

**LafargeHolcim  
Helvetia Finance Ltd,  
Rapperswil-Jona**

*Financial Statements  
for the year ended 31 December 2018  
and Report of the Statutory Auditor*

## **Report of the Statutory Auditor**

To the General Meeting of

**LafargeHolcim Helvetia Finance Ltd, Rapperswil-Jona**

## **Report of the Statutory Auditor on the Financial Statements**

As statutory auditor, we have audited the accompanying financial statements of LafargeHolcim Helvetia Finance Ltd, which comprise the balance sheet as at 31 December 2018, the income statement and notes for the year then ended.

### *Board of Directors' Responsibility*

The Board of Directors is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements for the year ended 31 December 2018 comply with Swiss law and the company's articles of incorporation.

## **Report on Other Legal Requirements**

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

## **Deloitte AG**

Alexandre Dubi  
Licensed Audit Expert  
Auditor in Charge

Ezra Elzas  
Licensed Audit Expert

Zurich, 6 March 2019  
ADU/EEL/dso

### Enclosures

- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of available earnings

# **LafargeHolcim Helvetia Finance Ltd**

FINANCIAL STATEMENTS  
DECEMBER 31, 2018

# LafargeHolcim Helvetia Finance Ltd

## COMPANY HIGHLIGHTS

Formation:	November 25, 2015
Registered Office:	Neue Jonastrasse 60 8640 Rapperswil-Jona
Purpose:	Holding Company
Authorized capital:	10'100 registered shares of CHF 1'000.00 each
Shareholder:	LafargeHolcim Ltd      100%
Directors:	L. Jaques R. Gächter M. Unternährer
Auditors:	Deloitte AG, Zürich

## Statement of income LafargeHolcim Helvetia Finance Ltd

in CHF

	Notes	2018	2017
Financial income - Parent Company		2'504'291	1'507'642
Financial income - Group companies	2	4'764'984	19'564'118
Financial income - Third parties		0	51
Other income	3	39'894'847	295'986
Financial expenses - Group companies	4	-48'933'083	-14'861'926
Financial expenses - Third parties		-488'501	-15'337
Other expenses		-2'700'455	-6'233'794
Depreciation		-17'905	-9'400
<b>(Loss) / profit before tax</b>		<b>-4'975'822</b>	<b>247'340</b>
Direct Taxes		0	0
<b>Net (loss) / income</b>		<b>-4'975'822</b>	<b>247'340</b>

**Statement of financial position LafargeHolcim Helvetia Finance Ltd**  
in CHF

<b>Assets</b>	<b>Notes</b>	<b>31/12/2018</b>	<b>31/12/2017</b>
Cash and cash equivalents		1'637'394	1'686'033
Trade receivables - Group companies		1'335	2'597
Other receivables - Parent company		233'076	125'309
Other receivables - Group companies		2'654'608	42'910
<b>Current assets</b>		<b>4'526'413</b>	<b>1'856'849</b>
Non-current financial receivables - Parent company		775'876'343	581'115'110
Non-current financial receivables - Group companies	5	198'951'000	725'982'263
Financial investments - Group companies	6	38'750'928	37'095'263
Tangible fixed assets		134'286	152'191
Other assets		1'249'470	12'038
<b>Non-current assets</b>		<b>1'014'962'027</b>	<b>1'344'356'864</b>
<b>Total assets</b>		<b>1'019'488'440</b>	<b>1'346'213'713</b>
<b>Liabilities and shareholder's equity</b>			
Current financial liabilities - Group companies		49'001'364	0
Current financial liabilities - Third parties		102'050	108'608
Other current liabilities - Group companies		0	1'013'817
Other current liabilities - Third parties		1'031'929	181'497
Deferred income and accrued expenses		58'752	28'000
<b>Current liabilities</b>		<b>50'194'095</b>	<b>1'331'922</b>
Non-current financial liabilities - Group companies	7	0	570'627'197
Non-current financial liabilities - Third parties	8	200'000'000	0
Provisions		43'751	28'179
<b>Non-current liabilities</b>		<b>200'043'751</b>	<b>570'655'376</b>
<b>Total liabilities</b>		<b>250'237'846</b>	<b>571'987'298</b>
Share capital	9	10'100'000	10'100'000
Statutory retained earnings		12'367	0
Voluntary retained earnings			
Voluntary reserves		803'847'142	803'847'142
Accumulated losses prior year		-39'733'093	-39'968'067
Net (loss) / income		-4'975'822	247'340
<b>Total shareholder's equity</b>		<b>769'250'594</b>	<b>774'226'415</b>
<b>Total liabilities and shareholder's equity</b>		<b>1'019'488'440</b>	<b>1'346'213'713</b>

## **Notes to the financial statements of LafargeHolcim Helvetia Finance Ltd**

LafargeHolcim Helvetia Finance Ltd with registered office in Rapperswil-Jona was founded on November 25, 2015. The company holds investments and provides financing to entities of the LafargeHolcim group. During the reporting period LafargeHolcim Helvetia Ltd employed fewer than ten employees (previous year: fewer than ten employees).

The financial statements of LafargeHolcim Helvetia finance Ltd comply with the requirements of the Swiss accounting legislation of the Swiss Code of Obligations (SCO). LafargeHolcim Ltd, the ultimate mother entity of LafargeHolcim Helvetia Finance Ltd, is presenting consolidated financial statements according to IFRS. As a result, these financial statements and notes do not include additional disclosures, cash flow statements or a management report.

### **Account definition**

LafargeHolcim Ltd. is the sole shareholder of LafargeHolcim Helvetia Finance Ltd. Group companies includes affiliates, as well as our direct and indirect investments.

### **1) Accounting Policies**

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.

### **Accounting principles applied**

#### **Other income and expenses**

Current assets and current liabilities denominated in foreign currencies are converted at year-end exchange rates. Realized exchange gains and losses, and all unrealized exchange losses arising from these as well as those from business transactions are recorded as other income or other expenses.

#### **Financial receivables**

Financial receivables are valued at acquisition cost less adjustments for foreign currency losses and any other impairment of value.

#### **Financial investments**

Financial investments are initially recognized at cost. Investments in LafargeHolcim Group subsidiaries are assessed annually and in case of an impairment adjusted to their recoverable amount.

#### **Financial liabilities**

Financial liabilities are valued at nominal value. Any bond premium is accrued over the duration of the bond so that at maturity the balance sheet amount will equal the amount that is due to be paid.

#### **Provisions**

Provisions are made to cover general business risks.



**Notes to the financial statements of LafargeHolcim Helvetia Finance Ltd**  
in CHF

	<b>2018</b>	<b>2017</b>
<b>2) Financial income - Group companies</b>		
Holcim (Schweiz) AG	531'918	0
Holcim Technology Ltd	3'861'864	15'511'388
Holcim Reinsurance Ltd.	371'202	433'966
Holcim Overseas Finance Ltd.	0	3'618'765
<b>Total</b>	<b><u>4'764'984</u></b>	<b><u>19'564'118</u></b>
 <b>3) Other Income</b>		
Foreign exchange gains	37'772'799	295'986
Other fees	2'122'048	0
<b>Total</b>	<b><u>39'894'847</u></b>	<b><u>295'986</u></b>
 <b>4) Financial expenses - Group companies</b>		
LafargeHolcim International Finance Ltd	-11'160'153	-14'861'926
Holcim Overseas Finance Ltd.	-37'772'930	0
<b>Total</b>	<b><u>-48'933'083</u></b>	<b><u>-14'861'926</u></b>

**Notes to the financial statements of LafargeHolcim Helvetia Finance Ltd**  
in CHF

	2018	2017
<b>5) Non-current financial receivables - Group companies</b>		
Holcim Overseas Finance Ltd.	0	39'428'595
Holcim Technology Ltd	0	686'553'668
Holcim (Schweiz) AG	198'951'000	0
<b>Total</b>	<b><u>198'951'000</u></b>	<b><u>725'982'263</u></b>

**6) Financial investments - Group companies**

<b>Direct investments</b>	<b>Location</b>	<b>Ownership <sup>1)</sup></b>	<b>Ownership <sup>1)</sup></b>
Holcim Overseas Finance Ltd.	Bermuda	100.00%	100.00%

<sup>1)</sup> Ownership equals voting rights

**7) Non-current financial liabilities - Group companies**

LafargeHolcim International Finance Ltd	0	513'722'930
Holcim Reinsurance Ltd.	0	56'904'267
<b>Total</b>	<b><u>0</u></b>	<b><u>570'627'197</u></b>

**8) Non-current financial liabilities - Third parties**

The public hybrid bond issued in 2018 by LafargeHolcim Helvetia Finance Ltd. is a subordinated loan with an indefinite maturity and interests payments by coupon. The hybrid bond has a first call date on March 7, 2024.

	Issue date	Nominal value	Interest	Call date
Hybrid bond 2018	07/12/2018	200'000'000	3.50%	07/03/2024

**9) Share Capital**

<b>Shares</b>	2018		2017	
	Number	Share capital	Number	Share capital
Registered shares of CHF 1'000 par value	10'100	10'100'000	10'100	10'100'000
<b>Total</b>	<b><u>10'100</u></b>	<b><u>10'100'000</u></b>	<b><u>10'100</u></b>	<b><u>10'100'000</u></b>

**10) Contingent Liabilities**

As of December 1, 2015 LafargeHolcim Helvetia Finance Ltd is part of a value added tax group and therefore jointly liable to the federal tax department for the value added tax liabilities of the other members.

**Proposal of the board of directors regarding the appropriation of retained earnings**  
in CHF

<b>Appropriation of retained earnings</b>	<b>2018</b>
Accumulated losses	-39'733'093
Net loss of the year	-4'975'822
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<b>Retained earnings available for annual meeting of shareholders</b>	<b>-44'708'915</b>
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<b>Balance to be carried forward</b>	<b>-44'708'915</b>
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The Board of directors proposes to the annual general meeting of shareholders to carry forward the balance to the new accounts .

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