



Capital Markets Day 2016

Commercial Transformation

Pascal Casanova, North America & Mexico

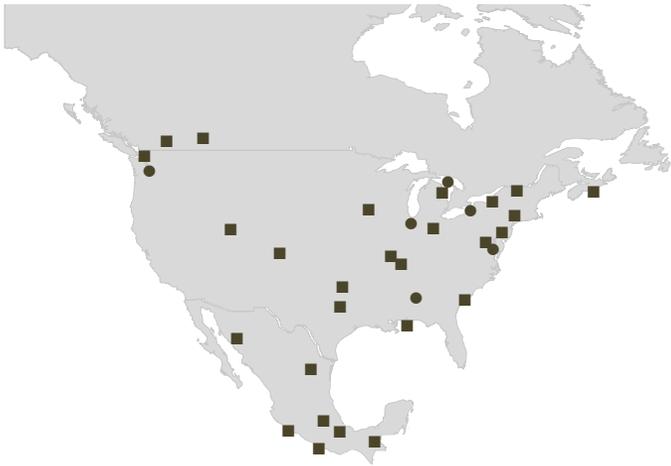


North America

- ➔ **A major leading position in a steadily growing market**
- ➔ **where we are implementing a successful pricing strategy**
- ➔ **and a differentiated market approach to create more customer value and grow faster**

Leading market position in a steadily growing market (+3%)

North America including Mexico



Situation¹

Net sales	CHF 6.6 bn
Operating EBITDA adj.	CHF 1.6 bn
# of FTEs (YTD 2016)	~16 000

1) Trailing twelve months from Sep 2016

Strengths

- US
 - › #1 Cement Producer with a modern asset base
 - › Unrivalled logistics network
 - › 8Mt available capacity in US and Canada border
- Canada: fully integrated building material positions in Cement, Aggregates, RMX, Asphalt, Paving and Concrete Products
- Mexico: national coverage with competitive assets in all key markets

Opportunities

- Market growth in housing and infrastructure
- Synergies ahead of plan
- Successful price and margin management strategy

Maximizing value through Price and Margin management

Cement US



Develop price & margin analysis notably for micro market

Benefits: continue to outperform inflation

ACM US



Align margin optimization processes and tools

Benefits: review margin management and customer portfolio on a weekly basis

USA & Canada



Pilot Sales academy for all Group's salesforce

Benefits: improve the win rate for new and existing customers, focusing on Customer Value creation

Mexico



Weekly price & margin management committee

Benefits: continue to focus on ambitious pricing, while avoiding volume volatility

Sustaining value creation through a market segment-driven commercial approach

USA



Road Integrated Offer / Infrastructure Solutions

- **Use of extended-life concrete** to build longer-lasting, low-maintenance bridges and roads
- *Portable Ready Mix offer as the anchor for a value added selling*

Canada



Mining Offer through the whole life-cycle

- **Opening / Exploitation / Closure**
- *Infrastructure / Stabilization / Backfill / Soil Remediation*

Mexico



New commercial organization

- **Distribution / Industrial / Building / Infrastructure** Specialized sales force
- *Targeted marketing / Product Innovation / Partnerships / Projects*

Mexico



RMX allies

- *Market share in supplying RMX doubled with an **Asset Light strategy***
- *Offering technical certification and mix design to our allies*

Concluding remarks

- ➔ **Clear leadership position in North America with broadest market access and upside**
- ➔ **In a strong position to benefit from a higher infrastructure spend**
- ➔ **Continuous and decisive focus on Pricing as a key profitability lever**
- ➔ **Implementation of a market segment-driven commercial approach to accelerate customer value creation**
- ➔ **Extremely well positioned to capture the expected market growth in a profitable way**