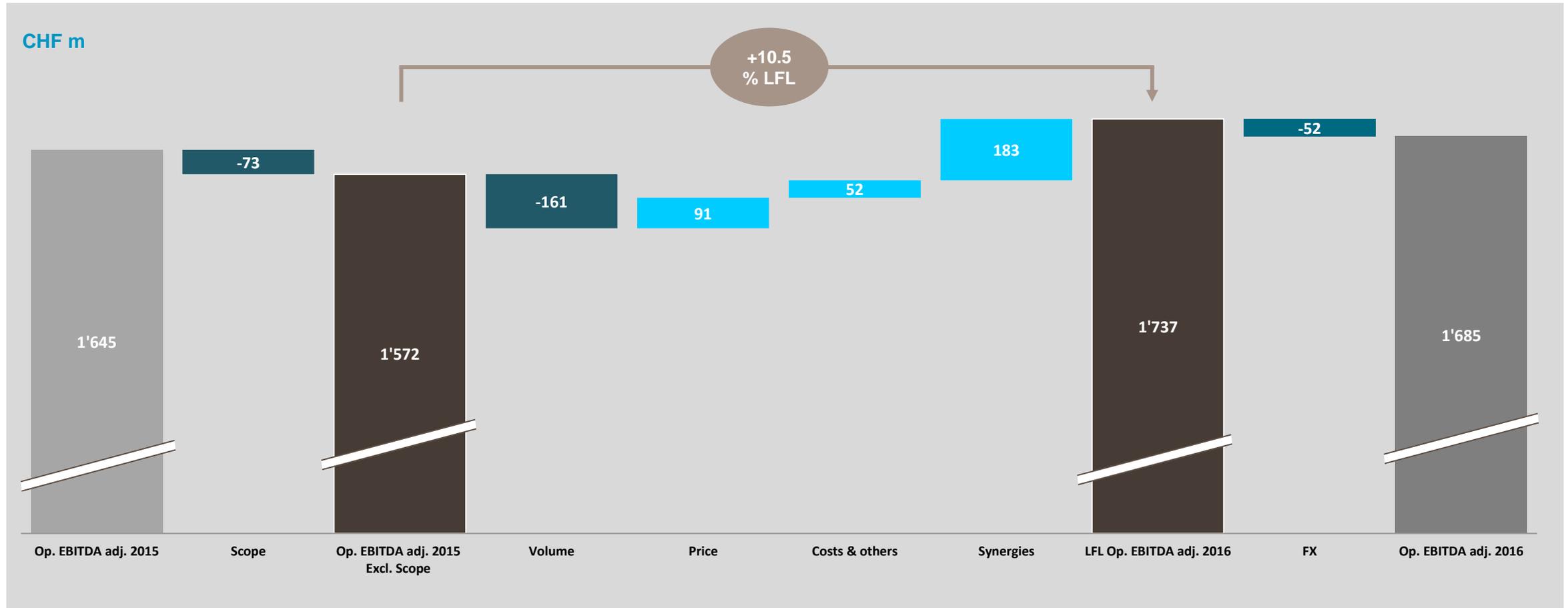
CHF m	Q3 2016	Q3 2015	±	Like-for-like
Net Sales	1'801	1'892	-4.8%	-6.0%
Operating EBITDA adj. <sup>1)</sup>	574	519	10.6%	9.2%
Operating EBITDA margin adj. <sup>1)</sup>	31.9%	27.4%	444bp	442bp
Cash flow from Op activities	354	353	0.3%	-1.5%
Capex Net	-154	-144	6.6%	

<sup>1)</sup> Excluding merger, restructuring and other one-offs



- › Significant improvement in adjusted operating EBITDA margin of ~440 bps
  - › Favorable pricing environment despite weather impacts on volumes and softer cement demand in the US
  - › Acceleration of synergies delivery and on-going cost savings actions
- › In Canada, market decline in Alberta still impacting cement sales volumes

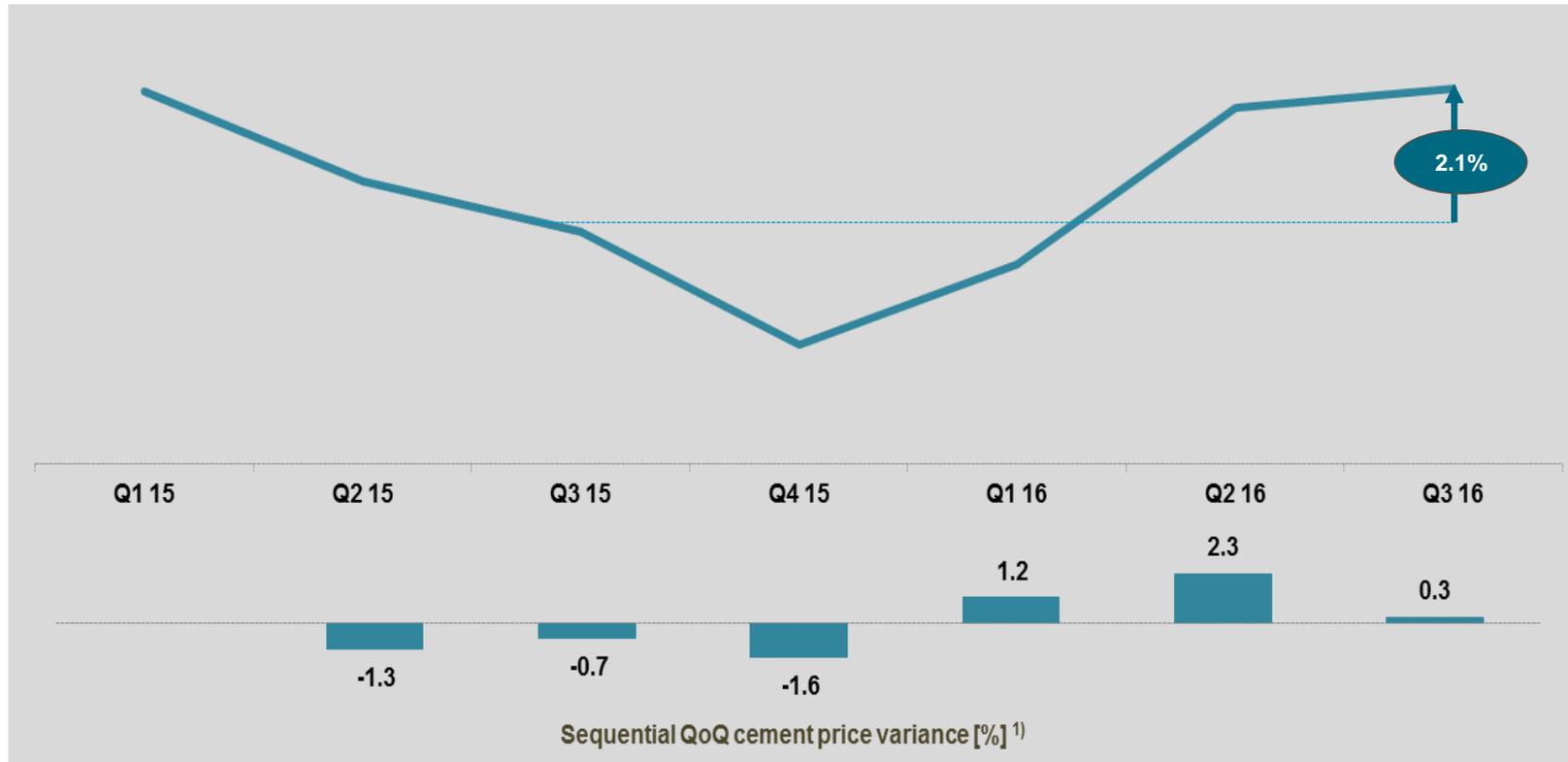
# Adjusted operating EBITDA<sup>1)</sup> Q3 2016



<sup>1)</sup> Excluding merger, restructuring and other one-offs

# Quarter-on-quarter price trend

➔ Cement price slightly up in the quarter, 0.3% above Q2 2016, and 2.1% above Q3 15 price level



- › Effective price increases in Mexico, Argentina, India, Nigeria and North America...
- › ...compensated declines in Brazil, Indonesia and Malaysia

<sup>1)</sup> Sequential QoQ price development calculated at constant geographical mix Q3 2016 (considering scope impact from divestments) and constant FX effect

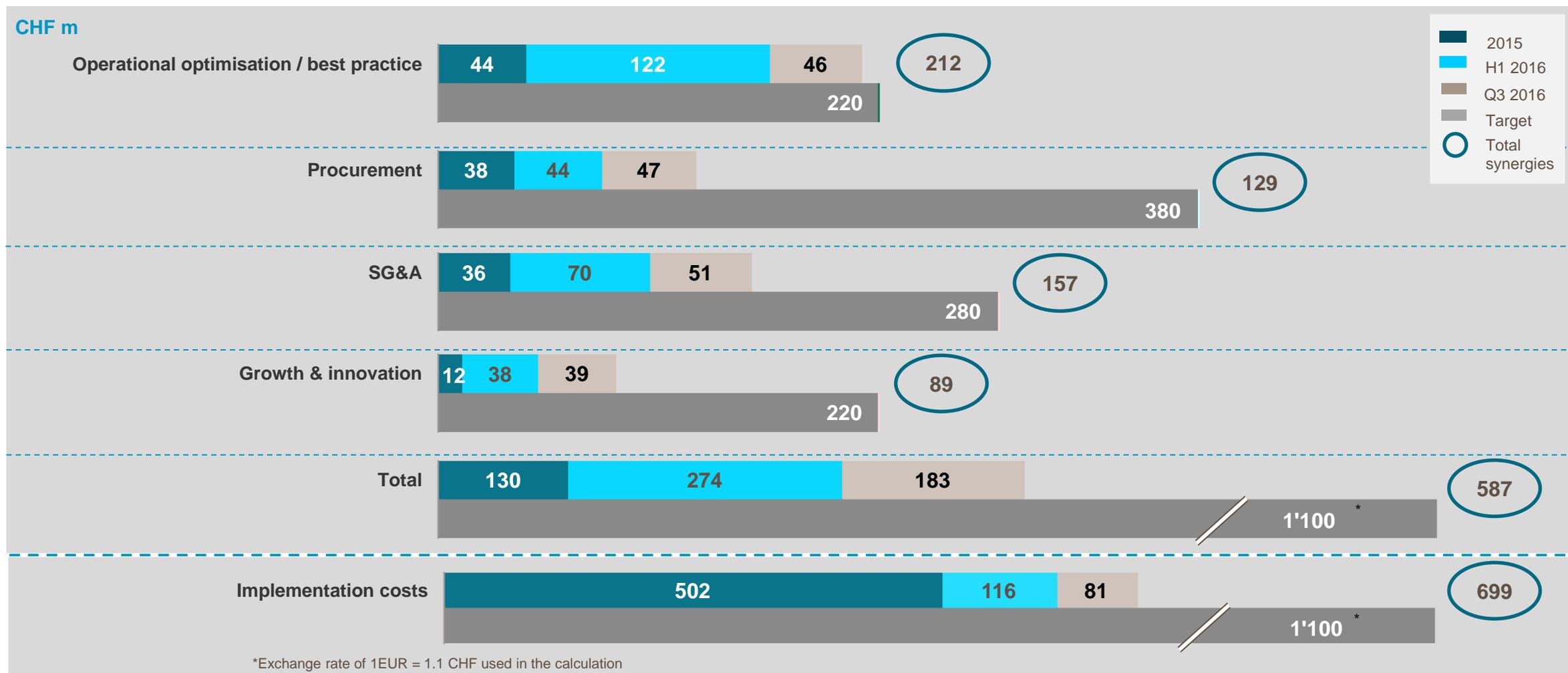
# A significant contribution from our Joint Ventures

CHFm

	Reported		Impact of Joint Ventures <sup>1)</sup>		Reported after impact of Joint Ventures		Reported	Reported after impact of JVs
	Q3 16	Q3 15	Q3 16	Q3 15	Q3 16	Q3 15	±	±
Net sales	7'036	7'824	195	110	7'231	7'934	-10.1%	-8.9%
Operating EBITDA adj.	1'685	1'645	79	39	1'764	1'684	2.4%	4.8%
Operating EBITDA adj. margin	23.9%	21.0%	40.5%	35.5%	24.4%	21.2%	293bp	317bp

1) including Morocco operations, Ivory Coast and cement Australia as if proportionally consolidated in Q3 2015 and Q3 2016

# Acceleration of synergies delivery in Q3 2016

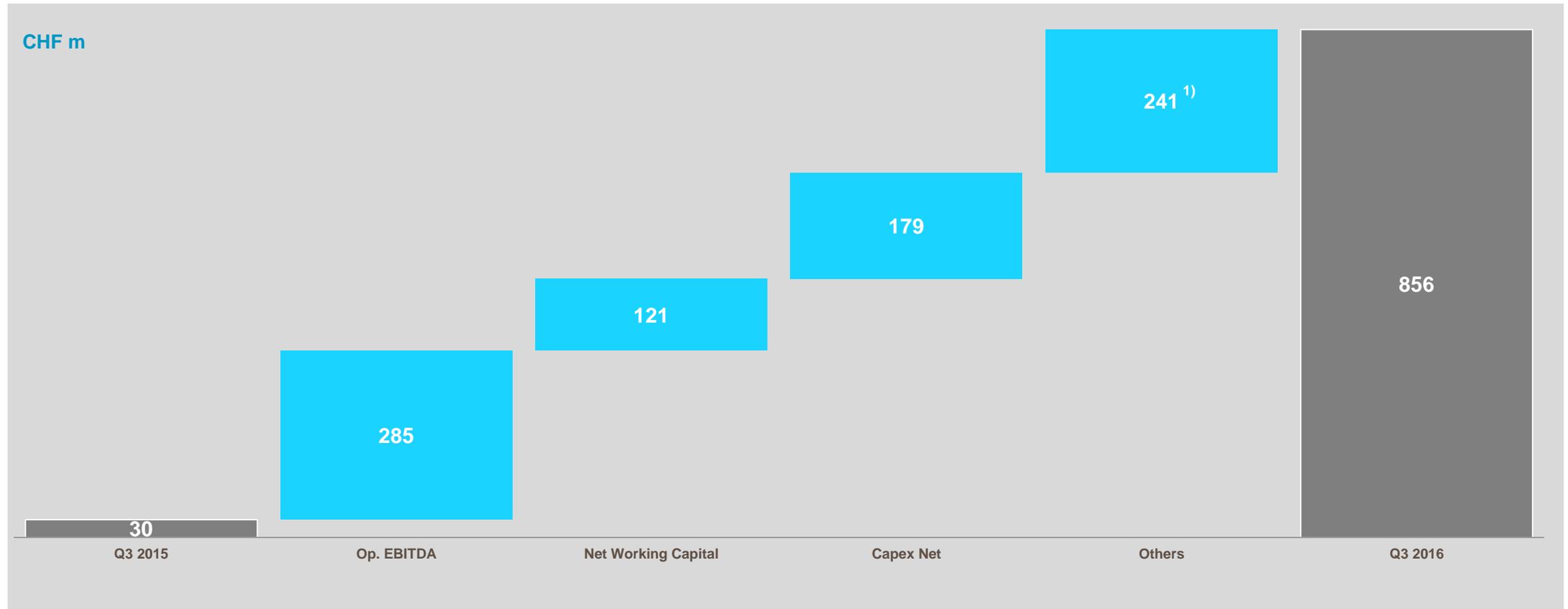


# Operating EBITDA to Net Income

CHF m	Q3 2016	Q3 2015	±	9M 2016	9M 2015	±
<b>Operating EBITDA</b>	<b>1'594</b>	<b>1'309</b>	<b>21.8%</b>	<b>3'947</b>	<b>3'655</b>	<b>8.0%</b>
Depreciation & Amortization	-534	-646	17.3%	-1'673	-1'880	11.0%
<b>Operating Profit</b>	<b>1'060</b>	<b>665</b>	<b>59.4%</b>	<b>2'274</b>	<b>1'776</b>	<b>28.0%</b>
Other Income	473	620	-23.7%	496	609	-18.6%
Share of profit of associates and Joint-Ventures	54	34	58.8%	123	129	-4.7%
Financial Income	41	39	5.1%	130	188	-30.9%
Financial Expenses	-223	-360	38.1%	-737	-1'178	37.4%
<b>Net Income Before Taxes</b>	<b>1'404</b>	<b>998</b>	<b>40.7%</b>	<b>2'286</b>	<b>1'524</b>	<b>50.0%</b>
Income Taxes	-312	-180	-73.3%	-774	-573	-35.1%
Net income from discontinued operations	11			43		
<b>Net Income</b>	<b>1'103</b>	<b>820</b>	<b>34.5%</b>	<b>1'555</b>	<b>953</b>	<b>63.2%</b>
Net income - Non controlling interests	58	73	-20.5%	217	236	-8.1%
Net income - Group share	1'045	746	40.1%	1'338	717	86.6%
<b>Recurring Net Income <sup>1)</sup></b>	<b>740</b>	<b>366</b>	<b>101.9%</b>	<b>1'397</b>	<b>786</b>	<b>77.7%</b>

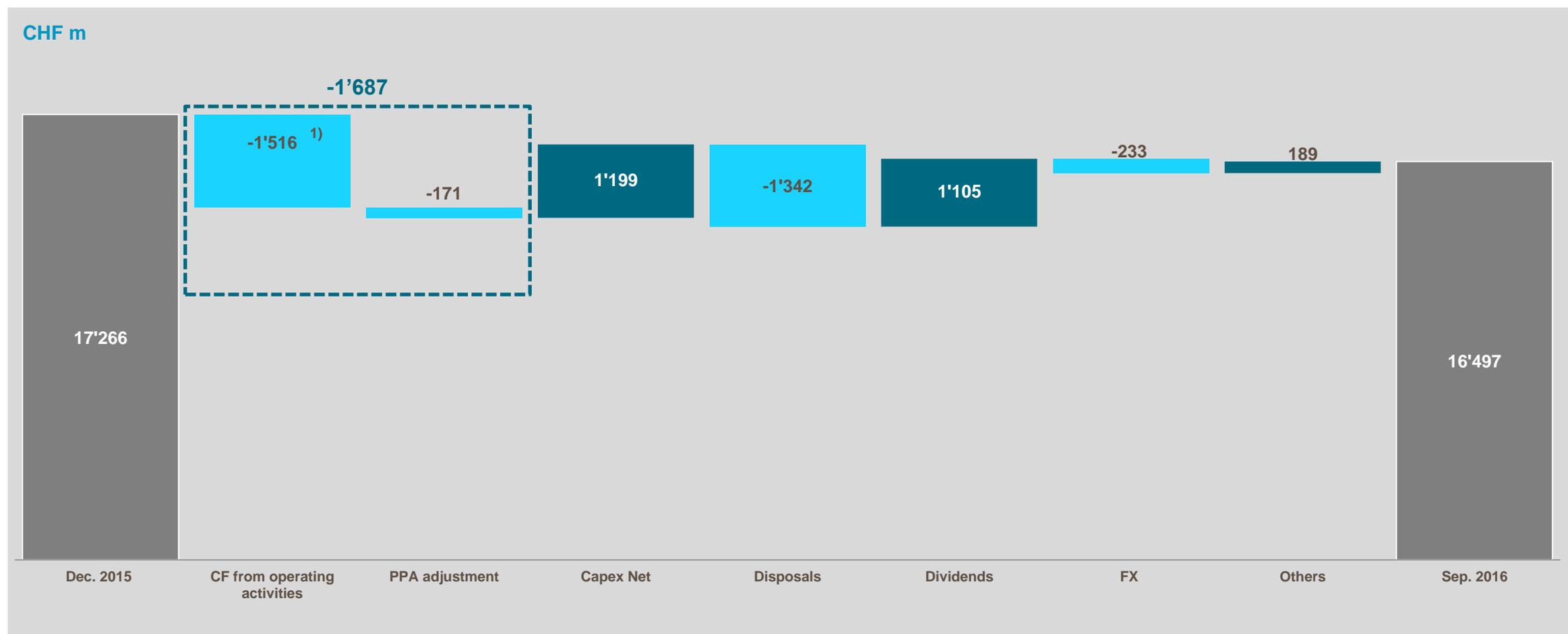
1) Recurring net income is adjusted for post tax merger-related one-offs, costs of early bond repayments and gains/losses on disposals and impairments

# Operating Free Cash Flow variance Q3 2016 vs. Q3 2015



1) Including lower cash payments for financial expenses (CHF 162m) and income taxes (CHF 210m)

# Net Financial Debt December 2015 to September 2016



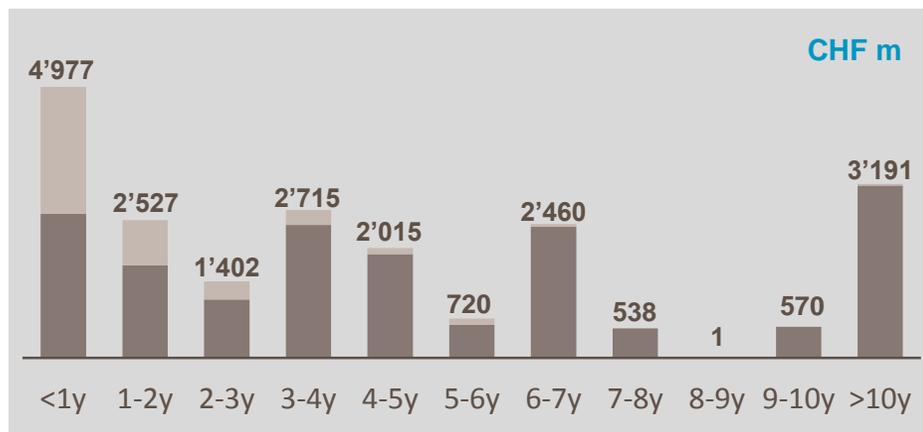
1) Includes CHF 68m cash premium paid on bonds buy-back, CHF 372m merger-related costs and CHF 41m of cash forex losses

# CHF 3.5bn divestment program exceeded

	Cement Capacities	Scope Impact (closing to Dec)*		Scope Impact (full year)*		EV @ 100%
		Net Sales	Op EBITDA adj	Net Sales	Op EBITDA adj	
<b>Announced divestments (closing dates)</b> <ul style="list-style-type: none"> <li>• South Korea (Q2)</li> <li>• Saudi Arabia (Q2, equity accounted)</li> <li>• Sri Lanka (Q3)</li> <li>• Lafarge India (Q4)</li> <li>• Vietnam (expected in Q4)</li> <li>• Chile (expected in 2017)</li> </ul>	30 Mt	CHF 495m	CHF 79m	~CHF1.4bn	~CHF 230m	} CHF 3.5bn
<ul style="list-style-type: none"> <li>• Lafarge India (discontinued in 2015)</li> </ul>				~CHF 0.3bn	~CHF 100m	
<b>Restructuring in Sub-Saharan Africa</b> <ul style="list-style-type: none"> <li>• Morocco (Q3)</li> <li>• Ivory Coast (Q3)</li> <li>• Cameroon (Q4)</li> <li>• Guinea (expected in Q4)</li> <li>• Benin (Q4, equity accounted)</li> </ul>	19 Mt	CHF 383m	CHF 65m	~CHF 1.4bn	~CHF 310m	
Restructuring in China						
<b>Net financial debt impact</b>						<ul style="list-style-type: none"> <li>• From divestments closed in 9M and Lafarge India: CHF 2.4bn</li> <li>• For full year 2016: CHF 3.5bn based on expected closing date for transactions</li> <li>• For all announced transactions: CHF 4.1bn</li> </ul>

# Maturity profile and cost of debt

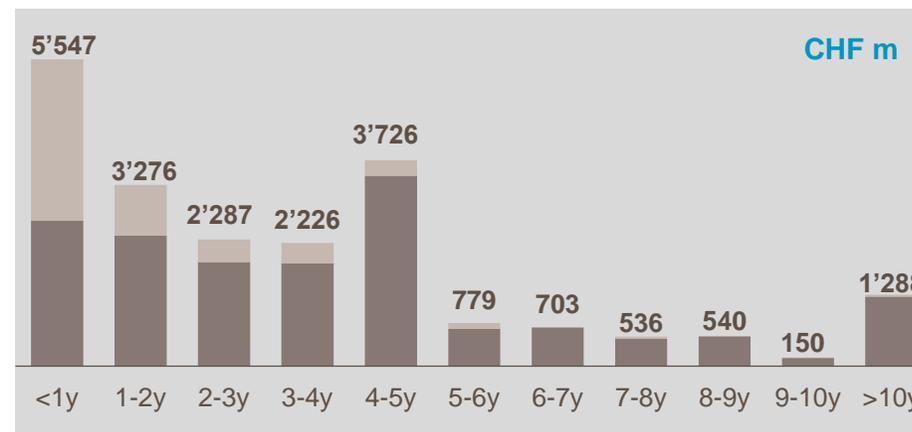
Sept. 2016



Average maturity  
5.6 y

Average cost of debt  
4.8%

Dec. 2015



Average maturity  
4.2 y

Average cost of debt  
5.1%

■ Capital Markets  
■ Loans

- › New bond of USD 1bn issued in Q3 2016
  - › USD 400m with a 10 year maturity and a coupon of 3.50% p.a.
  - › USD 600m with a 30 year maturity and a coupon of 4.75% p.a.



## 03 Outlook

Ron Wirahadiraksa, Chief Financial Officer

# Outlook for 2016

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- ➔ Cement demand outlook 2016: overall global demand in the range of 1-3 per cent
- ➔ Other expectations for 2016 remain unchanged
  - › Capex below CHF 2.0 billion
  - › Incremental operating EBITDA synergies of at least CHF 550 million
  - › Pricing recovery actions and commercial excellence initiatives will demonstrate tangible results in 2016
  - › CHF 3.5 billion divestment program to be completed; target extended to CHF 5 billion by end of 2017
  - › Net debt around CHF 13.0 billion at year end, including the effect of our planned divestment program
  - › At least a high single digit like-for-like increase in adjusted operating EBITDA

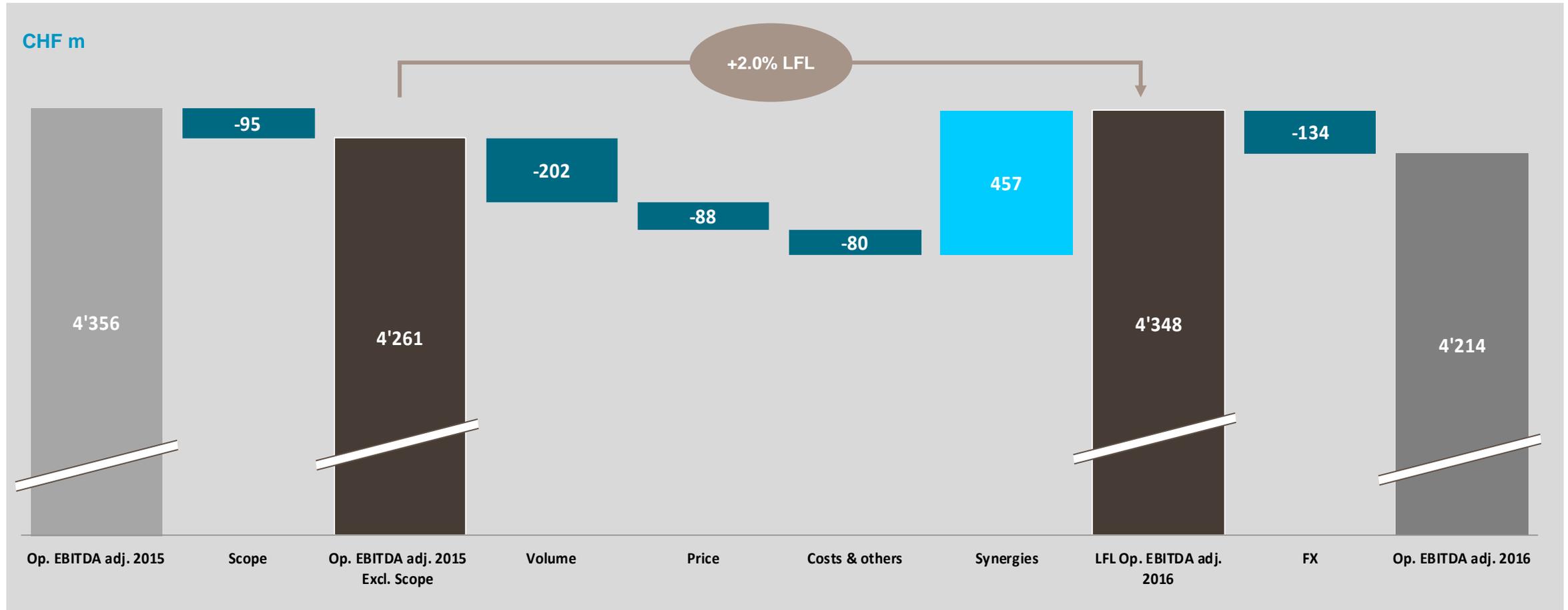


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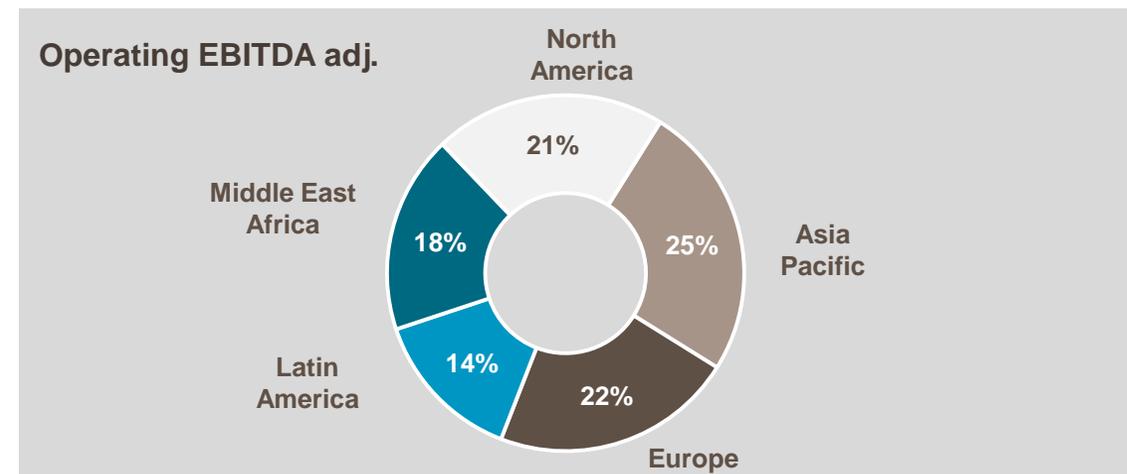
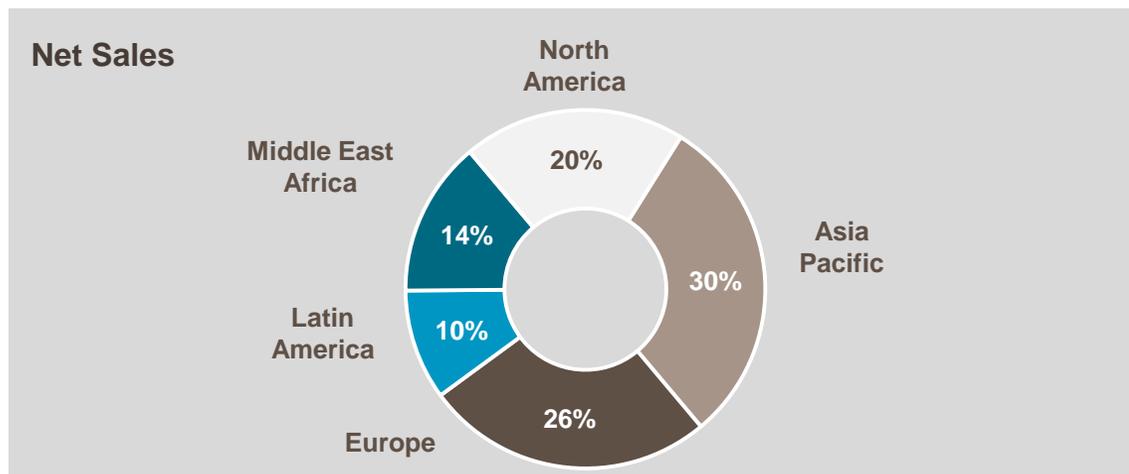
## 04 Appendix

# Adjusted operating EBITDA<sup>1)</sup> 9M 2016



<sup>1)</sup> Excluding merger, restructuring and other one-offs

# Net Sales and adjusted operating EBITDA<sup>1)</sup> by Region – 9M 2016



CHF m	9M 2016	9M 2015	±	Like-for-like
Asia Pacific	6'236	6'685	-6.7%	-1.5%
Europe	5'355	5'573	-3.9%	-2.7%
Latin America	2'083	2'458	-15.3%	-4.7%
Middle East Africa	3'012	3'455	-12.8%	-3.7%
North America	4'204	4'179	0.6%	-0.6%
Corporate / Eliminations	-511	-309		
<b>Group</b>	<b>20'378</b>	<b>22'041</b>	<b>-7.5%</b>	<b>-1.8%</b>

CHF m	9M 2016	9M 2015	±	Like-for-like
Asia Pacific	1'120	1'165	-3.9%	2.6%
Europe	993	960	3.4%	5.2%
Latin America	655	691	-5.2%	4.0%
Middle East Africa	826	1'090	-24.2%	-17.0%
North America	970	857	13.2%	11.4%
Corporate	-350	-408	14.3%	15.1%
<b>Group</b>	<b>4'214</b>	<b>4'356</b>	<b>-3.3%</b>	<b>2.0%</b>

<sup>1)</sup> Excluding merger, restructuring and other one-offs

# Cement and Aggregates sales volumes by region

## Cement sales volumes

Mt	Q3 2016	Q3 2015	±	Scope	Like-for-like	9M 2016	9M 2015	±	Scope	Like-for-like
Asia Pacific	26	30	-12.7%	-9.0%	-4.9%	86	90	-4.1%	-4.6%	0.3%
Europe	12	12	-0.8%		-0.8%	32	32	-2.0%		-2.0%
Latin America	6	7	-15.2%		-15.2%	18	21	-13.9%		-13.9%
Middle East Africa	10	10	-8.3%	-12.2%	2.8%	31	32	-2.5%	-3.6%	1.0%
North America	6	7	-14.6%	-7.8%	-6.0%	15	16	-7.9%	-8.2%	0.9%
Corporate / Eliminations	-2	-1			8.2%	-5	-2			4.3%
<b>Group</b>	<b>58</b>	<b>65</b>	<b>-11.6%</b>	<b>-7.6%</b>	<b>-4.2%</b>	<b>177</b>	<b>189</b>	<b>-6.4%</b>	<b>-5.0%</b>	<b>-1.5%</b>

## Aggregates sales volumes

Mt	Q3 2016	Q3 2015	±	Scope	Like-for-like	9M 2016	9M 2015	±	Scope	Like-for-like
Asia Pacific	8	10	-17.5%	-9.8%	-9.4%	24	25	-6.4%	-13.6%	6.3%
Europe	34	33	2.8%		2.8%	93	92	1.4%		1.4%
Latin America	2	2	-24.0%		-24.0%	5	6	-15.6%		-15.6%
Middle East Africa	3	3	-3.1%	-4.7%	1.5%	9	8	5.4%	-1.6%	7.2%
North America	37	39	-5.3%		-5.3%	83	85	-2.3%		-2.3%
Eliminations	-	-1				-	-1			
<b>Group</b>	<b>83</b>	<b>87</b>	<b>-3.9%</b>	<b>-1.1%</b>	<b>-2.8%</b>	<b>214</b>	<b>216</b>	<b>-1.3%</b>	<b>-1.5%</b>	<b>0.2%</b>

# Net Sales and adjusted operating EBITDA by region

## Net Sales

CHF m	Q3 2016	Q3 2015	±	Scope	FX	Like-for-like	9M 2016	9M 2015	±	Scope	FX	Like-for-like
Asia Pacific	1'894	2'136	-11.3%	-6.8%	0.5%	-5.9%	6'236	6'685	-6.7%	-3.8%	-1.6%	-1.5%
Europe	1'890	1'999	-5.5%	-0.1%	-3.7%	-1.6%	5'355	5'573	-3.9%	-0.1%	-1.1%	-2.7%
Latin America	716	842	-14.9%		-7.4%	-7.4%	2'083	2'458	-15.3%		-10.5%	-4.7%
Middle East Africa	882	1'065	-17.2%	-10.1%	-10.2%	1.4%	3'012	3'455	-12.8%	-2.9%	-6.6%	-3.7%
North America	1'801	1'892	-4.8%		1.2%	-6.0%	4'204	4'179	0.6%		1.2%	-0.6%
Corporate / Eliminations	-148	-109	-0.4%				-511	-309	-0.7%			
<b>Group</b>	<b>7'036</b>	<b>7'824</b>	<b>-10.1%</b>	<b>-4.7%</b>	<b>-2.7%</b>	<b>-3.1%</b>	<b>20'378</b>	<b>22'041</b>	<b>-7.5%</b>	<b>-3.1%</b>	<b>-2.9%</b>	<b>-1.8%</b>

## Operating EBITDA adjusted

CHF m	Q3 2016	Q3 2015	±	Scope	FX	Like-for-like	9M 2016	9M 2015	±	Scope	FX	Like-for-like
Asia Pacific	338	350	-3.4%	-10.5%	0.1%	6.7%	1'120	1'165	-3.9%	-5.0%	-1.7%	2.6%
Europe	418	376	11.3%	-0.2%	-4.8%	16.3%	993	960	3.4%	-0.2%	-1.6%	5.2%
Latin America	234	240	-2.4%		-10.0%	7.5%	655	691	-5.2%		-9.2%	4.0%
Middle East Africa	240	309	-22.6%	-14.4%	-6.2%	-5.1%	826	1'090	-24.2%	-3.7%	-4.4%	-17.0%
North America	574	519	10.6%		1.4%	9.2%	970	857	13.2%	0.2%	1.6%	11.4%
Corporate	-119	-149	20.3%		-0.2%	20.5%	-350	-408	14.3%		-0.8%	15.1%
<b>Group</b>	<b>1'685</b>	<b>1'645</b>	<b>2.4%</b>	<b>-4.6%</b>	<b>-3.3%</b>	<b>10.5%</b>	<b>4'214</b>	<b>4'356</b>	<b>-3.3%</b>	<b>-2.2%</b>	<b>-3.1%</b>	<b>2.0%</b>

# Net Sales and adjusted operating EBITDA – Cement

CHF m	2016			2015 <sup>2)</sup>				
	Q1 <sup>3)</sup>	Q2 <sup>3)</sup>	Q3	Q1	Q2	Q3	Q4	FY 2015
<b>Net Sales</b>								
Asia Pacific	1'742	1'739	1'457	1'794	1'893	1'692	1'920	7'299
Europe	619	910	879	650	939	889	793	3'271
Latin America	582	580	615	690	688	721	664	2'764
Middle East Africa	937	951	764	1'052	1'101	957	963	4'072
North America	465	757	849	390	722	868	706	2'686
Corporate / Eliminations	-62	-71	-64	-23	-31	-6	-59	-118
<b>Group</b>	<b>4'283</b>	<b>4'867</b>	<b>4'500</b>	<b>4'552</b>	<b>5'313</b>	<b>5'121</b>	<b>4'987</b>	<b>19'973</b>
<b>Operating EBITDA adj. <sup>1)</sup></b>								
Asia Pacific	328	392	308	381	356	306	342	1'387
Europe	67	283	272	96	272	230	236	835
Latin America	199	198	227	244	194	229	221	889
Middle East Africa	246	313	227	360	405	306	267	1'338
North America	52	251	353	25	229	312	218	785
Corporate	-84	-83	-94	-53	-47	-66	-28	-194
<b>Group</b>	<b>808</b>	<b>1'353</b>	<b>1'293</b>	<b>1'054</b>	<b>1'408</b>	<b>1'319</b>	<b>1'257</b>	<b>5'040</b>

<sup>1)</sup> Excluding merger, restructuring, other one-offs <sup>2)</sup> Restated to reflect proper allocation of restructuring, merger and other one-offs

<sup>3)</sup> Restated to reflect proper allocation of mineral components to the Cement segment and proper allocation of merger, restructuring and other one-offs by segments at Corporate

# Net Sales and adjusted operating EBITDA – Aggregates

CHF m	2016			2015 <sup>2)</sup>				
	Q1 <sup>3)</sup>	Q2 <sup>3)</sup>	Q3	Q1	Q2	Q3	Q4	FY 2015
<b>Net Sales</b>								
Asia Pacific	114	135	134	123	130	134	141	528
Europe	396	502	492	403	501	511	463	1'879
Latin America	12	11	12	16	16	15	14	60
Middle East Africa	26	31	31	30	32	31	29	123
North America	203	403	476	200	400	489	385	1'474
Corporate / Eliminations	-	-	-	-	-	-	-	-
<b>Group</b>	<b>750</b>	<b>1'083</b>	<b>1'145</b>	<b>772</b>	<b>1'080</b>	<b>1'181</b>	<b>1'032</b>	<b>4'064</b>
<b>Operating EBITDA adj. <sup>1)</sup></b>								
Asia Pacific	13	27	26	26	25	31	52	133
Europe	42	110	96	41	93	89	56	279
Latin America	-	-	-	2	-1	0	-3	-1
Middle East Africa	2	4	4	4	6	4	4	18
North America	-24	107	138	-21	97	122	68	266
Corporate	-20	-19	-17	-10	-9	-14	-6	-39
<b>Group</b>	<b>13</b>	<b>229</b>	<b>247</b>	<b>42</b>	<b>210</b>	<b>234</b>	<b>170</b>	<b>656</b>

<sup>1)</sup> Excluding merger, restructuring, other one-offs <sup>2)</sup> Restated to reflect proper allocation of restructuring, merger and other one-offs

<sup>3)</sup> Restated to reflect proper allocation of mineral components to the Cement segment and proper allocation of merger, restructuring and other one-offs by segments at Corporate

# Net Sales and adjusted operating EBITDA – Other

CHF m	2016			2015 <sup>2)</sup>				
	Q1 <sup>3)</sup>	Q2 <sup>3)</sup>	Q3	Q1	Q2	Q3	Q4	FY 2015
<b>Net Sales</b>								
Asia Pacific	292	320	304	299	311	309	303	1'222
Europe	482	556	519	499	581	599	527	2'206
Latin America	88	93	89	103	104	104	106	417
Middle East Africa	86	99	87	83	92	82	85	342
North America	198	378	475	186	390	532	410	1'519
Corporate / Eliminations	-117	-113	-84	-81	-66	-103	-8	-258
<b>Group</b>	<b>1'029</b>	<b>1'330</b>	<b>1'391</b>	<b>1'089</b>	<b>1'410</b>	<b>1'525</b>	<b>1'423</b>	<b>5'447</b>
<b>Operating EBITDA adj. <sup>1)</sup></b>								
Asia Pacific	3	19	4	17	12	11	6	45
Europe	10	65	50	24	59	58	12	151
Latin America	11	13	7	9	4	8	-1	20
Middle East Africa	8	12	9	0	6	0	-0	6
North America	-25	35	83	-31	38	84	40	132
Corporate	-3	-22	-8	-67	-74	-70	-89	-299
<b>Group</b>	<b>3</b>	<b>123</b>	<b>145</b>	<b>-47</b>	<b>43</b>	<b>90</b>	<b>-32</b>	<b>55</b>

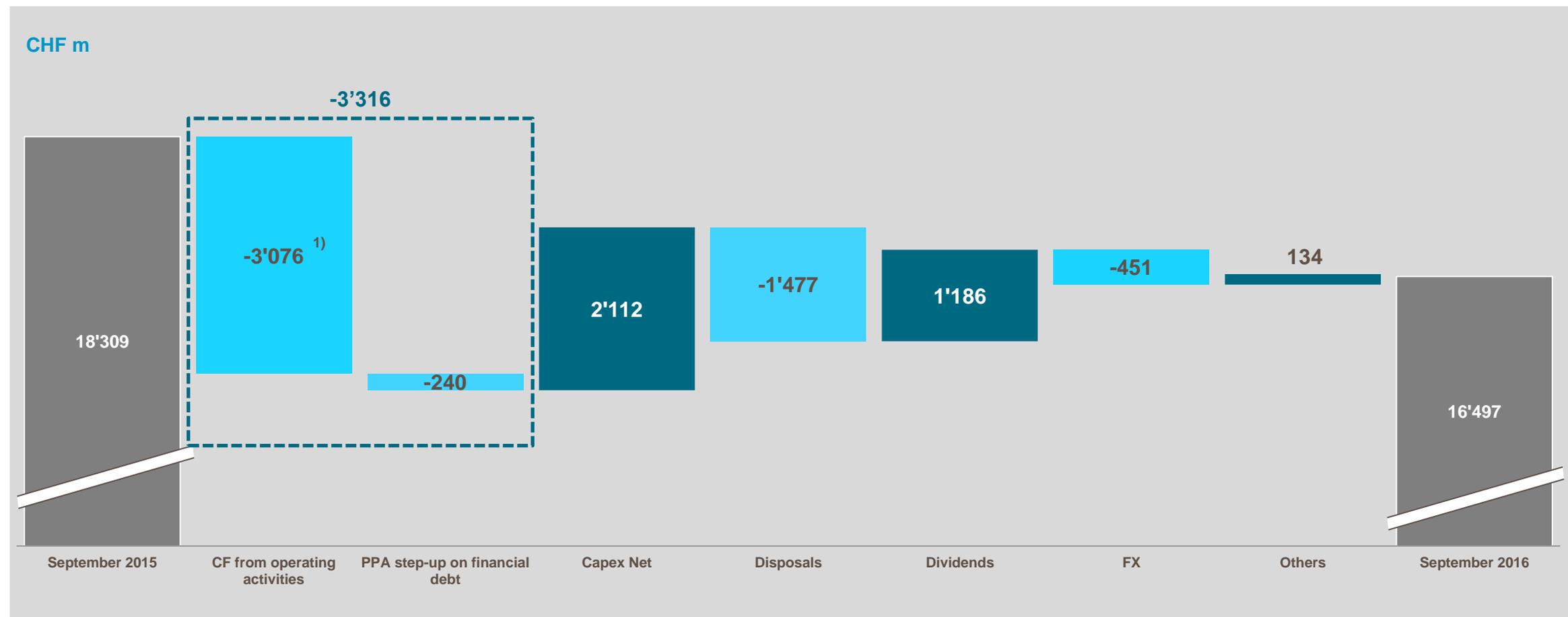
<sup>1)</sup> Excluding merger, restructuring, other one-offs <sup>2)</sup> Restated to reflect proper allocation of restructuring, merger and other one-offs

<sup>3)</sup> Restated to reflect proper allocation of mineral components to the Cement segment and proper allocation of merger, restructuring and other one-offs by segments at Corporate

# Operating Free Cash Flow

CHF m	Q3 2016	Q3 2015	±	9M 2016	9M 2015	±
<b>Operating EBITDA</b>	<b>1'594</b>	<b>1'309</b>	<b>21.8%</b>	<b>3'947</b>	<b>3'655</b>	<b>8.0%</b>
Total other non cash items	76	270	-71.9%	250	382	-34.6%
Change in net working capital	-194	-315	38.4%	-1'438	-1'312	-9.6%
Financial expenses paid net	-172	-334	48.5%	-613	-822	25.4%
Income taxes paid	-89	-298	70.1%	-674	-912	26.1%
Other cash items	25	-117		-21	-92	77.2%
Impact from discontinued operations	15	90	-83.3%	65	90	-27.8%
<b>Cash flow from op. activities</b>	<b>1'255</b>	<b>608</b>	<b>106.5%</b>	<b>1'516</b>	<b>990</b>	<b>53.1%</b>
Capex to maintain net	-289	-257	-12.7%	-716	-642	-11.4%
Expansion capex	-110	-321	65.8%	-483	-1'042	53.7%
<b>Operating free Cash Flow</b>	<b>856</b>	<b>30</b>		<b>317</b>	<b>-697</b>	
<b>Cash flow from op. activities</b>	<b>1'255</b>	<b>608</b>	<b>106.5%</b>	<b>1'516</b>	<b>990</b>	<b>53.1%</b>
PPA adjustment - financial interests amortization	43	90	-52.2%	171	90	90.0%
<b>Cash flow from op. Activities post PPA step up impact</b>	<b>1'298</b>	<b>698</b>	<b>86.0%</b>	<b>1'687</b>	<b>1'080</b>	<b>56.2%</b>

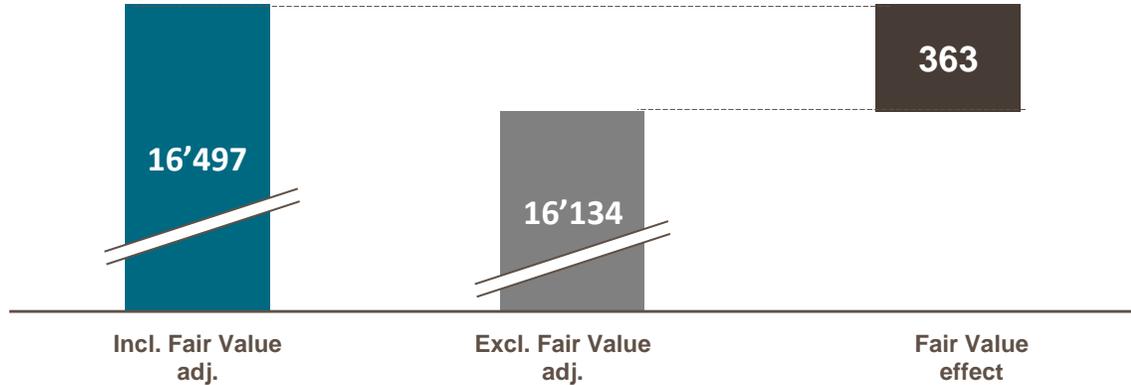
# Net Financial Debt September 2015 to September 2016



1) Includes CHF 85m cash premium paid on buy-back of bonds, CHF 538m merger-related costs and CHF 63m of cash forex losses

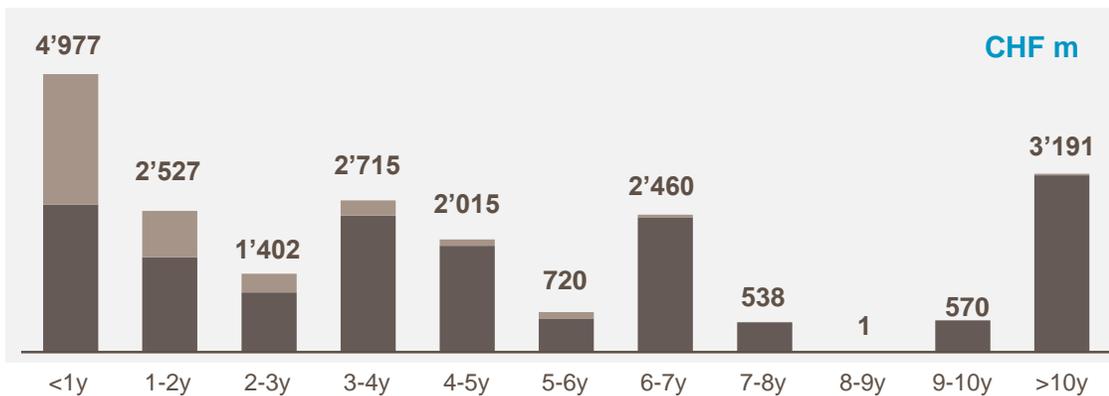
# Net Financial Debt

Net Financial Debt (per Sep 30, 2016, in CHF m)



Fair value adjustment: Purchase Price Allocation (PPA) on debt mCHF 363

## Maturity profile<sup>1</sup>



<sup>1</sup> After risk-related adjustment of mCHF 1'143 from current financial liabilities to long term financial liabilities. Excl. amounts related to the PPA on debt.

## Liquidity summary

- › Cash + marketable securities: CHF 4'589m
- › Cash + marketable securities + unused committed credit lines: CHF 10'632m

## Debt summary

- › Current financial liabilities<sup>1</sup>: CHF 4'977m
- › Fixed to floating ratio: 60% to 40%
- › Capital markets 81%; Loans 19%
- › Corporate vs. subsidiary debt: 80% to 20%
- › Average total maturity: 5.6 years
- › CP borrowings: CHF 651m
- › No financial covenants in Corporate credit lines

## Net Financial Debt by currency

- › 46% EUR
- › 24% USD
- › 14% CHF
- › 16% other

# Condensed Statement of Financial Position

CHF m	Sep 30, 2016	Dec 31, 2015		Sep 30, 2016	Dec 31, 2015
Invested Capital	51'495	55'290	Equity	33'721	35'722
Out of which:			Out of which:		
Goodwill	16'027	16'490	Equity attributable to the LH shareholders	29'752	31'365
Prop, Plant & Equipment	33'075	36'747	Non controlling interest	3'969	4'357
Intangible assets	1'178	1'416			
Investments in JV and associates	3'255	3'172	Net debt	16'497	17'265
Net Working Capital	1'742	718	Deferred taxes	2'436	3'076
Financial assets and other LT assets	1'255	1'328			
Provisions	-5'037	-4'581	<b>Total</b>	<b>52'655</b>	<b>56'063</b>
Net assets held for sale	1'160	772			
<b>Total</b>	<b>52'655</b>	<b>56'063</b>			

# Volume and Price development Cement – 9M 2016 vs. 9M 2015

	Volume	Price & Other		Volume	Price & Other		Volume	Price & Other		Volume	Price & Other
<b>Asia Pacific</b>	<b>0.3%</b>	<b>-2.3%</b>	<b>Latin America</b>	<b>-13.9%</b>	<b>13.0%</b>	<b>Europe</b>	<b>-2.0%</b>	<b>-1.1%</b>	<b>Middle East Africa</b>	<b>1.0%</b>	<b>-6.9%</b>
Bangladesh	5.8%	-8.4%	Argentina	-12.5%	39.9%	Azerbaijan	-27.0%	4.2%	Algeria	6.7%	9.3%
China	5.2%	-7.3%	Brazil	-27.4%	-4.2%	Bulgaria	-7.9%	-4.0%	Egypt	2.6%	3.4%
India	-1.9%	-3.7%	Chile <sup>1)</sup>			Belgium	1.9%	-2.8%	Iraq	21.3%	-12.3%
Indonesia	-7.0%	-6.2%	Colombia	-12.5%	10.4%	Croatia	9.0%	-5.2%	Kenya	0.2%	0.9%
Malaysia	-11.1%	-9.2%	Costa Rica	1.9%	-6.8%	France	1.4%	-1.3%	Lebanon <sup>1)</sup>		
New Zealand	4.9%	-2.0%	Ecuador	-15.7%	1.9%	Germany	14.1%	-4.4%	Nigeria	-15.3%	-19.5%
Philippines	8.4%	1.4%	El Salvador	-2.3%	0.7%	Hungary	-2.7%	-1.4%	South Africa	-0.6%	-8.0%
			Mexico	-9.0%	17.7%	Italy	-12.0%	-3.0%			
			Nicaragua	2.2%	0.1%	Poland	7.3%	-6.0%	<b>Group</b>	<b>-1.5%</b>	<b>0.1%</b>
						Romania	-4.7%	1.4%			
			<b>North America</b>	<b>0.9%</b>	<b>6.1%</b>	Russia	-17.8%	6.7%			
			Canada	-4.1%	-2.1%	Serbia	10.3%	-0.1%			
			United States	3.2%	8.0%	Spain	-32.9%	2.2%			
						Switzerland	10.2%	-9.1%			

1) Local results not yet published

1) Group price at constant FX and constant geomix

# Volume and Price development Aggregates – 9M 2016 vs. 9M 2015

	Volume	Price & Other		Volume	Price & Other		Volume	Price & Other		Volume	Price & Other
<b>Asia Pacific</b>	<b>6.3%</b>	<b>-1.1%</b>	<b>Latin America</b>	<b>-15.6%</b>	<b>-0.5%</b>	<b>Europe</b>	<b>1.4%</b>	<b>-3.3%</b>	<b>Middle East Africa</b>	<b>7.2%</b>	<b>3.9%</b>
Australia	0.6%	3.8%	Brazil	-24.9%	-11.8%	Belgium	5.7%	3.2%	South Africa	3.7%	0.0%
Indonesia	18.1%	9.7%				Bulgaria	-14.3%	-3.3%	Egypt	1.8%	10.8%
			<b>North America</b>	<b>-2.3%</b>	<b>0.2%</b>	France	1.9%	-1.7%			
			Canada	-6.8%	-0.6%	Germany	8.3%	2.0%	<b>Group</b>	<b>0.2%</b>	<b>-1.1%</b>
			United States	3.0%	0.3%	Italy	0.9%	1.9%			
						Poland	15.4%	-14.4%			
						Romania	-12.4%	6.8%			
						Spain	-12.6%	6.5%			
						Switzerland	-3.6%	-18.7%			
						United Kingdom	-5.4%	1.0%			

1) Local results not yet published

# 2016 Outlook – Cement Market Overview by Region

	Volumes	Highlights
Asia Pacific*	3% to 5%	Market growth across the region supported by an acceleration in India; China adjustment to continue
Europe	-3% to -1%	Stable markets in most countries; declines in Russia, Azerbaijan, Spain and Italy
Latin America	-6% to -4%	Positive market development in Mexico offsetting challenging conditions in Argentina, Brazil and Ecuador
Middle East Africa	3% to 4%	Resilience expected across the region impacted by lower commodity prices
North America	0% to 2%	Market growth supported by positive trends in the US especially housing
<b>Globally <sup>1)</sup></b>	<b>1% to 3%</b>	<b>Growth in most of our markets</b>

Source: National statistics

1) Excluding China

# 2016 Outlook – Cement Market Overview by Selected Countries

	Market volumes %		Market volumes %		Market volumes %		Market volumes %
<b>Asia Pacific</b> <sup>1)</sup>	<b>3 to 5</b>	<b>Latin America</b>	<b>-6 to -4</b>	<b>Europe</b>	<b>-3 to -1</b>	<b>Middle East Africa</b>	<b>3 to 4</b>
China <sup>2)</sup>	-3 to -1	Argentina	-14 to -12	France	0 to 2	Algeria	0 to 2
India	4 to 6	Brazil	-14 to -12	Germany	1 to 3	Egypt	4 to 6
Indonesia	2 to 4	Colombia	-3 to -1	Poland	0 to 2	Iraq	-9 to -7
Malaysia	-3 to -1	Ecuador	-16 to -14	Romania	-3 to -1	Kenya	6 to 8
Philippines	7 to 9	Mexico	1 to 3	Russia	-15 to -10	Lebanon	0 to 2
Vietnam	4 to 6			Spain	-4 to -2	Morocco	1 to 3
		<b>North America</b>	<b>0 to 2</b>	Switzerland	2 to 4	Nigeria	5 to 7
		Canada	0 to 2				
		United States <sup>2)</sup>	0 to 2				
						<b>Globally</b> <sup>1)</sup>	<b>1 to 3</b>

Source: National statistics

1) Excluding China

2) Relevant LH markets

# Contact information and event calendar

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## Event calendar

November 18, 2016 Capital Markets Day

March 2, 2017 Q4 2016 Results

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