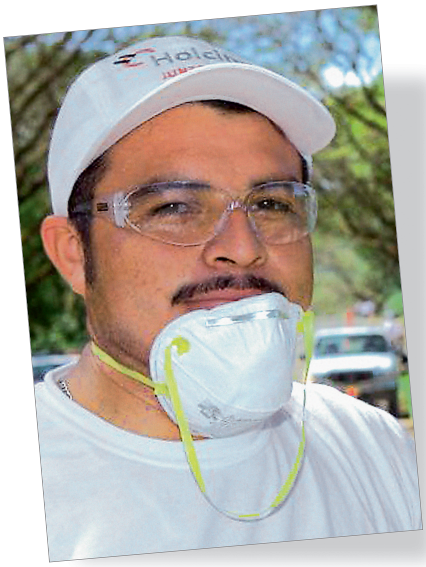
Holcim

Strength. Performance. Passion.

# Half-Year Report 2013 Holcim Ltd





## Key figures Group Holcim

| January–June | | 2013 | 2012[1] | ±% | ±% like-for-like |
|---|---|---|---|---|---|
| Annual cement production capacity | million t | 206.4 | 209.3[2] | (1.4%) | (0.3%) |
| Sales of cement | million t | 68.6 | 71.2 | (3.7%) | (2.9%) |
| Sales of mineral components | million t | 1.7 | 2.1 | (20.2%) | (6.1%) |
| Sales of aggregates | million t | 69.4 | 74.8 | (7.2%) | (6.2%) |
| Sales of ready-mix concrete | million $m^3$ | 18.8 | 22.1 | (15.0%) | (9.5%) |
| Sales of asphalt | million t | 3.3 | 3.6 | (8.3%) | (7.1%) |
| Net sales | million CHF | 9,649 | 10,166 | (5.1%) | (1.4%) |
| Operating EBITDA | million CHF | 1,819 | 1,884 | (3.4%) | (0.6%) |
| Operating EBITDA margin | % | 18.9 | 18.5 | | |
| Operating profit | million CHF | 1,046 | 1,082 | (3.3%) | 0.1% |
| Operating profit margin | % | 10.8 | 10.6 | | |
| EBITDA | million CHF | 2,073 | 1,993 | 4.0% | |
| Net income | million CHF | 760 | 614 | 23.8% | |
| Net income margin | % | 7.9 | 6.0 | | |
| Net income – shareholders of Holcim Ltd | million CHF | 571 | 387 | 47.4% | |
| Cash flow from operating activities | million CHF | 267 | 188 | 41.8% | 47.7% |
| Cash flow margin | % | 2.8 | 1.9 | | |
| Net financial debt | million CHF | 10,958 | 10,325[2] | 6.1% | 7.0% |
| Total shareholders' equity | million CHF | 19,180 | 19,234[2] | (0.3%) | |
| Gearing[3] | % | 57.1 | 53.7[2] | | |
| Personnel | | 73,964 | 76,359[2] | (3.1%) | (1.9%) |
| Earnings per share | CHF | 1.75 | 1.20 | 46.0% | |
| Fully diluted earnings per share | CHF | 1.75 | 1.20 | 46.0% | |

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)[4]

| | | | | |
|---|---|---|---|---|
| Net sales | million USD | 10,302 | 10,951 | (5.9%) |
| Operating EBITDA | million USD | 1,942 | 2,029 | (4.3%) |
| Operating profit | million USD | 1,117 | 1,165 | (4.2%) |
| Net income – shareholders of Holcim Ltd | million USD | 609 | 417 | 46.2% |
| Cash flow from operating activities | million USD | 285 | 203 | 40.6% |
| Net financial debt | million USD | 11,628 | 11,284[2] | 3.0% |
| Total shareholders' equity | million USD | 20,353 | 21,021[2] | (3.2%) |
| Earnings per share | USD | 1.87 | 1.29 | 44.8% |

## Principal key figures in EUR (illustrative)[4]

| | | | | |
|---|---|---|---|---|
| Net sales | million EUR | 7,847 | 8,432 | (6.9%) |
| Operating EBITDA | million EUR | 1,480 | 1,563 | (5.3%) |
| Operating profit | million EUR | 851 | 897 | (5.2%) |
| Net income – shareholders of Holcim Ltd | million EUR | 464 | 321 | 44.6% |
| Cash flow from operating activities | million EUR | 217 | 156 | 39.1% |
| Net financial debt | million EUR | 8,898 | 8,552[2] | 4.1% |
| Total shareholders' equity | million EUR | 15,575 | 15,930[2] | (2.2%) |
| Earnings per share | EUR | 1.43 | 1.00 | 43.2% |

[1] Restated due to changes in accounting policies.

[2] As of December 31, 2012.

[3] Net financial debt divided by total shareholders' equity.

[4] Statement of income figures translated at average rate; statement of financial position figures at closing rate.

Rise in Group net income and cash flow from operating activities

Increased operating EBITDA in Latin America and Europe, where impacts of restructuring become visible

Like-for-like Group-wide growth impacted by lower sales volumes in India

Lower costs, improved prices and systematic restructuring generate higher ROIC before taxes

Net financial debt decreased by CHF 1.2 billion over 12 months

Holcim Leadership Journey on track

Organic growth in operating EBITDA and operating profit confirmed in outlook for 2013

Dear Shareholder,

Global economic growth in the first half of 2013 was weaker than foreseen. Construction activity was hurt by the severe winter as well as the bad weather encountered in many regions. Demand fell short of expectations in India, Canada, Mexico and Morocco in particular. By contrast, the economic climate was significantly better in the Philippines and Ecuador, among other markets.

Holcim succeeded in increasing Group net income and cash flow from operating activities. Europe and Latin America achieved better operating results, leading on balance to a higher operating EBITDA margin. It was primarily on account of India that Holcim was unable to exceed the previous year's operating EBITDA growth on a like-for-like basis. However, in the second quarter the Group achieved organic growth in both operating EBITDA and operating profit. Thanks to the Holcim Leadership Journey, which is making progress above all on the cost front, ROIC before taxes continued to increase. Over 12 months, net financial debt decreased by CHF 1.2 billion.

Consolidated sales volumes were lower in all segments. Latin America contributed most positively to the development of cement sales. The decline in deliveries of aggregates and, above all, ready-mix concrete was more acute. This reflects not only the frequently limited demand, but also the reorganization and restructuring efforts initiated, and in some cases completed, in order to sustainably improve margins. Holcim has been able to achieve better prices in many markets.

Group regions Europe and Latin America reported year-on-year increases in operating results. On account of Canada, North America was not quite able to match the figures of the previous year, and Asia Pacific and Africa Middle East fell considerably short of the previous year's levels owing to India and Morocco, respectively. Holcim Philippines, Aggregate Industries UK, Holcim Ecuador and Holcim US achieved substantially improved operating results. Overall, like-for-like operating EBITDA at Group level fell by 0.6 percent in the first half. At 0.1 percent, like-for-like operating profit developed moderately positively. The corresponding figures for the second quarter were positive at +2.8 percent and +5.4 percent.

| Group | January–June 2013 | January–June 2012[1] | Percentage change | Percentage change like-for-like |
|---|---|---|---|---|
| Sales of cement in million t | 68.6 | 71.2 | (3.7%) | (2.9%) |
| Sales of aggregates in million t | 69.4 | 74.8 | (7.2%) | (6.2%) |
| Sales of ready-mix concrete in million $m^3$ | 18.8 | 22.1 | (15.0%) | (9.5%) |
| Sales of asphalt in million t | 3.3 | 3.6 | (8.3%) | (7.1%) |
| Net sales in million CHF | 9,649 | 10,166 | (5.1%) | (1.4%) |
| Operating EBITDA in million CHF | 1,819 | 1,884 | (3.4%) | (0.6%) |
| Operating profit in million CHF | 1,046 | 1,082 | (3.3%) | 0.1% |
| Net income in million CHF | 760 | 614 | 23.8% | |
| Net income – shareholders of Holcim Ltd – in million CHF | 571 | 387 | 47.4% | |
| Cash flow from operating activities in million CHF | 267 | 188 | 41.8% | 47.7% |

[1] Restated due to changes in accounting policies.

| Group | April–June 2013 | April–June 2012[1] | Percentage change | Percentage change like-for-like |
|---|---|---|---|---|
| Sales of cement in million t | 36.5 | 37.4 | (2.5%) | (1.1%) |
| Sales of aggregates in million t | 40.9 | 43.6 | (6.2%) | (4.9%) |
| Sales of ready-mix concrete in million $m^3$ | 10.4 | 12.1 | (13.6%) | (4.7%) |
| Sales of asphalt in million t | 2.2 | 2.3 | (2.5%) | (1.2%) |
| Net sales in million CHF | 5,326 | 5,506 | (3.3%) | 1.0% |
| Operating EBITDA in million CHF | 1,169 | 1,166 | 0.3% | 2.8% |
| Operating profit in million CHF | 776 | 753 | 3.0% | 5.4% |
| Net income in million CHF | 465 | 502 | (7.4%) | |
| Net income – shareholders of Holcim Ltd – in million CHF | 383 | 377 | 1.7% | |
| Cash flow from operating activities in million CHF | 591 | 687 | (14.1%) | (13.6%) |

[1] Restated due to changes in accounting policies.

**Sales volumes and price development**

Consolidated cement sales were down 3.7 percent to 68.6 million tonnes. Deliveries of aggregates declined by 7.2 percent to 69.4 million tonnes, and ready-mix concrete volumes decreased by 15 percent to 18.8 million cubic meters. Asphalt sales were down by 8.3 percent to 3.3 million tonnes because of North America.

The Group companies in Ecuador, Azerbaijan and Russia reported significant increases in cement sales, while deliveries of aggregates were up at Holcim Switzerland and Aggregate Industries UK. Upturns in ready-mix concrete sales were recorded by Holcim Indonesia, Holcim Malaysia and Holcim Ecuador.

Price development in all regions continued to be positive with the exception of Europe.

**Financial results**

Consolidated net sales decreased by 5.1 percent to CHF 9.6 billion. The 3.4 percent decline in operating EBITDA to CHF 1.8 billion was largely attributable to the two Indian Group companies as well as Holcim Canada, Holcim Mexico, Holcim Morocco and Holcim France. Group regions Europe and Latin America achieved better results. On the positive news front, fixed costs were lower and the price environment was in many cases stable or slightly better. Proceeds from the sale of $CO_2$ emission certificates were down by CHF 10.3 million in Europe. Consolidated operating profit fell by 3.3 percent to CHF 1 billion, but on a like-for-like basis moderate growth of 0.1 percent (2nd quarter of 2013: +5.4 percent) was recorded. Group net income increased by 23.8 percent to CHF 760 million, and the share of net income attributable to shareholders of Holcim Ltd rose by 47.4 percent to CHF 571 million.

Net financial debt was down by CHF 1.2 billion compared to the same period of the previous year at CHF 11 billion. In the same period, gearing decreased from 62.6 percent to 57.1 percent.

**Holcim Leadership Journey on track**

Although construction activities have slowed visibly in a number of markets since the Holcim Leadership Journey was launched, the program is on track. Thanks mainly to progress on the cost front, it contributed CHF 376 million to consolidated operating profit in the first half of 2013, with CHF 47 million stemming from the Customer Excellence stream.

**India weighing on growth region Asia**

Demand for building materials remained high in Asia, although growth temporarily weakened in a number of markets, including India. This was due largely to public sector reticence to award contracts and a fall-off in private construction in the face of higher financing costs and liquidity squeezes. The economy in the Philippines remained on a growth trajectory. A number of other Group companies also exceeded, or at least maintained, the high sales volumes of the previous year.

| Asia Pacific | January–June 2013 | January–June 2012[1] | Percentage change | Percentage change like-for-like |
|---|---|---|---|---|
| Sales of cement in million t | 36.4 | 37.8 | (3.7%) | (2.2%) |
| Sales of aggregates in million t | 12.2 | 13.5 | (9.7%) | (10.1%) |
| Sales of ready-mix concrete in million $m^3$ | 5.2 | 5.5 | (5.9%) | (1.2%) |
| Net sales in million CHF | 3,936 | 4,203 | (6.4%) | (0.6%) |
| Operating EBITDA in million CHF | 826 | 953 | (13.3%) | (7.8%) |
| Operating profit in million CHF | 597 | 694 | (14.0%) | (8.6%) |

[1] Restated due to changes in accounting policies.

| Asia Pacific | April–June 2013 | April–June 2012[1] | Percentage change | Percentage change like-for-like |
|---|---|---|---|---|
| Sales of cement in million t | 17.8 | 18.5 | (3.6%) | (0.7%) |
| Sales of aggregates in million t | 6.4 | 7.3 | (11.7%) | (12.0%) |
| Sales of ready-mix concrete in million $m^3$ | 2.8 | 2.9 | (3.3%) | 1.9% |
| Net sales in million CHF | 1,952 | 2,085 | (6.4%) | 0.2% |
| Operating EBITDA in million CHF | 429 | 487 | (11.7%) | (5.3%) |
| Operating profit in million CHF | 317 | 349 | (9.2%) | (2.9%) |

[1] Restated due to changes in accounting policies.

Both Indian Group companies saw a decline in cement sales. In the southwest of the country in particular, prices came under increased pressure and margins tightened. ACC also reported a decrease in ready-mix concrete deliveries. In continuingly dampened national construction markets, the Sri Lankan and Bangladesh Group companies were not able to achieve the strong sales experienced in the same period last year, however profitability is being maintained by increased internal efficiencies. Amid interventions by the Vietnamese national bank to stimulate the economy, the situation in the construction sector improved somewhat and Holcim Vietnam managed to narrowly maintain cement sales volumes and improve earnings.

Holcim Malaysia posted higher deliveries of cement and ready-mix concrete. This year, the company also reported its first sales of aggregates. In light of project delays in Singapore, Holcim Singapore could not match the record volumes of 2012.

Due to an upturn in public and private sector investment in building projects in the Philippines, Holcim delivered more cement and ready-mix concrete. Despite heightened competition over the past few months, on Luzon, the country's main island, the Group company achieved a significantly stronger result.

In Indonesia, construction activity continued to grow. With the full commissioning of Tuban I in the first quarter of 2014, Holcim Indonesia will be well positioned to profit from this trend. In the first half of 2013, the Group company managed to almost match prior-year cement deliveries although sales came temporarily under pressure due to new capacity entering the market. Volumes in ready-mix concrete rose significantly.

The Cement Australia joint operation increased cement sales primarily on the east coast and in New South Wales. Holcim Australia was unable to benefit to the same degree from the partial strengthening of demand in this region, owing to their broader geographic presence and product lines. Deliveries of aggregates were down as a result of delays in mining projects. Bad weather in Western Australia hampered work on the new Gorgon liquefied natural gas project.

Asia Pacific cement sales were down by 3.7 percent to 36.4 million tonnes, largely driven by developments in India. Principally due to Holcim Australia, aggregates fell 9.7 percent to 12.2 million tonnes. Despite the substantial volume increase achieved in Indonesia, ready-mix concrete volumes decreased by 5.9 percent to 5.2 million cubic meters.

Pressure on prices and a fall-off in volumes in key markets such as India negatively impacted operating EBITDA, which was down 13.3 percent to CHF 826 million. Higher prices had a positive effect on the result. Internal operating EBITDA development stood at –7.8 percent.

On July 24, 2013, Holcim announced that it intends to streamline the ownership structure of its operations in India to strengthen the existing platform. The Group will increase its shareholding in Ambuja Cements Ltd. to 61.39% and Ambuja in turn will acquire Holcim's 50.01% stake in ACC Ltd. Both Ambuja and ACC will continue to operate as separate entities with their own brands and go-to-market strategies. The restructuring will allow for closer back-end cooperation between the companies as well as simplify the Group structure.

**Stronger result in Latin America**

Construction industry output in Latin America remained on a par with the previous year. Brisk private and public building activity bolstered demand in numerous markets, with Mexico being the notable exception. Higher volumes in the cement segment, improved prices, mainly distribution-related efficiency enhancements, and a series of cost-saving measures all combined to produce a solid first-half result.

| Latin America | January–June 2013 | January–June 2012[1] | Percentage change | Percentage change like-for-like |
|---|---|---|---|---|
| Sales of cement in million t | 12.3 | 12.1 | 1.4% | 1.4% |
| Sales of aggregates in million t | 5.5 | 7.0 | (21.8%) | (21.8%) |
| Sales of ready-mix concrete in million $m^3$ | 4.2 | 5.3 | (20.0%) | (20.0%) |
| Net sales in million CHF | 1,718 | 1,707 | 0.6% | 2.0% |
| Operating EBITDA in million CHF | 500 | 462 | 8.4% | 8.7% |
| Operating profit in million CHF | 390 | 358 | 9.0% | 9.5% |

[1] Restated due to changes in accounting policies.

| Latin America | April–June 2013 | April–June 2012[1] | Percentage change | Percentage change like-for-like |
|---|---|---|---|---|
| Sales of cement in million t | 6.4 | 6.2 | 2.8% | 2.8% |
| Sales of aggregates in million t | 2.8 | 3.5 | (18.5%) | (19.7%) |
| Sales of ready-mix concrete in million $m^3$ | 2.1 | 2.6 | (19.4%) | (19.4%) |
| Net sales in million CHF | 891 | 854 | 4.4% | 4.1% |
| Operating EBITDA in million CHF | 254 | 238 | 7.1% | 6.2% |
| Operating profit in million CHF | 197 | 186 | 5.9% | 5.6% |

[1] Restated due to changes in accounting policies.

Despite clinker exports, Holcim Mexico reported a decline in overall sales of cement. Deliveries of aggregates were also down in a domestic market weakened by the renewed postponement of key infrastructure projects. Restructuring of ready-mix concrete operations resulting in plant closures in markets with secondary relevance led to a considerable decline in ready-mix volumes.

Holcim El Salvador narrowly missed the previous year's cement sales levels, with demand picking up in the second quarter on the strength of new government construction projects. Holcim Costa Rica sold substantially more cement, while ready-mix concrete deliveries matched last year's level. Among other factors, the Group company profited from the Reventazon river dam project.

A temporary lull in new road-building projects caused a moderate decline in cement and ready-mix concrete deliveries in Colombia. However, the company's results were supported by lower fixed costs in conjunction with a good pricing environment. Holcim Ecuador's business developed very positively. Lively demand from the infrastructure and housing sector underpinned sales of cement and ready-mix concrete.

The slowdown in Brazilian growth affected the local Group company's cement sales, which were slightly lower than those of the previous year, but despite this, deliveries of aggregates could be increased. The refocusing of ready-mix concrete operations that was initiated the year before resulted, as expected, in a sizable decline in sales volumes, but significantly higher margins. Further cost-cutting measures contributed to stronger consolidated results despite a weaker local currency.

Cemento Polpaico in Chile refocused its commercial strategy, resulting in lower sales volumes in all segments, but better pricing drove a significantly improved half-year financial result.

As the Argentinian construction industry gained traction in the run-up to the October elections, the Group company posted higher sales of cement and aggregates. A better price environment translated into improved operating results.

Cement deliveries in Group region Latin America rose by 1.4 percent to 12.3 million tonnes. In the wake of selective divestments of aggregates quarries, deliveries of aggregates were down by 21.8 percent to 5.5 million tonnes, while shipments of ready-mix concrete declined by 20 percent to 4.2 million cubic meters as a result of resizing and refocusing decisions.

Group region Latin America's operating EBITDA increased by a total of 8.4 percent to CHF 500 million. With building activity muted, Holcim Mexico was the only Group company in the region unable to equal the previous year's result. Notably stronger results were achieved primarily by the Group companies in Ecuador, Colombia, Brazil, Chile and Costa Rica. The Group region posted internal operating EBITDA growth of 8.7 percent.

**Impacts of restructuring visible in Europe**

The crisis dogging Europe's construction industry is not over. Austerity measures are mainly dampening civil engineering, while the weak overall economy, along with high unemployment and a lack of consumer confidence lowers the prospects for housing and non-residential construction. Europe-wide, Holcim sold less cement, aggregates and ready-mix concrete. The Group region's operating results are considerably better however, supported by substantially improved figures from Aggregate Industries UK and Holcim Azerbaijan as well as by the initial impact of the capacity rightsizing program and other cost reduction measures across the region.

| Europe | January–June 2013 | January–June 2012[1] | Percentage change | Percentage change like-for-like |
|---|---|---|---|---|
| Sales of cement in million t | 12.1 | 12.3 | (1.5%) | (1.5%) |
| Sales of aggregates in million t | 34.4 | 35.2 | (2.2%) | (0.2%) |
| Sales of ready-mix concrete in million $m^3$ | 5.7 | 7.1 | (20.1%) | (6.9%) |
| Sales of asphalt in million t | 2.2 | 2.2 | 0.0% | 2.0% |
| Net sales in million CHF | 2,611 | 2,783 | (6.2%) | (2.1%) |
| Operating EBITDA in million CHF | 352 | 279 | 26.0% | 27.0% |
| Operating profit in million CHF | 98 | 23 | 323.4% | 326.4% |

[1] Restated due to changes in accounting policies.

| Europe | April–June 2013 | April–June 2012[1] | Percentage change | Percentage change like-for-like |
|---|---|---|---|---|
| Sales of cement in million t | 7.7 | 7.8 | (0.9%) | (0.9%) |
| Sales of aggregates in million t | 19.9 | 20.1 | (0.9%) | 2.1% |
| Sales of ready-mix concrete in million $m^3$ | 3.4 | 4.1 | (17.5%) | 4.5% |
| Sales of asphalt in million t | 1.2 | 1.1 | 15.2% | 18.0% |
| Net sales in million CHF | 1,580 | 1,622 | (2.6%) | 3.8% |
| Operating EBITDA in million CHF | 323 | 259 | 24.6% | 25.8% |
| Operating profit in million CHF | 192 | 129 | 48.9% | 49.0% |

[1] Restated due to changes in accounting policies.

Aggregate Industries UK sold more aggregates in the domestic and export markets in the first half year. Although ready-mix concrete deliveries were slightly higher than expected, they did not come up to the previous year's level. The Group company also increased sales of concrete products for the domestic market.

Following a weak start to the year in Belgium and the Netherlands, markets did not improve. The Group company reported lower sales in all three segments. Import pressure was especially heavy in the cement sector. It was virtually impossible to secure price adjustments in either market. France's tight budget meant that public sector contracts provided hardly any counterweight to the recessionary environment. Holcim France sold less cement and ready-mix concrete.

With the Spanish economy still constrained, the country's building sector continued to suffer. Due to an increase in exports, the Group company nevertheless sold more cement than in the first half of 2012. The declines seen in the aggregates and ready-mix concrete segments were substantial and the pressure on prices remained high. The improved operating result is largely attributable to last year's restructuring program and strict cost management.

Despite a downturn in deliveries, aggravated by the harsh winter, Holcim Germany achieved a slightly stronger operating result. The decision to restructure ready-mix concrete activities is showing initial positive development. Holcim Southern Germany could not escape the fallout from a tougher construction market: volume declines were reported in all segments, but operating results were higher. Buoyed by a solid building sector, Holcim Switzerland increased its sales of aggregates. In the face of continued import and pricing pressure, the Group company reported a slight drop in cement deliveries. The prior-year result was nonetheless improved on.

Tapping into pockets of market momentum in Northern Italy, the local Group company delivered higher volumes of aggregates and ready-mix concrete. Cement sales remained muted however.

The market situation in emerging Europe continued to pose a challenge practically across the board, partly compounded by heavy rainfall and severe flooding. Markets remained sound in Azerbaijan, where the local Group company achieved record sales in May thanks to the new kiln line. Increased competition in Russia however, and in Moscow in particular, due to new capacity resulted in price pressure in this important area and meant that the Group company did not succeed in lifting cement prices.

With the exception of these two countries, along with Bulgaria, cement deliveries were lower throughout this part of Europe owing to a lack of major concrete-intense construction projects. The picture was similar in the aggregates segment, with only Croatia and Bulgaria reporting higher volumes. Holcim Bulgaria and Holcim Croatia posted an increase in ready-mix concrete sales.

Cement shipments in Group region Europe declined by 1.5 percent to 12.1 million tonnes. Shipments of aggregates declined by 2.2 percent to 34.4 million tonnes, while deliveries of ready-mix concrete were down by 20.1 percent to 5.7 million cubic meters. Sales of asphalt at Aggregate Industries UK remained stable at 2.2 million tonnes.

Group region Europe's operating EBITDA came to CHF 352 million, amounting to an increase of 26 percent. In light of the lower volumes and increased competition, this is proof that the widescale restructuring measures and savings programs have already begun to positively impact the income statement. Group companies in the UK, Azerbaijan and Spain also played a key role in this success. Sales of $CO_2$ emission certificates in Group region Europe totaled CHF 4.5 million (first half of 2012: 14.7). Internal operating EBITDA growth reached 27 percent.

**North American construction sector making only slow headway**

Although the North American economy remained on a growth path, construction work was hindered by frequent periods of bad weather as well as budget restraints causing US authorities to hold back on contracts for public buildings and facilities. Growing demand for new residential housing in the US provided some impetus however. Levels of building activity continued to fluctuate from region to region.

| North America | January–June 2013 | January–June 2012[1] | Percentage change | Percentage change like-for-like |
|---|---|---|---|---|
| Sales of cement in million t | 5.0 | 5.4 | (6.7%) | (7.0%) |
| Sales of aggregates in million t | 16.3 | 18.0 | (9.5%) | (9.2%) |
| Sales of ready-mix concrete in million $m^3$ | 3.3 | 3.6 | (9.4%) | (8.6%) |
| Sales of asphalt in million t | 1.1 | 1.4 | (21.4%) | (21.4%) |
| Net sales in million CHF | 1,259 | 1,343 | (6.3%) | (6.9%) |
| Operating EBITDA in million CHF | 126 | 138 | (8.8%) | (10.3%) |
| Operating profit in million CHF | (20) | (15) | (30.7%) | (38.6%) |

[1] Restated due to changes in accounting policies.

| North America | April–June 2013 | April–June 2012[1] | Percentage change | Percentage change like-for-like |
|---|---|---|---|---|
| Sales of cement in million t | 3.1 | 3.3 | (5.6%) | (6.2%) |
| Sales of aggregates in million t | 11.1 | 12.2 | (8.7%) | (8.3%) |
| Sales of ready-mix concrete in million $m^3$ | 2.0 | 2.2 | (10.1%) | (8.9%) |
| Sales of asphalt in million t | 1.0 | 1.2 | (18.3%) | (18.3%) |
| Net sales in million CHF | 818 | 865 | (5.4%) | (5.9%) |
| Operating EBITDA in million CHF | 143 | 153 | (6.5%) | (7.9%) |
| Operating profit in million CHF | 67 | 74 | (9.8%) | (12.4%) |

[1] Restated due to changes in accounting policies.

Holcim US delivered less cement in the first half. However, price adjustments announced early, the favorable development of distribution costs, and savings on energy and raw materials helped the Group company to secure a much stronger operating result than in the previous year.

Hit particularly hard by weaker construction activity in the northeast and southwest of the country, Group company Aggregate Industries US reported lower sales of aggregates and ready-mix concrete. Strategic market considerations were behind both the sale of four ready-mix concrete plants and a quarry in the San Antonio area in the first half of 2013 and continuing efforts to streamline the production network. The Group company posted lower results.

Driven to a large extent by adverse weather conditions during most of the first half of 2013, Holcim Canada was down versus the previous year's levels in all three product segments. Due to major roadbuilding projects in Calgary and work on Highway 401, the Group company's construction business was the only sector to report higher sales.

Cement deliveries in Group region North America fell by 6.7 percent to 5 million tonnes, mainly due to the development in Canada. Deliveries of aggregates decreased by 9.5 percent to 16.3 million tonnes, while volumes of ready-mix concrete sold were down by 9.4 percent to 3.3 million cubic meters. Asphalt sales declined by 21.4 percent to 1.1 million tonnes.

Group region North America's operating EBITDA narrowed by 8.8 percent to CHF 126 million. Holcim US's operating result was considerably higher than in the previous year, and Aggregate Industries US fell only moderately short of the figure for the first half of 2012. Holcim Canada, on the other hand, suffered a financial setback brought on by a constellation of volumes, weather and pricing. Group region North America posted an internal operating EBITDA development of –10.3 percent.

**Challenging environment in Africa Middle East**

While cement demand in Lebanon very nearly equaled the previous year's level, the Moroccan construction market lost further momentum. Only a small number of markets in the Indian Ocean region, the Gulf and West Africa posted gains.

| Africa Middle East | January–June 2013 | January–June 2012[1] | Percentage change | Percentage change like-for-like |
|---|---|---|---|---|
| Sales of cement in million t | 3.9 | 4.5 | (13.1%) | (13.1%) |
| Sales of aggregates in million t | 1.1 | 1.1 | (3.0%) | (3.0%) |
| Sales of ready-mix concrete in million $m^3$ | 0.4 | 0.6 | (31.0%) | (31.0%) |
| Net sales in million CHF | 444 | 498 | (10.8%) | (11.9%) |
| Operating EBITDA in million CHF | 144 | 160 | (10.2%) | (11.5%) |
| Operating profit in million CHF | 115 | 136 | (15.3%) | (16.5%) |

[1] Restated due to changes in accounting policies.

| Africa Middle East | April–June 2013 | April–June 2012[1] | Percentage change | Percentage change like-for-like |
|---|---|---|---|---|
| Sales of cement in million t | 2.1 | 2.3 | (8.5%) | (8.5%) |
| Sales of aggregates in million t | 0.6 | 0.6 | 5.4% | 5.4% |
| Sales of ready-mix concrete in million $m^3$ | 0.2 | 0.3 | (31.3%) | (31.3%) |
| Net sales in million CHF | 242 | 259 | (6.8%) | (8.2%) |
| Operating EBITDA in million CHF | 82 | 82 | (0.7%) | (2.4%) |
| Operating profit in million CHF | 67 | 70 | (4.7%) | (6.5%) |

[1] Restated due to changes in accounting policies.

In a declining market, Holcim Morocco's volumes of cement and ready-mix concrete were reduced, but a slight increase in sales of aggregates was experienced. Higher cement prices and favorable developments on the production side were not enough to offset the volume losses. The Group company fell short of the previous year's financial results by a wide margin.

Hostilities in Syria are affecting construction activities in Lebanon to a certain extent. Nevertheless, Holcim Lebanon succeeded in selling almost as much cement as in the preceding year, though in a more difficult price environment. In a challenging business environment, volumes of ready-mix concrete sold were significantly lower.

West African and Gulf region grinding stations sold less cement in growing but much more competitive markets. Group companies operating in the Indian Ocean area are performing at the previous year's level despite lower volumes in aggregates and ready-mix concrete.

In Group region Africa Middle East, cement sales fell by 13.1 percent to 3.9 million tonnes. Deliveries of aggregates, predominantly by Indian Ocean, totaled 1.1 million tonnes, which equals a decline of 3 percent, practically matching last year's level. Sales of ready-mix concrete were down by 31 percent to 0.4 million cubic meters.

Group region Africa Middle East's operating EBITDA declined by 10.2 percent to CHF 144 million, due mainly to volume fall-offs in all product segments and severe competition among building materials suppliers. The Group region's internal operating EBITDA development was at –11.5 percent.

**Outlook for 2013**

Holcim anticipates an increase in sales of cement in 2013, but the Group does not expect to reach the previous year's levels in the aggregates and ready-mix concrete businesses. While Group regions Asia Pacific and Latin America are expected to witness higher cement sales volumes, Holcim is somewhat less optimistic with regard to Europe and Africa Middle East. In North America, cement sales are expected to reach similar levels to previous year.

Turning to operating EBITDA and operating profit, the Board of Directors and Executive Committee expect a further improvement in margins. The Holcim Leadership Journey, which gains further momentum, will contribute to this development. Under similar market conditions, organic growth in operating EBITDA and operating profit should be achieved in 2013.

| | |
|---|---|
| Rolf Soiron | Bernard Fontana |
| Chairman of the Board of Directors | Chief Executive Officer |

August 15, 2013

## Consolidated statement of income of Group Holcim

| Million CHF | Notes | January–June 2013 Unaudited | January–June 2012 Restated[1] Unaudited | April–June 2013 Unaudited | April–June 2012 Restated[1] Unaudited |
|---|---|---|---|---|---|
| **Net sales** | 7 | **9,649** | **10,166** | **5,326** | **5,506** |
| Production cost of goods sold | | (5,468) | (5,758) | (2,921) | (3,020) |
| **Gross profit** | | **4,181** | **4,408** | **2,404** | **2,486** |
| Distribution and selling expenses | | (2,503) | (2,625) | (1,319) | (1,381) |
| Administration expenses | | (632) | (702) | (309) | (351) |
| **Operating profit** | | **1,046** | **1,082** | **776** | **753** |
| Other income | 9 | 171 | 14 | 9 | 13 |
| Share of profit of associates and joint ventures | | 66 | 65 | 49 | 42 |
| Financial income | 10 | 79 | 89 | 37 | 43 |
| Financial expenses | 11 | (368) | (376) | (201) | (173) |
| **Net income before taxes** | | **994** | **873** | **670** | **678** |
| Income taxes | | (234) | (259) | (205) | (176) |
| **Net income** | | **760** | **614** | **465** | **502** |
| | | | | | |
| **Attributable to:** | | | | | |
| Shareholders of Holcim Ltd | | 571 | 387 | 383 | 377 |
| Non-controlling interest | | 190 | 227 | 82 | 125 |
| | | | | | |
| **Earnings per share in CHF** | | | | | |
| Earnings per share | | 1.75 | 1.20 | 1.18 | 1.16 |
| Fully diluted earnings per share | | 1.75 | 1.20 | 1.18 | 1.16 |

[1] Restated due to changes in accounting policies, see note 2.

## Consolidated statement of comprehensive earnings of Group Holcim

| Million CHF | January–June 2013 Unaudited | January–June 2012 Restated[1] Unaudited | April–June 2013 Unaudited | April–June 2012 Restated[1] Unaudited |
|---|---|---|---|---|
| **Net income** | **760** | **614** | **465** | **502** |
| | | | | |
| **Other comprehensive earnings** | | | | |
| | | | | |
| **Items that will be reclassified to the statement of income in future periods** | | | | |
| Currency translation effects | | | | |
| – Exchange differences on translation | (291) | (152) | (1,059) | 169 |
| – Realized through statement of income | | | | |
| – Tax effect | 9 | 20 | 10 | 14 |
| Available-for-sale financial assets | | | | |
| – Change in fair value | (1) | 0 | 0 | 0 |
| – Realized through statement of income | | | | |
| – Tax effect | 0 | | | |
| Cash flow hedges | | | | |
| – Change in fair value | 5 | (4) | 1 | 2 |
| – Realized through statement of income | | | | |
| – Tax effect | (1) | | (1) | |
| Net investment hedges in subsidiaries | | | | |
| – Change in fair value | 0 | 0 | 3 | (2) |
| – Realized through statement of income | | | | |
| – Tax effect | | | | |
| **Total** | **(279)** | **(136)** | **(1,046)** | **183** |
| | | | | |
| **Items that will not be reclassified to the statement of income in future periods** | | | | |
| Defined benefit plans | | | | |
| – Remeasurements and effect of asset ceiling | 79 | (43) | 1 | (65) |
| – Tax effect | (21) | 6 | (4) | 15 |
| **Total** | **58** | **(37)** | **(4)** | **(50)** |
| | | | | |
| **Total other comprehensive earnings** | **(221)** | **(173)** | **(1,050)** | **133** |
| | | | | |
| **Total comprehensive earnings** | **539** | **440** | **(585)** | **634** |
| | | | | |
| **Attributable to:** | | | | |
| Shareholders of Holcim Ltd | 433 | 278 | (471) | 547 |
| Non-controlling interest | 106 | 162 | (115) | 87 |

[1] Restated due to changes in accounting policies, see note 2.

## Consolidated statement of financial position of Group Holcim

| Million CHF | 30.6.2013<br>Unaudited | 31.12.2012<br>Restated[1]<br>Unaudited | 30.6.2012<br>Restated[1]<br>Unaudited |
|---|---|---|---|
| Cash and cash equivalents | 2,641 | 3,119 | 2,961 |
| Marketable securities | 1 | 1 | 1 |
| Accounts receivable | 3,143 | 2,682 | 3,234 |
| Inventories | 2,107 | 2,018 | 2,263 |
| Prepaid expenses and other current assets | 511 | 400 | 423 |
| Assets classified as held for sale | 8 | 56 | 2 |
| **Total current assets** | **8,410** | **8,275** | **8,884** |
| | | | |
| Long-term financial assets | 568 | 551 | 521 |
| Investments in associates and joint ventures | 1,616 | 1,539 | 1,744 |
| Property, plant and equipment | 21,254 | 21,791 | 22,379 |
| Intangible assets | 7,931 | 8,131 | 8,247 |
| Deferred tax assets | 459 | 478 | 447 |
| Other long-term assets | 437 | 433 | 520 |
| **Total long-term assets** | **32,264** | **32,922** | **33,857** |
| | | | |
| **Total assets** | **40,675** | **41,198** | **42,740** |
| | | | |
| Trade accounts payable | 2,022 | 2,282 | 2,037 |
| Current financial liabilities | 4,171 | 3,546 | 4,550 |
| Current income tax liabilities | 362 | 442 | 400 |
| Other current liabilities | 1,755 | 1,731 | 1,790 |
| Short-term provisions | 252 | 298 | 247 |
| **Total current liabilities** | **8,562** | **8,299** | **9,024** |
| | | | |
| Long-term financial liabilities | 9,428 | 9,899 | 10,538 |
| Defined benefit obligations | 810 | 902 | 906 |
| Deferred tax liabilities | 1,584 | 1,702 | 1,737 |
| Long-term provisions | 1,110 | 1,161 | 1,157 |
| **Total long-term liabilities** | **12,932** | **13,665** | **14,338** |
| | | | |
| **Total liabilities** | **21,495** | **21,964** | **23,361** |
| | | | |
| Share capital | 654 | 654 | 654 |
| Capital surplus | 8,193 | 8,573 | 8,566 |
| Treasury shares | (106) | (114) | (137) |
| Reserves | 7,780 | 7,324 | 7,519 |
| **Total equity attributable to shareholders of Holcim Ltd** | **16,522** | **16,437** | **16,601** |
| Non-controlling interest | 2,658 | 2,797 | 2,778 |
| **Total shareholders' equity** | **19,180** | **19,234** | **19,379** |
| | | | |
| **Total liabilities and shareholders' equity** | **40,675** | **41,198** | **42,740** |

[1] Restated due to changes in accounting policies, see note 2.

## Consolidated statement of changes in equity of Group Holcim

| Million CHF | Share capital | Capital surplus | Treasury shares | *Retained earnings* |
|---|---|---|---|---|
| **Equity as at December 31, 2012** | **654** | **8,573** | **(114)** | **16,322** |
| Restatement[1] | | | | (514) |
| **Equity as at January 1, 2013** | **654** | **8,573** | **(114)** | **15,808** |
| 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 |
| **Equity as at June 30, 2013 (unaudited)** | **654** | **8,193** | **(106)** | **16,459** |
| | | | | |
| **Equity as at December 31, 2011** | **654** | **8,894** | **(486)** | **15,785** |
| Restatement[1] | | | | (453) |
| **Equity as at January 1, 2012[1]** | **654** | **8,894** | **(486)** | **15,332** |
| Net income[1] | | | | 387 |
| Other comprehensive earnings[1] | | | | (37) |
| Total comprehensive earnings[1] | | | | 350 |
| Payout[1] | | (325) | | |
| Change in treasury shares | | | 339 | (47) |
| Share-based remuneration | | (3) | 10 | |
| Capital paid-in by non-controlling interest | | | | |
| Acquisition of participation in Group companies | | | | |
| Change in participation in existing Group companies[1] | | | | (29) |
| **Equity as at June 30, 2012 (unaudited)[1]** | **654** | **8,566** | **(137)** | **15,607** |

[1] Restated due to changes in accounting policies, see note 2.

| *Available-for-sale reserve* | *Cash flow hedging reserve* | *Currency translation adjustments* | Total reserves | Total equity attributable to shareholders of Holcim Ltd | Non-controlling interest | Total shareholders' equity |
|---:|---:|---:|---:|---:|---:|---:|
| **132** | **(7)** | **(8,611)** | **7,836** | **16,949** | **2,889** | **19,837** |
| | | 3 | (512) | (512) | (91) | (603) |
| **132** | **(7)** | **(8,608)** | **7,324** | **16,437** | **2,797** | **19,234** |
| | | | 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 |
| **131** | **(3)** | **(8,806)** | **7,780** | **16,522** | **2,658** | **19,180** |
| | | | | | | |
| **193** | **4** | **(8,214)** | **7,768** | **16,830** | **2,827** | **19,656** |
| | | | (453) | (453) | (85) | (538) |
| **193** | **4** | **(8,214)** | **7,315** | **16,377** | **2,742** | **19,118** |
| | | | 387 | 387 | 227 | 614 |
| | (4) | (68) | (109) | (109) | (65) | (173) |
| | (4) | (68) | 278 | 278 | 162 | 440 |
| | | | | (325) | (133) | (458) |
| | | | (47) | 292 | | 292 |
| | | 1 | 1 | 8 | | 8 |
| | | | | | 8 | 8 |
| | | | | | | |
| | | | (29) | (29) | 0 | (29) |
| **193** | **0** | **(8,281)** | **7,519** | **16,601** | **2,778** | **19,379** |

## Consolidated statement of cash flows of Group Holcim

| Million CHF | Notes | January–June 2013 Unaudited | January–June 2012 Restated[1] Unaudited | April–June 2013 Unaudited | April–June 2012 Restated[1] Unaudited |
|---|---|---|---|---|---|
| **Net income before taxes** | | **994** | **873** | **670** | **678** |
| Other income | 9 | (171) | (14) | (9) | (13) |
| Share of profit of associates and joint ventures | | (66) | (65) | (49) | (42) |
| Financial expenses net | 10, 11 | 289 | 288 | 164 | 130 |
| **Operating profit** | | **1,046** | **1,082** | **776** | **753** |
| Depreciation, amortization and impairment of operating assets | | 773 | 802 | 394 | 412 |
| Other non-cash items | | 93 | 161 | 48 | 93 |
| Change in net working capital | | (1,060) | (1,305) | (315) | (322) |
| **Cash generated from operations** | | **852** | **740** | **903** | **937** |
| Dividends received | | 81 | 70 | 28 | 62 |
| Interest received | | 80 | 80 | 44 | 40 |
| Interest paid | | (314) | (347) | (167) | (167) |
| Income taxes paid | | (415) | (348) | (202) | (189) |
| Other (expenses) income | | (17) | (6) | (15) | 4 |
| **Cash flow from operating activities (A)** | | **267** | **188** | **591** | **687** |
| | | | | | |
| Purchase of property, plant and equipment | | (932) | (557) | (477) | (339) |
| Disposal of property, plant and equipment | | 59 | 52 | 26 | 28 |
| Acquisition of participation in Group companies | | (4) | (1) | (4) | 0 |
| Disposal of participation in Group companies | 3 | 415 | 8 | 141 | (3) |
| Purchase of financial assets, intangible and other assets | | (158) | (77) | (116) | (30) |
| Disposal of financial assets, intangible and other assets | | 84 | 65 | 8 | 13 |
| **Cash flow from investing activities (B)** | | **(536)** | **(508)** | **(422)** | **(332)** |
| | | | | | |
| Payout on ordinary shares | 14 | (374) | (325) | (374) | (325) |
| Dividends paid to non-controlling interest | | (126) | (132) | (112) | (92) |
| Capital paid-in by non-controlling interest | | 3 | 8 | 3 | 7 |
| Movements of treasury shares | | (2) | 292 | (5) | (1) |
| Proceeds from current financial liabilities | | 3,493 | 4,558 | 1,924 | 2,389 |
| Repayment of current financial liabilities | | (3,124) | (3,963) | (1,843) | (2,003) |
| Proceeds from long-term financial liabilities | | 1,085 | 2,431 | 812 | 1,540 |
| Repayment of long-term financial liabilities | | (1,183) | (2,499) | (852) | (1,656) |
| Increase in participation in existing Group companies | | (2) | (56) | 0 | (56) |
| Decrease in participation in existing Group companies | | 0 | 0 | 0 | 0 |
| **Cash flow from financing activities (C)** | | **(230)** | **314** | **(449)** | **(197)** |
| | | | | | |
| **(De)Increase in cash and cash equivalents (A + B + C)** | | **(499)** | **(6)** | **(280)** | **159** |
| | | | | | |
| **Cash and cash equivalents as at the beginning of the period (net)** | | **2,711** | **2,468** | **2,601** | **2,275** |
| (De)Increase in cash and cash equivalents | | (499) | (6) | (280) | 159 |
| Currency translation effects | | (33) | (41) | (143) | (13) |
| **Cash and cash equivalents as at the end of the period (net)[2]** | | **2,179** | **2,421** | **2,179** | **2,421** |

[1] Restated due to changes in accounting policies, see note 2.
[2] Cash and cash equivalents at the end of the period include bank overdrafts of CHF 462 million (2012: 540), disclosed in current financial liabilities.

## 1 Basis of preparation

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, 2012 (hereafter "annual financial statements") except for the adoption as of January 1, 2013 of IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosures of Interests in Other Entities,* IFRS 13 *Fair Value Measurement*, IAS 1 (amended) *Presentation of Items of Other Comprehensive Income,* IAS 19 (revised) *Employee Benefits*, IAS 28 (revised) *Investments in Associates and Joint Ventures*, IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* and Improvements to IFRSs.

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 accounting policies

IFRS 10, which replaced IAS 27 *Consolidated and Separate Financial Statements*, introduces a single consolidation model applicable to all investees. That model states that the investor consolidates an investee when it has control over the investee. The adoption of this new standard has not materially impacted the Group's financial statements.

IFRS 11, which replaced IAS 31 *Interests in Joint Ventures*, requires companies to classify joint arrangements as either a joint operation or as a joint venture, based on the rights and obligations arising from the arrangement. The standard also requires companies to apply the equity method of accounting for interests in joint ventures. As a consequence thereof, Holcim was unable to continue to apply the proportionate method of consolidation for such entities. This accounting policy change has been applied retrospectively, and its effect on the comparative information (restated amounts) presented for each financial statement line item is set out in the tables below.

IFRS 12 sets out the disclosure requirements for IFRS 10, IFRS 11 and IAS 28 (revised) and is disclosure related only.

IFRS 13 provides guidance on how to measure the fair value of financial and non-financial assets and liabilities when required or permitted by IFRS. The new standard does not change the IFRS as to when a company is required to use fair value. The adoption of this new standard does not materially impact the Group's financial statements.

IAS 1 (amended) requires companies to group items presented in other comprehensive earnings on the basis of whether they are potentially reclassifiable to profit or loss subsequently. As such, this amendment has only impacted the presentation of certain items in the Group's statement of comprehensive earnings.

The amendments to IAS 19 (revised) introduced several changes, the primary one being the elimination of the corridor method of deferred recognition. As a result, Group companies are now unable to defer actuarial gains and losses and subsequently amortize them to profit or loss but instead are required to recognize such changes (remeasurements) immediately in other comprehensive earnings. No reclassifications of these amounts will be permitted in future periods. In addition, the expected return on plan assets has been removed and instead companies are required to calculate a net interest expense on the net defined benefit liability and recognize the resulting cost in the statement of income. Had the Group continued to apply the corridor method during the first half year of 2013, this would not have resulted in the immediate recognition of remeasurements of CHF 79 million and the related deferred tax impact of CHF –21 million in other comprehensive earnings. Instead, the remeasurements would have been deferred and subsequently amortized to profit or loss. This accounting policy change has been applied retrospectively, and its effect on the comparative information (restated amounts) presented for each financial statement line item is set out in the tables below.

IAS 28 (revised) has been consequently revised to include joint ventures in its scope as a result of IFRS 11 which requires such entities to be equity accounted in accordance with IAS 28 (revised).

IFRIC 20 states that costs incurred to remove waste materials (overburden) to gain access to raw materials is recognized as an asset and depreciated over the expected life of the exposed area as a result of the stripping activity based on the unit-of-production method. Since Holcim applies such an accounting policy, IFRIC 20 has not impacted the Group's financial statements.

Improvements to IFRSs relate largely to clarification issues only. Therefore, the adoption of these amendments has not materially impacted the Group's financial statements.

**Changes to consolidated statement of income of Group Holcim**

| Million CHF | January–June 2012 Reported | Impact from changes in accounting policies[1] *IFRS 11 and IAS 19R* | January–June 2012 Restated | April–June 2012 Reported | Impact from changes in accounting policies[2] *IFRS 11 and IAS 19R* | April–June 2012 Restated |
|---|---|---|---|---|---|---|
| **Net sales** | **10,357** | **(191)** | **10,166** | **5,597** | **(91)** | **5,506** |
| Production cost of goods sold | (5,867) | 108 | (5,758) | (3,073) | 53 | (3,020) |
| **Gross profit** | **4,491** | **(83)** | **4,408** | **2,524** | **(39)** | **2,486** |
| Distribution and selling expenses | (2,666) | 41 | (2,625) | (1,401) | 20 | (1,381) |
| Administration expenses | (707) | 6 | (702) | (354) | 2 | (351) |
| **Operating profit** | **1,117** | **(36)** | **1,082** | **768** | **(16)** | **753** |
| Other income | 13 | 1 | 14 | 13 | 0 | 13 |
| Share of profit of associates and joint ventures | 46 | 19 | 65 | 34 | 8 | 42 |
| Financial income | 89 | (1) | 89 | 43 | (1) | 43 |
| Financial expenses | (378) | 2 | (376) | (174) | 1 | (173) |
| **Net income before taxes** | **887** | **(15)** | **873** | **684** | **(7)** | **678** |
| Income taxes | (263) | 4 | (259) | (176) | 0 | (176) |
| **Net income** | **624** | **(10)** | **614** | **508** | **(7)** | **502** |
| | | | | | | |
| **Attributable to:** | | | | | | |
| Shareholders of Holcim Ltd | 389 | (2) | 387 | 379 | (2) | 377 |
| Non-controlling interest | 235 | (8) | 227 | 129 | (4) | 125 |
| | | | | | | |
| **Earnings per share in CHF** | | | | | | |
| Earnings per share | 1.21 | ( 0.01) | 1.20 | 1.17 | ( 0.01) | 1.16 |
| Fully diluted earnings per share | 1.21 | ( 0.01) | 1.20 | 1.17 | ( 0.01) | 1.16 |

[1] Of which the impact due to changes in IAS 19 Employee Benefits: Production costs of goods sold CHF –1 million; Income taxes CHF –1 million; Net income attributable to shareholders of Holcim Ltd CHF –2 million; Earnings per share CHF –0.01; Fully diluted earnings per share CHF –0.01.

[2] Of which the impact due to changes in IAS 19 Employee Benefits: Production costs of goods sold CHF –1 million; Administration expenses CHF –1 million; Income taxes CHF –1 million, Net income attributable to shareholders of Holcim Ltd CHF –2 million; Earnings per share CHF –0.01, Fully diluted earnings per share CHF –0.01.

**Changes to consolidated statement of comprehensive earnings of Group Holcim**

| Million CHF | January–June 2012 Reported | Impact from changes in accounting policies[1] *IFRS 11 and IAS 19R* | January–June 2012 Restated | April–June 2012 Reported | Impact from changes in accounting policies[2] *IFRS 11 and IAS 19R* | April–June 2012 Restated |
|---|---|---|---|---|---|---|
| **Net income** | **624** | **(10)** | **614** | **508** | **(7)** | **502** |
| | | | | | | |
| **Other comprehensive earnings** | | | | | | |
| | | | | | | |
| **Items that will be reclassified to the statement of income in future periods** | | | | | | |
| Currency translation effects | | | | | | |
| – Exchange differences on translation | (149) | (3) | (152) | 177 | (8) | 169 |
| – Tax effect | 20 | 0 | 20 | 14 | 0 | 14 |
| Available-for-sale financial assets | | | | | | |
| – Change in fair value | 0 | 0 | 0 | 0 | 0 | 0 |
| – Tax effect | | | | | | |
| Cash flow hedges | | | | | | |
| – Change in fair value | (4) | 0 | (4) | 2 | 0 | 2 |
| – Tax effect | | | | | | |
| Net investment hedges in subsidiaries | | | | | | 0 |
| – Change in fair value | 0 | 0 | 0 | (2) | 0 | (2) |
| – Tax effect | | | | | | |
| **Total** | **(134)** | **(3)** | **(136)** | **190** | **(8)** | **183** |
| | | | | | | |
| **Items that will not be reclassified to the statement of income in future periods** | | | | | | |
| Defined benefit plans | | | | | | |
| – Remeasurements and effect of asset ceiling | 0 | (43) | (43) | 0 | (65) | (65) |
| – Tax effect | 0 | 6 | 6 | 0 | 15 | 15 |
| **Total** | **0** | **(37)** | **(37)** | **0** | **(50)** | **(50)** |
| | | | | | | |
| **Total other comprehensive earnings** | **(134)** | **(39)** | **(173)** | **191** | **(57)** | **133** |
| | | | | | | |
| **Total comprehensive earnings** | **490** | **(50)** | **440** | **698** | **(63)** | **634** |
| | | | | | | |
| **Attributable to:** | | | | | | |
| Shareholders of Holcim Ltd | 320 | (42) | 278 | 606 | (58) | 547 |
| Non-controlling interest | 170 | (8) | 162 | 92 | (5) | 87 |

[1] Of which the impact due to changes in IFRS 11 Joint Arrangements: Net Income CHF –8 million; Total comprehensive earnings attributable to non-controlling interest CHF –8 million.

[2] Of which the impact due to changes in IFRS 11 Joint Arrangements: Net Income CHF –4 million; Currency translation effects CHF –1 million; Total comprehensive earnings attributable to non-controlling interest CHF –5 million.

**Changes to consolidated statement of financial position of Group Holcim as of June 30, 2012**

| Million CHF | 30.6.2012 Reported | Impact from changes in accounting policies *Joint Ventures (IFRS 11)* | *Employee Benefits (IAS 19R)* | 30.6.2012 Restated |
|---|---|---|---|---|
| Cash and cash equivalents | 2,997 | (36) | 0 | 2,961 |
| Marketable securities | 1 | 0 | 0 | 1 |
| Accounts receivable | 3,278 | (43) | 0 | 3,234 |
| Inventories | 2,291 | (28) | 0 | 2,263 |
| Prepaid expenses and other current assets | 429 | (6) | 0 | 423 |
| Assets classified as held for sale | 2 | 0 | 0 | 2 |
| **Total current assets** | **8,997** | **(114)** | **0** | **8,884** |
| | | | | |
| Long-term financial assets | 524 | (3) | 0 | 521 |
| Investments in associates and joint ventures | 1,412 | 331 | 0 | 1,744 |
| Property, plant and equipment | 22,666 | (287) | 0 | 22,379 |
| Intangible assets | 8,406 | (159) | 0 | 8,247 |
| Deferred tax assets | 394 | (9) | 61 | 447 |
| Other long-term assets | 557 | 0 | (37) | 520 |
| **Total long-term assets** | **33,959** | **(127)** | **24** | **33,857** |
| | | | | |
| **Total assets** | **42,956** | **(240)** | **24** | **42,740** |
| | | | | |
| Trade accounts payable | 2,079 | (42) | 0 | 2,037 |
| Current financial liabilities | 4,615 | (65) | 0 | 4,550 |
| Current income tax liabilities | 407 | (8) | 0 | 400 |
| Other current liabilities | 1,802 | (13) | 0 | 1,790 |
| Short-term provisions | 248 | (1) | 0 | 247 |
| **Total current liabilities** | **9,151** | **(128)** | **0** | **9,024** |
| | | | | |
| Long-term financial liabilities | 10,543 | (5) | 0 | 10,538 |
| Defined benefit obligations | 288 | 0 | 618 | 906 |
| Deferred tax liabilities | 1,840 | (13) | (91) | 1,737 |
| Long-term provisions | 1,171 | (14) | 0 | 1,157 |
| **Total long-term liabilities** | **13,842** | **(32)** | **527** | **14,338** |
| | | | | |
| **Total liabilities** | **22,994** | **(160)** | **527** | **23,361** |
| | | | | |
| Share capital | 654 | 0 | 0 | 654 |
| Capital surplus | 8,566 | 0 | 0 | 8,566 |
| Treasury shares | (137) | 0 | 0 | (137) |
| Reserves | 8,015 | 0 | (497) | 7,519 |
| **Total equity attributable to shareholders of Holcim Ltd** | **17,098** | **0** | **(497)** | **16,601** |
| Non-controlling interest | 2,865 | (80) | (6) | 2,778 |
| **Total shareholders' equity** | **19,963** | **(80)** | **(503)** | **19,379** |
| | | | | |
| **Total liabilities and shareholders' equity** | **42,956** | **(240)** | **24** | **42,740** |

**Changes to consolidated statement of financial position of Group Holcim as of December 31, 2012**

| Million CHF | 31.12.2012 Reported | Impact from changes in accounting policies *Joint Ventures (IFRS 11)* | *Employee Benefits (IAS 19R)* | 31.12.2012 Restated |
|---|---|---|---|---|
| Cash and cash equivalents | 3,145 | (26) | 0 | 3,119 |
| Marketable securities | 1 | 0 | 0 | 1 |
| Accounts receivable | 2,717 | (36) | 0 | 2,682 |
| Inventories | 2,042 | (24) | 0 | 2,018 |
| Prepaid expenses and other current assets | 403 | (2) | 0 | 400 |
| Assets classified as held for sale | 56 | 0 | 0 | 56 |
| **Total current assets** | **8,363** | **(88)** | **0** | **8,275** |
| | | | | |
| Long-term financial assets | 557 | (6) | 0 | 551 |
| Investments in associates and joint ventures | 1,289 | 251 | 0 | 1,539 |
| Property, plant and equipment | 22,026 | (235) | 0 | 21,791 |
| Intangible assets | 8,258 | (128) | 0 | 8,131 |
| Deferred tax assets | 417 | (8) | 68 | 478 |
| Other long-term assets | 521 | 0 | (88) | 433 |
| **Total long-term assets** | **33,068** | **(125)** | **(19)** | **32,922** |
| | | | | |
| **Total assets** | **41,431** | **(214)** | **(19)** | **41,198** |
| | | | | |
| Trade accounts payable | 2,316 | (34) | 0 | 2,282 |
| Current financial liabilities | 3,599 | (53) | 0 | 3,546 |
| Current income tax liabilities | 443 | (1) | 0 | 442 |
| Other current liabilities | 1,742 | (11) | 0 | 1,731 |
| Short-term provisions | 299 | (1) | 0 | 298 |
| **Total current liabilities** | **8,399** | **(100)** | **0** | **8,299** |
| | | | | |
| Long-term financial liabilities | 9,908 | (9) | 0 | 9,899 |
| Defined benefit obligations | 305 | (15) | 612 | 902 |
| Deferred tax liabilities | 1,820 | (11) | (107) | 1,702 |
| Long-term provisions | 1,162 | 0 | 0 | 1,161 |
| **Total long-term liabilities** | **13,195** | **(35)** | **504** | **13,665** |
| | | | | |
| **Total liabilities** | **21,594** | **(135)** | **504** | **21,964** |
| | | | | |
| Share capital | 654 | 0 | 0 | 654 |
| Capital surplus | 8,573 | 0 | 0 | 8,573 |
| Treasury shares | (114) | 0 | 0 | (114) |
| Reserves | 7,836 | 0 | (512) | 7,324 |
| **Total equity attributable to shareholders of Holcim Ltd** | **16,949** | **0** | **(512)** | **16,437** |
| Non-controlling interest | 2,889 | (79) | (12) | 2,797 |
| **Total shareholders' equity** | **19,837** | **(79)** | **(524)** | **19,234** |
| | | | | |
| **Total liabilities and shareholders' equity** | **41,431** | **(214)** | **(19)** | **41,198** |

**Changes to consolidated statement of cash flows of Group Holcim**

| Million CHF | January–June 2012 Reported | Impact from changes in accounting policies[1] *IFRS 11 and IAS 19R* | January–June 2012 Restated | April–June 2012 Reported | Impact from changes in accounting policies[2] *IFRS 11 and IAS 19R* | April–June 2012 Restated |
|---|---|---|---|---|---|---|
| **Net income before taxes** | **887** | **(15)** | **873** | **684** | **(7)** | **678** |
| Other income | (13) | (1) | (14) | (13) | 0 | (13) |
| Share of profit of associates and joint ventures | (46) | (19) | (65) | (34) | (8) | (42) |
| Financial expenses net | 289 | (1) | 288 | 131 | 0 | 130 |
| **Operating profit** | **1,117** | **(36)** | **1,082** | **768** | **(16)** | **753** |
| Depreciation, amortization and impairment of operating assets | 816 | (14) | 802 | 419 | (7) | 412 |
| Other non-cash items | 161 | 0 | 161 | 91 | 2 | 93 |
| Change in net working capital | (1,309) | 4 | (1,305) | (322) | 0 | (322) |
| **Cash generated from operations** | **785** | **(46)** | **740** | **957** | **(21)** | **937** |
| Dividends received | 58 | 13 | 70 | 49 | 13 | 62 |
| Interest received | 80 | 0 | 80 | 40 | 0 | 40 |
| Interest paid | (349) | 1 | (347) | (168) | 1 | (167) |
| Income taxes paid | (357) | 8 | (348) | (197) | 8 | (189) |
| Other (expenses) income | (7) | 1 | (6) | 3 | 1 | 4 |
| **Cash flow from operating activities (A)** | **211** | **(22)** | **188** | **685** | **2** | **687** |
| | | | | | | |
| Purchase of property, plant and equipment | (568) | 11 | (557) | (344) | 5 | (339) |
| Disposal of property, plant and equipment | 53 | (1) | 52 | 29 | (1) | 28 |
| Acquisition of participation in Group companies | (1) | 0 | (1) | 0 | 0 | 0 |
| Disposal of participation in Group companies | 8 | 0 | 8 | (3) | 0 | (3) |
| Purchase of financial assets, intangible and other assets | (78) | 0 | (77) | (31) | 0 | (30) |
| Disposal of financial assets, intangible and other assets | 65 | 1 | 65 | 13 | 1 | 13 |
| **Cash flow from investing activities (B)** | **(519)** | **11** | **(508)** | **(336)** | **5** | **(332)** |

[1] Of which the impact due to changes in IAS 19 Employee Benefits: Net income before taxes CHF –1 million; Other non-cash items CHF 1 million.
[2] Of which the impact due to changes in IAS 19 Employee Benefits: Net income before taxes CHF –2 million; Other non-cash items CHF 2 million.

**Changes to consolidated statement of cash flows of Group Holcim (continued)**

| Million CHF | January–June 2012 Reported | Impact from changes in accounting policies *IFRS 11* | January–June 2012 Restated | April–June 2012 Reported | Impact from changes in accounting policies *IFRS 11* | April–June 2012 Restated |
|---|---|---|---|---|---|---|
| Payout on ordinary shares | (325) | 0 | (325) | (325) | 0 | (325) |
| Dividends paid to non-controlling interest | (137) | 5 | (132) | (97) | 5 | (92) |
| Capital paid-in by non-controlling interest | 8 | 0 | 8 | 7 | 0 | 7 |
| Movements of treasury shares | 292 | 0 | 292 | (1) | 0 | (1) |
| Proceeds from current financial liabilities | 4,559 | (1) | 4,558 | 2,390 | 0 | 2,389 |
| Repayment of current financial liabilities | (3,963) | 0 | (3,963) | (2,003) | 0 | (2,003) |
| Proceeds from long-term financial liabilities | 2,431 | 0 | 2,431 | 1,540 | 0 | 1,540 |
| Repayment of long-term financial liabilities | (2,499) | 1 | (2,499) | (1,656) | 0 | (1,656) |
| Increase in participation in existing Group companies | (56) | 0 | (56) | (56) | 0 | (56) |
| Decrease in participation in existing Group companies | 0 | 0 | 0 | 0 | 0 | 0 |
| **Cash flow from financing activities (C)** | **309** | **4** | **314** | **(201)** | **5** | **(197)** |
| | | | | | | |
| **In(De)crease in cash and cash equivalents (A + B + C)** | **1** | **(7)** | **(6)** | **147** | **12** | **159** |
| | | | | | | |
| **Cash and cash equivalents as at the beginning of the period (net)** | **2,497** | **(28)** | **2,468** | **2,321** | **(47)** | **2,275** |
| In(De)crease in cash and cash equivalents | 1 | (7) | (6) | 147 | 12 | 159 |
| Currency translation effects | (41) | 0 | (41) | (12) | (1) | (13) |
| **Cash and cash equivalents as at the end of the period (net)[1]** | **2,457** | **(36)** | **2,421** | **2,457** | **(36)** | **2,421** |

[1] Cash and cash equivalents at the end of the period, before and after the restatement, include bank overdrafts of CHF 540 million, disclosed in current financial liabilities.

**Changes to consolidated statement of changes in equity of Group Holcim as of June 30, 2012**

| Million CHF | Reported | Impact from changes in accounting policies: *Joint Ventures (IFRS 11)* | Impact from changes in accounting policies: *Employee Benefits (IAS 19R)* | Restated |
|---|---|---|---|---|
| Total equity attributable to shareholders of Holcim Ltd as at January 1, 2012 | 16,830 | 0 | (453)[1] | 16,377 |
| Net income | 389 | 0 | (2) | 387 |
| Other comprehensive earnings | (69) | 0 | (40) | (109) |
| Total comprehensive earnings | 320 | 0 | (42) | 278 |
| Change in participation in existing Group companies | (27) | 0 | (2) | (29) |
| Total equity attributable to shareholders of Holcim Ltd as at June 30, 2012 | 17,098 | 0 | (497) | 16,601 |
| | | | | |
| Non-controlling interest as at January 1, 2012 | 2,827 | (78) | (8) | 2,742 |
| Net income | 235 | (8) | 0 | 227 |
| Other comprehensive earnings | (65) | 0 | 0 | (65) |
| Total comprehensive earnings | 170 | (8) | 0 | 162 |
| Payout | (138) | 5 | 0 | (133) |
| Change in participation in existing Group companies | (2) | 0 | 2 | 0 |
| Non-controlling interest as at June 30, 2012 | 2,865 | (80) | (6) | 2,778 |

[1] Retained earnings.

## 3 Changes in the scope of consolidation

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 AUD 151 million (CHF 144 million) based on net book values (included in “Other income”). This transaction resulted in Holcim losing control of Cement Australia and obtaining joint control over that entity. According to IFRS 11 *Joint Arrangements*, Cement Australia has been classified as a joint operation.

## 4 Seasonality

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.

### 5 Information by reportable segment

| | Asia Pacific | | Latin America | | Europe | | North America | | Africa Middle East | | Corporate/ Eliminations | | Total Group | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| January–June (unaudited) | 2013 | 2012[1] | 2013 | 2012[1] | 2013 | 2012[1] | 2013 | 2012[1] | 2013 | 2012[1] | 2013 | 2012[1] | 2013 | 2012[1] |
| **Capacity and sales** | | | | | | | | | | | | | | |
| Million t | | | | | | | | | | | | | | |
| Annual cement production capacity[2] | 90.6 | 91.9 | 35.2 | 35.5 | 47.9 | 49.2 | 22.0 | 22.0 | 10.7 | 10.7 | | | 206.4 | 209.3 |
| Sales of cement | 36.4 | 37.8 | 12.3 | 12.1 | 12.1 | 12.3 | 5.0 | 5.4 | 3.9 | 4.5 | (1.2) | (1.0) | 68.6 | 71.2 |
| – of which mature markets | 1.7 | 2.2 | | | 7.1 | 7.4 | 5.0 | 5.4 | | | (0.5) | (0.6) | 13.2 | 14.4 |
| – of which emerging markets | 34.8 | 35.6 | 12.3 | 12.1 | 5.0 | 4.9 | | | 3.9 | 4.5 | (0.7) | (0.4) | 55.3 | 56.8 |
| Sales of mineral components | 0.4 | 0.5 | | | 0.7 | 1.0 | 0.6 | 0.6 | | | | | 1.7 | 2.1 |
| Sales of aggregates | 12.2 | 13.5 | 5.5 | 7.0 | 34.4 | 35.2 | 16.3 | 18.0 | 1.1 | 1.1 | | | 69.4 | 74.8 |
| – of which mature markets | 11.2 | 12.4 | | | 30.7 | 31.0 | 16.3 | 18.0 | | | | | 58.2 | 61.4 |
| – of which emerging markets | 1.0 | 1.1 | 5.5 | 7.0 | 3.6 | 4.2 | | | 1.1 | 1.1 | | | 11.2 | 13.4 |
| Sales of asphalt | | | | | 2.2 | 2.2 | 1.1 | 1.4 | | | | | 3.3 | 3.6 |
| Million $m^3$ | | | | | | | | | | | | | | |
| Sales of ready-mix concrete | 5.2 | 5.5 | 4.2 | 5.3 | 5.7 | 7.1 | 3.3 | 3.6 | 0.4 | 0.6 | | | 18.8 | 22.1 |
| – of which mature markets | 2.2 | 2.6 | | | 5.0 | 6.3 | 3.3 | 3.6 | | | | | 10.6 | 12.5 |
| – of which emerging markets | 3.0 | 2.9 | 4.2 | 5.3 | 0.6 | 0.8 | | | 0.4 | 0.6 | | | 8.2 | 9.6 |
| **Statement of income and statement of financial position** | | | | | | | | | | | | | | |
| Million CHF | | | | | | | | | | | | | | |
| Net sales to external customers | 3,915 | 4,159 | 1,635 | 1,646 | 2,408 | 2,520 | 1,259 | 1,343 | 433 | 498 | | | 9,649 | 10,166 |
| Net sales to other segments | 21 | 44 | 84 | 62 | 204 | 263 | | | 12 | | (320) | (369) | | |
| Total net sales | 3,936 | 4,203 | 1,718 | 1,707 | 2,611 | 2,783 | 1,259 | 1,343 | 444 | 498 | (320) | (369) | 9,649 | 10,166 |
| – of which mature markets | 1,068 | 1,229 | | | 2,091 | 2,268 | 1,259 | 1,343 | | | (109) | (168) | 4,309 | 4,672 |
| – of which emerging markets | 2,868 | 2,974 | 1,718 | 1,707 | 520 | 515 | | | 444 | 498 | (211) | (201) | 5,340 | 5,494 |
| Operating EBITDA | 826 | 953 | 500 | 462 | 352 | 279 | 126 | 138 | 144 | 160 | (128) | (108) | 1,819 | 1,884 |
| Operating EBITDA margin in % | 21.0 | 22.7 | 29.1 | 27.0 | 13.5 | 10.0 | 10.0 | 10.3 | 32.3 | 32.1 | | | 18.9 | 18.5 |
| Operating profit (loss) | 597 | 694 | 390 | 358 | 98 | 23 | (20) | (15) | 115 | 136 | (134) | (114) | 1,046 | 1,082 |
| – of which mature markets | 79 | 105 | | | 71 | (23) | (20) | (15) | | | (109) | (53) | 21 | 14 |
| – of which emerging markets | 518 | 589 | 390 | 358 | 27 | 46 | | | 115 | 136 | (25) | (61) | 1,025 | 1,068 |
| Operating profit (loss) margin in % | 15.2 | 16.5 | 22.7 | 20.9 | 3.7 | 0.8 | (1.6) | (1.1) | 25.9 | 27.2 | | | 10.8 | 10.6 |
| EBITDA | 767 | 941 | 395 | 380 | 289 | 279 | 101 | 130 | 157 | 152 | 363 | 110 | 2,073 | 1,993 |
| Net operating assets[2] | 7,437 | 8,249 | 3,651 | 3,647 | 8,397 | 8,259 | 6,551 | 6,274 | 815 | 785 | (6) | (128) | 26,845 | 27,087 |
| Total assets[2] | 12,172 | 13,143 | 5,211 | 5,080 | 13,741 | 13,843 | 7,668 | 7,527 | 1,438 | 1,434 | 446 | 171 | 40,675 | 41,198 |
| Total liabilities[2] | 3,382 | 3,790 | 3,177 | 2,960 | 7,017 | 6,851 | 4,492 | 4,380 | 700 | 720 | 2,726 | 3,262 | 21,495 | 21,964 |

[1] Restated due to changes in accounting policies, see note 2.
[2] Prior-year figures as of December 31, 2012.

| | Asia Pacific | | Latin America | | Europe | | North America | | Africa Middle East | | Corporate/ Eliminations | | Total Group | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| April–June (unaudited) | 2013 | 2012[1] | 2013 | 2012[1] | 2013 | 2012[1] | 2013 | 2012[1] | 2013 | 2012[1] | 2013 | 2012[1] | 2013 | 2012[1] |
| **Sales** | | | | | | | | | | | | | | |
| Million t | | | | | | | | | | | | | | |
| Sales of cement | 17.8 | 18.5 | 6.4 | 6.2 | 7.7 | 7.8 | 3.1 | 3.3 | 2.1 | 2.3 | (0.6) | (0.7) | 36.5 | 37.4 |
| – of which mature markets | 0.7 | 1.2 | | | 4.3 | 4.5 | 3.1 | 3.3 | | | (0.3) | (0.5) | 7.8 | 8.4 |
| – of which emerging markets | 17.1 | 17.3 | 6.4 | 6.2 | 3.4 | 3.3 | | | 2.1 | 2.3 | (0.3) | (0.2) | 28.7 | 29.0 |
| Sales of mineral components | 0.1 | 0.2 | | | 0.5 | 0.7 | 0.4 | 0.4 | | | | | 1.1 | 1.3 |
| Sales of aggregates | 6.4 | 7.3 | 2.8 | 3.5 | 19.9 | 20.1 | 11.1 | 12.2 | 0.6 | 0.6 | | | 40.9 | 43.6 |
| – of which mature markets | 5.9 | 6.7 | | | 17.6 | 17.2 | 11.1 | 12.2 | | | | | 34.5 | 36.1 |
| – of which emerging markets | 0.6 | 0.6 | 2.8 | 3.5 | 2.3 | 2.9 | | | 0.6 | 0.6 | | | 6.3 | 7.5 |
| Sales of asphalt | | | | | 1.2 | 1.1 | 1.0 | 1.2 | | | | | 2.2 | 2.3 |
| Million $m^3$ | | | | | | | | | | | | | | |
| Sales of ready-mix concrete | 2.8 | 2.9 | 2.1 | 2.6 | 3.4 | 4.1 | 2.0 | 2.2 | 0.2 | 0.3 | | | 10.4 | 12.1 |
| – of which mature markets | 1.2 | 1.4 | | | 2.9 | 3.5 | 2.0 | 2.2 | | | | | 6.1 | 7.1 |
| – of which emerging markets | 1.6 | 1.5 | 2.1 | 2.6 | 0.5 | 0.5 | | | 0.2 | 0.3 | | | 4.4 | 5.0 |
| **Statement of income** | | | | | | | | | | | | | | |
| Million CHF | | | | | | | | | | | | | | |
| Net sales to external customers | 1,946 | 2,085 | 855 | 811 | 1,477 | 1,486 | 818 | 865 | 230 | 259 | | | 5,326 | 5,506 |
| Net sales to other segments | 6 | 0 | 36 | 43 | 103 | 136 | | | 12 | | (157) | (179) | | |
| Total net sales | 1,952 | 2,085 | 891 | 854 | 1,580 | 1,622 | 818 | 865 | 242 | 259 | (157) | (179) | 5,326 | 5,506 |
| – of which mature markets | 529 | 645 | | | 1,231 | 1,271 | 818 | 865 | | | (59) | (88) | 2,520 | 2,692 |
| – of which emerging markets | 1,423 | 1,440 | 891 | 854 | 348 | 351 | | | 242 | 259 | (98) | (90) | 2,806 | 2,814 |
| Operating EBITDA | 429 | 487 | 254 | 238 | 323 | 259 | 143 | 153 | 82 | 82 | (62) | (53) | 1,169 | 1,166 |
| Operating EBITDA margin in % | 22.0 | 23.3 | 28.5 | 27.8 | 20.4 | 16.0 | 17.5 | 17.7 | 33.7 | 31.7 | | | 22.0 | 21.2 |
| Operating profit (loss) | 317 | 349 | 197 | 186 | 192 | 129 | 67 | 74 | 67 | 70 | (65) | (56) | 776 | 753 |
| – of which mature markets | 54 | 63 | | | 127 | 48 | 67 | 74 | | | (53) | (29) | 196 | 157 |
| – of which emerging markets | 263 | 287 | 197 | 186 | 65 | 81 | | | 67 | 70 | (12) | (28) | 580 | 596 |
| Operating profit margin in % | 16.3 | 16.8 | 22.2 | 21.8 | 12.2 | 8.0 | 8.2 | 8.6 | 27.5 | 26.9 | | | 14.6 | 13.7 |
| EBITDA | 395 | 476 | 190 | 196 | 284 | 271 | 131 | 150 | 101 | 79 | 134 | 61 | 1,235 | 1,233 |

[1] Restated due to changes in accounting policies, see note 2.

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

| Million CHF (unaudited) | Notes | January–June 2013 | January–June 2012[1] | April–June 2013 | April–June 2012[1] |
|---|---|---|---|---|---|
| **Operating profit** | | **1,046** | **1,082** | **776** | **753** |
| Depreciation, amortization and impairment of operating assets | | 773 | 802 | 394 | 412 |
| **Operating EBITDA** | | **1,819** | **1,884** | **1,169** | **1,166** |
| Dividends earned | 9 | 0 | 1 | 0 | 1 |
| Other ordinary income | 9 | 172 | 18 | 9 | 15 |
| Share of profit of associates and joint ventures | | 66 | 65 | 49 | 42 |
| Other financial income | 10 | 16 | 26 | 7 | 10 |
| **EBITDA** | | **2,073** | **1,993** | **1,235** | **1,233** |
| Depreciation, amortization and impairment of operating assets | | (773) | (802) | (394) | (412) |
| Depreciation, amortization and impairment of non-operating assets | 9 | (1) | (6) | 0 | (3) |
| Interest earned on cash and marketable securities | 10 | 63 | 63 | 30 | 33 |
| Financial expenses | 11 | (368) | (376) | (201) | (173) |
| **Net income before taxes** | | **994** | **873** | **670** | **678** |

[1] Restated due to changes in accounting policies, see note 2.

## 6 Information by product line

| Million CHF | Cement[1] | | Aggregates | | Other construction materials and services | | Corporate/ Eliminations | | Total Group | |
|---|---|---|---|---|---|---|---|---|---|---|
| January–June (unaudited) | 2013 | 2012[2] | 2013 | 2012[2] | 2013 | 2012[2] | 2013 | 2012[2] | 2013 | 2012[2] |
| **Statement of income and statement of financial position** | | | | | | | | | | |
| Net sales to external customers | 6,050 | 6,235 | 742 | 760 | 2,856 | 3,170 | | | 9,649 | 10,166 |
| Net sales to other segments | 526 | 599 | 388 | 427 | 297 | 383 | (1,211) | (1,409) | | |
| Total net sales | 6,576 | 6,835 | 1,130 | 1,187 | 3,153 | 3,553 | (1,211) | (1,409) | 9,649 | 10,166 |
| – of which Asia Pacific | 3,037 | 3,248 | 330 | 355 | 840 | 910 | (270) | (310) | 3,936 | 4,203 |
| – of which Latin America | 1,395 | 1,348 | 46 | 57 | 433 | 497 | (155) | (194) | 1,718 | 1,707 |
| – of which Europe | 1,207 | 1,239 | 552 | 553 | 1,200 | 1,373 | (348) | (382) | 2,611 | 2,783 |
| – of which North America | 594 | 615 | 189 | 202 | 633 | 689 | (157) | (163) | 1,259 | 1,343 |
| – of which Africa Middle East | 406 | 449 | 12 | 13 | 40 | 56 | (14) | (20) | 444 | 498 |
| – of which Corporate/Eliminations | (62) | (64) | 1 | 7 | 8 | 29 | (266) | (341) | (320) | (369) |
| Operating profit (loss) | 1,081 | 1,168 | 48 | 27 | (83) | (113) | | | 1,046 | 1,082 |
| – of which Asia Pacific | 549 | 650 | 39 | 36 | 9 | 8 | | | 597 | 694 |
| – of which Latin America | 381 | 348 | 8 | 12 | 1 | (3) | | | 390 | 358 |
| – of which Europe | 98 | 99 | 33 | 1 | (33) | (77) | | | 98 | 23 |
| – of which North America | 39 | 37 | (14) | (10) | (45) | (43) | | | (20) | (15) |
| – of which Africa Middle East | 119 | 135 | 0 | 1 | (3) | 0 | | | 115 | 136 |
| – of which Corporate/Eliminations | (105) | (101) | (17) | (14) | (12) | 1 | | | (134) | (114) |
| Operating profit (loss) margin in % | 16.4 | 17.0 | 4.3 | 2.0 | (2.6) | (3.0) | | | 10.8 | 10.6 |
| Net operating assets[3] | 17,921 | 18,247 | 5,249 | 5,272 | 3,675 | 3,568 | | | 26,845 | 27,087 |

[1] Cement, clinker and other cementitious materials.
[2] Restated due to changes in accounting policies, see note 2.
[3] Prior-year figures as of December 31, 2012.

| Million CHF | Cement[1] | | Aggregates | | Other construction materials and services | | Corporate/ Eliminations | | Total Group | |
|---|---|---|---|---|---|---|---|---|---|---|
| April–June (unaudited) | 2013 | 2012[2] | 2013 | 2012[2] | 2013 | 2012[2] | 2013 | 2012[2] | 2013 | 2012[2] |
| **Statement of income** | | | | | | | | | | |
| Net sales to external customers | 3,237 | 3,294 | 437 | 438 | 1,651 | 1,773 | | | 5,326 | 5,506 |
| Net sales to other segments | 274 | 332 | 218 | 238 | 145 | 180 | (637) | (749) | | |
| Total net sales | 3,511 | 3,626 | 655 | 676 | 1,796 | 1,954 | (637) | (749) | 5,326 | 5,506 |
| – of which Asia Pacific | 1,465 | 1,588 | 171 | 190 | 447 | 468 | (131) | (162) | 1,952 | 2,085 |
| – of which Latin America | 727 | 681 | 24 | 27 | 217 | 239 | (77) | (93) | 891 | 854 |
| – of which Europe | 765 | 775 | 324 | 313 | 690 | 746 | (199) | (213) | 1,580 | 1,622 |
| – of which North America | 372 | 385 | 129 | 134 | 416 | 454 | (99) | (109) | 818 | 865 |
| – of which Africa Middle East | 220 | 232 | 7 | 7 | 23 | 31 | (8) | (10) | 242 | 259 |
| – of which Corporate/Eliminations | (37) | (36) | 0 | 4 | 3 | 15 | (124) | (162) | (157) | (179) |
| Operating profit (loss) | 693 | 711 | 83 | 60 | 1 | (18) | | | 776 | 753 |
| – of which Asia Pacific | 281 | 321 | 24 | 20 | 12 | 8 | | | 317 | 349 |
| – of which Latin America | 195 | 184 | 4 | 5 | (1) | (2) | | | 197 | 186 |
| – of which Europe | 144 | 136 | 46 | 19 | 2 | (26) | | | 192 | 129 |
| – of which North America | 55 | 49 | 17 | 22 | (5) | 3 | | | 67 | 74 |
| – of which Africa Middle East | 67 | 69 | 0 | 0 | (1) | 0 | | | 67 | 70 |
| – of which Corporate/Eliminations | (50) | (48) | (8) | (7) | (6) | (1) | | | (65) | (56) |
| Operating profit (loss) margin in % | 19.7 | 19.6 | 12.6 | 8.9 | 0.0 | (0.9) | | | 14.6 | 13.7 |

[1] Cement, clinker and other cementitious materials.
[2] Restated due to changes in accounting policies, see note 2.

## 7 Change in net sales

| Million CHF | January–June 2013 | January–June 2012[1] | April–June 2013 | April–June 2012[1] |
|---|---|---|---|---|
| Volume and price | (146) | 570 | 53 | 253 |
| Change in structure | (297) | 11 | (247) | (8) |
| Currency translation effects | (74) | (385) | 15 | (144) |
| **Total** | **(517)** | **196** | **(180)** | **102** |

[1] Restated due to changes in accounting policies, see note 2.

## 8 Change in operating profit

| Million CHF | January–June 2013 | January–June 2012[1] | April–June 2013 | April–June 2012[1] |
|---|---|---|---|---|
| Volume, price and cost | 1 | 110 | 41 | 70 |
| Change in structure | (24) | (12) | (21) | (2) |
| Currency translation effects | (13) | (62) | 3 | (34) |
| **Total** | **(36)** | **36** | **22** | **35** |

[1] Restated due to changes in accounting policies, see note 2.

## 9 Other income

| Million CHF | January–June 2013 | January–June 2012[1] | April–June 2013 | April–June 2012[1] |
|---|---|---|---|---|
| Dividends earned | 0 | 1 | 0 | 1 |
| Other ordinary income | 172 | 18 | 9 | 15 |
| Depreciation, amortization and impairment of non-operating assets | (1) | (6) | 0 | (3) |
| **Total** | **171** | **14** | **9** | **13** |

[1] Restated due to changes in accounting policies, see note 2.

The position "Other ordinary income" includes 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 3.

## 10 Financial income

| Million CHF | January–June 2013 | January–June 2012[1] | April–June 2013 | April–June 2012[1] |
|---|---|---|---|---|
| Interest earned on cash and marketable securities | 63 | 63 | 30 | 33 |
| Other financial income | 16 | 26 | 7 | 10 |
| **Total** | **79** | **89** | **37** | **43** |

[1] Restated due to changes in accounting policies, see note 2.

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

## 11 Financial expenses

| Million CHF | January–June 2013 | January–June 2012[1] | April–June 2013 | April–June 2012[1] |
|---|---|---|---|---|
| Interest expenses | (308) | (326) | (157) | (162) |
| Fair value changes on financial instruments | 0 | 0 | 0 | 0 |
| Amortization on bonds and private placements | (6) | (6) | (2) | (3) |
| Unwinding of discount on provisions | (8) | (17) | (4) | (6) |
| Other financial expenses | (35) | (44) | (24) | (17) |
| Foreign exchange (loss) gain net | (23) | (4) | (23) | 5 |
| Financial expenses capitalized | 13 | 21 | 9 | 10 |
| **Total** | **(368)** | **(376)** | **(201)** | **(173)** |

[1] Restated due to changes in accounting policies, see note 2.

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.

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

The following table presents the Group's financial instruments that are recognized and measured at fair value on June 30, 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 |
|---|---|---|---|
| **Financial assets** | | | |
| Available-for-sale financial assets | | | |
| – Marketable securities | 1 | | 1 |
| – Financial investments third parties | 1 | 101 | 102 |
| – Others | | 182 | 182 |
| Derivatives held for hedging | | 71 | 71 |
| | | | |
| **Financial liabilities** | | | |
| Derivatives held for hedging | | 50 | 50 |

## 13 Contingencies and commitments

The Group's commitments amounted to CHF 1,360 million (December 31, 2012: 1,461). The decrease is mainly related to various purchase commitments for products which were realized during the current six month period. There have been no significant changes for contingencies.

The Competition Commission of India issued an Order dated June 20, 2012, imposing a penalty of INR 23,119 million (CHF 366 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.

## 14 Payout

In conformity with the decision taken at the annual general meeting on April 17, 2013, a payout related to 2012 of CHF 1.15 per registered share has been paid out of capital contribution reserves. This resulted in a total payment of CHF 374 million.

## 15 Events after the reporting period

There were no significant events after the reporting period.

## 16 Principal exchange rates

| | | Statement of income Average exchange rates in CHF January–June | | Statement of financial position Closing exchange rates in CHF | | |
|---|---|---|---|---|---|---|
| | | 2013 | 2012 | 30.6.2013 | 31.12.2012 | 30.6.2012 |
| 1 Euro | 1 EUR | 1.23 | 1.21 | 1.23 | 1.21 | 1.20 |
| 1 US Dollar | 1 USD | 0.94 | 0.93 | 0.94 | 0.92 | 0.95 |
| 1 British Pound | 1 GBP | 1.45 | 1.46 | 1.44 | 1.48 | 1.49 |
| 1 Australian Dollar | 1 AUD | 0.95 | 0.96 | 0.87 | 0.95 | 0.97 |
| 100 Brazilian Real | 100 BRL | 46.11 | 49.81 | 42.39 | 44.76 | 45.96 |
| 1 Canadian Dollar | 1 CAD | 0.92 | 0.92 | 0.90 | 0.92 | 0.93 |
| 1,000 Indonesian Rupiah | 1,000 IDR | 0.10 | 0.10 | 0.10 | 0.09 | 0.10 |
| 100 Indian Rupee | 100 INR | 1.70 | 1.78 | 1.58 | 1.67 | 1.69 |
| 100 Moroccan Dirham | 100 MAD | 11.03 | 10.84 | 11.06 | 10.82 | 10.87 |
| 100 Mexican Peso | 100 MXN | 7.46 | 6.99 | 7.21 | 7.05 | 7.06 |

**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 21.5 billion at June 30, 2013.

**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 2013 | November 5, 2013 |
| Press and analyst conference on annual results for 2013 | February 26, 2014 |
| General meeting of shareholders | April 29, 2014 |

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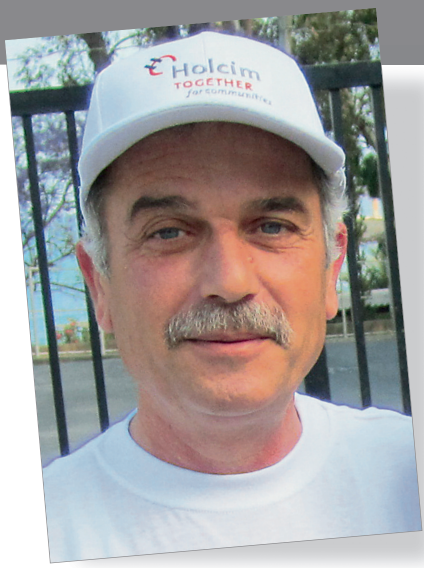
**Holcim is a worldwide leading producer of cement and aggregates. Further activities include the provision of ready-mix concrete and asphalt as well as other services. The Group is active in around 70 countries and employs more than 73,000 people.**





For our centennial in 2012, employees made their mark by engaging in voluntary work in communities around our production sites.