



Capital Markets Day 2016

Commercial Transformation

...growing faster than the market through differentiation

Gérard Kuperfarb, Growth & Innovation



Commercial Excellence through differentiation, commercial performance and enhanced go-to-market to drive margin and growth

Differentiated End Use Offers & Go-to-market models

Retail
e.g. bag market
Masons, Individual Home Builders



Building & Affordable Housing
e.g. Value added products
Building Contractors, End Users



Infrastructure
e.g. road projects
Large Contractors, Engineering firms



Specialty solutions
e.g. Solidia, AIRIUM



World Class Commercial Performance

Price & Margin Management



Customer Experience Management



Offer Range Management



Commercial Branding



Sales Excellence

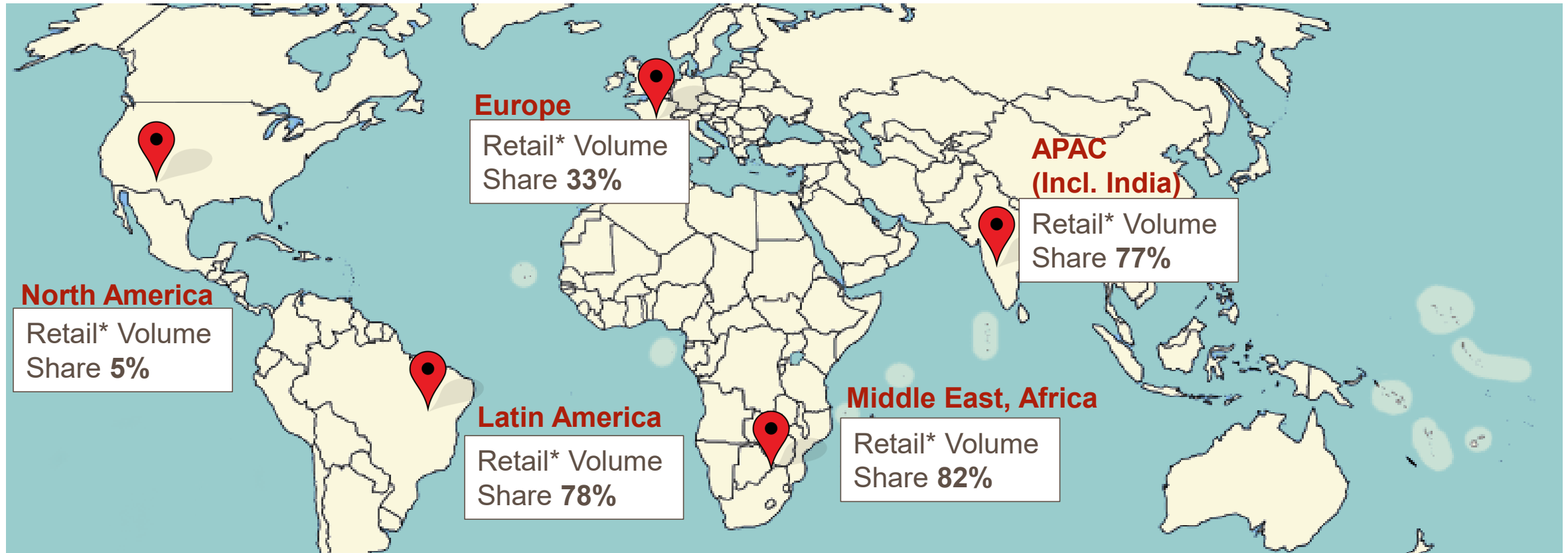


Tomorrows' solutions

Breakthrough construction technologies to unlock value for entire construction value chain

Integrate sustainability into construction solutions of tomorrow

Retail differentiation essential to succeed in over 60% of our markets



* Share of cement bag sales as % of total cement sales volume

55 countries embarked on Retail transformation, strengthening differentiation and collaboration with our channel partners



End-user
Consumer
Experience



Develop a community of retailers with an affiliation model:

- Superior customer experience for end users
- Enhance our ability to extract value for our offers
- Grow revenue of retailers with wider offer portfolio
- Better loyalty and advocacy from retailers

Gain value share in independent retailers

Grow share in Modern trade & DIY chains served through new offers



Leverage
Digital

16 countries co-created a Retail Transformation Methodology including tools for:

- Retail Maturity Assessment
- Four distinct Go-To-Market models
- Customer discoveries methodology
- Guidelines and systematic learning from countries' past experiences

Deploying tomorrows' Retail solutions to create the next generation Retail models



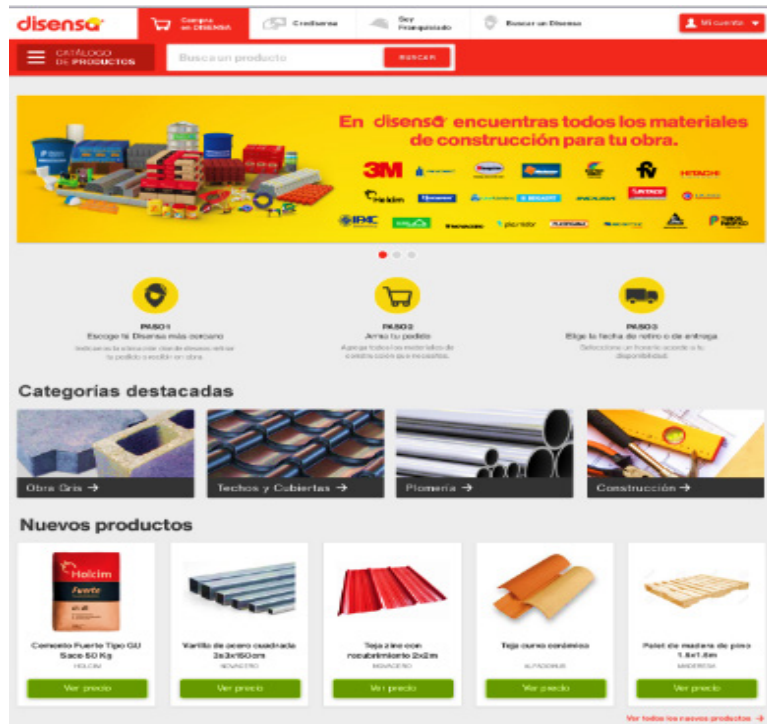
Creating a great customer experience that touches all stakeholders in the construction ecosystem...

Online

www.disensa.com

&

Modern Construction Retail
Affiliate network



Also pursuing differentiation in Infrastructure, through sectorial expertise, partnership and world-class execution



In-house infrastructure sectorial expertise



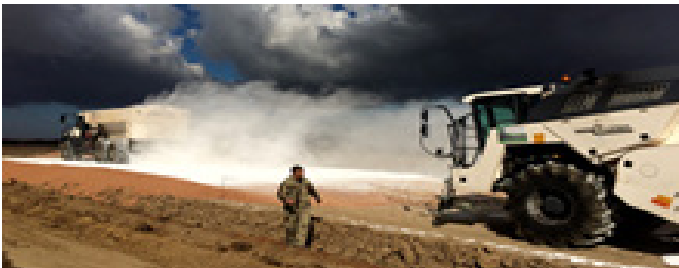
A partnership approach on a global scale



World-class excellence in project execution



Selected illustrations



Road optimized with global contractors



Backfill solutions for international Mining companies



Wind towers and foundations advanced solutions

Differentiating through Infrastructure offers with need based value proposition for large project eco-systems



Leveraging new Mining Hub in Canada:

Contract signed with Gold Mining company in Congo for **Back-fill paste**.

LH engaged as a legitimate player in helping them optimize the USD 1.7bn back-fill cost over 25 years



Teaming-up upfront with advanced designs in Transport:

Our new business and technical skills in Ports, Rail and Metro starting to deliver:

- Port projects in Middle East & Africa
- Metro projects in Latin America & Asia Pacific



Developing strategic relations with global contractors:

Partnership signed with CCCC: Chinese Construction Company but N°1 in Africa.

14 added-value projects so far with **8** global partners and a **200** projects pipeline

Significant progress on delivering world-class Commercial Performance – Key ongoing actions

Price and Margin Management

122 pricing managers introduced.
Structured sustainable pricing strategies in place

Offer Range Management

Cross selling synergies delivered in 2016
Differentiated offers developed as part of Marketing plan with material ambition for 2017

Sales Excellence

Global Sales Academy and Sales Team Assessment toolkit developed and deployed
Over 4500 sales people assessed on standard sales skills

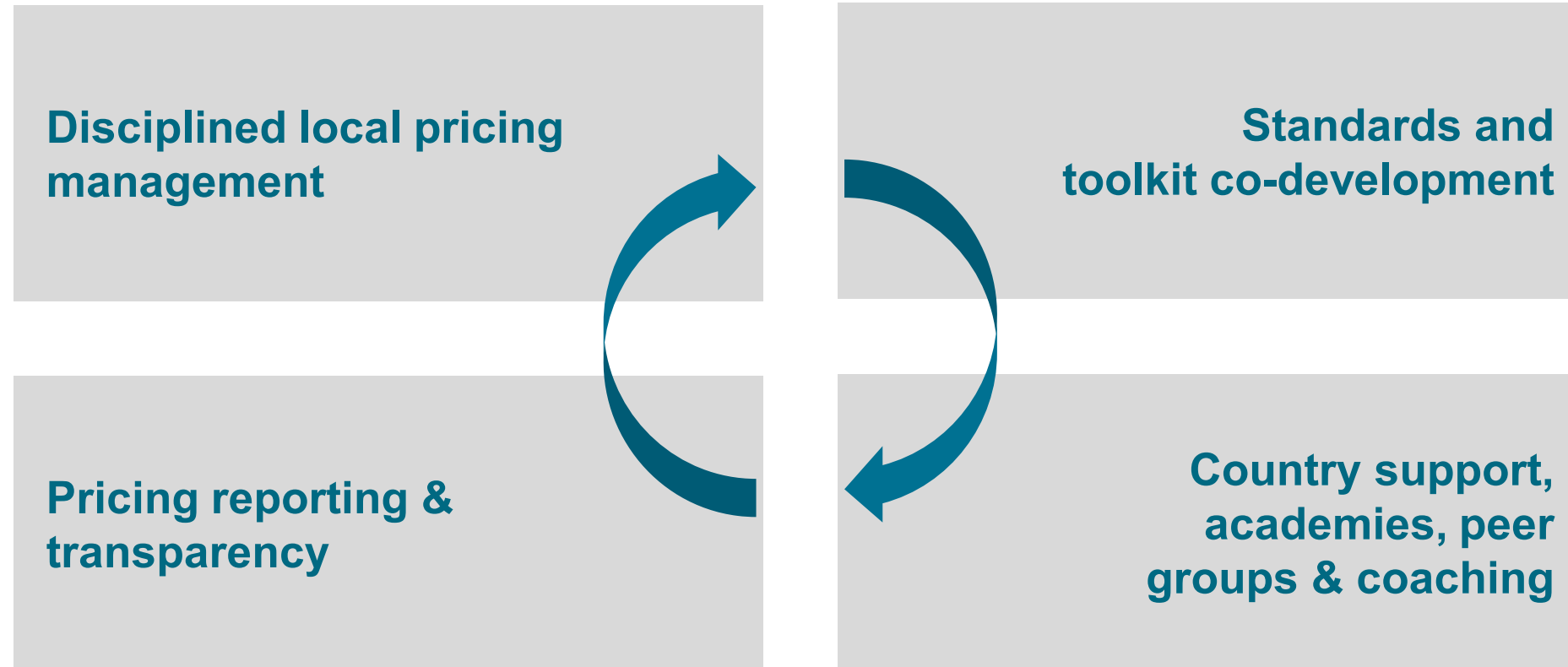
Customer Experience Management

72 experts trained on Net Promoter Score (NPS)
54 countries with active NPS programs by end of 2016

Commercial Branding

A Global Brand Box toolkit rolled out for use by country organizations

Pricing and Margin Management – Focus on building excellence and realizing benefits



Selected innovative breakthrough construction solutions hitting the ground



AIRIUM Insulation Redefined

A patented disruptive technology, a 100% mineral insulating solution targeting the worldwide **~70bn CHF** construction thermal insulation market.

- First sales in Austria (Aug 2016)
- Launch planned in Morocco & France by end of 2016

 **Solidia Technologies**

Multiple advantages CO2 binder cement targeting unreinforced precast industry with overall **70%** lower CO2 footprint.

- Commercially launched with EP Henry (Pre-casters from USA)
- Projects in Canada and Europe on schedule for commercial launch

Affordable Housing solutions

14 TREES
Building better lives.

A joint venture with CDC (British Development Agency) target the Bottom of the pyramid opportunity. Impact **25 m** people by 2020

Building Information Modelling (BIM)



First wave Countries in Europe to get 'BIM ready' by end of 2016
Preparing for BIM based new business models

AIRIUM a promising technology platform for the c.70bCHF insulation market, unlocking value for all stakeholders



AIRIUM is a patented disruptive technology, relevant to improve energy efficiency from floors to ceiling. It can be leveraged through various operational models.



AIRIUM holds an edge over traditional insulation materials – its benefits resonate with top of mind pain points per stakeholder

Living with AIRIUM



An efficient, healthy & cozy insulation, no mold & good heat peak insulation



Superior fire resistance, A1



Durable over time, 100 years vs 50 years

Building with AIRIUM



Build and insulate at the same time, e.g. roof terrace or BlockFill



Hassle-free, transport, storage, handling



Flexible / adaptable technology, structural vs insulation

Designing with AIRIUM



Sustainable insulation, LCA ca. 40% than alternatives



Durable over time, 100 years vs 50 years



An efficient, healthy & cozy insulation, no mold & good heat peak insulation

Commercial Transformation aims to target a larger share of construction spend



Commercial Excellence

- Gain share of volume and value in the Construction material

Differentiated & Breakthrough Solutions

- Retail, Building and Infrastructure solutions and new business models to unlock and share value beyond traditional material share.
- Not just CHF/Ton of construction material but CHF/m²

In conclusion, Commercial Transformation progressing well to support countries in driving profitable growth

Marketing Plan,
a growth plan in every country is at the core of business planning

Mobilizing the organization by widely communicating the new vision

Performance metrics and incentives, across levels aligned to the company transformation program

Systematic roll out of global best practices and expertize through standards and toolkits

Global commercial academies and excellence hubs set up for key competencies to back the growth plans