



April 28, 2014

Media release on 1st quarter results 2014

- **Strong momentum of Holcim Leadership Journey**
- **Significant increase in operating profit**
- **Operating margins increase further**
- **Like-for-like higher volumes and net sales**
- **Discipline in working capital management**
- **Negative foreign exchange effects impact results**

Bernard Fontana, CEO, comments on the results: “Holcim reported a significant increase in operating profit during the first quarter of 2014, mainly driven by higher like-for-like cement volumes in all Group regions and the continued strong momentum of the Holcim Leadership Journey coupled with strict cost management across the Group. Margins continued to increase and cash flow from operating activities was also better than in the first quarter last year.”

Holcim increased like-for-like sales volumes in all segments in the first quarter of 2014, with particularly strong results from Europe where mild weather conditions led to dynamic building activity. The market situation in India began to stabilize, translating into stable cement volumes, and Mexico gradually recovered from the low volume base registered in the second half of 2013. Like-for-like net sales were up in all Group regions.

Holcim made further progress with its operational performance though results continued to be negatively affected by foreign exchange effects. On a like-for-like basis operating EBITDA and operating profit were higher in all Group regions except Latin America. Europe recorded significant increases in operational performance as volumes rose and in North America, where the market situation continued to strengthen, price increases contributed to higher operating EBITDA and operating profit.

ROIC before tax increased, while net financial debt was lower.

Group	Jan–March	Jan–March	±%	±%
	2014	2013		like-for-like
Sales of cement in million t	33.0	32.1	+2.9	+4.4
Sales of aggregates in million t	29.2	28.6	+2.2	+3.5
Sales of ready-mix concrete in million m ³	8.2	8.4	–2.0	+1.1
Sales of asphalt in million t	1.4	1.1	+23.3	+25.4
Net sales in million CHF	4,088	4,323	–5.4	+7.8
Operating EBITDA in million CHF	617	650	–5.1	+10.1
Operating profit in million CHF	295	270	+9.3	+28.4
Net income in million CHF	179	295	–39.5	
Net income – shareholders of Holcim Ltd – in million CHF	80	187	–57.5	
Cash flow from operating activities in million CHF	(243)	(323)	+24.9	+28.2

Sales volumes

Consolidated cement sales increased by 2.9 percent to 33.0 million tonnes in the first quarter. This positive development was mainly attributable to Group region Europe, where France, Germany, and Russia reported the strongest increases. Aggregate volumes increased by 2.2 percent to 29.2 million tonnes, mainly due to higher results in Europe. In ready-mix concrete volumes contracted by 2.0 percent to 8.2 million cubic meters as increases in a number of European countries could not make up for the lower volumes resulting from the segment's restructuring in 2013. Asphalt volumes reached 1.4 million tonnes, an increase of 23.3 percent.

Financial results

Net sales across the Group reached CHF 4.09 billion, a fall of 5.4 percent which was mainly influenced by negative currency effects. On a like-for-like basis net sales were up 7.8 percent.

Consolidated operating EBITDA decreased by 5.1 percent to CHF 617 million but grew by 10.1 percent adjusted for foreign exchange effects and changes in consolidation. Driven by higher sales, most European Group companies reported higher operating EBITDA and North America as well as Africa Middle East recorded better operating results. Operating profit came to CHF 295 million, an increase of 9.3 percent. On a like-for-like basis the growth in operating profit reached 28.4 percent.

Net income, which in the first quarter of 2013 benefited from the sale of a 25 percent stake in Cement Australia, decreased by 39.5 percent year-on-year and reached CHF 179 million. Adjusted for this transaction in 2013 net income was up by 19.6 percent. Net income attributable to shareholders of Holcim Ltd was down 57.5 percent to CHF 80 million.

Cash flow from operating activities, which is traditionally negative in the first quarter, improved by 24.9 percent and reached CHF –243 million. This reflects the Group's ongoing discipline in working capital management and was supported by strong operating EBITDA in Europe. Over the last twelve months Holcim succeeded in further reducing net financial debt by CHF 718 million from CHF 10.8 billion to CHF 10.0 billion.

Holcim Leadership Journey

The Holcim Leadership Journey continued to be the main driver of the Group's solid operational performance and is on track to meet the target of an increase in operating profit of CHF 1.5 billion by the end of 2014, compared to the base year 2011 and under similar market conditions. In the first quarter of 2014, the Holcim Leadership Journey contributed to operating profit with CHF 237 million in total; the Customer Excellence stream contributed CHF 118 million and cost initiatives CHF 119 million. Total program benefits of the Holcim Leadership Journey amount to CHF 1.338 billion since 2011.

Continued portfolio optimization

As part of the Holcim Leadership Journey, the Group continued to optimize its portfolio in the first quarter and sold activities in French Guyana while at the same time acquiring a port facility in the Philippines, one of the Group's major growth markets in Asia.

The Group has made progress with its plans to further optimize its strategic portfolio in Europe announced last year. Holcim has secured approval for the transaction with Cemex in the Czech Republic and is awaiting the decision on the other parts of the transaction.

For the planned streamlining of the ownership structure of its Indian operations from a horizontal to a vertical one, Holcim has received approvals from the High Courts in Delhi and Gujarat and is now awaiting final approval from the Foreign Investment Promotion Board.

Merger of equals to create LafargeHolcim

On April 7, 2014, Holcim and Lafarge 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 will 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. After a strategic optimization of the portfolio through a pro-active divestment process, in anticipation of regulatory requirements, LafargeHolcim would occupy complementary positions. 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 and closing is expected in the first half of 2015.

Outlook for 2014

For 2014 Holcim expects the global economies to show another year of uneven performance. Construction markets in Europe are expected to have reached the bottom with slow recovery in sight. At the same time, North American markets are expected to continue to benefit from a further recovery especially in the United States. Latin America on the other hand could continue to face uncertainties in Mexico but should overall show slight growth in 2014. The Asia Pacific region is expected to grow although at a comparatively slower pace than experienced in recent years. Africa Middle East is expected to gradually improve.

Holcim expects cement volumes to increase in all Group regions in 2014. Aggregates volumes are expected to remain flat overall as increases in Asia Pacific, Europe, North America and Africa Middle East are offset by negative volumes in Latin America. In ready-mix concrete volumes are also expected to increase in most regions with the exception of Europe and Latin America.

The Board of Directors and Executive Committee expect that organic growth in operating profit can be achieved in 2014. The ongoing focus on the cost base coupled with all the benefits expected from the Holcim Leadership Journey will lead to a further expansion in operating margins in 2014.

Key figures per Group region

Gradual recovery in Asia Pacific

Asia Pacific	Jan–March 2014	Jan–March 2013	±%	±% like-for-like
Sales of cement in million t	18.5	18.6	–0.7	+1.7
Sales of aggregates in million t	6.0	5.8	+3.8	+3.8
Sales of ready-mix concrete in million m ³	2.5	2.5	+1.5	+2.4
Net sales in million CHF	1,683	1,984	–15.1	+4.0
Operating EBITDA in million CHF	327	397	–17.6	+0.4
Operating profit in million CHF	234	280	–16.2	+0.6

Mixed development in Latin America

Latin America	Jan–March 2014	Jan–March 2013	±%	±% like-for-like
Sales of cement in million t	6.0	5.9	+1.5	+1.5 ¹
Sales of aggregates in million t	2.1	2.7	–22.0	–22.0
Sales of ready-mix concrete in million m ³	1.7	2.1	–20.0	–20.0
Net sales in million CHF	723	827	–12.5	+2.3
Operating EBITDA in million CHF	211	246	–14.3	–2.6
Operating profit in million CHF	167	192	–13.3	–1.7

¹ The percentage change like-for-like adjusted for internal trading volumes eliminated in “Corporate/Eliminations” amounts to +2.9.

Europe benefits from early start of construction season and restructuring efforts

Europe	Jan–March 2014	Jan–March 2013	±%	±% like-for-like
Sales of cement in million t	5.2	4.4	+20.1	+20.1
Sales of aggregates in million t	15.7	14.4	+8.7	+10.3
Sales of ready-mix concrete in million m ³	2.7	2.3	+17.1	+24.2
Sales of asphalt in million t	1.3	1.0	+24.2	+26.4
Net sales in million CHF	1,184	1,032	+14.8	+17.2
Operating EBITDA in million CHF	99	29	+238.7	+228.9
Operating profit (loss) in million CHF	(9)	(94)	+90.5	+74.6

Market situation in North America continues to improve despite strong winter

North America	Jan–March 2014	Jan–March 2013	±%	±% like-for-like
Sales of cement in million t	2.0	2.0	+2.5	+2.5
Sales of aggregates in million t	5.0	5.2	–4.2	–1.5
Sales of ready-mix concrete in million m ³	1.2	1.3	–11.6	–6.1
Sales of asphalt in million t	0.1	0.1	+16.7	+16.7
Net sales in million CHF	444	441	+0.7	+9.8
Operating EBITDA in million CHF	(10)	(18)	+44.2	+35.2
Operating profit (loss) in million CHF	(71)	(87)	+18.6	+12.2

Africa Middle East builds on contribution from previous quarter

Africa Middle East	Jan–March 2014	Jan–March 2013	±%	±% like-for-like
Sales of cement in million t	2.0	1.8	+11.8	+13.4
Sales of aggregates in million t	0.4	0.5	–8.0	–8.0
Sales of ready-mix concrete in million m ³	0.2	0.2	–10.4	–10.4
Net sales in million CHF	206	203	+1.7	+7.4
Operating EBITDA in million CHF	67	62	+7.8	+14.1
Operating profit in million CHF	54	48	+10.9	+17.9

Additional information such as the 1st Quarter Interim Report 2014 including detailed information on the Group regions is available at www.holcim.com/results

Holcim is one of the world's leading suppliers of cement and aggregates (crushed stone, gravel and sand) as well as further activities such as ready-mix concrete and asphalt including services. The Group holds majority and minority interests in around 70 countries on all continents.

This media release is also available in German at www.holcim.com/news.

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Key figures Group Holcim

January–March		2014	2013	±%	±%
		like-for-like			
Annual cement production capacity	million t	205.8	206.2 ¹	-0.2	-0.2
Sales of cement	million t	33.0	32.1	+2.9	+4.4
Sales of mineral components	million t	0.7	0.6	+4.9	+23.3
Sales of aggregates	million t	29.2	28.6	+2.2	+3.5
Sales of ready-mix concrete	million m ³	8.2	8.4	-2.0	+1.1
Sales of asphalt	million t	1.4	1.1	+23.3	+25.4
Net sales	million CHF	4,088	4,323	-5.4	+7.8
Operating EBITDA	million CHF	617	650	-5.1	+10.1
Operating EBITDA margin	%	15.1	15.0		
Operating profit	million CHF	295	270	+9.3	+28.4
Operating profit margin	%	7.2	6.2		
EBITDA	million CHF	673	838	-19.8	
Net income	million CHF	179	295	-39.5	
Net income margin	%	4.4	6.8		
Net income – shareholders of Holcim Ltd	million CHF	80	187	-57.5	
Cash flow from operating activities	million CHF	(243)	(323)	+24.9	+28.2
Cash flow margin	%	(5.9)	(7.5)		
Net financial debt	million CHF	10,040	9,461 ¹	+6.1	+6.3
Total shareholders' equity	million CHF	18,837	18,677 ¹	+0.9	
Personnel		69,897	70,857 ¹	-1.4	-1.3
Earnings per share	CHF	0.24	0.58	-58.6	
Fully diluted earnings per share	CHF	0.24	0.58	-58.6	

Principal key figures in USD (illustrative)

Net sales	million USD	4,579	4,648	-1.5	
Operating EBITDA	million USD	691	699	-1.1	
Operating profit	million USD	331	290	+13.9	
Net income – shareholders of Holcim Ltd	million USD	89	201	-55.7	
Cash flow from operating activities	million USD	(272)	(348)	+21.7	
Net financial debt	million USD	11,327	10,634 ¹	+6.5	
Total shareholders' equity	million USD	21,252	20,992 ¹	+1.2	
Earnings per share	USD	0.27	0.62	-56.9	

Principal key figures in EUR (illustrative)

Net sales	million EUR	3,342	3,519	-5.0	
Operating EBITDA	million EUR	504	529	-4.7	
Operating profit	million EUR	241	220	+9.8	
Net income – shareholders of Holcim Ltd	million EUR	65	152	-57.3	
Cash flow from operating activities	million EUR	(199)	(263)	+24.6	
Net financial debt	million EUR	8,232	7,717 ¹	+6.7	
Total shareholders' equity	million EUR	15,446	15,235 ¹	+1.4	
Earnings per share	EUR	0.20	0.47	-58.5	

¹ As of December 31, 2013.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.