



May 8, 2013

## **Media release on first quarter 2013**

- Increased net income and cash flow from operating activities
- Higher operating EBITDA in Europe and Latin America
- First quarter results in India were impacted by negative market environment
- The Holcim Leadership Journey and the sale of a stake in Australia strengthened financial results
- Reduction of net financial debt over the past twelve months, higher ROIC before tax

Holcim succeeded in increasing net income and cash flow from operating activities, further reducing net financial debt compared with the end of March 2012 and achieving a better ROIC before tax. This was achieved despite the weaker construction activities in India, Morocco and France, the harsh winter in the northern hemisphere and the early Easter period which reduced the number of working days.

Market and weather-induced decreases in sales volumes in all segments and higher variable costs impacted operating results. Price improvements, cost savings, primarily in fixed costs in Europe and Latin America, and the sale of a stake of 25 percent in Cement Australia compensated for this, and as a result Holcim was able to report an increase in net income in the first quarter. This success was substantially supported by the Holcim Leadership Journey.

Group regions Europe and Latin America achieved an improvement of operating EBITDA – in absolute terms and also like-for-like. In Asia, where the growth trend is unbroken in most countries, the considerably weaker results of both Indian Group companies impacted the operating result of the whole region. The smaller Group region Africa Middle East primarily felt the negative effects of Morocco. Overall, like-for-like operating EBITDA decreased by 6.1 percent.

Group	January – March 2013	January –March 2012 <sup>1</sup>	Percentage change	Percentag change like-for-like
Sales of cement in million t	32.1	33.7	(5.0%)	(5.0%)
Sales of aggregates in million t	28.6	31.3	(8.6%)	(8.1%)
Sales of ready-mix concrete in million m <sup>3</sup>	8.4	10.0	(16.8%)	(15.2%)
Sales of asphalt in million t	1.1	1.4	(17.7%)	(16.6%)
Net sales in million CHF	4,323	4,660	(7.2%)	(4.3%)
Operating EBITDA in million CHF	650	718	(9.5%)	(6.1%)
Operating profit in million CHF	270	328	(17.8%)	(12.2%)
Net income in million CHF	295	112	164.1%	
Net income – shareholders of Holcim Ltd in million CHF	187	10	-	
Cash flow from operating activities in million CHF	(323)	(499)	35.2%	36.8%

<sup>1</sup> Restated due to changes in accounting policies.

## Sales development

Consolidated cement sales decreased by 5 percent to 32.1 million tonnes. Sales increases were achieved primarily by Group companies in Ecuador, Russia and Azerbaijan. Deliveries of aggregates were down by 8.6 percent to 28.6 million tonnes. Favorable market conditions were reported in Switzerland. Declines in aggregates were recorded in Australia, Ecuador and Spain in particular. Sales of ready-mix concrete declined by 16.8 percent to 8.4 million cubic meters. However, this decline was mainly due to restructuring measures. Asphalt sales contracted by 17.7 percent to 1.1 million tonnes.

## Financial results

Consolidated net sales were 7.2 percent lower at CHF 4.3 billion. Operating EBITDA fell by 9.5 percent to CHF 650 million. The main reason for this development was the lower performance of both Indian Group companies. Better results were achieved in Group regions Europe and Latin America. Key drivers of this success were further cost cuts as well as stable or slightly better selling prices. Operating profit came to CHF 270 million, corresponding to a decrease of 17.8 percent. Net income was 164.1 percent higher year-on-year at CHF 295 million, and the share of net income attributable to shareholders of Holcim Ltd increased to CHF 187 million.

Cash flow from operating activities, which is traditionally negative in the first quarter, showed a substantial improvement, up 35.2 percent to CHF -323 million. The main reason for this was an improvement in net working capital. Net financial debt decreased 8.5 percent to CHF 10.8 billion over the past twelve months. In addition, the international rating agency Moody's changed the outlook of the assigned "Baa2" rating to "stable" from "negative".

## Holcim Leadership Journey continues on track

Launched last May, the Holcim Leadership Journey program is progressing in line with targets. Despite the difficult market environment, projects in the Customer Excellence work stream still contributed CHF 26 million to operating profit in the first quarter of 2013; the Cost Leadership work stream strengthened operating profit by CHF 143 million.

## Outlook for 2013

Holcim anticipates an increase in sales of cement in 2013, but it will be challenging to reach the previous year's levels in the aggregates and ready-mix concrete businesses. While Group regions Asia Pacific, North America and Latin America are expected to

witness higher sales volumes, Holcim is somewhat less optimistic with regard to Europe and Africa Middle East.

Turning to operating EBITDA and operating profit, the Board of Directors and Executive Committee expect a further improvement of margins. The Holcim Leadership Journey, which will gain further momentum in all streams as planned, will also contribute to this development. Under similar market conditions, significant organic growth in operating EBITDA and operating profit should be achieved in 2013.

## Key figures on Group regions

### Bad weather partly dampened demand for building materials in Asia Pacific

	January – March 2013	January – March 2012 <sup>1</sup>	Percentage change	Percentage change like-for-like
Sales of cement in million t	18.6	19.4	(3.8%)	(3.8%)
Sales of aggregates in million t	5.8	6.3	(7.5%)	(7.8%)
Sales of ready-mix concrete in million m <sup>3</sup>	2.5	2.7	(8.6%)	(4.4%)
Net sales in million CHF	1,984	2,118	(6.4%)	(1.3%)
Operating EBITDA in million CHF	397	466	(14.9%)	(10.3%)
Operating profit in million CHF	280	345	(18.9%)	(14.4%)

<sup>1</sup> Restated due to changes in accounting policies.

### Latin America grows further

	January – March 2013	January – March 2012 <sup>1</sup>	Percentage change	Percentage change like-for-like
Sales of cement in million t	5.9	5.9	0.0%	0.0%
Sales of aggregates in million t	2.7	3.5	(25.1%)	(23.9%)
Sales of ready-mix concrete in million m <sup>3</sup>	2.1	2.6	(20.5%)	(20.5%)
Net sales in million CHF	827	854	(3.2%)	(0.1%)
Operating EBITDA in million CHF	246	224	9.8%	11.4%
Operating profit in million CHF	192	171	12.4%	13.7%

<sup>1</sup> Restated due to changes in accounting policies.

### Europe's construction industry suffers under difficult market conditions

	January – March 2013	January – March 2012 <sup>1</sup>	Percentage change	Percentage change like-for-like
Sales of cement in million t	4.4	4.5	(2.5%)	(2.5%)
Sales of aggregates in million t	14.4	15.1	(4.1%)	(3.3%)
Sales of ready-mix concrete in million m <sup>3</sup>	2.3	3.0	(23.8%)	(22.4%)
Sales of asphalt in million t	1.0	1.2	(13.9%)	(12.5%)
Net sales in million CHF	1,032	1,161	(11.2%)	(10.3%)
Operating EBITDA in million CHF	29	20	42.9%	42.9%
Operating profit in million CHF	(94)	(106)	11.0%	11.4%

<sup>1</sup> Restated due to changes in accounting policies.

## Harsh winter impacted construction activity in North America

	January – March 2013	January – March 2012 <sup>1</sup>	Percentage change	Percentage change like-for-like
Sales of cement in million t	2.0	2.1	(8.4%)	(8.4%)
Sales of aggregates in million t	5.2	5.9	(11.0%)	(11.0%)
Sales of ready-mix concrete in million m <sup>3</sup>	1.3	1.4	(8.3%)	(8.3%)
Sales of asphalt in million t	0.1	0.2	(39.4%)	(39.4%)
Net sales in million CHF	441	478	(7.8%)	(8.6%)
Operating EBITDA in million CHF	(18)	(15)	(14.5%)	(14.1%)
Operating profit in million CHF	(87)	(90)	2.9%	3.7%

<sup>1</sup> Restated due to change in accounting policies.

## Africa Middle East starts new year on a muted note

	January – March 2013	January – March 2012 <sup>1</sup>	Percentage change	Percentage change like-for-like
Sales of cement in million t	1.8	2.2	(18.0%)	(18.0%)
Sales of aggregates in million t	0.5	0.5	(12.5%)	(12.5%)
Sales of ready-mix concrete in million m <sup>3</sup>	0.2	0.3	(30.5%)	(30.5%)
Net sales in million CHF	203	239	(15.2%)	(15.9%)
Operating EBITDA in million CHF	62	78	(20.2%)	(21.0%)
Operating profit in million CHF	48	66	(26.4%)	(27.1%)

<sup>1</sup> Restated due to change in accounting policies.

Further documents such as the First Quarter Report 2013 including detailed information on the Group regions are available at [www.holcim.com/results](http://www.holcim.com/results)

<b>Key figures Group Holcim January – March</b>		2013	2012 <sup>1</sup>	Percentage change	Percentage change like-for-like
Annual cement production capacity	million t	206.6	209.3 <sup>2</sup>	(1.3%)	(0.3%)
Sales of cement	million t	32.1	33.7	(5.0%)	(5.0%)
Sales of mineral components	million t	0.6	0.8	(23.6%)	(2.9%)
Sales of aggregates	million t	28.6	31.3	(8.6%)	(8.1%)
Sales of ready-mix concrete	million m3	8.4	10.0	(16.8%)	(15.2%)
Sales of asphalt	million t	1.1	1.4	(17.7%)	(16.6%)
Net sales	million CHF	4,323	4,660	(7.2%)	(4.3%)
Operating EBITDA	million CHF	650	718	(9.5%)	(6.1%)
Operating EBITDA margin	%	15.0	15.4		
Operating profit	million CHF	270	328	(17.8%)	(12.2%)
Operating profit margin	%	6.2	7.0		
EBITDA	million CHF	838	760	10.3%	
Net income	million CHF	295	112	164.1%	
Net income margin	%	6.8	2.4		
Net income – shareholders of Holcim Ltd	million CHF	187	10		
Cash flow from operating activities	million CHF	(323)	(499)	35.2%	36.8%
Cash flow margin	%	(7.5)	(10.7)		
Net financial debt	million CHF	10,758	10,325 <sup>2</sup>	4.2%	3.9%
Total shareholders' equity	million CHF	20,258	19,234 <sup>2</sup>	5.3%	
Gearing <sup>3</sup>	%	53.1	53.7 <sup>2</sup>		
Personnel		73,764	76,359 <sup>2</sup>	(3.4%)	(2.4%)
Earnings per share	CHF	0.58	0.03		
Fully diluted earnings per share	CHF	0.58	0.03		

#### Principal key figures in USD <sup>4</sup>

Net sales	million USD	4,648	5,069	(8.3%)	
Operating EBITDA	million USD	699	781	(10.5%)	
Operating profit	million USD	290	357	(18.7%)	
Net income – shareholders of Holcim Ltd	million USD	201	11		
Cash flow from operating activities	million USD	(348)	(542)	35.9%	
Net financial debt	million USD	11,292	11,284 <sup>2</sup>	0.1%	
Total shareholders' equity	million USD	21,264	21,021 <sup>2</sup>	1.2%	
Earnings per share	USD	0.62	0.03		

#### Principal key figures in EUR <sup>4</sup>

Net sales	million EUR	3,519	3,840	(8.4%)	
Operating EBITDA	million EUR	529	592	(10.6%)	
Operating profit	million EUR	220	271	(18.7%)	
Net income – shareholders of Holcim Ltd	million EUR	152	8		
Cash flow from operating activities	million EUR	(263)	(411)	35.9%	
Net financial debt	million EUR	8,825	8,552 <sup>2</sup>	3.2%	
Total shareholders' equity	million EUR	16,619	15,930 <sup>2</sup>	4.3%	
Earnings per share	EUR	0.47	0.02		

<sup>1</sup> Restated due to changes in accounting policies.

<sup>2</sup> As of December 31, 2012.

<sup>3</sup> Net financial debt divided by total shareholders' equity.

<sup>4</sup> Illustrative; statement of income figures translated at average rate; statement of financial position figures at closing date.

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

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This media release is also available in German at [www.holcim.com/news](http://www.holcim.com/news).

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#### Conference call for media and financial analysts:

May 8, 2013, 10:30 a.m. CET (Europe: +41 58 310 5000; UK: +44 203 059 5862; US +1 631 570 56 13)