



Zurich and Paris, April 7, 2014

**A merger of equals to create LafargeHolcim,  
the most advanced group in the building materials industry**

### **Key Project highlights**

- **A merger of equals creating the most advanced group in the building materials industry.**
- **LafargeHolcim unprecedented range of products and services to answer the changing demands of the building materials industry and the challenges of increasing urbanization.**
- **Both companies combined sales amount to c. CHF 39bn / EUR 32bn and Ebitda to c. CHF 8bn / EUR 6.5 bn.**
- **Transaction structured as a public exchange offer initiated by Holcim with an exchange ratio of 1 Holcim share for 1 Lafarge share.**
- **Enhanced performance through incremental synergies totaling more than CHF 1.7bn / EUR 1.4bn on a full run-rate basis phased in over three years with one third in year one.**
- **Strategic optimization of portfolio while anticipating regulatory requirements through divestments: 10% to 15% of the global Ebitda.**
- **Combined group to be uniquely positioned in 90 countries around the world with a balanced exposure to both developed and high growth markets.**
- **Clearly defined governance with an equally composed board (7 from Lafarge, 7 from Holcim).**
  - **Wolfgang Reitzle as Chairman**
  - **Bruno Lafont as CEO and member of the board**
- **Unanimous approval by the two boards of directors and full support from core shareholders of both companies.**
- **Closing expected in H1 2015**

<p><b>Commenting on this announcement, Rolf Soiron, current Chairman of Holcim, said:</b></p> <p><i>“This proposed merger is a once in a lifetime opportunity to deliver substantially better value to customers with more innovation, a wider range of products and solutions and more sustainability and enhanced returns to shareholders.</i></p> <p><i>“LafargeHolcim will be uniquely positioned to take advantage of growth in developed markets and the world’s fastest growing economies by supplying the materials that will enable the construction industry to meet the challenges of the future.</i></p> <p><i>“Both companies put customers and staff development first to ensure that the new group can deliver best in class operational excellence”</i></p>	<p><b>Bruno Lafont, Chairman and CEO of Lafarge, also commented:</b></p> <p><i>“I am very proud to propose today this new chapter in Lafarge’s long industrial history which is the fruit of the commitment of our people over the years. By combining Holcim’s experienced teams, complementary geographies and innovative expertise with ours, we propose to set up the most advanced group in the construction industry, for the benefit of our clients, our employees and our shareholders.</i></p> <p><i>“I am confident that this merger of equals provides a unique opportunity to rapidly create the most advanced platform in our industry with outstanding synergies.</i></p> <p><i>“With a best in class international portfolio, robust balance sheet and strong governance, the new group will offer higher growth and low risk, thus creating more value.</i></p> <p><i>“For years, I have had the utmost respect for Holcim. The merger of Lafarge and Holcim will allow the group with strong roots in Europe to enter into a new dimension in our ambition to contribute to building better cities on a global scale and in a sustainable manner.”</i></p>
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Holcim and Lafarge today announced their intention to combine the two companies through a merger of equals, unanimously approved by their respective Board of Directors and fully supported by the core shareholders of both companies.

This new global company with European roots would deliver compelling benefits for all stakeholders. LafargeHolcim would be in the best position to contribute to addressing the challenges of urbanization: affordable housing, urban sprawl and transport. The new Group would increase its offer to customers through innovation delivered on an expanded scale, best in class R&D and a combined portfolio of solutions and products. Both companies have pioneered sustainability and climate change mitigation in the industry and are committed to take it to the next level.

LafargeHolcim would have an enhanced presence in the global building materials sector with a number one position globally across cement, concrete and aggregates and new opportunities to optimize production and commercial networks.

Lafarge and Holcim pro forma combined sales amount to c. CHF 39bn / EUR 32bn and Ebitda to c. CHF 8bn / EUR 6.5bn.

After a strategic optimization of the portfolio through a pro-active divestment process, in anticipation of regulatory requirements, LafargeHolcim would occupy complementary positions. Combined operations would include production sites located in 90 countries across all continents with the most balanced and diversified portfolio in the industry. This will deliver highly attractive growth prospects across both high growth and developed markets. No country would account for more than c.10% of combined revenues.

LafargeHolcim would be listed on the SIX in Zurich and Euronext Paris. It would continue to be domiciled in Switzerland. It would operate under the local governance rules with a board composed with equal numbers of Lafarge and Holcim directors and through an efficient distribution of central corporate functions in France and Switzerland. The Chairman of the new board would be Wolfgang Reitzle, future Chairman of Holcim. Bruno Lafont, Chairman and CEO of Lafarge would become CEO of the new group and member of the board. Thomas Aebischer, Holcim's CFO would become CFO of the new group. Jean-Jacques Gauthier, Lafarge's CFO would become Chief Integration Officer of the new group. The Executive Committee would be formed from both Lafarge and Holcim management.

In order to ensure efficient execution of the merger, an integration committee will prepare the integration plan to be implemented straight after the closing of the transaction.

Bernard Fontana, Holcim CEO will remain in charge of Holcim until completion of the transaction. He will co-chair the integration committee.

The proposed merger would enable optimized capital allocation across the expanded footprint to drive improved ROCE, and strong cash-flow generation and the robust balance sheet will provide financial strength. LafargeHolcim will maintain an attractive dividend policy.

LafargeHolcim expects the following annual synergies:

- CHF 1.7bn / EUR 1.4bn of incremental synergies on a full run-rate basis phased in over three years with one third in year one
  - CHF 1.2bn / EUR 1.0bn at Ebitda level through best practices, scale and cross-utilization of innovative products and solutions
  - CHF 240m / EUR 200m in financial savings
  - CHF 240m / EUR 200m in capital expenditure optimization.

The proposed combination would be structured as a public offer filed by Holcim for all outstanding shares of Lafarge on the basis of a 1 for 1 exchange ratio with an agreement to have equal dividends on a per share basis between announcement and completion. Each Lafarge shareholder tendering Lafarge shares to the contemplated exchange offer would receive an equal number of newly issued ordinary shares of Holcim. The offer would be subject to Holcim holding at least 2/3<sup>rd</sup> of the share capital and voting rights of Lafarge on a fully diluted basis.

The proposed combination is conditional upon, among other things, execution of definitive documentation, approval of the shareholders of Holcim and obtaining required regulatory and other customary authorizations. Completion is expected by the end of H1 2015 subject to obtaining regulatory approvals.

The parties will proceed with required information and consultation procedures with the relevant employees representative bodies of Lafarge and Holcim regarding the proposed transaction prior to execution of the final documentation. The exchange offer would be filed with the Autorité des Marchés Financiers (AMF) after relevant regulatory approvals have been obtained and would be subject to review by the AMF in France.

The exchange offer will not be open to the public in the United States or any jurisdiction other than France where action to permit the offer is required.

Thomas Schmidheiny, GBL and NNS Holding Sarl have entered into agreements in support of the proposed combination.

**Practical information:**

- An analyst meeting will take place today at 8.30 a.m. CET in Paris at Pavillon Gabriel, 5 avenue Gabriel, Paris 8<sup>e</sup>. The meeting will be webcast. There is a dial-in possibility. To participate, call the following number:

France +33(0)1 76 77 22 29 / Code : 1895015

Switzerland : +41 (0) 44 580 7214 / Code : 1895015

UK : +44 (0)20 3427 1912 / Code : 1895015

USA : +1212 444 0412 / Code : 1895015

This presentation will be live webcasted on Lafarge and Holcim's websites.

- A Press Conference will be held at 10.30 a.m. CET in Paris at Pavillon Gabriel, 5 avenue Gabriel, Paris 8<sup>e</sup>

- A press conference will take place on Monday, 7 April 2014, at 3:00 p.m. CET, at the Radisson Blu Hotel, Zurich Airport, CH 8058 Zurich Flughafen (7<sup>th</sup> floor, room "Bern"). There is a dial-in possibility. To participate, call the following number: +41 (0) 22 417 7109 / Code: 2631510

- An analyst event will take place on Monday, 7 April 2014, at 5:30 p.m. CET, at the Radisson Blu Hotel, Zurich Airport, CH 8058 Zurich Flughafen (7<sup>th</sup> floor, room "Bern"). There is a dial-in possibility; to participate, call the following number (please call 5 to 10 minutes before the hour) +41(0)22 567 5431 Confirmation Code: 8170528

The slideshow is available on both companies' websites.

**About Holcim**

Holcim is a global leader in the manufacture and distribution of cement and aggregates (crushed stone, gravel, and sand), as well as other activities, including ready-mix concrete, asphalt, and associated services. The company holds majority and minority shareholdings in some 70 countries and on every continent. In 2013, Holcim recorded net sales of over 19.7 billion Swiss francs. Thanks to our market-oriented structures, product innovations, skilled employees and efficient environmental management systems, Holcim is in a strong position now - and for years.

More information is available on Holcim website site: [www.holcim.com](http://www.holcim.com)

**About Lafarge**

A world leader in building materials, Lafarge employs 64,000 people in 62 countries, and posted sales of €15.2 billion in 2013. As a top-ranking player in its Cement, Aggregates and Concrete businesses, it contributes to the construction of cities around the world, through its innovative solutions providing them with more housing and making them more compact, more durable, more beautiful, and better connected. With the world's leading building materials research facility, Lafarge places innovation at the heart of its priorities in order to contribute to more sustainable construction and to better serve architectural creativity.

More information is available on Lafarge's website: [www.lafarge.com](http://www.lafarge.com)

This release is also available in German and French.

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## **Important information**

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

Pursuant to French regulations, the documentation with respect to the exchange offer which, if filed, will state the terms and conditions of the offer, and the listing prospectus regarding the envisaged admission to trading of Holcim shares on Euronext Paris will be subject to the review by the French Market Authority (AMF). Investors and shareholders in France are strongly advised to read, if and when they become available, the prospectus and related exchange offer materials regarding the exchange offer and listing of Holcim shares referenced in this communication, as well as any amendments and supplements to those documents as they will contain important information regarding Lafarge, Holcim, the contemplated transactions and related matters.

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

These materials must not be published, released or distributed, directly or indirectly, in any jurisdiction where the distribution of such information is restricted by law.

This communication does not constitute an offer of or solicitation to purchase or otherwise acquire securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the United States Securities Act of 1933 (the "Securities Act"). The shares of Holcim mentioned herein have not been, and will not be, registered under the Securities Act. The exchange offer will not be open to the public in the United States or any jurisdiction other than France where action to permit the offer is required.

The release, publication or distribution of these materials in certain jurisdictions may be restricted by laws or regulations. Therefore, persons in such jurisdictions into which these materials are released, published or distributed must inform themselves about and comply with such laws or regulations.

## **Side-by-Side and Combined Financials**

This communication contains side-by-side and combined financials (as published by Holcim and Lafarge, i.e. Pre-IFRS 11 for Lafarge) which are presented for illustration purposes only and have not been adjusted for accounting differences nor purchase accounting.

In this document, euro amounts have been translated into Swiss francs at the rate of 1.223 per euro, and Swiss franc amounts have been translated into euros as the rate of 0.818 per Swiss Franc. Certain numerical figures set out in this document have been subject to rounding adjustments and, as a result, this may vary slightly from the actual arithmetic totals.

## **Forward-Looking Statements**

This communication contains forward-looking information and statements about Holcim, Lafarge and their combined businesses after completion of the proposed transaction that have not been audited or independently verified. Forward-looking statements are statements that are not historical facts. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance and synergies. Forward-looking statements are generally identified by the words "expect", "anticipates", "believes", "intends", "estimates" and similar expressions. Although the managements of Holcim and Lafarge believe that the expectations reflected in such forward-looking statements are reasonable, investors and holders of Holcim and Lafarge shares are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Holcim and Lafarge, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. The combined group may not realize the full benefits of the transaction, including the expected synergies, cost savings or growth opportunities within the anticipated time frame or at all.