Media Release

Zurich, May 3, 2017

LafargeHolcim

Good results in Q1; guidance confirmed for 2017

- **Net sales increase by 5.3% on like-for-like basis driven by favorable pricing and improving volume momentum**
- **Operating EBITDA Adjusted up 14.5% on like-for-like basis**
- **Net income and recurring EPS improve for the quarter**
- **Net debt of CHF 15 billion at quarter end reflects seasonality**
- **On track to achieve 2017 guidance**

2017 Q1

in million CHF	Q1 2017	Q1 2016*	±%	±% like-for-like
Net sales	5,630	6,062	-7.1	5.3
Operating EBITDA adjusted[1]	801	840	-4.7	14.5
Operating EBITDA margin adjusted[1] **[%]**	14.2	13.9	30bps	120bps
Net income[3]	226	-107	311.3	
Net income recurring[3]	-19	-80	76.5	
EPS recurring	-0.03	-0.13	76.5	
Operating Free Cash Flow[2]	-836	-618	-35.3	

1 Excluding merger, restructuring and other one-offs, but including contribution from joint ventures
2 Cash flow from operating activities less net maintenance and expansion capex
3 Attributable to shareholders of LafargeHolcim Ltd
* 2016 figures restated due to changes in presentation of financial statements

Eric Olsen, CEO of LafargeHolcim said: “Our good Q1 performance has got us off to an excellent start for 2017 and marks our fourth consecutive quarter of earnings growth.

“Continued pricing strength, improving volume momentum and synergies underpinned our results across the portfolio. Our Middle East Africa region performed particularly well with a recovering Nigeria making a notable contribution to earnings growth. India showed encouraging signs in the quarter with the impact of demonetization now behind us while our US business was robust despite tough prior year comparisons on the back of mild weather in the first three months of 2016.

“Our performance in the first quarter, our continued strong execution combined with our diverse portfolio reinforces our confidence in achieving our full year guidance and our 2018 targets.”

Media Relations: media@lafargeholcim.com
Zurich: +41 (0) 58 858 87 10
Paris: +33 (0) 1 44 34 11 70

Investor Relations: investor.relations@lafargeholcim.com
Zurich: +41 (0) 58 858 87 87

2017 Outlook

In 2017, we will deliver sustainable, profitable growth through continued strong focus on lower Capex, structural cost savings, synergies and commercial differentiation of our products and building solutions. This will be particularly supported by the contribution of several markets such as the US, India, Nigeria and some countries in Europe while we forecast demand in our markets to increase by between 2 to 4 percent.

We expect to deliver strong growth in Operating EBITDA Adjusted and recurring EPS in 2017:

- Double-digit like-for-like growth in Operating EBITDA Adjusted over 2016
- Recurring EPS growth of more than 20 percent
- Targeted net debt to Operating EBITDA Adjusted ratio of around two times

In 2017, the Group will be returning cash to shareholders commensurate with a solid investment grade rating:

- Dividend of CHF 2.0 a share proposed at today's AGM
- Share buyback program of up to CHF 1 billion over 2017-2018

Group performance

The Group recorded increased like-for-like Operating EBITDA Adjusted in four of our five regions. Europe, Latin America and North America all contributed to increased earnings while margins in Middle East Africa were up strongly year-on-year helped by an effective turnaround in Nigeria and good performance in Algeria. The US reported solid growth despite a tough prior year comparison while Mexico, Argentina and Ecuador performed well. India grew volumes as the effect of demonetization, which is now fully behind us, became steadily less pronounced over the quarter.

Persistent challenging conditions in Indonesia and Malaysia, where action plans continue to be implemented, plus a relative softening of the Philippines market, negatively affected prior year comparisons for the Asia Pacific region.

After a decline in 2016, global cement volumes were flat on a like-for-like basis for the first quarter supported by a strong month of March. Aggregates volumes increased by 3.9 percent like-for-like, helped by good performances in the US and UK.

The improvement in cement pricing seen over the previous year continued in Q1 with a 1.2 percent sequential increase over Q4 2016 and a 5.3 percent improvement on the prior year period, driven largely by positive movements in Middle East Africa and Latin America.

Synergies contributed CHF 94 million in the quarter and the Group is on track to achieve the target run rate of CHF 400 million for 2017. Since the merger, nearly CHF 900 million in synergies had been delivered by the end of Q1 2017.

Operating EBITDA Adjusted was CHF 801 million, up 14.5 percent on a like-for-like basis. Favorable pricing and cost reduction were reflected in higher margins, up nearly 120 basis points like-for-like in Q1 despite the effect of inflation and increases in energy costs.

Both recurring net income and recurring earnings per share increased during the quarter versus prior year.

The negative movement in Operating Free Cash Flow – which stood at CHF -836 million – resulted mainly from higher seasonal cash outflow.

Net debt stood at CHF 15 billion at quarter end, marginally up on the December 31, 2016 figure and down around CHF 3 billion compared to Q1 2016. This reflects cash receipts from the Vietnam divestment and capex discipline during the period which helped offset the seasonal impact on cash flow.

Group

		Q1 2017	Q1 2016*	±%	±% like-for-like
Sales of cement	million t	48.1	56.6	-15.0	0.0
Sales of aggregates	million t	51.7	51.6	0.2	3.9
Sales of ready-mix concrete	million m^3	11.4	12.6	-9.4	-1.8
Net sales	million CHF	5,630	6,062	-7.1	5.3
Operating EBITDA	million CHF	705	790	-10.8	8.8
Operating EBITDA adjusted[1]	million CHF	801	840	-4.7	14.5
Operating EBITDA margin adjusted[1]	%	14.2	13.9	30bps	120bps
Net income[3]	million CHF	226	-107	311.3	
Cash flow from operating activities	million CHF	-518	-264	-95.9	-45.0
Operating Free Cash Flow[2]	million CHF	-836	-618	-35.3	-19.6
Net financial debt	million CHF	15,014	18,041	-17.1	

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Regional performance

Asia Pacific

The Asia Pacific region was impacted by challenging market conditions in some key countries, notably Indonesia and Malaysia. This led to a 13.4 percent decrease in Operating EBITDA Adjusted for the region on a like-for-like basis. Cement and ready-mix volumes were flat in the quarter while aggregates increased.

Indonesia continues to be affected by additional capacity in an oversupplied market. Weather was also a factor in the quarter, with particularly heavy rains impacting construction. Country teams are focused on cost as well as commercial transformation measures. The Malaysia market suffered from competitive pressures and demand has yet to recover after the significant decline in 2016. Cement volumes were down in the first quarter. A program of commercial and cost measures is being implemented.

In the Philippines, which enjoyed a pre-election construction boost in Q1 of 2016, the market slowed in the first quarter ahead of an expected ramp-up in infrastructure investment by the new government. Cost reduction measures are in place to compensate for downsides driven by delays in projects and higher energy costs.

The impact of demonetization in India steadily abated during Q1 and the effects are now fully behind the business. A notable improvement in volumes was achieved throughout the quarter leading to a 4 percent increase over the period. Higher volumes and pricing plus tighter cost management partly mitigated the effect of elevated energy and distribution costs. Australia made a strong contribution to Operating EBITDA Adjusted despite adverse weather conditions caused by Cyclone Debbie.

Asia Pacific

		Q1 2017	Q1 2016*	±%	±% like-for-like
Sales of cement	million t	23.0	30.1	-23.6	0.1
Sales of aggregates	million t	7.1	7.3	-3.0	9.3
Sales of ready-mix concrete	million m^3	3.0	3.9	-22.6	-0.5
Net sales	million CHF	1,790	2,148	-16.7	-0.4
Operating EBITDA	million CHF	261	352	-25.7	-18.1
Operating EBITDA adjusted[1]	million CHF	279	355	-21.6	-13.4
Operating EBITDA margin adjusted[1]	%	15.6	16.5		
Cash flow from operating activities	million CHF	-127	51	-351.2	-465.9
Operating Free Cash Flow[2]	million CHF	-176	-18	-872.8	-497.3

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Europe

Europe benefited from higher cement and aggregates volumes in the quarter to record an 8.7 percent improvement in Operating EBITDA Adjusted on a like-for-like basis. The solid earnings performance, in what is a small quarter for the region, was particularly noteworthy in light of the cold weather conditions experienced across Europe during the period.

Despite ongoing uncertainty related to Brexit, the UK economy remained relatively healthy, with government investment supporting demand in the construction sector during the quarter. Volumes in aggregates and ready-mix were ahead of the prior year. Germany saw volumes of cement and aggregates increase on the back of positive market demand.

Earnings were down in France versus the prior year. Although better momentum was seen at the end of the reporting period, results were impacted by harsh weather conditions over the first quarter.

Russia made progress compared to the first quarter of 2016, albeit from a low base following an extended period of challenging market conditions. Price movements plus higher cement volumes were key factors in the recovery.

In Switzerland, positive cement volumes could not offset lower sales in the aggregates business and a decline in ready-mix volumes following the completion of large projects in 2016. Continuing pressure from imports and cold weather in January and February also contributed to a reduced Operating EBITDA Adjusted for the quarter.

Europe

		Q1 2017	Q1 2016*	±%	±% like-for-like
Sales of cement	million t	8.2	7.7	6.3	6.3
Sales of aggregates	million t	26.6	25.2	5.3	5.6
Sales of ready-mix concrete	million m^3	4.0	4.0	0.2	0.4
Net sales	million CHF	1,481	1,497	-1.1	4.2
Operating EBITDA	million CHF	97	104	-6.9	4.4
Operating EBITDA adjusted[1]	million CHF	115	117	-1.9	8.7
Operating EBITDA margin adjusted[1]	%	7.8	7.8		
Cash flow from operating activities	million CHF	-210	-134	-56.4	-58.4
Operating Free Cash Flow[2]	million CHF	-260	-183	-41.6	-44.2

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Zurich: +41 (0) 58 858 87 10
Paris: +33 (0) 1 44 34 11 70

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Zurich: +41 (0) 58 858 87 87

Latin America

In the Latin America region, a combination of positive pricing trends supported by cost discipline contributed to strong growth in earnings despite an overall decline in cement, aggregates and ready-mix volumes. Operating EBITDA Adjusted was up 17.7 percent on a like-for-like basis compared to the previous year.

Argentina, which saw a strengthening economy, benefited from a combination of more favorable pricing, disciplined cost management and improved volumes to deliver a marked improvement in earnings in the quarter.

In Ecuador, improved volumes and pricing, combined with cost measures and commercial initiatives, drove increased earnings after challenging conditions in 2016.

In Mexico, where earnings saw a marked improvement on a like-for-like basis, lower cement volumes were more than offset by favorable pricing dynamics. Volumes in ready-mix were marginally up in spite of delays in some large infrastructure projects.

The Colombian market is characterized by intense competition as well as low levels of investment in construction and infrastructure. This led to a weakening in Operating EBITDA Adjusted for the quarter. Local management is focused on improving profitability, especially in the retail segment.

There were modest signs of improvement in parts of the Brazilian economy in the quarter, though the environment for cement, aggregates and ready-mix is widely expected to remain very challenging, at least for the near term.

Latin America

		Q1 2017	Q1 2016*	±%	±% like-for-like
Sales of cement	million t	5.8	6.0	-3.5	-3.5
Sales of aggregates	million t	1.1	1.7	-38.0	-33.1
Sales of ready-mix concrete	million m^3	1.5	1.7	-9.7	-7.9
Net sales	million CHF	693	682	1.6	3.0
Operating EBITDA	million CHF	228	205	11.1	17.6
Operating EBITDA adjusted[1]	million CHF	234	210	11.4	17.7
Operating EBITDA margin adjusted[1]	%	33.8	30.8		
Cash flow from operating activities	million CHF	-32	14	-328.7	-314.4
Operating Free Cash Flow[2]	million CHF	-50	-3		-920.4

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Middle East Africa

Middle East Africa delivered strong earnings growth in the first quarter. Operating EBITDA Adjusted was 48.5 percent higher than in the prior-year period on a like-for-like basis with improved pricing outweighing lower volumes of cement, aggregates and ready-mix.

Performance in Nigeria was particularly strong with earnings significantly ahead of Q1 2016 despite softer market demand nationwide. While currency volatility continues, the business benefited from favorable pricing dynamics over the quarter as well as an improved operational performance. Customer demand was strongest in the residential sector, especially in the south of the country.

Algeria delivered volume and price improvements to contribute significantly higher Operating EBITDA Adjusted. This was supported by new capacity at the recently commissioned Biskra cement plant.

Egypt showed its resilience in Q1. Despite persistent challenging market conditions following devaluation of the Egyptian pound, earnings contribution grew quarter-on-quarter. Lebanon delivered improved Operating EBITDA Adjusted helped by favorable pricing.

South Africa, Uganda and Zambia remain challenging markets affected by overcapacity. Heavy rains also had a negative impact in Q1.

Middle East Africa

		Q1 2017	Q1 2016*	±%	±% like-for-like
Sales of cement	million t	9.1	10.8	-16.1	-4.1
Sales of aggregates	million t	2.5	3.6	-30.3	-8.7
Sales of ready-mix concrete	million m^3	1.2	1.4	-13.0	-8.5
Net sales	million CHF	878	1,049	-16.2	15.3
Operating EBITDA	million CHF	253	258	-1.8	40.5
Operating EBITDA adjusted[1]	million CHF	275	262	5.1	48.5
Operating EBITDA margin adjusted[1]	%	31.4	25.0		
Cash flow from operating activities	million CHF	171	199	-14.0	35.6
Operating Free Cash Flow[2]	million CHF	123	107	15.0	107.0

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North America

North America region recorded an improvement in earnings despite a tough prior year comparison due to unusually mild weather in Q1 2016. In what is a typically small quarter for the region, margins increased by around 60 basis points, net sales grew by 2.5% on a like-for-like basis and Operating EBITDA Adjusted was up slightly to CHF 8 million.

The US continued to benefit from improved cement pricing and an ongoing focus on cost discipline. Cement volumes in Q1 were down compared to the previous year when favorable weather conditions across the US drove a 19 percent increase. Strong demand across all product lines led to good growth in US aggregates volumes and a positive contribution to EBITDA.

In Canada, performance was stable despite the ongoing impact of low oil prices on the economy in the west of the country, especially in Alberta and Saskatchewan. In Eastern Canada, the timing of projects such as the Champlain Bridge project had a positive effect on aggregates and ready-mix. Across Canada improved pricing contributed to earnings while volumes were down, affected by weather in West Canada. Operating EBITDA Adjusted declined for Canada.

North America

		Q1 2017	Q1 2016*	±%	±% like-for-like
Sales of cement	million t	3.3	3.4	-4.5	-4.5
Sales of aggregates	million t	14.4	13.7	5.3	5.3
Sales of ready-mix concrete	million m^3	1.6	1.6	2.5	2.5
Net sales	million CHF	907	866	4.7	2.5
Operating EBITDA	million CHF	6	-1	1340.7	1440.4
Operating EBITDA adjusted[1]	million CHF	8	2	223.9	242.0
Operating EBITDA margin adjusted[1]	%	0.9	0.3		
Cash flow from operating activities	million CHF	-217	-234	7.3	9.3
Operating Free Cash Flow[2]	million CHF	-366	-358	-2.3	-0.4

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Merger, restructuring and other one-offs
Total one-off costs amounted to CHF 96 million for Q1 2017. Of that, CHF 31 million were implementation costs related to synergies. A total of CHF 44 million of non-merger-related restructuring provisions were recorded as we implement our plan to reduce SG&A expenses to below 7 percent of sales by 2018.

Share of profits from Joint Ventures
From January 1, 2017, management decided to include the Group's share of profit of joint ventures within operating profit as such a presentation will provide more relevant information regarding the Group's financial performance, considering that the underlying operational activities of joint ventures are jointly controlled and reflect the core business activities of LafargeHolcim. Q1 2016 figures were restated accordingly and increased the operating profit by CHF 16 million. Excluding the effect of joint ventures, Operating EBITDA Adjusted on a like-for-like basis increased by 14 percent. The share of profits from joint ventures increased from CHF 16 million to CHF 29 million, reflecting the contribution of a larger scope in Morocco further to the deal closed in Q3 2016 where Holcim Morocco (fully consolidated) was merged into the Lafarge Morocco Joint Venture: Morocco and the cement operations in Australia all delivered a positive contribution to this increase.

Share of profits from associates
The share of profits from associates increased from CHF 4 million to CHF 12 million, reflecting the higher contribution of Huaxin Cement, China further to the streamlined operations in China where part of the legacy Lafarge operations was sold to Huaxin.

Financial expenses
Net financial expenses of CHF 172 million are CHF 53 million below Q1 2016 results reflecting favorable positive impact of our cash position denominated in foreign currencies and synergy benefits arising from the merger as well as lower levels of net financial debt in 2017.

Tax
The effective tax rate for Q1 2017 is 23.2 percent deriving from a yearly projected tax rate of around 28 percent and the impact of the divestment of Vietnam in Q1 2017.

Net income

Net income Group share of CHF 226 million compares with a loss of CHF 107 million for Q1 2016. The improvement in net income includes the profit recognized on the disposal of Vietnam in Q1 2017 of CHF 339 million.

Viewed on a recurring basis, net loss group share for Q1 2017 was CHF -19 million, an improvement of CHF 61 million compared with CHF -80 million in Q1 2016.

Divestments and capital allocation

Net of tax, the proceeds of the deals completed during Q1 2017 resulted in a net debt reduction of around CHF 0.6 billion following notably the completion of the Vietnam divestment. An additional CHF 0.5 billion from announced deals in China is expected in 2017. The balance will be received when local restrictions in China are lifted. We expect to complete the remainder of the CHF 5 billion divestment program by the end of 2017.

Net capital expenditure for Q1 was CHF 318 million of which CHF 84 million was expansion Capex. In 2017, we are commissioning or upgrading capacity in some of our key markets such as Algeria, the US, Nigeria and India and we expect to see further benefits of this expansion as production ramps up.

With divestments closing and our cash generation from synergies and reduced capex gaining momentum, our credit ratios will significantly strengthen, consistent with our commitment to maintain a solid investment grade rating throughout the cycle. We will continue to return excess cash to shareholders through share buybacks or special dividends commensurate with a solid investment grade credit rating.

Cash flow & net financial debt

Operating free cash flow for 2017 was negatively impacted in 2017 by higher cash outflow due to the working capital seasonality in the northern hemisphere.

Net debt stands at CHF 15.0 billion (CHF 14.7 billion as per December 31, 2016) in line with Q1 2017 management expectations.

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

Million CHF	Q1 2017	Q1 2016
Operating profit	**156**	**243**
Depreciation, amortization and impairment of operating assets	549	547
Operating EBITDA	**705**	**790**
Merger, restructuring and other one offs	96	50
Operating EBITDA adjusted	**801**	**840**

Reconciliation of Recurring Net Income with Net Income as disclosed in Financial Statements

Million CHF	Q1 2017	Q1 2016
Net income	**262**	**(47)**
Merger related one-off costs	23	27
Gains on disposals and impairment	(268)	0
Recurring Net income	**17**	**(20)**
of which Recurring Net loss Group share	**(19)**	**(80)**

Adjustments disclosed net of taxation

Reconciliation of Operating Free Cash Flow to consolidated cash flows of LafargeHolcim Group

Million CHF	Q1 2017	Q1 2016
Cash flow from operating activities	**(518)**	**(264)**
Purchase of property, plant and equipment	(341)	(367)
Disposal of property, plant and equipment	23	14
Operating Free Cash flow	**(836)**	**(618)**

Reconciliation of net financial debt to consolidated statement of LafargeHolcim Group

Million CHF	31 March 2017	31 December 2016
Current financial liabilities	**4,752**	**4,976**
Long-term financial liabilities	14,533	14,744
Cash and cash equivalents	(4,241)	(4,923)
Short-term derivative assets	(26)	(68)
Long-term derivative assets	(3)	(6)
Net financial debt	**15,014**	**14,724**

Some non-GAAP measures are used in this release to help describe the performance of LafargeHolcim. A set of these non-GAAP definitions can be found on our *web site.*

Additional information

The analyst presentation of the results and our Q1 report are available on our website at www.lafargeholcim.com

The financial statements based on IFRS can be found on the LafargeHolcim Group web site.

Media conference: 10:00 CET
Switzerland: +41 58 310 5000
France: +33 1 7091 8706
UK: +44 203 059 5862
US: +1 631 570 5613

Analyst conference: 08:15 CET
Europe: +41 58 310 5000
UK: +44 203 059 5862
US: +1 631 570 5613

About LafargeHolcim

LafargeHolcim is the leading global building materials and solutions company serving masons, builders, architects and engineers all over the world. Group operations produce cement, aggregates and ready-mix concrete which are used in building projects ranging from affordable housing and small, local projects to the biggest, most technically and architecturally challenging infrastructure projects. As urbanisation increasingly impacts people and the planet, the Group provides innovative products and building solutions with a clear commitment to social and environmental sustainability. With leading positions in all regions, LafargeHolcim employs around 90,000 employees in more than 80 countries and has a portfolio that is equally balanced between developing and mature markets.

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.

Media Relations: media@lafargeholcim.com
Zurich: +41 (0) 58 858 87 10
Paris: +33 (0) 1 44 34 11 70

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