Nine Months 2015

LafargeHolcim

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Nine Months 2015

Nine month results impacted by merger and restructuring costs, adverse foreign exchange, economic slowdown in China and Brazil as well as softness in France and Switzerland.

Good performance in the United States, United Kingdom and most countries in Asia Pacific and Latin America.

Merger integration and synergies well on track with actions and initiatives launched in the third quarter; accelerated delivery by end of 2017.

Strategic plan and medium term targets announced with key focus on free cash flow generation of at least CHF 10 billion over the next three years.

For the purpose of the proposed merger, the 2014 pro forma information that was included in the Registration Document registered on May 11, 2015 reflected only the effect of the merger Lafarge/Holcim and its direct consequences (notably the divestments to CRH) as known at that time. Now with the merger completed, the pro forma financial information included in this report's Shareholders' Letter, in addition to the merger and the latest changes in the scope of the divestments achieved in the context of the merger Lafarge/Holcim, also reflects the impact of the reclassification of merger related and restructuring costs, the deconsolidation of the Australian business operated under a joint-venture and the effect of the divestments achieved over the course of 2014 and 2015 initiated or completed.

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

Dear Shareholder,

We are pleased to present the first interim report of LafargeHolcim describing the combined performance of the new Group. With the merger completed on July 10, we created the world's leading building materials company. We also have successfully completed the squeeze out of the remaining Lafarge S.A. minority shareholders in October, closing the last step of our merger in a remarkably efficient time frame.

We have created the most balanced and diversified portfolio of our industry with top-three positions in over 70 percent of our markets. Combining superior research and development capabilities and a focus on commercial transformation, we have the best platform in our industry to offer our customers the widest range of innovative and value-adding products, services and solutions.

The value potential embedded in this merger is unique and we are fully mobilized to extract it. Since July 10, our teams have been putting in place their organizations and launching action plans to deliver on our synergies. All synergy action plans are on track and we confirm our target to generate CHF 1.5 billion in synergies over three years, of which at least CHF 100 million will be delivered by the end of 2015, most of it in the fourth quarter. At the same time, we have launched the transformation of the Group, putting commercial excellence and innovation, lean CAPEX and cost consciousness at the heart of our strategy to maximize cash flow generation and value creation for our stakeholders.

Although we are progressing rapidly on the integration, in many of our markets we have been facing a tougher economic environment over the first nine months of 2015 than what was expected at the beginning of the year. This has impacted our performance and translated into operating EBITDA down 3.2 percent excluding merger and restructuring costs.

On a pro forma basis (see note on page 2), sales volumes for cement, aggregates and ready-mix concrete declined in the first nine months as a result of lower than expected overall demand. In the third quarter volume trends for cement stabilized, with stable domestic cement volumes for the Group. Volumes remained negative in a number of key markets, although positive trends have continued in other markets such as the United Kingdom, the United States, Mexico, Colombia and the Philippines. Net sales and profit level were down for the first nine months to September 2015. While North America and Latin America reported overall sound results, the other Group regions experienced negative trends. Declining volumes in China and India affected Asia Pacific while in Middle East Africa lower commodity prices weighed on growth. Europe again saw mixed development and was confronted with challenging market dynamics, notably in France and in Switzerland.

Facing this environment we now have the organization in place and the action plans to not only deliver on our synergies but also leverage the merger momentum to address with determination the short-term challenges and take structural actions to deliver on our mid-term objectives one of which is a cumulative 2016 to 2018 free cash flow of at least CHF 10 billion. We have a clear roadmap that builds on our five value creation pillars: commercial excellence, synergy and cost leadership, dynamic portfolio management, lean CAPEX mindset and strict capital allocation. Our objective is to maximize cash flow generation and return cash flow to shareholders.

Group – Pro forma information

		Jan–Sept 2015	Jan–Sept 2014	±%	±% like-for-like
Sales of cement	million t	189.2	191.8	–1.3	–1.3
Sales of aggregates	million t	216.3	219.9	–1.6	–1.6
Sales of ready-mix concrete	million m^3	42.6	43.9	–3.0	–3.0
Net sales	million CHF	22,042	23,562	–6.5	–0.6
Operating EBITDA	million CHF	3,657	4,506	–18.8	–14.4
Operating EBITDA adjusted [1]	million CHF	4,355	4,785	–9.0	–3.2
Operating EBITDA margin	%	16.6	19.1		
Operating EBITDA margin adjusted [1]	%	19.8	20.3		
Cash flow from operating activities	million CHF	697	1,359	–48.7	–54.9

[1] *Excluding merger and restructuring costs.*

Group – Pro forma information

		July–Sept 2015	July–Sept 2014	±%	±% like-for-like
Sales of cement	million t	65.3	65.2	+0.2	+0.2
Sales of aggregates	million t	86.8	88.2	–1.7	–1.7
Sales of ready-mix concrete	million m^3	15.3	15.3	–0.4	–0.4
Net sales	million CHF	7,825	8,570	–8.7	–1.1
Operating EBITDA	million CHF	1,311	1,837	–28.6	–23.2
Operating EBITDA adjusted [1]	million CHF	1,639	1,953	–16.1	–8.9
Operating EBITDA margin	%	16.8	21.4		
Operating EBITDA margin adjusted [1]	%	20.9	22.8		
Cash flow from operating activities	million CHF	315	1,179	–73.3	–80.0

[1] *Excluding merger and restructuring costs.*

Pro forma sales volumes

On a pro forma basis, the consolidated cement volumes for the Group in the first nine months of 2015 decreased slightly by 1.3 percent to 189.2 million tonnes as increased shipments in North America and Latin America were offset by declines in Europe and in China. Solid increases were however reported in many markets, including in Egypt, Mexico, Philippines, Canada and the United States. Aggregates volumes were 1.6 percent lower and reached 216.3 million tonnes. Increases in the United States and Middle East Africa did not compensate for lower volumes in Europe over the nine months and in Western Canada in the third quarter. In ready-mix concrete volumes declined 3.0 percent to 42.6 million cubic meters mainly because of lower performance in Brazil, the United States and France.

Pro forma financial results

Consolidated net sales reached CHF 22,042 million in the period under review, a slight decrease of 0.6 percent at constant exchange rates as better performance in North America, Latin America and Middle East Africa did not fully compensate for the lower sales in Europe, China and India. In the third quarter, net sales were down 1.1 percent with improving trends in Latin America and in Asia Pacific excluding China and India. Middle East Africa net sales were impacted in the quarter by more challenging market conditions in Nigeria, Zambia and Egypt. In North America, the impact of lower oil prices in Western Canada limited the growth rate of the region in the quarter.

In the first nine months of the year, foreign exchange rates negatively impacted net sales by –6.0 percent (or CHF –1.4 billion) as a combination of the effect of the adjustment of the Swiss franc at the beginning of the year following the decision by the Swiss National Bank and the devaluation of several emerging market currencies over the period. Most significant impacts were experienced across Europe (negative impact of CHF –667 million), Latin America (CHF –280 million, half of it in Brazil), Middle East Africa (CHF –363 million with largest impacts in Algeria and Nigeria) and Asia Pacific (CHF –152 million, mainly in Australia and Malaysia).

At constant exchange rates and adjusted for merger and restructuring costs, operating EBITDA was down 3.2 percent. Operating EBITDA margin was 16.6 percent and adjusted for merger and restructuring costs stood at 19.8 percent.

Merger, restructuring and one-off costs were at CHF 699 million year to date. In the third quarter, they amounted to CHF 328 million, of which a total of CHF 272 million was incurred to implement synergy action plans (including a CHF 220 million restructuring provision for the reorganization of the corporate head offices). One-off costs in the quarter also include CHF 30 million of merger transaction costs and CHF 26 million of other non-merger related one-off costs.

Cash flow from operating activities decreased 54.9 percent to CHF 697 million at constant exchange rates in the first nine months of the year mainly driven by merger costs and lower operating EBITDA in Brazil, Indonesia and India. Change in net working capital also negatively impacted the cash flow from operating activities. The usual seasonality at the end of September was amplified by a disappointing performance in working capital. Expressed as a number of days of sales, working capital was higher by four days. Action plans are in place to bring working capital to normalized levels by the end of the year.

Capital expenditure

With a disciplined approach to capital allocation, LafargeHolcim confirms its target of being below CHF 1.4 billion in capital expenditures for the second half of 2015. In the third quarter the Group reported capital expenditures of CHF 581 million. In the first nine months of 2015 they reached CHF 1,688 million of which CHF 643 million for maintenance capex. At CHF 1,045 million, expansion capex mainly comprised of the ongoing large projects launched pre-merger that are being finalized. This includes the revamping projects in North America as well as new lines in Algeria, Indonesia, Brazil and Nigeria.

2016 to 2018 Strategic plan and targets

The 2016 to 2018 three year LafargeHolcim strategic plan is built on five value creating pillars:

– Synergy and cost leadership – accelerate full merger synergy delivery to the end of 2017 and drive continuous cost reductions
– Commercial excellence – accelerate full merger synergy delivery, targeted customer centric driven solutions to deliver differentiation, continuous focus on value, cross selling, early project involvement and integrated offerings
– Lean capital spending – manage capex strictly, asset light business model leveraging existing asset footprint and tightly manage working capital requirements
– Dynamic portfolio management – optimize portfolio and extract full value, with expected divestments of CHF 3.5 billion in 2016[1]
– Strict capital allocation discipline – commit to a solid investment grade rating, progressive dividend policy and return excess cash to shareholders through dividends or share buy-backs

The plan does not rely on a market recovery and assumes only 2 percent underlying market growth. In the case of a more rapid and solid recovery of the world markets, the Group stands to benefit from greater operating leverage thanks to its well balanced and geographically diversified portfolio. This translates into the following medium term Group targets:

LafargeHolcim – Group targets[2]

Free cash flow[3]	**Cumulative free cash flow 2016 to 2018 to be at least CHF 10 billion with an annual run rate in 2018 of at least CHF 6 per share**
Capex[4]	**Cumulative capex 2016 to 2017 of maximum CHF 3.5 billion**
Operating EBITDA[5]	**At least CHF 8.0 billion in 2018**
ROIC	**Increase by at least 300bps from 2015 levels by 2018 based on operational improvements**
Credit rating	**Commitment to solid investment grade rating**
Cash returns to shareholders	**– Proposed 2015 dividend per share of CHF 1.50 – Objective to progressively grow dividend and target a pay-out ratio to 50 percent over the cycle – Return excess cash to shareholders commensurate with a solid investment grade credit rating**

[1] *Including divestments required in India as part of the merger*
[2] *Constant scope and exchange rates*
[3] *Free cash flow after maintenance and expansion capex*
[4] *Excluding capitalized merger implementation costs*
[5] *Operating EBITDA before restructuring costs*

2015 Outlook

LafargeHolcim expects that the contrasted evolution of the global economy will continue. A number of markets including China, Brazil, France, India and Switzerland will remain challenging, others such as Argentina, Mexico, the Philippines, the United Kingdom and the United States will likely see continuing positive trends.

The Group estimates that cement volumes will be higher for 2015 in all regions except Europe. Aggregates volumes are expected to be higher in all regions except Latin America and Europe. Ready-mix concrete volumes are expected to decrease in all regions, except Asia Pacific. Net debt is expected to be below CHF 17.5 billion on a reported basis at the end of the year. This level would correspond to CHF 15.5 billion before the impact of the squeeze-out and the fair value adjustment booked on the Lafarge S.A. bonds in the opening balance sheet. Compared with our previous guidance, it is slightly higher due to the weakening of the Swiss franc against the US dollar and the Euro in the quarter and the timing of the closing the India divestment. 2015 synergy targets confirmed with CHF 100 million expected by the end of the year and capital expenditure below CHF 1.4 billion for the second half of 2015.

Lower performance in China, India and Indonesia affects results in Asia Pacific

The development over the first nine months of the year was mainly impacted by lower results in China and soft Indian performance. China experienced a sharp fall in both volumes and prices that significantly impacted the performance of the region. In India, construction markets remained under pressure in parts of the country and large infrastructure projects have still not started to materialize. Excluding India and China, Asia Pacific net sales grew by 0.4 percent in the first nine months of the year and by 3.1 percent in the third quarter. Growth in the Philippines continued to be strong, driving the improvement. Australia remained influenced by resource sector weaknesses and lower demand from China but stabilized in the third quarter. In South East Asia, Malaysia was influenced by low oil prices and a weaker currency. Indonesia was impacted by a lack of both public and private investment for the first nine months although volume trends improved in the third quarter.

Asia Pacific – Pro forma information

		Jan–Sept 2015	Jan–Sept 2014	±%	±% like-for-like
Sales of cement	million t	90.1	91.1	–1.1	–1.1
Sales of aggregates	million t	25.4	25.8	–1.5	–1.5
Sales of ready-mix concrete	million m^3	11.9	11.8	+0.8	+0.8
Net sales	million CHF	6,685	7,076	–5.5	–3.4
Operating EBITDA	million CHF	1,129	1,297	–12.9	–11.1
Operating EBITDA adjusted [1]	million CHF	1,164	1,315	–11.5	–9.6
Operating EBITDA margin	%	16.9	18.3		
Operating EBITDA margin adjusted [1]	%	17.4	18.6		
Cash flow from operating activities	million CHF	562	564	–0.3	–0.1

[1] *Excluding merger and restructuring costs.*

Asia Pacific – Pro forma information

		July–Sept 2015	July–Sept 2014	±%	±% like-for-like
Sales of cement	million t	29.5	28.9	+2.1	+2.1
Sales of aggregates	million t	9.5	8.4	+12.6	+12.6
Sales of ready-mix concrete	million m^3	4.1	4.1	+1.2	+1.2
Net sales	million CHF	2,136	2,337	–8.6	–2.3
Operating EBITDA	million CHF	345	406	–15.1	–8.7
Operating EBITDA adjusted [1]	million CHF	344	414	–16.8	–10.5
Operating EBITDA margin	%	16.1	17.4		
Operating EBITDA margin adjusted [1]	%	16.1	17.7		
Cash flow from operating activities	million CHF	204	160	+27.7	+32.5

[1] *Excluding merger and restructuring costs.*

In India, LafargeHolcim sold less cement than in the previous year's period. The country's construction markets remained subdued as a result of lower than expected economic growth. In the third quarter the monsoon also affected volume development. While Sri Lanka reported a significant increase in cement, deliveries were down in Bangladesh as a result of low demand for building materials.

In China, LafargeHolcim cement volumes were down 6.4 percent over the first nine months. Despite cost-management efforts, lower prices combined with the loss of volumes resulted in a significant decline in sales and operating EBITDA that weighed significantly on the region's performance.

In South Korea, cement volumes sold by LafargeHolcim were higher than last year, due to the growth of domestic sales that benefited from a higher housing market and continuous investments in infrastructure.

Despite the competitive environment in the country, Vietnam increased both cement and ready-mix concrete shipments significantly in the first nine months of 2015 thanks to higher demand for building materials.

Sales in Malaysia were lower in volume across all segments. This was in part due to internal cement production limitations, but also due to constrained private – especially housing – construction and infrastructure investments being impacted by lower oil prices that affected public investment capacity.

The Philippines benefited from strong government infrastructure activities as well as private and commercial construction projects throughout the country. The Group company posted higher cement volumes, also supported by good weather conditions. Ready-mix concrete deliveries were also higher.

Indonesia suffered from slower growth that negatively affected construction activity. A delay in infrastructure projects, a low level of residential construction and government intervention in pricing affected the Group company. Cement sales volumes however were higher in the third quarter thanks to the increased volumes available from the commissioning of the Tuban plant. While aggregates deliveries were higher, ready-mix concrete volumes decreased.

Australia was impacted by lower activity in the mining sector over the first nine months of the year. Subsequently, aggregates volumes were down – mainly as a result of lower demand in resource-dependent Western Australia. Ready-mix concrete deliveries contracted as favorable demand in parts of Eastern Australia could not make up for the losses in resource-driven states. The Group had earlier implemented a number of measures in the challenging market environment and thereby improved profitability despite the resource sector decline. New Zealand cement sales volumes declined, although the domestic market was relatively robust. The transition to an import model is proceeding well, albeit with transitional impact on volumes.

In the period under review, consolidated cement volumes were down 1.1 percent to 90.1 million tonnes as a result of lower deliveries in China and India. Aggregates shipments declined 1.5 percent to 25.4 million tonnes while ready-mix concrete volumes reached 11.9 million cubic meters, an increase of 0.8 percent. Net sales adjusted for currency effects declined by 3.4 percent to CHF 6,685 million mainly as a result of declines in Australia, China and India. Adjusted operating EBITDA at constant exchange rates was down 9.6 percent. Excluding the effect of India and China, operating EBITDA at constant exchange rates was up 3.1 percent at CHF 711 million, due to effective management of growth and costs, despite the challenging market environment.

Pressure in France, Switzerland and Azerbaijan weighs on results in Europe

The moderate economic recovery in some European countries continued in the first nine months of 2015 supported by monetary easing and the weaker Euro. Nevertheless, continued softness in France, slowdown in Switzerland, impacted by a stronger Swiss Franc since January, and the impact of low oil prices in Azerbaijan significantly weighed on the region's results. Cost containment and solid trends in the United Kingdom however mitigated that impact. In the third quarter, operating EBITDA was affected by lower CO_2 sales (CHF –26 million as no CO_2 emission certificates were sold in the third quarter 2015).

Europe – Pro forma information

		Jan–Sept 2015	Jan–Sept 2014	±%	±% like-for-like
Sales of cement	million t	31.9	33.9	–5.7	–5.7
Sales of aggregates	million t	92.1	94.0	–2.0	–2.0
Sales of ready-mix concrete	million m³	14.0	14.1	–0.7	–0.7
Net sales	million CHF	5,573	6,411	–13.1	–2.7
Operating EBITDA	million CHF	863	1,101	–21.6	–12.7
Operating EBITDA adjusted [1]	million CHF	961	1,160	–17.1	–7.3
Operating EBITDA margin	%	15.5	17.2		
Operating EBITDA margin adjusted [1]	%	17.3	18.1		
Cash flow from operating activities	million CHF	275	349	–21.2	–18.8

[1] *Excluding merger and restructuring costs.*

Europe – Pro forma information

		July–Sept 2015	July–Sept 2014	±%	±% like-for-like
Sales of cement	million t	11.8	12.5	–5.2	–5.2
Sales of aggregates	million t	33.4	34.2	–2.3	–2.3
Sales of ready-mix concrete	million m³	4.9	4.8	+3.6	+3.6
Net sales	million CHF	1,999	2,271	–12.0	–1.8
Operating EBITDA	million CHF	360	496	–27.5	–18.5
Operating EBITDA adjusted [1]	million CHF	377	507	–25.7	–14.1
Operating EBITDA margin	%	18.0	21.9		
Operating EBITDA margin adjusted [1]	%	18.9	22.3		
Cash flow from operating activities	million CHF	238	398	–40.1	–36.7

[1] *Excluding merger and restructuring costs.*

The United Kingdom continued to benefit from strong construction activity and solid demand for building materials across the country. The residential market continued to be the main support for demand, thanks to the lasting effect of the governmental subsidies to first-time owners. Other drivers included strong industrial consumption in London and road infrastructure projects. Aggregates volumes were up, reflecting the positive market environment. Ready-mix concrete deliveries also increased as a result of strong demand throughout the country. Cement volumes were in line with last year.

As a result of unfavorable economic conditions the construction market environment in France continued to deteriorate over the first nine months of 2015 as housing starts declined and government spending did not pick up as expected. Subsequently, volumes in cement, aggregates and ready-mix concrete contracted. Strong actions on costs mitigated the impact on results of declining sales. In the period under review, demand for building materials remained low in Belgium and as a result volumes in all three segments were down.

Cement volumes in Germany declined as the country's positive economic fundamentals did not translate into higher demand for cement. Aggregates volumes were up, however, mainly as a result of the transfer of some other operations to the local Group company. In South Germany, deliveries of cement and ready-mix concrete improved.

Switzerland was impacted by a cooling economic climate and soft overall construction activity. In addition, the competitive pressure resulting from the Swiss franc appreciation further weighed on the business. As a result imports increased and pressure on prices was high. Volumes across all three segments were down. The construction sector in Italy remained challenging, despite more positive political and economic indicators. Volumes were down in cement, aggregates and ready-mix concrete.

Spain's recovery also led to some positive traction in the construction sector with demand being positively impacted by the improved development. LafargeHolcim's domestic volumes were slightly ahead of the prior year.

In Greece, the construction market environment continued to be adversely impacted by the political and economic situation and most of the major infrastructure works were still on hold. As a result of the domestic development and pressure on exports, volumes were down in cement, with a double-digit decrease versus last year.

Demand in Eastern Europe remained strong in the non-oil exporting markets. Most countries reported increased volumes with strong increases across all three segments in Romania thanks to strong building activity in the Bucharest area. In Poland, subdued construction activity and challenging market environment resulted in lower net sales and operating EBITDA although ready-mix concrete volumes were higher.

In Russia, cement volumes declined. The volatile economic situation and the low oil and gas prices that impacted growth also caused construction activity to decline. Demand for building materials was lower across the Group's presence in the Moscow and Volga regions. However, the impact of more cost-efficient capacities and network optimization in the third quarter limited the impact of declining sales on our results.

Azerbaijan's economy and construction market was under strong pressure as the low gas prices significantly impacted building activity. In addition there was market pressure from two new competitors and continuing imports.

Consolidated cement volumes in Group region Europe were down 5.7 percent to 31.9 million tonnes in the first nine months of the year primarily driven by declines in France. Aggregates shipments reached 92.1 million tonnes, a decline of 2.0 percent, while in ready-mix concrete deliveries decreased 0.7 percent to 14.0 million cubic meters. Adjusted for currency effects, net sales declined 2.7 percent to CHF 5,573 million and adjusted operating EBITDA at constant exchange rates was down 7.3 percent – primarily driven by lower financial performance in France, Switzerland and Azerbaijan.

Solid trends in most markets in Latin America more than offset the challenging economic environment in Brazil

Mexico and Central America again saw healthy economic growth driven by the US recovery and remittances that translated into a favorable climate in construction markets. Argentina also experienced steady growth, benefiting from commercial excellence actions. Brazil suffered from a severe downturn resulting in very challenging market conditions.

Latin America – Pro forma information

		Jan–Sept 2015	Jan–Sept 2014	±%	±% like-for-like
Sales of cement	million t	21.2	21.1	+0.4	+0.4
Sales of aggregates	million t	5.8	8.2	–29.0	–29.0
Sales of ready-mix concrete	million m³	5.5	5.9	–7.4	–7.4
Net sales	million CHF	2,457	2,649	–7.3	+3.3
Operating EBITDA	million CHF	679	712	–4.7	+0.9
Operating EBITDA adjusted [1]	million CHF	690	714	–3.4	+2.7
Operating EBITDA margin	%	27.6	26.9		
Operating EBITDA margin adjusted [1]	%	28.1	26.9		
Cash flow from operating activities	million CHF	202	173	+16.7	+8.6

[1] *Excluding merger and restructuring costs.*

Latin America – Pro forma information

		July–Sept 2015	July–Sept 2014	±%	±% like-for-like
Sales of cement	million t	7.6	7.3	+3.5	+3.5
Sales of aggregates	million t	2.1	2.9	–28.1	–28.1
Sales of ready-mix concrete	million m³	1.9	2.0	–3.5	–3.5
Net sales	million CHF	840	924	–9.1	+7.0
Operating EBITDA	million CHF	233	253	–7.8	+1.2
Operating EBITDA adjusted [1]	million CHF	238	254	–6.1	+3.3
Operating EBITDA margin	%	27.8	27.4		
Operating EBITDA margin adjusted [1]	%	28.4	27.5		
Cash flow from operating activities	million CHF	99	146	–32.0	–35.7

[1] *Excluding merger and restructuring costs.*

The recovery of Mexico's economy and construction markets continued over the first nine months of the year supported by the National Infrastructure Plan. Remittances also contributed to the self-builder sector. Cement volumes benefited from this development and were significantly higher than in the previous year's period. Aggregates volumes were lower as the result of plant closures but shipments of ready-mix concrete increased.

In Central America, all countries experienced higher cement volumes. El Salvador benefited from higher demand for building materials as the result of an upturn in public and private projects and exports. All three countries – El Salvador, Costa Rica and Nicaragua – also reported significantly increased ready-mix concrete volumes.

Colombia's economy was impacted in the third quarter by pressure on commodity prices but developed positively overall in the first nine months of the year as construction activities remained strong. Thanks to several projects in the Bogota region, ready-mix concrete volumes were also higher than in 2014.

As a result of the challenging economic development, Ecuador continued to be impacted by a delay in several construction projects caused by liquidity constraints. Volumes in all three segments declined significantly. However, this impact was largely mitigated by cost savings.

Brazil's construction market continued to experience low levels of demand mirroring the recessionary development in South America's largest economy. As a result, volumes declined in all three segments in the period under review. Lower volumes, a competitive environment and continuing cost inflation resulted in significantly lower results compared to last year, both year to date and in the quarter.

With the election period driving demand for cement in Argentina, volumes were only limited by plant capacity. The commercial excellence focus on the most value-adding segments supported higher results.

Consolidated cement volumes in Group region Latin America increased by 0.4 percent to 21.2 million tonnes mainly thanks to the dynamic markets in Mexico. Aggregates shipments were down 29.0 percent to 5.8 million tonnes due to the closing of under-performing quarries. The volumes in ready-mix concrete decreased 7.4 percent to 5.5 million cubic meters. Adjusted for currency effects net sales increased 3.3 percent in the first nine months of 2015 and 7.0 percent in the third quarter. Adjusted operating EBITDA increased of 2.7 percent. In the third quarter, adjusted operating EBITDA increased by 3.3 percent.

Contrasted market situations in Middle East Africa

The overall performance of the region was affected in the third quarter by a challenging competitive environment in Egypt, Nigeria and Zambia. In some countries the low oil and commodities cycle translated into lower government spending that impacted infrastructure projects as well as into severe currency devaluation and high inflation. Since the beginning of the year, the limited ability to transport cement in Iraq, the stoppage of our plant in Syria and the challenging market in South Africa also affected our results. These impacts have been mitigated by dynamic trends in key markets like Kenya, Uganda and Algeria and continuous cost cutting. In the third quarter, the Eid Muslim celebration and holidays that occurred in September this year as compared to October in 2014 impacted consumption in some of our key markets in Middle East and North Africa.

Middle East Africa – Pro forma information

		Jan–Sept 2015	Jan–Sept 2014	±%	±% like-for-like
Sales of cement	million t	32.0	32.7	–2.0	–2.0
Sales of aggregates	million t	8.5	8.2	+3.3	+3.3
Sales of ready-mix concrete	million m³	4.1	4.5	–7.7	–7.7
Net sales	million CHF	3,459	3,773	–8.3	+1.3
Operating EBITDA	million CHF	1,067	1,212	–12.0	–1.5
Operating EBITDA adjusted [1]	million CHF	1,092	1,248	–12.5	–2.1
Operating EBITDA margin	%	30.8	32.1		
Operating EBITDA margin adjusted [1]	%	31.6	33.1		
Cash flow from operating activities	million CHF	644	801	–19.6	–9.7

[1] *Excluding merger and restructuring costs.*

Middle East Africa – Pro forma information

		July–Sept 2015	July–Sept 2014	±%	±% like-for-like
Sales of cement	million t	10.4	10.5	–1.7	–1.7
Sales of aggregates	million t	3.0	2.8	+9.0	+9.0
Sales of ready-mix concrete	million m³	1.3	1.4	–2.2	–2.2
Net sales	million CHF	1,070	1,264	–15.3	–5.1
Operating EBITDA	million CHF	300	404	–25.8	–15.3
Operating EBITDA adjusted [1]	million CHF	311	418	–25.7	–15.1
Operating EBITDA margin	%	28.1	32.0		
Operating EBITDA margin adjusted [1]	%	29.0	33.1		
Cash flow from operating activities	million CHF	192	335	–42.7	–35.6

[1] *Excluding merger and restructuring costs.*

Cement demand in Egypt was positively influenced by solid trends in both residential construction and infrastructure. As a result, cement volumes steadily increased in a market that remained highly competitive over the first nine months of the year. As we ramp up the use of petcoke and alternative fuel, our costs went down in the third quarter, partially mitigating the impact of lower prices. Aggregates and ready-mix concrete deliveries were also up markedly.

In Algeria, LafargeHolcim sold slightly less cement in the third quarter as demand was impacted by the Eid Muslim holidays. For the first nine months of the year, net sales at constant exchange rates went up, supported by solid market trends and our customer value approach. Our ready-mix concrete operations continued to develop.

Cement volumes in Morocco decreased in the period under review reflecting some competitive pressure and subdued domestic demand for building materials that were not fully compensated for by clinker export sales.

In Lebanon, market demand was soft as bad weather caused construction markets to be less lively. Volumes in both cement and ready-mix concrete declined significantly. In Jordan, cement volumes were lower as well. The Eid Muslim holidays in September also drove these downwards. Iraq suffered from transport difficulties throughout the country.

Nigeria felt the impact of the temporary softening of economic conditions and uncertainty on the implementation of economic reforms following the elections earlier in the year. Cement volumes however increased slightly. In addition, the strong Naira devaluation impacted costs.

In Kenya, cement volumes benefited from strong growth, bolstered by the infrastructure segment. In Uganda, cement volumes increased versus last year thanks to increased demand for cement.

Despite cement demand growth driven by government projects, performance in Zambia was impacted in the third quarter by lower exports, strong competition and sharp cost inflation as a result of currency devaluation.

South Africa’s low levels of economic growth led to subdued development in construction markets and competitive pressures put further pressure on results. Cement and ready-mix concrete shipments decreased but aggregates volumes were higher.

Consolidated cement deliveries in Group region Middle East Africa were down 2.0 percent to 32.0 million tonnes in the period under review as increases in Egypt, Kenya and other smaller markets could not make up for lower deliveries mainly in Iraq and Lebanon – due to Eid Muslim holidays – and the operations stoppage in Syria. Aggregates deliveries increased by 3.3 percent to 8.5 million tonnes, while in ready-mix concrete volumes were down 7.7 percent to 4.1 million cubic meters. Adjusted for currency effects, net sales increased by 1.3 percent to CHF 3,459 million. Adjusted operating EBITDA at constant exchange rates decreased by 2.1 percent.

Solid performance in United States and Canada

The economic recovery in North America was largely driven by the positive development in the United States where an improving housing market drove demand for building materials. Bad weather at the beginning of the year and in the third quarter however negatively impacted construction markets. Western Canada suffered from the decline in oil prices and lower resource-related investments which led to subdued growth in the third quarter.

North America – Pro forma information

		Jan–Sept 2015	Jan–Sept 2014	±%	±% like-for-like
Sales of cement	million t	16.0	15.5	+3.3	+3.3
Sales of aggregates	million t	84.6	83.8	+1.0	+1.0
Sales of ready-mix concrete	million m^3	7.0	7.5	–6.7	–6.7
Net sales	million CHF	4,177	3,951	+5.7	+5.4
Operating EBITDA	million CHF	839	744	+12.8	+12.8
Operating EBITDA adjusted [1]	million CHF	857	760	+12.9	+12.8
Operating EBITDA margin	%	20.1	18.8		
Operating EBITDA margin adjusted [1]	%	20.5	19.2		
Cash flow from operating activities	million CHF	97	(40)	+340.0	+373.4

[1] *Excluding merger and restructuring costs.*

North America – Pro forma information

		July–Sept 2015	July–Sept 2014	±%	±% like-for-like
Sales of cement	million t	7.0	6.9	+2.0	+2.0
Sales of aggregates	million t	38.8	39.9	–2.9	–2.9
Sales of ready-mix concrete	million m^3	3.0	3.2	–5.7	–5.7
Net sales	million CHF	1,889	1,866	+1.2	+2.5
Operating EBITDA	million CHF	507	498	+1.7	+2.4
Operating EBITDA adjusted [1]	million CHF	519	501	+3.6	+4.3
Operating EBITDA margin	%	26.8	26.7		
Operating EBITDA margin adjusted [1]	%	27.5	26.8		
Cash flow from operating activities	million CHF	353	267	+32.1	+31.7

[1] *Excluding merger and restructuring costs.*

The United States benefited from the ongoing dynamic economic recovery that translated into higher demand for cement across most of the country. Cement volumes increased as stronger volumes in the course of the year were able to offset negative weather effects earlier in 2015. Aggregates prices increased driving improved profitability in that segment.

Canada's construction markets were in overall healthy shape in the first six months of the year despite lower activity in the mining industry; the third quarter saw a clear impact of oil prices in Western Canadian markets. Demand for building materials was higher in Eastern Canada. Cement volumes increased, mainly thanks to exports of cement to the United States. Aggregates deliveries decreased slightly but ready-mix concrete volumes were higher than during last year's period.

Consolidated cement volumes in Group region North America increased 3.3 percent to 16.0 million tonnes in the period under review thanks to higher volumes in both the United States and Canada. Aggregates deliveries increased 1.0 percent to 84.6 million tonnes. Ready-mix concrete volumes were down 6.7 percent and reached 7.0 million cubic meters. Adjusted for currency effects, net sales in North America increased 5.4 percent to CHF 4,177 million as a result of better performance in the United States and Eastern Canada. Adjusted operating EBITDA at constant exchange rates increased significantly by 12.8 percent.

Wolfgang Reitzle

Chairman of the Board of Directors

Eric Olsen

Chief Executive Officer

November 25, 2015

Consolidated Financial Statements

Consolidated statement of income of LafargeHolcim Group

Million CHF	Notes	Jan–Sept 2015 Unaudited	Jan–Sept 2014 Restated[1] Unaudited	July–Sept 2015 Unaudited	July–Sept 2014 Restated[1] Unaudited
NET SALES	8	16,186	14,031	7,540	5,105
Production cost of goods sold		(9,575)	(7,821)	(4,676)	(2,829)
GROSS PROFIT		6,611	6,210	2,865	2,276
Distribution and selling expenses		(3,945)	(3,587)	(1,686)	(1,212)
Administration expenses		(1,289)	(949)	(629)	(333)
OPERATING PROFIT	9	1,377	1,674	550	731
Other income	10	1,041	108	620	17
Share of profit of associates and joint ventures		98	158	34	66
Financial income	11	110	95	50	26
Financial expenses	12	(668)	(431)	(337)	(151)
NET INCOME BEFORE TAXES		1,957	1,605	916	689
Income taxes		(547)	(444)	(196)	(185)
NET INCOME FROM CONTINUING OPERATIONS		1,410	1,161	720	504
Net income from discontinued operations	3	92	0	92	0
NET INCOME		1,502	1,161	812	504
Net income attributable to:					
Shareholders of LafargeHolcim Ltd		1,316	933	743	447
Non-controlling interest		186	229	69	57
Net income from discontinued operations attributable to:					
Shareholders of LafargeHolcim Ltd		89	0	89	0
Non-controlling interest		3	0	3	0
Earnings per share in CHF					
Earnings per share[2]	13	3.08	2.63	1.30	1.26
Fully diluted earnings per share[2]	13	3.08	2.63	1.30	1.26
Earnings per share from continuing operations in CHF					
Earnings per share[2]	13	2.87	2.63	1.15	1.26
Fully diluted earnings per share[2]	13	2.87	2.63	1.14	1.26
Earnings per share from discontinued operations in CHF					
Earnings per share[2]	13	0.21	0.00	0.16	0.00
Fully diluted earnings per share[2]	13	0.21	0.00	0.16	0.00

[1] *Restated due to changes in accounting policies, see note 2.*
[2] *Due to the distribution of a scrip dividend, as explained in note 13, the earnings per share and the fully diluted earnings per share decreased by CHF 0.11 for the period July to September 2014 and by CHF 0.23 for the period January to September 2014.*

Consolidated statement of comprehensive earnings of LafargeHolcim Group

Million CHF	Notes	Jan–Sept 2015 Unaudited	Jan–Sept 2014 Unaudited	July–Sept 2015 Unaudited	July–Sept 2014 Unaudited
NET INCOME		1,502	1,161	812	504
OTHER COMPREHENSIVE EARNINGS					
Items that will be reclassified to the statement of income in future periods					
Currency translation effects					
– Exchange differences on translation	25	(2,090)	745	(51)	561
– Realized through statement of income		(58)	0	(13)	0
– Tax effect		25	12	22	14
Available-for-sale financial assets					
– Change in fair value		0	1	0	0
– Realized through statement of income		(1)	0	(1)	0
– Tax effect		0	0	0	0
Cash flow hedges					
– Change in fair value		(8)	0	(11)	1
– Realized through statement of income		5	0	5	0
– Tax effect		2	0	2	0
Net investment hedges in subsidiaries					
– Change in fair value		(42)	0	(54)	0
– Realized through statement of income	10	44	0	44	0
– Tax effect		0	0	0	0
SUBTOTAL		(2,122)	757	(56)	575
Items that will not be reclassified to the statement of income in future periods					
Defined benefit plans					
– Remeasurements		49	(90)	44	(30)
– Tax effect		(34)	11	(27)	2
SUBTOTAL		14	(79)	17	(27)
TOTAL OTHER COMPREHENSIVE EARNINGS		(2,108)	677	(39)	546
TOTAL COMPREHENSIVE EARNINGS		(606)	1,838	773	1,050
Attributable to:					
Shareholders of LafargeHolcim Ltd		(579)	1,479	699	899
Non-controlling interest		(28)	360	73	152

Consolidated statement of financial position of LafargeHolcim Group

Million CHF	Notes	30.9.2015 Unaudited	31.12.2014 Restated[1] Unaudited	30.9.2014 Restated[1] Unaudited
Cash and cash equivalents	19	4,665	2,148	1,955
Accounts receivable		5,480	2,648	3,161
Inventories		3,345	1,828	1,885
Prepaid expenses and other current assets		830	323	430
Assets classified as held for sale	14	797	283	756
TOTAL CURRENT ASSETS		15,117	7,231	8,187
Long-term financial assets		805	528	534
Investments in associates and joint ventures		3,194	1,975	1,936
Property, plant and equipment		37,209	21,086	20,590
Goodwill[2]	15	17,695	7,130	7,087
Intangible assets		1,531	601	597
Deferred tax assets		686	527	448
Other long-term assets		534	412	386
TOTAL LONG-TERM ASSETS		61,655	32,259	31,577
TOTAL ASSETS		76,771	39,490	39,764
Trade accounts payable		3,787	2,124	2,004
Current financial liabilities	16	6,145	2,472	3,106
Current income tax liabilities		608	415	387
Other current liabilities		3,088	1,569	1,614
Short-term provisions		324	234	215
Liabilities directly associated with assets classified as held for sale	14	5	33	207
TOTAL CURRENT LIABILITIES		13,957	6,847	7,533
Long-term financial liabilities		16,921	9,197	9,136
Defined benefit obligations		2,098	863	740
Deferred tax liabilities		3,726	1,396	1,324
Long-term provisions		1,759	1,076	1,139
TOTAL LONG-TERM LIABILITIES		24,505	12,531	12,339
TOTAL LIABILITIES		38,462	19,378	19,872
Share capital	4	1,213	654	654
Capital surplus		26,321	7,776	7,775
Treasury shares		(87)	(82)	(86)
Reserves		6,424	9,082	8,930
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF LAFARGEHOLCIM LTD		33,871	17,430	17,273
Non-controlling interest		4,438	2,682	2,619
TOTAL SHAREHOLDERS' EQUITY		38,309	20,112	19,892
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		76,771	39,490	39,764

[1] *Restated due to changes in accounting policies, see note 2.*
[2] *Previously included in intangible assets.*

Consolidated statement of changes in equity of LafargeHolcim Group

Million CHF	Share capital	Capital surplus	Treasury shares
EQUITY AS AT JANUARY 1, 2015	654	7,776	(82)
Net income			
Other comprehensive earnings			
TOTAL COMPREHENSIVE EARNINGS			
Payout		(424)	
Acquisition of Lafarge S.A.			
– Increase in share capital	501	17,410	
– Transaction costs relating to the issuance of new shares		(52)	
– Scrip dividend	58	1,608	
– Fair value of Lafarge share-based payments			
– Acquisition of non-controlling interest			
– Squeeze out			
Change in treasury shares			(5)
Share-based remuneration		3	
Capital paid-in by non-controlling interest			
Disposal of participation in Group companies			
Increase in participation in existing Group companies			
EQUITY AS AT SEPTEMBER 30, 2015 (UNAUDITED)	1,213	26,321	(87)
EQUITY AS AT JANUARY 1, 2014	654	8,200	(102)
Net income			
Other comprehensive earnings			
TOTAL COMPREHENSIVE EARNINGS			
Payout		(423)	
Change in treasury shares			9
Share-based remuneration		(2)	7
Capital paid-in by non-controlling interest			
Change in participation in existing Group companies			
EQUITY AS AT SEPTEMBER 30, 2014 (UNAUDITED)	654	7,775	(86)

[1] *Equity as at September 30, 2015 include CHF -3 million of cumulative expenses recognized in other comprehensive earnings relating to assets and directly associated liabilities classified as held for sale, see note 14.*

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
18,438	(13)	(5)	(9,338)	9,082	17,430	2,682	20,112
1,316				1,316	1,316	186	1,502
15	(1)	(1)	(1,909)	(1,895)	(1,895)	(213)	(2,108)
1,331	(1)	(1)	(1,909)	(579)	(579)	(28)	(606)
					(424)	(209)	(633)
					17,910		17,910
					(52)		(52)
(1,666)				(1,666)			
						69	69
						2,288	2,288
(406)				(406)	(406)	(291)	(697)
(2)				(2)	(7)		(7)
					3	0	3
						2	2
						(98)	(98)
(5)				(5)	(5)	23	18
17,691	(14)	(6)	(11,247)	6,424	33,871	4,438	38,309[1]
17,294	52	(4)	(9,889)	7,453	16,205	2,471	18,677
933				933	933	229	1,161
(79)	0	0	625	546	546	131	677
854	0	0	625	1,479	1,479	360	1,838
					(423)	(219)	(642)
(2)			0	(2)	7		7
			0	0	5	0	5
						4	4
0				0	0	2	2
18,146	52	(4)	(9,264)	8,930	17,273	2,619	19,892

Consolidated statement of cash flows of LafargeHolcim Group

Million CHF	Notes	Jan–Sept 2015 Unaudited	Jan–Sept 2014 Restated[1] Unaudited	July–Sept 2015 Unaudited	July–Sept 2014 Restated[1] Unaudited
NET INCOME[2]		1,502	1,161	812	504
Income taxes[2]		547	444	196	185
Other income	10	(1,041)	(108)	(620)	(17)
Share of profit of associates and joint ventures		(98)	(158)	(34)	(66)
Financial expenses net	11, 12	558	335	288	125
Depreciation, amortization and impairment of operating assets		1,294	1,001	650	349
Other non-cash items		491	170	371	65
Change in net working capital		(1,212)	(1,020)	(356)	(103)
CASH GENERATED FROM OPERATIONS		2,041	1,824	1,306	1,042
Dividends received		121	92	35	26
Interest received		129	93	64	25
Interest paid		(655)	(422)	(399)	(111)
Income taxes paid		(678)	(543)	(307)	(140)
Other (expenses) income		(28)	(5)	12	2
CASH FLOW FROM OPERATING ACTIVITIES (A)		931	1,038	711	845
Purchase of property, plant and equipment		(1,225)	(1,247)	(611)	(424)
Disposal of property, plant and equipment		75	114	36	31
Acquisition of participation in Group companies		218	(1)	406	0
Disposal of participation in Group companies		6,386	10	6,122	1
Purchase of financial assets, intangible and other assets		(485)	(276)	(184)	(84)
Disposal of financial assets, intangible and other assets		912	262	104	83
CASH FLOW FROM INVESTING ACTIVITIES (B)		5,881	(1,138)	5,873	(393)
Payout on ordinary shares	22	(424)	(423)	0	0
Dividends paid to non-controlling interest		(215)	(214)	(96)	(104)
Capital paid-in by non-controlling interest		13	4	9	2
Movements of treasury shares		(7)	7	(6)	0
Transaction costs relating to the issuance of new shares		(52)	0	(52)	0
Net movement in current financial liabilities		(276)	381	(758)	(178)
Proceeds from long-term financial liabilities		2,157	2,024	715	588
Repayment of long-term financial liabilities		(5,875)	(1,980)	(4,547)	(690)
Increase in participation in existing Group companies		(4)	(3)	(2)	(3)
Decrease in participation in existing Group companies		0	9	0	6
CASH FLOW FROM FINANCING ACTIVITIES (C)		(4,684)	(194)	(4,738)	(380)
IN(DE)CREASE IN CASH AND CASH EQUIVALENTS (A + B + C)		2,128	(294)	1,845	71
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD (NET)		1,941	1,992	2,049	1,677
In(De)crease in cash and cash equivalents		2,128	(294)	1,845	71
Currency translation effects		36	85	211	35
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD (NET)[3]		4,105	1,783	4,105	1,783

[1] *Restated due to changes in accounting policies, see note 2.*
[2] *The starting point of the consolidated statement of cash flows has been changed from net income before taxes to net income and the comparative figures have been adjusted accordingly.*
[3] *Cash and cash equivalents at the end of the period include bank overdrafts of CHF 560 million (2014: 172), disclosed in current financial liabilities.*

1 Basis of preparation

The unaudited consolidated third quarter interim financial statements of LafargeHolcim Ltd (formerly Holcim Ltd, see note 3), 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, 2014 (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 Changes in accounting policies

During the first quarter 2015, LafargeHolcim Group decided to change its accounting policy for recognizing net interest expense relating to retirement benefit plans. More relevant information is provided if total net interest costs are presented as part of financial expenses and not in the operating profit. This presentation better reflects the nature of net interest since it corresponds to the unwinding effect of the long-term defined benefit obligation. As the comparative amount for 2014 is immaterial, it has not been restated.

On April 9, 2015, the IFRIC published an agenda decision concerning the classification of joint arrangements under IFRS 11 *Joint Arrangements*. As a result of the clarifications regarding rights to the assets of a joint arrangement through other facts and circumstances, LafargeHolcim Group was unable to continue to account for Cement Australia as a joint operation, since LafargeHolcim does not have an obligation to acquire substantially all of the economic benefits (i.e. output) from Cement Australia. As a result, LafargeHolcim Group changed its accounting policy for Cement Australia in the second quarter 2015 and reclassified its investment in Cement Australia as a joint venture and applied the equity accounting method. This accounting policy change has been applied retrospectively and its effect on the comparative information (restated amounts) presented for each financial statement line item is set out in the tables below.

Changes to consolidated statement of income of LafargeHolcim Group

	Jan–Sept 2014			July–Sept 2014		
Million CHF	Reported	Impact from changes in accounting policies IFRS 11	Restated	Reported	Impact from changes in accounting policies IFRS 11	Restated
NET SALES	14,243	(212)	14,031	5,182	(77)	5,105
Production cost of goods sold	(7,895)	74	(7,821)	(2,846)	17	(2,829)
GROSS PROFIT	6,349	(139)	6,210	2,336	(60)	2,276
Distribution and selling expenses	(3,670)	83	(3,587)	(1,243)	31	(1,212)
Administration expenses	(959)	10	(949)	(336)	3	(333)
OPERATING PROFIT	1,719	(45)	1,674	757	(26)	731
Other income	108	0	108	17	0	17
Share of profit of associates and joint ventures	124	34	158	47	19	66
Financial income	93	2	95	25	1	26
Financial expenses	(436)	5	(431)	(153)	2	(151)
NET INCOME BEFORE TAXES	1,608	(3)	1,605	692	(3)	689
Income taxes	(447)	3	(444)	(188)	3	(185)
NET INCOME	1,161	0	1,161	504	0	504
Net income attributable to:						
Shareholders of LafargeHolcim Ltd	933	0	933	447	0	447
Non-controlling interest	229	0	229	57	0	57
Earnings per share in CHF						
Earnings per share	2.63	0.00	2.63	1.26	0.00	1.26
Fully diluted earnings per share	2.63	0.00	2.63	1.26	0.00	1.26

Changes to consolidated statement of financial position of LafargeHolcim Group as of September 30, 2014

Million CHF	Reported	Impact from changes in accounting policies IFRS 11	Restated
Cash and cash equivalents	1,956	(1)	1,955
Accounts receivable	3,213	(52)	3,161
Inventories	1,916	(31)	1,885
Prepaid expenses and other current assets	434	(4)	430
Assets classified as held for sale	756	0	756
TOTAL CURRENT ASSETS	8,276	(89)	8,187
Long-term financial assets	497	37	534
Investments in associates and joint ventures	1,698	238	1,936
Property, plant and equipment	20,924	(334)	20,590
Goodwill [1]	7,133	(46)	7,087
Intangible assets	599	(2)	597
Deferred tax assets	448	0	448
Other long-term assets	386	0	386
TOTAL LONG-TERM ASSETS	31,685	(108)	31,577
TOTAL ASSETS	39,961	(197)	39,764
Trade accounts payable	1,973	31	2,004
Current financial liabilities	3,138	(32)	3,106
Current income tax liabilities	390	(3)	387
Other current liabilities	1,686	(72)	1,614
Short-term provisions	215	0	215
Liabilities directly associated with assets classified as held for sale	207	0	207
TOTAL CURRENT LIABILITIES	7,609	(76)	7,533
Long-term financial liabilities	9,230	(94)	9,136
Defined benefit obligations	740	0	740
Deferred tax liabilities	1,344	(20)	1,324
Long-term provisions	1,146	(7)	1,139
TOTAL LONG-TERM LIABILITIES	12,460	(121)	12,339
TOTAL LIABILITIES	20,069	(197)	19,872
Share capital	654	0	654
Capital surplus	7,775	0	7,775
Treasury shares	(86)	0	(86)
Reserves	8,930	0	8,930
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF LAFARGEHOLCIM LTD	17,273	0	17,273
Non-controlling interest	2,619	0	2,619
TOTAL SHAREHOLDERS’ EQUITY	19,892	0	19,892
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	39,961	(197)	39,764

[1] *Previously included in intangible assets.*

Changes to consolidated statement of financial position of LafargeHolcim Group as of December 31, 2014

Million CHF	Reported	Impact from changes in accounting policies IFRS 11	Restated
Cash and cash equivalents	2,149	(1)	2,148
Accounts receivable	2,695	(47)	2,648
Inventories	1,863	(35)	1,828
Prepaid expenses and other current assets	317	6	323
Assets classified as held for sale	283	0	283
TOTAL CURRENT ASSETS	7,307	(76)	7,231
Long-term financial assets	491	37	528
Investments in associates and joint ventures	1,758	217	1,975
Property, plant and equipment	21,410	(324)	21,086
Goodwill[1]	7,176	(46)	7,130
Intangible assets	603	(2)	601
Deferred tax assets	527	0	527
Other long-term assets	412	0	412
TOTAL LONG-TERM ASSETS	32,378	(119)	32,259
TOTAL ASSETS	39,684	(194)	39,490
Trade accounts payable	2,101	23	2,124
Current financial liabilities	2,502	(30)	2,472
Current income tax liabilities	419	(4)	415
Other current liabilities	1,634	(65)	1,569
Short-term provisions	234	0	234
Liabilities directly associated with assets classified as held for sale	33	0	33
TOTAL CURRENT LIABILITIES	6,923	(76)	6,847
Long-term financial liabilities	9,291	(94)	9,197
Defined benefit obligations	863	0	863
Deferred tax liabilities	1,415	(19)	1,396
Long-term provisions	1,080	(4)	1,076
TOTAL LONG-TERM LIABILITIES	12,649	(118)	12,531
TOTAL LIABILITIES	19,572	(194)	19,378
Share capital	654	0	654
Capital surplus	7,776	0	7,776
Treasury shares	(82)	0	(82)
Reserves	9,082	0	9,082
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF LAFARGEHOLCIM LTD	17,430	0	17,430
Non-controlling interest	2,682	0	2,682
TOTAL SHAREHOLDERS' EQUITY	20,112	0	20,112
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	39,684	(194)	39,490

[1] *Previously included in intangible assets.*

Changes to consolidated statement of cash flows of LafargeHolcim Group

	Jan–Sept 2014			July–Sept 2014		
Million CHF	Reported	Impact from changes in accounting policies IFRS 11	Restated	Reported	Impact from changes in accounting policies IFRS 11	Restated
NET INCOME [1]	1,161	0	1,161	504	0	504
Income taxes [1]	447	(3)	444	188	(3)	185
Other income	(108)	0	(108)	(17)	0	(17)
Share of profit of associates and joint ventures	(124)	(34)	(158)	(47)	(19)	(66)
Financial expenses net	342	(7)	335	128	(3)	125
Depreciation, amortization and impairment of operating assets	1,021	(20)	1,001	357	(8)	349
Other non-cash items	170	0	170	66	(1)	65
Change in net working capital	(1,032)	12	(1,020)	(107)	4	(103)
CASH GENERATED FROM OPERATIONS	1,878	(54)	1,824	1,073	(31)	1,042
Dividends received	63	29	92	19	7	26
Interest received	91	2	93	24	1	25
Interest paid	(427)	5	(422)	(113)	2	(111)
Income taxes paid	(550)	7	(543)	(140)	0	(140)
Other (expenses) income	(7)	2	(5)	2	0	2
CASH FLOW FROM OPERATING ACTIVITIES (A)	1,047	(9)	1,038	865	(20)	845
Purchase of property, plant and equipment	(1,264)	17	(1,247)	(429)	5	(424)
Disposal of property, plant and equipment	115	(1)	114	32	(1)	31
Acquisition of participation in Group companies	(1)	0	(1)	0	0	0
Disposal of participation in Group companies	10	0	10	1	0	1
Purchase of financial assets, intangible and other assets	(276)	0	(276)	(85)	1	(84)
Disposal of financial assets, intangible and other assets	263	(1)	262	84	(1)	83
CASH FLOW FROM INVESTING ACTIVITIES (B)	(1,154)	16	(1,138)	(397)	4	(393)

[1] *The starting point of the consolidated statement of cash flows has been changed from net income before taxes to net income and the comparative figures have been adjusted accordingly.*

Changes to consolidated statement of cash flows of LafargeHolcim Group (continued)

	Jan–Sept 2014			July–Sept 2014		
Million CHF	Reported	Impact from changes in accounting policies IFRS 11	Restated	Reported	Impact from changes in accounting policies IFRS 11	Restated
Payout on ordinary shares	(423)	0	(423)	0	0	0
Dividends paid to non-controlling interest	(214)	0	(214)	(104)	0	(104)
Capital paid-in by non-controlling interest	4	0	4	2	0	2
Movements of treasury shares	7	0	7	0	0	0
Net movement in current financial liabilities	395	(14)	381	(168)	(10)	(178)
Proceeds from long-term financial liabilities	2,045	(21)	2,024	588	0	588
Repayment of long-term financial liabilities	(2,008)	28	(1,980)	(717)	27	(690)
Increase in participation in existing Group companies	(3)	0	(3)	(3)	0	(3)
Decrease in participation in existing Group companies	9	0	9	6	0	6
CASH FLOW FROM FINANCING ACTIVITIES (C)	(187)	(7)	(194)	(397)	17	(380)
(DE)INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(294)	0	(294)	71	0	71
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD (NET)	1,993	(1)	1,992	1,678	(1)	1,677
(De)Increase in cash and cash equivalents	(294)	0	(294)	71	0	71
Currency translation effects	85	0	85	35	0	35
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD (NET)[1]	1,784	(1)	1,783	1,784	(1)	1,783

[1] *Cash and cash equivalents at the end of the period, before and after the restatement, include bank overdrafts of CHF 172 million, disclosed in current financial liabilities.*

3 Changes in the scope of consolidation

3.1 Merger between Holcim and Lafarge

The merger between Holcim and Lafarge S.A. ('Lafarge') announced publicly on April 7, 2014 and structured as a public exchange offer filed by Holcim for all the outstanding shares of Lafarge with an exchange ratio of 9 LafargeHolcim shares for each 10 shares of Lafarge, became effective on July 10, 2015. At this date, Holcim Ltd was renamed to LafargeHolcim Ltd.

Exchange offer and merger date

The business combination was accounted for as of July 10, 2015, being the effective date of the merger since LafargeHolcim Ltd ('LafargeHolcim') controlled Lafarge from that date by owning 87.45 percent of the share capital and at least 84.59 percent of the voting rights of Lafarge as a result of the public exchange offer. Subsequent to the initial public exchange offer, and in accordance with French regulation, the offer period was re-opened, resulting in LafargeHolcim holding 278,131,864 Lafarge shares representing 96.41 percent of the share capital and at least 95.25 percent of the voting rights of Lafarge. Following the re-opened offer period, the number of LafargeHolcim Ltd shares issued amounted to 250,318,676 shares.

As more than 95 percent of the share capital and voting rights in Lafarge were tendered, LafargeHolcim requested the AMF (Autorité des marchés financiers) to implement a squeeze-out procedure pursuant to the general regulations of the AMF.

For accounting purposes, the initial public exchange offer and the re-opened public exchange offer are treated as linked transactions and accounted for as one single transaction resulting in LafargeHolcim Ltd holding, and hence consolidating, 96.41 percent of the shares of Lafarge from the effective date of the merger. As a result, the Group recognized 3.59 percent non-controlling interest for which a squeeze-out procedure was completed in October 2015 as explained below.

Consideration for the business combination

The consideration calculated on the effective date of the merger amounts to CHF 19,645 million and is detailed in the following table:

Number of Lafarge shares tendered	278,131,864
Exchange ratio into LafargeHolcim shares	0.9
Number of LafargeHolcim shares issued	250,318,676
LafargeHolcim closing share price as at July 9, 2015 (in CHF)	71.55

Million CHF	
FAIR VALUE OF THE LAFARGEHOLCIM SHARES ISSUED IN EXCHANGE OF LAFARGE SHARES	17,910
Cash consideration in connection with mandatory take-overs, non-compete clauses and merger related agreements[1]	1,055
TOTAL CONSIDERATION TRANSFERRED FOR THE BUSINESS COMBINATION	18,965
Fair value of previously held interests of Holcim	680
TOTAL CONSIDERATION FOR THE BUSINESS COMBINATION	19,645

[1] *Of which CHF 883 million have been paid as at September 30, 2015 and are reflected in the line "Acquisition of participation in Group companies" in the consolidated statement of cash flows.*

Fair value of the LafargeHolcim shares issued in exchange of Lafarge shares

The consideration transferred reflects a total of 250,318,676 LafargeHolcim shares issued as a result of the public exchange offer. The fair value of the shares issued was measured using a LafargeHolcim share price of CHF 71.55, totaling CHF 17,910 million.

Fair value of the cash consideration in connection with mandatory take-overs, non-compete clauses and merger related agreements

The consideration transferred includes any cash consideration in connection with mandatory take-overs, non-compete clauses and merger related agreements. For accounting purposes, the merger and the transactions resulting in these cash considerations are treated as linked and interdependent transactions, accounted for as one single transaction at the effective date of the merger.

The cash consideration reflected in the total consideration transferred includes:

Million CHF	
Acquisition of the 45 percent interest in Lafarge Shui On Cement Co. Limited (China)	306
Mandatory take-over procedure for Sichuan Shuangma Cement Co. Limited listed shares (China)	162
Acquisition of the 14 percent interest in Lafarge PVT India Limited	285
Acquisition of the 50 percent interest in the Cauldon cement plant, its related assets and the Cookstown plant (United Kingdom)	164
Acquisition of the 15 percent interest in United Cement Company of Nigeria Limited ("Unicem")	127
Other	10
TOTAL CASH CONSIDERATION IN CONNECTION WITH MANDATORY TAKE-OVERS, NON-COMPETE CLAUSES AND MERGER RELATED AGREEMENT	1,055

Analysis and discussion are still ongoing in few other jurisdictions. In some countries, the relevant laws are unclear or exemptions might be available. No assurance, however, can be given that any favourable clarifications or additional exemptions will be obtained.

Fair value of previously held interest of Holcim

Prior to the merger, Holcim and Lafarge had an interest of 43.7 percent and 53.7 percent respectively in Lafarge Cement Egypt S.A.E. with Holcim accounting for it as an associate and Lafarge including it as a fully consolidated company. As a result of the merger, LafargeHolcim gained control of Lafarge Cement Egypt S.A.E. through an acquisition in stages. The fair value of Holcim's previously held equity interest amounts to CHF 464 million resulting in a revaluation gain of CHF 357 million, recorded in the position "Other income".

Prior to the merger, Holcim and Lafarge had an equity interest of 42.5 percent and 30.91 percent respectively in the associate company Unicem. As a result of the merger, LafargeHolcim gained control of Unicem through an acquisition in stages. The fair value of Holcim's previously held equity interest amounts to CHF 216 million resulting in a revaluation gain of CHF 181 million, recorded in the position "Other income". The remaining 15 percent interest was acquired by LafargeHolcim in August 2015, as described above.

Purchase accounting

For accounting purposes, Holcim has been determined as the accounting acquirer. The acquisition method has been applied. The net identifiable assets and liabilities of Lafarge have been fair valued at the effective date of the merger.

The excess of the consideration transferred over the fair value of the Lafarge identifiable net assets is recorded as goodwill.

The recognized amounts of identifiable assets acquired and liabilities assumed as part of the merger are as follows:

Million CHF	Fair Value
Cash and cash equivalents	1,704
Accounts receivable	2,615
Inventories	1,785
Prepaid expenses and other current assets	493
Assets classified as held for sale	4,785
TOTAL CURRENT ASSETS	11,382
Long-term financial assets	679
Investments in associates and joint ventures	1,750
Property, plant and equipment	19,692
Intangible assets	1,075
Deferred tax assets	176
Other long term assets	47
TOTAL LONG-TERM ASSETS	23,418
Trade accounts payable	2,074
Current financial liabilities	2,267
Current income tax liabilities	128
Other current liabilities	1,646
Short term provisions	100
Liabilities directly associated with assets classified as held for sale	367
TOTAL CURRENT LIABILITIES	6,581
Long-term financial liabilities	13,321
Defined benefit obligations	1,233
Deferred tax liabilities	2,792
Long-term provisions	717
TOTAL LONG-TERM LIABILITIES	18,063
PROVISIONAL FAIR VALUE OF NET ASSETS ACQUIRED	10,156
Non-controlling interest	2,357
NET ASSETS ACQUIRED ATTRIBUTABLE TO SHAREHOLDERS OF LAFARGE-HOLCIM LTD	7,799
CONSIDERATION FOR THE BUSINESS COMBINATION	19,645
Fair value of net assets acquired attributable to shareholders of LafargeHolcim Ltd	7,799
PROVISIONAL GOODWILL	11,846

The amounts disclosed above were determined provisionally pending the finalization of the valuation for those assets and liabilities. Up to twelve months from the effective date of the merger, further adjustments may be made to the fair values assigned to the identifiable assets acquired and liabilities assumed, the fair value of the consideration transferred and fair values of LafargeHolcim's previously held equity interests in associates and joint ventures over which control has now been obtained. Hence, the resulting goodwill is also provisional and the allocation to cash generating units has not been performed at this stage.

The fair value of the acquired receivables substantially equals the gross contractual amount to be collected.

The provisional goodwill arising from this transaction amounts to CHF 11,846 million. The goodwill is attributable to the favorable presence of synergies and economies of scale expected from combining the operations from Holcim and Lafarge. None of the goodwill recognized is expected to be deductible for income tax purposes.

The amount of non-controlling interest recognized amounted to CHF 2,357 million and was measured at the proportionate share of the acquiree's identifiable net assets at the date of acquisition. The non-controlling interest includes the fair value of Lafarge outstanding stock-options and other equity awards for an amount of CHF 69 million.

Lafarge contributed net sales and net loss of CHF 2,996 million and CHF 124 million respectively to the Group for the period from July 10, 2015 to September 30, 2015. If the acquisition had occurred on January 1, 2015, on a basis consistent with the pro forma financial information included in Holcim Ltd registration document dated May 11, 2015 (i.e. reflecting the acquisition of Lafarge by Holcim and the related divestments of Lafarge and Holcim businesses), net sales and net income for the nine months ended September 30, 2015, would have been CHF 22,042 million and CHF 1,000 million respectively.

For the current year, acquisition-related costs of approximately CHF 100 million have been recognized (CHF 42 million included in "Other income" and CHF 58 million in "Administration expenses"). CHF 50 million relate to the three month period ended September 30, 2015 (CHF 42 million included in "Other income" and CHF 8 million in "Administration expenses"). The transactions costs for the share issuance and share exchange were recorded in equity for an amount of CHF 52 million.

In 2014, acquisition costs amounted to CHF 67 million.

Reorganization of Group functions

In the context of the merger, the Group announced the reorganization of its Corporate functions in Switzerland and in France. The proposed new organization will result in a net reduction of approximately 500 positions. In France and Switzerland, the information and consultation procedure with the employee representatives was completed and the implementation of the restructuring plan has already started. LafargeHolcim recognized a restructuring provision of CHF 220 million in this respect as of end of September 2015. The implementation of the new organization is expected for early 2016 after completion of all relevant social procedures in both countries.

Acquisition of 3.56 percent non-controlling interest in Lafarge S.A. through squeeze-out

Following the re-opened exchange offer, LafargeHolcim held 278,131,864 Lafarge shares, representing more than 95 percent of Lafarge share capital and voting rights. Pursuant to the general regulations of the AMF, LafargeHolcim initiated on September 14, 2015 a squeeze-out procedure for the shares not owned by LafargeHolcim. LafargeHolcim offered the remaining shareholders of Lafarge S.A. a cash indemnification of EUR 60 per each Lafarge S.A. share (net of cost) or as an alternative a share indemnification of 9.45 newly issued LafargeHolcim Ltd shares for 10 Lafarge S.A. shares. As of September 30, 2015, a liability of CHF 697 million (EUR 638 million) was recorded in the position "Current financial liabilities" for the purchase of the remaining shares, based on the indemnification amount of EUR 60 per Lafarge share, as described in note 16. For the squeeze-out, an amount of CHF 406 million was recorded in retained earnings, being the difference between the expected payment of CHF 697 million and the derecognized non-controlling interest of CHF 291 million.

Divestments

LafargeHolcim divested a number of entities and businesses as part of a rebalancing of the global portfolio of the combined group resulting from the merger and to address regulatory concerns. On July 31, 2015, LafargeHolcim disposed of assets to CRH that included operations mainly in Europe, North America and Brazil, followed by assets disposed of in the Philippines on September 15, 2015. The assets disposed include assets classified as held for sale and liabilities directly associated with assets classified as held for sale acquired with the acquisition of Lafarge. These subsidiaries, acquired exclusively with a view to resale, were classified as discontinued operations. Other major classes of assets and liabilities disposed include property plant and equipment, goodwill, long term liabilities and other current assets and liabilities.

The total proceeds amounted to CHF 6.4 billion and resulted in a gain on disposal before taxes of CHF 63 million which is included in “Other income” (note 10). This gain only relates to the disposal of Holcim legacy assets and liabilities as the assets and liabilities of Lafarge were recognized at fair value at the date of acquisition.

3.2 Other divestments

On July 1, 2015, LafargeHolcim disposed of its entire lime business in New Zealand. This resulted in a gain on disposal before taxes of CHF 68 million, which is included in “Other income” (note 10). The transaction was settled on October 7, 2015.

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 the sale of its entire remaining stake, LafargeHolcim recorded in the first quarter 2015 a gain before taxes of CHF 371 million, which is included in “Other income” (note 10).

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. This resulted in a gain on disposal before taxes of CHF 61 million which is included in “Other income” (note 10).

3.3 Acquisition in Western Germany and the Netherlands

On January 5, 2015, LafargeHolcim acquired control of a group of companies from Cemex which operate in Western Germany and the Netherlands. This transaction includes one cement plant, two grinding stations, 22 aggregates locations and 79 ready-mix plants.

The identifiable assets and liabilities arising from the acquisition are as follows:

Million CHF	Fair value
Cash and cash equivalents	23
Other current assets	46
Property, plant and equipment	264
Other long-term assets	1
Current liabilities	52
Long-term liabilities	49
PROVISIONAL FAIR VALUE OF NET ASSETS ACQUIRED	233
Non-controlling interest	23
NET ASSETS ACQUIRED ATTRIBUTABLE TO SHAREHOLDERS OF LAFARGEHOLCIM LTD	210
Consideration for the business combination (cash)	210
FAIR VALUE OF NET ASSETS ACQUIRED ATTRIBUTABLE TO SHAREHOLDERS OF LAFARGEHOLCIM LTD	210

The amounts disclosed above were determined provisionally. Further adjustments may be made to the fair values assigned to the identifiable assets acquired and liabilities assumed up to twelve months from the date of acquisition.

The amount of non-controlling interest recognized amounted to CHF 23 million and was measured at the proportionate share of the acquiree's identifiable net assets at the date of acquisition. The acquired companies contributed net sales and net income of CHF 261 million and CHF 3 million respectively to the Group for the period from January 5, 2015 to September 30, 2015. If the acquisition had occurred on January 1, 2015, Group net sales and net income to September 30 would not have been materially different. LafargeHolcim recognized acquisition-related costs of CHF 6 million which has been reflected as administration expenses in the consolidated statement of income.

During the first nine months of 2014, there were no business combinations that were either individually material or that were considered material on an aggregated basis.

4 Share capital increase and scrip dividend

4.1 Share capital

The resolutions submitted to the Holcim shareholders and approved by them at the extraordinary general meeting held on May 8, 2015 all became effective with the successful closing of the public exchange offer, the related registration of the amended Articles of Association of Holcim and of the relevant share capital increase with the commercial register of St. Gallen, Switzerland, on July 10, 2015. This included the resolutions on the share capital increase required for the exchange offer, the change of the corporate name of Holcim Ltd to LafargeHolcim Ltd, the post-closing exceptional scrip dividend, and the appointment of new members of the Board of Directors. Those events were pre-conditions of the merger which therefore also became effective on July 10, 2015. A further authorized share capital of up to 132,118,700 new LafargeHolcim shares was also approved for the purpose of financing or re-financing any acquisition of shares in Lafarge, including the settlement of the re-opened exchange offer and the squeeze-out.

Consequently, 227,007,605 new LafargeHolcim shares, as determined by the Holcim Board of Directors, were issued with a par value of CHF 2 in exchange for 252,230,673 Lafarge shares tendered to the public exchange offer, which resulted in a share capital increase of CHF 454 million. The re-opened exchange offer resulted in the acquisition of 25,901,191 additional Lafarge shares for which 23,311,071 LafargeHolcim shares were issued, corresponding to an additional capital increase of CHF 47 million. Overall, 250,318,676 LafargeHolcim shares were issued for the acquisition of 278,131,864 Lafarge shares, which resulted in a capital increase of CHF 501 million.

4.2 Scrip dividend

An authorized share capital of up to 29,566,188 new LafargeHolcim shares was approved for the scrip dividend (in the ratio of one new LafargeHolcim share for twenty existing LafargeHolcim shares). On September 10, 2015, a post-closing exceptional scrip dividend was distributed to all LafargeHolcim shareholders after the closing of the re-opened exchange offer. The total number of LafargeHolcim shares issued was 28,870,252, representing 5 percent of the LafargeHolcim share capital and voting rights as of September 3, 2015. The scrip dividend had no effect on the total amount of the equity attributable to the LafargeHolcim shareholders, but has an impact on the earnings per share.

The scrip dividend has been reflected in the basic and diluted earnings per share as disclosed in note 13.

5 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.

6 Information by reportable segment

January–September (unaudited)	Asia Pacific 2015	Asia Pacific 2014[1]	Latin America 2015	Latin America 2014	Europe 2015	Europe 2014	North America 2015	North America 2014	Middle East Africa 2015	Middle East Africa 2014	Corporate/ Eliminations 2015	Corporate/ Eliminations 2014[1]	Total Group 2015	Total Group 2014[1]
Capacity and sales														
Million t														
Annual cement production capacity[2]	161.6	93.8	38.3	35.3	78.1	46.8	33.7	21.9	62.8	11.0			374.4	208.8
Sales of cement	66.6	52.1	20.2	18.4	23.6	20.2	13.1	9.6	13.5	6.4	(3.3)	(2.4)	133.6	104.3
– of which mature markets	2.4	0.4			12.6	11.1	13.1	9.6						
– of which emerging markets	64.2	51.8	20.2	18.4	11.0	9.1			13.5	6.4				
Sales of mineral components					2.4	1.8	1.1	1.0					3.6	2.8
Sales of aggregates	20.0	18.7	4.4	6.0	72.6	54.0	55.0	33.4	3.7	1.5			155.7	113.7
– of which mature markets	16.4	17.0			60.3	47.5	55.0	33.4						
– of which emerging markets	3.6	1.7	4.4	6.0	12.3	6.6			3.7	1.5				
Sales of asphalt					4.5	4.2	4.0	3.2					8.5	7.4
Million m³														
Sales of ready-mix concrete	9.2	8.0	5.1	4.9	11.9	9.0	5.8	5.4	1.5	0.5			33.4	27.8
– of which mature markets	4.6	4.8			9.8	7.6	5.8	5.4						
– of which emerging markets	4.6	3.2	5.1	4.9	2.1	1.3			1.5	0.5				
Statement of income and statement of financial position														
Million CHF														
Net sales to external customers	5,231	4,958	2,262	2,136	4,251	3,998	3,224	2,378	1,218	561			16,186	14,031
Net sales to other segments	61	31		107	235	254			119	93	(415)	(485)		
TOTAL NET SALES	5,292	4,989	2,262	2,243	4,486	4,252	3,224	2,378	1,338	655	(415)	(485)	16,186	14,031
– of which mature markets	1,088	1,207			3,634	3,402	3,224	2,378						
– of which emerging markets	4,204	3,782	2,262	2,243	852	850			1,338	655				
Operating EBITDA	906	928	655	629	724	727	651	427	331	212	(595)[3]	(249)	2,671	2,675
Operating EBITDA margin in %	17.1	18.6	28.9	28.1	16.1	17.1	20.2	18.0	24.7	32.4			16.5	19.1
Operating profit (loss)	552	657	501	490	371	397	385	215	201	171	(632)[3]	(256)	1,377	1,674
– of which mature markets	63	50			231	242	385	215						
– of which emerging markets	489	607	501	490	140	155			201	171				
Operating profit margin in %	10.4	13.2	22.2	21.8	8.3	9.3	12.0	9.1	15.0	26.1			8.5	11.9
EBITDA	862	854	568	528	638	631	644	419	298	195	821	339	3,831	2,967
Net operating assets[2]	11,162	7,019	3,433	3,456	10,540	7,964	8,683	6,282	6,576	852	12,113[4]	(16)	52,508	25,557
Total assets[2]	18,615	11,453	5,235	5,436	16,030	12,713	11,982	7,568	11,009	1,240	13,900[4]	1,081	76,771	39,490
Total liabilities[2]	8,221	4,756	3,355	3,597	10,211	6,283	6,325	4,109	4,837	634	5,513[5]	(1)[5]	38,462	19,378

[1] *Restated due to changes in accounting policies, see note 2.*
[2] *Prior-year figures as of December 31, 2014.*
[3] *The amounts of CHF –595 million and CHF –632 million include the merger related provision for restructuring of CHF 220 million, see note 3.*
[4] *The amounts of CHF 12,113 and CHF 13,900 include the provisional goodwill of CHF 11,846 million relating to the merger with Lafarge as the allocation to cash generating units has not been performed at this stage, see note 3.*
[5] *The amount of CHF 5,513 million (2014: –1) consists of borrowings by Corporate from third parties amounting to CHF 21,701 million (2014: 9,997) and eliminations for cash transferred to regions of CHF 16,188 million (2014: 9,998).*

July–September (unaudited)	Asia Pacific 2015	Asia Pacific 2014[1]	Latin America 2015	Latin America 2014	Europe 2015	Europe 2014	North America 2015	North America 2014	Middle East Africa 2015	Middle East Africa 2014	Corporate/ Eliminations 2015	Corporate/ Eliminations 2014[1]	Total Group 2015	Total Group 2014[1]
Sales														
Million t														
Sales of cement	31.4	16.1	8.1	6.3	11.7	7.5	7.5	4.2	9.5	2.1	(2.2)	(0.8)	66.1	35.4
– of which mature markets	2.2	0.1			5.5	3.7	7.5	4.2						
– of which emerging markets	29.2	16.0	8.1	6.3	6.2	3.8			9.5	2.1				
Sales of mineral components					1.1	0.8	0.6	0.5					1.7	1.3
Sales of aggregates	8.7	6.1	2.0	2.0	32.9	19.3	37.1	16.1	3.0	0.6			83.7	44.1
– of which mature markets	6.3	5.6			24.5	16.5	37.1	16.1						
– of which emerging markets	2.4	0.6	2.0	2.0	8.4	2.8			3.0	0.6				
Sales of asphalt					1.3	1.5	2.6	1.8					3.9	3.3
Million m^3														
Sales of ready-mix concrete	3.9	2.8	1.9	1.6	5.2	3.1	3.0	2.3	1.2	0.2			15.2	9.7
– of which mature markets	1.7	1.7			4.0	2.5	3.0	2.3						
– of which emerging markets	2.3	1.1	1.9	1.6	1.2	0.6			1.2	0.2				
Statement of income														
Million CHF														
Net sales to external customers	2,028	1,627	823	737	1,909	1,458	1,850	1,099	930	184			7,540	5,105
Net sales to other segments	30	12		41	63	77			35	33	(128)	(162)		
TOTAL NET SALES	2,058	1,639	823	777	1,972	1,535	1,850	1,099	965	217	(128)	(162)	7,540	5,105
– of which mature markets	440	420			1,498	1,185	1,850	1,099						
– of which emerging markets	1,617	1,219	823	777	474	350			965	217				
Operating EBITDA	306	283	220	219	369	319	469	272	222	76	(386)[2]	(89)	1,200	1,080
Operating EBITDA margin in %	14.9	17.3	26.8	28.1	18.7	20.8	25.4	24.8	23.0	35.0			15.9	21.2
Operating profit (loss)	144	188	156	168	212	204	341	199	117	62	(419)[2]	(90)	550	731
– of which mature markets	30	25			122	110	341	199						
– of which emerging markets	115	163	156	168	90	94			117	62				
Operating profit margin in %	7.0	11.4	19.0	21.6	10.7	13.3	18.4	18.1	12.2	28.4			7.3	14.3
EBITDA	329	255	197	188	301	286	493	250	200	70	339	120	1,859	1,168

[1] *Restated due to changes in accounting policies, see note 2.*
[2] *The amounts of CHF –386 million and CHF –419 million include the merger related provision for restructuring of CHF 220 million, see note 3.*

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

Million CHF Unaudited	Notes	Jan–Sept 2015	Jan–Sept 2014[1]	July–Sept 2015	July–Sept 2014[1]
OPERATING PROFIT		1,377	1,674	550	731
Depreciation, amortization and impairment of operating assets		1,294	1,001	650	349
OPERATING EBITDA		2,671	2,675	1,200	1,080
Dividends earned	10	3	1	2	0
Other ordinary income	10	1,041	109	619	18
Share of profit of associates and joint ventures		98	158	34	66
Other financial income	11	17	23	3	4
EBITDA		3,831	2,967	1,859	1,168
Depreciation, amortization and impairment of operating assets		(1,294)	(1,001)	(650)	(349)
Depreciation, amortization and impairment of non-operating assets	10	(4)	(2)	(2)	(1)
Interest earned on cash and marketable securities	11	93	72	47	21
Financial expenses	12	(668)	(431)	(337)	(151)
NET INCOME BEFORE TAXES		1,957	1,605	916	689

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

7 Information by product line

Million CHF	Cement[1]		Aggregates		Other construction materials and services		Corporate/ Eliminations		Total Group	
January–September (unaudited)	2015	2014[2]	2015	2014[2]	2015	2014[2]	2015	2014[2]	2015	2014[2]
Statement of income and statement of financial position										
Net sales to external customers	9,817	8,460	1,491	1,148	4,877	4,423			16,186	14,031
Net sales to other segments	730	625	743	647	462	421	(1,934)	(1,693)		
TOTAL NET SALES	10,547	9,086	2,234	1,795	5,339	4,844	(1,934)	(1,693)	16,186	14,031
– of which Asia Pacific	4,140	3,706	349	420	1,038	1,113	(235)	(250)	5,292	4,989
– of which Latin America	1,948	1,909	35	48	441	479	(162)	(193)	2,262	2,243
– of which Europe	1,826	1,887	1,137	932	2,164	1,982	(641)	(550)	4,486	4,252
– of which North America	1,530	1,100	675	372	1,430	1,177	(410)	(272)	3,224	2,378
– of which Middle East Africa	1,215	602	38	21	139	59	(53)	(27)	1,338	655
– of which Corporate/Eliminations	(111)	(119)	0	1	127	33	(432)	(401)	(415)	(485)
OPERATING PROFIT (LOSS)	1,265	1,544	139	152	(27)	(22)			1,377	1,674
– of which Asia Pacific	496	614	52	47	4	(4)			552	657
– of which Latin America	496	480	(2)	1	7	8			501	490
– of which Europe	219	307	97	90	56	0			371	397
– of which North America	268	189	80	33	37	(7)			385	215
– of which Middle East Africa	209	172	0	2	(8)	(3)			201	171
– of which Corporate/Eliminations	(422)	(218)	(88)	(22)	(123)	(17)			(632)	(256)
Operating profit (loss) margin in %	12.0	17.0	6.2	8.5	(0.5)	(0.5)			8.5	11.9
Net operating assets[3]	30,374	17,259	6,002	4,951	4,286	3,346	11,846[4]		52,508	25,557

[1] *Cement, clinker and other cementitious materials.*
[2] *Restated due to changes in accounting policies, see note 2.*
[3] *Prior-year figures as of December 31, 2014.*
[4] *The amount of CHF 11,846 million corresponds to the provisional goodwill relating to the merger with Lafarge as the allocation to cash generating units has not been performed at this stage, see note 3.*

Million CHF	Cement[1]		Aggregates		Other construction materials and services		Corporate/ Eliminations		Total Group	
July–September (unaudited)	2015	2014[2]	2015	2014[2]	2015	2014[2]	2015	2014[2]	2015	2014[2]
Statement of income										
Net sales to external customers	4,502	2,977	792	432	2,245	1,696			7,540	5,105
Net sales to other segments	357	194	338	242	194	154	(888)	(590)		
TOTAL NET SALES	4,859	3,171	1,130	674	2,440	1,850	(888)	(590)	7,540	5,105
– of which Asia Pacific	1,620	1,193	131	139	395	398	(89)	(91)	2,058	1,639
– of which Latin America	707	667	14	16	157	158	(55)	(64)	823	777
– of which Europe	879	686	498	333	864	697	(269)	(180)	1,972	1,535
– of which North America	844	491	459	178	812	548	(265)	(118)	1,850	1,099
– of which Middle East Africa	865	198	28	8	111	21	(40)	(10)	965	217
– of which Corporate/Eliminations	(57)	(64)	0	1	102	27	(171)	(126)	(128)	(162)
OPERATING PROFIT (LOSS)	457	598	99	91	(5)	42			550	731
– of which Asia Pacific	122	168	22	18	(1)	2			144	188
– of which Latin America	155	169	0	0	2	0			156	168
– of which Europe	135	155	50	40	28	9			212	204
– of which North America	192	124	86	39	63	35			341	199
– of which Middle East Africa	121	61	1	1	(4)	(1)			117	62
– of which Corporate/Eliminations	(267)	(79)	(59)	(7)	(94)	(4)			(419)	(90)
Operating profit margin in %	9.4	18.9	8.8	13.5	(0.2)	2.3			7.3	14.3

[1] *Cement, clinker and other cementitious materials.*
[2] *Restated due to changes in accounting policies, see note 2.*

8 Change in net sales

Million CHF	Jan–Sept 2015	Jan–Sept 2014[1]	July–Sept 2015	July–Sept 2014[1]
Volume, price and change in structure	2,837	428	2,764	25
Currency translation effects	(682)	(1,025)	(328)	(131)
TOTAL	2,155	(597)	2,435	(105)

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

9 Change in operating profit

Million CHF	Jan–Sept 2015	Jan–Sept 2014[1]	July–Sept 2015	July–Sept 2014[1]
Volume, price, cost and change in structure	(256)	80	(152)	25
Currency translation effects	(41)	(147)	(29)	(25)
TOTAL	(297)	(67)	(181)	0

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

10 Other income

Million CHF	Jan–Sept 2015	Jan–Sept 2014[1]	July–Sept 2015	July–Sept 2014[1]
Dividends earned	3	1	2	0
Other ordinary income	1,041	109	619	18
Depreciation, amortization and impairment of non-operating assets	(4)	(2)	(2)	(1)
TOTAL	1,041	108	620	17

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

The position “Other ordinary income” includes:
- a gain before taxes on the disposal of LafargeHolcim’s entire remaining stake in Siam City Cement Public Company Limited of CHF 371 million;
- a revaluation gain on the previously held equity interest of Lafarge Cement Egypt S.A.E. and of Unicem amounting to CHF 357 million and CHF 181 million respectively and in connection with these acquisitions in stages, the reclassification of a foreign exchange loss for Lafarge Cement Egypt S.A.E. of CHF 33 million and a foreign exchange gain for Unicem of CHF 6 million;
- a gain before taxes on the disposal of LafargeHolcim entire lime business in New Zealand of CHF 68 million;
- a gain before taxes on the disposal of operations and assets to CRH in Europe, North America and Brazil of CHF 63 million;
- 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 and
- a reclassification of foreign exchange losses amounting to CHF 81 million relating to changes in LafargeHolcim holding structure in Thailand. This reclassification is partially offset with the gain of CHF 44 million, which could be recognized due to the reclassification of the fair value of a net investment hedge.

Additional information is disclosed in note 3.

In 2014, the position “Other ordinary income” related primarily to gains on disposal of property, plant and equipment.

11 Financial income

Million CHF	Jan–Sept 2015	Jan–Sept 2014[1]	July–Sept 2015	July–Sept 2014[1]
Interest earned on cash and marketable securities	93	72	47	21
Other financial income	17	23	3	4
TOTAL	110	95	50	26

[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.

12 Financial expenses

Million CHF	Jan–Sept 2015	Jan–Sept 2014[1]	July–Sept 2015	July–Sept 2014[1]
Interest expenses	(605)	(412)	(349)	(141)
Fair value changes on financial instruments	6	1	7	0
Amortization on bonds and private placements	90	(11)	94	(4)
Unwinding of discount on provisions	(11)	(15)	(2)	(5)
Other financial expenses	(82)	(34)	(43)	(12)
Foreign exchange loss net	(129)	(9)	(70)	(7)
Financial expenses capitalized	62	48	26	19
TOTAL	(668)	(431)	(337)	(151)

[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.

The position "Amortization on bonds and private placements" relates mainly to financial liabilities acquired at fair value from Lafarge (note 3).

The position "Other financial expenses" includes net interest costs relating to retirement benefit plans (note 2).

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

13 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.

14 Assets and related liabilities classified as held for sale

On January 5, 2015, LafargeHolcim and Cemex announced the successful closure of their series of transactions in Europe. Additional information is disclosed in note 3.

On August 17, 2015, LafargeHolcim announced that it entered into a letter agreement with Birla Corporation Limited subject to approval by the Competition Commission of India (CCI) for the divestment of certain of its assets in India. These assets include the Sonadih cement plant and the Jojobera grinding station and had been agreed with the CCI in order to receive conditional clearance from the CCI for the LafargeHolcim merger. The assets held for sale consist mainly of property, plant and equipment.

15 Goodwill

The table below summarizes the changes in goodwill:

Million CHF	2015
NET BOOK VALUE AS AT JANUARY 1	7,130[1]
Additions	11,888
Disposals	(811)
Impairment loss (charged to statement of income)	(1)
Currency translation effects	(511)
NET BOOK VALUE AS AT SEPTEMBER 30	17,695
At cost of acquisition	17,943
Accumulated impairment	(248)
NET BOOK VALUE AS AT SEPTEMBER 30	17,695

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

16 Current financial liabilities

The position "Current financial liabilities" includes a liability of CHF 697 million (EUR 638 million) for the initiated squeeze-out procedure explained in note 3.

17 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, 2015 and as of December 31, 2014.

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

Million CHF 30.9.2015	Fair value level 1	Fair value level 2	Total
Financial assets			
Available-for-sale financial assets			
– Financial investments third parties	1	128	129
– Others	1	0	1
Derivatives held for hedging		60	60
Derivatives held for trading		31	31
Financial liabilities			
Derivatives held for hedging		69	69
Derivatives held for trading		19	19

Million CHF 31.12.2014	Fair value level 1	Fair value level 2	Total
Financial assets			
Available-for-sale financial assets			
– Financial investments third parties	2	85	87
– Others	1		1
Derivatives held for hedging		50	50
Financial liabilities			
Derivatives held for hedging		3	3

18 Bonds

On March 19, 2015, Holcim Finance (Australia) Pty Ltd issued an AUD 250 million (CHF 181 million) bond with a coupon of 3.75 percent and a tenor of 5 years, guaranteed by LafargeHolcim Ltd. The proceeds were used to refinance existing debt and for general corporate purposes.

On March 20, 2015, Holcim Capital México, S.A. de C.V. issued a MXN 1.7 billion (CHF 104 million) bond with a floating interest rate and a tenor of 5 years, guaranteed by LafargeHolcim Ltd. The proceeds were used to refinance existing debt and for general corporate purposes.

On April 20, 2015, Holcim Ltd redeemed a CHF 250 million bond with a coupon of 3.00 percent which was issued 9 years ago.

On September 7, 2015, Lafarge S.A. launched a cash tender offer to repurchase several outstanding bonds. The aggregated repurchased nominal amount was CHF 2,460 million. The cash tender offer, settled on September 21, 2015, resulted in a settlement amount of CHF 2,868 million. The difference between the settlement amount and the nominal amount is to a large extent covered with the bond measurement at fair value conducted in connection with the acquisition of Lafarge; the remainder was recorded in financial expenses. The repurchased nominal amount of each bond is shown in the table below:

Lafarge S.A. bonds repurchased as of September 21, 2015

Bonds with original coupon Million CHF	Repurchased nominal amount 21.9.2015	Remaining nominal amount 21.9.2015
4.25% EUR 500 million bonds due in 2016	183	362
7.63% EUR 750 million bonds due in 2016	297	521
8.75% GBP 350 million bonds due in 2017	382	144
5.38% EUR 540 million bonds due in 2017	235	354
6.63% GBP 200 million bonds due in 2017	191	109
5.00% EUR 500 million bonds due in 2018	187	358
5.34% EUR 1,000 million bonds due in 2018	510	580
5.88% EUR 500 million bonds due in 2019	266	279
5.50% EUR 750 million bonds due in 2019	208	610
TOTAL	2,460	3,317

19 Restricted cash and cash equivalents and securitizations

As of September 30, 2015, the restricted cash and cash equivalents of the Group amount to CHF 787 million, of which CHF 675 million consist of cash and cash equivalents transferred to a separate bank account for the purpose of the squeeze-out procedure mentioned under note 3.

As a result of the merger with Lafarge, LafargeHolcim acquired multi-year securitization agreements with respect to trade receivables. Under these agreements, some of the French and North American subsidiaries agree to sell trade accounts receivables. These trade accounts receivables sold remain on the statement of financial position and amounted to CHF 388 million (EUR 356 million) as of September 30, 2015. The financing generated by these securitization programs, classified as current financial liabilities, amounts to CHF 308 million (EUR 282 million) as of September 30, 2015. The French securitization agreement is guaranteed by subordinated deposits and units totaling CHF 80 million (EUR 73 million) as of September 30, 2015.

20 Contingencies and commitments

The Group's commitments amounted to CHF 2,742 million (December 31, 2014: 1,350). The guarantees issued in the ordinary course of business amounted to CHF 891 million (December 31, 2014: 386). The increase in commitments and guarantees is related to the acquisition of Lafarge.

The Group's contingencies amounted to CHF 1,681 million (December 31, 2014: 1,037). The increase in contingencies is related to the acquisition of Lafarge.

The Competition Commission of India issued an order dated June 20, 2012, imposing a penalty of CHF 410 million (INR 27,919 million) on LafargeHolcim Indian companies concerning an alleged breach of competition law by certain cement manufacturers in India. LafargeHolcim Indian companies filed appeals against the order before the appropriate authority and, pursuant to the order, deposited 10 percent of the penalty amount.

On May 28, 2014, the Administrative Council for Economic Defense (CADE) has ruled an order including fines against several Brazilian cement companies. This also applies to Holcim Brazil, which has been fined CHF 120 million (BRL 508 million). Holcim Brazil has filed an appeal against this order. The order relates to the competition law proceedings started in 2006 which aimed at investigating the conduct of several of the leading cement producers in Brazil. In the context of the proceeding, Holcim Brazil has always supplied all information requested. The company reinforces that it acts lawfully and in accordance with fair competition rules and practices. Holcim Brazil will pursue all available legal steps to defend its position.

In 2011, two minority shareholders of Lafarge Brasil SA claimed the nullity of the extraordinary general meeting which had approved the merger between former Lafarge Brasil SA into LACIM in December 2010 to which they had dissented and subsequently exercised their right to withdraw, and requested the revision of the value of the shares they held in Lafarge Brasil SA. In 2013, Lafarge was condemned to pay a further amount of CHF 90 million (BRL 380 million) to the plaintiffs, corresponding to the difference between the book value paid in 2011 at the time of the merger and the fair market (economic) value established by an independent expert. Lafarge Brasil SA's appeal was judged and rejected in December 2014 by the Rio de Janeiro Tribunal. The appeal is not suspensive and requires admittance in order to be judged on the merits. On July 1, 2015, the Rio de Janeiro Tribunal denied admittance of the appeal. Lafarge Brasil has appealed this decision directly to the Superior Court of Justice and to the Supreme Court and will defend vigorously against the judgment and, as the case may be, will consider other actions to challenge the possible enforcement of this judgment.

As a result of price increases in the cement sector and customers' complaints in the first quarter 2013, the competition commission of South Korea (KFTC) initiated an investigation in April 2013 based on suspicions of alleged collusive practices among South Korean cement suppliers. In October 2015, the KFTC published its preliminary report, which concluded Lafarge Halla Cement's involvement in an illegal cartel based on circumstantial evidence and recommended a maximum possible fine of CHF 132 million (KRW 161,480 million). A final decision from the KFTC is expected by the end of this year. Lafarge Halla Cement will continue to fully cooperate with the KFTC and insists that it has not been involved in collusive practices and will defend vigorously in case of adverse decision.

21 Related parties

As a result of the merger, LafargeHolcim has identified the following transactions with other parties or companies related to the group:

Lafarge S.A. has received indemnifications guarantees (in relation to an acquisition in 2008) and entered into a cooperation agreement with Orascom Construction Industries S.A.E (OCI). Mr Nassef Sawiris is Chief Executive Officer and Director of Orascom Construction Industries N.V., parent company of OCI, former director of Lafarge S.A. and current director of LafargeHolcim and Mr Jerome Guiraud is a member of audit committee of OCI and a Director of Lafarge S.A.. The cooperation agreement dated December 9, 2007 aims to allow OCI to participate in tenders in respect of the construction of new plants in countries where OCI has the capability to meet certain of LafargeHolcim's construction needs.

At this stage, the construction agreements entered into with the OCI Group are considered to be at arm's length business transactions, intervening within the framework of consortia, OCI being one of the members. There is no conflict of interest between Mr Nassef Sawiris and LafargeHolcim on this subject. Under these agreements, the outstanding balances with the OCI Group are not significant as at September 30, 2015.

22 Payout

In conformity with the decision taken at the annual general meeting on April 13, 2015, a payout related to 2014 of CHF 1.30 per registered share has been paid out of capital contribution reserves. This resulted in a total payment of CHF 424 million.

23 Events after the reporting period

On October 23, 2015, LafargeHolcim completed the squeeze-out procedures and now owns 100 percent of the share capital and voting rights of Lafarge S.A. In this context, LafargeHolcim issued 633,776 registered shares with a nominal value of CHF 2 each from authorized capital and acquired 10,086,921 shares of Lafarge S.A. for EUR 60 each. On that day, the shares of Lafarge S.A. were delisted from Euronext Paris.

On November 4, 2015, Lafarge S.A. early repurchased the bond with the ISIN reference XS0406402668 and a nominal value of USD 200 million for a total settlement amount of USD 314 million. On November 6, 2015, Lafarge S.A. early repurchased the bond with the ISIN reference XS0413433979 and a nominal value of USD 100 million, for a total settlement amount of USD 157 million. The original repayment date for the two bonds was November 2038.

24 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 November 24, 2015.

25 Principal exchange rates

		Statement of income Average exchange rates in CHF January–September		Statement of financial position Closing exchange rates in CHF		
		2015	2014	30.9.2015	31.12.2014	30.9.2014
1 Euro	EUR	1.06	1.22	1.09	1.20	1.21
1 US Dollar	USD	0.95	0.90	0.97	0.99	0.95
1 British Pound	GBP	1.46	1.50	1.47	1.54	1.55
1 Australian Dollar	AUD	0.73	0.83	0.68	0.81	0.83
100 Brazilian Real	BRL	30.11	39.30	23.65	37.37	38.83
1 Canadian Dollar	CAD	0.76	0.82	0.73	0.85	0.85
1 Chinese Renminbi	CNY	0.15	0.15	0.15	0.16	0.15
100 Algerian Dinar	DZD	0.97	1.14	0.92	1.13	1.15
1 Egyptian Pound	EGP	0.13	0.13	0.13	0.14	0.13
1,000 Indonesian Rupiah	IDR	0.07	0.08	0.07	0.08	0.08
100 Indian Rupee	INR	1.50	1.48	1.48	1.56	1.54
100 Moroccan Dirham	MAD	9.79	10.86	10.00	10.95	10.88
100 Mexican Peso	MXN	6.11	6.85	5.70	6.72	7.06
100 Nigerian Naira	NGN	0.50	0.55	0.50	0.54	0.58
100 Philippine Peso	PHP	2.12	2.03	2.07	2.21	2.12

On January 15, 2015, the Swiss National Bank announced that it abandoned its cap on the Swiss franc against the Euro. As of this date, the Euro devalued considerably against the Swiss franc. This led to significant changes in currency translation adjustments which are reflected in the consolidated statement of other comprehensive earnings.

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 basis of the Key Figures are the consolidated third quarter interim financial statements which are prepared in accordance with IAS 34 Interim Financial Reporting.

January-September		2015	2014[1]	±%
Annual cement production capacity	million t	374.4	208.8[2]	+79.3
Sales of cement	million t	133.6	104.3	+28.1
Sales of mineral components	million t	3.6	2.8	+28.1
Sales of aggregates	million t	155.7	113.7	+37.0
Sales of ready-mix concrete	million m^3	33.4	27.8	+20.2
Sales of asphalt	million t	8.5	7.4	+14.1
Net sales	million CHF	16,186	14,031	+15.4
Operating EBITDA	million CHF	2,671	2,675	–0.1
Operating EBITDA margin	%	16.5	19.1	
Operating profit	million CHF	1,377	1,674	–17.7
Operating profit margin	%	8.5	11.9	
EBITDA	million CHF	3,831	2,967	+29.1
Net income	million CHF	1,502	1,161	+29.3
Net income margin	%	9.3	8.3	
Net income – shareholders of LafargeHolcim Ltd	million CHF	1,316	933	+41.1
Cash flow from operating activities	million CHF	931	1,038	–10.3
Cash flow margin	%	5.8	7.4	
Net financial debt	million CHF	18,309[3]	9,520[2]	+92.3
Total shareholders' equity	million CHF	38,309	20,112[2]	+90.5
Earnings per share	CHF	3.08	2.63[4]	+17.1
Fully diluted earnings per share	CHF	3.08	2.63[4]	+17.1

PRINCIPAL KEY FIGURES IN USD (ILLUSTRATIVE)

Net sales	million USD	16,998	15,609	+8.9
Operating EBITDA	million USD	2,805	2,976	–5.7
Operating profit	million USD	1,446	1,862	–22.4
Net income – shareholders of LafargeHolcim Ltd	million USD	1,382	1,038	+33.2
Cash flow from operating activities	million USD	978	1,155	–15.4
Net financial debt	million USD	18,808[3]	9,625[2]	+95.4
Total shareholders' equity	million USD	39,356	20,334[2]	+93.6
Earnings per share	USD	3.23	2.93[4]	+10.2

PRINCIPAL KEY FIGURES IN EUR (ILLUSTRATIVE)

Net sales	million EUR	15,253	11,520	+32.4
Operating EBITDA	million EUR	2,517	2,196	+14.6
Operating profit	million EUR	1,297	1,374	–5.6
Net income – shareholders of LafargeHolcim Ltd	million EUR	1,240	766	+61.9
Cash flow from operating activities	million EUR	877	852	+2.9
Net financial debt	million EUR	16,790[3]	7,916[2]	+112.1
Total shareholders' equity	million EUR	35,130	16,722[2]	+110.1
Earnings per share	EUR	2.90	2.16[4]	+34.3

[1] *Restated due to changes in accounting policies.*
[2] *As of December 31, 2014.*
[3] *The net financial debt as at September 30, 2015 includes derivative assets of CHF 92 million.*
[4] *Restated due to the distribution of a scrip dividend.*

LafargeHolcim securities

Following the completion of the merger between Holcim and Lafarge on July 10, 2015, LafargeHolcim started trading on July 14, 2015, on the Main Standard of the SIX Swiss Exchange in Zurich and on Euronext in Paris. Telekurs lists the registered share under LHN (security code number 12214059). The corresponding code under Bloomberg is LHN:VX. The market capitalization of LafargeHolcim Ltd amounted to CHF 30.9 billion as at September 30, 2015.

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.

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