

SUMMARY PROSPECTUS

LAFARGEHOLCIM MAROC S.A.



LafargeHolcim
Maroc

CAPITAL INCREASE OF LAFARGEHOLCIM MAROC S.A. THROUGH THE MERGER-ABSORPTION OF LAFARGE CEMENTOS S.A.

Proposed to the Extraordinary General Meetings of LafargeHolcim Maroc and Lafarge Cementos, scheduled on December 30th, 2016

Number of shares for sale	26 615 new LafargeHolcim Maroc shares
Par value	MAD 30
LafargeHolcim Maroc share price	MAD 1 658
Exchange ratio	76.7 LafargeHolcim Maroc shares (rounded) for 1 Lafarge Cementos share
Transaction amount	MAD 2 359 512 039.28 (merger premium included)
Amount of the capital increase registered in the Stock Exchange	MAD 44 127 670
Nominal amount of the capital increase	MAD 798 450
Date of the share exchange	January 4 th , 2017

Transaction reserved for the shareholders of Lafarge Cementos (excluding LafargeHolcim Maroc)

Advisory Bodies



Centralizing Body



Institution in charge of registration

ATTIJARI
Intermédiation

VISA OF THE AMMC

In accordance with the provisions of the circular of the AMMC, based on article 14 of the Dahir providing law n° 1-93-212 of September 21st, 1993 as amended and supplemented, the original version of this prospectus was approved by the AMMC on December 19th 2016 under reference VI/EM/039/2016

DISCLAIMER

The AMMC approved a prospectus on December 19th 2016 relating to the capital increase of LafargeHolcim Maroc through the merger-absorption of Lafarge Cementos.

The prospectus approved by the AMMC is available at any time at the head office of Lafarge Cementos, LafargeHolcim Maroc and the co-financial advisors Attijari Finances Corp. and CFG Bank Corporate Finance.

The prospectus is available to the public on the AMMC website (www.ammc.ma) and on the Casablanca Stock Exchange website (www.casablanca-bourse.com).

PART I. TRANSACTION OVERVIEW

I. Transaction Framework

I.1. Transaction context and legal framework

The Boards of Directors of LafargeHolcim Maroc (the Absorbing Company) and Lafarge Cementos (the Absorbed Company) met on October 10th, 2016 and approved the terms of the merger by means of a absorption of Lafarge Cementos by LafargeHolcim Maroc (“the Merger”). They also approved the terms of the reports that they will present to their respective extraordinary general meetings (EGM), as well as the text of the draft resolutions, which will be voted on by the EGM. Said merger project was concluded between the Absorbing Company and the Absorbed Company on October 10th, 2016 (the **Merger Treaty**).

The Boards of Directors also decided to convene the Extraordinary General Meetings for shareholders on December 30th, 2016, at the respective head offices of both companies particularly with the aim of approving the Merger.

The Auditors released a report on the Merger Treaty, in accordance with the provisions of article 233 of law 17-95 relating to public limited companies as amended and supplemented. In their reports dated November 28th, 2016, the Auditors of LafargeHolcim Maroc and Lafarge Cementos certify that they have no observation to formulate with respect to the adequacy of the relative value attributed to the shares of LafargeHolcim Maroc and Lafarge Cementos, nor on the equitable nature of the exchange ratio, and that they verified that the total amount of net assets contributed by the Absorbed Company is at least equal to the total amount of the capital increase of the Absorbing Company.

LafargeHolcim Maroc and Lafarge Cementos have made available to their respective shareholders, at their respective head offices and at least thirty days prior to holding their Extraordinary General Meetings called upon to decide on the Merger, the documents relating to the Merger as well as those required by article 234 of law 17-95 as amended and supplemented:

- the Merger Treaty;
- the report of the Board of Directors of each company on the merger transaction;
- the Auditors’ reports in accordance with the provisions of article 233 of law 17-95 relating to limited companies (*sociétés anonymes*) as amended and supplemented;
- the approved financial statements as well as the management reports for the last three financial years for both companies;
- an accounting statement drawn up not earlier than three months to the date of the Merger Treaty.

Any shareholder may obtain, on mere request and free of charge, a complete or partial copy of the aforementioned documents for both companies.

I.2. Objectives of the Transaction

The Merger falls mainly within the measures to rationalize and simplify the structure of the companies of LafargeHolcim Maroc group, which the two companies are part of.

The Merger is being considered for the purpose of creating a synergy in the two companies' structures and financial resources.

I.3. Presentation of the Merger Treaty

The main stipulations of the Merger Treaty are the following:

- The Merger shall be completed in accordance with the provisions of article 222 and seq. of law 17-95 relating to limited companies (*sociétés anonymes*) as amended and supplemented. Lafarge Cementos shall provide to LafargeHolcim Maroc, subject to the fulfillment of the conditions precedent described hereafter, all of its assets, with legal effect from the date of completion of the Merger;
- The terms and conditions of the Merger Treaty were set out on the basis of the accounts of LafargeHolcim Maroc and Lafarge Cementos as at December 31st, 2015, the closing date of their last financial year, which were (i) approved by their respective boards of directors, (ii) certified by their respective auditors and (iii) approved by their respective shareholders' general meetings;
- In accordance with the provisions of article 225 of law 17-95 relating to limited companies (*sociétés anonymes*) as amended and supplemented, the Merger shall take effect retroactively, for accounting and tax purposes, on January 1st, 2016, and for legal purposes, from the fulfillment of the final conditions precedent referred to below;
- The Merger will be completed on the basis of the real value of the assets and liabilities of Lafarge Cementos contributed under the Merger:
 - ✓ the following assets: land, buildings, technical facilities, equipment and machinery and financial assets were subject to a re-evaluation by experts with regard to their net accounting value in Lafarge Cementos' balance sheet as at December 31st, 2015, to determine their real value;
 - ✓ for the other assets and liabilities, the real value is considered as equal to their net accounting value in Lafarge Cementos' balance sheet as at December 31st, 2015;
 - ✓ the value of the goodwill was determined using the total value of the Absorbed Company less the value of the various other asset and liability items.
- The Merger is subject to conditions precedent, i.e. (i) obtaining the notice of approval for the Merger by the Casablanca Stock Exchange, (ii) obtaining the approval of the AMMC on the prospectus relating to the Merger, (iii) the approval of the Merger by the respective Extraordinary General Meetings of LafargeHolcim Maroc and Lafarge Cementos;
- From a fiscal perspective, the Merger will be subject to the transitional arrangement under article 247-XV of the General Tax Code and shall benefit from the measures laid down by said article.

I.4. Determination of the contribution value, the valuation of both companies and the exchange ratio

The exchange ratio was set at 76.7 LafargeHolcim Maroc shares (rounded) for 1 Lafarge Cementos share.

In accordance with the provisions of article 224 paragraph 3 of law n° 17-95 relating to limited companies (*sociétés anonymes*), as amended and supplemented, and since LafargeHolcim Maroc holds 19,795 Lafarge Cementos shares, the Merger shall not result in the exchange of Lafarge Cementos shares held by LafargeHolcim Maroc for shares of the latter.

In exchange of the merger-contribution, LafargeHolcim Maroc shall increase its share capital, to the benefit of the Lafarge Cementos shareholders others than LafargeHolcim Maroc, by MAD 798 450, by creating 26 615 new shares of the same par value as the existing shares (i.e. MAD 30) (the “**New Shares**”), increasing the total number of shares making up the share capital of LafargeHolcim Maroc from 23 404 625 to 23 431 240 shares.

The New Shares will be fully paid-up and will be attributed to the Lafarge Cementos shareholders others than LafargeHolcim Maroc at 76.7 LafargeHolcim Maroc shares (rounded) for 1 Lafarge Cementos share.

Subject to the fulfillment of the conditions precedent described above, Lafarge Cementos shall transfer all of its assets to LafargeHolcim Maroc on the completion date of the Merger, in the condition in which they shall be at said date of completion. The assets transferred under the Merger shall include all of the Lafarge Cementos assets, rights and securities at the date of completion, without exception or reservation as well as all the liabilities and obligations of Lafarge Cementos at that date.

The assets and liabilities constituting the contributions of Lafarge Cementos listed hereafter are those included in the Lafarge Cementos balance sheet as at December 31st, 2015, bearing in mind that the list below is only indicative but not restrictive, as the Merger constitutes a universal transfer of the assets and liabilities composing the Lafarge Cementos assets in the condition in which they shall be at the date of completion:

Contributed asset (in MAD)	Net accounting value ast at 31 12 2015	Contribution value
Written off fixed assets	0.01	0.00
Intangible assets	0.00	1 809 306 927.70
Tangible assets	222 397 665.91	686 273 290.00
Property	37 423 948.10	132 719 090.00
Buildings	99 675 225.96	118 919 100,00
Technical facilities, equipment and machinery	84 967 688.64	433 764 000.00
Transport equipment	0.01	0.00
Office furniture and equipment	330 803.20	871 100.00
Financial assets	120 347 728.90	351 337 046.90
Long term loans	3 303 236.03	3 303 236.03
Other financial receivables	1 839 172.87	1 839 172.87
Equity securities	115 205 320.00	346 194 638.00
Total fixed assets (I)	342 745 394.82	2 846 917 264.60
Inventories	17 395 518.73	17 395 518.73
Current asseys receivables	129 924 820.31	129 924 820.31
Creditors-debit balances, down payments and advances	138 318.70	138 318.70
Accounts receivable	57 337 034.78	57 337 034.78
Personnel	75 148.77	75 148.77
State	69 643 142.97	69 643 142.97
Accruals and deferred income	1 763 672.15	1 763 672.15
Unrealized exchange gains or losses - assets	967 502.94	967 502.94
Total current assets (II)	147 320 339.04	147 320 339.04
Cash account – assets	10 265 598.52	10 265 598.52
Total cash (III)	10 265 598.52	10 265 598.52
Total assets (I+II+III)	500 331 332.38	3 004 503 202.16

Source: Merger Treaty

Liabilities taken over (in MAD)	Net accounting value as at 31 12 2015	Contribution Value
Provisions for liabilities and charges (I)	16 494 760.78	16 494 760.78
Debt of current liabilities (II)	209 231 012.24	354 051 992.24
Creditors and accounts payable	98 248 888.27	98 248 888.27
Debtors-credit balances and advances	4 762 631.70	4 762 631.70
Personnel	873 989.91	873 989.91
Social entities	541 059.56	541 059.56
State	79 469 384.17	79 469 384.17
Partners' accounts (including dividends paid out in 2016)	18 435 999.40	163 256 979.40
Other payables	2 761 037.23	2 761 037.23
Liabilities adjustment account	1 412 000.00	1 412 000.00
Other provisions for liabilities and charges	2 726 022.00	2 726 022.00
Cash - liabilities (III)	72 498 309.14	72 498 309.14
Total liabilities (I+II+III)	298 224 082.16	443 045 062.16

Source: Merger Treaty

From the designations and assessments here-above, it appears that:

- The assets contributed by Lafarge Cementos are valued at MAD 3 004 503 202.16; and
- The liabilities taken over by LafargeHolcim Maroc are valued at MAD 443 045 062.16.

The net assets contributed by Lafarge Cementos under the Merger are valued at MAD 2 561 458 140.00.

LafargeHolcim Maroc will benefit, as the case may be, from the commitments received by Lafarge Cementos, and will replace Lafarge Cementos, and will be solely liable for all the commitments made by the latter.

1.5. Determination of the merger premium

The amount of the merger premium, i.e. MAD 2 358 713 589.28, is made up of the difference between:

- the net asset value contributed by Lafarge Cementos, i.e. MAD 2 561 458 140.00, on the one hand, and
- the sum corresponding to (i) the nominal value of the capital increase of LafargeHolcim Maroc, i.e. MAD 798 450, and (ii) the amount corresponding to the book value of the shares of the Absorbed Company held by the Absorbing Company, i.e. MAD 201 946 100.72, on the other hand.

1.6. Modalities for the treatment of fractional shares

The shareholders of Lafarge Cementos, other than LafargeHolcim Maroc, which own an insufficient number of Lafarge Cementos shares allowing them to obtain a whole number of LafargeHolcim Maroc shares, shall personally see to the purchase or sale of the necessary number of Lafarge Cementos shares for that purpose within a delay of 20 business days.

On the conversion date of the Lafarge Cementos shares into LafargeHolcim Maroc shares, and in order to protect the interests of the Lafarge Cementos shareholders, the Lafarge Cementos fractional shares which did not lead to a whole number of LafargeHolcim Maroc shares will be grouped with the centralizing body for the Transaction and converted into new LafargeHolcim Maroc shares. These new shares will then be sold on the stock exchange by said centralizing body under market conditions, within 5 working days, and the proceeds from the sale of the shares, in equivalent proportion and net of any charge, will be divided among the fractional shareholders.

1.7. Resolutions proposed to the LafargeHolcim Maroc EGM

The text of the draft resolutions particularly relating to the Merger, which will be submitted to the LafargeHolcim Maroc Extraordinary General Meeting convened on December 30th, 2016, is as follows:

First resolution

The Extraordinary General Meeting:

- After having taken note of the merger treaty dated October 10th, 2016 concluded between LafargeHolcim Maroc and Lafarge Cementos (the Merger Treaty), providing for the conditions and modalities of the universal transmission of Lafarge Cementos assets to LafargeHolcim Maroc following the merger by absorption by the latter of Lafarge Cementos (the Merger),
- After having heard the report of the Board of Directors and the report of the auditors on the modalities of the Merger and on the contributions in kind,
- On the basis of the prospectus relating to the Merger approved by the AMMC,

Approves in all of its stipulations said Merger Treaty, under which Lafarge Cementos contributes all of its assets and liabilities to LafargeHolcim Maroc, under the Merger.

The Extraordinary General Meeting notes that (i) the approval notice of the Merger was issued by the Casablanca Stock Exchange, (ii) the approval of the prospectus relating to the Merger was issued by the AMMC and (iii) the Extraordinary General Meeting of Lafarge Cementos, held on this day, approved the Merger; accordingly, following this meeting and stating that the conditions precedent governing the Merger are fulfilled, the Merger shall become final.

In view of the above, Lafarge Cementos will be dissolved without liquidation, at the end of this meeting.

Second resolution

After having heard the Board of Directors' report and the Auditors' report on the contributions in kind, the Extraordinary General Meeting approves the contribution made under the Merger and the valuation that was made, the net assets contributed by Lafarge Cementos under the Merger being valued at MAD 2 561 458 140 on the basis of assets contributed by Lafarge Cementos valued at MAD 3 004 503 202.16 and liabilities taken over by LafargeHolcim Maroc valued at MAD 443 045 062.16.

Third resolution

In accordance with the provisions of article 224 paragraph 3 of law n° 17-95 relating to limited companies (*sociétés anonymes*), as amended and supplemented, and since LafargeHolcim Maroc holds 19,795 Lafarge Cementos shares, the Merger shall not result in the exchange of Lafarge Cementos shares held by LafargeHolcim Maroc for shares of the latter.

Hence, the Extraordinary General Meeting, in consideration for the contribution of all of the assets transmitted by Lafarge Cementos to LafargeHolcim Maroc, decided to issue 26,615 new shares (the New Shares) with a par value of MAD 30 each, which will be attributed to Lafarge Cementos shareholders other than LafargeHolcim Maroc shareholders, at 76.7 LafargeHolcim Maroc shares (rounded) for 1 Lafarge Cementos share.

Accordingly, the General Meeting decided to increase its share capital by MAD 798,450, thus increasing its share capital from MAD 702,138,750 to MAD 702,937,200, the total number of shares making up the share capital of LafargeHolcim Maroc going from 23 404 625 to 23 431 240 shares.

The New Shares to be created by LafargeHolcim Maroc under the capital increase (i) shall be fully equivalent to the existing shares in terms of rights and obligations, (ii) shall be subject to all the provisions of the company's

bylaws and (iii) will bear current dividend rights so as to be fully equivalent to the existing LafargeHolcim Maroc shares at the date of the final completion of the Merger. Accordingly, the New Shares shall entitle the holders to the profits or allocation of the reserves that may be paid out by LafargeHolcim Maroc starting from the date of the final completion of the Merger. It should be noted that, in any event, the New Shares to be created by LafargeHolcim Maroc shall not entitle the holders to any distribution of profits or allocation of the reserves or premiums of any kind, that are paid out prior to the Merger completion date.

The shareholders of Lafarge Cementos, other than LafargeHolcim Maroc, which own an insufficient number of Lafarge Cementos shares enabling them to obtain a whole number of LafargeHolcim Maroc shares, shall personally see to the purchase or sale of the necessary number of Lafarge Cementos shares.

On the conversion date of the Lafarge Cementos shares into LafargeHolcim Maroc shares, and in order to protect the interests of the Lafarge Cementos shareholders, the Lafarge Cementos fractional shares which did not lead to a whole number of LafargeHolcim Maroc shares will be grouped with the centralizing body for the transaction and converted into new LafargeHolcim Maroc shares. These new shares will then be sold on the stock exchange by said centralizing body under market conditions, within 5 working days, and the proceeds from the sale of the shares, in equivalent proportion and net of any charge, will be divided among the fractional shareholders.

The difference between:

- the net asset value contributed by Lafarge Cementos, i.e. MAD 2 561 458 140, on the one hand, and
- the sum corresponding to (i) the nominal value of the capital increase of LafargeHolcim Maroc, i.e. MAD 798 450, and (ii) the amount corresponding to the book value of the shares of Lafarge Cementos held by LafargeHolcim Maroc, i.e. MAD 201 946 100.72, on the other hand

shall constitute the amount of the merger premium, i.e. MAD 2 358 713 589.28, which shall be credited to a "merger premium" account in the liabilities of the balance sheet of LafargeHolcim Maroc and which will relate to the rights of the existing and new shareholders of LafargeHolcim Maroc.

The Extraordinary General Meeting also authorizes the Board of Directors to:

- deduct, from the merger premium, all of the expenses, duties and fees incurred by the Merger, as well as all the amounts required for the satisfactory implementation of the absorption of the rights and commitments of LafargeHolcim Maroc by Lafarge Cementos;
- deduct, from the merger premium, the amounts required for the full allocation to the legal reserve and the regulated provisions; and
- deduct, from the merger premium, the amounts of any omitted or unrevealed liability concerning the contributed assets, as well as any unrealized liabilities of Lafarge Cementos which would come about subsequently to the completion date of the Merger.

[Fourth resolution](#)

Having regard to the aforementioned adopted resolutions and after having heard the Board of Directors' report, the Extraordinary General Meeting decided to change article 6 (Share capital) of the bylaws of LafargeHolcim Maroc as follows:

"Article 6: Share capital – In-kind contributions

1. The share capital is set at seven hundred and two million nine hundred thirty-seven thousand two hundred (702 937 200) dirhams and is divided into twenty-three million four hundred thirty-one thousand two hundred and forty (23 431 240) shares with a par value of thirty (30) dirhams each, fully paid-up, numbered from 1 to 23 431 240.

2. (a) – (...).

(b) – (...).

(c) - Pursuant to the decisions of the extraordinary general meeting of December 30th, 2016, LafargeHolcim Maroc took over Lafarge Cementos by merger.

Under this merger, Lafarge Cementos transferred all its assets to LafargeHolcim Maroc.

The assets contributed by Lafarge Cementos being valued at MAD 3 004 503 202.16 and the liabilities taken over by LafargeHolcim Maroc being valued at MAD 443 045 062.16, the net assets contributed by Lafarge Cementos to LafargeHolcim Maroc are of MAD 2 561 458 140.

The difference between:

- *the net asset value contributed by Lafarge Cementos, i.e. MAD 2 561 458 140, on the one hand; and*
- *the sum corresponding to (i) the nominal value of the capital increase of LafargeHolcim Maroc, i.e. MAD 798 450, and (ii) the amount corresponding to the book value of the shares of Lafarge Cementos held by LafargeHolcim Maroc, i.e. MAD 201 946 100.72, on the other hand,*

constitutes the amount of the merger premium, i.e. MAD 2 358 713 589.28.

The aforementioned capital increase of LafargeHolcim Maroc, of MAD 798,450, has resulted in the attribution of 26 615 new shares to the benefit of the Lafarge Cementos shareholders other than LafargeHolcim Maroc, at an exchange ratio of 76.7 LafargeHolcim Maroc shares (rounded) for 1 Lafarge Cementos share."

Fifth resolution

The Extraordinary General meeting grants full powers to the bearer of an original, extract or copy of these minutes to carry out all the necessary formalities required by law.

I.8. Resolutions proposed to the Lafarge Cementos EGM

The text of the draft resolutions particularly relating to the Merger, which will be submitted to the Lafarge Cementos Extraordinary General Meeting convened on December 30th, 2016, is as follows:

First resolution

The Extraordinary General Meeting:

- After having taken note of the merger treaty dated October 10th, 2016 concluded between LafargeHolcim Maroc and Lafarge Cementos (the Merger Treaty), providing for the conditions and modalities of the transmission of all Lafarge Cementos assets to LafargeHolcim Maroc following the merger by absorption by the latter of Lafarge Cementos (the Merger);
- After having heard the report of the Board of Directors and the report of the auditors on the modalities of the Merger and on the contributions in kind; and
- On the basis of the prospectus relating to the Merger approved by the Moroccan Capital Markets Authority,

approves in all of its stipulations said Merger Treaty, under which Lafarge Cementos contributes all of its assets and liabilities to LafargeHolcim Maroc, under the Merger.

The Extraordinary General Meeting notes that (i) the approval notice of the Merger was issued by the Casablanca Stock Exchange, and (ii) the approval of the prospectus relating to the Merger was issued by the

AMMC; and accordingly, following this general meeting and after the approval of the Merger by the Extraordinary General Meeting of LafargeHolcim Maroc held on this day, the Merger shall become final.

In accordance with the provisions of article 224 paragraph 3 of law n° 17-95 relating to limited companies (*sociétés anonymes*), as amended and supplemented, and since LafargeHolcim Maroc holds and continues to hold 19,795 Lafarge Cementos shares on the date of final completion of the Merger, the Merger shall not result in the exchange of Lafarge Cementos shares held by LafargeHolcim Maroc for shares of the latter.

Hence, in consideration for the contribution of all of the assets transmitted to it by Lafarge Cementos, LafargeHolcim Maroc decided to issue 26,615 new shares (the New Shares) with a par value of MAD 30 each, which will be attributed to Lafarge Cementos shareholders other than LafargeHolcim Maroc shareholders, at 76.7 LafargeHolcim Maroc shares (rounded) for 1 Lafarge Cementos share.

Consequently, LafargeHolcim Maroc decided to increase its share capital by MAD 798 450, which will hence go from MAD 702 138 750 to MAD 702 937 200, and the total number of shares making up the share capital of LafargeHolcim Maroc shall increase from 23 404 625 to 23 431 240 shares.

The New Shares to be created by LafargeHolcim Maroc under the capital increase (i) shall be fully equivalent to the existing shares in terms of rights and obligations, (ii) shall be subject to all the provisions of the company's bylaws and (iii) will bear current dividend rights so as to be fully equivalent to the existing LafargeHolcim Maroc shares at the date of the final completion of the Merger. Accordingly, the New Shares shall entitle the holders to the distribution of profits or allocation of the reserves that may be paid out by LafargeHolcim Maroc starting from the date of the final completion of the Merger. It should be noted that, in any event, the New Shares to be created by LafargeHolcim Maroc shall not entitle the holders to any distribution of profits or allocation of the reserves or premiums of any kind, that may be paid out prior to the Merger completion date.

The shareholders of Lafarge Cementos, other than LafargeHolcim Maroc, which own an insufficient number of Lafarge Cementos shares enabling them to obtain a whole number of LafargeHolcim Maroc shares, shall personally see to the purchase or sale of the necessary number of Lafarge Cementos shares.

On the conversion date of the Lafarge Cementos shares into LafargeHolcim Maroc shares, and in order to protect the interests of the Lafarge Cementos shareholders, the Lafarge Cementos fractional shares which did not lead to a whole number of LafargeHolcim Maroc shares will be grouped with the centralizing body for the transaction and converted into new LafargeHolcim Maroc shares. These new shares will then be sold on the stock exchange by said centralizing body under market conditions, within 5 working days, and the proceeds from the sale of the shares, in equivalent proportion and net of any charge, will be divided among the fractional shareholders.

The difference between:

- the net asset value contributed by Lafarge Cementos, i.e. MAD 2 561 458 140 on the one hand; and
- the sum corresponding to (i) the nominal value of the capital increase of LafargeHolcim Maroc, i.e. MAD 798 450, and (ii) the amount corresponding to the book value of the shares of Lafarge Cementos held by LafargeHolcim Maroc, i.e. MAD 201 946 100.72, on the other hand,

shall constitute the amount of the merger premium, i.e. MAD 2 358 713 589.28, which shall be credited to a "merger premium" account in the liabilities of the balance sheet of LafargeHolcim Maroc and which will relate to the rights of the existing and new shareholders of LafargeHolcim Maroc.

[Second resolution](#)

The Extraordinary General Meeting takes note of the automatic dissolution of Lafarge Cementos which shall be definitely completed at the end of the Extraordinary General Meeting of LafargeHolcim Maroc, which shall take note of the definite completion of the Merger. It should be noted that there shall be no liquidation transaction in so far as all the assets of Lafarge Cementos shall be transferred to LafargeHolcim Maroc under the Merger.

Third resolution

The Extraordinary General Meeting grants full powers to the bearer of an original, extract or copy of these minutes to carry out all the necessary formalities required by law.

II. Impact of the Transaction on the shareholding structure

In exchange of the merger-contribution, LafargeHolcim Maroc shall increase its share capital by creating 26 615 new shares, which shall be attributed to former shareholders of Lafarge Cementos, others than LafargeHolcim Maroc, on the basis of the agreed exchange ratio of 76.7 LafargeHolcim Maroc shares (rounded) for 1 Lafarge Cementos share. Following the Merger, the breakdown of the capital of LafargeHolcim Maroc should be as follows:

Shareholders	Before the Merger		After the Merger		
	Number of shares	% of the capital and voting rights	Number of shares	% of the capital	% of the voting rights
Lafarge Maroc	15 156 172	64.76%	15 156 172	64.68%	64.99%
Islamic Development Bank	1 649 262	7.05%	1 649 262	7.04%	7.07%
CIMR	112 094	0.48%	112 094	0.48%	0.48%
Lafarge Cementos	111 651	0.48%	0	0.00%	0.00%
Other shareholders	6 375 446	27.24%	6 402 061	27.32%	27.45%
Treasury shares	0	0.00%	111 651	0.48%	0.00%
Total	23 404 625	100.00%	23 431 240	100.00%	100.00%

Source: LafargeHolcim Maroc

III. Amendment of the by-laws following the Transaction

Following the merger-absorption Transaction, the LafargeHolcim Maroc bylaws shall be amended as follows:

"Article 6: Share capital – In-kind contributions

1. *The share capital is set at seven hundred and two million nine hundred thirty-seven thousand two hundred (702 937 200) dirhams and is divided into twenty-three million four hundred thirty-one thousand two hundred and forty (23 431 240) shares with a par value of thirty (30) dirhams each, fully paid-up, numbered from 1 to 23 431 240.*

2. (a) – (...).

(b) – (...).

(c) - *Pursuant to the decisions of the extraordinary general meeting of December 30th, 2016, LafargeHolcim Maroc took over Lafarge Cementos by merger.*

Under this merger, Lafarge Cementos transferred all its assets to LafargeHolcim Maroc.

The assets contributed by Lafarge Cementos being valued at MAD 3 004 503 202.16 and the liabilities taken over by LafargeHolcim Maroc being valued at MAD 443 045 062.16, the net assets contributed by Lafarge Cementos to LafargeHolcim Maroc are of MAD 2 561 458 140.

The difference between:

- *the net asset value contributed by Lafarge Cementos, i.e. MAD 2 561 458 140, on the one hand; and*
- *the sum corresponding to (i) the nominal value of the capital increase of LafargeHolcim Maroc, i.e. MAD 798 450, and (ii) the amount corresponding to the book value of the shares of Lafarge Cementos held by LafargeHolcim Maroc, i.e. MAD 201 946 100.72, on the other hand,*

shall constitute the amount of the merger premium, i.e. MAD 2 358 713 589.28.

The aforementioned capital increase of LafargeHolcim Maroc, of MAD 798,450, has resulted in the attribution of 26 615 new shares to the benefit of the Lafarge Cementos shareholders, at an exchange ratio of 76.7 LafargeHolcim Maroc shares (rounded) for 1 Lafarge Cementos share."

IV. Transaction amount

The total amount of the Transaction is MAD 2 359 512 039.28, corresponding to (i) a capital increase of a nominal amount of MAD 798 450 through the issuance of 26 615 new shares with a par value of MAD 30 each and (ii) a merger premium of MAD 2 358 713 589.28.

This merger premium corresponds to the difference between the total amount of net assets contributed by Lafarge Cementos, i.e. MAD 2 561 458 140.00, on the one hand, and the sum corresponding to (i) the nominal amount of the capital increase of LafargeHolcim Maroc (MAD 798 450), and (ii) the amount corresponding to the book value of the Lafarge Cementos shares held by LafargeHolcim Maroc (MAD 201 946 100.72).

V. Information relating to the shares to be issued

Nature of the shares	The LafargeHolcim Maroc shares all belong to the same category
Legal form of the shares	The new LafargeHolcim Maroc shares shall be entirely dematerialized and registered in an account with Maroclear
Number of shares to be issued	26 615 shares
Issue price	MAD 1 658 per share
Par value	MAD 30 per share
Merger premium	MAD 1 628 per share
Date of entitlement	January 1 st , 2016
Tradability of shares	The shares issued are freely tradable at the Casablanca Stock Exchange
Listing of the new shares	The shares from this capital increase will be traded in the 1 st line
Paying up of shares	The shares issued shall be completely paid up and free of any liabilities
Associated rights	All the new shares to be created by LafargeHolcim Maroc give entitlement to profits and are fully equivalent to the existing shares in terms of rights and obligations. Notwithstanding the above, it should be noted that the new shares to be created by LafargeHolcim Maroc shall not give entitlement to any distribution of profits or allocation of reserves or premiums, of any kind, that may be paid prior to the Merger completion date.

VI. Elements to appraise the issue price

Summary of the valuation methods for LafargeHolcim Maroc

The table below shows a summary of the valuations of LafargeHolcim Maroc obtained through the selected methods:

In MAD	Value per LafargeHolcim Maroc share (cum dividend)
Stock prices	2 118
Transactional reference	1 539
Mean	1 828

Source: CFG Bank Corporate Finance, Attijari Finances Corp.

Based on the valuation methods selected above, the value per share (cum dividend) of LafargeHolcim Maroc stands at MAD 1 828.

After the detachment of a special dividend of MAD 170 per share withdrawn from the merger premium in accordance with the decision of the General Meeting of November 15th, 2016, the value per share of LafargeHolcim Maroc, considered in calculating the exchange ratio, stands at MAD 1 658.

Valuation of Lafarge Cementos

The valuation of Lafarge Cementos was performed using the DCF method.

Using a discount rate of 9.85% and a perpetual growth rate of 2.0%, the value of the shareholders' equity of Lafarge Cementos stands at MAD 2 561 million, corresponding to a value per share of MAD 127 170.

Summary of the methods and induced exchange ratio

Based on the methods selected, the value per share of LafargeHolcim Maroc stands at MAD 1 658 versus a value per share of Lafarge Cementos of MAD 127 170.

Consequently, the exchange ratio stands at 76.7x.

VII. Financial intermediaries

Intermédiaires financiers	Corporate name	Address
Financial advisors	CFG Bank Corporate Finance Attijari Finances Corp.	5-7 rue Ibnou Toufail, Casablanca 163 Avenue Hassan II, Casablanca
Centralizing body for the Transaction	Attijariwafa bank	2, bd. Moulay Youssef, Casablanca
Institution in charge of the registration of the transaction with the Casablanca Stock Exchange	Attijari Intermédiation	163 Avenue Hassan II, Casablanca

VIII. Transaction Schedule

Order	Steps	Date
1	Receipt of the complete file of the Transaction by the Casablanca Stock Exchange	19/12/2016
2	Issuance of the notification of approval of the Transaction by the Casablanca Stock Exchange	19/12/2016
3	Receipt by the Casablanca Stock Exchange of the prospectus approved by the AMMC	19/12/2016
4	Publication of the notice relating to the Transaction in the market bulletin	20/12/2016
5	Publication of an extract from the prospectus in an official gazette	22/12/2016
6	Meeting of the bodies that should ratify the transaction and the capital increase	30/12/2016
7	Receipt of the minutes of the bodies that recorded the capital increase	02/01/2017
8	- Calculation by the account-keeping institutions of the positions of holders of Lafarge Cementos shares - Sending of the positions and physical shares* of holders of Lafarge Cementos shares that must be converted by the account-keeping institutions to the centralizing body for the Transaction	03/01/2017
9	Automatic conversion of Lafarge Cementos shares (not impacted by the fractional shares) into LafargeHolcim Maroc shares Beginning of the period for negotiating Lafarge Cementos fractional shares	04/01/2017
10	- Admission of the new LafargeHolcim Maroc shares - Recording of the Transaction in the stock exchange - Announcement of the results of the Transaction on the Market Bulletin	05/01/2017
11	Closing of the period for negotiating Lafarge Cementos fractional shares	02/02/2017

Order	Steps	Date
12	- Sending by the account-keeping institutions to the centralizing body for the Transaction of the positions and physical shares* of holders of residual fractional shares of Lafarge Cementos which must be converted - Automatic conversion of Lafarge Cementos shares (affected by the fractional shares) into LafargeHolcim Maroc shares	07/02/2017
13	Sale by the centralizing body of the LafargeHolcim Maroc shares resulting from the automatic conversion of Lafarge Cementos shares affected by the fractional shares	from 08/02/2017 to 14/02/2017
14	Allocation by the centralizing body for the Transaction of the proceeds from the sale between the account-keeping institutions that own fractional shares	17/02/2017
15	Allocation of the proceeds from the sale by the account-keeping institutions that own fractional shares to their clients	20/02/2017

(*) NB: the Lafarge Cementos shares are not dematerialized

IX. Exchange of shares

The exchange of shares is scheduled to take place on January 4th 2017 for Lafarge Cementos shares that are not affected by the fractional shares. The conversion of the Lafarge Cementos shares affected by the fractional shares will be carried out on February 7th, 2017.

The LafargeHolcim Maroc shares corresponding to the Lafarge Cementos shares that are not presented for exchange will not be sold automatically by the centralizing body, which will create a dedicated account “Securities to be exchanged with Maroclear”, to hold these unexchanged securities until they all exchanged by being presented.

X. Beneficiaries of the Transaction

The capital increase resulting from the Merger is reserved for shareholders of Lafarge Cementos, excluding LafargeHolcim Maroc.

XI. Exchange ratio

The exchange ratio stands at 76.7 LafargeHolcim Maroc shares (rounded) for one (1) Lafarge Cementos share.

XII. Characteristics of the stock exchange listing of the new shares

Sector	Construction and Building Materials
Short name (NSC)	LAFARGEHOLCIM MAR
Long name	LafargeHolcim Maroc
Value code	3800
Ticker	LHM
ISIN code	MA0000012320
Compartment	First compartment
Negotiation cycle	Continuous
Date of listing of the new shares	January 5 th 2017
Body in charge of registering the Transaction in the Casablanca Stock Exchange	Attijari Intermédiation

XIII. Registering of the Transaction in the Casablanca Stock Exchange

The Transaction will be registered in the Casablanca Stock Exchange through Attijari Intermédiation.

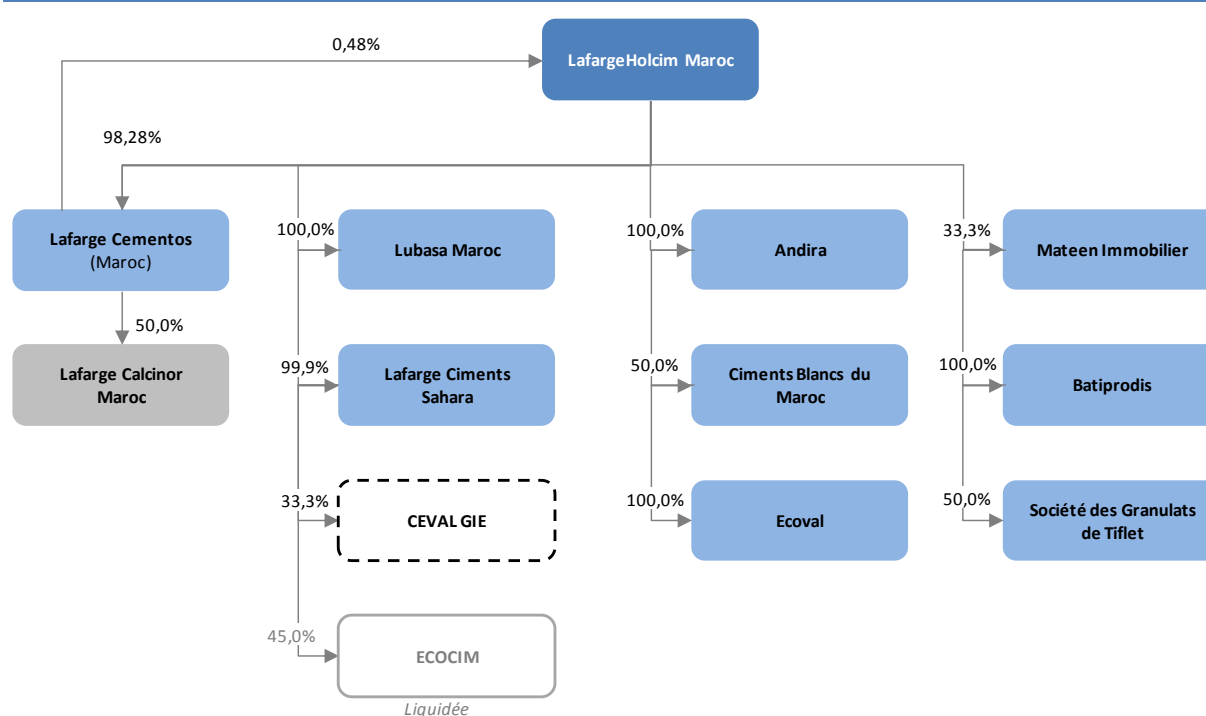
PART II. PRESENTATION OF LAFARGEHOLCIM MAROC

I. Activity of LafargeHolcim Maroc

LafargeHolcim Maroc is an industrial group specialized in the production and sale of cement and building materials, as well as aggregates and hydraulic binders that can be used in construction and public works, particularly clinker, cement, concrete, aggregate and lime.

The legal structure of LafargeHolcim Maroc group as at September 30th, 2016 was as follows:

Legal structure of LafargeHolcim Maroc Group as at September 30th, 2016



Source: LafargeHolcim Maroc

II. Information on the capital of LafargeHolcim Maroc

On the eve of this Transaction, the share capital of LafargeHolcim Maroc stood at MAD 702 138 750, fully paid-up, composed of 23 404 625 shares with a par value of MAD 30 each.

Prior to the merger-absorption of the former Holcim Maroc, which took place on July 4th, 2016, the structure of LafargeHolcim Maroc (former Lafarge Ciments) was as follows (the structure did not change over the past five financial years until the merger with the former Holcim Maroc):

	Number of shares held	% of the capital and voting rights
Lafarge Maroc	12 127 798	69.42%
Islamic Development Bank	953 328	5.46%
CIMR	112 094	0.64%
Lafarge Cementos	111 651	0.64%
Other shareholders	4 164 242	23.84%
Total	17 469 113	100%

Source: LafargeHolcim Maroc

As at September 30th, 2016, and following the merger-absorption of former Holcim Maroc and the consecutive transactions to rebalance the shares between SNI group and LafargeHolcim group, the shareholding structure of LafargeHolcim Maroc was as follows:

	Number of shares held	% of the capital and voting rights
Lafarge Maroc	15 156 172	64.76%
Islamic Development Bank	1 649 262	7.05%
CIMR	112 094	0.48%
Lafarge Cementos	111 651	0.48%
Other shareholders	6 375 446	27.24%
Total	23 404 625	100.00%

Source: LafargeHolcim Maroc

The company has been listed in the Casablanca Stock Exchange since February 1997.

III. Sales of LafargeHolcim Maroc

The table below shows the development of aggregate sales volumes of cement, clinker, concrete and aggregate for LafargeHolcim Maroc group between 2013 and 2015, and between June 2015 and June 2016:

	2013	2014	2015	CAGR 15-13	June-15	June-16	Var. June 15-16
Cement sales (kT)	8 157	7 668	7 800	-2.2%	4 004	4 117	2.8%
<i>including former Lafarge Ciments</i>	5 243	4 912	5 036	-2.0%	2 618	2 683	2.5%
<i>including former Holcim Maroc</i>	2 914	2 756	2 764	-2.6%	1 386	1 434	3.4%
Aggregate sales (kT)	1 534	1 325	1 215	-11.0%	615	609	-1.0%
<i>including former Lafarge Ciments</i>	708	750	769	4.2%	419	327	-22.0%
<i>including former Holcim Maroc</i>	826	575	446	-26.5%	196	282	43.6%
Concrete sales (dam³)	1 244	1 050	1 081	-6.8%	558	626	12.1%
<i>including former Lafarge Ciments</i>	882	719	834	-2.7%	430	486	13.0%
<i>including former Holcim Maroc</i>	362	331	247	-17.4%	128	140	9.3%
Clinker sales (kT)	141	991	971	162.4%	496	420	-15.3%
<i>including former Lafarge Ciments</i>	0	193	151	Ns	77	105	35.1%
<i>including former Holcim Maroc</i>	141	798	820	141.2%	418	315*	-24.6%

Source: LafargeHolcim Maroc

(*) Restatement of 32 kT of clinker provided by former Holcim Maroc to former Lafarge Ciments

IV. Composition of the Board of Directors

At the time of drafting of this prospectus, the Board of Directors of LafargeHolcim Maroc was composed as follows:

Members of the Board of Directors	Function	Start date	Date of the latest renewal of the mandate	Expiry of the current mandate
Mr. Ahmed Nakkouch*	Chairman	Board meeting of December 16 th , 2016	AGM of April 29 th , 2014	
Mr. Christian Herrault	Vice-Chairman Director	Board meeting of March 6 th , 2012	AGM of April 29 th , 2014	
Mr. Aymane Taud	Vice-Chairman Director	Board meeting of July 2 nd , 2009	AGM of April 29 th , 2014	
Mr. Marcel Cobuz	Director General Manager	Board meeting of June 2 nd , 2015	AGM convened on an extraordinary basis on July 7 th , 2015	
Mr. Hassan Ouriagli	Director	Board meeting of December 11 th , 2014	AGM of April 27 th , 2015	
Mr. Saâd Sebbar	Director	Board meeting of March 6 th , 2012	AGM of April 29 th , 2014	
Mr. Abdelmjid Tazlaoui	Director	Board meeting of September 22 nd , 2015	AGM of April 27 th , 2016	AGM of 2017 called to approve the 2016 accounts
Islamic Development Bank (currently represented by Mr. Abderrahmane El Medkouri)	Director	Board meeting of November 26 th , 1984	AGM of April 29 th , 2014	
Caisse de Dépôt et de Gestion (currently represented by Mr. Omar Lahlou)	Director	Board meeting of November 26 th , 1984	AGM of April 29 th , 2014	
Caisse Interprofessionnelle Marocaine de Retraite (currently represented by Mr. Khalid Cheddadi)	Director	Board meeting of November 26 th , 1984	AGM of April 29 th , 2014	
Lafarge S.A. (currently represented by Mr. Jean-Marie Schmitz)	Director	Board meeting of November 26 th , 1984	AGM of April 29 th , 2014	

Source: LafargeHolcim Maroc

(*) Mr Ahmed Nakkouch was appointed Chairman of the Board of Directors on December 16th 2016 in replacement of Mr. Mohamed Kabbaj following the latter's resignation.

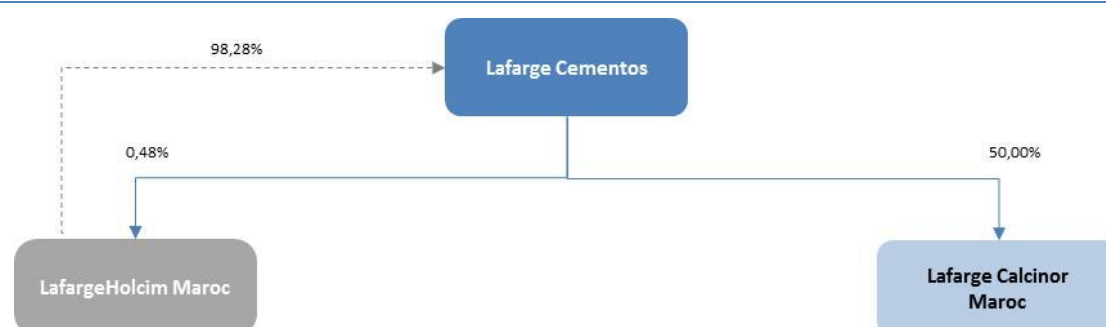
PART III. PRESENTATION OF LAFARGE CEMENTOS

I. Activity of Lafarge Cementos

Lafarge Cementos is an industrial facility that operates as a clinker grinding station. Cement production is hence the Company's main business and its only source of income. Cement is the most used product in hydraulic binders, a component in the structure of concrete, to which it gives its strength. It is a high quality, cost-effective building material, used in construction projects around the world.

The legal structure of Lafarge Cementos as at September 30th, 2016 was as follows:

Legal structure of Lafarge Cementos as at September 30th, 2016



Source: Lafarge Cementos

II. Information on the capital of Lafarge Cementos

On the eve of this Transaction, the share capital of Lafarge Cementos stood at MAD 2 014 200, fully paid-up and divided into 20 142 shares with a par value of MAD 100 each.

As at September 30th, 2016, the shareholding structure of Lafarge Cementos was as follows:

Shareholders	Number of shares held	% of the capital and voting rights
LafargeHolcim Maroc	19 795	98.28%
Several minority stakeholders	347	1.72%
Total	20 142	100%

Source: Lafarge Cementos

Over the past five financial years and on the eve of this transaction, the shareholding structure of Lafarge Cementos shown in the table below did not change.

III. Sales of Lafarge Cementos

In kT	2013	2014	2015	CAGR 15-13	June-15	June-16	Var. June15/June16
Cement sales	545	525	522	-2.1%	268	244	-9.0%

Source: Lafarge Cementos

IV. Composition of the Board of Directors of Lafarge Cementos

At the time of drafting of this prospectus, the Board of Directors of Lafarge Cementos was composed of the following:

Name	Function	Appointment date	Date of the latest renewal of the mandate	Expiry of the current mandate / AGM approving the accounts
Ahmed Nakkouch*	Chairman	Board of Directors of December 16 th , 2016 (first appointment)	-	AGM convened to approve the 2016 accounts
Marcel Cobuz	Director General Manager	AGM of April 27 th , 2016 (first appointment)	-	AGM convened to approve the 2016 accounts
Christian Herrault	Vice-Chairman	AGM of April 27 th , 2016 (first appointment)	-	AGM convened to approve the 2016 accounts
Aymane Taud	Vice- Chairman	AGM of April 27 th , 2015 (first appointment)	-	AGM convened to approve the 2016 accounts

Source: Lafarge Cementos

(*) Mr Ahmed Nakkouch was appointed Chairman of the Board of Directors on December 16th 2016 in replacement of Mr. Mohamed Kabbaj following the latter's resignation.

PART IV. CONSOLIDATED ACCOUNTS OF LAFARGEHOLCIM MAROC (EX-LAFARGE CIMENTS PERIMETER)

I. Consolidated income statement of LafargeHolcim Maroc (ex-Lafarge Ciments perimeter)

In MAD millions	2013	2014	2015	Var. 14/13	Var. 15/14	June-15	June-16	Var. June 16/15
Turnover	5 050	4 935	5 188	-2.3%	5.1%	2 669	2 826	5.9%
Revenue from ordinary activities	5 050	4 935	5 188	-2.3%	5.1%	2 669	2 826	5.9%
Purchases	1 630	1 580	1 704	-3.1%	7.8%	891	902	1.2%
Other external charges	455	473	506	3.8%	7.0%	266	250	-6.3%
Personnel expenses	397	397	412	0.0%	3.9%	212	212	0.4%
Taxes and duties	39	38	40	-2.8%	6.7%	29	30	4.4%
Depreciation and operating provisions	407	386	384	-5.0%	-0.7%	183	207	13.4%
Other operating revenues and expenses	-15	16	-43	>100%	<-100%	-48	-8	82.9%
Current operating expenses	2 912	2 889	3 003	-0.8%	4.0%	1 532	1 593	4.0%
Current operating income	2 137	2 046	2 185	-4.3%	6.8%	1 136	1 234	8.6%
Disposal of assets	-1	0	4	>100%	>100%	0	-2	<-100%
Other non-current operating income and expenses	-55	-74	-76	-34.6%	-2.2%	-29	-35	-18.5%
Other operating income and expenses	-56	-74	-72	-32.0%	2.1%	-29	-37	-25.9%
Operating income	2 082	1 972	2 113	-5.2%	7.1%	1 107	1 197	8.1%
<i>Operating margin (operating income/turnover)</i>	<i>41.2%</i>	<i>40.0%</i>	<i>40.7%</i>	<i>-125 pbs</i>	<i>75 pbs</i>	<i>41.5%</i>	<i>42.4%</i>	<i>86 pbs</i>
Cost of net financial debt	-	-	-	Ns	Ns	-	-	Ns
Other financial income	6	5	10	-16.6%	96.3%	5	5	-11.3%
Other financial expenses	71	52	54	-27.8%	4.1%	23	20	-12.2%
Financial income	-65	-46	-44	28.8%	5.9%	-18	-16	12.5%
Pre-tax income of consolidated companies	2 016	1 926	2 069	-4.5%	7.4%	1 089	1 181	8.4%
<i>Pre-tax margin (pre-tax income/turnover)</i>	<i>39.9%</i>	<i>39.0%</i>	<i>39.9%</i>	<i>-90 pbs</i>	<i>85 pbs</i>	<i>40.8%</i>	<i>41.8%</i>	<i>97 pbs</i>
Income tax	609	629	664	3.3%	5.7%	348	384	10.3%
Deferred taxes	11	-16	9	<-100%	>100%	-6	-7	-18.1%
Net income of consolidated companies	1 397	1 313	1 395	-6.0%	6.2%	747	804	7.7%
Share in net income of equity affiliates	3	2	6	-18.2%	>100%	3	2	-31.3%
Consolidated net income	1 400	1 316	1 401	-6.0%	6.5%	751	807	7.5%
<i>Net margin (Net income/ Turnover)</i>	<i>27.7%</i>	<i>26.7%</i>	<i>27.0%</i>	<i>-106 pbs</i>	<i>35 pbs</i>	<i>28.1%</i>	<i>28.5%</i>	<i>42 pbs</i>
Non-controlling interest	3	2	3	-12.3%	13.4%	1	1	-21.6%
Net income Group share	1 397	1 313	1 399	-6.0%	6.5%	749	806	7.5%

Source: LafargeHolcim Maroc

II. Consolidated balance sheet of LafargeHolcim Maroc (ex-Lafarge Ciments perimeter)

In MAD millions	2013	2014	2015	Var. 14/13	Var. 15/14	June-16	Var. June 16/ Dec.15
ASSETS							
Goodwill	17	11	11	-36.6%	0.0%	11	0.0%
Intangible assets	92	100	103	8.9%	2.9%	104	0.9%
Tangible assets	6 125	5 920	5 740	-3.4%	-3.0%	5 556	-3.2%
Equity affiliates	88	90	96	2.7%	6.7%	99	2.4%
Other financial assets	154	140	132	-9.1%	-5.4%	130	-1.6%
- Loans and receivables	154	140	132	-9.1%	-5.4%	130	-1.6%
Corporate tax receivable	5	1	0	-78.7%	-84.9%	5	>100%
Deferred tax assets	18	1	-	-91.7%	-100.0%	-	Ns
Other non-current receivables	-	-	-	Ns	Ns	-	Ns
Non-current assets	6 499	6 264	6 082	-3.6%	-2.9%	5 904	-2.9%
Other financial assets	-	-	0	Ns	Ns	0	>100%
- Derivative hedging instruments	-	-	0	Ns	Ns	0	>100%
Inventory and work in process inventory	437	402	460	-8.0%	14.3%	471	2.5%
Accounts receivable	1 011	796	975	-21.3%	22.6%	1 155	18.4%
Other current receivables	306	182	174	-40.5%	-4.6%	180	3.7%
Cash and cash equivalents	286	263	303	-8.1%	15.1%	424	40.2%
Current assets	2 041	1 643	1 911	-19.5%	16.3%	2 231	16.7%
Total Assets	8 540	7 906	7 993	-7.4%	1.1%	8 135	1.8%
SHAREHOLDER'S EQUITY AND LIABILITIES							
Capital	524	524	524	0.0%	0.0%	524	0.0%
Reserves	3 179	3 080	2 926	-3.1%	-5.0%	2 832	-3.2%
Net income, group share	1 397	1 313	1 399	-6.0%	6.5%	806	-42.4%
Shareholders' equity (group share)	5 100	4 918	4 849	-3.6%	-1.4%	4 162	-14.2%
Non-controlling interest	6	6	6	6.4%	-9.3%	4	-24.8%
Consolidated shareholders' equity	5 106	4 924	4 855	-3.6%	-1.4%	4 166	-14.2%
Provisions	78	64	44	-18.1%	-30.4%	44	0.0%
Personnel benefits	300	363	408	20.9%	12.3%	418	2.4%
Corporate tax payable	70	12	43	-82.3%	>100%	51	19.0%
Deferred tax liabilities	997	929	928	-6.8%	-0.2%	921	-0.7%
Non-current liabilities	1 445	1 369	1 423	-5.3%	4.0%	1 434	0.8%
Provisions	26	25	29	-4.3%	15.8%	21	-27.2%
Current financial debt	616	411	424	-33.2%	3.1%	1 161	>100%
- Derivative hedging instruments	0	1	0	25.4%	-92.5%	-	-100.0%
- Credit institutions liabilities	615	411	424	-33.3%	3.3%	1 161	>100%
Accounts payable	700	532	719	-23.9%	35.1%	762	6.0%
Other current payables	648	645	543	-0.4%	-15.8%	591	8.7%
Current liabilities	1 989	1 614	1 715	-18.9%	6.3%	2 534	47.7%
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	8 540	7 906	7 993	-7.4%	1.1%	8 135	1.8%

Source: LafargeHolcim Maroc

III. Consolidated cashflow statement of LafargeHolcim Maroc (ex-Lafarge Ciments perimeter)

In MAD millions	2013	2014	2015	Var. 14/13	Var. 15/14	June- 15	June- 16	Var. June 16/15
Consolidated net income	1 400	1 316	1 401	-6.0%	6.5%	751	807	7.5%
Amortization and provisions, impairment	399	386	392	-3.3%	1.4%	182	201	10.4%
Income of equity affiliates	-3	-2	-6	18.2%	<-100%	-3	-2	31.3%
Gains and losses from transfers and profit and loss of dilution	1	0	-4	<-100%	<-100%	0	2	>100%
Cash flow	1 797	1 699	1 783	-5.5%	5.0%	929	1 007	8.4%
Impact of the WCR variation	22	151	-113	>100%	<-100%	-309	-104	66.2%
Deferred tax	11	-16	9	<-100%	>100%	-6	-7	-18.1%
Net cash flow from the operational activities	1 829	1 835	1 680	0.3%	-8.4%	615	896	45.8%
Purchase of fixed, intangible and financial assets	228	207	226	-9.6%	9.4%	87	21	-75.7%
Sale of fixed, intangible and financial assets	-37	-31	-25	14.6%	20.7%	-12	-5	54.6%
Net cash flow from investing activities	192	175	201	-8.7%	14.8%	76	16	-78.9%
Dividends paid to shareholders of the parent company	1 146	1 475	1 449	28.8%	-1.8%	1 146	1 493	30.3%
Dividends paid to minority shareholders	3	3	3	2.0%	19.9%	3	3	-18.1%
Net cash flow from financing activities	1 148	1 478	1 452	28.7%	-1.7%	1 149	1 495	30.2%
Change in cash and cash equivalents	489	181	26	-62.9%	-85.5%	-610	-615	-0.9%
Net cash and cash equivalents at the beginning of the period	-818	-329	-148	59.8%	55.1%	-148	-121	17.8%
Net cash and cash equivalents at the end of the period	-329	-148	-121	55.1%	17.8%	-757	-736	2.8%

Source: LafargeHolcim Maroc

PART V. CONSOLIDATED PROFORMA ACCOUNTS OF LAFARGEHOLCIM MAROC

I. Consolidated proforma income statement of LafargeHolcim Maroc

In MAD millions	June-15	June-16	Var. June-16/ June-15
Turnover	4 178	4 403	5.4%
Purchase and other external charges	1 866	1 820	-2.5%
Personnel expenses	337	322	-4.4%
Depreciation and operating provisions	311	324	4.2%
Other operating revenues and expenses	-3	41	>100.0%
Current operating expenses	2 511	2 507	-0.2%
Current operating income	1 667	1 895	13.7%
Other operating income and expenses	-63	-48	24.2%
Operating income	1 604	1 848	15.2%
<i>Operating margin (operating income/ turnover)</i>	<i>38.4%</i>	<i>42.0%</i>	<i>358 pbs</i>
Financial income	-72	-38	47.1%
Pre-tax income of consolidated companies	1 532	1 810	18.1%
<i>Pre-tax margin (pre-tax income/ turnover)</i>	<i>36.7%</i>	<i>41.1%</i>	<i>444 pbs</i>
Income tax	478	574	20.1%
Net income of consolidated companies	1 055	1 236	17.2%
Share in net income of equity affiliates	4	1	-70.8%
Consolidated net income	1 058	1 237	16.9%
Non-controlling interest	1	1	-21.6%
Net income Group share	1 057	1 236	16.9%
<i>Net margin (Net income/ Turnover)</i>	<i>25.3%</i>	<i>28.1%</i>	<i>278 pbs</i>

Source : LafargeHolcim Maroc

II. Consolidated proforma balance sheet of LafargeHolcim Maroc

In MAD millions	December 2015	June 2016	Var. June-16/ Dec-15
ASSETS			
Goodwill	7 391	7 391	0.0%
Fixed assets (tangible and intangible)	11 077	10 894	-1.6%
Equity affiliates	104	106	2.2%
Other financial assets	148	150	1.9%
Non-current assets	18 719	18 542	-0.9%
Inventory and work in process inventory	712	724	1.6%
Accounts receivable and other current receivables	1 980	2 167	9.4%
Cash and cash equivalents	359	480	33.9%
Current assets	3 051	3 371	10.5%
TOTAL ASSETS	21 771	21 913	0.7%
SHAREHOLDER'S EQUITY AND LIABILITIES			
Capital	702	702	0.0%
Reserves and net income (group share)	13 044	13 859	6.3%
Shareholders' equity (group share)	13 746	14 561	5.9%
Non-controlling interest	6	4	-24.8%
Consolidated shareholders' equity	13 751	14 565	5.9%
Provisions	219	219	0.0%
Personnel benefits	456	466	2.2%
Other non current liabilities	1 769	1 770	0.1%
Non-current liabilities	2 445	2 456	0.5%
Current financial debt	2 010	2 746	36.6%
Accounts payable	1 046	1 089	4.1%
Other current payables	2 519	1 056	-58.1%
Current liabilities	5 575	4 892	-12.3%
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	21 771	21 913	0.7%

Source : LafargeHolcim Maroc

PART VI. FINANCIAL STATEMENTS OF LAFARGE CEMENTOS

I. Income statements of Lafarge Cementos

In MAD millions	2013	2014	2015	Var 13-14	Var 14-15
Consolidated turnover (C) = (A) + (B)	492	482	488	-1.9%	1.2%
Sale of goods (as is) (A)	0	19	28	Ns	44.1%
Cost of goods sold	0	15	27	Ns	83.5%
Gross margin on sales as is	0	4	0	Ns	-92.7%
Production for the accounting year	492	461	462	-6.1%	0.1%
Sale of goods and services produced (B)	491	463	460	-5.8%	-0.6%
Changes in inventories of goods	0	-2	2	Ns	Ns
Assets manufactured by the company for its own use	0	0	0	Ns	Ns
Consumption for the accounting year	237	220	212	-7.2%	-3.5%
Purchase of materials and supplies consumed	208	192	184	-8.1%	-3.9%
Other external expenses	28	28	28	-0.5%	-0.8%
Added value	255	246	250	-3.5%	1.7%
<i>Value added rate</i>	<i>51.8%</i>	<i>51.0%</i>	<i>51.3%</i>		
Operating subsidies	0	0	0	Ns	Ns
Taxes and duties	2	2	3	2.2%	7.7%
Personnel expenses	8	8	9	5.9%	6.6%
Gross operating surplus	245	235	239	-3.9%	1.5%
<i>GOS margin</i>	<i>49.8%</i>	<i>48.8%</i>	<i>48.9%</i>		
Other operating income	0	0	0	-	-
Other operating expenses	0	0	0	Ns	-42.5%
Operating write-backs and expense reclassifications	0	1	0	Ns	-78.0%
Operating allocations	41	40	40	-1.6%	1.0%
Operating income	204	196	199	-4.0%	1.2%
<i>Operating margin</i>	<i>41.6%</i>	<i>40.7%</i>	<i>40.7%</i>		
Financial income	-7	3	5	Ns	64.6%
Current income	197	199	204	1.1%	2.2%
Non-current income	-2	43	2	Ns	-95.2%
Income tax	48	65	61	36.3%	-6.6%
Net income for the accounting year	147	177	145	20.0%	-18.0%
<i>Net margin</i>	<i>29.9%</i>	<i>36.6%</i>	<i>29.7%</i>		

Source: Lafarge Cementos

II. Balance sheet of Lafarge Cementos

In MAD millions	2013	2014	2015	Var. 13-14	Var. 14-15
Fixed assets	460	383	343	-16.7%	-10.5%
Goodwill	0	0	0		
Intangible assets	1	0	0	-50.0%	-100.0%
Tangible assets	293	262	222	-10.7%	-15.1%
Financial assets	166	121	120	-27.2%	-0.1%
Equity affiliates	0	0	0		
Current assets	143	152	158	5.8%	4.0%
Inventory and work in process inventory	16	13	17	-19.2%	37.1%
Creditors-debit balances, down payments and advances	0	1	0	Ns	-81.1%
Accounts receivable	13	36	54	Ns	50.9%
Other receivables and accruals	61	76	76	25.2%	-0.4%
Investment securities	0	0	0		Ns
Unrealized exchange gains or losses - assets	0	0	0		Ns
Cash and cash equivalents	53	26	10	-50.6%	-60.9%
Total assets	603	535	500	-11.4%	-6.4%
Shareholders' equity	205	234	202	14.3%	-13.7%
Share capital	2	2	2	0.0%	0.0%
Merger premium	0	0	0	0.0%	0.0%
Revaluation reserves	2	2	2	0.0%	0.0%
Legal reserve	0	0	0	0.0%	0.0%
Other reserves	53	53	53	0.0%	0.0%
Retained earnings	0	0	0	-58.8%	-69.7%
Net income for the year	147	177	145	Ns	Ns
Long term financial debt	0	0	0		
Provisions for liabilities and charges	16	16	16	1.3%	0.3%
Current liabilities	382	284	282	-25.6%	-0.8%
Accounts payable	76	72	98	-4.8%	36.1%
Debtors-credit balances and advances	6	7	5	21.2%	-34.7%
Personnel	1	1	1	-5.2%	-9.8%
Social entities	1	1	1	18.4%	-31.2%
State	67	84	79	25.5%	-5.7%
Partners' account	174	24	18	-86.2%	-23.4%
Other payables	4	6	3	61.7%	-53.0%
Liabilities adjustment account	1	1	1	-35.9%	60.8%
Other provisions for liabilities and charges	0	0	3	0.0%	Ns
Unrealized exchange gains or losses - liabilities	0	0	0	-100.0%	
Cash liabilities	52	88	72	68.4%	-17.3%
Total liabilities	603	535	500	-11.4%	-6.4%

Source: Lafarge Cementos

III. Cash flow statement of Lafarge Cementos

In MAD millions	2013	2014	2015	Var. 13-14	Var. 14-15
Net income	147	177	145	20.0%	-18.0%
Elimination of income and expenses with no impact on cash flow or non operational:	40	-7	40	Ns	Ns
Operating allocation	40	40	40	0.2%	0.9%
Financial allocation	-	-	-	-	-
Non-current allocation	-	-	-	-	-
Operating draw-down	-	-	0	-	-
Financial draw-down	-	-	-	-	-
Non-current draw-downs	-	-	-	-	-
Revenue from sale of fixed assets	-	92	0	-	-99.9%
Net value of amort. of fixed assets sold	-	45	0	-	-99.7%
Cash flow	187	170	185	-9.3%	8.9%
Variation of the WCR related to the activity	162	-169	-9	Ns	-94.6%
Net cash flow from the activity	349	1	176	-99.8%	Ns
Purchase of fixed assets		-8		-	-100.0%
Purchase of financial assets	-1	-	-	-100.0%	-
Sale of fixed assets, net of taxes	-	92	0	-	99.5%
Increase in long term receivables	-1	-	-0	-100.0%	-
Net cash flow from investing activities	-2	84	0	Ns	99.7%
Dividends paid to shareholders of the parent company	-145	-147	-177	-1.9%	-19.9%
Received subsidies	-	-	-	-	-
Repayment of loans	-	-	-	-	-
Net cash flow from financing activities	-145	-147	-177	-1.9%	-19.9%
Change in cash	203	-63	-1	Ns	-98.6%
Cash at the beginning of the period	-202	1	-61	Ns	Ns
Cash at the end of the period	1	-61	-62	Ns	1.4%

Source: Lafarge Cementos

PART VII. RISK FACTORS

LafargeHolcim Maroc operates in an environment characterized namely by (i) high demand mainly from players in Construction and Public Works, (ii) volatility in energy prices and finally (iii) a gradual strengthening of environmental regulations.

The Company is therefore subject to a number of risks related to its business, regulatory, and competitive environment, as well as to industrial and human risks related to its own operations.

I. Competitive risk

Building production capacities of operators in the context of a slowdown in demand for cement could have a double effect on the Company's activity:

- A slowdown in the increase of sales, as a consequence of the increase in production overcapacity;
- A stronger strain on commercial margins.

To cope with this risk, several commercial measures have been put in place by LafargeHolcim Maroc, including:

- An expansion and diversification of the product mix;
- Building customer loyalty;
- The diversification of distribution channels;
- The consolidation of the geographic positioning across all regions in Morocco;
- The improvement of product quality;
- The development of customer service and technical assistance;
- The establishment of long-term partnerships with key customers.

II. Risk related to the real estate and construction sectors

The cement sector is heavily dependent on the construction sector, as its activity remains closely linked to the pace of construction of housing units as well as to the number of public, tourist, and industrial infrastructure projects.

The cement industry is therefore sensitive to some factors such as purchasing power in general, demographic growth and urbanization, credit conditions to households in the real estate segment, as well as public policies on housing and the expansion/renewal of infrastructure.

II.1. Public works sector

The development of the cement sector over the past decade was directly stimulated by the policy pursued by Morocco for upgrading and expanding the infrastructure.

The current economic situation, marked by strain over public finances (namely in terms of budget deficit and lack of liquidity), could stifle the pace of public investment in infrastructure. Such a situation could have an adverse effect on national demand for cement and concrete.

II.2. Real estate sector

Despite its intrinsic growth potential, the real estate sector is experiencing a slowdown due to the slump in housing demand, namely in the mid- and high-end market segments, as a result of (i) the decrease in solvent demand caused by an increase in prices, (ii) a tightening of credit conditions and (iii) a decrease in demand from Moroccans living abroad due to the global crisis in general and in Europe in particular.

Nonetheless, these risk factors have to be contrasted with the stimulating effect of the proactive policy against unsanitary housing, led by the public authorities. This policy involves ensuring the right conditions to develop a sufficient offering to cover national housing needs and the mechanical effect of the population increase.

Moreover, the tourism real estate sector, one of the outlets for the cement sector, remains subject to the risk of a slowdown in investments in hotel infrastructure caused by the fall in demand from the main markets that provide tourists to the country.

II.3. Seasonality of the construction sector

The cement market and, more broadly, the construction materials market is affected by the seasonality of real estate activity, namely due to rainfall and religious holidays. Indeed, periods marked by heavy rainfall in general have an impact on production in the construction sector and consequently slow down the sales volumes of cement and concrete.

II.4. Industrial risk

The industrial performance of production sites is a strong driver of the operating profitability of companies in the cement industry.

This performance is likely to be affected by (i) an inefficiency of the production tools, (ii) recurring technical failures, (iii) human error and (iv) accidents in the production sites.

II.5. Risk related to production

The Company's profitability remains heavily dependent on its industrial performance, which in turn is related to the full availability of production capacity. Hence, the interruption of production due to the failure of a key part (grinder, furnace, etc.), social movements, accidents, or force majeure may cause a significant decrease in the Company's productivity.

To assess the risk of occurrence of industrial failures, one needs to examine the maintenance policies adopted by the Company, which are in accordance with the international standards of the LafargeHolcim group. This policy is based on preventive and curative maintenance, and makes it possible to organize interventions and make them more reliable according to a computerized management and monitoring system.

It should also be noted that these risk factors are covered by the insurance policies on damage to property as well as operating losses resulting from this damage.

II.6. Safety risk

Cement production requires carrying out complex industrial operations that pose a risk of accidents to the workers. LafargeHolcim Maroc places occupational safety at the heart of its social policy and develops demanding and controlled vigilance systems, so as to minimize the number of accidents.

Hence, LafargeHolcim Maroc has developed several programs to strengthen the safety in its production sites in order to preserve the men and property, beyond the plain compliance with the current regulation.

The safety program that was put in place namely focuses on:

- organizing legal compliance audits of the various sites;
- organizing compliance audits of the hygiene of the workplace, of the sanitary facilities and of the restaurant services premises;
- evaluating and performing ongoing risk control;
- analyzing and taking corrective action after each incident;

- raising awareness and training staff;
- improving operating techniques.

Par ailleurs, les risques industriels sont couverts par des polices d'assurance renouvelables chaque année par tacite reconduction.

Moreover, the industrial risks are covered by insurance policies that are tacitly renewed every year.

The risk of occurrence of industrial accidents can nonetheless not be totally eliminated despite the implementation of these preventive measures.

II.7. Asset depreciation risk

The cement industry being capital-intensive, any developments in technology, standards, or norms could give rise to a risk of obsolescence of the current assets and compel cement manufacturers to make upgrading investments that could be substantial.

III. Market risk

LafargeHolcim Maroc is exposed to currency risk, as well as to other market risks related to the prices of some raw materials, particularly energy.

III.1. Currency risk

LafargeHolcim Maroc pays part of its purchases in foreign currency. These purchases mainly include the following:

- purchases of petcoke, mainly denominated in US dollars or in euros;
- purchases of raw materials, denominated in euros or in US dollars;
- purchases of spare parts denominated mainly in euros.

Furthermore, LafargeHolcim Maroc exports clinker, namely to sub-Saharan African countries. These exports are denominated in foreign currency.

In terms of service delivery and advisory, as well as expatriated human resources, the Company makes payments mainly in Swiss francs and in euros.

III.2. Risk related to energy prices

Due to its activity, LafargeHolcim Maroc consumes a large quantity of fuel. Hence, the Company is subject to a continuous risk of change in prices of raw materials, particularly in the fuel market (natural gas, petcoke, coal, fuel, etc.), as well as in other supply markets such as sea freight.

The structure of the construction market and the fierce competition between cement manufacturers make the cement sector a supply market, enabling the operators to pass on, to the extent possible, the increase in the prices of consumables to the sales price of their products and to hence ensure their activity is profitable. Moreover, and in view of optimizing the consumption of fuel, LafargeHolcim Maroc is developing the use of alternative fuel (olive pomace, shredded tires, etc.).

Likewise, in order to limit its exposure to this risk, the Company is trying to diversify its energy sources and is encouraging the use of wind power.

III.3. Risk related to the availability of raw materials

LafargeHolcim Maroc has its own reserves of limestone and aggregates. These quarries have a lifespan of over 40 years and there's no depletion risk in the medium term.

However, in the future, the Company may be refused licenses to operate new quarries or the renewal of current licenses.

III.4. Supplier risk

The operations of LafargeHolcim Maroc are fuel-intensive. By concentrating its fuel procurement with the LafargeHolcim group, the Company is limiting the risk of supplier failure. Furthermore, the Company also mitigates this risk by seeking to develop its current / potential partners for its other types of procurement (equipment, consumables, etc.).

III.5. Customer risk

As a business, LafargeHolcim Maroc could have a counterparty risk issue, related to its customer portfolio, in the event that one of them accounts for a significant share of the Company's turnover.

Given the fragmented structure of the customer base, this risk is very low. Indeed, the 10 main customers of the Company accounted for less than 15% of the turnover in 2015.

IV. Environmental risk

For LafargeHolcim Maroc, the environment is one of the major pillars of its policy for developing and consolidating its activities and human resources.

Generally speaking, the main environmental risks that the Company is facing are in (i) soil contamination in its quarries and (ii) air pollution.

In view of protecting its environment from ecological risks, the Company adopted an environmental policy which meets the requirements of the LafargeHolcim Ltd. group and seeks to ensure (i) compliance with environmental standards, (ii) the recovery of fuel and (iii) the minimization of the impact of chemical products, waste, and other materials that are hazardous for the environment.

This policy, which meets the highest international standards, is such that it allows the Company to limit any potential liability as to possible damage caused to its natural environment.

Finally, it is important to note that the plants, grinding centers, distribution centers, and waste treatment platforms of the Company have obtained the ISO 14 001 certification since many years, for their respectful environmental management.

DISCLAIMER

The aforementioned information is only part of the prospectus approved by the AMMC under reference VI/EM/039/2016 on December 19th 2016. The AMMC recommends reading the full prospectus available to the public in French.