Holcim

Strength. Performance. Passion.

First Quarter Interim Report 2009 Holcim Ltd

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Key figures Group Holcim

January–March		2009	2008	±%	±% like-for-like
Annual cement production capacity	million t	191.6	194.4[1]	–1.4	–1.2
Sales of cement	million t	29.7	34.2	–13.2	–11.1
Sales of mineral components	million t	0.6	0.7	–14.3	–14.3
Sales of aggregates	million t	25.1	32.7	–23.2	–26.0
Sales of ready-mix concrete	million m^3	8.7	10.5	–17.1	–20.0
Sales of asphalt	million t	1.6	1.9	–15.8	–15.8
Net sales	million CHF	4,523	5,509	–17.9	–8.5
Operating EBITDA	million CHF	763	1,151	–33.7	–23.0
Operating EBITDA margin	%	16.9	20.9		
EBITDA	million CHF	855	1,239	–31.0	
Operating profit	million CHF	343	737	–53.5	–41.5
Operating profit margin	%	7.6	13.4		
Net income	million CHF	195	513	–62.0	–55.9
Net income margin	%	4.3	9.3		
Net income – equity holders of Holcim Ltd	million CHF	74	370	–80.0	–75.1
Cash flow from operating activities	million CHF	(161)	(158)	–1.9	+7.0
Cash flow margin	%	(3.6)	(2.9)		
Net financial debt	million CHF	16,658	15,047[1]	+10.7	+7.0
Total shareholders' equity	million CHF	18,955	17,974[1]	+5.5	
Gearing[2]	%	87.9	83.7[1]		
Personnel		83,574	86,713[1]	–3.6	–3.3
Earnings per dividend-bearing share[3]	CHF	0.29	1.41	–79.4	
Fully diluted earnings per share[3]	CHF	0.29	1.41	–79.4	

Principal key figures in USD (illustrative)[4]

Net sales	million USD	3,933	5,247	–25.0
Operating EBITDA	million USD	663	1,096	–39.5
Operating profit	million USD	298	702	–57.6
Net income – equity holders of Holcim Ltd	million USD	64	352	–81.8
Cash flow from operating activities	million USD	(140)	(150)	+6.7
Net financial debt	million USD	14,612	14,195[1]	+2.9
Total shareholders' equity	million USD	16,627	16,957[1]	–1.9
Earnings per dividend-bearing share[3]	USD	0.25	1.34	–81.3

Principal key figures in EUR (illustrative)[4]

Net sales	million EUR	3,015	3,443	–12.4
Operating EBITDA	million EUR	509	719	–29.2
Operating profit	million EUR	229	461	–50.3
Net income – equity holders of Holcim Ltd	million EUR	49	231	–78.8
Cash flow from operating activities	million EUR	(107)	(99)	–8.1
Net financial debt	million EUR	10,959	10,099[1]	+8.5
Total shareholders' equity	million EUR	12,470	12,063[1]	+3.4
Earnings per dividend-bearing share[3]	EUR	0.19	0.88	–78.4

[1] As of December 31, 2008.

[2] Net financial debt divided by total shareholders' equity.

[3] EPS calculation based on net income attributable to equity holders of Holcim Ltd weighted by the average number of shares.

[4] Statement of income figures translated at average rate; statement of financial position figures at closing rate.

The economy continued to worsen in many markets. Moreover, the European and North American construction sectors were adversely affected by the hard winter. Holcim posted organic growth in Latin America and Asia. The Group pursues a strict cost reduction program globally.

Dear Shareholder

In the first quarter of 2009, the economic crisis deepened and spread to more countries. However, there are still markets where construction activity remains solid, which benefited Holcim thanks to its global network and the strong presence in Latin America and Asia.

Business in Europe and North America strongly suffered from the economic downturn and the severe and prolonged winter. Holcim achieved organic growth in operating EBITDA in the Group regions Latin America and Asia Pacific. Remarkable progress was also made versus the fourth quarter, particularly in India. Overall, Africa and the Middle East reported only a moderate downturn.

The cost-cutting program ongoing at all levels and the rapid reduction in capacity had a positive impact on fixed costs. Holcim succeeded in scaling back expenses in administration, sales and distribution.

Investments in property, plant and equipment for maintenance and financial investments were significantly reduced. However, the 2009–2012 capacity expansion program approved by the Board of Directors and the Executive Committee largely continued as planned, even though the associated investments were somewhat lower than in the first quarter of 2008.

Holcim attaches great importance to a strong balance sheet and solid liquidity. This policy yields fruit. Since the beginning of the year, CHF 2.5 billion have been refinanced at competitive terms.

Group	Jan–March 2009	Jan–March 2008	±%	±% like-for-like*
Sales of cement in million t	29.7	34.2	–13.2	–11.1
Sales of aggregates in million t	25.1	32.7	–23.2	–26.0
Sales of ready-mix concrete in million m^3	8.7	10.5	–17.1	–20.0
Sales of asphalt in million t	1.6	1.9	–15.8	–15.8
Net sales in million CHF	4,523	5,509	–17.9	–8.5
Operating EBITDA in million CHF	763	1,151	–33.7	–23.0
Operating profit in million CHF	343	737	–53.5	–41.5
Net income in million CHF	195	513	–62.0	–55.9
Net income – equity holders of Holcim Ltd – in million CHF	74	370	–80.0	–75.1
Cash flow from operating activities in million CHF	(161)	(158)	–1.9	+7.0

* Factoring out changes in the scope of consolidation and currency translation effects.

Consolidated deliveries of cement decreased by 13.2 percent to 29.7 million tonnes. Sales volumes of aggregates declined by 23.2 percent to 25.1 million tonnes. Ready-mix concrete sales decreased by 17.1 percent to 8.7 million cubic meters. Asphalt sales came to 1.6 million tonnes, which represents a decline of 15.8 percent.

With consolidated net sales of CHF 4.523 billion (–17.9 percent) operating EBITDA declined by 33.7 percent to CHF 763 million. The operating EBITDA margin reached 16.9 percent (first quarter 2008: 20.9). Cash flow from operating activities was negative in the first quarter as expected. However, at CHF –161 million, the previous year's level was only marginally missed despite the lower operating EBITDA. This was due to a vigorous focus on net current assets, particularly the efficient management of accounts receivables and the systematic reduction of inventory. Net income decreased by 62 percent to CHF 195 million. Net income attributable to equity holders of Holcim Ltd declined by an above-average 80 percent to CHF 74 million. This reflects among other things the lower contribution from Europe.

Declining economy and hard winter in Europe

Whereas at the beginning of 2008 the construction sector was still largely sound and mild temperatures prevailed, in the first quarter of 2009 the economic situation and prolonged cold spells led to a sharp decline in deliveries of building materials.

Europe	Jan–March 2009	Jan–March 2008	±%	±% like-for-like
Sales of cement in million t	5.1	7.3	–30.1	–31.5
Sales of aggregates in million t	16.2	21.8	–25.7	–29.8
Sales of ready-mix concrete in million m^3	3.7	4.7	–21.3	–29.8
Sales of asphalt in million t	1.3	1.5	–13.3	–13.3
Net sales in million CHF	1,511	2,243	–32.6	–26.2
Operating EBITDA in million CHF	119	424	–71.9	–69.3
Operating (loss) profit in million CHF	(56)	270	–120.7	–122.6

Due to the adverse weather conditions in France and Belgium, Holcim delivered less building materials. Structural and civil engineering projects were affected; the commercial, industrial and housebuilding sectors clearly felt the weaker economy. The Group company in the Netherlands increased its sales volumes slightly in comparison with the first quarter of 2008. Business activity at Aggregate Industries UK was affected by a combination of bad weather and economic conditions. However, the stimulus programs initiated by the government are beginning to bolster road building. In Spain, the downturn in the construction industry continued. Both Group companies continued to scale back production capacity and mothballed a number of quarries and ready-mix concrete plants. Amid declining cement exports, Holcim Germany continued deliveries to construction sites which had started the previous year, but new projects were scarce. In Southern Germany and Italy, deliveries declined because of market conditions and the winter weather. In Switzerland, capacity in the construction sector remained well utilized, but here too low temperatures and the weakening market led to lower sales volumes.

In Eastern and Southeastern Europe, the decline in market momentum in the construction sector experienced since autumn 2008 continued. This was compounded by the harsh winter, causing a drop in deliveries of cement and ready-mix concrete throughout the region. Particularly affected were the Group companies in Hungary, Slovakia and the Czech Republic. In Bulgaria, deliveries were adversely affected by cement imports, and in Croatia and Romania liquidity bottlenecks of clients led to a slowdown in demand. In Russia, construction activity virtually came to a standstill because of the financial crisis and falling commodity prices. Amid increasingly intense competition, Alpha Cement posted a significant loss in volumes. Azerbaijan has recently seen an increase in shipments of cement from neighboring countries, while at the same time, there has been a noticeable decline in domestic demand for building materials, particularly in the housebuilding and industrial sectors. As a result, Garadagh Cement sold less cement. In the eastern European markets including Russia, clinker and cement production was adjusted in line with demand by temporary shutdowns.

Consolidated cement sales in Europe declined by 30.1 percent to 5.1 million tonnes. Deliveries of aggregates were down 25.7 percent to 16.2 million tonnes. Sales of ready-mix concrete decreased by 21.3 percent to 3.7 million cubic meters.

As a result of a decline in demand across the region and weather-related delivery cancellations, Group region Europe's operating EBITDA decreased by 71.9 percent to CHF 119 million. The full impact of the cost-cutting measures initiated last autumn particularly in Spain and in the UK has not yet been seen. Accordingly, internal operating EBITDA development was negative at –69.3 percent.

North America still in the grip of recession

The US recession paralyzed construction activity at all levels. This had an increasingly negative effect on the Canadian economy. North America also suffered from an exceptionally hard winter, which made pouring concrete impossible in many parts of the country and further depressed the market.

North America	Jan–March 2009	Jan–March 2008	±%	±% like-for-like
Sales of cement in million t	1.8	2.7	–33.3	–33.3
Sales of aggregates in million t	4.5	6.5	–30.8	–32.3
Sales of ready-mix concrete in million m^3	0.8	1.1	–27.3	–27.3
Sales of asphalt in million t	0.3	0.4	–25.0	–25.0
Net sales in million CHF	517	647	–20.1	–23.0
Operating EBITDA in million CHF	(54)	(14)	–285.7	–271.4
Operating loss in million CHF	(128)	(88)	–45.5	–36.4

Holcim US sold less cement in all regions. In particular, the markets adjacent to the Mississippi/Missouri River as well as those in Texas were strongly affected. Residential construction activity was extremely weak in these areas; numerous commercial and industrial projects were halted. On the east coast and in the northeast of the US, heavy snowfall paralyzed construction activity. The number of private building starts remained at a very low level. Demand for building materials was at least partly supported by the government's multi-year infrastructure plan and by major investment projects in the energy sector. Thanks to its broad product range, Holcim US was able to partially offset some of the negative market factors. With the decision to mothball two more plants – Artesia and Mason City – with a total annual capacity of 1.4 million tonnes of cement, the adjustment to the lower demand continues.

For the reasons mentioned, Aggregate Industries US also saw a further decline in sales of aggregates, ready-mix concrete and asphalt. The extensive cost-cutting measures were systematically continued and the efforts to reduce capacity were stepped up.

Market and weather conditions also negatively influenced Holcim's sales of cement, aggregates and ready-mix concrete in Canada. In Ontario in particular, demand was hit by the sharp decline in residential and industrial construction. In the provinces of Quebec and Alberta, the decline in volumes was less pronounced.

Cement deliveries in Group region North America declined by 33.3 percent to 1.8 million tonnes. Sales of aggregates fell by 30.8 percent to 4.5 million tonnes, and volumes of ready-mix concrete were down by 27.3 percent to 0.8 million cubic meters.

Because of the decline in sales volumes, consolidated operating EBITDA was negative at CHF –54 million (first quarter 2008: –14). This was due to the deterioration in business activity, particularly at Holcim US. In contrast, Aggregate Industries US reported a reduction in the seasonal loss. This confirms that the cost-cutting measures introduced last year are starting to have an effect. St. Lawrence Cement (since April 2009 Holcim Canada) posted a better result compared with the first quarter of 2008. Internal operating EBITDA in this Group region deteriorated by 271.4 percent.

Regionally different but overall satisfactory growth in Latin America
In Latin America, the construction sector has proved to be much more stable than in North America or Europe. However, the countries to the south of the US – particularly Mexico – increasingly felt the impact of the US recession.

Latin America	Jan–March 2009	Jan–March 2008	±%	±% like-for-like
Sales of cement in million t	5.5	6.6	–16.7	–7.6
Sales of aggregates in million t	2.9	3.0	–3.3	+3.3
Sales of ready-mix concrete in million m³	2.4	2.8	–14.3	–10.7
Net sales in million CHF	820	977	–16.1	+1.5
Operating EBITDA in million CHF	253	284	–10.9	+5.3
Operating profit in million CHF	205	229	–10.5	+4.8

Holcim Apasco, which operates throughout Mexico, was affected by the weaker domestic demand and lost volumes across all segments. Exports of clinker and cement also declined. At least, the government's economic stimulus program in the center and south of the country generated some positive impetus.

In El Salvador, investment activity was quite restrained in the run-up to the presidential elections. Cement deliveries also decreased in Costa Rica and Nicaragua. Many projects were postponed, amongst other things because of greater difficulty to access credits.

Holcim Ecuador continued to benefit from solid demand. Government-subsidized housebuilding and expansion of transport infrastructure led to volume increases in all segments. In Colombia, construction activity decreased slightly after the previous year's strong growth, but deliveries of aggregates and ready-mix concrete still increased. At Holcim Brazil, construction activity was dampened by heavy rainfalls and a decline in demand for building materials of the export-oriented business sectors. The Group company focused on products with high margins, deliberately accepting a drop in volumes of cement. Ready-mix concrete showed a positive development. Minetti in Argentina delivered slightly less cement, but increased sales in the downstream segments.

In Chile, Cemento Polpaico sold less aggregates and ready-mix concrete due to the market entry of new competitors.

The Group companies affected by the weaker market conditions responded swiftly and adjusted production capacity. Measures included the temporary closure of one kiln line at the Ramos Arizpe (Mexico), Maya (El Salvador), Pedro Leopoldo (Brazil) and Cerro Blanco (Chile) plant. At the same time, the ready-mix concrete network was streamlined in several markets.

Cement deliveries in Group region Latin America were down by 16.7 percent to 5.5 million tonnes. Sales of aggregates decreased by 3.3 percent to 2.9 million tonnes. Volumes of ready-mix concrete diminished by 14.3 percent to 2.4 million cubic meters.

Holcim Apasco only narrowly missed its previous year's result in local currency. Apart from the Central American Group companies and Cemento Polpaico, all other companies in Group region Latin America improved their results. Due to the strong Swiss franc, operating EBITDA for Group region Latin America decreased by 10.9 percent to CHF 253 million. The Group region posted internal operating EBITDA growth of 5.3 percent. This also reflects the rapid implementation of the cost-cutting programs and the stable price environment.

After Holcim Venezuela was nationalized in 2008, the Swiss parent company has not received compensation, despite the fact that bilateral investment protection agreements are in place between the two countries. Therefore, the matter has been taken to the competent court of arbitration at the World Bank in Washington D.C. Holcim is claiming that the Venezuelan state owes it compensation at the market value for 100 percent of the share capital in Holcim Venezuela.

Stable construction materials markets in Africa and the Middle East

In Group region Africa Middle East, activity was satisfactory, but growth slowed compared with the first quarter of 2008.

Africa Middle East	Jan–March 2009	Jan–March 2008	±%	±% like-for-like
Sales of cement in million t	2.1	2.5	–16.0	–4.0
Sales of aggregates in million t	0.4	0.4	–	–
Sales of ready-mix concrete in million m^3	0.2	0.2	–	–
Net sales in million CHF	296	314	–5.7	+3.2
Operating EBITDA in million CHF	78	105	–25.7	–12.4
Operating profit in million CHF	64	90	–28.9	–14.4

Holcim Morocco continued to benefit from residential construction and infrastructure projects. However, a combination of January's heavy rainfall and weaker market conditions led to a decline in the sales of building materials in all segments. Holcim Lebanon increased its domestic sales of cement and ready-mix concrete. The export of cement proved more difficult due to the partial import ban imposed by Syria and the increased competitive pressure in Iraq's deficit market. In West Africa, cement sales were above the level of the previous year. In the Indian Ocean area, the political crisis has paralyzed the construction industry in Madagascar. La Réunion and Mauritius also experienced a subdued start of the year.

Cement sales decreased by 16 percent to 2.1 million tonnes in Group region Africa Middle East, but it should be borne in mind that Egyptian Cement was only deconsolidated at the end of January 2008. Sales of aggregates and ready-mix concrete volumes remained stable at 0.4 million tonnes and at 0.2 million cubic meters, respectively.

The Group strengthened its position in the Gulf region with the addition of the newly consolidated Qatar-based grinding capacity of Holcim Trading and the commissioning of a second cement mill at National Cement in Abu Dhabi, an affiliate of Holcim. At the beginning of March, the new Mfamosing plant in Southeastern Nigeria started cement production. This plant with an annual capacity of 2.4 million tonnes of cement is consolidated using the proportionate method of consolidation.

Group region Africa Middle East's operating EBITDA declined by 25.7 percent to CHF 78 million. Holcim Lebanon as well as the West African group of countries managed by Holcim Trading recorded an improved financial result. The other Group companies did not reach the encouraging results of the first quarter of 2008. Internal operating EBITDA development stood at –12.4 percent.

Positive business development in Asia Pacific

The construction sector in most of Group region Asia Pacific operated at capacity, and demand for building materials was brisk, accordingly. Particularly in India, the Group companies benefited from rural housebuilding and the government's economic stimulus program. However, growth momentum in some countries was slowed by the impact of the global economic crisis, and Thailand in particular continued to suffer from political instability.

Asia Pacific	Jan–March 2009	Jan–March 2008	±%	±% like-for-like
Sales of cement in million t	16.8	16.8	–	–0.6
Sales of aggregates in million t	1.1	1.0	+10.0	–
Sales of ready-mix concrete in million m^3	1.6	1.7	–5.9	–5.9
Net sales in million CHF	1,519	1,537	–1.2	+11.3
Operating EBITDA in million CHF	419	403	+4.0	+17.9
Operating profit in million CHF	316	289	+9.3	+24.6

The two Indian Group companies ACC and Ambuja Cements increased their sales of cement significantly in all areas. Holcim Bangladesh also recorded a rise in sales volumes. Sri Lanka, Malaysia and Thailand experienced a decline in cement consumption. At the Saraburi plant, Siam City Cement had to temporarily close another kiln line in response to falling cement and clinker exports. Holcim Vietnam held its own in a rather difficult cement market and was able to significantly increase sales of ready-mix concrete.

The Philippine Group company increased its sales of cement and ready-mix concrete, while reducing exports of clinker and cement in favor of domestic demand. Holcim Indonesia's exports more than compensated for a dip in domestic cement sales caused by market and weather factors.

In Australia, Cement Australia's sales suffered from a weaker market coupled with adverse climatic conditions. Floods in the north of Queensland and a record heat wave in the state of Victoria led to delays in important road building projects. In New Zealand, the recession continued to soften demand for building materials. Holcim was only able to achieve higher sales volumes in the aggregates segment.

Cement deliveries in Group region Asia Pacific reached 16.8 million tonnes. The Indian Group companies and Holcim Indonesia were key drivers of this positive sales development. Sales of aggregates increased by 10 percent to 1.1 million tonnes. Ready-mix concrete delivery volumes were down by 5.9 percent to 1.6 million cubic meters. This was due to the restrained construction activity in the urban centers of Jakarta and Bangkok and a decline in business activity in New Zealand.

In local currency terms, virtually all Group companies in Asia Pacific increased their operating EBITDA. The two Indian Group companies made a significant step forward. The companies in Vietnam, the Philippines and Indonesia also improved their results. Although the majority of local currencies lost ground against the Swiss franc, massively in some cases, the operating EBITDA of this Group region increased by 4 percent to CHF 419 million. The Group region posted positive internal operating EBITDA growth of 17.9 percent.

Outlook

The global crisis combined with the weather-related sluggish start to the new year in many construction markets confirms that 2009 will turn out to be a difficult year. In Europe and North America, the next few months will show to what extent the decline in demand for building materials is attributable to the hard winter as opposed to the recessionary environment. It is remarkable that Group regions Latin America and in particular Asia Pacific have posted organic growth at operating EBITDA level.

Because of the difficult economic environment, the Board of Directors and the Executive Committee still refrain from communicating any predictions about the Group's performance in 2009. Holcim continues to concentrate on those factors that management can influence. The cost-cutting programs and the quick shutdown of excess capacity will offset the effects of the decline in sales. Priority is given to the financial stability of the Group. A virtually stable cash flow from operating activities, compared with the first quarter of 2008, and the successful capital market transactions are testimony to the success of the respective actions.

Rolf Soiron
Chairman of the Board of Directors

Markus Akermann
Chief Executive Officer

May 6, 2009

Consolidated statement of income of Group Holcim

January–March	Notes	2009	2008	±%
Million CHF		Unaudited	Unaudited	
Net sales	5	**4,523**	**5,509**	**–17.9**
Production cost of goods sold		(2,733)	(3,020)	
Gross profit		**1,790**	**2,489**	**–28.1**
Distribution and selling expenses		(1,088)	(1,320)	
Administration expenses		(359)	(432)	
Operating profit		**343**	**737**	**–53.5**
Other income	7	18	35	
Share of profit of associates		56	44	
Financial income	8	42	46	
Financial expenses	9	(192)	(214)	
Net income before taxes		**267**	**648**	**–58.8**
Income taxes		(72)	(135)	
Net income		**195**	**513**	**–62.0**
Attributable to:				
Equity holders of Holcim Ltd		74	370	–80.0
Minority interest		121	143	–15.4
CHF				
Earnings per dividend-bearing share[1]		0.29	1.41	–79.4
Fully diluted earnings per share[1]		0.29	1.41	–79.4

Million CHF				
Operating EBITDA[2]	6	763	1,151	–33.7
EBITDA[3]		855	1,239	–31.0

[1] EPS calculation based on net income attributable to equity holders of Holcim Ltd weighted by the average number of shares.
[2] Operating profit CHF 343 million (2008: 737) before depreciation, amortization and impairment of operating assets CHF 420 million (2008: 414).
[3] Net income CHF 195 million (2008: 513) before interest earned on cash and marketable securities CHF 25 million (2008: 39), financial expenses CHF 192 million (2008: 214), taxes CHF 72 million (2008: 135) and depreciation, amortization and impairment CHF 421 million (2008: 416).

Consolidated statement of comprehensive earnings of Group Holcim

January–March		2009		2008
Million CHF		Unaudited		Unaudited
Net income		**195**		**513**
Other comprehensive earnings				
Currency translation effects				
– Currency translation	856		(2,513)	
– Disposal of foreign operations	–	856	–	(2,513)
Available-for-sale securities				
– Change in fair value	(24)		(3)	
– Realized gain through income statement	(1)		–	
– Tax expense	–	(25)	–	(3)
Cash flow hedges				
– Change in fair value	(4)		(2)	
– Realized gain through income statement	–		–	
– Tax expense	–	(4)	–	(2)
Net investment hedges				
– Change in fair value	–		–	
– Tax expense	–	–	–	–
Other comprehensive earnings[1]		**827**		**(2,518)**
Total comprehensive earnings[2]		**1,022**		**(2,005)**
Attributable to:				
Equity holders of Holcim Ltd		804		(1,769)
Minority interest		218		(236)

[1] Per first quarter interim report 2008: Net loss recognized directly in equity.
[2] Per first quarter interim report 2008: Total recognized net income (loss).

Consolidated statement of financial position of Group Holcim

Million CHF	Notes	31.3.2009	31.12.2008	31.3.2008
		Unaudited	Audited	Unaudited
Cash and cash equivalents		4,155	3,605	3,014
Marketable securities		5	5	43
Accounts receivable		3,385	3,116	3,847
Inventories		2,515	2,482	2,389
Prepaid expenses and other current assets		469	385	478
Assets classified as held for sale		405	401	32[1]
Total current assets		**10,934**	**9,994**	**9,803**
Long-term financial assets		701	715	800
Investments in associates		1,436	1,341	1,284
Property, plant and equipment		24,428	23,262	22,641
Intangible and other assets		10,089	9,613	9,955
Deferred tax assets		335	268	230
Total long-term assets		**36,989**	**35,199**	**34,910**
Total assets		**47,923**	**45,193**	**44,713**
Trade accounts payable		2,032	2,566	2,274
Current financial liabilities		5,923	5,863	4,622
Current tax liabilites		294	349	188
Other current liabilities		1,744	1,734	1,767
Short-term provisions		205	201	148
Liabilities directly associated with assets classified as held for sale		57	52	0
Total current liabilities		**10,255**	**10,765**	**8,999**
Long-term financial liabilities	10	14,890	12,789	11,847
Defined benefit obligations		364	334	387
Deferred tax liabilities		2,231	2,157	2,522
Long-term provisions		1,228	1,174	1,187
Total long-term liabilities		**18,713**	**16,454**	**15,943**
Total liabilities		**28,968**	**27,219**	**24,942**
Share capital		527	527	527
Capital surplus		6,868	6,870	6,876
Treasury shares		(406)	(401)	(71)
Reserves		9,158	8,362	9,676
Total equity attributable to shareholders of Holcim Ltd		**16,147**	**15,358**	**17,008**
Minority interest		2,808	2,616	2,763
Total shareholders' equity		**18,955**	**17,974**	**19,771**
Total liabilities and shareholders' equity		**47,923**	**45,193**	**44,713**

[1] Reclassified from prepaid expenses and other current assets.

Statement of changes in consolidated equity of Group Holcim

Million CHF	Share capital	Capital surplus	Treasury shares	Retained earnings
Equity as at December 31, 2007	**527**	**6,879**	**(67)**	**13,263**
Share capital increase				
Dividends				
Change in treasury shares			(4)	2
Share-based remuneration		(3)		
Capital paid-in by minorities				
New minorities assumed				
Buyout of minorities				
Total comprehensive earnings[1]				370
Equity as at March 31, 2008 (unaudited)	**527**	**6,876**	**(71)**	**13,635**
Equity as at December 31, 2008	**527**	**6,870**	**(401)**	**14,178**
Share capital increase				
Dividends				
Change in treasury shares			(12)	(8)
Share-based remuneration		(2)	7	
Capital paid-in by minorities				
New minorities assumed				
Buyout of minorities				
Total comprehensive earnings				74
Equity as at March 31, 2009 (unaudited)	**527**	**6,868**	**(406)**	**14,244**

[1] Per first quarter interim report 2008: Total recognized net income (loss).

Available-for-sale equity reserve	Cash flow hedging reserve	Currency translation effects	Total reserves	Total equity attributable to shareholders of Holcim Ltd	Minority interest	Total shareholders' equity
3	**1**	**(1,824)**	**11,443**	**18,782**	**3,163**	**21,945**
					(21)	(21)
			2	(2)		(2)
				(3)		(3)
					(143)	(143)
(3)	(2)	(2,134)	(1,769)	(1,769)	(236)	(2,005)
0	**(1)**	**(3,958)**	**9,676**	**17,008**	**2,763**	**19,771**
(3)	**17**	**(5,830)**	**8,362**	**15,358**	**2,616**	**17,974**
					(23)	(23)
			(8)	(20)		(20)
				5		5
					(3)	(3)
(25)	(4)	759	804	804	218	1,022
(28)	**13**	**(5,071)**	**9,158**	**16,147**	**2,808**	**18,955**

Consolidated statement of cash flows of Group Holcim

January–March	Notes	2009	2008	±%
Million CHF		Unaudited	Unaudited	
Net income before taxes		**267**	**648**	**–58.8**
Other income		(18)	(35)	
Share of profit of associates		(56)	(44)	
Financial expenses net	8, 9	150	168	
Operating profit		**343**	**737**	**–53.5**
Depreciation, amortization and impairment of operating assets		420	414	
Other non-cash items		10	(57)	
Change in net working capital		(638)	(883)	
Cash generated from operations		**135**	**211**	**–36.0**
Dividends received		2	12	
Interest received		51	47	
Interest paid		(150)	(163)	
Income taxes paid		(197)	(269)	
Other (expenses) income		(2)	4	
Cash flow (used in) from operating activities (A)		**(161)**	**(158)**	**–1.9**
Purchase of property, plant and equipment		(601)	(809)	
Disposal of property, plant and equipment		57	20	
Purchase of financial assets, intangible, other assets and businesses		(530)	(774)	
Disposal of financial assets, intangible, other assets and businesses		77	162	
Cash flow used in investing activities (B)		**(997)**	**(1,401)**	**+28.8**
Dividends paid to minority shareholders		(9)	(18)	
Movements of treasury shares		(20)	(2)	
Proceeds from current financial liabilities		1,777	1,422	
Repayment of current financial liabilities		(2,179)	(314)	
Proceeds from long-term financial liabilities		2,530	1,284	
Repayment of long-term financial liabilities		(817)	(862)	
Cash flow from financing activities (C)		**1,282**	**1,510**	**–15.1**
In(De)crease in cash and cash equivalents (A+B+C)		**124**	**(49)**	
Cash and cash equivalents as at January 1		**3,611**	**3,345**	
In(De)crease in cash and cash equivalents		124	(49)	
Currency translation effects		113	(282)	
Cash and cash equivalents as at March 31		**3,848**[1]	**3,014**	

[1] Cash and cash equivalents at the end of the period include bank overdrafts of CHF 312 million, disclosed in current financial liabilities, and CHF 5 million, disclosed in assets classified as held for sale.

1 Basis of preparation

The unaudited consolidated first quarter interim financial statements (hereafter "interim financial statements") are prepared in accordance with IAS 34 *Interim Financial Reporting*. The accounting policies used in the preparation and presentation of the interim financial statements are consistent with those used in the consolidated financial statements for the year ended December 31, 2008 (hereafter "annual financial statements") except for the adoption of IAS 1 (revised) *Presentation of Financial Statements* and IFRS 8 *Operating Segments*. The revised IAS 1 and the new IFRS 8 are presentation and disclosure-related only. The interim financial statements should be read in conjunction with the annual financial statements as they provide an update of previously reported information.

The preparation of interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the interim financial statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate during the period in which the circumstances change.

2 Changes in the scope of consolidation

On January 23, 2008, **Egyptian Cement Company** was deconsolidated and recognized as an investment in associate.

At December 31, 2008, **Holcim Venezuela** was deconsolidated and classified as assets held for sale.

On March 20, 2009, Holcim initiated international arbitration proceedings against the Republic of Venezuela in order to seek full compensation for the nationalization of its subsidiary, Holcim Venezuela, by the Venezuelan government. On April 10, 2009, the International Centre for Settlement of Investment Disputes (ICSID) registered Holcim's request for arbitration.

3 Seasonality

Demand for cement, aggregates and other construction materials and services is seasonal because climatic conditions affect the level of activity in the construction sector.

Holcim usually experiences a reduction in sales during the first and fourth quarters reflecting the effect of the winter season in its principal markets in Europe and North America and tends to see an increase in sales in the second and third quarters reflecting the effect of the summer season. This effect can be particularly pronounced in harsh winters.

4 Segment information

Information by region	Europe		North America		Latin America		Africa Middle East		Asia Pacific		Corporate / Eliminations		Total Group	
January–March (unaudited)	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Capacity and sales														
Million t														
Production capacity cement[1]	48.0	47.4	18.3	21.3	31.5	31.9	11.1	11.1	82.7	82.7			191.6	194.4
Sales of cement	5.1	7.3	1.8	2.7	5.5	6.6	2.1	2.5	16.8	16.8	(1.6)	(1.7)	29.7	34.2
Sales of mineral components	0.3	0.5	0.2	0.1					0.1	0.1			0.6	0.7
Sales of aggregates	16.2	21.8	4.5	6.5	2.9	3.0	0.4	0.4	1.1	1.0			25.1	32.7
Sales of asphalt	1.3	1.5	0.3	0.4									1.6	1.9
Million m[3]														
Sales of ready-mix concrete	3.7	4.7	0.8	1.1	2.4	2.8	0.2	0.2	1.6	1.7			8.7	10.5
Statement of income and statement of financial position														
Million CHF														
Net sales to external customers	1,495	2,207	517	647	815	946	294	314	1,402	1,395			4,523	5,509
Net sales to other segments	16	36			5	31	2		117	142	(140)	(209)		
Total net sales	1,511	2,243	517	647	820	977	296	314	1,519	1,537	(140)	(209)	4,523	5,509
Operating EBITDA[2]	119	424	(54)	(14)	253	284	78	105	419	403	(52)	(51)	763	1,151
Operating EBITDA margin in %	7.9	18.9	(10.4)	(2.2)	30.9	29.1	26.4	33.4	27.6	26.2			16.9	20.9
Operating (loss) profit	(56)	270	(128)	(88)	205	229	64	90	316	289	(58)	(53)	343	737
Operating profit margin in %	(3.7)	12.0	(24.8)	(13.6)	25.0	23.4	21.6	28.7	20.8	18.8			7.6	13.4
Net operating assets[1]	10,721	10,042	6,558	6,045	3,972	3,728	1,316	861	7,481	7,254	355	375	30,403	28,305
Total assets[1]	17,274	15,302	9,952	9,187	5,565	5,257	1,944	1,878	10,712	11,219	2,476	2,350	47,923	45,193

Information by product	Cement[3]		Aggregates		Other construction materials and services		Corporate / Eliminations		Total Group	
January–March (unaudited)	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Statement of income and statement of financial position										
Million CHF										
Net sales to external customers	2,898	3,432	246	345	1,379	1,732			4,523	5,509
Net sales to other segments	247	305	132	162	87	242	(466)	(709)		
Total net sales	3,145	3,737	378	507	1,466	1,974	(466)	(709)	4,523	5,509
Operating EBITDA[2]	770	1,073	22	51	(29)	27			763	1,151
Operating EBITDA margin in %	24.5	28.7	5.8	10.1	(2.0)	1.4			16.9	20.9
Net operating assets[1]	19,837	18,450	6,124	5,714	4,442	4,141			30,403	28,305

[1] Prior-year figures as of December 31, 2008.
[2] Operating profit before depreciation, amortization and impairment of operating assets.
[3] Cement, clinker and other cementitious materials.

5 Change in consolidated net sales

January–March Million CHF	2009	2008
Volume and price	(471)	421
Change in structure	(32)	(222)
Currency translation effects	(483)	(418)
Total	**(986)**	**(219)**

6 Change in consolidated operating EBITDA

January–March Million CHF	2009	2008
Volume, price and cost	(265)	8
Change in structure	(31)	(109)
Currency translation effects	(92)	(90)
Total	**(388)**	**(191)**

7 Other income

January–March Million CHF	2009	2008
Dividends earned	1	2
Other ordinary income	18	35
Depreciation, amortization and impairment of non-operating assets	(1)	(2)
Total	**18**	**35**

8 Financial income

January–March Million CHF	2009	2008
Interest earned on cash and marketable securities	25	39
Other financial income	17	7
Total	**42**	**46**

The position “other financial income” relates primarily to income from loans and receivables.

9 Financial expenses

January–March Million CHF	2009	2008
Interest expenses	(179)	(204)
Amortized discounts on bonds and private placements	(1)	0
Other financial expenses	(25)	(18)
Foreign exchange loss net	(23)	(8)
Financial expenses capitalized	36	16
Total	**(192)**	**(214)**

The positions "interest expenses" and "other financial expenses" relate primarily to financial liabilities measured at amortized cost.

The position "financial expenses capitalized" comprises interest expenditures on large-scale projects during the year.

10 Bonds

On March 26, 2009, Holcim Finance (Luxembourg) S.A. issued a 5-year EUR 500 million bond with a coupon of 9 percent guaranteed by Holcim Ltd. The proceeds will be used to refinance existing debt and for general corporate purposes.

11 Contingencies and commitments

In contingencies, there have been no significant changes.

With respect to the financing of AfriSam, Holcim subscribed to loan notes in the amount of ZAR 2.6 billion (CHF 292 million) during the reporting period. With this subscription, Holcim has substantially fulfilled its commitments relating to the financing of AfriSam.

12 Events after the reporting period

On April 8, 2009, Holcim Finance (Luxembourg) S.A. tapped its EUR 500 million bond issued on March 26, 2009 by raising additional EUR 150 million with a coupon of 9 percent and a yield of 8.3 percent (issue price of 102.8 percent).

On April 24, 2009, Holcim GB Finance Ltd. issued an 8-year GBP 300 million bond with a coupon of 8.75 percent guaranteed by Holcim Ltd. The proceeds will be used to refinance the GBP 200 million bond of Aggregate Industries Holdings Limited maturing in July 2009 and for general corporate purposes.

13 Principal exchange rates

	Statement of income			Statement of financial position		
	Average exchange rates in CHF Jan–March			Closing exchange rates in CHF		
	2009	2008	±%	31.3.2009	31.12.2008	31.3.2008
1 EUR	1.50	1.60	–6.3	1.52	1.49	1.57
1 GBP	1.65	2.09	–21.1	1.63	1.53	1.97
1 USD	1.15	1.05	+9.5	1.14	1.06	0.99
1 CAD	0.92	1.06	–13.2	0.91	0.87	0.97
100 MXN	7.98	9.79	–18.5	8.01	7.68	9.28
100 INR	2.31	2.65	–12.8	2.24	2.18	2.49
100 THB	3.24	3.25	–0.3	3.20	3.02	3.14
1,000 IDR	0.10	0.12	–16.7	0.10	0.10	0.11
100 PHP	2.41	2.58	–6.6	2.36	2.25	2.38
1 AUD	0.76	0.97	–21.6	0.79	0.73	0.91

Holcim securities

The Holcim shares (security code number 1221405) are listed on the SIX Swiss Exchange and traded on the Swiss Blue Chip Segment of SIX Swiss Exchange. Telekurs lists the registered share under HOLN. The corresponding code under Bloomberg is HOLN VX, while Thomson Reuters uses the abbreviation HOLN.VX. Every share carries one vote. The market capitalization of Holcim Ltd amounted to CHF 10.7 billion at March 31, 2009.

Cautionary statement regarding forward-looking statements

This document may contain certain forward-looking statements relating to the Group's future business, development and economic performance.

Such statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) competitive pressures; (2) legislative and regulatory developments; (3) global, macroeconomic and political trends; (4) fluctuations in currency exchange rates and general financial market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigation; (8) adverse publicity and news coverage, which could cause actual development and results to differ materially from the statements made in this document.

Holcim assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.

Financial reporting calendar

General meeting of shareholders	May 7, 2009
Dividend distribution (ex date)	May 12, 2009
Half-year results for 2009	August 20, 2009
Press and analyst conference for the third quarter 2009	November 11, 2009
Press and analyst conference on annual results for 2009	March 3, 2010
Results for the first quarter 2010	May 5, 2010
General meeting of shareholders	May 6, 2010

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Holcim is a worldwide leading producer of cement and aggregates. Further activities include the provision of ready-mix concrete and asphalt as well as other services. The Group works in more than 70 countries and employs some 85,000 people.