



LafargeHolcim

LafargeHolcim Capital Markets Day 2015

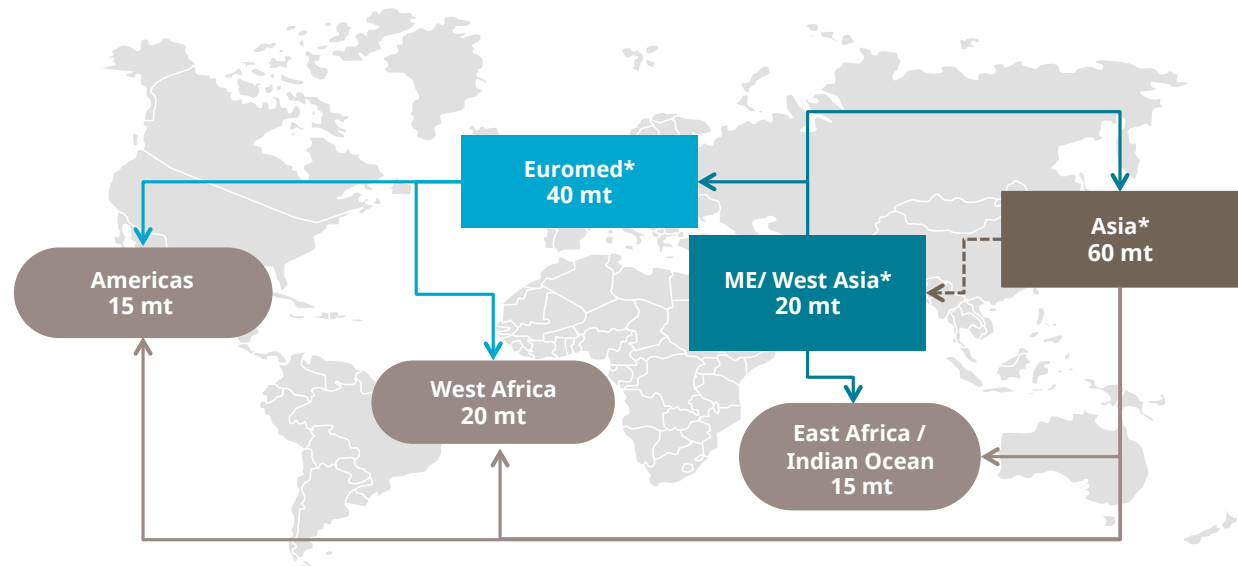
Synergy break-out: Trading

Xavier Blondot | CEO Trading | December 1st, 2015

Cement and clinker trading – a 120mt market with Euromed, ME and Asia as main exporters

Cement and clinker

- **Seaborne trading** at ca 120 mt
- **Africa sustained import demand** despite additional clinker capacity in a few countries
- **Additional volume available for export in the Med** (without clear destination)
- **China's exports not significantly higher this year** despite higher exportable volume
- **North America again on an increasing importing trend this year**, strength of the trend to be confirmed



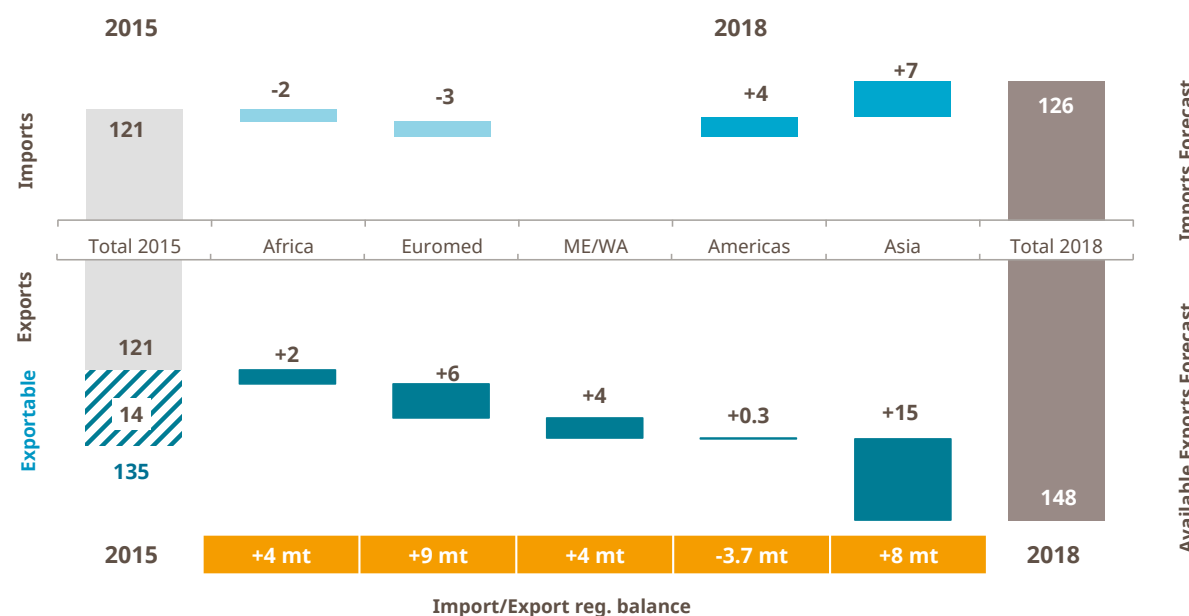
* Includes intra-regional trades
Source: LafargeHolcim estimates

Import-Export balance to remain roughly stable

Market characteristics

- Demand expected to remain at ca. 125 mt
- No overall patterns of seaborne demand growth, except Asia and US
- Export offer increasing, in particular in Asia and Euromed
- Low CIF to offer opportunities to leverage import vs additional capacity
- Seaborne market expected to remain long, with no further deterioration expected

Import vs Export Demand Evolution 2015 – 2018



LafargeHolcim Trading – number 1 trading platform with 36mt volume



Balanced footprint in all geographies with a 36mt volume
(cement and clinker: 19mt; cementitious and other products: 9mt; solid fuels: 8mt)

Lean organization centered around 3 trading hubs

Balanced customer portfolio between Group and Third Party, with significant development possibilities

Competitive exporting plants in EMEA and Asia with global reach

Long term partnerships with strategic suppliers in slag, fly ash and clinker

A strong reputation – proven track record of commitments honored

A unique footprint: 19mt of cement & clinker sales

2015 Cement & Clinker footprint



Key facts:

- Total LafargeHolcim Trading volume of ~19mt represents ~16% of global market
- 55% of sales within own network of import positions
- Increased purchasing power on products and shipping
- Further potential of footprint with Third Parties

(x) Sales volume breakdown

■ Markets served

Sales vol., percent

■ Group ■ 3rd party

Americas
12% of vol.

~50 ~50

EMEA
46% of vol.

~35 ~65

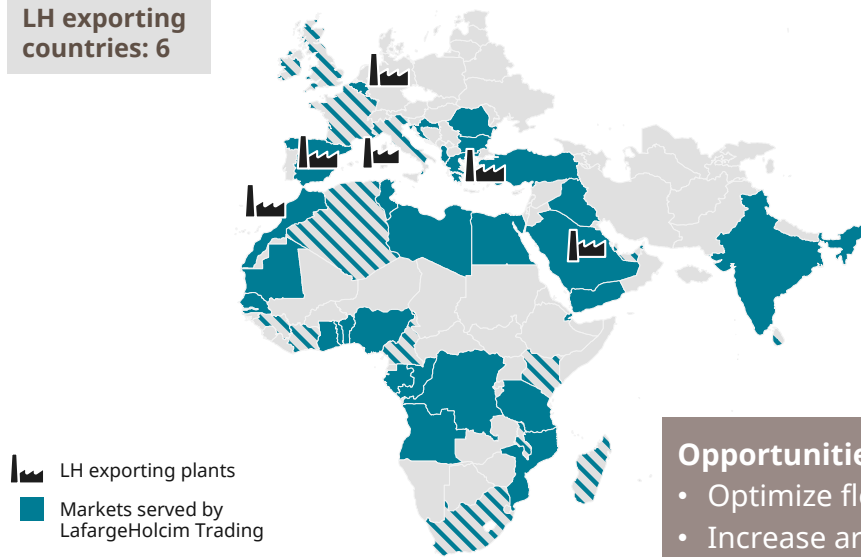
APAC
42% of vol.

~85 ~15

A wider and denser network to enhance LafargeHolcim Trading competitive advantage

Reinforced export network to serve short positions in Africa and LatAm

LH exporting countries: 6



-  LH exporting plants
-  Markets served by LafargeHolcim Trading
-  LH short positions (served by LafargeHolcim Trading too)

Opportunities to:

- Optimize flows and global fleet
- Increase arbitrage
- Serve new clients

Very good fit of exporting plants with LafargeHolcim network in Asia and Latin America

LH exporting countries: 4



Australia & New Zealand

LafargeHolcim Trading – substantial value upside

- **Support asset-light strategy** through continued access to sources globally and selective low-risk expansions
- **Support existing exporting Group positions of 10mt in capturing additional value**
 - Better cash flow generation (incl. improved utilization factor and selling in markets with better delivered cost position)
 - Arbitrage between export and domestic markets
- **Extract better prices in freight and commodities** by leveraging unique footprint and “power buyer” position of LafargeHolcim
- **New combined size to further capture upside** from supply-demand imbalances as a standalone business (i.e., in Third Party dealings)

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