

27 February 2013

Media release

In 2012, Holcim increased consolidated net sales, operating EBITDA and net income despite the difficult economic environment in Europe and restructuring costs. The Holcim Leadership Journey, which is well under way across the whole Group, also supported operating performance. The Board of Directors proposes a higher payout of CHF 1.15 per registered share. In 2013, Holcim expects increasing sales volumes and significant growth in operating EBITDA and operating profit.

Annual results 2012

- Cement sales increased by 2.5 percent despite declines in the European businesses
- Consolidated net sales rose by 3.9 percent
- Holcim Leadership Journey (contributing on a net basis CHF 158 million) and price increases supported operating performance
- Like-for-like and excluding restructuring costs, Holcim experienced an increase of 6.4 percent in operating EBITDA and 11.4 percent in operating profit, resulting in margin improvements of 0.4 percentage points and 0.7 percentage points respectively
- Net income increased by 50.4 percent
- Net financial debt declined by CHF 1.2 billion to CHF 10.4 billion
- Payout of CHF 1.15 (2011: 1.00) per registered share

Fourth quarter 2012

- Positive volume developments for cement
- Net sales increased
- Adjusted operating EBITDA and operating profit increased

Outlook for 2013

- Holcim expects better demand for cement
- Holcim Leadership Journey will gain further momentum
- Holcim anticipates significant growth at operating EBITDA and operating profit level

Group		Jan-Dec 2012	Jan-Dec 2011	±%	±% like-for-like
Sales of cement	million t	148.0	144.3	+2.5	+2.0
Sales of aggregates	million t	159.7	173.0	-7.7	-8.5
Sales of ready-mix concrete	million m ³	46.9	48.4	-3.1	-3.2
Sales of asphalt	million t	9.1	10.3	-11.8	-11.6
Net sales	million CHF	21,544	20,744	+3.9	+4.1
Operating EBITDA	million CHF	3,984	3,958	+0.7	+0.9
Operating EBITDA adjusted ¹	million CHF	4,223	3,975	+6.2	+6.4
Operating profit	million CHF	1,816	1,933	-6.0	-5.0
Operating profit adjusted ²	million CHF	2,552	2,308	+10.6	+11.4
Net income	million CHF	1,026	682	+50.4	
Net income – shareholders of Holcim Ltd	million CHF	622	275	+126.5	
Cash flow from operating activities	million CHF	2,682	2,753	-2.6	-1.8

¹Excluding one-off restructuring costs of CHF 239 million (2011: 17).

²Excluding one-off restructuring costs of CHF 736 million (2011: 375).

Group		Oct-Dec 2012	Oct-Dec 2011	±%	±% like-for-like
Sales of cement	million t	36.6	36.2	+1.1	+0.9
Sales of aggregates	million t	39.4	42.6	-7.6	-8.0
Sales of ready-mix concrete	million m ³	11.3	12.2	-7.2	-4.6
Sales of asphalt	million t	2.5	2.7	-5.7	-5.4
Net sales	million CHF	5,346	5,284	+1.2	+1.7
Operating EBITDA	million CHF	838	987	-15.1	-15.9
Operating EBITDA adjusted ¹	million CHF	1,019	1,003	+1.6	+0.7
Operating profit	million CHF	-63	180	-134.8	-145.3
Operating profit adjusted ²	million CHF	575	555	+3.6	+0.2
Net loss	million CHF	-82	-322	+74.6	
Net loss – shareholders of Holcim Ltd	million CHF	-161	-438	+63.4	
Cash flow from operating activities	million CHF	1,575	1,823	-13.6	-14.3

¹Excluding one-off restructuring costs of CHF 181 million (2011: 17).

²Excluding one-off restructuring costs of CHF 638 million (2011: 375).

Mixed economic conditions

Better demand for building materials in the fast growing markets of Asia and Latin America as well as North America was in contrast to the low demand in debt and recession hit Europe in 2012.

Cement sales volumes continue to grow

Once again, Holcim delivered more cement, with consolidated volumes of 148 million tonnes representing an increase of 2.5 percent. The strongest volume growth was achieved in North America, followed by Asia and Latin America. However, shipments decreased in Group region Europe due to the crisis and in the region Africa Middle East due to the political instability. Aggregates sales volumes, which are primarily supplied in mature markets, decreased by 7.7 percent to 159.7 million tonnes, and deliveries of ready-mix concrete recorded a drop of 3.1 percent to 46.9 million cubic meters, despite an increase in North America.

In the fourth quarter, cement deliveries increased 1.1 percent to 36.6 million tonnes. The largest sales increase came from the Group region North America, followed by Latin America and Asia Pacific, despite a slower resurgence in demand after the monsoon in India. Aggregates sales volumes remained below the previous year's level, dropping by 7.6 percent to 39.4 million tonnes. In the ready-mix concrete business, shipments fell in all Group regions, with the exception of North America, in total declining by 7.2 percent to 11.3 million cubic meters.

Restructuring measures strengthen the Group

Management faced challenges posed by the economic crisis in Europe throughout the year. In order to be able to make the necessary adjustments quickly and smoothly, the organization of Group region Europe was streamlined. The region is now headed by a single Executive Committee member, together with three Area Managers. An analysis of Holcim's activities and prospects in the individual markets and segments led to plans for downsizing, streamlining and improvements in several countries. Substantial capacity adjustments took place in Spain and Holcim Germany reorganized its ready-mix concrete business. In Belgium, the intended closure of the Haccourt grinding station, in France – after the closure of the Ebange plant – the intended transformation of the Dannes plant and in Italy the intended transformation of the Merone plant into grinding stations were officially announced. These announcements always occurred within the framework of relevant consultations with the authorities and employee representatives. Overall, Holcim aims to reduce cement capacity in this Group region by around 10 percent to improve capacity utilization.

Holcim also optimized capacities outside Europe: clinker production was discontinued at Holcim Argentina's Yocsina plant, and aggregates and ready-mix concrete operations in Australia, Brazil and Mexico were also adjusted.

These restructuring decisions led to CHF 181 million in cash costs and CHF 457 million in write-offs on assets in the fourth quarter of 2012.

Higher turnover and operating EBITDA, significantly better net income and lower net debt

Despite the fact that volume growth was limited, Holcim succeeded in increasing net sales by 3.9 percent to CHF 21.5 billion and operating EBITDA by 0.7 percent to almost CHF 4 billion.

Operating profit decreased by 6 percent to CHF 1.8 billion. Excluding the restructuring costs of CHF 239 million at the operating EBITDA level and CHF 736 million at the operating profit level, both figures increased on a like-for-like basis by 6.4 percent to CHF 4,223 million and 11.4 percent to CHF 2,552 million respectively. On top of the Holcim Leadership Journey, the Group achieved like-for-like growth at both operating EBITDA and operating profit level. These results are driven by a high degree of cost awareness in production, distribution and administration. Also worthy of note are the successes achieved in passing on various higher costs to prices. The various streams of the Holcim Leadership Journey, which gained momentum from mid-year on, contributed on a net basis CHF 158 million to the improvements at consolidated operating profit level in the year under review. The restructuring costs also impacted Group net income. Nevertheless, it substantially increased compared to the previous year, rising by 50.4 percent to CHF 1 billion. Net income attributable to shareholders of Holcim Ltd increased to CHF 622 million.

In the fourth quarter, adjusted operating EBITDA increased by 1.6 percent to CHF 1,019 million compared with previous year's last quarter. The above-mentioned restructuring costs, which primarily incurred from Europe, impacted results. Positive developments were achieved in North and Latin America, and on an adjusted basis, also in Asia Pacific. Africa Middle East could not reach the level of the previous year's quarter.

Holcim continues to have a strong balance sheet and an attractive debt to equity ratio. Net financial debt declined by CHF 1.2 billion or 10.3 percent to CHF 10.4 billion. This was also due in part to the sale of the minority interest in Cementos Progreso in Guatemala and of almost 10 percent of the share capital of Thai-based Siam City Cement Company. Holcim remains a strategic partner of Siam City Cement Company.

Capacity expansion in growth markets continued

Demand for building materials grew further in the emerging markets of Asia and Latin America, and this is likely to remain the case over the coming years. Holcim aims to be part of this dynamic development and has several cement plant projects in the planning stage or already in progress. In India, a new clinker plant with an annual production capacity of 2.8 million tonnes is scheduled for completion at ACC's Jamul site by the end of 2015. Several grinding facilities will be connected to the plant. Grinding capacity is also being increased in Sri Lanka and Bangladesh. Another strategically important market is Indonesia, where a cement plant with an annual capacity of 1.6 million tonnes is slated to come on stream in Java at the end of 2013. To satisfy rapidly growing market demand, it was decided to build a second, identical kiln line at the same site in Tuban by 2015. Group region Latin America's expansion projects in the cement sector are focusing on Brazil and Ecuador. An additional facility at the Brazilian Barroso site will go on stream at the end of 2014, raising the total cement capacity of Holcim Brazil's plants to 7.6 million tonnes. In Ecuador, capacity expansion efforts are also under way at the Guayaquil plant, where production capacity is set to increase by around 1.5 million tonnes of clinker by the end of 2015.

Payout

Holcim has established the principle that one-third of Group net income attributable to shareholders of Holcim Ltd should be distributed to shareholders. Since the write-offs booked to Group net income in 2012 do not affect the payout for 2012, a proposal will be put to the annual general meeting on April 17, 2013, that the amount of CHF 1.15 (2011: 1.00) per registered share be distributed. It will be paid from the capital contribution reserves and is subject to the corresponding provisions of Swiss tax legislation.

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

Asia Pacific

Full year 2012		Jan-Dec 2012	Jan-Dec 2011	±%	±% like-for-like
Sales of cement	million t	79.2	75.6	+4.7	+4.4
Sales of aggregates	million t	27.8	29.7	-6.2	-6.3
Sales of ready-mix concrete	million m ³	12.8	13.0	-1.8	+0.9
Net sales	million CHF	8,732	8,001	+9.1	+11.1
Operating EBITDA	million CHF	1,876	1,700	+10.3	+12.6
Operating EBITDA adjusted ¹	million CHF	1,899	1,700	+11.7	+14.0

¹ Excluding one-off restructuring costs.

Fourth quarter 2012		Oct-Dec 2012	Oct-Dec 2011	±%	±% like-for-like
Sales of cement	million t	19.7	19.4	+1.5	+1.5
Sales of aggregates	million t	6.6	7.4	-10.8	-11.0
Sales of ready-mix concrete	million m ³	3.0	3.2	-5.6	+5.2
Net sales	million CHF	2,153	2,072	+3.9	+6.4
Operating EBITDA	million CHF	429	437	-1.7	-1.5
Operating EBITDA adjusted ¹	million CHF	453	437	+3.8	+4.1

¹ Excluding one-off restructuring costs.

Latin America

Full year 2012		Jan-Dec 2012	Jan-Dec 2011	±%	±% like-for-like
Sales of cement	million t	24.9	24.2	+3.0	+3.0
Sales of aggregates	million t	14.0	14.5	-3.6	-3.6
Sales of ready-mix concrete	million m ³	10.2	11.0	-7.9	-7.9
Net sales	million CHF	3,490	3,310	+5.4	+6.9
Operating EBITDA	million CHF	958	888	+7.9	+7.2
Operating EBITDA adjusted ¹	million CHF	989	888	+11.3	+10.7

¹ Excluding one-off restructuring costs.

Fourth quarter 2012		Oct-Dec 2012	Oct-Dec 2011	±%	±% like-for-like
Sales of cement	million t	6.4	6.2	+2.8	+2.8
Sales of aggregates	million t	3.4	3.6	-4.7	-4.7
Sales of ready-mix concrete	million m ³	2.4	2.8	-15.5	-15.5
Net sales	million CHF	877	843	+4.0	+5.4
Operating EBITDA	million CHF	237	226	+5.2	+3.9
Operating EBITDA adjusted ¹	million CHF	258	226	+14.3	+13.1

¹ Excluding one-off restructuring costs.

Europe

Full year 2012		Jan-Dec 2012	Jan-Dec 2011	±%	±% like-for-like
Sales of cement	million t	26.3	26.8	-2.0	-3.9
Sales of aggregates	million t	74.3	83.0	-10.5	-11.1
Sales of ready-mix concrete	million m ³	14.7	16.1	-8.6	-8.8
Sales of asphalt	million t	4.6	5.4	-14.5	-14.5
Net sales	million CHF	5,809	6,122	-5.1	-5.0
Operating EBITDA	million CHF	627	930	-32.6	-32.8
Operating EBITDA adjusted ¹	million CHF	807	930	-13.3	-13.4

¹ Excluding one-off restructuring costs.

Fourth quarter 2012		Oct-Dec 2012	Oct-Dec 2011	±%	±% like-for-like
Sales of cement	million t	6.2	6.2	-0.9	-1.8
Sales of aggregates	million t	18.1	19.4	-6.5	-6.9
Sales of ready-mix concrete	million m ³	3.6	3.9	-8.3	-8.8
Sales of asphalt	million t	1.1	1.2	-7.4	-7.4
Net sales	million CHF	1,376	1,431	-3.9	-4.7
Operating EBITDA	million CHF	50	224	-77.7	-78.8
Operating EBITDA adjusted ¹	million CHF	182	224	-18.5	-19.5

¹ Excluding one-off restructuring costs.

North America

Full year 2012		Jan-Dec 2012	Jan-Dec 2011	±%	±% like-for-like
Sales of cement	million t	12.0	11.4	+5.0	+5.0
Sales of aggregates	million t	41.3	43.5	-5.2	-7.3
Sales of ready-mix concrete	million m ³	8.1	7.1	+14.2	+8.7
Sales of asphalt	million t	4.5	5.0	-8.5	-8.5
Net sales	million CHF	3,276	2,987	+9.7	+3.3
Operating EBITDA	million CHF	480	346	+38.8	+32.4
Operating EBITDA adjusted ¹	million CHF	484	363	+33.5	+27.4

¹ Excluding one-off restructuring costs.

Fourth quarter 2012		Oct-Dec 2012	Oct-Dec 2011	±%	±% like-for-like
Sales of cement	million t	3.1	2.9	+7.4	+7.4
Sales of aggregates	million t	10.7	11.6	-7.8	-8.5
Sales of ready-mix concrete	million m ³	2.1	2.0	+4.9	+4.1
Sales of asphalt	million t	1.4	1.5	-3.9	-3.9
Net sales	million CHF	882	836	+5.6	+2.1
Operating EBITDA	million CHF	132	82	+60.6	+55.5
Operating EBITDA adjusted ¹	million CHF	136	99	+37.5	+33.3

¹ Excluding one-off restructuring costs.

Africa Middle East

Full year 2012		Jan-Dec 2012	Jan-Dec 2011	±%	±% like-for-like
Sales of cement	million t	8.4	8.7	-4.4	-4.4
Sales of aggregates	million t	2.3	2.3	+1.3	+1.3
Sales of ready-mix concrete	million m ³	1.1	1.1	-2.0	-2.0
Net sales	million CHF	947	959	-1.3	-1.4
Operating EBITDA	million CHF	278	312	-11.0	-11.1
Operating EBITDA adjusted ¹	million CHF	278	312	-11.0	-11.1

¹ Excluding one-off restructuring costs.

Fourth quarter 2012		Oct-Dec 2012	Oct-Dec 2011	±%	±% like-for-like
Sales of cement	million t	1.9	2.3	-14.4	-14.4
Sales of aggregates	million t	0.5	0.6	-12.5	-12.5
Sales of ready-mix concrete	million m ³	0.2	0.3	-12.2	-12.2
Net sales	million CHF	220	254	-13.2	-12.0
Operating EBITDA	million CHF	57	75	-23.4	-22.7
Operating EBITDA adjusted ¹	million CHF	57	75	-23.4	-22.7

¹ Excluding one-off restructuring costs.

Further documents such as the Annual Report 2012 including detailed information on the Group regions (p. 64-81) are available on www.holcim.com/results

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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.

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Media conference:

27 February 2013, 9:30 am, Hagenholzstrasse 85, Zurich

Analyst presentation and webcast:

27 February 2013, 12:00, Hagenholzstrasse 85, Zurich

www.holcim.com/broadcast

Key figures Group Holcim		2012	2011	+/-%	+/-% like-for-like
Annual cement production capacity	million t	217.5	216.0	+0.7	+0.7
Sales of cement	million t	148.0	144.3	+2.5	+2.0
Sales of mineral components	million t	4.8	5.1	-7.0	-7.0
Sales of aggregates	million t	159.7	173.0	-7.7	-8.5
Sales of ready-mix concrete	million m ³	46.9	48.4	-3.1	-3.2
Sales of asphalt	million t	9.1	10.3	-11.8	-11.6
Net sales	million CHF	21,544	20,744	+3.9	+4.1
Operating EBITDA	million CHF	3,984	3,958	+0.7	+0.9
Operating EBITDA adjusted ¹	million CHF	4,223	3,975	+6.2	+6.4
Operating EBITDA margin	%	18.5	19.1		
Operating EBITDA margin adjusted ¹	%	19.6	19.2		
Operating profit	million CHF	1,816	1,933	-6.0	-5.0
Operating profit adjusted ¹	million CHF	2,552	2,308	+10.6	+11.4
Operating profit margin	%	8.4	9.3		
Operating profit margin adjusted ¹	%	11.8	11.1		
EBITDA	million CHF	4,415	4,264	+3.6	
Net income	million CHF	1,026	682	+50.4	
Net income margin	%	4.8	3.3		
Net income – shareholders of Holcim Ltd	million CHF	622	275	+126.5	
Cash flow from operating activities	million CHF	2,682	2,753	-2.6	-1.8
Cash flow margin	%	12.4	13.3		
Net financial debt	million CHF	10,362	11,549	-10.3	-9.9
Funds from operations ² /Net financial debt	%	30.9	26.4		
Total shareholders' equity	million CHF	19,837	19,656	+0.9	
Gearing ³	%	52.2	58.8		
Personnel	31.12.	78,103	80,967	-3.5	-3.2
Earnings per share	CHF	1.92	0.86	+123.3	
Fully diluted earnings per share	CHF	1.92	0.86	+123.3	
Payout	million CHF	376 ⁴	327	+15.7	
Payout per share	CHF	1.15 ⁴	1.00	+15.0	

Principal key figures in USD⁵

Net sales	million USD	23,013	23,306	-1.3	
Operating EBITDA	million USD	4,256	4,447	-4.3	
Operating EBITDA adjusted ¹	million USD	4,511	4,465	+1.0	
Operating profit	million USD	1,940	2,172	-10.7	
Operating profit adjusted ¹	million USD	2,726	2,593	+5.1	
Net income – shareholders of Holcim Ltd	million USD	665	309	+115.3	
Cash flow from operating activities	million USD	2,865	3,092	-7.4	
Net financial debt	million USD	11,324	12,273	-7.7	
Total shareholders' equity	million USD	21,680	20,889	+3.8	
Earnings per share	USD	2.05	0.97	+111.3	

Principal key figures in EUR⁵

Net sales	million EUR	17,867	16,790	+6.4	
Operating EBITDA	million EUR	3,304	3,203	+3.1	
Operating EBITDA adjusted ¹	million EUR	3,502	3,217	+8.9	
Operating profit	million EUR	1,506	1,565	-3.7	
Operating profit adjusted ¹	million EUR	2,116	1,868	+13.3	
Net income – shareholders of Holcim Ltd	million EUR	516	222	+132.0	
Cash flow from operating activities	million EUR	2,224	2,228	-0.2	
Net financial debt	million EUR	8,582	9,484	-9.5	
Total shareholders' equity	million EUR	16,430	16,142	+1.8	
Earnings per share	EUR	1.59	0.70	+127.1	

¹ Excluding restructuring costs.

² Net income plus depreciation, amortization and impairment.

³ Net financial debt divided by total shareholder's equity.

⁴ Proposed by the Board of Directors for a maximum payout of CHF 376 million from the capital contribution reserves.

⁵ Statement of income figures translated at average rate; statement of financial position figures at closing rate (illustrative).