

# On the move

## Half-Year Report 2014





## Key figures Group Holcim

January–June		2014	2013	±%	±%
					like-for-like
Annual cement production capacity	million t	207.7	206.2 <sup>1</sup>	+0.7	+0.7
Sales of cement	million t	70.0	68.6	+2.0	+2.8
Sales of mineral components	million t	1.8	1.7	+7.6	+14.4
Sales of aggregates	million t	69.6	69.4	+0.2	+1.0
Sales of ready-mix concrete	million m <sup>3</sup>	18.1	18.8	-3.9	-2.7
Sales of asphalt	million t	4.1	3.3	+21.8	+22.8
Net sales	million CHF	9,061	9,649	-6.1	+4.8
Operating EBITDA	million CHF	1,627	1,819	-10.6	+0.2
Operating EBITDA margin	%	18.0	18.9		
Operating profit	million CHF	962	1,046	-8.0	+2.6
Operating profit margin	%	10.6	10.8		
EBITDA	million CHF	1,814	2,073	-12.5	
Net income	million CHF	657	760	-13.5	
Net income margin	%	7.3	7.9		
Net income – shareholders of Holcim Ltd	million CHF	485	571	-14.9	
Cash flow from operating activities	million CHF	183	267	-31.6	-15.3
Cash flow margin	%	2.0	2.8		
Net financial debt	million CHF	10,620	9,461 <sup>1</sup>	+12.2	+11.7
Total shareholders' equity	million CHF	18,933	18,677 <sup>1</sup>	+1.4	
Personnel		70,946	70,857 <sup>1</sup>	+0.1	+0.2
Earnings per share	CHF	1.49	1.75	-15.0	
Fully diluted earnings per share	CHF	1.49	1.75	-15.0	

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.

## Principal key figures in USD (illustrative)

Net sales	million USD	10,171	10,302	-1.3	
Operating EBITDA	million USD	1,826	1,942	-6.0	
Operating profit	million USD	1,080	1,117	-3.3	
Net income – shareholders of Holcim Ltd	million USD	545	609	-10.6	
Cash flow from operating activities	million USD	205	285	-28.1	
Net financial debt	million USD	11,935	10,634 <sup>1</sup>	+12.2	
Total shareholders' equity	million USD	21,277	20,992 <sup>1</sup>	+1.4	
Earnings per share	USD	1.67	1.87	-10.6	

## Principal key figures in EUR (illustrative)

Net sales	million EUR	7,419	7,847	-5.4	
Operating EBITDA	million EUR	1,332	1,480	-10.0	
Operating profit	million EUR	788	851	-7.4	
Net income – shareholders of Holcim Ltd	million EUR	397	464	-14.4	
Cash flow from operating activities	million EUR	150	217	-31.1	
Net financial debt	million EUR	8,740	7,717 <sup>1</sup>	+13.2	
Total shareholders' equity	million EUR	15,581	15,235 <sup>1</sup>	+2.3	
Earnings per share	EUR	1.22	1.43	-14.4	

<sup>1</sup> As of December 31, 2013.

**Holcim Leadership Journey well on track and restructuring efforts continue**

**Cement volumes up with considerable increases in North America, Africa Middle East, and Europe**

**Like-for-like growth in operating EBITDA and operating profit based on recent restructurings and cost discipline**

**Net financial debt decreases further compared to first half 2013**

**Foreign exchange effects and restructuring costs put burden on financial performance**

Dear Shareholder,

Holcim increased sales of both cement and aggregates in the first half of 2014, despite an uneven development of the global economy. Group regions North America, Africa Middle East, and Europe recorded particularly strong cement sales. Mild weather conditions at the beginning of the year supported building activity, especially in Europe where the Group has continued to restructure its activities in 2014. In Asia the market situation stabilized, and as a result ACC and Ambuja Cements in India, Holcim's largest Group companies in the region, were able to increase cement sales.

On a like-for-like basis operating EBITDA increased slightly and operating profit was up, too. Higher cement volumes across many parts of the Group combined with the ongoing momentum of the Holcim Leadership Journey and strict cost management were the main reasons for this positive development. However in Swiss Francs the operating performance continued to be negatively impacted by exchange rate effects. Restructuring and merger costs of CHF 50 million also impacted operating EBITDA.

On a like-for-like basis higher operating profit was recorded in Group regions North America and Europe in particular, while the development in Africa Middle East was stable. Helped by the restructuring measures taken in 2013, strong growth in operating profit was seen in Europe while North America benefited from the better economic environment especially in the United States. Despite progress in a number of countries in Asia Pacific negative exchange rate effects continued to be a main burden on the Group region's financial results. In addition, postponed projects in the energy and resources sector negatively impacted the financial performance in Australia. The impact of the restructurings in 2014 amount to CHF 59 million on operating profit level.

Operating profit margin before restructuring and merger costs of 11.3 percent increased compared to the previous year.

Compared to the first half 2013, ROIC before taxes improved from 7.1 percent to 8.4 percent while net financial debt decreased.

Group	January–June 2014	January–June 2013	±%	±% like-for-like
Sales of cement in million t	70.0	68.6	+2.0	+2.8
Sales of aggregates in million t	69.6	69.4	+0.2	+1.0
Sales of ready-mix concrete in million m <sup>3</sup>	18.1	18.8	-3.9	-2.7
Sales of asphalt in million t	4.1	3.3	+21.8	+22.8
Net sales in million CHF	9,061	9,649	-6.1	+4.8
Operating EBITDA in million CHF	1,627	1,819	-10.6	+0.2
Operating profit in million CHF	962	1,046	-8.0	+2.6
Net income in million CHF	657	760	-13.5	
Net income – shareholders of Holcim Ltd – in million CHF	485	571	-14.9	
Cash flow from operating activities in million CHF	183	267	-31.6	-15.3

Group	April–June 2014	April–June 2013	±%	±% like-for-like
Sales of cement in million t	37.0	36.5	+1.3	+1.3
Sales of aggregates in million t	40.4	40.9	-1.2	-0.8
Sales of ready-mix concrete in million m <sup>3</sup>	9.9	10.4	-5.4	-5.0
Sales of asphalt in million t	2.7	2.2	+21.0	+21.5
Net sales in million CHF	4,973	5,326	-6.6	+2.3
Operating EBITDA in million CHF	1,010	1,169	-13.7	-5.3
Operating profit in million CHF	667	776	-14.1	-6.3
Net income in million CHF	479	465	+2.9	
Net income – shareholders of Holcim Ltd – in million CHF	406	383	+5.9	
Cash flow from operating activities in million CHF	426	591	-27.9	-22.3

### Sales volumes

Consolidated cement sales rose in the first half of 2014 by 2.0 percent to 70.0 million tonnes. This positive development was due primarily to progress in Group regions North America, Africa Middle East, and Europe. Strong growth was reported by the United States and Morocco in particular while in Europe the strong development earlier slowed down towards the middle of the year. Aggregates volumes increased slightly by 0.2 percent to 69.6 million tonnes, which is mainly attributable to improved results in North America and Asia Pacific. Ready-mix concrete volumes were down 3.9 percent to 18.1 million cubic meters, with growth in several European countries as a result of restructuring measures in 2013 unable to compensate for volume declines in Latin America that were caused by the restructuring of the segment in 2013. Asphalt volumes increased by 21.8 percent to 4.1 million tonnes.

### Financial results

Group-wide net sales decreased by 6.1 percent to CHF 9.06 billion, with negative currency effects across the whole of Latin America as well as in India, Indonesia, and other markets taking their toll. On a like-for-like basis, net sales increased by 4.8 percent.

Like-for-like operating EBITDA for the Group increased by 0.2 percent and adjusted for restructuring and merger costs it increased by 3.0 percent and operating profit by 8.3 percent. Consolidated operating EBITDA decreased by 10.6 percent to CHF 1,627 million. Thanks to both increased sales and the successful restructuring measures of 2013, higher operating EBITDA was recorded in the United States and in most European Group companies. On a like-for-like basis, Africa Middle East also reported an improvement in operating results.

Net income fell by 13.5 percent to CHF 657 million compared to the previous year which benefited from the gain of a reduction of participation in Cement Australia. Net income attributable to shareholders of Holcim Ltd declined by 14.9 percent to CHF 485 million.

Cash flow from operating activities of CHF 183 million decreased by 31.6 percent when compared to the same period last year. Net financial debt over the last twelve months stood at CHF 10.62 billion, down CHF 340 million from CHF 10.96 billion. Revenue from the sale of CO<sub>2</sub> emission certificates increased by CHF 0.15 million to CHF 4.63 million.

### Holcim Leadership Journey

The Holcim Leadership Journey remains well on track to achieve its target of an increase in operating profit of CHF 1.5 billion by the end of 2014, compared to the base year 2011 and under similar market conditions and contributed strongly to the Group's operational performance. The total realized benefits to date already amount to CHF 1.45 billion. During the first six months of 2014 the contribution of the Holcim Leadership Journey was CHF 348 million in total. The Customer Excellence stream contributed with CHF 133 million and the cost initiatives with CHF 215 million to the result.

### Continued portfolio optimization

The Group has made progress with its plans of a strategic portfolio optimization in Europe that includes a series of transactions together with Cemex. Holcim has secured approval for the transaction with Cemex in the Czech Republic, received unconditional clearance by the European Commission for its proposed acquisition of Cemex West in Germany and is awaiting the decision on the other part of the transaction in Spain. The closing of the transaction is expected for the second half of 2014.

### Merger to create LafargeHolcim

On April 7, 2014 Holcim and Lafarge have announced their intention to combine their activities in a merger to create LafargeHolcim, the most advanced and innovative group in the building materials industry, operating in 90 countries and creating superior value for its stakeholders. In the meantime Lafarge and Holcim have taken a further step towards the completion of this transaction. A Divestment Committee was set up by both companies and has drawn up a list of proposed asset disposals in anticipation of potential competition authorities' requirements. Both companies will continue to consider whether divestments would be necessary where there might be overlaps or depending on regulatory requirements. The proposed divestments are subject to review and further discussions with the regulatory authorities and to the agreement of our business partners when relevant. The closing of the planned merger is expected in the first half of 2015.

### Asia Pacific benefits from positive volume development in India

Following a more positive start into the year, economies in Group region Asia Pacific grew further despite slightly subdued developments in a few countries. Business confidence in India strengthened following the elections but construction activities remained comparably low. Construction activities were particularly strong in the Philippines. Construction activities in Australia remained flat with increased demand from residential and infrastructure projects compensating lower demand from the resources sector. Pressures from devaluing local currencies remained considerable.

Asia Pacific	January–June 2014	January–June 2013	±%	±% like-for-like
Sales of cement in million t	37.1	36.4	+1.8	+3.0
Sales of aggregates in million t	12.5	12.2	+2.7	+2.7
Sales of ready-mix concrete in million m <sup>3</sup>	5.2	5.2	-0.1	+0.4
Net sales in million CHF	3,488	3,936	-11.4	+4.6
Operating EBITDA in million CHF	677	826	-18.0	-3.3
Operating profit in million CHF	488	597	-18.2	-4.0

Asia Pacific	April–June 2014	April–June 2013	±%	±% like-for-like
Sales of cement in million t	18.6	17.8	+4.4	+4.4
Sales of aggregates in million t	6.5	6.4	+1.6	+1.6
Sales of ready-mix concrete in million m <sup>3</sup>	2.7	2.8	-1.4	-1.4
Net sales in million CHF	1,804	1,952	-7.6	+5.2
Operating EBITDA in million CHF	350	429	-18.5	-6.6
Operating profit in million CHF	254	317	-19.9	-8.0

Over the first six months of the year, Holcim's two Group companies in India benefited from a more positive development than last year. Ambuja Cements sold more cement mainly because of higher demand from the Northern and Western markets. ACC also benefitted from a more dynamic development in construction markets in the West of the country but volumes remain negatively affected by lacklustre sales in the South and subsequently the Group company reported moderate growth in cement volumes. In Bangladesh, Holcim delivered more cement while volumes in Sri Lanka were down.

In Vietnam, the cement market remained under pressure due to oversupply and competition from local manufacturers. Holcim Malaysia was not able to maintain the high cement volume growth from previous quarters. Holcim Philippines sold significantly more cement since the government continued to invest heavily in infrastructure and the private sector rolled out more commercial and residential projects. Cement volumes in May were the highest ever recorded by the local Group company.

Holcim Indonesia increased shipments in all three segments with the strongest increases recorded in ready-mix concrete. While construction markets in the country were affected by lower demand for large projects ahead of and following the first round of national elections construction activity in the private housing sector remained robust. With the new Tuban I plant now being commissioned, the local Group company will be able to substitute imports with locally produced cement.

During the first half of 2014 Cement Australia benefited from the strengthening of the construction market in New South Wales and favorable weather towards the middle of the year. Subsequently, cement volumes were up. Holcim Australia increased its aggregates and ready-mix concrete deliveries also thanks to the New South Wales and select other markets which were able to partially compensate the lower demand from reduced mining investments. Cement and aggregate volumes at Holcim New Zealand were higher due to building activities in the Auckland and Christchurch areas.

In Group region Asia Pacific consolidated cement volumes grew slightly by 1.8 percent to 37.1 million tonnes as mainly growth in India and in the Philippines made up for the impact of the proportionate consolidation of Cement Australia. Aggregates volumes increased by 2.7 percent to 12.5 million tonnes driven by higher deliveries in Australia and New Zealand. In ready-mix concrete deliveries stood at 5.2 million cubic meters, down 0.1 percent mainly due to Singapore and Vietnam and despite strong growth at Holcim Australia. Consolidated net sales in Group region Asia Pacific remained strongly impacted by negative currency effects and were down 11.4 percent to CHF 3.49 billion. Adjusted for these effects and changes in consolidation net sales were up by 4.6 percent.

Operating EBITDA in Group region Asia Pacific was down 18.0 percent to CHF 677 million in the first half of 2014 mainly because of the negative foreign exchange effects. Currencies in India, Indonesia, and the Philippines contributed most strongly to this impact. Like-for-like operating EBITDA was down 3.3 percent.

### Latin America faced with challenges despite some progress in Mexico

Economic activity in Latin America during the first half of 2014 moderated compared to previous years as commodity prices and financial conditions were tighter. Mexico however showed first signs of a more positive development. Brazil's economy remained in low gear but construction markets were livelier. Regional heterogeneity also dominated construction output in the different countries with Colombia and Central America showing solid growth levels.

Latin America	January–June	January–June	±%	±%
	2014	2013		
Sales of cement in million t	12.1	12.3	-1.6	-1.6 <sup>1</sup>
Sales of aggregates in million t	4.0	5.5	-26.5	-26.5
Sales of ready-mix concrete in million m <sup>3</sup>	3.3	4.2	-21.7	-21.7
Net sales in million CHF	1,465	1,718	-14.7	-0.3
Operating EBITDA in million CHF	410	500	-18.0	-7.1
Operating profit in million CHF	321	390	-17.6	-7.1

<sup>1</sup> The percentage change like-for-like adjusted for internal trading volumes eliminated in "Corporate/Eliminations" amounts to -1.3.

Latin America	April–June	April–June	±%	±%
	2014	2013		
Sales of cement in million t	6.1	6.4	-4.5	-4.5 <sup>1</sup>
Sales of aggregates in million t	2.0	2.8	-30.7	-30.7
Sales of ready-mix concrete in million m <sup>3</sup>	1.6	2.1	-23.4	-23.4
Net sales in million CHF	742	891	-16.8	-2.7
Operating EBITDA in million CHF	200	254	-21.5	-11.5
Operating profit in million CHF	154	197	-21.8	-12.2

<sup>1</sup> The percentage change like-for-like adjusted for internal trading volumes eliminated in "Corporate/Eliminations" amounts to -4.4.

After Mexico suffered from contracting construction markets in 2013 the situation began to slightly ease in the first six months of 2014. Holcim Mexico reduced the cement volume losses from last year and deliveries were almost on a par with 2013. However, in aggregates and ready-mix concrete the local Group company reported significant declines caused by the strategic rightsizing efforts in the previous year.

Holcim El Salvador sold more ready-mix concrete due to increased public spending on infrastructure projects whereas cement volumes contracted. In Costa Rica cement shipments increased while Nicaragua was on a par with last year's period.

The upgrade and expansion of infrastructure in Colombia continued to be a main driver for the local Group company whose cement and ready-mix concrete volumes were on the same level as last year.

Holcim Ecuador was not able to maintain the solid to high growth rates of the previous quarters and reported declines in all three segments. Large public investment projects remained a positive driver for the Group company but demand from retail customers was down – also due to uncertainties following local elections.

In Brazil, the challenging market conditions eased in the course of the first half 2014 and solid demand in the states of Rio de Janeiro, São Paulo and Espírito Santo contributed to a more dynamic construction market. On the back of this development Holcim Brazil increased its cement shipments. However, ready-mix concrete volumes remained impacted by the segment's restructuring and subsequent plant closures last year.

The uncertainty of promised fiscal reforms led to subdued economic activities in Chile and subsequently volumes in all three segments at Holcim's Group company Cemento Polpaico contracted in the first half of 2014.

As Argentina's economic situation remains challenging, construction markets also suffered from a less dynamic demand in particular from larger infrastructure projects. The solid demand from private housebuilders could not make up for this development and Holcim Argentina had to report volume decreases in all three segments.

Consolidated cement volumes in Group region Latin America reached 12.1 million tonnes in the first half of 2014, a slight decrease of 1.6 percent as higher shipments in Brazil could not compensate the losses primarily in Argentina and Ecuador. The other two segments remained impacted by the effects of the extensive restructurings in 2013 with the focus on increasing profitability. In aggregates volumes were down 26.5 percent to 4.0 million tonnes, and ready-mix volumes contracted 21.7 percent to 3.3 million cubic meters. Net sales were down 14.7 percent to CHF 1,465 million. However, adjusted for the strong negative currency effects net sales were almost unchanged.

In Latin America, consolidated operating EBITDA of CHF 410 million, a drop of 18.0 percent, was also strongly impacted by negative currency effects. Like-for-like operating EBITDA was down 7.1 percent.

#### Europe benefits from restructurings

The economic recovery in Europe continued during the first six months of 2014 fuelled by increased private demand and partly lower fiscal pressures. However, uncertainties remain and the trend was uneven as growth in Germany and the United Kingdom was accompanied by low economic dynamics in Southern Europe. The growth pickup in emerging Europe was moderate. The construction industry benefited from slightly improved demand in some countries including the United Kingdom, Germany, and Switzerland that was mainly fuelled by warm weather earlier in 2014.

Europe	January–June 2014	January–June 2013	±%	±% like-for-like
Sales of cement in million t	12.7	12.1	+4.8	+4.8
Sales of aggregates in million t	34.7	34.4	+1.0	+1.9
Sales of ready-mix concrete in million m <sup>3</sup>	5.9	5.7	+4.6	+6.1
Sales of asphalt in million t	2.7	2.2	+19.6	+21.2
Net sales in million CHF	2,717	2,611	+4.0	+5.9
Operating EBITDA in million CHF	408	352	+16.0	+17.1
Operating profit in million CHF	192	98	+96.8	+76.4

Europe	April–June 2014	April–June 2013	±%	±% like-for-like
Sales of cement in million t	7.5	7.7	-3.8	-3.8
Sales of aggregates in million t	19.0	19.9	-4.7	-4.2
Sales of ready-mix concrete in million m <sup>3</sup>	3.2	3.4	-3.9	-4.0
Sales of asphalt in million t	1.4	1.2	+15.9	+16.8
Net sales in million CHF	1,533	1,580	-3.0	-1.5
Operating EBITDA in million CHF	309	323	-4.2	-2.1
Operating profit in million CHF	201	192	+4.8	+2.2

In the United Kingdom, Aggregate Industries UK benefited from considerable construction activities in many parts of the country. The Group company markedly increased sales volumes in aggregates, ready-mix concrete, and asphalt continuing the positive trend at the start of this year.

Holcim Belgium continued to suffer from an overall challenging market that affected volumes in all segments, subsequently operations in the local Group company were restructured. Holcim France could not continue the positive momentum of the first quarter but except aggregates in both other segments volumes increased over the first six months of the year.

Germany's construction market proves to be one of the most robust in Europe. Holcim Germany, which operates in the North of the country, reported stronger volumes in cement and aggregates despite a less dynamic environment in spring. Holcim South Germany also benefited from the solid level of public and private investments increasing cement deliveries. However, both other segments reported volume drops.

Holcim Switzerland could once again improve volumes in cement and ready-mix concrete thanks to lively construction activities and despite some pressure caused by imports. Holcim Italy was confronted with low investments in the construction sector despite some slightly better macro-economic signs. Volume increases could only be generated in ready-mix concrete.

The construction industry in Spain is still in low gear following the recession and Holcim Spain was only able to increase cement volumes thanks to exports. The restructuring of aggregates operations led to almost stable volumes in this segment.

In Eastern Europe construction activities were slightly more dynamic than during the previous year despite setbacks towards spring. All Group companies increased cement deliveries except Serbia, where floods affected demand, and Croatia. The trend was also visible in aggregates and ready-mix concrete where many Eastern European countries sold higher volumes.

Following several quarters with considerable volume growth, cement deliveries in Azerbaijan contracted during the first six months of 2014. Both delayed project starts and an increase in imports contributed to this development. Holcim Russia continued to benefit from high demand in the Moscow and Volga regions which led to an increase in cement volumes.

Consolidated cement volumes in Group region Europe over the first six months of 2014 were up 4.8 percent to 12.7 million tonnes. Aggregates volumes increased by 1.0 percent to 34.7 million tonnes, thanks in particular to very positive volume trends in the United Kingdom, Germany, and the Czech Republic. Ready-mix concrete shipments stood at 5.9 million cubic meters, an increase of 4.6 percent and Holcim also sold 19.6 percent more asphalt reaching volumes of 2.7 million tonnes. Net sales were up 4.0 percent to CHF 2.72 billion.

Thanks to strong top-line growth and ongoing cost discipline, coupled with restructuring efforts, consolidated operating EBITDA increased markedly by 16.0 percent to CHF 408 million in Group region Europe with the United Kingdom and Germany as the major contributors. Growth in like-for-like operating EBITDA reached 17.1 percent.

### Robust recovery in the United States supports North America

The economy in the United States continued to recover during the year's first half despite the harsh winter which slowed down growth temporarily. The positive momentum was also driven by strong residential investment which led to higher demand for building materials. Canada's economy also benefited from the favorable development in the United States but construction activities were less dynamic.

North America	January–June 2014	January–June 2013	±%	±% like-for-like
Sales of cement in million t	5.4	5.0	+7.5	+7.5
Sales of aggregates in million t	17.4	16.3	+6.6	+8.0
Sales of ready-mix concrete in million m <sup>3</sup>	3.2	3.3	-3.4	+0.2
Sales of asphalt in million t	1.4	1.1	+26.1	+26.1
Net sales in million CHF	1,280	1,259	+1.7	+10.6
Operating EBITDA in million CHF	155	126	+23.0	+31.4
Operating profit (loss) in million CHF	16	(20)	+181.9	+185.5

North America	April–June 2014	April–June 2013	±%	±% like-for-like
Sales of cement in million t	3.4	3.1	+10.6	+10.6
Sales of aggregates in million t	12.4	11.1	+11.7	+12.4
Sales of ready-mix concrete in million m <sup>3</sup>	2.0	2.0	+2.1	+4.3
Sales of asphalt in million t	1.2	1.0	+27.3	+27.3
Net sales in million CHF	836	818	+2.2	+10.9
Operating EBITDA in million CHF	164	143	+14.8	+23.3
Operating profit in million CHF	87	67	+29.9	+39.4

Following the harsh weather conditions at the beginning of the year Holcim US was able to strongly increase cement volumes driven by the execution of backlogged projects and the overall recovering demand for building materials. Holcim continued to benefit from its industrial footprint and the Texas/Oklahoma, Mountain and Northern regions remained the strongest contributors to the positive trend.

Aggregate Industries US reported a strong volume performance in aggregates across most regions. Ready-mix concrete deliveries contracted due to a delay in several projects across the Group company's markets. Asphalt volumes were above the prior year due to favorable developments in the Western and Northeastern areas.

Holcim Canada remained impacted by the modest level of construction activities in Ontario and Quebec, the Group company's most important markets, while in the west of the country the development was more dynamic. Holcim Canada was able to increase volumes in all three segments. Activities for Holcim's construction business were particularly strong.

Consolidated cement volumes in North America for the first half of 2014 were up 7.5 percent to 5.4 million tonnes driven by Holcim US. Higher aggregates volumes in the United States and in Canada led to an increase of 6.6 percent to 17.4 million tonnes. In ready-mix concrete however, volumes decreased by 3.4 percent to 3.2 million cubic meters. Asphalt volumes stood at 1.4 million tonnes, an increase of 26.1 percent. Impacted by negative currency effects, net sales in North America grew slightly by 1.7 percent to CHF 1,280 million. Adjusted for these effects and changes in consolidation sales were up 10.6 percent.

Over the first six months of 2014, consolidated operating EBITDA reached CHF 155 million, a significant increase of 23.0 percent that was driven by the good financial performance at both Group companies in the United States. Like-for-like operating EBITDA growth reached 31.4 percent.

### Stable performance in Africa Middle East despite challenges in some markets

In line with a more favorable global development, economies in Group region Africa Middle East also saw a slightly livelier development in the first half of 2014. In West Africa growth was robust and subsequently demand for construction materials was also up. However, in Morocco and the Middle East uncertainties remain and the construction sector was considerably less dynamic.

Africa Middle East	January–June 2014	January–June 2013	±%	±% like-for-like
Sales of cement in million t	4.3	3.9	+9.8	+11.4
Sales of aggregates in million t	1.0	1.1	-12.1	-12.1
Sales of ready-mix concrete in million m <sup>3</sup>	0.4	0.4	+11.1	+11.1
Net sales in million CHF	438	444	-1.5	+4.5
Operating EBITDA in million CHF	136	144	-5.1	+0.9
Operating profit in million CHF	110	115	-4.8	+1.6

Africa Middle East	April–June 2014	April–June 2013	±%	±% like-for-like
Sales of cement in million t	2.3	2.1	+8.2	+9.6
Sales of aggregates in million t	0.5	0.6	-15.1	-15.1
Sales of ready-mix concrete in million m <sup>3</sup>	0.3	0.2	+29.0	+29.0
Net sales in million CHF	231	242	-4.2	+2.0
Operating EBITDA in million CHF	69	82	-14.9	-9.1
Operating profit in million CHF	56	67	-16.2	-10.2

Holcim Morocco was able to significantly increase cement and ready-mix concrete volumes in a construction market that remained challenging in the first half of 2014. The Group company also benefitted from clinker exports to the Ivory Coast.

In Lebanon, cement volumes were higher on the back of strong demand and despite continued political tensions. Ready-mix concrete deliveries were negatively affected mainly due to strong competitive pressure on prices.

In the Indian Ocean region Holcim suffered from a drop in cement volumes as higher deliveries in La Réunion could not make up for the lower demand in Madagascar and Mauritius. Aggregate and ready-mix concrete deliveries were up significantly.

The grinding stations Holcim operates in West Africa and the Middle East overall reported higher cement volumes mainly driven by better performance in the Ivory Coast and Qatar.

Consolidated cement volumes in the Group region grew markedly 9.8 percent to 4.3 million tonnes mainly on account of Morocco. However, as Morocco reported lower figures in aggregates, volumes in this segment were down 12.1 percent to 1.0 million tonnes in Africa Middle East. In ready-mix concrete deliveries increased by 11.1 percent to 0.4 million cubic meters. Net sales in Africa Middle East reached CHF 438 million, a slight decrease of 1.5 percent. Adjusted for negative currency effects net sales and changes in consolidation grew by 4.5 percent.

Operating EBITDA for the first six months of 2014 stood at CHF 136 million, a decline of 5.1 percent as the progress in Morocco could not fully compensate lower financial performance in other markets. Like-for-like operating EBITDA growth stood at 0.9 percent.

#### **Outlook for 2014**

For 2014 Holcim expects the global economies to show another year of uneven performance. Construction markets in Europe are expected to have reached the bottom with slow recovery in sight. At the same time, North American markets are expected to continue to benefit from a further recovery especially in the United States. Latin America on the other hand could continue to face uncertainties in Argentina but should overall show slight growth in 2014. The Asia Pacific region is expected to grow although at a comparatively slower pace than experienced in recent years. Africa Middle East is expected to gradually improve.

Holcim expects cement volumes to increase in all Group regions in 2014. Aggregates volumes are expected to remain flat overall as increases in Asia Pacific, Europe, North America and Africa Middle East are offset by negative volumes in Latin America. In ready-mix concrete volumes are also expected to increase in most regions with the exception of Europe and Latin America.

The Board of Directors and Executive Committee expect that organic growth in operating profit can be achieved in 2014. The ongoing focus on the cost base coupled with all the benefits expected from the Holcim Leadership Journey will lead to a further expansion in operating margins in 2014.



Wolfgang Reitzle  
Chairman of the Board of Directors



Bernard Fontana  
Chief Executive Officer

July 30, 2014

## Consolidated statement of income of Group Holcim

Million CHF	Notes	January–June 2014 Unaudited	January–June 2013 Unaudited	April–June 2014 Unaudited	April–June 2013 Unaudited
<b>Net sales</b>	6	<b>9,061</b>	<b>9,649</b>	<b>4,973</b>	<b>5,326</b>
Production cost of goods sold		(5,049)	(5,468)	(2,662)	(2,921)
<b>Gross profit</b>		<b>4,013</b>	<b>4,181</b>	<b>2,311</b>	<b>2,404</b>
Distribution and selling expenses		(2,427)	(2,503)	(1,326)	(1,319)
Administration expenses		(623)	(632)	(319)	(309)
<b>Operating profit</b>	7	<b>962</b>	<b>1,046</b>	<b>667</b>	<b>776</b>
Other income	8	91	171	73	9
Share of profit of associates and joint ventures		77	66	51	49
Financial income	9	69	79	31	37
Financial expenses	10	(283)	(368)	(146)	(201)
<b>Net income before taxes</b>		<b>916</b>	<b>994</b>	<b>675</b>	<b>670</b>
Income taxes		(259)	(234)	(197)	(205)
<b>Net income</b>		<b>657</b>	<b>760</b>	<b>479</b>	<b>465</b>
<b>Attributable to:</b>					
Shareholders of Holcim Ltd		485	571	406	383
Non-controlling interest		172	190	73	82
<b>Earnings per share in CHF</b>					
Earnings per share		1.49	1.75	1.25	1.18
Fully diluted earnings per share		1.49	1.75	1.24	1.18

## Consolidated statement of comprehensive earnings of Group Holcim

Million CHF	January–June 2014 Unaudited	January–June 2013 Unaudited	April–June 2014 Unaudited	April–June 2013 Unaudited
<b>Net income</b>	<b>657</b>	<b>760</b>	<b>479</b>	<b>465</b>
<b>Other comprehensive earnings</b>				
<b>Items that will be reclassified to the statement of income in future periods</b>				
Currency translation effects				
– Exchange differences on translation	184	(291)	160	(1,059)
– Realized through statement of income				
– Tax effect	(2)	9	(5)	10
Available-for-sale financial assets				
– Change in fair value	1	(1)	1	0
– Realized through statement of income				
– Tax effect	0	0	0	0
Cash flow hedges				
– Change in fair value	(1)	5	(3)	1
– Realized through statement of income				
– Tax effect	0	(1)	0	(1)
Net investment hedges				
– Change in fair value	0	0	0	3
– Realized through statement of income				
– Tax effect				
<b>Subtotal</b>	<b>182</b>	<b>(279)</b>	<b>153</b>	<b>(1,046)</b>
<b>Items that will not be reclassified to the statement of income in future periods</b>				
Defined benefit plans				
– Remeasurements and effect of asset ceiling	(60)	79	(24)	1
– Tax effect	9	(21)	1	(4)
<b>Subtotal</b>	<b>(52)</b>	<b>58</b>	<b>(24)</b>	<b>(4)</b>
<b>Total other comprehensive earnings</b>	<b>131</b>	<b>(221)</b>	<b>130</b>	<b>(1,050)</b>
<b>Total comprehensive earnings</b>	<b>788</b>	<b>539</b>	<b>608</b>	<b>(585)</b>
<b>Attributable to:</b>				
Shareholders of Holcim Ltd	580	433	536	(471)
Non-controlling interest	208	106	73	(115)

## Consolidated statement of financial position of Group Holcim

Million CHF	Notes	30.6.2014 Unaudited	31.12.2013 Audited	30.6.2013 Unaudited
Cash and cash equivalents		1,945	2,244	2,641
Accounts receivable		3,083	2,521	3,143
Inventories		1,861	1,704	2,107
Prepaid expenses and other current assets		425	365	511
Assets classified as held for sale	11	769	756	8
<b>Total current assets</b>		<b>8,084</b>	<b>7,590</b>	<b>8,410</b>
Long-term financial assets		544	536	568
Investments in associates and joint ventures		1,581	1,562	1,616
Property, plant and equipment		20,383	20,029	21,254
Intangible assets		7,541	7,486	7,931
Deferred tax assets		435	391	459
Other long-term assets		375	351	437
<b>Total long-term assets</b>		<b>30,859</b>	<b>30,355</b>	<b>32,264</b>
<b>Total assets</b>		<b>38,943</b>	<b>37,944</b>	<b>40,675</b>
Trade accounts payable		1,923	1,934	2,022
Current financial liabilities		3,508	2,920	4,171
Current income tax liabilities		371	462	362
Other current liabilities		1,608	1,708	1,755
Short-term provisions		199	224	252
Liabilities directly associated with assets classified as held for sale	11	225	213	0
<b>Total current liabilities</b>		<b>7,833</b>	<b>7,461</b>	<b>8,562</b>
Long-term financial liabilities		9,057	8,785	9,428
Defined benefit obligations		705	655	810
Deferred tax liabilities		1,291	1,290	1,584
Long-term provisions		1,124	1,077	1,110
<b>Total long-term liabilities</b>		<b>12,177</b>	<b>11,807</b>	<b>12,932</b>
<b>Total liabilities</b>		<b>20,011</b>	<b>19,267</b>	<b>21,495</b>
Share capital		654	654	654
Capital surplus		7,773	8,200	8,193
Treasury shares		(86)	(102)	(106)
Reserves		8,034	7,453	7,780
<b>Total equity attributable to shareholders of Holcim Ltd</b>		<b>16,375</b>	<b>16,205</b>	<b>16,522</b>
Non-controlling interest		2,557	2,471	2,658
<b>Total shareholders' equity</b>		<b>18,933</b>	<b>18,677</b>	<b>19,180</b>
<b>Total liabilities and shareholders' equity</b>		<b>38,943</b>	<b>37,944</b>	<b>40,675</b>

**Consolidated statement of changes in equity of Group Holcim**

Million CHF	Share capital	Capital surplus	Treasury shares	Retained earnings
<b>Equity as at January 1, 2014</b>	<b>654</b>	<b>8,200</b>	<b>(102)</b>	<b>17,294</b>
Net income				485
Other comprehensive earnings				(52)
Total comprehensive earnings				433
Payout		(423)		
Change in treasury shares			9	(2)
Share-based remuneration		(4)	7	
Capital paid-in by non-controlling interest				
Change in participation in existing Group companies				3
<b>Equity as at June 30, 2014 (unaudited)</b>	<b>654</b>	<b>7,773</b>	<b>(86)</b>	<b>17,728</b>
<b>Equity as at January 1, 2013</b>	<b>654</b>	<b>8,573</b>	<b>(114)</b>	<b>15,808</b>
Net income				571
Other comprehensive earnings				58
Total comprehensive earnings				628
Payout		(374)		
Change in treasury shares			(2)	(1)
Share-based remuneration		(6)	10	
Capital paid-in by non-controlling interest				
Disposal of participation in Group companies				
Change in participation in existing Group companies				23
<b>Equity as at June 30, 2013 (unaudited)</b>	<b>654</b>	<b>8,193</b>	<b>(106)</b>	<b>16,459</b>

<sup>1</sup> Currency translation adjustments include CHF –20 million relating to assets and directly associated liabilities classified as held for sale, see note 11.

<i>Available-for-sale reserve</i>	<i>Cash flow hedging reserve</i>	<i>Currency translation adjustments</i>	<b>Total reserves</b>	<b>Total equity attributable to shareholders of Holcim Ltd</b>	<b>Non-controlling interest</b>	<b>Total shareholders' equity</b>
<b>52</b>	<b>(4)</b>	<b>(9,889)</b>	<b>7,453</b>	<b>16,205</b>	<b>2,471</b>	<b>18,677</b>
			485	485	172	657
0	(1)	147	94	94	36	131
0	(1)	147	580	580	208	788
				(423)	(130)	(553)
		0	(2)	7		7
		0	0	3	0	3
					1	1
			3	3	6	9
<b>52</b>	<b>(5)</b>	<b>(9,742)<sup>1</sup></b>	<b>8,034</b>	<b>16,375</b>	<b>2,557</b>	<b>18,933</b>
<b>132</b>	<b>(7)</b>	<b>(8,608)</b>	<b>7,324</b>	<b>16,437</b>	<b>2,797</b>	<b>19,234</b>
			571	571	190	760
(1)	4	(198)	(137)	(137)	(84)	(221)
(1)	4	(198)	433	433	106	539
				(374)	(134)	(508)
			(1)	(3)		(3)
		0	0	4		4
					3	3
					(108)	(108)
			23	23	(6)	17
<b>131</b>	<b>(3)</b>	<b>(8,806)</b>	<b>7,780</b>	<b>16,522</b>	<b>2,658</b>	<b>19,180</b>

## Consolidated statement of cash flows of Group Holcim

Million CHF	Notes	January–June	January–June	April–June	April–June
		2014	2013	2014	2013
		Unaudited	Unaudited	Unaudited	Unaudited
<b>Net income before taxes</b>		<b>916</b>	<b>994</b>	<b>675</b>	<b>670</b>
Other income	8	(91)	(171)	(73)	(9)
Share of profit of associates and joint ventures		(77)	(66)	(51)	(49)
Financial expenses net	9, 10	214	289	115	164
<b>Operating profit</b>		<b>962</b>	<b>1,046</b>	<b>667</b>	<b>776</b>
Depreciation, amortization and impairment of operating assets		664	773	343	394
Other non-cash items		104	93	34	48
Change in net working capital		(925)	(1,060)	(276)	(315)
<b>Cash generated from operations</b>		<b>805</b>	<b>852</b>	<b>768</b>	<b>903</b>
Dividends received		44	81	44	28
Interest received		66	80	34	44
Interest paid		(314)	(314)	(163)	(167)
Income taxes paid		(410)	(415)	(255)	(202)
Other expense		(9)	(17)	(2)	(15)
<b>Cash flow from operating activities (A)</b>		<b>183</b>	<b>267</b>	<b>426</b>	<b>591</b>
Purchase of property, plant and equipment		(836)	(932)	(422)	(477)
Disposal of property, plant and equipment		83	59	41	26
Acquisition of participation in Group companies		(1)	(4)	0	(4)
Disposal of participation in Group companies		9	415	9	141
Purchase of financial assets, intangible and other assets		(191)	(158)	(164)	(116)
Disposal of financial assets, intangible and other assets		179	84	152	8
<b>Cash flow used in investing activities (B)</b>		<b>(757)</b>	<b>(536)</b>	<b>(384)</b>	<b>(422)</b>
Payout on ordinary shares	15	(423)	(374)	(423)	(374)
Dividends paid to non-controlling interest		(110)	(126)	(108)	(112)
Capital paid-in by non-controlling interest		2	3	2	3
Movements of treasury shares		7	(2)	3	(5)
Proceeds from current financial liabilities		1,878	3,493	852	1,924
Repayment of current financial liabilities		(1,314)	(3,124)	(646)	(1,843)
Proceeds from long-term financial liabilities		1,457	1,085	531	812
Repayment of long-term financial liabilities		(1,291)	(1,183)	(332)	(852)
Increase in participation in existing Group companies		0	(2)	0	0
Decrease in participation in existing Group companies		3	0	3	0
<b>Cash flow from financing activities (C)</b>		<b>210</b>	<b>(230)</b>	<b>(118)</b>	<b>(449)</b>
<b>Decrease in cash and cash equivalents (A + B + C)</b>		<b>(364)</b>	<b>(499)</b>	<b>(76)</b>	<b>(280)</b>
<b>Cash and cash equivalents as at the beginning of the period (net)</b>		<b>1,993</b>	<b>2,711</b>	<b>1,723</b>	<b>2,601</b>
Decrease in cash and cash equivalents		(364)	(499)	(76)	(280)
Currency translation effects		50	(33)	32	(143)
<b>Cash and cash equivalents as at the end of the period (net)<sup>1</sup></b>		<b>1,678</b>	<b>2,179</b>	<b>1,678</b>	<b>2,179</b>

<sup>1</sup> Cash and cash equivalents at the end of the period include bank overdrafts of CHF 267 million (2013: 462), disclosed in current financial liabilities.

### 1 Basis of preparation

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The unaudited consolidated half-year interim financial statements (hereafter “interim financial statements”) are prepared in accordance with IAS 34 *Interim Financial Reporting*. The accounting policies used in the preparation and presentation of the interim financial statements are consistent with those used in the consolidated financial statements for the year ended December 31, 2013 (hereafter “annual financial statements”).

The interim financial statements should be read in conjunction with the annual financial statements as they provide an update of previously reported information.

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.

The preparation of interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the interim financial statements. If in the future such estimates and assumptions, which are based on management’s best judgment at the date of the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate during the period in which the circumstances change.

### 2 Changes in the scope of consolidation

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During the first half year of 2014, there were no business combinations that were either individually material or that were considered material on an aggregated basis.

On March 28, 2013, Holcim disposed of a 25 percent equity interest in Cement Australia to HeidelbergCement, and retained a 50 percent equity interest in that company. This resulted in a net gain on disposal of CHF 144 million (included in “Other income”) based on net book values. This transaction resulted in Holcim losing control of Cement Australia and obtaining joint control over that entity. According to IFRS 11 Joint Arrangements, it has been classified as a joint operation.

### 3 Seasonality

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Demand for cement, aggregates and other construction materials and services is seasonal because climatic conditions affect the level of activity in the construction sector.

Holcim usually experiences a reduction in sales during the first and fourth quarters reflecting the effect of the winter season in its principal markets in Europe and North America and tends to see an increase in sales in the second and third quarters reflecting the effect of the summer season. This effect can be particularly pronounced in harsh winters.

## 4 Information by reportable segment

	Asia Pacific		Latin America		Europe		North America		Africa Middle East		Corporate/ Eliminations		Total Group	
January–June (unaudited)	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>Capacity and sales</b>														
Million t														
Annual cement production capacity <sup>1</sup>	92.7	90.3	35.3	35.3	46.8	47.7	22.0	22.0	11.0	11.0			207.7	206.2
Sales of cement	37.1	36.4	12.1	12.3	12.7	12.1	5.4	5.0	4.3	3.9	(1.6)	(1.2)	70.0	68.6
– of which mature markets	1.3	1.7			7.4	7.1	5.4	5.0						
– of which emerging markets	35.8	34.8	12.1	12.3	5.3	5.0			4.3	3.9				
Sales of mineral components	0.3	0.4			1.0	0.7	0.5	0.6					1.8	1.7
Sales of aggregates	12.5	12.2	4.0	5.5	34.7	34.4	17.4	16.3	1.0	1.1			69.6	69.4
– of which mature markets	11.4	11.2			31.0	30.7	17.4	16.3						
– of which emerging markets	1.1	1.0	4.0	5.5	3.7	3.6			1.0	1.1				
Sales of asphalt					2.7	2.2	1.4	1.1					4.1	3.3
Million m <sup>3</sup>														
Sales of ready-mix concrete	5.2	5.2	3.3	4.2	5.9	5.7	3.2	3.3	0.4	0.4			18.1	18.8
– of which mature markets	2.4	2.2			5.1	5.0	3.2	3.3						
– of which emerging markets	2.8	3.0	3.3	4.2	0.8	0.6			0.4	0.4				
<b>Statement of income and statement of financial position</b>														
Million CHF														
Net sales to external customers	3,466	3,915	1,399	1,635	2,540	2,408	1,280	1,259	377	433			9,061	9,649
Net sales to other segments	22	21	66	84	177	204			61	12	(326)	(320)		
Total net sales	3,488	3,936	1,465	1,718	2,717	2,611	1,280	1,259	438	444	(326)	(320)	9,061	9,649
– of which mature markets	864	1,068			2,217	2,091	1,280	1,259						
– of which emerging markets	2,623	2,868	1,465	1,718	500	520			438	444				
Operating EBITDA	677	826	410	500	408	352	155	126	136	144	(160)	(128)	1,627	1,819
Operating EBITDA margin in %	19.4	21.0	28.0	29.1	15.0	13.5	12.1	10.0	31.2	32.3			18.0	18.9
Operating profit (loss)	488	597	321	390	192	98	16	(20)	110	115	(166)	(134)	962	1,046
– of which mature markets	40	79			131	71	16	(20)						
– of which emerging markets	448	518	321	390	61	27			110	115				
Operating profit (loss) margin in %	14.0	15.2	21.9	22.7	7.1	3.7	1.3	(1.6)	25.0	25.9			10.6	10.8
EBITDA	631	767	340	395	346	289	169	101	125	157	202	363	1,814	2,073
Net operating assets <sup>1</sup>	6,616	6,540	3,402	3,331	8,408	8,112	6,017	5,940	784	783	18	7	25,245	24,712
Total assets <sup>2</sup>	11,351	10,627	5,199	5,083	13,296	13,479	7,067	6,947	1,285	1,339	745	470	38,943	37,944
Total liabilities <sup>2</sup>	4,859	4,389	3,415	3,208	6,756	6,511	3,995	3,851	545	610	440 <sup>3</sup>	698 <sup>3</sup>	20,011	19,267

<sup>1</sup> Prior-year figures as of December 31, 2013.

<sup>2</sup> Due to the reallocation of a reporting unit from “Corporate/Eliminations” to “Asia Pacific”, the allocation of the positions “Total assets” and “Total liabilities” changed and as a result, the comparative figures for these two reportable segments were restated accordingly by CHF 484 million for “Total assets” and by CHF 1,363 million for “Total liabilities”. The prior-year figures are as of December 31, 2013.

<sup>3</sup> The amount of CHF 440 million (2013: 698) consists of borrowings by Corporate from third parties amounting to CHF 10,835 million (2013: 9,889) and eliminations for cash transferred to regions of CHF 10,395 million (2013: 9,190).

	Asia Pacific		Latin America		Europe		North America		Africa Middle East		Corporate/ Eliminations		Total Group	
April–June (unaudited)	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>Sales</b>														
Million t														
Sales of cement	18.6	17.8	6.1	6.4	7.5	7.7	3.4	3.1	2.3	2.1	(0.9)	(0.6)	37.0	36.5
– of which mature markets	0.7	0.7			4.0	4.3	3.4	3.1						
– of which emerging markets	17.9	17.1	6.1	6.4	3.4	3.4			2.3	2.1				
Sales of mineral components	0.2	0.1			0.6	0.5	0.4	0.4					1.2	1.1
Sales of aggregates	6.5	6.4	2.0	2.8	19.0	19.9	12.4	11.1	0.5	0.6			40.4	40.9
– of which mature markets	6.0	5.9			16.6	17.6	12.4	11.1						
– of which emerging markets	0.5	0.6	2.0	2.8	2.3	2.3			0.5	0.6				
Sales of asphalt					1.4	1.2	1.2	1.0					2.7	2.2
Million m <sup>3</sup>														
Sales of ready-mix concrete	2.7	2.8	1.6	2.1	3.2	3.4	2.0	2.0	0.3	0.2			9.9	10.4
– of which mature markets	1.3	1.2			2.7	2.9	2.0	2.0						
– of which emerging markets	1.4	1.6	1.6	2.1	0.5	0.5			0.3	0.2				
<b>Statement of income</b>														
Million CHF														
Net sales to external customers	1,796	1,946	698	855	1,455	1,477	836	818	189	230			4,973	5,326
Net sales to other segments	8	6	44	36	78	103			43	12	(172)	(157)		
Total net sales	1,804	1,952	742	891	1,533	1,580	836	818	231	242	(172)	(157)	4,973	5,326
– of which mature markets	457	529			1,218	1,231	836	818						
– of which emerging markets	1,347	1,423	742	891	315	348			231	242				
Operating EBITDA	350	429	200	254	309	323	164	143	69	82	(83)	(62)	1,010	1,169
Operating EBITDA margin in %	19.4	22.0	26.9	28.5	20.2	20.4	19.7	17.5	30.0	33.7			20.3	22.0
Operating profit (loss)	254	317	154	197	201	192	87	67	56	67	(86)	(65)	667	776
– of which mature markets	26	54			137	127	87	67						
– of which emerging markets	228	263	154	197	64	65			56	67				
Operating profit margin in %	14.1	16.3	20.8	22.2	13.1	12.2	10.4	8.2	24.1	27.5			13.4	14.6
EBITDA	331	395	161	190	269	284	176	131	63	101	141	134	1,141	1,235

## Reconciling measures of profit and loss to the consolidated statement of income of Group Holcim

Million CHF (unaudited)	Notes	January–June 2014	January–June 2013	April–June 2014	April–June 2013
<b>Operating profit</b>		<b>962</b>	<b>1,046</b>	<b>667</b>	<b>776</b>
Depreciation, amortization and impairment of operating assets		664	773	343	394
<b>Operating EBITDA</b>		<b>1,627</b>	<b>1,819</b>	<b>1,010</b>	<b>1,169</b>
Dividends earned	8	2	0	2	0
Other ordinary income	8	91	172	72	9
Share of profit of associates and joint ventures		77	66	51	49
Other financial income	9	18	16	7	7
<b>EBITDA</b>		<b>1,814</b>	<b>2,073</b>	<b>1,141</b>	<b>1,235</b>
Depreciation, amortization and impairment of operating assets		(664)	(773)	(343)	(394)
Depreciation, amortization and impairment of non-operating assets	8	(2)	(1)	(1)	0
Interest earned on cash and marketable securities	9	51	63	24	30
Financial expenses	10	(283)	(368)	(146)	(201)
<b>Net income before taxes</b>		<b>916</b>	<b>994</b>	<b>675</b>	<b>670</b>

## 5 Information by product line

Million CHF	Cement <sup>1</sup>		Aggregates		Other construction materials and services		Corporate/ Eliminations		Total Group	
January–June (unaudited)	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>Statement of income and statement of financial position</b>										
Net sales to external customers	5,614	6,050	716	742	2,732	2,856			9,061	9,649
Net sales to other segments	481	526	405	388	274	297	(1,160)	(1,211)		
Total net sales	6,095	6,576	1,121	1,130	3,006	3,153	(1,160)	(1,211)	9,061	9,649
– of which Asia Pacific	2,694	3,037	280	330	727	840	(213)	(270)	3,488	3,936
– of which Latin America	1,241	1,395	33	46	321	433	(129)	(155)	1,465	1,718
– of which Europe	1,201	1,207	599	552	1,286	1,200	(369)	(348)	2,717	2,611
– of which North America	610	594	194	189	629	633	(154)	(157)	1,280	1,259
– of which Africa Middle East	404	406	13	12	38	40	(17)	(14)	438	444
– of which Corporate/Eliminations	(55)	(62)	1	1	6	8	(278)	(266)	(326)	(320)
Operating profit (loss)	964	1,081	61	48	(63)	(83)			962	1,046
– of which Asia Pacific	465	549	30	39	(6)	9			488	597
– of which Latin America	311	381	2	8	9	1			321	390
– of which Europe	152	98	49	33	(9)	(33)			192	98
– of which North America	65	39	(6)	(14)	(42)	(45)			16	(20)
– of which Africa Middle East	111	119	1	0	(3)	(3)			110	115
– of which Corporate/Eliminations	(139)	(105)	(15)	(17)	(13)	(12)			(166)	(134)
Operating profit (loss) margin in %	15.8	16.4	5.5	4.3	(2.1)	(2.6)			10.6	10.8
Net operating assets <sup>2</sup>	16,749	16,641	4,947	4,848	3,549	3,222			25,245	24,712

<sup>1</sup> Cement, clinker and other cementitious materials.

<sup>2</sup> Prior-year figures as of December 31, 2013.

Million CHF	Cement <sup>1</sup>		Aggregates		Other construction materials and services		Corporate/ Eliminations		Total Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
April–June (unaudited)										
<b>Statement of income</b>										
Net sales to external customers	3,024	3,237	414	437	1,535	1,651			4,973	5,326
Net sales to other segments	282	274	224	218	137	145	(643)	(637)		
Total net sales	3,306	3,511	638	655	1,672	1,796	(643)	(637)	4,973	5,326
– of which Asia Pacific	1,386	1,465	145	171	386	447	(112)	(131)	1,804	1,952
– of which Latin America	633	727	16	24	160	217	(67)	(77)	742	891
– of which Europe	704	765	330	324	698	690	(200)	(199)	1,533	1,580
– of which North America	391	372	138	129	409	416	(102)	(99)	836	818
– of which Africa Middle East	212	220	8	7	21	23	(9)	(8)	231	242
– of which Corporate/Eliminations	(19)	(37)	1	0	(3)	3	(152)	(124)	(172)	(157)
Operating profit (loss)	581	693	76	83	9	1			667	776
– of which Asia Pacific	236	281	17	24	1	12			254	317
– of which Latin America	151	195	0	4	3	(1)			154	197
– of which Europe	143	144	45	46	13	2			201	192
– of which North America	69	55	21	17	(2)	(5)			87	67
– of which Africa Middle East	56	67	1	0	(2)	(1)			56	67
– of which Corporate/Eliminations	(74)	(50)	(8)	(8)	(4)	(6)			(86)	(65)
Operating profit margin in %	17.6	19.7	11.9	12.6	0.6	0.0			13.4	14.6

<sup>1</sup> Cement, clinker and other cementitious materials.

**6 Change in net sales**

Million CHF	January–June 2014	January–June 2013	April–June 2014	April–June 2013
Volume and price	460	(146)	122	53
Change in structure	(131)	(297)	(23)	(247)
Currency translation effects	(917)	(74)	(452)	15
<b>Total</b>	<b>(587)</b>	<b>(517)</b>	<b>(353)</b>	<b>(180)</b>

**7 Change in operating profit**

Million CHF	January–June 2014	January–June 2013	April–June 2014	April–June 2013
Volume, price and cost	28	1	(49)	41
Change in structure	13	(24)	8	(21)
Currency translation effects	(125)	(13)	(68)	3
<b>Total</b>	<b>(84)</b>	<b>(36)</b>	<b>(109)</b>	<b>22</b>

**8 Other income**

Million CHF	January–June 2014	January–June 2013	April–June 2014	April–June 2013
Dividends earned	2	0	2	0
Other ordinary income	91	172	72	9
Depreciation, amortization and impairment of non-operating assets	(2)	(1)	(1)	0
<b>Total</b>	<b>91</b>	<b>171</b>	<b>73</b>	<b>9</b>

The position “Other ordinary income” relates primarily to gains on disposal of property, plant and equipment.

In 2013, the position “Other ordinary income” included a net gain on the disposal of a 25 percent equity interest in Cement Australia of AUD 151 million (CHF 144 million). Additional information is disclosed in note 2.

**9 Financial income**

Million CHF	January–June	January–June	April–June	April–June
	2014	2013	2014	2013
Interest earned on cash and marketable securities	51	63	24	30
Other financial income	18	16	7	7
<b>Total</b>	<b>69</b>	<b>79</b>	<b>31</b>	<b>37</b>

The position “Other financial income” relates primarily to interest income from loans and receivables.

**10 Financial expenses**

Million CHF	January–June	January–June	April–June	April–June
	2014	2013	2014	2013
Interest expenses	(274)	(308)	(132)	(157)
Fair value changes on financial instruments	1	0	1	0
Amortization on bonds and private placements	(7)	(6)	(5)	(2)
Unwinding of discount on provisions	(10)	(8)	(4)	(4)
Other financial expenses	(23)	(35)	(16)	(24)
Foreign exchange loss net	(1)	(23)	(7)	(23)
Financial expenses capitalized	31	13	17	9
<b>Total</b>	<b>(283)</b>	<b>(368)</b>	<b>(146)</b>	<b>(201)</b>

The positions “Interest expenses” and “Other financial expenses” relate primarily to financial liabilities measured at amortized cost.

The position “Financial expenses capitalized” comprises interest expenditures on large-scale projects during the reporting period.

**11 Assets and related liabilities classified as held for sale**

In third quarter 2013, Holcim signed a Memorandum of Understanding with Cemex.

In Spain, Holcim and Cemex will combine their operations in cement, ready-mix and aggregates where Holcim will hold a shareholding of 25 percent of the combined entity.

In Germany Holcim will purchase a cement plant, two grinding stations and one slag granulator as well as various aggregates locations and ready-mix plants from Cemex in the western part of the country which will be combined with Holcim’s existing Northern German operations. As consideration for the above, Cemex will buy Holcim (Česko) a.s. which is involved in the cement, aggregates and ready-mix businesses.

Closure of the transaction is subject to due diligence and to regulatory approval for the transaction in Spain. At this moment, Holcim anticipates the closure of the transaction in the second half of 2014.

The assets and liabilities of the operations in Spain and Czech Republic were classified as held for sale in the third quarter 2013.

## 12 Financial assets and liabilities recognized and measured at fair value

The following tables present the Group's financial instruments that are recognized and measured at fair value as of June 30, 2014 and as of December 31, 2013.

No changes in the valuation techniques of the below items have occurred since the last annual financial statements.

Million CHF	Fair value level 1	Fair value level 2	Total
<b>30.6.2014</b>			
<b>Financial assets</b>			
Available-for-sale financial assets			
– Financial investments third parties	2	88	90
– Others	1	86	87
Derivatives held for hedging		122	122
<b>Financial liabilities</b>			
Derivatives held for hedging		1	1

Million CHF	Fair value level 1	Fair value level 2	Total
<b>31.12.2013</b>			
<b>Financial assets</b>			
Available-for-sale financial assets			
– Financial investments third parties	2	89	91
– Others	1	86	87
Derivatives held for hedging		102	102
<b>Financial liabilities</b>			
Derivatives held for hedging		1	1

### 13 Bonds

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On January 22, 2014, Holcim Finance (Luxembourg) S.A. issued a EUR 500 million bond with a coupon of 3.0 percent and a tenor of 10 years, guaranteed by Holcim Ltd. The proceeds were used to refinance existing debt and for general corporate purposes.

On May 30, 2014, Holcim Capital México, S.A. de C.V. issued a MXN 2.0 billion bond with a floating interest rate and a tenor of 4 years, guaranteed by Holcim Ltd. The proceeds were used to refinance existing bank debt of Holcim México S.A. de C.V. and for general corporate purposes.

### 14 Contingencies and commitments

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The Group's commitments amounted to CHF 1,104 million (December 31, 2013: 1,284 million). The decrease is mainly related to various purchase commitments for products which were realized during the current six month period. The Group's contingencies amounted to CHF 967 million (December 31, 2013: 779 million).

The Competition Commission of India issued an Order dated June 20, 2012, imposing a penalty of INR 23,119 million (CHF 342 million) on two Indian Holcim Group companies concerning an alleged breach of competition law by certain cement manufacturers in India. The two Holcim Group companies contest the allegation and have filed an appeal against the Order before the appropriate authority, which is pending a decision. As per the Order, a total deposit of 10 percent of the penalty amount has been placed with a financial institution by both Holcim Group companies with a lien in favor of the Competition Appellate Tribunal. Based on the advice of external legal counsel, Holcim believes that it has good grounds for appeal. Accordingly, no provision has been recognized in the statement of financial position.

On May 28, 2014 the Administrative Council for Economic Defense (CADE) has ruled an order including fines against several Brazilian cement companies. This also applies to Holcim Brazil, which has been fined BRL 508 million (CHF 206 million). The order relates to the competition law proceedings started in 2006 which aimed at investigating the conduct of several of the leading cement producers in Brazil. In the context of the proceeding, Holcim Brazil has always supplied all information requested. The company reinforces that it acts lawfully and in accordance with fair competition rules and practices. Holcim Brazil will pursue all available legal steps to defend its position. Accordingly, no provision has been recognized in the statement of financial position.

### 15 Payout

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In conformity with the decision taken at the annual general meeting on April 29, 2014, a payout related to 2013 of CHF 1.30 per registered share has been paid out of capital contribution reserves. This resulted in a total payment of CHF 423 million.

### 16 Other information

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On April 7, 2014, Holcim Ltd and Lafarge S.A. announced their intention to combine the two companies through a merger. The proposed combination would be structured as a public offer filed by Holcim for all outstanding shares of Lafarge on the basis of a 1 for 1 exchange ratio. The combination is conditional upon, amongst other things, execution of definitive documentation, obtaining required approvals from the relevant regulatory authorities and other customary authorizations and approval of the shareholders of Holcim Ltd and is expected to be completed by the end of the first half of 2015.

### 17 Events after the reporting period

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On July 7, 2014, Holcim announced a list of proposed asset disposals in connection with the proposed merger discussed in note 16. This had no impact on the interim financial statements as of June 30, 2014.

### 18 Authorization of the interim financial statements for issue

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The interim financial statements were authorized for issuance by the Board of Directors of Holcim Ltd on July 29, 2014.

## 19 Principal exchange rates

		Statement of income		Statement of financial position		
		Average exchange rates		Closing exchange rates		
		in CHF January–June		in CHF		
		2014	2013	30.6.2014	31.12.2013	30.6.2013
1 Euro	1 EUR	1.22	1.23	1.22	1.23	1.23
1 US Dollar	1 USD	0.89	0.94	0.89	0.89	0.94
1 British Pound	1 GBP	1.49	1.45	1.51	1.47	1.44
1 Australian Dollar	1 AUD	0.82	0.95	0.84	0.79	0.87
100 Brazilian Real	100 BRL	38.84	46.11	40.55	37.67	42.39
1 Canadian Dollar	1 CAD	0.81	0.92	0.83	0.84	0.90
1,000 Indonesian Rupiah	1,000 IDR	0.08	0.10	0.08	0.07	0.10
100 Indian Rupee	100 INR	1.47	1.70	1.48	1.44	1.58
100 Moroccan Dirham	100 MAD	10.88	11.03	10.81	10.90	11.06
100 Mexican Peso	100 MXN	6.80	7.46	6.85	6.81	7.21

### Holcim securities

The Holcim shares (security code number 1221405) are listed on the SIX Swiss Exchange and traded on the Main Standard of SIX Swiss Exchange. Telekurs lists the registered share under HOLN. The corresponding code under Bloomberg is HOLN VX, while Thomson Reuters uses the abbreviation HOLN.VX. Every share carries one vote. The market capitalization of Holcim Ltd amounted to CHF 25.5 billion at June 30, 2014.

### Cautionary statement regarding forward-looking statements

This document may contain certain forward-looking statements relating to the Group's future business, development and economic performance. Such statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) competitive pressures; (2) legislative and regulatory developments; (3) global, macroeconomic and political trends; (4) fluctuations in currency exchange rates and general financial market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigation; (8) adverse publicity and news coverage, which could cause actual development and results to differ materially from the statements made in this document.

Holcim assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.

### Financial reporting calendar

Press and analyst conference for the third quarter 2014	November 3, 2014
Press and analyst conference on annual results for 2014	February 23, 2015
Results for the first quarter 2015	May 5, 2015
General meeting of shareholders	May 5, 2015

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