110292015000001

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	110292015000001
Document Type	17-Q (FORM 11-Q:QUARTERLY REPORT/FS)
Document Code	17-Q
Period Covered	September 30, 2015
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

26126
S.E.C. Registration Number

HOLCIM PHILIPPINES, INC. AND
SUBSIDIARIES

(Company's Full Name)

7TH FLR VENICE CORPORATE CENTER NO. 8 TURIN ST. MCKINLEY
TOWN CENTER, MCKINLEY HILL FORT BONIFACIO TAGUIG CITY
(Business Address: No. Street City / Town / Province)

Shirley S. Go
Contact Person

459-3333
Company Telephone Number

09 30
Month *Day*
Fiscal Year

17-Q
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 I.D.

Cashier

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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, 2015

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 Venice Corporate Center, No. 8 Turin Street, McKinley Town Center, 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 bv 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, 2015 and December 31, 2014
Exhibit II – Consolidated Statements of Income for the quarters ended September 30, 2015 and 2014 and for the nine (9) months ended September 30, 2015 and 2014
Exhibit III – Consolidated Statements of Comprehensive Income for the quarters ended September 30, 2015 and 2014 and for the nine (9) months ended September 30, 2015 and 2014
Exhibit IV – Consolidated Statements of Changes in Stockholders' Equity for the nine (9) months ended September 30, 2015 and 2014
Exhibit V – Consolidated Statements of Cash Flows for the nine (9) months ended September 30, 2015 and 2014
Exhibit VI – Aging of Trade and Other Receivables as at September 30, 2015

Exhibit I

HOLCIM PHILIPPINES, INC.
CONSOLIDATED BALANCE SHEETS
September 30, 2015 and December 31, 2014
(In Thousands)

	30 Sep 2015	31 Dec 2014
ASSETS		
Current Assets		
Cash and cash equivalents	₱2,839,557	₱2,698,207
Trade and other receivables-net	3,558,394	2,259,205
Inventories	3,543,526	3,757,521
Other current assets	619,299	615,841
Total Current Assets	**10,560,776**	**9,330,774**
Noncurrent Assets		
Investments	4,559	4,559
Property, plant and equipment – net	18,342,125	17,604,436
Goodwill	4,516,268	2,635,738
Intangibles	940,542	795,579
Deferred tax assets	343,772	271,029
Other noncurrent assets	269,296	264,571
Total Noncurrent Assets	**24,416,562**	**21,575,912**
	34,977,338	**30,906,686**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Notes payable	2,590,824	2,100,105
Trade and other payables	6,665,340	5,603,991
Income tax payable	632,942	345,531
Total Current Liabilities	**9,889,106**	**8,049,627**
Noncurrent Liabilities		
Long-term debt	2,975,000	-
Retirement benefit liabilities	577,867	582,924
Provisions	140,095	136,974
Deferred tax liabilities	163	653
Other noncurrent liabilities	46,511	43,632
Total Noncurrent Liabilities	**3,739,636**	**764,183**
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	(174,986)	(174,986)
Other reserves	3,774	3,774
Retained earnings	6,582,586	7,326,592
	21,339,475	**22,083,481**
Noncontrolling Interest	**9,121**	**9,395**
Total Stockholders' Equity	**21,348,596**	**22,092,876**
	₱34,977,338	**₱30,906,686**

Exhibit II

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF INCOME
For the quarters ended September 30, 2015 and 2014
And for the nine (9) months ended September 30, 2015 and 2014
(In Thousands, Except Per Share Data)

	Quarter ended		Nine (9) Month ended	
	Jul-Sep 2015	**Jul-Sep 2014**	**Jan-Sep 2015**	**Jan-Sep 2014**
		***Restated**		***Restated**
Net Sales	**₱9,996,455**	**₱8,113,355**	**₱27,991,732**	**₱24,974,047**
Cost of sales	6,929,764	6,176,520	19,017,762	16,812,853
Gross Profit	**3,066,691**	**1,936,835**	**8,973,970**	**8,161,194**
Operating expenses	556,068	487,087	1,661,922	1,330,191
Operating EBITDA	**2,510,623**	**1,449,748**	**7,312,048**	**6,831,003**
Depreciation and amortization	349,091	396,026	992,540	1,080,391
Income from Operations	**2,161,532**	**1,053,722**	**6,319,508**	**5,750,612**
Other income (expenses)				
Net financial income (expense)	14,266	(22,409)	5,404	(19,183)
Other income (expense)	1,893	(1,784)	107,869	(3,149)
Total	16,159	(24,193)	113,273	(22,332)
Income before Income Tax	**2,177,691**	**1,029,529**	**6,432,781**	**5,728,280**
Provision for income tax				
Current	698,745	345,053	1,915,975	1,728,788
Deferred	(50,679)	(37,729)	(40,067)	(45,019)
	648,066	307,324	1,875,908	1,683,769
Income Before Minority Interest	**1,529,625**	**722,205**	**4,556,873**	**4,044,511**
Noncontrolling interest	(316)	(245)	(1,165)	(991)
Net Income	**₱1,529,309**	**₱721,960**	**₱4,555,708**	**₱4,043,520**
Basic/Diluted Earnings Per Share (EPS)				
Computation of EPS:				
(a) Net income applicable to common shareholders	**₱1,529,309**	**₱721,960**	**₱4,555,708**	**₱4,043,520**
(b) Common shares issued and outstanding	6,452,099	6,452,099	6,452,099	6,452,099
EPS [(a)/(b)]	**₱0.237**	**₱0.112**	**₱0.706**	**₱0.627**

** Restated based on PAS 19 which requires presentation of net interest (included in pension cost) to financial expense. Reclassed Php16.2 million from cost of sales to net financial income (expense).*

Exhibit III

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the quarters ended September 30, 2015 and 2014
And for the nine (9) months ended September 30, 2015 and 2014
(In Thousands)

	Quarter ended		Nine (9) Month ended	
	July-Sep 2015	**Jul-Sep 2014**	**Jan-Sep 2015**	**Jan-Sep 2014**
Net Income	**₱1,529,625**	**₱722,205**	**₱4,556,873**	**₱4,044,511**
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	**₱1,529,625**	**₱722,205**	**₱4,556,873**	**₱4,044,511**
Attributable to:				
Equity holders of the Parent Company	**₱1,529,309**	**₱721,960**	**₱4,555,708**	**₱4,043,520**
Noncontrolling interest	316	245	1,165	991
	₱1,529,625	**₱722,205**	**₱4,556,873**	**₱4,044,511**

Exhibit IV

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the nine (9) months ended September 30, 2015 and 2014
(In Thousands)

	Jan-Sep 2015	Jan-Sep 2014
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	**(174,986)**	(161,351)
Retained Earnings		
Balance at beginning of period	**7,326,592**	6,698,251
Net income	**4,555,708**	4,043,520
Cash dividends	**(5,295,940)**	(4,516,469)
Balance at end of period	**6,586,360**	6,225,302
Noncontrolling Interest	**9,121**	10,998
	₱21,348,596	₱21,003,050

Exhibit V

HOLCIM PHILIPPINES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine (9) months ended September 30, 2015 and 2014
(In Thousands)

	Jan-Sep 2015	Jan-Sep 2014
Operating Activities		
Income before income tax for the period	**₱6,432,781**	**₱5,728,280**
Adjustments to reconcile net income to cash		
Depreciation and amortization	992,540	1,080,391
Other items-net	(1,511,837)	(1,457,405)
Changes in current assets and liabilities	(234,380)	(523,778)
Cash provided by operating activities	**5,679,104**	**4,827,488**
Investing Activities		
(Additions) deductions to plant, property and equipment	(1,274,054)	(1,140,352)
De(in)crease in other investing activities	(2,472,462)	(549,085)
Cash provided by (used in) investing activities	**(3,746,516)**	**(1,689,437)**
Financing Activities		
Dividends paid	(5,295,940)	(4,519,715)
Proceeds (payment) of short-term loans	530,848	2,617,930
Proceeds (payment) of long-term loans	2,975,000	-
Cash provided (used in) financing activities	**(1,790,092)**	**(1,901,785)**
Net increase (decrease) in cash and cash equivalents	**142,496**	**1,236,266**
Cash and cash equivalents, beginning	**2,698,207**	**2,149,104**
Effect of exchange rate changes on cash & cash equivalents	**(1,146)**	**367**
Cash and cash equivalents, end	**₱2,839,557**	**₱3,385,737**

Exhibit VI

HOLCIM PHILIPPINES, INC
Aging of Trade and Other Receivables
As of September 30, 2015
(In Thousands)

	Total	Current	1-30 days	31-60 days	Over 60 days
Trade Receivables	**₱3,717,903**	₱3,287,998	₱59,729	₱27,976	₱342,200
Other Receivables	**17,197**	14,344	-	-	2,853
Total	**3,735,100**	₱3,302,342	₱59,729	₱27,976	₱345,053
Allowance for Doubtful Accounts	**(176,706)**				
Net Receivables	**₱3,558,394**				

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 12%** as of September 2015 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 Php28.0 billion, 12% higher than the Php25.0 billion reported for the same period last year. Net income was also higher by about 13% compared with same period of last year on account of higher realized sales. The Company delivered operating EBITDA of Php7.3 billion for the nine-month period compared to the Php6.8 billion of the same period last year. Net income after tax stood at Php4.6 billion, giving earnings per share of Php0.71/share up from Php0.63/share last year.

Financial Position

The Company's financial position has remained healthy with very liquid position and strong asset utilization ratio as it continues to generate high revenues. Total assets stood at Php35.0 billion, up by approximately Php4.1 billion from end of 2014, largely due to acquisition of Lafarge entities and assets.

Cash Flow Generation

The Company's cash requirements have been mainly sourced through cash flow from operations and long-term loans to finance the acquisition of new entities and assets. Overall cash increase was mainly due to high profit generation for the period. 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, 2015 and 2014 were as follows:

Financial KPI	Definition	For the quarter ended September 30	
		2015	2014
Profitability			
Return on Equity (ROE)	Net Income / Ave. Total Shareholders' Equity	21.0%	19.0%
Return on Asset (ROA)	Net Income / Average Total Assets	13.8%	13.6%
Efficiency			
EBITDA Margin	Operating EBITDA / Net Sales	26.1%	27.4%
Liquidity			
Gearing	Net Financial Debt (Asset) / Stockholders' Equity	15.2%	2.9%
EBITDA Net Interest Cover	Operating EBITDA / Net Interest	192.7 times	427.2 times

** Internal Estimate

Profitability and Efficiency

Profitability and efficiency have remained at healthy levels. ROE and ROA increased by 1.9% and 0.3% points, respectively, compared with the same period of last year due to higher profitability.

Liquidity

The Company's liquidity position remained strong albeit gearing increase on account of the debt from Lafarge acquisition.

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, 2014.

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, 2014, except for the adoption of the new standards and interpretations that are effective as of January 1, 2015 enumerated below:

- 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.

- 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.

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 enture"

  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 rateregulation, 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 crossreference 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.

2. *Seasonality Aspects of the Business*

Like any other Company in the construction industry, the operations of HPI are generally affected by seasonality or cyclicality. Traditionally, 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, 2015, 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, 2015, 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 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.

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. 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. The Company 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, 2015, the Company has unutilized credit facilities of ₱4.3 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 September 30, 2015 and December 31, 2014. 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.

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, 2015 and December 31, 2014:

	September 30, 2015			December 31, 2014		
	Level 1[1]	**Level 2[2]**	**Total**	Level 1[1]	Level 2[2]	Total
AFS financial assets -						
Quoted equity securities	₱145	₱–	₱145	₱145	₱–	₱145

[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;
- aggregates segment, which produces and trades aggregates to third parties as well as to the RMX business; and
- other construction materials and services segment, which includes operations from the RMX business, Helps-U-Build and specialty products.

For the segment revenue below, aggregates and other construction materials and services segments are combined under Others.

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.

Segment revenues, EBITDA, assets and liabilities as at September 30, 2015 and 2014 are presented below:

	2015				
	Clinker and cement	Others	Total	Adjustments and eliminations	Consolidated
			(In Thousands)		
Revenue:					
External customers	₱26,543,705	₱1,276,980	₱27,820,685	₱-	₱27,820,685
Inter-segment	727,758	266	728,024	(556,977)	171,047
	₱27,271,463	₱1,277,246	₱28,548,709	(₱556,977)	₱27,991,732
Operating EBITDA	₱7,242,434	₱69,614	₱7,312,048	₱-	₱7,312,048
Segment assets	30,184,690	1,604,758	31,789,448	3,187,890	34,977,338
Segment liabilities	6,773,997	655,816	7,429,813	6,198,929	13,628,742

* Chief operating decision maker is composed of the Company's management committee

	2014 (restated*)				
	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	₱6,958,326	(₱127,323)	₱6,831,003	₱-	₱6,831,003
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

**Refer to Consolidated Statements of Income*

6. Retained Earnings

The BOD approved the declaration of cash dividends of Php0.82 per common share (or a total of Php5.3 billion) on May 18, 2015, payable to stockholders of record as of June 15, 2015. The dividends were paid on July 9, 2015.

7. Subsequent Events

On October 27, 2015, the Company completed the execution of a Shareholders Agreement governing Holcim Mining and Development Corporation (HMDC), with HMDC, the Holcim Philippines, Inc. Retirement Fund (RF), and Holcim Philippines Manufacturing Corporation, in relation to the proposed subscription by the RF of shares in HMDC. The implementation of the Shareholders Agreement shall be subject to the completion of all customary closing conditions, including the completion of the RF subscription and the waiver by the existing shareholders, including the Company, of their pre-emptive right, as stated in the agreement.

Interim Disclosures

Except as disclosed in Item 7 of this report, 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 events subsequent to end of the reporting period that have not been reflected in this report.

13. Material changes in the composition of the Company, including any business combination, acquisition (other than the acquisition of Lafarge entities and assets, as disclosed in the previous report and herewith further discussed in this report) or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

14. Any seasonal aspect that had a material effect on the financial condition or results of operation.

Material Changes in Balance Sheet Accounts

5% increase in Cash and cash equivalents
Mainly due to higher profit generated for the period.

58% increase in Trade and other receivables-net
Primarily due to higher revenues in September 2015 compared with December 2014.

6% decrease in Inventories
Mainly due to higher volume sold and higher usage of imported clinker in 2015 as compared to 2014.

71% increase in Goodwill
Due to the acquisition of new subsidiaries at a purchase price above the net book value of the assets acquired.

18% increase in intangibles
Due to increase in mining rights in 2015

27% increase in Deferred tax assets
Mainly attributable to increase of net operating loss carry-over (NOLCO) of a wholly owned subsidiary.

19% increase in Trade and other payables
Attributable mainly to accruals associated with the increased level of sales.

23% increase in Notes payable
Attributable to the outstanding short-term loans availed by the Company from third party banks.

83% increase in Income tax payable
Mainly attributable to higher taxable income for Q3 2015 as compared to the last quarter of 2014.

100% increase in Long-term debt
Attributable to availments by the Company of long-term loans from banks.

75% decrease in Deferred tax liabilities
Mainly attributable to the decrease in non-deductible depreciation expense.

7% increase in Other noncurrent liabilities
Mainly due to the acquisition of new entities.

10% decrease in Retained earnings
Mainly due to the declaration of dividends in May 2015.

Material Changes in Income Statement Accounts

12% increase in Net sales
Mainly driven by higher volume sold brought about by strong demand.

13% increase in Cost of sales
Due to higher volume produced and sold as a result of robust demand and higher usage of imported clinker and cement.

25% increase in operating expenses
Attributable to one-off costs related to corporate initiatives.

8% decrease in depreciation and amortization
Mainly due to lower book value of depreciable assets.

128% increase in Net financial income
Mainly due to higher interest earned from cash and cash equivalents.

3526% increase in Other income (expense)
Due to the gain realized by the Company on sale of its internally developed intellectual property to an associated company.

11% increase in Provision for income tax
Mainly due to higher taxable income in 2015 as compared to the same period in 2014.

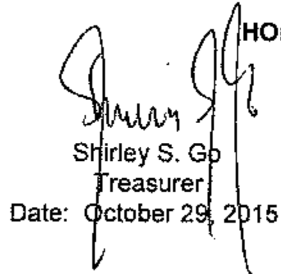
Holcim Philippines, Inc. and Subsidiaries
Schedule of Financial Soundness Indicators

Financial KPI	Definition	For the Nine (9) Months Ended September 30	
		2015	2014
Current/Liquidity ratio Current Ratio	Current Assets / Current Liabilities	106.8%	106.8%
Solvency ratio/Debt-to-equity ratio Gearing	Net Financial Debt (Asset) / Stockholder's Equity	15.2%	2.9%
Asset to Equity Ratios Asset to Equity Ratio/ Equity Multiplier	Total Assets / Stockholder's Equity	163.9%	149.1%
Interest Rate Coverage Ratio Interest Rate Coverage	Income before Tax / Net Interest	169.6 times	358.3 times
Profitability Ratios Return on Assets	Net Income / Average Total Assets	13.8%	13.6%
Return on Equity	Net Income / Average Total Equity	21.0%	19.0%

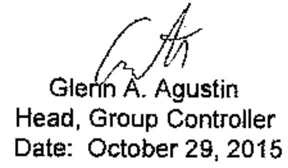
SIGNATURES

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: October 29, 2015



Glenn A. Agustin
Head, Group Controller
Date: October 29, 2015