



February 26, 2014

# Media Release on Financial Year 2013

## 2013 Annual Result

- Net income up sharply by 59 percent to CHF 1.60 billion
- Operating profit up by a third to CHF 2.36 billion
- Net sales down 6.8 percent – slight increase on like-for-like basis
- Net financial debt down CHF 864 million to CHF 9.46 billion
- Payout of CHF 1.30 per registered share

## Fourth quarter 2013

- Net income and operating profit up sharply
- Like-for-like growth in sales of cement and aggregates
- Improvement in EBITDA margin

## Outlook for 2014

- Higher demand for cement in all Group regions
- Organic growth in operating profit
- Holcim Leadership Journey contributes to improved operating margins

Group		Jan–Dec 2013	Jan–Dec 2012 <sup>1</sup>	±%	±% like-for-like
Sales of cement	million t	138.9	142.3	–2.4	–1.2
Sales of aggregates	million t	154.5	158.2	–2.4	–0.8
Sales of ready-mix concrete	million m <sup>3</sup>	39.5	45.3	–12.9	–7.4
Sales of asphalt	million t	8.9	9.1	–2.0	–0.1
Net sales	million CHF	19,719	21,160	–6.8	+0.2
Operating EBITDA	million CHF	3,896	3,889	+0.2	+7.0
Operating EBITDA adjusted <sup>2</sup>	million CHF	3,896	4,128	–5.6	+0.8
Operating profit	million CHF	2,357	1,749	+34.8	+43.7
Operating profit adjusted <sup>3</sup>	million CHF	2,357	2,485	–5.1	+1.1
Net Income	million CHF	1,596	1,002	+59.3	
Net Income - shareholders of Holcim Ltd	million CHF	1,272	610	+108.4	
Cash flow from operating activities	million CHF	2,787	2,643	+5.4	+12.5

<sup>1</sup> Restated due to changes in accounting policies.

<sup>2</sup> Excluding one-off restructuring costs of CHF 239 million in 2012.

<sup>3</sup> Excluding one-off restructuring costs of CHF 736 million in 2012.

Group		Oct-Dec	Oct-Dec	±%	±%
		2013	2012 <sup>1</sup>	like-for-like	
Sales of cement	million t	34.6	35.3	-1.9	-0.2
Sales of aggregates	million t	39.7	39.0	+1.7	+3.8
Sales of ready-mix concrete	million m <sup>3</sup>	10.0	10.9	-8.5	-5.1
Sales of asphalt	million t	2.6	2.5	+0.9	+2.8
Net sales	million CHF	4,778	5,251	-9.0	+1.5
Operating EBITDA	million CHF	945	812	+16.3	+29.7
Operating EBITDA adjusted <sup>2</sup>	million CHF	945	994	-4.9	+6.0
Operating profit	million CHF	559	(81)	+794.7	+858.2
Operating profit adjusted <sup>3</sup>	million CHF	559	557	+0.4	+9.5
Net Income	million CHF	319	(91)	+450.4	
Net Income - shareholders of Holcim Ltd	million CHF	233	(169)	+238.0	
Cash flow from operating activities	million CHF	1,615	1,556	+3.8	+10.9

<sup>1</sup> Restated due to changes in accounting policies.

<sup>2</sup> Excluding one-off restructuring costs of CHF 181 million in 2012.

<sup>3</sup> Excluding one-off restructuring costs of CHF 638 million in 2012.

**CEO Bernard Fontana: “Holcim generated a solid result in the 2013 financial year. Despite difficult market conditions, as a result of which volumes in all three segments were below those recorded last year, the operating EBITDA margin and net income increased due to the consistent implementation of the Holcim Leadership Journey.”**

In the 2013 financial year, Holcim achieved cement sales of 138.9 million tonnes, compared to 142.3 tonnes in the previous year. The 2.4 percent fall was mainly attributable to lower volumes in Group region Asia Pacific, while in Europe cement sales were higher mainly due to the sustained high demand in Russia and Azerbaijan.

Aggregates volumes contracted in 2013 by 2.4 percent to 154.5 million tonnes. The demand for crushed stone, gravel and sand was higher in North America due to positive market development in the US. In Asia Pacific volumes were lower mainly on account of lower demand in Australia. Restructuring of aggregates activities resulted in a more pronounced fall in volumes in Latin America.

Deliveries of ready-mix concrete fell by 12.9 percent to 39.5 million cubic meters, as many Group companies were restructuring their activities to improve their profitability in this segment. Asphalt sales were impacted by lower demand in Canada and the US, while sales in the United Kingdom were higher. Consolidated volumes contracted by 2 percent to 8.9 million tonnes.

Net sales were down 6.8 percent to CHF 19.72 billion, but increased on a like-for-like basis by 0.2 percent. It was significantly harder to implement price increases in various markets than in the previous year. The Swiss franc exchange rate rose in 2013 against various currencies, particularly the Indian, Indonesian, and Brazilian currencies, while it weakened in respect of the Euro. Overall, this had an adverse impact of CHF 798 million on the net sales.

Holcim achieved operating EBITDA of CHF 3.90 billion compared to CHF 3.89 billion in the previous year. A clearly positive contribution was made by Holcim US and the Group companies in the UK, Germany, Ecuador and the Philippines. By contrast, operating EBITDA was negatively impacted by the Group companies in India, Mexico, Canada, and Brazil. On a like-for-like basis operating EBITDA rose by 7.0 percent, while 2012 operating EBITDA had been impacted by restructuring costs of CHF 239 million.

Operating profit improved by 34.8 percent to CHF 2.36 billion, up from CHF 1.75 billion. The Holcim Leadership Journey made a significant contribution to the positive result and achieved the objectives set for 2013. The various work streams of the Holcim Leadership Journey, which particularly gathered pace from the middle of the year, contributed CHF 943 million to consolidated operating profit. This means that the Holcim Leadership Journey, together with the achievements of 2012, made a total contribution of CHF 1.10 billion. ROIC before taxes rose from 6.8 percent in 2012 to 9.1 percent.

Net income rose sharply by 59.3 percent to CHF 1.60 billion, up from CHF 1.00 billion. Net income attributable to shareholders doubled to CHF 1.27 billion from CHF 610 million.

Holcim continues to maintain a strong balance sheet and a good balance between equity and debt, with the Group's net debt falling by CHF 864 million to CHF 9.46 billion.

Cash flow improved to CHF 2.79 billion from CHF 2.64 billion.

#### **Fourth quarter**

In the fourth quarter cement deliveries contracted by 1.9 percent to 34.6 million tonnes. Sales of aggregates rose by 1.7 percent to 39.7 million tonnes, on a like-for-like basis by 3.8 percent. Sales of ready-mix concrete declined by 8.5 percent to 10 million cubic meters and fell on a like-for-like basis by 5.1 percent.

Net sales were down 9.0 percent to CHF 4.78 billion, but increased on a like-for-like basis by 1.5 percent. Operating EBITDA rose by 16.3 percent to CHF 945 million. The prior-year period was weighed down by restructuring costs of CHF 181 million. On a like-for-like basis the increase amounted to 29.7 percent.

Operating profit climbed to CHF 559 million, compared to CHF -81 million in the prior-year period, after it had been significantly impacted by restructuring costs of CHF 638 million in 2012.

Net income amounted to CHF 319 million after a loss of CHF 91 million in the same quarter of the previous year.

### **Aim to further optimize value creation**

Thanks to Holcim's existing global footprint, the Group can moderate its expansion capex to lower levels. The Group is currently concentrating on generating optimum added value from the investments made in the previous years. Holcim still continues to invest as shown by the existing pipeline of projects for example in Brazil, India and Indonesia.

### **Proposals to the Annual General Meeting - payout**

The Group is adhering to its principle that one-third of net income attributable to shareholders of Holcim Ltd should be distributed to shareholders. At the Annual General Meeting at the end of April 2014, the Board of Directors will propose increasing the payout per each registered share by 13 percent to CHF 1.30.

### **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 Mexico 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.

## Key figures per Group region

### Development in India affects growth in Asia Pacific

Full year 2013		Jan–Dec 2013	Jan–Dec 2012 <sup>1</sup>	±%	±% like-for-like
Sales of cement	million t	70.3	72.9	-3.6	-1.3
Sales of aggregates	million t	25.2	26.3	-4.2	-4.6
Sales of ready-mix concrete	million m <sup>3</sup>	10.9	11.2	-2.9	-1.6
Net sales	million CHF	7,282	8,343	-12.7	-2.0
Operating EBITDA	million CHF	1,473	1,789	-17.7	-6.3
Operating EBITDA adjusted <sup>2</sup>	million CHF	1,473	1,813	-18.7	-7.5

<sup>1</sup> Restated due to changes in accounting policies.

<sup>2</sup> Excluding one-off restructuring costs.

Fourth quarter 2013		Oct–Dec 2013	Oct–Dec 2012 <sup>1</sup>	±%	±% like-for-like
Sales of cement	million t	17.5	18.2	-4.2	-1.1
Sales of aggregates	million t	6.4	6.2	+1.9	+1.7
Sales of ready-mix concrete	million m <sup>3</sup>	2.9	2.6	+8.9	-0.8
Net sales	million CHF	1,679	2,057	-18.4	-3.1
Operating EBITDA	million CHF	342	410	-16.5	+3.0
Operating EBITDA adjusted <sup>2</sup>	million CHF	342	434	-21.1	-2.7

<sup>1</sup> Restated due to changes in accounting policies.

<sup>2</sup> Excluding one-off restructuring costs.

### Latin America experiencing solid development

Full year 2013		Jan–Dec 2013	Jan–Dec 2012 <sup>1</sup>	±%	±% like-for-like
Sales of cement	million t	25.0	24.9	+0.1	+0.1 <sup>2</sup>
Sales of aggregates	million t	10.2	14.0	-26.8	-26.8
Sales of ready-mix concrete	million m <sup>3</sup>	8.0	10.2	-21.2	-21.2
Net sales	million CHF	3,349	3,490	-4.0	+0.8
Operating EBITDA	million CHF	938	960	-2.3	+1.3
Operating EBITDA adjusted <sup>3</sup>	million CHF	938	991	-5.3	-1.9

<sup>1</sup> Restated due to changes in accounting policies.

<sup>2</sup> The percentage change like-for-like adjusted for internal trading volumes eliminated in "Corporate/Eliminations" amounts to -0.6%.

<sup>3</sup> Excluding one-off restructuring costs.

Fourth quarter 2013		Oct–Dec 2013	Oct–Dec 2012 <sup>1</sup>	±%	±% like-for-like
Sales of cement	million t	6.3	6.4	-1.9	-1.9 <sup>2</sup>
Sales of aggregates	million t	2.2	3.4	-35.0	-35.0
Sales of ready-mix concrete	million m <sup>3</sup>	1.8	2.4	-25.3	-25.3
Net sales	million CHF	793	877	-9.6	-1.1
Operating EBITDA	million CHF	202	239	-15.5	-8.7
Operating EBITDA adjusted <sup>3</sup>	million CHF	202	260	-22.2	-15.9

<sup>1</sup> Restated due to changes in accounting policies.

<sup>2</sup> The percentage change like-for-like adjusted for internal trading volumes eliminated in "Corporate/Eliminations" amounts to -0.5%.

<sup>3</sup> Excluding one-off restructuring costs.

## Europe showing initial positive signs

<b>Full year 2013</b>		Jan–Dec 2013	Jan–Dec 2012 <sup>1</sup>	±%	±% like-for-like
Sales of cement	million t	26.7	26.3	+1.5	+1.5
Sales of aggregates	million t	74.1	74.3	–0.3	+2.7
Sales of ready-mix concrete	million m <sup>3</sup>	12.3	14.7	–16.7	–1.9
Sales of asphalt	million t	4.9	4.6	+6.4	+10.1
Net sales	million CHF	5,611	5,809	–3.4	+2.4
Operating EBITDA	million CHF	946	615	+53.8	+55.8
Operating EBITDA adjusted <sup>2</sup>	million CHF	946	795	+18.9	+20.5

<sup>1</sup> Restated due to changes in accounting policies.

<sup>2</sup> Excluding one-off restructuring costs.

<b>Fourth quarter 2013</b>		Oct–Dec 2013	Oct–Dec 2012 <sup>1</sup>	±%	±% like-for-like
Sales of cement	million t	6.4	6.2	+4.3	+4.3
Sales of aggregates	million t	19.0	18.1	+4.6	+8.6
Sales of ready-mix concrete	million m <sup>3</sup>	3.3	3.6	–7.5	+8.0
Sales of asphalt	million t	1.3	1.1	+16.3	+20.6
Net sales	million CHF	1,367	1,376	–0.7	+7.4
Operating EBITDA	million CHF	252	42	+496.7	+502.5
Operating EBITDA adjusted <sup>2</sup>	million CHF	252	175	+44.5	+45.9

<sup>1</sup> Restated due to changes in accounting policies.

<sup>2</sup> Excluding one-off restructuring costs.

## North America: Recovery in the US, balanced by lower growth in Canada

<b>Full year 2013</b>		Jan–Dec 2013	Jan–Dec 2012 <sup>1</sup>	±%	±% like-for-like
Sales of cement	million t	11.7	12.0	–2.8	–2.8
Sales of aggregates	million t	42.8	41.3	+3.6	+4.3
Sales of ready-mix concrete	million m <sup>3</sup>	7.5	8.1	–7.2	–5.4
Sales of asphalt	million t	4.1	4.5	–10.5	–10.5
Net sales	million CHF	3,171	3,276	–3.2	–0.7
Operating EBITDA	million CHF	494	480	+3.0	+5.5
Operating EBITDA adjusted <sup>2</sup>	million CHF	494	484	+2.1	+4.6

<sup>1</sup> Restated due to changes in accounting policies.

<sup>2</sup> Excluding one-off restructuring costs.

<b>Fourth quarter 2013</b>		Oct–Dec 2013	Oct–Dec 2012 <sup>1</sup>	±%	±% like-for-like
Sales of cement	million t	3.0	3.1	–5.6	–5.6
Sales of aggregates	million t	11.7	10.7	+9.0	+10.1
Sales of ready-mix concrete	million m <sup>3</sup>	1.8	2.1	–11.7	–8.4
Sales of asphalt	million t	1.3	1.4	–11.2	–11.2
Net sales	million CHF	828	882	–6.2	–0.9
Operating EBITDA	million CHF	124	131	–5.5	+0.1
Operating EBITDA adjusted <sup>2</sup>	million CHF	124	135	–8.3	–2.8

<sup>1</sup> Restated due to changes in accounting policies.

<sup>2</sup> Excluding one-off restructuring costs.

## Africa Middle East feels the pressure from political uncertainty

<b>Full year 2013</b>		Jan-Dec 2013	Jan-Dec 2012 <sup>1</sup>	±%	±% like-for-like
Sales of cement	million t	7.9	8.4	-5.2	-4.4
Sales of aggregates	million t	2.2	2.3	-7.0	-7.0
Sales of ready-mix concrete	million m <sup>3</sup>	0.8	1.1	-27.7	-27.7
Net sales	million CHF	884	947	-6.6	-5.6
Operating EBITDA	million CHF	283	279	+1.4	+2.6
Operating EBITDA adjusted <sup>2</sup>	million CHF	283	279	+1.4	+2.6

<sup>1</sup> Restated due to changes in accounting policies.

<sup>2</sup> Excluding one-off restructuring costs.

<b>Fourth quarter 2013</b>		Oct-Dec 2013	Oct-Dec 2012 <sup>1</sup>	±%	±% like-for-like
Sales of cement	million t	2.0	1.9	+2.8	+4.5
Sales of aggregates	million t	0.5	0.5	-5.8	-5.8
Sales of ready-mix concrete	million m <sup>3</sup>	0.2	0.2	-19.7	-19.7
Net sales	million CHF	218	220	-0.9	+2.7
Operating EBITDA	million CHF	68	58	+15.6	+19.9
Operating EBITDA adjusted <sup>2</sup>	million CHF	68	58	+15.6	+19.9

<sup>1</sup> Restated due to changes in accounting policies.

<sup>2</sup> Excluding one-off restructuring costs.

Additional information such as the Annual Report 2013 including detailed information on the Group regions is available at [www.holcim.com/results](http://www.holcim.com/results)

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Holcim is one of the world's leading suppliers of cement and aggregates (crushed stone, gravel and sand) as well as further activities such as ready-mix concrete and asphalt including services. The Group holds majority and minority interests in around 70 countries on all continents.

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This media release is also available in German at [www.holcim.com/news](http://www.holcim.com/news).

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## Key figures Group Holcim

		2013	2012 <sup>1</sup>	±%	±%
					like-for-like
Annual cement production capacity	million t	206.2	209.3	-1.4	-0.3
Sales of cement	million t	138.9	142.3	-2.4	-1.2
Sales of mineral components	million t	4.1	4.8	-14.8	-3.8
Sales of aggregates	million t	154.5	158.2	-2.4	-0.8
Sales of ready-mix concrete	million m <sup>3</sup>	39.5	45.3	-12.9	-7.4
Sales of asphalt	million t	8.9	9.1	-2.0	-0.1
Net sales	million CHF	19,719	21,160	-6.8	+0.2
Operating EBITDA	million CHF	3,896	3,889	+0.2	+7.0
Operating EBITDA adjusted <sup>2</sup>	million CHF	3,896	4,128	-5.6	+0.8
Operating EBITDA margin	%	19.8	18.4		
Operating EBITDA margin adjusted <sup>2</sup>	%	19.8	19.5		
Operating profit	million CHF	2,357	1,749	+34.8	+43.7
Operating profit adjusted <sup>2</sup>	million CHF	2,357	2,485	-5.1	+1.1
Operating profit margin	%	12.0	8.3		
Operating profit margin adjusted <sup>2</sup>	%	12.0	11.7		
EBITDA	million CHF	4,332	4,352	-0.5	
Net income	million CHF	1,596	1,002	+59.3	
Net income margin	%	8.1	4.7		
Net income – shareholders of Holcim Ltd	million CHF	1,272	610	+108.4	
Cash flow from operating activities	million CHF	2,787	2,643	+5.4	+12.5
Cash flow margin	%	14.1	12.5		
Net financial debt	million CHF	9,461	10,325	-8.4	-4.0
Funds from operations <sup>3</sup> /net financial debt	%	33.4	30.5		
Total shareholders' equity	million CHF	18,677	19,234	-2.9	
Personnel		70,857	76,359	-7.2	-5.4
Earnings per share	CHF	3.91	1.89	+106.9	
Fully diluted earnings per share	CHF	3.91	1.89	+106.9	
Payout	million CHF	425 <sup>4</sup>	374	+13.6	
Payout per share	CHF	1.30 <sup>4</sup>	1.15	+13.0	

## Principal key figures in USD (illustrative)

		2013	2012 <sup>1</sup>	±%
Net sales	million USD	21,276	22,602	-5.9
Operating EBITDA	million USD	4,203	4,154	+1.2
Operating EBITDA adjusted <sup>2</sup>	million USD	4,203	4,409	-4.7
Operating profit	million USD	2,543	1,868	+36.1
Operating profit adjusted <sup>2</sup>	million USD	2,543	2,654	-4.2
Net income – shareholders of Holcim Ltd	million USD	1,373	652	+110.5
Cash flow from operating activities	million USD	3,007	2,823	+6.5
Net financial debt	million USD	10,634	11,284	-5.8
Total shareholders' equity	million USD	20,992	21,021	-0.1
Earnings per share	USD	4.22	2.02	+109.0

**Principal key figures in EUR (illustrative)**

Net sales	million EUR	16,022	17,548	-8.7
Operating EBITDA	million EUR	3,165	3,225	-1.9
Operating EBITDA adjusted <sup>2</sup>	million EUR	3,165	3,423	-7.5
Operating profit	million EUR	1,915	1,450	+32.1
Operating profit adjusted <sup>2</sup>	million EUR	1,915	2,061	-7.1
Net income – shareholders of Holcim Ltd	million EUR	1,034	506	+104.1
Cash flow from operating activities	million EUR	2,264	2,192	+3.3
Net financial debt	million EUR	7,717	8,552	-9.8
Total shareholders' equity	million EUR	15,235	15,930	-4.4
Earnings per share	EUR	3.18	1.57	+102.7

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.

<sup>1</sup> Restated due to changes in accounting policies.

<sup>2</sup> Excluding restructuring costs in 2012.

<sup>3</sup> Net income plus depreciation, amortization and impairment.

<sup>4</sup> Proposed by the Board of Directors for a maximum payout of CHF 425 million from capital contribution reserves.