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## Press Release

### Holcim Indonesia Third Quarter Unaudited Results 2016

## Holcim views affordable home solutions as an answer to lacklustre demand in the building materials sector

Jakarta, 31 October 2016.

### Selected comparative highlights: 9 Months Unaudited Results

Rp billion (except ratio)	9 months to Sept 30th 2016 (Unaudited)*	9 months to Sept 30th 2015 (Unaudited)
Sales	6,906	6,558
Gross Profit	1,389	1,477
Gross Margin %	20.1	22.5
Operating EBITDA	1,052	922
Operating Profit	180	251
Net loss	(160)	(372)

\* Includes the operations of LCI acquired February 10th, 2016

In the context of a slow growth economy and weak demand, Holcim Indonesia recorded 5.3% increase in top line sales revenues to Rp 6,906 billion versus the same period a year ago. Cement sales volume was 10.4% higher at 6.2 mt. National cement sales growth remained sluggish at less than 3% to 44.7mt. Prices continued to remain under pressure, reflecting the substantial overhang of cement supply - the result of significant cement industry capacity increases over the last two years - coupled with weak demand. Under these conditions margins continued to decline, however the company has achieved lower operating costs, in particular a reduction of 8% in distribution costs to Rp 564 billion and a significant reduction in finance costs of 51% to Rp 323 billion.

Despite efficiency gains in operations, the slowdown in trading conditions especially in price is reflected in a bottom line loss of Rp 160 billion; however this represents a substantial reduction compared to the 2015 nine month result, which was a loss of Rp 372 billion.

Holcim Indonesia CEO, Gary Schutz provided some perspective on the nine month performance. “There is little evidence of the long-awaited upturn in Government spending on infrastructure projects due to given fiscal constraints. Tax collection not considering the one-off Tax Amnesty windfall remained very weak and far below expectations. Moreover, infrastructure represents a single figure percentage share of the total market compared to about 80% of cement sales, via retailers, to serve housing and smaller scale construction projects.” He continued, “The reality is that key reforms, such as improved mortgage lending terms introduced in August and the two recent cuts in interest rates, need time to take effect in stimulating demand. Government has announced a review on future cement capacity increases but this will not happen overnight.”

Holcim Indonesia, part of the leading global cement group, LafargeHolcim, has rolled out a number of initiatives for large infrastructure projects, in solutions for paving with porous concrete namely ThruCrete for better water absorption and flood mitigation, high rise, ports/airports and structural formwork as well as innovative delivery systems for remote construction sites. Supporting the housing sector new developments include Solusi Rumahku with Bank BTN as a strategic partner plus a sustainable housing programme for Aceh under an eco-green banner and considerable investment in mason training and mobile teams to advise on applications and best practices in safe construction – all highly relevant for the Government’s ‘One million houses’ initiative.

Marketing Director Dhamayanti Suhita, “We are concentrating our efforts on affordable housing by providing solutions to help prospective homeowners – a worthwhile and genuine need across Indonesia, representing a requirement of about 13-14 million homes. Solusi Rumahku represents a one-stop-shop for building a house. And at current cement prices there has never been a better time to build.”

Complementing our portfolio to meet customers’ distinctive needs, Holcim’s innovation in ready-mix concrete continuously provides added value such as SpeedCrete for an ultra-fast-track road repair in less than 7 hours, and the recently introduced ApexCrete, an integrated solution for industrial flooring construction in a very short time supported with hi-technology Laser Screed and 3D Profiler equipment.

For more information on Affordable Housing and the entire Holcim Indonesia range of value added solutions visit: [www.membangunbersama.com](http://www.membangunbersama.com)

### **About PT Holcim Indonesia Tbk**

*PT Holcim Indonesia Tbk (Holcim Indonesia) is a publicly listed company which its majority stake (80.65%), is owned and managed by Swiss-based LafargeHolcim Group, the world's largest cement companies with more than 115,000 employees and operates in more than 90 countries.*

*As one of the largest cement companies in Indonesia, PT Holcim Indonesia Tbk maintains integrated businesses of cement, ready-mix concrete, and aggregates production. The company operates four cement plants in Narogong-West Java, Cilacap-Central Java, Tuban-East Java, and Lhoknga-Aceh, making total capacity of 15 million tons of cement and employs more than 2,500 employees.*

*PT Holcim Indonesia Tbk operates a domestic building material supply network, which covers special distributors, retailers, masons, and value added solutions.*

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