

Media release

Broad-based profit rise due to expansion and internal growth.

- Higher sales volumes across all cements
 - Net sales up 34 percent to CHF 13.425 billion
 - Substantial 25.4 percent rise in operating EBITDA to CHF 3.501 billion
 - Operating profit advances 44.2 percent to CHF 2.576 billion
 - Net income jumps 58.2 percent to CHF 1.384 billion
 - Cash flow from operating activities increases 11.7 percent to CHF 1.864 billion
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November 9, 2005

Further earnings growth

Holcim is able to report a further substantial improvement in its performance in the third quarter of 2005, building on acquisitions and the sound internal growth achieved in the first half. The intact global construction cycle, Holcim's worldwide presence and the right mix of production sites in mature and emerging markets led to this pleasing result. Sales gains and cost-savings – for example, due to the increased substitution of fossil fuels – supported robust internal growth. This more than offset rising energy costs and price pressure in some markets.

Integration of companies acquired this year in the UK, USA and India is proceeding well. The successive assimilation of these companies into the Group enables Holcim to leverage the synergies announced when it acquired Aggregate Industries and will lift earnings in India. By strengthening the aggregates and ready-mix concrete segments and by gaining a foothold on the Indian sub-continent, Holcim has secured new growth potential.

Consolidated cement sales increased 7.4 percent to 83 million tonnes in the first nine months of the year. Major contributions came from emerging markets, but a clear uptrend was also registered in most parts of Europe and North America. The trend in aggregates was more mixed but overall this segment achieved a strong improvement of 55.8 percent to 122.3 million tonnes. While Group regions Europe and North America benefited for the first time from the consolidated deliveries of Aggregate Industries (44.6 million tonnes), slowdowns were registered in Latin America due to the general market situation and in Asia as a result of changes in the scope of consolidation. Thanks to South Africa, the aggregates segment posted strong growth in Group region Africa Middle East. Consolidated sales of ready-mix concrete increased 28.3 percent to 28.1 million cubic meters. All Group regions reported an improvement with Europe and North America registering the strongest rise, owing to the

consolidation of Aggregate Industries which delivered 4.1 million cubic meters of ready-mix concrete and 9 million tonnes of asphalt.

Group in million CHF	July – September 2005	January – September 2005	July – September 2004 ¹⁾	January – September 2004 ¹⁾	Change against prior year July – September +/--%	Change against prior year January – September +/--%
Net sales	5,555	13,425	3,700	10,017	+50.1	+34.0
Operating EBITDA	1,464	3,501	1,072	2,792	+36.6	+25.4
Operating profit	1,128	2,576	716	1,787	+57.5	+44.2
Net income	610	1,384	398	875	+53.3	+58.2
Cash flow from operating activities	1,178	1,864	981	1,669	+20.1	+11.7

1) Adjusted in line with IFRS 2005.

Consolidated net sales advanced 34 percent to CHF 13,425 million. Despite higher energy and transport costs and tougher price pressure in some markets, four out of five Group regions contributed significantly to the substantial 25.4 percent rise in operating EBITDA to CHF 3,501 million. Particularly impressive was the improvement achieved by North America (+62.4 percent), followed by Africa Middle East (+34.3 percent), Europe (+28.1 percent) and Asia Pacific (+12.9 percent). In Latin America, operating EBITDA remained stable. Factoring out Aggregate Industries, Ambuja Cement Eastern and Cemento de El Salvador which were consolidated for the first time this year, internal operating EBITDA growth was pleasing at 9.7 percent as well. Consolidated operating profit rose 44.2 percent to CHF 2,576 million. Net income was boosted by changes in the scope of consolidation and amendments to the International Financial Reporting Standards (IFRS), e.g. the abolition of goodwill amortization (CHF 190 million as per end-September 2004). Net income was 58.2 percent higher at CHF 1,384 million and the share of net income attributable to equity holders of Holcim Ltd was CHF 1,175 million (+70.5 percent).

Better results in Europe

Despite regional variations within the European construction sector, on balance Holcim booked a positive trend. Order inflow was at a relatively high level in most western European countries, including the UK, and dynamic construction activity was registered in France, Switzerland and, above all, Spain. By contrast, demand remained low in Germany and, in northern Italy, the sector only recovered gradually from the dip in the first half of the year. A satisfactory level of building activity was registered in the markets Holcim serves in southeastern Europe.

Holcim's sales have risen steadily in Spain since the start of the year, mainly because of the continued boom in housing construction in Madrid and the south of the country as well as major public-sector infrastructure projects. Sales volumes also increased in France, but price pressure in Belgium resulted in a slight drop in deliveries. In Switzerland and southern Germany, Group companies moved ahead in all segments. Group companies reported far higher sales in Romania, Bulgaria and Russia.

Year-on-year, consolidated sales increased in all segments. Deliveries of cement were up 1.7 percent at 24 million tonnes. The rise in sales was particularly high in the aggregates and ready-mix concrete segments, which posted improvements of 33.9 percent to 58.8 million tonnes and 27.5 percent to 13 million cubic meters. Of this, 14.5 million tonnes and 1.4 million cubic meters were attributable to Aggregate Industries

UK, which has been fully consolidated since April 2005 and has a nationwide presence in the UK. This company also sold 3 million tonnes of asphalt.

Europe in million CHF	July – September 2005	January – September 2005	July – September 2004 ¹⁾	January – September 2004¹⁾	Change against prior year July – September +/--%	Change against prior year January – September +/--%
Net sales	2,087	5,153	1,289	3,631	+61.9	+41.9
Operating EBITDA	515	1,253	364	978	+41.5	+28.1
Operating profit	401	923	245	626	+63.7	+47.4

1) Prior-year figures adjusted to certain Group expenditures.

Operating EBITDA increased 28.1 percent to CHF 1,253 million in Europe, while internal operating EBITDA growth was 7.7 percent. It should be noted that there was renewed improvement in the results of the Group companies in Spain, Switzerland and southeastern Europe and, thanks to a slight recovery of prices, Germany.

Pleasing improvement in North American margins

Economic conditions in North America remained dynamic, with a further boost coming from the upturn in industrial and commercial construction activity in the USA. Spending on infrastructure renewal and private home construction was also higher than in the previous year. However, there was a reduction in the number of new housing starts in the USA. Since demand for cement was well above domestic output, large quantities of cement and clinker had to be imported despite consistently high freight rates. Supply has also been affected in the areas hit by hurricane Katrina. In Canada, the construction cycle remained stable.

Cement deliveries increased further in this Group region, rising 2.3 percent to 13.5 million tonnes. This included a strong advance at Holcim US. At the same time, prices rose in some regions. In Canada, St. Lawrence Cement also reported improved sales accompanied by higher prices in most cases. However, on the US East Coast its sales declined due to delivery bottlenecks.

Holcim made a leap forward in aggregates and ready-mix concrete. The acquisition of Aggregate Industries has significantly extended its product range in key US regional markets. This new Group company is very well-positioned and developing in line with expectations. Since April 2005, Aggregate Industries US has sold 30.1 million tonnes of aggregates, 2.7 million cubic meters of ready-mix concrete and 6 million tonnes of asphalt. Including the slight drop in sales at the Canadian affiliate, consolidated deliveries of aggregates on this continent increased 193.5 percent to 44.9 million tonnes while deliveries of ready-mix concrete rose 131.6 percent to 4.4 million cubic meters.

North America in million CHF	July – September 2005	January – September 2005	July – September 2004 ¹⁾	January – September 2004¹⁾	Change against prior year July – September +/--%	Change against prior year January – September +/--%
Net sales	1,649	3,349	844	1,932	+95.4	+73.3
Operating EBITDA	368	674	208	415	+76.9	+62.4
Operating profit	287	481	158	272	+81.6	+76.8

1) Prior-year figures adjusted to certain Group expenditures.

Good market trends in North America and consolidation of Aggregate Industries in the second and third quarters markedly lifted earnings. Despite some softening of growth around the Great Lakes and in the northeast of the US, as well as rising energy costs, operating EBITDA was 62.4 percent higher at CHF 674 million in North America and internal operating EBITDA grew by an impressive 16.1 percent.

Work has begun on the new cement plant at Ste. Genevieve on the Mississippi. When the plant comes on stream in 2009 with an annual capacity of 4 million tonnes of cement, Holcim US will be able to further expand its cost leadership along the entire Mississippi-Missouri river system up to the Great Lakes.

Sound earnings position in Latin America

In most Latin American markets in which Holcim operates, the construction sector was supported by private investments and public-sector housing and infrastructure programs. The situation in Central America was less dynamic due to the restricted funding available to the public sector for construction projects.

Demand for building materials was better than anticipated in Mexico. As well as benefiting from rising domestic demand for cement, the Mexican company Holcim Apasco took advantage of export opportunities. Holcim Brazil posted a slight rise in cement sales on the back of a general upturn in demand. Moreover, the creation of new processing capacity for aggregates in the greater Rio de Janeiro area enabled this segment to boost volumes. Group companies in Venezuela, Colombia, Ecuador and Chile also benefited from higher orders. Demand continued to rise in Argentina, where Grupo Minetti considerably increased cement sales.

Cement deliveries increased 14.3 percent to 17.6 million tonnes. Since the start of this year, the figures have included volumes supplied by Cemento de El Salvador. Sales of ready-mix concrete were up, especially in Chile, Argentina and Venezuela. The improvement in this segment was posted at 3.2 percent.

Latin America in million CHF	July – September 2005	January – September 2005	July – September 2004 ¹⁾	January – September 2004¹⁾	Change against prior year July – September +/--%	Change against prior year January – September +/--%
Net sales	830	2,294	757	2,177	+9.6	+5.4
Operating EBITDA	299	845	282	844	+6.0	+0.1
Operating profit	231	657	199	602	+16.1	+9.1

1) Prior-year figures adjusted to certain Group expenditures.

Several Group companies reported renewed improvement in their results. Operating EBITDA rose only slightly to CHF 845 million due to price pressure in Brazil and Colombia and higher energy costs. Internal operating EBITDA growth contracted further, but the decline of minus 3.4 percent was lower than in the first half of the year, endorsing the prompt action taken to enhance cost-efficiency.

Higher earnings in Africa and the Middle East

Growth impetus again came from the construction of public housing and the expansion of transport network and tourist infrastructure. In South Africa, business was also stimulated by continued high demand for building materials in the mining industry.

The Group companies in Morocco and Lebanon and, above all, Holcim South Africa, took advantage of the favorable business conditions to increase cement sales. Deliveries of ready-mix concrete also increased substantially in some markets. Egyptian Cement performed well in a somewhat difficult market and reported renewed growth in domestic shipments. However, export business contracted. In Madagascar, cement volumes declined in the wake of the weak construction cycle. Road building on La Réunion ensured high sales of aggregates and ready-mix concrete.

Africa Middle East in million CHF	July – September 2005	January – September 2005	July – September 2004 ¹⁾	January – September 2004 ¹⁾	Change against prior year July – September +/--%	Change against prior year January – September +/--%
Net sales	525	1,384	416	1,141	+26.2	+21.3
Operating EBITDA	183	474	135	353	+35.6	+34.3
Operating profit	161	411	113	286	+42.5	+43.7

1) Prior-year figures adjusted to certain Group expenditures.

As a whole, Group region Africa Middle East made impressive headway. Operating EBITDA increased 34.3 percent to CHF 474 million while internal operating EBITDA growth was 29.4 percent. All Group companies played a part in this pleasing improvement in results. The Group companies in South Africa, Lebanon and the Indian Ocean contributed far higher earnings and Egyptian Cement and Holcim Morocco also posted substantial growth in their financial performance.

Further progress in Asia Pacific

In this Group region, demand for cement picked up in almost all markets, with housing and infrastructure construction mainly responsible. India, Vietnam, Indonesia, Thailand, Australia and New Zealand all reported respectable growth in construction, but cement consumption declined slightly in Malaysia and the Philippines as a result of limited public spending.

Thanks to the improvement in business conditions, Holcim was able to lift cement volumes delivered to 21.9 million tonnes, a considerable improvement (14.7 percent) compared with the first nine months of 2004. Positive factors included the expanded scope of consolidation as cement sales of Ambuja Cement Eastern, India, have been included since April 2005.

In terms of volumes, Siam City Cement in Thailand, PT Semen Cibinong in Indonesia and Holcim Vietnam posted the largest sales growth. Thanks to buoyant domestic demand and significant export orders, the facility at Saraburi in Thailand operated at full capacity.

Timely capacity expansion enabled Holcim Vietnam to meet steadily rising demand and ensure uninterrupted supply in the south of the country.

Asia Pacific in million CHF	July – September 2005	January – September 2005	July – September 2004 ¹⁾	January – September 2004¹⁾	Change against prior year July – September +/-%	Change against prior year January – September +/-%
Net sales	583	1,676	512	1,459	+13.9	+14.9
Operating EBITDA	155	421	131	373	+18.3	+12.9
Operating profit	105	276	71	198	+47.9	+39.4

1) Prior-year figures adjusted to certain Group expenditures.

Virtually all companies in this Group region posted better results. Operating EBITDA increased 12.9 percent to CHF 421 million despite higher energy and transport costs. Principal contributions came from Holcim Philippines – benefiting from a more stable price situation – and Siam City Cement. The Group companies in Australia, Indonesia and Sri Lanka also reported better results than in the first nine months of the previous year. India also made its first profit contribution through Ambuja Cement Eastern. Internal operating EBITDA growth in this region was 10.7 percent.

A good performance in 2005

The Board of Directors and Executive Committee are pleased to report that business trends in almost all markets served by Holcim have been encouraging this year. Holcim is currently benefiting significantly from good economic conditions in key growth markets. Since this is unlikely to change in the coming months, internal operating EBITDA growth should be well above the long-term average of 5 percent, providing an excellent foundation for fiscal 2006.

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Holcim is one of the world's leading suppliers of cement, aggregates (crushed stone, sand and gravel), concrete and construction-related services. The Group holds majority and minority interests in more than 70 countries on all continents.

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This media release is also available in German.

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This media release, the third quarter interim report 2005 and results presentation can be downloaded from www.holcim.com/presentations

Key figures

Group Holcim January – September		2005	2004 Restated ¹	+/-%	+/-% local currency
Annual cement production capacity	million t	156.1	154.1 ²	+1.3	
Sales of cement and clinker	million t	83.0	77.3	+7.4	
Sales of aggregates	million t	122.3	78.5	+55.8	
Sales of ready-mix concrete	million m ³	28.1	21.9	+28.3	
Net sales	million CHF	13,425	10,017	+34.0	+35.3
Operating EBITDA	million CHF	3,501	2,792	+25.4	+26.8
Operating EBITDA margin	%	26.1	27.9		
EBITDA	million CHF	3,587	2,820	+27.2	+28.4
Operating profit	million CHF	2,576	1,787	+44.2	+45.6
Operating profit margin	%	19.2	17.8		
Net income	million CHF	1,384	875	+58.2	+59.5
Net income attributable to equity holders of Holcim Ltd	million CHF	1,175	689	+70.5	+71.6
Net income margin (share Holcim Ltd)	%	8.8	6.9		
Cash flow from operating activities	million CHF	1,864	1,669	+11.7	+12.7
Cash flow margin	%	13.9	16.7		
Net financial debt	million CHF	13,466	6,846 ²	+96.7	+83.0
Total shareholders' equity	million CHF	13,669	10,661 ²	+28.2	+18.4
Gearing ³	%	98.5	64.2 ²		
Personnel	30.9.	61,541	46,909 ²	+31.2	
Earnings per dividend-bearing share ⁴	CHF	5.14	3.32	+54.8	+55.7
Earnings per share (fully diluted) ⁴	CHF	5.07	3.29	+54.1	+55.0
Cash earnings per dividend bearing share ^{4 5}	CHF	5.33	4.50	+18.4	+19.1

Principal key figures in USD (illustrative) ⁶

Net sales	million USD	10,915	7,887	+38.4	
Operating EBITDA	million USD	2,846	2,198	+29.5	
Operating profit	million USD	2,094	1,407	+48.8	
Net income attributable to equity holders of Holcim Ltd	million USD	955	543	+75.9	
Cash flow from operating activities	million USD	1,515	1,314	+15.3	
Net financial debt	million USD	10,439	6,005 ²	+73.8	
Total shareholders' equity	million USD	10,596	9,352 ²	+13.3	
Earnings per dividend-bearing share ⁴	USD	4.18	2.61	+60.2	
Cash earnings per dividend bearing share ^{4 5}	USD	4.33	3.54	+22.3	

Principal key figures in EUR (illustrative) ⁶

Net sales	million EUR	8,661	6,463	+34.0	
Operating EBITDA	million EUR	2,259	1,801	+25.4	
Operating profit	million EUR	1,662	1,153	+44.1	
Net income attributable to equity holders of Holcim Ltd	million EUR	758	445	+70.3	
Cash flow from operating activities	million EUR	1,203	1,077	+11.7	
Net financial debt	million EUR	8,632	4,417 ²	+95.4	
Total shareholders' equity	million EUR	8,762	6,878 ²	+27.4	
Earnings per dividend-bearing share ⁴	EUR	3.32	2.14	+55.1	
Cash earnings per dividend bearing share ^{4 5}	EUR	3.44	2.90	+18.6	

¹ Adjusted in line with IFRS 2005.

² As of December 31, 2004.

³ Net financial debt divided by total shareholders' equity.

⁴ EPS calculation based on net income attributable to equity holders of Holcim Ltd.

⁵ Excludes the amortization of goodwill and other intangible assets.

⁶ Income statement figures translated at average rate; balance sheet figures at year-end rate.