Holcim

Strength. Performance. Passion.

HALF-YEAR 2015

Interim Report

KEY FIGURES GROUP HOLCIM

Key figures Group Holcim

January–June		2015	2014[1]	±%	±% like-for-like
Annual cement production capacity	million t	211.3	208.8[2]	+1.2	+1.2
Sales of cement	million t	67.6	68.9	−2.0	−2.1
Sales of mineral components	million t	1.8	1.6	+18.2	−10.7
Sales of aggregates	million t	72.0	69.6	+3.4	−2.3
Sales of ready-mix concrete	million m^3	18.2	18.1	+0.6	−3.0
Sales of asphalt	million t	4.6	4.1	+13.1	+13.1
Net sales	million CHF	8,646	8,926	−3.1	−0.2
Operating EBITDA	million CHF	1,471	1,595	−7.8	−5.1
Operating EBITDA adjusted[3]	million CHF	1,557	1,617	−3.7	−1.1
Operating EBITDA margin	%	17.0	17.9		
Operating EBITDA margin adjusted[3]	%	18.0	18.1		
Operating profit	million CHF	827	943	−12.3	−12.4
Operating profit adjusted[3]	million CHF	912	965	−5.5	−5.5
Operating profit margin	%	9.6	10.6		
Operating profit margin adjusted[3]	%	10.6	10.8		
EBITDA	million CHF	1,972	1,798	+9.6	
Net income	million CHF	690	657	+4.9	
Net income margin	%	8.0	7.4		
Net income – shareholders of Holcim Ltd	million CHF	573	485	+18.0	
Cash flow from operating activities	million CHF	220	194	+13.6	+9.0
Cash flow margin	%	2.5	2.2		
Net financial debt	million CHF	9,057	9,520[2]	−4.9	+3.6
Total shareholders' equity	million CHF	15,721	17,430[2]	−9.8	
Personnel		63,314	67,137[2]	−5.7	−6.0
Earnings per share	CHF	1.62	1.37[4]	+18.2	
Fully diluted earnings per share	CHF	1.62	1.37[4]	+18.2	

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	9,131	10,019	−8.9
Operating EBITDA	million USD	1,553	1,790	−13.2
Operating EBITDA adjusted[3]	million USD	1,644	1,815	−9.4
Operating profit	million USD	873	1,058	−17.5
Operating profit adjusted[3]	million USD	963	1,084	−11.1
Net income – shareholders of Holcim Ltd	million USD	605	545	+11.1
Cash flow from operating activities	million USD	232	218	+6.9
Net financial debt	million USD	9,724	9,625[2]	+1.0
Total shareholders' equity	million USD	16,878	17,622[2]	−4.2
Earnings per share	USD	1.71	1.54[4]	+11.0

Principal key figures in EUR (illustrative)

Net sales	million EUR	8,182	7,309	+11.9
Operating EBITDA	million EUR	1,392	1,306	+6.6
Operating EBITDA adjusted[3]	million EUR	1,473	1,324	+11.3
Operating profit	million EUR	782	772	+1.3
Operating profit adjusted[3]	million EUR	863	790	+9.2
Net income – shareholders of Holcim Ltd	million EUR	542	397	+36.4
Cash flow from operating activities	million EUR	208	159	+31.3
Net financial debt	million EUR	8,698	7,916[2]	+9.9
Total shareholders' equity	million EUR	15,097	14,492[2]	+4.2
Earnings per share	EUR	1.53	1.12[4]	+36.6

[1] Restated due to changes in accounting policies.
[2] As of December 31, 2014.
[3] Excluding merger-related costs only.
[4] Restated due to the commitment to distribute a scrip dividend.

HOLCIM
HALF-YEAR 2015

Volume increases in aggregates
and ready-mix concrete

Economic uncertainty across several markets
impacts Group's performance

Higher cash flow and net income
as a result of portfolio optimization

LafargeHolcim launched following successful
merger completion in July

Dear Shareholder,

In July 2015 Holcim and Lafarge have successfully completed their merger and created LafargeHolcim, the world's leading building materials company. This combination has not only resulted in a larger and more global company but brings about a unique set of complementary capabilities to capitalize on. With a team of more than 115,000 employees the Group operates in 90 countries around the globe. It has a unique business portfolio, is the industry benchmark in R&D and offers customers the widest range of innovative and value-adding products, services and solutions. This report reflects the performance for the first six months of 2015 and therefore solely contains information on a period ahead of the combination of the two companies. We therefore continue to speak of Holcim in this report.

In the first half of 2015, Holcim generated higher cash flow from operating activities and increased net income supported by the gain from the divestment of the Group's minority shareholding in Siam City Cement in March. However, the Group was faced with an overall challenging development in the first half of 2015 as lower than anticipated demand in some markets caused volume declines in cement and impacted financial performance. Positive dynamics in markets such as the United Kingdom, the United States, Mexico, and the Philippines were not able to compensate for these effects.

Holcim was again confronted with a mixed global economic environment that was influenced by moderate growth levels as well as political and economic uncertainty. Although lower oil prices influenced economic development positively in oil-importing regions, ongoing investment weakness more than offset these effects in both advanced and emerging markets. With its strong focus on prices and cost management as well as its balanced geographic footprint, Holcim was able to mitigate some of these effects. Cement volumes declined in all Group regions with the exception of North America and Latin America. More cement was sold in important markets including Romania, the Philippines, Vietnam, and the United States. Aggregate shipments were higher, mainly as a result of the acquisition of Cemex's operations in Western Germany as well as solid growth in the United Kingdom and the United States. Ready-mix concrete volumes were slightly higher than last year's period. Adjusted for merger-related costs, operating EBITDA was lower, despite the positive developments in the Group regions North America and Latin America. Operating profit adjusted for merger-related costs also declined. While Group companies including Aggregate Industries UK, Holcim US, Holcim Mexico, and Holcim Spain reported increased like-for-like financial performance, the development in Indonesia, at Ambuja Cements, and in Switzerland and France was less favorable.

ROIC after taxes increased significantly and stood at 7.8 percent. Net financial debt over the last twelve months decreased by CHF 1,418 million and stood at CHF 9,057 million.

Group		Jan–June 2015	Jan–June 2014[1]	±%	±% like-for-like
Sales of cement	million t	67.6	68.9	−2.0	−2.1
Sales of aggregates	million t	72.0	69.6	+3.4	−2.3
Sales of ready-mix concrete	million m^3	18.2	18.1	+0.6	−3.0
Sales of asphalt	million t	4.6	4.1	+13.1	+13.1
Net sales	million CHF	8,646	8,926	−3.1	−0.2
Operating EBITDA	million CHF	1,471	1,595	−7.8	−5.1
Operating EBITDA adjusted[2]	million CHF	1,557	1,617	−3.7	−1.1
Operating profit	million CHF	827	943	−12.3	−12.4
Operating profit adjusted[2]	million CHF	912	965	−5.5	−5.5
Net income	million CHF	690	657	+4.9	
Net income – shareholders of Holcim Ltd	million CHF	573	485	+18.0	
Cash flow from operating activities	million CHF	220	194	+13.6	+9.0

[1] Restated due to changes in accounting policies.
[2] Excluding merger-related costs only.

Group		Apr–June 2015	Apr–June 2014[1]	±%	±% like-for-like
Sales of cement	million t	36.9	36.4	+1.2	+1.1
Sales of aggregates	million t	42.4	40.4	+5.0	−1.0
Sales of ready-mix concrete	million m^3	10.2	9.9	+2.8	−0.7
Sales of asphalt	million t	3.0	2.7	+12.1	+12.1
Net sales	million CHF	4,731	4,900	−3.4	+1.1
Operating EBITDA	million CHF	899	994	−9.5	−5.0
Operating EBITDA adjusted[2]	million CHF	941	1,016	−7.4	−3.0
Operating profit	million CHF	580	657	−11.7	−11.1
Operating profit adjusted[2]	million CHF	622	680	−8.5	−7.9
Net income	million CHF	311	479	−35.0	
Net income – shareholders of Holcim Ltd	million CHF	263	406	−35.2	
Cash flow from operating activities	million CHF	434	430	+0.8	−3.6

[1] Restated due to changes in accounting policies.
[2] Excluding merger-related costs only.

Sales volumes

In the first half of the year consolidated cement volumes decreased 2.0 percent to 67.6 million tonnes as Group regions Asia Pacific, Europe, and Africa Middle East reported declines. Aggregates deliveries increased 3.4 percent to 72.0 million tonnes, building on the volume growth in Group regions Europe and North America. Ready-mix concrete deliveries increased slightly by 0.6 percent and reached 18.2 million cubic meters, as improvements in Europe based on the acquisition of Cemex's activities in Western Germany could compensate for declines in North America and Latin America as well as Africa Middle East. Asphalt volumes increased significantly by 13.1 percent to 4.6 million tonnes.

Financial results

Like-for-like net sales across the Group were almost unchanged in the first half of the year. Reported net sales were down 3.1 percent to CHF 8,646 million, as better performance in North America could not compensate for lower sales in other Group regions.

Operating EBITDA adjusted for merger-related costs of CHF 86 million was at CHF 1,557 million and 3.7 percent lower year-on-year. The adjusted operating EBITDA margin decreased to 18.0 percent. Reported operating EBITDA decreased 7.8 percent to CHF 1,471 million, impacted by merger-related costs and lower financial performance in the Group regions Europe and Asia Pacific. Operating profit adjusted for merger-related costs of CHF 86 million was down 5.5 percent to CHF 912 million. The adjusted operating profit margin decreased to 10.6 percent. Reported operating profit decreased by 12.3 percent to CHF 827 million, as increases in the Group regions Latin America and North America were not able to compensate for merger-related costs and lower performance in Asia Pacific, Europe, and Africa Middle East.

Net income increased by 4.9 percent to CHF 690 million, mainly as a result of the divestment of Holcim's minority shareholding in Siam City Cement. Net income attributable to shareholders of Holcim Ltd was also up by 18.0 percent to CHF 573 million.

Cash flow from operating activities increased 13.6 percent to CHF 220 million in the first half year.

Holcim Leadership Journey

In the first half of 2015, the contribution of the Holcim Leadership Journey to the Group's operating profit amounted to CHF 138 million. The Customer Excellence Stream contributed CHF 36 million and the cost initiatives CHF 102 million to this result.

Asia Pacific continues to feel temporarily weaker demand for building materials

Economic activity in the Group region Asia Pacific was characterized by moderate growth levels as the slowdown in China impacted the entire Group region. India's construction markets felt a temporary dip. Economic activity in Indonesia was weak, while growth in the Philippines remained strong. Australia continued to be challenged by the resource sector decline and fallout from weak Chinese demand.

Asia Pacific		Jan–June 2015	Jan–June 2014[1]	±%	±% like-for-like
Sales of cement	million t	35.2	36.0	−2.3	−2.3
Sales of aggregates	million t	11.3	12.5	−9.7	−9.7
Sales of ready-mix concrete	million m^3	5.2	5.2	+0.7	+0.7
Net sales	million CHF	3,234	3,349	−3.4	−3.5
Operating EBITDA	million CHF	600	645	−7.0	−8.2
Operating profit	million CHF	408	469	−13.0	−14.8

[1] Restated due to changes in accounting policies.

Asia Pacific		Apr–June 2015	Apr–June 2014[1]	±%	±% like-for-like
Sales of cement	million t	18.6	18.0	+2.9	+2.9
Sales of aggregates	million t	6.1	6.5	–7.1	–7.1
Sales of ready-mix concrete	million m^3	2.7	2.7	+0.8	+0.8
Net sales	million CHF	1,638	1,731	–5.4	–3.0
Operating EBITDA	million CHF	265	334	–20.8	–19.3
Operating profit	million CHF	166	245	–32.1	–31.3

[1] Restated due to changes in accounting policies.

Ambuja Cements and ACC, Holcim's Group companies in India, sold less cement than in the previous year's period but deliveries were above last year towards the end of the first half of 2015. The market situation was challenging across the country with a positive development on demand in North, Central, and West India towards the middle of the year. Cement volumes in Sri Lanka increased significantly, whereas Bangladesh continued to report a reduction in deliveries due to the political situation.

The market environment in Vietnam remained impacted by competitive pressures during the first six months of the year but cement volumes at Holcim Vietnam were significantly higher than in the first half 2014. Ready-mix concrete deliveries also increased. Holcim Malaysia continued to benefit from the country's growth in construction activity and increased cement and aggregates volumes significantly.

Holcim Philippines posted a strong first half 2015 with exceptionally high cement volumes in the second quarter. Extensive government infrastructure activities, private and commercial construction projects nationwide, and good weather conditions across the country drove the volume increase in cement.

Political changes in Indonesia, with an associated impact on government budget and public-private-partnership activity, caused weaker than anticipated economic growth and a decline, currently, in construction activity. In addition to a reduction in volumes and government intervention in pricing, the competitive environment in Indonesia remained challenging. Cement volumes at Holcim Indonesia increased slightly due to the commissioning of the Tuban plant in East Java. Nevertheless, as a response to this challenging market situation, Holcim Indonesia in May announced a restructuring initiative to sustain the company's competitive position.

Holcim Australia posted lower aggregate volumes as investments in the mining sector continued to be low in the first half of 2015. Ready-mix concrete volumes slightly decreased, with growth in New South Wales compensating for the weakness in other states. The footprint and headcount adjustments of 2014 have enabled the Group company to be more agile and effective in the current market environment. In New Zealand, cement volumes were above the previous year's period, following the solid positive performance in previous quarters. Restructuring in New Zealand progressed well, with the sale of the lime business completed in early July, the cement terminal projects on time, and long-term agreements secured for cement imports.

In the Group region Asia Pacific consolidated cement volumes declined by 2.3 percent to 35.2 million tonnes in the first half of 2015. Growth in the Philippines and Vietnam was not able to make up for the declines in India. Aggregates volumes decreased by 9.7 percent to 11.3 million tonnes driven by lower deliveries in Australia. In ready-mix concrete, shipments increased slightly by 0.7 percent and stood at 5.2 million cubic meters. Consolidated net sales in the Group region Asia Pacific were down 3.4 percent to CHF 3,234 million.

Operating profit in Group region Asia Pacific was down 13.0 percent to CHF 408 million in the first half of 2015, mainly because of lower financial performance at Holcim Indonesia and Ambuja Cements. Like-for-like operating profit was down 14.8 percent.

Latin America benefits from solid development in Mexico, Colombia, and Argentina
The economic development in Latin America remained restrained, due to lower oil and other commodity prices, as well as challenging domestic business climates. Mexico however continued to lead economic growth in the region, benefiting from dynamic activity and a lively construction market. Brazil in contrast continued to suffer from an overall challenging economic environment with high interest rates and low industrial production that also negatively impacted demand for building materials. Construction activity in many markets was slowed down by the overall challenging economic situation in the region.

Latin America		Jan–June 2015	Jan–June 2014	±%	±% like-for-like
Sales of cement	million t	12.1	12.1	+0.0	+0.0[1]
Sales of aggregates	million t	2.4	4.0	–39.3	–39.3
Sales of ready-mix concrete	million m^3	3.2	3.3	–3.5	–3.5
Net sales	million CHF	1,438	1,465	–1.8	+4.8
Operating EBITDA	million CHF	434	410	+5.8	+9.8
Operating profit	million CHF	345	321	+7.3	+10.2

[1] The percentage change like-for-like adjusted for internal trading volumes eliminated in "Corporate/Eliminations" amounts to +2.7.

Latin America		Apr–June 2015	Apr–June 2014	±%	±% like-for-like
Sales of cement	million t	6.2	6.1	+1.4	+1.4[1]
Sales of aggregates	million t	1.3	2.0	–34.6	–34.6
Sales of ready-mix concrete	million m^3	1.6	1.6	+1.2	+1.2
Net sales	million CHF	732	742	–1.4	+7.2
Operating EBITDA	million CHF	203	200	+1.5	+6.9
Operating profit	million CHF	158	154	+2.1	+6.1

[1] The percentage change like-for-like adjusted for internal trading volumes eliminated in "Corporate/Eliminations" amounts to +5.1.

Holcim Mexico continued to benefit from the rebound of the national economy and the construction sector driven by the National Infrastructure Plan. Cement volumes were up during the first half 2015 due to continued demand increases in both bulk and bagged cement markets. Aggregates volumes were significantly lower as a result of plant closures in 2014.

In Central America, Holcim El Salvador's cement volumes were up significantly in the first half of 2015 as a result of higher demand for construction materials for both private and public projects. Ready-mix concrete volumes also increased markedly. In Costa Rica, cement deliveries were down year-on-year as exports to neighboring countries declined, while volumes in Nicaragua remained flat.

Colombia's construction industry again benefited from the lively demand for building materials across many regions of the country. Holcim Colombia consequently increased cement volumes markedly. Ready-mix concrete deliveries, where the focus was increasingly on higher-margin projects, were also increased.

Holcim Ecuador posted lower volumes in cement and ready-mix concrete in the first half of 2015, due to the country's economy remaining negatively impacted by the lower oil price and a pronounced rainy season in the second quarter. Aggregates volumes, however, were higher.

Brazil's construction industry suffered further from the poor economic conditions in the country, which negatively impacted demand from both large private and public as well as retail customers. Consequently, deliveries in all three segments were down, with the most pronounced declines in aggregates.

In Chile, Cemento Polpaico reported a reduction in ready-mix concrete and aggregates volumes, but cement volumes were up from last year. Holcim Argentina posted higher cement volumes thanks to solid demand in the Cordoba region and despite the continued challenging market conditions in the country. Aggregates and ready-mix concrete volumes were up as well.

Consolidated cement volumes in the Group region Latin America were unchanged and reached 12.1 million tonnes in the first half of 2015 as higher deliveries mainly in Mexico, Argentina, and Colombia could compensate for the lower deliveries in Ecuador and Brazil. In aggregates, volumes were down 39.3 percent to 2.4 million tonnes due to the negative development in Brazil and Chile. Ready-mix volumes contracted 3.5 percent to 3.2 million cubic meters. Net sales were down 1.8 percent to CHF 1,438 million.

In the Group region Latin America, consolidated operating profit reached CHF 345 million, a rise of 7.3 percent, mainly because of the improved financial performance at Holcim Mexico, Holcim Argentina, and Holcim El Salvador. Like-for-like operating profit was up 10.2 percent.

Europe with overall mixed development despite strong performance in the United Kingdom

Recovery in the Group region Europe remained slow-paced mainly fueled by consumption as well as the low oil price and weaker Euro. Some countries such as Azerbaijan though felt the negative effects of the decline in oil prices. The Euro zone was again negatively impacted by the ongoing discussions about a possible exit of Greece from the single currency causing uncertainty in many markets. Construction activity in the United Kingdom was positively impacted by the overall economic development in the country and the outcome of the general elections. Parts of Southern Europe saw some positive economic signs as Spain's recovery continued.

Europe		Jan–June 2015	Jan–June 2014	±%	±% like-for-like
Sales of cement	million t	11.9	12.7	–6.4	–7.2
Sales of aggregates	million t	39.7	34.7	+14.4	+3.0
Sales of ready-mix concrete	million m³	6.7	5.9	+13.7	–1.6
Sales of asphalt	million t	3.2	2.7	+21.3	+21.3
Net sales	million CHF	2,514	2,717	–7.5	–2.1
Operating EBITDA	million CHF	355	408	–12.9	–3.2
Operating profit	million CHF	159	192	–17.4	–10.1

Europe		Apr–June 2015	Apr–June 2014	±%	±% like-for-like
Sales of cement	million t	7.1	7.5	–4.1	–4.8
Sales of aggregates	million t	22.3	19.0	+17.2	+4.5
Sales of ready-mix concrete	million m^3	3.9	3.2	+20.5	+3.1
Sales of asphalt	million t	1.8	1.4	+28.7	+28.7
Net sales	million CHF	1,417	1,533	–7.6	–1.3
Operating EBITDA	million CHF	276	309	–10.7	–0.2
Operating profit	million CHF	185	201	–7.9	–2.5

In the United Kingdom, Holcim's local Group company Aggregates Industries benefited from improved confidence in the local economy following the general election. Aggregates volumes were ahead of last year's due to market improvements, and ready-mix sales volumes benefited from the improved performance in almost all areas, but London in particular. Asphalt deliveries were up significantly.

Holcim Belgium was negatively impacted by a slowing construction market, resulting in lower volumes in cement, aggregates, and ready-mix concrete. After the positive start into the previous year, Holcim France was negatively impacted by shrinking construction activities in 2015, which led to significant volume declines in all segments.

Holcim Germany benefited from the acquisition of Cemex's operations in Western Germany, which had a significant positive effect on cement, aggregates, and ready-mix concrete volumes. Shipments in all three segments were up. Holcim South Germany posted higher ready-mix concrete deliveries but volumes in both other segments were down.

Holcim Switzerland felt the new realities on construction markets following the National Bank's decision to abandon the Euro cap in mid-January. Partly as a result of this decision import pressures increased and in addition the construction sector cooled off, resulting in lower deliveries for all three segments. In Italy, market dynamics remained weak over the first six months of 2015 but Holcim's local Group company could benefit from a number of large-scale construction projects in the Milan area. Aggregates volumes increased while in cement and ready-mix concrete deliveries were down.

Spain's construction markets continued to recover during the first half of 2015. Following the divestment of the Gador and Yeles plants to Cemex early in the first quarter this year cement volumes were down. Like-for-like deliveries declined. Aggregates and ready-mix concrete volumes in Spain have declined, mainly driven by the prior year's footprint adjustments.

Business development in Eastern Europe picked up in some markets, with Romania increasing volumes in all three segments and Bulgaria expanding aggregates and ready-mix volumes significantly. Romania posted particularly higher volumes mainly thanks to lively building activity in the Bucharest area.

Pressure from competitors and a slowdown in infrastructure projects have negatively influenced cement volumes at Holcim Azerbaijan which were down in the first half 2015. Growth prospects in infrastructure deteriorated as a result of the lack of liquidity and projects being postponed caused by the pressure on oil prices. Cement sales volumes for Holcim Russia also declined in a market that remained impacted by political tensions.

Consolidated cement volumes in Group region Europe over the first six months of 2015 were down 6.4 percent to 11.9 million tonnes. Aggregates volumes increased by 14.4 percent to 39.7 million tonnes. Ready-mix concrete shipments stood at 6.7 million cubic meters, an increase of 13.7 percent. All three segments were positively impacted by the transactions with Cemex. Holcim also sold 21.3 percent more asphalt reaching volumes of 3.2 million tonnes. Net sales were down 7.5 percent to CHF 2,514 billion.

Operating profit in the Group region decreased by 17.4 percent to CHF 159 million as improved financial performance in the United Kingdom and Spain could not compensate for the lower results in Switzerland, France, and Azerbaijan. Like-for-like operating profit was down 10.1 percent.

North America with solid performance thanks to the United States

In the Group region North America economic growth was impacted by another cold winter affecting large parts of the region earlier in 2015. However, construction markets continued to benefit from the positive sentiment and demand for building materials rose. The Canadian economy was affected by plunging oil prices, but the construction market remained in relatively solid shape.

North America		Jan–June 2015	Jan–June 2014	±%	±% like-for-like
Sales of cement	million t	5.6	5.4	+2.7	+2.7
Sales of aggregates	million t	17.8	17.4	+2.5	+2.5
Sales of ready-mix concrete	million m^3	2.8	3.2	–13.9	–6.2
Sales of asphalt	million t	1.4	1.4	–2.7	–2.7
Net sales	million CHF	1,374	1,280	+7.4	+6.8
Operating EBITDA	million CHF	181	155	+17.2	+8.4
Operating profit	million CHF	44	16	+170.5	+40.8

North America		Apr–June 2015	Apr–June 2014	±%	±% like-for-like
Sales of cement	million t	3.5	3.4	+1.7	+1.7
Sales of aggregates	million t	12.4	12.4	–0.1	–0.1
Sales of ready-mix concrete	million m^3	1.7	2.0	–14.9	–4.3
Sales of asphalt	million t	1.2	1.2	–6.9	–6.9
Net sales	million CHF	877	836	+5.0	+5.5
Operating EBITDA	million CHF	185	164	+12.7	+8.1
Operating profit	million CHF	115	87	+32.1	+11.4

For Holcim US, performance in the north of the country was strong. The execution of backlogged projects positively impacted cement volumes in North Central and Northeast. However, severe flooding in Texas as well as unfavorable timing of projects between April and May negatively impacted cement sales. Overall, cement volumes increased thanks to the still lively demand for building materials.

Aggregate Industries US benefited from dynamic activity in the construction sector during the first six months of the year. Aggregate volumes were up as a result of higher demand in many regions despite some adverse weather impacts in Texas and Colorado. Ready-mix concrete shipments declined, mainly due to the divestments in 2014. Asphalt volumes also declined.

Holcim Canada was impacted by bad weather conditions, bringing construction projects to a halt in some of its regions at the start of the first half 2015. Cement volumes however increased as demand for building materials was higher in the course of the reporting period. Aggregates and asphalt volumes were also up.

Consolidated cement volumes in North America for the first half of 2015 increased 2.7 percent to 5.6 million tonnes. Higher aggregates volumes in both countries of the Group region led to an increase of 2.5 percent to 17.8 million tonnes. In ready-mix concrete, volumes decreased by 13.9 percent to 2.8 million cubic meters. Asphalt volumes stood at 1.4 million tonnes, a decrease of 2.7 percent. Net sales in North America were 7.4 percent higher and reached CHF 1,374 million.

Over the first six months of 2015, consolidated operating profit more than doubled and reached CHF 44 million. Like-for-like operating profit growth reached 40.8 percent.

Africa Middle East impacted by challenging markets in Morocco and Lebanon
Economic development in the Group region Africa Middle East continued to be impacted by the plunge in oil prices and severe securities challenges. Growth slowed in Morocco, despite the government's focus on infrastructure and residential construction. Lebanon's economy and construction sector continued to feel the region's political tensions.

Africa Middle East		Jan–June 2015	Jan–June 2014	±%	±% like-for-like
Sales of cement	million t	4.0	4.3	−7.4	−7.4
Sales of aggregates	million t	0.7	1.0	−28.0	−28.0
Sales of ready-mix concrete	million m^3	0.3	0.4	−39.2	−39.2
Net sales	million CHF	373	438	−14.8	−8.8
Operating EBITDA	million CHF	109	136	−20.2	−13.4
Operating profit	million CHF	84	110	−23.7	−16.4

Africa Middle East		Apr–June 2015	Apr–June 2014	±%	±% like-for-like
Sales of cement	million t	2.1	2.3	–6.9	–6.9
Sales of aggregates	million t	0.4	0.5	–19.9	–19.9
Sales of ready-mix concrete	million m^3	0.2	0.3	–44.2	–44.2
Net sales	million CHF	205	231	–11.5	–4.7
Operating EBITDA	million CHF	64	69	–8.2	–1.0
Operating profit	million CHF	51	56	–8.3	–0.9

Cement volumes were down for Holcim Morocco, the Group region's largest company. The sale of clinker, which was mainly exported to the Ivory Coast, however, increased. High levels of competitive pressure in this market also led to declines in aggregates and ready-mix concrete shipments.

The decline in cement and ready-mix concrete sales volumes in Lebanon was caused by political uncertainty in the region coupled with exceptionally bad weather at the beginning of the year, which impacted the construction industry. The demand for building materials was therefore markedly lower than in the previous year's period.

In the Indian Ocean region, Holcim Madagascar could increase cement volumes significantly, while volumes in La Réunion were down both in cement and the other two segments. Holcim's grinding operations in West Africa and the Middle East also reported slightly lower cement volumes.

Consolidated cement volumes in the Group region Africa Middle East declined by 7.4 percent to 4.0 million tonnes over the first six months of 2015, mainly on account of the declines in Lebanon. Volumes in the aggregates segment were down 28.0 percent to 0.7 million tonnes in Africa Middle East. Ready-mix concrete deliveries also declined by 39.2 percent to 0.3 million cubic meters. Net sales in Africa Middle East reached CHF 373 million, a decrease of 14.8 percent.

Operating profit for the first six months of 2015 stood at CHF 84 million, a decline of 23.7 percent as large Group companies posted lower financial performance. Like-for-like operating profit was down 16.4 percent.

Outlook for 2015

Holcim expects for 2015 that the global economy continues its gradual recovery. Key construction markets of Holcim in countries like the USA, India, Mexico, Colombia, the UK and the Philippines are expected to be the main growth drivers. Europe overall should have a flat development. Latin America will continue to face uncertainties in Brazil but should overall show slight growth in 2015. The Asia Pacific region is expected to grow although at a still modest pace. A flat development is expected in Africa Middle East.

In this environment cement volumes should increase in all Group regions in 2015 with the exception of Europe and Africa Middle East. Aggregate and ready-mix concrete volumes are expected to increase. On a stand-alone basis and unconnected to the merger with Lafarge, it would have expected like-for-like operating profit adjusted for merger-related cost to be approximately 10 percent below the low end of the initial guidance of CHF 2.7 billion to CHF 2.9 billion in 2015. Following the successful completion of the merger the stand-alone guidance is not relevant anymore as LafargeHolcim results will be impacted by several items including required divestments and ramp-up of the synergies.

Wolfgang Reitzle
Chairman of the Board of Directors

Thomas Aebischer
Chief Financial Officer

July 29, 2015

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of income of Group Holcim

Million CHF	Notes	January–June 2015	January–June 2014 Restated[1]	April–June 2015	April–June 2014 Restated[1]
Net sales	7	**8,646**	**8,926**	**4,731**	**4,900**
Production cost of goods sold		(4,899)	(4,992)	(2,597)	(2,629)
Gross profit		**3,747**	**3,934**	**2,134**	**2,270**
Distribution and selling expenses		(2,259)	(2,375)	(1,219)	(1,298)
Administration expenses		(661)	(616)	(335)	(315)
Operating profit	8	**827**	**943**	**580**	**657**
Other income	9	421	91	(13)	72
Share of profit of associates and joint ventures		64	92	45	59
Financial income	10	60	70	36	32
Financial expenses	11	(331)	(280)	(160)	(144)
Net income before taxes		**1,041**	**916**	**487**	**675**
Income taxes		(351)	(259)	(176)	(197)
Net income		**690**	**657**	**311**	**479**
Attributable to:					
Shareholders of Holcim Ltd		573	485	263	406
Non-controlling interest		117	172	49	73
Earnings per share in CHF					
Earnings per share[2]	12	1.62	1.37	0.74	1.15
Fully diluted earnings per share[2]	12	1.62	1.37	0.74	1.15

[1] Restated due to changes in accounting policies, see note 2.
[2] Due to the commitment to distribute a scrip dividend, as explained in note 12, the earnings per share and the fully diluted earnings per share decreased by CHF 0.07 for the period January to March 2015, by CHF 0.10 for the period April to June 2014 and by CHF 0.12 for the period January to June 2014.

Consolidated statement of comprehensive earnings of Group Holcim

Million CHF	Notes	January–June 2015	January–June 2014	April–June 2015	April–June 2014
Net income		**690**	**657**	**311**	**479**
Other comprehensive earnings					
Items that will be reclassified to the statement of income in future periods					
Currency translation effects					
– Exchange differences on translation	20	(2,039)	184	(727)	160
– Realized through statement of income		(45)	0	1	0
– Tax effect		3	(2)	(4)	(5)
Available-for-sale financial assets					
– Change in fair value		0	1	0	1
– Realized through statement of income		0	0	0	0
– Tax effect		0	0	0	0
Cash flow hedges					
– Change in fair value		3	(1)	(1)	(3)
– Realized through statement of income		0	0	0	0
– Tax effect		0	0	(1)	0
Net investment hedges in subsidiaries					
– Change in fair value		12	0	10	0
– Realized through statement of income		0	0	0	0
– Tax effect		0	0	0	0
Subtotal		**(2,067)**	**182**	**(722)**	**153**
Items that will not be reclassified to the statement of income in future periods					
Defined benefit plans					
– Remeasurements		5	(60)	85	(24)
– Tax effect		(7)	9	(14)	1
Subtotal		**(3)**	**(52)**	**70**	**(24)**
Total other comprehensive earnings		**(2,069)**	**131**	**(651)**	**130**
Total comprehensive earnings		**(1,379)**	**788**	**(339)**	**608**
Attributable to:					
Shareholders of Holcim Ltd		(1,278)	580	(250)	536
Non-controlling interest		(101)	208	(89)	73

Consolidated statement of financial position of Group Holcim

Million CHF	Notes	30.6.2015	31.12.2014 Restated[1]	30.6.2014 Restated[1]
Cash and cash equivalents		2,253	2,148	1,944
Accounts receivable		2,559	2,648	3,028
Inventories		1,658	1,828	1,832
Prepaid expenses and other current assets		359	323	422
Assets classified as held for sale	13	3,259	283	769
Total current assets		**10,088**	**7,231**	**7,995**
Long-term financial assets		462	528	581
Investments in associates and joint ventures		1,550	1,975	1,806
Property, plant and equipment		17,632	21,086	20,044
Intangible assets		6,238	7,731	7,492
Deferred tax assets		442	527	435
Other long-term assets		379	412	375
Total long-term assets		**26,703**	**32,259**	**30,732**
Total assets		**36,792**	**39,490**	**38,727**
Trade accounts payable		1,613	2,124	1,951
Current financial liabilities		3,138	2,472	3,485
Current income tax liabilities		460	415	371
Other current liabilities		1,457	1,569	1,538
Short-term provisions		192	234	199
Liabilities directly associated with assets classified as held for sale	13	882	33	225
Total current liabilities		**7,743**	**6,847**	**7,768**
Long-term financial liabilities		8,172	9,197	8,935
Defined benefit obligations		774	863	705
Deferred tax liabilities		1,083	1,396	1,272
Long-term provisions		824	1,076	1,115
Total long-term liabilities		**10,853**	**12,531**	**12,027**
Total liabilities		**18,596**	**19,378**	**19,795**
Share capital		654	654	654
Capital surplus		7,353	7,776	7,773
Treasury shares		(85)	(82)	(86)
Reserves		7,799	9,082	8,034
Total equity attributable to shareholders of Holcim Ltd		**15,721**	**17,430**	**16,375**
Non-controlling interest		2,475	2,682	2,557
Total shareholders' equity		**18,196**	**20,112**	**18,933**
Total liabilities and shareholders' equity		**36,792**	**39,490**	**38,727**

[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 January 1, 2015	**654**	**7,776**	**(82)**	**18,438**
Net income				573
Other comprehensive earnings				(3)
Total comprehensive earnings				570
Payout		(424)		
Change in treasury shares			(4)	4
Share-based remuneration				0
Capital paid-in by non-controlling interest				
Change in participation in existing Group companies				(8)
Equity as at June 30, 2015	**654**	**7,353**	**(85)**	**19,004**
Equity as at January 1, 2014	**654**	**8,200**	**(102)**	**17,294**
Net income				485
Other comprehensive earnings				(52)
Total comprehensive earnings				433
Payout		(423)		
Change in treasury shares			9	(2)
Share-based remuneration		(4)	7	
Capital paid-in by non-controlling interest				
Change in participation in existing Group companies				3
Equity as at June 30, 2014	**654**	**7,773**	**(86)**	**17,728**

[1] Equity as at June 30, 2015 include CHF –23 million of cumulative expenses recognized in other comprehensive earnings relating to assets and directly associated liabilities classified as held for sale, see note 13.

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
(13)	**(5)**	**(9,338)**	**9,082**	**17,430**	**2,682**	**20,112**
			573	573	117	690
0	3	(1,851)	(1,851)	(1,851)	(218)	(2,069)
0	3	(1,851)	(1,278)	(1,278)	(101)	(1,379)
				(424)	(138)	(561)
			4	0		0
			0	0	0	0
					2	2
			(8)	(8)	31	23
(13)	**(2)**	**(11,189)**	**7,799**	**15,721**	**2,475**	**18,196**[1]
52	**(4)**	**(9,889)**	**7,453**	**16,205**	**2,471**	**18,677**
			485	485	172	657
0	(1)	147	94	94	36	131
0	(1)	147	580	580	208	788
				(423)	(130)	(553)
		0	(2)	7		7
		0	0	3	0	3
					1	1
			3	3	6	9
52	**(5)**	**(9,742)**	**8,034**	**16,375**	**2,557**	**18,933**

Consolidated statement of cash flows of Group Holcim

Million CHF	Notes	January–June 2015	January–June 2014 Restated[1]	April–June 2015	April–June 2014 Restated[1]
Net income before taxes		**1,041**	**916**	**487**	**675**
Other income	9	(421)	(91)	13	(72)
Share of profit of associates and joint ventures		(64)	(92)	(45)	(59)
Financial expenses net	10, 11	271	210	125	113
Operating profit		**827**	**943**	**580**	**657**
Depreciation, amortization and impairment of operating assets		644	652	319	336
Other non-cash items		120	104	89	34
Change in net working capital		(855)	(917)	(256)	(272)
Cash generated from operations		**735**	**782**	**732**	**756**
Dividends received		87	66	63	51
Interest received		64	67	47	34
Interest paid		(256)	(311)	(166)	(161)
Income taxes paid	5	(371)	(403)	(217)	(248)
Other expense		(40)	(8)	(26)	(1)
Cash flow from operating activities (A)		**220**	**194**	**434**	**430**
Purchase of property, plant and equipment		(614)	(823)	(328)	(416)
Disposal of property, plant and equipment		38	83	22	41
Acquisition of participation in Group companies		(188)	(1)	(1)	(1)
Disposal of participation in Group companies		264	9	8	9
Purchase of financial assets, intangible and other assets		(300)	(191)	(117)	(165)
Disposal of financial assets, intangible and other assets		808	179	715	152
Cash flow from investing activities (B)		**8**	**(744)**	**298**	**(379)**
Payout on ordinary shares	17	(424)	(423)	(424)	(423)
Dividends paid to non-controlling interest		(119)	(110)	(88)	(108)
Capital paid-in by non-controlling interest		4	2	4	2
Movements of treasury shares		0	7	(6)	3
Proceeds from current financial liabilities		2,588	1,874	1,119	852
Repayment of current financial liabilities		(2,107)	(1,314)	(695)	(646)
Proceeds from long-term financial liabilities		1,442	1,437	653	522
Repayment of long-term financial liabilities		(1,328)	(1,291)	(688)	(332)
Increase in participation in existing Group companies		(2)	0	(2)	0
Decrease in participation in existing Group companies		0	3	0	3
Cash flow from financing activities (C)		**55**	**186**	**(127)**	**(128)**
In(De)crease in cash and cash equivalents (A+B+C)		**283**	**(364)**	**605**	**(77)**
Cash and cash equivalents as at the beginning of the period (net)		**1,941**	**1,992**	**1,575**	**1,722**
In(De)crease in cash and cash equivalents		283	(364)	605	(77)
Currency translation effects		(175)	50	(131)	32
Cash and cash equivalents as at the end of the period (net)[2]		**2,049**	**1,677**	**2,049**	**1,677**

[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 234 million (2014: 267) disclosed in current financial liabilities and cash and cash equivalents of CHF 31 million (2014: 1) disclosed in assets classified as held for sale.

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, 2014 (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 accounting policies

During the first quarter 2015, Group Holcim decided to change its accounting policy for recognizing net interest expense relating to retirement benefit plans. More relevant information is provided if total net interest costs are presented as part of financial expenses and not in the operating profit. This presentation better reflects the nature of net interest since it corresponds to the unwinding effect of the long-term defined benefit obligation. As the comparative amount for 2014 is immaterial, it has not been restated.

On April 9, 2015, the IFRIC published an agenda decision concerning the classification of joint arrangements under IFRS 11 *Joint Arrangements*. As a result of the clarifications regarding rights to the assets of a joint arrangement through other facts and circumstances, Group Holcim was unable to continue to account for Cement Australia as a joint operation, since Holcim does not have an obligation to acquire substantially all of the economic benefits (i.e. output) from Cement Australia. As a result, Group Holcim changed its accounting policy for Cement Australia in the second quarter 2015 and reclassified its investment in Cement Australia as a joint venture and applied the equity accounting method. 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.

Changes to consolidated statement of income of Group Holcim

Million CHF	January–June 2014 Reported	Impact from changes in accounting policies *IFRS 11*	January–June 2014 Restated	April–June 2014 Reported	Impact from changes in accounting policies *IFRS 11*	April–June 2014 Restated
Net sales	**9,061**	**(135)**	**8,926**	**4,973**	**(73)**	**4,900**
Production cost of goods sold	(5,049)	57	(4,992)	(2,662)	33	(2,629)
Gross profit	**4,013**	**(79)**	**3,934**	**2,311**	**(41)**	**2,270**
Distribution and selling expenses	(2,427)	52	(2,375)	(1,326)	28	(1,298)
Administration expenses	(623)	7	(616)	(319)	4	(315)
Operating profit	**962**	**(19)**	**943**	**667**	**(10)**	**657**
Other income	91	0	91	73	(1)	72
Share of profit of associates and joint ventures	77	15	92	51	8	59
Financial income	69	1	70	31	1	32
Financial expenses	(283)	3	(280)	(146)	2	(144)
Net income before taxes	**916**	**0**	**916**	**675**	**0**	**675**
Income taxes	(259)	0	(259)	(197)	0	(197)
Net income	**657**	**0**	**657**	**479**	**0**	**479**
Attributable to:						
Shareholders of Holcim Ltd	485	0	485	406	0	406
Non-controlling interest	172	0	172	73	0	73
Earnings per share in CHF						
Earnings per share	1.37	0.00	1.37	1.15	0.00	1.15
Fully diluted earnings per share	1.37	0.00	1.37	1.15	0.00	1.15

Changes to consolidated statement of financial position of Group Holcim as of June 30, 2014

Million CHF	30.6.2014 Reported	Impact from changes in accounting policies *IFRS 11*	30.6.2014 Restated
Cash and cash equivalents	1,945	(1)	1,944
Accounts receivable	3,083	(55)	3,028
Inventories	1,861	(29)	1,832
Prepaid expenses and other current assets	425	(3)	422
Assets classified as held for sale	769	0	769
Total current assets	**8,084**	**(89)**	**7,995**
Long-term financial assets	544	37	581
Investments in associates and joint ventures	1,581	225	1,806
Property, plant and equipment	20,383	(339)	20,044
Intangible assets	7,541	(49)	7,492
Deferred tax assets	435	0	435
Other long-term assets	375	0	375
Total long-term assets	**30,859**	**(127)**	**30,732**
Total assets	**38,943**	**(216)**	**38,727**
Trade accounts payable	1,923	28	1,951
Current financial liabilities	3,508	(23)	3,485
Current income tax liabilities	371	0	371
Other current liabilities	1,608	(70)	1,538
Short-term provisions	199	0	199
Liabilities directly associated with assets classified as held for sale	225	0	225
Total current liabilities	**7,833**	**(65)**	**7,768**
Long-term financial liabilities	9,057	(122)	8,935
Defined benefit obligations	705	0	705
Deferred tax liabilities	1,291	(19)	1,272
Long-term provisions	1,124	(9)	1,115
Total long-term liabilities	**12,177**	**(150)**	**12,027**
Total liabilities	**20,011**	**(216)**	**19,795**
Share capital	654	0	654
Capital surplus	7,773	0	7,773
Treasury shares	(86)	0	(86)
Reserves	8,034	0	8,034
Total equity attributable to shareholders of Holcim Ltd	**16,375**	**0**	**16,375**
Non-controlling interest	2,557	0	2,557
Total shareholders' equity	**18,933**	**0**	**18,933**
Total liabilities and shareholders' equity	**38,943**	**(216)**	**38,727**

Changes to consolidated statement of financial position of Group Holcim as of December 31, 2014

Million CHF	31.12.2014 Reported	Impact from changes in accounting policies *IFRS 11*	31.12.2014 Restated
Cash and cash equivalents	2,149	(1)	2,148
Accounts receivable	2,695	(47)	2,648
Inventories	1,863	(35)	1,828
Prepaid expenses and other current assets	317	6	323
Assets classified as held for sale	283	0	283
Total current assets	**7,307**	**(76)**	**7,231**
Long-term financial assets	491	37	528
Investments in associates and joint ventures	1,758	217	1,975
Property, plant and equipment	21,410	(324)	21,086
Intangible assets	7,779	(48)	7,731
Deferred tax assets	527	0	527
Other long-term assets	412	0	412
Total long-term assets	**32,378**	**(119)**	**32,259**
Total assets	**39,684**	**(194)**	**39,490**
Trade accounts payable	2,101	23	2,124
Current financial liabilities	2,502	(30)	2,472
Current income tax liabilities	419	(4)	415
Other current liabilities	1,634	(65)	1,569
Short-term provisions	234	0	234
Liabilities directly associated with assets classified as held for sale	33	0	33
Total current liabilities	**6,923**	**(76)**	**6,847**
Long-term financial liabilities	9,291	(94)	9,197
Defined benefit obligations	863	0	863
Deferred tax liabilities	1,415	(19)	1,396
Long-term provisions	1,080	(4)	1,076
Total long-term liabilities	**12,649**	**(118)**	**12,531**
Total liabilities	**19,572**	**(194)**	**19,378**
Share capital	654	0	654
Capital surplus	7,776	0	7,776
Treasury shares	(82)	0	(82)
Reserves	9,082	0	9,082
Total equity attributable to shareholders of Holcim Ltd	**17,430**	**0**	**17,430**
Non-controlling interest	2,682	0	2,682
Total shareholders' equity	**20,112**	**0**	**20,112**
Total liabilities and shareholders' equity	**39,684**	**(194)**	**39,490**

Changes to consolidated statement of cash flows of Group Holcim

Million CHF	January–June 2014 Reported	Impact from changes in accounting policies *IFRS 11*	January–June 2014 Restated	April–June 2014 Reported	Impact from changes in accounting policies *IFRS 11*	April–June 2014 Restated
Net income before taxes	**916**	**0**	**916**	**675**	**0**	**675**
Other income	(91)	0	(91)	(73)	1	(72)
Share of profit of associates and joint ventures	(77)	(15)	(92)	(51)	(8)	(59)
Financial expenses net	214	(4)	210	115	(2)	113
Operating profit	**962**	**(19)**	**943**	**667**	**(10)**	**657**
Depreciation, amortization and impairment of operating assets	664	(12)	652	343	(7)	336
Other non-cash items	104	0	104	34	0	34
Change in net working capital	(925)	8	(917)	(276)	4	(272)
Cash generated from operations	**805**	**(23)**	**782**	**768**	**(12)**	**756**
Dividends received	44	22	66	44	7	51
Interest received	66	1	67	34	0	34
Interest paid	(314)	3	(311)	(163)	2	(161)
Income taxes paid	(410)	7	(403)	(255)	7	(248)
Other expense	(9)	1	(8)	(2)	1	(1)
Cash flow from operating activities (A)	**183**	**11**	**194**	**426**	**4**	**430**
Purchase of property, plant and equipment	(836)	13	(823)	(422)	6	(416)
Disposal of property, plant and equipment	83	0	83	41	0	41
Acquisition of participation in Group companies	(1)	0	(1)	0	(1)	(1)
Disposal of participation in Group companies	9	0	9	9	0	9
Purchase of financial assets, intangible and other assets	(191)	0	(191)	(164)	(1)	(165)
Disposal of financial assets, intangible and other assets	179	0	179	152	0	152
Cash flow used in investing activities (B)	**(757)**	**13**	**(744)**	**(384)**	**5**	**(379)**

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

Million CHF	January–June 2014 Reported	Impact from changes in accounting policies *IFRS 11*	January–June 2014 Restated	April–June 2014 Reported	Impact from changes in accounting policies *IFRS 11*	April–June 2014 Restated
Payout on ordinary shares	(423)	0	(423)	(423)	0	(423)
Dividends paid to non-controlling interest	(110)	0	(110)	(108)	0	(108)
Capital paid-in by non-controlling interest	2	0	2	2	0	2
Movements of treasury shares	7	0	7	3	0	3
Proceeds from current financial liabilities	1,878	(4)	1,874	852	0	852
Repayment of current financial liabilities	(1,314)	0	(1,314)	(646)	0	(646)
Proceeds from long-term financial liabilities	1,457	(20)	1,437	531	(9)	522
Repayment of long-term financial liabilities	(1,291)	0	(1,291)	(332)	0	(332)
Increase in participation in existing Group companies	0	0	0	0	0	0
Decrease in participation in existing Group companies	3	0	3	3	0	3
Cash flow from financing activities (C)	**210**	**(24)**	**186**	**(118)**	**(10)**	**(128)**
Decrease in cash and cash equivalents (A+B+C)	**(364)**	**0**	**(364)**	**(76)**	**(1)**	**(77)**
Cash and cash equivalents as at the beginning of the period (net)	**1,993**	**(1)**	**1,992**	**1,723**	**(1)**	**1,722**
Decrease in cash and cash equivalents	(364)	0	(364)	(76)	(1)	(77)
Currency translation effects	50	0	50	32	0	32
Cash and cash equivalents as at the end of the period (net)[1]	**1,678**	**(1)**	**1,677**	**1,678**	**(1)**	**1,677**

[1] Cash and cash equivalents at the end of the period, before and after the restatement, include bank overdrafts of CHF 267 million, disclosed in current financial liabilities.

Changes to consolidated statement of income of Group Holcim

Million CHF	January–March 2015 Reported	Impact from changes in accounting policies *IFRS 11*	January–March 2015 Restated
Net sales	**3,972**	**(57)**	**3,915**
Production cost of goods sold	(2,319)	17	(2,302)
Gross profit	**1,653**	**(40)**	**1,613**
Distribution and selling expenses	(1,063)	23	(1,040)
Administration expenses	(329)	3	(326)
Operating profit	**261**	**(15)**	**246**
Other income	434	0	434
Share of profit of associates and joint ventures	8	11	19
Financial income	24	0	24
Financial expenses	(172)	2	(170)
Net income before taxes	**555**	**(1)**	**554**
Income taxes	(176)	1	(175)
Net income	**378**	**0**	**378**
Attributable to:			
Shareholders of Holcim Ltd	310	0	310
Non-controlling interest	68	0	68
Earnings per share in CHF			
Earnings per share	0.88	0.00	0.88
Fully diluted earnings per share	0.88	0.00	0.88

Changes to consolidated statement of financial position of Group Holcim as of March 31, 2015

Million CHF	31.3.2015 Reported	Impact from changes in accounting policies *IFRS 11*	31.3.2015 Restated
Cash and cash equivalents	1,731	(1)	1,730
Accounts receivable	3,282	(45)	3,237
Inventories	1,944	(29)	1,915
Prepaid expenses and other current assets	411	(1)	410
Assets classified as held for sale	48	0	48
Total current assets	**7,416**	**(76)**	**7,340**
Long-term financial assets	516	33	549
Investments in associates and joint ventures	1,417	210	1,627
Property, plant and equipment	20,212	(291)	19,921
Intangible assets	7,324	(43)	7,281
Deferred tax assets	504	0	504
Other long-term assets	396	0	396
Total long-term assets	**30,369**	**(91)**	**30,278**
Total assets	**37,785**	**(167)**	**37,618**
Trade accounts payable	1,822	23	1,845
Current financial liabilities	2,143	(30)	2,113
Current income tax liabilities	533	(3)	530
Other current liabilities	1,599	(51)	1,548
Short-term provisions	170	0	170
Liabilities directly associated with assets classified as held for sale	5	0	5
Total current liabilities	**6,272**	**(61)**	**6,211**
Long-term financial liabilities	9,258	(84)	9,174
Defined benefit obligations	920	0	920
Deferred tax liabilities	1,282	(19)	1,263
Long-term provisions	995	(4)	991
Total long-term liabilities	**12,455**	**(106)**	**12,349**
Total liabilities	**18,727**	**(167)**	**18,560**
Share capital	654	0	654
Capital surplus	7,778	0	7,778
Treasury shares	(76)	0	(76)
Reserves	8,047	0	8,047
Total equity attributable to shareholders of Holcim Ltd	**16,403**	**0**	**16,403**
Non-controlling interest	2,655	0	2,655
Total shareholders' equity	**19,058**	**0**	**19,058**
Total liabilities and shareholders' equity	**37,785**	**(167)**	**37,618**

Changes to consolidated statement of cash flows of Group Holcim

Million CHF	January–March 2015 Reported	Impact from changes in accounting policies *IFRS 11*	January–March 2015 Restated
Net income before taxes	**555**	**(1)**	**554**
Other income	(434)	0	(434)
Share of profit of associates and joint ventures	(8)	(11)	(19)
Financial expenses net	149	(2)	146
Operating profit	**261**	**(15)**	**246**
Depreciation, amortization and impairment of operating assets	331	(6)	325
Other non-cash items	31	0	31
Change in net working capital	(601)	1	(600)
Cash generated from operations	**23**	**(20)**	**3**
Dividends received	9	15	24
Interest received	16	1	17
Interest paid	(92)	2	(90)
Income taxes paid	(156)	2	(154)
Other expense	(14)	0	(14)
Cash flow from operating activities (A)	**(214)**	**0**	**(214)**
Purchase of property, plant and equipment	(287)	1	(286)
Disposal of property, plant and equipment	16	0	16
Acquisition of participation in Group companies	(187)	0	(187)
Disposal of participation in Group companies	256	0	256
Purchase of financial assets, intangible and other assets	(183)	0	(183)
Disposal of financial assets, intangible and other assets	93	0	93
Cash flow used in investing activities (B)	**(291)**	**1**	**(290)**
Dividends paid to non-controlling interest	(31)	0	(31)
Movements of treasury shares	6	0	6
Proceeds from current financial liabilities	1,473	(4)	1,469
Repayment of current financial liabilities	(1,413)	1	(1,412)
Proceeds from long-term financial liabilities	797	(8)	789
Repayment of long-term financial liabilities	(650)	10	(640)
Cash flow from financing activities (C)	**183**	**(1)**	**182**
Decrease in cash and cash equivalents (A+B+C)	**(322)**	**0**	**(322)**
Cash and cash equivalents as at the beginning of the period (net)	**1,942**	**(1)**	**1,941**
Decrease in cash and cash equivalents	(322)	0	(322)
Currency translation effects	(44)	0	(44)
Cash and cash equivalents as at the end of the period (net)[1]	**1,576**	**(1)**	**1,575**

[1] Cash and cash equivalents at the end of the period, before and after the restatement, include bank overdrafts of CHF 155 million, disclosed in current financial liabilities.

3 Changes in the scope of consolidation

On January 5, 2015, Group Holcim acquired control of a group of companies from Cemex which operate in Western Germany and the Netherlands. This transaction includes one cement plant, two grinding stations, 22 aggregates locations and 79 ready-mix plants.

The identifiable assets and liabilities arising from the acquisition are as follows:

Million CHF	Fair value
Cash and cash equivalents	23
Other current assets	46
Property, plant and equipment	264
Other long-term assets	1
Current liabilities	52
Long-term liabilities	49
Net assets	**233**
Non-controlling interest	23
Net assets acquired	**210**
Total purchase consideration (cash)	**210**
Fair value of net assets acquired	210
Goodwill	**0**

The amounts disclosed above were determined provisionally. Further adjustments may be made to the fair values assigned to the identifiable assets acquired and liabilities assumed up to twelve months from the date of acquisition.

The amount of non-controlling interest recognized amounted to CHF 23 million and was measured at the proportionate share of the acquiree's identifiable net assets at the date of acquisition. The acquired companies contributed net sales and net loss of CHF 160 million and CHF 2 million respectively to the Group for the period from January 5, 2015 to June 30, 2015. If the acquisition had occurred on January 1, 2015, Group net sales and net income to June 30 would not have been materially different. Holcim recognized acquisition-related costs of CHF 6 million which has been reflected as administration expenses in the consolidated statement of income.

On January 5, 2015, Holcim disposed of Holcim (Česko) a.s. in Czech Republic, Gador cement plant and Yeles grinding station in Spain for CHF 243 million. This resulted in a gain on disposal before taxes of CHF 61 million which is included in "Other income" (note 9).

On March 30, 2015, Holcim sold its entire remaining shareholding of 27.5 percent in Siam City Cement Public Company Limited in Thailand via a private placement in capital markets. For the sale of its entire remaining stake, Holcim recorded in the first quarter 2015 a gain before taxes of CHF 371 million, which is included in "Other income" (note 9), and a receivable of CHF 661 million, which was settled on April 2, 2015.

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

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	2015	2014[1]	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014[1]	2015	2014[1]
Capacity and sales (unaudited)														
Million t														
Annual cement production capacity[2]	96.4	93.8	35.3	35.3	46.8	46.8	21.9	21.9	11.0	11.0			211.3	208.8
Sales of cement	35.2	36.0	12.1	12.1	11.9	12.7	5.6	5.4	4.0	4.3	(1.2)	(1.6)	67.6	68.9
– of which mature markets	0.2	0.2			7.0	7.4	5.6	5.4						
– of which emerging markets	35.0	35.8	12.1	12.1	4.9	5.3			4.0	4.3				
Sales of mineral components					1.3	1.0	0.5	0.5					1.8	1.6
Sales of aggregates	11.3	12.5	2.4	4.0	39.7	34.7	17.8	17.4	0.7	1.0			72.0	69.6
– of which mature markets	10.0	11.4			35.8	31.0	17.8	17.4						
– of which emerging markets	1.3	1.1	2.4	4.0	3.9	3.7			0.7	1.0				
Sales of asphalt					3.2	2.7	1.4	1.4					4.6	4.1
Million m^3														
Sales of ready-mix concrete	5.2	5.2	3.2	3.3	6.7	5.9	2.8	3.2	0.3	0.4			18.2	18.1
– of which mature markets	2.3	2.4			5.8	5.1	2.8	3.2						
– of which emerging markets	3.0	2.8	3.2	3.3	0.9	0.8			0.3	0.4				
Statement of income and statement of financial position														
Million CHF														
Net sales to external customers	3,204	3,331	1,438	1,399	2,342	2,540	1,374	1,280	288	377			8,646	8,926
Net sales to other segments	31	19		66	172	177			85	61	(287)	(322)		
Total net sales	3,234	3,349	1,438	1,465	2,514	2,717	1,374	1,280	373	438	(287)	(322)	8,646	8,926
– of which mature markets	595	726			2,135	2,217	1,374	1,280						
– of which emerging markets	2,639	2,623	1,438	1,465	379	500			373	438				
Operating EBITDA	600	645	434	410	355	408	181	155	109	136	(209)	(160)	1,471	1,595
Operating EBITDA margin in %	18.5	19.3	30.2	28.0	14.1	15.0	13.2	12.1	29.2	31.2			17.0	17.9
Operating profit (loss)	408	469	345	321	159	192	44	16	84	110	(213)	(166)	827	943
– of which mature markets	35	21			109	131	44	16						
– of which emerging markets	374	448	345	321	50	61			84	110				
Operating profit margin in %	12.6	14.0	24.0	21.9	6.3	7.1	3.2	1.3	22.4	25.0			9.6	10.6
EBITDA	533	599	371	340	337	346	151	169	98	125	481	219	1,972	1,798
Net operating assets[2]	6,734	7,019	3,183	3,456	6,112	7,964	4,969	6,282	753	852	(185)	(16)	21,565	25,557
Total assets[2]	10,593	11,453	4,801	5,436	11,907	12,713	7,193	7,568	1,092	1,240	1,205	1,081	36,792	39,490
Total liabilities[2]	4,497	4,756	3,243	3,597	5,936	6,283	4,030	4,109	555	634	334[3]	(1)[3]	18,596	19,378
Income taxes paid	57	92	161	200	95	72	26	13	32	26			371	403

[1] Restated due to changes in accounting policies, see note 2.
[2] Prior-year figures as of December 31, 2014.
[3] The amount of CHF 334 million (2014: –1) consists of borrowings by Corporate from third parties amounting to CHF 9,609 million (2014: 9,997) and eliminations for cash transferred to regions of CHF 9,275 million (2014: 9,998).

	Asia Pacific		Latin America		Europe		North America		Africa Middle East		Corporate/ Eliminations		Total Group	
April–June	2015	2014[1]	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014[1]	2015	2014[1]
Sales (unaudited)														
Million t														
Sales of cement	18.6	18.0	6.2	6.1	7.1	7.5	3.5	3.4	2.1	2.3	(0.6)	(0.9)	36.9	36.4
– of which mature markets	0.1	0.1			4.0	4.0	3.5	3.4						
– of which emerging markets	18.4	17.9	6.2	6.1	3.1	3.4			2.1	2.3				
Sales of mineral components					0.8	0.6	0.3	0.4					1.2	1.0
Sales of aggregates	6.1	6.5	1.3	2.0	22.3	19.0	12.4	12.4	0.4	0.5			42.4	40.4
– of which mature markets	5.4	6.0			19.9	16.6	12.4	12.4						
– of which emerging markets	0.7	0.5	1.3	2.0	2.4	2.3			0.4	0.5				
Sales of asphalt					1.8	1.4	1.2	1.2					3.0	2.7
Million m^3														
Sales of ready-mix concrete	2.7	2.7	1.6	1.6	3.9	3.2	1.7	2.0	0.2	0.3			10.2	9.9
– of which mature markets	1.2	1.3			3.3	2.7	1.7	2.0						
– of which emerging markets	1.6	1.4	1.6	1.6	0.6	0.5			0.2	0.3				
Statement of income														
Million CHF														
Net sales to external customers	1,605	1,723	732	698	1,351	1,455	877	836	167	189			4,731	4,900
Net sales to other segments	33	7		44	66	78			38	43	(137)	(172)		
Total net sales	1,638	1,731	732	742	1,417	1,533	877	836	205	231	(137)	(172)	4,731	4,900
– of which mature markets	305	384			1,177	1,218	877	836						
– of which emerging markets	1,333	1,347	732	742	240	315			205	231				
Operating EBITDA	265	334	203	200	276	309	185	164	64	69	(93)	(83)	899	994
Operating EBITDA margin in %	16.2	19.3	27.7	26.9	19.5	20.2	21.1	19.7	31.1	30.0			19.0	20.3
Operating profit (loss)	166	245	158	154	185	201	115	87	51	56	(95)	(86)	580	657
– of which mature markets	15	16			127	137	115	87						
– of which emerging markets	151	228	158	154	58	64			51	56				
Operating profit margin in %	10.1	14.1	21.6	20.8	13.1	13.1	13.1	10.4	25.0	24.1			12.3	13.4
EBITDA	233	315	172	161	266	269	163	176	58	63	53	149	944	1,133

[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	Notes	January–June 2015	January–June 2014[1]	April–June 2015	April–June 2014[1]
Operating profit		**827**	**943**	**580**	**657**
Depreciation, amortization and impairment of operating assets		644	652	319	336
Operating EBITDA		**1,471**	**1,595**	**899**	**994**
Dividends earned	9	1	1	1	1
Other ordinary income	9	422	92	(13)	72
Share of profit of associates and joint ventures		64	92	45	59
Other financial income	10	14	19	12	8
EBITDA		**1,972**	**1,798**	**944**	**1,133**
Depreciation, amortization and impairment of operating assets		(644)	(652)	(319)	(336)
Depreciation, amortization and impairment of non-operating assets	9	(2)	(2)	(1)	(1)
Interest earned on cash and marketable securities	10	46	51	24	24
Financial expenses	11	(331)	(280)	(160)	(144)
Net income before taxes		**1,041**	**916**	**487**	**675**

[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	2015	2014[2]	2015	2014[2]	2015	2014[2]	2015	2014[2]	2015	2014[2]
Statement of income and statement of financial position										
Net sales to external customers	5,315	5,484	699	716	2,632	2,727			8,646	8,926
Net sales to other segments	373	431	405	405	268	267	(1,045)	(1,103)		
Total net sales	5,688	5,914	1,103	1,121	2,900	2,994	(1,045)	(1,103)	8,646	8,926
– of which Asia Pacific	2,520	2,513	218	280	643	715	(147)	(159)	3,234	3,349
– of which Latin America	1,240	1,241	20	33	284	321	(107)	(129)	1,438	1,465
– of which Europe	947	1,201	639	599	1,301	1,286	(372)	(369)	2,514	2,717
– of which North America	685	610	216	194	618	629	(146)	(154)	1,374	1,280
– of which Africa Middle East	349	404	9	13	28	38	(14)	(17)	373	438
– of which Corporate/Eliminations	(53)	(55)	0	1	26	6	(260)	(275)	(287)	(322)
Operating profit (loss)	808	946	40	61	(21)	(64)			827	943
– of which Asia Pacific	373	446	30	30	5	(6)			408	469
– of which Latin America	342	311	(1)	2	5	9			345	321
– of which Europe	84	152	47	49	28	(9)			159	192
– of which North America	75	65	(5)	(6)	(26)	(42)			44	16
– of which Africa Middle East	88	111	(1)	1	(4)	(3)			84	110
– of which Corporate/Eliminations	(155)	(139)	(30)	(15)	(29)	(13)			(213)	(166)
Operating profit (loss) margin in %	14.2	16.0	3.6	5.5	(0.7)	(2.1)			9.6	10.6
Net operating assets[3]	14,571	17,259	4,167	4,951	2,827	3,346			21,565	25,557

[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, 2014.

Million CHF	Cement[1]		Aggregates		Other construction materials and services		Corporate/ Eliminations		Total Group	
April–June	2015	2014[2]	2015	2014[2]	2015	2014[2]	2015	2014[2]	2015	2014[2]
Statement of income										
Net sales to external customers	2,844	2,954	403	414	1,484	1,531			4,731	4,900
Net sales to other segments	206	256	224	224	124	134	(554)	(613)		
Total net sales	3,051	3,210	627	638	1,608	1,665	(554)	(613)	4,731	4,900
– of which Asia Pacific	1,271	1,289	113	145	332	380	(78)	(83)	1,638	1,731
– of which Latin America	630	633	11	16	145	160	(54)	(67)	732	742
– of which Europe	559	704	351	330	709	698	(201)	(200)	1,417	1,533
– of which North America	432	391	147	138	393	409	(94)	(102)	877	836
– of which Africa Middle East	190	212	6	8	16	21	(7)	(9)	205	231
– of which Corporate/Eliminations	(31)	(19)	0	1	13	(3)	(120)	(151)	(137)	(172)
Operating profit (loss)	491	572	67	76	22	9			580	657
– of which Asia Pacific	151	227	15	17	(1)	1			166	245
– of which Latin America	158	151	(1)	0	1	3			158	154
– of which Europe	107	143	46	45	32	13			185	201
– of which North America	89	69	21	21	5	(2)			115	87
– of which Africa Middle East	52	56	0	1	(1)	(2)			51	56
– of which Corporate/Eliminations	(66)	(74)	(14)	(8)	(14)	(4)			(95)	(86)
Operating profit margin in %	16.1	17.8	10.8	11.9	1.4	0.5			12.3	13.4

[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 2015	January–June 2014[1]	April–June 2015	April–June 2014[1]
Volume and price	(14)	461	52	128
Change in structure	88	(58)	47	(23)
Currency translation effects	(354)	(894)	(268)	(443)
Total	**(280)**	**(492)**	**(169)**	**(338)**

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

8 Change in operating profit

Million CHF	January–June 2015	January–June 2014[1]	April–June 2015	April–June 2014[1]
Volume, price and cost	(117)	35	(73)	(36)
Change in structure	12	19	26	8
Currency translation effects	(12)	(122)	(31)	(67)
Total	**(116)**	**(67)**	**(77)**	**(95)**

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

9 Other income

Million CHF	January–June 2015	January–June 2014[1]	April–June 2015	April–June 2014[1]
Dividends earned	1	1	1	1
Other ordinary income	422	92	(13)	72
Depreciation, amortization and impairment of non-operating assets	(2)	(2)	(1)	(1)
Total	**421**	**91**	**(13)**	**72**

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

The position "Other ordinary income" includes a gain before taxes on the disposal of Holcim's entire remaining stake in Siam City Cement Public Company Limited of CHF 371 million. Additional information is disclosed in note 3.

The position "Other ordinary income" also includes a gain before taxes on the disposal of Holcim (Česko) a.s. and Holcim's Gador cement plant and Yeles grinding station in Spain to Cemex of CHF 61 million.

In 2014, the position "Other ordinary income" related primarily to gains on disposal of property, plant and equipment.

10 Financial income

Million CHF	January–June 2015	January–June 2014[1]	April–June 2015	April–June 2014[1]
Interest earned on cash and marketable securities	46	51	24	24
Other financial income	14	19	12	8
Total	**60**	**70**	**36**	**32**

[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 2015	January–June 2014[1]	April–June 2015	April–June 2014[1]
Interest expenses	(256)	(271)	(131)	(129)
Fair value changes on financial instruments	(1)	1	(1)	1
Amortization on bonds and private placements	(4)	(7)	(3)	(5)
Unwinding of discount on provisions	(9)	(10)	(5)	(4)
Other financial expenses	(39)	(23)	(22)	(16)
Foreign exchange loss net	(59)	(1)	(16)	(7)
Financial expenses capitalized	37	30	18	16
Total	**(331)**	**(280)**	**(160)**	**(144)**

[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 "Other financial expenses" includes net interest costs relating to retirement benefit plans (note 2).

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

12 Earnings per share

As indicated in note 18 “Events after the reporting period”, the merger between Holcim and Lafarge became effective on July 10, 2015. As a result, an exceptional scrip dividend will be distributed to all LafargeHolcim shareholders after the closing of the re-opened exchange offer.

Based on the decision taken at the Extraordinary General meeting, Holcim is committed to issue up to 29,566,188 new shares arising from the scrip dividend. The final number of new shares issued due to the scrip dividend depends on the outcome of the re-opened exchange offer and will impact the earnings per share.

In accordance with IAS 33 *Earnings per Share*, the weighted average number of shares outstanding and per share amounts for the prior periods presented have been retrospectively restated to reflect the new shares that will arise from the scrip dividend issue after the closing of the re-opened exchange offer, as if those shares had been issued on January 1, 2014. The number of new shares arising from the scrip dividend was determined as of July 10, 2015, after the completion of the public exchange offer. The EPS calculation for 2014 and 2015 therefore includes 27,704,699 shares to account for the stock dividend.

13 Assets and related liabilities classified as held for sale

On January 5, 2015, Holcim and Cemex announced the successful closure of their series of transactions in Europe. Additional information is disclosed in note 3.

Holcim and Lafarge reached a binding agreement with CRH on May 26, 2015 relating to the sale of assets that include operations mainly in Europe, Canada, Brazil and the Philippines with an enterprise value of CHF 6.8 billion (EUR 6.5 billion). The assets and liabilities of these operations were classified as held for sale in the second quarter 2015.

Holcim will be divesting assets in Europe comprising operations in France, Hungary, Serbia and Slovakia and operations in the United States, Canada and Brazil consisting largely of cement plants, grinding stations, ready-mix plants and aggregates sites which are further disclosed by major classes of assets and liabilities in the table below.

Holcim expects to divest these assets and operations in the third quarter 2015. The reporting segments of Holcim that will be impacted by the divestments are Europe, North America and Latin America.

Million CHF	30.6.2015	31.12.2014	30.6.2014
Cash and cash equivalents	31	1	1
Other current assets	732	29	111
Property, plant and equipment	1,630	194	461
Intangible assets	821	19	60
Other long-term assets	45	40	136
Assets classified as held for sale	**3,259**	**283**	**769**
Short-term liabilities	554	25	122
Long-term provisions	156	8	97
Other long-term liabilities	171	0	6
Liabilities directly associated with assets classified as held for sale	**882**	**33**	**225**
Net assets classified as held for sale	**2,377**	**249**	**544**

14 Financial assets and liabilities recognized and measured at fair value

The following tables present the Group's financial instruments that are recognized and measured at fair value as of June 30, 2015 and as of December 31, 2014.

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
30.6.2015			
Financial assets			
Available-for-sale financial assets			
– Marketable securities	1		1
– Financial investments third parties	1	74	75
Derivatives held for hedging		50	50
Financial liabilities			
Derivatives held for hedging		42	42

Million CHF	Fair value level 1	Fair value level 2	Total
31.12.2014			
Financial assets			
Available-for-sale financial assets			
– Marketable securities	1		1
– Financial investments third parties	2	85	87
Derivatives held for hedging		50	50
Financial liabilities			
Derivatives held for hedging		3	3

15 Bonds

On March 19, 2015, Holcim Finance (Australia) Pty Ltd issued an AUD 250 million (CHF 179 million) bond with a coupon of 3.75 percent and a tenor of 5 years, guaranteed by LafargeHolcim Ltd. The proceeds were used to refinance existing debt and for general corporate purposes.

On March 20, 2015, Holcim Capital México, S.A. de C.V. issued a MXN 1.7 billion (CHF 101 million) bond with a floating interest rate and a tenor of 5 years, guaranteed by LafargeHolcim Ltd. The proceeds were used to refinance existing debt and for general corporate purposes.

On April 20, 2015, Holcim Ltd redeemed a CHF 250 million bond with a coupon of 3.00 percent which was issued 9 years ago.

16 Contingencies and commitments

The Group's commitments amounted to CHF 951 million (December 31, 2014: 1,350). The decrease is mainly related to the classification of assets and liabilities as held for sale, to various purchase commitments for capital expenditures which were realized during the current six month period and to the reduction of the financial commitment relating to United Cement Company of Nigeria Ltd ("Unicem"). The Group's contingencies amounted to CHF 907 million (December 31, 2014: 1,037). The decrease is mainly related to currency translation effects.

The Competition Commission of India issued an order dated June 20, 2012, imposing a penalty of CHF 337 million (INR 23,119 million) on ACC Limited and Ambuja Cements Ltd. concerning an alleged breach of competition law by certain cement manufacturers in India. The two Indian 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 CHF 151 million (BRL 508 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.

There are no further single matters pending that the Group expects to be material in relation to the Group's business, financial position or results of operations.

17 Payout

In conformity with the decision taken at the annual general meeting on April 13, 2015, a payout related to 2014 of CHF 1.30 per registered share has been paid out of capital contribution reserves. This resulted in a total payment of CHF 424 million.

18 Events after the reporting period

Disposal of lime business in New Zealand

On July 1, 2015, Holcim disposed of its entire lime business in New Zealand. The estimated gain on disposal before taxes amounts to CHF 68 million and will be recorded in the third quarter 2015.

Merger between Holcim and Lafarge

The merger between Holcim and Lafarge S.A. ('Lafarge') announced publicly on April 7, 2014, and structured as a public exchange offer filed by Holcim for all the outstanding shares of Lafarge, became effective on July 10, 2015.

The merger was structured as a public exchange offer filed by Holcim for all outstanding shares of Lafarge with an exchange ratio of nine shares of Holcim for every ten shares of Lafarge. Holcim is deemed to be the accounting acquirer of Lafarge.

The business combination will be accounted for as of July 10, 2015, being the effective date of the merger since Holcim, which was renamed to LafargeHolcim Ltd ('LafargeHolcim'), controlled Lafarge from that date by owning 87.45 percent of the share capital and at least 84.59 percent of the voting rights of Lafarge. The number of Holcim Ltd shares issued amounts to 227,007,605 shares and the closing share price on July 9, 2015, for the first offering period was CHF 71.55.

Due to the proximity of the acquisition date to the date of the authorization of the interim financial statements for issue and as a result of the related restrictions when it comes to the sharing of financial information between Holcim and Lafarge because of the competition laws applicable up to the date of acquisition (although all relevant competition authority approvals have been obtained by then), the disclosure requirements of IFRS 3 *Business Combinations* can only be partially met.

LafargeHolcim has not yet completed a preliminary purchase accounting of the identifiable assets acquired and liabilities assumed from the merger with Lafarge. However, LafargeHolcim expects that significant assets acquired will primarily consist of property, plant and equipment, but will also include intangible assets, and that significant liabilities assumed will include the existing Lafarge third party financial liabilities and deferred tax liabilities associated with the assets acquired.

The fair value of the consideration transferred is, among others, depending on the outcome of the re-opened public exchange offer. The estimated amount of CHF 17.3 billion for the business combination has mainly been determined on the basis of:
- the number of Lafarge shares acquired in the public exchange offer on July 10, 2015, representing 87.45 percent of the share capital of Lafarge;
- the Holcim closing share price as at July 9, 2015;
- the exchange ratio of nine Holcim shares for every ten Lafarge shares exchanged;
- the fair value of Lafarge outstanding share options and other equity awards; and
- the fair value of the cash consideration expected to be paid in connection with mandatory take-overs, non-compete clauses and merger-related agreements.

Acquisition-related costs are included in administration expenses and amount to approximately CHF 50 million for the current year, of which CHF 21 million relate to the three month period ended June 30, 2015. In addition to this, acquisition costs of CHF 67 million occurred in 2014.

Share capital increase

The resolutions submitted to the Holcim Ltd shareholders and approved by them at the extraordinary general meeting held on May 8, 2015 all became effective with the successful closing of the public exchange offer, the related registration of the amended Articles of Incorporation of Holcim Ltd and of the relevant share capital increase with the commercial register of St. Gallen, Switzerland, on July 10, 2015. This included the resolutions on the share capital increase required for the public exchange offer, the change of the corporate name of Holcim Ltd to LafargeHolcim Ltd, the creation of authorized capital for the post-closing exceptional scrip dividend, and the appointment of new members of the Board of Directors. Those events were pre-conditions of the merger which therefore also became effective on July 10, 2015.

Consequently, 227,007,605 new Holcim Ltd shares, as determined by the Board of Directors, were issued with a par value of CHF 2 in exchange for 252,230,673 Lafarge shares tendered to the public exchange offer, which resulted in a share capital increase of CHF 454,015,210.

A further authorized share capital of up to 132,118,700 new LafargeHolcim shares was also approved for the purpose of financing or re-financing any acquisition of shares in Lafarge, including the settlement of the re-opened exchange offer and, as the case may be, to complete a squeeze-out.

Scrip dividend

An authorized share capital of up to 29,566,188 new LafargeHolcim shares was approved for a scrip dividend (in the ratio of one new LafargeHolcim share for twenty existing LafargeHolcim shares). The post-closing exceptional scrip dividend will be distributed to all LafargeHolcim shareholders after the settlement of the re-opened public exchange offer. The scrip dividend will have no effect on the total amount of the equity attributable to the LafargeHolcim shareholders, but will have an impact on the earnings per share.

The scrip dividend has been reflected in the basic and diluted earnings per share as disclosed in note 12.

Acquisition of interest in Lafarge Tarmac

As part of the preliminary steps to implement the disposals required by the European Commission for its approval on the merger to create LafargeHolcim, the Group acquired on July 17, 2015, the remaining 50 percent interest in Lafarge Tarmac for CHF 1,479 million (GBP 992 million). This step is required to allow the full divestment of Lafarge Tarmac (with the exception of the Cauldon and Cookstown plants and certain non-operational properties), which is part of the divestments of several assets in Europe, Canada, Brazil and the Philippines to CRH, as disclosed in note 13 “Assets and related liabilities classified as held for sale”. The divestment of these assets, which consists largely of cement plants, aggregates sites and ready-mix plants, is expected to be completed in the third quarter 2015.

Reorganization of Group functions

On May 20, 2015 Lafarge and Holcim announced that they are preparing the reorganization of Group functions in the context of the merger. The proposed new organization will result in a net reduction of approximately 380 positions in Lafarge and 120 positions in Holcim. The social consultation process to reduce the impact on roles that are affected by reductions has been launched with the employee representatives in Switzerland. In parallel, Lafarge put in place the information and consultation procedure with employee representatives. LafargeHolcim’s cost for the restructuring are estimated to an amount of CHF 225 million. The implementation of the new organization is expected for early 2016 after completion of all relevant social consultations in Switzerland and France.

19 Authorization of the interim financial statements for issue

The interim financial statements were authorized for issuance by the Board of Directors of LafargeHolcim Ltd on July 28, 2015.

20 Principal exchange rates

		Statement of income Average exchange rates in CHF January–June		Statement of financial position Closing exchange rates in CHF		
		2015	2014	30.6.2015	31.12.2014	30.6.2014
1 Euro	EUR	1.06	1.22	1.04	1.20	1.22
1 US Dollar	USD	0.95	0.89	0.93	0.99	0.89
1 British Pound	GBP	1.44	1.49	1.47	1.54	1.51
1 Australian Dollar	AUD	0.74	0.82	0.71	0.81	0.84
1 Canadian Dollar	CAD	0.77	0.81	0.75	0.85	0.83
1,000 Indonesian Rupiah	IDR	0.07	0.08	0.07	0.08	0.08
100 Indian Rupee	INR	1.51	1.47	1.46	1.56	1.48
100 Moroccan Dirham	MAD	9.74	10.88	9.58	10.95	10.81
100 Mexican Peso	MXN	6.25	6.80	5.95	6.72	6.85
100 Philippine Peso	PHP	2.13	2.00	2.06	2.21	2.04

On January 15, 2015, the Swiss National Bank announced to abandon its cap on the Swiss franc against the Euro. As of this date, the Euro devalued considerably against the Swiss franc. This led to significant changes in currency translation adjustments which are reflected in the consolidated statement of other comprehensive earnings.

To the Board of Directors of LafargeHolcim Ltd (formerly: Holcim Ltd), Rapperswil-Jona

Zurich, July 28, 2015

Report on the review of interim consolidated financial statements

Introduction

We have reviewed the accompanying interim consolidated financial statements (consolidated statement of income, consolidated statement of comprehensive earnings, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and notes) of LafargeHolcim Ltd on pages 15 to 42 for the period from January 1, 2015 to June 30, 2015. The Board of Directors is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

Ernst & Young Ltd

Willy Hofstetter	Elisa Alfieri
Licensed audit expert	Licensed audit expert
(Auditor in charge)	

LafargeHolcim securities
Following the completion of the merger between Holcim and Lafarge S.A. on July 10, 2015, LafargeHolcim started trading on July 14, 2015, on the Main Standard of the SIX Swiss Exchange in Zurich and on Euronext in Paris. Telekurs lists the registered share under LHN (security code number 12214059). The corresponding code under Bloomberg is LHN:VX. The market capitalization of LafargeHolcim Ltd amounted to CHF 41.5 billion as per July 14, 2015.

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.

Disclaimer
Holcim Ltd publishes interim reports in English and German. The English version is legally binding.

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