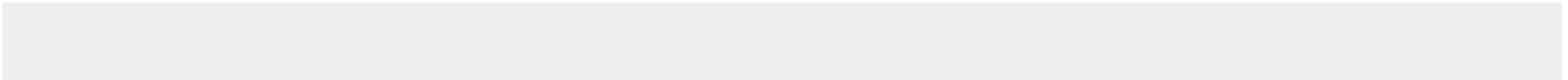




# **LafargeHolcim**

**May 2015**

**CREATING THE MOST ADVANCED GROUP  
IN THE BUILDING MATERIALS INDUSTRY**



# Disclaimer

## Not for distribution in the United States, Canada, Australia or Japan

### Important information

This communication 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 and it does not constitute an offering prospectus within the meaning of article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange. Investors must rely on their own evaluation of Holcim and its securities, including the merits and risks involved. Nothing contained herein is, or shall be relied on as, a promise or representation as to the future performance of Lafarge or Holcim.

Pursuant to French regulations, the documentation with respect to the exchange offer which, if filed, will state the terms and conditions of the exchange offer, and the listing prospectus regarding the envisaged admission to trading of Holcim shares on Euronext Paris will be subject to review by the French Market Authority (AMF). Any information provided herein, including the Unaudited Pro Forma Financial Information, is subject to changes and amendments in light of the ongoing AMF approval process of the documentation prepared in connection with the exchange offer and the listing of the Holcim shares on Euronext Paris upon completion of the exchange offer. Investors and shareholders in France are strongly advised to read, if and when they become available, the prospectus and related exchange offer materials regarding the exchange offer and listing of Holcim shares referenced in this communication, as well as any amendments and supplements to those documents as they will contain important information regarding Lafarge, Holcim, the contemplated transaction and related matters. Once approved by the AMF, the exchange offer documents, containing detailed information with regard to the exchange offer will be available on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)), Holcim ([www.holcim.com](http://www.holcim.com)) and Lafarge ([www.lafarge.com](http://www.lafarge.com)).

The transaction is notably subject to execution of definitive documentation and receipt of required regulatory and other customary authorisations. The exchange offer would only be filed after such and other conditions have been fulfilled.

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### Financial Information

The Unaudited Pro Forma Financial Information contained in the presentation reflects the merger of Holcim and Lafarge as if the merger had occurred as at December 31, 2014 for pro forma statement of financial position purposes and on January 1, 2014 for pro forma statement of income purposes, with Holcim deemed the accounting acquirer. It has been prepared in millions of Swiss Francs (CHF). The Unaudited Pro Forma Financial Information reflects a hypothetical situation and is presented exclusively for illustrative purposes. As such, it does not provide an indication of the results of operating activities or the financial position of the combined group that would have been obtained as of and for the period ended on December 31, 2014, had the merger been completed at the dates considered. Similarly, it does not provide an indication of the future results of operating activities or financial position of the combined group. The unaudited pro forma adjustments reflecting the merger do not give effect to any synergies which may result from it, or any severance costs, integration costs or restructuring costs that may be incurred following the completion of the exchange offer. The pro forma adjustments are based upon information available as of April 1, 2015, and certain preliminary estimates and assumptions which are believed to be reasonable. Additional divestments required in India, as announced, and other decisions reached under change-of control or similar clauses since April 1, 2015 are not reflected in the Unaudited Pro Forma Financial Information. Only pro forma adjustments that are factually supportable and that can be estimated reliably at the date the Unaudited Pro Forma Financial Information was prepared have been taken into account. Additional information with regard to the Unaudited Pro Forma Financial Information will be available on the websites of Holcim ([www.holcim.com](http://www.holcim.com)) and Lafarge ([www.lafarge.com](http://www.lafarge.com)).

Certain numerical figures set out in this document have been subject to rounding adjustments and, as a result, they may vary slightly from the actual arithmetic totals.

### Forward-Looking Statements

This communication contains forward-looking information and statements about Holcim, Lafarge 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, products and services, and statements regarding future performance and synergies. Forward-looking statements are generally identified by the words "expect", "anticipates", "believes", "intends", "estimates" and similar expressions. Although the managements of Holcim and Lafarge believe that the expectations reflected in such forward-looking statements are reasonable, investors and holders of Holcim and Lafarge 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 Holcim and Lafarge, 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 company may not realize the full benefits of the transaction, including the synergies, cost savings or growth opportunities that we expect within the anticipated time frame or at all.

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# VISION OF LafargeHolcim

CREATING THE MOST ADVANCED GROUP IN THE BUILDING MATERIALS INDUSTRY

## CREATING THE BEST GROWTH PLATFORM IN THE INDUSTRY

- » Driving growth across a global and balanced footprint
- » Delivering best-in-class operating performance and returns enhanced by synergies
- » Fundamentally transforming the business

## POSITIONING OUR BUSINESS TO MEET CHANGING MARKET NEEDS

- » Enhancing the value proposition to meet changing customer demands
- » Addressing the challenges of urbanization
- » Setting the benchmark on Corporate Social Responsibility including sustainability and climate change mitigation

**HIGHLY COMPELLING STRATEGIC RATIONALE REINFORCED BY PREPARATORY INTEGRATION WORK**

# KEY OBJECTIVES AT ANNOUNCEMENT ARE CONFIRMED

<b>EXECUTION</b>	<b>ALL WORKSTREAMS ON TRACK</b>	<ul style="list-style-type: none"> <li>» All competition approvals necessary for closing of the merger received (17 jurisdictions including from the European Commission)</li> <li>» Remaining antitrust clearance reviews (Mauritius and Indonesia) in progress, with no suspensive effect on the Offer</li> </ul>
<b>DISPOSALS</b>	<b>REBALANCED GLOBAL PORTFOLIO</b>	<ul style="list-style-type: none"> <li>» Disposal of assets to CRH for an EV of €6.5bn<sup>2</sup> (transaction multiple of 8.7x 2014 operating EBITDA)</li> <li>» Rebalanced portfolio exposure, present in 90 countries</li> <li>» c. 60% of 2014 pro forma revenues from emerging markets</li> </ul>
<b>LEADERSHIP</b>	<b>EXECUTIVE COMMITTEE</b>	<ul style="list-style-type: none"> <li>» Team of 10 managers actively engaged in integration planning</li> </ul>
<b>INTEGRATION</b>	<b>SYNERGIES</b>	<ul style="list-style-type: none"> <li>» €1.4bn synergies target confirmed</li> <li>» Rigorous approach to determination of synergies, planning and integration through joint teams</li> </ul>
<b>FINANCIAL PROFILE</b>	<b>STRONG CAPITAL STRUCTURE</b>	<ul style="list-style-type: none"> <li>» Significant reduction in combined net debt through divestitures</li> <li>» Targeted solid Investment Grade credit rating</li> </ul>

**ON TRACK FOR CLOSING IN JULY 2015**

<sup>2</sup> Envisaged disposal of assets subject to conditions precedent, including the successful closing of the exchange offer.

## KEY TRANSACTION HIGHLIGHTS

### COMPANY NAME

- » LafargeHolcim

### DEAL STRUCTURE

- » Merger of equals
- » Spirit of the combination unchanged
- » Company domiciled in Switzerland
- » Share listing on SIX Swiss Exchange (Zurich) and Euronext (Paris)

### DEAL TERMS

- » Exchange ratio of 9 Holcim shares for 10 Lafarge shares
- » Scrip dividend in a 20 to 1 ratio post completion of the Exchange Offer

### BOARD & SHAREHOLDER SUPPORT

- » Boards of both companies have unanimously approved the revised terms
- » Thomas Schmidheiny, GBL and NNS fully support the transaction

### TIMETABLE

- » Holcim EGM on May 8<sup>th</sup>, 2015: all motions approved
- » Offer Period to start early June 2015
- » Transaction closing expected in July 2015

# BALANCED GOVERNANCE

## NEW GOVERNANCE AND LEADERSHIP

### BOARD OF DIRECTORS

- » 7 members from Holcim and 7 from Lafarge
- » Wolfgang Reitzle and Bruno Lafont to act as Co-Chairmen; Beat Hess as Vice-Chairman

### EXECUTIVE COMMITTEE

- » CEO: Eric Olsen
- » CFO: Thomas Aebischer
- » Integration, O&HR: Jean-Jacques Gauthier
- » Growth & Innovation: Gerard Kuperfarb
- » Performance & Cost: Urs Bleisch
- » Europe: Roland Köhler
- » NA: Alain Bourguignon
- » Latin America: Pascal Casanova
- » Asia Pacific: Ian Thackwray
- » MEA: Saâd Sebbar

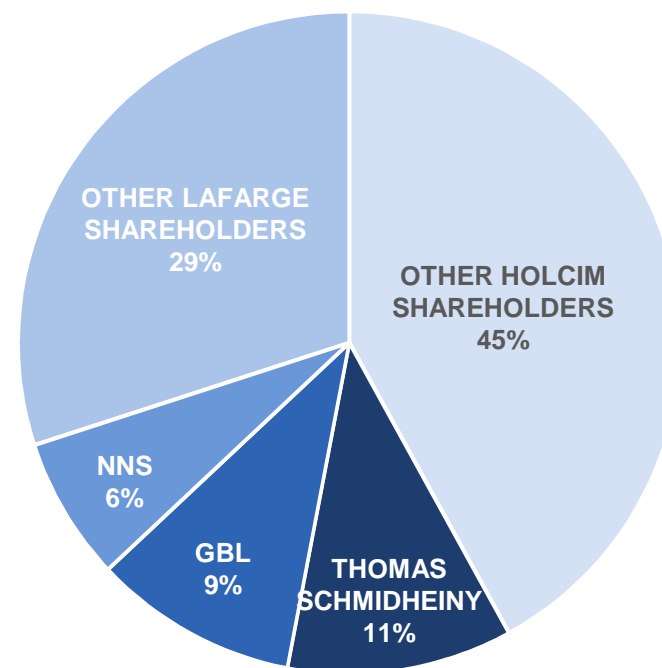
### INTEGRATION COMMITTEE

- » Co-Chaired by Jean-Jacques Gauthier and Roland Köhler

### CENTRAL CORPORATE FUNCTIONS

- » Balanced allocation across Switzerland and France

## PRO FORMA SHAREHOLDING STRUCTURE



COMBINED MARKET CAP  
CHF 42.8bn / EUR 40.6bn <sup>1</sup>

<sup>1</sup> Combined market cap based on closing share prices and FX (1.0552) as of 20-Mar-2015; pro forma shareholding assuming 100% of the shareholders of Lafarge tender their shares in the Exchange Offer.

# STRONG VALUE CREATION FOR SHAREHOLDERS

## **BEST-IN-CLASS GLOBAL PORTFOLIO, REBALANCED THROUGH DIVESTITURE**

- » Balanced portfolio exposure
- » Benefiting from long term growth potential of emerging countries as well as cyclical recovery in developed economies

## **BEST GROWTH PLATFORM AND SUPERIOR OPERATING PROFITABILITY**

- » Enhanced value-added products & solutions best fitting customer needs
- » EBITDA margin to be further enhanced by synergies

## **RUN RATE SYNERGIES OF €1.4BN**

- » Rigorous approach to determination of synergies, planning and integration through joint teams

## **STRICT CAPITAL ALLOCATION DISCIPLINE**

- » Optimisation of capital expenditures to extract the full value of the new complementary footprint

## **STRONG CAPITAL STRUCTURE**

- » Targeted Investment Grade credit rating

## **ATTRACTIVE RETURNS FOR SHAREHOLDERS**

- » Improved return on capital invested
- » Attractive dividend policy



# A COMBINATION OF TWO SUCCESSFUL GROUPS

	2014 PRO FORMA FINANCIALS (unaudited, post divestitures and merger related adjustments) <sup>1</sup>		
Annual Installed Cement Production Capacity (mtpa)	386		
Net Sales (CHF / EUR bn)	CHF 32.6 / EUR 26.8	RUN-RATE EBITDA SYNERGIES <sup>2</sup>	» Attractive margins, ~24% post synergies
Operating EBITDA <sup>3</sup> (CHF / EUR bn)	CHF 6.7 / EUR 5.5		
Operating EBITDA Margin (%)	21%		
Financial Net Debt <sup>4</sup> (CHF / EUR bn)	c. CHF 17.9 / EUR 14.9		

<sup>1</sup> Certain reclassifications and adjustments have been made to the published historical financial information of Holcim and Lafarge to reflect the effect of the transaction and the effect of the divestitures for the purpose of the preparation of the 2014 unaudited Pro Forma Financial Information. The translation into Swiss Francs of the Lafarge historical Financial Information has been based on the Lafarge historical Financial Information for the year ended December 31, 2014 of EUR1 = CHF1.2146 for all the P&L items and based on an exchange rate as of December 31st, 2014 of 1.2027 for Financial Net Debt. The translation of the resulting Swiss Francs Pro Forma Financials figures into Euro presented above has been made using the same exchange rates as described above.

<sup>2</sup> The translation of the Euro denominated synergies in CHF has been made using the exchange rate prevailing around the date of the announcement of the transaction on April 7<sup>th</sup>, 2014 of 1.223.

<sup>3</sup> Operating EBITDA is defined as the "Operating profit before other income (expense)" before depreciation and amortization on tangible and intangible operating assets and is a non-GAAP financial measure.

<sup>4</sup> Financial Net Debt before cash proceeds relating to the divestments of certain Indian assets, as announced on April 1, 2015.

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# LEVERAGING TRENDS INTO OPPORTUNITIES

## OPPORTUNITIES FROM URBANIZATION

- » 1bn more people expected in and around urban areas by 2020



## CUSTOMERS DEMANDING VALUE-ADDED SOLUTIONS

- » Improve the quality of buildings and reduce the total cost during the lifecycle



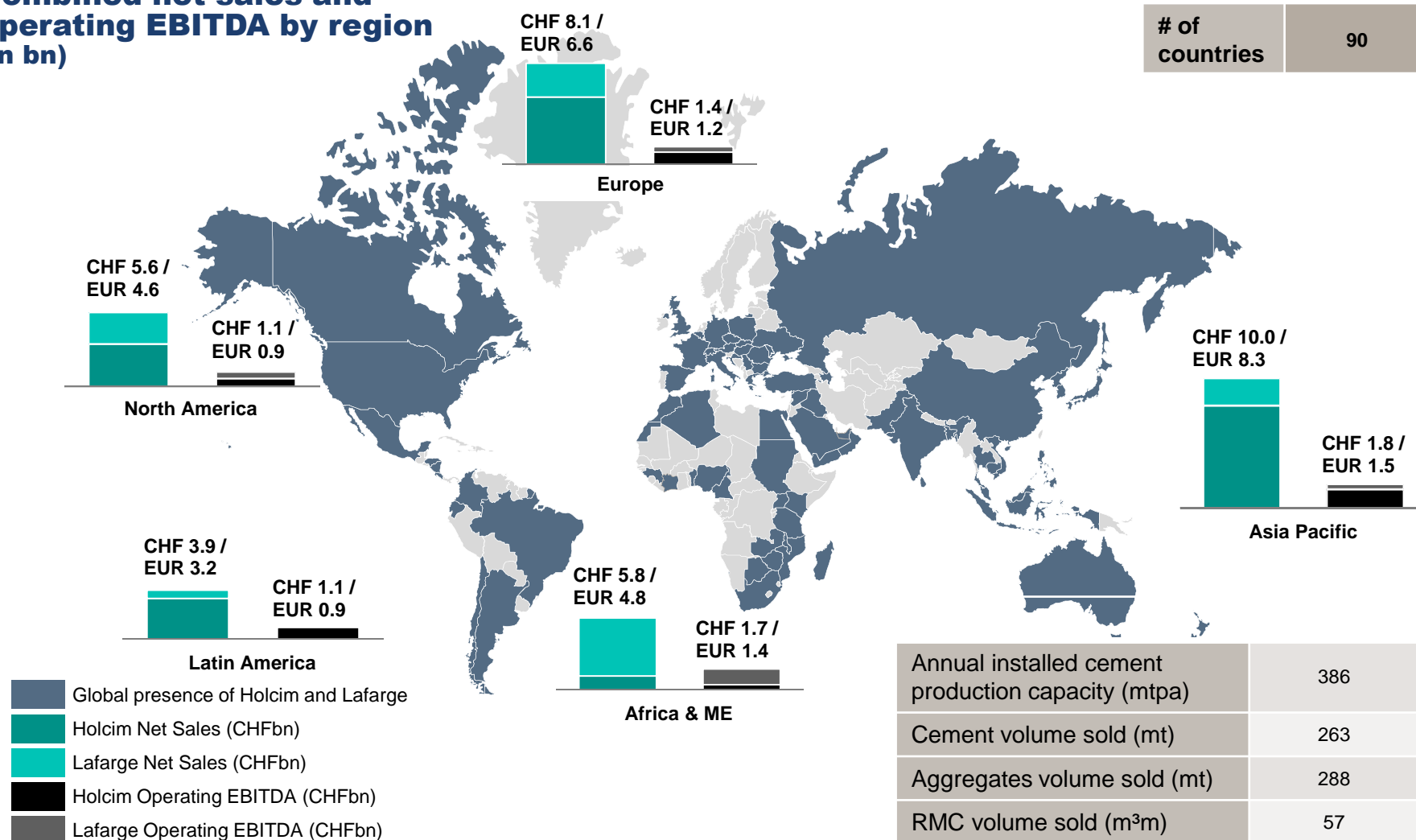
## RESOURCE SCARCITY / CLIMATE CHANGE

- » More energy-efficient buildings and environmentally-friendly building materials



# THE BEST GLOBAL PORTFOLIO IN THE INDUSTRY

## Combined net sales and operating EBITDA by region (in bn)



Notes: Average exchange rate for the year ended December 31, 2014 of 1.2146 for net sales and operating EBITDA. Results on an unaudited pro forma basis.

# GLOBAL, WELL-BALANCED FOOTPRINT POSITIONED FOR SUSTAINABLE AND PROFITABLE GROWTH

## EMERGING MARKETS

- » c.60% of 2014 pro forma sales
- » 13 countries out of our top 20 with strong infrastructure needs<sup>2</sup>
- » 6% CAGR for construction outputs expected until 2025<sup>3</sup>

## DEVELOPED MARKETS

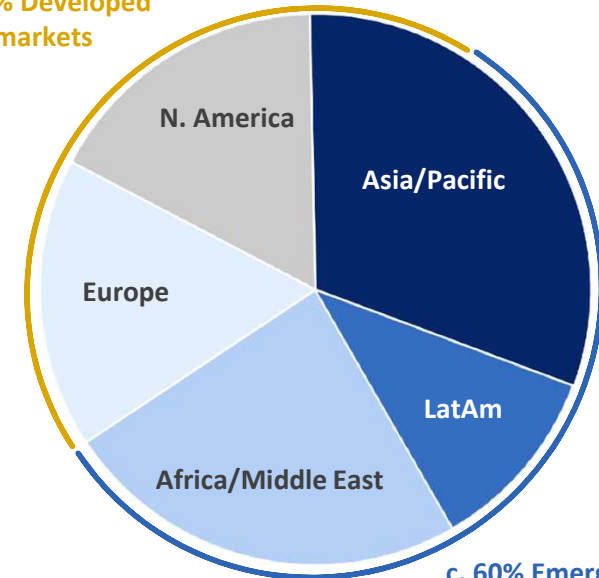
- » c.40% of pro forma sales
- » Significant recovery potential

## DIVERSIFICATION AND BALANCE

- » Strong presence in each of the world's major regions (90 countries)

### PORTFOLIO BREAKDOWN (2014 NET SALES)<sup>1</sup>

c. 40% Developed markets



c. 60% Emerging markets

**CAPTURING THE RECOVERY IN DEVELOPED MARKETS WHILE ENSURING LONG-TERM SUSTAINABLE GROWTH IN EMERGING MARKETS**

<sup>1</sup> 2014 Pro Forma Net Sales.

<sup>2</sup> Ranked below 50 in the World Economic Forum Global Competitiveness index for quality of overall infrastructure 2012-2013.

<sup>3</sup> Global Construction 2025 - A global forecast for the construction industry to 2025.

# INNOVATIVE AND CUSTOMER FOCUSED APPROACH

## MOST INNOVATIVE PRODUCTS AND SOLUTIONS OFFERING

- » World's largest R&D center for building materials



## ADRESSING ALL CUSTOMERS NEEDS

- » Understanding of customers along the value chain
- » From small to industrial end-customers



## STRONG BRANDS

- » Strong focus on brand management and customer loyalty



# BEST-IN-CLASS R&D AND INNOVATION



Worldwide leading platform with more than 1,000 dedicated people

- » Central Research Center based in Lyon
- » Network of Regional Development Labs



● Lafarge Technical Centres, Satellite locations and Construction Development Laboratories

● Holcim Regional Support Locations

# GLOBAL EXPERTISE TO ACHIEVE OPERATIONAL EXCELLENCE

## OPERATIONAL EXCELLENCE

- » Best-in-class professional teams
- » State-of-the-art assets and technologies
- » Cross benefit from each company's best practices

## ABILITY TO DEVELOP THE ENTIRE VALUE CHAIN

- » From cement and aggregates to ready-mix concrete
- » From products to value-added solutions & services

## INCREASED OPERATING LEVERAGE

- » Roll out innovative solutions for customers on a larger scale
- » Leverage on existing platform to reduce capital intensity



# STRONG TRADITION OF SUSTAINABLE DEVELOPMENT, HEALTH AND SAFETY

Focus on efficient use of water, energy and resources

Capturing new opportunities in waste management

Best practice in CO<sub>2</sub> reduction  
Eco-friendly plants

Commitment to local communities and CSR policy

Dow Jones Sustainability index



Co-founders of the Cement Sustainability Initiative



## A SHARED COMMITMENT TO EMPLOYEES



**BEST LOCAL TEAMS  
INTEGRATED GLOBALLY**

**HIGHEST LEVEL OF GLOBAL  
EXPERTISE AND INNOVATION  
SKILLS**

**COMMITTED TO HEALTH  
& SAFETY**

**WORLD-CLASS LEARNING  
DEVELOPMENT**



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# POSITIONED FOR SUSTAINABLE AND PROFITABLE GROWTH

**BEST-IN-CLASS  
PORTFOLIO:  
GROWTH,  
DIVERSIFICATION  
& BALANCE**

**LEVERAGE  
BEST PRACTICES**

**INNOVATION  
ON AN EXPANDED  
SCALE**

**STRONG FIT  
FOR SUCCESSFUL  
INTEGRATION**

**DELIVER ON SYNERGIES**



## **SUPERIOR REVENUE GROWTH & SIGNIFICANT OPERATIONAL SYNERGIES**

- » Cross-fertilisation of products & services portfolios
- » Optimisation of operations / best practices
- » Cost efficiency and economies of scale



## **ENHANCED CASH FLOW GENERATION & OPTIMISED CAPITAL ALLOCATION**

- » Attractive financing costs and capital structure
- » Optimised capital expenditures to extract the full value of the new portfolio
- » Continuous portfolio optimisation
- » Focus on return on capital
- » Attractive returns for shareholders

# PRO-ACTIVE PORTFOLIO OPTIMIZATION AND DISCIPLINED CAPITAL ALLOCATION

## BEST USE OF RESOURCES

### Pro-active Portfolio Management and Disciplined Capital Allocation

- » Disciplined and globally managed capital allocation process
- » Selective investments and divestments based on compelling business cases
- » Focus on increasing utilization of existing asset network (no material expansion expected in the foreseeable future)

### Asset-light Business Models

- » Focus resources on marketing & sales, innovation and operational excellence
- » New asset-light models to create and extract superior customer value

## **IN DEPTH REVIEW OF SYNERGIES POTENTIAL**

- [ MANAGEMENT TEAMS HAVE JOINTLY REFINED EXPECTED SYNERGIES SINCE APRIL 2014**
- [ JOINT INTEGRATION PLAN TO ACHIEVE SYNERGIES HAS BEEN DEVELOPED**
- [ CHIEF INTEGRATION OFFICER WILL HAVE SPECIFIC RESPONSIBILITY FOR REALIZING SYNERGIES**
- [ SPECIFIC FOCUS ON RETENTION OF CUSTOMERS AND KEY EMPLOYEES**
- [ CONTINUED PROGRESSION OF THE SHARED VISION FOR THE COMPANY**
- [ INTEGRATION FACILITATED BY COMMON GOALS**
- [ CLEAR LEADERSHIP, EXECUTION RESPONSIBILITIES AND COMMUNICATION**

# OPERATIONAL SYNERGIES OVERVIEW

## OPERATIONAL OPTIMISATION / BEST PRACTICES

- » Network rationalization in overlapping countries (freight, transport, distribution and capacity flows)
- » Best practices in productivity, use of alternative fuels, energy consumption optimization (e.g., Holcim's expertise in grinding efficiency or Lafarge's know-how in operational productivity)

## PROCUREMENT

- » Approximately €16bn in combined procurement expenses
- » Targeted initiatives: alignment on "best prices" in overlapping countries, beneficial scale effect from high volumes, enhanced category management and low-cost country sourcing

## SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

- » Synergies assessed at regional HQs and overlapping countries
- » Each area reviewed based on each company's best-performing benchmarks and review of organisational models

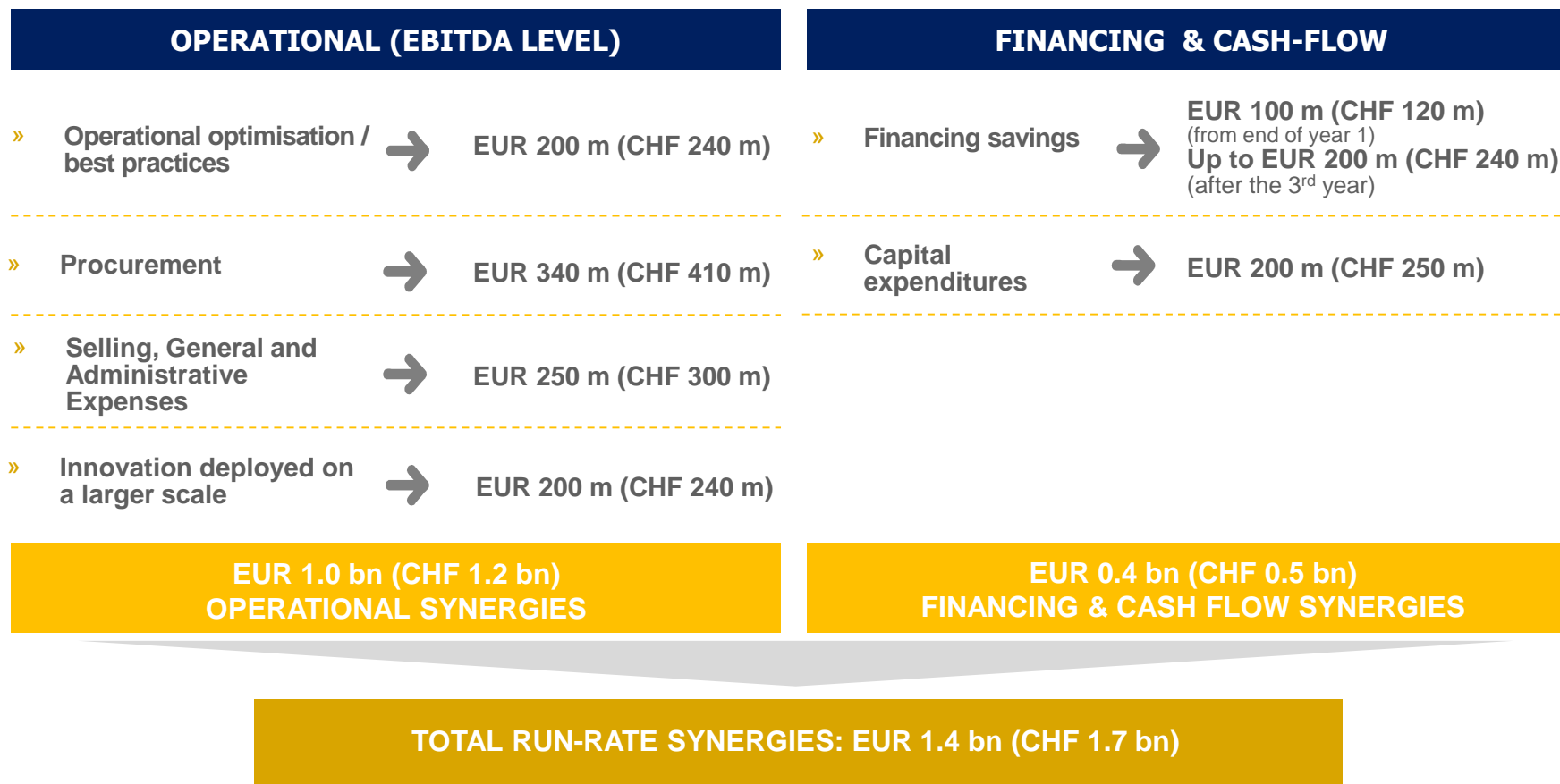
## INNOVATION DEPLOYED ON A LARGER SCALE

- » In depth review of revenues synergies in 9 areas (e.g. housing, mid-high rise buildings, transport, energy)
- » Cross-fertilization of value-added product portfolio

## FURTHER UPSIDE POTENTIAL TO BE REVIEWED POST CLOSING

- » Waste management, sea borne worldwide trading, other operational excellence best practices

# OPERATIONAL, FINANCING AND CASH-FLOW SYNERGIES



» Additional Working capital savings → EUR 410 m (CHF 500 m) (over 3 years)

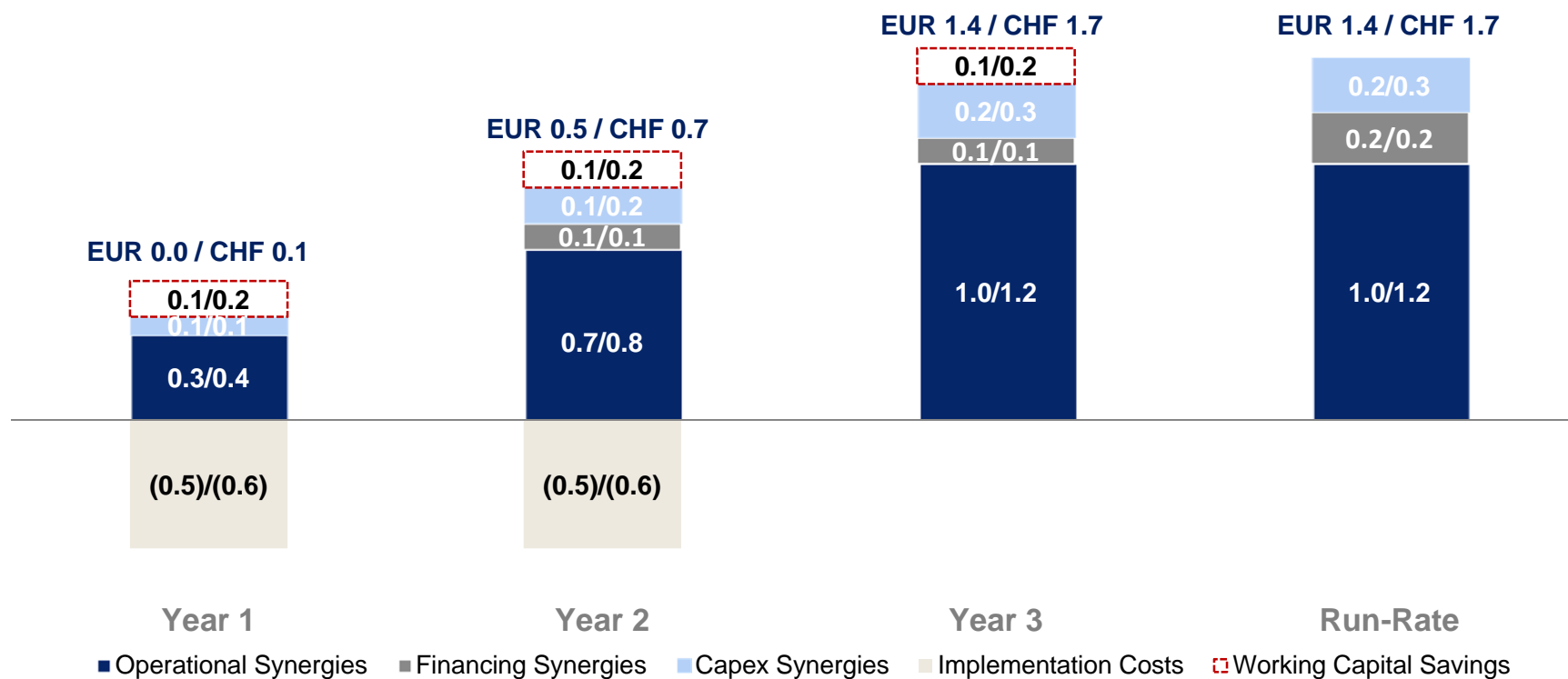
Notes:

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# EUR 1.4 bn (CHF 1.7bn) RUN-RATE SYNERGIES

## PRE-TAX SYNERGIES – PHASED IN OVER 3 YEARS



Notes:

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## NEXT STEPS TO CLOSING

KEY DATES	DESCRIPTION
<b>June 1, 2015</b>	» Opening of the Exchange Offer
<b>July 3, 2015</b>	» Closing of the Exchange Offer
<b>July 9, 2015</b>	» Publication of the final results of the Exchange Offer and listing of the Existing Holcim Shares on Euronext Paris
<b>July 10, 2015</b>	» Capital increase of Holcim and issuance of the New Holcim Shares in remuneration of the Lafarge Shares tendered to the Exchange Offer
<b>July 14, 2015</b>	» Listing of the New Holcim Shares
<b>July 15, 2015</b>	» Re-opening of the Exchange Offer
<b>July 28, 2015</b>	» Closing of the re-opened Exchange Offer
<b>Aug. 4, 2015</b>	» Capital increase of Holcim and issuance of the New LafargeHolcim Shares
<b>Aug. 6, 2015</b>	» Listing of the New LafargeHolcim Shares

**TRANSACTION CLOSING EXPECTED IN JULY 2015**

# UNIQUE VALUE PROPOSITION FOR SHAREHOLDERS

**NEW BEST-IN-CLASS GLOBAL PORTFOLIO**

**BEST GROWTH PLATFORM AND SUPERIOR OPERATING PROFITABILITY**

**SIGNIFICANT SYNERGIES**

**STRICT CAPITAL ALLOCATION DISCIPLINE**

**STRONG CAPITAL STRUCTURE**

**ATTRACTIVE RETURNS FOR SHAREHOLDERS**



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