

Media release on half-year results 2015

- **Volume increases in aggregates and ready-mix concrete**
- **Economic uncertainty across several markets impacts Group's performance**
- **Higher cash flow and net income as a result of portfolio optimization**
- **LafargeHolcim launched following successful merger completion in July**

In the first half of 2015, Holcim generated higher cash flow from operating activities and increased net income supported by the gain from the divestment of the Group's minority shareholding in Siam City Cement in March. However, the Group was faced with an overall challenging development in the first half of 2015 as lower than anticipated demand in some markets caused volume declines in cement and impacted financial performance. Positive dynamics in markets such as the United Kingdom, the United States, Mexico, and the Philippines were not able to compensate for these effects.

Holcim was again confronted with a mixed global economic environment that was influenced by moderate growth levels as well as political and economic uncertainty. Although lower oil prices influenced economic development positively in oil-importing regions, ongoing investment weakness more than offset these effects in both advanced and emerging markets. With its strong focus on prices and cost management as well as its balanced geographic footprint, Holcim was able to mitigate some of these effects. Cement volumes declined in all Group regions with the exception of North America and Latin America. More cement was sold in important markets including Romania, the Philippines, Vietnam, and the United States. Aggregate shipments were higher, mainly as a result of the acquisition of Cemex's operations in Western Germany as well as solid growth in the United Kingdom and the United States. Ready-mix concrete volumes were slightly higher than last year's period.

Adjusted for merger-related costs, operating EBITDA was lower, despite the positive developments in the Group regions North America and Latin America. Operating profit adjusted for merger-related costs also declined. While Group companies including Aggregate Industries UK, Holcim US, Holcim Mexico, and Holcim Spain reported increased like-for-like financial performance, the development in Indonesia, at Ambuja Cements, and in Switzerland and France was less favorable.

ROIC after taxes increased significantly and stood at 7.8 percent. Net financial debt over the last twelve months decreased by CHF 1,418 million and stood at CHF 9,057 million.

Group		Jan–June 2015	Jan–June 2014 ¹	±%	±% like-for-like
Sales of cement	million t	67.6	68.9	–2.0	–2.1
Sales of aggregates	million t	72.0	69.6	+3.4	–2.3
Sales of ready-mix concrete	million m ³	18.2	18.1	+0.6	–3.0
Sales of asphalt	million t	4.6	4.1	+13.1	+13.1
Net sales	million CHF	8,646	8,926	–3.1	–0.2
Operating EBITDA	million CHF	1,471	1,595	–7.8	–5.1
Operating EBITDA adjusted ²	million CHF	1,557	1,617	–3.7	–1.1
Operating profit	million CHF	827	943	–12.3	–12.4
Operating profit adjusted ²	million CHF	912	965	–5.5	–5.5
Net income	million CHF	690	657	+4.9	
Net income – shareholders of Holcim Ltd	million CHF	573	485	+18.0	
Cash flow from operating activities	million CHF	220	194	+13.6	+9.0

¹ Restated due to changes in accounting policies.

² Excluding merger-related costs only.

Group		Apr–June 2015	Apr–June 2014 ¹	±%	±% like-for-like
Sales of cement	million t	36.9	36.4	+1.2	+1.1
Sales of aggregates	million t	42.4	40.4	+5.0	–1.0
Sales of ready-mix concrete	million m ³	10.2	9.9	+2.8	–0.7
Sales of asphalt	million t	3.0	2.7	+12.1	+12.1
Net sales	million CHF	4,731	4,900	–3.4	+1.1
Operating EBITDA	million CHF	899	994	–9.5	–5.0
Operating EBITDA adjusted ²	million CHF	941	1,016	–7.4	–3.0
Operating profit	million CHF	580	657	–11.7	–11.1
Operating profit adjusted ²	million CHF	622	680	–8.5	–7.9
Net income	million CHF	311	479	–35.0	
Net income – shareholders of Holcim Ltd	million CHF	263	406	–35.2	
Cash flow from operating activities	million CHF	434	430	+0.8	–3.6

¹ Restated due to changes in accounting policies.

² Excluding merger-related costs only.

Sales volumes

In the first half of the year consolidated cement volumes decreased 2.0 percent to 67.6 million tonnes as Group regions Asia Pacific, Europe, and Africa Middle East reported declines. Aggregates deliveries increased 3.4 percent to 72.0 million tonnes, building on the volume growth in Group regions Europe and North America. Ready-mix concrete deliveries increased slightly by 0.6 percent and reached 18.2 million cubic meters, as improvements in Europe based on the acquisition of Cemex's activities in Western Germany could compensate for declines in North America and Latin America as well as Africa Middle East. Asphalt volumes increased significantly by 13.1 percent to 4.6 million tonnes.

Financial results

Like-for-like net sales across the Group were almost unchanged in the first half of the year. Reported net sales were down 3.1 percent to CHF 8,646 million, as better performance in North America could not compensate for lower sales in other Group regions.

Operating EBITDA adjusted for merger-related costs of CHF 86 million was at CHF 1,557 million and 3.7 percent lower year-on-year. The adjusted operating EBITDA margin decreased to 18.0 percent. Reported operating EBITDA decreased 7.8 percent to CHF 1,471 million, impacted by merger-related costs and lower financial performance in the Group regions Europe and Asia Pacific. Operating profit adjusted for merger-related costs of CHF 86 million was down 5.5 percent to CHF 912 million. The adjusted operating profit margin decreased to 10.6 percent. Reported operating profit decreased by 12.3 percent to CHF 827 million, as increases in the Group regions Latin America and North America were not able to compensate for merger-related costs and lower performance in Asia Pacific, Europe, and Africa Middle East.

Net income increased by 4.9 percent to CHF 690 million, mainly as a result of the divestment of Holcim's minority shareholding in Siam City Cement. Net income attributable to shareholders of Holcim Ltd was also up by 18.0 percent to CHF 573 million.

Cash flow from operating activities increased 13.6 percent to CHF 220 million in the first half year.

Holcim Leadership Journey

In the first half of 2015, the contribution of the Holcim Leadership Journey to the Group's operating profit amounted to CHF 138 million. The Customer Excellence Stream contributed CHF 36 million and the cost initiatives CHF 102 million to this result.

Outlook for 2015

Holcim expects for 2015 that the global economy continues its gradual recovery. Key construction markets of Holcim in countries like the USA, India, Mexico, Colombia, the UK and the Philippines are expected to be the main growth drivers. Europe overall should have a flat development. Latin America will continue to face uncertainties in Brazil but should overall show slight growth in 2015. The Asia

Pacific region is expected to grow although at a still modest pace. A flat development is expected in Africa Middle East.

In this environment cement volumes should increase in all Group regions in 2015 with the exception of Europe and Africa Middle East. Aggregate and ready-mix concrete volumes are expected to increase. On a stand-alone basis and unconnected to the merger with Lafarge, it would have expected like-for-like operating profit adjusted for merger-related cost to be approximately 10 percent below the low end of the initial guidance of CHF 2.7 billion to CHF 2.9 billion in 2015. Following the successful completion of the merger the stand-alone guidance is not relevant anymore as LafargeHolcim results will be impacted by several items including required divestments and ramp-up of the synergies.

Key figures per Group region

Asia Pacific continues to feel temporarily weaker demand for building materials

Asia Pacific		Jan–June 2015	Jan–June 2014 ¹	±%	±% like-for-like
Sales of cement	million t	35.2	36.0	–2.3	–2.3
Sales of aggregates	million t	11.3	12.5	–9.7	–9.7
Sales of ready-mix concrete	million m ³	5.2	5.2	+0.7	+0.7
Net sales	million CHF	3,234	3,349	–3.4	–3.5
Operating EBITDA	million CHF	600	645	–7.0	–8.2
Operating profit	million CHF	408	469	–13.0	–14.8

¹ Restated due to changes in accounting policies.

Asia Pacific		Apr–June 2015	Apr–June 2014 ¹	±%	±% like-for-like
Sales of cement	million t	18.6	18.0	+2.9	+2.9
Sales of aggregates	million t	6.1	6.5	–7.1	–7.1
Sales of ready-mix concrete	million m ³	2.7	2.7	+0.8	+0.8
Net sales	million CHF	1,638	1,731	–5.4	–3.0
Operating EBITDA	million CHF	265	334	–20.8	–19.3
Operating profit	million CHF	166	245	–32.1	–31.3

¹ Restated due to changes in accounting policies.

Latin America benefits from solid development in Mexico, Colombia, and Argentina

Latin America		Jan–June 2015	Jan–June 2014	±%	±% like-for-like
Sales of cement	million t	12.1	12.1	+0.0	+0.0 ¹
Sales of aggregates	million t	2.4	4.0	–39.3	–39.3
Sales of ready-mix concrete	million m ³	3.2	3.3	–3.5	–3.5
Net sales	million CHF	1,438	1,465	–1.8	+4.8
Operating EBITDA	million CHF	434	410	+5.8	+9.8
Operating profit	million CHF	345	321	+7.3	+10.2

¹ The percentage change like-for-like adjusted for internal trading volumes eliminated in "Corporate/Eliminations" amounts to +2.7.

Latin America		Apr–June 2015	Apr–June 2014	±%	±% like-for-like
Sales of cement	million t	6.2	6.1	+1.4	+1.4 ¹
Sales of aggregates	million t	1.3	2.0	–34.6	–34.6
Sales of ready-mix concrete	million m ³	1.6	1.6	+1.2	+1.2
Net sales	million CHF	732	742	–1.4	+7.2
Operating EBITDA	million CHF	203	200	+1.5	+6.9
Operating profit	million CHF	158	154	+2.1	+6.1

¹ The percentage change like-for-like adjusted for internal trading volumes eliminated in "Corporate/Eliminations" amounts to +5.1.

Europe with overall mixed development despite strong performance in the United Kingdom

Europe		Jan–June 2015	Jan–June 2014	±%	±% like-for-like
Sales of cement	million t	11.9	12.7	-6.4	-7.2
Sales of aggregates	million t	39.7	34.7	+14.4	+3.0
Sales of ready-mix concrete	million m ³	6.7	5.9	+13.7	-1.6
Sales of asphalt	million t	3.2	2.7	+21.3	+21.3
Net sales	million CHF	2,514	2,717	-7.5	-2.1
Operating EBITDA	million CHF	355	408	-12.9	-3.2
Operating profit	million CHF	159	192	-17.4	-10.1

Europe		Apr–June 2015	Apr–June 2014	±%	±% like-for-like
Sales of cement	million t	7.1	7.5	-4.1	-4.8
Sales of aggregates	million t	22.3	19.0	+17.2	+4.5
Sales of ready-mix concrete	million m ³	3.9	3.2	+20.5	+3.1
Sales of asphalt	million t	1.8	1.4	+28.7	+28.7
Net sales	million CHF	1,417	1,533	-7.6	-1.3
Operating EBITDA	million CHF	276	309	-10.7	-0.2
Operating profit	million CHF	185	201	-7.9	-2.5

North America with solid performance thanks to the United States

North America		Jan–June 2015	Jan–June 2014	±%	±% like-for-like
Sales of cement	million t	5.6	5.4	+2.7	+2.7
Sales of aggregates	million t	17.8	17.4	+2.5	+2.5
Sales of ready-mix concrete	million m ³	2.8	3.2	-13.9	-6.2
Sales of asphalt	million t	1.4	1.4	-2.7	-2.7
Net sales	million CHF	1,374	1,280	+7.4	+6.8
Operating EBITDA	million CHF	181	155	+17.2	+8.4
Operating profit	million CHF	44	16	+170.5	+40.8

North America		Apr–June 2015	Apr–June 2014	±%	±% like-for-like
Sales of cement	million t	3.5	3.4	+1.7	+1.7
Sales of aggregates	million t	12.4	12.4	-0.1	-0.1
Sales of ready-mix concrete	million m ³	1.7	2.0	-14.9	-4.3
Sales of asphalt	million t	1.2	1.2	-6.9	-6.9
Net sales	million CHF	877	836	+5.0	+5.5
Operating EBITDA	million CHF	185	164	+12.7	+8.1
Operating profit	million CHF	115	87	+32.1	+11.4

Africa Middle East impacted by challenging markets in Morocco and Lebanon

Africa Middle East		Jan–June 2015	Jan–June 2014	±%	±% like-for-like
Sales of cement	million t	4.0	4.3	-7.4	-7.4
Sales of aggregates	million t	0.7	1.0	-28.0	-28.0
Sales of ready-mix concrete	million m ³	0.3	0.4	-39.2	-39.2
Net sales	million CHF	373	438	-14.8	-8.8
Operating EBITDA	million CHF	109	136	-20.2	-13.4
Operating profit	million CHF	84	110	-23.7	-16.4

Africa Middle East		Apr–June 2015	Apr–June 2014	±%	±% like-for-like
Sales of cement	million t	2.1	2.3	-6.9	-6.9
Sales of aggregates	million t	0.4	0.5	-19.9	-19.9
Sales of ready-mix concrete	million m ³	0.2	0.3	-44.2	-44.2
Net sales	million CHF	205	231	-11.5	-4.7
Operating EBITDA	million CHF	64	69	-8.2	-1.0
Operating profit	million CHF	51	56	-8.3	-0.9

Additional information such as the Half-Year Interim Report 2015 including detailed information on the Group regions is available at www.lafargeholcim.com

January-June		2015	2014 ¹	±%	±% like-for-like
Annual cement production capacity	million t	211.3	208.8 ²	+1.2	+1.2
Sales of cement	million t	67.6	68.9	-2.0	-2.1
Sales of mineral components	million t	1.8	1.6	+18.2	-10.7
Sales of aggregates	million t	72.0	69.6	+3.4	-2.3
Sales of ready-mix concrete	million m ³	18.2	18.1	+0.6	-3.0
Sales of asphalt	million t	4.6	4.1	+13.1	+13.1
Net sales	million CHF	8,646	8,926	-3.1	-0.2
Operating EBITDA	million CHF	1,471	1,595	-7.8	-5.1
Operating EBITDA adjusted ³	million CHF	1,557	1,617	-3.7	-1.1
Operating EBITDA margin	%	17.0	17.9		
Operating EBITDA margin adjusted ³	%	18.0	18.1		
Operating profit	million CHF	827	943	-12.3	-12.4
Operating profit adjusted ³	million CHF	912	965	-5.5	-5.5
Operating profit margin	%	9.6	10.6		
Operating profit margin adjusted ³	%	10.6	10.8		
EBITDA	million CHF	1,972	1,798	+9.6	
Net income	million CHF	690	657	+4.9	
Net income margin	%	8.0	7.4		
Net income – shareholders of Holcim Ltd	million CHF	573	485	+18.0	
Cash flow from operating activities	million CHF	220	194	+13.6	+9.0
Cash flow margin	%	2.5	2.2		
Net financial debt	million CHF	9,057	9,520 ²	-4.9	+3.6
Total shareholders' equity	million CHF	15,721	17,430 ²	-9.8	
Personnel		63,314	67,137 ²	-5.7	-6.0
Earnings per share	CHF	1.62	1.37 ⁴	+18.2	
Fully diluted earnings per share	CHF	1.62	1.37 ⁴	+18.2	

¹ Restated due to changes in accounting policies.

² As of December 31, 2014.

³ Excluding merger-related costs only.

⁴ Restated due to the commitment to distribute a scrip dividend.

Principal key figures in USD (illustrative)		2015	2014 ¹	±%
Net sales	million USD	9,131	10,019	-8.9
Operating EBITDA	million USD	1,553	1,790	-13.2
Operating EBITDA adjusted ³	million USD	1,644	1,815	-9.4
Operating profit	million USD	873	1,058	-17.5
Operating profit adjusted ³	million USD	963	1,084	-11.1
Net income – shareholders of Holcim Ltd	million USD	605	545	+11.1
Cash flow from operating activities	million USD	232	218	+6.9
Net financial debt	million USD	9,724	9,625 ²	+1.0
Total shareholders' equity	million USD	16,878	17,622 ²	-4.2
Earnings per share	USD	1.71	1.54 ⁴	+11.0

Principal key figures in EUR (illustrative)

Net sales	million EUR	8,182	7,309	+11.9
Operating EBITDA	million EUR	1,392	1,306	+6.6
Operating EBITDA adjusted ³	million EUR	1,473	1,324	+11.3
Operating profit	million EUR	782	772	+1.3
Operating profit adjusted ³	million EUR	863	790	+9.2
Net income – shareholders of Holcim Ltd	million EUR	542	397	+36.4
Cash flow from operating activities	million EUR	208	159	+31.3
Net financial debt	million EUR	8,698	7,916 ²	+9.9
Total shareholders' equity	million EUR	15,097	14,492 ²	+4.2
Earnings per share	EUR	1.53	1.12 ⁴	+36.6

¹ Restated due to changes in accounting policies.

² As of December 31, 2014.

³ Excluding merger-related costs only.

⁴ Restated due to the commitment to distribute a scrip dividend.

Due to rounding, numbers presented throughout this report 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.