

Holcim Česko Newsletter, January - March 2006

Dear business partners,

Please allow us to share with you the news on what happened in our company from January to March this year.



Holcim at the construction fair IBF in Brno

After last year's absence, Holcim will take part in the 11th edition of the International Construction Fair IBF in Brno, which takes place from April 25 to 29. You can visit Holcim's exposition in the pavillion A1, stall no. 20. When the fair is launched, on Tuesday April 25, Holcim will invite journalists and business partners for afternoon cocktail „Concrete at three“. Live music, bartender show and small surprise will contribute to the pleasant atmosphere.



Holcim Prize for the development of the region

In the early March, Holcim announced the public competition Holcim Prize for the development of the region. The prize is to award the best locally-based project aimed at improving lives of people around the Holcim base in Prachovice. Non-governmental organizations and associations, as well as groups of people or individuals from Prachovice, Heřmanův Městec, Míčov, Kostelec u Heřmanova Městce, Vápenný Podol, Ronov n. Doubravou, Třemošnice, Bojanov a Seč can apply. Holcim will divide among the winning projects the sum of CZK 350,000. The deadline for application is on April 20. The award ceremony will take place during the Open Door Day in Holcim Prachovice plant on June 10, 2006. More information on the competition and the application form are available at www.holcim.cz.



Holcim donated the social car

As a successful international company in the region, Holcim has been, regularly and over the long term, contributing financially to help the social facilities based in the areas of the company's operations. On March 9, the representatives of Holcim presented the director of Domov na zámku nursing home in Liběšice with a new „social“ car. The new car will significantly help the staff of the nursing home to transport dozens of their mentally and physically impaired clients. A representative of Holcim, Mr Jan Kozák of the nearby Dobřín-Roudnice sand quarry, was present when the car was being donated.



The end of electrofilters in Prachovice

Holcim Česko made the last step in its effort to achieve the world-class level protection of the environment, when the company replaced the remaining electrofilters with new pipe filters during the winter break. The new pipe filters on the rotational furnace and cement mill are much more efficient and reliable than electrofilters. They are not vulnerable to power blackouts and, besides lower emissions, they will save energy consumption. It is expected that the emissions on the rotational furnace will be reduced at 12 mg/m³, which means reduction of polluting emissions from 35 tpy to 10 tpy. In the cement mill, the new filters will reduce emissions from 16 tpy to 2 or 3 tpy. This means that the Prachovice plant will easily comply with the new, stricter limit, which is from Dezemeber 28, 2005 30mg/m³.



Cement mill in Pardubice expands its production capacity

The cement mill in Pardubice – Sementin has new aggregates bunker. In 2005, the mill produced **108,000** cubic metres of concrete, which was the highest output during the whole existence of the cement mill. Under this output, however, the aggregates transport no longer sufficed for the production capacity of the concrete mixer which has capacity of 2.25 cubic metres and the transport of aggregates decreased the hourly production rate. This facility was reconstructed within record three weeks at the turn of the year. By extension of the cylinder part of the bunker by almost **4 metres** in height and by attaching a cap of the same diameter as the bunker itself, the capacity has been considerably increased. The angle of the purveyor belt support increased by **1.5 degrees**. To provide for winter operation, the superstructure of the aggregates bunker has been equipped with steam pipes and isolated.



New concrete plant in Ledeč nad Sázavou

At early February, Holcim leased the concreting plant in Ledeč nad Sázavou. During the winter the new tenant made some repairs and the unit can now produce concrete of solidity levels up to B 50. The output of the concreting plant is **18 m³ / hour**. The plant can process two kinds of cement or one kind of cement and one additive (limestone for example). The production is semi-automated and its quality will be increased by new formulae, which will no doubt lead to increased satisfaction of the customers. For higher volumes, Holcim concreting plants in the nearby Havlíčkův Brod and Čáslav can be used.



Economic results Holcim Ltd

In 2005, Holcim achieved the consolidated operating profit **3.316 billion CHF** (60.42 billion CZK). Net revenue increased by 39.8 % to 18.47 billion CHF. The net income of the group increased by 74.8 % to 1.54 billion CHF. We have used all our strengths in favourable economy climate and strengthened our position in the market through major acquisitions.

GUJARAT AMBUJA CEMENTS LTD.



Holcim strengthens its position on the Asian market

Since January 2006, Holcim has made three major acquisitions and has become one of the significant players in the Asian market. In January, Holcim bought 14.8 per cent stake in **Gujarat Ambuja Cements Ltd.** and submitted offer to buy another 20% stake in this third biggest cement producer in India. On February 9, Holcim announced it acquired 25 per cent stake in **National Cement Factory** based in Abu Dhabi, United Arabian Emirates. The stake was bought by the daughter company Holcim Trading. The period of successful acquisitions was crowned by increase of the stake in the Chinese cement producer **Huaxin Cement Co. Ltd** to 50.3 %.

We wish you pleasant spent Easter holiday!

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