

# Holcim Cement Customer Update

Holcim (New Zealand) Ltd

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## Cement Source Confirmed

Holcim New Zealand has entered into a long-term cement supply agreement to source cement for the New Zealand market, from a strategic partner in Japan. The cement will be supplied from the Mitsubishi Materials Corporation (MMC) Kanda Plant in the Fukuoka region. MMC also supplies other Holcim companies in the Asia Pacific region. We have worked closely with Holcim's Trading business based in Singapore to achieve this outcome.

We conducted extensive product testing under our local conditions prior to confirming the supply agreement. Further specific testing will continue as part of customer transition plans.

We will be working closely with customers on individual product transition programmes to ensure a seamless changeover to the new supply arrangements. The timing of this transition is early 2016 for the South Island and later in 2016 for the North Island. Your account manager will be in contact to discuss your specific product and supply needs as part of the transition plan. We are committed to ensuring that we continue to meet your product and service needs throughout the transition period.

The Mitsubishi Kanda plant has many customers they export to who are involved in large infrastructure projects around the world. They are part of a well respected global company whose reputation and performance is top class. <http://www.mmc.co.jp/corporate/en/index.html>.

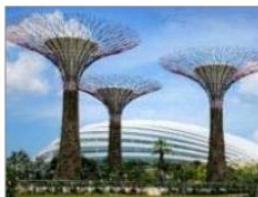
As part of our due diligence, Murray Dickson National Sales Manager for Holcim Cement, visited Holcim Singapore recently. Holcim Singapore is a long-term customer of Mitsubishi. Murray met with Dr Arvind Suryayanshi Director of Holcim's Centre of Excellence and Simon Loh the General Manager of Holcim Singapore Concrete. Murray was very impressed with all aspects of the supply relationship between Mitsubishi and Holcim Singapore.

Two Holcim Singapore projects you might find interesting which have used Mitsubishi Kanda cement include the project Gardens in the Bay Singapore (30-55m super trees - structures designed as vertical gardens). About 80,000 m<sup>3</sup> of concrete was supplied for this project. For more information see: <http://www.holcim.com/media-relations/our-major-projects/supertrees-greening-the-concrete.html>

The second is a "new milestone for Singapore high-rise development" with Holcim supplied Grade 100 ultra-high strength concrete to achieve Green Mark Platinum. See <http://www.eco-business.com/news/holcim-singapore-ceo-lets-build-more-less>

The cement from Mitsubishi is recognised by engineers, architects and construction companies as being extremely reliable with the added benefit of Holcim being able to supply expertise in many different applications.

### Gardens by the Bay



Supertrees, 30-55m structures designed as vertical gardens

### Marina Bay Financial Centre



- Prime business complex designed for financial services
- 1.78ha subterranean space

### Star Vista



- Dynamic design for a new visual experience
- The largest 5,000-seat auditorium in Singapore
- 'Floating' theatre above 10 stories.
- 80 meter skybridge

### Reflections at Keppel Bay



- One of Asia's most spectacular waterfront residential precincts at Keppel Bay





## Supply chain

Our global cement sourcing strategy is supported by an investment of \$100 million in new cement import terminals and distribution facilities in Timaru and Auckland. The significant investment in our supply chain and supply partnerships will ensure our customers continue to have uninterrupted access to high quality cement and support for their business operations. This security is particularly important to the construction and infrastructure sectors.



## Testing and trials

Extensive laboratory and field concrete trials have been carried out over several months. Climatic conditions will be included in further testing. Our globally sourced cement from the Mitsubishi Kanda plant will be supplied in the South Island initially; hence most of our early work is occurring in this region. The North Island customers can expect more contact in our second phase.



## Products

Our main product supplied to the market will be general purpose cement. We are currently assessing sources for rapid cement. Rapid cement customers will be contacted to ensure we have an acceptable solution for them. Other products currently supplied by us will continue to be available in the future. They are Duracem (high slag cement for use where durability is required), Flyash, and White Cement. Holcim will continue to supply bagged cement.



## Timaru dome is up

Holcim's state-of-the-art cement storage dome at Timaru was put up with clockwork efficiency in only an hour on Friday 27 February. This cutting edge technology is a first for New Zealand and will provide first class storage for our globally sourced cement. The white outer layer is a waterproof membrane made of a fabric called DomeSkin. A sprayed insulation layer has already been added internally. Over the next few months a reinforced concrete layer will be constructed inside based on reinforced shotcrete (photo). Contact one of our staff below if you would like more information on the dome's construction. The second dome will be constructed in Auckland later in the year. The Timaru terminal will be fully operational by the first quarter of 2016 and the Auckland terminal in the second half of 2016. Each will be capable of storing 30,000 tonnes of cement.



## Frequently asked questions

**Q:** Our dollar is currently high so importing is attractive, what happens if the dollar drops in value?

**A:** Long-term hedging will be used to smooth effects of any significant fluctuations in the exchange rate.

**Q:** Why is Holcim New Zealand not getting cement from a Holcim plant?

**A:** Holcim Trading connections and partnerships around the world have allowed us to source cement from one of their strategic partners in Japan; a plant that has long-term capacity, as well as quality and consistency that best suits New Zealand conditions. Port access was also a major consideration.

**Q:** Why should we continue to buy from Holcim when local production stops?

**A:** Holcim will use our global networks to ensure a reliable, good quality product is always available to our customers. We have the backing of the largest cement company in the world with extensive experience and expertise in sourcing product. We have long-term contracts in place and we have excellent distribution networks and storage facilities. In a nutshell, we will minimise risks for our customers so they can be relied on by their own customers. We've been in the business for over 125 years and know what we're doing.

If you have any questions please contact one of our sales staff below:



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