

# THIRD QUARTER 2017

INTERIM REPORT



LafargeHolcim

Q3

# LAFARGEHOLCIM THIRD QUARTER 2017

## Key figures LafargeHolcim Group

July-Sept		2017 Unaudited	2016 Restated <sup>1</sup> Unaudited	±%	±% like-for-like
Sales of cement	million t	53.8	57.9	-7.0	+4.7
Sales of aggregates	million t	80.1	81.3	-1.5	+0.1
Sales of ready-mix concrete	million m <sup>3</sup>	13.3	14.4	-7.4	-2.2
Net sales	million CHF	6,944	7,036	-1.3	+4.1
Operating EBITDA	million CHF	1,623	1,626	-0.2	+4.1
Operating EBITDA margin	%	23.4	23.1		
Operating EBITDA adjusted <sup>2</sup>	million CHF	1,750	1,717	+1.9	+5.9
Operating EBITDA margin adjusted <sup>2</sup>	%	25.2	24.4	80 bps	
Net income	million CHF	471	1,103	-57.3	
Net income - shareholders of LafargeHolcim Ltd	million CHF	433	1,045	-58.5	
Recurring net income	million CHF	643	740	-13.0	
Recurring net income - shareholders of LafargeHolcim Ltd	million CHF	589	687	-14.3	
Cash flow from operating activities	million CHF	1,140	1,255	-9.2	-7.1
Operating free cash flow <sup>3</sup>	million CHF	903	856	+5.5	+7.6
Earnings per share	CHF	0.72	1.73	-58.4	
Fully diluted earnings per share	CHF	0.72	1.73	-58.4	

<sup>1</sup> Restated due to change in presentation.

<sup>2</sup> Excluding merger, restructuring and other one-offs, but including contribution from joint ventures.

<sup>3</sup> Cash flow from operating activities less net maintenance and expansion capex.

## Key figures LafargeHolcim Group

Jan-Sept		2017 Unaudited	2016 Restated <sup>1</sup> Unaudited	±%	±% like-for-like
Annual cement production capacity	million t	327.1	353.3 <sup>2</sup>	-7.4	-0.1
Sales of cement	million t	155.8	177.2	-12.1	+1.8
Sales of aggregates	million t	208.1	211.5	-1.6	+0.2
Sales of ready-mix concrete	million m <sup>3</sup>	37.7	41.9	-10.1	-3.8
Net sales	million CHF	19,425	20,378	-4.7	+4.3
Operating EBITDA	million CHF	4,120	4,023	+2.4	+12.1
Operating EBITDA margin	%	21.2	19.7		
Operating EBITDA adjusted <sup>3</sup>	million CHF	4,286	4,290	-0.1	+9.2
Operating EBITDA margin adjusted <sup>3</sup>	%	22.1	21.1	100 bps	
Net income	million CHF	1,625	1,555	+4.5	
Net income - shareholders of LafargeHolcim Ltd	million CHF	1,446	1,338	+8.1	
Recurring net income	million CHF	1,467	1,397	+5.0	
Recurring net income - shareholders of LafargeHolcim Ltd	million CHF	1,270	1,177	+7.9	
Cash flow from operating activities	million CHF	1,002	1,516	-33.9	-22.5
Operating free cash flow <sup>4</sup>	million CHF	241	317	-23.9	+68.3
Net financial debt	million CHF	15,535	14,724 <sup>2</sup>	+5.5	
Total shareholders' equity	million CHF	34,116	34,747 <sup>2</sup>	-1.8	
Earnings per share	CHF	2.39	2.21	+8.1	
Fully diluted earnings per share	CHF	2.39	2.21	+8.1	

<sup>1</sup> Restated due to change in presentation.

<sup>2</sup> As of December 31, 2016.

<sup>3</sup> Excluding merger, restructuring and other one-offs, but including contribution from joint ventures.

<sup>4</sup> Cash flow from operating activities less net maintenance and expansion capex.

Dear Shareholder,

LafargeHolcim delivered continued growth in sales and EBITDA for the third quarter of 2017. This was supported by positive contributions from Latin America, North America and Europe. Market conditions were challenging in Asia Pacific and Middle East Africa where actions are being taken to address weakness in key countries.

Net sales for the quarter increased by 4.1 percent on a like-for-like basis, and 4.3 percent for the year to date.

Like-for-like cement volumes were up 4.7 percent in Q3 and 1.8 percent for the year to date. Globally, cement prices improved by 5.6 percent for the quarter compared to the prior year on a like-for-like basis.

Synergies of CHF 97 million were delivered in Q3, with the Group exceeding its year-end target of CHF 1 billion of total synergies already in July. Net capital expenditure for the nine months was CHF 760 million of which CHF 291 million was expansion Capex.

Operating EBITDA Adjusted increased by 5.9 percent in the quarter to CHF 1,750 million on a like-for-like basis and was 9.2 percent higher for the year to date. Operating

EBITDA Margin Adjusted improved by 80 basis points in Q3 and 100 basis points for the first nine months.

Net Income Group share, at CHF 1,446 million, was up 8.1 percent for the year to date reflecting the increase in Operating EBITDA and a lower effective tax rate for the first nine months of 2017. Net Income Group share for the quarter declined to CHF 433 million on higher proceeds from disposals in the prior-year period. Recurring Net Income grew by 7.9 percent to CHF 1,270 million for the year to date and was down to CHF 589 million for Q3. Year to date, Recurring Earnings Per Share improved by 8.2 percent to CHF 2.10. Viewed on a quarterly basis, Recurring EPS was CHF 0.98, down on CHF 1.13 for the same period in 2016.

Operating Free Cash Flow stood at CHF 241 million for nine months, compared with CHF 317 million for the same period in 2016.

Net debt stood at CHF 15.5 billion at quarter end.

## Consolidated key figures – Group

		July-Sept 2017	July-Sept 2016	±%	±% like-for-like
Sales of cement	million t	53.8	57.9	-7.0	+4.7
Sales of aggregates	million t	80.1	81.3	-1.5	+0.1
Sales of ready-mix concrete	million m <sup>3</sup>	13.3	14.4	-7.4	-2.2
Net sales	million CHF	6,944	7,036	-1.3	+4.1
Operating profit	million CHF	1,045	1,092	-4.3	-0.4
Operating EBITDA adjusted <sup>1</sup>	million CHF	1,750	1,717	+1.9	+5.9
Operating EBITDA margin adjusted <sup>1</sup>	%	25.2	24.4	80 bps	
Net income – shareholders of LafargeHolcim Ltd	million CHF	433	1,045	-58.5	
Recurring Net Income – shareholders of LafargeHolcim Ltd	million CHF	589	687	-14.3	
Recurring EPS	CHF	0.98	1.13	-13.3	
Cash flow from operating activities	million CHF	1,140	1,255	-9.2	-7.1
Operating Free Cash Flow <sup>2</sup>	million CHF	903	856	+5.5	+7.6

<sup>1</sup> Excluding merger, restructuring and other one-offs.

<sup>2</sup> Cash flow from operating activities less net maintenance and expansion capex.

## Consolidated key figures – Group

		Jan-Sept 2017	Jan-Sept 2016	±%	±% like-for-like
Sales of cement	million t	155.8	177.2	-12.1	+1.8
Sales of aggregates	million t	208.1	211.5	-1.6	+0.2
Sales of ready-mix concrete	million m <sup>3</sup>	37.7	41.9	-10.1	-3.8
Net sales	million CHF	19,425	20,378	-4.7	+4.3
Operating profit	million CHF	2,411	2,350	+2.6	+14.4
Operating EBITDA adjusted <sup>1</sup>	million CHF	4,286	4,290	-0.1	+9.2
Operating EBITDA margin adjusted <sup>1</sup>	%	22.1	21.1	100 bps	
Net income – shareholders of LafargeHolcim Ltd	million CHF	1,446	1,338	+8.1	
Recurring Net Income – shareholders of LafargeHolcim Ltd	million CHF	1,270	1,177	+7.9	
Recurring EPS	CHF	2.10	1.94	+8.2	
Cash flow from operating activities	million CHF	1,002	1,516	-33.9	-22.5
Operating Free Cash Flow <sup>2</sup>	million CHF	241	317	-23.9	+68.3
Net financial debt <sup>3</sup>	million CHF	15,535	14,724	+5.5	

<sup>1</sup> Excluding merger, restructuring and other one-offs.

<sup>2</sup> Cash flow from operating activities less net maintenance and expansion capex.

<sup>3</sup> Prior-year figure as of December 31, 2016.

**Divestments and capital allocation**

Net of tax, the proceeds of the transactions completed during the first nine months resulted in a net debt reduction of around CHF 1.1 billion. This follows the completion of the Vietnam divestment in Q1, the completion of the Chile divestment in Q3 and the remittance of full cash proceeds from announced transactions in China, with the exception of CHF 110 million which will be received in 2018 as previously disclosed.

In November 2016, the Group announced a share buyback program of up to CHF 1 billion over 2017–2018. During the nine months 2017, 5.2 million shares were repurchased to the value of CHF 297 million.

**Outlook: 2017 and 2018**

We have reset expectations for the Group's outlook to a level that reflects the current business dynamics. Overall cement demand globally is expected to increase by 1 to 3 per cent in aggregate for 2017. Following a strong first half and solid Q3, growth in like-for-like Operating EBITDA Adjusted is expected to moderate further for the remainder of 2017.

For 2017, we expect to deliver:

- 5 to 7 percent growth in Operating EBITDA Adjusted over 2016 on a like-for-like basis
- Growth in Recurring EPS
- Net debt/Operating EBITDA Adjusted of around 2.5x

For 2018, we have reset some of the volume and pricing assumptions that underpinned earnings targets to reflect current business dynamics. We expect that this will translate into a growth rate for Operating EBITDA Adjusted on a like-for-like basis of at least 5 percent.

The business review is under way, including country strategies and a focus on simplification, cost discipline and performance management. We will reduce complexity and focus on operational excellence in order to fully realize the potential of LafargeHolcim. The goal is to generate leading margins and an attractive growth profile, positioned for sustainable value creation for our employees, customers and shareholders.

We will provide a strategic and outlook update in March 2018 when our full year 2017 results are published. On this occasion, we will also give an update on portfolio management. So far, the disposal program has completed CHF 4.4 billion in enterprise value.

**Asia Pacific**

In the Asia Pacific region Operating EBITDA Adjusted was 5.9 percent lower than the prior-year period on a like-for-like basis despite a 13 percent increase in like-for-like net sales. India continued to perform strongly in the context of a normal monsoon season, when demand is normally muted. Higher volumes and prices more than offset higher fuel costs. In the Philippines, market conditions in the quarter remained challenging. Prices there are down compared to the prior-year period, and some large government infrastructure projects have been delayed. Management actions are underway across the Asia Pacific region, with initiatives in cost reduction, asset optimization, logistics and commercial transformation.

**Consolidated key figures – Asia Pacific**

		July-Sept 2017	July-Sept 2016	±%	±% like-for-like
Sales of cement	million t	21.4	25.8	-16.8	+8.7
Sales of aggregates	million t	8.1	7.8	+3.3	+15.3
Sales of ready-mix concrete	million m <sup>3</sup>	3.4	3.9	-13.6	+8.7
Net sales	million CHF	1,797	1,894	-5.1	+13.1
Operating EBITDA	million CHF	270	343	-21.4	-5.9
Operating EBITDA adjusted <sup>1</sup>	million CHF	284	358	-20.8	-5.9
Operating EBITDA margin	%	15.0	18.1		
Operating EBITDA margin adjusted <sup>1</sup>	%	15.8	18.9		
Cash flow from operating activities	million CHF	152	152	+0.0	+20.9
Operating Free Cash Flow <sup>2</sup>	million CHF	89	73	+22.3	+78.3

<sup>1</sup> Excluding merger, restructuring and other one-offs.

<sup>2</sup> Cash flow from operating activities less net maintenance and expansion capex.

**Consolidated key figures – Asia Pacific**

		Jan-Sept 2017	Jan-Sept 2016	±%	±% like-for-like
Sales of cement	million t	67.6	86.4	-21.7	+3.4
Sales of aggregates	million t	23.7	23.8	-0.1	+12.1
Sales of ready-mix concrete	million m <sup>3</sup>	9.5	11.9	-20.5	+1.0
Net sales	million CHF	5,492	6,236	-11.9	+5.3
Operating EBITDA	million CHF	887	1,125	-21.2	-9.6
Operating EBITDA adjusted <sup>1</sup>	million CHF	930	1,162	-20.0	-8.0
Operating EBITDA margin	%	16.2	18.0		
Operating EBITDA margin adjusted <sup>1</sup>	%	16.9	18.6		
Cash flow from operating activities	million CHF	221	571	-61.3	-52.8
Operating Free Cash Flow <sup>2</sup>	million CHF	48	327	-85.3	-81.3

<sup>1</sup> Excluding merger, restructuring and other one-offs.

<sup>2</sup> Cash flow from operating activities less net maintenance and expansion capex.



## Europe

Operating EBITDA Adjusted for Europe was up 5.2 percent on a like-for-like basis compared to Q3 2016, with particularly strong contribution from countries in Central and Eastern Europe including Russia. Earnings in the UK were lower on a like-for-like basis, driven by project delays and general economic slowdown. Underlying trends in France were solid as cement and ready-mix concrete volumes increased compared to the prior-year period. Progress continues on the revision of the industrial network. Aggregate and ready-mix concrete volumes were lower in Switzerland than in the prior-year period where a number of large projects have recently been completed.

### Consolidated key figures – Europe

		July-Sept 2017	July-Sept 2016	±%	±% like-for-like
Sales of cement	million t	12.1	12.0	+0.3	+0.2
Sales of aggregates	million t	33.9	34.3	-1.3	-0.9
Sales of ready-mix concrete	million m <sup>3</sup>	4.6	4.8	-3.8	-3.4
Net sales	million CHF	1,922	1,890	+1.7	-0.4
Operating EBITDA	million CHF	424	402	+5.4	+3.7
Operating EBITDA adjusted <sup>1</sup>	million CHF	450	421	+6.9	+5.2
Operating EBITDA margin	%	22.1	21.3		
Operating EBITDA margin adjusted <sup>1</sup>	%	23.4	22.3		
Cash flow from operating activities	million CHF	327	431	-24.1	-24.4
Operating Free Cash Flow <sup>2</sup>	million CHF	277	371	-25.5	-25.4

<sup>1</sup> Excluding merger, restructuring and other one-offs.

<sup>2</sup> Cash flow from operating activities less net maintenance and expansion capex.

### Consolidated key figures – Europe

		Jan-Sept 2017	Jan-Sept 2016	±%	±% like-for-like
Sales of cement	million t	32.1	31.6	+1.7	+1.5
Sales of aggregates	million t	93.9	93.3	+0.6	+1.0
Sales of ready-mix concrete	million m <sup>3</sup>	13.5	13.8	-2.5	-2.1
Net sales	million CHF	5,328	5,355	-0.5	+1.4
Operating EBITDA	million CHF	937	950	-1.3	+0.7
Operating EBITDA adjusted <sup>1</sup>	million CHF	1,000	997	+0.3	+2.2
Operating EBITDA margin	%	17.6	17.7		
Operating EBITDA margin adjusted <sup>1</sup>	%	18.8	18.6		
Cash flow from operating activities	million CHF	401	632	-36.6	-36.0
Operating Free Cash Flow <sup>2</sup>	million CHF	243	465	-47.7	-46.9

<sup>1</sup> Excluding merger, restructuring and other one-offs.

<sup>2</sup> Cash flow from operating activities less net maintenance and expansion capex.

### Latin America

Latin America delivered a strong performance on the back of positive sales growth, translating to a 25.6 percent increase in Operating EBITDA Adjusted like-for-like compared to the prior year. Mexico delivered continued strong margins and earnings as the business delivered on its commercial strategy despite the impact of September's earthquakes on economic activity. Operating EBITDA Adjusted for Ecuador improved on the prior-year period on a like-for-like basis. In Argentina, commercial initiatives helped deliver another quarter of earnings growth.

#### Consolidated key figures - Latin America

		July-Sept 2017	July-Sept 2016	±%	±% like-for-like
Sales of cement	million t	6.7	6.3	+6.0	+9.5
Sales of aggregates	million t	1.0	1.6	-36.7	-22.1
Sales of ready-mix concrete	million m <sup>3</sup>	1.4	1.6	-13.8	+1.3
Net sales	million CHF	747	716	+4.3	+12.0
Operating EBITDA	million CHF	274	214	+27.9	+31.6
Operating EBITDA adjusted <sup>1</sup>	million CHF	288	234	+23.1	+25.6
Operating EBITDA margin	%	36.7	29.9		
Operating EBITDA margin adjusted <sup>1</sup>	%	38.5	32.7		
Cash flow from operating activities	million CHF	182	120	+51.5	+58.6
Operating Free Cash Flow <sup>2</sup>	million CHF	179	92	+94.0	+103.1

<sup>1</sup> Excluding merger, restructuring and other one-offs.

<sup>2</sup> Cash flow from operating activities less net maintenance and expansion capex.

#### Consolidated key figures - Latin America

		Jan-Sept 2017	Jan-Sept 2016	±%	±% like-for-like
Sales of cement	million t	18.5	18.1	+2.1	+3.2
Sales of aggregates	million t	3.3	4.9	-32.8	-24.5
Sales of ready-mix concrete	million m <sup>3</sup>	4.4	5.0	-12.1	-6.3
Net sales	million CHF	2,207	2,083	+6.0	+9.1
Operating EBITDA	million CHF	790	624	+26.5	+29.5
Operating EBITDA adjusted <sup>1</sup>	million CHF	785	655	+19.8	+23.1
Operating EBITDA margin	%	35.8	30.0		
Operating EBITDA margin adjusted <sup>1</sup>	%	35.6	31.5		
Cash flow from operating activities	million CHF	229	142	+61.4	+77.4
Operating Free Cash Flow <sup>2</sup>	million CHF	200	69	+190.3	+227.8

<sup>1</sup> Excluding merger, restructuring and other one-offs.

<sup>2</sup> Cash flow from operating activities less net maintenance and expansion capex.

### Middle East Africa

Operating EBITDA Adjusted in Middle East Africa was 2.1 percent lower than in the prior-year period on a like-for-like basis. Earnings in Nigeria, which is slowly exiting from recession, were higher in the quarter than in the prior-year period, with favorable pricing more than offsetting an increase in cost. Economic conditions in Algeria deteriorated over the third quarter, which led to a marked decline in Q3 volumes compared to the prior-year period.

### Consolidated key figures – Middle East Africa

		July-Sept 2017	July-Sept 2016	±%	±% like-for-like
Sales of cement	million t	8.8	9.5	-7.6	-5.0
Sales of aggregates	million t	2.7	2.9	-7.1	-7.1
Sales of ready-mix concrete	million m <sup>3</sup>	1.1	1.4	-25.0	-25.0
Net sales	million CHF	812	882	-7.9	+3.0
Operating EBITDA	million CHF	205	240	-14.4	-10.8
Operating EBITDA adjusted <sup>1</sup>	million CHF	232	248	-6.4	-2.1
Operating EBITDA margin	%	25.3	27.2		
Operating EBITDA margin adjusted <sup>1</sup>	%	28.6	28.1		
Cash flow from operating activities	million CHF	107	163	-34.0	-37.7
Operating Free Cash Flow <sup>2</sup>	million CHF	34	85	-60.5	-81.4

<sup>1</sup> Excluding merger, restructuring and other one-offs.

<sup>2</sup> Cash flow from operating activities less net maintenance and expansion capex.

### Consolidated key figures – Middle East Africa

		Jan-Sept 2017	Jan-Sept 2016	±%	±% like-for-like
Sales of cement	million t	26.9	31.2	-13.9	-4.7
Sales of aggregates	million t	8.0	8.9	-10.0	-7.1
Sales of ready-mix concrete	million m <sup>3</sup>	3.6	4.6	-21.8	-19.4
Net sales	million CHF	2,560	3,012	-15.0	+7.9
Operating EBITDA	million CHF	760	836	-9.1	+14.8
Operating EBITDA adjusted <sup>1</sup>	million CHF	824	855	-3.6	+21.2
Operating EBITDA margin	%	29.7	27.8		
Operating EBITDA margin adjusted <sup>1</sup>	%	32.2	28.4		
Cash flow from operating activities	million CHF	263	518	-49.2	-37.8
Operating Free Cash Flow <sup>2</sup>	million CHF	129	251	-48.6	-37.4

<sup>1</sup> Excluding merger, restructuring and other one-offs.

<sup>2</sup> Cash flow from operating activities less net maintenance and expansion capex.

**North America**

Operating EBITDA Adjusted for North America was up 7.6 percent for the third quarter on a like-for-like basis. Earnings in the US were significantly higher than in the prior-year period despite unfavorable weather. Demand for aggregates in the US was also impacted by a cautious sentiment for both private and public sector investment. Continued work on cost reduction and the ramp up of key plants such as St. Genevieve and Ravenna are supporting earnings growth. In Canada, volumes of cement, aggregates and ready-mix concrete increased, underpinning an uplift in earnings.

## Consolidated key figures – North America

		July-Sept 2017	July-Sept 2016	±%	±% like-for-like
Sales of cement	million t	5.9	6.0	-1.6	-1.6
Sales of aggregates	million t	34.4	34.6	-0.7	-0.7
Sales of ready-mix concrete	million m <sup>3</sup>	2.9	2.6	+8.8	-2.3
Net sales	million CHF	1,790	1,801	-0.6	-2.6
Operating EBITDA	million CHF	601	567	+6.1	+6.0
Operating EBITDA adjusted <sup>1</sup>	million CHF	621	575	+7.9	+7.6
Operating EBITDA margin	%	33.6	31.5		
Operating EBITDA margin adjusted <sup>1</sup>	%	34.7	32.0		
Cash flow from operating activities	million CHF	364	354	+2.8	+1.6
Operating Free Cash Flow <sup>2</sup>	million CHF	319	200	+59.3	+56.5

<sup>1</sup> Excluding merger, restructuring and other one-offs.

<sup>2</sup> Cash flow from operating activities less net maintenance and expansion capex.

## Consolidated key figures – North America

		Jan-Sept 2017	Jan-Sept 2016	±%	±% like-for-like
Sales of cement	million t	14.4	14.7	-2.6	-2.6
Sales of aggregates	million t	79.2	80.6	-1.8	-1.8
Sales of ready-mix concrete	million m <sup>3</sup>	6.7	6.6	+2.6	-1.8
Net sales	million CHF	4,194	4,204	-0.2	-1.8
Operating EBITDA	million CHF	1,172	957	+22.5	+21.7
Operating EBITDA adjusted <sup>1</sup>	million CHF	1,093	971	+12.6	+11.8
Operating EBITDA margin	%	27.9	22.8		
Operating EBITDA margin adjusted <sup>1</sup>	%	26.1	23.1		
Cash flow from operating activities	million CHF	198	171	+15.4	+13.9
Operating Free Cash Flow <sup>2</sup>	million CHF	(66)	(269)	+75.6	+75.2

<sup>1</sup> Excluding merger, restructuring and other one-offs.

<sup>2</sup> Cash flow from operating activities less net maintenance and expansion capex.



Beat Hess  
Chairman of the Board of Directors



Jan Jenisch  
Chief Executive Officer

October 27, 2017

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

Million CHF	Jan-Sept 2017	Jan-Sept 2016	July-Sept 2017	July-Sept 2016
<b>OPERATING PROFIT</b>	<b>2,411</b>	<b>2,350</b>	<b>1,045</b>	<b>1,092</b>
Depreciation, amortization and impairment of operating assets	1,709	1,673	578	534
<b>OPERATING EBITDA</b>	<b>4,120</b>	<b>4,023</b>	<b>1,623</b>	<b>1,626</b>
Merger, restructuring and other one offs	165	267	127	91
<b>OPERATING EBITDA ADJUSTED</b>	<b>4,286</b>	<b>4,290</b>	<b>1,750</b>	<b>1,717</b>

Million CHF	Jan-Sept 2017	Jan-Sept 2016	July-Sept 2017	July-Sept 2016
<b>NET INCOME</b>	<b>1,625</b>	<b>1,555</b>	<b>471</b>	<b>1,103</b>
Merger related one off costs	56	138	19	35
Other one off costs above CHF 50 million	8	0	72	0
Gains on disposals and impairment	(222)	(386)	81	(420)
Bonds early repayment premiums	0	90	0	22
<b>RECURRING NET INCOME</b>	<b>1,467</b>	<b>1,397</b>	<b>643</b>	<b>740</b>
of which recurring net income - shareholders of LafargeHolcim Ltd	1,270	1,177	589	687

**Reconciling measures of net financial debt to the consolidated statement of financial position of LafargeHolcim Group**

Million CHF	30.09.2017	31.12.2016
<b>Current financial liabilities</b>	<b>4,753</b>	<b>4,976</b>
<b>Long-term financial liabilities</b>	<b>15,159</b>	<b>14,744</b>
<b>Cash and cash equivalents</b>	<b>(4,294)</b>	<b>(4,923)</b>
<b>Short-term derivative assets</b>	<b>(60)</b>	<b>(68)</b>
<b>Long-term derivative assets</b>	<b>(23)</b>	<b>(6)</b>
<b>NET FINANCIAL DEBT</b>	<b>15,535</b>	<b>14,724</b>

**Reconciling measures of operating free cash flow to the consolidated statement of cash flows of LafargeHolcim Group**

Million CHF	Jan-Sept 2017	Jan-Sept 2016	July-Sept 2017	July-Sept 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,002</b>	<b>1,516</b>	<b>1,140</b>	<b>1,255</b>
<b>Purchase of property, plant and equipment</b>	<b>(864)</b>	<b>(1,279)</b>	<b>(286)</b>	<b>(429)</b>
<b>Disposal of property, plant and equipment</b>	<b>104</b>	<b>80</b>	<b>49</b>	<b>30</b>
<b>OPERATING FREE CASH FLOW</b>	<b>241</b>	<b>317</b>	<b>903</b>	<b>856</b>

# CONSOLIDATED FINANCIAL STATEMENTS



## Consolidated statement of income of LafargeHolcim Group

Million CHF	Notes	Jan-Sept 2017 Unaudited	Jan-Sept 2016 Restated <sup>1</sup> Unaudited	July-Sept 2017 Unaudited	July-Sept 2016 Restated <sup>1</sup> Unaudited
<b>NET SALES</b>		<b>19,425</b>	<b>20,378</b>	<b>6,944</b>	<b>7,036</b>
Production cost of goods sold		(10,868)	(11,833)	(3,669)	(3,839)
<b>GROSS PROFIT</b>		<b>8,557</b>	<b>8,545</b>	<b>3,275</b>	<b>3,197</b>
Distribution and selling expenses		(4,802)	(4,780)	(1,732)	(1,697)
Administration expenses		(1,454)	(1,491)	(543)	(441)
Share of profit of joint ventures		111	76	45	32
<b>OPERATING PROFIT</b>		<b>2,411</b>	<b>2,350</b>	<b>1,045</b>	<b>1,092</b>
Other income	8	409	520	(25)	479
Other expenses	9	(102)	(23)	(93)	(6)
Share of profit of associates		97	46	30	22
Financial income	10	109	130	25	41
Financial expenses	11	(693)	(737)	(326)	(223)
<b>NET INCOME BEFORE TAXES</b>		<b>2,232</b>	<b>2,286</b>	<b>656</b>	<b>1,404</b>
Income taxes		(607)	(774)	(185)	(312)
<b>NET INCOME FROM CONTINUING OPERATIONS</b>		<b>1,625</b>	<b>1,512</b>	<b>471</b>	<b>1,092</b>
Net income from discontinued operations		0	43	0	11
<b>NET INCOME</b>		<b>1,625</b>	<b>1,555</b>	<b>471</b>	<b>1,103</b>
<i>Net income attributable to:</i>					
Shareholders of LafargeHolcim Ltd		1,446	1,338	433	1,045
Non-controlling interest		179	217	38	58
<i>Net income from discontinued operations attributable to:</i>					
Shareholders of LafargeHolcim Ltd		0	43	0	11
Non-controlling interest		0	0	0	0
<i>Earnings per share in CHF</i>					
Earnings per share		2.39	2.21	0.72	1.72
Fully diluted earnings per share		2.39	2.21	0.72	1.72
<i>Earnings per share from continuing operations in CHF</i>					
Earnings per share		2.39	2.14	0.72	1.70
Fully diluted earnings per share		2.39	2.14	0.72	1.70
<i>Earnings per share from discontinued operations in CHF</i>					
Earnings per share		0.00	0.07	0.00	0.02
Fully diluted earnings per share		0.00	0.07	0.00	0.02

<sup>1</sup> Restated due to change in presentation, see note 2.

## Consolidated statement of comprehensive earnings of LafargeHolcim Group

Million CHF	Notes	Jan-Sept 2017 Unaudited	Jan-Sept 2016 Unaudited	July-Sept 2017 Unaudited	July-Sept 2016 Unaudited
<b>NET INCOME</b>		<b>1,625</b>	<b>1,555</b>	<b>471</b>	<b>1,103</b>
<b>OTHER COMPREHENSIVE EARNINGS</b>					
<i>Items that will be reclassified to the statement of income in future periods</i>					
<b>Currency translation effects</b>					
- Exchange differences on translation		(583)	(1,792)	627	(642)
- Realized through statement of income		93	1	76	21
- Tax effect		1	0	5	1
<b>Available-for-sale financial assets</b>					
- Change in fair value		(2)	(1)	0	0
- Realized through statement of income		0	0	0	0
- Tax effect		1	0	0	0
<b>Cash flow hedges</b>					
- Change in fair value		(12)	(8)	13	(8)
- Realized through statement of income		1	4	(1)	1
- Tax effect		2	(4)	(1)	(6)
<b>Net investment hedges in subsidiaries</b>					
- Change in fair value		12	7	(1)	7
- Realized through statement of income		0	0	0	0
- Tax effect		0	(3)	0	0
<b>SUBTOTAL</b>		<b>(488)</b>	<b>(1,796)</b>	<b>718</b>	<b>(626)</b>
<i>Items that will not be reclassified to the statement of income in future periods</i>					
<b>Defined benefit plans</b>					
- Remeasurements		115	(565)	122	(277)
- Tax effect		(18)	110	(23)	49
<b>SUBTOTAL</b>		<b>98</b>	<b>(455)</b>	<b>99</b>	<b>(228)</b>
<b>TOTAL OTHER COMPREHENSIVE EARNINGS</b>		<b>(390)</b>	<b>(2,251)</b>	<b>817</b>	<b>(854)</b>
<b>TOTAL COMPREHENSIVE EARNINGS</b>		<b>1,235</b>	<b>(696)</b>	<b>1,288</b>	<b>249</b>
<i>Total comprehensive earnings attributable to:</i>					
Shareholders of LafargeHolcim Ltd		1,144	(795)	1,199	196
Non-controlling interest		91	98	89	52

## Consolidated statement of financial position of LafargeHolcim Group

Million CHF	Notes	30.09.2017 Unaudited	31.12.2016 <sup>1</sup> Audited	30.09.2016 <sup>1</sup> Unaudited
Cash and cash equivalents		4,294	4,923	4,588
Short-term derivative assets		60	68	35
Short-term financial receivables		225	207	158
Trade accounts receivable		4,100	2,826	3,722
Inventories		2,862	2,645	2,821
Prepaid expenses and other current assets		1,390	1,720	1,386
Assets classified as held for sale	12	947	2,046	1,798
<b>TOTAL CURRENT ASSETS</b>		<b>13,877</b>	<b>14,435</b>	<b>14,508</b>
Long-term financial investments and other long-term assets		1,234	1,287	1,111
Investments in associates and joint ventures		3,327	3,241	3,255
Property, plant and equipment		31,370	32,052	33,075
Goodwill		16,214	16,247	16,027
Intangible assets		1,015	1,017	1,178
Deferred tax assets		1,073	1,060	1,016
Pension assets		271	271	143
Long-term derivative assets		23	6	9
<b>TOTAL LONG-TERM ASSETS</b>		<b>54,526</b>	<b>55,182</b>	<b>55,815</b>
<b>TOTAL ASSETS</b>		<b>68,403</b>	<b>69,617</b>	<b>70,323</b>
Trade accounts payable		3,370	3,307	3,387
Current financial liabilities		4,753	4,976	5,631
Current income tax liabilities		651	641	591
Other current liabilities		2,396	2,299	2,366
Short-term provisions		519	575	545
Liabilities directly associated with assets classified as held for sale	12	293	711	639
<b>TOTAL CURRENT LIABILITIES</b>		<b>11,982</b>	<b>12,509</b>	<b>13,159</b>
Long-term financial liabilities		15,159	14,744	15,499
Defined benefit obligations		1,932	2,079	2,332
Deferred tax liabilities		3,272	3,387	3,452
Long-term provisions		1,942	2,151	2,160
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>22,305</b>	<b>22,361</b>	<b>23,443</b>
<b>TOTAL LIABILITIES</b>		<b>34,287</b>	<b>34,870</b>	<b>36,602</b>
Share capital		1,214	1,214	1,214
Capital surplus		24,334	25,536	25,533
Treasury shares		(354)	(72)	(73)
Reserves		5,118	4,144	3,079
<b>TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF LAFARGEHOLCIM LTD</b>		<b>30,312</b>	<b>30,822</b>	<b>29,752</b>
Non-controlling interest		3,804	3,925	3,969
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>34,116</b>	<b>34,747</b>	<b>33,721</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>68,403</b>	<b>69,617</b>	<b>70,323</b>

<sup>1</sup> Some line items have been reclassified or disaggregated and the comparative figures have been adjusted accordingly.

## Consolidated statement of changes in equity of LafargeHolcim Group

Million CHF	Share capital	Capital surplus	Treasury shares
<b>EQUITY AS AT JANUARY 1, 2017</b>	<b>1,214</b>	<b>25,536</b>	<b>(72)</b>
Net income			
Other comprehensive earnings			
<b>TOTAL COMPREHENSIVE EARNINGS</b>			
Payout		(1,212)	
Change in treasury shares			(282) <sup>1</sup>
Share-based remuneration		10	
Disposal / Acquisition of participation in Group companies			
Change in participation in existing Group companies			
<b>EQUITY AS AT SEPTEMBER 30, 2017 (UNAUDITED)</b>	<b>1,214</b>	<b>24,334</b>	<b>(354)</b>
<b>EQUITY AS AT JANUARY 1, 2016</b>	<b>1,214</b>	<b>26,430</b>	<b>(86)</b>
Net income			
Other comprehensive earnings			
<b>TOTAL COMPREHENSIVE EARNINGS</b>			
Payout		(909)	
Change in treasury shares			13
Share-based remuneration		11	
Capital paid-in by non-controlling interest			
Disposal of participation in Group companies			
Change in participation in existing Group companies			
<b>EQUITY AS AT SEPTEMBER 30, 2016 (UNAUDITED)</b>	<b>1,214</b>	<b>25,533</b>	<b>(73)</b>

<sup>1</sup>The amount of CHF -282 million includes the impact of the share buy-back program of CHF -297 million

	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
	16,546	(13)	23	(12,412)	4,144	30,822	3,925	34,747
	1,446				1,446	1,446	179	1,625
	98	(1)	(9)	(390)	(302)	(302)	(88)	(390)
	1,544	(1)	(9)	(390)	1,144	1,144	91	1,235
						(1,212)	(186)	(1,398)
	(7)				(7)	(289)		(289)
						10		10
							(127)	(127)
	(163)				(163)	(163)	101	(62)
	17,920	(14)	14	(12,802)	5,118	30,312	3,804	34,116
	14,988	(13)	(10)	(11,158)	3,807	31,365	4,357	35,722
	1,338				1,338	1,338	217	1,555
	(455)	(1)	(7)	(1,669)	(2,132)	(2,132)	(119)	(2,251)
	883	(1)	(7)	(1,669)	(795)	(795)	98	(696)
						(909)	(206)	(1,115)
	(9)				(9)	4		4
						11		11
							16	16
							(122)	(122)
	75				75	75	(175)	(100)
	15,937	(14)	(17)	(12,827)	3,079	29,752	3,969	33,721

## Consolidated statement of cash flows of LafargeHolcim Group

Million CHF	Notes	Jan-Sept 2017 Unaudited	Jan-Sept 2016 Unaudited	July-Sept 2017 Unaudited	July-Sept 2016 Unaudited
<b>NET INCOME</b>		<b>1,625</b>	<b>1,555</b>	<b>471</b>	<b>1,103</b>
Income taxes		607	774	185	312
Other income	8	(409)	(520)	25	(479)
Other expenses	9	102	23	93	6
Share of profit of associates and joint ventures		(208)	(123)	(75)	(54)
Financial expenses net	10, 11	583	607	301	183
Depreciation, amortization and impairment of operating assets		1,709	1,673	578	534
Other non-cash items		65	273	88	80
Change in net working capital		(1,855)	(1,438)	(205)	(195)
<b>CASH GENERATED FROM OPERATIONS</b>		<b>2,218</b>	<b>2,825</b>	<b>1,462</b>	<b>1,491</b>
Dividends received		195	135	41	22
Interest received		103	124	36	45
Interest paid		(674)	(873)	(184)	(240)
Income taxes paid		(667)	(674)	(148)	(89)
Other expenses		(174)	(21)	(68)	25
<b>CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		<b>1,002</b>	<b>1,516</b>	<b>1,140</b>	<b>1,255</b>
Purchase of property, plant and equipment		(864)	(1,279)	(286)	(429)
Disposal of property, plant and equipment		104	80	49	30
Acquisition of participation in Group companies, net of cash and cash equivalents acquired		51	(4)	14	0
Disposal of participation in Group companies, net of cash and cash equivalents disposed		868	1,168	220	794
Purchase of financial assets, intangible and other assets		(271)	(269)	(144)	(133)
Disposal of financial assets, intangible and other assets		82	391	7	166
<b>CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		<b>(31)</b>	<b>87</b>	<b>(140)</b>	<b>429</b>
Payout on ordinary shares	16	(1,212)	(909)	0	0
Dividends paid to non-controlling interest		(159)	(197)	(100)	(95)
Capital paid-in by non-controlling interest		0	16	0	2
Movements of treasury shares		(289)	4	(226)	1
Net movement in current financial liabilities		752	(676)	(642)	(579)
Proceeds from long-term financial liabilities	14	1,702	5,233	874	933
Repayment of long-term financial liabilities	14	(2,442)	(4,428)	(314)	(1,066)
Increase in participation in existing Group companies		(11)	(10)	(3)	0
<b>CASH FLOW FROM FINANCING ACTIVITIES (C)</b>		<b>(1,659)</b>	<b>(966)</b>	<b>(411)</b>	<b>(803)</b>
<b>(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(688)</b>	<b>638</b>	<b>588</b>	<b>880</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD (NET)</b>		<b>4,795</b>	<b>3,771</b>	<b>3,359</b>	<b>3,469</b>
(Decrease) / Increase in cash and cash equivalents		(689)	638	588	880
Currency translation effects		(141)	(82)	19	(23)
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD (NET)<sup>1</sup></b>		<b>3,965</b>	<b>4,327</b>	<b>3,965</b>	<b>4,327</b>

<sup>1</sup> Cash and cash equivalents at the end of the period include bank overdrafts of CHF 345 million (2016: CHF 317 million) disclosed in current financial liabilities and cash and cash equivalents of CHF 16 million (2016: CHF 56 million) disclosed in assets classified as held for sale.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As used herein, the terms “LafargeHolcim” or the “Group” refer to LafargeHolcim Ltd together with the companies included in the scope of consolidation.

### 1. Basis of preparation

The unaudited interim condensed consolidated financial statements of LafargeHolcim Ltd, hereafter “interim financial statements”, are prepared in accordance with IAS 34 *Interim Financial Reporting*. Except as stated under note 2, 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, 2016 (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 presentation

As from January 1, 2017, management decided to reclassify the Group’s share of profit of joint ventures within operating profit as such a presentation provides 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.

This change in presentation has been applied retrospectively and its effect on the comparative information (restated amounts) presented for each line item of the consolidated statement of income was disclosed in the interim report of the first quarter in 2017.

### 3. Changes in the scope of consolidation

#### 3.1 Divestments during the current reporting period

In the first quarter of 2017, operations and assets were disposed from Lafarge China Cement Ltd to the Group's associate company Huaxin Cement Co. Ltd for a total consideration of CHF 257 million. The assets and the related liabilities were classified as held for sale on December 31, 2016.

From the disposal of the 73.5% listed shares in Sichuan Shuangma Cement Co in the fourth quarter 2016 for a total consideration of CHF 652 million, CHF 342 million received on an escrow account at the end of 2016 were released in the second and the third quarter 2017. CHF 181 million are presented in the cash flow from financing activities in the line Net movement in current financial liabilities and CHF 161 million in the cash flow from investing activities in the line Disposal of participation in group companies. An amount of CHF 110 million is only due in 2018 and is recorded as financial receivable, as previously disclosed. CHF 200 million were already received in 2016.

On February 28, 2017, the Group disposed of its 65 percent shareholding in LafargeHolcim Vietnam for a total consideration of CHF 546 million before tax which resulted in a net gain before taxes of CHF 339 million. The assets and the related liabilities were classified as held for sale on December 31, 2016.

On August 14, 2017, the Group disposed of its 100 percent shareholding in Cemento Polpaico S.A. (Chile) for a total consideration of CHF 114 million before tax which resulted in a net loss before taxes of CHF 40 million. The assets and the related liabilities were classified as held for sale on December 31, 2016.

#### 3.2 Divestments during the previous comparative reporting period

In the second quarter 2016, 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 522 million and resulted in no gain or loss before taxes.

On July 4, 2016, the shareholders of Lafarge Ciments and Holcim (Maroc) S.A. agreed to merge the two companies by an exchange of shares, the new merged company being renamed as LafargeHolcim Maroc. As a result, the Group deconsolidated Holcim (Maroc) S.A. and recorded a net gain before tax of CHF 236 million for a total consideration of CHF 498 million, of which CHF 233 million were received in cash.

In conjunction with the transaction above, the Group further agreed to reinforce its partnership with SNI, its historical partner in Morocco, by creating a joint venture for Francophone Sub-Saharan Africa, to be named LafargeHolcim Maroc Afrique. On July 4, 2016, Société de Ciments et Matériaux (SOCIMAT) in Ivory Coast was sold to the joint venture for a total consideration of CHF 73 million resulting in a net gain before taxes of CHF 9 million.

On August 10, 2016, the Group disposed its entire interest in Holcim (Lanka) Ltd to Siam City Cement Public Company Limited for a total consideration of CHF 365 million, which resulted in a net gain before taxes of CHF 225 million.



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. The transaction was closed on August 17, 2016 for a total consideration of CHF 123 million and resulted in a net loss before taxes of CHF 9 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		Statement of financial position			
		Average exchange rates in CHF			Closing exchange rates in CHF		
		Jan-Sept 2017	Jan-Sept 2016	30.09.2017	31.12.2016	30.09.2016	
1 Euro	EUR	1.10	1.09	1.15	1.07	1.08	
1 US Dollar	USD	0.98	0.98	0.97	1.02	0.97	
1 British Pound	GBP	1.25	1.36	1.30	1.26	1.26	
1 Australian Dollar	AUD	0.75	0.73	0.76	0.74	0.74	
1 Brazilian Real	BRL	0.31	0.28	0.31	0.31	0.30	
1 Canadian Dollar	CAD	0.75	0.74	0.78	0.76	0.74	
1 Chinese Renminbi	CNY	0.14	0.15	0.15	0.15	0.15	
100 Algerian Dinar	DZD	0.90	0.90	0.85	0.92	0.88	
1 Egyptian Pound	EGP	0.06	0.11	0.06	0.06	0.11	
1,000 Indonesian Rupiah	IDR	0.07	0.07	0.07	0.08	0.07	
100 Indian Rupee	INR	1.51	1.46	1.49	1.50	1.45	
100 Mexican Peso	MXN	5.23	5.36	5.34	4.93	4.94	
100 Nigerian Naira	NGN	0.32	0.43	0.32	0.32	0.31	
100 Philippine Peso	PHP	1.96	2.09	1.91	2.06	2.00	

## 6. Information by reportable segment

Jan-Sept (unaudited)	Asia Pacific		Europe	
	2017	2016 <sup>1</sup>	2017	2016 <sup>1</sup>
<b>Capacity and sales</b>				
Annual cement production capacity (Million t) <sup>2</sup>	127.2	150.5	73.9	76.4
Sales of cement (Million t)	67.6	86.4	32.1	31.6
Sales of aggregates (Million t)	23.7	23.8	93.9	93.3
Sales of ready-mix concrete (Million m <sup>3</sup> )	9.5	11.9	13.5	13.8
<b>Statement of income (Million CHF)</b>				
Net sales to external customers	5,429	6,131	5,079	4,979
Net sales to other segments	63	105	249	376
<b>TOTAL NET SALES</b>	<b>5,492</b>	<b>6,236</b>	<b>5,328</b>	<b>5,355</b>
<b>OPERATING EBITDA</b>	<b>887</b>	<b>1,125</b>	<b>937</b>	<b>950</b>
Operating EBITDA margin in %	16.2	18.0	17.6	17.7
<b>OPERATING PROFIT (LOSS)</b>	<b>529</b>	<b>723</b>	<b>504</b>	<b>531</b>
Operating profit margin in %	9.6	11.6	9.5	9.9
<b>Statement of financial position (Million CHF)<sup>2</sup></b>				
Invested capital <sup>3</sup>	9,116	9,588	13,284	12,555
Total assets	15,810	16,901	18,491	17,547
Total liabilities	6,052	6,587	9,035	8,676
<b>Statement of cash flows (Million CHF)</b>				
Cash flow from operating activities	221	571	401	632
Capital expenditure	(173)	(244)	(158)	(167)
<b>Reconciliation of measures of profit and loss to the consolidated statement of income</b>				
<b>OPERATING EBITDA</b>	<b>887</b>	<b>1,125</b>	<b>937</b>	<b>950</b>
Depreciation, amortization and impairment of operating assets	(358)	(402)	(434)	(419)
<b>OPERATING PROFIT (LOSS)</b>	<b>529</b>	<b>723</b>	<b>504</b>	<b>531</b>
Other income				
Other expenses				
Share of profit of associates				
Financial income				
Financial expense				
<b>NET INCOME BEFORE TAXES</b>				

<sup>1</sup> Restated due to change in presentation, see note 2.<sup>2</sup> Prior-year figures as of December 31, 2016.<sup>3</sup> The definition of the invested capital as presented in the annual report has been changed and now includes current and deferred tax assets and liabilities and excludes short-term derivative assets and financial receivables, long-term financial assets and other long-term assets and long-term derivative assets.<sup>4</sup> The amount of CHF 5,348 million (2016: CHF 5,666 million) consists of borrowings by Corporate from third parties amounting to CHF 19,157 million (2016: CHF 19,176 million) and elimination of cash transferred to regions of CHF 13,809 million (2016: CHF 13,510 million).

	Latin America		Middle East Africa		North America		Corporate/Eliminations		Total Group	
	2017	2016 <sup>1</sup>	2017	2016 <sup>1</sup>	2017	2016 <sup>1</sup>	2017	2016 <sup>1</sup>	2017	2016 <sup>1</sup>
	39.6	41.9	55.0	55.3	31.3	29.2			327.1	353.3
	18.5	18.1	26.9	31.2	14.4	14.7	(3.7)	(4.9)	155.8	177.2
	3.3	4.9	8.0	8.9	79.2	80.6			208.1	211.5
	4.4	5.0	3.6	4.6	6.7	6.6			37.7	41.9
	2,204	2,083	2,519	2,981	4,194	4,204			19,425	20,378
	3		41	31			(355)	(511)		
	2,207	2,083	2,560	3,012	4,194	4,204	(355)	(511)	19,425	20,378
	790	624	760	836	1,172	957	(426)	(469)	4,120	4,023
	35.8	30.0	29.7	27.8	27.9	22.8			21.2	19.7
	638	468	514	597	735	583	(508)	(552)	2,411	2,350
	28.9	22.5	20.1	19.8	17.5	13.9			12.4	11.5
	3,055	3,155	7,496	7,581	11,658	11,505	2,797	2,257	47,538	46,641
	4,990	5,159	10,551	10,554	15,976	16,894	2,585	2,562	68,403	69,617
	2,901	3,076	4,480	3,570	6,472	7,295	5,348 <sup>4</sup>	5,666 <sup>4</sup>	34,287	34,870
	229	142	263	518	198	171	(310)	(518)	1,002	1,516
	(29)	(73)	(134)	(267)	(264)	(441)	(3)	(6)	(760)	(1,199)
	790	624	760	836	1,172	957	(426)	(469)	4,120	4,023
	(152)	(156)	(246)	(239)	(437)	(374)	(82)	(83)	(1,709)	(1,673)
	638	468	514	597	735	583	(508)	(552)	2,411	2,350
									409	520
									(102)	(23)
									97	46
									109	130
									(693)	(737)
									2,232	2,286

July-Sept (unaudited)	Asia Pacific		Europe	
	2017	2016 <sup>1</sup>	2017	2016 <sup>1</sup>
<b>Sales</b>				
Sales of cement (Million t)	21.4	25.8	12.1	12.0
Sales of aggregates (Million t)	8.1	7.8	33.9	34.3
Sales of ready-mix concrete (Million m <sup>3</sup> )	3.4	3.9	4.6	4.8
<b>Statement of income (Million CHF)</b>				
Net sales to external customers	1,776	1,862	1,841	1,774
Net sales to other segments	21	33	81	116
<b>TOTAL NET SALES</b>	<b>1,797</b>	<b>1,894</b>	<b>1,922</b>	<b>1,890</b>
<b>OPERATING EBITDA</b>	<b>270</b>	<b>343</b>	<b>424</b>	<b>402</b>
Operating EBITDA margin in %	15.0	18.1	22.1	21.3
<b>OPERATING PROFIT (LOSS)</b>	<b>154</b>	<b>215</b>	<b>276</b>	<b>285</b>
Operating profit margin in %	8.5	11.4	14.3	15.1
<b>Statement of cash flows (Million CHF)</b>				
Cash flow from operating activities	152	152	327	431
Capital expenditure	(62)	(79)	(50)	(59)
<b>Reconciliation of measures of profit and loss to the consolidated statement of income</b>				
<b>OPERATING EBITDA</b>	<b>270</b>	<b>343</b>	<b>424</b>	<b>402</b>
Depreciation, amortization and impairment of operating assets	(116)	(128)	(148)	(117)
<b>OPERATING PROFIT (LOSS)</b>	<b>154</b>	<b>215</b>	<b>276</b>	<b>285</b>
Other income				
Other expenses				
Share of profit of associates				
Financial income				
Financial expense				
<b>NET INCOME BEFORE TAXES</b>				

<sup>1</sup> Restated due to change in presentation, see note 2.

	Latin America		Middle East Africa		North America		Corporate/Eliminations		Total Group	
	2017	2016 <sup>1</sup>	2017	2016 <sup>1</sup>	2017	2016 <sup>1</sup>	2017	2016 <sup>1</sup>	2017	2016 <sup>1</sup>
	6.7	6.3	8.8	9.5	5.9	6.0	(1.0)	(1.6)	53.8	57.9
	1.0	1.6	2.7	2.9	34.4	34.6			80.1	81.3
	1.4	1.6	1.1	1.4	2.9	2.6			13.3	14.4
	744	716	792	882	1,790	1,801			6,944	7,036
	3		20				(124)	(148)		
	747	716	812	882	1,790	1,801	(124)	(148)	6,944	7,036
	274	214	205	240	601	567	(152)	(141)	1,623	1,626
	36.7	29.9	25.3	27.2	33.6	31.5			23.4	23.1
	225	160	120	162	451	439	(181)	(169)	1,045	1,092
	30.1	22.3	14.8	18.4	25.2	24.4			15.0	15.5
	182	120	107	163	364	354	7	36	1,140	1,255
	(3)	(28)	(74)	(77)	(45)	(154)	(2)	(2)	(237)	(399)
	274	214	205	240	601	567	(152)	(141)	1,623	1,626
	(49)	(55)	(85)	(78)	(151)	(128)	(29)	(28)	(578)	(534)
	225	160	120	162	451	439	(181)	(169)	1,045	1,092
									(25)	479
									(93)	(6)
									30	22
									25	41
									(326)	(223)
									656	1,404

## 7. Information by product line

Million CHF	Cement <sup>1</sup>		Aggregates	
Jan-Sept (unaudited)	2017	2016 <sup>2</sup>	2017	2016 <sup>2</sup>
<b>Statement of income</b>				
Net sales to external customers	11,940	12,731	2,050	2,088
Net sales to other segments	867	919	859	890
<b>TOTAL NET SALES</b>	<b>12,807</b>	<b>13,650</b>	<b>2,909</b>	<b>2,978</b>
- of which Asia Pacific	4,174	4,937	425	383
- of which Europe	2,502	2,409	1,350	1,390
- of which Latin America	1,929	1,777	27	35
- of which Middle East Africa	2,260	2,652	86	87
- of which North America	2,084	2,071	1,021	1,082
- of which Corporate/Eliminations	(143)	(197)		
<b>OPERATING EBITDA</b>	<b>3,401</b>	<b>3,339</b>	<b>493</b>	<b>461</b>
- of which Asia Pacific	737	1,031	92	65
- of which Europe	617	588	207	243
- of which Latin America	776	597	(2)	0
- of which Middle East Africa	732	802	6	8
- of which North America	857	654	251	220
- of which Corporate	(317)	(332)	(61)	(75)
Operating EBITDA margin in %	26.6	24.5	16.9	15.5

<sup>1</sup> Cement, clinker and other cementitious materials.<sup>2</sup> Restated due to change in presentation, see note 2.

Million CHF	Cement <sup>1</sup>		Aggregates	
July-Sept (unaudited)	2017	2016 <sup>2</sup>	2017	2016 <sup>2</sup>
<b>Statement of income</b>				
Net sales to external customers	4,118	4,174	789	807
Net sales to other segments	324	326	328	337
<b>TOTAL NET SALES</b>	<b>4,442</b>	<b>4,500</b>	<b>1,118</b>	<b>1,145</b>
- of which Asia Pacific	1,318	1,457	151	134
- of which Europe	939	879	488	492
- of which Latin America	656	615	8	12
- of which Middle East Africa	712	764	30	31
- of which North America	855	849	441	476
- of which Corporate/Eliminations	(39)	(64)		
<b>OPERATING EBITDA</b>	<b>1,237</b>	<b>1,264</b>	<b>262</b>	<b>239</b>
- of which Asia Pacific	209	306	36	26
- of which Europe	298	260	84	95
- of which Latin America	267	209	(1)	0
- of which Middle East Africa	199	228	1	4
- of which North America	382	353	163	137
- of which Corporate	(117)	(92)	(21)	(24)
Operating EBITDA margin in %	27.8	28.1	23.4	20.9

<sup>1</sup> Cement, clinker and other cementitious materials.<sup>2</sup> Restated due to change in presentation, see note 2.

Other construction materials and services		Corporate/Eliminations		Total Group	
2017	2016 <sup>2</sup>	2017	2016 <sup>2</sup>	2017	2016 <sup>2</sup>
5,435	5,559			19,425	20,378
274	400	(2,000)	(2,208)		
5,709	5,959	(2,000)	(2,208)	19,425	20,378
1,203	1,209	(309)	(294)	5,492	6,236
2,203	2,326	(728)	(770)	5,328	5,355
395	424	(145)	(153)	2,207	2,083
327	422	(114)	(150)	2,560	3,012
1,531	1,521	(441)	(471)	4,194	4,204
50	57	(263)	(371)	(355)	(511)
226	222			4,120	4,023
58	29			887	1,125
114	119			937	950
16	28			790	624
22	26			760	836
64	82			1,172	957
(48)	(61)			(426)	(469)
4.0	3.7			21.2	19.7

Other construction materials and services		Corporate/Eliminations		Total Group	
2017	2016 <sup>2</sup>	2017	2016 <sup>2</sup>	2017	2016 <sup>2</sup>
2,036	2,054			6,944	7,036
100	122	(752)	(785)		
2,136	2,176	(752)	(785)	6,944	7,036
441	408	(113)	(104)	1,797	1,894
750	778	(256)	(259)	1,922	1,890
130	141	(47)	(52)	747	716
105	135	(35)	(47)	812	882
691	686	(197)	(211)	1,790	1,801
19	28	(104)	(112)	(125)	(148)
124	122			1,623	1,626
25	11			270	343
43	47			424	402
8	6			274	214
6	7			205	240
56	77			601	567
(14)	(25)			(152)	(141)
5.8	5.6			23.4	23.1

## 8. Other income

Million CHF	Jan-Sept 2017 Unaudited	Jan-Sept 2016 Unaudited	July-Sept 2017 Unaudited	July-Sept 2016 Unaudited
<b>Dividends earned</b>	12	6	4	2
<b>Net gain on disposal before taxes</b>	397	451	(29)	439
<b>Other</b>	0	63	0	38
<b>TOTAL</b>	409	520	(25)	479

In 2017, the position "Net gain on disposal before taxes" mainly includes a gain on the disposal of LafargeHolcim Vietnam of CHF 339 million.

In 2016, the position "Net gain on disposal before taxes" mainly included a gain on the disposal of Holcim (Maroc) S.A. of CHF 236 million and a gain on the disposal of Holcim (Lanka) Ltd of CHF 225 million.

Additional information is disclosed in note 3.

## 9. Other expenses

Million CHF	Jan-Sept 2017 Unaudited	Jan-Sept 2016 Unaudited	July-Sept 2017 Unaudited	July-Sept 2016 Unaudited
<b>Depreciation, amortization and impairment of non-operating assets</b>	(4)	(3)	(2)	0
<b>Net loss on disposal before taxes</b>	(40)	0	(40)	0
<b>Other</b>	(58)	(20)	(51)	(6)
<b>TOTAL</b>	(102)	(23)	(93)	(6)

In 2017, the position "Net loss on disposal before taxes" relates to the loss of CHF 40 million on the disposal of Cemento Polpaico S.A. (Chile).

## 10. Financial income

Million CHF	Jan-Sept 2017 Unaudited	Jan-Sept 2016 Unaudited	July-Sept 2017 Unaudited	July-Sept 2016 Unaudited
<b>Interest earned on cash and cash equivalents</b>	65	97	17	26
<b>Other financial income</b>	44	33	7	15
<b>TOTAL</b>	109	130	25	41

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



## 11. Financial expenses

Million CHF	Jan-Sept 2017 Unaudited	Jan-Sept 2016 Unaudited	July-Sept 2017 Unaudited	July-Sept 2016 Unaudited
Interest expenses	(567)	(672)	(186)	(224)
Fair value changes on financial instruments	1	(9)	0	(4)
Unwinding of discount on provisions	(22)	(23)	(2)	(8)
Net interest expense on retirement benefit plans	(37)	(38)	(12)	(13)
Other financial expenses	(165)	(79)	(137)	(36)
Foreign exchange gain net	79	59	7	52
Financial expenses capitalized	18	26	4	10
<b>TOTAL</b>	<b>(693)</b>	<b>(737)</b>	<b>(326)</b>	<b>(223)</b>

The positions "Interest expenses" and "Other financial expenses" relate primarily to financial liabilities measured at amortized cost, including amortization on bonds, private placements and accrual of late interest.

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

## 12. Assets and related liabilities classified as held for sale

The decrease in assets and related liabilities classified as held for sale is mainly related to the disposal of LafargeHolcim Vietnam, the disposal of operations and assets in China and the disposal of Cementos Polpaico (Chile), as described in note 3.

### 13. 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 September 30, 2017 and as of December 31, 2016.

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

Million CHF 30.9.2017 (unaudited)	Fair value level 1	Fair value level 2	Total
<i>Financial assets</i>			
<i>Available-for-sale financial assets</i>			
- Financial investments third parties	1	75	76
Derivatives held for hedging		79	79
Derivatives held for trading		4	4
<i>Financial liabilities</i>			
Derivatives held for hedging		84	84
Derivatives held for trading		7	7

Million CHF 31.12.2016 (audited)	Fair value level 1	Fair value level 2	Total
<i>Financial assets</i>			
<i>Available-for-sale financial assets</i>			
- Financial investments third parties	5	70	75
Derivatives held for hedging		66	66
Derivatives held for trading		9	9
<i>Financial liabilities</i>			
Derivatives held for hedging		88	88
Derivatives held for trading		21	21

#### 14. Bonds

On February 20, 2017, LafargeHolcim Ltd redeemed a CHF 400 million bond with a coupon of 3.13 percent which was issued on February 20, 2007.

On April 24, 2017, Holcim GB Finance Ltd. redeemed a GBP 300 million bond with a coupon of 8.75 percent which was issued on April 24, 2009.

On May 12, 2017, LafargeHolcim Sterling Finance (Netherlands) issued a GBP 300 million bond with a coupon of 3.00 percent and a tenor of 15 years, guaranteed by LafargeHolcim Ltd.

On May 30, 2017, Lafarge S.A. redeemed a GBP 80 million bond with a coupon of 8.75 percent which was issued on May 29, 2009.

On June 16, 2017, Holcim Finance (Australia) Pty Ltd issued a AUD 300 million bond with a coupon of 3.50 percent and a tenor of 5 years, guaranteed by LafargeHolcim Ltd.

On June 26, 2017, Lafarge S.A. redeemed a EUR 289 million bond with a coupon of 5.38 percent which was issued on June 26, 2007.

On June 29, 2017, Lafarge S.A. redeemed a EUR 250 million private placement with a coupon of 7.25 percent which was issued on June 29, 2009.

On July 18, 2017, Holcim Finance (Australia) Pty Ltd redeemed a AUD 250 million bond with a coupon of 6.00 percent which was issued on July 18, 2012.

On August 29, 2017, Holcim Finance (Luxembourg) S.A. issued a EUR 750 million bond with a coupon of 1.75 percent and a tenor of 12 years, guaranteed by LafargeHolcim Ltd.

## 15. Contingencies, guarantees and commitments

At September 30, 2017, the Group's contingencies amounted to CHF 1,206 million (December 31, 2016: CHF 1,155 million). The increase is related to contingencies in connection with tax related matters.

The merger of Lafarge Brasil S.A. into LACIM was approved by the majority of shareholders of Lafarge Brasil S.A. on December 31, 2010, in an extraordinary general meeting. Two minority shareholders (Maringa and Ponte Alta) holding a combined ownership of 8.93 percent, dissented from the merger decision and subsequently exercised their right to withdraw as provided for by the Brazilian Corporation law. In application of that law, an amount of CHF 23 million (BRL 76 million) was paid by Lafarge Brasil S.A. to the two shareholders. In March 2013, the two shareholders obtained a ruling from the Court of first instance ordering Lafarge Brasil S.A. to pay to Maringa and Ponte Alta the amount of approximately CHF 112 million (BRL 366 million) as at the date of the order. Following the unsuccessful appeal by Lafarge Brasil S.A. filed in June 2013, a Special and an Extraordinary appeal were filed to the Superior Court of Justice and the Supreme Court, respectively. The admittance of the Extraordinary Appeal was denied and Lafarge Brasil S.A. filed an Interlocutory Appeal against that decision, which is still pending. In September 2017, the Superior Court of Justice decided on the Special Appeal, denying this final ordinary appeal and confirming the decision of the Rio de Janeiro tribunal. A motion for clarification that was filed by Lafarge Brasil S.A. (now merged into Holcim (Brasil) S.A.) is still pending. A motion for clarification has been filed by Holcim (Brasil) S.A. (the successor entity of Lafarge Brasil S.A.). Following these latest developments management has made an appropriate adjustment to its provision for this matter.

At September 30, 2017, the guarantees issued in the ordinary course of business amounted to CHF 942 million (December 31, 2016: CHF 809 million). The increase is mainly relating to surety bonds.

At September 30, 2017, the Group's commitments amounted to CHF 1,764 million (December 31, 2016: CHF 1,707 million).

## 16. Payout

In conformity with the decision taken at the annual general meeting on May 3, 2017, a dividend related to 2016 of CHF 2.00 per registered share was paid out of capital surplus. This resulted in a total payment of CHF 1,212 million.

## 17. Events after the reporting period

There were no significant events that were reported after the reporting period.

## 18. 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 October 26, 2017.

**To the Board of Directors of LafargeHolcim Ltd, Rapperswil-Jona**

Zurich, October 26, 2017

**Report on Review of Interim Condensed Consolidated Financial Statements****Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of LafargeHolcim Ltd, which comprise the consolidated statement of financial position as at 30 September 2017, and the consolidated statement of comprehensive income, the consolidated statement of comprehensive earnings, the consolidated statement of changes in equity, the consolidated statement of cash flows for the three and nine-months period then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim consolidated financial information in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information does not give a true and fair view of the consolidated financial position of the entity as at 30 September 2017, and of its consolidated financial performance and its consolidated cash flows for the three and nine-months period then ended in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

Deloitte AG



David Quinlin  
Licensed Audit Expert  
Auditor in charge



Frédéric Gourd

**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 34.0 billion as at September 30, 2017.

**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.

**Definition of non-GAAP measures used in this release**

The definition of non-gaap measures used in this report can be found on our website under the following link: [www.lafargeholcim.com/non-gaap-measures](http://www.lafargeholcim.com/non-gaap-measures)

**Financial reporting calendar**

---

	Date
Press and analyst conference on annual results for 2017	March 2, 2018

---



**LafargeHolcim Ltd**  
Zürcherstrasse 156  
CH-8645 Jona/Switzerland  
Phone +41 58 858 86 00  
[communications@lafargeholcim.com](mailto:communications@lafargeholcim.com)  
[www.lafargeholcim.com](http://www.lafargeholcim.com)

© 2017 LafargeHolcim Ltd