

November 7, 2012

## Media release on 3<sup>rd</sup> quarter results 2012

- **Rising cement deliveries in the first nine months of 2012**
- **Price increases support earnings, slightly better margins**
- **Higher operating EBITDA and operating profit**
- **Solid cash flow from operating activities**
- **Net income – attributable to shareholders of Holcim Ltd – significantly higher than last year**
- **Holcim Leadership Journey progresses on plan**
- **Holcim will achieve organic growth in 2012**

Holcim continues to have the advantage of a strong presence in emerging markets, where construction activity remains high. This unique geographic diversification in the industry helped support sales in the first nine months of 2012 in spite of a difficult market situation in Europe. Compared with the previous year, Holcim achieved higher consolidated sales of cement and nearly stable sales of ready-mix concrete – often at better prices. Deliveries of aggregates and asphalt were lower. The Group companies in India, the Philippines, Indonesia, Russia, Thailand, Mexico and the USA recorded significantly higher cement sales.

Group	January–Sept 2012	January–Sept 2011	±%	±% like-for-like
Sales of cement in million t	111.4	108.1	+3.0	+2.4
Sales of aggregates in million t	120.3	130.4	-7.7	-8.7
Sales of ready-mix concrete in million m <sup>3</sup>	35.5	36.1	-1.7	-2.8
Sales of asphalt in million t	6.6	7.6	-14.0	-13.8
Net sales in million CHF	16,198	15,461	+4.8	+4.9
Operating EBITDA in million CHF	3,147	2,971	+5.9	+6.4
Operating profit in million CHF	1,879	1,753	+7.2	+9.4
Net income in million CHF	1,108	1,004	+10.3	
Net income – shareholders of Holcim Ltd – in million CHF	783	713	+9.8	
Cash flow from operating activities in million CHF	1,107	930	+19.1	+22.7

Group	July–Sept 2012	July–Sept 2011	±%	±% like-for-like
Sales of cement in million t	37.3	37.2	+0.3	-0.4
Sales of aggregates in million t	44.8	49.2	-8.9	-9.6
Sales of ready-mix concrete in million m <sup>3</sup>	12.7	13.0	-2.5	-2.9
Sales of asphalt in million t	2.9	3.3	-11.0	-10.9
Net sales in million CHF	5,841	5,318	+9.8	+3.2
Operating EBITDA in million CHF	1,214	1,074	+13.0	+6.7
Operating profit in million CHF	762	669	+13.9	+8.7
Net income in million CHF	484	418	+15.6	
Net income – shareholders of Holcim Ltd – in million CHF	394	356	+10.5	
Cash flow from operating activities in million CHF	896	858	+4.4	+4.3

## Sales development and financial results

Consolidated cement sales increased by 3 percent to 111.4 million tonnes in the first nine months of 2012. Deliveries of aggregates declined by 7.7 percent to 120.3 million tonnes, and ready-mix concrete volumes contracted by 1.7 percent to 35.5 million cubic meters. Sales of asphalt decreased by 14 percent to 6.6 million tonnes, primarily due to poor business development in the UK.

Despite the difficult market situation in Europe, consolidated net sales increased by 4.8 percent to CHF 16.2 billion and operating EBITDA by 5.9 percent to CHF 3.1 billion. Operating profit also increased over proportionally compared with net sales by 7.2 percent to CHF 1.9 billion. These results reflect the solid performance in a number of emerging markets, stronger demand for building materials in North America, improvements in efficiency, and the first successes of the Holcim Leadership Journey. Compared with the previous year, the operating EBITDA margin improved by 0.2 percentage points to 19.4 percent, despite restructuring costs totaling CHF 58 million in nine months in Spain, Brazil, UK, Mexico and now Hungary. On a like-for-like basis, i.e. excluding changes in the scope of consolidation and exchange rates, the Group grew at the operating EBITDA level by 6.4 percent in the first nine months of the year. All Group regions achieved organic growth except for Europe and Africa Middle East.

Net income increased by 10.3 percent to CHF 1.1 billion and the share of net income attributable to shareholders of Holcim Ltd rose by 9.8 percent to CHF 783 million.

Due to the higher operating EBITDA and lower taxes paid, cash flow from operating activities improved by 19.1 percent to CHF 1.1 billion. With CHF 11.6 billion, net financial debt remained stable. Gearing improved to 56.3 percent (year-end 2011: 58.8).

## Holcim Leadership Journey progresses according to plan

The Holcim Leadership Journey, a Group-wide program introduced in May, is progressing positively. Regions and Group companies have already started to implement initial measures and the organizational adjustments at Group level have been made. These include the introduction of a leaner management structure for Europe to handle the difficult economic situation in that Group region, and the creation of a Project Management Office to monitor the progress of the Holcim Leadership Journey. Guidelines to measure the operational and financial progress of the program have also been put in place. The financial impact of the entire Holcim Leadership Journey will be released together with the year-end results 2012.

## Outlook 2012

Holcim expects demand for building materials to rise in emerging markets in 2012 in Asia and Latin America, as well as in Russia and Azerbaijan. In North America, cement volumes will also increase. In Europe however, sales volumes are expected to decrease in all segments.

In any case, Holcim will accord cost management the closest attention, and pass on inflation-induced cost increases. Holcim's approach to new investments will be cautious.

Holcim expects the Group to achieve organic growth in 2012 on the level of operating EBITDA, and additionally to reap the first positive effects of the Holcim Leadership Journey this year.

### Asia Pacific continues its growth track

Asia Pacific	January–Sept 2012	January–Sept 2011	±%	±% like-for-like
Sales of cement in million t	59.5	56.2	+5.9	+5.4
Sales of aggregates in million t	21.2	22.3	-4.7	-4.7
Sales of ready-mix concrete in million m <sup>3</sup>	9.7	9.8	-0.5	-0.5
Net sales in million CHF	6,579	5,929	+11.0	+12.8
Operating EBITDA in million CHF	1,446	1,264	+14.5	+17.5
Operating profit in million CHF	1,044	890	+17.3	+21.2

Asia Pacific	July–Sept 2012	July–Sept 2011	±%	±% like-for-like
Sales of cement in million t	18.3	18.1	+1.2	+0.8
Sales of aggregates in million t	6.9	7.9	-11.6	-11.6
Sales of ready-mix concrete in million m <sup>3</sup>	3.5	3.4	+2.8	+2.8
Net sales in million CHF	2,181	1,865	+16.9	+10.8
Operating EBITDA in million CHF	446	335	+32.9	+26.3
Operating profit in million CHF	316	212	+48.6	+41.6

### Latin America remains a pillar of the Group's success

Latin America	January–Sept 2012	January–Sept 2011	±%	±% like-for-like
Sales of cement in million t	18.5	18.0	+3.0	+3.0
Sales of aggregates in million t	10.6	10.9	-3.3	-3.3
Sales of ready-mix concrete in million m <sup>3</sup>	7.8	8.2	-5.2	-5.2
Net sales in million CHF	2,613	2,467	+5.9	+7.4
Operating EBITDA in million CHF	721	662	+8.8	+8.4
Operating profit in million CHF	557	515	+8.0	+7.0

Latin America	July–Sept 2012	July–Sept 2011	±%	±% like-for-like
Sales of cement in million t	6.4	6.3	+2.5	+2.5
Sales of aggregates in million t	3.6	3.9	-9.7	-9.7
Sales of ready-mix concrete in million m <sup>3</sup>	2.5	2.9	-14.5	-14.5
Net sales in million CHF	905	823	+9.9	+4.4
Operating EBITDA in million CHF	259	224	+15.6	+7.9
Operating profit in million CHF	199	179	+11.4	+3.4

## Debt crisis impacts Europe's economy

Europe	January–Sept 2012	January–Sept 2011	±%	±% like-for-like
Sales of cement in million t	20.1	20.6	-2.3	-4.6
Sales of aggregates in million t	56.2	63.6	-11.7	-12.4
Sales of ready-mix concrete in million m <sup>3</sup>	11.1	12.2	-8.7	-8.8
Sales of asphalt in million t	3.5	4.2	-16.6	-16.6
Net sales in million CHF	4,434	4,691	-5.5	-5.2
Operating EBITDA in million CHF	577	707	-18.4	-18.2
Operating profit in million CHF	159	295	-45.9	-42.9

Europe	July–Sept 2012	July–Sept 2011	±%	±% like-for-like
Sales of cement in million t	7.8	7.8	+0.7	-1.8
Sales of aggregates in million t	21.0	22.4	-6.0	-6.8
Sales of ready-mix concrete in million m <sup>3</sup>	4.1	4.2	-3.5	-3.8
Sales of asphalt in million t	1.2	1.4	-10.1	-10.1
Net sales in million CHF	1,651	1,605	+2.9	-2.6
Operating EBITDA in million CHF	295	329	-10.3	-12.3
Operating profit in million CHF	134	188	-28.8	-26.6

## Higher sales of cement and ready-mix concrete in North America

North America	January–Sept 2012	January–Sept 2011	±%	±% like-for-like
Sales of cement in million t	8.9	8.5	+4.2	+4.2
Sales of aggregates in million t	30.6	31.9	-4.2	-6.9
Sales of ready-mix concrete in million m <sup>3</sup>	6.0	5.1	+17.8	+10.5
Sales of asphalt in million t	3.1	3.5	-10.5	-10.5
Net sales in million CHF	2,394	2,151	+11.3	+3.7
Operating EBITDA in million CHF	348	264	+32.0	+25.2
Operating profit in million CHF	110	30	+271.5	+278.9

North America	July–Sept 2012	July–Sept 2011	±%	±% like-for-like
Sales of cement in million t	3.5	3.5	-2.1	-2.1
Sales of aggregates in million t	12.6	14.4	-12.7	-13.7
Sales of ready-mix concrete in million m <sup>3</sup>	2.4	2.2	+7.1	+4.8
Sales of asphalt in million t	1.7	1.9	-11.5	-11.5
Net sales in million CHF	1,051	962	+9.2	-2.2
Operating EBITDA in million CHF	211	172	+22.9	+13.0
Operating profit in million CHF	126	93	+36.2	+30.3

## Lack of activity in Africa Middle East

Africa Middle East	January–Sept 2012	January–Sept 2011	±%	±% like-for-like
Sales of cement in million t	6.4	6.5	-0.9	-0.9
Sales of aggregates in million t	1.8	1.7	+6.0	+6.0
Sales of ready-mix concrete in million m <sup>3</sup>	0.9	0.8	+1.4	+1.4
Net sales in million CHF	726	706	+2.9	+2.4
Operating EBITDA in million CHF	221	237	-7.1	-7.4
Operating profit in million CHF	184	201	-8.9	-9.2

Africa Middle East	July–Sept 2012	July–Sept 2011	±%	±% like-for-like
Sales of cement in million t	1.9	2.1	-8.4	-8.4
Sales of aggregates in million t	0.7	0.6	+13.1	+13.1
Sales of ready-mix concrete in million m <sup>3</sup>	0.3	0.3	+0.4	+0.4
Net sales in million CHF	228	223	+2.3	-4.7
Operating EBITDA in million CHF	60	69	-12.4	-19.5
Operating profit in million CHF	48	58	-16.9	-23.9

Additional information such as the Third Quarter Interim Report 2012 including detailed information on the Group regions are available at [www.holcim.com/results](http://www.holcim.com/results)

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

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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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<b>Key figures Group Holcim</b>		<b>2012</b>	<b>2011</b>	<b>+/-%</b>	<b>+/-% like-for-like</b>
<b>January – September</b>					
Annual cement production capacity	million t	217.1	216.0 <sup>1</sup>	+0.5	+0.5
Sales of cement	million t	111.4	108.1	+3.0	+2.4
Sales of mineral components	million t	3.6	3.8	-5.2	-5.2
Sales of aggregates	million t	120.3	130.4	-7.7	-8.7
Sales of ready-mix concrete	million m <sup>3</sup>	35.5	36.1	-1.7	-2.8
Sales of asphalt	million t	6.6	7.6	-14.0	-13.8
Net sales	million CHF	16,198	15,461	+4.8	+4.9
Operating EBITDA	million CHF	3,147	2,971	+5.9	+6.4
Operating EBITDA margin	%	19.4	19.2		
Operating profit	million CHF	1,879	1,753	+7.2	+9.4
Operating profit margin	%	11.6	11.3		
EBITDA	million CHF	3,340	3,167	+5.5	
Net income	million CHF	1,108	1,004	+10.3	
Net income margin	%	6.8	6.5		
Net income – shareholders of Holcim Ltd	million CHF	783	713	+9.8	
Cash flow from operating activities	million CHF	1,107	930	+19.1	+22.7
Cash flow margin	%	6.8	6.0		
Net financial debt	million CHF	11,579	11,549 <sup>1</sup>	+0.3	-0.8
Total shareholders' equity	million CHF	20,570	19,656 <sup>1</sup>	+4.6	
Gearing <sup>2</sup>	%	56.3	58.8 <sup>1</sup>		
Personnel		80,436	80,967 <sup>1</sup>	-0.7	-0.6
Earnings per share	CHF	2.42	2.23	+8.5	
Fully diluted earnings per share	CHF	2.42	2.23	+8.5	

#### **Principal key figures in USD (illustrative) <sup>3</sup>**

Net sales	million USD	17,259	17,569	-1.8	
Operating EBITDA	million USD	3,353	3,376	-0.7	
Operating profit	million USD	2,002	1,992	+0.5	
Net income – shareholders of Holcim Ltd	million USD	834	810	+3.0	
Cash flow from operating activities	million USD	1,179	1,057	+11.7	
Net financial debt	million USD	12,391	12,273 <sup>1</sup>	+1.0	
Total shareholders' equity	million USD	22,012	20,889 <sup>1</sup>	+5.4	
Earnings per share	USD	2.58	2.53	+2.0	

#### **Principal key figures in EUR (illustrative) <sup>3</sup>**

Net sales	million EUR	13,438	12,469	+7.8	
Operating EBITDA	million EUR	2,610	2,396	+8.9	
Operating profit	million EUR	1,559	1,414	+10.2	
Net income – shareholders of Holcim Ltd	million EUR	649	575	+12.9	
Cash flow from operating activities	million EUR	918	750	+22.3	
Net financial debt	million EUR	9,573	9,940 <sup>1</sup>	+0.9	
Total shareholders' equity	million EUR	17,005	16,142 <sup>1</sup>	+5.3	
Earnings per share	EUR	2.01	1.80	+11.7	

<sup>1</sup> As of December 31, 2011.

<sup>2</sup> Net financial debt divided by total shareholders' equity.

<sup>3</sup> Statement of income figures translated at average rate; statement of financial position figures at closing rate.

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