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SECURITIES AND EXCHANGE COMMISSION

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Company Information

SEC Registration No.	0000026126
Company Name	HOLCIM PHILIPPINES, INC.
Industry Classification	
Company Type	Stock Corporation

Document Information

Document ID	102202015001713
Document Type	17-A (FORM 11-A:AANU)
Document Code	17-A
Period Covered	December 31, 2014
No. of Days Late	0
Department	CFD
Remarks	WITH CONSOLIDATED/PARENT FS.

COVER SHEET

						2	6	1	2	6

SEC Registration Number

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

(Company's Full Name)

7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City

(Business Address: No. Street City/Town/Province)

Shirley S. Go
(Contact Person)

459-3333
(Company Telephone Number)

12 **31**
Month *Day*
(Fiscal Year)

SEC FORM 17-A
For the year ended December 31, 2014
(Form Type)

05 **16**
Month *Day*
(Annual Meeting)

(Secondary License Type, If Applicable)

CFD
Dept. Requiring this Doc

–
Amended Articles Number/Section

Total Amount of Borrowings

5,606
Total No. of Stockholders

Domestic | Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the calendar year ended December 31, 2014

2. SEC Identification Number 026126 3. BIR Tax Identification No. 000-121-507-000

4. Exact name of issuer as specified in its charter Holcim Philippines, Inc.

5. Republic of the Philippines (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization
Industry Classification Code:

7. 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City 1634
Address of principal office Postal Code

8. (632) 459-3333
Issuer's telephone number, including area code

9. Not applicable
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, P1 par value	6,452,099,144

11. Are any or all of these securities listed on a Stock Exchange?

Yes [X] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange, Inc. Common Shares

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [X] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [X] No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant.

Php13,789,585,508 (920,533,078 common shares @ PhP14.98 per share, the closing price at which stock was sold on December 29, 2013)

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Not Applicable

Yes [ ] No [ ]

DOCUMENTS INCORPORATED BY REFERENCE

15. The following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Audited Consolidated Financial Statements as of December 31, 2014 and 2013 and for the three years in the period ended December 31, 2014 - Exhibit 1
(b) Statement of Management's Responsibility for Consolidated Financial Statements as of December 31, 2014 and 2013 and for the three years in the period ended December 31, 2014 – part of Exhibit 1
(c) Supplementary Schedules to the Audited Consolidated Financial Statements – Exhibit 2
(d) SEC Form 17-Q – Exhibit 3
(e) Legal Proceedings and Pending Legal Cases – Exhibit 4
(f) SEC Form 17-C – Exhibit 5

PART I - BUSINESS AND GENERAL INFORMATION

Item 1 Business

Holcim Philippines, Inc. (HPI or the "Company"), is the leading cement manufacturer in the Philippines and a member of the Holcim Group, one of the world's leading suppliers of cement, as well as aggregates, concrete and construction-related services. HPI is engaged in the manufacture, sale and distribution of cement and clinker.

The Company and its subsidiaries owns four production facilities, one cement grinding mill, four ports, as well as multiple storage and distribution points across the country. HPI has the most extensive sales and distribution network in the Philippine cement industry.

The consolidated operations of the four cement production facilities have fortified HPI's premier position in the Philippine cement industry with a total installed clinker production capacity of 6.2 million metric tons per year (MTPY) and cement production capacity of 10.2 million MTPY.

HPI was the first in the Philippine cement industry to receive ISO 9002 certification (Quality Management System Standards) from the International Organization for Standardization (ISO). Additionally, all four plants are ISO 14001 certified (Environment Management System Standards) and OH&S 18001 (Occupational Health & Safety Management) certified.

"Holcim" is one of the top selling brands and quality leaders in the Philippines.

(1) History and Business Development

HPI was incorporated in the Philippines and registered with the Philippines Securities and Exchange Commission (SEC) on November 12, 1964 under the name Hi-Cement Corporation (HCC).

On February 8, 2000, the SEC approved the merger of HCC, Davao Union Cement Corporation (DUCC), and Bacnotan Cement Corporation (BCC), with HCC as the surviving entity. Simultaneously, the SEC also approved the request for a change of corporate name from HCC to Union Cement Corporation (UCC).

On January 11, 2001, the SEC approved the merger of Atlas Cement Marketing Corporation (ACMC), Davao Union Marketing Corporation (DUMC) and Bacnotan Marketing Corporation (BMC) into UCC.

On July 17, 2002, the Board of Directors of UCC approved the acquisition of 88% of the issued and outstanding common shares of Alsons Cement Corporation (ACC) from Cemco Holdings, Inc. (Cemco). In consideration of such shares, new shares of UCC were issued to Cemco, at the exchange ratio of one (1) UCC share for every 3.7 ACC shares owned by Cemco, thus making ACC a subsidiary of UCC.

Pursuant to the Securities Regulation Code (SRC) and its implementing rules and regulations, HPI undertook a tender offer in favor of the remaining 12% non-controlling shareholders of ACC to exchange their holdings in ACC for new shares of UCC at the same exchange ratio, with the option to accept cash at a price of Php0.28 per ACC shares, in lieu of HPI shares. The foregoing transactions were approved by shareholders of UCC on September 4, 2002. The Company acquired additional ACC shares representing 0.02% equity interest in ACC after the end of the tender offer period.

On September 19, 2002, the Board of Directors of ACC approved a resolution for the delisting of the shares of stocks of the company from the PSE. The PSE approved the resolution for the delisting on December 15, 2002.

On August 17, 2004, the SEC approved ACC's reverse stock split, increasing the par value of ACC's shares to PhP1,000 per share from PhP0.50 per share. As a result of additional purchases from the remaining non-controlling shareholders of ACC in 2004 and the effect of the reverse stock split, UCC equity interest in ACC increased from 98.74% to 99.6%.

On November 30, 2004, the SEC approved the request for change in corporate name from UCC to HPI. On January 19, 2005, the SEC also approved the change in corporate name of ACC to Holcim Philippines Manufacturing Corp. (HPMC).

On June 30, 2006, the SEC likewise approved the merger of HPMC with its wholly-owned subsidiary, Northern Mindanao Transport Co., Inc. (NMTC).

As of December 31, 2014, HPI is 60.55% owned by Union Cement Holdings Corporation (UCHC), 18.11% owned by Holderfin B.V. (Holderfin), and 7.08% owned by Cemco while the remainder of its shares is owned by the public. HPI common shares are listed in the Philippine Stock Exchange (PSE).

The Company's Subsidiaries

Holcim Philippines Manufacturing Corporation (HPMC)

HPMC is a fully integrated cement manufacturer. HPMC's integrated operations cover the manufacturing, transportation and sale of cement and construction-related products. It was incorporated in the Philippines and registered with the SEC on February 7, 1968 under the name of Victory Cement Corporation.

HPMC has two dry process lines in Northern Mindanao, giving HPMC a combined rated clinker capacity of 1.8 million MTPY. Of these two, the larger 1.2 million MTPY line was successfully commissioned in 1998 and started commercial operation in January 1999.

In 2004, HPMC stockholders approved the lease contract with HPI covering substantially all of HPMC's cement manufacturing assets. The lease contract has been extended up to December 31, 2014.

HPMC is also engaged in the production of aggregates through its wholly owned subsidiary, Calamba Aggregates Company, Inc. (CACI). CACI, incorporated in the Philippines and registered with the SEC on October 15, 1992, operated a 1.6 million MTPY aggregates plant in Laguna. The company ceased operations beginning October 15, 2004. In 2009, the company started to engage in the business of trading aggregates, mainly with related companies. This, however, was discontinued in 2011 as a result of a change in business plan. In July 2012, CACI sold its fully-depreciated equipment for a total consideration of Php5.4 million. In 2013, CACI sold its parcels of land for a total consideration of Php20 million. CACI ceased operations effective December 31, 2013. CACI's Board of Directors and shareholders approved the shortening of CACI's corporate term to until December 31, 2018. CACI is in the process of completing regulatory requirements for its eventual dissolution.

NMTC, a then wholly-owned subsidiary of HPMC, was incorporated in the Philippines and registered with the SEC on February 4, 1972. In addition to chartering vessels, NMTC owned a fleet of vessels that provided the sea transport requirements of HPI. On June 30, 2006, the SEC approved the merger of NMTC and HPMC, with HPMC as the surviving company.

HPMC rents two bulk cement terminals in Iloilo City and Bacolod City from its wholly-owned subsidiary Bulkcem Philippines, Inc. (BPI), a company incorporated in the Philippines and registered with the SEC on April 5, 1995. Operation of BPI's bulk terminal in Bacolod City was temporarily discontinued starting 2003. In 2007, the bulk terminal in Bacolod City was sold to HPI, and was eventually demolished in 2010. A third terminal located in Calaca, Batangas, which had been idle for several years, was rehabilitated in 2010. It has resumed operations beginning January 2011. The terminals allow HPMC to access markets outside its natural ones in Northern Mindanao.

Alsons Construction Chemicals, Inc. (ALCHEM), another subsidiary, owned cement and mineral admixture plant in Lugait, Misamis Oriental, was incorporated in the Philippines and registered with the SEC on December 23, 1996. The operation of ALCHEM was discontinued since July 1999.

Holcim Mining and Development Corporation (HMDC)

Holcim Mining and Development Corporation (formerly Sulu Resources Development Corp.) was incorporated in the Philippines and registered with the SEC on October 5, 1987. Sulu Resources holds a Mineral Production Sharing Agreement covering certain mineral claims in Rizal. On August 21, 2008, the shareholders of Sulu Resources entered into a Share Purchase Agreement with HPI for the sale of all their holdings in Sulu Resources.

On March 15, 2010, the SEC approved the request for change in name of Sulu Resources to Holcim Aggregates Corporation (HAC). In 2011, the Company started to engage in the business of trading aggregates but temporarily ceased operations effective July 31, 2012. On July 14, 2011, the SEC approved the request for change from HAC to Holcim Mining and Development Corporation (HMDC). The SEC approved the increase in authorized capital stock of HMDC from P250,000,000.00 to P1,065,000,000.00 on March 6, 2014.

HMDC is also engaged in the mining, processing and sale of quarry resources through its wholly owned subsidiary, Holcim Resources Development Corporation (HRDC). HRDC was incorporated in the Philippines and registered with the SEC on May 9, 2005. In July 2014, HMDC acquired a new subsidiary; Lucky One Realty Ventures, Inc. (LORVI) from Calumboyan Holdings, Inc. LORVI owns a port facility and foreshore lease in Mabini, Batangas. LORVI was incorporated in the Philippines and registered with the SEC on June 23, 1998 and was acquired to own, use, improve, develop, subdivide, sell, exchange, lease, and hold for investment or otherwise, real estate of all kinds including buildings, houses, apartments, and other structures.

Excel Concrete Logistics, Inc. (ECLI)

Excel Concrete Logistics, Inc. was incorporated and registered with the SEC on August 9, 2012. On January 1, 2013, ECLI started its full operation servicing the distribution, transport, placing and quality testing of concrete, cement and other similar products of the ready-mix sub-segment of HPI.

Holcim Philippines Business Services Center, Inc. (HPBSCI)

Holcim Philippines Business Services Center, Inc. was incorporated in the Philippines and registered with the SEC on February 4, 2014. HPBSCI was set up to engage in the business of providing business process outsourcing and other information technology enabled services to the Holcim Group.

HuBB Stores and Services Inc. (HSSI)

HuBB Stores and Services Inc. was incorporated in the Philippines and registered with the SEC on June 2, 2014. HSSI was set up to engage in the business of buying, selling and distributing construction or building materials.

Mabini Grinding Mill Corporation (MGMC)

Mabini Grinding Mill Corporation was incorporated in the Philippines and registered with the SEC on September 29, 1999. On August 1, 2013, the rehabilitation of the MGMC's grinding station located in Mabini, Batangas was completed and commenced operation.

Bankruptcy Proceedings

The Company is not a party to any bankruptcy, receivership or similar proceedings.

Material Reclassification, Merger, Consolidation

On January 1, 2013, the Company entered into a Share Purchase Agreement with Trans-Asia Oil and Energy Development Corporation for the sale of its interest in TA Power amounting to Php475.5 million. Proceeds from the sale were collected on January 3, 2013.

On October 1, 2014, the Company acquired the 5,000 shares of stocks of LORVI held by Calumboyan Holdings, Inc. for the consideration of Php917 million.

Other than the above-mentioned reclassification, merger and consolidation, the Company is not a party to any merger or consolidation for the period ending December 31, 2014. Neither is the Company a party to any significant purchase of assets.

(2) General Business Description

HPI is engaged in the manufacture, sale and distribution of cement, dry mix mortar products and clinker. With the Company's production facilities, ports, storage and distribution terminals, sales offices and channel partners, HPI has the most extensive sales and distribution network in the Philippine cement industry. The Company's product quality and operational capability are geared towards meeting the customers' needs here and abroad.

(a) Product Lines

HPI manufactures four main cement product brands namely: Holcim Premium (Type 1 Portland cement), Holcim 4X (Type 1 high performance Portland cement), Holcim Excel (Type 1P Blended cement), and Holcim WallRight (Type S Masonry cement). Its products are sold in bags, jumbo bags and in bulk. HPI also sells to cement producers a semi-finished product called clinker, which is sold only in bulk. Moreover, HPI is involved in the ready-mix concrete business. Furthermore, HPI also sells dry mix mortar products as follows: Holcim Tile Adhesive, Holcim Skimcoat and Holcim Cementitious Waterproofing.

All HPI products meet Philippine National Standards (PNS) and American Society for Testing and Materials (ASTM) product quality standards.

Below is a brief description of HPI's various products:

Holcim Premium

Holcim Premium is an ASTM Type I Portland Cement. It is used for general concrete construction. To make Portland cement, powdered limestone, silica and iron-rich materials are homogenized and burnt at 1500°C. The resulting material is called clinker. Portland cement is produced by grinding clinker with a small amount of gypsum, a set retarder. When Portland cement is mixed with water and aggregates to make concrete, the mixture is initially flowable and easy to place, mold and finish. Eventually, the concrete sets, hardens and produces a strong and durable construction material.

Holcim 4X

Holcim 4X is an ASTM C150 high performance Portland cement. It is specially formulated for ready mix concrete applications. It has high compressive strength, high workability and is compatible with commonly available admixtures. Supplied in bulk, Holcim 4X is mainly used for high-rise buildings and vertical structures that require high-strength cement. It is ideal for construction that requires optimized concrete mix designs and fast construction cycles. With the high 28-day compressive strength of Holcim 4X, lower cement factor is needed resulting in lower construction costs. Longer setting time results to better slump retention and pumpability of concrete.

Holcim Excel

Holcim Excel Cement is an ASTM Type IP Cement, which is Portland cement combined with advanced mineral additives. It is sold mainly in 40-kg bags and used for general concrete construction. Advanced mineral additives (including granulated blast furnace slag) are inter-ground with Portland cement clinker and gypsum to improve the workability and early strength. The product is used for the same applications as the Portland cement described above but is preferred by many customers because the additives improve its performance.

Holcim WallRight Cement

Holcim WallRight Cement is an ASTM C91 Type S Masonry Cement designed for block laying, plastering and finishing use. It is made by inter-grinding mineral additives and an air-entraining additive with Portland cement clinker during the finish milling operation. The resulting cement will produce smoother, more cohesive and more cost-effective mortars and plasters which are preferred by masons.

Clinker

Clinker is an intermediate product in cement production. It is produced by grinding and burning a proportioned mixture of limestone, shale and silica. When clinker is further subjected to grinding and added with gypsum, Portland cement is produced.

Read Mix Concrete

Ready mix concrete (RMX) is an engineered construction material produced by mixing cement, admixtures, water, coarse aggregates and fine aggregates. It is produced in an RMX batching plant under controlled conditions and delivered by transmit mixer to a customer. A producer can make concrete of various strength grades and performance characteristics by adjusting the proportions of the different raw materials. The manner in which ready mix concrete is purchased, produced and delivered is defined by ASTM C94 Standard Specification for Ready-Mix Concrete.

Holcim Tile Adhesive

Holcim Tile Adhesive is a premium cement-based adhesive for tiles specially formulated for thin-bed vertical and horizontal application. Its unique formulation combined with Holcim cement provides for a faster, stronger adhesion, with excellent non-slip properties.

Holcim Skimcoat

Holcim Skimcoat is a cementitious plaster specially designed to smoothen vertical structures suitable for both indoor and outdoor use. Skimcoat is used for rendering and smoothening surfaces prior to application of sealants or decorative paints.

Holcim Cementitious Waterproofing

Holcim Waterproofing is a one-component cement-based waterproofing specially formulated using Holcim cement, high-quality polymers and chemical admixtures to provide superior flexible waterproofing of structures.

The following table shows the breakdown of sales revenues by product line of the Company for the periods indicated:

Table 1 – Revenue by Product Line

	Calendar Year Ended	Calendar Year Ended	Calendar Year Ended
(In Thousand Pesos)	December 31, 2014	December 31, 2013	December 31, 2012
Cement and cementitious materials	₱31,774,849	₱28,195,962	₱26,509,506
Others	873,810	697,407	649,491
Total	₱32,648,659	₱28,893,369	₱27,158,997

(b) Contribution of Export Sales

The amounts and percentages of revenue attributable to export sales, including breakdown per region, for the calendar years ended December 31, 2014, 2013 and 2012 are as follows:

Table 2 – Export Revenue

	Calendar Year	Calendar Year	Calendar Year
	Ended	Ended	Ended
(In Thousand Pesos)	December 31, 2014	December 31, 2013	December 31, 2012
Total Export Revenues	₱25,052	₱45,767	₱42,977
% to Total Revenues	0.08%	0.16%	0.16%
[redacted]			

(c) Marketing and Distribution

The Company's major domestic customers are traders, wholesalers, retailers, contractors serving private and public projects, real-estate developers and concrete producers. Notably, HPI has supplied a number of big commercial and government flagship projects in the entire country.

HPI has remained active in the export market over the last three years. But with increasing domestic demand and HPI's customer base, export sales accounted for only 0.08% of total sales volume as of December 31, 2014.

(d) New Product

The company launched new products in 2014, i.e., Holcim Skim Coat, Holcim Tile Adhesive, and Holcim Waterproofing, which are packed in either 20 kg. or 25 kg. packaging. These new dry mix products are finishing essentials to produce quality walls.

(e) Competition

There are 9 cement manufacturers in the Philippines, including: Holcim, Lafarge, Cemex, Taiheiyo, Northern, Eagle, Pacific, Goodfound and Mabuhay. According to data from the Cement Manufacturers Association of the Philippines (CeMAP), these manufacturers operate a total of 17 plants all over the country.

Among the local players, HPI has the widest market reach spanning the three main islands of the country with two cement manufacturing plants in Luzon, and two in Mindanao. HPI also operates cement terminals in Iloilo and Batangas and a grinding plant in Mabini, Batangas, as well as warehouses in the different geographic markets. The Company's principal method to be competitive is to gain an in-depth understanding of customer needs and create value for them through superior product and service offerings.

HPI's products are well regarded in the construction industry. They are used in many of the major national infrastructure projects. The four HPI cement plants are certified to meet the ISO 9002 (Quality Management), ISO 14001 (Environmental Management) and OH&S 18001 (Occupational Health and Safety Management) standards.

(f) Sources and Availability of Raw Materials and Supplies

Below is a summary of the existing mining contracts entered into by HPI and its subsidiaries with the Republic of the Philippines represented by the Department of Environment and Natural Resources (DENR) allowing the Company to quarry raw materials required for cement production.

La Union Plant

The source of both limestone and silica materials in the provinces of La Union and Pangasinan are covered by approved Mineral Production Sharing Agreement (MPSA) issued by the DENR. MPSA-238-2007-I, which expires in 2032, is the plant's main source of both high and low grade limestone and possibly pozzolan. In addition, directly north of it is a site with limestone resource covered by approved MPSA 236-2007-I and MPSA 043-1995-I, which expire in 2032 and 2020 respectively.

MPSA 236-2007-I is currently the subject of mine project feasibility determination by the Mines and Geosciences Bureau (MGB).

Plants silica requirement is sourced from Ayungon, Negros Oriental, Antique, Panay and Burgos, Pangasinan. For 2014, the program detailed geological assessment of the plants approved silica covered by MPSA 042-1995-I and MPSA 295-2009-I located in Agno, Pangasinan were deferred to 2015. MPSA 042-1995-I and MPSA 295-2009-I will expire 2020 and 2034 respectively.

Bulacan Plant

Bulacan plant's active limestone quarries are located in Norzagaray and Doña Remedios Trinidad, Bulacan covered by MPSA 140-1999-III and MPSA 027-1994-III, the former being the main source of limestone raw material. MPSA 140-1999-III and MPSA 027-1994-III will expire in 2024 and 2019 respectively.

MPSA 294-2009-III, the plant's recently approved mining permit which will expire in 2034 is the subject of a detailed geological assessment to confirm the quality and quantity of the silica, limestone and shale resources. In the meantime, silica requirement continues to be sourced from the third party suppliers with permits issued by the local government of Pangasinan, Rizal and Aklan.

A part of MPSA-298-2009-III covering 288 hectares acquired from Teresa Marble Corporation via a mineral area swap is also the subject of detailed geological and quality assessment for pozzolan and shale resources. MPSA -298-2009-III will also expire in 2034.

Davao Plant

Davao plant's limestone requirement is sourced internally from the mineral claims owned by the Company. The limestone deposit is covered by three mineral agreements, namely: MPSA-080-97-XI for limestone quarry in Bunawan, Davao City, MPSA-274-2008-XI, and MPSA 187-2002-XI, which strengthened the Company's limestone resource position.

MPSA-080-97-XI will expire in 2022 while MPSA-274-2008-XI and MPSA-187-2002-XI will expire in 2033 and 2027, respectively.

MPSA-082-97-XI located in Ilang, Davao City and where the shale requirement was sourced is subject of final rehabilitation. Said MPSA will expire in 2022. The plant's approved silica mineral claims covered by MPSA-079-1997-XI and MPSA-293-2009-XI are located in San Isidro and Mati, Davao Oriental but in the process of relinquishment to the government due to non-economic viability.

Silica requirement of the plant is sourced from operations located at Ayungon, Negros Oriental. Said operation is covered by MPSA 218-2005-VII where the plant has a valid and subsisting DENR approved operating agreement with the MPSA Holder. The MPSA will expire in 2030.

Lugait Plant

The existing quarries of shale and limestone mineral properties of Lugait plant are covered by the various MPSAs. Shale is found within MPSA 039-96-X located in Sitio Salimbal, Barangay Poblacion, Lugait, Misamis Oriental, whereas limestone is extracted from the claim under MPSA No. 047-96-X. The latter is located in Barangay Lower Talacogon, Lugait, Misamis Oriental and portions of Dalipuga, Iligan City. MPSA 039-96-X and MPSA No. 047-96-X will both expire in year 2021.

Low-alkali shale and pozzolan of suitable quality is covered by MPSA 281-2009-X located in Barangay Poblacion, Lugait and Barangay Dalipuga, Iligan City. Said MPSA will expire in 2034. Likewise found in considerable quantities are pozzolanic materials covered by MRD 481, which is situated within Barangays Kalangahan and Biga, Lugait. Contract period expired and is currently undergoing conversion to an MPSA and is denominated as APSA 141.

Placer Lease Contract denominated as PLC-V69, another major source of high quality limestone resource and contract period of which has expired, is currently undergoing conversion to a MPSA and denominated as APSA 140-X.

Silica requirement of the plant is sourced from the same Ayungon operations supplying La Union and Davao Plant.

Others

HMDC is the current holder of MPSA No. 108-98 IV located at Antipolo, Rizal, with known aggregates resources. The MPSA will expire in 2022.

<u>Energy Requirement</u>

Being an energy-intensive process, cement production requires a reliable and competitively priced power supply for uninterrupted and cost-effective production.

The Bulacan plant's peak demand is currently at 35 megawatts ("MW") while La Union plant's peak demand is currently at 15 MW. On August 12, 2011, a 15-year ESA was signed with TA Oil on for the supply of both Bulacan Line 2 and La Union plants commencing on 2014. In the new ESA, electricity supply will be coming from the 135 MW Puting Bato coal-fired power plant in Calaca, Batangas owned by South Luzon Thermal Energy Corporation, a joint venture company of TA Oil and Ayala's AC Energy Holdings. Included in the agreement is the provision of back-up supply from the Diesel Power Plants in Bulacan (TA Power) and in Bacnotan (CIP/TA Oil). In essence, power supply for the Company's Bulacan and La Union Plants is assured over a long-term period notwithstanding the uncertainties of how the Luzon grid supply situation will move. Electricity fee is structured according to TOU rate with provisions to rate increases based on fuel purchased for the power plant.

The Davao plant's total power requirement is 22 MW. The plant primarily sourced its electricity from the National Power Corporation (NPC) through the Mindanao Grid which generates a substantial portion of its power through hydroelectric power plants. Effective September 26, 2013, Davao plant became a "captive customer" of Davao Light and Power Company, the Distribution Utility (DU) which holds the franchise for power distribution in the area pursuant to Energy Regulatory Commission Resolution No. 27, Series of 2010.

The Lugait plant's total power requirement is 33 MW for both lines or 27 MW with Line 2 only. After the expiration of the Power Supply Agreement with NPC on December 25, 2012, Misamis I Oriental Electric Cooperative (Moresco I) took over as the power supplier of Lugait plant pursuant to Energy Regulatory Commission Resolution No. 27, Series of 2010.

Since grid supply in Mindanao is currently deficient until new power plants come on-line in 2015-2016, back-up power supply from private generators for Davao and Lugait has been put in place to augment power supply during curtailment periods.

Mabini Grinding plant, being a "Contestable Customer" signed a 10-year Power Supply Agreement with TA Oil which started last June 26, 2014.

Coal and Fuel Requirements

HPI uses coal for heating the Company's kilns in La Union, Bulacan, Davao and Lugait.

HPI's Indonesian coal requirements are currently covered by one-year supply contracts which took effect last 01 July 2014. These contracts form part of the Asia Pacific (APAC) volume pooling strategy of the Regional Category Management Team in which HPI is an active member. The said strategy helped APAC opcos to leverage in both product and freight resulting in more competitive rates. Spot purchases shall remain as an option to have a healthy balance of supply reliability and market competitive prices.

For local coal requirements, the company's five year contract with Semirara expired last December 31, 2014. Negotiations were just concluded for a one-year fixed price contract with Semirara.

The Company also has a five-year supply contract with Petron Corporation, effective July 1, 2010 to June 30, 2015, to cover its bunker and diesel fuel requirements.

The Company has not experienced any disruption in its solid and liquid fuel supply.

(g) Dependence on a Single or a Few Customers

The Company employs a multi-level distribution strategy in serving the market. This covers wholesaler and retailer intermediaries, traders, ready mix companies, concrete products manufacturers, international and local contractors, and real-estate developers. At the same time, HPI supports numerous large and medium scale government infrastructure projects. The aim is for the business not to be dependent on a single or a few customers but rather achieve a well-balanced customer portfolio. The loss of one or more customers will have no material adverse effect on the Company and its subsidiaries taken as a whole.

(h) Related Party Transactions

Please see Note 25 – Related Party Transactions to the Consolidated Financial Statements for details.

(i) Trademarks, Licenses, Concessions, Labor Contracts

HPI holds several mining claims under various MPSAs that grant to the Company exclusive rights to the exploration, development, and commercial utilization of certain limestone, shale and other mineral deposits existing within contracted areas on the basis of an agreed revenue-sharing arrangement with the government.

To augment the present quarry deposits, the Company has filed with the DENR mineral product sharing applications for limestone, shale and silica quarries strategically located near its plants, which are discussed in detail under No. (2) (f) of this report.

On labor contracts, please see discussion on employees under Item m.

The Company does not own any patent, trademark, copyright, franchise and concessions.

(j) Governmental Approval of Principal Products

The Bureau of Product Standards (BPS) granted HPI the license to use the Philippine Standard Quality Certification Mark for its principal products. The license took effect from the date of issue and continues to be in full force unless otherwise revoked or cancelled by the BPS.

All other necessary licenses and permits required for the continuous production and sale of HPI products have been secured by the Company, including licenses that have to be renewed on a periodic basis.

(k) Research and Development

The Company is engaged in research and development for improving the production process used in its plants and for improving the quality and strength of its products. The Company spent a total of ₱73.28 million research and development costs for the last three (3) years as follows:

Table 3 – Research and Development Costs

Period Covered	Amount ('000 Pesos)	Percentage To Revenues
CY ended December 31, 2014	₱29,023	0.09%
CY ended December 31, 2013	23,894	0.08%
CY ended December 31, 2012	20,367	0.07%
Total	₱73,284	

(l) Costs and Effects of Compliance with Environmental Laws

In support of Holcim Group initiatives on Sustainable Environmental Performance, HPI is committed to comply with environmental regulations both locally and internationally.

Cement dust emission is targeted at lower emission levels as compared to Philippine Clean Air Act dust emission limit of 150 mg/ Nm3. The Company maintains and operates modern electrostatic precipitators, bag houses, multi-cyclone and bag filters to mitigate dust emissions. With these modern dust control systems in place, HPI's cement plants keep dust emission levels to below the prescribed government standards.

The installation and operation of the Continuous Emission Monitoring System (CEMS) in all four plants ensures real time monitoring of the overall performance of the plants. Information provided by this state-of-the-art system which includes monitoring of NOx and SO2 emissions confirms that all HPI plants are compliant with the existing government standards.

The Company engages a third party service provider, accredited by the EMB, to conduct periodic source emission testing for dust, gaseous emissions, heavy metals and Dioxin/Furan (DF). In addition, Relative Accuracy Test Audit (RATA) and Cylinder Gas Audit (CGA) are regularly conducted to ensure data reliability of the installed CEMS.

Quarry areas utilized by the Company undergo progressive rehabilitation activities as an integral component of the Annual Environmental Protection and Enhancement Program (AEPEP). As the first Philippine company to have a DENR-approved Final Mine Rehabilitation and Decommissioning Plan, all plants are compliant not only with the local regulations but also with Holcim Group directives. HPI's progressive rehabilitation plans are not limited to active quarry areas; the plan also includes degraded areas covered by MPSA.

The Company also complies with the DENR regulations on environmental funding. Each plant has established depository accounts called Mine Rehabilitation Funds; maintained in two forms namely Rehabilitation Cash Fund (RCF) and Monitoring Trust Fund (MTF). The RCF is at least ₱5 million earmarked for rehabilitation programs approved by the DENR; while the

MTF is at least ₱150,000 to serve as the quarterly operating budget for the multi-partite monitoring team.

With HPI's emission monitoring system, quarry rehabilitation plans, and strict compliance to the reportorial requirement on actual performance validated by regular quarterly monitoring by multi-stakeholders and government audit, HPI is continuously in compliance with Philippine regulations.

(m) Employees

As of December 31, 2014, HPI and subsidiaries have a total of 1,813 officers and regular employees broken down as follows:

Table 4 – Officers and Employees

Location	HPI	Subsidiaries	TOTAL
Head Office*	382	181	563
Bulacan Plant	284		284
La Union Plant	236		236
Davao Plant	265		265
Lugait Plant	258	163	421
Calumpit	44		44
Total	1,469	344	1,813

** Includes ECLI, HPBSCI, Calaca, RMX and Mabini plants*

The Company does not expect a significant increase in the number of employees in the next twelve (12) months.

HPI cement plant employees are unionized and all labor unions have a Collective Bargaining Agreement (CBA) signed with the Company. The rank and file employees of HPI's bag plant and subsidiary ECLI have also organized their respective unions. The Company maintains a positive relationship with its workers by implementing policies that are fully cognizant of the workers' rights and needs through open communication and adherence to agreed grievance procedures.

The following table shows the respective labor unions of HPI and subsidiaries plant workers and the expiry dates of their respective CBAs:

Table 5 – Labor Unions

Location of Cement Plant	Labor Union	CBA Expiry Date
Norzagaray, Bulacan	Holcim Philippines Employees Association (HPEA formerly Hi Cement Worker's Union)	December 31, 2015
	UCC Bulacan Supervisory Employees Union	February 28, 2019
Bacnotan, La Union	La Union Cement Workers Union	March 31, 2017
	Holcim La Union Supervisory Employees Union	December 31, 2018
Davao City	Davao Holcim Employees Workers Union (DAHEWU formerly Southern Phil. Federation of Labor)	March 31, 2015
	Holcim Davao Supervisory Independent Union	March 31, 2015

Lugait, Misamis Oriental	Holcim Lugait Employees Labor Union (HOLELU, All Workers Trade Union All AWATU) Holcim Lugait Supervisors Independent Union	February 15, 2015 December 31, 2018
Calumpit, Bulacan	Holcim Paper Bag Plant Employees Association – FFW Chapter	December 31, 2018
Quezon City	Excel Concrete Logistics, Incorporated Workers Union – National Union of Building and Construction Workers	March 31, 2018

(n) Risk Factor

Political and Economic Factors

The Company and its subsidiaries are primarily engaged in the manufacture of clinker and cement in the Philippines. Generally, cement sales are highly dependent on general economic and political conditions in the country.

One of the principal factors that may materially affect financial performance is the level of construction activity in the public and private sectors. Public sector construction activity has always been a significant part of cement demand. However, government spending on construction-related activities (e.g., infrastructure and housing) is dependent on various factors: budgetary constraints, political considerations and the stage of economic development in the country.

On the other hand, private sector spending is primarily driven by investors' confidence in the country, which in turn, is dependent on the country's economic and political conditions. Any perceived political instability or lower than expected economic growth could have an adverse effect on the Company's financial performance.

Availability of Stable Power Supply

As cement manufacturing is an energy-intensive process, adequacy of power is vital for HPI's continuous operations. Curtailment of power supply will materially affect the operation of HPI plants.

La Union and Bulacan plants source their total power requirements from the Luzon Grid. An assessment of the Luzon market indicates that there will be adequate supply in the area until 2014 assuming all power plants are operating at their capabilities and committed capacity additions are realized. The Company signed 15-year Energy Supply Agreement on August 12, 2011 with TA Oil for both plants starting 2014. The newly commissioned CIP Diesel Power Plant owned by TA Oil will provide back-up to La Union plant in case of grid failures, the arrangement of which was structured after that of Bulacan's.

Davao and Lugait plants' power requirements are now supplied by the Distribution Utility of their respective franchise area pursuant to Energy Regulatory Commission Resolution No. 27, Series of 2010. Mindanao's supply mostly comes from hydro-electric power plants comprising approximately 55% of the total generation capability. With the increasing demand and dwindling hydropower generation capacity, power curtailment is expected to persist until the completion and operations of various coal-fired power plants starting 2015. The shift from hydropower to coal fired power plants to cover baseload requirements is expected to generally result in an increase in electricity cost. For its current needs, the Company has entered into contingency arrangements with private generators to provide back-up power in case of forced power curtailment.

To address the critical power situation in Mindanao, the government, through the DOE in September 2013, launched the Interim Mindanao Electricity Market (IMEM). It was expected to be the venue for a transparent and efficient utilization of all available capacities in Mindanao Grid. The structure is very similar to WESM in Luzon and Visayas.

The Company is currently evaluating all available options towards a reliable and sustainable power supply portfolio for its Mindanao plants.

Compliance with Financial Covenants

The Company's long-term loan agreements, if any, provide certain restrictions and requirements with respect to, among others, maintenance of financial ratios, incurrence of new long-term debt, investment in any corporation or person, material changes in character of the Company's business, material change in ownership or control of the Company, disposal of assets and properties, and merger or consolidation with other parties without prior creditors' consent.

HPI was in compliance with all the financial ratios requirement of its loan covenants as of December 31, 2011. As of December 31, 2014 and 2013, the Company has no outstanding long-term loans.

Dependence on Key Facilities

Substantially all of HPI's income has been, and will be derived from the sale of products manufactured at its production facilities in Luzon and Mindanao. Any prolonged breakdown of, or significant damage to, the Company's production facilities or quarries could have an adverse effect on the results of its operations. HPI maintains comprehensive property and casualty insurance policies covering its production facilities and key assets under an Industrial All-Risk policy. However, there can be no assurance that the proceeds from HPI's insurance claims would be sufficient to compensate the Company for all the effects of possible loss and/or damage. Notwithstanding that, the Company has appropriate processes and measures in place to further mitigate the risk of any possible loss or damage.

Impact of the Exchange Rate Fluctuations

The Philippine Peso was generally stable during the year. From the exchange rate of ₱44.40 against the US Dollar as of December 31, 2013, it closed at ₱44.72 as of December 31, 2014. The depreciation of the peso increases cost of production inputs such as imported fuel and supplies but may result to an increase in the peso value of its export revenues. Conversely, a significant appreciation of the peso will reduce production costs but will also reduce revenues from export sales.

Environmental and Regulatory Matters

Cement manufacturing involves quarrying activities, heavy use of fossil fuel (coal and bunker fuel) and electric power, and emission of dust in the atmosphere, factors that may adversely affect the environment.

HPI conforms with rules and regulations defined under the following: The Philippine EIS System (PD 1586), The Philippine Mining Act of 1995 (RA 7942), The Philippine Clean Air Act 1999 (RA 8749), Philippine Clean water Act of 2004 (RA 9275), Ecological Solid Waste Management Act of 2000 (RA 9003), and Toxic Substances & Hazardous & Nuclear Waste Control Act of 1990 (RA 6969). Other Applicable Laws & Regulations are also identified in the Company's Integrated Management System Manual.

In a group-wide program, the Company decided to reduce dust emissions below the prescribed 150 mg/ Nm3 level that the government allows cement plants to emit under the Philippine Clean Air Act (RA 8749). The Company maintains and operates modern electrostatic precipitators, bag houses, multi-cyclone and bag filters for mitigating the dust coming from its plants' pre-heater towers, kilns and cement mill grinding systems. With these modern dust control systems in place, HPI's cement plants kept dust emission levels below the prescribed government standard. Moreover in 2003, the Company installed a state-of-the-art Continuous Emission Monitoring System (CEMS) in all its four plants. The system provides all information required to measure the Company's overall environmental performance and has confirmed that HPI's plants are compliant with the existing government standards.

Based on the assessment made on the existing facilities, the Company believes it complies with the provisions of the Clean Air Act and its implementing rules and regulations.

Under the Philippine Environmental Impact Assessment law, quarrying – a major activity of cement manufacturing – is classified as an Environmentally Critical Project. As such, it is subject to all applicable local environmental regulations. This includes the environmental impact assessments and the consequent environmental management programs mandated under the Philippine Clean Air Act, the Environmental Compliance Certificate (ECC), and the complementary environmental provisions of the Mining Act's implementing rules and regulations. The status of compliance on the conditions stated in the ECC is regularly reported to DENR through the submission of Self-Monitoring Reports (SMR), Compliance Monitoring Reports (CMR), and Compliance Monitoring and Verification Reports (CMVR).

For 2014, HPI's four plants and the grinding station continued to be recognized by the relevant national government agencies for its environmental programs and natural resource stewardship. HPI La Union Plant bagged the highest award – the Presidential Mineral Industry Environmental Award (PMIEA) for the Quarry Category. The award is given to the company with the best overall program for quarry rehabilitation, environmental protection, safe operations and social and community development. Davao won a Platinum Award, the second highest recognition after the PMIEA.

Lugait was also recognized with the Best Mining Forest Program in the Quarry Category, with Bulacan as runner-up. Of equal importance is the DENR and EMB Track 1 Seal of Approval under the DENR's Philippine Environmental Partnership Program conferred to La Union and Davao Plants in 2011; and to Bulacan and Lugait in 2012. These seals of approval recognize the Company for its proven record of superior environmental performance and going beyond regulatory compliance.

Executive Order (EO) 79

On July 6, 2012, the Philippine Government issued EO 79, Institutionalizing and Implementing Reforms in the Philippine Mining Sector. Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources also known as the Revised Mining Act, EO 79 provides for the following, among others:

- restriction of applications of mineral contracts an agreements in critical areas and pending new legislation;
- review of performance of existing mining operation and cleansing of non-moving mining rights holders;
- review of existing mining contracts and agreements for possible renegotiation of terms and conditions;
- establishment of mineral reservations and opening areas of mining through competitive public bidding;
- disposition of abandoned ores and valuable metals in mine wastes and mill tailings; and,
- creation of the Mining Industry Coordinating Council with powers and functions granted by this EO.

On October 8, 2012, the DENR published Administrative Order No. 2012-07-A containing guidance for the implementation of EO 79.

Management currently assesses that EO 79 will not have a significant effect in the current operations of the Company. Management continuously monitors the implementation of EO 79 and its impact on the industry in general.

Item 2 Properties

The Company's major items of property, plant and equipment are located in Norzagaray, Bulacan; Bacnotan, La Union; Bo. Ilang, Davao City; Lugait, Misamis Oriental; Mabini, Batangas; and Calaca, Batangas. The table shows the consolidated properties of HPI as of December 31, 2014 compared to December 31, 2013.

Table 6 – Plant, Property and Equipment (Consolidated)

(In Thousand Pesos)	December 31, 2014	December 31, 2013
Land and land improvements	₱1,863,433	₱1,690,780
Machinery and equipment	21,231,883	21,385,149
Buildings and installations	12,134,485	11,566,093
Furniture, vehicles and tools	1,206,519	1,149,799
Construction in progress	2,674,532	1,851,804
	39,110,852	37,643,625
Less: Accumulated depreciation, depletion		
and allowance for impairment loss	21,506,416	20,550,171
Total	₱17,604,436	₱17,093,454

In connection with the principal properties of the Company, there are no material existing mortgages, lien or encumbrance nor limitations in the usage or ownership.

There are no imminent acquisitions of property of significant amount that cannot be funded by the Company's working capital and debt.

The table below summarizes the significant lease agreements entered into by the Company as a lessee.

Description	Start Date	Expiration Date	2013 Lease Payments (in '000)	Renewal Options
HO Office	01.12.2008	30.11.2018	Php38,153	The lease may be renewed upon the written agreement and under such terms and conditions as maybe acceptable to both parties.
Betonval lot	27.08.2008	26.08.2018	6,564	Renewable as may be mutually agreed by the parties
Industrial Warehouse	16.01.2013	15.01.2018	4,167	The contract may be renewed or extended upon the mutual agreement of the Parties.

Item 3 Legal Proceedings

The Company is either a defendant or plaintiff in several civil, criminal and labor cases primarily involving collection and claims for damages. Based on the representation of management and the opinion of the Company's external legal counsels, the resolution of such cases will not result to any significant liability or loss of assets.

Pending material legal proceedings involving the Company are described in Exhibit 4.

Item 4 Submission of Matters to a Vote of Security Holders

Except for the matters taken up during the last annual meeting of the stockholders covered by the Company's SEC Form 20-IS report, no matter was submitted to a vote of security holders through solicitation of proxies or otherwise during the calendar year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5 Market for Issuer's Common Equity and Related Stockholder Matters

(1) Market Information

HPI common shares are listed in the Philippine Stock Exchange (PSE). The high and low market prices of HPI shares for each quarter of calendar year 2014, and that of the past two calendar years, as reported by the PSE, are shown below:

Table 7 – Market Prices of HPI Shares

Quarter Period	CY	2014	CY	2013	CY	2012
	High	Low	High	Low	High	Low
January – March	13.24	12.80	13.72	13.70	12.30	9.40
April – June	13.30	13.26	14.00	13.50	12.36	11.00
July – September	14.10	14.00	12.70	12.70	13.10	11.40
October – December	14.98	14.82	15.50	15.20	14.00	12.64

Source: Philippine Stock Exchange, Inc.

As of February 13, 2015, the closing price of the Company's common shares at the PSE is P14.60 per share.

(2) Stockholders

As of December 31, 2014, HPI has 6,452,099,144 shares outstanding held by 5,606 stockholders. The list of the top twenty stockholders of the Company as recorded by the Stock Transfer Service, Inc., the Company's stock transfer agent, is as follows:

Table 8 – Top Twenty (20) Stockholders

Rank	Name	Citizenship	Shares (Sum)	%
1	UNION CEMENT HOLDINGS CORPORATION	FILIPINO	3,906,425,509	60.55%
2	B. V HOLDERFIN	DUTCH	1,168,450,997	18.11%
3	SUMITOMO OSAKA CEMENT CO., LTD.	JAPANESE	594,952,725	9.22%
4	CEMCO HOLDINGS, INC.	FILIPINO	456,689,560	7.08%
5	PCD NOMINEE CORP. (NON-FILIPINO)	FOREIGN	172,592,988	2.67%
6	PCD NOMINEE CORP. (FILIPINO)	FILIPINO	115,942,538	1.8%
7	FEDERAL HOMES, INC.	FILIPINO	4,054,054	0.06%
8	ANTONIO M. DUMALIANG &/OR ROSALINDA S. DUMALIANG	FILIPINO	922,363	0.01%
9	LEONCIO TIU	FILIPINO	705,000	0.01%
10	KAKUGARA AKIHIKO	JAPANESE	559,580	0.01%
11	LUIS CO CHI KIAT	FILIPINO	511,242	0.01%
12	JOAQUIN Q. TAN	FILIPINO	380,000	0.01%
13	LUIS ROLANDO GARCIA FADRIGO	FILIPINO	294,065	0.00%
14	AMERICAN WIRE & CABLE CO., INC.	FILIPINO	290,993	0.00%
15	CIPRIANO VILLANUEVA AMANDO	FILIPINO	282,137	0.00%
16	CORAZON V. DOMINGUEZ	FILIPINO	221,081	0.00%
17	UNIVERSITY OF SANTO TOMAS	FILIPINO	190,750	0.00%
18	RAMON C. CHAN	FILIPINO	189,189	0.00%

19	FRANCIS L. ESCALER	FILIPINO	186,935	0.00%
20	ISABELA CULTURAL CORPORATION	FILIPINO	156,439	0.00%
		Total	**6,423,998,145**	**99.54%**

(3) Dividends

The Company is authorized to pay cash or stock dividends, or a combination thereof, subject to approval by the Company's Board of Directors and/or its shareholders. Dividends paid in the form of additional shares are subject to approval by the Company's Board of Directors, the SEC and the stockholders of at least two thirds of the outstanding shares of the Company. Holders of outstanding shares on a dividend record date for such shares will be entitled to the full dividend declared without regard to any subsequent transfer of shares.

Other than the provisions in the loan covenants agreed to by the Company, there are no other limitations for the Company to declare dividends to its common stock.

Cash dividends were declared in for the years ended December 31, 2014, 2013 and 2012 as follows:

	2014	2013	2012
Cash Dividend Per Share (PhP)	₱0.70	₱0.55	₱0.25
Amount Declared (PhP)	₱4.5 billion	₱3.5 billion	₱1.6 billion
Declaration Date	16-May-14	23-May-13	17-May-12
Record Date	13-June-14	21-June-13	11-June-12

(4) Sales of Unregistered Securities Within the Last Three (3) Years

There are no other securities sold for cash by the Company within the last three (3) years that were not registered under the SRC.

Item 6. Management's Discussion and Analysis

Review of CY 2014 Operations vs CY 2013

In 2014, the Country's Gross Domestic Product (GDP) grew by 6.1%*. While lower compared with the 7.2% growth in 2013, this has been the 3rd consecutive year where more than 6% growth was realized. Robust performance in manufacturing and construction and also from the services and agriculture sectors fueled such growth.

Similarly, the cement industry grew by 9.5%** on the back of strong public and private infrastructure spending.

Driven by the strong demand from both public and private sector, the Company's revenue increased to Php32.6 Bio, or 13% higher compared to last year. As a result of the Company's cost management initiatives and manufacturing and distribution excellence with strong sales performance, EBITDA and net income for 2014 amounted to Php8.8 Bio and Php5.2 Bio, respectively. An increase of 15.1% and 12.9% as compared to last year, respectively.

**Source: National Statistical Coordination Board*
***Source: Cement Manufacturer's Association of the Philippines*

Key Performance Indicators ("KPI")

The comparative financial KPI for the years ended December 31, 2014 and 2013 are as follows:

Financial KPI	Definition	For the Calendar Year ended December 31	
		2014	2013
Profitability			
Return on Assets (ROA)	Net Income / Ave. Total Assets	17.4%	16.8%
Return on Equity (ROE)	Net Income / Ave. Total Equity	23.6%	21.7%
Operating EBITDA Margin	Operating EBITDA / Net Sales	26.5%	26.3%
Liquidity			
Gearing Ratio	Net Financial Debt / Total Equity	-0.6%	-3.6%
EBITDA Net Interest Cover (times)	Operating EBITDA / Net Interest	282.1	Nil

Profitability

ROA, ROE and EBITDA margin for CY 2014 grew as a result of higher profitability of the business.

Liquidity

The Company shows a strong liquidity base with a low gearing ratio, much below the 100% target level.

Significant Disclosures

Please refer to Exhibit 5 of this report for the significant disclosures made by the Company during the year. Other than those mentioned in Exhibit 5, the Company is not aware of the following:

1. Unusual items that materially affect the Company's consolidated assets, liabilities, equity, net income or cash flows because of their nature, size or incidents.

2. Changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts in prior financial years that have a material effect in the current period.

3. Issuances and repurchase of equity securities.

4. Material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

5. Existence of material contingencies and other events of transactions that are material to an understanding of the current period.

6. Known trends, demands, commitments, events and uncertainties that will result in or likely to decrease its liquidity in a material way. The Company does not anticipate having within the next twelve (12) months any cash flow or liquidity problems nor does it anticipate any default or breach of any of its existing notes, loans, leases, other indebtedness or financial arrangements requiring it to make payments. With the improvement in the Company's operating performance, it expects to meet all financial loan covenants for the next interim period.

7. Events that will trigger direct or contingent material financial obligations to the Company.

8. Material off-balance sheet transactions, arrangements, obligations (direct or contingent), and other relationships of the Company with unconsolidated entities or other persons created during the year.

9. Material commitments for capital expenditures.

10. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales, revenues, net income from continuing operations.

11. Significant elements of income or loss that did not arise from the Company's continuing operations.

12. Material events subsequent to end of the reporting period that have not been reflected in the consolidated financial statements.

13. Material changes in the composition of the company, including any business combination, acquisition or disposal of subsidiaries and long-term investments.

Notes to Financial Statements

Accounting Policies and Principles

The consolidated financial statements of the Company, which comprise the consolidated balance sheets as at December 31, 2014 and 2013 and the consolidated statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2014 have been prepared in compliance with Philippine Financial Reporting Standards applied on a consistent basis. The detailed accounting policies are disclosed in Note 2 – Summary of Significant Accounting Policies in the Consolidated Financial Statements.

Seasonality Aspects of the Business

Like any other company in the construction industry, the operations of HPI are affected by seasonality or cyclicality. During the months starting December to May, demand for cement is greater than in the rainy months from June to November.

<u>General Risk Management Approach</u>

The Company is exposed to various financial risks, which include the effect of changes in debt structure, equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential and adverse effects on the financial performance of the Company. The

Company uses derivative instruments such as cross-currency swaps to hedge the interest and foreign exchange risks from its foreign currency-denominated debt. The Company does not enter into other derivative or financial transactions which are unrelated to its operating business as a risk-averse approach is pursued.

Financial risk management of the Company is governed by policies approved by management. It provides principles for overall risk management, as well as policies covering specific risk areas such as interest rate risk, foreign exchange risk, counterparty risk, use of derivative financial instruments and investing assets in excess of liquidity requirements.

The Company's principal financial instruments, other than derivatives, consist of cash and cash equivalents and notes payable. The main purpose of these financial instruments is to raise funds for the Company's operations. The Company also has various other financial assets and liabilities such as trade and other receivables, advances to employees, guarantee deposits, restricted cash and trade and other payables which arise directly from operations.

The main risks arising from the Company's financial instruments are market risks (which include foreign currency risk and interest rate risk), credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of these risks and they are summarized below. The Company's accounting policies in relation to financial instruments are set out in Note 2 to the consolidated financial statements.

Market Risks

The Company is exposed to market risks, such as foreign currency, interest rate and equity price risks. To manage volatility relating to these exposures, the Company enters into derivative financial instruments, when necessary. The Company's objective is to reduce, where appropriate, fluctuations in earnings and cash flows associated with changes in foreign currency, interest rate and equity price.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has foreign exchange exposures, arising primarily from sales, purchases of goods and services and debt servicing requirements in currencies other than the Peso that leads to currency translation effects. Of the Company's revenues, approximately 0.1% in 2014 and 0.2% in 2014 and 2013 are denominated in currencies other than the Peso. The Company may hedge certain foreign currency-denominated borrowings or other instruments by entering into derivative transactions.

Due to the local nature of the cement business, transaction risk is limited. However, income may primarily be in local currency whereas debt servicing and significant amount of capital expenditures may be in foreign currencies. As a consequence thereof, the Company may enter into derivative contracts whenever necessary, which may be designated either as cash flow hedges or fair value hedges, as appropriate.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The Company is exposed to fluctuations in financing costs and market value movements of its debt portfolio related to changes in market interest rates. The Company's interest rate exposure is mainly addressed through the steering of the fixed/floating ratio of net debt. To manage this mix, the

Company may enter into derivative transactions, as appropriate. As at December 31, 2014 and 2013, the Company has minimal exposure to interest rate risk.

Credit Risk

Credit risk is the risk that counterparties may not be able to settle their obligations as agreed. To manage this risk, the Company periodically assesses the financial reliability of customers.

The Company constantly monitors its credit risk exposures. Counterparties to financial instruments consist of a large number of major financial institutions. The Company does not expect any counterparties to fail in meeting their obligations, given their high credit ratings. In addition, the Company has no significant concentration of credit risk with any single counterparty or group of counterparties.

The Company trades only with recognized, credit-worthy third parties. It is the Company's policy that all third party customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the Company's exposure to bad debts to minimal.

With respect to credit risk arising from the other financial assets of the Company, which consist of due from related parties, advances to employees, AFS financial assets, and guarantee and refundable deposits, the Company's exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Company's exposure to credit risks arising from outstanding financial assets is disclosed in Note 15 – Financial Risk Management Objectives and Policies in the Consolidated Financial Statements.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its contractual obligations and commitments. The seasonality of revenue generation exposes the Company to shortage of funds during slack season and may result in payment defaults of financial commitments. The Company monitors this risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial assets and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank credit facilities, finance leases and purchase contracts. It is responsible for its own cash surpluses and the raising of loans to cover cash deficits, subject to policies and guidelines approved by management and in certain cases at the BOD level.

The Company maintains sufficient reserves of cash and cash equivalents, which are short-term in nature, unused credit lines and readily available marketable securities to meet its liquidity requirements at all times. In addition, the strong credit worthiness of the Company allows it to make efficient use of the financial markets for financing purposes. As at December 31, 2014 and 2013, the Company has unutilized credit facilities of ₱10.4 billion and ₱3.0 billion, respectively.

The Company's financial assets and liabilities as at December 31, 2014 and 2013 are disclosed in Note 15 – Financial Risk Management Objectives and Policies in the Consolidated Financial Statements.

Capital Management Policy

The Company considers equity attributable to the equity holders of the Parent Company as its capital. The Company's objectives when managing capital are to secure the Company's ongoing financial needs to continue as a going concern as well as to cater for its growth targets in order to provide returns to shareholders and benefits for other stakeholders and to maintain a cost-efficient and risk-optimized capital structure.

The Company manages the capital structure and makes adjustments to it in light of the changes in economic conditions, its business activities, investment and expansion program and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital, among others, on the basis of gearing ratio. Gearing is calculated as net financial debt divided by total equity in the parent company balance sheets as shown in the table below:

	2014	2013
Notes payable	**₱2,100,105**	₱893,000
Customers' deposits	**468,823**	480,249
Financial debt	**2,568,928**	1,373,249
Less cash and cash equivalents	**2,698,207**	2,149,104
Net financial debt (asset)	**(129,279)**	(775,855)
Total equity	**22,095,277**	21,476,327
Gearing ratio	**(0.6%)**	(3.6%)

The Company's target is to maintain a gearing in the range of no more than 100 percent.

Total equity grew by 2.9% in 2014 as a result of improvement in operating results for the year.

Material Changes in Balance Sheet Accounts

Cash and cash equivalents

Increase in cash and cash equivalents were mainly due to the higher cash generated from operations during the year.

Trade and other receivables

Receivables increase due to the higher sales made in December 2014 as compared to same period of last year, DSO remains to be at 21 days.

Inventories

Increase in inventories in preparation for the anticipated higher demand in the first quarter of the succeeding year.

Other Current Assets

Decrease was driven by lower down payment, prepaid expenses and creditable withholding taxes as a result of tax application.

Intangibles assets – net

Increase was mainly driven by the new foreshore lease agreement resulting from the acquisition of the port facility in Mabini, Batangas.

Deferred income tax asset – net

Attributable to the additional provisions/accruals for allowance for doubtful accounts, retirement and other accruals in 2014.

Other non-current Assets

The decrease was mainly due to deposits to vendors amounting to ₱96.7 Mio reclassified to other current assets.

Notes Payable

Increase was due to the availment of short-term loan for working capital requirements and for the purchase of the port facility in Mabini, Batangas.

Trade and Other Payables

Trade and other payables increased mainly due to higher group payables related to importations.

Income Tax Payable

Increase was due to higher income tax recorded for the period.

Retirement Benefit Liabilities

Increase was mainly due to higher employee pension liability for the Company's defined benefit incentive for its employees.

Deferred income tax liabilities – net

The decrease was mainly attributable to the reduction in depreciation expense, amortization of site restoration costs and unamortized capitalized interests which are nondeductible expense.

Remeasurement loss on retirement benefits – net

The decrease was due to the updating of the assumptions and experience adjustments considered in the retirement liability calculation.

Retained Earnings

Increase was due to higher realized net income.

Non-controlling interests

Decrease due to change in ownership in 2014.

Material Changes in Income Statement Accounts

Revenues

Increase mainly due to 12% higher volume sold for 2014 compared to last year.

Cost of Sales

The increase was mainly due to increase in input costs such as raw materials and electricity charges to support the increase in sales volume.

General and administrative expenses

The increase was due to higher personnel costs and expenditure on corporate initiative projects.

Interest and Other Financial Income

The lower realized interest income was due to lower interest rates for short-term deposits.

Interest and Financing Charges

The increase was due to higher loans availed within the year.

Foreign Exchange Gains (Losses) – net

Recognized gain was due to the Peso depreciation in 2014 as compared to 2013 closing rates.

Gain on sale of investment in joint venture

There was no investment sold in 2014.

Others – net

Increase driven by gain on sale of other properties sold during the year.

Provision for Income Tax

The increase was mainly due to the higher realized taxable income in 2014 as compared to previous year.

Review of CY 2013 Operations vs CY 2012

In 2013, the country's Gross Domestic Product (GDP) grew by 7.2%* which was higher than the 6.6%* growth posted in 2012. This also surpassed the 6% to 7% government target despite the man-made and natural calamities that successively struck the country, which strained the economy. The growth was fueled by the industry and service sectors, service exports, and other services in education, health and social work. Meanwhile, the manufacturing sector has helped in driving the supply side of the economy.

Similarly, the cement industry grew by 5.6%** on the back of strong public and private infrastructure spending.

Good prices coupled with the strong demand from both public and private sector propelled the Company's revenue to Php28.9 Bio or 6.4% increase compared to last year. The strong sales performance was complemented by the Company's manufacturing and distribution excellence and cost management initiatives. This resulted to the highest ever EBITDA recorded of Php7.6 Bio or 16.6% increase compared to previous year. A record of Php4.6 Bio net income was posted in 2013, representing about 26% jump from last year.

**Source: National Economic and Development Authority*

***Source: Cement Manufacturer's Association of the Philippines*

Key Performance Indicators ("KPI")

The comparative financial KPI for the years ended December 31, 2013 and 2012 are as follows:

Financial KPI	Definition	For the Calendar Year ended December 31	
		2013	2012*
Profitability			
Return on Assets (ROA)	Net Income / Ave. Total Assets	16.8%	14.4%
Return on Equity (ROE)	Net Income / Ave. Total Equity	21.7%	18.5%
Operating EBITDA Margin	Operating EBITDA / Net Sales	26.3%	24.0%
Liquidity			
Gearing Ratio	Net Financial Debt / Total Equity	- 3.6%	- 4.8%
EBITDA Net Interest Cover (times)	Operating EBITDA / Net Interest	Nil	186.2

**Based on restated amounts as a result of the Company's adoption of PAS 19 "Employee Benefits".*

Profitability

ROA, ROE and EBITDA margin for CY 2013 grew as a result of higher profitability of the business.

Liquidity

The Company shows a strong liquidity base with a lower gearing, much below the 100% target level.

Significant Disclosures

Please refer to Exhibit 5 of this report for the significant disclosures made by the Company during the year. Other than those mentioned in Exhibit 5, the Company is not aware of the following:

1. Unusual items that materially affect the Company's consolidated assets, liabilities, equity, net income or cash flows because of their nature, size or incidents.

2. Changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts in prior financial years that have a material effect in the current period.

3. Issuances and repurchase of equity securities.

4. Material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

5. Existence of material contingencies and other events of transactions that are material to an understanding of the current period.

6. Known trends, demands, commitments, events and uncertainties that will result in or likely to decrease its liquidity in a material way. The Company does not anticipate having within the next twelve (12) months any cash flow or liquidity problems nor does it anticipate any default or breach of any of its existing notes, loans, leases, other indebtedness or financial arrangements requiring it to make payments. With the improvement in the Company's operating performance, it expects to meet all financial loan covenants for the next interim period.

7. Events that will trigger direct or contingent material financial obligations to the Company.

8. Material off-balance sheet transactions, arrangements, obligations (direct or contingent), and other relationships of the Company with unconsolidated entities or other persons created during the year.

9. Material commitments for capital expenditures.

10. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales, revenues, net income from continuing operations.

11. Significant elements of income or loss that did not arise from the Company's continuing operations.

12. Material events subsequent to end of the reporting period that have not been reflected in the consolidated financial statements.

13. Material changes in the composition of the company, including any business combination, acquisition or disposal of subsidiaries and long-term investments.

Notes to Financial Statements

Accounting Policies and Principles

The consolidated financial statements of the Company, which comprise the consolidated balance sheets as at December 31, 2013 and 2012 and the consolidated statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2013 have been prepared in compliance with Philippine Financial Reporting Standards applied on a consistent basis. The detailed accounting policies are disclosed in Note 2 – Summary of Significant Accounting Policies in the Consolidated Financial Statements.

Seasonality Aspects of the Business

Like any other company in the construction industry, the operations of HPI are affected by seasonality or cyclicality. During the months starting December to May, demand for cement is greater than in the rainy months from June to November.

<u>General Risk Management Approach</u>

The Company is exposed to various financial risks, which include the effect of changes in debt structure, equity market prices and foreign currency exchange rates. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential and adverse effects on the financial performance of the Company. The Company uses derivative instruments such as cross-currency swaps to hedge the foreign exchange risks from its foreign currency-denominated debt. The Company does not enter into other derivative or financial transactions which are unrelated to its operating business as a risk-averse approach is pursued.

Financial risk management of the Company is governed by policies approved by management. It provides principles for overall risk management, as well as policies covering specific risk areas such as interest rate risk, foreign exchange risk, counterparty risk, use of derivative financial instruments and investing assets in excess of liquidity requirements.

The Company's principal financial instruments, other than derivatives, consist of cash and cash equivalents, notes payable and long-term debt. The main purpose of these financial instruments is to raise funds for the Company's operations. The Company also has various other financial assets and liabilities such as trade and other receivables, due from related parties, advances to employees, guarantee deposits, restricted cash and trade and other payables, which arise directly from operations.

The main risks arising from the Company's financial instruments are market risks credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of these risks and they are summarized below. The Company's accounting policies in relation to financial instruments are set out in Note 2 to the parent company financial statements.

Market Risks

The Company is exposed to market risks, such as foreign currency, interest rate and equity price risks. To manage volatility relating to these exposures, the Company enters into derivative financial instruments, when necessary. The Company's objective is to reduce, where appropriate, fluctuations in earnings and cash flows associated with changes in foreign currency, interest rate and equity price.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has foreign exchange exposures arising primarily from sales, purchases of goods and services and debt servicing requirements in currencies other than the Peso that leads to currency translation effects. Of the Company's revenue, approximately 0.2% in 2013 and 2012 and 0.4% in 2011 are denominated in currencies other than the Peso. The Company may hedge certain foreign currency-denominated borrowings or other instruments by entering into derivative transactions.

Due to the local nature of the cement business, transaction risk is limited. However, income may primarily be in local currency whereas debt servicing and significant amount of capital expenditures may be in foreign currencies. As a consequence thereof, the Company may enter into derivative contracts whenever necessary, which may be designated either as cash flow hedges or fair value hedges, as appropriate.

The Company's exposure to foreign currency risk is disclosed in Note 16 – Financial Risk Management Objectives and Policies in the Consolidated Financial Statements.

Credit Risk

Credit risk is the risk that counterparties may not be able to settle their obligations as agreed. To manage this risk, the Company periodically assesses the financial reliability of customers.

The Company constantly monitors its credit risk exposures. Counterparties to financial instruments consist of a large number of major financial institutions. The Company does not expect any counterparties to fail in meeting their obligations, given their high credit ratings. In addition, the Company has no significant concentration of credit risk with any single counterparty or group of counterparties.

The Company trades only with recognized, credit-worthy third parties. It is the Company's policy that all third party customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the Company's exposure to bad debts to minimal.

With respect to credit risk arising from the other financial assets of the Company, which consist of financial assets at FVPL, AFS financial assets, due from related parties, advances to employees, advances to subsidiaries and guarantee deposit, the Company's exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Company's exposure to credit risks arising from outstanding financial assets is disclosed in Note 16 – Financial Risk Management Objectives and Policies in the Consolidated Financial Statements.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its contractual obligations and commitments. The seasonality of revenue generation exposes the Company to shortage of funds during slack season and may result to payment defaults of financial commitments. The Company monitors this risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial assets and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank credit facilities, finance leases and purchase contracts. It is responsible for its own cash surpluses and the raising of loans to cover cash deficits, subject to policies and guidelines approved by management and in certain cases at the BOD level.

The Company maintains sufficient reserves of cash and cash equivalents, which are short-term in nature, unused credit lines and readily available marketable securities to meet its liquidity requirements at all times. In addition, the strong credit worthiness of the Company allows it to make efficient use of the financial markets for financing purposes. As at December 31, 2013 and 2012, the Company has unused credit facilities of ₱3.0 billion and ₱2.8 billion, respectively.

The Company's financial assets and liabilities as at December 31, 2013 and 2012 are disclosed in Note 16 – Financial Risk Management Objectives and Policies in the Consolidated Financial Statements.

Capital Management Policy

The Company considers total equity in the parent company balance sheet as its capital. The Company's objectives when managing capital are to secure the Company's ongoing financial needs to continue as a going concern as well as to cater for its growth targets in order to provide returns to shareholders and benefits for other stakeholders and to maintain a cost-efficient and risk-optimized capital structure.

The Company manages the capital structure and makes adjustments to it in light of the changes in economic conditions, its business activities, investment and expansion program and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital, among others, on the basis of gearing ratio. Gearing is calculated as net financial debt divided by total equity in the parent company balance sheets as shown in the table below:

	2013	2012*
Notes payable	**₱893,000**	₱-
Customers' deposits	**480,249**	384,726
Financial debt	**1,373,249**	384,726
Less cash and cash equivalents	**2,149,104**	1,378,382
Net financial debt (asset)	**(775,855)**	(993,656)
Total equity	**21,476,327**	20,558,723
Gearing ratio	**(3.6%)**	(4.8%)

**Based on restated amounts as a result of the Company's adoption of the revised PAS 19 "Employee Benefits".*

The Company's target is to maintain a gearing in the range of no more than 100 percent.

The Company repaid its long-term debt in 2012 resulting in a net financial asset. Total equity increased by 4.5% in 2013 as a result of improvement in operating results for the year.

Material Changes in Balance Sheet Accounts

Cash and cash equivalents

Increase in cash and cash equivalents were mainly due to the higher cash generated from operations and proceeds from the sale of TAPG investment.

Trade and other receivables

Receivables decreased due to the higher collections made in 2013.

Inventories

Inventories increased in preparation for the anticipated higher demand in the first quarter of the succeeding year.

Other Current Assets

Increase was due to higher down payment to suppliers and BOC payments.

Property, Plant and Equipment

Increase was due to the completion of CAPEX projects in 2013 which include significant projects like Mabini plant rehabilitation and La Union plant's clinker cooler upgrade.

Intangibles assets – net

Increase was mainly due to the installation of new information system for the Company's cement plants.

Deferred income tax assets – net

Attributable to additional provisions/accruals for allowance for doubtful accounts, retirement and other accruals in 2013.

Other non-current Assets

The increase was mainly due to deposits to vendors amounting to ₱96.7 Mio reclassified from other current assets.

Notes Payable

Increase was due to the availment of short-term loan for funding requirements.

Trade and Other Payables

Trade and other payables increased by ₱601 million mainly due to higher accruals and costs of imported clinker and fuel.

Derivative liability

Increase was due to the Peso devaluation in 2013 as compared to 2012 closing rates.

Income Tax Payable

Decrease was due to the application of Php183 Mio creditable withholding taxes.

Retirement Benefit Liabilities

Increase was mainly due to higher employee pension liability for the Company's defined benefit incentive for its employees.

Provisions

Decrease in the provision was due to the decrease in provision for site restoration as a result of the completion of rehabilitation activities in some areas.

Deferred income tax liabilities

The decrease was mainly attributable to the reduction in depreciation expense, amortization of site restoration costs and unamortized capitalized interests which are nondeductible expense.

Share in available-for-sale financial assets

The decrease was due to the sale of the share in investment in the TAPG joint venture.

Remeasurement loss on retirement benefits – net

The increase was due to the adoption of PAS 19 in 2013

Retained Earnings

Increase was due to higher realized net income.

Non-controlling interests

Increase was due to the higher realized net income as compared to prior year.

Material Changes in Income Statement Accounts

Revenues

Increase was mainly due to healthy prices for cement.

Cost of Sales

The increase was mainly due to increase in input costs and higher consumption of imported clinker to support the demand.

General and administrative expenses

The decrease was due to lower expenditure on corporate initiative projects as compared to prior year.

Selling Expenses

The increase was mainly due to higher costs of outside services and other marketing and selling initiatives.

Interest and Other Financial Income

The increase was due to higher interest income earned on short-term deposits.

Interest and Financing Charges

The decrease was due to minimal financing charges from loans.

Foreign Exchange Gains (Losses) – net

Incurred loss was due to the Peso devaluation in 2013 as compared to 2012 closing rates.

Equity in Net Loss of a Joint Venture

Decrease due to the sale of TAPG investment.

Gain on sale of asset held for sale

This represents the gain recognized for the TAPG investment.

Others – net

Decrease due to the loss on sale of other properties sold during the year.

Provision for Income Tax

The increase was mainly due to the higher realized taxable income in 2013 as compared to previous year.

Item 7. Financial Statements

The consolidated financial statements and supplementary schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this annual report under Item 13.1 and 13.2

Information on Independent Accountant

External Audit Fees

The aggregate fees billed for each of the last two (2) years for professional services rendered by Sycip Gorres Velayo & Co (SGV) was P10.4 million for 2014 and P11.1 million for 2013. These fees, inclusive of out-of-pocket expenses, cover services rendered by the external auditor for audit of the financial statements of the Company and other services in connection with statutory and regulatory filings for years 2014 and 2013.

Tax Fees & All Other Fees

The Company engaged SGV for advisory services amounting to P0.5 million in 2014.

The Audit Committee's Approval Policies and Procedures for the Above Services

Upon recommendation and approval of the Audit Committee, the appointment of the external auditor is proposed for confirmation by the shareholders at the annual stockholders' meeting. In addition, the consolidated financial statements are approved by the Board of Directors before its release.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

There was no event in the past five years where SGV and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The audit findings are presented to the Company's Audit Committee, which reviews and makes recommendations to the Board on actions to be taken thereon. The Board passes upon and approves the Audit Committee's recommendations.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

(1) The Board of Directors

The Company's Board of Directors (the Board) is responsible for the overall management and direction of the Company. The Board meets regularly every quarter, or as often as required, to review and monitor the Company's financial position and operations. Each Board member serves for a term of one year or until his successor is duly elected and qualified. None of the members of the Board of the Company own more than 2% of outstanding common shares of HPI.

As of December 31, 2014, the following are the members of the Board:

Table 9 – The Board of Directors

Office	Name	Nationality
Chairman	Tomas I. Alcantara	Filipino
Vice Chairman	Ian S. Thackwray	British
Director	Daniel N. Bach	Swiss
Director	Eduardo A. Sahagun	Filipino
Independent Director	Simeon V. Marcelo	Filipino
Independent Director	Yasuo Kitamoto	Japanese

Set forth below are the business experience of the Board during the last five years:

Tomas I. Alcantara, 67, holds a Bachelor of Science degree in Economics from Ateneo de Manila University, a Masters in Business Administration degree from Columbia University, USA and attended the Advance Management Program of the Harvard Business School. He is presently the Chairman and President of Alsons Consolidated Resources, Inc., and of several power and property development companies in the Alcantara Group. He is Chairman of the Eagle Ridge Golf & Country Club, Inc. and Philweb Corporation, Mr. Alcantara was Undersecretary for the Industry & Investment Group of the Department of Trade and Industry and the Vice Chairman and Managing Head of the Board of Investments from July 1986 to

March 1995. He was also Special Envoy of the Philippine President to APEC in 1996. He was elected Director of the Company on July 4, 2003.

Ian S. Thackwray, 56, holds an MA (Hons) in Chemistry from Oxford University and is also a chartered accountant. After his studies, he joined Price Waterhouse and handled major corporate accounts in Europe. In 1985, he started a career with a major multinational in the chemicals industry, serving in various management roles in Europe, North America and particularly in Asia. From 2004 to 2006, he served the Asian/Pacific President based out of Shanghai. In 2006, he joined Holcim and was elected COO and director of the Company. In 2009, the Board of Directors of Holcim Ltd appointed him a member of the Executive Committee. He joined the Executive Committee of Holcim Ltd on January 1, 2010 with regional responsibility for countries in East Asia, including China, Japan, Korea as well as the Philippines, Oceania and South and East Africa.

Daniel N. Bach, 51, was formerly a member of the Board of Directors and the Company's Senior Vice President for Manufacturing in 2007 until his assignment as CEO of Holcim Romania in 2011. In January 2014, he took on a new role as Holcim's Area Manager for South East Asia. He graduated with a Mechanical Engineering degree and a doctoral degree in Technical Sciences, both from the Swiss Federal Institute of Technology in Zurich, Switzerland.

Eduardo A. Sahagun, 57, is the Company's President and Chief Executive Officer. He was the Senior Vice President for Sales, Marketing and Distribution & Technical Services (now called Commercial) from 2007 to 2012. He was the Chief Financial Officer of the Company until his current appointment. He holds a Bachelor of Science in Commerce degree and is a Certified Public Accountant. He also holds a Masters in Management Science degree from the Arthur D. Little Management Education Institute in Boston, Massachusetts and a Masters in Business Administration degree from Ateneo Graduate School of Business. In November 1989, he was elected as Asst. Vice President – Comptroller of Davao Union Cement Corporation and has since then been appointed to occupy various key executive positions in the PHINMA Cement Group. He was elected as director of the Company on July 2010.

Simeon V. Marcelo, 61, was elected as independent director of the Company on May 16, 2014. He is the Chief Executive Officer of Cruz Marcelo & Tenefrancia Law Offices. He graduated among the top of his class at the University of the Philippines - College of Law and placed 5th in the 1979 bar examination. He served as Solicitor General from 2001 to 2003 and was Ombudsman from 2003 to 2005. From 2007 to 2010, Mr. Marcelo served as Executive Secretary of the Asian Development Bank Administrative Tribunal and from 2008 to June 2014, was a member of the World Bank's Independent Advisory Board (on good governance and anti-corruption matters). Mr. Marcelo was also elected as the President of the Philippine Bar Association from 2009 to 2010.

Yasuo Kitamoto, 54, holds a Bachelor of Laws degree from the Doshisha University in Kyoto, Japan. He is currently General Manager responsible for International Business of Sumitomo Osaka Cement Co., Ltd. Prior to his current position, he was Deputy General Manager, General Affairs Department in 2005 and General Manager, Corporate Planning Department in 2008 of Sumitomo Osaka Cement Co., Ltd.

The Executive Officers

The officers are likewise elected annually by the Board and serve for one (1) year and until their respective successors have been elected. None of the officers of the Company own more than 2% of the total outstanding shares of the Company.

The Company's executive officers are set out below:

Table 10 – Executive Officers

Office	Name	Nationality
Chief Executive Officer and President	Eduardo A. Sahagun	Filipino
Senior Vice President – Manufacturing	Andre Caluori	Swiss
Vice President – Commercial	William C. Sumalinog	Filipino
Vice President – Geocycle	Ernesto C. Paredes	Filipino
Vice President – Human Resources	Araceli E. Gonzales	Filipino
Vice President – Corporate Communications	Nerissa V. Ronquillo	Filipino
Vice Pres. – Corporate Occupational Health & Safety	Carmela Dolores S. Calimbas	Filipino
Vice President – Supply Chain	Saskia Groen-in't-Woud	Australian
Vice President – Operations (Bulacan Plant)	Federico V. Santiago	Filipino
Vice President – Operations (Davao Plant)	Zita D. Balogo	Filipino
Vice President – Operations (Lugait Plant)	Bobby R. Garza	Filipino
Vice President – Operations (La Union Plant)	Andrew M. White	British
Treasurer	Shirley S. Go	Filipino
Officer in Charge – Legal Affairs/Corporate Secretary/Compliance Officer	Kristine N.L. Evangelista	Filipino

The business experience of Mr. Eduardo A. Sahagun during the last five years is provided above. Set forth below are the business experience of the Company's other executive officers during the last five years:

Andre Caluori, 57, is the Senior Vice President for Manufacturing. Andre holds a degree in Chemical Engineering specializing in process engineering from the University of Applied Sciences, Chur, Switzerland. Starting out as a cement technology trainee in Holcim Spain, he went on to assume key positions in Holcim operating companies around the globe, including QA Manager and deputy Plant Manager in Apasco, Mexico; AFR & Environment Manager in Untervaz, Switzerland; Plant Manager in Eclepens, Switzerland and in Holcim Romania. Prior to his assignment in the Company, he was the General Manager for Manufacturing in Cement Australia for the past five years.

William C. Sumalinog, 45, is the Vice President for Commercial. William holds a Bachelor of Science degree in Computer Engineering from the University of Cebu where he graduated with leadership honors in 1992. He started his career in sales as a sales representative in Market Developers, Inc., where he went on to assume other sales positions. He joined Alsons Cement Corporation in 1998 where he occupied various key positions in sales. Prior to assuming his current position, he was the Company's Regional Operating Head for various areas in Mindanao and Visayas since 2005.

Ernesto C. Paredes, 52, is the Vice President for Geocycle (Alternative Fuels and Raw Materials). He holds both a Bachelor of Science degree in Commerce major in Accounting, and a Bachelor of Science degree major in Management from Ateneo de Davao University. He is a Certified Public Accountant. He occupied various key positions in Sales and Marketing since he joined the cement industry through Davao Union Marketing Corp. in 1987.

Araceli E. Gonzales, 52, is the Vice President for Human Resources. She is a graduate of Psychology from Ateneo de Manila University with a Masters degree in Industrial Relations with focus on Human Resources Management from the University of the Philippines. She has more than 25 years of HR experience honed in consumer, manufacturing, pharmaceutical, agro-industrial and telecommunication industries covering both domestic and international HR services. She also has 8 years of consulting work in HR and leadership development. Before joining HPI, she was VP for HR Solutions of Smart Communications.

Nerissa V. Ronquillo, APR, 57, is the Vice President for Corporate Communications. She obtained her Bachelor of Arts degree in Broadcast Communication at the University of the

Philippines as a scholar of the Kapisanan ng mga Brodkaster ng Pilipinas/Broadcast Media Council. A communications and an accredited public relations professional, she has over 30 years of experience in the profession. She was Head of Publications and Communications, then Advertising and Special Events, and General Public Programs of the Manila Electric Company (Meralco). From 2009 to 2013, she was Regional Director for North Asia of the San Francisco-based International Association of Business Communicators (IABC) and in 2012 she was President of IABC Philippines. In 2013, she became the first Filipina to be named as Director of the International Executive Board of IABC and Trustee of the IABC Foundation.

Carmela Dolores S. Calimbas, 58, is the Vice President for Corporate Occupational Health and Safety. She holds a Bachelor of Science degree in Chemical Engineering from the University of San Carlos in Cebu. Before joining the Company in May 2008, she was the Manager for Environment, Health and Safety of James Hardie Philippines from November 2004 to May 2008. Prior to this, she had ten years of work experience in the field of safety, health and environment.

Saskia Groen-in't-Woud, 41, is the Vice President for Supply Chain and holds a Business Degree from Central Queensland University and post graduate diploma qualifications from the University of Southern Queensland, Australia. Prior to joining the Company in 2012, she was Technical Assistant to a Holcim Executive Committee member based in Switzerland, leading projects in East Asia, Oceania and South Africa, following her position as Holcim Group Support Ltd consultant from 2009. She has over fifteen years' experience in project and operational roles in the cement, lime and alumina industries.

Federico V. Santiago, 60, is the Vice President for Operation of Bulacan Plant. He graduated from the University of the East, Manila. He is a registered Mechanical Engineer. He was the Production Manager of Central Cement and Bacnotan Cement plants of the Phinma group. Prior to his appointment as Vice President for Operation of Bulacan Plant, he was the Production Manager from 2009 to 2011.

Zita D. Balogo, 53, is the Vice President for Operation of Davao Plant. She graduated from the University of the Bohol, Tagbilaran City. She is a graduate in Industrial Management Engineering. She was Vice President for Human Resources of the Company from 2006 to 2011 prior to her training in cement manufacturing and appointment as Vice President for Operation of Davao Plant.

Bobby R. Garza, 57, is the Vice President for Operations of Lugait Plant. A registered Mining Engineer and a graduate from Mapua Institute of Technology, Intramuros, Manila, he joined the organization in 1995 as Quarry Manager of La Union plant then Bulacan plant. He worked under Manufacturing Excellence as Area Coach of Bulacan plant. Prior to his current appointment, he was the Production Manager of La Union plant since 2010.

Andy M. White, 47, is the Vice President for Operations of La Union Plant. He is a registered Chartered Engineer in England, a Fellow of the Institute of Materials, Minerals and Mining (UK) and graduated from The University of Sheffield. Before joining the Company in 2008, he was Production Manager at Golden Bay Cement in New Zealand from 2006 and before this worked for Lafarge Cement in various roles and countries since 2000. Prior to his current appointment, he was Project Manager of Manufacturing Excellence.

Shirley S. Go, 38, is the Treasurer and the Head of Group Tax of the Company. She earned her Bachelor of Science degree in Accountancy from De La Salle University, and is a Certified Public Accountant. Prior to joining the Company in 2010, she worked with Punongbayan and Araullo for 12 years.

Kristine Ninotschka L. Evangelista, 41, is the Corporate Secretary, Officer in Charge for Legal Affairs and Compliance Officer of the Company. She holds a Bachelor of Science Major in Legal Management degree from the Ateneo de Manila University and obtained her Juris Doctor degree from Ateneo Law School. In 1999, she joined SyCip Salazar Hernandez & Gatmaitan Law as an associate. She joined the Company in 2008 as Senior Legal Counsel.

She was elected as Assistant Corporate Secretary of the Company and its subsidiaries. She assumed her current role and was elected Corporate Secretary in 2014.

(2) *Significant Employees*

The following managers in the Company's Finance department are responsible for financial planning, control, reporting, as well as accounting and tax.

Position	Name	Age	Nationality
Head, Group Controller	Glenn A. Agustin	41	Filipino
Head, Group Tax	Shirley S. Go	38	Filipino

Set forth below is the business experience of the above individuals during the last five years:

Glenn A. Agustin, 41, is the Head for Group Controller. He graduated from the University of Santo Tomas with a degree of Bachelor of Science in Commerce, major in Accounting. He is a Certified Public Accountant and Certified Internal Auditor. Prior to joining the Company, he worked with various companies including SGV and Co. and Bacnotan Consolidated Industries Inc. He joined the Company in 2004 as an internal auditor and started to work in Finance as Plant Controller in 2008, and Area Finance Manager in 2009 and Manager of Finance and Reporting in 2011. He assumed his post as Head-Group Controller on December 1, 2013, from his earlier position as Book-to-Report Service Delivery Head.

The business experience of Ms. Shirley S. Go is provided above.

(3) *Family Relationships*

None of the members of the Board of Directors nor any Executive Officer of the Company is related by affinity or consanguinity.

(4) *Involvement in Certain Legal Proceedings*

To the knowledge and/or information of the Company, the present members of the Board of Directors or the Executive Officers are not, presently, or during the last five (5) years, involved or have been involved in criminal, bankruptcy or insolvency investigations or proceedings except for the pending legal proceedings involving certain directors and executive officers of the Company and its subsidiaries described in Exhibit 4 hereof.

Item 10. Executive Compensation

The Company has local and expatriate executives. Expatriates are holding positions that are technical and advisory in nature. The compensation of local executives is benchmarked against the established Target Market Group (TMG*). At 100% performance attainment of the Company's financial and business goals, the executive compensation is targeted to be at median (P50) of the TMG and at the 3rd quartile for performance attainment of 110% and above. Expatriates are paid in accordance with the International Assignment compensation guidelines of Holcim.

The compensation received by the Executive Officers represents salaries, bonuses and benefits.

* The Company's Target Market Group (TMG) are local and multi-national companies with annual gross revenues of PHP 5 - 50 billion and 500 to 5,000 employees.

Table 11 – Executive Compensation (in Php)

Name and Principal Position	Year	Salary	Bonus	Benefits
The CEO and four most highly compensated Executive Officers: ▪ Eduardo A. Sahagun – President & CEO ▪ Andre G. Calouri – SVP, Manufacturing ▪ Saskia Groen-in't-Woud - VP, Supply Chain ▪ Andrew M. White – VP, Operations ▪ Federico V. Santiago – VP, Operations	2015*	52,136,086	16,110,756	1,605,024
	2014	52,136,086	16,110,756	1,605,024
	2013	57,399,964	12,261,463	24,500,206
All other Executive Officers and Directors as a group unnamed	2015*	45,024,811	10,199,264	23,915,072
	2014	45,024,811	10,199,264	23,915,072
	2013	57,028,654	10,552,865	15,077,532

**Estimated compensation of executive officers for the ensuing year is assumed to approximate the 2014 level. Bonuses given are driven by actual performance of the company; hence, estimate may vary from actual.*

Other than directors' fees, the directors of the Company do not receive any other compensation from the Company, including any of the following arrangements:

a. Standard arrangement and any other material arrangements;
b. Employment contract (between the Company and named executive officers);
c. Compensatory plan or arrangement;
d. Outstanding warrants or options; and
e. Adjustments or amendments on the price of stock warrants or options.

Warrants and Options Outstanding

There are no warrants or options granted by the Company to any of its Directors or Executive Officers.

Item 11. Security Ownership of Certain Beneficial Owners and Management

The table below shows persons or groups known to HPI as of December 31, 2014 to be directly or indirectly the record or beneficial owner of more than 5% of the Company's voting securities:

Table 12 – Beneficial Ownership of Voting Securities

Title of Class	Name & Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner And Relationship with Record Owner	No of Shares Held	% of Ownership
Common	Union Cement Holdings Corporation 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City (Filipino) Stockholder	Union Cement Holdings Corp. (same as record owner)	3,906,425,509	60.55%
Common	B.V Holderfin De Lairessestraat 129Hs 1075 HJ Amsterdam, the Netherlands (Dutch)	Holderfin B.V. (same as record owner)	1,168,450,997	18.11%

	Stockholder			
Common	Sumitomo Osaka Cement Co., Ltd. 1, Kanda Mitoshiro-cho Chiyoda-ku, Tokyo, 101-8677, Japan (Japanese) Stockholder	Sumitomo Osaka Cement Co., Ltd. (same as record owner)	594,952,725	9.22%
Common	Cemco Holdings, Inc. 815/816 Tower One & Exchange Plaza Ayala Triangle Ayala Avenue, Makati City (Filipino) Stockholder	Cemco Holdings, Inc. (same as record owner)	456,689,560	7.08%

The respective Board of Directors of each of UCHC, Holderfin, Sumitomo Osaka Cement Co., Ltd. and Cemco has the power to decide how their shares in the Company are to be voted.

(1) Security Ownership of Management

The table below shows the securities beneficially owned by all directors, nominees and executive officers of HPI as of December 31, 2014:

Table 13 – Security Ownership of Management

Title of Class	Name and Address of Beneficial Owner	Amount/Nature of Ownership	Registered (R) or Beneficial (B)	% of Ownership
Common	Tomas I. Alcantara	1	R	0.00%
Common	Ian S. Thackwray	1	R	0.00%
Common	Daniel N. Bach	1	R	0.00%
Common	Eduardo A. Sahagun	1	R	0.00%
Common	Simeon V. Marcelo	1	R	0.00%
Common	Yasuo Kitamoto	1	R	0.00%
Common	Ernesto C. Paredes	9,951	R	0.00%
Common	Bobby R. Garza	6,000	R	0.00%
	Total	**15,957**		**0.00%**

Directors and officers as a group hold a total of 15,957 common shares, equivalent to approximately 0.00% of the Company's issued and outstanding capital stock.

(3) Voting Trust Holders of 5% or more

No person holds five percent (5%) or more of the issued and outstanding shares of stock of the Company under a voting trust or similar agreement.

(4) Changes in Control

There were no material changes in the control of the Company since the beginning of the Company's last calendar year. UCHC still holds the controlling interest in the Company.

Item 12. Certain Relationships and Related Transactions

On January 1, 2013, the implementation of Industrial Franchise Fee (IFF) eliminated the practice of separate charge for certain services provided by Holcim Group Support Ltd (HGRS) and Holcim IP Ltd (HIPL) over and above the trademark agreement and technical support agreement, under the previous system. The basis for the fee is different from the previous agreement and a direct comparison is not possible. The new agreement is aligned with Organization for Economic Co-operation and Development (OECD) principles and takes into account arm's length transfer pricing principles.

IFF is an annual charge payable quarterly and is based on fair assessment of economic value of intellectual property and value adding solutions derived by the Company from HIPL and HGRS. The implementation of IFF eliminated the practice of separate charge for services provided by HGRS and HIPL over and above the Trademark Agreement and Technical Support Agreement, under the previous system. The IFF, however, is separate from the existing agreement with HSEA for information technology related service. The IFF provides opportunity for the Company to obtain more value adding services from Holcim Technology Ltd related to the improvement of many operational aspects of the Company without getting separate charges therefor.

In 2013, HIPL and HGRS were merged to form HTSX. All outstanding balances in the books of HIPL and HGRS as of December 31, 2012 has been reflected in the books of HTSX.

On January 1, 2014, the Company entered into an agreement with Holcim Technology (Singapore) Pte Ltd, the "Service Provider", for support services. This Service Agreement is complimentary to the existing Franchising Agreement and provides additional services outside the scope of the Franchise Agreement. The service shall be based on all costs and expenses incurred by the Service Provider plus mark-up. This agreement will be in effect unless and until superseded.

For a detailed discussion of the material related party transactions, please see Note 25 – Related Party Transactions to the accompanying consolidated financial statements in Item 13.1.

Except for the transactions discussed in Note 25 – Related Party Transactions to the accompanying consolidated financial statements in Item 13.1, there were no other material related party transactions during the last three financial years, nor are there any material transactions currently proposed between the Company and any: (i) director, officer, direct or indirect owner of 10% or more of the outstanding shares in the Company; (ii) close family member of such director, officer or owner; (iii) associates of the Company; (iv) enterprises controlling, controlled by or under common control with the Company; or (v) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any director, officer or owner of 10% or more of the outstanding shares in the Company or any close family member of such director, key officer or owner, or collectively, the Related Parties.

There was no outstanding indebtedness at any time during the last three (3) financial years that was owed to the Company and/or its subsidiaries by any Related Party.

PART IV - EXHIBITS AND SCHEDULES

Item 13. Exhibits and Reports

13.1 Consolidated Financial Statements

The audited consolidated financial statements for the years ended December 31, 2014 and 2013 are attached as Exhibit 1:

- Statement of Management's Responsibility to the Financial Statements
- Independent Auditors' Report
- Consolidated Balance Sheets as at December 31, 2014 and 2013
- Consolidated Statements of Income for the years ended December 31, 2014, 2013 and 2012
- Consolidated Statements of Comprehensive income for the years ended December 31, 2014, 2013 and 2012
- Consolidated Statements of Changes in Equity for the years ended December 31, 2014, 2013 and 2012
- Consolidated Statements of Cash Flows for the years ended December 31, 2014, 2013 and 2012
- Notes to Consolidated Financial Statements

13.2 Supplementary Schedules

- Supplementary Schedule of Retained Earnings Available for Dividend Declaration
- Illustration of relationships between the Company and its Ultimate Parent Company, Middle Parent, and its Subsidiaries
- Philippine Financial Reporting Standards and Interpretations Effective as of December 31, 2014
- Schedule of Financial Soundness Indicators
- The supplementary schedules of the Consolidated Financial Statements for the year ended December 31, 2014 are attached as Exhibit 2.

13.3 SEC Form 17 – Q

During the year 2014, the Company has filed the following SEC quarterly reports pursuant to Section 17 of SRC Rule 17 (2) (b) hereto attached as Exhibit 3.

Date of Filing	Quarter Ending
April 25, 2014	March 31, 2014
July 28, 2014	June 30, 2014
July 30, 2014	June 30, 2014 (Amended)
October 30, 2014	September 30, 2014

13.4 Legal Proceedings and Pending Cases (See Exhibit 4)

13.5 Reports on SEC Form 17-C

Reports on SEC Form 17-C filed during the year ended December 31, 2014 are attached together with this report as Exhibit 5:

Date Filed	Description
January 16, 2014	An advisory on the resignation of Mr. Roland Van Wijnen as member of the Board of Directors of the Company
February 11, 2014	An advisory on the results of BOD meeting held on

	February 10, 2014
March 20, 2014	An advisory on the agenda, venue and time of the annual meeting of the stockholders
May 23, 2014	An advisory on the results of HPI's Regular and Annual Stockholders' Meetings both held on May 16, 2014
July 7, 2014	An advisory on the results of BOD meeting held on July 6, 2014
September 22, 2014	An advisory on the resignation of Mr. Ramon R. Del Rosario as chairman and member of the board of directors and Audit Committee of the Company
October 13, 2014	An advisory on the approval of the amendment of the articles of incorporation and by-laws of the Company
October 28, 2014	An advisory on the results of BOD meeting held on October 27, 2014
December 5, 2014	An advisory on the attendance of directors and key officers of the Company in a corporate governance seminar

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned; thereunto duly authorized, in the City of Taguig on February 9, 2015.

By:

Eduardo A. Sahagun President and Chief Executive Officer	Kristine N.L. Evangelista Corporate Secretary
Glenn A. Agustin Head, Group Controller	Shirley S. Go Treasurer

SUBSCRIBED AND SWORN to before me this FEB 1 6 2015 TAGUIG CITY __day of ____ 2015 affiants exhibiting to me the following documents:

Name	Res. Cert.	Date of Issuance	Place of Issuance
Holcim Philippines, Inc.	00206054	January 8, 2015	Taguig City

Name	Passport No.	Date of Issuance	Place of Issuance
Eduardo A. Sahagun	EB1570570	December 15, 2010	Manila
Kristine N.L. Evangelista	EB8978388	August 24, 2013	Manila
Glenn A. Agustin	EB1083748	October 1, 2010	Manila
Shirley S. Go	EB7455382	February 22, 2013	Manila

Notary Public

Doc. No. 108;
Page No. 23;
Book No. IV;
Series of 2015.

JONATHAN G. FERNANDEZ
NOTARY PUBLIC
APPOINTMENT NO. 30 (2015-2016)
UNTIL DECEMBER 31, 2016
PTR NO. 2015203; 01-05-2015; BAGUIO CITY
LIFETIME IBP NO. 08909; Bag-Beng Chapter
ROLL NO. 52589
MCLE COMPLIANCE NO. 003272
8th Floor Three World Square
McKinley Hill, Fort Bonifacio, Taguig City

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

NDEX TO THE CONSOLIDATED DINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE

FORM 17-A

Exhibit 1

Consolidated Financial Statements

For the years ended

December 31, 2014 and 2013

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

2 6 1 2 6

Company Name

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

Principal Office (No./Street/Barangay/City/Town/Province)

7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
holcim.com.ph	459-3333	N/A

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
5,606	May 16	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Shirley S. Go	Shirley.Go@holcim.com	459-3333	09175337410

Contact Person's Address

7th Floor Two World Square, Mc Kinley Hill, Fort Bonifacio, Taguig City

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

Holcim
Holcim Philippines, Inc.
7th Floor Two World Square
McKinley Hill, Fort Bonifacio
Taguig City 1634
Philippines

Phone +63 2 459 3333
Fax +63 2 459 4444
www.holcim.com

February 9, 2015

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA Greenhills
Mandaluyong City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of Holcim Philippines, Inc. and Subsidiaries (collectively referred to as "the Company") is responsible for the preparation and fair presentation of the consolidated financial statements as at December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, including the additional components attached therein, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the consolidated financial statements and submits the same to the Stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed, by the Stockholders has examined the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

Tomas I. Alcantara
Chairman

Eduardo A. Sahagun
President

Shirley S. Go
Treasurer

MAKATI CITY

SUBSCRIBED AND SWORN to before me this FEB 13 2015 with the presentation of the following:

Name	Passport No.	Place Issued	Date Issued
Tomas I. Alcantara	EB8610644	Manila	July 9, 2013
Eduardo A. Sahagun	EB1570570	Manila	December 15, 2010
Shirley S. Go	EB7455382	Manila	February 22,2 013

Doc. No. 157
Page No. 33
Book No. 1
Series of 2015.

JOEL S. LLANILLO
COMMISSION NO. M-149
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2016
11/F THE PHINMA PLAZA, 39 PLAZA DRIVE
ROCKWELL CENTER, MAKATI CITY
ROLL NO. 53693
PTR NO. 4760172; 1/9/15; MAKATI CITY

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 28, 2012, valid until December 31, 2015
SEC Accreditation No. 0012-FR-3 (Group A),
November 15, 2012, valid until November 16, 2015

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Holcim Philippines, Inc.
7th Floor, Two World Square
McKinley Hill, Fort Bonifacio
Taguig City

We have audited the accompanying consolidated financial statements of Holcim Philippines, Inc. and its subsidiaries, which comprise the consolidated balance sheets as at December 31, 2014 and 2013, and the consolidated statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Holcim Philippines, Inc. and its subsidiaries as at December 31, 2014 and 2013, and their financial performance and cash flows for each of the three years in the period ended December 31, 2014 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.

Catherine E. Lopez

Catherine E. Lopez
Partner
CPA Certificate No. 86447
SEC Accreditation No. 0468-AR-2 (Group A),
February 14, 2013, valid until February 13, 2016
Tax Identification No. 102-085-895
BIR Accreditation No. 08-001998-65-2012,
April 11, 2012, valid until April 10, 2015
PTR No. 4751291, January 5, 2015, Makati City

February 9, 2015

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31	
	2014	2013
	(In Thousands)	
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱2,698,207**	₱2,149,104
Trade and other receivables (Notes 5 and 25)	**2,259,205**	1,780,821
Inventories (Note 6)	**3,757,521**	3,018,593
Other current assets (Note 7)	**615,841**	739,638
Total Current Assets	**9,330,774**	7,688,156
Noncurrent Assets		
Investments (Notes 9)	**4,559**	4,559
Property, plant and equipment - net (Note 10)	**17,604,436**	17,093,454
Goodwill (Note 11)	**2,635,738**	2,635,738
Intangible assets - net (Note 11)	**795,579**	268,880
Deferred income tax assets - net (Note 26)	**271,029**	255,377
Other noncurrent assets (Notes 12 and 28)	**264,571**	280,364
Total Noncurrent Assets	**21,575,912**	20,538,372
TOTAL ASSETS	**₱30,906,686**	₱28,226,528
LIABILITIES AND EQUITY		
Current Liabilities		
Notes payable (Notes 13 and 25)	**₱2,100,105**	₱893,000
Trade and other payables (Notes 14 and 25)	**5,603,991**	4,958,829
Income tax payable (Note 26)	**345,531**	222,616
Total Current Liabilities	**8,049,627**	6,074,445
Noncurrent Liabilities		
Retirement benefit liability (Note 27)	**582,924**	497,373
Provisions (Note 17)	**180,606**	176,950
Deferred income tax liabilities - net (Note 26)	**653**	1,433
Total Noncurrent Liabilities	**764,183**	675,756
Total Liabilities	**8,813,810**	6,750,201
Equity		
Capital stock (Note 18)	**6,452,099**	6,452,099
Additional paid-in capital	**8,476,002**	8,476,002
Other reserves (Note 18)	**3,774**	–
Remeasurement loss on retirement benefits - net (Note 27)	**(174,986)**	(161,351)
Retained earnings (Note 18)	**7,326,592**	6,697,884
Equity Attributable to Equity Holders of the Parent Company	**22,083,481**	21,464,634
Noncontrolling Interest	**9,395**	11,693
Total Equity	**22,092,876**	21,476,327
TOTAL LIABILITIES AND EQUITY	**₱30,906,686**	₱28,226,528

See accompanying Notes to Consolidated Financial Statements.

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2014	2013	2012
	(In Thousands, Except Per Share Amounts)		
REVENUES (Note 28)	**₱32,648,659**	₱28,893,369	₱27,158,997
COST OF SALES (Note 19)	**23,597,880**	21,016,470	20,390,619
GROSS PROFIT	**9,050,779**	7,876,899	6,768,378
General and administrative expenses (Note 20)	**(1,326,503)**	(1,245,172)	(1,285,379)
Selling expenses (Note 21)	**(501,542)**	(502,003)	(435,347)
Interest and financing charges (Notes 13, 24 and 25)	**(43,670)**	(5,099)	(55,017)
Interest and other financial income (Notes 4 and 12)	**13,029**	29,474	19,981
Foreign exchange gains (losses) - net (Notes 15 and 16)	**1,964**	(1,694)	8,763
Equity in losses of a joint venture (Note 8)	**–**	–	(13,359)
Gain on sale of investment in joint venture (Note 8)	**–**	150,297	–
Others - net (Note 24)	**105,169**	100,162	188,210
INCOME BEFORE INCOME TAX	**7,299,226**	6,402,864	5,196,230
PROVISION FOR INCOME TAX (Note 26)			
Current	**2,163,334**	1,858,292	1,687,249
Deferred	**(10,611)**	(14,788)	(113,263)
	2,152,723	1,843,504	1,573,986
NET INCOME	**₱5,146,503**	₱4,559,360	₱3,622,244
Attributable to:			
Equity holders of the Parent Company	**₱5,145,178**	₱4,558,592	₱3,621,171
Noncontrolling interest	**1,325**	768	1,073
	₱5,146,503	₱4,559,360	₱3,622,244
Basic/Diluted Earnings Per Common Share of Net Income Attributable to Equity Holders of the Parent Company (Note 29)	**₱0.80**	₱0.71	₱0.56

See accompanying Notes to Consolidated Financial Statements.

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2014	2013	2012
		(In Thousands)	
NET INCOME	**₱5,146,503**	₱4,559,360	₱3,622,244
OTHER COMPREHENSIVE INCOME			
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:			
Share in net losses on change in fair value of available-for-sale financial assets of a joint venture (Note 8)	–	–	(2,173)
Amounts transferred to profit or loss upon sale of investment in joint venture (Note 8)	–	(13,481)	–
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	–	(13,481)	(2,173)
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:			
Remeasurement loss on retirement benefits (Note 27)	**(19,396)**	(113,744)	(117,226)
Income tax effect	**5,819**	34,124	35,168
	(13,577)	(79,620)	(82,058)
Other reserves	**3,774**	–	–
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods	**(9,803)**	(79,620)	(82,058)
	(9,803)	(93,101)	(84,231)
TOTAL COMPREHENSIVE INCOME	**₱5,136,700**	₱4,466,259	₱3,538,013
Attributable to:			
Equity holders of the Parent Company	**₱5,135,317**	₱4,465,684	₱3,537,074
Noncontrolling interest	**1,383**	575	939
	₱5,136,700	₱4,466,259	₱3,538,013

See accompanying Notes to Consolidated Financial Statements.

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 and 2012

	Equity Attributable to Equity Holders of the Parent Company								
	Capital Stock (Note 18)	Additional Paid-In Capital	Share In Available-for-sale Financial Assets Reserve of a Joint Venture (Note 8)	Other Reserves (Note 18)	Remeasurement Loss on Retirement Benefits - net (Note 27)	Retained Earnings (Note 18)	Total	Noncontrolling Interest	Total Equity
	(In Thousands, Except Per Share Amount)								
BALANCES AT DECEMBER 31, 2011	₱6,452,099	₱8,476,002	₱15,654	₱–	₱–	₱3,679,801	₱18,623,556	₱10,179	₱18,633,735
Net income for the year	–	–	–	–	–	3,621,171	3,621,171	1,073	3,622,244
Other comprehensive loss for the year	–	–	(2,173)	–	(81,924)	–	(84,097)	(134)	(84,231)
Total comprehensive income for the year	–	–	(2,173)	–	(81,924)	3,621,171	3,537,074	939	3,538,013
Cash dividends - ₱0.25 per share (Note 18)	–	–	–	–	–	(1,613,025)	(1,613,025)	–	(1,613,025)
BALANCES AT DECEMBER 31, 2012	6,452,099	8,476,002	13,481	–	(81,924)	5,687,947	20,547,605	11,118	20,558,723
Net income for the year	–	–	–	–	–	4,558,592	4,558,592	768	4,559,360
Other comprehensive loss for the year	–	–	(13,481)	–	(79,427)	–	(92,908)	(193)	(93,101)
Total comprehensive income for the year	–	–	(13,481)	–	(79,427)	4,558,592	4,465,684	575	4,466,259
Cash dividends - ₱0.55 per share (Note 18)	–	–	–	–	–	(3,548,655)	(3,548,655)	–	(3,548,655)
BALANCES AT DECEMBER 31, 2013	6,452,099	8,476,002	–	–	(161,351)	6,697,884	21,464,634	11,693	21,476,327
Net income for the year	–	–	–	–	–	5,145,178	5,145,178	1,325	5,146,503
Other comprehensive income (loss) for the year	–	–	–	3,774	(13,635)	–	(9,861)	58	(9,803)
Total comprehensive income for the year	–	–	–	3,774	(13,635)	5,145,178	5,135,317	1,383	5,136,700
Cash dividends (Note 18)	–	–	–	–	–	(4,516,470)	(4,516,470)	(3,681)	(4,520,151)
BALANCES AT DECEMBER 31, 2014	₱6,452,099	₱8,476,002	₱–	₱3,774	(₱174,986)	₱7,326,592	₱22,083,481	₱9,395	₱22,092,876

See accompanying Notes to Consolidated Financial Statements.

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2014	2013	2012
		(In Thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱7,299,226**	₱6,402,864	₱5,196,230
Adjustments for:			
Depreciation, amortization and depletion (Notes 10, 11 and 23)	**1,422,604**	1,475,647	1,474,839
Increase in retirement benefit liability	**66,155**	21,330	17,346
Interest and financing charges (Note 24)	**43,670**	5,099	55,017
Provision for probable losses (Note 17)	**43,632**	–	–
Interest and other financial income (Notes 4 and 12)	**(13,029)**	(29,474)	(19,981)
Loss (gain) on sale of property, plant and equipment (Note 24)	**(12,305)**	31,386	(19,831)
Provisions for (reversal of) site restoration costs (Note 17)	**11,754**	(7,355)	14,897
Unrealized foreign exchange losses (gains) - net	**(5,260)**	9,048	(4,478)
Equity in net losses of a joint venture (Note 8)	**–**	–	13,359
Gain on sale of investment in joint venture (Note 8)	**–**	(150,297)	–
Dividend income	**–**	–	(2)
Income before working capital changes	**8,856,447**	7,758,248	6,727,396
Decrease (increase) in:			
Trade and other receivables	**(479,938)**	187,939	(366,240)
Inventories	**(770,302)**	(737,370)	(381,980)
Other current assets	**120,274**	(184,746)	(182,473)
Increase (decrease) in:			
Trade and other payables	**653,613**	595,102	977,934
Other provisions	**(49,172)**	–	11,355
Net cash generated from operations	**8,330,922**	7,619,173	6,785,992
Income taxes paid, including creditable withholding taxes	**(2,036,896)**	(2,092,316)	(1,192,913)
Net cash provided by operating activities	**6,294,026**	5,526,857	5,593,079
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment (Note 10)	**(1,894,139)**	(2,564,689)	(1,549,615)
Additions to intangible assets (Note 11)	**(544,902)**	(58,459)	(29,205)
Proceeds from sale of property, plant and equipment	**22,435**	38,066	30,265
Additional investment in available-for-sale financial assets (Note 9)	**–**	–	(2,000)
Proceeds from sale of investment in joint venture (Note 8)	**–**	475,500	–
Interest received	**13,029**	29,474	19,981
Dividends received (Note 8)	**–**	–	2
Decrease (increase) in other noncurrent assets	**15,793**	(14,380)	89,536
Net cash used in investing activities	**(2,387,784)**	(2,094,488)	(1,441,036)

(Forward)

	Years Ended December 31		
	2014	2013	2012
		(In Thousands)	
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of:			
Cash dividends (Note 18)	**(₱4,520,151)**	(₱3,548,655)	(₱1,613,025)
Notes payable (Notes 13 and 25)	**(3,992,895)**	(1,450,000)	(2,000,000)
Long-term debt	**–**	–	(980,000)
Interest and financing charges	**(43,670)**	(8,869)	(54,141)
Proceeds from availment of notes payable (Note 13)	**5,200,000**	2,343,000	1,000,000
Net cash used in financing activities	**(3,356,716)**	(2,664,524)	(3,647,166)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(423)**	2,877	(5,542)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**549,103**	770,722	499,335
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**2,149,104**	1,378,382	879,047
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱2,698,207**	₱2,149,104	₱1,378,382

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

Holcim Philippines, Inc. (HPI or the "Parent Company") and all of its subsidiaries (collectively referred to as the "Company"), except Wellborne International Group Limited (WEB), were incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC). Following are the subsidiaries and the respective percentages of ownership as of December 31, 2014 and 2013:

	Percentage of Ownership			
	2014		2013	
	Direct	**Indirect**	Direct	Indirect
Excel Concrete Logistics, Inc. (ECLI)	**100.00**	–	100.00	–
WEB [(a)]	**100.00**	–	100.00	–
Holcim Philippines Business Services Center, Inc. (HPBSCI) [(b)]	**100.00**	–	–	–
Hubb Stores and Services, Inc. (HSSI) [(c)]	**100.00**	–	–	–
Holcim Philippines Manufacturing Corporation (HPMC)	**99.62**	–	99.62	–
Holcim Mining and Development Corporation (HMDC)	**74.29**	**25.61**	100.00	–
Mabini Grinding Mill Corporation (Mabini) [(d)]	**12.00**	**88.00**	12.00	88.00
Holcim Resources and Development Corporation (HRDC) [(h)]	–	**100.00**	–	100.00
Lucky One Realty Ventures, Inc. (LORVI) [(h)] [(i)]	–	**100.00**	–	–
Alsons Construction Chemicals, Inc. (Alchem) [(e)] [(f)]	–	**99.62**	–	99.62
Bulkcem Philippines, Inc. (BPI) [(f)]	–	**99.62**	–	99.62
Calamba Aggregates Co., Inc. (CACI) [(f)] [(g)]	–	**99.62**	–	99.62

(a) A company incorporated in British Virgin Islands
(b) Incorporated on February 4, 2014
(c) Incorporated on June 2, 2014
(d) A subsidiary of WEB
(e) Ceased commercial operations since 2004
(f) Wholly owned subsidiaries of HPMC
(g) In the process of liquidation
(h) Wholly owned subsidiary of HMDC
(i) Acquired on July 28, 2014

The Parent Company, Mabini and HPMC manufacture and distribute cement products domestically and also for export. The principal activities of the other subsidiaries are as follows:

Name of Subsidiaries	Principal Activities
WEB	Investment holding in Mabini
ECLI	Distribution of concrete and cement products
Alchem	Manufacture, use and sale of all kinds of admixtures
BPI and LORVI	Purchase, lease and sale of real properties
HRDC, HMDC and CACI	Mining, processing and sale of quarry resources
HPBSCI	Business process outsourcing and other information technology enabled services
HSSI	Retail of construction or building materials

The plant sites of the Parent Company are in Davao City and provinces of La Union and Bulacan while the plant sites of Mabini and HPMC are in the provinces of Batangas and Misamis Oriental, respectively. The registered office address of the Parent Company is 7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City.

The Parent Company is majority-owned by Union Cement Holdings Corporation (UCHC), a company incorporated in the Philippines. The Philippine-domiciled ultimate parent company of HPI is Clinco Corporation (Clinco).

The consolidated financial statements were reviewed and recommended for approval by the Audit Committee on February 9, 2015. The same were approved for issuance by the Board of Directors (BOD) on February 9, 2015.

2. Summary of Significant Accounting Policies and Financial Reporting Practices

Basis of Preparation
The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale (AFS) financial assets that have been measured at fair value.

The consolidated financial statements are presented in Philippine peso (Peso), the Parent Company's functional currency. All values are rounded to the nearest thousand, unless otherwise indicated.

Statement of Compliance
The consolidated financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

Principles of Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and entities controlled by the Parent Company (its subsidiaries) as at December 31 of each year. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has all the following:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and,
- The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- Any contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Company's voting rights and potential voting rights

The Parent Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the date the Company obtains control, and continue to be consolidated until the date when such control ceases. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions and gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the noncontrolling interests, even if this results in the noncontrolling interests having a deficit balance.

A change in the ownership interest in a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Company loses control of a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any noncontrolling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Recognizes the Parent Company's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Parent Company has directly disposed of the related assets or liabilities.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments and Philippine Interpretations based on the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRIC) effective beginning January 1, 2014.

- Amendments to PFRS 10, "Consolidated Financial Statements", PFRS 11, "Joint Arrangements" and PAS 27, "Separate Financial Statements": Investment Entities

  These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. The amendments must be applied retrospectively, subject to certain transition relief. These amendments have no impact to the Company since none of the entities in the Company qualifies to be an investment entity under PFRS 10.

- Amendments to PAS 32, "Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities"

  These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and are applied retrospectively. These amendments have no impact on the Company since the Company has no offsetting arrangements.

- PAS 39, "Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting"

  These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. These amendments have no impact on the Company's financial position or performance.

- Amendments to PAS 36, "Impairment of Assets - Recoverable Amount Disclosures for Nonfinancial Assets"

  These amendments remove the unintended consequences of PFRS 13, "Fair Value Measurement", on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period. The adoption of these amendments has no impact on the disclosure in the Company's consolidated financial statements.

- Philippine Interpretation IFRIC 21, "Levies"

  IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the Company as it has applied the recognition principles under PAS 37, "Provisions, Contingent Liabilities and Contingent Assets", in prior years consistent with the requirements of IFRIC 21.

- Annual Improvements to PFRSs (2010-2012 cycle)

  In the 2010 – 2012 annual improvements cycle, seven amendments to six standards were issued, which included an amendment to PFRS 13, "Fair Value Measurement". The amendment to PFRS 13 is effective immediately and it clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment has no material impact on the Company.

- Annual Improvements to PFRSs (2011-2013 cycle)

  In the 2011 – 2013 annual improvements cycle, four amendments to four standards were issued, which included an amendment to PFRS 1, "First-time Adoption of Philippine Financial Reporting Standards". The amendment to PFRS 1 is effective immediately. It clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements. This amendment has no impact on the Company as it is not a first time PFRS adopter.

New Accounting Standards, Amendments to Existing Standards
and Interpretations Effective Subsequent to December 31, 2014
The standards, amendments and interpretations which have been issued but not yet effective as at December 31, 2014 are disclosed below. Except as otherwise indicated, the Company does not expect the adoption of the applicable new and amended PFRS to have a significant impact on the financial position or performance.

- PFRS 9, "Financial Instruments: Classification and Measurement"

  PFRS 9 (2010 version) reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through OCI or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

  PFRS 9 (2010 version) is effective for annual periods beginning on or after January 1, 2015. This mandatory adoption date was moved to January 1, 2018 when the final version of PFRS 9 was adopted by the Philippine Financial Reporting Standards Council (FRSC). Such adoption, however, is still for approval by the Board of Accountancy (BOA). The Company will not opt to early adopt the standard.

Deferred

- Philippine Interpretation IFRIC 15, "Agreements for the Construction of Real Estate"

  This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. Adoption of the interpretation when it becomes effective will not have any impact on the consolidated financial statements of the Company.

The following new standards and amendments were already adopted by the FRSC but are still for approval by BOA.

Effective in 2015

- Amendments to PAS 19, "Employee Benefits - Defined Benefit Plans: Employee Contributions"

  PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after January 1, 2015. It is not expected that this amendment would be relevant to the Company, since the Company's retirement plans are noncontributory.

- Annual Improvements to PFRS (2010 to 2012 cycle)

  The Annual Improvements to PFRSs (2010 to 2012 cycle) contain non-urgent but necessary amendments to the following standards. These are effective for annual periods beginning on or after January 1, 2015. Except as otherwise stated the Company does not expect these amendments to have a significant impact on the consolidated financial statements.

  - PFRS 2, "Share-based Payment - Definition of Vesting Condition"

    This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

    - A performance condition must contain a service condition
    - A performance target must be met while the counterparty is rendering service
    - A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
    - A performance condition may be a market or non-market condition
    - If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

  - PFRS 3, "Business Combinations - Accounting for Contingent Consideration in a Business Combination"

    The amendment is applied prospectively for business combinations for which the acquisition date is on or after July 1, 2014. It clarifies that a contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PAS 39. The Company shall consider this amendment for future business combinations.

- PFRS 8, "Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets"

  The amendments are applied retrospectively and clarify that:

  - An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
  - The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

- PAS 16, "Property, Plant and Equipment: Revaluation Method - Proportionate Restatement of Accumulated Depreciation", and PAS 38, "Intangible Assets: Revaluation Method - Proportionate Restatement of Accumulated Amortization"

  The amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.

- PAS 24, "Related Party Disclosures - Key Management Personnel"

  The amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendments will affect disclosures only and will have no impact on the Company's financial position or performance.

- Annual Improvements to PFRS (2011 to 2013 cycle)

  The Annual Improvements to PFRSs (2011 to 2013 cycle) contain non-urgent but necessary amendments to the following standards. These are effective for annual periods beginning on or after January 1, 2015. Except as otherwise stated, the Company does not expect these amendments to have a significant impact on the consolidated financial statements.

  - PFRS 3, "Business Combinations - Scope Exceptions for Joint Arrangements"

    The amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:

    - Joint arrangements, not just joint ventures, are outside the scope of PFRS 3.
    - This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

  - PFRS 13, "Fair Value Measurement - Portfolio Exception"

    The amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39.

- PAS 40, "Investment Property"

  The amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment).

Effective in 2016

- PAS 16, "Property, Plant and Equipment", and PAS 38, "Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization" (Amendments)

  The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company given that the Company is not using a revenue-based method to depreciate its non-current assets.

- PAS 16, "Property, Plant and Equipment", and PAS 41, "Agriculture - Bearer Plants" (Amendments)

  The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, "Accounting for Government Grants and Disclosure of Government Assistance", will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company as the Company does not have any bearer plants.

- PAS 27, "Separate Financial Statements - Equity Method in Separate Financial Statements" (Amendments)

  The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have any impact on the Company's consolidated financial statements.

- PFRS 10, "Consolidated Financial Statements" and PAS 28, "Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

  These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are effective from annual periods beginning on or after January 1, 2016.

- PFRS 11, "Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations" (Amendments)

  The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

  The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

- PFRS 14, "Regulatory Deferral Accounts"

  PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. Since the Company is an existing PFRS preparer, this standard would not apply.

- Annual Improvements to PFRSs (2012-2014 cycle)

  The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016 and are not expected to have a material impact on the Company. They include:

  - PFRS 5, "Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal"

    The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

- PFRS 7, "Financial Instruments: Disclosures - Servicing Contracts"

  PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

- PFRS 7, "Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements" (Amendments)

  This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

- PAS 19, "Employee Benefits - Regional Market Issue Regarding Discount Rate"

  This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

- PAS 34, "Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report"

  The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Effective in 2018

- PFRS 9, "Financial Instruments - Hedge Accounting" and Amendments to PFRS 9, PFRS 7 and PAS 39

  PFRS 9 (2013 version) already includes the third phase of the project to replace PAS 39 which pertains to hedge accounting. This version of PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a derivative instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 (2013 version) has no mandatory effective date. The mandatory effective date of January 1, 2018 was eventually set when the final version of PFRS 9 was adopted by the FRSC. The adoption of the final version of PFRS 9, however, is still for approval by BOA.

The adoption of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets but will have no impact on the classification and measurement of the Group's financial liabilities. The Company is currently assessing the impact of adopting this standard.

The adoption of the third phase of the project is not expected to have any significant impact on the Company's consolidated financial statements.

- PFRS 9, "Financial Instruments"

  In July 2014, the final version of PFRS 9 was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39 and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015.

  The adoption of PFRS 9 (2014 version) will have an effect on the classification and measurement of the Group's financial assets but will have no impact on the classification and measurement of the Group's financial liabilities. The Company is currently assessing the impact of adopting this standard.

  The adoption of the other phases of the project is not expected to have any significant impact on the Company's consolidated financial statements.

The following new standard and amendments issued by the IASB has not yet been adopted by the FRSC.

- International Financial Reporting Standards (IFRS) 15, "Revenue from Contracts with Customers"

  IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled to in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017, with early adoption permitted.

- Amendments to International Accounting Standards (IAS) 1, "Presentation of Financial Statements"

  In December 2014, the IASB issued the amendments to IAS 1. The amendments include narrow-focus improvements in five areas; namely, materiality, disaggregation and subtotals, notes structure, disclosure of accounting policies and presentation of items of other comprehensive income arising from equity accounted investments. The amendments are effective on or after January 1, 2016.

- Amendments to IFRS 10, "Consolidated Financial Statements", IFRS 12, "Disclosure of Interests in Other Entities", and IAS 28, "Investments in Associates and Joint Ventures"

  In December 2014, the IASB issued Investment Entities: Applying the Consolidation Exception (amendments to IFRS 10, IFRS 12 and IAS 28). The amendments address certain issues that have arisen in applying the investment entities exception under IFRS 10. The amendments are effective on or after January 1, 2016.

The Company is currently assessing the impact of IFRS 15 and the amendments to IAS 1 and IFRS 10, IFRS 12 and IAS 28 and plans to adopt the new and amended standards on their required effective dates once adopted locally.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liability and the level of the fair value hierarchy.

Financial Assets and Liabilities

Date of Recognition. Financial assets and liabilities are recognized in the consolidated balance sheet when the Company becomes a party to the contractual provisions of the instrument. All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace. Derivatives are also recognized on a trade date basis.

Initial Recognition of Financial Instruments. Financial assets and liabilities are initially recognized at fair value. Transaction costs are included in the initial measurement of all financial assets and liabilities, except for financial instruments measured at FVPL.

Financial assets are classified into the following categories: financial assets at FVPL, loans and receivables, held-to-maturity (HTM) investments and AFS financial assets. The Company classifies its financial liabilities into financial liabilities at FVPL and other financial liabilities at amortized cost. The classification depends on the purpose for which the investments were acquired or liabilities incurred and whether they are quoted in an active market. The Company determines the classification of financial instruments at initial recognition and where appropriate and applicable, reevaluates this designation at every reporting date.

Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

"Day 1" Difference. Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value ("Day 1" difference) in the consolidated statement of income under "Interest and other financial income" or "Interest and financing charges" account unless it qualifies for recognition as some other type of asset. In cases where data used are not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference amount.

Financial Assets and Financial Liabilities at FVPL. Financial assets and financial liabilities at FVPL include financial assets and liabilities held for trading purposes and financial assets and liabilities designated upon initial recognition as at FVPL.

Financial assets and financial liabilities are classified as held for trading if they are acquired for the purpose of selling and repurchasing in the near term. Derivatives (including separated embedded derivatives) are also classified as held for trading unless they are designated as effective hedging instruments or a financial guarantee contract.

Financial assets and financial liabilities may be designated as at FVPL by management on initial recognition when any of the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis;
- The assets and liabilities are part of a group of financial assets, financial liabilities or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy;
- The financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

Financial assets and financial liabilities at FVPL are recorded in the consolidated balance sheet at fair value. Changes in fair value are recorded as part of "Foreign exchange gains (losses) - net" in the consolidated statement of income. Interest earned or incurred is recorded in interest income or expense, respectively, while dividend income is recorded separately in the consolidated statement of income when the right of the payment has been established.

Included under this classification are the Company's bifurcated embedded currency forward derivatives.

<u>Derivative Financial Instruments and Hedge Accounting</u>
The Company uses derivative financial instruments such as cross-currency swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Derivative financial instruments (including bifurcated embedded derivatives) are initially recognized at fair value at the date when they are entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives that do not qualify for hedge accounting are recognized directly in the consolidated statement of income.

For purposes of hedge accounting, derivatives can be designated either as cash flow hedges or fair value hedges depending on the type of risk exposure it hedges.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine whether they have been actually highly effective prospectively and retrospectively throughout the financial reporting periods for which they were designated.

Cash Flow Hedges. Cash flow hedges are hedges of exposures to variability in cash flows that are attributable to a particular risk associated with a recognized asset, liability or a highly probable forecast transaction and could affect profit or loss. Changes in the fair value of a hedging instrument that qualifies as a highly effective cash flow hedge are recognized as OCI, while any hedge ineffectiveness is immediately recognized in the consolidated statement of income under "Others - net" account.

Amounts taken to OCI are transferred to the consolidated statement of income when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale or purchase occurs. Where the hedged item is the cost of a nonfinancial asset or liability, the amounts taken to OCI are transferred to the initial carrying amount of the nonfinancial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognized in OCI are transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in other comprehensive income shall remain in OCI until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to profit or loss.

Embedded Derivatives. An embedded derivative is separated from the host contract and accounted for as a derivative if all of the following conditions are met: a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract; b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and c) the hybrid or combined instrument is not recognized at FVPL. The Company assesses whether embedded derivatives are required to be separated from the host contracts when the Company first becomes a party to the contract. Reassessment of embedded derivatives is only performed when there are changes in the contract that significantly modifies the cash flows that otherwise would be required under the contract.

The Company's embedded derivatives comprise of bifurcated embedded currency forwards from purchase orders.

Loans and Receivables. Loans and receivables are nonderivative financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as at FVPL nor designated as AFS financial assets or HTM investments.

After initial recognition, loans and receivables are subsequently measured at amortized cost using the effective interest rate method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are integral part of the effective interest rate. The amortization is included in the "Interest and other financial income" account in the consolidated statement of income. The losses arising from impairment are recognized as provision for doubtful accounts in the consolidated statement of income. Loans and receivables are classified as current assets if maturity is within 12 months from the balance sheet date. Otherwise, these are classified as noncurrent assets.

Included under this category are the Company's cash and cash equivalents, trade and other receivables, advances to employees included under "Other current assets" and guarantee deposits and restricted cash included under "Other noncurrent assets".

HTM Investments. Quoted nonderivative financial assets with fixed or determinable payments and fixed maturity are classified as HTM investments when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. HTM investments are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initially recognized amount and the maturity amount less allowance for impairment.

For investments carried at amortized cost, gains and losses are recognized in the consolidated statement of income when the investment are derecognized or impaired, as well as through the amortization process. Where the Company sells other than an insignificant amount of HTM investments, the entire category will be tainted and reclassified as AFS financial assets. Assets under this category are classified as current assets if maturity is within 12 months from balance sheet date and as noncurrent if maturity is more than a year from balance sheet date.

The Company has no investments classified as HTM investments as at December 31, 2014 and 2013.

AFS Financial Assets. AFS financial assets are nonderivative financial assets that are designated as AFS or are not classified in any of the three preceding categories. They are purchased and held indefinitely and may be sold in response to liquidity requirements or changes in market conditions.

After initial recognition, AFS financial assets that are quoted in an active market are carried at fair value. The unrealized gains and losses arising from the change in fair value of AFS financial assets are recognized in OCI and credited in the AFS reserve unless the investment is derecognized, at which time the cumulative gain or loss is recognized in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the consolidated statement of income in finance costs. These financial assets are classified as noncurrent assets unless the intention is to dispose such assets within 12 months from balance sheet date.

The Company classified its investments in quoted and unquoted ordinary shares of stocks of various companies and club shares as AFS financial assets.

Other Financial Liabilities. Financial liabilities are classified in this category if they are not held for trading or not designated as at FVPL upon the inception of the liability. Other financial liabilities which include notes payable and trade and other payables are initially recognized at fair value of the consideration received less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any related issue costs, discount or premium. Gains and losses are recognized in the consolidated statement of income when the liabilities are derecognized, as well as through the amortization process.

Financial liabilities are classified as current liabilities if these are expected to be paid or settled within 12 months after the balance sheet date. Otherwise, these are classified as noncurrent liabilities.

Impairment of Financial Assets

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (as incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Objective evidence of impairment may include indications that the debtors or group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with default.

Assets Carried at Amortized Cost. The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of loss is recognized in the consolidated statement of income. The assets together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company.

If, in a subsequent period, the amount of the estimated impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the consolidated statement of income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

AFS Financial Assets. The Company assesses at each reporting date whether there is objective evidence that an AFS financial asset or a group of AFS financial assets is impaired. For equity investments classified as AFS financial assets, objective evidence of impairment would include a significant or prolonged decline in fair value of the investments below its cost. Significant decline in fair value is evaluated against the original cost of investment, while prolonged decline is assessed against the periods in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the consolidated statement of income, is removed from OCI and recognized in the consolidated statement of income. Impairment losses on equity investments are not reversed in the consolidated statement of income. Increases in fair value after impairment are recognized in OCI.

<u>Derecognition of Financial Assets and Liabilities</u>
Financial Assets. A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the contractual right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of ownership of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In this case, the Company also recognizes an associated liability. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, is cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from the date of acquisition and that are subject to an insignificant risk of change in value. Cash and cash equivalents excludes any restricted cash (presented as part of "Other noncurrent assets") that is not available for use by the Company and therefore is not considered highly liquid, such as cash set aside to cover rehabilitation obligations.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Inventories

Inventories are valued at the lower of cost or net realizable value (NRV). Costs incurred in bringing each inventory to its present location and conditions are accounted for as follows:

Finished goods and goods in process	-	determined using the moving average method; cost includes direct materials, direct labor and a proportion of manufacturing overhead costs.
Raw materials, fuel, spare parts and others	-	determined using the moving average method; cost includes purchase price and other costs incurred in bringing these inventories to their present location or condition.

The NRV of finished goods and goods in process inventories is the selling price in the ordinary course of business, less estimated costs to complete the product and make the sale. The NRV of raw materials, fuel and spare parts and other inventories is the current replacement cost.

Other Current Assets
Other current assets mainly include advances to suppliers and prepaid expenses. These are amounts paid in advance for goods or services that are yet to be delivered and from which future economic benefits are expected to flow to the Company within the normal operating cycle or within 12 months from the balance sheet date. They are initially measured at the amount paid in advance by the Company for the purchase of goods and services and are subsequently decreased by the amount of expense incurred.

Investments in an Associate
The Company has a 28% equity interest in Asia Coal Corporation (Asia Coal), an associate. Asia Coal was incorporated in the Philippines but has ceased operations since November 1, 2004. An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but has no control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Company's investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date. Any goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statement of income reflects the Company's share of the results of operations of the associate. Any change in OCI of these investees is presented as part of the Company's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the interest in the associate.

The aggregate of the Company's share of profit or loss of an associate is shown on the face of the consolidated statement of income and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate.

The reporting date of the associate is October 31. The effect of the difference in the reporting date of the Parent Company and the associate is immaterial.

After application of the equity method, the Company determines whether it is necessary to recognize an additional impairment loss on its investment in the associate. The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the loss as part of the "Equity in net losses" in the consolidated statement of income.

Upon loss of significant influence over the associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of income.

Property, Plant and Equipment
Property, plant and equipment, except land, are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and depletion and any impairment in value. Land is carried at cost less any impairment in value. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of income as incurred. Spare parts are classified as property and equipment if the expected time of use is more than twelve months and provided that the capitalization thresholds are met.

Mineral and quarry rights included in "Land and land improvements" are recognized at cost less accumulated depletion and any impairment. Cost incurred in the acquisition of mineral and quarry rights including directly related project development costs are initially recognized as intangible assets. Such amount is reclassified to property, plant and equipment when the Company starts its quarry operations.

Depreciation is computed using the straight-line method, less any residual value, over the following estimated useful lives of the assets:

	Estimated Useful Lives in Years
Land improvements	20 to 50
Buildings and installations	20 to 40
Machinery and equipment	10 to 30
Furniture, vehicles and tools	3 to 10

Depletion of land with mineral reserves and quarry rights is computed using the unit-of-production method.

The useful lives, residual values, depreciation and depletion methods are reviewed at each financial year-end and adjusted if appropriate, to ensure that the periods and method of depreciation and the estimated units to be extracted used as basis for the depletion rate are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of income in the year the asset is derecognized.

Construction in-progress represents plant and properties under construction or development and is stated at cost. This includes costs of construction, plant and equipment, borrowing costs directly attributable to such asset during the construction period and other direct costs. Construction in-progress is not depreciated until such time when the relevant assets are substantially completed and available for its intended use.

Business Combinations and Goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any noncontrolling interests in the acquiree. For each business combination, the Company elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. It is considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PAS 39 is measured at fair value with changes in fair value recognized either in profit or loss or in OCI. If the contingent consideration is not within the scope of PAS 39, it is measured in accordance with the appropriate PFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for noncontrolling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing performed annually, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Intangible Assets
Software Costs. Costs of acquisition of new software and its customization are capitalized and treated as an intangible asset if these costs are not an integral part of the related hardware. Software costs are amortized on a straight-line basis over three years.

Mineral and Quarry Rights and Project Development Costs. Mining rights are stated at cost. The cost includes the purchase price, fees and licenses directly related to the quarry. Project development costs are costs directly associated with the development of land covered by mineral and quarry rights. When these projects are considered operational, such amounts are reclassified to the "Property, plant and equipment - Land and land improvements" account in the consolidated balance sheet and subjected to depletion as resources are extracted. These are charged to current operations in the year these are determined to be worthless.

Foreshore Lease. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The Company's foreshore lease qualifies as intangible with finite life and is amortized over its economic useful life of 17 years using the straight-line method.

Impairment of Nonfinancial Assets

At each reporting period, the carrying values of property, plant and equipment, investment in an associate, creditable withholding taxes, input value-added tax (VAT), prepaid expenses, other current assets, software costs and other nonfinancial assets, except goodwill, are assessed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and when the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of the asset is the greater of fair value less costs to sell or value-in-use. The fair value is the amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Provision for impairment losses is recognized in the consolidated statement of income.

Recovery of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. The recovery is recognized in the consolidated statement of income. However, the increased carrying amount of the asset due to reversal of an impairment loss is recognized only to the extent that it does not exceed the carrying amount (net of accumulated depreciation, amortization and depletion) that would have been determined had impairment loss not been recognized for that asset in the prior years.

Goodwill

Goodwill is tested annually for impairment at the end of each reporting period and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of CGU (or group of CGUs) is less than their carrying amount, an impairment loss is recognized immediately in profit or loss of the CGU (or group of CGUs) to which goodwill has been allocated. Impairment losses relating to goodwill cannot be reversed in future periods.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. When the Company expects a provision to be reimbursed, such as under an insurance contract, the reimbursement is recognized as a separate asset but only when reimbursement is virtually certain. The expense related to a provision is presented in the consolidated statement of income, net of any reimbursement.

Provision for Site Restoration Costs. A provision for site restoration costs is recognized when the Company starts the extraction activity in the land with mineral reserves in which it operates. The initial provision for site restoration costs, which represents the present value of estimated cash flows expected to be incurred to settle the obligation, is capitalized as land with mineral reserves and included in "Property, plant and equipment - Land and land improvements" account in the consolidated balance sheet. The cash flows are discounted at a current pre-tax discount rate that reflects the risks specific in restoring the site. The unwinding of the discount is recognized in the consolidated statement of income as it occurs. The estimated future costs of restoring the site are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset in the current period.

Equity

Preferred and common stocks are measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as deduction from proceeds, net of tax. Proceeds and/or fair value considerations received in excess of par value are recognized as additional paid-in capital.

The Company's own equity instruments which are reacquired are deducted from equity and presented as "Cost of treasury shares held" in the consolidated balance sheet. No gain or loss is recognized in the consolidated statement of income on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration received, if any, upon reissuance or cancellation of shares is recognized as additional paid-in capital.

Retained earnings represent the cumulative balance of net income or loss, net of any dividend declaration and other capital adjustments.

Cash Dividend to Equity Holders of the Parent Company

The Parent Company recognizes a liability to make cash distributions to equity holders of the Parent Company when the distribution is authorized and the distribution is no longer at the discretion of the Parent Company. A corresponding amount is recognized directly in equity.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue can be measured reliably, regardless when the amount is received. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, returns, rebates and value-added taxes (VAT). The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods. Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on the delivery of the goods to and acceptance by the buyer.

Interest. Revenue is recognized as the interest accrues taking into account the effective interest yield on the asset.

Dividend. Revenue is recognized when the Company's right to receive dividends has been established.

Costs and Expenses
Costs and expenses are recognized when incurred. These are measured based on the fair value of consideration paid or payable.

VAT
Revenues, expenses and assets are recognized, net of the amount of VAT, except when VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "Other current assets" or "Trade and other payables" in the consolidated balance sheet.

Retirement Benefit Costs
Retirement benefits liability, as presented in the consolidated balance sheet, is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for the effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method. The retirement benefit costs comprise of the service cost, net interest on the net defined benefit liability or asset and remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. The fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Company's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

HPBSCI, a subsidiary of the Company, maintains a defined contribution plan covering all regular employees. Starting on the date of employment, the Company shall contribute to the retirement fund 85% of the member's salary as defined every month. Benefits are based on the total amount of contributions and earnings credited to the personal retirement account of the plan member at the time of separation or the defined benefit minimum guarantee, whichever is higher. As this HPBSCI operates in the Philippines, it is subject to Republic Act (RA) No. 7641, which requires a minimum benefit equivalent to one-half month's salary for every year of service, with six months or more of service considered as one year. HPBSCI accounts for its retirement obligation under the higher of the defined benefit obligation relating to the minimum guarantee and the obligation arising from the defined contribution plan.

HPI also has a defined contribution plan, which covers all permanent employees. The cost of providing benefits under defined contribution plan is determined by the contributions due for the services rendered by employees during the year. The obligation is measured on an undiscounted basis, except when they do not fall due wholly within 12 months after the end of the period in which the employees render the related service.

Termination Benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes the related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee Leave Entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Operating Leases as Lessee

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in the consolidated statement of income on a straight-line basis over the term of the lease.

Borrowing Costs
Borrowing costs are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalization of borrowing costs commences when the activities necessary to prepare the asset for intended use are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the asset is available for their intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized. Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds, as well as exchange differences arising from foreign currency borrowings used to finance these projects, to the extent that they are regarded as an adjustment to interest costs.

All other borrowing costs are recognized as expense when incurred.

Functional Currency and Foreign Currency Translation
The consolidated financial statements are presented in Peso, which is also the functional currency of the Parent Company. The functional currency of the Parent Company's subsidiaries is also the Peso. The Peso is the currency of the primary economic environment in which the Parent Company and its subsidiaries operate. This is also the currency that mainly influences the revenue from and cost of rendering products and services. Each entity in the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange prevailing at the end of the reporting period. All differences are recognized in the consolidated statement of income except for foreign exchange differences that qualify as capitalizable borrowing costs for qualifying assets. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Income Tax
Current Income Tax. Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at balance sheet date.

Deferred Income Tax. Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits from excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO) can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax asset to be utilized.

Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred income tax assets to be recovered.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the year when the assets are realized or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted as at balance sheet date.

Income tax relating to items recognized directly in equity is recognized in OCI and not in the consolidated statement of income.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable.

Events after Balance Sheet Date

Post year-end events that provide additional information about the Company's financial position at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. Significant Accounting Judgments and Estimates

The preparation of consolidated financial statements in conformity with PFRS requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the reporting date. The uncertainties inherent in these judgments and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future years.

Judgments

In the process of applying the Company's accounting policies, management has made the following significant judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Determination of Control. The Parent Company determines control when it is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. The Parent Company controls an entity if and only if the Company has all of the following:

a. Power over the entity;
b. Exposure, or rights, to variable returns from its involvement with the entity; and,
c. The ability to use its power over the entity to affect the amount of the Parent Company's returns.

The Parent Company regularly reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The Parent Company determined that it exercises control on all of its subsidiaries as it has all the elements of control listed above.

Assessment of Impairment Indicators of Mining Rights. The Company exercises judgment in assessing if there is any impairment on its mining rights, which amounted to ₱179.5 million as at December 31, 2014 and 2013 (see Note 11). Based on the Company's assessment and taking into consideration the relevant provision of PFRS 6, "Exploration for and Evaluation of Mineral Resources", the Company assessed that there is no indicator of impairment and thus, did not perform any impairment test on the carrying value of the mining rights.

Operating Lease Commitments - Company as Lessee. The Company has various lease agreements as a lessee. The Company has determined, based on evaluation of the terms and condition of the lease agreements, that the significant risks and rewards of ownership of the leased properties were retained by the lessor (e.g., no transfer of ownership at the end of the lease term). Accordingly, the Company accounts these leases as operating leases (see Note 28).

Assessment for the Purchase of Group of Assets. Taking into consideration the relevant provisions of PFRS 3, "Business Combinations", the Company assessed that the acquisition of LORVI is a purchase of a group of assets due to the absence of critical elements of "Processes" to sufficiently generate the "Output". Also, there is no compelling evidence that the missing element could easily be replicated by the Company in a relatively short period of time.

Estimates

The key estimates concerning the future and other key sources of estimation uncertainty as at balance sheet date that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are as follows:

Useful Lives of Property, Plant and Equipment. The useful lives of property, plant and equipment are estimated based on the period over which the property, plant and equipment are expected to be available for use and on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of property, plant and equipment are reviewed at each financial year-end, and updated if expectations differ materially from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property, plant and equipment. However, it is possible that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recording of depreciation expense for any period would be affected by changes in these factors and circumstances. There were no changes in the estimated useful lives of property, plant and equipment in 2014, 2013 and 2012.

The Company recognized depreciation expense related to property, plant and equipment amounting to ₱1.4 billion in 2014, ₱1.5 billion in 2013 and ₱1.5 billion in 2012 (see Note 23). The carrying value of depreciable property, plant and equipment amounted to ₱13.8 billion and ₱14.1 billion as at December 31, 2014 and 2013, respectively (see Note 10).

Depletion of Mineral and Quarry Rights. Mineral and quarry rights reserves estimates are, to a large extent, based on interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of costs based on anticipated tonnage and grades of minerals to be mined and processed, the configuration of the mineral body, expected recovery rates of minerals, estimated operating costs, estimated climatic conditions and other factors. Proven reserves estimates are attributed to future quarry sites projects only where there is a significant commitment to project funding and extraction and for which applicable governmental and regulatory approvals have been secured or are reasonably certain to be secured. All proven reserve estimates are subject to revision, either upward or downward, based on new information, such as from block grading and extraction activities or from changes in economic factors including product prices or development plans.

Estimates of reserves for undeveloped or partially developed areas are subject to greater uncertainty over their future life than estimates of reserves for areas that are substantially developed and depleted. As an area goes into production, the amount of proven reserves will be subject to future revision once additional information becomes available. The estimated recoverable reserves are used in the calculation of depletion and testing for impairment, the assessment of life of quarry sites, and forecasting the timing of the payment of provision for site restoration. The carrying value of mineral and quarry rights amounted to ₱283.2 million and ₱315.1 million as at December 31, 2014 and 2013, respectively, included in "Property, plant and equipment - Land and land improvements" (see Note 10).

Impairment of Nonfinancial Assets. PFRS requires that an impairment review be performed when certain impairment indicators are present. If any such indicators exist, the Company estimates the recoverable amount of the relevant asset.

Determining the recoverable amount of property, plant and equipment, investment in an associate, intangible assets and other noncurrent assets requires the determination of future cash flows expected to be generated from the continued use and ultimate disposal of such assets. Future events could cause management to conclude that assets associated with an acquired business are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial position and financial performance.

The preparation of estimated future cash flows involves significant estimations and assumptions. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the Company's assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

No reversal or additional impairment was recognized in 2014, 2013 and 2012.

The allowance for impairment losses on nonfinancial assets amounted to ₱55.7 million as at December 31, 2014 and 2013. The carrying values of investment in an associate, plant and equipment and intangible assets are disclosed in Notes 9, 10 and 11, respectively.

Impairment of Goodwill. The Company performs impairment testing of its goodwill on an annual basis or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Value-in-use is estimated by making an estimate of the expected future cash flows from the cash-generating unit and to apply a suitable discount rate in order to calculate the present value of those cash flows. In 2013 and prior years, goodwill arising from the Company's acquisition of WEB and Mabini on August 14, 2003 has been attributed to the entire cement operation, which is considered as one cash-generating unit. Starting January 1, 2014, due to the rehabilitation and return to full operations of Mabini plant, the entire goodwill was attributed to Mabini plant's cement operations. The recoverable amount of the goodwill has been determined based on a value-in-use calculation using cash flow projections based on the three-year financial plan approved by the senior management. The Company has determined that the goodwill is not impaired. The carrying amount of goodwill amounted to ₱2.6 billion as at December 31, 2014 and 2013 (see Note 11).

Allowance for Doubtful Accounts. The Company reviews its trade and other receivables at each reporting date to assess whether an allowance for impairment should be recorded in the consolidated statement of income. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors such as receivables' credit risk characteristics, customers' ability to pay amounts due and customers' historical experience with the Company. Actual results may differ resulting in future changes in the allowance.

In addition to specific allowance against individually significant loans and receivables, the Company also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This level of allowance is based on the status of the accounts receivable, past collection experience and other factors that may affect collectability.

The allowance for doubtful accounts amounted to ₱151.3 million and ₱127.4 million as at December 31, 2014 and 2013, respectively. Trade and other receivables, net of allowance for doubtful accounts, amounted to ₱2.3 billion and ₱1.8 billion as at December 31, 2014 and 2013, respectively (see Note 5).

Retirement Benefit Costs. The cost of defined benefit pension plans as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Total retirement benefits liability amounted to ₱582.9 million and ₱497.4 million as at December 31, 2014 and 2013, respectively. Further details are provided in Note 27.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases are based on historical actual salary increases of the Company.

Further details about the assumptions used are provided in Note 27.

Deferred Income Tax Assets. The Company reviews the carrying amounts of deferred income tax assets at the end of each reporting period and reduces these to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred income tax assets to be utilized. The Company's assessment on the recognition of deferred income tax assets on deductible temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting periods. This forecast is based on the past results and future expectations of revenues and expenses as well as future tax planning strategies. However, there is no assurance that the Company will generate sufficient future taxable income to allow all or part of deferred income tax assets to be utilized. Management also reviews the level of projected gross margin for the use of Optional Standard Deduction (OSD) and assesses the future tax consequences for the recognition of deferred income tax assets and deferred income tax liabilities. Based on the Company's projected margin, management expects to use the itemized deduction method for the Parent Company and most of the subsidiaries. HPMC and Mabini expect to use the OSD for the next three years.

The carrying value of deferred income tax assets recognized in the Company's consolidated balance sheet amounted to ₱544.2 million and ₱552.3 million as at December 31, 2014 and 2013, respectively. The temporary differences and carryforward benefits of unused tax credits and unused tax losses, for which no deferred income tax assets were recognized amounted to ₱57.7 million and ₱85.5 million as at December 31, 2014 and 2013, respectively (see Note 26).

Provision for Site Restoration Costs. The Company recognizes a provision for the cost of restoring a mineral and quarry site where a legal or constructive obligation exists. This requires an estimation of the cost to restore the quarry on a per hectare basis, depending on the location and is based on the best estimate of the expenditure required to settle the obligation as at balance sheet date, discounted using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the liability. The provision for site restoration amounted to ₱137.0 million and ₱127.8 million as at December 31, 2014 and 2013, respectively (see Note 17).

Net Realizable Value of Inventories. The Company writes down the cost of inventories whenever the net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, change in price levels or other causes. The lower of cost and net realizable value of inventories is reviewed on a periodic basis. Inventory items identified to be obsolete and unusable are written-off and charged as expense in the consolidated statement of income. The carrying values of inventories amounted to ₱3.8 billion and ₱3.0 billion as at December 31, 2014 and 2013, respectively (see Note 6).

Provisions for Claims, Litigations and Assessments. The Company is currently involved in various legal proceedings and tax assessments. Management's estimate of the probable costs for the resolution of these claims has been developed based upon an analysis of potential results. The Company currently believes that these proceedings will not have a material adverse effect on the consolidated financial statements. It is possible however, that future financial performance could be materially affected by changes in the estimates or effectiveness of the strategies relating to these proceedings and assessments.

As at December 31, 2014 and 2013, the Company's provisions for claims and litigations amounted to ₱43.6 million and ₱49.2 million, respectively (see Note 17).

4. Cash and Cash Equivalents

	2014	2013
	(In Thousands)	
Cash on hand and in banks	**₱2,090,237**	₱1,008,463
Short-term deposits	**607,970**	1,140,641
	₱2,698,207	₱2,149,104

Cash in banks earn interest at prevailing bank deposit rates. Short-term deposits are made for varying periods of up to three months depending on the cash requirements of the Company, and earn interest at the prevailing short-term deposit rates.

Interest income earned from cash in banks and short-term deposits amounted to ₱10.7 million, ₱27.5 million and ₱17.6 million in 2014, 2013 and 2012, respectively.

5. Trade and Other Receivables

	2014	2013
	(In Thousands)	
Trade		
Dealers	**₱1,034,594**	₱792,562
Retailers	**85,269**	71,258
Institutional	**795,215**	745,796
Alternative fuel and raw materials (AFR)/ready mix (RMX)/others	**358,780**	231,034
Due from related parties (Note 25)	**75,739**	1,610
Others	**60,885**	65,969
	2,410,482	1,908,229
Less allowance for doubtful accounts	**151,277**	127,408
	₱2,259,205	₱1,780,821

Trade receivables are noninterest-bearing and generally have credit terms of 30 to 60 days. Due from related parties and other receivables are collectible within the next financial year.

Total amount of intercompany receivables eliminated as of December 31, 2014 amounted to ₱1.3 billion.

Movements in the allowance for doubtful accounts which pertain to trade and other receivables are as follows:

	2014					
	Dealers	**Retailers**	**Institutional**	**AFR/RMX/ Others**	**Others**	**Total**
	(In Thousands)					
Beginning of year	**₱20,246**	**₱4,901**	**₱65,681**	**₱32,956**	**₱3,624**	**₱127,408**
Provisions (Note 21)	**12,018**	**991**	**9,238**	**4,116**	**–**	**26,363**
Write-off	**(197)**	**(16)**	**(151)**	**(2,130)**	**–**	**(2,494)**
End of year	**₱32,067**	**₱5,876**	**₱74,768**	**₱34,942**	**₱3,624**	**₱151,277**
Individually impaired	**₱6,175**	**₱3,593**	**₱51,424**	**₱29,285**	**₱3,624**	**₱94,101**
Collectively impaired	**₱25,892**	**₱2,283**	**₱23,344**	**₱5,657**	**₱–**	**₱57,176**

	2013					
	Dealers	Retailers	Institutional	AFR/RMX/ Others	Others	Total
	(In Thousands)					
Beginning of year	₱11,099	₱4,937	₱49,966	₱48,688	₱11,344	₱126,034
Provisions (reversals) (Note 21)	9,167	(36)	15,905	(13,202)	–	11,834
Write-off	(20)	–	(190)	(2,530)	(7,720)	(10,460)
End of year	₱20,246	₱4,901	₱65,681	₱32,956	₱3,624	₱127,408
Individually impaired	₱287	₱3,107	₱46,898	₱27,270	₱3,624	₱81,186
Collectively impaired	₱19,959	₱1,794	₱18,783	₱5,686	₱–	₱46,222

6. Inventories

	2014	2013
	(In Thousands)	
At cost:		
Finished goods	**₱738,847**	₱690,803
Goods in process	**1,081,558**	956,234
Raw materials	**692,847**	244,973
Fuel	**409,805**	515,932
Spare parts and others	**723,898**	431,904
At net realizable value:		
Spare parts and others	**110,566**	178,747
	₱3,757,521	₱3,018,593

Total inventories charged to cost of sales amounted to ₱11.5 billion and ₱10.0 billion in 2014 and 2013, respectively (see Note 19).

The cost of spare parts and other inventories at net realizable value amounted to ₱307.0 million and ₱362.0 million as at December 31, 2014 and 2013, respectively.

The following table shows the movement of allowance for inventory obsolescence as of December 31, 2014 and 2013:

	2014	2013
	(In Thousands)	
Balance at beginning of year	**₱183,279**	₱214,680
Provisions (reversals) (Note 19)	**13,124**	(31,401)
Balance at end of year	**₱196,403**	₱183,279

7. Other Current Assets

	2014	2013
	(In Thousands)	
Advances to suppliers (Note 28)	**₱242,840**	₱378,701
Prepaid expenses	**187,892**	184,692
Input value-added taxes	**87,093**	108,981
Advances to employees	**67,777**	51,929
Creditable withholding taxes	**11,664**	8,141
Others	**18,575**	7,194
	₱615,841	₱739,638

Advances to suppliers represent advances that are applied against subsequent purchases and are outstanding for less than one year from initial recognition.

8. Gain on Sale of a Joint Venture

In 2012, the Company had a 50% interest in Trans-Asia Power Generation Corporation (TA Power) under a joint venture agreement with Trans-Asia Oil and Energy Development Corporation (TA Oil). TA Power operates and maintains a 52-megawatt power generation plant, including related facilities, machinery and equipment in Norzagaray, Bulacan.

On January 1, 2013, the Company and TA Oil entered into a Share Purchase Agreement for the sale of the Company's interest in TA Power for ₱475.5 million. Proceeds from the sale were collected on January 3, 2013. Total gain on sale amounted to ₱150.3 million.

9. Investments

Investments as of December 31, 2014 and 2013 consist of the following (amounts in thousands):

AFS financial assets (Notes 15 and 16)	₱3,940
Investment in an associate	619
	₱4,559

a. AFS financial assets pertain to investments in quoted and unquoted ordinary shares and club shares of stock. The unquoted AFS financial assets are carried at their fair values.

b. Investment in an associate

The details of this account as of December 31, 2014 and 2013 are as follows (in thousands):

Acquisition cost	₱29,162
Accumulated equity in net losses of an associate	(28,543)
	₱619

On March 19, 2009, the directors and stockholders of Asia Coal approved the shortening of the corporate life of Asia Coal to October 31, 2009. Asia Coal shall be dissolved and liquidated, the date of which is subject to the approval of the SEC.

10. Property, Plant and Equipment

	December 31, 2013	Additions/ Depreciation	Disposals/ Retirements	Transfers/ Reclassi-fications	December 31, 2014
			(In Thousands)		
Cost:					
Land and land improvements	₱1,690,780	₱152,801	₱–	₱19,852	₱1,863,433
Buildings and installations	11,566,093	290,282	–	278,110	12,134,485
Machinery and equipment	21,385,149	1,370	(425,865)	271,200	21,231,854
Furniture, vehicles and tools	1,149,799	–	(32,450)	89,170	1,206,519
Construction in-progress	1,851,804	1,449,686	–	(626,958)	2,674,532
	37,643,625	1,894,139	(458,315)	31,374	39,110,823
Less accumulated depreciation, depletion and impairment losses:					
Land improvements	261,420	36,729	–	–	298,149
Buildings and installations	6,124,442	375,796	–	–	6,500,238
Machinery and equipment	13,440,417	856,513	(425,867)	–	13,871,063
Furniture, vehicles and tools	723,892	135,363	(22,318)	–	836,937
	20,550,171	1,404,401	(448,185)	–	21,506,387
Net book value	₱17,093,454	₱489,738	(₱10,130)	₱31,374	₱17,604,436

	December 31, 2012	Additions/ Depreciation	Disposals/ Retirements	Transfers/ Reclassi-fications	December 31, 2013
			(In Thousands)		
Cost:					
Land and land improvements	₱1,691,372	₱–	(₱49,396)	₱48,804	₱1,690,780
Buildings and installations	11,489,695	1,455	–	74,943	11,566,093
Machinery and equipment	19,940,273	5,514	(4,214)	1,443,576	21,385,149
Furniture, vehicles and tools	1,179,869	1,668	(80,277)	48,539	1,149,799
Construction in-progress	946,474	2,556,052	–	(1,650,722)	1,851,804
	35,247,683	2,564,689	(133,887)	(34,860)	37,643,625
Less accumulated depreciation, depletion and impairment losses:					
Land improvements	224,181	37,239	–	–	261,420
Buildings and installations	5,737,277	413,726	–	(26,561)	6,124,442
Machinery and equipment	12,542,633	886,586	(1,177)	12,375	13,440,417
Furniture, vehicles and tools	672,561	119,893	(63,258)	(5,304)	723,892
	19,176,652	1,457,444	(64,435)	(19,490)	20,550,171
Net book value	₱16,071,031	₱1,107,245	(₱69,452)	(₱15,370)	₱17,093,454

On July 2014, the Company acquired a group of assets from Calumboyan Holdings, Inc. at a purchase price of ₱918.0 million representing port facility and foreshore lease in Mabini, Batangas (see Note 11).

Construction in progress includes on-going item replacements and expansion projects for the Company's operation.

11. Goodwill and Intangible Assets

The movements of goodwill and intangible assets are as follows:

	December 31, 2013	Additions/ Amortization	December 31, 2014
		(In Thousands)	
Goodwill	₱2,635,738	₱–	₱2,635,738
Intangible assets:			
Cost:			
Mining rights	179,544	–	179,544
Foreshore lease	–	544,902	544,902
Software costs	122,384	–	122,384
Project development costs and others	38,256	–	38,256
	340,184	544,902	885,086
Less accumulated amortization:			
Software costs	63,321	14,766	78,087
Project development costs and others	7,983	3,437	11,420
	71,304	18,203	89,507
	268,880	526,699	795,579
Balance	₱2,904,618	₱526,699	₱3,431,317

	December 31, 2012	Additions/ Amortization	December 31, 2013
		(In Thousands)	
Goodwill	₱2,635,738	₱–	₱2,635,738
Intangible assets:			
Cost:			
Mining rights	179,544	–	179,544
Software costs	48,555	73,829	122,384
Project development costs and others	38,256	–	38,256
	266,355	73,829	340,184
Less accumulated amortization:			
Software costs	48,555	14,766	63,321
Project development costs and others	4,546	3,437	7,983
	53,101	18,203	71,304
	213,254	55,626	268,880
Balance	₱2,848,992	₱55,626	₱2,904,618

a. Mining Rights

Mining rights pertain to HMDC's Mineral Production Sharing Agreement (MPSA) No. 108-98 IV for an aggregate quarry. In 2008, one of the surface owners of a portion of the area covered by the MPSA filed a petition with the Department of Environmental and Natural Resources (DENR) for the cancellation of HMDC's MPSA. The owner claimed that HMDC had failed to complete its exploration activities, to commence commercial production within the prescribed period and to comply with the applicable reportorial requirements. In an order dated February 12, 2009, the panel of arbitrators allowed the petitioner to withdraw the petition for cancellation, which was subsequently re-filed with the Mines and Geosciences Bureau. In an order dated September 18, 2009, the DENR cancelled HMDC's MPSA. In a second order dated November 20, 2009, the DENR denied HMDC's Motion for Reconsideration. These orders were upheld by the Office of the President in a decision dated March 5, 2010 and resolution dated May 29, 2010. HMDC thereafter filed with the Court of Appeals a Petition seeking the reversal and/or annulment of the decision and resolution issued by the Office of the President for being completely erroneous and based on a misapprehension of the facts and the law.

On August 16, 2011, the Seventeenth Division of the Court of Appeals granted the petition of HMDC and nullified the decision dated March 5, 2010 and the resolution dated May 29, 2010 issued by the Office of the President. Accordingly, the Orders dated September 18, 2009 and November 2009, issued by the DENR were reversed and set aside, thus, declaring that the MPSA is in full force and effect.

A motion for reconsideration and a supplemental motion for reconsideration were filed by the petitioner for the reversal of the said decision by the Court of Appeals. On February 2, 2012, both motion and supplemental motion for reconsideration were denied by the Court of Appeals.

Following the Court of Appeals' denial of the motion for reconsideration, the petitioner filed a Petition for Review on Certiorari dated March 7, 2012 to the Supreme Court. Subsequently on June 25, 2012, the Company filed its comment on the petition with the Supreme Court. The petitioner filed his reply to the Supreme Court on May 3, 2013 where the case is still pending.

b. Goodwill

Goodwill amounting to ₱2.6 billion relates to the Company's acquisition of WEB and Mabini on August 14, 2003.

The Company performs its annual impairment test every November of each year. The recoverable amount of the CGU determined based on value-in-use, is compared to its carrying amount. An impairment loss is only recognized if the carrying amount of the CGU exceeds its recoverable amount. Future cash flows are discounted using the weighted average cost of capital (WACC) adjusted for country-specific inflation risks.

The cash flow projections are based on a three-year financial planning period approved by senior management. Cash flows beyond the three-year budget period are extrapolated based on cash flows at zero growth. As a result of this analysis, management has determined that there was no impairment loss in 2014, 2013 and 2012 since the value-in-use exceeds the carrying value of the entire cement operations.

Sensitivity to Changes in Assumptions
With regard to the assessment of value-in-use of the CGU, management believes that a change in the discount rate of 1% point would not cause the carrying value of goodwill to exceed its recoverable amount.

Key Assumptions

	Discount Rate	Long-term GDP Growth Rate
2014	**7.9%**	**5.0%**
2013	8.2%	5.5%
2012	8.2%	5.0%

c. Foreshore Lease

Foreshore lease amounting to ₱544.9 million relates to LORVI's foreshore lease in Mabini, Batangas. The foreshore lease contract was executed on October 1, 1997 with the Regional Office IV of Department of Environment and Natural Resources (DENR), covering a parcel of land under plan FLC-041016-23-D with an area of 84,185 square meters located at Brgy. Balibaguhan, Mabini, Batangas. The existing foreshore lease contract has a remaining term of 17 years as of December 31, 2014, renewable for another 25 years thereafter.

12. Other Noncurrent Assets

	2014	2013
	(In Thousands)	
Restricted cash	**₱81,019**	₱71,424
Deferred input value-added taxes	**76,269**	99,350
Refundable deposit	**48,466**	48,466
Guarantee deposits (Note 28)	**42,693**	33,622
Long-term financial receivable	**15,832**	22,669
Others	**292**	4,833
	₱264,571	₱280,364

Restricted cash represents minimum mine rehabilitation fund requirement by the DENR for site restoration cost.

Refundable deposit represents cash bond deposited by Mabini with the Bureau of Customs (BOC) for importations made in 2001. On March 7, 2007, Mabini filed a case against the BOC for the release of the cash bond. On October 12, 2012, the Officer-in-Charge of the Law Division of the Collection District of Batangas submitted a memorandum for the release of the cash bond. Subsequently on October 22, 2012, a Letter of First Indorsement was submitted by the District Collector to the BOC Commissioner recommending favorable consideration to Mabini's appeal, subject to compliance with pertinent customs laws, rules and regulations. On December 18, 2014, Mabini received a letter from the BOC requesting for the submission of documents in order to proceed with the resolution of the cash bonds. As at December 31, 2014, Mabini is still completing the necessary documents requested by the BOC.

Guarantee deposits represent cash deposits made to suppliers for raw material supply agreement and various security deposits for rentals (see Note 28).

Long-term financial receivable is due from the Company's third party service provider for sale of certain heavy equipment in 2012 and 2008, which will be settled on or before 2017 and 2019, respectively. Interest income earned from long-term financial receivable at an annual interest rate of 4.5% to 7.0% amounted to ₱2.3 million, ₱2.0 million and ₱2.4 million in 2014, 2013 and 2012, respectively.

13. Notes Payable

During 2014 and 2013, the Company availed of various short-term loans from UCHC totaling ₱0.5 billion and ₱2.3 billion, respectively, bearing interest equal to the prevailing interest rate using PDST-F rate for one month plus 1%. The outstanding loan as of December 31, 2013 amounting to ₱893.0 million and the ₱0.5 billion availed of in 2014 were fully paid as of December 31, 2014 (see Note 25).

In 2014, HMDC availed of additional loans from UCHC amounting to ₱1.0 billion, which remained outstanding as of end of the year. The loan bears interest equal to the prevailing interest rate using PDST-F rate for one month plus 1% (see Note 25).

The Company also availed of various short-term loans from various banks in 2014 totaling ₱3.7 billion bearing interest ranging from 1.5% to 3.0%. The outstanding balance of these loans as of December 31, 2014 totaled ₱1.1 billion.

Total interest expense from notes payable charged to profit or loss amounted to ₱41.1 million, ₱3.5 million and ₱3.5 million in 2014, 2013 and 2012, respectively (see Notes 24 and 25).

14. Trade and Other Payables

	2014	2013
	(In Thousands)	
Trade	**₱2,490,492**	₱2,250,843
Accrued expenses	**1,108,344**	1,127,150
Advances and deposits from customers	**724,056**	633,422
Due to related parties (Note 25)	**646,676**	512,489
Nontrade	**240,822**	40,324
Other taxes payable	**219,367**	147,783
Other payables	**174,234**	246,818
	₱5,603,991	₱4,958,829

Trade payables are noninterest-bearing and normally have payment terms of 30 to 60 days.

Accrued expenses represent accruals for utilities, customers' rebates, salaries and wages, other employee benefits.

Nontrade payables represent accounts with suppliers other than production-related expenses. These are noninterest-bearing and have an average term of three months or less.

Advances and deposits from customers represent the following:

- Advances and deposits that are applied against subsequent shipments thus, are generally outstanding for less than 30 days from initial recognition; and,
- Interest-bearing cash bonds that are refundable anytime upon demand by the customers.

Accrued interest is normally settled monthly throughout the financial year.

Total amount of intercompany payables eliminated as of December 31, 2013 amounted to ₱1.3 billion.

15. Financial Risk Management Objectives and Policies

The Company is exposed to various financial risks, which include the effect of changes in debt structure, equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential and adverse effects on the financial performance of the Company. The Company uses derivative instruments such as cross-currency swaps to hedge the interest and foreign exchange risks from its foreign currency-denominated debt. The Company does not enter into other derivative or financial transactions which are unrelated to its operating business as a risk-averse approach is pursued.

Financial risk management of the Company is governed by policies approved by management. It provides principles for overall risk management, as well as policies covering specific risk areas such as interest rate risk, foreign exchange risk, counterparty risk, use of derivative financial instruments and investing assets in excess of liquidity requirements.

The Company's principal financial instruments, other than derivatives, consist of cash and cash equivalents and notes payable. The main purpose of these financial instruments is to raise funds for the Company's operations. The Company also has various other financial assets and liabilities such as trade and other receivables, advances to employees, guarantee deposits, restricted cash and trade and other payables which arise directly from operations.

The main risks arising from the Company's financial instruments are market risks (which include foreign currency risk and interest rate risk), credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of these risks and they are summarized below. The Company's accounting policies in relation to financial instruments are set out in Note 2 to the consolidated financial statements.

Market Risks

The Company is exposed to market risks, such as foreign currency and interest rate risks. To manage volatility relating to these exposures, the Company enters into derivative financial instruments, when necessary. The Company's objective is to reduce, where appropriate, fluctuations in earnings and cash flows associated with changes in foreign currency, interest rate and equity price.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has foreign exchange exposures, arising primarily from sales, purchases of goods and services and debt servicing requirements in currencies other than the Peso that leads to currency translation effects. Of the Company's revenues, approximately 0.1% in 2014 and 0.2% in 2013 are denominated in currencies other than the Peso. The Company may hedge certain foreign currency-denominated borrowings or other instruments by entering into derivative transactions.

Due to the local nature of the cement business, transaction risk is limited. However, income may primarily be in local currency whereas debt servicing and significant amount of capital expenditures may be in foreign currencies. As a consequence thereof, the Company may enter into derivative contracts whenever necessary, which may be designated either as cash flow hedges or fair value hedges, as appropriate.

The table below summarizes the Company's exposure to foreign currency risk before considering the effect of hedging transactions. Included in the table are the Company's foreign currency-denominated assets and liabilities at carrying amounts:

	December 31			
	2014		2013	
	In USD	**In PHP**	In USD	In PHP
		(In Thousands)		
Assets:				
Cash and cash equivalents	**$1,840**	**₱82,285**	$1,697	₱75,345
Trade and other receivables	**160**	**7,155**	–	–
	2,000	**89,440**	1,697	75,345
Liabilities:				
Trade and other payables	**11,813**	**528,277**	128	5,683
Net exposure	**($9,813)**	**(₱438,837)**	$1,569	₱69,662

Converted to Philippine peso at US$1.00:₱44.72 as of December 31, 2014 and US$1.00:₱44.40 as of December 31, 2013.

The following table demonstrates the sensitivity of the Company's income before income tax (due to changes in fair value of monetary assets and liabilities after considering the impact of hedging transactions) to a reasonably possible change in U.S. dollar exchange rate, with all other variables held constant:

	US Dollar Appreciates (Depreciates) by	Effect on Income Before Income Tax
		(In Thousands)
December 31, 2014		
Sensitivity 1	**10%**	**(₱43,884)**
Sensitivity 2	**(5%)**	**21,942**
December 31, 2013		
Sensitivity 1	10%	6,966
Sensitivity 2	(5%)	(3,483)

** The effect on equity pertains to the amount that directly impact equity only.*

The impact of any change in foreign exchange rate on the embedded currency forwards of the Company is immaterial.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The Company is exposed to fluctuations in financing costs and market value movements of its debt portfolio related to changes in market interest rates. The Company's interest rate exposure is mainly addressed through the steering of the fixed/floating ratio of net debt. To manage this mix, the Company may enter into derivative transactions, as appropriate. As at December 31, 2014 and 2013, the Company has minimal exposure to interest rate risk.

Credit Risk

Credit risk is the risk that counterparties may not be able to settle their obligations as agreed. To manage this risk, the Company periodically assesses the financial reliability of customers.

The Company constantly monitors its credit risk exposures. Counterparties to financial instruments consist of a large number of major financial institutions. The Company does not expect any counterparties to fail in meeting their obligations, given their high credit ratings. In addition, the Company has no significant concentration of credit risk with any single counterparty or group of counterparties.

The maximum and minimum exposure to credit risk is represented by the carrying amount of each financial asset, except for the following financial assets:

	Gross Maximum Exposure[a]		Net Maximum Exposure[b]	
	December 31, 2014	December 31, 2013	**December 31, 2014**	December 31, 2013
		(In Thousands)		
Loans and receivables:				
Cash and cash equivalents*	**₱2,694,118**	₱2,145,175	**₱2,673,070**	₱2,132,413
Trade and other receivables:				
Trade:				
Dealers	**1,002,527**	772,315	**632,047**	496,404
Retailers	**79,393**	66,357	**57,932**	38,536
Institutional	**720,447**	680,115	**635,762**	554,596
Restricted cash**	**81,019**	71,424	**80,519**	65,598
Total	**₱4,577,504**	₱3,735,386	**₱4,079,330**	₱3,287,547

[a] *Gross financial assets before taking into account any collateral held or other credit enhancements or offsetting arrangements.*
[b] *Gross financial assets after taking into account any collateral or other credit enhancements or offsetting arrangements or deposit insurance.*
* *Excluding cash on hand.*
** *Included under "Other noncurrent assets" account in the consolidated balance sheets.*

The Company trades only with recognized, credit-worthy third parties. It is the Company's policy that all third party customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the Company's exposure to bad debts to minimal.

With respect to credit risk arising from the other financial assets of the Company, which consist of due from related parties, advances to employees, AFS financial assets, and guarantee and refundable deposits, the Company's exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The following tables present the credit quality of the financial assets as at December 31, 2014 and 2013:

	December 31, 2014					
	Neither Past due nor Impaired			Past Due but not Impaired	Past Due and Impaired	
	Class A	Class B	Class C			Total
			(In Thousands)			
AFS financial assets						
Quoted shares	₱176	₱–	₱–	₱–	₱–	₱176
Unquoted shares	3,764	–	–	–	–	3,764
Loans and receivables						
Cash and cash equivalents						
Cash in banks	2,086,148	–	–	–	–	2,086,148
Short-term deposits	607,970	–	–	–	–	607,970

Forward

	December 31, 2014					
	Neither Past due nor Impaired			Past Due but not Impaired	Past Due and Impaired	Total
	Class A	Class B	Class C			
	(In Thousands)					
Trade and other receivables						
Trade						
Dealers	₱21,781	₱755,526	₱117,332	₱107,888	₱32,067	₱1,034,594
Retailers	-	44,618	1,707	33,068	5,876	85,269
Institutional	3,278	577,234	2,606	137,329	74,768	795,215
AFR/RMX/others	940	53,402	978	268,518	34,942	358,780
Due from related parties	75,739	–	–	–	–	75,739
Other receivables	–	–	57,261	–	3,624	60,885
Advances to employees*	–	–	67,777	–	–	67,777
Restricted cash**	81,019	–	–	–	–	81,019
Guarantee deposits**	–	–	42,693	–	–	42,693
Total	₱2,880,815	₱1,430,780	₱290,354	₱546,803	₱151,277	₱ 5,300,029

**Included under "Other current assets" in the consolidated balance sheet.*
***Included under "Other noncurrent assets" in the consolidated balance sheet.*

	December 31, 2013					
	Neither Past due nor Impaired			Past Due but not Impaired	Past Due and Impaired	Total
	Class A	Class B	Class C			
	(In Thousands)					
AFS financial assets						
Quoted shares	₱176	₱–	₱–	₱–	₱–	₱176
Unquoted shares	3,764	–	–	–	–	3,764
Loans and receivables						
Cash and cash equivalents						
Cash in banks	1,004,534	–	–	–	–	1,004,534
Short-term deposits	1,140,641	–	–	–	–	1,140,641
Trade and other receivables						
Trade						
Dealers	646,388	63,934	14,975	47,019	20,246	792,562
Retailers	10,857	18,749	26,864	9,887	4,901	71,258
Institutional	301,393	81,790	160,844	136,088	65,681	745,796
AFR/RMX/others	43,591	29,720	286	124,481	32,956	231,034
Due from related parties	1,610	–	–	–	–	1,610
Other receivables	–	–	62,345	–	3,624	65,969
Advances to employees*	–	–	51,929	–	–	51,929
Restricted cash**	71,424	–	–	–	–	71,424
Guarantee deposits**	–	–	36,222	–	–	36,222
Total	₱3,224,378	₱194,193	₱353,465	₱317,475	₱127,408	₱4,216,919

**Included under "Other current assets" in the consolidated balance sheet.*
***Included under "Other noncurrent assets" in the consolidated balance sheet.*

The Company uses the following criteria to rate credit risk on accounts receivable as to class:

Class	Description
Class A	Collateralized accounts from counterparties with excellent paying habits or accounts from counterparties with no history of default payment
Class B	Secured accounts from counterparties with good paying habits but with history of default payment
Class C	Unsecured accounts

With respect to derivatives, held for trading financial assets, AFS financial assets and cash and cash equivalents, the Company evaluates the counterparty's external credit risk rating in establishing credit quality.

The tables below show the aging analysis of the Company's financial assets as at December 31, 2014 and 2013:

	December 31, 2014						
		Neither Past Due	Past Due but not Impaired				Past
	Total	nor Impaired	<30 Days	30–60 Days	61–90 Days	91–120 Days	Due and Impaired
				(In Thousands)			
AFS financial assets:							
Quoted shares	₱176	₱176	₱–	₱–	₱–	₱–	₱–
Unquoted shares	3,764	3,764	–	–	–	–	–
Cash and cash equivalents:							
Cash in banks	2,086,148	2,086,148	–	–	–	–	–
Short-term deposits	607,970	607,970	–	–	–	–	–
Trade and other receivables:							
Trade receivables from:							
Dealers	1,034,594	894,639	98,303	4,883	2,467	2,235	32,067
Retailers	85,269	46,325	30,952	900	223	993	5,876
Institutional	795,215	583,118	63,933	49,596	17,399	6,401	74,768
AFR/RMX/ others	358,780	55,320	151,168	59,888	38,996	18,466	34,942
Due from related parties	75,739	75,739	–	–	–	–	–
Others	60,885	57,261	-	-	-	-	3,624
Advances to employees*	67,777	67,777	–	–	–	–	–
Restricted cash**	81,019	81,019	–	–	–	–	–
Guarantee deposits**	42,693	42,693	–	–	–	–	–
Total	₱5,300,029	₱4,601,949	₱344,356	₱ 115,267	₱59,085	₱28,095	₱151,277

* *Included under "Other current assets" account in the consolidated balance sheet.*

** *Included under "Other noncurrent assets" account in the consolidated balance sheet.*

	December 31, 2013						
		Neither Past Due	Past Due but not Impaired				Past
	Total	nor Impaired	<30 Days	30–60 Days	61–90 Days	91–120 Days	Due and Impaired
				(In Thousands)			
AFS financial assets:							
Quoted shares	₱176	₱176	₱–	₱–	₱–	₱–	₱–
Unquoted shares	3,764	3,764	–	–	–	–	–
Cash and cash equivalents:							
Cash in banks	1,004,534	1,004,534	–	–	–	–	–
Short-term deposits	1,140,641	1,140,641	–	–	–	–	–
Trade and other receivables:							
Trade receivables from:							
Dealers	792,562	725,297	23,806	15,102	2,089	6,022	20,246
Retailers	71,258	56,470	5,615	153	312	3,807	4,901
Institutional	745,796	544,027	50,372	26,169	7,579	51,968	65,681
AFR/RMX/ others	231,034	73,597	23,287	24,418	13,035	63,741	32,956
Due from related parties	1,610	1,610	–	–	–	–	–
Others	65,969	62,345	–	–	–	–	3,624
Advances to employees*	51,929	51,929	–	–	–	–	–
Restricted cash**	71,424	71,424	–	–	–	–	–
Guarantee deposits**	36,222	36,222	–	–	–	–	–
Total	₱4,216,919	₱3,772,036	₱103,080	₱65,842	₱23,015	₱125,538	₱127,408

* *Included under "Other current assets" account in the consolidated balance sheet.*

** *Included under "Other noncurrent assets" account in the consolidated balance sheet.*

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its contractual obligations and commitments. The seasonality of revenue generation exposes the Company to shortage of funds during slack season and may result in payment defaults of financial commitments. The Company monitors this risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial assets and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank credit facilities, finance leases and purchase contracts. It is responsible for its own cash surpluses and the raising of loans to cover cash deficits, subject to policies and guidelines approved by management and in certain cases at the BOD level.

The Company maintains sufficient reserves of cash and cash equivalents, which are short-term in nature, unused credit lines and readily available marketable securities to meet its liquidity requirements at all times. In addition, the strong credit worthiness of the Company allows it to make efficient use of the financial markets for financing purposes. As at December 31, 2014 and 2013, the Company has unutilized credit facilities of ₱10.4 billion and ₱3.0 billion, respectively.

The tables below summarize the maturity profile of the Company's financial assets used for liquidity management as at December 31, 2014 and 2013:

	December 31, 2014				
	On Demand	Less than 3 Months	3 to 12 Months	>1 to 5 Years	Total
			(In Thousands)		
AFS financial assets:					
Quoted shares	₱–	₱–	₱176	₱–	₱176
Unquoted shares	–	–	3,764	–	3,764
Loans and receivables:					
Cash and cash equivalents:					
Cash in banks	2,086,148	–	–	–	2,086,148
Short-term deposits	–	607,970	–	–	607,970
Trade and other receivables:					
Trade receivables from:					
Dealers	32,067	107,888	894,639	–	1,034,594
Retailers	5,876	33,068	46,325	–	85,269
Institutional	74,768	137,329	583,118	–	795,215
AFR/RMX/ others	34,942	268,518	55,320	–	358,780
Due from related parties	–	–	75,739	–	75,739
Other receivables	3,624	–	57,261	–	60,885
Advances to employees*	–	–	67,777	–	67,777
Restricted cash**	–	–	–	81,019	81,019
Guarantee deposits**	–	–	–	42,693	42,693
Total	₱2,237,425	₱1,154,773	₱1,784,119	₱123,712	₱5,300,029

* *Included under "Other current assets" account in the consolidated balance sheet.*
** *Included under "Other noncurrent assets" account in the consolidated balance sheet.*

	December 31, 2013				
	On Demand	Less than 3 Months	3 to 12 Months	>1 to 5 Years	Total
			(In Thousands)		
AFS financial assets:					
Quoted shares	₱–	₱–	₱176	₱–	₱176
Unquoted shares	–	–	3,764	–	3,764
Loans and receivables:					
Cash and cash equivalents:					
Cash in banks	1,004,534	–	–	–	1,004,534
Short-term deposits	–	1,140,641	–	–	1,140,641
Trade and other receivables:					

(Forward)

	December 31, 2013				
	On Demand	Less than 3 Months	3 to 12 Months	>1 to 5 Years	Total
			(In Thousands)		
Trade receivables from:					
Dealers	₱20,246	₱47,019	₱725,297	₱–	₱792,562
Retailers	4,901	9,887	56,470	–	71,258
Institutional	65,681	136,088	544,027	–	745,796
AFR/RMX/ others	32,956	124,481	73,597	–	231,034
Due from related parties	–	–	1,610	–	1,610
Other receivables	3,624	–	62,345	–	65,969
Advances to employees*	–	–	51,929	–	51,929
Restricted cash**	–	–	–	71,424	71,424
Guarantee deposits**	–	–	–	36,222	36,222
Total	₱1,131,942	₱1,458,116	₱1,519,215	₱107,646	₱4,216,919

* *Included under "Other current assets" account in the consolidated balance sheet.*
** *Included under "Other noncurrent assets" account in the consolidated balance sheet.*

The tables below summarize the maturity profile of the Company's financial liabilities as at December 31, 2014 and 2013 based on contractual undiscounted payments:

	December 31, 2014				
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**>1 to 5 Years**	**Total**
			(In Thousands)		
Other financial liabilities:					
Notes payable	**₱–**	**₱2,100,105**	**₱–**	**₱–**	**₱2,100,105**
Trade and other payables:					
Trade	**2,490,492**	**–**	**–**	**–**	**2,490,492**
Nontrade payables	**1,349,166**	**–**	**–**	**–**	**1,349,166**
Due to related parties	**646,676**	**–**	**–**	**–**	**646,676**
Advances from customers	**255,232**	**–**	**–**	**–**	**255,232**
Other payables	**174,234**	**–**	**–**	**–**	**174,234**
Total	**₱4,915,800**	**₱2,100,105**	**₱–**	**₱–**	**₱7,015,905**

	December 31, 2013				
	On Demand	Less than 3 Months	3 to 12 Months	>1 to 5 Years	Total
			(In Thousands)		
Financial liability at FVPL:					
Derivative liability*	₱–	₱–	₱4,282	₱–	₱4,282
Other financial liabilities:					
Notes payable	–	893,000	–	–	893,000
Trade and other payables:					
Trade	2,250,843	–	–	–	2,250,843
Nontrade payables	1,167,474	–	–	–	1,167,474
Due to related parties	512,489	–	–	–	512,489
Advances from customers	153,173	–	–	–	153,173
Accrued interest	23,114	–	–	–	23,114
Other payables	111,101	–	–	–	111,101
Total	₱4,218,194	₱893,000	₱4,282	₱–	₱5,115,476

**Included under "Trade and Other Payables" account in the consolidated balance sheet.*

Capital Management Policy

The Company considers equity attributable to the equity holders of the Parent Company as its capital. The Company's objectives when managing capital are to secure the Company's ongoing financial needs to continue as a going concern as well as to cater for its growth targets in order to provide returns to shareholders and benefits for other stakeholders and to maintain a cost-efficient and risk-optimized capital structure.

The Company manages the capital structure and makes adjustments to it in light of the changes in economic conditions, its business activities, investment and expansion program and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital, among others, on the basis of gearing ratio. Gearing is calculated as net financial debt divided by total equity in the consolidated balance sheets as shown in the table below:

	2014	2013
	(In Thousands)	
Notes payable	**₱2,100,105**	₱893,000
Customers' deposits*	**468,824**	480,249
Financial debt	**2,568,929**	1,373,249
Less cash and cash equivalents	**2,698,207**	2,149,104
Net financial asset	**(129,278)**	(775,855)
Total equity	**22,092,876**	21,476,327
Gearing ratio	**(0.6%)**	(3.6%)

* *Included as part of "Trade and other payables"*

The Company's target is to maintain a gearing ratio in the range of no more than 100 percent.

Total equity increased by 2.9% in 2014 and 4.5% in 2013 as a result of improvement in operating results for these years.

16. Financial Assets and Liabilities

Fair Value of Financial Instruments

The estimated fair value of each class of the Company's financial instruments except long-term debt, is equal to their carrying amount as at December 31, 2014 and 2013. The following methods and assumptions are used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and Cash Equivalents, Trade and Other Receivables, Advances to Employees, Restricted Cash, Long-term Financial Receivable, Notes Payable and Trade and Other Payables. Due to the short-term nature of the transactions, the fair values of these instruments approximate the corresponding carrying values as of end of each reporting period.

Derivative Liabilities. The fair values of the embedded currency forwards with notional amount of US$545,959 are calculated by reference to current forward exchange.

AFS Financial Assets. The fair values of publicly traded instruments are determined by reference to quoted market prices as at the end of each reporting period. Investments in unquoted equity securities are carried at cost, net of any impairment in value.

Guarantee Deposits. These are carried at cost, less any impairment in value, which approximates their fair values calculated using the discounted cash flows method.

Fair Value Hierarchy
Below are the list of financial assets and liabilities carried at fair value that are classified using a fair value hierarchy as at December 31:

	2014		
	Level 1[(1)]	Level 2	Total
		(In Thousands)	
AFS financial asset -			
Quoted equity securities	**₱145**	**₱–**	**₱145**

	2013		
	Level 1[(1)]	Level 2[(2)]	Total
		(In Thousands)	
AFS financial assets -			
Quoted equity securities	₱176	₱–	₱176
Financial liability at FVPL -			
Derivative financial liability*	–	(4,282)	(4,282)
Total	₱176	(₱4,282)	(₱4,106)

[(1)] Fair value is determined using observable market inputs that reflect quoted prices in active markets for identical assets or liabilities.

[(2)] Fair value is determined using inputs other than quoted prices that are either directly or indirectly observable for the assets or liabilities.

**Included under "Trade and other payables" account in the consolidated balance sheet.*

As at December 31, 2014 and 2013, the Company does not have financial instruments whose fair values are determined using inputs that are not based on observable market data (Level 3). There were no reclassifications made between the different fair value hierarchy levels in 2014 and 2013.

17. Provisions

	2014	2013
	(In Thousands)	
Provision for site restoration costs	**₱136,974**	₱127,778
Other provisions	**43,632**	49,172
	₱180,606	₱176,950

Provision for Site Restoration Costs
The Company is required either expressly under mineral production sharing agreements or through customary business practice to restore the surface and underground of a quarry/pit after exploration. A provision for site restoration cost is recognized based on estimated environmental obligation.

The movements in the provision for site restoration cost as at December 31, 2014 and 2013 are as follows:

	2014	2013
	(In Thousands)	
Balance at beginning of year	**₱127,778**	₱138,903
Additions/reversal	**11,754**	(7,355)
Accretion and other adjustments	**(2,558)**	(3,770)
Balance at end of year	**₱136,974**	₱127,778

Additions represent new provisions for site restoration costs for the year.

The accretion is presented as part of "Interest and financing charges" in the consolidated statements of income (see Note 24).

Other Provisions
Other provisions pertain to provisions for probable claims, tax assessments and other litigations involving the Company. The timing of the cash outflows of these provisions is uncertain as it depends upon the outcome of the Company's negotiations and/or legal proceedings, which are currently ongoing with the parties involved. In 2014, all provisions related to claims and other litigations as of December 31, 2013 were settled as a result of the final decisions of the Company's negotiations and/or legal proceedings. The Company recognized provision for tax assessment amounting to ₱43.6 million in 2014, presented under "General and administrative expenses - Others" in the consolidated statement of income (see Note 20).

18. Equity

a. Capital Stock

The composition of the Parent Company's capital stock is as follows:

	Number of Shares
Authorized - ₱1 par value	
Preferred shares	20,000,000
Common shares	9,980,000,000
Issued - Common shares	6,452,099,144

The preferred shares are cumulative and nonparticipating and entitled to preferential dividend rate when declared by the BOD of the Parent Company. There were no preferred shares issued and outstanding as at December 31, 2014 and 2013.

The Parent Company's common shares were registered/listed on June 17, 1996. Total shares registered and outstanding as at December 31, 2014 and 2013 is 6.5 billion. These shares are held by 5,606 and 5,685 stockholders as at December 31, 2014 and 2013, respectively. There have been no recent changes in the number of shares registered and outstanding.

b. Other reserves represent the Company's share in the performance compensation scheme of the Holcim Group.

c. Retained Earnings

The Parent Company's retained earnings available for dividend declaration as at December 31, 2014 amounted to ₱5.7 billion based on the guidelines set in the Securities Regulation Code Rule 68, As Amended (2011).

Cash dividends declared are as follows:

	2014	2013	2012
Cash dividend per share	**₱0.70**	₱0.55	₱0.25
Amount declared	**₱4.5 billion**	₱3.5 billion	₱1.6 billion
Declaration date	**May 16, 2014**	May 23, 2013	May 17, 2012
Record date	**June 13, 2014**	June 21, 2013	June 11, 2012

On May 11, 2014, the BOD of HPMC declared cash dividends totaling ₱570.1 million (₱247 per share) for stockholders on record as of May 30, 2014.

19. Cost of Sales

	2014	2013	2012
		(In Thousands)	
Raw, packaging and production materials (Notes 25 and 28)	**₱7,432,111**	₱5,686,523	₱5,352,630
Power and fuel (Note 28)	**6,774,355**	6,244,485	6,686,784
Transportation and communications	**2,376,697**	1,950,102	2,166,403
Outside services (Notes 25 and 28)	**1,946,516**	1,902,303	1,016,017
Personnel (Notes 22 and 27)	**1,473,826**	1,581,121	1,492,480
Repairs and maintenance	**1,424,525**	1,609,592	1,423,446
Depreciation, amortization and depletion (Note 23)	**1,351,723**	1,397,982	1,418,070
Taxes and licenses	**255,958**	248,754	250,530
Insurance	**154,844**	168,609	169,768
Rent (Note 28)	**49,998**	46,318	81,535
Others (Note 6)	**357,327**	180,681	332,956
	₱23,597,880	₱21,016,470	₱20,390,619

20. General and Administrative Expenses

	2014	2013	2012
		(In Thousands)	
Personnel (Notes 22 and 27)	**₱517,866**	₱453,875	₱565,264
Outside services (Note 25)	**207,178**	262,447	359,028
Software implementation costs (Note 25)	**204,475**	91,311	84,977
Office expenses	**155,308**	125,909	96,274
Taxes and licenses	**61,707**	31,928	13,715
Depreciation (Note 23)	**59,336**	66,346	43,355
Transportation and communications	**23,292**	30,202	22,811
Directors' fees	**19,100**	18,428	16,567
Entertainment, amusement and recreation	**1,227**	909	1,563
Others (Notes 17, 25 and 28)	**77,014**	163,817	81,825
	₱1,326,503	₱1,245,172	₱1,285,379

Others include training expenses, community services and expenses related to the Company's ongoing internal projects.

21. Selling Expenses

	2014	2013	2012
		(In Thousands)	
Personnel (Notes 22 and 27)	**₱184,944**	₱194,727	₱176,581
Advertising	**116,117**	86,699	86,359
Outside services	**47,685**	58,048	35,493
Transportation and communication	**43,385**	27,166	34,050
Office expenses	**35,773**	30,393	21,040
Provision for doubtful accounts (Note 5)	**26,363**	11,834	36,894
Depreciation (Note 23)	**11,545**	11,319	13,414
Taxes and licenses	**9,185**	5,629	9,362
Others (Notes 28)	**26,545**	76,188	22,154
	₱501,542	₱502,003	₱435,347

Others include insurance, utilities and expenses related to the Company's ongoing internal projects.

22. Personnel Expenses

	2014	2013	2012
		(In Thousands)	
Salaries, wages and employee benefits	**₱1,493,290**	₱1,690,849	₱1,695,105
Retirement benefit costs (Note 27)	**182,212**	154,263	115,958
Training	**56,701**	67,301	74,130
Others	**444,433**	317,310	349,132
	₱2,176,636	₱2,229,723	₱2,234,325

23. Depreciation, Amortization and Depletion

	2014	2013	2012
		(In Thousands)	
Property, plant and equipment (Note 10):			
Cost of sales (Note 19)	**₱1,333,520**	₱1,379,779	₱1,414,593
General and administrative expenses (Note 20)	**59,336**	66,346	43,355
Selling expenses (Note 21)	**11,545**	11,319	13,414
	1,404,401	1,457,444	1,471,362
Intangible assets (Note 11):			
Cost of sales (Note 19)	**18,203**	18,203	3,477
	₱1,422,604	₱1,475,647	₱1,474,839

24. Interest and Financing Charges and Others - Net

Details of interest and financing charges are as follows:

	2014	2013	2012
		(In Thousands)	
Interest and amortization of debt issue costs on:			
Notes payable (Notes 13 and 25)	**₱41,929**	₱3,484	₱3,537
Long-term debt	–	–	55,292
Accretion of provision for site restoration cost and others (Note 17)	**1,741**	1,615	(3,812)
	₱43,670	₱5,099	₱55,017

On February 5, 2009, the Parent Company obtained a five-year unsecured Philippine peso-denominated term loan from a local bank. The loan is equally divided into two, having fixed and variable interest rates. In March 2012, the Company fully paid the loan and the remaining unamortized debt issuance costs of ₱5.1 million was fully amortized.

Details of others - net are as follows:

	2014	2013	2012
		(In Thousands)	
By products and other revenue (Note 25)	**₱89,378**	₱142,594	₱144,266
Gain (loss) on sale of property and equipment	**12,305**	(31,386)	19,831
Others	**3,486**	(11,046)	24,113
	₱105,169	₱100,162	₱188,210

25. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form. The Company has transactions with the following related parties:

Parent:
- Clinco Corporation (Clinco)
- Cemco Holdings, Inc. (Cemco): a subsidiary of Clinco
- Union Cement Holdings Corporation (UCHC); a subsidiary of Cemco

Subsidiaries of Holcim Ltd. (through Holderfin B.V.), a stockholder of HPI:

- Holcim Trading Pte. Ltd., Singapore (Holcim Trading)
- Holcim IP Ltd., Switzerland (HIPL)
- Holcim Group Support Ltd., Switzerland (HGRS)
- Holcim Services (Asia) Ltd., Thailand (HSEA)
- Holcim Technology and Services (HTSX)
- Holcim Technology (Singapore) Pte. Ltd.(HTPL)
- Holcim East Asia Business Service Centre B.V (HEAB)
- Other Holcim Group Affiliates

The following table summarizes the related party transactions and outstanding balances as of and for the years ended December 31, 2014 and 2013:

		2014		2013		
Related Parties	**Nature**	**Transactions During the Year**	**Outstanding Receivable (Payable)**	Transactions During the Year	Outstanding Receivable (Payable)	**Terms and Conditions**
			(In Thousands)			
Parent						
UCHC	Short-term loans	**₱1,500,000**	**(₱1,000,000)**	₱2,343,000	(₱893,000)	Interest- bearing, unsecured
	Interest expense	**17,759**	**–**	–	–	Unsecured
	Payment of expenses	**5,497**	**(5,413)**	81	81	Noninterest- bearing, unsecured, not impaired
Cemco	Payment of expenses	**5,156**	**(5,138)**	18	18	Noninterest- bearing, unsecured, not impaired
	Advances	**3,775**	**–**	–	–	Unsecured, not impaired
Clinco	Payment of expenses	**25**	**27**	2	2	Noninterest- bearing, unsecured, not impaired
Affiliates						
HSEA	Purchases and/or expense	**241,909**	**(123,316)**	110,428	(35,107)	Noninterest- bearing, unsecured
	Revenue	**12,196**	**–**	15,021	–	Noninterest- bearing, unsecured, not impaired
HTSX	Purchases and/or expense	**1,437,128**	**(274,094)**	1,495,182	(365,608)	Noninterest- bearing, unsecured
	Advances	**9,492**	**–**	–	–	Noninterest- bearing, unsecured
Holcim Trading	Purchases and/or expense	**300,421**	**(230,490)**	237,343	(111,417)	Noninterest- bearing, unsecured
HTPL	Purchases and/or expense	**62,760**	**(62,760)**	–	–	Noninterest- bearing, unsecured
HEAB	Advances	**67,650**	**67,650**	–	–	Noninterest- bearing, unsecured, not impaired
	Revenue	**3,225**	**–**	–	–	Unsecured, not impaired
Other Holcim Group Affiliates	Advances	**–**	**–**	–	1,508	Noninterest- bearing, unsecured, not impaired
	Purchases and/or expense	**12,094**	**(8,225)**	357	(357)	Noninterest- bearing, unsecured
	Advances	**5,466**	**8,062**	–	–	Noninterest- bearing, unsecured, not impaired

Cemco and Clinco
The Company grants noninterest bearing advances to Cemco and Clinco for working capital requirements.

UCHC
The Company availed of various short-term loans from UCHC in 2014 and 2013. The applicable interest of the loans is equal to the prevailing interest rate using PDST-F rate for one month plus 1%. The short-term loans are for a period of one year (see Note 13).

HSEA
The Company's network server and information technology database is handled by the information technology services group of HSEA and provides the necessary training assistance to employees. Expenses for services provided are mostly shown as part of "Software implementation costs" and "Outside services" accounts in the "General and administrative expenses" (see Note 20). Other income amounting to ₱12.2 million and ₱15.0 million in 2014 and 2013, respectively, represent manpower services provided by the Company to HSEA (see Note 24).

HTSX

The Trademark Agreement and Technical Support Agreement with HIPL and HGRS, expired on December 31, 2012. Effective January 1, 2013, a new contract with HTSX came into force introducing the application of new Industrial Franchise Fee (IFF). The basis for charge is different from the previous agreement and a direct comparison is not possible. The new agreement is aligned with the Organization for Economic Co-operation and Development (OECD) principles and takes in to account arm's length transfer pricing principles.

The IFF shall cover all intellectual properties and value-adding solutions derived by the Company. IFF is an annual charge payable quarterly and is based on fair assessment of economic value of intellectual properties and value adding solutions. The implementation of the new agreement will eliminate the separate charging for services provided by HGRS and HIPL over and above the Trademark Agreement and Technical Support Agreement, under the prevailing system. This new agreement is separate with the existing agreement with HSEA for information technology related service.

HTSX also renders managerial and project support services to the Company.

Total expenses incurred in 2014 and 2013 amounted to ₱1.4 billion and ₱1.5 billion (see Note 19). As of December 31, 2014 and 2013, the outstanding liability with HTSX amounted to ₱274.1 million and ₱365.6 million, respectively.

In 2013, HIPL and HGRS were merged to form HTSX. All outstanding balances in the books of HIPL and HGRS as of December 31, 2013 and 2012 are now reflected in the books of HTSX.

Holcim Trading

The Company imports clinker and raw materials, such as gypsum and granulated blast furnace slag. Total purchases from Holcim Trading amounted to ₱300.4 million, ₱237.3 million and ₱175.5 million in 2014, 2013 and 2012, respectively.

HTPL

On January 1, 2014, the Company entered into a service agreement with HTPL, for support services. The new service agreement is complementary to the existing Franchise Agreement. The services shall be based on all costs and expenses incurred by HTPL plus a certain mark-up. This agreement will be in effect unless and until superseded.

HEAB

Advances to HEAB pertain to project cost and expenses paid by HPI and HPBSCI in behalf of HEAB amounting to ₱30.7 million and ₱36.9 million, respectively.

Other Holcim Group Affiliates

The Company's transactions with Other Holcim Group Affiliates include intercompany charges for salaries and wages of inbound and outbound expatriates.

Retirement Benefit Funds

a. As of December 31, 2014 and 2013, HPI's defined benefit retirement fund has investments in HPI's shares with a cost of ₱6.7 million. The retirement benefit fund's total gains arising from the changes in market prices amounted to ₱23.1 million in 2014 and ₱18.6 million in 2013.

b. HPMC's retirement benefit fund has investments in shares of stock of Clinco. As of December 31, 2014 and 2013, the Fund has a total subscription of ₱40.0 million in Clinco's common shares while its total subscription payable amounted to ₱29.6 million.

All of the funds' investing decisions are made by the Board of Trustees which is composed of certain officers of HPI. The power to exercise the voting rights rests with the Board of Trustees.

Terms and Conditions of Transactions with Related Parties.
Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. As at December 31, 2014 and 2013, the Company has not recognized any impairment losses on receivables relating to amounts due from related parties. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

Amounts due from related parties is included in "Trade and other receivables" and amounts due to related parties is included in "Trade and other payables" accounts in the consolidated balance sheets.

Key management personnel
The following are the details of the compensation of key management personnel:

	2014	2013	2012
		(In Thousands)	
Short-term employee benefits	**₱184,083**	₱158,933	₱129,870
Retirement benefits cost	**41,533**	59,590	13,698
	₱225,616	₱218,523	₱143,568

26. Income Tax

The provision for current income tax represents RCIT of the Parent Company, HPMC, Bulkcem, HPBSCI and Mabini, and MCIT of HMDC and HRDC in 2014, and RCIT of the Parent Company, HPMC, and Mabini, and MCIT of Bulkcem, HMDC and HRDC in 2013.

The reconciliation between the statutory and effective income tax of the Company is as follows:

	2014	2013	2012
		(In Thousands)	
Income before income tax	**₱7,299,226**	₱6,402,864	₱5,196,230
Income tax at statutory income tax rate	**₱2,189,768**	₱1,920,859	₱1,558,869
Change in unrecognized deferred income tax assets	**(1,371)**	23,056	60
Income tax effects of:			
Use of OSD	**(50,171)**	(37,057)	(38,275)
Nondeductible expenses	**17,802**	2,459	48,331
Interest and other income subjected to lower tax rates	**(4,025)**	(50,407)	(5,277)
Income not subject to income tax	**–**	(903)	(1)
Others	**720**	(14,503)	10,279
Income tax at effective tax rate	**₱2,152,723**	₱1,843,504	₱1,573,986

The components of the Company's net deferred income tax assets as at December 31, 2014 and 2013 are as follows:

	2014	2013
	(In Thousands)	
Net deferred income tax assets:		
Deferred income tax assets		
Retirement benefit liability	**₱174,877**	₱149,212
Provision for bonus accrual	**61,017**	88,680
Allowances for:		
Doubtful accounts	**45,383**	38,222
Decline in value of inventories	**58,921**	54,984
Impairment losses on property, plant and equipment	**47,175**	65,768
Accrued expenses	**59,402**	57,265
Provision for site restoration costs	**38,031**	35,225
Unamortized past service costs	**25,857**	23,833
Unamortized deferred charges	**7,050**	7,050
Unrealized foreign exchange losses	**2,863**	650
Unamortized interest income	**485**	761
NOLCO, Excess MCIT and others	**23,188**	30,686
	544,249	552,336
Deferred income tax liabilities		
Capitalized cost property, plant and equipment from insurance proceeds	**145,324**	159,296
Unamortized amount of capitalized land site restoration costs	**76,286**	85,317
Undepreciated capitalized borrowing costs	**51,610**	52,346
	273,220	296,959
Deferred income tax assets - net	**₱271,029**	₱255,377

The net deferred income tax liabilities of ₱0.7 million and ₱1.4 million as of December 31, 2014 and 2013, respectively, pertains to the revaluation increment of property, plant and equipment at deemed cost.

Deferred income taxes for temporary differences for HPMC and Mabini affecting gross income were recognized using the effective tax rate of 18% as HPMC and Mabini availed of OSD as its method of deduction for income tax purposes. Management forecasts that HPMC will be using OSD in the next three years.

Deferred income tax assets for the following deductible temporary differences and carryforward benefits of unused tax losses and unused tax credits, have not been recognized as they have arisen in subsidiaries that have been incurring losses for some time and may not be used to offset taxable profits or tax liabilities of any other entity other than that of the entity from where such deductible temporary difference arose:

	2014	2013
	(In Thousands)	
Carryforward benefits of:		
NOLCO	**₱44,508**	₱81,374
MCIT	**163**	354
Allowances for doubtful accounts	**13,060**	3,756
Unrecognized deferred income tax assets	**₱17,433**	₱25,893

MCIT totaling ₱0.5 million can be deducted against RCIT due while NOLCO totaling ₱115.0 million can be claimed as deduction against future taxable income as follows:

Date Incurred	Expiry Date	MCIT	NOLCO
		(In Thousands)	
December 31, 2014	December 31, 2017	₱361	₱58,787
December 31, 2013	December 31, 2016	33	31,913
December 31, 2012	December 31, 2015	178	24,296
		₱572	₱114,996

In 2014, the NOLCO of HRDC amounting to ₱0.2 million was applied against taxable income subject to regular income tax due, while NOLCO incurred in 2011 amounting to ₱0.2 million expired in 2014.

27. **Retirement Benefit Costs**

Defined Benefit Retirement Plans

HPI and HPMC have distinct funded, noncontributory defined benefit retirement plans (the "Plans"). The Plans cover all permanent employees, each administered by their respective Retirement Committees or Board of Trustees.

ECLI, HMDC and HSSI, on the other hand, provide retirement benefits in accordance with Republic Act 7641, "Retirement Pay Law". Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan. The Company also provides additional post employment healthcare benefits to certain senior employees in the Philippines. These benefits are unfunded.

Effective March 16, 2014, HPBSCI accrued retirement benefits for all its regular employees determined based on 85% of the member's salary as defined every month As discussed in Note 2, the HPBSCI's defined contribution plan is accounted for as a retirement obligation with minimum guarantee. The retirement benefits costs were determined by a qualified independent actuary using the projected unit credit method.

The following tables summarize the components of retirement benefit costs, the unfunded status and the amounts recognized as retirement benefit liability of the Company:

Details of retirement benefit costs are as follows:

	2014	2013	2012
		(In Thousands)	
Current service cost	**₱93,506**	₱82,096	₱60,155
Net interest cost	**21,555**	18,298	14,550
Curtailment gain	–	(10,597)	–
Retirement benefit costs recognized in profit or loss	**115,061**	89,797	74,705
Remeasurements recognized in OCI	**19,396**	113,744	117,226
Retirement benefit costs	**₱134,457**	₱203,541	₱191,931

The remeasurement loss on retirement benefits consists of:

The remeasurement loss on retirement benefits consists of:

	2014	2013	2012
		(In Thousands)	
Actuarial loss (gain) arising from:			
Changes in assumptions	**₱26,120**	₱144,660	₱162,922
Experience adjustments	**(12,764)**	(45,741)	3,757
	13,356	98,919	166,679
Loss (gain) on plan assets*	**6,040**	14,825	(49,453)
	₱19,396	₱113,744	₱117,226

* *Excluding amounts recognized in net interest cost.*

The reconciliation of benefit liability recognized in the balance sheets follows:

	2014	2013
	(In Thousands)	
Present value of benefit obligation	**₱1,297,527**	₱1,261,204
Fair value of plan assets	**(714,603)**	(763,831)
Balance at end of year	**₱582,924**	₱497,373

The breakdown of the retirement plan liability per entity follows:

	2014	2013
	(In Thousands)	
HPI	**₱330,621**	₱226,701
HPMC	**247,914**	264,082
ECLI	**1,524**	6,590
HMDC	**125**	–
HSSI	**57**	–
HPBSCI	**2,683**	–
	₱582,924	₱497,373

Movements in the retirement benefits liability are as follows:

	2014	2013
	(In Thousands)	
Balance at beginning of year	**₱497,373**	₱362,299
Retirement benefit costs	**115,061**	89,797
Remeasurement loss recognized in OCI	**19,396**	113,744
Contributions	**(48,906)**	(68,467)
Balance at end of year	**₱582,924**	₱497,373

The changes in the present value of defined benefit obligation are as follows:

	2014	2013
	(In Thousands)	
Balance at beginning of year	**₱1,261,204**	₱1,119,716
Actuarial losses	**13,356**	98,919
Interest cost	**56,940**	61,336
Current service cost	**93,506**	82,096
Curtailment gain	**–**	(10,597)
Benefits paid	**(127,479)**	(59,612)
Settlements	**–**	(30,654)
Balance at end of year	**₱1,297,527**	₱1,261,204

The changes in the fair value of plan assets are as follows:

	2014	2013
	(In Thousands)	
Balance at beginning of year	**₱763,831**	₱757,417
Contributions	**48,906**	68,467
Loss on plan assets*	**(6,040)**	(14,825)
Benefits paid	**(127,479)**	(59,612)
Interest income on plan assets	**35,385**	43,038
Settlements	**–**	(30,654)
Balance at end of year	**₱714,603**	₱763,831
Actual return on plan assets	**₱29,345**	₱28,213

**Excluding amounts recognized in net interest cost.*

The funds are administered by a trustee bank under the supervision of the duly Authorized Person or Trustee of the Plans. The Authorized Person or Trustee is responsible for investment of the assets. Based on the overall direction set by a Retirement Fund Committee, the Trustee proposes an investment strategy and as approved by the Retirement Fund Committee, executes such strategy. The Trustee defines the investment strategy, based on the investment instructions found in the Trust Agreement. When defining the investment strategy, the Trustee takes into account the Plans' objectives, benefit obligations and risk capacity. The investment strategy is defined in the form of a long-term target structure (investment policy). The control, direction, and management of the funds shall reside in and be the sole responsibility of the Trustee.

The Plans' assets and investments consist of the following:

- Cash and cash equivalents, which includes regular savings and time deposits;
- Investments in government securities, which include retail treasury bonds and fixed rate treasury notes that bear interest ranging from 3.1% to 11.9% and have maturities from October 2014 to October 2037;
- Investments in corporate debt instruments, consisting of both short-term and long-term corporate notes and land bonds, which bear interest ranging from 5.8% to 8.8% and have maturities from October 2014 to January 2024; and
- Investments in equity securities; which consist of listed and actively traded securities of companies in various industries as disclosed below.

The percentages of fair value of total plan assets are as follows:

	2014		2013	
	HPI	HPMC	HPI	HPMC
Cash and receivables	**0.0%**	**0.8%**	0.5%	0.1%
Investments in debt securities:				
Government securities	**41.3%**	**52.5%**	43.1%	47.7%
Corporate debt securities	**10.9%**	**19.1%**	16.6%	21.2%
	52.2%	**71.6%**	59.7%	68.9%
Investment in equity securities				
Construction, infrastructure, property and mining	**14.4%**	**7.8%**	12.6%	4.2%
Holding firms	**7.7%**	**6.2%**	7.8%	15.3%
Power and utilities	**9.8%**	**3.2%**	5.0%	2.2%
Banks	**4.6%**	**3.1%**	4.2%	2.1%
Telecommunications	**1.6%**	**2.1%**	1.6%	2.0%
Others	**9.7%**	**5.2%**	8.6%	5.2%
	47.8%	**27.6%**	39.8%	31.0%
	100.0%	**100.0%**	100.0%	100.0%

The Company expects to contribute ₱34.7 million and ₱48.8 million to its defined retirement benefit pension plans in HPMC and HPI, respectively, in 2015.

The present value of defined benefit obligation, fair value of plan assets, unfunded and funded status and experience adjustments arising from plan assets and liabilities for the current period and the previous four annual periods are as follows:

	2014	2013	2012	2011	2010
			(In Thousands)		
Present value of defined benefit obligation	**₱1,297,527**	₱1,261,204	₱1,119,716	₱974,984	₱965,859
Plan assets	**(714,603)**	(763,831)	(757,417)	(747,256)	(712,141)
Unfunded status	**582,924**	497,373	362,299	227,728	253,718
Experience adjustments - gain (loss):					
Plan assets	**(6,040)**	(14,825)	49,453	(3,380)	68,928
Plan liabilities	**12,764**	45,741	(3,757)	(20,894)	13,252

The principal assumptions used in determining the retirement benefit liability of the Company as at December 31 are as follows:

	2014	2013	2012
Discount rates	**4.5% - 5.0%**	4.5% - 5.0%	5.5% - 5.7 %
Future salary rate increases	**5.6%**	5.5%	5.0%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

		2014					
	Increase (decrease)	**Effect on defined benefit obligation**					
		HPI	**HPMC**	**ECLI**	**HSSI**	**HPBSCI**	**HMDC**
					(In Thousands)		
Discount rate							
Sensitivity 1	**1%**	**(₱76,964)**	**(₱37,410)**	**(₱252)**	**(₱12)**	**(₱544)**	**(₱13)**
Sensitivity 2	**(1%)**	**90,576**	**42,742**	**317**	**16**	**710**	**15**
Future salary rate increases							
Sensitivity 1	**1%**	**87,494**	**41,212**	**311**	**16**	**698**	**12**
Sensitivity 1	**(1%)**	**(75,937)**	**(36,798)**	**(253)**	**(12)**	**(546)**	**(13)**

		2013	
	Increase (decrease)	Effect on defined benefit obligation	
		HPI	HPMC
		(In Thousands)	
Discount rate			
Sensitivity 1	1%	(₱74,264)	(₱40,928)
Sensitivity 2	(1%)	87,462	46,992
Future salary rate increases			
Sensitivity 1	1%	84,729	45,381
Sensitivity 1	(1%)	(73,405)	(40,312)

The management and its trustee bank reviews the performance of the Plans on a regular basis and assess whether the Plans will achieve an investment return which, together with contributions, will be sufficient to pay retirement benefits as they fall due. The Company also reviews its solvency position on an annual basis and estimates, through the actuary, the expected contribution to the Plans in the subsequent year.

The tables below show the maturity analysis of the undiscounted benefit payments as of December 31:

	2014				
	HPI	**HPMC**	**ECLI**	**HPBSCI**	**HMDC**
			(In Thousands)		
Within one year	**₱51,254**	**₱11,286**	**₱–**	**₱13**	**₱–**
More than one year to five years	**244,155**	**120,867**	**–**	**952**	**–**
More than five years	**439,705**	**224,025**	**2,231**	**7,795**	**2,204**

	2013	
	HPI	HPMC
	(In Thousands)	
Within one year	₱27,894	₱37,118
More than one year to five years	202,815	99,976
More than five years	443,966	223,625

Defined Contribution Retirement Plan
HPI has a defined contribution plan wherein the obligation is limited to the specified contribution in the defined contribution plan. Total retirement benefits cost related to the defined contribution plans amounted to ₱67.2 million, ₱64.5 million and ₱41.3 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Total consolidated retirement benefit costs recognized in the consolidated statements of income are as follows:

	2014	2013	2012
		(In Thousands)	
Expense recognized for:			
Defined benefit plans	**₱115,061**	₱89,797	₱74,705
Defined contribution plan	**67,151**	64,466	41,253
Retirement benefit costs	**₱182,212**	₱154,263	₱115,958

28. Commitments and Contingencies

a. Leases

The Company has a number of lease agreements covering office spaces, warehouses, bulk terminals and various equipment that are accounted for as operating lease with periods ranging from one year to 11 years. Majority of the lease agreements for office spaces have rent escalations wherein monthly rent increases over the lease terms, and provide for renewal option under negotiated terms and conditions upon expiration. The Company records rental expense on a straight-line basis over the base, noncancellable lease terms. Any difference between the calculated expense and amount actually paid is recognized either as prepaid or accrued rent. Prepaid or accrued rent is reflected as current or noncurrent asset and liability, respectively, depending on its expected reversal date. Operating lease expense recognized in the consolidated statements of income amounted to ₱108.9 million, ₱104.3 million and ₱139.5 million in 2014, 2013 and 2012, respectively (see Notes 19, 20 and 21).

Future minimum lease payable under non-cancellable operating leases as at December 31, 2014 and 2013 are as follows:

	2014	2013
	(In Thousands)	
Within one year	**₱60,942**	₱66,629
After one year but not more than five years	**175,684**	231,992
More than five years	**10,599**	15,233
	₱247,225	₱313,854

b. Contract with National Power Corporation (NPC)

i) For Barrio Ilang, Davao City Plant

On September 26, 2008, the Company renewed its contract with NPC for the supply of electricity to the Barrio Ilang, Davao City cement manufacturing facility for a period of five years from September 26, 2008 to September 25, 2013. Charges and adjustments from January 1 to September 25, 2013 and for the years ended December 31, 2012 and 2011 are as follows:

(a) Basic Energy Charge

The tariff on electricity based on TOU rates as approved by the Energy Regulatory Commission (ERC) and in accordance with the provisions of the contract shall be the bases of the basic charges and other billing adjustments. This will be applied to the contracted monthly energy levels on a take-or-pay arrangement. For consumption higher than one hundred twenty percent (120%) of the contracted level, the basic energy charge to be applied shall be the prevailing ERC approved rate and other adjustments plus twenty percent (20%) of such rate for the incremental increase beyond the 120% of the contract energy.

(b) A minimum charge based on the contract energy per billing period shall be paid using the aforementioned basic energy charge subject to deductions and adjustments as provided in the Contract.

Effective September 26, 2013, Davao plant became a "captive customer" of Davao Light and Power Company, the Distribution Utility (DU) which holds the franchise for power distribution in the area pursuant to Energy Regulatory Commission Resolution No. 27, Series of 2010.

ii) For Lugait, Misamis Oriental Plant

On October 26, 2007, HPI entered into an agreement with NPC to continue the existing arrangement between HPMC and NPC for the supply of electricity at the Lugait, Misamis Oriental cement manufacturing facility. The agreement shall be effective for a period of five years from November 26, 2007 to November 25, 2012. Charges and adjustments are the same as that of Davao City Plant. Renewal of the supply contract with NPC will be through Misamis I Oriental Electric Cooperative (Moresco I) following Energy Regulatory Commission's ruling. Starting December 2012, power supply to Lugait will come from Moresco I with no price impact to Lugait.

The related expense under this contract is recognized as part of "Power and fuel" account in the Cost of Sales (see Note 19).

c. Lawsuits

The Company is either a defendant or plaintiff in several civil, criminal and labor cases primarily involving collection and claims for damages. Based on the assessment of management and the opinion of the Company's external legal counsels, the resolution of such cases will not result to any significant liability.

The disclosure of additional details beyond the present disclosures may seriously prejudice the Company's position and negotiating strategy. Thus, as allowed by PAS 37, "Provisions, Contingent Liabilities and Contingent Assets", only general descriptions were provided.

d. Supply Agreement with Philippine Phosphate Fertilizer Corporation (Philphos)

On April 22, 2008, the Company entered into an agreement with Philphos for the supply of lime-treated phosphor gypsum for a period of five years. Under the agreement, the minimum volume the Company committed to purchase is 90,000 metric tons at a fixed price. The Company paid cash deposit of ₱96.8 million to be applied as payment of material on the fifth year of the agreement.

On April 23, 2013, the supply agreement was renewed for another five-year period. The corresponding deposit is presented under "Other noncurrent assets - Guarantee deposits" account in the December 31, 2013 consolidated balance sheet. As of December 31, 2014, the amount is recognized as part of "Other current assets - Advances to suppliers" as the amount is due for refund in 2015 (see Note 7).

e. Supply Agreements with Pozzolanic Philippines, Inc. (PPI)

On August 22, 2012, the Company entered into various agreements with PPI for the supply of fly and bottom ash to the Bulacan, Calaca and ready-mix (RMX) plants with a term of 15 years reckoned from May 1, 2012. Details and terms of the supply agreements are as follows:

i) Bulacan and Calaca

The separate supply agreements for Bulacan and Calaca plants require PPI to deliver fly ash at agreed specifications, volumes and price for a period of five years to be sourced from its power pla nts in Batangas, Pangasinan and Quezon Province, where PPI has an exclusive purchase agreement. In addition, PPI shall deliver bottom ash to the Company's cement plants free of charge.

ii) RMX

PPI shall supply fly ash with agreed specifications based on the annual volume requirement of the Company for 15 years. Delivery schedules shall be agreed by PPI and the Company and shall be made to the batching plants in Taguig and Bicutan.

The related expense under this contract is recognized as part of "Raw, packaging and production materials" account in the Cost of Sales (see Note 19).

f. Electricity Supply Agreement (ESA)

On August 12, 2011, a 15-year ESA was signed with TA Oil to supply both Bulacan and La Union plants. This supply agreement will commence in 2014. Source will be coming from the 135 MW Puting Bato coal-fired power plant in Calaca, Batangas owned by South Luzon Thermal Energy Corporation, a joint venture company of TA Oil and Ayala Corporation's AC Energy Holdings. Included in the agreement is the provision of back-up supply from the Diesel Power Plants in Bulacan (TA Power) and in Bacnotan (CIP/TA Oil). In essence, power supply for the Company's Bulacan and La Union Plants is assured over a long-term period without the uncertainties of how the Luzon grid supply situation will move. Electricity fee is structured according to TOU rate with provisions to rate increases based on fuel purchased for the power plant. The related expense under this contract is recognized as part of "Power and Fuel" account in the Cost of Sales (see Note 19).

g. Sales Agreement with Petron Corporation (Petron)

On July 1, 2010, the Company entered into a five-year agreement for the supply of industrial fuel oil (IFO), automotive diesel oil (ADO) and/or industrial diesel oil (IDO) with Petron, effective from July 1, 2010 to June 30, 2015. Delivered quantities are based on the Company's estimated monthly consumption of 1 million liters for IFO and 0.7 million liters for ADO/IDO. The related expense under this contract is recognized as part of "Power and Fuel" account in the Cost of Sales (see Note 19).

h. Quarry Outsourcing Agreements with ANSECA

The quarry outsourcing agreements with ANSECA for La Union, Davao, Bulacan and Lugait plants have terms and duration of 10 to 11 years. The minimum volume requirement per plant varies from 0.90 million to 1.70 million metric tons per annum. The related expense under this contract is recognized as part of "Outside services" account in the Cost of Sales (see Note 19).

i. Coal Supply Contracts

The Company has contracts with two Indocoal suppliers, with a three-year term commencing on January 1, 2010. Only the coal supply contract for one Indocoal supplier (PT Asia Pacific Mining Resources) was extended until December 2014. The Company also entered into a five-year contract with a local coal supplier, Semirara Mining Corporation, effective January 1, 2010 until December 31, 2014. As of the closing date, the Company is in the process of negotiating with local coal supplier for the renewal of the supply agreement. Force majeure provides for relief from these obligations in case of economic shutdowns and serious equipment breakdowns.

As at December 31, 2014 and 2013, the Company was able to comply with the minimum provisions of the coal supply contracts. The related expense under this contract is recognized as part of "Power and fuel" account in the Cost of Sales (see Note 19).

j. Supply Agreement with Lafarge

On April 11, 2014, the Company entered into a four-year cement supply agreement with Lafarge Republic, Inc. to deliver the Type IP cement at an annual volume of 300,000 metric tons. The said product must comply with the Philippine National Standards (PNS) 63:2006 Standards and shall be processed at the Company's plant in Mabini, Batangas. The agreement commenced on October 1, 2014. The sales related to this contract is recognized as part of the Company's revenue in 2014.

k. Others

There are contingent liabilities for tax assessments occurring in the ordinary course of business. On the basis of information furnished by the Company's legal counsels, management believes that none of these contingencies will materially affect the Company's financial position and financial performance.

29. Earnings Per Common Share (EPS)

Basic/diluted EPS is computed as follows:

	2014	2013	2012
	(In Thousands, Except Per Share Amounts)		
Consolidated net income for the year attributable to common equity holders of the Parent Company	**₱5,145,178**	₱4,558,592	₱3,621,171
Weighted average number of common shares - Issued and outstanding	**6,452,099**	6,452,099	6,452,099
Basic/diluted EPS of net income attributable to equity holders of the Parent Company	**₱0.80**	₱0.71	₱0.56

Basic EPS is computed based on weighted average number of issued and outstanding common shares during each year. Diluted EPS is computed as if the potential common share or instrument that may entitle the holder to common share were exercised as of the beginning of the year. Where the Parent Company does not have any potential common share or other instruments that may entitle the holder to common shares, diluted EPS is the same as basic EPS.

There are no dilutive financial instruments in 2014, 2013 and 2012, hence diluted EPS is the same as basic EPS.

30. Environmental and Regulatory Matters

a. Executive Order (EO) 79

On July 6, 2012, the Philippine Government issued EO 79, *Institutionalizing and Implementing Reforms in the Philippine' Mining Sector, Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral*

Resources, also known as the Revised Mining Act. EO 79 provides for the following, among others:

- restriction on applications of mineral contracts and agreements in critical areas and pending new legislation;
- review of performance of existing mining operations and cleansing of non-moving mining rights holders;
- review of existing mining contracts and agreements for possible renegotiation of terms and conditions;
- establishment of mineral reservations and opening of areas for mining through competitive public bidding;
- disposition of abandoned ores and valuable metals in mine wastes and mill tailings; and,
- creation of the Mining Industry Coordinating Council with powers and functions granted by this EO.

On October 8, 2012, the DENR published Administrative Order No. 2012-07-A containing guidance for the implementation of EO 79.

Management assessed that EO 79 will not have a significant effect on the current operations of the Company. Management continuously monitors the implementation of EO 79 and its impact on the industry in general.

b. Clean Air Act

The Clean Air Act and the related IRR contain provisions that have an impact on the industry as a whole, and to the Company in particular, that needs to be complied with within 44 months from the effectivity date or by July 2004. Based on the assessment made on the Company's existing facilities, management believes it complies with the provisions of the Clean Air Act and the related IRR.

31. Segment Reporting

Operating segments are components of the Company that engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), which operating results are regularly reviewed by the chief operating decision maker to make decisions about how resources are to be allocated to each of the segments and to assess their performances, and for which discrete financial information is available. Management reassesses on an annual basis whether there have been any change in the operating segments or in the reportable operating segments in accordance with PFRS 8, "Operating Segments".

For management purposes, the Company is organized into activities based on their products and has three segments, as follows:

- clinker and cement segment, which manufactures and sells clinker and cement for both domestic and export customers; and
- other construction materials and services segment, which includes operations from the RMX business and Helps-U-Build.

Management monitors the operating results of its business segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is based on operating EBITDA and is measured consistently with consolidated net income in the consolidated statements of income. However, the Company's finance income and charges and income taxes are managed on a group basis, and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis similar to transactions with third parties.

The Company has determined the Clinker and cement segment as the only reportable segment. Information on the other segments that are not reportable are combined and presented as "Others". Segment revenues, EBITDA, assets, liabilities and other information for segments as at December 31, 2014 and 2013 and for each of the three years ended December 31, 2014 are presented below:

	2014				
	Clinker and Cement	Others	Total	Adjustments and Eliminations	Consolidated
			(In Thousands)		
Revenue:					
External customers	₱31,774,849	₱873,810	₱32,648,659	₱–	₱32,648,659
Inter-segment	464,803	–	464,803	(464,803)	–
	₱32,239,652	₱873,810	₱33,113,462	(₱464,803)	₱32,648,659
Operating EBITDA	₱8,802,920	(₱157,582)	₱8,645,338	₱–	₱8,645,338
Segment assets	27,336,850	645,201	27,982,051	2,924,635	30,906,686
Segment liabilities	6,127,731	224,748	6,352,479	2,461,331	8,813,810
Results -					
Depreciation, amortization and depletion	1,354,211	68,393	1,422,604	–	1,422,604
Other disclosures -					
Construction in-progress	2,674,532	–	2,674,532	–	2,674,532

	2013				
	Clinker and Cement	Others	Total	Adjustments and Eliminations	Consolidated
			(In Thousands)		
Revenue:					
External customers	₱28,195,962	₱697,407	₱28,893,369	₱–	₱28,893,369
Inter-segment	316,633	–	316,633	(316,633)	–
	₱28,512,595	₱697,407	₱29,210,002	(₱316,633)	₱28,893,369
Operating EBITDA	₱7,713,141	(₱107,770)	₱7,605,371	₱–	₱7,605,371
Segment assets	25,270,421	547,857	25,818,278	2,408,250	28,226,528
Segment liabilities	4,927,943	197,667	5,125,610	1,624,591	6,750,201
Results -					
Depreciation, amortization and depletion	1,412,786	62,861	1,475,647	–	1,475,647
Other disclosures -					
Construction in-progress	1,851,804	–	1,851,804	–	1,851,804

	2012				
	Clinker and Cement	Others	Total	Adjustments and Eliminations	Consolidated
			(In Thousands)		
Revenue:					
External customers	₱26,509,506	₱649,491	₱27,158,997	₱–	₱27,158,997
Inter-segment	201,428	83,990	285,418	(285,418)	–
	₱26,710,934	₱733,481	₱27,444,415	(₱285,418)	₱27,158,997

(Forward)

	2012				
	Clinker and Cement	Others	Total	Adjustments and Eliminations	Consolidated
			(In Thousands)		
Operating EBITDA	₱6,667,530	(₱145,039)	₱6,522,491	₱–	₱6,522,491
Segment assets	22,408,616	574,662	22,983,278	2,938,441	25,921,719
Segment liabilities	4,242,746	236,215	4,478,961	884,035	5,362,996
Results:					
Depreciation, amortization and depletion	1,424,700	50,139	1,474,839	–	1,474,839
Equity in net losses of a joint venture	13,359	–	13,359	–	13,359
Other disclosures:					
Asset held for sale	338,684	–	338,684	–	338,684
Construction in-progress	946,474	–	946,474	–	946,474

Inter-segment revenues, other than those outside the Company, are eliminated upon consolidation and reflected in the "Adjustments and eliminations" column. All other adjustments that are part of detailed reconciliations presented further below, include the following:

- Finance income and charges, and foreign exchange gains (losses) on financial assets and liabilities are not allocated to individual segments as the underlying instruments are managed on a group basis.
- Deferred income taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Following is the reconciliation of segment operating profit to consolidated income before income tax:

	2014	2013	2012
		(In Thousands)	
Operating EBITDA	**₱8,645,338**	₱7,605,371	₱6,522,491
Depreciation, amortization and depletion	**(1,422,604)**	(1,475,647)	(1,474,839)
Interest and financing charges	**(43,670)**	(5,099)	(55,017)
Interest and other financial income	**13,029**	29,474	19,981
Foreign exchange gains (losses) - net	**1,964**	(1,694)	8,763
Gain on sale of investment in a joint venture	–	150,297	–
Equity in net losses earnings of a joint venture	–	–	(13,359)
Dividend income	–	–	2
Others - net	**105,169**	100,162	188,208
Income before income tax	**₱7,299,226**	₱6,402,864	₱5,196,230

	December 31, 2014	December 31, 2013
Segment assets	**₱27,932,891**	₱25,817,488
Cash and cash equivalents	**2,698,207**	2,149,104
Investments	**4,559**	4,559
Deferred income tax assets - net	**271,029**	255,377
Consolidated assets	**₱30,906,686**	₱28,226,528
Segment liabilities	**₱5,713,105**	₱5,125,701
Notes payable	**2,100,105**	893,000
Trade and other payables	**654,416**	503,169
Income tax payable	**345,531**	222,616
Derivative liability	–	4,282
Deferred income tax liability - net	**653**	1,433
Consolidated liabilities	**₱8,813,810**	₱6,750,201

Geographic Information

	2014	2013	2012
		(In Thousands)	
Revenues from external customers			
Local	**₱32,623,607**	₱28,847,602	₱27,116,020
Export	**25,052**	45,767	42,977
Total revenues	**₱32,648,659**	₱28,893,369	₱27,158,997

The Company has no revenue from transactions with a single external customer accounting for 10% or more of the consolidated revenues. All property, plant and equipment of the Company are located in the Philippines.

Exhibit 2

Supplementary Schedules to the Consolidated Financial Statements

For the year ended

December 31, 2014

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 28, 2012, valid until December 31, 2015
SEC Accreditation No. 0012-FR-3 (Group A),
November 15, 2012, valid until November 16, 2015

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
Holcim Philippines, Inc.
7th Floor, Two World Square
McKinley Hill, Fort Bonifacio
Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Holcim Philippines, Inc. and its subsidiaries as at December 31, 2014 and 2013, and for each of the three years in the period ended December 31, 2014, included in this Form 17-A, and have issued our report thereon dated February 9, 2015. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Catherine E. Lopez

Catherine E. Lopez
Partner
CPA Certificate No. 86447
SEC Accreditation No. 0468-AR-2 (Group A),
February 14, 2013, valid until February 13, 2016
Tax Identification No. 102-085-895
BIR Accreditation No. 08-001998-65-2012,
April 11, 2012, valid until April 10, 2015
PTR No. 4751291, January 5, 2015, Makati City

February 9, 2015

HOLCIM PHILIPPINES, INC.

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2014

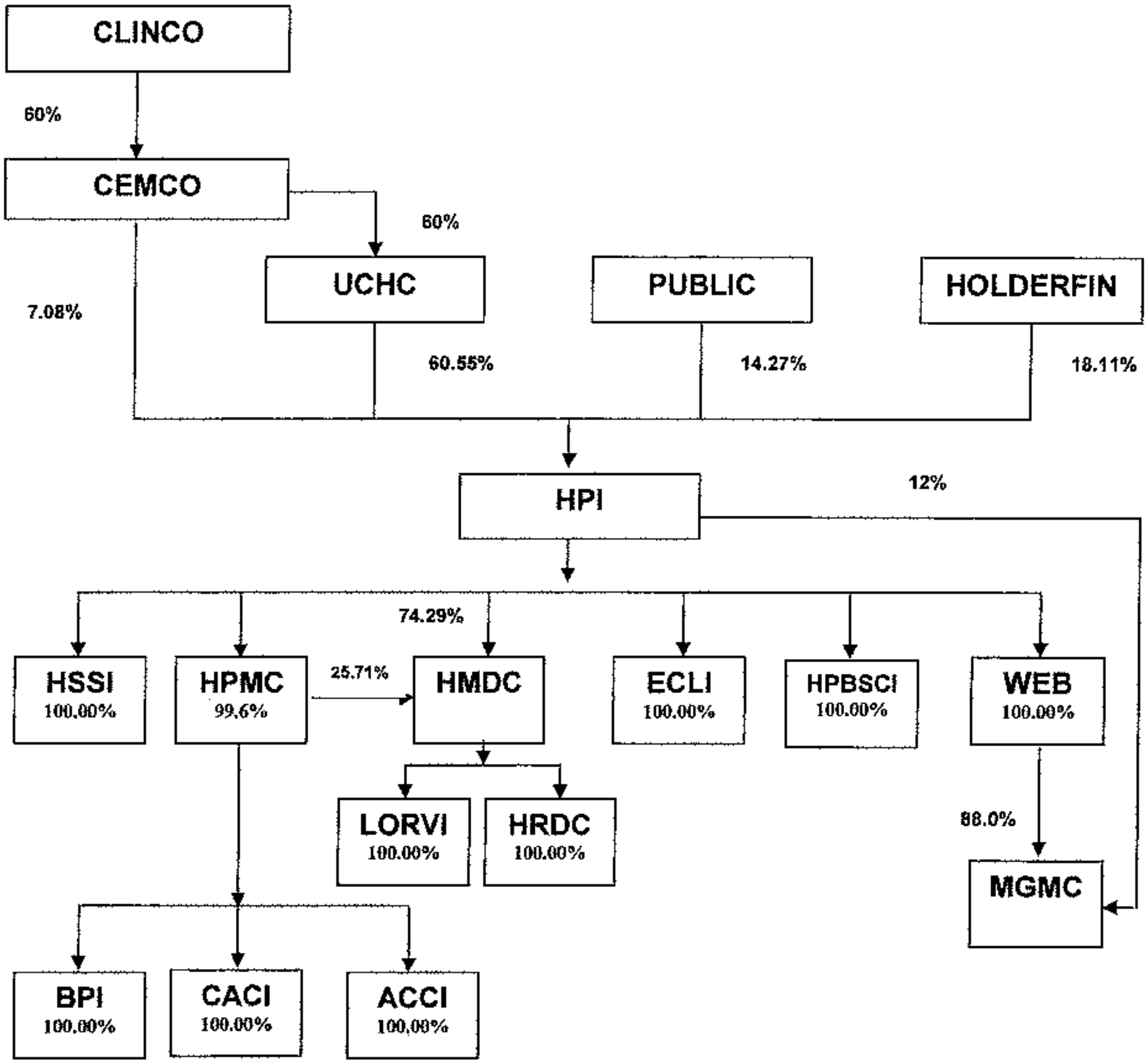
(In Thousands)

Unappropriated retained earnings, beginning	₱5,330,783
Adjustment:	
Deferred income tax assets (excluding amounts recognized in OCI)	(390,369)
Unappropriated retained earnings, as adjusted, beginning	4,940,414
Net income based on the face of audited financial statements	5,286,421
Decrease in deferred income tax assets (excluding amounts recognized in OCI)	30,759
Net income actual/realized	5,317,180
Less dividend declaration during the year	(4,516,470)
Unappropriated retained earnings, as adjusted, ending	₱5,741,124

Company: Holcim Philippines Inc. (HPI)

Illustration of relationships between the company and its ultimate parent company, middle parent, and it's subsidiaries

As of December 31, 2014



COMPANY NAME		PRINCIPAL ACTIVITIES
CLINCO	Clinco Corporation	Investment holding in CEMCO
CEMCO	Cemco Holdings, Inc.	Investment holding in UCHC and HPI
UCHC	Union Cement Holdings Corporation	Investment holding in HPI
HPI	Holcim Philippines, Inc.	Manufacture and distribute cement products
HPMC	Holcim Philippines Manufacturing Corporation	Manufacture and distribute cement products
BPI	Bulkcem Philippines, Inc.	Purchase, lease, sale of real properties
CACI	Calamba Aggregates Co., Inc.	Mining, Processing and sale of quarry resources
ACCI	Alsons Construction Chemical, Inc.	Manufacture, use and sale of admixtures
WEB	Wellbourne International Group Limited	Investment holding in MGMC
MGMC	Mabini Ginding Mill Corporation	Manufacture and distribute cement products
HRDC	Holcim Resources Development Corporation *	Mining, processing and sale of quarry resources
HMDC	Holcim Mining and Development Corporation **	Mining, processing and sale of quarry resources
ECLI	Excel Concrete Logistics, Inc.	Distribution of concrete and cement products
HPBSCI	Holcim Philippines Business Services Center Inc.	Business process outsourcing and other information technology enabled sevices
HSSI	Hubb Stores and Services, Inc.	Retail operations
LORVI	Lucky One realty Ventures, Inc.	Purchase, lease, sale of real properties

* Formerly Mabini Land Holdings Corp.

** Formerly Holcim Aggregates Corp.

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES
Philippine Financial Reporting Standards and Interpretations
Effective as of December 31, 2014

	Title	Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements		✔		
Conceptual Framework Phase A: Objectives and qualitative characteristics				
PFRSs Practice Statement Management Commentary				✔
Philippine Financial Reporting Standards				
PFRS 1	First-time Adoption of Philippine Financial Reporting Standards	✔		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✔		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✔
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✔
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✔
	Amendments to PFRS1: Government Loans			✔
	Amendment to PFRS 1: Borrowing Costs			✔
	Amendment to PFRS 1: Meaning of Effective PFRS			✔
PFRS 2	Share-based Payment	✔		
	Amendments to PFRS 2: Vesting Conditions and Cancellations	✔		
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions	✔		
	Amedment to PFRS 2: Definition of Vesting Condition		Not early adopted	
PFRS 3	Business Combinations	✔		
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination		Not early adopted	
	Amendment to PFRS 3: Scope Exceptions for Joint Arrangements		Not early adopted	
PFRS 4	Insurance Contracts			✔
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✔
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✔		
PFRS 6	Exploration for and Evaluation of Mineral Resources	✔		
PFRS 7	Financial Instruments: Disclosures	✔		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✔		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✔		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✔		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✔		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✔		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✔		
PFRS 8	Operating Segments	✔		
	Amendments to PFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets		Not early adopted	
PFRS 9	Financial Instruments		Not early adopted	
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures		Not early adopted	
PFRS 10	Consolidated Financial Statements	✔		
	Amendments to PFRS 10: Investment Entities	✔		
PFRS 11	Joint Arrangements	✔		
	Amendments to PFRS 11: Investment Entities	✔		
PFRS 12	Disclosure of Interests in Other Entities	✔		
PFRS 13	Fair Value Measurement	✔		
	Amendment to PFRS 13: Short-term Receivables and Payables	✔		
	Amendment to PFRS 13: Portfolio Exception		Not early adopted	
Philippine Accounting Standards (PASs)				
PAS 1 (Revised)	Presentation of Financial Statements	✔		
	Amendment to PAS 1: Capital Disclosures	✔		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✔
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✔		
	Amendments to PAS 1: Clarification of the Requirements for Comparative Presentation	✔		
PAS 2	Inventories	✔		
PAS 7	Statement of Cash Flows	✔		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✔		
PAS 10	Events after the Reporting Date	✔		
PAS 11	Construction Contracts	✔		
PAS 12	Income Taxes	✔		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✔		
PAS 16	Property, Plant and Equipment	✔		
	Amendment to PAS 16: Classification of Servicing Equipment	✔		
	Amendment to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated Depreciation		Not early adopted	
PAS 17	Leases	✔		
PAS 18	Revenue	✔		

	Title	Adopted	Not Adopted	Not Applicable
PAS 19	Employee Benefits	✔		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✔		
PAS 19 (Amended)	Employee Benefits	✔		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions		Not early adopted	
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance	✔		
PAS 21	The Effects of Changes in Foreign Exchange Rates	✔		
	Amendment: Net Investment in a Foreign Operation	✔		
PAS 23 (Revised)	Borrowing Costs	✔		
PAS 24 (Revised)	Related Party Disclosures	✔		
	Amedments to PAS 24: Key Management Personnel		Not early adopted	
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✔
PAS 27	Consolidated and Separate Financial Statements	✔		
PAS 27 (Amended)	Consolidated and Separate Financial Statements	✔		
	Amendments to PAS 27: Investment Entities	✔		
PAS 28	Investments in Associates	✔		
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✔		
PAS 29	Financial Reporting in Hyperinflationary Economies			✔
PAS 31	Interests in Joint Ventures	✔		
PAS 32	Financial Instruments: Disclosure and Presentation	✔		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✔
	Amendment to PAS 32: Classification of Rights Issues	✔		
	Amendment to PAS 32: Tax Effect of Distribution to Holders of Equity Instruments	✔		
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✔		
PAS 33	Earnings per Share	✔		
PAS 34	Interim Financial Reporting	✔		
	Amendment to PAS 34: Interim Financial Reporting and Segment Information for Total Assets and Liabilities	✔		
PAS 36	Impairment of Assets	✔		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✔		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✔		
PAS 38	Intangible Assets	✔		
	Amendments to PAS 38: Revaluation Method - Proportionate Restatement of Accumulated Amortization		Not early adopted	
PAS 39	Financial Instruments: Recognition and Measurement	✔		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✔		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions	✔		
	Amendments to PAS 39: The Fair Value Option	✔		
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✔
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✔		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	✔		
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives	✔		
	Amendment to PAS 39: Eligible Hedged Items	✔		
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting	✔		
PAS 40	Investment Property	✔		
	Amendment to PAS 40: Investment Property		Not early adopted	
PAS 41	Agriculture			✔
Philippine Interpretation				
IFRIC-1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	✔		
IFRIC-2	Members' Shares in Co-operative Entities and Similar Instruments			✔
IFRIC-4	Determining whether an Arrangement contains a Lease	✔		
IFRIC-5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	✔		
IFRIC-6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	✔		
IFRIC-7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✔
IFRIC-8	Scope of PFRS 2	✔		
IFRIC-9	Reassessment of Embedded Derivatives	✔		
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives	✔		
IFRIC-10	Interim Financial Reporting and Impairment	✔		
IFRIC-11	PFRS 2- Group and Treasury Share Transactions	✔		
IFRIC-12	Service Concession Arrangements	✔		
IFRIC-13	Customer Loyalty Programmes	✔		

	Title	Adopted	Not Adopted	Not Applicable
IFRIC-14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✔		
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement	✔		
IFRIC-16	Hedges of a Net Investment in a Foreign Operation			✔
IFRIC-17	Distributions of Non-cash Assets to Owners	✔		
IFRIC-18	Transfers of Assets from Customers	✔		
IFRIC-19	Extinguishing Financial Liabilities with Equity Instruments	✔		
IFRIC-20	Stripping Costs in the Production Phase of a Surface Mine	✔		
IFRIC-21	Levies	✔		
SIC-7	Introduction of the Euro			✔
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✔
SIC-12	Consolidation - Special Purpose Entities	✔		
	Amendment to SIC - 12: Scope of SIC 12	✔		
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers	✔		
SIC-15	Operating Leases - Incentives	✔		
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	✔		
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✔		
SIC-29	Service Concession Arrangements: Disclosures			✔
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✔
SIC-32	Intangible Assets - Web Site Costs	✔		

Holcim Philippines, Inc. and Subsidiaries
Schedule of Financial Soundness Indicators

Financial KPI	Definition	For the Calendar Year Ended December 31	
		2014	2013
Current/Liquidity ratios			
Current Ratio	Current Assets / Current Liabilities	116%	127%
Quick Ratio	Current Assets – Inventory - Prepayments / Current Liabilities	69%	74%
Solvency ratio/Debt-to-equity ratio			
Debt to Equity Ratio	Total Liabilities / Equity	40%	31%
Asset to Equity Ratios			
Asset to Equity Ratio/ Equity Multiplier	Total Assets / Equity	140%	131%
Interest Rate Coverage Ratio			
Interest Coverage Ratio/EBITDA Net Interest Cover	Operating EBITDA / Net Interest	282.1	Nil
Profitability Ratios			
Return on Assets	Net Income / Average Total Assets	17.4%	16.8%
Return on Equity	Net Income / Average Total Equity	23.6%	21.7%
Operating EBITDA Margin	Operating EBITDA / Net Sales	26.5%	26.3%

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

Schedule A. Financial Assets
For the Year Ended December 31, 2014
(Amounts in Thousands)

Name of Issuing Company and Association of Each Issue	Number of Units or Shares or Principal Amount of Bonds and Notes	Amount Shown in the Statements of Financial Position	Value Based on Market Quotations at Reporting Date	Income Received and Accrued
	N/A	N/A	N/A	N/A
	-	-	-	-

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

Schedule B. **Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders**
(Other than Related Parties)
For the Year Ended December 31, 2014
(Amounts in Thousands)

Name and Designation of Debtor		Beginning Balance	Additions	Deductions: Amount Collected	Deductions: Amount Written-Off	Current	Non Current	Ending Balance
Directors, Officers and Employees								
GAVINO, DEBRA GRACIA A.	Employee	₱ 674	₱ 10,696	₱ (5,782)	₱	₱ 5,588		₱ 5,588
BONIFACIO, CARMELA ABAD	Employee	-	4,726	(2,380)		2,346		2,346
VERGARA, MARIA CECILIA SI	Employee	-	4,245	(2,151)		2,094		2,094
LABRADORES, FLOR MAY C.	Employee	-	4,349	(2,289)		2,060		2,060
PIZARRAS, MICHELLE RAMO	Employee	-	4,095	(2,115)		1,980		1,980
SOYLON, MELCHOR P.	Employee	(21)	2,637	(851)		1,765		1,765
BALO JR., ELPEDIO C	Employee	1,217	132	-		1,349		1,349
CORTES, GILLIAN Y.	Employee	223	1,198	(378)		1,043		1,043
DURAN, PRISCO	Employee	10	1,140	(150)		1,000		1,000
ABRAGAN, CIELLA E.	Employee	14	6,020	(5,073)		961		961
LACTUAN, DEREK C.	Employee	(5)	1,366	(424)		937		937
MARCIAL, BENJAMIN B.	Employee	70	1,017	(193)		894		894
RENOLO, RESTITUTO P.	Employee	866	175	(159)		882		882
GO, VENCITO T.	Employee	158	3,472	(2,760)		870		870
BUIZON, ANNALINE V.	Employee	304	5,614	(5,049)		869		869
MANGUERRA, APRIL GRACE	Employee	392	1,709	(1,255)		846		846
GATMAITAN, ERNESTO A.	Employee	691	3,543	(3,483)		751		751
DEL ROSARIO, MARY CHRIST	Employee	681	3,015	(2,979)		717		717
CATANGHAL, PEPITO E.	Employee	697	2,106	(2,115)		688		688
BENITEZ, MA. PILAR A.	Employee	740	835	(960)		615		615
MASONGSONG, RAY MAR J.	Employee	292	1,730	(1,453)		569		569
MARSAMOLO, LEONILYN B.	Employee		1,162	(623)		539		539
DELA CRUZ, ERNESTO OCAM	Employee	748	1,442	(1,679)		511		511
CURIBA, NANETTE B.	Employee	401	1,521	(1,434)		488		488
DE LARA, JEZZEL	Employee	279	2,562	(2,353)		488		488
GILERA, ROBERT	Employee	494	587	(594)		487		487
JOSEF, CHERYL T.	Employee	65	1,571	(1,196)		440		440
PADRIGON, REUBEN JAMES	Employee	672	2,126	(2,371)		427		427
SASIS, RIGEL	Employee	136	3,210	(2,925)		421		421
GONZALES, ARCELI ESGUERI	Employee	14	1,795	(1,403)		406		406
GALANG, MARIA LIANDA C.	Employee	388	846	(847)		387		387
DEMANO, GERSON M.	Employee	384	383	(387)		380		380
CORONEL, GENNELEE A.	Employee	(2)	3,755	(3,373)		380		380
MASCARINAS, LOURDES SHA	Employee	55	2,547	(2,228)		374		374
BULLECER, MITCHEL A.	Employee	22	1,716	(1,370)		368		368
GAERLAN, ALEMAR PHILIP D	Employee	31	5,826	(5,512)		345		345
GUITGUITIN, FRANCISCO JR I	Employee	(8)	429	(77)		344		344
OBUSAN, RAFAEL II R.	Employee	17	999	(676)		340		340
TORCUATOR, LILIBETH T	Employee	99	2,732	(2,506)		325		325
AFALLA, RYAN JAY	Employee	505	908	(1,148)		265		265
DELIGENCIA, LOU JASON	Employee	529	2,478	(2,813)		194		194
RAGOT, ANTONIO P.	Employee	520	1,428	(1,881)		67		67
Advances to Directors, Officers and Employees		12,352	103,843	(79,395)		36,800		36,800
Holcim Technology Ltd.		₱ -	7,326	(1,175)		6,151		6,151
Holcim East Asia Business Service Centre, B.V. - Philippine ROHQ			30,724			30,724		30,724
Cemco Holdings, Inc.		18	1,264,548	(1,264,566)		-		-
Union Cement Holdings Corporation		82	16,933	(17,015)		-		-
Other Holcim Group Affiliates		1,507	341			1,848		1,848
Related Parties		1,607	1,319,872	(1,282,756)	-	38,723	-	38,723

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

Schedule C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
For the Year Ended December 31, 2014
(Amounts in Thousands)

Name and Designation of Debtor	Beginning Balance	Additions	Amounts Collected	Amounts Written Off	Current	Non Current	Balance at the End of Period
Holcim Mining and Development Corporation							
Due from:							
Holcim Resources Development Corporation	₱ -	₱ 134	₱	₱	₱ 134	₱	₱ 134
Lucky One Realty Ventures, Inc.	-	72,344			72,344		72,344
	-	72,478	-	-	72,478	-	72,478
Holcim Philippines Manufacturing Corporation							
Due from:							
Bulkcem Philippines, Inc.	42,805	4			42,809		42,809
Calamba Aggregates Co., Inc.	26,306				26,306		26,306
Holcim Philippines, Inc.		1,051,849	(664,143)		387,706		387,706
	69,111	1,051,853	(664,143)	-	456,821	-	456,821
Holcim Philippines, Inc.							
Due from:							
Bulkcem Philippines, Inc.	15,162	140	(15,302)		-		-
Holcim Philippines Manufacturing Corp	132,688	1,745,072	(1,877,760)		-		-
Holcim Mining and Development Corporation	12	579,622	(507,570)		72,064		72,064
Excel Concrete Logistics, Inc.	56,488	183,122	(132,909)		106,701		106,701
Calamba Aggregates Co., Inc.	50,504	80	(6,000)		44,584		44,584
Hubb Stores and Services, Inc.		4,221	(3,357)		864		864
Holcim Philippines Business Services Center, Inc.		489,900	(455,576)		34,324		34,324
Holcim Resources and Development Corporation	11,773	1,110			12,883		12,883
	266,627	3,003,267	(2,998,474)	-	271,420	-	271,420
Advances to:							
Mabini Grinding Milling Corp	642,046	10,427,548	(10,539,285)		530,309		530,309
	642,046	10,427,548	(10,539,285)	-	530,309	-	530,309

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

Schedule D. **Intangible Assets**
For the Year Ended December 31, 2014
(Amounts in Thousands)

Description	Beginning Balance	Additions At Cost	Deductions		Other Changes Additions (Deductions)	Ending Balance
			Charged to Cost and Expenses	Charged to Other Accounts		
Project Development Cost and Others	₱ 30,273	₱	₱ (3,437)	₱	₱	₱ 26,836
Software Cost	59,063		(14,766)			44,297
Mining Rights	179,544					179,544
Foreshore lease		544,902				544,902
Goodwill	2,635,738					2,635,738
	2,904,618	544,902	(18,203)	-	-	3,431,317

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

Schedule E. **Long-Term Debt**
For the Year Ended December 31, 2014
(Amounts in Thousands)

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown as Current	Amount Shown as Long-Term	Remarks
	NIL	NIL	NIL	
	-	-	-	

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

Schedule F. **Indetebtedness to Related Parties (Long-term Loans from Related Companies)**
For the Year Ended December 31, 2014
(Amounts in Thousands)

Name of Related Party	Beginning Balance	Balance at the End of Period
	₱ NIL	₱ NIL
	-	-

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

Schedule G. Guarantees of Securities of Other Issuers
For the Year Ended December 31, 2014
(Amounts in Thousands)

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which Statement is Filed	Nature of Guarantee
	NIL	₱ NIL	₱ NIL	NIL
	-	-	-	-

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

Schedule H. Capital Stock

For the Year Ended December 31, 2014

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions and Other Rights	Affiliates	Number of Shares Held by Directors, Officers and Employees	Others
Preferred Shares	20,000,000					
Common Shares	9,980,000,000	6,452,099,144		5,531,566,066	15,957	920,517,121
	10,000,000,000	6,452,099,144	-	5,531,566,066	15,957	920,517,121

Exhibit 3

SEC Form 17-Q

For the quarters ended

March 31, June 30 and September 30, 2014

COVER SHEET

2	6	1	2	6

SEC Registration Number

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

(Company's Full Name)

7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City

(Business Address: No. Street City/Town/Province)

Glenn A. Agustin		459-3333
(Contact Person)	(1st Quarter 2014)	(Company Telephone Number)

0 3	3 1	SEC FORM 17-Q		
Month	Day	For the quarter ended March 31, 2014	Month	Day
(Fiscal Year)		(Form Type)	(Annual Meeting)	

(Secondary License Type, If Applicable)

CFD	–
Dept. Requiring this Doc.	Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended March 31, 2014
2. Commission identification number 026126 3. BIR Tax Identification No 000-121-507-000
4. Exact name of issuer as specified in its charter HOLCIM PHILIPPINES, INC.
5. Province, country or other jurisdiction of incorporation or organization Manila, Philippines
6. Industry Classification Code: [ ] (SEC Use Only)
7. Address of issuer's principal office Postal Code

   7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City 1634
8. Issuer's telephone number, including area code (632) 459-3333
9. Former name, former address and former fiscal year, if changed since last report N. A.
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	6,452,099,144

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [x] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    Philippine Stock Exchange, Inc. Common Shares

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

    Yes [x] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days.

    Yes [x] No [ ]

PART I- FINANCIAL INFORMATION

Item 1. Financial Statements.

Exhibit I – Consolidated Balance Sheets as of March 31, 2014 and December 31, 2013
Exhibit II – Consolidated Statements of Income for the quarters ended March 31, 2014 and 2013
Exhibit III – Consolidated Statements of Comprehensive Income for the quarters ended March 31, 2014 and 2013
Exhibit IV – Consolidated Statements of Changes in Stockholders' Equity for the quarters ended March 31, 2014 and 2013
Exhibit V – Consolidated Statements of Cash Flows for the quarters ended March 31, 2014 and 2013
Exhibit VI – Aging of Trade and Other Receivables as of March 31, 2014

Exhibit I

HOLCIM PHILIPPINES, INC.
CONSOLIDATED BALANCE SHEETS
March 31, 2014 and December 31, 2013
(In Thousands)

	31 Mar 2014	31 Dec 2013
ASSETS		
Current Assets		
Cash and cash equivalents	₱3,276,902	₱2,149,104
Trade and other receivables-net	2,523,064	1,780,821
Inventories	2,831,038	3,018,593
Other current assets	832,501	739,638
Total Current Assets	9,463,505	7,688,156
Noncurrent Assets		
Investments	4,559	4,559
Property, plant and equipment – net	16,875,655	17,093,454
Goodwill	2,635,738	2,635,738
Intangibles	264,392	268,880
Deferred tax assets	208,867	255,377
Other noncurrent assets	278,595	280,364
Total Noncurrent Assets	20,267,806	20,538,372
	29,731,311	28,226,528
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Notes payable	400,000	893,000
Trade and other payables	4,786,087	4,954,547
Derivative liability	35	4,282
Income tax payable	707,558	222,616
Total Current Liabilities	5,893,680	6,074,445
Noncurrent Liabilities		
Retirement benefit liabilities	513,400	497,373
Provisions	126,669	127,778
Deferred tax liabilities	1,114	1,433
Other noncurrent liabilities	49,172	49,172
Total Noncurrent Liabilities	690,355	675,756
Equity Attributable to Equity Holders of the Parent		
Capital stock	6,452,099	6,452,099
Additional paid-in capital	8,476,002	8,476,002
Remeasurement loss on retirement benefits - net	(161,351)	(161,351)
Retained earnings	8,368,013	6,697,884
	23,134,763	21,464,634
Noncontrolling Interest	12,513	11,693
Total Stockholders' Equity	23,147,276	21,476,327
	₱29,731,311	₱28,226,528

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF INCOME
For the quarters ended March 31, 2014 and 2013
(In Thousands, Except Per Share Data)

	Quarter ended	
	Jan-Mar 2014	**Jan-Mar 2013**
Net Sales	**₱8,052,791**	**₱7,165,117**
Cost of sales	4,899,020	4,523,701
Gross Profit	**3,153,771**	**2,641,416**
Operating expenses	415,285	372,774
Operating EBITDA	**2,738,486**	**2,268,642**
Depreciation and amortization	344,858	355,975
Income from Operations	**2,393,628**	**1,912,667**
Other income (expenses)		
Net financial income (expense)	8,230	4,128
Expenses on NOA	(7,420)	(18,524)
Unusual Items	(1,098)	99,092
Total	(288)	84,696
Income before Income Tax	**2,393,340**	**1,997,363**
Provision for income tax		
Current	676,678	533,025
Deferred	46,190	32,647
	722,868	565,672
Income Before Minority Interest	**1,670,472**	**1,431,691**
Noncontrolling interest	(287)	(109)
Net Income	**₱1,670,185**	**₱1,431,582**

Basic/Diluted Earnings Per Share (EPS)		
Computation of EPS:		
(a) Net income applicable to common shareholders	**₱1,670,185**	₱1,431,582
(b) Common shares issued and outstanding	6,452,099	6,452,099
EPS [(a)/(b)]	**₱0.259**	**₱0.222**

Exhibit III

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the quarters ended March 31, 2014 and 2013
(In Thousands)

	Quarter ended	
	Jan-Mar 2014	**Jan-Mar 2013**
Net Income	**₱1,670,472**	**₱1,431,691**
Other Comprehensive Loss		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Amounts transferred to profit or loss upon sale of Investment in joint venture	-	(13,481)
	-	(13,481)
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:		
Remeasurement loss on retirement benefits	-	(117,033)
Income tax effect	-	35,110
	-	(81,923)
Total Comprehensive Income	**₱1,670,472**	**₱1,336,287**
Attributable to:		
Equity holders of the Parent Company	**₱1,670,185**	**₱1,336,178**
Noncontrolling interest	287	109
	₱1,670,472	**₱1,336,287**

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the quarters ended March 31, 2014 and 2013
(In Thousands)

	Jan-Mar 2014	Jan-Mar 2013
Capital Stock		
Common Stock		
Balance at beginning of period	₱6,452,099	₱6,452,099
Issuances (Retirement)	-	-
Balance at end of period	6,452,099	6,452,099
Additional Paid-in Capital		
Balance at beginning of period	8,476,002	8,476,002
Issuances (Retirement)	-	-
Balance at end of period	8,476,002	8,476,002
Other comprehensive loss	(161,351)	(81,923)
Retained Earnings		
Balance at beginning of period	6,697,828	5,686,806
Net income	1,670,185	1,431,582
Balance at end of period	8,368,013	7,118,388
Noncontrolling Interest	12,513	11,236
	₱23,147,276	₱21,975,801

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the quarters ended March 31, 2014 and 2013
(In Thousands)

	Jan-Mar 2014	Jan-Mar 2013
Operating Activities		
Income before income tax for the period	₱2,393,340	₱1,997,363
Adjustments to reconcile net income to cash		
Depreciation and amortization	344,858	355,975
Other items (net)	(227,040)	(381,436)
Changes in current assets and liabilities	(766,207)	(119,752)
Cash provided by operating activities	1,744,951	1,852,150
Investing Activities		
(Additions) deductions to plant, property and equipment	(123,669)	(237,846)
De(in)crease in other investing activities	(1,609)	340,248
Cash provided by (used in) investing activities	(125,278)	102,402
Financing Activities		
Proceeds (payment) of short-term loans	(492,491)	(3,815)
Cash provided (used in) financing activities	(492,491)	(3,815)
Net increase (decrease) in cash and cash equivalents	1,127,182	1,950,737
Cash and cash equivalents, beginning	2,149,104	1,378,382
Effect of exchange rate changes on cash & cash equivalents	616	(359)
Cash and cash equivalents, end	₱3,276,902	₱3,328,760

Exhibit VI

HOLCIM PHILIPPINES, INC
Aging of Trade and Other Receivables
As of March 31, 2014
(In Thousands)

	Total	Current	1-30 days	31-60 days	Over 60 days
Trade Receivables	₱2,543,046	₱2,311,479	₱153,524	₱-	₱78,043
Non-Trade Receivables	102,047	17,904	50,428	-	33,715
Total	2,645,093	₱2,329,383	₱203,952	₱-	₱111,758
Allowance for Doubtful Accounts	(122,029)				
Net Receivables	₱2,523,064				

Certified correct:

Glenn A. Agustin
Head, Group Controller

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations

The cement industry demand grew by 8.6%** in the first quarter of 2014 compared to the same quarter of last year. This was brought about by the continuous strong public and private construction activities nationwide. Driven by the robust demand, HPI posted total net sales of Php8.1 billion, up from the Php7.2 billion reported in the same period of last year. Gross profit likewise improved on the back of increased operating efficiency and the favorable impact of cost rationalization initiatives of the Company. The Company closed the quarter with operating EBITDA of Php2.7 billion or 21% higher compared with same period of 2013, and net income after tax of Php1.7 billion.

Financial Position

The Company's financial position remained healthy. Liquidity position has continued to be strong and the asset to equity ratio remained at robust levels. Total assets grew by Php1.6 billion from end of 2013 largely due to increase in cash and higher accounts receivables.

Cash Flow Generation

The Company's cash requirements have been mainly sourced through cash flow from operations. Overall cash increase was mainly due to higher profit generation. Please refer to the attached statement of cash flow for more details.

Key Performance Indicators

The comparative financial KPI's of the Company for the quarters ended March 31, 2014 and 2013 were as follows:

Financial KPI	Definition	For the quarter ended March 31 2014	2013
Profitability			
Return on Equity (ROE)	Net Income / Ave. Total Shareholders' Equity	7.5%	6.7%
Return on Asset (ROA)	Net Income / Average Total Assets	5.8%	5.3%
Efficiency			
EBITDA Margin	Operating EBITDA / Net Sales	34.0%	31.7%
Liquidity			
Gearing	Net Financial Debt (Asset) / Stockholders' Equity	(10.4%)	(13.4%)
EBITDA Net Interest Cover	Operating EBITDA / Net Interest	Nil	Nil

**CEMAP

Profitability and Efficiency

The improved operating performance of the Company translated to higher profitability with ROE and ROA increasing by 0.8% and 0.5%, respectively.

Liquidity

The Company's liquidity position remained strong with lower gearing ratio and significant cash balance.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

These condensed consolidated interim financial statements have been prepared in accordance with PAS 34 *Interim Financial Reporting* and do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2013.

The accounting policies adopted in the preparation of condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2013, except for the adoption of the new standards and interpretations that are effective as of January 1, 2014 enumerated below:

Standards Effective in 2014

- Amendments to PFRS 10, "Consolidated Financial Statements", PFRS 11, "Joint Arrangements" and PAS 27, "Separate Financial Statements": Investment Entities

  The amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss (FVPL). It is not expected that these amendments will be relevant to the Company since none of the entities in the Company will qualify as an investment entity under PFRS 10.

- Amendments to PAS 32, "Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities"

  The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments will affect presentation only and will have no impact on the Company's financial position or performance.

- Amendments to PAS 36, "Impairment of Assets - Recoverable Amount Disclosures for Nonfinancial Assets"

  The amendments remove the unintended consequence of PFRS 13 on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units for which impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after January 1, 2014 with earlier application permitted, provided PFRS 13 is applied. The Company did not early adopt the amendments. These amendments will affect disclosures only and will have no impact on the Company's financial position or performance.

- PAS 39, "Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting"

  The amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after January 1, 2014. The amendments are not expected to have an impact on the Company's financial position or performance.

- Philippine Interpretation IFRIC 21, "Levies"

  The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. The Company does not expect that the interpretation will have a material financial impact on its financial statements.

Effective in 2015

- Amendments to PAS 19, "Employee Benefits - Defined Benefit Plans: Employee Contributions"

  The amendments apply to contributions from employees or third parties to defined benefit plans. Contributions that are set out in the formal terms of the plan shall be accounted for as reductions to current service costs if they are linked to service or as part of the remeasurements of the net defined benefit asset or liability if they are not linked to service. Contributions that are discretionary shall be accounted for as reductions of current service cost upon payment of these contributions to the plans. The amendments will not have any significant impact on the financial statements of the Company as its retirement plans are noncontributory.

- Annual Improvements to PFRS (2010 to 2012 cycle)

  The Annual Improvements to PFRSs (2010-2012 cycle) contain non-urgent but necessary amendments to the following standards:

  - PFRS 2, "Share-based Payment - Definition of Vesting Condition"

    The amendment revised the definitions of vesting condition and market condition and added the definitions of performance condition and service condition to clarify various issues. This amendment shall be prospectively applied to share-based payment transactions for which the grant date is on or after July 1, 2014. This amendment does not apply to the Company as it currently has no share-based payments.

  - PFRS 3, "Business Combinations - Accounting for Contingent Consideration in a Business Combination"

    The amendment clarifies that a contingent consideration that meets the definition of a financial instrument should be classified as a financial liability or as equity in accordance with PAS 32. Contingent consideration that is not classified as equity is subsequently measured at FVPL whether or not it falls within the scope of PFRS 9 (or PAS 39, if PFRS 9 is not yet adopted). The amendment shall be prospectively applied to business combinations for which the acquisition date is on or after July 1, 2014. The Company shall consider this amendment for future business combinations.

  - PFRS 8, "Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets"

    The amendments require entities to disclose the judgment made by management in aggregating two or more operating segments. This disclosure should include a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. The amendments also clarify that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if such amounts are regularly provided to the chief operating decision maker. These amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments will affect disclosures only and will not have an impact on the Company's financial position or performance.

  - PFRS 13, "Fair Value Measurement - Short-term Receivables and Payables"

    The amendment clarifies that short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. This amendment is effective immediately.

- PAS 16, "Property, Plant and Equipment: Revaluation Method – Proportionate Restatement of Accumulated Depreciation"

  The amendment clarifies that, upon revaluation of an item of property, plant and equipment, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

  a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
  b. The accumulated depreciation is eliminated against the gross carrying amount of the asset.

  The amendment is effective for annual periods beginning on or after July 1, 2014. The amendment shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendment will have no impact on the Company's financial position or performance.

- PAS 24, "Related Party Disclosures - Key Management Personnel"

  The amendments clarify that an entity is a related party of the reporting entity if the said entity, or any member of a group for which it is a part of, provides key management personnel services to the reporting entity or to the parent company of the reporting entity. The amendments also clarify that a reporting entity that obtains management personnel services from another entity (also referred to as management entity) is not required to disclose the compensation paid or payable by the management entity to its employees or directors. The reporting entity is required to disclose the amounts incurred for the key management personnel services provided by a separate management entity. The amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments will affect disclosures only and will have no impact on the Company's financial position or performance.

- PAS 38, "Intangible Assets: Revaluation Method - Proportionate Restatement of Accumulated Amortization"

  The amendments clarify that, upon revaluation of an intangible asset, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

  a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated amortization at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
  b. The accumulated amortization is eliminated against the gross carrying amount of the asset.

  The amendments also clarify that the amount of the adjustment of the accumulated amortization should form part of the increase or decrease in the carrying amount accounted for in accordance with the standard.

  The amendments are effective for annual periods beginning on or after July 1, 2014. These amendments shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendments will have no impact on the Company's financial position or performance.

- Annual Improvements to PFRS (2011 to 2013 cycle)

  The Annual Improvements to PFRSs (2011-2013 cycle) contain non-urgent but necessary amendments to the following standards:

  - PFRS 1, "First-time Adoption of Philippine Financial Reporting Standards - Meaning of Effective PFRS"

    The amendment clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but that permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements. This amendment is not applicable to the Company as it is not a first time adopter of PFRS.

  - PFRS 3, "Business Combinations - Scope Exceptions for Joint Arrangements"

    The amendment clarifies that PFRS 3 does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively.

  - PFRS 13, "Fair Value Measurement - Portfolio Exception"

    The amendment clarifies that the portfolio exception in PFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment will have no impact on the Company's financial position or performance.

  - PAS 40, "Investment Property"

    The amendment clarifies the interrelationship between PFRS 3 and PAS 40 when classifying property as investment property or owner-occupied property. The amendment stated that judgment is needed when determining whether the acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of PFRS 3. This judgment is based on the guidance of PFRS 3. This amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment has no significant impact on the Company's financial position or performance.

New Standard with No Mandatory Effective Date

- PFRS 9, "Financial Instruments: Classification and Measurement"

  PFRS 9, as issued, reflects the first and third phases of the project to replace PAS 39 and applies to the classification and measurement of financial assets and liabilities and hedge accounting, respectively. Work on the second phase, which relate to impairment of financial instruments, and the limited amendments to the classification and measurement model is still ongoing, with a view to replace PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through OCI or profit or loss. Equity financial assets held for trading must be measured at FVPL. For liabilities designated as at FVPL using the FVO, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change relating to the entity's own credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward to PFRS 9, including the embedded derivative bifurcation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

On hedge accounting, PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items, but also for nonfinancial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a financial instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 currently has no mandatory effective date. PFRS 9 may be applied before the completion of the limited amendments to the classification and measurement model and impairment methodology. The Company will not adopt the standard before the completion of the limited amendments and the second phase of the project.

Deferred

- Philippine Interpretation IFRIC 15, "Agreements for the Construction of Real Estate"

This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The Philippine SEC and the Financial Reporting Standards Council (FRSC) have deferred the affectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. The adoption of the interpretation when it becomes effective will not have any impact on the financial statements of the Company.

2. Seasonality Aspects of the Business

Like any other Company in the construction industry, the operations of HPI are affected by seasonality or cyclicality. During the months starting December to May, demand for cement is greater than the rainy months from June to November.

3. Financial Risk Management Objectives and Policies

General Risk Management Approach

The Company is exposed to various financial risks, which include the effect of changes in debt structure, equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential and adverse effects on the financial performance of the Company. The Company uses derivative instruments such as cross-currency swaps to hedge the interest and foreign exchange risks from its foreign currency-denominated debt. The Company does not enter into other derivative or financial transactions which are unrelated to its operating business as a risk-averse approach is pursued.

Financial risk management of the Company is governed by policies approved by management. It provides principles for overall risk management, as well as policies covering specific risk areas such as interest rate risk, foreign exchange risk, counterparty risk, and use of derivative financial instruments and investing assets in excess of liquidity requirements.

The Company's principal financial instruments, other than derivatives, consist of cash and cash equivalents, notes payable and long-term debt. The main purpose of these financial instruments is to raise funds for the Company's operations. The Company also has various other financial assets and liabilities such as trade and other receivables, advances to employees, guarantee deposits, restricted cash, trade and other payables and advances from customers which arise directly from operations.

The main risks arising from the Company's financial instruments are market risks (which include foreign currency risk and interest rate risk), credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of these risks and they are summarized below.

Market Risks

The Company is exposed to market risks, such as foreign currency, interest rate and equity price risks. To manage volatility relating to these exposures, the Company enters into derivative financial instruments, when necessary. The Company's objective is to reduce, where appropriate, fluctuations in earnings and cash flows associated with changes in foreign currency, interest rate and equity price.

Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has foreign-exchange exposures, arising primarily from sales, purchases of goods and services and debt servicing requirements in currencies other than the Peso that leads to currency translation effects. The Company may hedge certain foreign currency-denominated borrowings or other instruments by entering into derivative transactions.

Due to the local nature of the cement business, transaction risk is limited. However, income may primarily be in local currency whereas debt servicing and significant amount of capital expenditures may be in foreign currencies. As a consequence thereof, the Company may enter into derivative contracts whenever necessary, which may be designated either as cash flow hedges or fair value hedges, as appropriate.

As of March 31, 2014, the Company has minimal assets and liabilities exposed to foreign currency risks.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The Company is exposed to fluctuations in financing costs and market value movements of its debt portfolio related to changes in market interest rates. The Company's interest rate exposure is mainly addressed through the steering of the fixed/floating ratio of net debt. To manage this mix, the Company may enter into derivative transactions, as appropriate. As at March 31, 2014, the Company has minimal financial instruments that are exposed to interest rate risk.

Credit Risk

Credit risk is the risk that counterparties may not be able to settle their obligations as agreed. To manage this risk, the Company periodically assesses the financial reliability of customers.

The Company constantly monitors its credit risk exposures. Counterparties to financial instruments consist of a large number of major financial institutions. The Company does not expect any counterparties to fail to meet their obligations, given their high credit ratings. In addition, the Company has no significant concentration of credit risk with any single counterparty or group of counterparties.

The maximum and minimum exposure to credit risk is represented by the carrying amount of each financial asset.

The Company trades only with recognized, credit-worthy third parties. It is the Company's policy that all third party customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the Company's exposure to bad debts to minimal.

With respect to credit risk arising from the other financial assets of the Company, which consist due from related parties, advances to employees AFS financial assets and guarantee and refundable deposits, the Company's exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its contractual obligations and commitments. The seasonality of revenue generation exposes the Company to shortage of funds during slack season and may result to payment defaults of financial commitments. The Company monitors this risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial assets and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank credit facilities, finance leases and purchase contracts. It is responsible for its own cash surpluses and the raising of loans to cover cash deficits, subject to policies and guidelines approved by management and in certain cases at the BOD level.

The Company maintains sufficient reserves of cash and cash equivalents, which are short-term in nature, unused credit lines and readily available marketable securities to meet its liquidity requirements at all times. In addition, the strong credit worthiness of the Company allows it to make efficient use of the financial markets for financing purposes. As of March 31, 2014, the Company has unutilized credit facilities of ₱4.9 billion.

Capital Management Policy

The Company considers equity attributable to the equity holders of the Parent Company as its capital. The Company's objectives when managing capital are to secure the Company's ongoing financial needs to continue as a going concern as well as to cater for its growth targets in order to provide returns to shareholders and benefits for other stakeholders and to maintain a cost-efficient and risk-optimized capital structure.

The Company manages the capital structure and makes adjustments to it in light of the changes in economic conditions, its business activities, investment and expansion program and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital, among others, on the basis of gearing ratio.

4. *Financial Assets and Liabilities*

Fair Value of Financial Instruments

The estimated fair value of each class of the Company's financial instruments is equal to their carrying amount as at March 31, 2014 and December 31, 2013. The following methods and assumptions are used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and Cash Equivalents, Trade and Other Receivables, Advances to Employees, Restricted Cash, Notes Payable and Trade and Other Payables. Due to the short-term nature of the transactions, the fair values of these instruments approximate the corresponding carrying values as of end of each reporting period.

Derivative Assets and Liabilities. The fair values of the embedded currency forwards are calculated by reference to current forward exchange rates while the fair value of cross-currency swaps are based on market values provided by counterparty banks.

AFS Financial Assets. The fair values of publicly traded instruments are determined by reference to quoted market prices as at the end of each reporting period. Investments in unquoted equity securities for which no reliable basis for fair value measurement is available are carried at cost, net of any impairment in value.

Guarantee Deposits. These are carried at cost, less any impairment in value, which approximate their fair values calculated using the discounted cash flows method.

Fair Value Hierarchy

Below are the list of financial assets and liabilities carried at fair value that are classified using a fair value hierarchy as at March 31, 2014 and December 31, 2013:

	March 31, 2014			December 31, 2013		
	Level 1[1]	Level 2[2]	Total	Level 1[1]	Level 2[2]	Total
AFS financial assets -						
Quoted equity securities	176	–	176	₱176	₱–	₱176
Financial liability at FVPL						
Derivative assets	₱–	₱–	₱–	₱–	(4,282)	(4,282)
Total	₱176	₱–	₱176	₱176	(₱4,282)	(₱4,106)

[1] *Fair value is determined using observable market inputs that reflect quoted prices in active markets for identical assets or liabilities.*
[2] *Fair value is determined using inputs other than quoted prices that are either directly or indirectly observable for the assets or liabilities.*

5. *Segment Reporting*

Operating segments are components of the Company that engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), which operating results are regularly reviewed by the chief operating decision maker* to make decisions about how resources are to be allocated to each of the segments and to assess their performances, and for which discrete financial information is available. Management reassesses on an annual basis whether there have been any change in the operating segments or in the reportable operating segments in accordance with PFRS 8, *Operating Segments*.

For management purposes, the Company is organized into activities based on their products and has three segments, as follows:

- clinker and cement segment, which manufactures and sells clinker and cement for both domestic and export customers; and
- aggregates segment, which trades aggregates to third parties as well as to its ready mix (RMX) business; and
- other construction materials and services segment, which includes operations from the RMX business, Helps-U-Build and Business Construction Solutions sub-segments.

Management monitors the operating results of its business segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is based on operating EBITDA and is measured consistently with consolidated net income in the consolidated statements of income. However, the Company's finance income and charges and income taxes are managed on a group basis, and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis similar to transactions with third parties.

The Company has determined the Clinker and cement segment as the only reportable segment. Information on the other segments that are not reportable are combined and presented as "Others".

* Chief operating decision maker is composed of the Company's management committee

Segment revenues, EBITDA, assets and liabilities as at March 31, 2014 and 2013 are presented below:

	2014				
	Clinker and cement	Others	Total	Adjustments and eliminations	Consolidated
			(In Thousands)		
Revenue:					
External customers	₱7,887,611	₱165,180	₱8,052,791	₱-	₱8,052,791
Inter-segment	99,167	-	99,167	(99,167)	-
	₱7,986,778	₱165,180	₱8,151,958	(₱99,167)	₱8,052,791
Operating EBITDA	₱2,758,691	(₱20,205)	₱2,738,486	₱-	₱2,738,486
Segment assets	25,545,814	695,169	26,240,983	3,490,328	29,731,311
Segment liabilities	5,576,706	298,624	5,875,330	708,705	6,584,035

	2013				
	Clinker and cement	Others	Total	Adjustments and eliminations	Consolidated
			(In Thousands)		
Revenue:					
External customers	₱6,997,996	₱167,121	₱7,165,117	₱-	₱7,165,117
Inter-segment	59,249	-	59,249	(59,249)	-
	₱7,057,245	₱167,121	₱7,224,366	(₱59,249)	₱7,165,117
Operating EBITDA	₱2,294,905	(₱26,263)	₱2,268,642	₱-	₱2,268,642
Segment assets	23,825,101	554,347	24,379,448	3,508,423	27,887,871
Segment liabilities	4,689,700	238,390	4,928,090	983,980	5,912,070

Interim Disclosures

The Company is not aware of the following or is not applicable to the Company's interim operations:

1. Unusual items that materially affect the Company's consolidated assets, liabilities, equity, net income or cash flows because of their nature, size or incidents.

2. Changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

3. Issuances and repurchases of equity securities.

4. Dividend payments for ordinary and other shares.

5. Material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

6. Existence of material contingencies and other events of transactions that are material to an understanding of the current interim period.

7. Known trends, demands, commitments, events and uncertainties that will result in or likely to decrease its liquidity in any material way. The Company does not anticipate having within the next twelve (12) months any cash flow or liquidity problems nor does it anticipate any default or breach of any of its existing notes, loans, leases, other indebtedness or financing arrangements requiring it to make payments.

8. Events that will trigger direct or contingent material financial obligations to the Company.

9. Material off-balance sheet transactions, arrangements, obligations (direct or contingent), and other relationships of the Company with unconsolidated entities or other persons created during the year.

10. Material commitments for capital expenditures.

11. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales/revenues/income from continuing operations.

12. Significant elements of income or loss that did not arise from the Company's continuing operations.

13. Material events subsequent to end of the reporting period that have not been reflected in this report.

14. Material changes in the composition of the Company, including any business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

15. Any seasonal aspect that had a material effect on the financial condition or results of operation.

Material Changes in Balance Sheet Accounts

52% increase in Cash and cash equivalents
Mainly due to higher realized revenue and better cash collection in Q1 2014 compared to same period last year.

42% increase in Trade and other receivables-net
Primarily due to higher revenues in March 2014.

6% decrease in Inventories
Primarily due to higher usage of inventories to support the strong demand.

13% increase in Other current assets
Mainly attributable to higher prepaid expenses in 2014 (i.e. tax and insurance).

18% decrease in Deferred tax assets
Mainly due to payout of accrued expenses which were originally recognized as future tax deductible items.

55% decrease in Notes payable
Attributable to the payment made by the Company for a group loan.

99% decrease in Derivative liabilities
The decrease was due to the favorable movement in foreign exchange rates.

218% increase in Income tax payable
Mainly attributable to higher taxable income for 2014 as compared in the same period in 2013.

22% decrease in Deferred tax liabilities
Mainly attributable to the reduction in depreciation expense which is a nondeductible expense.

25% increase in Retained earnings
Mainly due to higher generated income.

Material Changes in Income Statement Accounts

12% increase in Net sales
Mainly driven by robust demand.

8% increase in Cost of sales
Due to higher volume produced and sold as a result of strong demand.

11% increase in operating expenses
Attributable to higher cost of corporate initiatives.

99% increase in Net financial income (expense)
Mainly due to lower financing charges from financial liabilities and favorable foreign exchange rates resulting to foreign exchange gain.

60% decrease in Expense in NOA
Due to reduced expenses of non-operating companies.

101% decrease in Unusual items
Mainly due to the one-off recognition in 2013 of the gain on sale of TA Power investment.

28% increase in Provision for income tax
Mainly due to higher taxable income in 2014 compared to the same period in 2013.

Holcim Philippines, Inc. and Subsidiaries
Schedule of Financial Soundness Indicators

Financial KPI	Definition	For the Three (3) Months Ended March 31 2014	2013
Current/Liquidity ratio Current Ratio	Current Assets / Current Liabilities	160.6%	164.1%
Solvency ratio/Debt-to-equity ratio Gearing	Net Financial Debt (Asset) / Stockholder's Equity	(10.4%)	(13.4%)
Asset to Equity Ratios Asset to Equity Ratio/ Equity Multiplier	Total Assets / Stockholder's Equity	128.4%	126.9%
Interest Rate Coverage Ratio Interest Rate Coverage	Income before Tax / Net Interest	Nil	Nil
Profitability Ratios Return on Assets	Net Income / Average Total Assets	5.8%	5.3%
Return on Equity	Net Income / Average Total Equity	7.5%	6.7%

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HOLCIM PHILIPPINES, INC.

Shirley S. Go	Glenn A. Agustin
Authorized Signatory	Head, Group Controller
Date: April 24, 2014	Date: April 24, 2014

107302014001766

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632)726-0931to39Fax(632)725-5293Email:mis@sec.gov.ph

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Company Information

SEC Registration No.	0000026126
Company Name	HOLCIM PHILIPPINES, INC.
Industry Classification	
Company Type	Stock Corporation

Document Information

Document ID	107302014001766
Document Type	17-Q (FORM 11-Q:QUARTERLY REPORT/FS)
Document Code	17-Q
Period Covered	June 30, 2014
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

2 6 1 2 6

SEC Registration Number

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

(Company's Full Name)

7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City

(Business Address: No. Street City/Town/Province)

Glenn A. Agustin

(Contact Person)

(2nd Quarter 2014)

459-3333

(Company Telephone Number)

0 6 | 3 0

Month *Day*

(Fiscal Year)

AMENDED SEC FORM 17-Q

For the quarter ended June 30, 2014

(Form Type)

Month *Day*

(Annual Meeting)

(Secondary License Type, If Applicable)

CFD

Dept. Requiring this Doc.

—

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

AMENDED FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended June 30, 2014

2. Commission identification number 026126 3. BIR Tax Identification No 000-121-507-000

4. Exact name of issuer as specified in its charter HOLCIM PHILIPPINES, INC.

5. Province, country or other jurisdiction of incorporation or organization Manila, Philippines

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of issuer's principal office Postal Code

   7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City 1634

8. Issuer's telephone number, including area code (632) 459-3333

9. Former name, former address and former fiscal year, if changed since last report N. A.

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	6,452,099,144

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [x] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    Philippine Stock Exchange, Inc. Common Shares

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

    Yes [x] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days.

    Yes [x] No [ ]

PART I- FINANCIAL INFORMATION

Item 1. Financial Statements.

Exhibit I – Consolidated Balance Sheets as of June 30, 2014 and December 31, 2013

Exhibit II – Consolidated Statements of Income for the quarters ended June 30, 2014 and 2013 and for the six (6) months ended June 30, 2014 and 2013

Exhibit III – Consolidated Statements of Comprehensive Income for the quarters ended June 30, 2014 and 2013 and for the six (6) months ended June 30, 2014 and 2013

Exhibit IV – Consolidated Statements of Changes in Stockholders' Equity for the six (6) months ended June 30, 2014 and 2013

Exhibit V – Consolidated Statements of Cash Flows for the six (6) months ended June 30, 2014 and 2013

Exhibit VI – Aging of Trade and Other Receivables as at June 30, 2014

Exhibit I

HOLCIM PHILIPPINES, INC.
CONSOLIDATED BALANCE SHEETS
June 30, 2014 and December 31, 2013
(In Thousands)

	30 Jun 2014	31 Dec 2013
ASSETS		
Current Assets		
Cash and cash equivalents	₱4,726,120	₱2,149,104
Trade and other receivables-net	2,533,762	1,780,821
Inventories	3,057,116	3,018,593
Other current assets	927,555	739,638
Total Current Assets	11,244,553	7,688,156
Noncurrent Assets		
Investments	4,559	4,559
Property, plant and equipment – net	16,709,388	17,093,454
Goodwill	2,635,738	2,635,738
Intangibles	259,864	268,880
Deferred tax assets	262,355	255,377
Other noncurrent assets	277,170	280,364
Total Noncurrent Assets	20,149,064	20,538,372
	31,393,617	28,226,528
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Notes payable	-	893,000
Trade and other payables	9,637,995	4,954,547
Derivative liability	-	4,282
Income tax payable	763,110	222,616
Total Current Liabilities	10,401,105	6,074,445
Noncurrent Liabilities		
Retirement benefit liabilities	529,345	497,373
Provisions	131,458	127,778
Deferred tax liabilities	1,120	1,433
Other noncurrent liabilities	49,173	49,172
Total Noncurrent Liabilities	711,096	675,756
Equity Attributable to Equity Holders of the Parent		
Capital stock	6,452,099	6,452,099
Additional paid-in capital	8,476,002	8,476,002
Remeasurement loss on retirement benefits - net	(161,351)	(161,351)
Retained earnings	5,503,913	6,697,884
	20,270,663	21,464,634
Noncontrolling Interest	10,753	11,693
Total Stockholders' Equity	20,281,416	21,476,327
	₱31,393,617	₱28,226,528

Exhibit II

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF INCOME
For the quarters ended June 30, 2014 and 2013
And for the six (6) months ended June 30, 2014 and 2013
(In Thousands, Except Per Share Data)

	Quarter ended		Six (6) Months Ended	
	30-Jun-2014	30-Jun-2013	30-Jun-2014	30-Jun-2013
Net Sales	₱8,807,901	₱8,114,387	₱16,860,692	₱15,279,504
Cost of sales	5,740,679	5,082,006	10,647,110	9,605,707
Gross Profit	3,067,222	3,032,381	6,213,582	5,673,797
Operating expenses	427,819	414,013	843,104	786,787
Operating EBITDA	2,639,403	2,618,368	5,370,478	4,887,010
Depreciation and amortization	339,507	359,778	684,365	715,753
Income from Operations	2,299,896	2,258,590	4,686,113	4,171,257
Other income (expenses)				
Net financial income	5,773	16,899	14,003	21,027
Income (expenses) on NOA	2	10,110	(7)	(8,414)
Unusual items	(260)	372	(1,358)	99,464
Total	5,515	27,381	12,638	112,077
Income before Income Tax	2,305,411	2,285,971	4,698,751	4,283,334
Provision for income tax				
Current	707,057	718,858	1,383,735	1,251,883
Deferred	(53,480)	(54,830)	(7,290)	(22,183)
	653,577	664,028	1,376,445	1,229,700
Income Before Minority Interest	1,651,834	1,621,943	3,322,306	3,053,634
Noncontrolling interest	(459)	(233)	(746)	(342)
Net Income	₱1,651,375	₱ 1,621,710	₱3,321,560	₱ 3,053,292
Basic/Diluted Earnings Per Share (EPS)				
Computation of EPS:				
(a) Net income applicable to common shareholders	₱ 1,651,375	₱1,621,710	₱3,321,560	₱3,053,292
(b) Common shares issued and outstanding	6,452,099	6,452,099	6,452,099	6,452,099
EPS [(a)/(b)]	₱0.256	₱0.251	₱0.515	₱0.473

Exhibit III

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the quarters ended June 30, 2014 and 2013
And for the six (6) months ended June 30, 2014 and 2013
(In Thousands)

	Quarter ended		Six (6) Month Ended	
	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013
Net Income	₱1,651,834	₱1,621,943	₱3,322,306	₱3,053,634
Other Comprehensive Loss				
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:				
Amounts transferred to profit or loss upon sale of investment in joint venture	-	-	-	-
	-	-	-	-
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:				
Remeasurement loss on retirement benefits	-	-	-	-
Income tax effect	-	-	-	-
	-	-	-	-
Total Comprehensive Income	₱1,651,834	₱1,621,943	₱3,322,306	₱3,053,634
Attributable to:				
Equity holders of the Parent Company	₱1,651,375	₱1,621,710	₱3,321,560	₱3,053,292
Noncontrolling Interest	459	233	746	342
	₱1,651,834	₱1,621,943	₱3,322,306	₱ 3,053,634

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the six (6) months ended June 30, 2014 and 2013
(In Thousands)

	Jan-Jun 2014	Jan-Jun 2013
Capital Stock		
Common Stock		
Balance at beginning of period	₱6,452,099	₱6,452,099
Issuances (Retirement)	-	-
Balance at end of period	6,452,099	6,452,099
Additional Paid-in Capital		
Balance at beginning of period	8,476,002	8,476,002
Issuances (Retirement)	-	-
Balance at end of period	8,476,002	8,476,002
Other comprehensive loss	(161,351)	(81,923)
Retained Earnings		
Balance at beginning of period	6,698,822	5,686,806
Net income	3,321,560	3,053,292
Cash dividends	(4,516,469)	(3,548,654)
Balance at end of period	5,503,913	5,191,444
Noncontrolling Interest	10,753	11,468
	₱20,281,416	₱20,049,090

Exhibit V

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six (6) months ended June 30, 2014 and 2013
(In Thousands)

	Jan-Jun 2014	Jan-Jun 2013
Operating Activities		
Income before income tax for the period	**₱4,698,751**	**₱4,283,334**
Adjustments to reconcile net income to cash		
Depreciation and amortization	684,365	715,753
Other items (net)	(840,877)	(852,872)
Changes in current assets and liabilities	(782,879)	(810,334)
Cash provided by operating activities	**3,759,360**	**3,335,881**
Investing Activities		
(Additions) deductions to plant, property and equipment	(293,768)	(659,121)
De(in)crease in other investing activities	(235)	333,924
Cash provided by (used in) investing activities	**(294,003)**	**(325,197)**
Financing Activities		
Proceeds (payment) of short-term loans	(887,619)	63,186
Cash provided (used in) financing activities	**(887,619)**	**63,186**
Net increase (decrease) in cash and cash equivalents	**2,577,738**	**3,073,870**
Cash and cash equivalents, beginning	**2,149,104**	**1,375,382**
Effect of exchange rate changes on cash & cash equivalents	**(722)**	**(2,897)**
Cash and cash equivalents, end	**₱4,726,120**	**₱4,449,255**

Exhibit VI

HOLCIM PHILIPPINES, INC
Aging of Trade and Other Receivables
As of June 30, 2014
(In Thousands)

	Total	Current	1-30 days	31-60 days	Over 60 days
Trade Receivables	₱2,629,705	₱2,149,070	₱151,422	₱91,678	₱237,535
Other Receivables	26,410	4,191	-	7,459	14,760
Total	2,656,115	₱2,153,261	₱151,422	₱99,137	₱252,295
Allowance for Doubtful Accounts	(122,353)				
Net Receivables	₱2,533,762				

Certified correct:

Glenn A. Agustin
Head, Group Controller

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations

The cement industry demand grew by 6.2%** in the first half of 2014 compared to the same period of last year. This was brought about by the continuous strong public and private construction activities nationwide. Driven by the robust demand and healthy prices, HPI posted total net sales of Php16.9 billion, up from the Php15.3 billion reported in the same period of last year. Gross profit likewise improved on the back of increased operating efficiency and the favorable impact of cost efficiency initiatives of the Company. The Company closed the first half with operating EBITDA and net income higher compared with the same period in 2013 by 10% and 9%, respectively.

Financial Position

The Company's financial position remained healthy. Liquidity position has continued to be strong and the asset to equity ratio remained at robust levels. Total assets grew by Php3.2 billion from end of 2013 largely due to increase in cash and cash equivalents due to timing of dividend payout declared in May payable in July.

Cash Flow Generation

The Company's cash requirements have been mainly sourced through cash flow from operations. Overall cash increase was mainly due to higher profit generation. Please refer to the attached statement of cash flow for more details.

Key Performance Indicators

The comparative financial KPI's of the Company for the quarters ended June 30, 2014 and 2013 were as follows:

Financial KPI	Definition	For the quarter ended June 30	
		2014	2013
Profitability			
Return on Equity (ROE)	Net Income / Ave. Total Shareholders' Equity	15.9%	15.0%
Return on Asset (ROA)	Net Income / Average Total Assets	11.1%	10.9%
Efficiency			
EBITDA Margin	Operating EBITDA / Net Sales	31.9%	32.0%
Liquidity			
Gearing	Net Financial Debt (Asset) / Stockholders' Equity	(20.9%)	(20.0%)
EBITDA Net Interest Cover	Operating EBITDA / Net Interest	Nil	Nil

**CEMAP

Profitability and Efficiency

The improved operating performance of the Company translated to higher profitability with ROE and ROA increasing by 0.9% and 0.2%, respectively.

Liquidity

The Company's liquidity position remained strong with lower gearing ratio and significant cash balance.

Notes to Financial Statements

1. *Summary of Significant Accounting Policies*

These condensed consolidated interim financial statements have been prepared in accordance with PAS 34 *Interim Financial Reporting* and do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2013.

The accounting policies adopted in the preparation of condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2013, except for the adoption of the new standards and interpretations that are effective as of January 1, 2014 enumerated below:

Standards Effective in 2014

- Amendments to PFRS 10, "Consolidated Financial Statements", PFRS 11, "Joint Arrangements" and PAS 27, "Separate Financial Statements": Investment Entities

  The amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss (FVPL). It is not expected that these amendments will be relevant to the Company since none of the entities in the Company will qualify as an investment entity under PFRS 10.

- Amendments to PAS 32, "Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities"

  The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments will affect presentation only and will have no impact on the Company's financial position or performance.

- Amendments to PAS 36, "Impairment of Assets - Recoverable Amount Disclosures for Nonfinancial Assets"

  The amendments remove the unintended consequence of PFRS 13 on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units for which impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after January 1, 2014 with earlier application permitted, provided PFRS 13 is applied. The Company did not early adopt the amendments. These amendments will affect disclosures only and will have no impact on the Company's financial position or performance.

- PAS 39, "Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting"

  The amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after January 1, 2014. The amendments are not expected to have an impact on the Company's financial position or performance.

- Philippine Interpretation IFRIC 21, "Levies"

  The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. The Company does not expect that the interpretation will have a material financial impact on its financial statements.

Effective in 2015

- Amendments to PAS 19, "Employee Benefits - Defined Benefit Plans: Employee Contributions"

  The amendments apply to contributions from employees or third parties to defined benefit plans. Contributions that are set out in the formal terms of the plan shall be accounted for as reductions to current service costs if they are linked to service or as part of the remeasurements of the net defined benefit asset or liability if they are not linked to service. Contributions that are discretionary shall be accounted for as reductions of current service cost upon payment of these contributions to the plans. The amendments will not have any significant impact on the financial statements of the Company as its retirement plans are noncontributory.

- Annual Improvements to PFRS (2010 to 2012 cycle)

  The Annual Improvements to PFRSs (2010-2012 cycle) contain non-urgent but necessary amendments to the following standards:

  - PFRS 2, "Share-based Payment - Definition of Vesting Condition"

    The amendment revised the definitions of vesting condition and market condition and added the definitions of performance condition and service condition to clarify various issues. This amendment shall be prospectively applied to share-based payment transactions for which the grant date is on or after July 1, 2014. This amendment does not apply to the Company as it currently has no share-based payments.

  - PFRS 3, "Business Combinations - Accounting for Contingent Consideration in a Business Combination"

    The amendment clarifies that a contingent consideration that meets the definition of a financial instrument should be classified as a financial liability or as equity in accordance with PAS 32. Contingent consideration that is not classified as equity is subsequently measured at FVPL whether or not it falls within the scope of PFRS 9 (or PAS 39, if PFRS 9 is not yet adopted). The amendment shall be prospectively applied to business combinations for which the acquisition date is on or after July 1, 2014. The Company shall consider this amendment for future business combinations.

  - PFRS 8, "Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets"

    The amendments require entities to disclose the judgment made by management in aggregating two or more operating segments. This disclosure should include a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. The amendments also clarify that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if such amounts are regularly provided to the chief operating decision maker. These amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments will affect disclosures only and will not have an impact on the Company's financial position or performance.

  - PFRS 13, "Fair Value Measurement - Short-term Receivables and Payables"

    The amendment clarifies that short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. This amendment is effective immediately.

- PAS 16, "Property, Plant and Equipment: Revaluation Method – Proportionate Restatement of Accumulated Depreciation"

  The amendment clarifies that, upon revaluation of an item of property, plant and equipment, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

  a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
  b. The accumulated depreciation is eliminated against the gross carrying amount of the asset.

  The amendment is effective for annual periods beginning on or after July 1, 2014. The amendment shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendment will have no impact on the Company's financial position or performance.

- PAS 24, "Related Party Disclosures - Key Management Personnel"

  The amendments clarify that an entity is a related party of the reporting entity if the said entity, or any member of a group for which it is a part of, provides key management personnel services to the reporting entity or to the parent company of the reporting entity. The amendments also clarify that a reporting entity that obtains management personnel services from another entity (also referred to as management entity) is not required to disclose the compensation paid or payable by the management entity to its employees or directors. The reporting entity is required to disclose the amounts incurred for the key management personnel services provided by a separate management entity. The amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments will affect disclosures only and will have no impact on the Company's financial position or performance.

- PAS 38, "Intangible Assets: Revaluation Method - Proportionate Restatement of Accumulated Amortization"

  The amendments clarify that, upon revaluation of an intangible asset, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

  a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated amortization at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
  b. The accumulated amortization is eliminated against the gross carrying amount of the asset.

  The amendments also clarify that the amount of the adjustment of the accumulated amortization should form part of the increase or decrease in the carrying amount accounted for in accordance with the standard.

  The amendments are effective for annual periods beginning on or after July 1, 2014. These amendments shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendments will have no impact on the Company's financial position or performance.

- Annual Improvements to PFRS (2011 to 2013 cycle)

  The Annual Improvements to PFRSs (2011-2013 cycle) contain non-urgent but necessary amendments to the following standards:

  - PFRS 1, "First-time Adoption of Philippine Financial Reporting Standards - Meaning of Effective PFRS"

    The amendment clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but that permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements. This amendment is not applicable to the Company as it is not a first time adopter of PFRS.

  - PFRS 3, "Business Combinations - Scope Exceptions for Joint Arrangements"

    The amendment clarifies that PFRS 3 does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively.

  - PFRS 13, "Fair Value Measurement - Portfolio Exception"

    The amendment clarifies that the portfolio exception in PFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment will have no impact on the Company's financial position or performance.

  - PAS 40, "Investment Property"

    The amendment clarifies the interrelationship between PFRS 3 and PAS 40 when classifying property as investment property or owner-occupied property. The amendment stated that judgment is needed when determining whether the acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of PFRS 3. This judgment is based on the guidance of PFRS 3. This amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment has no significant impact on the Company's financial position or performance.

New Standard with No Mandatory Effective Date

- PFRS 9, "Financial Instruments: Classification and Measurement"

  PFRS 9, as issued, reflects the first and third phases of the project to replace PAS 39 and applies to the classification and measurement of financial assets and liabilities and hedge accounting, respectively. Work on the second phase, which relate to impairment of financial instruments, and the limited amendments to the classification and measurement model is still ongoing, with a view to replace PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through OCI or profit or loss. Equity financial assets held for trading must be measured at FVPL. For liabilities designated as at FVPL using the FVO, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change relating to the entity's own credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward to PFRS 9, including the embedded derivative bifurcation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

On hedge accounting, PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items, but also for nonfinancial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a financial instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 currently has no mandatory effective date. PFRS 9 may be applied before the completion of the limited amendments to the classification and measurement model and impairment methodology. The Company will not adopt the standard before the completion of the limited amendments and the second phase of the project.

New Standard with Deferred Effective Date

- Philippine Interpretation IFRIC 15, "Agreements for the Construction of Real Estate"

This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The Philippine SEC and the Financial Reporting Standards Council (FRSC) have deferred the affectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. The adoption of the interpretation when it becomes effective will not have any impact on the financial statements of the Company.

2. Seasonality Aspects of the Business

Like any other Company in the construction industry, the operations of HPI are affected by seasonality or cyclicality. During the months starting December to May, demand for cement is greater than the rainy months from June to November.

3. Financial Risk Management Objectives and Policies

General Risk Management Approach

The Company is exposed to various financial risks, which include the effect of changes in debt structure, equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential and adverse effects on the financial performance of the Company. The Company uses derivative instruments such as cross-currency swaps to hedge the interest and foreign exchange risks from its foreign currency-denominated debt. The Company does not enter into other derivative or financial transactions which are unrelated to its operating business as a risk-averse approach is pursued.

Financial risk management of the Company is governed by policies approved by management. It provides principles for overall risk management, as well as policies covering specific risk areas such as interest rate risk, foreign exchange risk, counterparty risk, and use of derivative financial instruments and investing assets in excess of liquidity requirements.

The Company's principal financial instruments, other than derivatives, consist of cash and cash equivalents, notes payable and long-term debt. The main purpose of these financial instruments is to raise funds for the Company's operations. The Company also has various other financial assets and liabilities such as trade and other receivables, advances to employees, guarantee deposits, restricted cash, trade and other payables and advances from customers which arise directly from operations.

The main risks arising from the Company's financial instruments are market risks (which include foreign currency risk and interest rate risk), credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of these risks and they are summarized below.

Market Risks

The Company is exposed to market risks, such as foreign currency, interest rate and equity price risks. To manage volatility relating to these exposures, the Company enters into derivative financial instruments, when necessary. The Company's objective is to reduce, where appropriate, fluctuations in earnings and cash flows associated with changes in foreign currency, interest rate and equity price.

Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has foreign-exchange exposures, arising primarily from sales, purchases of goods and services and debt servicing requirements in currencies other than the Peso that leads to currency translation effects. The Company may hedge certain foreign currency-denominated borrowings or other instruments by entering into derivative transactions.

Due to the local nature of the cement business, transaction risk is limited. However, income may primarily be in local currency whereas debt servicing and significant amount of capital expenditures may be in foreign currencies. As a consequence thereof, the Company may enter into derivative contracts whenever necessary, which may be designated either as cash flow hedges or fair value hedges, as appropriate.

As of June 30, 2014, the Company has minimal assets and liabilities exposed to foreign currency risks.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The Company is exposed to fluctuations in financing costs and market value movements of its debt portfolio related to changes in market interest rates. The Company's interest rate exposure is mainly addressed through the steering of the fixed/floating ratio of net debt. To manage this mix, the Company may enter into derivative transactions, as appropriate. As at June 30, 2014, the Company has minimal financial instruments that are exposed to interest rate risk.

Credit Risk

Credit risk is the risk that counterparties may not be able to settle their obligations as agreed. To manage this risk, the Company periodically assesses the financial reliability of customers.

The Company constantly monitors its credit risk exposures. Counterparties to financial instruments consist of a large number of major financial institutions. The Company does not expect any counterparties to fail to meet their obligations, given their high credit ratings. In addition, the Company has no significant concentration of credit risk with any single counterparty or group of counterparties.

The maximum and minimum exposure to credit risk is represented by the carrying amount of each financial asset.

The Company trades only with recognized, credit-worthy third parties. It is the Company's policy that all third party customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the Company's exposure to bad debts to minimal.

With respect to credit risk arising from the other financial assets of the Company, which consist due from related parties, advances to employees AFS financial assets and guarantee and refundable deposits, the Company's exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its contractual obligations and commitments. The seasonality of revenue generation exposes the Company to shortage of funds during slack season and may result to payment defaults of financial commitments. The Company monitors this risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial assets and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank credit facilities, finance leases and purchase contracts. It is responsible for its own cash surpluses and the raising of loans to cover cash deficits, subject to policies and guidelines approved by management and in certain cases at the BOD level.

The Company maintains sufficient reserves of cash and cash equivalents, which are short-term in nature, unused credit lines and readily available marketable securities to meet its liquidity requirements at all times. In addition, the strong credit worthiness of the Company allows it to make efficient use of the financial markets for financing purposes. As of June 30, 2014, the Company has unutilized credit facilities of ₱5.3 billion.

Capital Management Policy

The Company considers equity attributable to the equity holders of the Parent Company as its capital. The Company's objectives when managing capital are to secure the Company's ongoing financial needs to continue as a going concern as well as to cater for its growth targets in order to provide returns to shareholders and benefits for other stakeholders and to maintain a cost-efficient and risk-optimized capital structure.

The Company manages the capital structure and makes adjustments to it in light of the changes in economic conditions, its business activities, investment and expansion program and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital, among others, on the basis of gearing ratio.

4. Financial Assets and Liabilities

Fair Value of Financial Instruments

The estimated fair value of each class of the Company's financial instruments is equal to their carrying amount as at June 30, 2014 and December 31, 2013. The following methods and assumptions are used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and Cash Equivalents, Trade and Other Receivables, Advances to Employees, Restricted Cash, Notes Payable and Trade and Other Payables. Due to the short-term nature of the transactions, the fair values of these instruments approximate the corresponding carrying values as of end of each reporting period.

Derivative Assets and Liabilities. The fair values of the embedded currency forwards are calculated by reference to current forward exchange rates while the fair value of cross-currency swaps are based on market values provided by counterparty banks.

AFS Financial Assets. The fair values of publicly traded instruments are determined by reference to quoted market prices as at the end of each reporting period. Investments in unquoted equity securities for which no reliable basis for fair value measurement is available are carried at cost, net of any impairment in value.

Guarantee Deposits. These are carried at cost, less any impairment in value, which approximate their fair values calculated using the discounted cash flows method.

Fair Value Hierarchy

Below are the list of financial assets and liabilities carried at fair value that are classified using a fair value hierarchy as at June 30, 2014 and December 31, 2013:

	June 30, 2014			December 31, 2013		
	Level 1[1]	Level 2[2]	Total	Level 1[1]	Level 2[2]	Total
AFS financial assets -						
Quoted equity securities	176	–	176	₱176	₱–	₱176
Financial liability at FVPL						
Derivative assets	₱–	₱–	₱–	₱–	(4,282)	(4,282)
Total	₱176	₱–	₱176	₱176	(₱4,282)	(₱4,106)

[1] *Fair value is determined using observable market inputs that reflect quoted prices in active markets for identical assets or liabilities.*
[2] *Fair value is determined using inputs other than quoted prices that are either directly or indirectly observable for the assets or liabilities.*

5. *Segment Reporting*

Operating segments are components of the Company that engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), which operating results are regularly reviewed by the chief operating decision maker* to make decisions about how resources are to be allocated to each of the segments and to assess their performances, and for which discrete financial information is available. Management reassesses on an annual basis whether there have been any change in the operating segments or in the reportable operating segments in accordance with PFRS 8, *Operating Segments.*

For management purposes, the Company is organized into activities based on their products and has three segments, as follows:

- clinker and cement segment, which manufactures and sells clinker and cement for both domestic and export customers; and
- other construction materials and services segment, which includes operations from the RMX business, Helps-U-Build and Business Construction Solutions sub-segments.

Management monitors the operating results of its business segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is based on operating EBITDA and is measured consistently with consolidated net income in the consolidated statements of income. However, the Company's finance income and charges and income taxes are managed on a group basis, and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis similar to transactions with third parties.

The Company has determined the Clinker and cement segment as the only reportable segment. Information on the other segments that are not reportable are combined and presented as "Others".

* Chief operating decision maker is composed of the Company's management committee

Segment revenues, EBITDA, assets and liabilities as at June 30, 2014 and 2013 are presented below:

	2014				
	Clinker and cement	Others	Total	Adjustments and eliminations	Consolidated
			(In Thousands)		
Revenue:					
External customers	₱16,443,583	₱417,109	₱16,860,692	₱-	₱16,860,692
Inter-segment	212,604	-	212,604	(212,604)	-
	₱16,656,187	₱417,109	₱17,073,296	(₱212,604)	₱16,860,692
Operating EBITDA	₱5,425,132	(₱54,654)	₱5,370,478	₱-	₱5,370,478
Segment assets	26,115,156	622,648	26,737,804	4,655,813	31,393,617
Segment liabilities	10,117,881	302,377	10,420,258	691,943	11,112,201

	2013				
	Clinker and cement	Others	Total	Adjustments and eliminations	Consolidated
			(In Thousands)		
Revenue:					
External customers	₱14,841,597	₱437,907	₱15,279,504	₱-	₱15,279,504
Inter-segment	170,646	-	170,646	(170,646)	-
	₱15,012,243	₱437,907	₱15,450,150	(₱170,646)	₱15,279,504
Operating EBITDA	₱4,905,792	(₱18,782)	₱4,887,010	₱-	₱4,887,010
Segment assets	24,597,875	610,957	25,208,832	4,683,355	29,892,187
Segment liabilities	8,346,155	228,235	8,574,390	1,268,707	9,843,097

6. *Retained Earnings*

The BOD approved the declaration of cash dividends of Php0.70 per common share (or a total of Php4.5 billion) on May 16, 2014, payable to stockholders of record as of June 13, 2014. The dividends are to be paid on July 9, 2014.

7. *Events after the Reporting Date*

As disclosed by the Company on July 6, 2014 to the Philippine Stock Exchange and filed with the Commission on July 7, 2014 in a SEC Form 17-C Report in connection with the resolution approved by the Board of Directors in its July 6, 2014 meeting, the Board authorized the Company to explore, study and consider the combination of the businesses ("Combination") of the Company with those of Lafarge Republic, Inc. (LRI) in order to avail itself of the resulting synergies and opportunities, and in the course of such study, determine optimal structures to implement such Combination.

It is contemplated that LRI's two plants in Norzagaray, Bulacan and LRI's plant in Iligan owned by LRI's subsidiary, Lafarge Iligan, Inc., together with their related assets, will be excluded from such Combination.

The Board authorized Mr. Eduardo A. Sahagun, President and CEO, to undertake the study of such Combination and the appointment of financial, legal and technical experts as he may deem necessary.

Interim Disclosures

The Company is not aware of the following or is not applicable to the Company's interim operations:

1. Unusual items that materially affect the Company's consolidated assets, liabilities, equity, net income or cash flows because of their nature, size or incidents.

2. Changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

3. Issuances and repurchases of equity securities.

4. Material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

5. Existence of material contingencies and other events of transactions that are material to an understanding of the current interim period.

6. Known trends, demands, commitments, events and uncertainties that will result in or likely to decrease its liquidity in any material way. The Company does not anticipate having within the next twelve (12) months any cash flow or liquidity problems nor does it anticipate any default or breach of any of its existing notes, loans, leases, other indebtedness or financing arrangements requiring it to make payments.

7. Events that will trigger direct or contingent material financial obligations to the Company.

8. Material off-balance sheet transactions, arrangements, obligations (direct or contingent), and other relationships of the Company with unconsolidated entities or other persons created during the year.

9. Material commitments for capital expenditures.

10. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales/revenues/income from continuing operations.

11. Significant elements of income or loss that did not arise from the Company's continuing operations.

12. Material changes in the composition of the Company, including any business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

13. Any seasonal aspect that had a material effect on the financial condition or results of operation.

Material Changes in Balance Sheet Accounts

120% increase in Cash and cash equivalents
Mainly due to high profit generation for the period, timing of the dividend payment and of Capex spending.

42% increase in Trade and other receivables-net
Primarily due to higher revenues in June 2014 compared with December 2013.

25% increase in Other current assets
Mainly attributable to higher prepayments related to business tax, real property tax and insurance.

95% increase in Trade and other payables
Attributable to dividends declared in May 2014 which is payable in Q3 of 2014.

100% decrease in Notes payable
Attributable to the payment made by the Company for a group loan.

100% decrease in Derivative liabilities
The decrease was due to the favorable movement in foreign exchange rates.

242% increase in Income tax payable
Mainly attributable to higher taxable income for 2014 as compared with the same period in 2013.

6% increase in Retirement benefits liabilities
Mainly attributable to higher accrual of pension cost for 2014.

22% decrease in Deferred tax liabilities
Mainly attributable to the reduction in depreciation expense which is a nondeductible expense.

18% decrease in Retained earnings
Mainly due to declaration of dividends as of June 2014.

Material Changes in Income Statement Accounts

10% increase in Net sales
Mainly driven by robust demand and healthy prices.

11% increase in Cost of sales
Due to higher volume produced and sold as a result of strong market demand.

7% increase in operating expenses
Attributable to higher cost of corporate initiatives.

33% decrease in Net financial income (expense)
Mainly due to lower financing charges from financial liabilities and favorable foreign exchange rates resulting to foreign exchange gain.

100% decrease in Expense in NOA
Lower expense in non-operating assets from third parties for 2014 as compared to the same period of last year.

101% decrease in Unusual items
Due to the gain on sale of investment recognized in 2013 but none for 2014.

12% increase in Provision for income tax
Mainly due to higher taxable income in 2014 as compared to the same period in 2013.

Holcim Philippines, Inc. and Subsidiaries
Schedule of Financial Soundness Indicators

Financial KPI	Definition	For the Three (3) Months Ended June 30 2014	2013
Current/Liquidity ratio Current Ratio	Current Assets / Current Liabilities	108.1%	114.8%
Solvency ratio/Debt-to-equity ratio Gearing	Net Financial Debt (Asset) / Stockholder's Equity	(20.9%)	(20.0%)
Asset to Equity Ratios Asset to Equity Ratio/ Equity Multiplier	Total Assets / Stockholder's Equity	154.8%	149.1%
Interest Rate Coverage Ratio Interest Rate Coverage	Income before Tax / Net Interest	Nil	Nil
Profitability Ratios Return on Assets	Net Income / Average Total Assets	11.1%	10.9%
Return on Equity	Net Income / Average Total Equity	15.9%	16.0%

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HOLCIM PHILIPPINES, INC.

Shirley S. Go
Treasurer
Date: July 28, 2014

Glenn A. Agustin
Head, Group Controller
Date: July 28, 2014

110302014000109

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills,Mandaluyong City, Metro Manila,Philippines
Tel:(632) 726-0931 to 39 Fax:(632) 725-5293 Email: mis@sec.gov.ph

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Company Information

SEC Registration No.	0000026126
Company Name	HOLCIM PHILIPPINES, INC.
Industry Classification	
Company Type	Stock Corporation

Document Information

Document ID	110302014000109
Document Type	17-Q (FORM 11-Q:QUARTERLY REPORT/FS)
Document Code	17-Q
Period Covered	September 30, 2014
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

							2	6	1	2	6

SEC Registration Number

HOLCIM PHILIPPINES, INC. AND SUBSIDIARIES

(Company's Full Name)

7th Floor, Two World Square, McKinley Hill, Fort Bonifacio, Taguig City

(Business Address: No. Street City/Town/Province)

Glenn A. Agustin
(Contact Person)

(3^{rd} Quarter 2014)

459-3333
(Company Telephone Number)

0	9		3	0

Month *Day*
(Fiscal Year)

SEC FORM 17-Q
For the quarter ended September 30, 2014
(Form Type)

Month *Day*
(Annual Meeting)

(Secondary License Type, If Applicable)

CFD
Dept. Requiring this Doc.

–
Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended September 30, 2014

2. Commission identification number 026126 3. BIR Tax Identification No 000-121-507-000

4. Exact name of issuer as specified in its charter HOLCIM PHILIPPINES, INC.

5. Province, country or other jurisdiction of incorporation or organization Manila, Philippines

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of issuer's principal office Postal Code

7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City 1634

8. Issuer's telephone number, including area code (632) 459-3333
9. Former name, former address and former fiscal year, if changed since last report N. A.

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	6,452,099,144

11. Are any or all of the securities listed on a Stock Exchange?

Yes [x] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange, Inc. Common Shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [x] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [x] No [ ]

PART I- FINANCIAL INFORMATION

Item 1. Financial Statements.

Exhibit I – Consolidated Balance Sheets as of September 30, 2014 and December 31, 2013
Exhibit II – Consolidated Statements of Income for the quarters ended September 30, 2014 and 2013 and for the nine (9) months ended September 30, 2014 and 2013
Exhibit III – Consolidated Statements of Comprehensive Income for the quarters ended September 30, 2014 and 2013 and for the nine (9) months ended September 30, 2014 and 2013
Exhibit IV – Consolidated Statements of Changes in Stockholders' Equity for the nine (9) months ended September 30, 2014 and 2013
Exhibit V – Consolidated Statements of Cash Flows for the nine (9) months ended September 30, 2014 and 2013
Exhibit VI – Aging of Trade and Other Receivables as at September 30, 2014

Exhibit I

HOLCIM PHILIPPINES, INC.
CONSOLIDATED BALANCE SHEETS
September 30, 2014 and December 31, 2013
(In Thousands)

	30 Sep 2014	31 Dec 2013
ASSETS		
Current Assets		
Cash and cash equivalents	₱3,385,737	₱2,149,104
Trade and other receivables-net	2,299,223	1,780,821
Inventories	3,029,814	3,018,593
Other current assets	1,311,324	739,638
Total Current Assets	**10,026,098**	**7,688,156**
Noncurrent Assets		
Investments	4,559	4,559
Property, plant and equipment – net	17,205,729	17,093,454
Goodwill	2,635,738	2,635,738
Intangibles	852,858	268,880
Deferred tax assets	299,774	255,377
Other noncurrent assets	281,066	280,364
Total Noncurrent Assets	**21,279,724**	**20,538,372**
	31,305,822	**28,226,528**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Notes payable	3,500,000	893,000
Trade and other payables	5,463,267	4,954,547
Derivative liability	-	4,282
Income tax payable	423,804	222,616
Total Current Liabilities	**9,387,071**	**6,074,445**
Noncurrent Liabilities		
Retirement benefit liabilities	544,857	497,373
Provisions	137,540	127,778
Deferred tax liabilities	96,987	1,433
Other noncurrent liabilities	136,317	49,172
Total Noncurrent Liabilities	**915,701**	**675,756**
Equity Attributable to Equity Holders of the Parent		
Capital stock	6,452,099	6,452,099
Additional paid-in capital	8,476,002	8,476,002
Remeasurement loss on retirement benefits - net	(161,351)	(161,351)
Retained earnings	6,225,302	6,697,884
	20,992,052	**21,464,634**
Noncontrolling Interest	**10,998**	**11,693**
Total Stockholders' Equity	**21,003,050**	**21,476,327**
	₱31,305,822	**₱28,226,528**

Exhibit II

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF INCOME
For the quarters ended September 30, 2014 and 2013
And for the nine (9) months ended September 30, 2014 and 2013
(In Thousands, Except Per Share Data)

	Quarter ended		Nine (9) Months Ended	
	Jul–Sep 2014	Jul–Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Net Sales	**₱8,113,355**	**₱6,863,942**	**₱24,974,047**	**₱22,143,446**
Cost of sales	6,181,909	5,059,337	16,829,019	14,665,044
Gross Profit	**1,931,446**	**1,804,605**	**8,145,028**	**7,478,402**
Operating expenses	487,087	453,616	1,330,191	1,240,403
Operating EBITDA	**1,444,359**	**1,350,989**	**6,814,837**	**6,237,999**
Depreciation and amortization	396,026	365,419	1,080,391	1,081,172
Income from Operations	**1,048,333**	**985,570**	**5,734,446**	**5,156,827**
Other income (expenses)				
Net financial income (expense)	(17,020)	(3,746)	(3,017)	17,281
Expenses on NOA	-	(911)	(7)	(9,325)
Unusual items	(1,784)	(4,444)	(3,142)	95,020
Total	**(18,804)**	**(9,101)**	**(6,166)**	**102,976**
Income before Income Tax	**1,029,529**	**976,469**	**5,728,280**	**5,259,803**
Provision for income tax				
Current	345,053	320,213	1,728,788	1,572,096
Deferred	(37,729)	(35,212)	(45,019)	(57,395)
	307,324	**285,001**	**1,683,769**	**1,514,701**
Income Before Minority Interest	**722,205**	691,468	**4,044,511**	**3,745,102**
Noncontrolling interest	(245)	(257)	(991)	(599)
Net Income	**₱721,960**	**₱691,211**	**₱4,043,520**	**₱3,744,503**
Basic/Diluted Earnings Per Share (EPS)				
Computation of EPS:				
(a) Net income applicable to common shareholders	**₱721,960**	**₱691,211**	**₱4,043,520**	**₱3,744,503**
(b) Common shares issued and outstanding	6,452,099	6,452,099	6,452,099	6,452,099
EPS [(a)/(b)]	**₱0.112**	**₱0.107**	**₱0.627**	**₱0.580**

Exhibit III

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the quarters ended September 30, 2014 and 2013
And for the nine (9) months ended September 30, 2014 and 2013
(In Thousands)

	Quarter ended		Nine (9) Month Ended	
	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013
Net Income	**₱ 722,205**	**₱691,468**	**₱4,044,511**	**₱3,745,102**
Other Comprehensive Loss				
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:				
Amounts transferred to profit or loss upon sale of investment in joint venture	-	-	-	-
	-	-	-	-
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:				
Remeasurement loss on retirement benefits	-	-	-	-
Income tax effect	-	-	-	-
	-	-	-	-
Total Comprehensive Income	**722,205**	**₱691,468**	**₱4,044,511**	**₱3,745,102**
Attributable to:				
Equity holders of the Parent Company	**₱721,960**	**₱691,211**	**₱4,043,520**	**₱3,744,503**
Noncontrolling interest	245	257	991	599
	₱722,205	**₱691,468**	**₱4,044,511**	**₱3,745,102**

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the nine (9) months ended September 30, 2014 and 2013
(In Thousands)

	Jan-Sep 2014	Jan-Sep 2013
Capital Stock		
Common Stock		
Balance at beginning of period	₱6,452,099	₱6,452,099
Issuances (Retirement)	-	-
Balance at end of period	6,452,099	6,452,099
Additional Paid-in Capital		
Balance at beginning of period	8,476,002	8,476,002
Issuances (Retirement)	-	-
Balance at end of period	8,476,002	8,476,002
Other comprehensive loss	(161,351)	(81,923)
Retained Earnings		
Balance at beginning of period	6,698,251	5,686,816
Net income	4,043,520	3,744,503
Cash dividends	(4,516,469)	(3,548,654)
Balance at end of period	6,225,302	5,882,665
Noncontrolling Interest	10,998	11,726
	₱21,003,050	₱20,740,569

Exhibit V

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine (9) months ended September 30, 2014 and 2013
(In Thousands)

	Jan-Sep 2014	Jan-Sep 2013
Operating Activities		
Income before income tax for the period	**₱5,728,280**	**₱5,259,803**
Adjustments to reconcile net income to cash		
Depreciation and amortization	1,080,391	1,081,172
Other items (net)	(1,457,405)	(1,619,987)
Changes in current assets and liabilities	(523,778)	(397,924)
Cash provided by operating activities	**4,827,488**	**4,423,064**
Investing Activities		
(Additions) deductions to plant, property and equipment	(1,140,352)	(1,471,906)
De(in)crease in other investing activities	(549,085)	336,136
Cash provided by (used in) investing activities	**(1,689,437)**	**(1,135,770)**
Financing Activities		
Dividends paid	(4,519,715)	(3,548,654)
Proceeds (payment) of short-term loans	2,617,930	533,689
Cash provided (used in) financing activities	**(1,901,785)**	**(3,014,965)**
Net increase (decrease) in cash and cash equivalents	**1,236,266**	**272,329**
Cash and cash equivalents, beginning	**2,149,104**	**1,378,382**
Effect of exchange rate changes on cash & cash equivalents	**367**	**2,029**
Cash and cash equivalents, end	**₱3,385,737**	**₱1,652,740**

Exhibit VI

HOLCIM PHILIPPINES, INC
Aging of Trade and Other Receivables
As of September 30, 2014
(In Thousands)

	Total	Current	1-30 days	31-60 days	Over 60 days
Trade Receivables	**₱2,400,307**	₱2,074,684	₱ 142,135	₱58,663	₱124,825
Other Receivables	**37,780**	20,551	-	-	17,229
Total	**2,438,087**	₱2,095,235	₱142,135	₱58,663	₱142,054
Allowance for Doubtful Accounts	**(138,864)**				
Net Receivables	**₱2,299,223**				

Certified correct:

Glenn A. Agustin
Head, Group Controller

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations

The cement industry demand grew by 11.9%** as of September 2014 compared to the same period of last year. This was brought about by the continuous strong public and private construction activities nationwide. Driven by the robust demand, HPI posted total net sales of Php25.0 billion, higher than the Php22.1 billion reported for the same period last year. Gross profit likewise improved on the back of higher realized sales and better operating efficiency. The Company closed the third quarter with operating EBITDA and net income higher compared with the same period in 2013 by 9% and 8%, respectively.

Financial Position

The Company's financial position remained very liquid with very strong asset to equity ratio. Total assets grew by Php3.1 billion from end of 2013, largely due to increase in cash and cash equivalents as a result of higher profit generated for the period. Likewise, property, plant and equipment and intangible assets increased mainly due to the acquisition of a port facility and foreshore lease in Mabini Batangas.

Cash Flow Generation

The Company's cash requirements have been mainly sourced through cash flow from operations. Overall cash increase was mainly due to higher profit generation. Please refer to the attached statement of cash flow for more details.

Key Performance Indicators

The comparative financial KPI's of the Company for the nine months ended September 30, 2014 and 2013 were as follows:

Financial KPI	Definition	For the Nine (9) Months ended September 30 2014	2013
Profitability			
Return on Equity (ROE)	Net Income / Ave. Total Shareholders' Equity	19.0%	18.1%
Return on Asset (ROA)	Net Income / Average Total Assets	13.6%	14.1%
Efficiency			
EBITDA Margin	Operating EBITDA / Net Sales	27.3%	28.2%
Liquidity			
Gearing	Net Financial Debt (Asset) / Stockholders' Equity	2.9%	(3.5%)
EBITDA Net Interest Cover	Operating EBITDA / Net Interest	42622.0 times	Nil

** CEMAP

Profitability and Efficiency

The improved operating performance of the Company translated to higher profitability with ROE increasing by 0.9%. However, ROA slightly declined by 0.5% due to the newly acquired port facility and foreshore lease agreement in Mabini Batangas.

Liquidity

The Company's liquidity position remained strong evidenced by significant cash balance.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

These condensed consolidated interim financial statements have been prepared in accordance with PAS 34 *Interim Financial Reporting* and do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2013.

The accounting policies adopted in the preparation of condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2013, except for the adoption of the new standards and interpretations that are effective as of January 1, 2014 enumerated below:

- Amendments to PFRS 10, "Consolidated Financial Statements", PFRS 11, "Joint Arrangements" and PAS 27, "Separate Financial Statements": Investment Entities

  The amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss (FVPL). These amendments were not relevant to the Company since none of the entities in the Company qualify as an investment entity under PFRS 10.

- Amendments to PAS 32, "Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities"

  The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments affect the presentation only and have no impact on the Company's financial position or performance.

- Amendments to PAS 36, "Impairment of Assets - Recoverable Amount Disclosures for Nonfinancial Assets"

  The amendments remove the unintended consequence of PFRS 13 on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units for which impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after January 1, 2014 with earlier application permitted, provided PFRS 13 is applied. The Company did not early adopt the amendments. These amendments affect disclosures only and have no impact on the Company's financial position or performance.

- PAS 39, "Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting"

  The amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after January 1, 2014. The amendments have no impact on the Company's financial position or performance.

- Philippine Interpretation IFRIC 21, "Levies"

  The Interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. The Company assessed that the interpretation have no material financial impact on its financial statements.

Standards Issued but not yet Effective
The following standards, amendments and interpretations, will become effective subsequent to December 31, 2014 and have not been early adopted by the Company. Except as otherwise indicated, the Company does not expect the adoption of the applicable new and amended standards to have a significant impact on its financial position or performance. The relevant disclosures will be included in the notes to financial statements when these become effective.

Effective in 2015

- Amendments to PAS 19, "Employee Benefits - Defined Benefit Plans: Employee Contributions"

  The amendments apply to contributions from employees or third parties to defined benefit plans. Contributions that are set out in the formal terms of the plan shall be accounted for as reductions to current service costs if they are linked to service or as part of the remeasurements of the net defined benefit asset or liability if they are not linked to service. Contributions that are discretionary shall be accounted for as reductions of current service cost upon payment of these contributions to the plans. The amendments will not have any significant impact on the financial statements of the Company as its retirement plans are noncontributory.

- Annual Improvements to PFRS (2010 to 2012 cycle)

  The Annual Improvements to PFRSs (2010-2012 cycle) contain non-urgent but necessary amendments to the following standards:

  - PFRS 2, "Share-based Payment - Definition of Vesting Condition"

    The amendment revised the definitions of vesting condition and market condition and added the definitions of performance condition and service condition to clarify various issues. This amendment shall be prospectively applied to share-based payment transactions for which the grant date is on or after July 1, 2014. This amendment does not apply to the Company as it currently has no share-based payments.

  - PFRS 3, "Business Combinations - Accounting for Contingent Consideration in a Business Combination"

    The amendment clarifies that a contingent consideration that meets the definition of a financial instrument should be classified as a financial liability or as equity in accordance with PAS 32. Contingent consideration that is not classified as equity is subsequently measured at FVPL whether or not it falls within the scope of PFRS 9 (or PAS 39, if PFRS 9 is not yet adopted). The amendment shall be prospectively applied to business combinations for which the acquisition date is on or after July 1, 2014. The Company shall consider this amendment for future business combinations.

  - PFRS 8, "Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets"

    The amendments require entities to disclose the judgment made by management in aggregating two or more operating segments. This disclosure should include a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. The amendments also clarify that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if such amounts are regularly provided to the chief operating decision maker. These amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments will affect disclosures only and will not have an impact on the Company's financial position or performance.

- PFRS 13, "Fair Value Measurement - Short-term Receivables and Payables"

  The amendment clarifies that short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. This amendment is effective immediately.

- PAS 16, "Property, Plant and Equipment: Revaluation Method – Proportionate Restatement of Accumulated Depreciation"

  The amendment clarifies that, upon revaluation of an item of property, plant and equipment, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

  a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
  b. The accumulated depreciation is eliminated against the gross carrying amount of the asset.

  The amendment is effective for annual periods beginning on or after July 1, 2014. The amendment shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendment will have no impact on the Company's financial position or performance.

- PAS 24, "Related Party Disclosures - Key Management Personnel"

  The amendments clarify that an entity is a related party of the reporting entity if the said entity, or any member of a group for which it is a part of, provides key management personnel services to the reporting entity or to the parent company of the reporting entity. The amendments also clarify that a reporting entity that obtains management personnel services from another entity (also referred to as management entity) is not required to disclose the compensation paid or payable by the management entity to its employees or directors. The reporting entity is required to disclose the amounts incurred for the key management personnel services provided by a separate management entity. The amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments will affect disclosures only and will have no impact on the Company's financial position or performance.

- PAS 38, "Intangible Assets: Revaluation Method - Proportionate Restatement of Accumulated Amortization"

  The amendments clarify that, upon revaluation of an intangible asset, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

  a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated amortization at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
  b. The accumulated amortization is eliminated against the gross carrying amount of the asset.

  The amendments also clarify that the amount of the adjustment of the accumulated amortization should form part of the increase or decrease in the carrying amount accounted for in accordance with the standard.

  The amendments are effective for annual periods beginning on or after July 1, 2014. These amendments shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendments will have no impact on the Company's financial position or performance.

- Annual Improvements to PFRS (2011 to 2013 cycle)

  The Annual Improvements to PFRSs (2011-2013 cycle) contain non-urgent but necessary amendments to the following standards:

  - PFRS 1, "First-time Adoption of Philippine Financial Reporting Standards - Meaning of Effective PFRS"

    The amendment clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but that permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements. This amendment is not applicable to the Company as it is not a first time adopter of PFRS.

  - PFRS 3, "Business Combinations - Scope Exceptions for Joint Arrangements"

    The amendment clarifies that PFRS 3 does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively.

  - PFRS 13, "Fair Value Measurement - Portfolio Exception"

    The amendment clarifies that the portfolio exception in PFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment will have no impact on the Company's financial position or performance.

  - PAS 40, "Investment Property"

    The amendment clarifies the interrelationship between PFRS 3 and PAS 40 when classifying property as investment property or owner-occupied property. The amendment stated that judgment is needed when determining whether the acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of PFRS 3. This judgment is based on the guidance of PFRS 3. This amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment has no significant impact on the Company's financial position or performance.

New Standard with No Mandatory Effective Date

- PFRS 9, "Financial Instruments: Classification and Measurement"

  PFRS 9, as issued, reflects the first and third phases of the project to replace PAS 39 and applies to the classification and measurement of financial assets and liabilities and hedge accounting, respectively. Work on the second phase, which relate to impairment of financial instruments, and the limited amendments to the classification and measurement model is still ongoing, with a view to replace PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through OCI or profit or loss. Equity financial assets held for trading must be measured at FVPL. For liabilities designated as at FVPL using the FVO, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change relating to the entity's own credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward to PFRS 9, including the embedded derivative bifurcation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

On hedge accounting, PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items, but also for nonfinancial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a financial instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 currently has no mandatory effective date. PFRS 9 may be applied before the completion of the limited amendments to the classification and measurement model and impairment methodology. The Company will not adopt the standard before the completion of the limited amendments and the second phase of the project.

New Standard with Deferred Effective Date

- Philippine Interpretation IFRIC 15, "Agreements for the Construction of Real Estate"

This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The Philippine SEC and the Financial Reporting Standards Council (FRSC) have deferred the affectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. The adoption of the interpretation when it becomes effective will not have any impact on the financial statements of the Company.

2. Seasonality Aspects of the Business

Like any other Company in the construction industry, the operations of HPI are affected by seasonality or cyclicality. During the months starting December to May, demand for cement is greater than the rainy months from June to November.

3. Financial Risk Management Objectives and Policies

General Risk Management Approach

The Company is exposed to various financial risks, which include the effect of changes in debt structure, equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential and adverse effects on the financial performance of the Company. The Company uses derivative instruments such as cross-currency swaps to hedge the interest and foreign exchange risks from its foreign currency-denominated debt. The Company does not enter into other derivative or financial transactions which are unrelated to its operating business as a risk-averse approach is pursued.

Financial risk management of the Company is governed by policies approved by management. It provides principles for overall risk management, as well as policies covering specific risk areas such as interest rate risk, foreign exchange risk, counterparty risk, and use of derivative financial instruments and investing assets in excess of liquidity requirements.

The Company's principal financial instruments, other than derivatives, consist of cash and cash equivalents, notes payable and long-term debt. The main purpose of these financial instruments is to raise funds for the Company's operations. The Company also has various other financial assets and liabilities such as trade and other receivables, advances to employees, guarantee deposits, restricted cash, trade and other payables and advances from customers which arise directly from operations.

The main risks arising from the Company's financial instruments are market risks (which include foreign currency risk and interest rate risk), credit risk and liquidity risk. The Board of Directors (BOD) reviews and approves the policies for managing each of these risks and they are summarized below.

Market Risks

The Company is exposed to market risks, such as foreign currency, interest rate and equity price risks. To manage volatility relating to these exposures, the Company enters into derivative financial instruments, when necessary. The Company's objective is to reduce, where appropriate, fluctuations in earnings and cash flows associated with changes in foreign currency, interest rate and equity price.

Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has foreign-exchange exposures, arising primarily from sales, purchases of goods and services and debt servicing requirements in currencies other than the Peso that leads to currency translation effects. The Company may hedge certain foreign currency-denominated borrowings or other instruments by entering into derivative transactions.

Due to the local nature of the cement business, transaction risk is limited. However, income may primarily be in local currency whereas debt servicing and significant amount of capital expenditures may be in foreign currencies. As a consequence thereof, the Company may enter into derivative contracts whenever necessary, which may be designated either as cash flow hedges or fair value hedges, as appropriate.

As of September 30, 2014, the Company has minimal assets and liabilities exposed to foreign currency risks.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The Company is exposed to fluctuations in financing costs and market value movements of its debt portfolio related to changes in market interest rates. The Company's interest rate exposure is mainly addressed through the steering of the fixed/floating ratio of net debt. To manage this mix, the Company may enter into derivative transactions, as appropriate. As at September 30, 2014, the Company has minimal financial instruments that are exposed to interest rate risk.

Credit Risk

Credit risk is the risk that counterparties may not be able to settle their obligations as agreed. To manage this risk, the Company periodically assesses the financial reliability of customers.

The Company constantly monitors its credit risk exposures. Counterparties to financial instruments consist of a large number of major financial institutions. The Company does not expect any counterparties to fail to meet their obligations, given their high credit ratings. In addition, the Company has no significant concentration of credit risk with any single counterparty or group of counterparties.

The maximum and minimum exposure to credit risk is represented by the carrying amount of each financial asset.

The Company trades only with recognized, credit-worthy third parties. It is the Company's policy that all third party customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the Company's exposure to bad debts to minimal.

With respect to credit risk arising from the other financial assets of the Company, which consist due from related parties, advances to employees, AFS financial assets and guarantee and refundable deposits, the Company's exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its contractual obligations and commitments. The seasonality of revenue generation exposes the Company to shortage of funds during slack season and may result to payment defaults of financial commitments. The Company monitors this risk using a recurring liquidity planning tool. This tool considers the maturity of both its financial assets and projected cash flows from operations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank credit facilities, finance leases and purchase contracts. It is responsible for its own cash surpluses and the raising of loans to cover cash deficits, subject to policies and guidelines approved by management and in certain cases at the BOD level.

The Company maintains sufficient reserves of cash and cash equivalents, which are short-term in nature, unused credit lines and readily available marketable securities to meet its liquidity requirements at all times. In addition, the strong credit worthiness of the Company allows it to make efficient use of the financial markets for financing purposes. As of September 30, 2014, the Company has unutilized credit facilities of ₱6.5 billion.

Capital Management Policy

The Company considers equity attributable to the equity holders of the Parent Company as its capital. The Company's objectives when managing capital are to secure the Company's ongoing financial needs to continue as a going concern as well as to cater for its growth targets in order to provide returns to shareholders and benefits for other stakeholders and to maintain a cost-efficient and risk-optimized capital structure.

The Company manages the capital structure and makes adjustments to it in light of the changes in economic conditions, its business activities, investment and expansion program and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital, among others, on the basis of gearing ratio.

4. *Financial Assets and Liabilities*

Fair Value of Financial Instruments

The estimated fair value of each class of the Company's financial instruments is equal to their carrying amount as at September 30, 2014 and December 31, 2013. The following methods and assumptions are used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and Cash Equivalents, Trade and Other Receivables, Advances to Employees, Restricted Cash, Notes Payable and Trade and Other Payables. Due to the short-term nature of the transactions, the fair values of these instruments approximate the corresponding carrying values as of end of each reporting period.

Derivative Assets and Liabilities. The fair values of the embedded currency forwards are calculated by reference to current forward exchange rates while the fair value of cross-currency swaps are based on market values provided by counterparty banks.

AFS Financial Assets. The fair values of publicly traded instruments are determined by reference to quoted market prices as at the end of each reporting period. Investments in unquoted equity securities for which no reliable basis for fair value measurement is available are carried at cost, net of any impairment in value.

Guarantee Deposits. These are carried at cost, less any impairment in value, which approximate their fair values calculated using the discounted cash flows method.

Fair Value Hierarchy

Below are the list of financial assets and liabilities carried at fair value that are classified using a fair value hierarchy as at September 30, 2014 and December 31, 2013:

	September 30, 2014			December 31, 2013		
	Level 1[1]	**Level 2[2]**	**Total**	Level 1[1]	Level 2[2]	Total
AFS financial assets -						
Quoted equity securities	₱176	₱–	₱176	₱176	₱–	₱176
Financial liability at FVPL						
Derivative assets	–	–	–	–	(4,282)	(4,282)
Total	₱176	₱–	₱176	₱176	(₱4,282)	(₱4,106)

[1] Fair value is determined using observable market inputs that reflect quoted prices in active markets for identical assets or liabilities.
[2] Fair value is determined using inputs other than quoted prices that are either directly or indirectly observable for the assets or liabilities.

5. *Segment Reporting*

Operating segments are components of the Company that engage in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), which operating results are regularly reviewed by the chief operating decision maker* to make decisions about how resources are to be allocated to each of the segments and to assess their performances, and for which discrete financial information is available. Management reassesses on an annual basis whether there have been any change in the operating segments or in the reportable operating segments in accordance with PFRS 8, *Operating Segments.*

For management purposes, the Company is organized into activities based on their products and has two segments, as follows:

- clinker and cement segment, which manufactures and sells clinker and cement for both domestic and export customers; and
- other construction materials and services segment, which includes operations from the RMX business and Helps-U-Build sub-segments.

Management monitors the operating results of its business segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is based on operating EBITDA and is measured consistently with consolidated net income in the consolidated statements of income. However, the Company's finance income and charges and income taxes are managed on a group basis, and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis similar to transactions with third parties.

The Company has determined the Clinker and cement segment as the only reportable segment. Information on the other segments that are not reportable are combined and presented as "Others".

* Chief operating decision maker is composed of the Company's management committee

Segment revenues, EBITDA, assets and liabilities as at September 30, 2014 and 2013 are presented below:

	2014				
	Clinker and cement	Others	Total	Adjustments and eliminations	Consolidated
			(In Thousands)		
Revenue:					
External customers	₱24,334,113	₱639,934	₱24,974,047	₱-	₱24,974,047
Inter-segment	335,840	-	335,840	(335,840)	-
	₱24,669,953	₱639,934	₱25,309,887	(₱335,840)	₱24,974,047
Operating EBITDA	₱6,942,160	(₱127,323)	₱6,814,837	₱-	₱6,814,837
Segment assets	25,144,241	495,387	25,639,628	5,666,194	31,305,822
Segment liabilities	5,503,535	537,273	6,040,808	4,261,964	10,302,772

	2013				
	Clinker and cement	Others	Total	Adjustments and eliminations	Consolidated
			(In Thousands)		
Revenue:					
External customers	₱21,568,425	₱575,021	₱22,143,446	₱-	₱22,143,446
Inter-segment	239,413	-	239,413	(239,413)	-
	₱21,807,838	₱575,021	₱22,382,859	(₱239,413)	₱22,143,446
Operating EBITDA	₱6,308,860	(₱70,861)	₱6,237,999	₱-	₱6,237,999
Segment assets	24,689,223	568,058	25,257,281	1,921,660	27,178,941
Segment liabilities	4,774,200	266,415	5,040,615	1,397,757	6,438,372

6. *Retained Earnings*

The BOD approved the declaration of cash dividends of Php0.70 per common share (or a total of Php4.5 billion) on May 16, 2014, payable to stockholders of record as of June 13, 2014. The dividends were paid on July 9, 2014.

7. *Acquisition of subsidiary*

On July 2014, Holcim Mining and Development Corporation, a wholly owned subsidiary of Holcim Philippines, Inc., acquired a new subsidiary, Lucky One Realty Ventures, Inc. (LORVI) at a purchase price of Php917 million from Calumboyan Holdings, Inc. LORVI owns a port facility and foreshore lease in Mabini Batangas.

8. *Events after the Reporting Date*

On July 6, 2014, the Company's BOD authorized the conduct of a study to explore the possibility of combining the Company's businesses with that of Lafarge Republic, Inc. (LRI), excluding certain identified LRI assets.

Upon consideration of the complexities and efficiencies in implementing a combination, on October 27, 2014, the BOD authorized the Company to consider and negotiate the purchase of LRI's investments in shares of stock of Lafarge Iligan, Inc., Lafarge Mindanao, Inc. and Lafarge Republic Aggregates, Inc., its Star Terminal at the Harbour Centre, Manila and such other specific assets or contracts as may be identified and negotiated between the parties under terms and conditions to be agreed by the parties. The results of such negotiation will be submitted to the BOD for its approval. The BOD also authorized the Company President and CEO to represent the Company in the negotiation, and to do all things necessary including the appointment of financial, technical and legal advisors.

Interim Disclosures

The Company is not aware of the following or is not applicable to the Company's interim operations:

1. Unusual items that materially affect the Company's consolidated assets, liabilities, equity, net income or cash flows because of their nature, size or incidents.

2. Changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

3. Issuances and repurchases of equity securities.

4. Material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

5. Existence of material contingencies and other events of transactions that are material to an understanding of the current interim period.

6. Known trends, demands, commitments, events and uncertainties that will result in or likely to decrease its liquidity in any material way. The Company does not anticipate having within the next twelve (12) months any cash flow or liquidity problems nor does it anticipate any default or breach of any of its existing notes, loans, leases, other indebtedness or financing arrangements requiring it to make payments.

7. Events that will trigger direct or contingent material financial obligations to the Company.

8. Material off-balance sheet transactions, arrangements, obligations (direct or contingent), and other relationships of the Company with unconsolidated entities or other persons created during the year.

9. Material commitments for capital expenditures.

10. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales/revenues/income from continuing operations.

11. Significant elements of income or loss that did not arise from the Company's continuing operations.

12. Any seasonal aspect that had a material effect on the financial condition or results of operation.

Material Changes in Balance Sheet Accounts

58% increase in Cash and cash equivalents
Mainly driven by higher income generated for the period.

29% increase in Trade and other receivables-net
Primarily due to higher revenues in September 2014 compared with December 2013.

77% increase in Other current assets
Mainly attributable to higher down payments made to suppliers for purchase of raw materials and spare parts.

217% increase in Intangibles
Mainly due to the acquisition of a new subsidiary, which is a holder of a Foreshore Lease Agreement with the government, value of which has been recognized in the books as intangible asset.

17% increase in Deferred tax assets
Primarily due to additional provision for allowance for doubtful accounts, retirement and other accounts.

10% increase in Trade and other payables
Attributable to additional accruals of rebates which will be paid in the last quarter of 2014.

292% increase in Notes payable
Attributable to the outstanding short-term loan availed by the Company from banks and other group company.

100% decrease in Derivative liabilities
The decrease was due to the favorable movement in foreign exchange rates.

90% increase in Income tax payable
Mainly attributable to higher taxable income for 2014 as compared with the same period in 2013.

10% increase in Retirement benefits liabilities
Mainly attributable to higher accrual of pension cost for 2014.

8% increase in Provisions
Mainly due to additional provisions made for site restoration.

6688% increase in Deferred tax liabilities
Mainly attributable to the deferred tax liability recognized from the difference between the fair market value and the book value of the subsidiary's asset acquired for the period.

177% increase in Other noncurrent liabilities
Primarily due to additional provision for tax assessments.

7% decrease in Retained earnings
Mainly due to declaration of dividends as of June 2014.

Material Changes in Income Statement Accounts

13% Increase in Net sales
Mainly driven by strong market demand

15% Increase in Cost of sales
Due to higher volume produced and sold as a result of robust demand.

7% increase in operating expenses
Attributable to higher cost of corporate initiatives.

117% decrease in Net financial income
Mainly due to higher financing charges from financial liabilities. However, this was mitigated by favorable foreign exchange rates resulting to foreign exchange gain.

100% decrease in Expense in NOA
Lower expense in non-operating assets from third parties for 2014 as compared to the same period of last year.

103% decrease in Unusual items
Due to the gain on sale of investment recognized in 2013 but none for 2014.

11% increase in Provision for income tax
Mainly due to higher taxable income in 2014 as compared to the same period in 2013.

Holcim Philippines, Inc. and Subsidiaries
Schedule of Financial Soundness Indicators

Financial KPI	Definition	For the Nine (9) Months Ended September 30	
		2014	2013
Current/Liquidity ratio Current Ratio	Current Assets / Current Liabilities	106.8%	126.9%
Solvency ratio/Debt-to-equity ratio Gearing	Net Financial Debt (Asset) / Stockholder's Equity	2.9%	(3.5%)
Asset to Equity Ratios Asset to Equity Ratio/ Equity Multiplier	Total Assets / Stockholder's Equity	149.1%	131.0%
Interest Rate Coverage Ratio Interest Rate Coverage	Income before Tax / Net Interest	35826.4 times	Nil
Profitability Ratios			
Return on Assets	Net Income / Average Total Assets	13.6%	14.1%
Return on Equity	Net Income / Average Total Equity	19.0%	18.1%

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HOLCIM PHILIPPINES, INC.

Shirley S. Go	Glenn A. Agustin
Treasurer	Head, Group Controller
Date: October 30, 2014	Date: October 30, 2014

REPUBLIC OF THE PHILIPPINES)
) S.S.
TAGUIG CITY

SECRETARY'S CERTIFICATE

I, **KRISTINE N.L. EVANGELISTA**, Filipino, of legal age, with office and postal address at 7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City as Corporate Secretary of **UNION CEMENT HOLDINGS CORPORATION** (the "*Corporation*"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, do hereby certify that at the Meeting of the Board of Directors held on the 10th day of December 2014, at which a quorum was present, the resolutions quoted hereunder were unanimously adopted and approved:

> *"RESOLVED, that the Board of Directors of Union Cement Holdings Corporation declare, as it hereby declares, a cash dividend in the amount of Php2.00 per share to all stockholders of record as of January 15, 2015. Payment date shall not be later than February 3, 2015."*

The original resolution is in the official custody of the undersigned and it has not been revised, revoked or modified as of the date of this certification.

IN WITNESS HEREOF, I have hereunto set my hand this JAN 3 0 2015 at TAGUIG CITY, Metro Manila.

KRISTINE N.L. EVANGELISTA
Corporate Secretary

SUBSCRIBED AND SWORN to me this JAN 3 0 2015 at TAGUIG CITY Metro Manila, affiant exhibited to me her Passport No. EB8978388 issued at DFA-Manila on August 24, 2013.

Doc. No. 10 ;
Page No. 11 ;
Book No. IV ;
Series of 2015.

JONATHAN D. FERNANDEZ
NOTARY PUBLIC
APPOINTMENT NO. 39 (2015-2016)
UNTIL DECEMBER 31, 2016
PTR NO. 2015203, 01-05-2015 BAGUIO CITY
LIFETIME IBP NO. 08009; Gag-Beng Chapter
ROLL NO. 52339
MCLE COMPLIANCE NO.003272
8TH Floor Three World Square,
McKinley Hill, Fort Bonifacio, Taguig City

Exhibit 4

Schedule of Pending Material Legal Proceedings

PENDING MATERIAL LEGAL PROCEEDINGS (Parent)

1. **People v. Aurora Ayllon**
(Norzagaray MTC Branch 01)

Nature: This case for trespassing was filed against Ayllon for entering the Quarry Site No. 2 of Union Cement Corporation ("UCC") at Brgy. Matictic, Norzagaray, Bulacan with armed men. Ayllon was convicted in July 2010 by the MTC. She filed an appeal before the Regional Trial Court ("RTC"), and in 2013, the RTC affirmed the conviction. Ayllon did not file an appeal and the RTC issued entry of judgment.

2. **UCC v. R.M.R. Baldemor Cargo Mover Co.**
(Makati RTC Branch 139 - Civil Case No. 01-722)

Nature: This case involves money claims against a cargo forwarder due to short delivery of polyslings.

Status: In July 2010, the RTC ordered RMR to pay UCC ₱1.3Million.

3. **Holcim Philippines, Inc. v. Jocelyn Suavillo**
(Taguig City Prosecutor's Office – IS No. XV-16-INV-09H-00730)

Nature: This is a criminal complaint for estafa, falsification and qualified theft filed against a former employee. The City Prosecutor dismissed the complaint for lack of probable cause.

Status: Holcim's petition for review before the Department of Justice is still pending.

4. **Holcim Philippines, Inc. v. Jocelyn Suavillo and Rhona M. Valenzuela**
(RTC Makati Branch 133; Makati City Prosecutor's Office - IS No. XV-05-INV-09K-03371)

Nature: This is a criminal case for 75 counts of estafa filed against former employees.

Status: Holcim entered into a compromise agreement with Rhona Valenzuela and Joseph San Juan and desisted from further pursuing the cases against them. The Court ordered the dismissal of the cases against them. The case against Jocelyn Suavillo is archived.

5. **Holcim Philippines, Inc. v. Jocelyn Suavillo, Rhona M. Valenzuela and Joseph R. San Juan**
(Makati MTC, Branch 63, Crim. Case No. 363198)

Nature: This is a criminal complaint for estafa filed against former employees.

Status: On September 9, 2013, the Court ordered the dismissal of the case as to Rhona Valenzuela and Joseph San Juan following a compromise agreement between them and Holcim. The case is archived as to Jocelyn Suavillo.

6. **Holcim Philippines, Inc. v. Jocelyn Suavillo, Rhona M. Valenzuela and Joseph R. San Juan**
(Taguig City Prosecutor's Office - IS No. XV016-INV-09L-01068)
RTC Taguig Branch 271

Nature: This is a criminal complaint for 4 counts of estafa filed against former employees.

Status: In view of Holcim's compromise agreement with Joseph San Juan and Rhona Valenzuela, the court provisionally dismissed the case insofar as they are concerned. The case is archived as to Jocelyn Suavillo.

7. **Holcim Philippines, Inc. v. Noel T. Quiambao**
(Provincial Prosecutor's Office, San Fernando, La Union)
RTC, San Fernando, La Union and MTC-Bacnotan, La Union)

Nature: These are criminal cases for estafa and falsification of commercial documents filed against a former employee.

Status: In view of the compromise agreement between Holcim and Noel Quiambao, Holcim desisted from further prosecuting and the court dismissed all the cases.

8. **Holcim v. Sps. Hermenigildo and Norma de la Cruz, and Sps. Joseph and Elizabeth Losloso**
(RTC Bayombong, Nueva Vizcaya)

Nature: Collection case for unpaid products.

Status: Trial is on-going.

9. **Joseph San Juan v. Holcim Philippines, Inc./Ian Thackwray**
(NLRC-National Capital Region, NLRC-NCR Case 01-00325-10)

Nature: This is a labor case for illegal dismissal.

Status: In August 2010, the Labor Arbiter dismissed the case. San Juan filed an appeal and the NLRC (Commission Level) affirmed the Labor Arbiter's Decision. In September 2011, San Juan filed a Petition before the Court of Appeals to which the company filed a comment. In a Decision dated December 12, 2014, the Court of Appeals affirmed the dismissal of his complaint.

10. **In the Matter of an Arbitration under the UNCITRAL Rules between 1. PT Asia Pacific Mining Resources (Indonesia), 2. Madison Energy PTE Ltd (Singapore) and Holcim Philippines, Inc.**
Singapore International Arbitration Center

Nature: PT Asia Pacific Mining Resources and Madison Energy PTE Ltd submitted for arbitration Holcim's cancellation of their coal supply agreement.

Status: The parties submitted their respective statement of claims and statement of defenses.

PENDING MATERIAL LEGAL PROCEEDINGS (Subsidiaries)

14. **Petition for the Cancellation/Revocation and/or Termination of Mineral Production Sharing Agreement No. 108-98-IV issued to Sulu Resources Development Corporation, Maximo Awayan [Petitioner]**
Mines and Geosciences Bureau, Department of Environment and Natural Resources (Formerly DENR POA Case No. 2008-2)

Nature: In his Petition (the "Petition for Cancellation"), Maximo Awayan, who claimed to be the surface owner of a portion of the area covered by Mineral Production Sharing Agreement No. 108-98 IV dated April 7, 1998 (the "Sulu MPSA") of Sulu Resources Development Corporation ("Sulu") (this company was subsequently renamed Holcim Mining and Development Corporation), prayed for the cancellation of the Sulu MPSA. He principally claimed that Sulu had failed to complete its exploration activities and to commence commercial production within the prescribed period and that Sulu had also failed to comply with the applicable reportorial requirements.

In an Order dated September 18, 2009, the DENR cancelled the Sulu MPSA. In a second Order dated November 20, 2009, the DENR denied Sulu's Motion for Reconsideration. Sulu filed an appeal with the Office of the President. This was denied in March 2010.

Sulu filed a Petition before the Court of Appeals. In August 2011, the Court of Appeals granted the company's petition, declaring that the MPSA is in full force and effect. In September 2011, Awayan filed a motion for reconsideration and a supplemental motion for reconsideration. On February 2, 2012, both motion and supplemental motion were denied by the Court of Appeals. Awayan thereafter filed a Petition for Review on Certiorari dated March 7, 2012 with the Supreme Court, which was docketed as SC G.R. No. 200474. On June 26, 2012, Sulu filed its Comment.

Status: Awayan's Petition for Review is still pending resolution by the Supreme Court.

TAX CASES

1. The Company has a pending tax audit for national income taxes in 2008. The amount of deficiency taxes is not yet determinable as of December 31, 2014 since these are still under examination by the BIR.

2. The Company has received a final assessment notice from the Large Taxpayers Service Division of the BIR for alleged deficiency final withholding taxes covering the taxable year 2010 in the amount of PhP150,874,124.61, inclusive of penalties and interest. The assessment was issued as a result of the denial of the Company's application for tax treaty relief on the sole ground that it allegedly violated the prior application requirement prescribed in BIR Revenue Memorandum Order No. 1-00. The Company filed its protest on July 29, 2013 and submitted additional supporting documents on September 26, 2013 to establish full compliance with the prior application requirement. The Company has also raised the Supreme Court's decision -- in Deutsche Bank AG Manila Branch v. Commissioner of Internal Revenue (G.R. No. 188550, August 19, 2013) -- that those entitled to benefits under tax treaties cannot be deprived of such benefits for failure to strictly comply with the prior application requirement. Management therefore believes that the BIR should already cancel the assessment.

3. On December 2012, the Company received an assessment from the Province of Bulacan (Bulacan) for alleged deficiency real property taxes for its Line 2 machinery and equipment at the Bulacan Plant for the period of January 2011 to December 2012. The Company filed an appeal with the Local Board of Assessment Appeals (LBAA) of Bulacan on January 25, 2013 contesting Bulacan's real property tax assessment. During the pendency of the appeal with the LBAA, Bulacan and the Municipality of Norzagaray issued additional assessments covering the same Line 2 machinery and equipment, buildings and landholdings of the Company. The additional assessments covered the period from January 2011 until the 4th quarter of 2014 inclusive of interest and penalties. These additional assessments became the subject of the Company's supplemental appeals with the LBAA. The Company's appeals and supplemental appeals are still pending with the LBAA.

   On December 2014, under threat of coercive collection processes, the Company paid a total of P120 million under protest real property taxes for these Line 2 machinery and equipment, buildings and landholdings.

4. On February 2014, the Company received an assessment from the Municipality of Norzagaray ("Municipality") for deficiency local business tax on alleged discovered unreported cement sales from years 2005 to 2011. The Company filed a complaint seeking to annul the said assessment with the Regional Trial Court of Malolos Bulacan. The Company has pointed out in its complaint that the Municipality's right to collect LBT from Holcim for the years 2006 to 2009 has already prescribed, and that Company which has been paying LBT to Municipality in accordance with Section 150 of the LGC and two opinions issued by the Bureau of Local Government Finance in response to Holcim's requests on how its gross receipts should be allocated. The hearing for the case is still on-going as of December 31, 2014.

5. HPMC has received a final assessment notice from the BIR last June 2014 for alleged deficiency income tax, value-added tax, expanded and final withholding tax and documentary stamp tax covering the taxable year 2008 in the aggregate amount of PhP283,893,110, inclusive of penalties and interest. HPMC filed the necessary protest letter on July and September 2014 setting forth all the necessary reasons, explanations, reconciliations and submitting additional documents to explain each item of the assessment. As of December 31, 2014, BIR has not acted on the protest letter.

6. CACI has received a final assessment notice from the BIR last December 2014 for alleged deficiency income tax and value-added tax covering the taxable year 2011 in the amount of PhP2,521,436, inclusive of penalties and interest. CACI filed the necessary protest letter on January 2015 indicating the arguments on each item of the assessment.

7. HMDC has a pending tax audit for national taxes in 2012. The amount of deficiency taxes is not yet determinable as at December 31, 2014 since these are still under examination by the BIR.

8. MGMC has a pending tax audit for national taxes in 2012. The amount of deficiency taxes is not yet determinable as at December 31, 2014 since these are still under examination by the BIR.

9. ECLI has a pending tax audit for national taxes in 2013. The amount of deficiency taxes is not yet determinable as at December 31, 2014 since these are still under examination by the BIR.

Exhibit 5

SEC Form 17-C

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **January 15, 2014**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **26126** 3. BIR Tax Identification No. **000-121-507**

4. **Holcim Philippines, Inc.**
   Exact name of registrant as specified in its charter

5. 6. (SEC Use Only)
   Province, country or other jurisdiction of incorporation Industry Classification Code:

7. **7th Floor Two World Square, McKinley Hill**
   Fort Bonifacio, Taguig City **1634**
   Address of principal office Postal Code

8. **(632) 4593333**
   Registrant's telephone number, including area code

9. **Not applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
COMMON	*6,452,099,144*

11. Indicate the item numbers reported herein: *Item 9* (Other Events)

Item 9 (Other Events)

Please be advised that Mr. Roland Van Wijnen, a member of the Board of Directors of Holcim Philippines, Inc., has tendered his resignation with effect on January 31, 2014. Attached is a copy of his letter of resignation.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC.
Registrant

MA. ALLEN M. ARBIS
Corporate Secretary

January 6, 2014

To the Chairman and Members
of the Board of Directors of
Holcim Philippines, Inc.
7F Two World Square
McKinley Hill, Taguig City
Philippines

Gentlemen:

I wish to inform you that I am resigning as a member of the Board of Directors of Holcim Philippines, Inc. with effect as of January 31, 2014.

It was a privilege to serve the Company since I joined as COO and director in 2010.

I wish the Company all the best in the future.

Very truly yours,

Roland van Wijnen

Cc:
Ma. Allen M. Arbis
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **February 10, 2014**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **26126** 3. BIR Tax Identification No. **000-121-507**

4. **Holcim Philippines, Inc.**
   Exact name of registrant as specified in its charter

5. Province, country or other jurisdiction of Incorporation 6. (SEC Use Only) Industry Classification Code:

7. **7th Floor Two World Square, McKinley Hill**
   Fort Bonifacio, Taguig City **1634**
   Address of principal office Postal Code

8. **(632) 4593333**
   Registrant's telephone number, including area code

9. **Not applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
COMMON	6,452,099,144

11. Indicate the item numbers reported herein: ***Item 9 (Other Events)***

Item 9 (Other Events)

At the regular meeting of the Board of Directors (the "Board") of Holcim Philippines, Inc. (the "Company") held today, the Board approved the following resolutions:

(a) Postponement and setting of date of annual stockholders' meeting and record date

- the postponement of its annual stockholders' meeting, which pursuant to its By-laws should be held on the second Thursday of May of each year, to May 16, 2014. The record date for the annual stockholders' meeting is set on April 16, 2014. The Board delegated to the Corporate Secretary the responsibility of confirming the agenda, venue and time of the annual stockholders' meeting;

(b) Amendment of Sixth Article of the Amended Articles of Incorporation and Article II, Section 1 of the Amended By-laws.

- the amendment of the Sixth Article of the Company's Amended Articles of Incorporation and Article II, Section 1 of the Amended By-laws to reduce the number of Board seats from 10 to 7.

(c) Election of Director

- Mr. Daniel Bach was elected to serve the remainder of the term of Mr. Roland Van Wijnen as member of the Board. Mr. Van Wijnen resigned from the Board with effect as of January 31, 2014 following his new responsibilities in the Holcim Group.

Mr. Bach was formerly a member of the Board and the Company's Senior Vice President for Manufacturing in 2007 until his assignment as CEO of Holcim Romania in 2011. As of January 2014, he took on a new role as Holcim's Area Manager for South East Asia. He joined Holcim as a project engineer and manager in 1994 and in 1998 moved to Corporate Business Risk Management. In 2002 he became technical director for Holcim Indonesia and was assistant to a member of the Holcim Executive Committee in 2004 until he joined the Company. Attached is Mr. Bach's curriculum vitae.

(d) Appointment of external auditor

- the proposal of SyCip Gorres Velayo & Co. as the Company's external auditor for the year 2014.

(e) Approval of Audited Financial Statements

- the Company's Audited Financial Statements for fiscal year 2013, which shall be duly filed with the Commission together with the SEC Form 17-A report.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC.
Registrant

Ma. Allen M. Arbis
MA. ALLEN M. ARBIS
Corporate Secretary & Compliance Officer

REPUBLIC OF THE PHILIPPINES)
TAGUIG CITY)SS.

Before me, a notary public in and for the city named above, personally appeared Ma. Allen M. Arbis, with Passport No. XX4091465 issued at DFA-Manila on July 3, 2009, who is personally known to me to be the same person who presented the foregoing report and signed the same in my presence, and who took an oath before me as to said report.

Witness my hand and seal this 10th day of February 2014.

Doc. No. 272
Page No. 56;
Book No. II;
Series of 2014.

JONATHAN O. FERNANDEZ
NOTARY PUBLIC
APPOINTMENT NO. 103 (2013-2014) TAGUIG
UNTIL DECEMBER 31, 2014
PTR NO. 1337124; 01-04-2013; BAGUIO CITY
LIFETIME IBP NO. 08909; Bag-Beng Chapter
ROLL NO. 62589
MCLE COMPLIANCE NO. IV-003272
7th Floor Two World Square,
Mckinley Hill, Fort Bonifacio, Taguig City

Daniel Bach

Career

1994	Project Engineer and Manager, Holcim Group
1998	Corporate Business Risk Management, Holcim Group
2002	Technical Director, Holcim Indonesia
2004	Assistant, Holcim Executive Committee Member
2007	Senior Vice President for Manufacturing, Holcim Philippines
2011	CEO, Holcim Romania
2014	Area Manager for South East Asia, Holcim Group

Education

Mechanical Engineering degree
Swiss Federal Institute of Technology (ETH Zurich)

Ph.D. in Technical Sciences
Swiss Federal Institute of Technology (ETH Zurich)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **March 20, 2014**
   Date of Report (Date of earliest event reported)

2. SEC Identification Number **26126**   3. BIR Tax Identification No. **000-121-507**

4. **Holcim Philippines, Inc.**
   Exact name of registrant as specified in its charter

5. Province, country or other jurisdiction of incorporation   6. (SEC Use Only) Industry Classification Code:

7. **7th Floor Two World Square, McKinley Hill**
   Fort Bonifacio, Taguig City   **1634**
   Address of principal office   Postal Code

8. **(632) 4593333**
   Registrant's telephone number, including area code

9. **Not Applicable**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
COMMON	*6,452,099,144*

11. Indicate the item numbers reported herein: *Item 9* (Other Events)

Item 9 (Other Events)

Pursuant to the delegation by the Board of Directors of Holcim Philippines, Inc. (the "Company") to the Corporate Secretary of the responsibility of confirming the agenda, venue and time of the annual meeting of the stockholders, the undersigned confirms the following details of said annual meeting to be held on May 16, 2014:

Date: May 16, 2014, Friday

Time: 10:00 a.m.

Place: Ballroom 2, 2nd Level
Fairmont Makati
1 Raffles Drive, Makati Avenue
1224 Makati City
Philippines

The record date for the annual meeting of the stockholders is set on April 16, 2014.

The following items will be included in the agenda for the Annual Meeting:

1. Call to order
2. Proof of notice and determination of existence of quorum
3. Approval of the Minutes of the Annual Meeting held on May 23, 2013
4. Approval of the Annual Report and the Audited Financial Statements of the Company as of December 31, 2013
5. Approval and ratification of all acts, contracts, investments and resolutions of the Board of Directors, Committees and Management since the last annual meeting
6. Election of the members of the Board of Directors
7. Appointment of External Auditor
8. Approval of Amendment to the Sixth Article of the Amended Articles of Incorporation (to reduce the number of Board seats from 10 to 7)
9. Other matters
10. Adjournment

Further details on the agenda shall be provided in the Information Statement to be distributed to the stockholders within the period required under the Securities Regulation Code.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOLCIM PHILIPPINES, INC.
Registrant

MA. ALLEN M. ARBIS
Corporate Secretary & Compliance Officer

COVER SHEET

26126

S.E.C. Registration Number

HOLCIM PHILIPPINES, INC.

(Company's Full Name)

7TH FLOOR, TWO WORLD SQUARE, MCKINLEY HILL, FORT BONIFACIO, TAGUIG CITY

(Business Address: No. Street City / Town / Province)

Kristine N. L. Evangelista

Contact Person

(632) 459-3333

Company Telephone Number

0331

Month Day Year

Fiscal Year

SEC Form 17-C

FORM TYPE

Second Thursday of May

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total no. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = please use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

AMENDED SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. May 16, 2014
   Date of Report (Date of earliest event reported)

2. SEC Identification Number 26126 3. BIR Tax Identification No. 000-121-507-000

4. Holcim Philippines, Inc.
   Exact name of issuer as specified in its charter

5. Philippines
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. 7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City — 1634
   Address of principal office — Postal Code

8. (632) 4593333
   Issuer's telephone number, including area code

9. ______________________
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	6,452,099,144

11. Indicate the item numbers reported herein: Item 9. Other Events

Item 9. Other Events

I. Regular Meeting of the Board of Directors

At the Regular Meeting of the Board of Directors (the "Board") of Holcim Philippines, Inc. (the "Company") held today, May 16, 2014, at Sampiro Room, 2nd Level, Fairmont Makati, 1 Raffles Drive, Makati Avenue, 1224 Makati City, Metro Manila ("Fairmont Makati"), the Board approved the declaration of a cash dividend in the amount of Php0.70 per share to all stockholders of record as of June 13, 2014. Payment date will not be later than July 9, 2014.

II. Annual Stockholders Meeting

The following matters were taken up at the Annual Stockholders Meeting of the Company held today, May 16, 2014, at Ballroom 2, 2nd Level, Fairmont Makati, at 10:00 am:

1. Approval of the Minutes of the Annual Meeting held on May 23, 2013;

2. Approval of the Annual Report and the Audited Financial Statements of the Company as of December 31, 2013;

3. Approval and ratification of all acts, contracts, proceedings, investments and resolutions of the Board of Directors, Board Committees, Corporate Officers and Management since the last annual meeting;

4. Election of the following as members of the Board of Directors for the year 2014 and until their successors shall have been duly elected and qualified;

    a) Ramon R. Del Rosario, Jr.
    b) Ian S. Thackwray
    c) Tomas I. Alcantara
    d) Eduardo A. Sahagun
    e) Daniel N. Bach
    f) Yasuo Kitamoto (Independent)
    g) Simeon V. Marcelo (Independent)

5. Approval of the appointment of SyCip Gorres Velayo & Co. as External Auditor of the Company for the year 2014.

6. Approval of the Amendment to the Sixth Article of the Company's Amended Articles of Incorporation and to Article II, Section 1 of the Company's Amended By Laws (to reduce the number of Board seats from 10 to 7). The approval of the amendment is subject to the approval of the Securities and Exchange Commission.

III. Organizational Meeting of the Board of Directors

At the Organizational Meeting of the Board held today, May 16, 2014, at Sampiro Room, Fairmont Makati, the following officers were elected to serve for the year 2014, until their successors shall have been duly elected and qualified:

Position		Name
Chairman	-	Ramon R. del Rosario, Jr.
Vice Chairman	-	Ian S. Thackwray
President & Chief Executive Officer	-	Eduardo A. Sahagun
Senior Vice President - Manufacturing	-	Andre Caluori
Vice President - Operations (Bulacan Plant)	-	Federico V. Santiago
Vice President - Operations (Davao Plant)	-	Zita D. Balogo
Vice President - Operations (Lugait Plant)	-	Bobby R. Garza
Vice President - Operations (La Union Plant)	-	Andrew M. White

Vice President - Commercial	-	William C. Sumalinog
Vice President - Supply Chain	-	Saskia Groen-in't-Woud
Vice President - Geocycle	-	Ernesto C. Paredes
Vice President - Human Resources	-	Araceli E. Gonzales
Vice President - Corporate Communications	-	Nerissa V. Ronquillo
Vice President - Corporate Occupational Health & Safety	-	Carmela Dolores S. Calimbas
Vice President - Legal Affairs / Corporate Secretary / Compliance Officer	-	Kristine N. L. Evangelista
Treasurer	-	Shirley S. Go.
Assistant Corporate Secretary	-	Jan Celine A. Ranada

In the same meeting, the following members of the Committees of the Board were also elected:

Executive Committee

1) Ian S. Thackwray	-	Chairman
2) Ramon R. del Rosario, Jr.	-	Member
3) Daniel N. Bach	-	Member
4) Eduardo A. Sahagun	-	Member

Audit Committee

1) Simeon V. Marcelo (Independent)	-	Chairman
2) Ramon R. del Rosario, Jr.	-	Member
3) Daniel N. Bach	-	Member
4) Yasuo Kitamoto (Independent)	-	Member

Nomination Committee

1) Tomas I. Alcantara	-	Chairman
2) Yasuo Kitamoto (Independent)	-	Member
3) Ian S. Thackwray	-	Member

Compensation Committee

1) Daniel N. Bach	-	Chairman
2) Tomas I. Alcantara	-	Member
3) Simeon V. Marcelo (Independent)	-	Member

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Holcim Philippines, Inc.
Issuer

May 16, 2014
Date

Kristine N.L. Evangelista
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. July 6, 2014
   Date of Report (Date of earliest event reported)

2. SEC Identification Number 26126 3. BIR Tax Identification No. 000-121-507-000

4. Holcim Philippines, Inc.
   Exact name of issuer as specified in its charter

5. Philippines
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. 7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City 1634
   Address of principal office Postal Code

8. (632) 4593333
   Issuer's telephone number, including area code

9. Not applicable
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	6,452,099,144

11. Indicate the item numbers reported herein: Item 9. Other Events

Item 9. Other Events

At the Special Meeting of the Board held on July 6, 2014, at Meeting Room #1, Business Center of the Makati Shangri-La, Ayala Avenue, Makati City, the Board authorized the Company to explore, study and consider the combination of the businesses ("Combination") of the Company with those of Lafarge Republic, Inc. ("LRI") in order to avail itself of the resulting synergies and opportunities, and in the course of such study, determine optimal structures to implement such Combination.

It is contemplated that LRI's two plants in Norzagaray, Bulacan and LRI's plant in Iligan owned by LRI's subsidiary, Lafarge Iligan, Inc., together with their related assets, will be excluded from such Combination.

The Board authorized Mr. Eduardo A. Sahagun, President and CEO, to undertake the study of such Combination and the appointment of financial, legal and technical experts as he may deem necessary.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Holcim Philippines, Inc.
Issuer

July 6, 2014
Date

Kristine N.L. Evangelista
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. September 15, 2014
   Date of Report (Date of earliest event reported)

2. SEC Identification Number 26126   3. BIR Tax Identification No. 000-121-507-000

4. Holcim Philippines, Inc.
   Exact name of issuer as specified in its charter

5. Philippines   6. [ ] (SEC Use Only)
   Province, country or other jurisdiction of incorporation   Industry Classification Code:

7. 7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City   1634
   Address of principal office   Postal Code

8. (632) 4593333
   Issuer's telephone number, including area code

9. Not applicable
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	6,452,099,144

11. Indicate the item numbers reported herein: Item 9. Other Events

Item 9. Other Events

Please be advised Mr. Ramon R. Del Rosario has tendered his resignation as chairman and member of the board of directors and member of the Audit Committee of the Company and the members of the board of directors of the Company have accepted such resignation.

Mr. Tomas I. Alcantara has been nominated by the board to serve as chairman for the unexpired portion Mr. Del Rosario's term.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Holcim Philippines, Inc. Issuer	September 19, 2014 Date

Kristine N.L. Evangelista
Corporate Secretary

110132014000842

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills,Mandaluyong City, Metro Manila,Philippines
Tel:(632) 726-0931 to 39 Fax:(632) 725-5293 Email: mis@sec.gov.ph

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Company Representative

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Company Information

SEC Registration No.	0000026126
Company Name	HOLCIM PHILIPPINES, INC.
Industry Classification	
Company Type	Stock Corporation

Document Information

Document ID	110132014000842
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	October 09, 2014
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

2 6 1 2 6

S.E.C. Registration Number

HOLCIM PHILIPPINES, INC.

(Company's Full Name)

7TH FLR. TWO WORLD SQUARE
MCKINLEY HILL FORT BONIFACIO
TAGUIG CITY

(Business Address: No. Street City / Town / Province)

KRISTINE N.L. EVANGELISTA

Contact Person

(02) 4593333

Company Telephone Number

1 2 3 1

Month *Day*

Fiscal Year

17C

FORM TYPE

any day in April/May

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. October 9, 2014
   Date of Report (Date of earliest event reported)

2. SEC Identification Number 26126 3. BIR Tax Identification No. 000-121-507-000

4. Holcim Philippines, Inc.
   Exact name of issuer as specified in its charter

5. Philippines
   Province, country or other jurisdiction of Incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. 7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City — 1634
   Address of principal office — Postal Code

8. (632) 4593333
   Issuer's telephone number, including area code

9. Not applicable
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	6,452,099,144

11. Indicate the item numbers reported herein: Item 9. Other Events

Item 9. Other Events

Please be advised that the Securities and Exchange Commission ("SEC") approved on October 9, 2014 the amendment of the Articles of Incorporation and By-Laws of Holcim Philippines, Inc. ("Company") reducing the number of directors of the Company from ten to seven.

Attached are copies of the amended Articles of Incorporation and By-Laws approved by the SEC.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Holcim Philippines, Inc. Issuer	October 10, 2014 Date

Kristine N.L. Evangelista
Corporate Secretary

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

COMPANY REG. NO. 26126

CERTIFICATE OF FILING
OF
AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the amended articles of incorporation of the

HOLCIM PHILIPPINES, INC.
[Amending Article VI thereof.]

copy annexed, adopted on February 10, 2014 by majority vote of the Board of Directors and on May 16, 2014 by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 16 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980 and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Mandaluyong City, Metro Manila, Philippines, this 9th day of October, Twenty Fourteen.

FERDINAND B. SALES
Director
Company Registration and Monitoring Department

AMENDED ARTICLES OF INCORPORATION

HOLCIM PHILIPPINES, INC.
(Formerly Union Cement Corporation)

KNOW ALL MEN BY THESE PRESENTS:

That we, all of legal age, majority of whom are citizens and residents of the Republic of the Philippines, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the Republic of the Philippines.

AND WE HEREBY CERTIFY:

FIRST - That the name of said corporation shall be:

HOLCIM PHILIPPINES, INC.
(As amended on September 3, 2004 by the Board of Directors and on November 15, 2004 by Shareholders)

SECOND - That the purpose for which the corporation is formed are:

Primary Purpose

To engage in the business of manufacture, production and merchandising, whether domestically or for export, of cement, cement products and by-products, including its derivatives, and any and all kinds of minerals and building materials. *(As amended on March 31, 2011 by the Board of Directors and on May 12, 2011 by the Shareholders)*

Secondary Purposes

1. To engage in the business of purchasing, developing, selling, exchanging and holding for investment or otherwise, real estate of all kinds; *(As amended on March 31, 2011 by the Board of Directors and on May 12, 2011 by the Shareholders)*

2. Handling, treatment, thermal destruction, utilization, and disposal or sorted, unrecycled, uncomposted municipal, bio-medical, hazardous, pathological and infectious wastes through the use of environmentally-sound and safe non-burn technologies; *(As amended on February 5, 2009 by the Board of Directors and on May 21, 2009 by the Shareholders)*

3. To locate, lease, purchase, and otherwise acquire, sell, exchange, mortgage and other dispose of mining claims and concessions containing lime, limestone, marble, granite and other minerals and to undertake all such work for the development and exploitation of any and all raw materials that may be required or necessary for the attainment of the objects herein stated;

4. To secure from any governmental, provincial, municipal or other authority, the rights, power, privileges, franchises and concessions needed for its operations;

5. To acquire, construct, maintain and operate mills, factories, kilns, works machinery, appliances, and warehouses which may be used in the manufacture, production and merchandising of cement, cement products, and by-products, and all other kinds classes of building materials;

6. To buy, manufacture, repair, alter and exchange, let or hire, import, export, sell at wholesale and deal in and with kinds of articles and things which may be acquired for the business of the corporation;

7. As principal or agent, to acquire by purchase or otherwise own, hold, take or lease, exchange, mortgage, let, sell, or dispose of any and all real and personal property, rights and privileges, suitable or convenient for any of the purposes or business of the corporation and to acquire by purchase or otherwise, own, hold, take or lease, mortgage, sell or otherwise dispose of, erect, construct, make, alter, enlarge, improve, and aid or subscribe toward the construction, acquisition or improvement of any factory, shop, storehouse, building, manufacturing and commercial establishment, and any other structure of every character, including all equipment, fixtures, machinery, implements and supplies necessary or incidental to, or connected with any of the purposes or business of the corporation;

8. To have one or more branch offices or agencies, and to carry on any or all of its operations and business without any restrictions except those imposed by law as to place or amount including the right to hold, purchase, or otherwise deal in and with real and personal property anywhere within or without the Philippines;

9. To apply for, or join in applying for, purchase or otherwise acquire, sell, exchange, assign or otherwise dispose of, and protect, prolong, extend and renew any patent, patent rights, inventions, improvements, processes, licenses, trademarks, trade names, business names, marks or designs, protections and concessions used in connections with or secured under letter patents of the Philippines and other countries, and to use and turn to accounts, and to manufacture under or grant licenses or privileges to enter into obligations and contracts, agreements and cooperative relations not contrary to law, in respect of the same, with any person, natural, judicial, governmental, municipal or otherwise;

10. To make, accept, indorse, guarantee, execute, and issue promissory notes, bills of exchange, bonds, debentures and other obligations from time, for the purchase of property or for any purpose in or about the business of the corporation insofar as the same is permissible under the Philippine Corporation Law and other laws, and to secure the payment of any such obligation by mortgage, pledge, deed of trust or otherwise;

11. To purchase, acquire, hold, pledge, sell and dispose of the shares of stock, bonds and other evidence of indebtedness and other obligations of any corporation, domestic or foreign, and to possess and exercise in respect to such stock of other corporation thus acquired, all rights, powers and privileges, of individual owners or holders thereof, and to exercise any and all voting powers incident to the ownership thereof;

12. To purchase, retire, redeem, hold, pledge, sell, reissue and otherwise dispose of the shares of stock, bonds or other obligations of the corporation in such manner and

upon such terms as the Board of Directors may deem expedient and insofar as may be permitted by law;

13. As may be necessary or desirable to the purpose for which this corporation is organized, to lend and advance money or give credit, whether by long, medium or short term loans, to persons, firms, entities and corporations with such security and on such terms and conditions as the Board of Directors may think fit; and

14. To do any or all of the things herein set forth and generally, to do any and everything necessary, suitable and proper for the accomplishment of any of the objects of the corporations.

The foregoing clauses shall be construed both as purposes and powers, and it is hereby expressly provided that the foregoing enumeration of specific purposes and powers shall not be held to limit or restrict in any manner the general purposes and power of the corporation nor shall the expression of one thing be deemed to exclude another, although it be of like nature, not expressed.

THIRD - That the place where the principal office of the corporation is to be established or located is at the 7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City, Philippines. *(As amended on February 5, 2009 by the Board of Directors and on May 21, 2009 by the Shareholders)*

FOURTH – That the term for which said corporation is to exist is extended for another FIFTY (50) YEARS from November 12, 2014. *(As amended on March 31, 2011 by the Board of Directors and on May 12, 2011 by the Shareholders)*

FIFTH - That the names, citizenship and residence of the incorporators of said corporation are as follows:

Name	Citizenship	Residence
Alberto M. Meer	Filipino	40 Pili Ave., Makati, Rizal
Alberto O. Villaraza	Filipino	141 Don Manuel St., Quezon City
Ramon O. Reynoso, Jr.	Filipino	Andrea Vill. 1, Cavite City
Pedro T. Macatangay, Jr.	Filipino	2352 M. Colayco St., Pasay City
Senen M. Castillo	Filipino	120 Moana St., Pasay City

SIXTH - That the number of the directors of said corporation shall be <u>SEVEN (7)</u>, and the names, citizenship, and residences of the directors of the corporation, who are to serve until their successors are duly elected and qualified as provided by the By-Laws, are as follows: *(As amended on February 10, 2014 by the Board of Directors and on May 16, 2014 by the Shareholders)*

Name	Citizenship	Residence
Antonio de las Alas	Filipino	22 Kanlaon St., Quezon City
Alfonso T. Yuchengco	Filipino	47 McKinley Road, Makati, Rizal
George F. Lee	Filipino	3537 Sining St., Sta. Mesa, Manila
Alberto M. Meer	Filipino	40 Pili Ave., Makati, Rizal
Alberto O. Villaraza	Filipino	141 Don Manuel St., Quezon City
Ramon O. Reynoso, Jr.	Filipino	Andrea Vill. 1, Cavite City
Pedro T. Macatangay, Jr.	Filipino	2352 M. Colayco St., Pasay City

Senen M. Castillo	Filipino	120 Moana St., Pasay City
Efren C. Gutierrez	Filipino	1114 A. Francisco St., Singalong, Manila

SEVENTH - That the total authorized capital stock of this corporation is TEN BILLION PESOS (₱ 10,000,000,000.00), Philippine Currency. Said capital stock shall be divided into two classes, viz:

1. Nine Billion Nine Hundred Eighty Million (9,980,000,000) shares of the par value of One Peso (₱1.00) each, Philippine currency, to be known as Common Stock; and (*As amended on September 14, 1999*)

2. Twenty Million (20,000,000) shares of the par value of One Peso (₱1.00) Philippine currency, each to be known as Preferred Stock.

The holder of common shares shall not be entitled to pre-emptive rights to subscribe to any issues or preferred shares, neither shall the holders of preferred shares be entitled to pre-emptive rights to subscribe to any issues of common shares.

The aforesaid Preferred Stock may be issued from time to time in one on one or more series as the Board of Directors may determine, and authority is hereby expressly granted to the Board of Directors to establish and designate each particular series of Preferred Stock, to fix the number of shares to be included in each of such series, and to determine, among others, the price, cash dividend rate, amount or period, and the manner of redemption of shares for each of such series. To the extent not set forth in this Article Seventh, the specific terms and restrictions of each series Preferred Stock shall be specified in such resolution(s) as may be adopted by the Board of Directors prior to the issue of each such series ("the Enabling Resolutions"), which resolution(s) shall be filed and approved by the Securities and Exchange Commission and thereupon be deemed part of these Articles of Incorporation.

The holders of Preferred Stock of each and any series shall be entitled to receive as and when declared by the Board of Directors cash dividends at such rate or amount and period as may be fixed in the Enabling Resolutions for each series. Such dividends shall be cumulate from and after the date of issue thereof, whether or not in any period the amount thereof is covered by available retained earnings. No dividends shall be declared or paid on the common shares unless full accumulated dividends on all series of Preferred Stock for all past dividend periods and for the then current dividend period shall have been declared and/or paid by the Corporation. The holders of Preferred Stock of any series shall not be entitled to any participation or share in retained earnings remaining after payments shall have been made on the Preferred Stock.

The holders of Preferred Stocks shall not be entitled to vote except in those cases expressly provided by the law.

The Preferred Stock shall not be convertible to any other class of shares.

The Preferred Stock of any series shall be redeemable by and at the option of the Corporation at such price and within such period and in such manner as may be fixed in the Enabling Resolutions.

In the event of liquidation, dissolution, bankruptcy or winding up of the affairs of the Corporation, except in cases of merger or consolidation, the holders of Preferred Stock shall be entitled to be paid in full or ratably insofar as the assets of the Corporation will permit the redemption price as fixed in the Enabling Resolutions for each share held plus all unpaid accumulated dividends up to the then current dividend period before any assets of the Corporation shall be paid or distributed to the holders of common shares. (*As amended on June 19, 1997 and June 27, 1997*)

EIGHTH – That the amount of said capital stock which has been actually subscribed is FOUR MILLION PESOS (₱4,000,000.00), and the following persons have subscribed for the number of shares and the amount of the capital stock set out after their respective names:

	Kind & Number of Shares Subscribed		
Name	**Common Voting**	**Common Non-Voting**	**Amount of Capital Subscribed**
Alfonso T. Yunchengco	1,043,996	1,120,000	₱2,163,996.00
Antonio de las Alas	612,000		612,000.00
George F. Lee	612,000		612,000.00
Alberto M. Meer	611,999		611,999.00
Alberto O. Villaranza	1		1.00
Ramon O. Reynoso, Jr.	1		1.00
Pedro T. Macatangay	1		1.00
Senen M. Castillo	1		1.00
Efren C. Gutierrez	1		1.00
TOTAL	2,880,000	1,120,000	₱4,000,000.00

NINTH – That the following persons have paid on the shares of capital stock for which they have subscribed the amounts set out opposite their respective names:

Name	Common Voting	Common Non-Voting	Amount of Capital Subscribed
Alfonso T. Yunchengco	₱244,996.00	280,000.00	₱624,996.00
Antonio de las Alas	125,000.00		125,000.00
George F. Lee	125,000.00		125,000.00
Alberto M. Meer	124,999.00		124,999.00
Alberto O. Villaranza	1.00		1.00
Ramon O. Reynoso, Jr.	1.00		1.00
Pedro T. Macatangay	1.00		1.00
Senen M. Castillo	1.00		1.00
Efren C. Gutierrez	1.00		1.00
TOTAL	₱720,000.00	₱280,000.00	₱1,000,000.00

TENTH – That ALBERTO M. MEER has been elected by the subscribers as Treasurer of the corporation, to act as such until his successor is duly elected and qualified in accordance with the By-laws, and that as such Treasurer, he has been authorized to receive for the corporation and to receipt in its name all subscribed paid in the said subscriber.

IN WITNESS WHEREOF, we have here unto set our hands on his 18th day of August 1964, at Manila, Philippines.

(SGD.) ALBERTO M. MEER

(SGD.) ALBERTO O. VILLARAZA

(SGD.) RAMON O. REYNOSO JR.

(SGD.) PEDRO T. MACATANGAY, JR.

(SGD.) SENEN M. CASTILLO

Signed in the presence of:

(SGD.) ELENA GUEVARA

(SGD.) ANGELITO D. MENDOZA

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA) S.S.

BEFORE ME, a Notary Public in and for the city of Manila, Philippines, on this 18th day of August 1964, personally appeared:

Name	Residence Certificate Number	Residence Certificate Date	Place
Alberto M. Meer	A-0170895	1-26-64	Manila
Alberto O. Villaraza	A-3942654	1-02-64	Majayjay, Laguna
Ramon O. Reynoso	A-3056108	3-03-64	Daet, Cam. Sur
Pedro T. Macatangay, Jr.	A-4308670	1-02-64	Pasay City
Senen M. Castillo	A-0063574	1-09-64	Manila

all known to me and to me known to be the same persons who executed the foregoing Articles of Incorporation and they acknowledge to me that the same is their own free and voluntary act and deed.

WITNESS MY HAND AND SEAL at the place and on the date first above written.

(SGD.) EFREN C. GUTIERREZ
Notary Public

Doc No. 155;
Page No. 32;
Book No. III;
Series of 1964.

REPUBLIC OF THE PHILIPPINES)
TAGUIG CITY) S.S.

SECRETARY'S CERTIFICATE

I, KRISTINE N.L. EVANGELISTA, Filipino, of legal age, with office address at 7th Floor, Two World Square Bldg., McKinley Hill, Fort Bonifacio, Taguig City, having been duly sworn in accordance with law, hereby certify that:

1. I am the duly appointed and incumbent Corporate Secretary of HOLCIM PHILIPPINES, INC. (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Philippines with principal office address at 7th Floor, Two World Square Bldg., McKinley Hill, Fort Bonifacio, Taguig City.

2. To the best of my knowledge, no action or proceedings has been filed or is pending before any Court involving an intra-corporate dispute and/or claim by any person or group against the Board of Directors, individual directors and/or major corporate officers of the Corporation as its duly elected and/or appointed directors or officers.

IN WITNESS WHEREOF, I have hereunto set my hand this JUL 2 4 2014 in TAGUIG CITY.

KRISTINE N.L. EVANGELISTA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this JUL 2 4 2014 at TAGUIG CITY, affiant exhibiting her TIN 235-928-333.

Doc. No. 112;
Page No. 48;
Book No. III;
Series of 2014.

JONATHAN D. FERNANDEZ
NOTARY PUBLIC
Commission No. 103 (2013-2014)
Valid until December 31, 2014
PTR No. 1576077/01/03/2014 Taguig City
Lifetime IBP No. 08909; Bag-Bang Chapter
Roll No. 52580
MCLE Compliance No. 003272
7th Floor Two World Square,
McKinley Hill Fort Bonifacio, Taguig City

9-26-16

CERTIFICATE OF AMENDMENT
OF THE ARTICLES OF INCORPORATION AND BY-LAWS

OF

HOLCIM PHILIPPINES, INC.

KNOW ALL MEN BY THESE PRESENTS:

The undersigned Corporate Secretary and a majority of the Board of Directors of **HOLCIM PHILIPPINES, INC.** (hereafter, the "Corporation") do hereby certify that at a meeting of the Board of Directors held on February 10, 2014 at the principal office of the Corporation, these amendments were unanimously approved, and at the annual meeting of the shareholders of the Corporation held on May 16, 2014 at the Ballroom 2, 2nd Level of the Fairmont Makati, 1 Raffles Drive, Makati Avenue, Makati City, at which meeting shareholders owning or representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation were present or represented, the following resolutions were, by unanimous vote of the shareholders present/represented, adopted:

> "**RESOLVED**, that the Corporation be, as it is hereby, authorized and empowered to amend the Sixth Article of the Amended Articles of Incorporation to reduce the number of the members of the Board of Directors from ten (10) to seven (7), which amendment shall read as follows:
>
> > 'SIXTH - That the number of the directors of said corporation shall be SEVEN (7), and the names, citizenship, and residences of the directors of the corporation, who are to serve until their successors are duly elected and

qualified as provided by the By-Laws, are as follows:

x x x'

"**RESOLVED, FURTHER**, that the Corporation be, as it is hereby, authorized and empowered to amend Section 1, Article II, of the Amended By-Laws to reflect the reduction in the number of the members of the Board of Directors from eleven (11) to seven (7), which amendment shall read as follows:

> '**SECTION 1. Board of Directors.** – The business and property of the Corporation shall be managed by a Board of **SEVEN (7)** Directors who shall be stockholders and who shall be elected annually by the stockholders for a term of one year and shall serve until the election and acceptance of their duly qualified successors.'

"**RESOLVED, FINALLY**, that any one of the President, Corporate Secretary or any Director of the Corporation be authorized and empowered to submit or cause the submission of a copy of the Amended Articles of Incorporation and the Amended By-Laws of the Corporation, certified by a majority of the directors and the Corporate Secretary, to the Securities and Exchange Commission, to sign, execute and deliver any and all documents, and to do any and all acts, necessary and proper, to give the foregoing resolutions force and effect."

Copies of the Amended Articles of Incorporation and the Amended By-Laws of the Corporation embodying the foregoing amendments is hereto attached.

IN WITNESS WHEREOF, we have hereto signed these presents on this JUL 2 4 2014 in TAGUIG CITY, Metro Manila.

RAMON R. DEL ROSARIO, JR.
Chairman
TIN 108-160-999

IAN S. THACKWRAY
Director
TIN 247-875-573

TOMAS I. ALCANTARA
Director
TIN 105-252-550

EDUARDO A. SAHAGUN
Director
TIN 101-603-443

DANIEL N. BACH
Director
TIN 255-685-298

北本泰男
YASUO KITAMOTO
Director
TR1069275

simeon v. marcelo
SIMEON V. MARCELO
Director
TIN 105-823-146

KRISTINE N.L. EVANGELISTA
Corporate Secretary
TIN 235-928-333

SUBSCRIBED AND SWORN to before me this JUL 2 4 2014, affiants exhibiting to me their valid identification to wit:

Name	Valid I.D.
Ramon R. Del Rosario, Jr.	TIN 108-160-999
Ian S. Thackwray	TIN 247-875-573
Tomas I. Alcantara	TIN 105-252-550
Eduardo A. Sahagun	TIN 101-603-443
Daniel N. Bach	TIN 255-685-298
Yasuo Kitamoto	TR1069275
Simeon V. Marcelo	TIN 105-823-146
Kristine N.L. Evangelista	TIN 235-928-333

WITNESS MY HAND AND SEAL, this JUL 2 4 2014 in TAGUIG CITY, Metro Manila, Philippines.

Doc No. 140;
Page No. 29;
Book No. 10;
Series of 2014.

JONATHAN O. FERNANDEZ
NOTARY PUBLIC
Commission No. 103 (2013-2014)
Valid until December 31, 2014
PTR No. 1576077; 01/03/2014; [illegible]
Lifetime IBP No. [illegible]; [illegible] Chapter
Roll No. [illegible]
MCLE Compliance No. 003272
7th Floor Two World Square,
McKinley Hill Fort Bonifacio, Taguig City

Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Bldg. EDSA, Greenhills, Mandaluyong City

ROUTING SLIP

NAME OF CORP.	HOLCIM PHILIPPINES, INC.		SEC No.	0000026126
PURPOSE:	CG Clearance			
DEPARTMENT:	Corporate Governance and Finance Department			
Date Received:	Date Released:		Processed/Verified by:	
September 24, 2014	September 24, 2014		M. SALUD	

REMARKS :

This department interposes no objection to the company's application for Amended Articles of Incorporation and By-Laws.

JUSTINA F. CALLANGAN
Director

GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2014

STOCK CORPORATION

I.C.T.D.

GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. DO NOT LEAVE ANY ITEM BLANK. WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE ACTUAL DATE OF THE ANNUAL STOCKHOLDERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE CORPORATE SECRETARY OF THE
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT ONLY THE AFFECTED PAGE OF THE GIS THAT RELATES TO THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED BY THE CORPORATE SECRETARY OF THE CORPORATION. THE PAGE OF THE GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURRED OR BECAME EFFECTIVE.
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE CENTRAL RECEIVING SECTION, GROUND FLOOR, SEC BLDG., EDSA, MANDALUYONG CITY. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER WITH A STANDARD COVER PAGE. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE. CORPORATIONS SUBMITTING A COPY OF THEIR GIS ONLINE OR VIA INTERNET SHALL SUBMIT ONE (1) HARD COPY OF THE GIS, TOGETHER WITH A CERTIFICATION UNDER OATH BY ITS CORPORATE SECRETARY THAT THE COPY SUBMITTED ONLINE CONTAINS THE EXACT DATA IN THE HARD COPY.
6. ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS

PLEASE PRINT LEGIBLY

CORPORATE NAME: HOLCIM PHILIPPINES, INC. (formerly Union Cement Corporation)	DATE REGISTERED: 13-Nov-64
BUSINESS/TRADE NAME: HOLCIM PHILIPPINES, INC.	
SEC REGISTRATION NUMBER: 28126	FISCAL YEAR END: 31-Dec
DATE OF ANNUAL MEETING PER BY-LAWS: second Thursday of May of each year	CORPORATE TAX IDENTIFICATION NUMBER (TIN): [illegible]
ACTUAL DATE OF ANNUAL MEETING: 15-May-14	WEBSITE/URL ADDRESS: http://www.holcim.ph
COMPLETE PRINCIPAL OFFICE ADDRESS: 7F Two World Square McKinley Hill, Fort Bonifacio, Taguig City	E-MAIL ADDRESS:
COMPLETE BUSINESS ADDRESS: 7F Two World Square McKinley Hill, Fort Bonifacio, Taguig City	FAX NUMBER: (02) 4593422
NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER: SGV & Company / Ms. Catherine E. Lopez, Partner — SEC ACCREDITATION NUMBER (if applicable): [illegible] (Group A)	TELEPHONE NUMBER(S): (02) 4593333
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN: To engage in the business of manufacture, production and merchandising, whether domestically or for export f cement, cement products and by-products, including its derivatives, and any and all kinds f minerals and building materials. — INDUSTRY CLASSIFICATION: Cement Manufacturing	GEOGRAPHICAL CODE:

INTERCOMPANY AFFILIATIONS

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
Union Cement Holdings Corporation	A1996-7934	7F Two World Square McKinley Hill, Fort Bonifacio, Taguig City
SUBSIDIARY/AFFILIATE	**SEC REGISTRATION NO.**	**ADDRESS**
Holcim Phil Manufacturing Corp.	34371	[illegible], Misamis Oriental
Excel Concrete Logistic, Inc.	CS201214489	7F Two World Square, McKinley Hill, Taguig City
Holcim Mining & Dev. Corp.	144882	7F Two World Square, McKinley Hill, Taguig City
Holcim Resources Dev. Corp.	CS200907787	7F Two World Square, McKinley Hill, Taguig City
HPBusiness Service Center		7F Two World Square, McKinley Hill, Taguig City

NOTE: USE ADDITIONAL SHEET IF NECESSARY

GENERAL INFORMATION SHEET
STOCK CORPORATION
PLEASE PRINT LEGIBLY

Corporate Name: Holcim Philippines, Inc.

A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365) Yes [ ] No [✓]

Please check the appropriate box:

1.
- [ ] a. Banks
- [ ] b. Offshore Banking Units
- [ ] c. Quasi-Banks
- [ ] d. Trust Entities
- [ ] e. Non-Stock Savings and Loan Associations
- [ ] f. Pawnshops
- [ ] g. Foreign Exchage Dealers
- [ ] h. Money Changers
- [ ] i. Remittance Agents
- [ ] j. Electronic Money Issuers
- [ ] k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.

2.
- [ ] a. Insurance Companies
- [ ] b. Insurance Agents
- [ ] c. Insurance Brokers
- [ ] d. Professional Reinsurers
- [ ] e. Reinsurance Brokers
- [ ] f. Holding Companies
- [ ] g. Holding Company Systems
- [ ] h. Pre-need Companies
- [ ] i. Mutual Benefit Association
- [ ] j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)

3.
- [ ] a. Securities Dealers
- [ ] b. Securities Brokers
- [ ] c. Securities Salesman
- [ ] d. Investment Houses
- [ ] e. Investment Agents and Consultants
- [ ] f. Trading Advisors
- [ ] g. Other entities managing Securities or rendering similar services
- [ ] h. Mutual Funds or Open-end Investment Companies
- [ ] i. Close-end Investment Companies
- [ ] j. Common Trust Funds or Issuers and other similar entities
- [ ] k. Transfer Companies and other similar entities
- [ ] l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on
- [ ] m. Entities administering or otherwise dealing in valuable objects
- [ ] n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)

4. [ ] Jewelry dealers in precious metals, who, as a business, trade in precious metals

5. [ ] Jewelry dealers in precious stones, who, as a business, trade in precious stone

6. Company service providers which, as a business, provide any of the following services to third parties:
- [ ] a. acting as a formation agent of juridical persons
- [ ] b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons
- [ ] c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement
- [ ] d. acting as (or arranging for another person to act as) a nominee shareholder for another person

7. Persons who provide any of the following services:
- [ ] a. managing of client money, securities or other assets
- [ ] b. management of bank, savings or securities accounts
- [ ] c. organization of contributions for the creation, operation or management of companies
- [ ] d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities

8. [x] None of the above

Describe nature of business: Cement Manufacturing

B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS? Yes [ ] No [ ]

GENERAL INFORMATION SHEET
STOCK CORPORATION
PLEASE PRINT LEGIBLY

CORPORATE NAME: Holcim Philippines, Inc.

CAPITAL STRUCTURE

AUTHORIZED CAPITAL STOCK

	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) (No. of shares X Par/Stated Value)
	Common	9,980,000,000	1.00	9,980,000,000.00
		20,000,000	1.00	20,000,000.00
	TOTAL	10,000,000,000	TOTAL P	10,000,000,000.00

SUBSCRIBED CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	5,620	Common	4,511,070,839		1.00	4,511,070,839	69.92
		TOTAL	4,511,070,839	TOTAL	TOTAL P	4,511,070,839	69.92

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	44	Common	1,941,028,305		1.00	1,941,028,305	30.08
Percentage of Foreign Equity :		TOTAL	1,941,028,305	TOTAL	TOTAL P	1,941,028,305	30.08
					TOTAL SUBSCRIBED P	6,452,099,144.00	100.00

PAID-UP CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
1	5,620	Common	4,511,070,839	1.00	4,511,070,839	69.92
		TOTAL	4,511,070,839	TOTAL P	4,511,070,839	69.92

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	44	Common	1,941,028,305	1.00	1,941,028,305	30.08
		TOTAL	1,941,028,305	TOTAL P	1,941,028,305	30.08
				TOTAL PAID-UP P	6,452,099,144.00	100.00

NOTE: USE ADDITIONAL SHEET IF NECESSARY

* Common, Preferred or other classification

** Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

GENERAL INFORMATION SHEET
STOCK CORPORATION
PLEASE PRINT LEGIBLY

CORPORATE NAME: Holcim Philippines, Inc.

DIRECTORS / OFFICERS

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	INC'R	BOARD	SEX	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NO. (TIN) FOR FILIPINOS AND FOREIGNERS
1. RAMON R. DEL ROSARIO, JR. 3 Tyler Street, North Greenhills, San Juan	N	M	M	Y	N.A.		106-160-099 Filipino
2. IAN S. THACKWRAY Pfadhagstrasse 26b, 8304 Wallisellen, Switzerland	N	M	M	Y	Vice-Chairman		247-875-573 British
3. TOMAS I. ALCANTARA 24B Twin Tower, Ayala Avenue, Makati City	N	M	M	Y	N.A.		105-252-650 Filipino
4. YASUO KITAMOTO 6-28 Rokubancho, Chiyoda-ku, Tokyo Japan	N	I	M	Y	N.A.		MS 3334977 Japanese
5. SIMEON V. MARCELO 32 Tampingco St., San Lorenzo Village, Makati City	N	I	M	Y	N.A.		105-823-148 Filipino
6. DANIEL K. BACH 96 Somerset Road #06-10 Pan Pacific Serviced Suites Singapore 238183	N	M	M	Y	N.A.		255-665-296 Swiss
7. EDUARDO A. SAHAGUN 908 Abelnos Street, Jaleville Subd. San Dionisio, Paranaque City	N	M	M	Y	President & CEO		101-603-443 Filipino
8. ANDRE CALLIORI 27a Cameron Tower, Essensa, Bonifacio Global City, Taguig City	N	N	M	N	SVP Manufacturing		406-172-700 Swiss
9. ERNESTO C. PAREDES Unit C, #10C, Salvador Street, Varsity Hills, Quezon City	N	N	M	Y	VP-Geocycle		101-646-468 Filipino
10. WILLIAM C. SUMALINOG B-17 Lot 16, Villa Trinitas Subd., Phase 1B, Bugo, Cagayan de Oro City	N	N	M	N	VP-Commercial		156-067-923 Filipino
11. SASKIA GROEN-T-WOUD Unit 34A North Pacific Plaza Towers Cond. 4th Ave. cor. 25th St., Taguig City	N	N	F	N	VP-Supply Chain		425-646-692 Australian
12. FEDERICO V. SANTIAGO San Ildefonso Bulacan	N	N	M	N	VP-Operations (Bulacan Plant)		102-123-762 Filipino

INSTRUCTIONS:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.
FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.
FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.
FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.
FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.
FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

GENERAL INFORMATION SHEET
STOCK CORPORATION
PLEASE PRINT LEGIBLY

CORPORATE NAME: Holcim Philippines, Inc.

DIRECTORS / OFFICERS

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	INC'R	BOARD	SEX	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NO. (TIN) FOR FILIPINOS AND FOREIGNERS
13. ZITA D. BALOGO Bo. Ilang, Davao City	N	N	F	N	VP-Operations (Davao Plant)		101-429-143 Filipino
14. BOBBY R. GARZA 140 Gardel St., Palmera 2 Ortigas Ave Ext. Taytay Rizal	N	N	M	N	VP-Operations (Lugait Plant)		106-886-468 Filipino
15. ANDREW WHITE 1955 Kasoy St., Dasmarinas Village, Makati City	N	N	M	N	VP-Operations (La Union Plant)		205-018-494 British
16. CARMELA DOLORES B. CALIMBAS #50 Cypress Phase I, Laguna Bel-Air, Sta. Rosa, Laguna	N	N	F	N	VP-Corporate OH&S		140-188-184 Filipino
17. NERISSA V. RONQUILLO 25 Eisenhower St., Greenhills, San Juan City	N	N	F	N	VP-Corporate Communication		109-316-114 Filipino
18. ARACELI E. GONZALES #45 Lister St. Filinvest East Homes, Antipolo City	N	N	F	N	VP-Human Resources		119-142-270 Filipino
19. SHIRLEY S. GO 2070B M. Reyes Street, Bangkal Makati City	N	N	F	N	Treasurer		905-833-651 Filipino
20. KRISTINE N.L. EVANGELISTA 27 Aurelio Reyes Street, La Pinas City	N	N	F	N	Corporate Secretary		205-185-178 Filipino
21. JAN CELINE A. RANADA 7893 Redwood Street, Marcelo Green Village, Paranaque City	N	N	F	N	Assistant Corporate Secretary		235-928-333 Filipino
22.							
23.							
24.							
25.							
26.							
27.							

INSTRUCTIONS:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.
FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.
FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.
FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.
FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.
FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

GENERAL INFORMATION SHEET
STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: Holcim Philippines, Inc.

TOTAL NUMBER OF STOCKHOLDERS: [illegible] | NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH: [illegible]

TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS: Php[illegible]

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED			% OF OWNER-SHIP	AMOUNT PAID (PhP)	TAX IDENTIFICATION NO. (TIN) FOR FILIPINOS AND FOREIGNERS
	TYPE	NUMBER	AMOUNT (PhP)			
1. Union Cement Holdings Corporation FILIPINO 7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City	COMMON	3,906,425,506	3,906,425,506.00	60.53	3,906,425,506.00	201-136-574
	TOTAL	3,906,425,506	3,906,425,506.00			
2. B.V. Holderfin DUTCH De Lairessestraat 129 HS 1075 HJ Amsterdam, The Netherlands	COMMON	1,148,728,044	1,148,728,044.00	17.80	1,148,728,044.00	225-673-405
	TOTAL	1,148,728,044	1,148,728,044.00			
3. Sumitomo Osaka Cement Co., Ltd. JAPANESE 6-28, Rokubancho, Chiyoda-Ku, Tokyo 102-8465	COMMON	594,952,725	594,952,725.00	9.22	594,952,725.00	409-662-842
	TOTAL	594,952,725	594,952,725.00			
4. Cemco Holdings, Inc. FILIPINO Salvador & Associates, Rooms 813 Tower One Ayala Ave., Makati City	COMMON	456,689,560	456,689,560.00	7.08	456,689,560.00	203-149-449
	TOTAL	456,689,560	456,689,560.00			
5. PCD Nominee Corp (Non-Filipino) Foreign 37/F The Enterprise Center, Ayala Ave., Makati	COMMON	196,218,141	196,218,141.00	3.04	196,218,141.00	004-774-849
	TOTAL	196,218,141	196,218,141.00			
6. PCD Nominee Corp (Filipino) FILIPINO 37/F The Enterprise Center, Ayala Ave., Makati	COMMON	111,518,967	111,518,967.00	1.73	111,518,967.00	004-774-849
	TOTAL	111,518,967	111,518,967.00			
7. FEDERAL HOMES, INC. FILIPINO 7/F Metrobank Plaza Sen. Gil Puyat Ave., Makati City	COMMON	4,064,064	4,064,064.00	0.06	4,064,064.00	000-156-013
	TOTAL	4,064,064	4,064,064.00			
TOTAL AMOUNT OF SUBSCRIBED CAPITAL						
TOTAL AMOUNT OF PAID-UP CAPITAL						

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: Holcim Philippines, Inc.

TOTAL NUMBER OF STOCKHOLDERS: 6,741 | NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH: 5,585

TOTAL ASSETS BASED ON LATEST AUDITED FS: Php[illegible]

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NO. (TIN) FOR FILIPINOS AND FOREIGNERS
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
8. ANTONIO M. DUMALIANG &/OR ROSALINDA S. DUMALIANG 88 Dao St., Camella Homes V Pulang Lupa, Las Pinas City	COMMON	822,363	822,363.00	0.01	822,363.00	123-836-884
	TOTAL	822,363	822,363.00			
9. LEONCIO TIU FILIPINO 822 Nueva St., Binondo, Manila	COMMON	705,000	705,000.00	0.01	705,000.00	100-772-476
	TOTAL	705,000	705,000.00			
10. KAKUGAWA AKIHIKO JAPANESE 2-30-22 Hakataeki-Mae, Hakata-Ku, Fukuoka City	COMMON	608,590	608,590.00	0.01	608,590.00	TH9100491
	TOTAL	608,590	608,590.00			
11. LUIS CO CHI KIAT FILIPINO #1414 Union Street, Paco, Manila	COMMON	611,342	611,342.00	0.01	611,342.00	
	TOTAL	611,342	611,342.00			
12. JOAQUIN O. TAN FILIPINO 2062 Lumbang Street, Dasmarinas Village, Makati City	COMMON	300,000	300,000.00	0.01	300,000.00	105-353-112
	TOTAL	300,000	300,000.00			
13. LUIS ROLANDO GARCIA FADRIGO FILIPINO No. 14 Pondent Street, Cubao, Quezon City	COMMON	294,065	294,065.00	0.00	294,065.00	100-349-869
	TOTAL	294,065	294,065.00			
14. AMERICAN WIRE & CABLE CO., INC. FILIPINO 8608 Km. 16 South Superhighway Paranaque City	COMMON	290,993	290,993.00	0.00	290,993.00	000-405-854-000
	TOTAL	290,993	290,993.00			
TOTAL AMOUNT OF SUBSCRIBED CAPITAL						
TOTAL AMOUNT OF PAID-UP CAPITAL						

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET
STOCK CORPORATION
PLEASE PRINT LEGIBLY

CORPORATE NAME: Holcim Philippines, Inc.

TOTAL NUMBER OF STOCKHOLDERS: 8,741 | NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH: [illegible]

TOTAL ASSETS BASED ON LATEST AUDITED FS: Php[illegible]

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NO. (TIN) FOR FILIPINOS AND FOREIGNERS
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNERSHIP		
15. CIPRIANO VILLANUEVA AMANDO FILIPINO 15 Rhapsody Street, Sta Cecilia Village, Pamplona, Las Pinas City	COMMON	282,137	282,137.00	0.06	282,137.00	107-154-346
	TOTAL	282,137	282,137.00			
16. CORAZON V. DOMINGUEZ FILIPINO 336 Anahaw St., Ayala Alabang Village, Muntinlupa City	COMMON	221,061	221,061.00	0.05	221,061.00	200-265-227
	TOTAL	221,061	221,061.00			
17. UNIVERSITY OF SANTO TOMAS FILIPINO Espana, Manila	COMMON	190,750	190,750.00	0.05	190,750.00	000-606-837-000
	TOTAL	190,750	190,750.00			
18. RAMON C. CHAN FILIPINO 83 Capt V. Roa St., Cogon, Cagayan de Oro City	COMMON	189,180	189,180.00	0.05	189,180.00	
	TOTAL	189,180	189,180.00			
19. FRANCIS L. ESCALER FILIPINO 804 National Life Insurance Bldg., 6762 Ayala Ave., Makati City	COMMON	186,936	186,936.00	0.05	186,936.00	
	TOTAL	186,936	186,936.00			
20. ISABELA CULTURAL CORPORATION 2307 Pedro Gil Street Sta. Ana, Manila	COMMON	186,436	186,436	0.05	186,436.00	
	TOTAL	186,436	186,436			
21. OTHERS (Indicate the number of the remaining stockholders)		24,811,463	24,811,463.00	0.00	24,811,463.00	
	TOTAL					
TOTAL AMOUNT OF SUBSCRIBED CAPITAL						
TOTAL AMOUNT OF PAID-UP CAPITAL						

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET
STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: Holcim Philippines, Inc.

1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION	AMOUNT (PhP)	DATE OF BOARD RESOLUTION
1.1 STOCKS	N.A.	
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)	N.A.	
1.3 LOANS/ CREDITS/ ADVANCES	N.A.	
1.4 GOVERNMENT TREASURY BILLS	N.A.	
1.5 OTHERS	N.A.	

2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)	DATE OF BOARD RESOLUTION	DATE OF STOCKHOLDERS RATIFICATION
N.A.		

3. N.A.	NO. OF SHARES	% AS TO THE TOTAL NO. OF SHARES ISSUED
	181,884	0.00

4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR: Php5,239,853,713.00

5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR:

TYPE OF DIVIDEND	AMOUNT (PhP)	DATE DECLARED
5.1 CASH	Php0.70 per share	15-May-14
5.2 STOCK		
5.3 PROPERTY		
TOTAL	P	

6. ADDITIONAL SHARES ISSUED DURING THE PERIOD:

DATE	NO. OF SHARES	AMOUNT

SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:

NAME OF AGENCY:	SEC	BSP	IC
TYPE OF LICENSE/REGN.	SEC-CFD Order No. 58560		
DATE ISSUED:	22-Dec-63		
DATE STARTED OPERATIONS:	12-Nov-64		

TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP): PhP18,427,500.00	TOTAL NO. OF OFFICERS: 58	TOTAL NO. OF RANK & FILE EMPLOYEES: 1,228	TOTAL MANPOWER COMPLEMENT: 1,584

NOTE: USE ADDITIONAL SHEET IF NECESSARY

I, KRISTINE N.L. EVANGELISTA, CORPORATE SECRETARY OF THE ABOVE-MENTIONED CORPORATION
(NAME) (POSITION)

THE PENALTY OF PERJURY, THAT ALL MATTERS SET FORTH IN THIS GENERAL INFORMATION SHEET WHICH CONSISTS OF (10) PAGES HAVE BEEN MADE IN GOOD FAITH, DULY VERIFIED BY ME AND TO THE BEST OF MY KNOWLEDGE AND BELIEF, ARE TRUE AND CORRECT.

I UNDERSTAND THAT THE FAILURE OF THE CORPORATION TO FILE THIS GIS FOR FIVE (5) CONSECUTIVE YEARS SHALL BE CONSTRUED AS NON-OPERATION OF THE CORPORATION AND A GROUND FOR THE REVOCATION OF THE CORPORATIONS CERTIFICATE OF INCORPORATION. IN THIS EVENTUALITY, THE CORPORATION HEREBY WAIVES ITS RIGHT TO A HEARING FOR THE SAID REVOCATION.

DONE THIS ______ DAY OF JUN 0 9 2014, 20 ______ IN TAGUIG CITY

(SIGNATURE)

SUBSCRIBED AND SWORN TO BEFORE ME IN TAGUIG CITY PHILIPPINES ON JUN 0 9 2014 AFFIANT PERSONALLY APPEARED BEFORE ME AND EXHIBITED TO ME HER COMPETENT EVIDENCE OF IDENTITY PASSPORT NO. EB6978365 ISSUED AT DFA-MANILA ON Aug. 24, 2013.

JONATHAN O. FERNANDEZ
NOTARY PUBLIC
Commission No. 109 (2013-2014)
Until December 31, 2014
PTR No. [illegible] Taguig City
Lifetime IBP No. [illegible] Chapter
Roll No. [illegible]
MCLE Compliance No. [illegible]
7 Floor Two World Square, McKinley Hill Fort Bonifacio, Taguig City

DOC. NO: 64 ;
PAGE NO. 10 ;
BOOK NO. III ;
SERIES OF 2014 ;

NOTARY PUBLIC
Notarial Commission No. ______
Commission expires on December 31, ______
Roll of Attorney Number ______
PTR No. ______
IBP No. ______
Office Address: ______

REPUBLIC OF THE PHILIPPINES)
) S.S.
TAGUIG CITY

UNDERTAKING

On behalf of Holcim Philippines, Inc. (the "Company"), the undersigned, as Corporate Secretary, undertakes to continue diligent efforts to obtain the taxpayer identification number ("TIN") of Messrs. Kalugara Akihiko, Luis Co Chi Kiat, Ramon C. Chan and Francis L. Escaler and of Isabela Cultural Corporation, five of the Top 20 Stockholders of the Company, and to submit an amended General Information Sheet for 2014 once the Company obtains their TIN details.

IN WITNESS WHEREOF, I have hereunto set my hand this JUN 0 9 2014 at TAGUIG CITY.

KRISTINE N. L. EVANGELISTA
Corporate Secretary

SUBSCRIBED AND SWORN to before me on this JUN 0 9 2014, affiant exhibiting to me her Passport No. EB8976388 issued at DFA Manila on August 24, 2013.

JONATHAN O. FERNANDEZ
NOTARY PUBLIC
Commission No. [illegible] (2013-2014)
Valid until December 31, 2014
PTR No. [illegible]; Baguio City
Lifetime IBP No. [illegible]; Bag-Beng Chapter
Roll No. [illegible]
MCLE Compliance No. [illegible]
7th Floor Two World Square,
McKinley Hill Fort Bonifacio, Taguig City

Doc No. 44
Page No. 11
Book No. III
Series of 2014.

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

COMPANY REG. NO. 26126

CERTIFICATE OF FILING
OF
AMENDED BY-LAWS

KNOW ALL PERSONS BY THESE PRESENTS:

This is to certify that the Amended By-Laws of

HOLCIM PHILIPPINES, INC.

copy annexed, adopted on February 10, 2014 by majority vote of the Board of Directors and on May 16, 2014 by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and majority of the said Board was approved by the Commission on this date pursuant to the provisions of Section 48 of the Corporation Code of the Philippines Batas Pambansa Blg. 68, approved on May 1, 1980, and copies thereof are filed with the Commission.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Mandaluyong City, Metro Manila, Philippines, this 9th day of October, Twenty Fourteen.

FERDINAND B. SALES
Director
Company Registration and Monitoring Department

AMENDED BY-LAWS

HOLCIM PHILIPPINES, INC.

(Formerly Union Cement Corporation)
(As amended on September 3, 2004 by the Board of Directors and on November 15, 2004 by the Shareholders)

ARTICLE I

STOCKHOLDERS' MEETING

SECTION 1. Annual Meetings. - The annual regular meetings of the stockholders shall be held at the principal office of the Corporation in Metro Manila, Philippines on the second Thursday of May of each year for the purpose of electing directors and for the transaction of such other business as may be properly brought before the meeting. *(As amended on March 31, 2011 by the Board of Directors and on May 12, 2011 by the Shareholders)*

SECTION 2. Special Meetings. - Special meetings of the stockholders may be called at the principal office of the Corporation at any time by resolution of the Board of Directors or by order of the President and must be called upon the written request of stockholders registered as the owners of one-third (1/3) of the total outstanding stock.

SECTION 3. Notice of Meetings. - Notice of meetings written or printed for every regular or special meeting of the stockholders shall be prepared and mailed to the registered post office address of each stockholder not less than fifteen (15) working days prior to the date set for such meeting, and if for a special meeting, such notice shall state the object or objects of the same. No failure or irregularity of notice of any meeting shall invalidate such meeting at which all stockholders are present or represented and voting without protest. *(As amended March 31, 2011 by the Board of Directors and on May 12, 2011 by the Shareholders)*

SECTION 4. Quorum. - Unless otherwise prescribed by the Philippine Corporation Law, a quorum at any meeting of the stockholders shall consist of a majority of the entire subscribed capital stock of the Corporation represented in person or by proxy, and a majority of such quorum shall decide any question that may come before the meeting, save and except in those several matters in which the laws of the Philippines require the affirmative vote of a greater proportion. *(As amended by the Board of Directors on March 3, 2003 and on April 16, 2003 by the Stockholders)*

SECTION 5. Voting. - Stockholders may vote at all meetings the number of shares registered in their respective names, either in person or by proxy duly given in writing and duly presented to the Secretary for inspection and recorded at or prior to the opening of said meeting. No proxy bearing a signature which is not legally acknowledged shall be recognized at any meeting unless such signature is known and recognized by the Secretary of the meeting.

All proxies shall be in writing, signed by the stockholders and filed in the office of the Corporate Secretary at least five (5) days before the meeting. *(As amended on November 13, 1995)*

SECTION 6. **Election of Directors.** - Election of Directors shall be held at each annual meeting and shall be conducted in the manner provided by the Philippine Corporation Law, and with such formalities and manner as the presiding officer at the meeting shall then and there determine.

SECTION 7. **Order of Business.** - Order of business at the annual meeting, and as far as practicable at all other meetings of the stockholders, shall be as follows:

1. Calling the roll
2. Secretary's proof of due notice of the meeting
3. Reading and disposal of any unapproved minutes
4. Reports of officers, annual and otherwise
5. Election of Directors
6. Unfinished business
7. New business
8. Adjournment

ARTICLE II

DIRECTORS

SECTION 1. **Board of Directors.** - The business and property of the Corporation shall be managed by a Board of SEVEN (7) Directors who shall be stockholders and who shall be elected annually by the stockholders for a term of one year and shall serve until the election and acceptance of their duly qualified successors. *(As amended on February 10, 2014 by the Board of Directors and on May 16, 2014 by the Shareholders)*

No stockholders shall qualify or be eligible nomination or election to the Board of Directors if he is found or determined by a three-fourths vote of the Board to be engaged in any business which is antagonistic to that of the Corporation. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged:

a) If he is an officer, manager or controlling person of, or the owner (either or record or beneficially) of at least 10% of any outstanding class of shares of any corporation (other than the one in which the corporation owns at least 30% of the capital stock) engaged in a business which the Board, by at least three-fourths vote, determines to be antagonistic to that of the Corporation;

b) If the Board, in the exercise of its judgement in good faith, determines by at least three-fourths vote that he is the nominee of any person set forth in (a) above.

In determining whether or not a person is a controlling person, beneficial owner, or the nominee of another, the Board may take into account such factors as business and family relationships. For the proper implementation of this provision all nominations for election of Directors by the stockholders shall be submitted in writing to the Corporate Secretary not earlier than forty (40) working days nor later than twenty five (25) working days before the date of annual meeting. *(As amended on March 31, 2011 by the Board of Directors and on May 12, 2011 by the Stockholders)*

SECTION 2. Independent Directors. - As a publicly listed company, the Corporation shall conform with the requirement to have such number of independent directors who are possessed of such qualifications as may be required by law. An "independent director" is a person who, apart from his fees and shareholdings, which shareholdings does not exceed two percent (2%) of the shares of the Corporation and/or its related companies or any of its substantial shareholders, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director of the Corporation, including, among others, any person who:

i. Is not a director or officer or substantial stockholders of the Corporation or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);

ii. Is not relative of any director, officer or substantial shareholder of the Corporation, any of its related companies or any of its substantial shareholders. For this purpose, relatives includes spouse, parent, child, brother, sister, and spouse of such child, brother or sister;

iii. Is not acting as a nominee or representative of a substantial shareholder of the Corporation, any of its related companies or any of its substantial shareholders;

iv. Has not been employed in any executive capacity by the Corporation, any of its related companies or by any of its substantial shareholders within the last five (5) years;

v. Is not retained as professional adviser by the Corporation, any of its related companies or any of its substantial shareholders within the last five (5) year, either personally of through his firm; and

vi. Has not engaged and does not engage in any transaction with the Corporation or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and are immaterial or insignificant.

When used in relation to a company subject to the requirements above, "related company" shall mean another company which is (i) its holding company, (ii) its subsidiary, or (iii) a subsidiary of its holding company; and "substantial shareholder" shall mean any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

The independent director shall have the following qualifications:

i. He shall have at least one (1) share of stock of the Corporation;

ii. He shall be at least a college graduate or he shall have been engaged or exposed to the business of the Corporation for at least five (5) years;

iii. He shall possess integrity/probity; and

iv. He shall be assiduous.

An independent director shall be disqualified as such during his tenure under the following instances or causes:

(i) He becomes an officer or employee of the Corporation, or becomes any of the persons enumerated under Section II (5) of the Code of Corporate Governance;

(ii) His beneficial security ownership exceeds two percent (2%) of the outstanding capital stock of the Corporation;

(iii) Fails, without any justifiable cause, to attend at least fifty percent (50%) of the total number of Board meetings during his incumbency;

(iv) Such other disqualifications which the Manual of Corporate Governance of the Company provides.

Nomination of independent director/s shall be conducted by a Nomination Committee prior to a stockholders' meeting. All nominations of independent directors shall be made in writing and signed by the conformity by the nominating stockholders, and shall include the acceptance and conformity of the would-be nominees.

The Nomination Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent director(s).

After the nomination, the Nomination Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors (as required under Part IV [A] and [C] of Annex "C" of SRC Rule 12 of the Implementing Rules and Regulations of the Securities Regulation Code), including, but not limited to, the following information: (i) Name, age and citizenship; (ii) List of positions and offices that each such nominee held, or will hold, if known, with the Corporation; (iii) Business experience during the past five (5) years; (iv) directorship held in the other companies; (v) Involvement in legal proceedings; and (vi) Security ownership.

The Final List shall be made available to the Securities and Exchange Commission and to all stockholders through the filing and distribution of the Information Statement or in such other reports required by the Securities and Exchange Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.

Only nominees whose names appear on the Final List of Candidates shall be eligible for election as independent director/s. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

The Chairman of the stockholders' meeting has the responsibility to inform all stockholders in attendance of the mandatory requirement of electing independent directors and to ensure that the independent directors are elected during the stockholders' meeting.

Specific slot/s for independent directors shall not be filled up by unqualified nominees.

In case of failure of election for independent director/s, the chairman of the meeting shall call a separate election during the same meeting to fill up the vacancy.

Any controversy or issue arising from the selection, nomination or election of independent director/s shall be resolved by the Securities and Exchange Commission by appointing independent directors from the list of nominees submitted by the stockholders. *(As amended on February 13, 2012 by the Board of Directors and on May 17, 2012 by the Stockholders)*

SECTION 3. Vacancy. - If any vacancy should occur in the Board of Directors, through death, resignation or otherwise, such vacancy may be filled by the remaining Directors at any meeting at which at which a quorum shall be continue to act, but if at any time their number be reduced to less than a quorum, the Directors shall call a special meeting of the stockholders for the purpose of filing such vacancies.

SECTION 4. Regular Annual Meeting. - The regular annual meeting of the Board of Directors for the purpose of organization and the transaction of other business shall be held without notice, at the principal office of the Corporation or at such other place as a majority of the Directors may designate immediately after the annual meeting of the stockholders of the Corporation.

SECTION 5. Regular Quarterly Meetings. - The Board shall meet regularly once every quarter as or as often as the Board may deem practicable. *(As amended on March 3, 2003 by the Board of Directors and on April 16, 2003 by the Stockholders)*

SECTION 6. Special Meetings. - Special meeting of the Board of Directors may be called by the Secretary upon order of the President or any two (2) members of the Board of Directors and notice thereof shall be made in the most convenient manner not less than seven (7) days before such special meeting and the notice shall set the object and purpose of the same. A special meeting may be held at any place designated in the call thereof.

SECTION 7. Quorum. - A quorum at any meeting of the Directors shall consist of a majority of the entire membership of the Board. A majority of such quorum shall decide any question that may come before the meeting.

SECTION 8. Election of Officers. - The officers of the Corporation, as provided in these By-Laws, shall be elected by the Board of Directors at their first meeting after the election of the Directors.

SECTION 9. Order of Business. - The order of business of any regular or special meeting of the Board of Directors shall be:

1. Calling the roll
2. Secretary's proof of due notice of meeting
3. Reading and disposal of unapproved minutes

4. Reports of officers
5. If an organization meeting, or a meeting for that purpose, the election of officers
6. Unfinished business
7. New business
8. Adjournment

ARTICLE III

OFFICERS

SECTION 1. Officers. - The officers of the Corporations hall be a Chairman of the Board, a President, a Vice President, a General Manager, a Secretary, a Treasurer and such other officers, the offices of whom may from time to time be created by the Board of Directors as the necessities of the Corporation shall require. Unless there is agreement to the contrary which may be sanctioned by law, these officers shall be elected to hold office for a term of one (1) year until their successors are duly elected and qualified. Any two or more of the above officers may be held by the same person as long as the duties thereof are not incompatible.

SECTION 2. Chairman of the Board. - The Chairman who shall be elected by the Board from their own number shall preside at all meetings of the stockholders and of the Board of Directors and shall perform such other duties incident to his office or are properly required of him by the Board of Directors.

SECTION 3. President. - The President shall be elected by the Board of Directors from their own number. He shall be the chief executive officer of the Corporation; shall have general supervision of the affairs of the Corporation; shall sign all stock certificates and, whenever authorized to do so by the Board of Directors, all approved contracts and other instruments in behalf of the Corporation; shall see that the resolutions of the Board are duly executed and carried out; shall make reports to the Directors and stockholders; and shall perform all such other duties as are incident to his office or are properly required of him by the Board of Directors.

SECTION 4. Vice President. - The Vice President, if qualified, shall exercise all of the functions and perform all the duties of the President in the absence or disability, for any cause, of the latter.

SECTION 5. General Manager. - The General Manager shall look after and supervise all the business operations of the Corporation and, subject to the approval of the President, may employ, suspend and/or discharge any and all employees and/or laborers necessary therefor, recommending their respective compensations and the nature and extent of the work to be performed by each of them. He shall prepare and submit an annual report to the President and to the Board of Directors setting forth the results of the business operations under his charge, together with suggestions designed to improve the business of the corporation or to enhance its finances, and he shall perform such other duties as the President or the Board of Directors may require.

SECTION 6. Secretary. - The Secretary, who shall be a resident and citizen of the Philippines, shall issue notices of all meetings; shall keep their minutes; shall have charge of the seal and corporate books; shall sign with the President the certificates of stock and such other instruments as require such signature; and shall make such reports and perform such other duties as are incident to his office or are properly required of him by the Board of Directors.

SECTION 7. Treasurer. - The Treasurer shall have the custody of all money, securities and values of the Corporation which come into his possession, and shall keep regular books of accounts. He shall deposit said money, securities and values of the Corporation in such banking institutions as may be designated from time to time by the Board of Directors, subject to withdrawal therefrom only upon the checks or other written demands of the Corporation which shall be signed by at least two of the officers designated by the Board of Directors.

SECTION 8. Compensation. - The compensation of the officers and employees of the Corporation shall be fixed and determined by the Board of Directors. The Board, however, may authorize any officer to appoint and remove subordinate officers and prescribe the powers and duties thereof and fix the compensation of such subordinated officers.

SECTION 9-a. Appointment and Powers of Executive Committee. - There shall be an Executive Committee composed of Directors to be determined and appointed by the Board of Directors, and any vacancy in said committee shall be filled by the Directors at any meeting of the Board at which a quorum shall be present. The members of the Executive Committee may be removed at any time by the Board of Directors. Their compensation shall be determined by the Board of Directors.

The Executive Committee shall advise and aid the officers of the Corporation in all matters concerning its interest and the management of its business and, in the intervals between the meetings of the Board, shall have and may exercise all the powers of the Board of Directors in the management of the business and affairs of the Corporation, except (a) such powers as are granted by statute to the Board of Directors, (b) the power to declare and pay dividends, (c) the power to fill vacancies in the Board of Directors, and (d) such other powers as the Board of Directors may expressly reserve at any time. All matters acted upon by the Executive Committee shall be submitted to the Board at its meeting held next after they have been taken and such transactions of the committee shall be considered ratified by the Board unless otherwise expressly revoked.

SECTION 9-b. Meetings. - The Executive Committee shall meet from time to time and at such places as it may designate upon the call of the Chairman of the committee or of any member thereof. Written notice of any such meeting, stating the place, date and hour thereof, shall be served personally on each member of the Executive Committee at his address recorded in the books of the Corporation or the same shall be telegraphed or telephoned at least twenty-four (24) hours before the meeting.

SECTION 9-c. Quorum. - A majority of the members of the Executive Committee shall constitute a quorum thereof and the affirmative vote of the majority of such quorum shall be necessary for the approval of any action taken at any of its meetings.

SECTION 9-d. Minutes of the Meetings. - The Secretary of the Corporation shall keep the minutes of the meetings of the Executive Committee and cause them to be recorded in a book kept for that purpose. The Corporate Secretary shall present these minutes to the Board of Directors when so requested of directed.

SECTION 10. Nomination Committee. - There shall be a Nomination Committee composed of at least three (3) Directors, one of whom shall be an Independent Director. The Nomination Committee shall review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.

The Nomination Committee shall promulgate the guidelines or criteria to govern the conduct of nomination of directors. The decision of the Nomination Committee, once confirmed by the Board of Directors, shall be final and binding upon the stockholders and may no longer be raised during the stockholders' meeting at which directors shall be elected. *(As amended on February 13, 2012 by the Board of Directors and on May 17, 2012 by the Stockholders)*

SECTION 11. Other Committees. - The Board of Directors may create and appoint such other committees as it may consider necessary or advisable for the proper conduct and operation of the affairs of the Corporation and prescribed their respective powers and duties. Said committees shall be composed of Directors and shall be of such numbers as the Board may determine. The members of any such committee created and appointed by the Board of Directors may be removed at any time by the Board and any vacancies in any of said committees shall be filled by the Board of Directors.

ARTICLE IV

CERTIFICATES OF STOCK AND THEIR TRANSFER

SECTION 1. Certificates of Stock. - Each stockholder shall be entitled to one or more certificates of stock showing the number of shares registered in his name. It shall be signed by the President and countersigned by the Secretary of the Corporation and sealed with its corporate seal. The certificates of stock shall be issued in consecutive order and upon the stub of each certificate shall be entered the number of the certificate, date of issue, number of shares, name of stockholder, address and such other pertinent data that may be necessary. The stub shall be signed by the stockholder upon issuance to him of the corresponding certificate and shall be considered, for all purposes of the Corporation, as a valid receipt therefor from the stockholders. The necessary documentary stamps for each certificate of stock shall be borne by the stockholder, purchaser or transferee.

SECTION 2. Cancellation of Stock Certificates and Issuance of New Ones. - Every certificate surrendered for exchange or transfer shall be cancelled and affixed to the original stub in the certificate book and no new certificates shall be issued unless and until the old certificates have been so cancelled returned to the Corporation, or satisfactory proof of their loss is presented.

SECTION 3. Transfer of Stock. - Certificates of stock may be sold, transferred or hypothecated by indorsement or separate deed, but the Corporation shall not consider any transfer effective until the indorsed certificate is submitted for cancellation and a new one issued in the name of the transferee. All certificates submitted for transfer to another name shall be marked "CANCELLED" by the Secretary and attached to its corresponding stub whereon the following data shall be shown:

a) The date when the shares were transferred
b) To whom transferred

c) Number of shares transferred
d) Number or numbers of the new certificate or certificates

SECTION 4. Lost, Stolen or Destroyed Certificates. - Duplicate certificates of stock may be issued, in lieu of any certificate or certificates alleged to have been lost, stolen, or destroyed, only upon compliance with the requirements of Republic Act No. 201.

SECTION 5. Close of Stock Book or Register. - No transfer of certificates shall be entered on the Stock Book or Register of the corporation within thirty (30) days prior to any stockholders' meeting or at such other date as may be fixed by the Board of Directors. *(As amended on October 30, 1996)*

SECTION 6. Inspection of Stock Book or Register. - The Stock Book or Register shall be available for inspection by any stockholder during the office hours of the Corporation.

SECTION 7. Unpaid Subscriptions. - No interest shall run on unpaid subscriptions until delinquent.

ARTICLE V

DIVIDENDS AND FINANCE

SECTION 1. Accounting Period. - The accounting period of the corporation shall be the calendar year commencing on the first day of January and ending on the thirty-first day of December. *(As amended on July 15, 1999 by the Board of Directors and on November 23, 1999 by the Shareholders)*

SECTION2. Dividends. - Dividends shall be declared only from the surplus profits and shall be payable at such time and in such manner and in such amounts as the Board of Directors shall determine. No dividend shall be declared which will impair the paid-in capital of the corporation. Stock dividends shall be declared according to law.

SECTION 3. Auditors. - Auditor shall be designated by the Board of Directors prior to the close of business in such fiscal year, who shall audit and examine the books of accounts of the Corporation, and shall certify to the Board of Directors and the shareholders the annual balance of said books which shall be prepared at the close of the said year under the direction of the Treasurer. No Director or officer of the Corporation, and no firm or corporation of which such Director or officer is a member, shall be eligible to discharge the duties of Auditor. The compensation of the Auditor shall be fixed by the Board of Directors.

SECTION 4. Inspection of Corporate Books and Accounts. - Inspection of accounts by any member of the Board of Directors in person may be made at any and all times during business hours of the Corporation, and such inspection may embrace all books, records and vouchers of the Corporation. Inspection of the books, accounts and records of the Corporation by the stockholders shall be limited to office hours of every business day.

ARTICLE VI

SEAL

The corporate seal of the Corporation, unless otherwise ordered by the Board of Directors, shall be circular in form and bearing the words:

"UNION CEMENT CORPORATION"

(As amended on October 19, 1999 by the Board of Directors and on November 23, 1999 by the Shareholders)

ARTICLE VII

AMENDMENTS

These By-Laws may be amended, altered or repealed, in whole or in part, by a majority vote of the entire subscribed capital stock of the Corporation at any regular meeting of the shareholders, or at any special meeting where such action has been announced in the call and notice of such meeting.

The Board of Directors may adopt additional rules in harmony with the foregoing By-Laws and their amendments, but shall not alter, modify or repeal the foregoing By-Laws and their amendments.

ADOPTED on November 17, 1964, by the undersigned stockholders representing at least a majority of all the subscribed capital stock of the Corporation.

(SGD.) ALFONSO T. YUCHENGCO

(SGD.) ANTONIO DE LAS ALAS

(SGD.) ALBERTO M. MEER

(SGD.) ALBERTO O. VILLARAZA

(SGD.) GEORGE F. LEE

(SGD.) PEDRO T. MACATANGAY, JR.

(SGD.) RAMON O. REYNOSO, JR.

(SGD.) SENEN M. CASTILLO

110282014000872

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
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Company Information

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Company Name	HOLCIM PHILIPPINES, INC.
Industry Classification	
Company Type	Stock Corporation

Document Information

Document ID	110282014000872
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	October 27, 2014
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

2	6	1	2	6

S.E.C. Registration Number

HOLCIM PHILIPPINES, INC.

(Company's Full Name)

7TH FLR. TWO WORLD SQUARE
MCKINLEY HILL FORT BONIFACIO
TAGUIG CITY

(Business Address: No. Street City / Town / Province)

KRISTINE N.L. EVANGELISTA

Contact Person

(02) 4593333

Company Telephone Number

1	2		3	1

Month *Day*

Fiscal Year

17C

FORM TYPE

any day in April/May

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. October 27, 2014
   Date of Report (Date of earliest event reported)

2. SEC Identification Number 26126   3. BIR Tax Identification No. 000-121-507-000

4. Holcim Philippines, Inc.
   Exact name of issuer as specified in its charter

5. Philippines
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. 7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City   1634
   Address of principal office   Postal Code

8. (632) 4593333
   Issuer's telephone number, including area code

9. Not applicable
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	6,452,099,144

11. Indicate the item numbers reported herein: Item 9. Other Events

Item 9. Other Events

At the Special Meeting of the Board of directors of Holcim Philippines, Inc. (the "Corporation") held on October 27, 2014, at the Board Room, 12th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City, the Board authorized the Corporation to (i) consider and negotiate the purchase of Lafarge Republic, Inc.'s (a) investments in shares of stock of Lafarge Iligan, Inc., Lafarge Mindanao, Inc. and Lafarge Republic Aggregates, Inc., (b) Star Terminal at the Harbour Centre, Manila and (c) such other specific assets or contracts as may be identified and negotiated between the parties under terms and conditions to be agreed by the parties, including the purchase price and the conditions precedent to the closing of the purchase, and (ii) submit the results of such negotiation for approval of the Board.

The Board authorized the President and CEO of the Corporation, Mr. Eduardo A. Sahagun, to represent the Corporation in the foregoing negotiation, and for such purpose to do all things necessary or desirable, including the appointment of financial, technical and legal advisors as he may deem necessary.

At the same Special Meeting, Mr. Tomas I. Alcantara was elected as chairman of the board of directors, to serve as chairman for the unexpired term of Mr. Ramon R. Del Rosario, Jr., who has resigned as chairman and member of the board of directors of the Corporation.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Holcim Philippines, Inc. Issuer	October 27, 2014 Date

Kristine N.L. Evangelista
Corporate Secretary

112052014001194

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632)726-0931to39Fax:(632)725-5293 Email: mis@sec.gov.ph

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Company Information

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Company Name	HOLCIM PHILIPPINES, INC.
Industry Classification	
Company Type	Stock Corporation

Document Information

Document ID	112052014001194
Document Type	17-C (FORM 11-C:CURRENT DISCL/RPT)
Document Code	17-C
Period Covered	December 05, 2014
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

26126
S.E.C. Registration Number

HOLCIM PHILIPPINES, INC.

(Company's Full Name)

7TH FLR. TWO WORLD SQUARE
MCKINLEY HILL FORT BONIFACIO
TAGUIG CITY
(Business Address: No. Street City / Town / Province)

KRISTINE N.L. EVANGELISTA
Contact Person

(02) 4593333
Company Telephone Number

12 31
Month Day
Fiscal Year

Certificate of Attendance to Corporate Governance Seminar
FORM TYPE

any day in April/May
Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. December 5, 2014
   Date of Report (Date of earliest event reported)

2. SEC Identification Number 26126 3. BIR Tax Identification No. 000-121-507-000

4. Holcim Philippines, Inc.
   Exact name of issuer as specified in its charter

5. Philippines
   Province, country or other jurisdiction of incorporation

6. [redacted] (SEC Use Only)
   Industry Classification Code:

7. 7th Floor Two World Square, McKinley Hill, Fort Bonifacio, Taguig City 1634
   Address of principal office Postal Code

8. (632) 4593333
   Issuer's telephone number, including area code

9. Not applicable
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	6,452,099,144

11. Indicate the item numbers reported herein: Item 9. Other Events

Item 9. Other Events

Please be advised that in compliance in compliance with the Memorandum Circular No. 20, Series of 2013, the following directors and key officers of Holcim Philippines, Inc. attended a corporate governance seminar held on November 25, 2014 conducted by Risks Opportunities Assessment and Management (ROAM), Inc.:

Name	Position
Ian S. Thackwray	Director/Vice Chairman
Daniel N. Bach	Director
Yasuo Kitamoto	Director
Andre Caluori	SVP - Manufacturing
Zita D. Balogo	VP - Davao Plant Operations
Ernesto C. Paredes	VP - Geocycle
Nerissa V. Ronquillo	VP - Corporate Communications
Saskia Groen-in't-Woud	VP - Supply Chain
Araceli E. Gonzales	VP - Human Resources
Carmela Dolores S. Calimbas	VP - Corporate Occupational Health and Safety
Victoria T. Tomelden	Head - Internal Audit
Kristine N.L. Evangelista	Corporate Secretary
Jan Celine A. Ranada	Assistant Corporate Secretary

For your information and reference, attached are copies of the certificates of attendance of said directors and officers.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Holcim Philippines, Inc.
Issuer

December 5, 2014
Date

Kristine N.L. Evangelista
Corporate Secretary

Risks, Opportunities, Assessment and Management (ROAM), Inc.

awards this

CERTIFICATE OF COMPLETION

to

Ian S. Thackuray

for having completed the seminar on

CORPORATE GOVERNANCE

held on November 25, 2014 at
Three World Square, Mckinley Hill, Fort Bonifacio, Makati City

Benjamin I. Espiritu, Ph.D.
Director

Risks, Opportunities, Assessment and Management (ROAM), Inc.

awards this

CERTIFICATE OF COMPLETION

to

Daniel N. Bach

for having completed the seminar on

CORPORATE GOVERNANCE

held on November 25, 2014 at
Three World Square, Mckinley Hill, Fort Bonifacio, Makati City

Benjamin L. Espiritu, Ph.D.
Director

Risks, Opportunities, Assessment and Management (ROAM), Inc.

awards this

CERTIFICATE OF COMPLETION

to

Yasuo Kitamoto

for having completed the seminar on

CORPORATE GOVERNANCE

held on November 25, 2014 at
Three World Square, Mckinley Hill, Fort Bonifacio, Makati City

Benjamin I. Espiritu, Ph.D.
Director

Risks, Opportunities, Assessment and Management (ROAM), Inc.

awards this

CERTIFICATE OF COMPLETION

to

Andre Caluori

for having completed the seminar on

CORPORATE GOVERNANCE

held on November 25, 2014 at
Three World Square, Mckinley Hill, Fort Bonifacio, Makati City

Benjamin L. Espiritu, Ph.D.
Director

Risks, Opportunities, Assessment and Management (ROAM), Inc.

awards this

CERTIFICATE OF COMPLETION

to

Zita D. Balogo

for having completed the seminar on

CORPORATE GOVERNANCE

held on November 25, 2014 at
Three World Square, Mckinley Hill, Fort Bonifacio, Makati City

Benjamin I. Espiritu, Ph.D.
Director

Risks, Opportunities, Assessment and Management (ROAM), Inc.

awards this

CERTIFICATE OF COMPLETION

to

Ernesto C. Paredes

for having completed the seminar on

CORPORATE GOVERNANCE

held on November 25, 2014 at
Three World Square, Mckinley Hill, Fort Bonifacio, Makati City

Benjamin I. Espiritu, Ph.D.
Director

Risks, Opportunities, Assessment and Management (ROAM), Inc.

awards this

CERTIFICATE OF COMPLETION

to

Nerissa Ronquillo

for having completed the seminar on

CORPORATE GOVERNANCE

held on November 25, 2014 at
Three World Square, Mckinley Hill, Fort Bonifacio, Makati City

Benjamin L. Espiritu, Ph.D.
Director

Risks, Opportunities, Assessment and Management (ROAM), Inc.

awards this

CERTIFICATE OF COMPLETION

to

Saskia Groen-In't-Woud

for having completed the seminar on

CORPORATE GOVERNANCE

held on November 25, 2014 at
Three World Square, Mckinley Hill, Fort Bonifacio, Makati City

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CERTIFICATE OF COMPLETION

to

Araceli Gonzales

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Carmela Dolores S. Calimbas

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Victoria Tomelden

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Atty. Jan Coline A. Ranada

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