

8. Glossary

ARCO: Acronym for Accounts Receivables Cost of Opportunity. It measures the cost of not having owed earnings on hand to reinvest them, considering a generally accepted period of time that is used in a particular market in case of receivables balances.

CAPEX: Contraction for Capital Expenditures; investments in capital goods that depreciate over a longer period of time, usually more than one year. They increase a company's asset base and enable it to operate.

Concentration ratio: The sum of the percentages of the market shares of the largest competitors in a market. Most common are ratios for the four, six and eight largest competitors in the market. The higher the percentage of the ratio, the more the industry is concentrated.

EBITDA: Acronym for Earnings Before Interests, Taxes, Depreciation & Amortization. Line in Financial Statements to indicate Profits before alterations and non operating deductions.

EVA: Acronym for Economic Value Added. Increase in value, measured in a monetary quantity, that is added to the company with each successful project it undertakes. It takes into account deductions from investments and the costs to get the necessary funding.

HARP: Acronym for Holcim Accounting and Reporting Procedures. Set of guidelines set forth by Holcim Ltd. that dictate how the accounting and reporting processes should be performed within Holcim worldwide. These also comply to guidelines like the GAAP and equivalent accounting procedures of all countries Holcim has established itself.

Market Change Rate: Rate of change displayed by a market, consisting of a mixture of Qualitative and Quantitative changes along time to plot an orientation for company to direct its actions along these two alternatives for change.

MDT: Acronym for Minimal Disruption Threshold. Upper limit of disruptiveness that an entity of market can endure before the negative effects of disruptiveness have a detrimental impact.

Minimal Impact Threshold: A floor below which the company's actions have no effect on itself. Neither qualitative nor quantitative change will have any effect in such a company, because change is too small to make a difference.

Obsolete Threshold: Lower limit of change that is set forth by a market. Below this floor, no value proposition offered by a company has the required attributes to be able to cater to the needs of the market. It would become obsolete compared to the relatively evolved needs of the market.

OLAP processes: Acronym for On-Line Application Processes. Processes performed inside the business intelligence systems to format and combine data in various ways to achieve a desired outcome.

Vertical Integration: The process of integrating links in the supply chain of a product to increase supplier power and lower costs to produce a certain good.