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Media Release

PT Holcim Indonesia 9M 2017 - Financial Result

Holcim Indonesia reports 9M 2017 results

- **Challenging market conditions continue with slight recovery in cement demand in Q3**
- **Cement sales volume increased 5.6%**
- **Net sales slightly down -0.4% impacted by lower selling prices**
- **New value-added solutions to respond to market challenges and increased competition**

Jakarta 31st October 2017.

Comparative highlights (YTD 9M unaudited results)

Rp billion (except ratio)	9 months to 30 Sept 2017 (unaudited)	9 months to 30 Sept 2016 (unaudited)
Sales	6,880	6,906
Gross Profit	1,034	1,378
Gross Margin %	15%	20%
Operating EBITDA	745	1,052
Income (loss) from Operations	(103)	180
Net loss	(647)	(160)

Holcim Indonesia CEO, Gary Schutz said “While Holcim Indonesia reported lower sales and earnings over the first nine months of 2017 we saw a significant improvement in the third quarter with increasing earnings on the back of higher cement volumes. Our teams continue to pursue their efforts on commercial initiatives, costs and operational efficiency in order to offset pricing pressure in a market with continued intense competition caused by cement overcapacity. We appreciate the government’s push to accelerate infrastructure developments in the country and expect that this will lead to further economic growth. Holcim is ready to provide its leading solutions to those infrastructure and other housing projects.”

The construction and infrastructure sectors started picking up after Ramadan responding to the rapid acceleration of government’s spending on toll roads, bridges, dams and power plants. Cement consumption year-to-date until end of September grew by more than 6% to 47 million tons.

**In prior year, sales volume reported includes PT Lafarge Cement Indonesia (subsidiary) as per February 2016*

Cement volumes at Holcim Indonesia increased by 5.6 percent in the first nine months of the year driven by stronger demand in the third quarter. Net sales were slightly down as a result of strong competition and pricing pressures.

The company reported a loss Rp 647 billion that was partly mitigated by a range of self-help measures focusing on optimizing logistics, increasing operational efficiency and bringing new value-added solutions to the market.

Expanded product portfolio

Holcim Indonesia has launched a range of new solutions in response to the ongoing market challenges. The company recently introduced the improved Serba Guna cement which enables easier application and results in stronger construction and smoother surfaces. A new and improved bag design was also launched in June 2017. Supporting the improved cement formula, Holcim campaigns the tagline of 'Yang Pasti Aja' to differentiate Semen Serbaguna as the right choice for any and every building plan.

Holcim Indonesia also launched a new road solution: Solid Road is an integrated solution that stabilizes the different conditions of soil upon which roads are to be constructed. It comes with lab tests to analyze soil stability, determines the right mix design and quality checks in the field. Solid Road is a new solution for our customers including governments and private investors to build quality roads irrespective of the soil condition.

Business Outlook

Going forward cement volume growth will remain positive on the back of the infrastructure spending but market conditions will continue to be shaped by the persisting overcapacity of the industry.

Holcim Indonesia will continue to focus on the needs of its customers by optimizing digital channels and social media to display its specialized solutions. In May 2017, Holcim engaged with CIMB Niaga to facilitate online business/-e-commerce through Solusi RumahKu mobile application for Android users. Customers within Greater Jakarta are benefiting already from the application and it is set to be rolled out over all our markets.

For more information on the the entire Holcim Indonesia range of value added solutions visit www.solusiholcim.com or enter the keyword 'Solusi Holcim' to find us on Twitter, YouTube, Facebook and Instagram.

About PT Holcim Indonesia Tbk

PT Holcim Indonesia Tbk (Holcim Indonesia) is a publicly listed company. Its majority stake (80.65%), is owned and managed by Swiss-based LafargeHolcim Group, the world's largest cement company with more than 90,000 employees and operating in more than 80 countries.

As one of the largest cement companies in Indonesia, PT Holcim Indonesia Tbk maintains integrated businesses including 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 a 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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