Strength. Performance. Passion.

On the move

Third Quarter 2014

Key figures Group Holcim

January–September		2014	2013	±%	±% like-for-like
Annual cement production capacity	million t	208.4	206.2[1]	+1.1	+1.1
Sales of cement	million t	105.9	104.3	+1.6	+2.1
Sales of mineral components	million t	3.2	2.7	+21.1	+25.5
Sales of aggregates	million t	113.7	114.8	–1.0	–0.4
Sales of ready-mix concrete	million m^3	27.8	29.5	–5.7	–4.1
Sales of asphalt	million t	7.4	6.4	+16.3	+16.9
Net sales	million CHF	14,243	14,941	–4.7	+3.4
Operating EBITDA	million CHF	2,740	2,951	–7.1	+0.7
Operating EBITDA margin	%	19.2	19.7		
Operating profit	million CHF	1,719	1,798	–4.4	+2.8
Operating profit margin	%	12.1	12.0		
EBITDA	million CHF	2,995	3,338	–10.3	
Net income	million CHF	1,161	1,277	–9.0	
Net income margin	%	8.2	8.5		
Net income – shareholders of Holcim Ltd	million CHF	933	1,040	–10.3	
Cash flow from operating activities	million CHF	1,047	1,172	–10.6	–4.0
Cash flow margin	%	7.4	7.8		
Net financial debt	million CHF	10,412	9,461[1]	+10.1	+7.6
Total shareholders' equity	million CHF	19,892	18,677[1]	+6.5	
Personnel		69,898	70,857[1]	–1.4	–1.1
Earnings per share	CHF	2.86	3.19	–10.4	
Fully diluted earnings per share	CHF	2.86	3.19	–10.4	

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

Principal key figures in USD (illustrative)

Net sales	million USD	15,845	15,983	–0.9
Operating EBITDA	million USD	3,049	3,157	–3.4
Operating profit	million USD	1,912	1,923	–0.6
Net income – shareholders of Holcim Ltd	million USD	1,038	1,112	–6.7
Cash flow from operating activities	million USD	1,165	1,254	–7.1
Net financial debt	million USD	10,945	10,634[1]	+2.9
Total shareholders' equity	million USD	20,911	20,992[1]	–0.4
Earnings per share	USD	3.19	3.41	–6.6

Principal key figures in EUR (illustrative)

Net sales	million EUR	11,694	12,136	–3.6
Operating EBITDA	million EUR	2,250	2,397	–6.1
Operating profit	million EUR	1,411	1,460	–3.4
Net income – shareholders of Holcim Ltd	million EUR	766	845	–9.3
Cash flow from operating activities	million EUR	860	952	–9.7
Net financial debt	million EUR	8,628	7,717[1]	+11.8
Total shareholders' equity	million EUR	16,483	15,235[1]	+8.2
Earnings per share	EUR	2.35	2.59	–9.3

[1] As of December 31, 2013.

Holcim Leadership Journey target already exceeded in third quarter

Increase in like-for-like cement volumes driven by progress in Asia Pacific, North America, and Africa Middle East

Like for like net sales higher in all Group regions thanks to higher volumes and better prices

Like-for-like operating profit increases despite restructuring and merger costs of CHF 91 million

Negative currency effects are abating but continue to be a burden for Group's financial performance

Dear Shareholder,

Holcim posted a solid like-for-like performance in the first nine months of 2014 building on the good traction earlier in the year and despite the ongoing challenging market environment. The Group increased like-for-like operating profit on the back of the solid financial performance in North America, Europe, and Africa Middle East. However, weak emerging market currencies continued to negatively impact consolidated financial performance, in particular in Asia Pacific and Latin America.

While the recovery of the global economy continued during the course of 2014, overall the development was considerably weaker than expected. Many advanced economies were still confronted with high levels of public and private debt which continued to impact growth potential, while emerging markets were slowing down from pre-crisis growth rates. Holcim's balanced geographic footprint once again proved to be an important strength that was able to partly mitigate the effects of uneven development across the different markets of the Group. The Group companies in the United States, India, the Philippines, Morocco, and Russia recorded significantly higher cement volumes, while Azerbaijan, Italy, Argentina, and Ecuador reported more pronounced volume decreases. Aggregates and ready-mix concrete volumes decreased mainly due to the business restructuring and divestments in Latin America last year.

Like-for-like operating EBITDA increased thanks to the Group companies in the United States, the United Kingdom, Ambuja Cements in India and Russia. The increase in like-for-like operating profit was mainly supported by better financial performance in North America, and despite restructuring costs of CHF 37 million and merger costs of CHF 54 million. Like-for-like and adjusted for merger and restructuring costs, operating profit increased by CHF 141 million, representing an increase of 7.8 percent. Operating profit margin adjusted for restructuring and merger costs was 12.7 percent and increased compared to the previous year.

The price development in several Group companies was positive as well, as Holcim was able to achieve more favorable price levels in key markets including India, Mexico, and the United States.

Compared to the first nine months of 2013 ROIC before taxes increased from 7.2 percent to 8.2 percent.

Group	Jan–Sept 2014	Jan–Sept 2013	±%	±% like-for-like
Sales of cement in million t	105.9	104.3	+1.6	+2.1
Sales of aggregates in million t	113.7	114.8	–1.0	–0.4
Sales of ready-mix concrete in million m^3	27.8	29.5	–5.7	–4.1
Sales of asphalt in million t	7.4	6.4	+16.3	+16.9
Net sales in million CHF	14,243	14,941	–4.7	+3.4
Operating EBITDA in million CHF	2,740	2,951	–7.1	+0.7
Operating profit in million CHF	1,719	1,798	–4.4	+2.8
Net income in million CHF	1,161	1,277	–9.0	
Net income – shareholders of Holcim Ltd – in million CHF	933	1,040	–10.3	
Cash flow from operating activities in million CHF	1,047	1,172	–10.6	–4.0

Group	July–Sept 2014	July–Sept 2013	±%	±% like-for-like
Sales of cement in million t	36.0	35.7	+0.7	+0.7
Sales of aggregates in million t	44.1	45.4	−2.8	−2.6
Sales of ready-mix concrete in million m^3	9.7	10.7	−9.0	−6.8
Sales of asphalt in million t	3.3	3.0	+10.3	+10.4
Net sales in million CHF	5,182	5,292	−2.1	+0.9
Operating EBITDA in million CHF	1,114	1,131	−1.6	+1.6
Operating profit in million CHF	757	752	+0.7	+3.0
Net income in million CHF	504	517	−2.5	
Net income – shareholders of Holcim Ltd – in million CHF	447	469	−4.7	
Cash flow from operating activities in million CHF	865	905	−4.4	−0.7

Sales volumes

Group-wide cement volumes increased 1.6 percent to 105.9 million tonnes over the first nine months of 2014 mainly driven by positive volume developments in the United States, India, and the Philippines which offset lower volumes in Azerbaijan, Italy, and Argentina. Aggregates volumes were down 1 percent to 113.7 million tonnes primarily as a result of the segment's restructuring in Latin America, where a number of underperforming sites were closed or divested in 2013, and lower volumes in France. Ready-mix concrete volumes reached 27.8 million cubic meters and were 5.7 percent lower than 2013 mainly due to last year's restructurings and divestments as well as market contraction in Group Region Latin America. Asphalt volumes increased 16.3 percent to 7.4 million tonnes.

Financial results

On a like-for-like basis, consolidated net sales were up 3.4 percent as a result of higher volumes and better pricing in many markets. Consolidated net sales for the Group decreased 4.7 percent to CHF 14.24 billion. Negative currency effects – mainly in Asia Pacific and Latin America – were the main contributor to this development, weighing on consolidated net sales by CHF 1.05 billion.

Like-for-like operating EBITDA increased 0.7 percent. Consolidated operating EBITDA was down 7.1 percent to CHF 2.74 billion mainly due to currency effects. Adjusted for restructuring and merger costs operating EBITDA was CHF 2.82 billion. North America and Europe, the two Group regions less affected by the significant currency effects recorded a plus in operating EBITDA.

Operating profit reached CHF 1.72 billion, an increase of 2.8 percent on a like-for-like basis. Like-for-like and adjusted for merger and restructuring costs, operating profit increased by CHF 141 million, representing an increase of 7.8 percent.

Net income was down 9 percent to CHF 1.16 billion partly because Holcim has not yet received the final compensation installment of USD 97.5 million for the nationalization of Holcim Venezuela which was due on September 10, 2014. In addition, the Group benefited from the one-time gain from the sale of 25 percent in Cement Australia in 2013. Net income attributable to shareholders of Holcim Ltd declined by 10.3 percent to CHF 933 million.

Cash flow from operating activities was down 10.6 percent to CHF 1.05 billion compared to the same period in 2013 due to foreign exchange impacts and lower dividends received. Over the last twelve months net financial debt of the Group was CHF 10.41 billion, CHF 130 million up from CHF 10.28 billion. Revenue from the sale of CO_2 emission certificates decreased by CHF 6 million to CHF 4 million.

Holcim Leadership Journey

With total realized benefits of CHF 1.69 billion by the end of the third quarter 2014, Holcim already exceeded its operating profit objective of the Holcim Leadership Journey. The Group had committed to the target of a contribution to operating profit of CHF 1.5 billion by the end of 2014, compared to the base year 2011 and under similar market conditions. In the first nine months of 2014, the contribution of the Holcim Leadership Journey to the Group's operating performance amounted to CHF 591 million. The Customer Excellence stream contributed CHF 214 million, and the cost initiatives CHF 377 million to this result.

Portfolio optimization in Europe

Holcim and Cemex announced on October 30, 2014 that they have agreed on adapted parameters to their series of transactions in Europe. In Germany and the Czech Republic, the scope of the transaction remains unchanged, meaning that Holcim will acquire Cemex's operations in Western Germany while Cemex will take over Holcim's business in the Czech Republic, as previously announced.

In Spain the two companies will no longer form a joint organization as initially planned and communicated. Instead, Cemex will purchase Holcim's Gador cement plant and Yeles grinding station, with a total of 1.75 million tonnes of cement capacity, while Holcim will keep its remaining operations in Spain, representing 2.2 million tonnes of cement capacity, as well as its aggregates and ready-mix positions.

Due to the changed transaction, Cemex will pay Holcim EUR 45 million in cash. As a result of these changes, Holcim expects sustainable additional operating EBITDA of at least EUR 10 million on a yearly basis after the closing of the deal. These transactions are expected to close during the first quarter of 2015.

Merger between Holcim and Lafarge

On October 27, 2014 Holcim and Lafarge have formally notified the European Commission of their proposed merger in order to obtain regulatory approval. With this notification, Holcim and Lafarge have completed all necessary notifications with regulatory authorities worldwide. During the constructive pre-notification discussions which Holcim and Lafarge have had with the European Commission, the list of proposed assets for divestment was amended. In parallel to the regulatory process, Holcim and Lafarge have started the sales process and are in negotiations with potential buyers.

Asia Pacific benefits from strengthening of business in India and the Philippines

Economies in Group region Asia Pacific remained on a growth path, and the situation in India turned more promising following the elections. In India, construction activities started to pick up gradually, and in the Philippines lively construction activity drove demand for building materials. In Australia, some growth was apparent in residential construction but not enough to offset continued weakness in the resource sector. Weak currencies in a number of key markets continued to be a challenge.

Asia Pacific	Jan–Sept 2014	Jan–Sept 2013	±%	±% like-for-like
Sales of cement in million t	53.7	52.8	+1.8	+2.6
Sales of aggregates in million t	18.7	18.8	−1.0	−1.0
Sales of ready-mix concrete in million m^3	8.0	8.0	−0.6	−0.3
Net sales in million CHF	5,206	5,604	−7.1	+4.2
Operating EBITDA in million CHF	994	1,131	−12.1	−1.3
Operating profit in million CHF	702	801	−12.4	−1.9

Asia Pacific	July–Sept 2014	July–Sept 2013	±%	±% like-for-like
Sales of cement in million t	16.7	16.4	+1.8	+1.8
Sales of aggregates in million t	6.1	6.6	−7.7	−7.7
Sales of ready-mix concrete in million m^3	2.8	2.8	−1.7	−1.7
Net sales in million CHF	1,719	1,668	+3.0	+3.2
Operating EBITDA in million CHF	316	304	+4.0	+4.0
Operating profit in million CHF	214	204	+4.6	+4.2

During the first nine months of 2014, India, as Holcim's largest market across the Group, benefited from the more promising situation in local construction markets that gradually improved over the period under review but was temporarily dampened by the monsoon and subsequent flooding. Development in southern India remained subdued however. Both Ambuja Cements and ACC recorded higher cement volumes with a more pronounced increase at Ambuja Cements, which is less exposed to the southern markets. Holcim Bangladesh increased cement volumes markedly and in Sri Lanka deliveries were also up compared to the previous year.

In Vietnam, sluggish demand continued to affect the performance of the local Group company which reported slightly lower cement volumes. Holcim Malaysia again benefited from solid public investments but volumes were below the high levels of 2013. In the Philippines demand for building materials remained high primarily thanks to government initiatives aimed at improving the country's infrastructure. Subsequently, cement volumes at Holcim Philippines were significantly higher than last year.

Holcim Indonesia sold more volumes in cement, aggregates, and ready-mix concrete. The lively private housing construction market continued to drive demand for bagged cement and ready-mix concrete. However, delays in larger construction projects caused some challenges for the local Group company.

Cement Australia recorded higher volumes in the first nine months of 2014. Fewer projects from the resources sector and bad weather in New South Wales and Queensland toward the middle of the year affected volumes at Holcim Australia. While in ready-mix concrete higher demand from markets such as New South Wales was able to partially mitigate these effects, aggregate volumes were below last year. Solid house-building demand drove construction growth in New Zealand and subsequently Holcim's Group company increased cement as well as aggregate deliveries.

During the first nine months of the year, cement volumes in Asia Pacific reached 53.7 million tonnes, an increase of 1.8 percent that was mainly driven by the higher sales in India and the Philippines. With sales of 18.7 million tonnes, aggregate volumes were almost on a par with last year's period as significant growth in New Zealand could only partially make up for the lower volumes in Australia. Ready-mix concrete deliveries were down 0.6 percent to 8.0 million cubic meters impacted by reduced volumes in Singapore and Vietnam. Consolidated net sales for Holcim's Group companies in Asia Pacific reached CHF 5.21 billion, a decline of 7.1 percent that was strongly impacted by negative currency effects. Like-for-like, net sales rose by 4.2 percent.

Operating EBITDA in Asia Pacific also remained under pressure from negative currency effects and declined 12.1 percent to CHF 994 million. Holcim Indonesia and Holcim Australia were the Group companies that impacted this result most strongly. Like-for-like operating EBITDA fell by 1.3 percent.

Latin America impacted by challenging conditions in key markets

Economic development in Latin America remained uneven over the first nine months of 2014 as solid development in some smaller economies was paired with slower growth in larger countries such as Brazil as well as the debt crisis in Argentina. Weak currencies also caused challenges in the region. Construction markets in Mexico saw a partial recovery following a challenging previous year but after a more promising start to 2014 Brazil reported less dynamic building activity in the course of this year.

Latin America	Jan–Sept 2014	Jan–Sept 2013	±%	±% like-for-like
Sales of cement in million t	18.4	18.7	−1.4	−1.4[1]
Sales of aggregates in million t	6.0	8.0	−25.1	−25.1
Sales of ready-mix concrete in million m^3	4.9	6.2	−21.9	−21.9
Net sales in million CHF	2,243	2,556	−12.3	+0.3
Operating EBITDA in million CHF	629	736	−14.5	−5.5
Operating profit in million CHF	490	575	−14.9	−6.2

[1] The percentage change like-for-like adjusted for internal trading volumes eliminated in "Corporate/Eliminations" amounts to −0.9.

Latin America	July–Sept 2014	July–Sept 2013	±%	±% like-for-like
Sales of cement in million t	6.3	6.4	−1.0	−1.0[1]
Sales of aggregates in million t	2.0	2.5	−22.1	−22.1
Sales of ready-mix concrete in million m^3	1.6	2.0	−22.3	−22.3
Net sales in million CHF	777	838	−7.2	+1.7
Operating EBITDA in million CHF	219	236	−7.1	−2.0
Operating profit in million CHF	168	185	−9.2	−4.5

[1] The percentage change like-for-like adjusted for internal trading volumes eliminated in "Corporate/Eliminations" amounts to +0.1.

While there were positive stimuli from industrial and commercial projects during the first nine months of the year, Holcim Mexico remained negatively impacted by a contracting housing market. Following the decline last year cement volumes were unchanged. As a result of the restructurings in aggregates and ready-mix concrete last year, volumes were down significantly in these two segments.

Holcim El Salvador delivered less cement as the market for private construction was not as dynamic as last year. Ready-mix concrete deliveries were nearly unchanged. Costa Rica recorded solid demand for building materials and cement volumes increased and Holcim Nicaragua also sold more cement.

Thanks to the continued investment in infrastructure projects and despite a competitive market environment, Holcim Colombia was able to increase its cement deliveries in 2014. Ready-mix concrete volumes were up as well.

While Holcim Ecuador reported solid growth over the last years, reaching an all-time record in 2013, lower consumption of bagged cement and delays in large public projects caused by liquidity constraints of the government have led to cement volume decreases for the local Group company.

Holcim Brazil benefited from livelier construction markets in the south-east of the country and increased cement deliveries despite ongoing delays in large infrastructure projects. Aggregate volumes were down as a result of both these delays and strikes at customer's construction sites in August. Following the strategic rightsizing of the ready-mix concrete business last year volumes decreased in this segment.

Chile's economic development was characterized by a high level of uncertainty that kept private investment to a low level. Mining activities also reached the end of an investment cycle. Subsequently, local Group company Cemento Polpaico reported volume declines across all three segments.

Holcim Argentina suffered from a volume drop in cement and aggregates as the debt crisis strongly affected construction markets leading to a significant fall in demand for building materials.

Consolidated cement volumes in Latin America decreased by 1.4 percent to 18.4 million tonnes over the first nine months of 2014 mainly as a result of a drop in deliveries in Argentina and Ecuador. In aggregates and ready-mix concrete volumes declined by 25.1 percent to 6.0 million tonnes and 21.9 percent to 4.9 million cubic meters respectively due to restructurings and plant closures last year. Net sales in Group region Latin America were down 12.3 percent to CHF 2.24 billion with lower volumes and the strong negative currency effects as main contributors to this development. However, on a like-for-like basis net sales increased slightly.

Group region Latin America recorded a fall of 14.5 percent to CHF 629 million in operating EBITDA as the financial performance of many Group companies was lower and weaker local currencies in a number of countries also took their toll. Like-for-like operating EBITDA was down 5.5 percent.

Europe with solid financial performance thanks to restructurings and cost discipline

Europe's economic recovery slowed down in the course of the first nine months of 2014, with lower than expected growth in major economies such as Germany and France and the Ukraine crisis contributed to challenging conditions. Construction markets were affected by the considerable level of uncertainty which caused demand to slow down following a strong first quarter with lively building activity. The United Kingdom remained an exception in particular due to government programs supporting residential construction driving demand for building materials.

Europe	Jan–Sept 2014	Jan–Sept 2013	±%	±% like-for-like
Sales of cement in million t	20.2	20.2	–0.0	+0.0
Sales of aggregates in million t	54.0	55.2	–2.0	–1.4
Sales of ready-mix concrete in million m^3	9.0	8.9	+0.2	+1.0
Sales of asphalt in million t	4.2	3.6	+17.3	+18.3
Net sales in million CHF	4,252	4,244	+0.2	+1.4
Operating EBITDA in million CHF	727	693	+4.9	+6.8
Operating profit in million CHF	397	316	+25.8	+19.0

Europe	July–Sept 2014	July–Sept 2013	±%	±% like-for-like
Sales of cement in million t	7.5	8.1	–7.3	–7.3
Sales of aggregates in million t	19.3	20.8	–7.0	–7.0
Sales of ready-mix concrete in million m^3	3.1	3.3	–7.2	–7.7
Sales of asphalt in million t	1.5	1.3	+13.4	+13.6
Net sales in million CHF	1,535	1,632	–6.0	–5.7
Operating EBITDA in million CHF	319	341	–6.6	–3.9
Operating profit in million CHF	204	218	–6.1	–6.8

During the first nine months of 2014 Aggregate Industries UK, Holcim's Group company in the United Kingdom, increased aggregate deliveries thanks to the dynamic construction markets in most regions. Ready-mix concrete volumes were up significantly as the company continued to benefit from its strong footprint in the booming London market.

Holcim Belgium and Holcim France were impacted by the unfavorable economic situation in these countries which translated into decreased construction activity. However, the dynamic first quarter has led to increases in cement volumes while both other segments recorded declines.

Holcim Germany increased both cement and aggregates volumes mainly thanks to strong sales in the first quarter which over the course of the year flattened out, mirroring the general slowdown of the German economy. At Holcim South Germany cement volumes were up as well, while in both other segments deliveries were lower.

Holcim Switzerland reported cement volumes that were nearly unchanged. In aggregates and ready-mix concrete volumes declined. In Italy, volumes in all three segments were down as a result of the sluggish demand for building materials caused by stagnating economic development.

Spain's construction markets continued to lack major impetus despite a slightly better overall economic situation over the first nine months of 2014. Supported by exports, Holcim Spain increased cement volumes but in aggregates and ready-mix concrete deliveries were down.

Following a strong start to the year Eastern European construction markets have developed more slowly. With the exception of Serbia and Croatia, all Group companies in the region recorded volume increases in cement thanks to the dynamic first quarter. The development in aggregates was uneven, but Holcim Czech Republic increased volumes markedly thanks to a major highway project. In ready-mix concrete, the situation was largely similar.

Holcim Azerbaijan was not able to maintain the high levels of volume growth recorded over recent years. As a result of market pressure from two new competitors and increasing imports, the local Group company sold less cement in the period under review. In Russia, cement volumes continued to grow despite the political tensions in the region.

Over the first nine months of 2014 cement volumes in Europe remained unchanged at 20.2 million tonnes, mainly as lower deliveries in Azerbaijan and Italy were offset by higher volumes in Russia and Romania. As higher demand at Aggregate Industries UK and Holcim Czech Republic were not able to compensate for aggregates volume losses, mainly in France, Belgium, and Switzerland, deliveries in this segment were down 2.0 percent to 54 million tonnes. Ready-mix concrete volumes increased slightly by 0.2 percent and reached 9 million cubic meters. Asphalt volumes increased markedly by 17.3 percent to 4.2 million tonnes. Net sales increased 0.2 percent to CHF 4.25 billion.

Operating EBITDA increased 4.9 percent to CHF 727 million over the first nine months of 2014 thanks to the strong focus on cost management and the implemented restructuring measures across the Group region. Like-for-like operating EBITDA was up 6.8 percent.

United States drive solid recovery in North America

Primarily driven by private consumption, economic growth in the United States has rebounded over the course of the year following a weak first quarter that was impacted by the harsh winter. Residential construction coupled with some slight impulses from public projects remained a key driver for the increase in construction activity over the first nine months of 2014. In Canada, overall economic growth and demand for building materials was more modest.

North America	Jan–Sept 2014	Jan–Sept 2013	±%	±% like-for-like
Sales of cement in million t	9.6	8.7	+10.2	+10.2
Sales of aggregates in million t	33.4	31.1	+7.5	+8.5
Sales of ready-mix concrete in million m^3	5.4	5.7	–4.1	+2.5
Sales of asphalt in million t	3.2	2.8	+15.0	+15.0
Net sales in million CHF	2,378	2,343	+1.5	+9.3
Operating EBITDA in million CHF	427	370	+15.3	+22.4
Operating profit in million CHF	215	147	+47.0	+56.7

North America	July–Sept 2014	July–Sept 2013	±%	±% like-for-like
Sales of cement in million t	4.2	3.7	+14.0	+14.0
Sales of aggregates in million t	16.1	14.8	+8.5	+9.0
Sales of ready-mix concrete in million m^3	2.3	2.4	–5.0	+5.8
Sales of asphalt in million t	1.8	1.7	+7.8	+7.8
Net sales in million CHF	1,099	1,085	+1.3	+7.9
Operating EBITDA in million CHF	272	245	+11.3	+17.8
Operating profit in million CHF	199	167	+19.6	+27.7

Holcim US increased cement volumes markedly as the United States' strong economic growth fuelled demand across the Group company's footprint. Demand was particularly strong in the Northern Central region, and July was a very strong month for Holcim US with the highest monthly sales since 2008.

Aggregate Industries US also benefited from the favorable economic climate and growth of construction markets. Over the first nine months of the year, the Group company sold more aggregates with particularly strong demand in the West Central, Twin Cities, Fargo, and Central regions. Aggregate Industries US recorded strong increases in asphalt thanks to various paving projects in most regions. Ready-mix concrete volumes decreased, driven by the lease of Chicago area plants to a third party.

Cement volumes at Holcim Canada were up during the period under review as construction markets in all regions except Quebec and Atlantic were more dynamic. Deliveries of aggregates and ready-mix concrete were up as well thanks to increased demand for highways and due to large projects that were kicked off in summer.

During the first nine months of the year consolidated cement volumes in Group region North America grew 10.2 percent to 9.6 million tonnes thanks to the high volumes in the United States. As both North American Group companies with a presence in aggregates reported increases, volumes in the segment were up 7.5 percent to 33.4 million tonnes. Deliveries of ready-mix concrete were down 4.1 percent to 5.4 million cubic meters. Asphalt volumes were up 15.0 percent to 3.2 million tonnes. Net sales in North America increased 1.5 percent to CHF 2.38 billion.

Operating EBITDA in North America increased by 15.3 percent to CHF 427 million as a result of the improved financial performance of both Group companies in the United States. Like-for-like operating EBITDA grew by 22.4 percent.

Africa Middle East impacted by political risks despite solid performance in Morocco

Group region Africa Middle East continued to be impacted by political tensions that increased over the course of the year and slowed down economic performance in some countries of the region. Despite tensions in neighboring countries, cement consumption in Lebanon remained high, while Morocco's construction market slowed down due to the reduction of government spending on infrastructure and housing. West Africa's otherwise solid economic and construction market growth was in parts negatively affected by the Ebola crisis.

Africa Middle East	Jan–Sept 2014	Jan–Sept 2013	±%	±% like-for-like
Sales of cement in million t	6.4	5.9	+7.5	+8.5
Sales of aggregates in million t	1.5	1.7	−8.4	−8.4
Sales of ready-mix concrete in million m^3	0.5	0.6	−11.6	−11.6
Net sales in million CHF	655	666	−1.6	+3.2
Operating EBITDA in million CHF	212	215	−1.4	+3.4
Operating profit in million CHF	171	162	+5.5	+11.0

Africa Middle East	July–Sept 2014	July–Sept 2013	±%	±% like-for-like
Sales of cement in million t	2.1	2.0	+3.1	+3.1
Sales of aggregates in million t	0.6	0.6	−1.5	−1.5
Sales of ready-mix concrete in million m^3	0.2	0.2	−11.6	−11.6
Net sales in million CHF	217	221	−1.9	+0.6
Operating EBITDA in million CHF	76	72	+5.9	+8.5
Operating profit in million CHF	62	47	+30.6	+33.9

In a challenging market environment, Holcim Morocco recorded mainly stable cement deliveries, but clinker exports to the Ivory Coast overall led to significantly higher volumes. Aggregates and ready-mix concrete deliveries declined.

Holcim Lebanon was able to increase its cement deliveries despite the tensed political situation in the region. The Group company however recorded volume declines in its ready-mix concrete business.

In the Indian Ocean region cement volumes increased in La Réunion and Madagascar. Holcim Réunion also reported higher volumes in aggregates and ready-mix concrete.

In the West Africa and Middle East cluster Holcim continued to benefit from the dynamic construction market in the Ivory Coast but volumes in Guinea were down.

In Group region Africa Middle East cement volumes increased by 7.5 percent to 6.4 million tonnes, mainly thanks to clinker exports from Morocco. Deliveries of aggregates decreased by 8.4 percent to 1.5 million tonnes over the first nine months of the year and ready-mix concrete volumes stood at 0.5 million cubic meters, a decline of 11.6 percent. Consolidated net sales in Africa Middle East dropped 1.6 percent to CHF 655 million. Like-for-like net sales were up 3.2 percent.

Operating EBITDA in the Group region was down 1.4 percent to CHF 212 million as better financial performance in Morocco and the Indian Ocean could not make up for the decreases in Lebanon. Like-for-like operating EBITDA was up 3.4 percent, and like-for-like operating profit up 11 percent.

Outlook for 2014

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

Holcim expects cement volumes to increase in all Group regions in 2014 with the exception of Europe. Despite positive development in North America, aggregates volumes are expected to decline. In ready-mix concrete volumes are expected to decline in all regions driven by restructuring and divestments.

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

Wolfgang Reitzle	Bernard Fontana
Chairman of the Board of Directors	Chief Executive Officer

November 3, 2014

Consolidated statement of income of Group Holcim

Million CHF	Notes	Jan–Sept 2014 Unaudited	Jan–Sept 2013 Unaudited	July–Sept 2014 Unaudited	July–Sept 2013 Unaudited
Net sales	6	**14,243**	**14,941**	**5,182**	**5,292**
Production cost of goods sold		(7,895)	(8,393)	(2,846)	(2,926)
Gross profit		**6,349**	**6,547**	**2,336**	**2,366**
Distribution and selling expenses		(3,670)	(3,809)	(1,243)	(1,306)
Administration expenses		(959)	(941)	(336)	(309)
Operating profit	7	**1,719**	**1,798**	**757**	**752**
Other income	8	108	203	17	32
Share of profit of associates and joint ventures		124	100	47	34
Financial income	9	93	168	25	89
Financial expenses	10	(436)	(576)	(153)	(208)
Net income before taxes		**1,608**	**1,693**	**692**	**699**
Income taxes		(447)	(416)	(188)	(182)
Net income		**1,161**	**1,277**	**504**	**517**
Attributable to:					
Shareholders of Holcim Ltd		933	1,040	447	469
Non-controlling interest		229	237	57	47
Earnings per share in CHF					
Earnings per share		2.86	3.19	1.37	1.44
Fully diluted earnings per share		2.86	3.19	1.37	1.44

Consolidated statement of comprehensive earnings of Group Holcim

Million CHF	Notes	Jan–Sept 2014 Unaudited	Jan–Sept 2013 Unaudited	July–Sept 2014 Unaudited	July–Sept 2013 Unaudited
Net income		**1,161**	**1,277**	**504**	**517**
Other comprehensive earnings					
Items that will be reclassified to the statement of income in future periods					
Currency translation effects					
– Exchange differences on translation		745	(1,231)	561	(940)
– Realized through statement of income	9		8		8
– Tax effect		12	10	14	1
Available-for-sale financial assets					
– Change in fair value		1	(1)	0	
– Realized through statement of income	9		(65)		(65)
– Tax effect		0	0	0	
Cash flow hedges					
– Change in fair value		0	4	1	(1)
– Realized through statement of income					
– Tax effect		0	(1)	0	
Net investment hedges					
– Change in fair value		0	1	0	1
– Realized through statement of income					
– Tax effect					
Subtotal		**757**	**(1,275)**	**575**	**(996)**
Items that will not be reclassified to the statement of income in future periods					
Defined benefit plans					
– Remeasurements and effect of asset ceiling		(90)	173	(30)	94
– Tax effect		11	(38)	2	(17)
Subtotal		**(79)**	**135**	**(27)**	**77**
Total other comprehensive earnings		**677**	**(1,141)**	**546**	**(920)**
Total comprehensive earnings		**1,838**	**136**	**1,050**	**(403)**
Attributable to:					
Shareholders of Holcim Ltd		1,479	168	899	(265)
Non-controlling interest		360	(32)	152	(138)

Consolidated statement of financial position of Group Holcim

Million CHF	Notes	30.9.2014 Unaudited	31.12.2013 Audited	30.9.2013 Unaudited
Cash and cash equivalents		1,956	2,244	3,114
Accounts receivable		3,213	2,521	3,127
Inventories		1,916	1,704	1,870
Prepaid expenses and other current assets	11	434	365	448
Assets classified as held for sale	12	756	756	765
Total current assets		**8,276**	**7,590**	**9,324**
Long-term financial assets		497	536	548
Investments in associates and joint ventures		1,698	1,562	1,535
Property, plant and equipment		20,924	20,029	20,040
Intangible assets		7,733	7,486	7,593
Deferred tax assets		448	391	349
Other long-term assets		386	351	337
Total long-term assets		**31,685**	**30,355**	**30,403**
Total assets		**39,961**	**37,944**	**39,727**
Trade accounts payable		1,973	1,934	1,818
Current financial liabilities		3,138	2,920	3,858
Current income tax liabilities		390	462	332
Other current liabilities		1,686	1,708	1,782
Short-term provisions		215	224	220
Liabilities directly associated with assets classified as held for sale	12	207	213	247
Total current liabilities		**7,609**	**7,461**	**8,256**
Long-term financial liabilities		9,230	8,785	9,537
Defined benefit obligations		740	655	700
Deferred tax liabilities		1,344	1,290	1,479
Long-term provisions		1,146	1,077	1,023
Total long-term liabilities		**12,460**	**11,807**	**12,739**
Total liabilities		**20,069**	**19,267**	**20,995**
Share capital		654	654	654
Capital surplus		7,775	8,200	8,193
Treasury shares		(86)	(102)	(103)
Reserves		8,930	7,453	7,516
Total equity attributable to shareholders of Holcim Ltd		**17,273**	**16,205**	**16,261**
Non-controlling interest		2,619	2,471	2,472
Total shareholders' equity		**19,892**	**18,677**	**18,732**
Total liabilities and shareholders' equity		**39,961**	**37,944**	**39,727**

Consolidated statement of changes in equity of Group Holcim

Million CHF	Share capital	Capital surplus	Treasury shares	*Retained earnings*
Equity as at January 1, 2014	**654**	**8,200**	**(102)**	**17,294**
Net income				933
Other comprehensive earnings				(79)
Total comprehensive earnings				854
Payout		(423)		
Change in treasury shares			9	(2)
Share-based remuneration		(2)	7	
Capital paid-in by non-controlling interest				
Change in participation in existing Group companies				0
Equity as at September 30, 2014 (unaudited)	**654**	**7,775**	**(86)**	**18,146**
Equity as at January 1, 2013	**654**	**8,573**	**(114)**	**15,808**
Net income				1,040
Other comprehensive earnings				135
Total comprehensive earnings				1,174
Payout		(374)		
Change in treasury shares			0	0
Share-based remuneration		(5)	11	
Capital paid-in by non-controlling interest				
Disposal of participation in Group companies				
Change in participation in existing Group companies				25
Equity as at September 30, 2013 (unaudited)	**654**	**8,193**	**(103)**	**17,007**

[1] Currency translation adjustments include CHF –21 million relating to assets and directly associated liabilities classified as held for sale, see note 12.

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
52	**(4)**	**(9,889)**	**7,453**	**16,205**	**2,471**	**18,677**
			933	933	229	1,161
0	0	625	546	546	131	677
0	0	625	1,479	1,479	360	1,838
				(423)	(219)	(642)
		0	(2)	7		7
		0	0	5	0	5
					4	4
			0	0	2	2
52	**(4)**	**(9,264)**[1]	**8,930**	**17,273**	**2,619**	**19,892**
132	**(7)**	**(8,608)**	**7,324**	**16,437**	**2,797**	**19,234**
			1,040	1,040	237	1,277
(66)	3	(944)	(872)	(872)	(269)	(1,141)
(66)	3	(944)	168	168	(32)	136
				(374)	(181)	(555)
			0	0		0
		0	0	6		6
					4	4
					(109)	(109)
			25	25	(8)	17
66	**(4)**	**(9,552)**	**7,516**	**16,261**	**2,472**	**18,732**

Consolidated statement of cash flows of Group Holcim

Million CHF	Notes	Jan–Sept 2014 Unaudited	Jan–Sept 2013 Unaudited	July–Sept 2014 Unaudited	July–Sept 2013 Unaudited
Net income before taxes		**1,608**	**1,693**	**692**	**699**
Other income	8	(108)	(203)	(17)	(32)
Share of profit of associates and joint ventures		(124)	(100)	(47)	(34)
Financial expenses net	9, 10	342	408	128	119
Operating profit		**1,719**	**1,798**	**757**	**752**
Depreciation, amortization and impairment of operating assets		1,021	1,153	357	380
Other non-cash items		170	141	66	48
Change in net working capital		(1,032)	(1,119)	(107)	(59)
Cash generated from operations		**1,878**	**1,972**	**1,073**	**1,120**
Dividends received		63	134	19	54
Interest received		91	106	24	26
Interest paid		(427)	(463)	(113)	(149)
Income taxes paid		(550)	(552)	(140)	(137)
Other (expenses) income		(7)	(26)	2	(8)
Cash flow from operating activities (A)		**1,047**	**1,172**	**865**	**905**
Purchase of property, plant and equipment		(1,264)	(1,411)	(429)	(480)
Disposal of property, plant and equipment		115	130	32	71
Acquisition of participation in Group companies		(1)	(5)	0	(1)
Disposal of participation in Group companies	2	10	412	1	(3)
Purchase of financial assets, intangible and other assets		(276)	(189)	(85)	(31)
Disposal of financial assets, intangible and other assets		263	191	84	107
Cash flow from investing activities (B)		**(1,154)**	**(871)**	**(397)**	**(336)**
Payout on ordinary shares	16	(423)	(374)	0	0
Dividends paid to non-controlling interest		(214)	(194)	(104)	(68)
Capital paid-in by non-controlling interest		4	4	2	1
Movements of treasury shares		7	(1)	0	1
Proceeds from current financial liabilities		2,381	4,996	503	1,503
Repayment of current financial liabilities		(1,986)	(4,905)	(671)	(1,781)
Proceeds from long-term financial liabilities		2,045	2,179	588	1,094
Repayment of long-term financial liabilities		(2,008)	(1,688)	(717)	(505)
Increase in participation in existing Group companies		(3)	(2)	(3)	0
Decrease in participation in existing Group companies		9	0	6	0
Cash flow from financing activities (C)		**(187)**	**14**	**(397)**	**245**
(De)Increase in cash and cash equivalents (A + B + C)		**(294)**	**315**	**71**	**813**
Cash and cash equivalents as at the beginning of the period (net)		**1,993**	**2,711**	**1,678**	**2,179**
(De)Increase in cash and cash equivalents		(294)	314	71	813
Currency translation effects		85	(173)	35	(140)
Cash and cash equivalents as at the end of the period (net)[1]		**1,784**	**2,852**	**1,784**	**2,852**

[1] Cash and cash equivalents at the end of the period include bank overdrafts of CHF 172 million (2013: 263) disclosed in current financial liabilities.

1 Basis of preparation

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

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

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

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

2 Changes in the scope of consolidation

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

On March 28, 2013, Holcim disposed of a 25 percent equity interest in Cement Australia to HeidelbergCement, and retained a 50 percent equity interest in that company. This resulted in a net gain on disposal of CHF 139 million (included in "Other income") based on net book values. This transaction resulted in Holcim losing control of Cement Australia and obtaining joint control over that entity. According to IFRS 11 Joint Arrangements, it has been classified as a joint operation.

3 Seasonality

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

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

4 Information by reportable segment

January–September (unaudited)	Asia Pacific 2014	Asia Pacific 2013	Latin America 2014	Latin America 2013	Europe 2014	Europe 2013	North America 2014	North America 2013	Africa Middle East 2014	Africa Middle East 2013	Corporate/ Eliminations 2014	Corporate/ Eliminations 2013	Total Group 2014	Total Group 2013
Capacity and sales														
Million t														
Annual cement production capacity[1]	93.4	90.3	35.3	35.3	46.8	47.7	22.0	22.0	11.0	11.0			208.4	206.2
Sales of cement	53.7	52.8	18.4	18.7	20.2	20.2	9.6	8.7	6.4	5.9	(2.4)	(2.1)	105.9	104.3
– of which mature markets	2.0	2.3			11.1	11.3	9.6	8.7						
– of which emerging markets	51.8	50.5	18.4	18.7	9.1	8.9			6.4	5.9				
Sales of mineral components	0.4	0.5			1.8	1.1	1.0	1.0					3.2	2.7
Sales of aggregates	18.7	18.8	6.0	8.0	54.0	55.2	33.4	31.1	1.5	1.7			113.7	114.8
– of which mature markets	17.0	17.2			47.5	48.8	33.4	31.1						
– of which emerging markets	1.7	1.7	6.0	8.0	6.6	6.4			1.5	1.7				
Sales of asphalt					4.2	3.6	3.2	2.8					7.4	6.4
Million m^3														
Sales of ready-mix concrete	8.0	8.0	4.9	6.2	9.0	8.9	5.4	5.7	0.5	0.6			27.8	29.5
– of which mature markets	3.8	3.6			7.6	7.8	5.4	5.7						
– of which emerging markets	4.2	4.5	4.9	6.2	1.3	1.1			0.5	0.6				
Statement of income and statement of financial position														
Million CHF														
Net sales to external customers	5,170	5,548	2,136	2,424	3,998	3,982	2,378	2,343	561	643			14,243	14,941
Net sales to other segments	36	56	107	132	254	262			93	22	(490)	(472)		
Total net sales	5,206	5,604	2,243	2,556	4,252	4,244	2,378	2,343	655	666	(490)	(472)	14,243	14,941
– of which mature markets	1,335	1,581			3,402	3,330	2,378	2,343						
– of which emerging markets	3,871	4,023	2,243	2,556	850	914			655	666				
Operating EBITDA	994	1,131	629	736	727	693	427	370	212	215	(249)	(195)	2,740	2,951
Operating EBITDA margin in %	19.1	20.2	28.1	28.8	17.1	16.3	18.0	15.8	32.4	32.4			19.2	19.7
Operating profit (loss)	702	801	490	575	397	316	215	147	171	162	(256)	(203)	1,719	1,798
– of which mature markets	89	133			242	202	215	147						
– of which emerging markets	613	668	490	575	155	113			171	162				
Operating profit margin in %	13.5	14.3	21.8	22.5	9.3	7.4	9.1	6.3	26.1	24.4			12.1	12.0
EBITDA	916	1,100	528	633	631	583	419	327	195	225	306	470	2,995	3,338
Net operating assets[1]	7,474	6,540	3,473	3,331	8,254	8,112	6,410	5,940	815	783	10	7	26,436	24,712
Total assets[2]	11,695	10,616	5,433	5,083	13,204	13,479	7,566	6,947	1,262	1,339	802	481	39,961	37,944
Total liabilities[2]	5,022	4,441	3,554	3,208	6,760	6,511	4,199	3,851	599	610	(65)[3]	646[3]	20,069	19,267

[1] Prior-year figures as of December 31, 2013.
[2] Due to the reallocation of a reporting unit from "Corporate/Eliminations" to "Asia Pacific", the allocation of the positions "Total assets" and "Total liabilities" changed and as a result, the comparative figures for these two reportable segments were restated accordingly by CHF 495 million for "Total assets" and by CHF 1,415 million for "Total liabilities". The prior-year figures are as of December 31, 2013.
[3] The amount of CHF –65 million (2013: 646) consists of borrowings by Corporate from third parties amounting to CHF 10,622 million (2013: 9,836) and eliminations for cash transferred to regions of CHF 10,687 million (2013: 9,190).

	Asia Pacific		Latin America		Europe		North America		Africa Middle East		Corporate/ Eliminations		Total Group	
July–September (unaudited)	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Sales														
Million t														
Sales of cement	16.7	16.4	6.3	6.4	7.5	8.1	4.2	3.7	2.1	2.0	(0.8)	(0.9)	36.0	35.7
– of which mature markets	0.7	0.7			3.7	4.2	4.2	3.7						
– of which emerging markets	16.0	15.7	6.3	6.4	3.8	3.9			2.1	2.0				
Sales of mineral components	0.1	0.2			0.8	0.4	0.5	0.3					1.4	0.9
Sales of aggregates	6.1	6.6	2.0	2.5	19.3	20.8	16.1	14.8	0.6	0.6			44.1	45.4
– of which mature markets	5.6	6.0			16.5	18.0	16.1	14.8						
– of which emerging markets	0.6	0.6	2.0	2.5	2.8	2.8			0.6	0.6				
Sales of asphalt					1.5	1.3	1.8	1.7					3.3	3.0
Million m^3														
Sales of ready-mix concrete	2.8	2.8	1.6	2.0	3.1	3.3	2.3	2.4	0.2	0.2			9.7	10.7
– of which mature markets	1.4	1.3			2.5	2.8	2.3	2.4						
– of which emerging markets	1.4	1.5	1.6	2.0	0.6	0.5			0.2	0.2				
Statement of income														
Million CHF														
Net sales to external customers	1,704	1,633	737	789	1,458	1,574	1,099	1,085	184	211			5,182	5,292
Net sales to other segments	14	35	41	49	77	58			33	10	(164)	(152)		
Total net sales	1,719	1,668	777	838	1,535	1,632	1,099	1,085	217	221	(164)	(152)	5,182	5,292
– of which mature markets	470	513			1,185	1,239	1,099	1,085						
– of which emerging markets	1,248	1,155	777	838	350	393			217	221				
Operating EBITDA	316	304	219	236	319	341	272	245	76	72	(89)	(66)	1,114	1,131
Operating EBITDA margin in %	18.4	18.3	28.1	28.1	20.8	20.9	24.8	22.6	35.0	32.4			21.5	21.4
Operating profit (loss)	214	204	168	185	204	218	199	167	62	47	(90)	(69)	757	752
– of which mature markets	49	55			110	131	199	167						
– of which emerging markets	164	150	168	185	94	87			62	47				
Operating profit margin in %	12.4	12.2	21.6	22.1	13.3	13.3	18.1	15.3	28.4	21.4			14.6	14.2
EBITDA	285	333	188	237	286	293	250	226	70	68	103	108	1,181	1,264

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

Million CHF (unaudited)	Notes	Jan–Sept 2014	Jan–Sept 2013	July–Sept 2014	July–Sept 2013
Operating profit		**1,719**	**1,798**	**757**	**752**
Depreciation, amortization and impairment of operating assets		1,021	1,153	357	380
Operating EBITDA		**2,740**	**2,951**	**1,114**	**1,131**
Dividends earned	8	2	3	0	3
Other ordinary income	8	109	204	18	32
Share of profit of associates and joint ventures		124	100	47	34
Other financial income	9	21	80	3	64
EBITDA		**2,995**	**3,338**	**1,181**	**1,264**
Depreciation, amortization and impairment of operating assets		(1,021)	(1,153)	(357)	(380)
Depreciation, amortization and impairment of non-operating assets	8	(2)	(4)	(1)	(3)
Interest earned on cash and marketable securities	9	73	88	22	25
Financial expenses	10	(436)	(576)	(153)	(208)
Net income before taxes		**1,608**	**1,693**	**692**	**699**

5 Information by product line

Million CHF	Cement[1]		Aggregates		Other construction materials and services		Corporate/ Eliminations		Total Group	
January–September (unaudited)	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Statement of income and statement of financial position										
Net sales to external customers	8,665	9,057	1,148	1,195	4,431	4,689			14,243	14,941
Net sales to other segments	705	809	647	630	433	418	(1,785)	(1,857)		
Total net sales	9,370	9,865	1,795	1,825	4,864	5,107	(1,785)	(1,857)	14,243	14,941
– of which Asia Pacific	3,991	4,242	420	494	1,133	1,253	(338)	(386)	5,206	5,604
– of which Latin America	1,909	2,083	48	67	479	639	(193)	(233)	2,243	2,556
– of which Europe	1,887	2,002	932	890	1,982	1,909	(550)	(557)	4,252	4,244
– of which North America	1,100	1,034	372	353	1,177	1,235	(272)	(278)	2,378	2,343
– of which Africa Middle East	602	607	21	20	59	62	(27)	(24)	655	666
– of which Corporate/Eliminations	(119)	(103)	1	1	33	9	(406)	(378)	(490)	(472)
Operating profit (loss)	1,587	1,696	152	145	(20)	(43)			1,719	1,798
– of which Asia Pacific	657	716	47	67	(2)	18			702	801
– of which Latin America	480	555	1	11	8	10			490	575
– of which Europe	307	277	90	72	0	(34)			397	316
– of which North America	189	137	33	22	(7)	(13)			215	147
– of which Africa Middle East	172	166	2	0	(3)	(4)			171	162
– of which Corporate/Eliminations	(218)	(156)	(22)	(27)	(17)	(19)			(256)	(203)
Operating profit (loss) margin in %	16.9	17.2	8.5	7.9	(0.4)	(0.8)			12.1	12.0
Net operating assets[2]	17,700	16,641	5,036	4,848	3,700	3,222			26,436	24,712

[1] Cement, clinker and other cementitious materials.
[2] Prior-year figures as of December 31, 2013.

Million CHF	Cement[1]		Aggregates		Other construction materials and services		Corporate/ Eliminations		Total Group	
July–September (unaudited)	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Statement of income										
Net sales to external customers	3,051	3,006	432	454	1,699	1,832			5,182	5,292
Net sales to other segments	225	283	241	242	159	122	(625)	(647)		
Total net sales	3,275	3,290	674	695	1,858	1,954	(625)	(647)	5,182	5,292
– of which Asia Pacific	1,297	1,205	139	165	406	413	(124)	(115)	1,719	1,668
– of which Latin America	667	689	16	21	158	206	(64)	(78)	777	838
– of which Europe	686	794	333	338	697	709	(180)	(210)	1,535	1,632
– of which North America	491	440	178	164	548	602	(118)	(121)	1,099	1,085
– of which Africa Middle East	198	202	8	7	21	22	(10)	(10)	217	221
– of which Corporate/Eliminations	(64)	(41)	1	0	27	1	(128)	(112)	(164)	(152)
Operating profit (loss)	623	615	91	97	43	40			757	752
– of which Asia Pacific	193	168	18	28	4	8			214	204
– of which Latin America	169	173	0	3	0	9			168	185
– of which Europe	155	179	40	40	9	(1)			204	218
– of which North America	124	98	39	36	35	33			199	167
– of which Africa Middle East	61	48	1	0	(1)	(1)			62	47
– of which Corporate/Eliminations	(79)	(52)	(7)	(10)	(4)	(8)			(90)	(69)
Operating profit margin in %	19.0	18.7	13.5	13.9	2.3	2.1			14.6	14.2

[1] Cement, clinker and other cementitious materials.

6 Change in net sales

Million CHF	Jan–Sept 2014	Jan–Sept 2013	July–Sept 2014	July–Sept 2013
Volume and price	505	(35)	45	111
Change in structure	(153)	(503)	(23)	(206)
Currency translation effects	(1,049)	(430)	(132)	(355)
Total	**(697)**	**(967)**	**(110)**	**(450)**

7 Change in operating profit

Million CHF	Jan–Sept 2014	Jan–Sept 2013	July–Sept 2014	July–Sept 2013
Volume, price and cost	50	73	22	72
Change in structure	23	(45)	10	(21)
Currency translation effects	(152)	(60)	(27)	(47)
Total	**(79)**	**(32)**	**5**	**4**

8 Other income

Million CHF	Jan–Sept 2014	Jan–Sept 2013	July–Sept 2014	July–Sept 2013
Dividends earned	2	3	0	3
Other ordinary income	109	204	18	32
Depreciation, amortization and impairment of non-operating assets	(2)	(4)	(1)	(3)
Total	**108**	**203**	**17**	**32**

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

In 2013, the position “Other ordinary income” included a net gain on the disposal of a 25 percent equity interest in Cement Australia of AUD 151 million (CHF 139 million). Additional information is disclosed in note 2.

9 Financial income

Million CHF	Jan–Sept 2014	Jan–Sept 2013	July–Sept 2014	July–Sept 2013
Interest earned on cash and marketable securities	73	88	22	25
Other financial income	21	80	3	64
Total	**93**	**168**	**25**	**89**

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

In 2013, the position "Other financial income" included the partial realization of the change in fair value of the compensation related to the nationalization of Holcim Venezuela in the amount of CHF 57 million.

10 Financial expenses

Million CHF	Jan–Sept 2014	Jan–Sept 2013	July–Sept 2014	July–Sept 2013
Interest expenses	(417)	(458)	(143)	(150)
Fair value changes on financial instruments	1	0	0	0
Amortization on bonds and private placements	(11)	(9)	(4)	(3)
Unwinding of discount on provisions	(15)	(10)	(5)	(2)
Other financial expenses	(34)	(59)	(12)	(23)
Foreign exchange loss net	(9)	(55)	(8)	(32)
Financial expenses capitalized	49	16	18	3
Total	**(436)**	**(576)**	**(153)**	**(208)**

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

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

11 Other current assets

The Corporación Socialista Del Cemento, S.A. that is operating the former Holcim plant has not transferred the remaining compensation amount of USD 97 million which was due on September 10, 2014. Holcim is in contact with the relevant parties in Venezuela to address this situation and, if necessary, will pursue all legal steps to collect the amounts due and therefore no impairment loss has been recorded.

12 Assets and related liabilities classified as held for sale

In third quarter 2013, Holcim signed a Memorandum of Understanding with Cemex, which was still valid at the end of this reporting period. In Spain, Holcim and Cemex planned to combine their operations in cement, ready-mix and aggregates giving Holcim a shareholding of 25 percent of the combined entity. In Germany Holcim will purchase a cement plant, two grinding stations and one slag granulator as well as various aggregates locations and ready-mix plants from Cemex in the western part of the country which will be combined with Holcim's existing Northern German operations. As consideration for the above, Cemex will buy Holcim (Česko) a.s. which is involved in the cement, aggregates and ready-mix businesses. The assets and liabilities of the operations in Spain and Czech Republic were classified as held for sale in the third quarter 2013.

In June 2014, Holcim received unconditional clearance from the European Commission for its proposed acquisition of Cemex West in Germany. In September 2014, Holcim also received unconditional clearance from the European Commission for its proposed transaction with Cemex in Spain.

In October 2014, Holcim and Cemex signed a binding agreement with the follwing changes to the Memorandum of Understanding: In Spain, the two companies will no longer form a joint organization. Instead, Cemex will purchase Holcim's Gador cement plant and Yeles grinding station, while Holcim will keep its remaining operations in Spain, as well as its aggregates and ready-mix positions. In Germany and the Czech Republic, the scope of the transaction remains unchanged. These transactions are expected to close during the first quarter of 2015.

13 Financial assets and liabilities recognized and measured at fair value

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

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

Million CHF	Fair value level 1	Fair value level 2	Total
30.9.2014			
Financial assets			
Available-for-sale financial assets			
– Financial investments third parties	2	88	89
– Others	1	93	94
Derivatives held for hedging		63	63
Financial liabilities			
Derivatives held for hedging		2	2

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

14 Bonds

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

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

15 Contingencies and commitments

The Group's commitments amounted to CHF 1,003 million (December 31, 2013: 1,284 million). The decrease is mainly related to various purchase commitments for products which were realized during the current nine month period. The Group's contingencies amounted to CHF 944 million (December 31, 2013: 779 million). The increase is largely due to the fine imposed on Holcim Brazil (see below).

The Competition Commission of India issued an Order dated June 20, 2012, imposing a penalty of INR 23,119 million (CHF 357 million) on two Indian Holcim Group companies concerning an alleged breach of competition law by certain cement manufacturers in India. The two Holcim Group companies contest the allegation and have filed an appeal against the Order before the appropriate authority, which is pending a decision. As per the Order, a total deposit of 10 percent of the penalty amount has been placed with a financial institution by both Holcim Group companies with a lien in favor of the Competition Appellate Tribunal. Based on the advice of external legal counsel, Holcim believes that it has good grounds for appeal. Accordingly, no provision has been recognized in the statement of financial position.

On May 28, 2014 the Administrative Council for Economic Defense (CADE) has ruled an order including fines against several Brazilian cement companies. This also applies to Holcim Brazil, which has been fined BRL 508 million (CHF 197 million). The order relates to the competition law proceedings started in 2006 which aimed at investigating the conduct of several of the leading cement producers in Brazil. In the context of the proceeding, Holcim Brazil has always supplied all information requested. The company reinforces that it acts lawfully and in accordance with fair competition rules and practices. Holcim Brazil will pursue all available legal steps to defend its position. Accordingly, no provision has been recognized in the statement of financial position.

16 Payout

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

17 Other information

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

On October 28, 2014 Holcim and Lafarge announced that they have formally notified the European Commission of their proposed merger in order to obtain regulatory approval. With this notification, Holcim and Lafarge have now completed all necessary notifications with regulatory authorities worldwide.

18 Events after the reporting period

There were no significant events after the reporting period.

19 Authorization of the interim financial statements for issue

The interim financial statements were authorized for issuance by the Board of Directors of Holcim Ltd on November 1, 2014.

20 Principal exchange rates

		Statement of income Average exchange rates in CHF January–September		Statement of financial position Closing exchange rates in CHF		
		2014	2013	30.9.2014	31.12.2013	30.9.2013
1 Euro	1 EUR	1.22	1.23	1.21	1.23	1.22
1 US Dollar	1 USD	0.90	0.93	0.95	0.89	0.91
1 British Pound	1 GBP	1.50	1.45	1.55	1.47	1.46
1 Australian Dollar	1 AUD	0.83	0.92	0.83	0.79	0.84
100 Brazilian Real	100 BRL	39.30	44.30	38.83	37.67	40.09
1 Canadian Dollar	1 CAD	0.82	0.91	0.85	0.84	0.88
1,000 Indonesian Rupiah	1,000 IDR	0.08	0.09	0.08	0.07	0.08
100 Indian Rupee	100 INR	1.48	1.63	1.54	1.44	1.44
100 Moroccan Dirham	100 MAD	10.86	11.04	10.88	10.90	10.91
100 Mexican Peso	100 MXN	6.85	7.38	7.06	6.81	6.85

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 22.8 billion at September 30, 2014.

Cautionary statement regarding forward-looking statements

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

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

Financial reporting calendar

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

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