Media Release

Zurich, May 12, 2016

LafargeHolcim

LafargeHolcim reports Q1 2016 results

- **Net sales CHF 6.1 billion (+0.1%) stable on a like-for-like basis year-on-year**
- **Adjusted operating EBITDA (like-for-like) impacted by seasonality, positive items in Q1 2015 and pricing in some markets**
- **Average cement price up 2.1% from Q4 2015 to Q1 2016, excluding India**
- **Operating Free Cash flow improved 19% in Q1 2016 vs Q1 2015**
- **Net debt at CHF 18 billion (CHF 17.3 billion in Q4 2015) impacted by seasonality**
- **All 2016 targets on track – full year adjusted operating EBITDA of at least high single digit like for like growth expected**

Q1 2016 Figures

in million CHF	Jan – March 2016	Jan–March 2015	±%	±% like-for-like
Net sales	6,062	6,412	-5.5	+0.1
Operating EBITDA	774	917	-15.6	-10.7
Operating EBITDA adjusted [1]	824	1,049	-21.5	-17.0
Operating Free Cash Flow [2]	-618	-761	+18.8	+16.0

1 Operating EBITDA adjusted for merger, restructuring and other one-offs
2 Cash flow from operating activities less net maintenance and expansion capex

Eric Olsen, CEO of LafargeHolcim commented: “In the first quarter, which is typically our smallest quarter, we saw solid demand for our products and a strengthening pricing environment with sequential quarter-on-quarter improvement of cement average selling prices.

“We know that we have more to do to increase momentum in 2016 and we are fully committed to delivering synergies, strengthening pricing, and maximizing cash flow generation. We are also well advanced with our divestment program and the proceeds will reduce our net debt this year.

“The first quarter is not indicative of our full year performance. We are on track with our plan and we see favorable underlying trends. I am confident that 2016 will mark sound progress towards reaching our 2018 objectives and we expect to deliver at least a high single digit like-for-like increase in adjusted operating EBITDA for the year.”

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2016 Outlook

2016 will be a year of progress towards our 2018 targets.

Demand in our markets is expected to grow between 2-4 percent taking into account the challenging economic headwinds in selected emerging markets that will continue.

In 2016 we expect:

- Capex to be below CHF 2 billion
- Incremental synergies of more than CHF 450 million of operating EBITDA
- Our pricing recovery actions and commercial excellence initiatives will demonstrate tangible results
- Net debt expected to decrease to around CHF 13 billion at year end, including the effect of our planned divestment program
- CHF 3.5 billion divestment program to be completed with more than one third already secured

We are committed to maintaining a solid investment grade rating and commensurate to this rating, returning excess cash to shareholders, notably with a progressive dividend policy

We reconfirm our commitment to the 2018 targets announced in November 2015.

Group performance

In the quarter, increases in like-for-like net sales compared with the prior year were reported in major markets including the United States, Mexico, Algeria and the Philippines in what is traditionally the lowest-volume quarter of the year.

Cement average selling prices increased from Q4 2015 to Q1 2016 by 2.1%, excluding India, although they remain lower than last year due to price declines in 2015. Price increases were implemented in two thirds of our markets during the first quarter, including in Nigeria and India. This will deliver the full effect in the remainder of the year.

The first quarter results were impacted by challenging conditions in a limited number of markets. Nigeria, Brazil, and India accounted for the majority (CHF -160 million) of the adjusted operating EBITDA declines in Q1 2016 versus Q1 2015. However, this was mitigated by timely implementation of synergy action plans and lower energy costs. China and Indonesia also stabilized as a result of cost management actions implemented in the quarter.

The year-on-year comparison was also impacted by lower prices in Nigeria, India and China (CHF -170 million vs Q1 2015), lower CO_2 sales (CHF 17 million in Q1 2015 vs none in Q1 2016), adverse foreign exchange effects (CHF 43 million higher in Q1 2016 than in Q1 2015) and CHF 85 million of positive items in Q1 2015 mainly due to a sales tax credit of CHF 20 million in India and CHF 20 million in US pension credits, with the balance dispersed across the regions and countries.

Synergies reached CHF 104 million in the quarter ensuring that we are on track to exceed the target of CHF 450 million of incremental synergies for the full year with the biggest contributors being: cross-selling of branded products; the optimization of clinker sourcing between group companies; and implementation of best practice in our energy mix.

Energy costs were down by over CHF 65 million (9%) in the quarter as a result of reduced prices for fossil fuels and procurement initiatives.

Group – Pro Forma information

		Jan–March 2016	Jan–March 2015	±%	±% like-for-like
Sales of cement	million t	56.6	55.8	+1.4	+1.4
Sales of aggregates	million t	51.6	52.3	-1.4	+1.0
Sales of ready-mix concrete	million m^3	12.6	12.4	+1.7	+1.8
Net sales	million CHF	6,062	6,412	-5.5	+0.1
Operating EBITDA	million CHF	774	917	-15.6	-10.7
Operating EBITDA adjusted[1]	million CHF	824	1,049	-21.5	-17.0
Operating EBITDA margin	%	12.8	14.3		
Operating EBITDA margin adjusted[1]	%	13.6	16.4		
Cash flow from operating activities	million CHF	(264)	(273)	+3.2	1.2

1 Excluding merger, restructuring and other one-offs

Regional Performance Highlights

Asia Pacific

In Asia Pacific, LafargeHolcim benefited from positive performances in Indonesia and the Philippines, and good volume progress in India driving increased cement sales. Financial performance was impacted by lower prices in India, some mix-effect in Australia, and production issues in Malaysia. Economic growth across Asia Pacific was robust in the first quarter of the year as private consumption, low energy prices and higher real incomes drove growth in India, Indonesia and the Philippines. China's economy stabilized in the first quarter of 2016.

Demand for building materials in India was robust in the first quarter of the year. As a result, ACC and Ambuja experienced higher demand for cement in all regions. Although prices were sharply down in the quarter, they partially recovered in March with particularly positive trends in the north of the country having a positive effect on margins. In addition, ready-mix concrete deliveries were up significantly. The Group is continuing the shift to more intensive use of petcoke which led to lower costs in the quarter.

Asia Pacific – Pro forma information

		Jan –March 2016	Jan–March 2015	±%	±% like-for-like
Sales of cement	**million t**	30.1	28.2	+6.6	+6.6
Sales of aggregates	**million t**	7.3	7.8	-5.6	+9.2
Sales of ready-mix concrete	**million m^3**	3.9	3.8	+2.7	+2.7
Net sales	**million CHF**	2,148	2,215	-3.0	+0.9
Operating EBITDA	**million CHF**	340	422	-19.4	-15.9
Operating EBITDA adjusted[1]	**million CHF**	344	424	-18.9	-15.5
Operating EBITDA margin	**%**	15.8	19.0		
Operating EBITDA margin adjusted[1]	**%**	16.0	19.1		
Cash flow from operating activities	**million CHF**	51	(39)	+229.9	+236.9

[1] Excluding merger, restructuring and other one-offs

Europe

Results in Europe declined compared to 2015 pro-forma figures, affected by reduced activity in Russia and Azerbaijan, lower CO_2 sales and positive items in Q1 2015 of CHF 23 million. These effects were mitigated by positive trends in Romania and encouraging resilience in France and Switzerland, although the overall market situation remained challenging. Europe experienced a moderate economic recovery in the first quarter of 2016 as economic stimuli took effect in a number of markets. Growth in the United Kingdom slowed while some construction markets – including those of France and Switzerland – showed signs of improvement. Lower volumes and financial performance in Russia and Azerbaijan were mitigated by cost containment measures to adapt our operational presence. In Russia for example, in response to the weak market demand, we have streamlined operations including the closure of clinker production and mothballing of grinding activities at the Voskresensk plant.

Europe – Pro forma information

		Jan–March 2016	Jan–March 2015	±%	±% like-for-like
Sales of cement	**million t**	7.7	8.0	-3.1	-3.1
Sales of aggregates	**million t**	25.2	25.7	-1.8	-1.8
Sales of ready-mix concrete	**million m^3**	4.0	4.0	+0.2	+0.2
Net sales	**million CHF**	1,497	1,552	-3.6	-3.5
Operating EBITDA	**million CHF**	105	132	-20.4	-22.3
Operating EBITDA adjusted[1]	**million CHF**	119	161	-26.4	-28.0
Operating EBITDA margin	**%**	7.0	8.5		
Operating EBITDA margin adjusted[1]	**%**	7.9	10.4		
Cash flow from operating activities	**million CHF**	(135)	(197)	+31.7	+29.6

[1] Excluding merger, restructuring and other one-offs

Latin America

In Latin America, most countries reported good performance with a positive price development as LafargeHolcim continued to expand its established retail offering in the region and also focused on higher value projects. However, performance was impacted by selected countries, namely the ongoing challenging market environment in Brazil and a further slowdown in Ecuador. Economic activity in the region overall was mixed: while Mexico, Central America, and Colombia showed buoyant economic and construction activity, demand for building materials in Brazil was hit as economic recession impacted public and private investment activity.

The Mexican construction industry continued along the upward trajectory seen in the previous financial year as large infrastructure projects drove higher demand for building materials. We continued to focus on higher-margin and value applications and as a result volumes and prices increased in both cement and ready-mix concrete.

Latin America – Pro forma information

		Jan–March 2016	Jan–March 2015	±%	±% like-for-like
Sales of cement	million t	6.0	6.7	-10.7	-10.7
Sales of aggregates	million t	1.7	1.8	-4.4	+0.6
Sales of ready-mix concrete	million m^3	1.7	1.8	-6.2	-6.2
Net sales	million CHF	682	809	-15.7	-1.7
Operating EBITDA	million CHF	205	253	-18.8	-10.8
Operating EBITDA adjusted[1]	million CHF	210	255	-17.6	-9.2
Operating EBITDA margin	%	30.1	31.2		
Operating EBITDA margin adjusted[1]	%	30.8	31.5		
Cash flow from operating activities	million CHF	14	51	-72.6	-118.0

[1] Excluding merger, restructuring and other one-offs

Middle East Africa

The Middle East Africa region was negatively impacted by lower prices in Nigeria, a difficult situation in Zambia and production and logistic-related limitations at some of our plants. In Egypt, the recovery of demand for building materials that gained momentum in the last quarter of 2015 continued in the first three months of the year. As a result, we sold more aggregates and ready-mix concrete for major infrastructure projects. Algeria's construction industry benefited from positive markets trends fueled by growing housing demand and public investments.

While demand for building materials in Nigeria grew significantly in the first quarter of 2016, the competitive environment remained challenging although prices partially recovered at the end of the quarter. Our cement sales were constrained as a result of energy shortages and logistics-related issues earlier in the quarter. The Group continues its strict cost management and the optimization of plant productivity to be in a position to benefit from the strong market conditions going forward.

Middle East Africa – Pro forma information

		Jan–March 2016	Jan–March 2015	±%	±% like-for-like
Sales of cement	million t	10.8	10.5	+3.1	+3.1
Sales of aggregates	million t	3.6	2.4	+45.8	+45.8
Sales of ready-mix concrete	million m^3	1.4	1.3	+10.1	+10.1
Net sales	million CHF	1,049	1,164	-9.9	-4.4
Operating EBITDA	million CHF	252	354	-28.9	-24.5
Operating EBITDA adjusted[1]	million CHF	256	364	-29.8	-25.6
Operating EBITDA margin	%	24.0	30.4		
Operating EBITDA margin adjusted[1]	%	24.4	31.3		
Cash flow from operating activities	million CHF	199	250	-20.1	-18.8

[1] Excluding merger, restructuring and other one-offs.

North America

LafargeHolcim posted improved results in North America driven by ongoing high demand for building materials in the United States. Strong pricing and volume trends in the United States supported a significant increase in financial performance in the region. Residential construction and spending on infrastructure projects resulted in active construction markets in the United States despite some weather-related challenges in the North. Aggregates and ready-mix concrete volumes also showed significant growth mirroring the positive market trends. Eastern Canada reported flat performance. Western Canada was impacted by lower investments as a result of the oil-price driven economic downturn.

North America – Pro forma information

		Jan–March 2016	Jan–March 2015	±%	±% like-for-like
Sales of cement	million t	3.4	2.9	+18.9	+18.9
Sales of aggregates	million t	13.7	14.6	-5.9	-5.9
Sales of ready-mix concrete	million m^3	1.6	1.5	+4.9	+6.0
Net sales	million CHF	866	776	+11.6	+10.1
Operating EBITDA	million CHF	0	(25)	+99.9	+88.4
Operating EBITDA adjusted[1]	million CHF	3	(26)	+111.4	+100.6
Operating EBITDA margin	%	0.0	(3.2)		
Operating EBITDA margin adjusted[1]	%	0.3	(3.3)		
Cash flow from operating activities	million CHF	(234)	(214)	-9.5	-4.3

[1] Excluding merger, restructuring and other one-offs

Divestments
The divestment plan is on track and we are in advanced discussions on a range of potential transactions, well in excess of our 2016 target, to ensure that we achieve full value for these assets.

We are committed to delivering the 2016 target of CHF 3.5 billion, one third of which has already been secured, as highlighted in the full year/Q4 results.

We continue to identify other opportunities as part of our active portfolio management and expect further divestments to crystallize beyond 2016.

Cash flow & net financial debt
Operating free cash flow improved by 19% compared with Q1 2015 benefitting from a tight control of capex. Change in working capital in the first quarter is a cash outflow due to the seasonality in the Northern hemisphere. However, when expressed in number of days of sales, it was reduced by two days, thanks to a strict management.
Net debt stands at CHF 18 billion (CHF 17.3 billion in Q4 2015) in line with normal seasonality in the first quarter.

Financial expenses
Net financial expenses of CHF 225 million are CHF 113 million below the pro forma Q1 2015 results reflecting synergy benefits arising from the merger and lower levels of net financial debt.

Tax
The effective tax rate in the first quarter is influenced by seasonality and is not representative of the full year which is expected to be 28-30%.

Net income
Net income of CHF -47 million improved by CHF 22 million compared with Q1 2015 results after excluding the divestment gain of CHF 432 million pre-tax arising from the divestment of assets to Cemex and a minority shareholding in Siam City Cement, Thailand in Q1 2015.

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This media release represents the Group 2014 and 2015 results as if the merger of Lafarge and Holcim had occurred on January 2014, excluding divestment companies (also anticipated in 2015), but including UNICEM Nigeria, Bangladesh, Shui on Cement and Shuangma China.

For the purpose of the proposed merger, the 2014 pro forma information that was included in the Registration Document registered on May 11, 2015 reflected only the effect of the merger Lafarge/Holcim and its direct consequences (notably the divestments to CRH) as known at that time. Now with the merger completed, the pro forma financial information included in this report's Shareholders' Letter, in addition to the merger and the latest changes in the scope of the divestments achieved in the context of the merger Lafarge/Holcim, also reflects the impact of the reclassification of merger related and restructuring costs, the deconsolidation of the Australian business operated under a joint-venture and the effect of the divestments achieved over the course of 2014 and 2015 initiated or completed by Lafarge. These figures do not take into consideration any purchase price accounting impact on operating EBITDA which will mainly come from inventory valuation.

Additional information

The analyst presentation of the results and the Interim Report on the First quarter 2016 are available on the website of LafargeHolcim at www.lafargeholcim.com

The financial statements based on IFRS can be found at:
http://reports.lafargeholcim.com/2016/ir1

Practical information

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About LafargeHolcim

With a well-balanced presence in 90 countries and a focus on Cement, Aggregates and Concrete, LafargeHolcim (SIX Swiss Exchange, Euronext Paris: LHN) is the world leader in the building materials industry. The Group has 100,000 employees around the world and combined net sales of CHF 29.5 billion in 2015. LafargeHolcim is the industry benchmark in R&D and serves from the individual homebuilder to the largest and most complex project with the widest range of value-adding products, innovative services and comprehensive building solutions. With a commitment to drive sustainable solutions for better building and infrastructure and to contribute to a higher quality of life, the Group is best positioned to meet the challenges of increasing urbanization.

More information is available on www.lafargeholcim.com

Important disclaimer - forward-looking statements:

This document contains forward-looking statements. Such forward-looking statements do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets, as the case may be, including with respect to plans, initiatives, events, products, solutions and services, their development and potential. Although LafargeHolcim believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are difficult to predict and generally beyond the control of LafargeHolcim, including but not limited to the risks described in the LafargeHolcim's annual report available on its Internet website (www.lafargeholcim.com) and uncertainties related to the market conditions and the implementation of our plans. Accordingly, we caution you against relying on forward looking statements. LafargeHolcim does not undertake to provide updates of these forward-looking statements.