

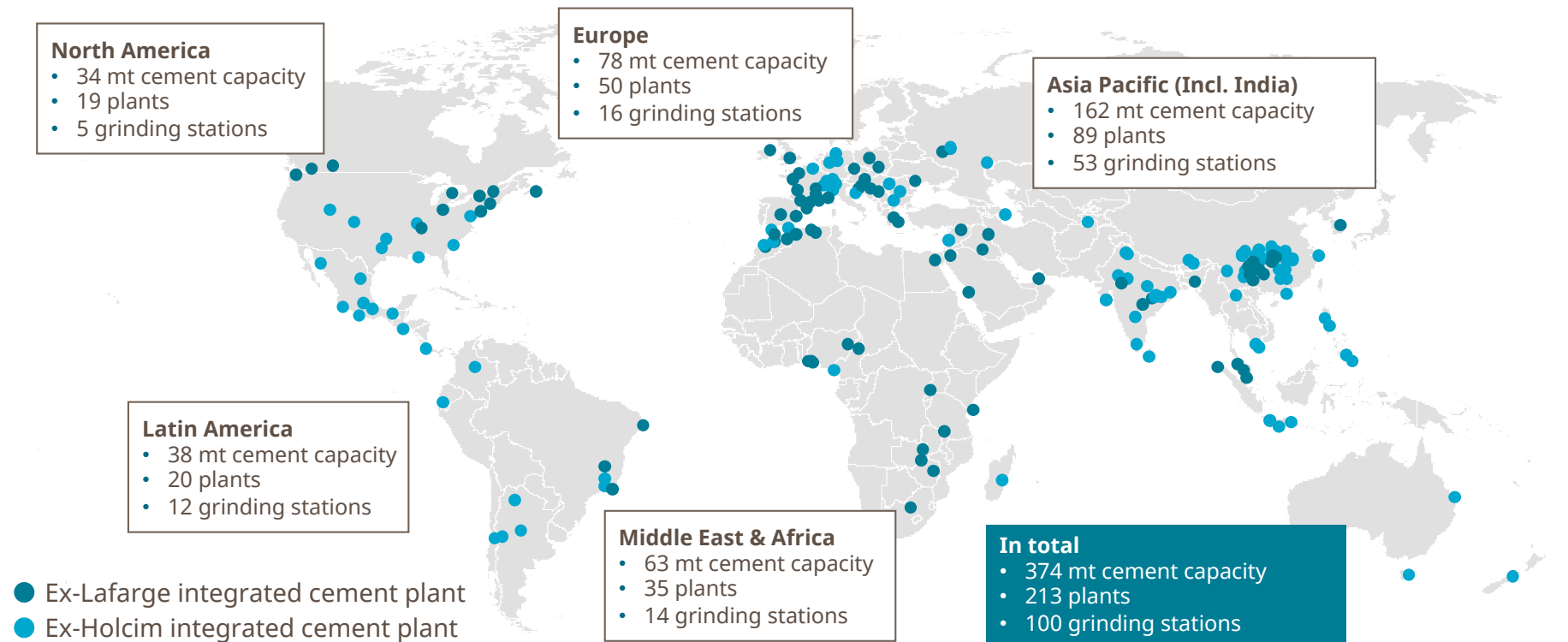


LafargeHolcim

LafargeHolcim Capital Markets Day Synergy break-out: Cement operations

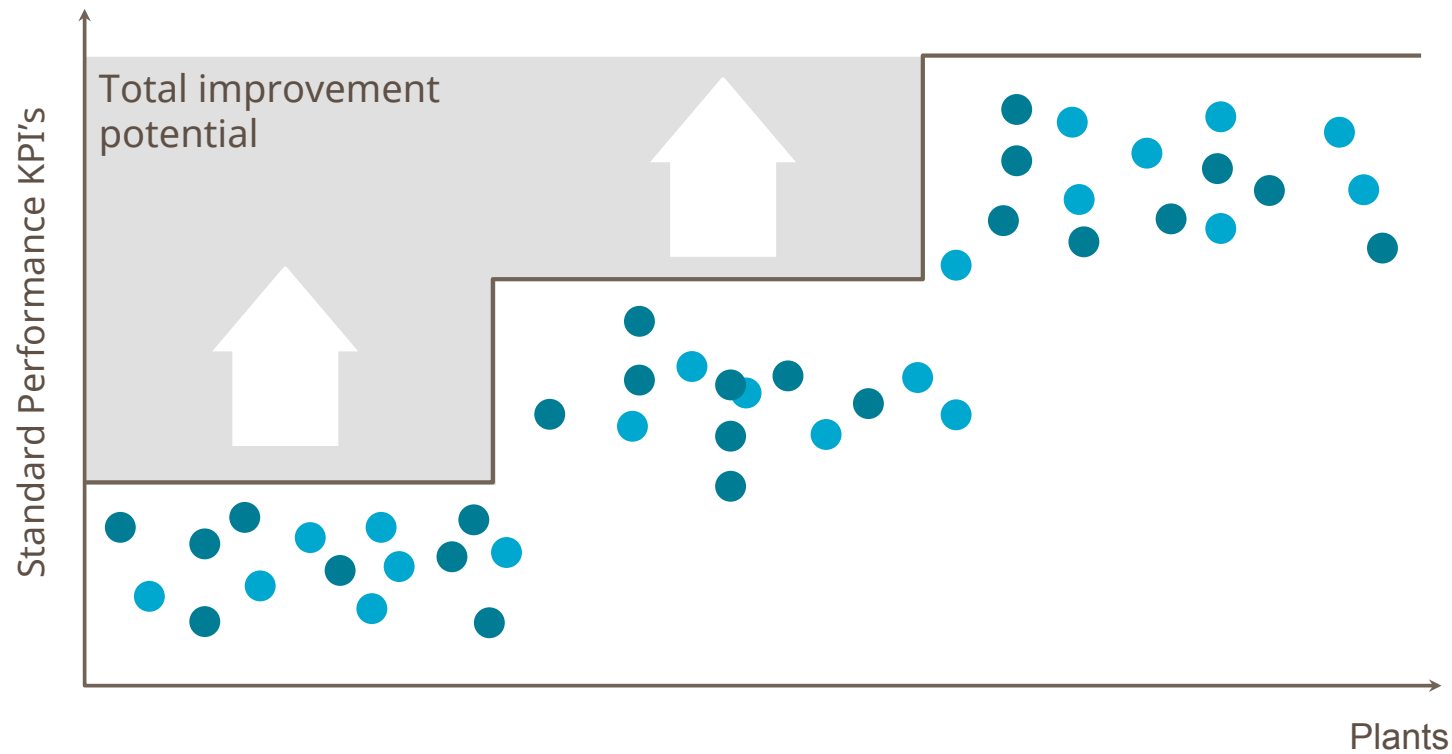
Andreas Halbleib | Head of Cement and Industrial Performance | December 1st, 2015

Cement operations – 213 plants and 100 grinding stations around the globe

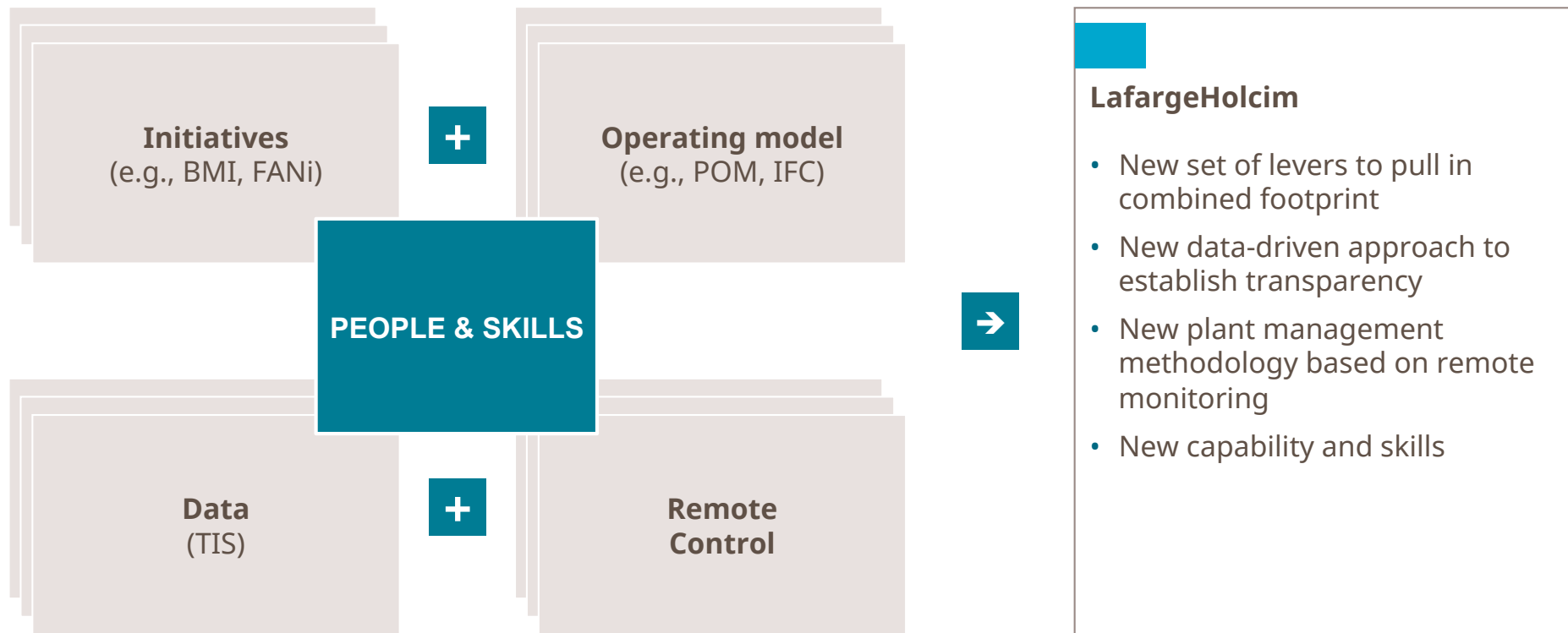


Note: Including minority positions

Significant performance difference across our plants portfolio



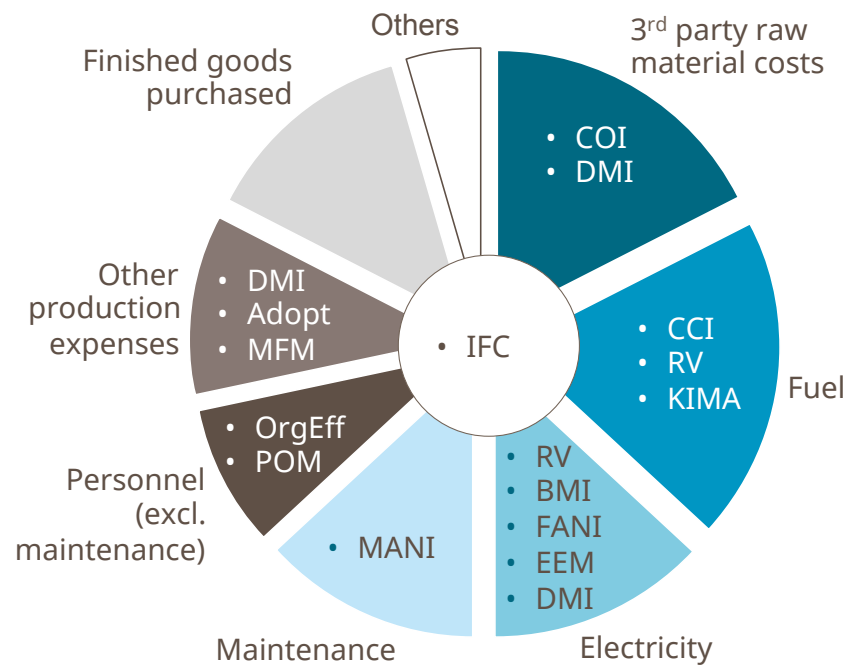
Cement operations – combining distinctive and complementary skills of both legacy companies



BMI – Ball Mill Initiative, FANi – Fan Initiative, TIS – Technical Information System,
POM – Plant Operating Model, IFC – Initiatives Fixed Costs

Multiple operational improvement levers to pull – current focus on 6 priorities

Illustrative distribution of cement cost of goods sold, ~50% of net sales



■ Priority initiatives

Synergy initiatives within the SATF¹:

BMI:	Ball Mill initiative
FANI:	Fan initiative
COI:	Clinker Optimization initiative
MANI:	Maintenance initiative
POM:	Plant Operating Model
IFC:	Industrial Fix Cost initiative

Other improvement initiatives

MFM:	Mobile fleet management
DMI:	Drill to Mill initiative
CCI:	Clinker Cooler initiative
RV:	Energy Reference Value initiative
KIMA:	Kiln Master
EEM:	Electr. Energy Management Module
OrgEff:	Organizational Efficiency initiative
Adopt:	Additives Optimization initiative

Synergy Acceleration Task Force launched to support identification and capture of synergies

Cement operations

Preparation (pre-closing)

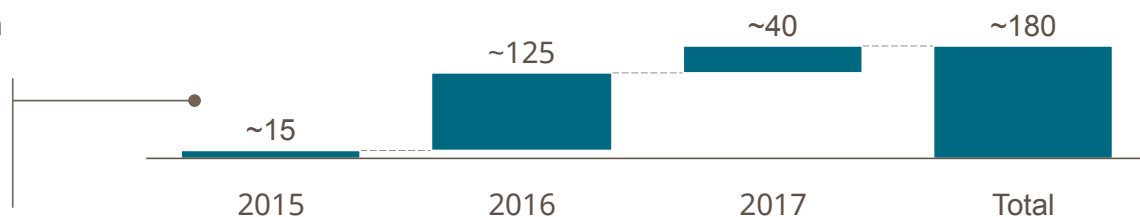
- May: Definition of task force to deploy best practices from legacy companies
- June: Selection of high-potential plants
- July - August: Team engaged and trained
- August – November: Launch of 4 Waves (each lasting 2-3 weeks)

Impact

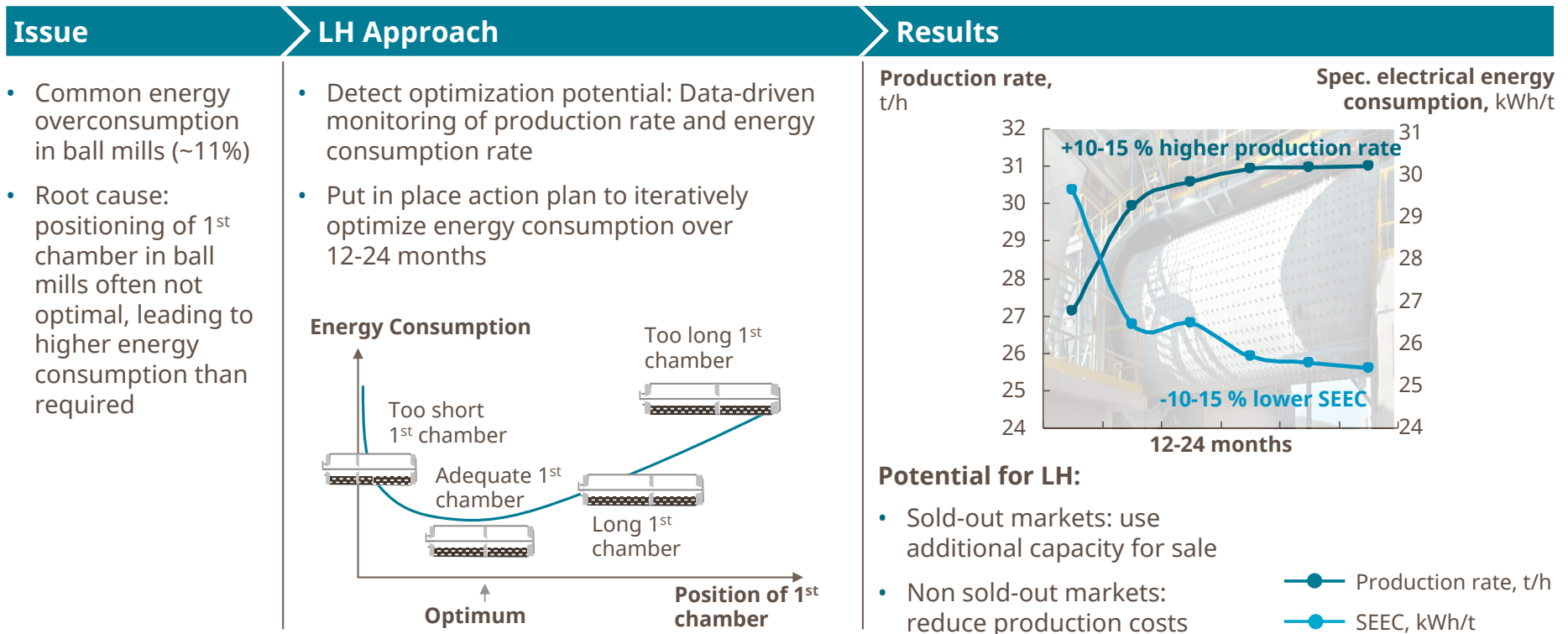
- 176 people involved, 74 plants visited
- 239 cumulative initiatives launched across plants
- 75% of total committed synergies in operational improvements identified through SATF only

Identified EBITDA recurring impact, CHF m



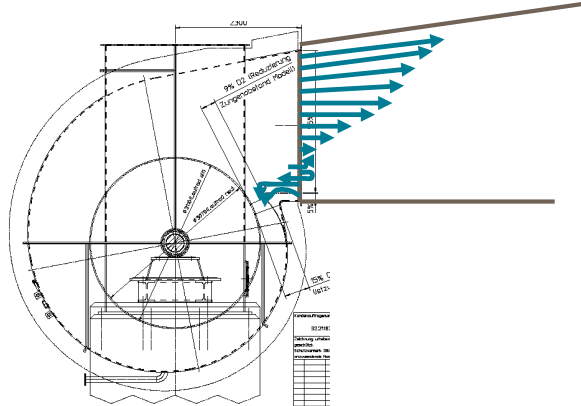
Total impact does not include synergies in logistics, aggregates and RMX



Ball mill initiative – increase production and reduce energy consumption leveraging big data across 360 ball mills



FAN initiative – improve fan efficiency and reduce consumption by exploiting distinctive monitoring system

Issue	LH Approach	Results (Percent)
<ul style="list-style-type: none"> Large process fans consume 30-50% of the total energy consumption in cement plants Typically, fans run below target 80% efficiency rate 	<ul style="list-style-type: none"> Assess fan performance Fine-tune fan settings Continuous performance monitoring (e.g. efficiency, pressure) <div data-bbox="551 775 1010 986">  </div> <div data-bbox="551 1002 757 1220">  </div> <p data-bbox="770 1007 1137 1166">Promecon McON air portable – gas flow measurement tool for high dust load</p>	<p>Reduced energy consumption 10-15</p> <p>Maximized production rate 3-5</p> <p>Maximized AFR utilization 3-5</p> <div data-bbox="1339 799 1917 1206">  </div>

Making it sustainable by implementing standard ways of working at scale and developing our people systematically



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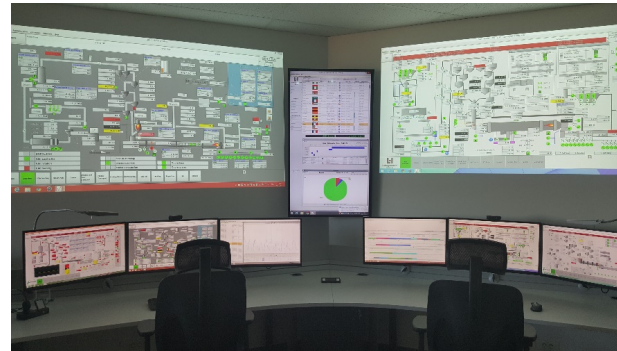
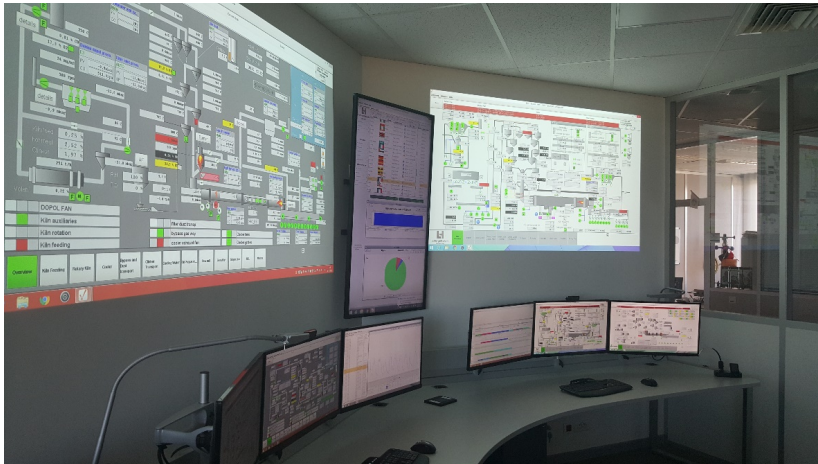
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Any reference in this presentation to "EBITDA adjusted" is equivalent to operating EBITDA excluding all merger and restructuring costs. Figures and estimates based on net sales by Country are before Corporate and Eliminations, unless otherwise specified. Pro Forma LTM figures are post IFRS, i.e., India 100% consolidated, China includes only LSOC.

BACKUP

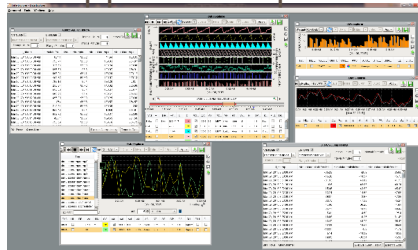
Central control-room for remote-assistance

A place designed for senior experts, to assist plants remotely

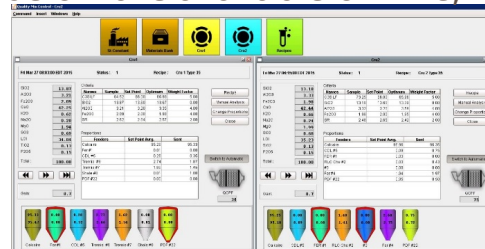


Unique access and insights on our plants performance by merging Holcim Big Data and Lafarge remote control

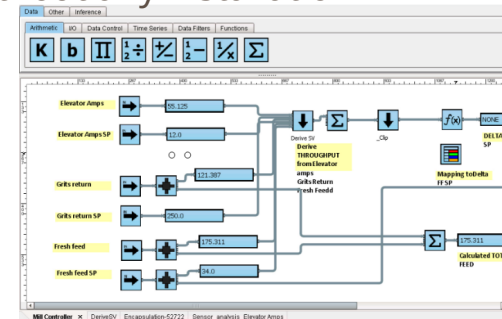
All applications presented below are available on-line, without any installation



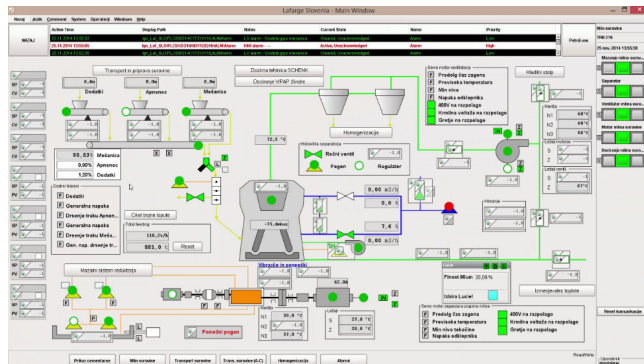
Trending application



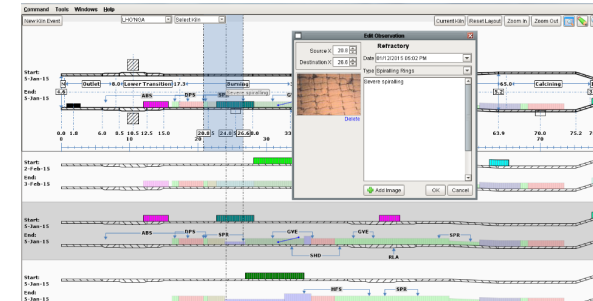
Raw-mix control



Advanced process control



Operator screens



Refractories management