FIRST QUARTER 2016

INTERIM REPORT

LafargeHolcim

Q1

LAFARGEHOLCIM FIRST QUARTER 2016

As used herein, the terms "LafargeHolcim", "Holcim" or the "Group" refer to LafargeHolcim Ltd together with the companies included in the scope of consolidation. Holcim Ltd was renamed to LafargeHolcim Ltd following the merger with Lafarge S.A. on July 10, 2015.

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 on pages 3 to 15, 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 merger, restructuring and other one-offs, 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.

These figures do not take into consideration any purchase price accounting impact on operating EBITDA which mainly relates to inventory valuation.

Dear Shareholder,

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. We are 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.

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 the fourth quarter 2015 to the first quarter 2016 by 2.1 percent, 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 the first quarter 2016 versus the previous year's first quarter. 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 compared to the first quarter 2015), lower CO_2 sales (CHF 17 million in the first quarter 2015 vs none in the first quarter 2016), adverse foreign exchange effects (CHF 43 million higher in the first quarter 2016 than in the first quarter 2015) and CHF 85 million of positive items in the previous year's first quarter 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 (9.0 percent) 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.

Pro forma sales volumes

Consolidated like-for-like cement volumes increased 1.4 percent to 56.6 million tonnes in the first quarter 2016, notably driven by growing demand in India, the United States, and the Philippines and the start-up of the new plant in Tuban, Indonesia. Like-for-like aggregates shipments improved 1.0 percent to 51.6 million tonnes mainly as a result of higher volumes in Egypt and the United States, which more than offset declines in the United Kingdom and Canada. Ready-mix concrete shipments grew 1.8 percent to 12.6 million cubic meters thanks to favorable sales development in India, Egypt, the United States, Mexico, and France.

Pro forma financial results

Net sales were CHF 6,062 million and improved 0.1 percent like-for-like in the first three months of the year. Improved performance in countries such as the United States, Mexico, Algeria, and the Philippines did not fully offset declines primarily in Nigeria and Brazil. Adjusted operating EBITDA was down 17.0 percent like-for-like to CHF 824 million, mainly driven by Nigeria, Brazil, and India, while we saw encouraging trends in other markets.

Divestments

As part of the previously announced CHF 3.5 billion divestment program, the Group has already secured more than one third of the total and the remainder of the program is on track.

In April, the Group closed the divestment of Lafarge Halla Cement Corporation in South Korea to a consortium of private equity funds Glenwood and Baring Asia for a total consideration of CHF 532 million.

LafargeHolcim also signed an agreement to divest the Group's 25 percent participation in Al Safwa Cement Company in Saudi Arabia to El-Khayyat Group for total proceeds of CHF 128 million. This transaction is expected to close in the course of the third quarter 2016 and is subject to customary closing conditions. In April, LafargeHolcim also sold its non-core financial investment of 23.33 percent in Turkish building materials group Baticim to Sanko Holding for approximately EUR 28 million.

Consecutive to the LafargeHolcim merger, the Group has signed in March an agreement with SNI, its historical partner in Morocco, to enlarge its joint-venture by merging Lafarge Ciments Maroc and Holcim Maroc to create LafargeHolcim Maroc. Upon completion of this merger, LafargeHolcim and SNI will own a 64.7 percent stake in the new leading company in the Moroccan building materials market. Leveraging the complementarity of the two networks, the new company will benefit from combined positions in concrete, aggregates and a unique distribution platform to provide value-added products and solutions across the country. The new company estimates a synergy potential of CHF 45 million on a run rate basis, to be realized over two years. Beyond Morocco, building on the long-lasting partnership in Morocco and their complementary businesses in Africa, LafargeHolcim and SNI also agreed to create a common platform in French-speaking sub-Saharan Africa.

The transactions are expected to close in the third quarter of 2016 and are subject to relevant regulatory authorities' approval, customary closing conditions, and the approval of the shareholders of Lafarge Ciments Maroc and Holcim Maroc to merge the two companies. LafargeHolcim and SNI also intend to propose to the annual general meeting of the new combined entity in Morocco the payment of an exceptional dividend out of the merger premium to optimize the balance sheet structure of the new group. Once completed, the transactions will result in a net debt reduction of CHF 0.6 billion at LafargeHolcim level, before impact of the exceptional dividend.

2016 Outlook

2016 will be a year of progress towards our 2018 targets. Demand in our markets is expected to grow between 2 percent to 4 percent, taking into account the challenging economic headwinds in selected emerging markets that will continue.

This year our strategic plan will gain further momentum and in 2016 we expect:

- CAPEX to remain below CHF 2.0 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 13.0 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.

Asia Pacific

In Asia Pacific, LafargeHolcim benefited from positive performances in Indonesia, 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. In China and Indonesia, decisive actions to reduce costs offset the impact of lower prices and results stabilized compared to last year. In India, synergies and on-going cost reduction actions have mitigated the adverse price effect. In addition, the first quarter results 2015 benefited from a positive non-recurring impact of CHF 20 million.

Economic growth across Asia Pacific was robust in the first quarter of the year as private consumption, infrastructure investments, low energy prices, and higher real incomes drove development in India and as countries such as Indonesia and the Philippines continued to grow. China's economy stabilized in the first quarter of 2016 with more positive growth in March.

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.

Demand for building materials in India was solid in the first quarter of the year. As a result, ACC and Ambuja sold more 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 and positive margin development as well. In addition, ready-mix concrete deliveries were up significantly. The Group is rapidly shifting to the more intensive use of petcoke which led to lower costs in the quarter. Extensive work on logistics and fixed costs contributed to cost reductions.

Volumes increased significantly in Sri Lanka thanks to ongoing high demand for building materials. Bangladesh also reported markedly higher cement volumes.

China reported higher cement and aggregates volumes with increased sales volume in Yunnan province driving the quarter as the Group has increased its commercial efforts. Competitive pressures remained high in most regions and prices were lower than last year.

The positive development of construction activity continued in Vietnam in the first three months of the year and cement deliveries were higher than in the previous year. Ready-mix concrete deliveries however declined.

In Malaysia, cement volumes decreased as a result of production issues in a competitive environment. Aggregates volumes and ready-mix concrete deliveries were also lower than in the previous year's period as activity linked to large-scale infrastructure projects was lower.

Construction activity in the Philippines was buoyant in the first quarter thanks to the ongoing high level of investment in public infrastructure and private residential projects. As a result, cement volumes increased significantly and prices also developed favorably.

In Indonesia, volumes increased across all three segments in the first three months of 2016 with cement reporting the strongest increase. Cement volumes were driven by higher demand in Sumatra and clinker exports as the new Tuban plant is ramping up. LafargeHolcim benefited from lower energy costs and a logistics optimization program thanks to the Group's broader presence in the country. While the government's commitment to accelerate its economic program stabilized the market, competitive pressure remained in Java.

Australia benefited from high residential construction activity in some states while the low level of investments in the mining sector continued to impact demand for building materials. Aggregates volumes increased in the period, driven by demand in New South Wales, South-East Queensland, and Victoria, albeit with higher sales volumes of lower grade materials. Ready-mix concrete deliveries were also up. In New Zealand, where the shift to an import model for cement continued to progress well, LafargeHolcim sold less cement but was able to increase aggregates volumes.

Consolidated cement volumes in Asia Pacific increased 6.6 percent to 30.1 million tonnes as a result of higher deliveries in India, Indonesia, China, and the Philippines. Aggregates volumes were up 9.2 percent to 7.3 million tonnes. Ready-mix concrete deliveries reached 3.9 million cubic meters, an increase of 2.7 percent mainly thanks to better volumes in India. Net sales increased 0.9 percent like-for-like to CHF 2,148 million as better performance in the Philippines, Sri Lanka, and Indonesia offset lower net sales in Malaysia, India, and China. Adjusted operating EBITDA was down 15.5 percent like-for-like to CHF 344 million mainly as a result of lower performance in India, Australia, and Malaysia.

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 the first quarter 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. In response to the challenging conditions, LafargeHolcim has initiated several cost-containment measures to adapt its operational presence.

The region saw the continuation of moderate economic recovery in the first quarter of 2016 as economic stimuli were felt in a number of markets. Growth in the United Kingdom slowed and construction market development also lost some of the momentum, while construction markets in France and Switzerland showed signs of improvement.

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.

In the United Kingdom, aggregates volumes were lower in the period under review, but ready-mix concrete shipments increased further, continuing the good performance of the previous quarters and mainly driven by the strong London market. Cement volumes increased markedly. Overall price development was positive.

France's construction sector benefited from mild and relatively dry weather conditions at the beginning of the year that supported the demand for building materials. As a result, volumes in cement, aggregates, and ready-mix concrete increased. In February, the Group initiated a project to maintain a network of high performing and competitive plants. As part of this intention, the Martres-Tolosane cement plant would be modernized, while the La Couronne and Le Havre cement plants would be converted into grinding stations.

In Germany, LafargeHolcim reported lower cement volumes as a result of lower exports in a market that was characterized by strong competition in the north and west of the country. While aggregates deliveries increased, ready-mix concrete shipments were down. The Group company in South Germany increased cement volumes.

The development of Switzerland's construction market stabilized in the first quarter of 2016, with positive stimuli from residential construction. The Group company reported higher volumes in all three segments with the most pronounced increases in ready-mix concrete.

Italy was impacted by the country's challenging economic development and significant volume declines in all three segments. Against a background of some political uncertainties in Spain that also affected construction activity, LafargeHolcim sold less cement and aggregates, partly also as a result of the value-focused approach. Ready-mix concrete volumes increased. Greece reported higher deliveries in all three segments, partly as a result of export activities.

In Poland, volumes were stable despite the ongoing challenging market environment. Romania's construction market was driven by strong investment activity, resulting in increased cement volumes. Most other countries in Central and Eastern Europe reported slightly higher cement volumes, particularly Austria and Croatia.

Russia continued to experience weak construction markets in the first quarter of 2016 following strong declines last year. As a result, LafargeHolcim sold significantly lower cement volumes. As a response to the weak market demand, LafargeHolcim has streamlined its operations in Russia including the closure of clinker production and mothballing of grinding activities at the Voskresensk plant.

Construction activity in Azerbaijan was negatively impacted by low oil prices and a decrease in public investment. Competitive pressure remained high. Subsequently, cement volumes decreased markedly.

Consolidated cement volumes in Europe decreased 3.1 percent to 7.7 million tonnes. Aggregates shipments reached 25.2 million tonnes, a decline of 1.8 percent, mainly as a result of the United Kingdom's lower performance. Ready-mix concrete volumes grew slightly by 0.2 percent to 4.0 million cubic meters. Net sales decreased 3.5 percent like-for-like to CHF 1,497 million reflecting a challenging pricing environment in certain markets. Adjusted operating EBITDA was down by 28.0 percent like-for-like to CHF 119 million.

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 trends in the region were mixed: While Mexico, Central America, and Colombia showed good economic and construction activity, demand for building materials in Brazil remained in a challenging situation as a result of the ongoing economic recession impacting public and private investment activity.

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.

The Mexican construction industry continued along its upward trajectory that gained momentum in the previous financial year. Large infrastructure projects led to higher demand for building materials. LafargeHolcim continued its focus on higher-margin and higher-value applications. Volumes and prices increased in both cement and ready-mix concrete.

In Colombia, construction activity was buoyant and LafargeHolcim's volumes were stable. Ready-mix concrete deliveries were higher thanks to the Group's participation in the Bogota airport expansion. Prices also developed favorably thanks to the focus on retail customers and higher-margin projects.

Development in Central America was mixed, as Nicaragua and Costa Rica increased cement volumes, while El Salvador reported lower deliveries as a result of increased insecurity in the country.

LafargeHolcim sold less cement in Ecuador in the first three months of 2016, as demand for building materials was lower mainly due to reduced investment in infrastructure, which resulted from liquidity constraints by the government. Heavy rains also negatively impacted private construction. Volumes in ready-mix concrete decreased as well.

The very challenging situation in construction markets in Brazil continued during the first three months of the year, driven by the recession, decreasing consumer confidence, and political uncertainty. As a result, the government has cut its investments in construction projects. The Group continued its self-help measures to partly mitigate this effect and has restructured its ready-mix concrete operations. Volumes in all three segments were lower than in the previous year's period.

In Argentina, the change in government in 2015 resulted in the temporary delay of public investment. As a result, volumes in cement and ready-mix concrete were lower than in the previous year's period. However, aggregates deliveries grew and overall prices rose, mitigating some of the volume effects.

Consolidated cement volumes in Latin America declined 10.7 percent to 6.0 million tonnes mainly driven by the declines in Brazil and Ecuador. Aggregates deliveries were up 0.6 percent to 1.7 million tonnes. Shipments in ready-mix concrete totaled 1.7 million cubic meters, a decline of 6.2 percent. Net sales declined 1.7 percent like-for-like to CHF 682 million, again mainly due to Brazil and Ecuador. Adjusted operating EBITDA decreased 9.2 percent like-for-like to CHF 210 million, as positive pricing development in several markets did not fully compensate for declines in Brazil and Ecuador.

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.

Economic growth levels in Africa were mixed, as lower oil and commodity prices impacted development in some countries. Algeria and Egypt showed solid construction activity but other economies in the Middle East were affected by political instability and security risks. Nigeria's construction market was particularly buoyant.

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 m³	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.

In Egypt, the recovery of demand for building materials experienced in the last quarter of 2015 continued in the first three months of the year. As a result, LafargeHolcim sold more aggregates and ready-mix concrete thanks to the Group's involvement in major infrastructure projects. Cement volumes declined slightly, driven by the Group's margin-focused strategy.

Algeria's construction industry benefited from positive market trends fueled by growing housing demand and public investment. LafargeHolcim benefited from the high demand for building materials, which significantly increased cement volumes.

In the first quarter 2016, the construction market in Morocco grew solidly thanks to positive weather effects. Volumes were higher in all three segments with the strongest increases reported in aggregates. Pricing also developed positively.

In Lebanon, LafargeHolcim reported significant volume increases in cement and ready-mix concrete. Jordan also sold more cement. In Iraq, cement volumes increased despite contraction of construction markets and rainy weather. However, higher energy costs and a challenging pricing environment negatively impacted the Group company.

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. LafargeHolcim sold less cement, mainly as a result of energy shortages and logistics-related issues earlier in the quarter. The Group continued several actions, including ongoing strict cost management and the optimization of plant productivity, to be in a position to benefit from the strong market conditions going forward.

Following good performance in the previous quarter, cement volumes in Kenya were stable, while Uganda reported contracting deliveries. In Zambia, LafargeHolcim focused on expanding its offer to retail customers with a new distribution concept, but overall cement volumes declined. The local company also focused on cost containment measures to mitigate the challenging market development.

While market trends in South Africa were challenging in the first quarter, LafargeHolcim increased its cement volumes, with particularly strong deliveries in March as production limitations at the Group's integrated plant were solved.

Consolidated cement volumes in Middle East Africa increased 3.1 percent to 10.8 million tonnes, thanks to higher sales in Algeria, Iraq, and Lebanon. Both other segments reported strong volume increases: Aggregates shipments were up 45.8 percent to 3.6 million tonnes while ready-mix concrete deliveries increased by 10.1 percent to 1.4 million cubic meters. Net sales decreased 4.4 percent like-for-like to CHF 1,049 million as better performance in the northern African and Middle East markets could not fully offset negative developments in some sub-Sahara countries. Adjusted operating EBITDA for the region was down 25.6 percent like-for-like to CHF 256 million as a result of pricing declines in Nigeria and Zambia.

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.

Economic growth in the region was driven by positive development in the United States supported by the vigorous housing market. Infrastructure spending also positively influenced demand for building materials. Canada showed healthy growth thanks to exports to the United States, despite the negative effects of lower commodity and oil prices that impacted investment activity in the western part of the country.

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.

Solid residential construction activity and spending on infrastructure projects resulted in vigorous construction markets in the United States. LafargeHolcim sold more cement across its presence benefiting from continuing strong demand for building materials, with strong performance in the sunbelt states and a positive price development. Aggregates and ready-mix concrete volumes also showed significant growth mirroring the positive market trends.

In Eastern Canada, LafargeHolcim sold more cement thanks to exports to the United States and more ready-mix concrete thanks to favorable weather conditions. Aggregates volumes were down, after strong performance in the first three months of the previous year. Western Canada remained impacted in the prairies by lower investment as a result of the oil-price driven economic downturn. Following an exceptionally strong first quarter 2015, volumes were down in all segments for the same period this year.

Consolidated cement volumes in North America increased significantly by 18.9 percent to 3.4 million tonnes in the first quarter 2016 thanks to the United States and exports from Canada to the United States. Aggregates shipments were down 5.9 percent to 13.7 million tonnes. Good results in the United States drove ready-mix concrete volumes, which grew 6.0 percent and reached 1.6 million cubic meters. Net sales increased 10.1 percent like-for-like to CHF 866 million. Adjusted operating EBITDA was positive despite the strong seasonality that normally generates negative results in the first quarter and increased significantly to CHF 3 million.

Prof. Dr. Ing. Wolfgang Reitzle

Chairman of the Board of Directors

Eric Olsen

Chief Executive Officer

May 12, 2016

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of income of LafargeHolcim Group

Million CHF	Notes	January–March 2016 Unaudited	January–March 2015 Restated[1] unaudited
NET SALES		6,062	3,915
Production cost of goods sold		(4,012)	(2,302)
GROSS PROFIT		2,050	1,613
Distribution and selling expenses		(1,339)	(1,040)
Administration expenses		(483)	(326)
OPERATING PROFIT		227	246
Other income	8	6	439
Other expenses	9	(4)	(5)
Share of profit of associates and joint ventures		21	19
Financial income	10	45	24
Financial expenses	11	(270)	(170)
NET INCOME BEFORE TAXES		25	554
Income taxes		(88)	(175)
NET (LOSS) INCOME FROM CONTINUING OPERATIONS		(64)	378
Net income from discontinued operations		17	0
NET (LOSS) INCOME		(47)	378
Net (loss) income attributable to:			
Shareholders of LafargeHolcim Ltd		(107)	310
Non-controlling interest		60	68
Net income from discontinued operations attributable to:			
Shareholders of LafargeHolcim Ltd		17	0
Non-controlling interest		0	0
Earnings per share in CHF			
Earnings per share[2]	12	(0.18)	0.87
Fully diluted earnings per share[2]	12	(0.18)	0.87
Earnings per share from continuing operations in CHF			
Earnings per share[2]	12	(0.20)	0.87
Fully diluted earnings per share[2]	12	(0.20)	0.87
Earnings per share from discontinued operations in CHF			
Earnings per share		0.02	–
Fully diluted earnings per share		0.02	–

[1] Restated due to changes in accounting policies, see note 2.
[2] Due to the distribution of a scrip dividend, as explained in note 12, the earnings per share and the fully diluted earnings per share decreased by CHF 0.08 for the period January to March 2015.

Consolidated statement of comprehensive earnings of LafargeHolcim Group

Million CHF	Notes	January–March 2016 Unaudited	January–March 2015 Unaudited
NET (LOSS) INCOME		(47)	378
OTHER COMPREHENSIVE EARNINGS			
Items that will be reclassified to the statement of income in future periods			
Currency translation effects			
– Exchange differences on translation		(606)	(1,312)
– Realized through statement of income		0	(46)
– Tax effect		(6)	7
Available-for-sale financial assets			
– Change in fair value		(6)	0
– Realized through statement of income		0	0
– Tax effect		0	0
Cash flow hedges			
– Change in fair value		(17)	4
– Realized through statement of income		0	0
– Tax effect		5	1
Net investment hedges in subsidiaries			
– Change in fair value		0	2
– Realized through statement of income		0	0
– Tax effect		0	0
SUBTOTAL		(631)	(1,345)
Items that will not be reclassified to the statement of income in future periods			
Defined benefit plans			
– Remeasurements		(227) [1]	(80)
– Tax effect		39	7
SUBTOTAL		(188)	(73)
TOTAL OTHER COMPREHENSIVE EARNINGS		(819)	(1,418)
TOTAL COMPREHENSIVE EARNINGS		(866)	(1,040)
Attributable to:			
Shareholders of LafargeHolcim Ltd		(877)	(1,028)
Non-controlling interest		11	(12)

[1] The amount of CHF 227 million mainly relates to the decrease in the discount rate during the first quarter 2016 in Switzerland and the United Kingdom.

Consolidated statement of financial position of LafargeHolcim Group

Million CHF	Notes	31.3.2016 Unaudited	31.12.2015 Audited	31.3.2015 Restated[1] unaudited
Cash and cash equivalents		3,896	4,393	1,730
Accounts receivable		4,383	4,222	3,237
Inventories		2,937	3,060	1,915
Prepaid expenses and other current assets		867	884	410
Assets classified as held for sale	13	2,329	772	48
TOTAL CURRENT ASSETS		14,413	13,331	7,340
Long-term financial assets		557	770	549
Investments in associates and joint ventures		3,080	3,172	1,627
Property, plant and equipment		35,009	36,747	19,921
Goodwill		16,688	16,490	6,725
Intangible assets		1,275	1,416	555
Deferred tax assets		803	764	504
Other long-term assets		687	608	396
TOTAL LONG-TERM ASSETS		58,099	59,967	30,278
TOTAL ASSETS		72,512	73,298	37,618
Trade accounts payable		3,211	3,693	1,845
Current financial liabilities		7,619	6,866	2,113
Current income tax liabilities		572	598	530
Other current liabilities		3,013	3,074	1,548
Short-term provisions		527	602	170
Liabilities directly associated with assets classified as held for sale	13	777	0	5
TOTAL CURRENT LIABILITIES		15,720	14,832	6,211
Long-term financial liabilities		14,381	14,925	9,174
Defined benefit obligations		2,150	1,939	920
Deferred tax liabilities		3,334	3,840	1,263
Long-term provisions		2,095	2,041	991
TOTAL LONG-TERM LIABILITIES		21,960	22,744	12,349
TOTAL LIABILITIES		37,680	37,577	18,560
Share capital		1,214	1,214	654
Capital surplus		26,436	26,430	7,778
Treasury shares		(76)	(86)	(76)
Reserves		2,928	3,807	8,047
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF LAFARGEHOLCIM LTD		30,501	31,365	16,403
Non-controlling interest		4,331	4,357	2,655
TOTAL SHAREHOLDERS' EQUITY		34,833	35,722	19,058
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		72,512	73,298	37,618

[1] Restated due to changes in accounting policies, see note 2.

Consolidated statement of changes in equity of LafargeHolcim Group

Million CHF	Share capital	Capital surplus	Treasury shares
EQUITY AS AT JANUARY 1, 2016	1,214	26,430	(86)
Net (loss) income			
Other comprehensive earnings			
TOTAL COMPREHENSIVE EARNINGS			
Payout			
Change in treasury shares			10
Share-based remuneration		6	
Change in participation in existing Group companies			
EQUITY AS AT MARCH 31, 2016	1,214	26,436	(76)

EQUITY AS AT JANUARY 1, 2015	654	7,776	(82)
Net income			
Other comprehensive earnings			
TOTAL COMPREHENSIVE EARNINGS			
Payout			
Change in treasury shares			6
Share-based remuneration		2	
Change in participation in existing Group companies			
EQUITY AS AT MARCH 31, 2015	654	7,778	(76)

Retained earnings	Available-for-sale reserve	Cash flow hedging reserve	Currency translation adjustments	Total reserves	Total equity attributable to shareholders of LafargeHolcim Ltd	Non-controlling interest	Total shareholders' equity
14,988	(13)	(10)	(11,158)	3,807	31,365	4,357	35,722
(107)				(107)	(107)	60	(47)
(188)	(6)	(11)	(564)	(770)	(770)	(49)	(819)
(295)	(6)	(11)	(564)	(877)	(877)	11	(866)
						(28)	(28)
(4)				(4)	6		6
					6		6
2				2	2	(8)	(6)
14,691	(19)	(21)	(11,722)	2,928	30,501	4,331	34,833
18,439	(14)	(5)	(9,339)	9,082	17,430	2,682	20,112
310				310	310	67	378
(73)		4	(1,268)	(1,337)	(1,337)	(81)	(1,418)
236		4	(1,268)	(1,028)	(1,028)	(12)	(1,040)
						(47)	(47)
1				1	6		6
					2		2
(7)				(7)	(7)	33	25
18,668	(14)	0	(10,607)	8,047	16,403	2,655	19,058

Consolidated statement of cash flows of LafargeHolcim Group

Million CHF	Notes	January–March 2016 Unaudited	January–March 2015 Restated[1] unaudited
NET (LOSS) INCOME		(47)	378
Income taxes		88	175
Other income	8	(6)	(439)
Other expenses	9	4	5
Share of profit of associates and joint ventures		(21)	(19)
Financial expenses net	10, 11	225	146
Depreciation, amortization and impairment of operating assets		547	325
Other non-cash items		82	31
Change in net working capital		(695)	(600)
CASH GENERATED FROM OPERATIONS		177	3
Dividends received		22	24
Interest received		43	17
Interest paid		(274)	(90)
Income taxes paid		(237)	(154)
Other income (expenses)		5	(14)
CASH FLOW FROM OPERATING ACTIVITIES (A)		(264)	(214)
Purchase of property, plant and equipment		(367)	(286)
Disposal of property, plant and equipment		14	16
Acquisition of participation in Group companies		(4)	(187)
Disposal of participation in Group companies		(23)	256
Purchase of financial assets, intangible and other assets		(131)	(183)
Disposal of financial assets, intangible and other assets		62	93
CASH FLOW FROM INVESTING ACTIVITIES (B)		(449)	(290)
Dividends paid to non-controlling interest		(21)	(31)
Movements of treasury shares		4	6
Net movement in current financial liabilities		912	58
Proceeds from long-term financial liabilities		229	789
Repayment of long-term financial liabilities		(677)	(640)
Increase in participation in existing Group companies		(3)	0
CASH FLOW FROM FINANCING ACTIVITIES (C)		445	182
DECREASE IN CASH AND CASH EQUIVALENTS (A + B + C)		(269)	(322)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD (NET)		3,771	1,941
Decrease in cash and cash equivalents		(269)	(322)
Currency translation effects		(53)	(44)
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD (NET)[2]		3,449	1,575

[1] Restated due to changes in accounting policies, see note 2.
[2] Cash and cash equivalents at the end of the period include bank overdrafts of CHF 472 million (2015: CHF 155 million) disclosed in current financial liabilities and cash and cash equivalents of CHF 25 million disclosed in assets classified as held for sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As used herein, the terms “LafargeHolcim”, “Holcim” or the “Group” refer to LafargeHolcim Ltd together with the companies included in the scope of consolidation. Holcim Ltd was renamed to LafargeHolcim Ltd following the merger with Lafarge S.A. on July 10, 2015.

1. Basis of preparation

The unaudited consolidated first quarter interim financial statements of LafargeHolcim, hereafter “interim financial statements”, are prepared in accordance with IAS 34 *Interim Financial Reporting*. The accounting policies used in the preparation and presentation of the interim financial statements are consistent with those used in the consolidated financial statements for the year ended December 31, 2015 (hereafter “annual financial statements”).

The interim financial statements should be read in conjunction with the annual financial statements as they provide an update of previously reported information.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

The preparation of interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the interim financial statements. If in the future such estimates and assumptions, which are based on management’s best judgment at the date of the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate during the period in which the circumstances change.

2. Change in accounting policies

As disclosed in the annual financial statements, LafargeHolcim changed its accounting for Cement Australia in the second quarter 2015 as a result of an IFRIC agenda decision. Consequently, the Group reclassified its investment in Cement Australia as a joint venture and applied the equity accounting method. This accounting policy change was applied retrospectively and its effect on the comparative information (restated amounts) presented for each financial statement line item was disclosed in the half-year 2015 interim report.

3. Changes in the scope of consolidation

3.1 Business combinations and divestments during the current reporting period

During the first quarter of 2016, there were no business combinations or divestments that were either individually material or that were considered material on an aggregated basis.

3.2 Update on the merger between Holcim and Lafarge

The merger between Holcim and Lafarge announced publicly on April 7, 2014 became effective on July 10, 2015 after completion of the public exchange offer filed by Holcim Ltd for all the outstanding shares of Lafarge S.A.

As at March 31, 2016, the purchase price allocation exercise is ongoing and therefore the fair values assigned to the identifiable assets acquired and liabilities assumed remain provisional, pending finalization of the valuation of those assets and liabilities. The changes in the purchase price allocation during the first quarter 2016 amount to CHF 408 million and are mainly explained by the refinement, and accordingly the decrease, of the fair value of property, plant and equipment. The completion of the purchase accounting is expected during the course of the second quarter 2016.

3.3 Business combinations and divestments during the previous comparative reporting period

Divestments

On March 30, 2015, LafargeHolcim sold its entire remaining shareholding of 27.5 percent in Siam City Cement Public Company Limited in Thailand via a private placement in capital markets for a total consideration of CHF 661 million, which was settled on April 2, 2015.

On January 5, 2015, LafargeHolcim disposed of Holcim (Česko) a.s. in Czech Republic, Gador cement plant and Yeles grinding station in Spain for CHF 243 million to Cemex.

Acquisition

On January 5, 2015, LafargeHolcim acquired control of a group of companies from Cemex which operate in Western Germany and the Netherlands for a total cash consideration of CHF 210 million.

4. Seasonality

Demand for cement, aggregates and other construction materials and services is seasonal because climatic conditions affect the level of activity in the construction sector.

LafargeHolcim usually experiences a reduction in sales during the first and fourth quarters reflecting the effect of the winter season in its principal markets in Europe and North America and tends to see an increase in sales in the second and third quarters reflecting the effect of the summer season. This effect can be particularly pronounced in harsh winters.

5. Principal exchange rates

The following table summarizes the principal exchange rates that have been used for translation purposes.

		Statement of income Average exchange rates in CHF		Statement of financial position Closing exchange rates in CHF		
		January–March 2016	January–March 2015	31.3.2016	31.12.2015	31.3.2015
1 Euro	EUR	1.10	1.07	1.09	1.08	1.05
1 US Dollar	USD	0.99	0.95	0.96	0.99	0.97
1 British Pound	GBP	1.42	1.44	1.38	1.47	1.44
1 Australian Dollar	AUD	0.72	0.75	0.74	0.72	0.74
100 Brazilian Real	BRL	25.52	33.37	26.83	24.99	30.08
1 Canadian Dollar	CAD	0.72	0.77	0.74	0.71	0.76
1 Chinese Renminbi	CNY	0.15	0.15	0.15	0.15	0.16
100 Algerian Dinar	DZD	0.92	1.03	0.89	0.92	1.00
1 Egyptian Pound	EGP	0.12	0.13	0.11	0.13	0.13
1,000 Indonesian Rupiah	IDR	0.07	0.07	0.07	0.07	0.07
100 Indian Rupee	INR	1.47	1.53	1.46	1.50	1.55
100 Moroccan Dirham	MAD	10.12	9.93	10.00	10.00	9.78
100 Mexican Peso	MXN	5.51	6.37	5.59	5.69	6.36
1 Malaysian Ringgit	MYR	0.24	0.26	0.25	0.23	0.26
100 Nigerian Naira	NGN	0.50	0.49	0.49	0.50	0.49
100 Philippine Peso	PHP	2.10	2.15	2.10	2.10	2.17

6. Information by reportable segment

January–March (Unaudited)	Asia Pacific 2016	2015[1]	Europe 2016	2015
Capacity and sales				
Million t				
Annual cement production capacity[2]	161.7	161.7	77.8	77.8
Sales of cement	30.1	16.7	7.7	4.7
Sales of aggregates	7.3	5.3	25.2	17.4
Million m³				
Sales of ready-mix concrete	3.9	2.5	4.0	2.8
Statement of income and statement of financial position				
Million CHF				
Net sales to external customers	2,114	1,598	1,369	991
Net sales to other segments	34		128	106
TOTAL NET SALES	2,148	1,598	1,497	1,097
Operating profit (loss)	198	242	(36)	(27)
Operating profit (loss) margin in %	9.2	15.2	(2.4)	(2.4)
Operating EBITDA	340	335	105	79
Operating EBITDA margin in %	15.8	21.0	7.0	7.2
EBITDA	271	301	86	71
Net operating assets[2]	11,111	12,065	12,052	12,246
Total assets[2]	19,504	19,685	18,095	18,165
Total liabilities[2]	7,263	7,260	9,647	9,474

[1] Restated due to changes in accounting policies, see note 2.
[2] Prior-year figures as of December 31, 2015.
[3] The amount of CHF 6,313 million (2015: CHF 6,354 million) consists of borrowings by Corporate from third parties amounting to CHF 20,743 million (2015: CHF 20,345 million) and eliminations for cash transferred to regions of CHF 14,430 million (2015: CHF 13,991 million).

Latin America		Middle East Africa		North America		Corporate/Eliminations		Total Group	
2016	2015	2016	2015	2016	2015	2016	2015[1]	2016	2015[1]
39.5	39.5	59.8	62.6	32.3	32.3			371.1	374.0
6.0	5.9	10.8	1.8	3.4	2.1	(1.5)	(0.5)	56.6	30.7
1.7	1.2	3.6	0.3	13.7	5.4			51.6	29.5
1.7	1.5	1.4	0.1	1.6	1.0			12.6	8.0
682	707	1,032	122	866	496			6,062	3,915
		17	46			(179)	(151)		
682	707	1,049	168	866	496	(179)	(151)	6,062	3,915
156	187	188	32	(123)	(71)	(155)	(118)	227	246
22.9	26.5	17.9	19.3	(14.2)	(14.3)			3.7	6.3
205	231	252	45	0	(4)	(128)	(116)	774	571
30.1	32.8	24.0	26.9	0.0	(0.8)			12.8	14.6
180	199	229	41	(29)	(11)	69	427	806	1,028
3,730	3,694	9,265	9,523	11,866	12,064	230	177	48,254	49,770
5,056	5,096	12,682	12,512	15,010	15,364	2,165	2,475	72,512	73,298
3,590	3,497	4,683	4,632	6,183	6,359	6,313[3]	6,354[3]	37,680	37,577

Reconciling measures of profit and loss to the consolidated statement of income of LafargeHolcim

Million CHF	Notes	January–March 2016 (Unaudited)	January–March 2015[1] (Unaudited)
OPERATING PROFIT		227	246
Depreciation, amortization and impairment of operating assets		547	325
OPERATING EBITDA		774	571
Other income	8	6	439
Other expenses (excluding depreciation, amortization and impairment of non-operating assets)	9	(4)	(4)
Share of profit of associates and joint ventures		21	19
Other financial income	10	10	2
EBITDA		806	1,028
Depreciation, amortization and impairment of operating assets		(547)	(325)
Depreciation, amortization and impairment of non-operating assets	9	0	(1)
Interest earned on cash and cash equivalents	10	35	22
Financial expenses	11	(270)	(170)
NET INCOME BEFORE TAXES		25	554

[1] Restated due to changes in accounting policies, see note 2.

7. Information by product line

Million CHF	Cement[1]		Aggregates	
January–March (Unaudited)	2016	2015[2]	2016	2015[2]
Statement of income and statement of financial position				
Net sales to external customers	4,026	2,471	515	296
Net sales to other segments	257	166	236	181
TOTAL NET SALES	4,283	2,637	750	477
– of which Asia Pacific	1,742	1,250	114	105
– of which Europe	619	388	396	288
– of which Latin America	582	611	12	10
– of which Middle East Africa	937	159	26	4
– of which North America	465	253	203	70
– of which Corporate/Eliminations	(62)	(23)		
OPERATING EBITDA	817	543	20	27
– of which Asia Pacific	325	296	13	24
– of which Europe	57	35	42	32
– of which Latin America	193	220	0	1
– of which Middle East Africa	242	48	2	(1)
– of which North America	51	32	(24)	(13)
– of which Corporate/Eliminations	(52)	(87)	(12)	(15)
Operating EBITDA margin in %	19.1	20.6	2.7	5.8
Net operating assets[3]	38,600	39,635	5,889	6,391

[1] Cement, clinker and other cementitious materials.
[2] Restated due to changes in accounting policies, see note 2.
[3] Prior-year as of December 31, 2015.

Other construction materials and services		Corporate/Eliminations		Total Group	
2016	2015[2]	2016	2015[2]	2016	2015[2]
1,522	1,148			6,062	3,915
141	144	(635)	(491)		
1,663	1,292	(635)	(491)	6,062	3,915
381	311	(89)	(69)	2,148	1,598
707	592	(225)	(171)	1,497	1,097
138	139	(50)	(53)	682	707
136	12	(50)	(6)	1,049	168
288	225	(90)	(52)	866	496
14	13	(131)	(140)	(179)	(151)
(63)	1			774	571
3	16			340	335
6	13			105	79
12	10			205	231
7	(2)			252	45
(27)	(22)			0	(4)
(64)	(14)			(128)	(116)
(3.8)	0.1			12.8	14.6
3,765	3,743			48,254	49,770

8. Other income

Million CHF	Jan–March 2016	Jan–March 2015[1]
Net gain on disposal before taxes	6	439
TOTAL OTHER INCOME	6	439

[1] Restated due to changes in accounting policies, see note 2.

In 2015, the position "Net gain on disposal before taxes" mainly included:

- a gain before taxes on the disposal of LafargeHolcim's entire remaining stake in Siam City Cement Public Company Limited of CHF 371 million and
- a gain before taxes on the disposal of Holcim (Česko) a.s. and LafargeHolcim's Gador cement plant and Yeles grinding station in Spain to Cemex of CHF 61 million.

Additional information is disclosed in note 3.3.

9. Other expenses

Million CHF	Jan–March 2016	Jan–March 2015[1]
Depreciation, amortization and impairment of non-operating assets	0	(1)
Other	(4)	(4)
TOTAL OTHER EXPENSES	(4)	(5)

[1] Restated due to changes in accounting policies, see note 2.

10. Financial income

Million CHF	Jan–March 2016	Jan–March 2015[1]
Interest earned on cash and cash equivalents	35	22
Other financial income	10	2
TOTAL	45	24

[1] Restated due to changes in accounting policies, see note 2.

The position "Other financial income" relates primarily to interest income from loans and receivables.

11. Financial expenses

Million CHF	Jan–March 2016	Jan–March 2015[1]
Interest expenses	(209)	(126)
Fair value changes on financial instruments	(1)	(1)
Unwinding of discount on provisions	(7)	(4)
Net interest expense on retirement benefit plans	(13)	(4)
Other financial expenses	(27)	(13)
Foreign exchange loss net	(20)	(42)
Financial expenses capitalized	8	19
TOTAL	(270)	(170)

[1] Restated due to changes in accounting policies, see note 2.

The positions “Interest expenses” and “Other financial expenses” relate primarily to financial liabilities measured at amortized cost, including amortization on bonds and private placements.

The position “Financial expenses capitalized” comprises interest expenditures on large-scale projects during the reporting period.

12. Earnings per share

As indicated in note 3, the merger between Holcim and Lafarge became effective on July 10, 2015. As a result, an exceptional scrip dividend was distributed to all LafargeHolcim shareholders after the settlement of the re-opened exchange offer in September 2015. The total number of LafargeHolcim shares issued for the scrip dividend was 28,870,252.

In accordance with IAS 33 *Earnings per Share*, the weighted average number of shares outstanding and per share amounts for the prior periods presented have been retrospectively restated to reflect the new shares that arose from the scrip dividend distribution.

In the first quarter of 2016, 462,042 stock options and potentially issuable shares would have an anti-dilutive impact on the calculation of the diluted earnings per share and are therefore excluded from the calculation.

13. Assets and related liabilities classified as held for sale

The Group announced on February 4, 2016 that it was considering divesting its interest in Lafarge India Pvt. Limited, subject to the approval of the Competition Commission of India (CCI). Lafarge India Pvt. Limited owns three cement plants (11 million tons), 72 Ready-Mix plants and two aggregate plants. On February 8, 2016, LafargeHolcim confirmed it received a supplementary order from the CCI for the divestment of its interest in Lafarge India Pvt. Limited. As a result, the Group launched a new divestment process for that company to ensure compliance with the revised order as a result of the merger. Accordingly, Lafarge India Pvt. Limited was classified as held for sale on March 31, 2016. Lafarge India Pvt. Limited is disclosed in the reportable segment Asia Pacific.

The Group signed an agreement with a consortium of private equity funds Glenwood and Baring Asia for the divestment of Lafarge Halla Cement Corporation in South Korea. This transaction was closed on April 29, 2016 for a total consideration of CHF 532 million. Accordingly, Lafarge Halla Cement Corporation was classified as held for sale on March 31, 2016. Lafarge Halla Cement Corporation is disclosed in the reportable segment Asia Pacific.

The Group signed an agreement for the divestment of its 25 percent interest in the joint venture Al Safwa Cement Company in Saudi Arabia to El-Khayyat Group for total proceeds of CHF 128 million. This transaction is expected to close in the course of the third quarter 2016 and is subject to customary closing conditions. Accordingly, the investment in the joint venture Al Safwa Cement Company as well as the related long-term loans were classified as held for sale on March 31, 2016. The joint venture Al Safwa Cement Company is not allocated to a reportable segment.

The assets and related liabilities classified as held for sale are disclosed by major classes of assets and liabilities in the table below.

Million CHF	31.3.2016	31.12.2015
Cash and cash equivalents	25	0
Inventories	94	0
Other current assets	195	0
Property, plant and equipment	1,790	772
Goodwill and intangible assets	47	0
Other long term assets	178	0
ASSETS CLASSIFIED AS HELD FOR SALE	2,329	772
Current liabilities	289	0
Deferred tax liabilities	396	0
Other long-term liabilities	92	0
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	777	0
NET ASSETS CLASSIFIED AS HELD FOR SALE	1,552	772

14. Financial assets and liabilities recognized and measured at fair value

The following tables present the Group's financial instruments that are recognized and measured at fair value as of March 31, 2016 and as of December 31, 2015.

No changes in the valuation techniques of the below items have occurred since the last annual financial statements.

Million CHF 31.3.2016	Fair value level 1	Fair value level 2	Total
Financial assets			
Available-for-sale financial assets			
– Financial investments third parties	2	106	108
– Others	2	0	2
Derivatives held for hedging		33	33
Derivatives held for trading		30	30
Financial liabilities			
Derivatives held for hedging		61	61
Derivatives held for trading		73	73

Million CHF 31.12.2015	Fair value level 1	Fair value level 2	Total
Financial assets			
Available-for-sale financial assets			
– Financial investments third parties	3	114	117
– Others	1	0	1
Derivatives held for hedging		52	52
Derivatives held for trading		80	80
Financial liabilities			
Derivatives held for hedging		83	83
Derivatives held for trading		26	26

15. Bonds

On March 23, 2016, Lafarge S.A. redeemed CHF 364 million relating to a EUR 332 million bond with a coupon of 4.25 percent which was issued on November 23, 2005.

16. Contingencies, guarantees and commitments

At March 31, 2016, the Group’s contingencies amounted to CHF 532 million (December 31, 2015: CHF 545 million). There are no new developments relating to the legal matters disclosed in the annual financial statements.

At March 31, 2016, the guarantees issued in the ordinary course of business amounted to CHF 784 million (December 31, 2015: CHF 814 million).

At March 31, 2016, the Group’s commitments amounted to CHF 1,998 million (December 31, 2015: CHF 2,230 million). The decrease is mainly related to various purchase commitments which were realized during the first quarter 2016.

17. Other information

As mentioned in the media release dated March 17, 2016, the Group signed an agreement with SNI, its historical partner in Morocco, to enlarge its joint venture by merging Lafarge Ciments and Holcim (Maroc) S.A. The transaction which would result in loss of control of Holcim (Maroc) S.A. is expected to close in the third quarter of 2016 and is subject to relevant regulatory authorities’ approval, customary closing conditions and the approval of the shareholders of Lafarge Ciments and Holcim (Maroc) S.A. to merge the two companies. As the criteria in IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* have not yet been met, Holcim (Maroc) S.A. has not been classified as held for sale.

18. Events after the reporting period

On April 22, 2016, LafargeHolcim sold its non-core financial investment of 23.33 percent in Turkish building materials group Baticim to Sanko Holding for approximately EUR 28 million.

On May 11, 2016, Holcim Finance (Luxembourg) S.A. issued Schuldschein loans in the total amount of EUR 831.5 million, guaranteed by LafargeHolcim Ltd and with the following characteristics. The proceeds will be used for general corporate purposes.

in EUR million		5 years	7 years	10 years
Fixed-rate tranche	Amount	413	152	32.5
Fixed-rate tranche	Interest rate	1.04%	1.46%	2.00%
Floating-rate tranche	Amount	209	25	–
Floating-rate tranche	Interest rate	6m-euribor +1.0%	6m-euribor +1.2%	–

On May 11, 2016, LafargeHolcim International Finance Ltd issued Schuldschein loans in the total amount of USD 201 million, guaranteed by LafargeHolcim Ltd and with the following characteristics. The proceeds will be used for general corporate purposes.

in USD million		5 years	7 years
Fixed-rate tranche	Amount	40	15
Fixed-rate tranche	Interest rate	2.80%	3.20%
Floating-rate tranche	Amount	121	25
Floating-rate tranche	Interest rate	3m-libor +1.6%	3m-libor +1.8%

19. Authorization of the interim financial statements for issue

The interim financial statements were authorized for issuance by the Board of Directors of LafargeHolcim Ltd on May 11, 2016.

Key figures LafargeHolcim Group

January–March		2016	2015[1]	±%
Annual cement production capacity	million t	371.1	374.0[2]	–0.8
Sales of cement	million t	56.6	30.7	+84.2
Sales of mineral components	million t	2.0	0.7	+194.2
Sales of aggregates	million t	51.6	29.5	+74.6
Sales of ready-mix concrete	million m^3	12.6	8.0	+56.9
Sales of asphalt	million t	1.5	1.6	–7.3
Net sales	million CHF	6,062	3,915	+54.8
Operating EBITDA	million CHF	774	571	+35.4
Operating EBITDA margin	%	12.8	14.6	
Operating profit	million CHF	227	246	–7.9
Operating profit margin	%	3.7	6.3	
EBITDA	million CHF	806	1,028	–21.6
Net (loss) income	million CHF	(47)	378	–112.4
Net (loss) income margin	%	(0.8)	9.7	
Net (loss) income – shareholders of LafargeHolcim Ltd	million CHF	(107)	310	–134.6
Cash flow from operating activities	million CHF	(264)	(214)	–23.6
Cash flow margin	%	(4.4)	(5.5)	
Net financial debt[3]	million CHF	18,041	17,266[2]	+4.5
Total shareholders' equity	million CHF	34,833	35,722[2]	–2.5
Earnings per share	CHF	(0.18)	0.87[4]	–120.7
Fully diluted earnings per share	CHF	(0.18)	0.87[4]	–120.7

Principal key figures in USD (illustrative)

Net sales	million USD	6,107	4,107	+48.7
Operating EBITDA	million USD	780	599	+30.1
Operating profit	million USD	229	258	–11.5
Net (loss) income – shareholders of LafargeHolcim Ltd	million USD	(108)	325	–133.2
Cash flow from operating activities	million USD	(266)	(224)	–18.7
Net financial debt[3]	million USD	18,699	17,447[2]	+7.2
Total shareholders' equity	million USD	36,104	36,097[2]	+0.0
Earnings per share	USD	(0.18)	0.91[4]	–119.8

Principal key figures in EUR (illustrative)

Net sales	million EUR	5,532	3,646	+51.7
Operating EBITDA	million EUR	706	532	+32.7
Operating profit	million EUR	207	229	–9.7
Net (loss) income – shareholders of LafargeHolcim Ltd	million EUR	(98)	289	–133.9
Cash flow from operating activities	million EUR	(241)	(199)	–21.2
Net financial debt[3]	million EUR	16,507	15,976[2]	+3.3
Total shareholders' equity	million EUR	31,871	33,053[2]	–3.6
Earnings per share	EUR	(0.16)	0.81[4]	–119.8

[1] Restated due to changes in accounting policies.
[2] As of December 31, 2015.
[3] The net financial debt as at March 31, 2016 includes derivative assets of CHF 64 million (2015: CHF 132 million).
[4] Restated due to the distribution of a scrip dividend.

LafargeHolcim securities

The LafargeHolcim shares (security code number 12214059) are traded on the Main Standard of the SIX Swiss Exchange in Zurich and on Euronext in Paris. Telekurs lists the registered share under LHN and the corresponding code under Bloomberg is LHN:VX. The market capitalization of LafargeHolcim Ltd amounted to CHF 27.4 billion as at March 31, 2016.

Cautionary statement regarding forward-looking statements

This document may contain certain forward-looking statements relating to the Group's future business, development and economic performance. Such statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) competitive pressures; (2) legislative and regulatory developments; (3) global, macroeconomic and political trends; (4) fluctuations in currency exchange rates and general financial market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigation; (8) adverse publicity and news coverage, which could cause actual development and results to differ materially from the statements made in this document.

LafargeHolcim assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.

Financial reporting calendar

	Date
Half-year results 2016	August 5, 2016

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