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NYSE, Euronext Paris: LG

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**FILING OF THE PUBLIC EXCHANGE OFFER INITIATED BY HOLCIM
FOR THE SHARES OF LAFARGE
THE BOARD OF DIRECTORS OF LAFARGE ISSUES A FAVORABLE OPINION**

Lafarge acknowledges the filing today by Holcim of the public exchange tender offer for the Lafarge shares with the *Autorité des marchés financiers*, which follows the decisions relating to the offer made by the extraordinary shareholders' meeting of Holcim of May 8, 2015.

The filing of the public exchange offer is an important step toward the proposed merger to create LafargeHolcim, the most advanced group in the building materials industry.

On May 10, 2015, the Board of Directors of Lafarge issued a favorable opinion on the public exchange offer initiated by Holcim. The Board of Directors made its decision on the basis, inter alia, of the report issued by Accuracy, acting as independent expert in the context of the offer.

The decision of the Board of Director and the conclusions of the independent expert on the public exchange offer, as well as other information required in accordance with Article 231-26 of the General Regulations of the *Autorité des marchés financiers*, are annexed hereto.



NOTES TO EDITORS

A world leader in building materials, Lafarge employs 63,000 people in 61 countries, and posted sales of €12.8 billion in 2014. As a top-ranking player in its Cement, Aggregates and Concrete businesses, it contributes to the construction of cities around the world, through its innovative solutions providing them with more housing and making them more compact, more durable, more beautiful, and better connected. With the world's leading building materials research facility, Lafarge places innovation at the heart of its priorities in order to contribute to more sustainable construction and to better serve architectural creativity.

More information is available on Lafarge's website: www.lafarge.com

IMPORTANT INFORMATION

This communication is for information purpose only and does not constitute an offer to purchase or exchange or the solicitation of an offer to sell or exchange any securities of Lafarge or an offer to sell or exchange or the solicitation of an offer to buy or exchange any securities of Holcim in any countries, including France.

In accordance with French law, the required documentation regarding the public exchange offer, including the terms and conditions of the offer, will be submitted to the AMF. The offer may only start after receiving the approval of the AMF.

The public exchange offer referenced herein is not being made, directly or indirectly, in or into the United States, or by use of the United States mails, or by any means or instrumentality (including, without limitation, the post, facsimile transmission, telex and telephone or electronic transmission by way of the internet or otherwise) of United States commerce, or of any facility of a United States national securities exchange. The offer cannot be accepted by any such use, means or instrumentality or from within the United States.

Distribution, publication or dissemination of this communication in certain countries may constitute a breach of the applicable laws and regulations. Consequently, persons physically located in countries in which this communication is distributed, published or disseminated shall inquire about such applicable laws and regulations and comply with them.

Nothing contained herein is, or shall be relied on as, a promise or representation as to the future performance of Lafarge or Holcim.

This communication contains forward-looking information and statements about Lafarge, Holcim and their combined businesses after completion of the proposed transaction that have not been audited or independently verified. Forward-looking statements are statements that are not historical facts. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations. Although the managements of Lafarge and Holcim believe that the expectations reflected in such forward-looking statements are reasonable, investors and holders of Lafarge and Holcim shares are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Lafarge and Holcim, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. The combined group may not realize the full benefits of the transaction.

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The Offer and the draft response offer document remain subject to the review of the AMF

ANNEX

PRESS RELEASE

FILING OF THE DRAFT OFFER DOCUMENT PREPARED BY



IN RESPONSE TO
THE PUBLIC EXCHANGE OFFER
FOR THE SHARES OF LAFARGE
INITIATED BY



This press release was prepared by Lafarge and disseminated in accordance with Article 231-26 of the general regulations of the *Autorité des marchés financiers* (the “AMF”).

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This document is an unofficial English-language translation of the press release relating to the filing of the draft response offer document (*communiqué de presse relatif au dépôt du projet de note en réponse*) prepared and disseminated in accordance with the provisions of Article 231-26 of the AMF general regulations. In the event of any differences between this unofficial English-language translation and the official French document, the official French document shall prevail.

Lafarge is advised by Rothschild and Zaoui & Co. The draft response offer document is available on the Internet websites of Lafarge (www.lafarge.com) and the AMF (www.amf-france.org), and may be obtained free of charge from:

Lafarge
61, rue des Belles Feuilles
75116 Paris

Rothschild
23 bis, avenue de Messine
75008

In accordance with the provisions of article 231-28 of the AMF general regulations, information relating in particular to the legal, financial and accounting aspects of Lafarge, will be made available to the public in the same manner as mentioned above, no later than the day preceding the opening of the Offer.

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1 PRESENTATION OF THE OFFER

1.1 Description of the Offer

Pursuant to Section III of Book II and more specifically articles 232-1 *et seq.* of the AMF general regulations, Holcim Ltd, a company organised under the laws of Switzerland, having its registered office at Zürcherstrasse 156, 8645 Jona, Switzerland (hereafter referred to as “**Holcim**” or the “**Offeror**” and, after the successful closing of the Offer, “**LafargeHolcim**”), whose shares are traded on the SIX Swiss Exchange in Zurich, irrevocably offers to the shareholders of Lafarge S.A., a *société anonyme* with a share capital of EUR1,151,729,248¹, having its registered office at 61 rue des Belles Feuilles, 75116 Paris, registered with the Company Registry of Paris under the identification number 542 105 572 (“**Lafarge**” or the “**Company**”), whose shares are traded on the Euronext Paris market (*Compartment A*) under ISIN Code FR0000120537, to exchange, pursuant to the terms and conditions set forth in the draft offer document filed by Holcim with the AMF on 11 May 2015 (hereafter, the “**Draft Offer Document**”), all shares of Lafarge they hold for newly issued shares of Holcim (hereafter “**Holcim Shares**”) according to an exchange ratio of nine newly issued share of Holcim for ten shares of Lafarge (the “**Offer**”).

The Offer is made for:

- all existing and outstanding shares of Lafarge, i.e., to Holcim’s knowledge, 287,932,312 shares as of the date of the Draft Offer Document, including all outstanding shares of Lafarge issued pursuant to performance share plans and still in the holding period, i.e. 277,902 shares as of the date of the Draft Offer Document, being specified that any outstanding holding period at the date of the exchange would apply to the Holcim Shares received in exchange;
- all shares of Lafarge, that may be issued prior to the end of the Offer acceptance period (or, as applicable, until the end of the re-opening of the Offer acceptance period) as a result of the exercise of outstanding stock options, i.e. 5,407,702 shares as of the date of the Draft Offer Document;

altogether representing to the knowledge of Holcim a maximum number of 293,340,014 shares of Lafarge (the “**Lafarge Shares**”).

Except for cases where there is an applicable exception to the vesting period established under the relevant legal or regulatory provisions (such as the death or disability of the beneficiary), certain Lafarge Shares which may be issued upon the exercise of Lafarge stock options prior to the end of the Offer acceptance period (or, as applicable, prior to the end of the re-opening of the Offer acceptance period) may not be tendered to the Offer because of legal, regulatory or governance constraints. In addition, certain Lafarge Shares issued pursuant to performance share plans may not be tendered to the Offer for the same reasons. To the extent permitted under applicable regulations, such Lafarge Shares will be the subject of liquidity mechanisms.

The shares of Lafarge issued pursuant to performance share plans still in the vesting period at the end of the Offer acceptance period (or, as the case may be, at the end of the re-opened Offer acceptance

¹ As of 30 April 2015.

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period) are not targeted by the Offer, except when non-transferability is waived as provided by legal or regulatory provisions (such as the death or disability of the beneficiary).

The Offer is subject to the following conditions:

- as of the end date of the Offer acceptance period, the Offeror shall have obtained Lafarge Shares representing at least two-thirds (2/3) of the share capital or voting rights of the Company (taking into account the loss of double voting rights of Lafarge Shares tendered to the Offer and the shares of Lafarge held by Lafarge or its affiliates); and
- the Holcim general meeting of shareholders shall have approved the authorized share capital required for the issuance of the Holcim Shares to be exchanged in the Offer, and the amended Holcim articles of association and all such issued Holcim Shares to be issued as consideration for the Lafarge Shares tendered to the Offer, shall be subsequently registered with the commercial register of St. Gallen, Switzerland, in accordance with Swiss law.

The Offer will be carried out according to the normal procedure in accordance with the provisions of articles 232-1 *et seq.* of the AMF general regulations. Société Générale and UBS Securities France S.A., as presenting banks of the Offer, warrant, in accordance with the provisions of article 231-13 of the AMF general regulations, the content and irrevocable nature of the undertakings made by the Offeror in connection with the Offer.

2 CONTEXT FOR THE OFFER

Following various exchanges during which representatives of Holcim and Lafarge discussed key aspects of a strategic combination of their business through a merger of equals, with a view to creating the most advanced group in the building materials industry, the respective boards of directors of Holcim and Lafarge (the “**Holcim Board of Directors**” and the “**Board of Directors**” respectively) agreed on the industrial and strategic potential of the combination and to enter into an agreement pursuant to which they granted an exclusivity to each other to discuss the possible terms of the transaction to be structured as an exchange offer under which Holcim would offer to acquire Lafarge Shares according to an exchange ratio of one Lafarge Share for one newly issued Holcim share. Such agreement was executed on 6 April 2014.

On 7 July 2014, following completion of the consultation process of relevant employee representative bodies, Holcim and Lafarge entered into an agreement (the “**Combination Agreement**”) whereby Holcim and Lafarge agreed to jointly prepare the launching by Holcim of a public tender offer in France pursuant to which Holcim undertakes to acquire all Lafarge Shares according to an exchange ratio of one Lafarge Share for one newly issued Holcim Share. In the context of this Combination Agreement, Holcim and Lafarge respective boards of directors unanimously determined that the proposed Offer was in the best interests of respectively Holcim and Lafarge, their respective shareholders, employees and other stakeholders.

On 20 March 2015, Holcim and Lafarge published a joint press release, which is available on the respective websites of Holcim (www.holcim.com) and Lafarge (www.lafarge.com), pursuant to which they announced that they have reached an agreement to amend certain terms of the proposed merger of equals (and the Combination Agreement), and more specifically that they agreed, among other

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things, on a new exchange ratio under the exchange offer of nine newly issued Holcim Shares for ten Lafarge Shares.

Holcim and Lafarge also agreed that a post-closing exceptional scrip dividend shall be paid after the closing of the re-opened Offer in respect of all LafargeHolcim shares, including newly issued Holcim Shares exchanged for Lafarge Shares in the context of the Offer. Such scrip dividend shall be in the ratio of one new LafargeHolcim share for twenty existing LafargeHolcim shares, subject to the successful closing of the Offer. The authorized share capital based on which the board of directors of LafargeHolcim is authorized to distribute the scrip dividend was approved at the Holcim shareholders' meeting of 8 May 2015.

Holcim and Lafarge have agreed, subject to certain conditions, to divest certain entities and assets as part of a rebalancing of the global portfolio of the combined group resulting from the merger and to address potential regulatory concerns.

The Offer was filed with the AMF by the presenting banks on behalf of the Offeror on May 11, 2015. A press release relating to this filing was disseminated by Holcim as of the same date.

3 REASONS FOR THE OFFER

The vision of LafargeHolcim is to create the most advanced group in the building materials industry. The combination will create the best growth platform in the industry and enable LafargeHolcim to drive growth across its global, well-balanced footprint; deliver best-in-class operating performance and returns enhanced by synergies; and fundamentally transform the business. Furthermore, the combination will position LafargeHolcim to meet the changing market needs by enhancing the value proposition to meet customer demands, addressing challenges of urbanization, and setting the benchmark on corporate social responsibility, including sustainability and climate change mitigation. The compelling strategic rationale has been reinforced by the preparatory integration work undertaken since the announcement of the combination.

4 AGREEMENTS THAT MAY HAVE AN IMPACT ON THE ASSESSMENT OF THE OFFER OR ITS OUTCOME

With the exception of the agreements mentioned below, the Company is not aware of any other agreements that could have a significant impact on the assessment of the Offer or its outcome.

Holcim and Lafarge have entered into a Combination Agreement on 7 July 2014 (as further described in article 2 of this press release), as amended on 20 March 2015

Pursuant to an undertaking agreement dated 6 April 2014 and reiterated on 19 March 2015, Groupe Bruxelles Lambert (a company incorporated under the laws of Belgium jointly controlled by the Frère and Power Corporation of Canada groups, "GBL") has undertaken to tender to the Offer 60,568,754 Lafarge Shares, representing 21.04% of the share capital and 29.29% of the voting rights² of Lafarge, to Lafarge knowledge as of 30 April 2015, including, if applicable, any additional Lafarge Shares acquired by any means since the date of the undertaking agreement.

²Including GBL's double voting rights which will be lost upon the transfer of the Lafarge Shares to Holcim in the context of the Offer.

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Pursuant to a similar undertaking agreement dated 6 April 2014 and reiterated on 19 March 2015, NNS Holding Sàrl (a company incorporated under the laws of Luxembourg controlled by trusts created by Mr. Nassef Sawiris and members of his family) and Mr. Nassef Onsi Sawiris (NNS Holding Sàrl and Mr. Nasser Sawiris, together “NNS”) have undertaken to tender to the Offer 40,064,682 Lafarge Shares³, representing 13.91% of the share capital and 19.42% of the voting rights⁴ of Lafarge, to Lafarge’s knowledge as of 30 April 2015, including, if applicable, any additional Lafarge Shares acquired by any means since the date of the undertaking agreement.

Pursuant to an undertaking agreement dated 6 April 2014 and reiterated on 19 March 2015, SCIA, which holds 20.11% of the share capital and voting rights of Holcim as of 31 December 2014, has undertaken to vote in favor of all shareholders’ resolutions at the relevant Holcim general meetings required to complete the Offer and to reiterate such undertaking as may be required for the purpose of the Offer.

5 REASONED OPINION OF THE BOARD OF DIRECTORS

The Board of Directors of Lafarge was held on 10 May 2015, under the chairmanship of Mr. Bruno Lafont, Chairman of the Board, to examine the Offer and issue a reasoned opinion on the interest and the consequences of the Offer on the Company, its shareholders and its employees.

Mr. Bruno Lafont, Mr. Oscar Fanjul, Mr. Philippe Charrier, Mr. Philippe Dauman, Mr. Paul Desmarais, Jr., Mr. Juan Gallardo, Mr. Ian Gallienne, Mrs. Mina Gerowin, Mr. Jérôme Guiraud, Mr. Luc Jeanneney, Mr. Gérard Lamarche, Mrs. Hélène Ploix, Mr. Baudouin Prot, Mrs. Christine Ramon, Mr. Michel Rollier, Mr. Nassef Sawiris, Mr. Ewald Simandl, and Mrs. Véronique Weill were presents or represented.

The reasoned opinion of the Board of Directors issued on 10 May 2015 is as follows:

“The Chairman of the Board of Directors reminds the members of the Board of the rationale and the main terms and conditions of the proposed merger of equals between the Company and Holcim, that were announced on April 7, 2014 and agreed in the Business Combination Agreement entered into on July 7, 2014 and amended on March 20, 2015. He also presents the terms and conditions of the exchange offer to be launched by Holcim for the Company shares to effect the proposed merger (the “Offer”) and points out that in the joint press release of Holcim and the Company of May 8, 2015, Holcim intends to file the Offer with the Autorité des marchés financiers on May 11, 2015.

He also reminds that Mr. Bruno Husson and Mr. Henri Philippe from Accuracy, which was appointed as independent expert by the Board of Directors on February 17, 2015, pursuant to Articles 261-1 et seq. of the General Regulations of the Autorité des marchés financiers, made a presentation of their report on the financial terms of the Offer to the Board at the May 7, 2015 Board of Directors meeting.

The Board of Directors has also taken the following into consideration:

- (a) The terms and conditions of the Business Combination Agreement entered into on July 7, 2014 as amended, which in particular includes the conditions to which the merger between the Company and Holcim is subject, including, inter alia, (i) obtaining the required*

³ In addition, NNS Holding (Cayman), an indirect shareholder of NNS Holding Sarl, is party to a cash settled share forward agreement giving it only an economic exposure over 6,000,000 reference Lafarge Shares.

⁴ Including NNS’s double voting rights which will be lost upon the transfer of the Lafarge Shares to Holcim in the context of the Offer.

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regulatory clearances, (ii) the acquisition by Holcim of a number of Lafarge shares such that together with Lafarge shares held by the Company and its subsidiaries, Holcim holds at least two thirds of the issued shares or voting rights⁵ of the Company at the end of the Offer acceptance period, (iii) if the authorization referred to in (c)(i) below has not been utilized within three months thereof, the authorization by the shareholders' meeting of Holcim to issue new Holcim shares to be delivered in exchange for Lafarge shares in the Offer and (iv) the registration of the amended articles of association and the new Holcim shares with the commercial registry of St Gallen (Switzerland);

- (b) the proposed merger has been approved by the following antitrust authorities: Brazil; Canada; China; Common Market for Eastern and Southern Africa (COMESA); European Union; India; Kenya; Mexico; Morocco; Russia; Serbia; Singapore; South Africa; Tanzania; Turkey; United States of America and Ukraine; approvals from the Mauritian and the Indonesian antitrust authorities are still pending but they do not impose any standstill obligations;*
- (c) the decisions of the shareholders' meeting of Holcim of May 8, 2015 authorizing (i) the issuance of a maximum of 264,237,400 new Holcim shares to be delivered in exchange for Lafarge shares tendered in the Offer, as well as (ii) an authorized share capital of a maximum of 132,118,700 new Holcim shares for the re-opened Offer and, as the case may be, the potential squeeze-out, and (iii) an authorized share capital for the scrip dividend;*
- (d) the draft Offer document (projet de note d'information) prepared by Holcim, including the valuation analysis prepared by UBS and Société Générale acting as presenting banks in connection with the Offer, which Holcim intends to file together with the Offer with the Autorité des marchés financiers on May 11;*
- (e) the draft prospectus for the listing of Holcim shares on Euronext Paris (composed of a draft registration document (projet de document de base) and a draft securities note (projet de note d'opération)), and in particular Section 2 of Part I of the draft registration document which describes the proposed merger, its rationale and expected synergies;*
- (f) the commitments from Groupe Bruxelles Lambert, on the one hand, and Mr. Sawiris and NNS Holding Sarl, on the other hand, the major shareholders of Lafarge representing (directly and indirectly) 21.0% and 13.9%, respectively, of the issued shares of the Company, to tender their Lafarge shares in the Offer, and the commitment from SCIA, the major shareholder of Holcim holding 20.1% of the issued shares of Holcim, to vote in favor of the resolutions of any shareholders' meeting of Holcim authorizing the issuance of new Holcim shares to be offered as consideration in the Offer;*
- (g) the information document provided to the Company's works council on the Offer and their opinion dated May 4, 2015, as well as the report of the auditor appointed by the works council dated April 24, 2015;*
- (h) the draft response document (projet de note en réponse) prepared by the Company.*

Based on the foregoing, the Board of Directors acknowledges that the proposed merger, to be implemented through the Offer, constitutes a unique opportunity to create a new global company with European roots which (i) will offer an unprecedented range of products and services to answer the changing demands of the building materials industry and the challenges of increasing urbanization, (ii) will be uniquely positioned in 90 countries around the world with a balanced exposure to both

⁵ taking into account the loss of double voting rights of Lafarge Shares tendered to the Offer.

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developed and high growth markets, and (iii) will result in enhanced performance notably through incremental synergies expected to total EUR1.4 billion on a full run-rate basis phased in over three years. The Board also notes that the new group aims at providing attractive returns for its shareholders, underpinned by a strategy of portfolio optimization and disciplined capital allocation and a superior cash flow generation potential.

Based on the report of the independent expert, the Board of Directors also acknowledges that when considering the consideration offered in the Offer to the Company shareholders, i.e., 9 Holcim shares for every 10 Company shares, the independent expert considered that:

- Two criteria must be respected for the Offer exchange ratio to be considered fair: it must (i) factor in the value of the assets and the growth potential of both groups, and (ii) reflect a "fair allocation" of the value to be created by the combination (i.e., the value of any synergies) among the shareholders of each of the Lafarge and Holcim groups. Given the nature of the planned combination ("merger of equals") and the characteristics of the expected synergies, the second criterion requires the Offer exchange ratio to be based on the respective market values of both groups before taking into account the impacts of the combination ("Intrinsic Values"). Implicitly, this means that no control premium exists.*
- Its valuation work was performed using a multi-criteria approach. It showed that the Offer exchange ratio was at the bottom of the range of ratios based on the Intrinsic Values that resulted from the valuation references (analysts' target prices and share prices) or from the valuation methods used (DCF and listed peers methods). As a result, the independent expert believes that the exchange ratio is acceptable for Lafarge shareholders and note that it does not include any premium relative to the ratios resulting from its different estimates of the Intrinsic Value of each group.*
- Regarding the financial merits of the Offer, the absence of a control premium leads the independent expert to raise the question of the potential value creation resulting from the synergies. When no synergies are expected, an exchange offer with no premium would have no financial merits for the target company's shareholders. However, an offer should be considered if the combination is likely to generate synergies. Further, if the value expected to be created by these synergies is significant compared with the Intrinsic Values, the position of the exchange ratio within the range of ratios obtained from a multi-criteria valuation approach is irrelevant, since its impact on the increase in the target company's shareholder value is limited. In the present case, based on the information provided by the management of Lafarge and Holcim at the time the transaction was announced, the planned combination is expected to generate significant synergies. Consequently, the value to be created as a result of these synergies could be significant compared with the Intrinsic Values. This can be seen in (i) the impact of the announcement of the Transaction on the combined shareholder value of the two groups (i.e., an increase of around 13% over a period including the date the Transaction was announced and the previous 10 trading days) and (ii) the revised target prices published by financial analysts in the two months following the announcement (representing a median increase of around 17% for the Lafarge share and around 15% for the Holcim share based on a sample of 11 financial analysts).*
- These positive reactions to the announced Transaction should not blind us to the execution risks, which exist as for any large-scale merger. Due to the absence of significant economies of scale in this case, the synergies expected cannot be realized in full if the two groups are not able to integrate successfully.*

The Board has taken good note that the independent expert concludes that, given (i) the position of the Exchange Ratio relative to the ratios derived from the Intrinsic Values of the two groups, and (ii)

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the potential for value creation resulting from the synergies, financial terms and conditions of the Offer are fair for the shareholders of the Company, and that the review of the Business Combination Agreement entered into between Holcim and the Company on July 7, 2014, as amended on March 20, 2015, (which the Company management confirmed to be the only agreements entered into between them and Holcim), as well as the review of the Undertakings Agreements entered into by two shareholders of Lafarge, Mr. Nassef Onsi Sawiris and NNS Holding Sàrl, on the one hand and Groupe Bruxelles Lambert, on the other hand, have not revealed any elements that could jeopardize the equal treatment of all the Company shareholders.

Finally, the Board of Directors has reviewed the consequences of the Offer on the employees of the Company and acknowledges the following:

- First, employees (and former employees) who are shareholders of the Company, whether directly or indirectly through a Company mutual fund (FCPE Lafarge 2000), who have been granted Lafarge stock options or performance shares and/or participate in any other Lafarge employee share scheme, would (i) be able to tender their Company shares in the Offer, if permitted under the relevant plans and applicable laws, or (ii) if such shares cannot be tendered in the Offer (e.g., because their stock options have not been exercised or performance shares have not vested or the applicable holding period is ongoing or the Offer is not open in their country), benefit from a liquidity mechanism granted by LafargeHolcim, if permitted under applicable laws.*
- Second, pursuant to the draft offer document and the information provided to the Company's works council:*
 - following the divestments to CRH, there will be limited overlaps between the industrial activities of Holcim and the Company. In addition, Holcim has indicated that it believes that, subject to certain measures which may be necessary due to circumstances independent from the Offer, the combination of the two companies should have a limited impact on the production sites in general or research center in France, on which LafargeHolcim will continue to rely to pursue its development strategy. There is currently no plan to reduce headcount in industrial sites within the next twelve months;*
 - with exceptions to the divestments to CRH referred to above, there will be limited consequences in terms of employment for the other functions other than the central corporate functions.*
- Third, the works council of the Company issued an unfavorable opinion on the Offer on May 4, 2015.*

Based on the foregoing, after discussion and in consideration for the unique equity story of the proposed combination and the synergies expected therefrom, the Board of Directors unanimously approves the proposed merger under the terms and conditions set forth in the above-mentioned documents and determines that the Offer is in the best interests of the Company, its shareholders and its employees.

Consequently, the Board of Directors recommends to the shareholders of the Company to accept the Offer and to tender their shares to the Offer.

The Board of Directors confirms that the treasury shares held by the Company (i.e., 70,608 shares at April 30th, 2015) will not be tendered in the Offer because they will be used to grant shares under the Company performance share plans.

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The members of the Board of Directors also confirm their intent to tender their Company shares to the Offer within the limit provided by the Bylaws of the Company (i.e., 1,143 shares to be kept)."

6 CONCLUSIONS OF THE REPORT OF THE INDEPENDANT EXPERT

Pursuant to articles 261-1 *et seq.* of the AMF general regulations, the firm Accuracy, represented by Mr. Bruno Husson and Mr. Henri Philippe, was appointed as independent expert by the Board of Directors of Lafarge on February 17, 2015, in order to deliver a report on the financial conditions of the Offer.

The conclusions of this report established on April 15, 2015 are as follows:

"This independent valuation report was drawn up in connection with the public exchange offer to be launched shortly by Holcim (the Offeror)' for Lafarge shares (the Offer)' based on an exchange ratio of 0.9 (i.e., nine Holcim shares for every ten Lafarge shares tendered). The report was drawn up further to a request by the Lafarge Board of Directors in compliance with French stock market regulations. It is designed to provide the Board with an opinion on the fairness of the Offer's financial terms and conditions for Lafarge shareholders.

The Offer is a voluntary offer resulting from a merger process initiated jointly by the management of both groups in the first quarter of 2014 (the Transaction)' and Lafarge shareholders are free to choose whether or not to accept the Offer by deciding to tender or retain their shares. Analysing the fairness of the Offer's financial terms and conditions in this context involves firstly verifying whether the exchange ratio proposed by the Offeror (the Exchange Ratio)' is 'reasonable' or 'acceptable' for Lafarge shareholders from a financial point of view, and secondly, assessing the financial merits of the Offer for these shareholders.

Regarding the Exchange Ratio, earlier in our report we stated that two criteria must be respected for the Exchange Ratio to be considered fair: it must (i) factor in the value of the assets and the growth potential of both groups, and (ii) reflect a 'fair allocation' of the value to be created by the combination (i.e., the value of any synergies) among the shareholders of each group. Given the nature of the planned combination (the merger of equals)' and the characteristics of the expected synergies, the second criterion requires the Exchange Ratio to be based on the respective market values of both groups before taking into account the impacts of the combination (Intrinsic Values)'. Implicitly, this means that no control premium exists.

Our valuation work was performed using a multi-criteria approach. It showed that the Exchange Ratio was at the bottom of the range of ratios based on the Intrinsic Values that resulted from the valuation references (analysts' target prices and share prices) or from the valuation methods used (DCF and listed peers methods). As a result, we believe that the Exchange Ratio is acceptable for Lafarge shareholders and note that it does not include any premium relative to the ratios resulting from our different estimates of the Intrinsic Value of each group.

Regarding the financial merits of the Offer, the absence of a control premium could lead us to question the potential for value creation resulting from the synergies. When no synergies are expected, an exchange offer with no premium would have no financial merits for the target company's shareholders. However, an offer should be considered if the combination is likely to generate synergies. Further, if the value expected to be created by these synergies is significant compared with

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the Intrinsic Values, the position of the Exchange Ratio within the range of ratios obtained from a multi-criteria valuation approach is irrelevant, since its impact on the increase in the target company's shareholder value is limited.

In the present case, based on the information provided by the management of Lafarge and Holcim at the time the Transaction was announced, the planned combination is expected to generate significant synergies. Consequently, the value to be created as a result of these synergies could be significant compared with the Intrinsic Values. This can be seen in (i) the impact of the announcement of the Transaction on the combined shareholder value of the two groups (i.e., an increase of around 13% over a period including the date the Transaction was announced and the previous 10 trading days) and (ii) the revised target prices published by financial analysts in the two months following the announcement (representing a median increase of around 17% for the Lafarge share and around 15% for the Holcim share based on a sample of 11 financial analysts).

However, these positive reactions to the announced Transaction should not blind us to the execution risks, which exist as for any large-scale merger. Due to the absence of significant economies of scale in this case, the synergies expected cannot be realised in full if the two groups are not able to integrate successfully.

To conclude, given (i) the position of the Exchange Ratio relative to the ratios derived from the Intrinsic Values of the two groups, and (ii) the potential for value creation resulting from the synergies, we believe that the financial terms and conditions of the Offer are fair for Lafarge shareholders.”

7 CONCLUSIONS OF THE OPINION OF THE WORKS COUNCIL

The works council of Lafarge issued an opinion on the conditions of the Offer on May 4, 2015. The conclusions of this opinion are as follow: “*In conclusion and after discussion, the works council of Lafarge SA issues a negative opinion on the public exchange offer in the context of the contemplated merger between Lafarge and Holcim.*”

8 CONTACTS

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