2008 results and outlook for 2009

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The spoken word prevails.

Sharp slowdown in global economic growth

- Construction sector weakened in many industrialized countries
  - Continuing volume decline in North America
  - Declining growth in Western Europe following a good start to the year
- Growth factors in the emerging markets
  - Higher sales volumes in Southeastern Europe, Latin America and Asia Pacific
  - Volume growth on a like-for-like basis in Africa Middle East too
- Proliferating weakness in demand in the fourth quarter

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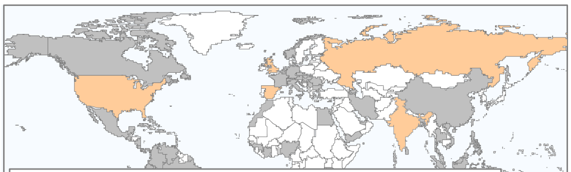
1) In 2008, a long lasting economic cycle with above-average growth rates has passed its peak. The decline in demand hit the industrialized nations first and foremost. Volumes in the US were sharply down, while in Europe the United Kingdom and Spain slipped into sharp recession. In the second half of the year, the slowdown also impacted France and Italy, and Russia was particularly affected by the financial crisis. Conversely, many emerging markets continued to grow. In these countries, construction industries benefited from strong domestic economies and brisk residential and infrastructure construction. This includes various countries in Eastern and Southeastern Europe as well as the classic growth markets in Latin America, Africa, the Middle East and Asia. However, in view of the unfavorable developments in the industrialized countries, it will come as no surprise that results deteriorated from quarter to quarter. What we already expected at our November presentation has come true for the construction industry: It has been severely affected in the final quarter of 2008.

The negative trend intensified in the fourth quarter



Variance in Operating EBITDA [1]	2007/08	%	Q4 2008	%
USA [2]	-450	-6.5	-200	-12.6
Spain [2]	-260	-3.8	-120	-7.5
Russia	-20	-0.3	-60	-3.8
UK	-140	-2.0	-40	-2.5
India	-110	-1.6	0	0.0
All other Group companies	277	4.0	-7	-0.4
Total Group	-703	-10.1	-427	-26.9

[1] Like-for-like in million CHF
[2] Including plant closure costs of CHF 120 million in Spain and the US, recognized in the fourth quarter

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2) As indicated in the table, Holcim suffered a decline of 700 million Swiss francs in operating EBITDA in 2008. This is calculated on a like-for-like basis, including closure costs – already announced – for plants in the US and Spain. More than 400 million Swiss francs was lost in the fourth quarter, 360 million Swiss francs of it in the US, Spain and the United Kingdom (including closure costs of 120 million Swiss francs). The deterioration in Russia was particularly rapid in the last three months as the financial crisis brought what had previously been a booming market to a virtual standstill. The table also shows, however, that in many places the state of the construction sector was satisfactory to good in 2008. All other Group companies jointly generated internal growth of around 280 million Swiss francs. A word about India. Our Indian Group companies saw a strong decline in EBITDA in the first nine months, because of sharp increases in input costs and government intervention in the market – but in the final quarter the results virtually returned to the previous year’s performance. On the whole, Holcim is continuing to benefit from its excellent geographical diversification.

Holcim reacted quickly to a changed environment

- Rapid capacity adjustments in all segments
  - Group-wide reduction in fixed costs
  - 100 ready-mix, asphalt and aggregates plants, as well as several cement plants, mothballed or closed
- Holcim generates free cash flow of CHF 2.6 billion
- Strict management of net current assets
- High liquidity at CHF 5.6 billion
- Strong balance sheet, solid rating
- Unchanged payout ratio, stock dividend

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3) Throughout the Holcim Group, fixed costs were proactively adjusted in line with the changes in demand. In the markets most critically affected, more than 100 production units across all segments were shut down. These include the three cement plants in the US and Spain that were permanently closed. This involved substantial job losses, which are being conducted in such a way as to minimize the social impact. Holcim's solidity is strengthened by the fact that the Group generated free cash flow of some 2.6 billion Swiss francs in 2008. Thanks to a cautious financial policy, strong cash flow and strict management of net current assets, Holcim's liquidity at the end of 2008 remained at a high level of 5.6 billion Swiss francs. In combination with a strong balance sheet, this has served to maintain a solid rating. Against this backdrop, the Board of Directors has decided to maintain its dividend policy, distributing one third of Group profit attributable to the shareholders in Holcim Ltd. However, because of the difficult economic situation, the uncertainty over the future trend of the economy and to preserve liquidity, the proposal at the General Meeting will be to pay the dividend in shares rather than in cash. Each shareholder will receive one tradable subscription right for every registered share held. 20 subscription rights will entitle the holder to one free share, which will be entitled to the full dividend for the 2009 financial year. Hence, the shareholder has the opportunity to draw up new shares or to sell the subscription rights and therewith realize a cash return.

Europe: declining market trend

- The economic slowdown accelerated throughout the year
- Recessionary environment, predominantly in the UK and Spain
- Significant construction activity continued in Eastern Europe and Azerbaijan
- Sharp fall in aggregates
- Operating EBITDA impacted by plant closure and lack of demand in important markets

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4) European economies slowed down during the course of the year, with a number of countries slipping into recession. Mainly our Group companies in the United Kingdom and Spain were affected: demand for building materials declined over the entire year. Group companies in Russia, France and Italy were affected financially, in the fourth quarter particularly. In contrast, widespread construction activity continued in most Eastern European countries and Azerbaijan, where Group companies accordingly generated better results. Sales of cement and – in particular – aggregates declined, while sales of ready-mix concrete grew as a result of market and acquisition-related factors. A substantial proportion of the increase in energy costs was offset by means of price adjustments and improvements in efficiency. Even so, operating EBITDA declined due to falling

demand and to one-off costs in connection with restructuring and the plant closure in Spain. The internal operating EBITDA development was negative.

5) In the US, growth quickly dried up, and the country slipped into recession. This also led to a slowdown in the Canadian economy, which had initially been left unaffected. Overall, demand in North America fell dramatically, with attendant effects on deliveries of cement and aggregates. The only segment to achieve volumes similar to the previous year was ready-mix concrete due to acquisitions. Through efficiency improvements, Holcim US could only partially compensate for lower sales volumes and higher input costs in a slightly weaker price environment. Prices for the products of Aggregate Industries US were more stable, but the results were impacted by a decline in sales of aggregates and ready-mix concrete and a general surge in costs. On a like-for-like basis and in local currency, St. Lawrence Cement just matched its prior-year result. The operating result in Swiss francs was depressed by the unsatisfactory sales trend, higher input costs for energy and other raw materials, the one-off costs of plant closures and the weak US dollar. Group region North America saw its operating EBITDA fall by half, and its internal operating EBITDA development was also strongly negative. Mainly, the Group companies in the US were unable to match the previous-year results.

6) Latin America's economy continued to grow thanks to strong domestic demand. The building industry was particularly supported by residential construction and infrastructure projects. Most Group companies were able to achieve further growth in sales of cement. On a consolidated basis, deliveries rose in all segments – those of ready-mix concrete most strongly of all. Almost all Group companies increased their contributions to results in local currency – the key exception being Cemento Polpaico in Chile, where the fierce competitive situation had a negative impact. While Holcim Apasco in Mexico was not quite able to match its previous-year results either, Holcim Costa Rica and Cemento Panama significantly improved their results. Holcim also fared better in local currency terms in Venezuela, Colombia, Ecuador and Brazil. Despite the massive rise in energy prices and greater intervention on the part of price control authorities, operating EBITDA in local

currency terms was substantially higher. However, due to the deterioration in the exchange rates of the currencies versus the Swiss franc operating EBITDA declined. Growth in internal operating EBITDA was positive.

Africa Middle East: positive business trend

- Stable economic conditions
- Brisk residential construction and major infrastructure projects
- Sales volumes rise in all segments on a like-for-like basis
- Excellent results at Holcim Morocco
- Operating EBITDA up on a like-for-like basis

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7) The economic conditions in Group region Africa Middle East remained favorable. The building industry was supported by brisk residential construction and major infrastructure projects. Deconsolidations in South Africa and Egypt, however, substantially reduced volumes in all segments. On a like-for-like basis, Holcim’s delivery volumes were up. Holcim Morocco increased sales of cement and ready-mix concrete, while volumes of aggregates were stable. In the new cement plant in Settat, full production capacity was already available in the first half of the year. The reconstruction work under way in Beirut and in the south of the country enabled Holcim Lebanon to increase its sales of ready-mix concrete. Exports of cement and clinker from the Chekka plant were also up. Cement deliveries rose in the Indian Ocean. Sales of aggregates increased due to acquisitions. On La Réunion, the ready-mix concrete business experienced a positive development. Changes in the scope of consolidation also affected the Group region's financial results. On a like-for-like basis, operating EBITDA increased.

Asia Pacific: solid demand for building materials

- The economy loses momentum over the year
- Higher sales volumes in all segments
- Continuing vertical integration in conurbations
- Results depressed by surging energy, raw materials and transport costs, and also by deteriorating exchange rates
- Lower operating EBITDA mainly due to India

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8) Economic growth in the region has lost momentum. The financial crisis and outflows of foreign capital led to liquidity shortages in some emerging markets. At the same time, many currencies lost value on a massive scale. In spite of these factors, sales in all segments rose – especially of aggregates and ready-mix concrete. This reflects progressive vertical integration in the region's main urban centers. The positive volume development contrasted with increases in the cost of feedstock, raw materials and transportation. Efficiency gains and price adjustments only partially compensated for the additional expense. Owing to government anti-inflation measures, the two Indian Group companies were only able to pass on the sharp rise in purchasing costs to an insufficient extent. At least, earnings stabilized towards the end of the year. The situation in India and the deterioration in the exchange rates in the region put pressure on the result in Swiss francs. Operating EBITDA was down overall, as was the development in internal operating EBITDA. Only

Holcim Indonesia and Holcim Vietnam increased their contributions to the result of this Group region.

Key financial figures – Full year 2008

Million CHF	2006	2007	2008	+/- LFL	+/- CIS	+/- FX	+/- Total
Net sales	23,969	27,052	25,157	4.3%	-1.1%	-10.2%	-7.0%
Operating EBITDA	6,086	6,930	5,333 [1]	-10.1%	-4.3%	-8.6%	-23.0%
Operating profit	4,385	5,024	3,360 [2]	-19.4%	-6.2%	-7.5%	-33.1%
Net income	2,719	4,545 [3]	2,226 [3]	-44.0%	-2.4%	-4.6%	-51.0%
Cash flow from operating activities	4,423	5,323 [4]	3,703	-18.8%	-4.7%	-6.9%	-30.4%
EPS in CHF[5]	8.64	14.86 10.02 [6]	6.82 7.60 [7]				-54.1% -24.2%
Dividend per share in CHF	2.00	3.30	2.25 [8]				-31.8%
Dividend amount	522	868	594 [8]				-31.6%

[1] Includes plant closure cash costs of CHF 120 million. Excluding these charges, LFL operating EBITDA declined by 8.4%
[2] Includes plant closure cash costs and depreciation of CHF 308 million. Excluding these charges, LFL operating profit declined by 13.3%
[3] Includes a capital gain on the sale of a stake in Holcim South Africa of CHF 1,110 million and a special dividend of CHF 150 million net in 2007 and plant closure costs after tax of CHF 205 million in 2008. Excluding these effects, LFL net income declined by 16.3%
[4] Includes a special dividend of CHF 150 million, net related to the sale of a stake in Holcim South Africa. Excluding the special dividend cash flow from operating activities declined by 16%
[5] Calculated on the weighted average number of shares outstanding
[6] Excluding the non-recurring capital gain on the sale of a stake in Holcim South Africa
[7] Net of plant closure costs
[8] Proposal of the Board of Directors to be paid as a stock dividend

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9) Net sales reached 25.2 billion Swiss francs and operating EBITDA 5.3 billion Swiss francs, operating profit 3.4 billion Swiss francs and net income 2.2 billion Swiss francs and cash flow 3.7 billion Swiss francs. All are positive figures but have declined considerably when compared to the previous year. In 2008, they were heavily impacted not only by the worsening economic environment but also by the strengthening of the Swiss franc and by the changes in the scope of consolidation. In addition non-recurring charges in the current and credits in the previous year were included in the accounts. The strengthening of the Swiss franc negatively impacted the income statement by 5 to 10 percent and the balance sheet by 15 to 20 percent. The scope of consolidation was reduced by the deconsolidation of the companies in Egypt and South Africa. There was a one-off capital gain on the sale of the South African operation in the previous year of 1.3 billion Swiss francs. In contrast, we charged the accounts in 2008 with the cost for the 3 plant closures of 300 million Swiss francs. To show you a clear picture of the business as such we have to analyze the figures for 2008 on a like-for-like basis and adjust them for the non-recurring items. Adjusted for the external factors and one-time items, net sales increased by 4 percent, operating EBITDA declined by 8 percent, operating profit by 13 percent, and net income and cash flow from operating activities each by 16 percent.

Key financial figures – Q4 2008

Million CHF	3 Months 2007	3 Months 2008	+/- in % LFL	+/- in % CIS	+/- in % FX	+/- in % Total
Net sales	6,766	5,817	-2.7%	0.7%	-12.0%	-14.0%
Operating EBITDA	1,590	968 [1]	-26.9%	-3.0%	-9.2%	-39.1%
Operating profit	1,063	273 [2]	-62.5%	-5.7%	-6.1%	-74.3%
Net income	688	119 [3]	-74.1%	-3.9%	-4.7%	-82.7%
Cash flow from operating activities	2,063	2,045	18.7%	-8.4%	-11.2%	-0.9%

[1] Includes plant closure cash costs of CHF 120 million. Excluding these charges, LFL operating EBITDA declined by 19.3%
[2] Includes plant closure cash costs and depreciation of CHF 308 million. Excluding these charges, LFL operating profit declined by 33.5%
[3] Includes plant closure costs after tax of CHF 205 million. Excluding these charges, LFL net income declined by 44.3%

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10) As earlier mentioned, the fourth quarter saw a rapid and marked deterioration in the economic situation particularly in Europe. In comparison to the fourth quarter of 2007, net sales of the Group decreased on a like-for-like basis by 3 percent and operating EBITDA adjusted for the plant closures by 19 percent. Net income declined by 44 percent while cash flow from operating activities improved considerably toward the end of the year due to strong working capital management.

Major changes in the scope of consolidation

	Effective as at
– Holcim South Africa	June 5, 2007
– Egyptian Cement Company	January 23, 2008
– Holcim Venezuela	December 31, 2008
+/– Various smaller companies	

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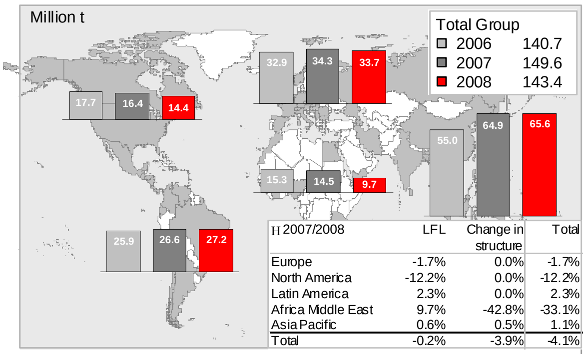
Cement – Sales volumes by region



2007/2008	LFL	Change in structure	Total
Europe	-1.7%	0.0%	-1.7%
North America	-12.2%	0.0%	-12.2%
Latin America	2.3%	0.0%	2.3%
Africa Middle East	9.7%	-42.8%	-33.1%
Asia Pacific	0.6%	0.5%	1.1%
Total	-0.2%	-3.9%	-4.1%

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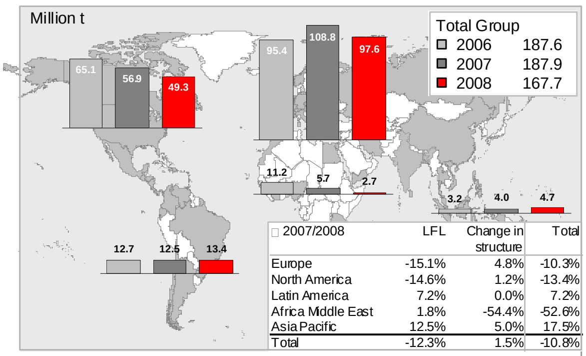
12) In 2008, consolidated cement sales volumes reached 143 million tonnes. They nearly matched the 2007 level on a like-for-like basis despite the weakening demand in the regions of North America and Europe. Most of the Latin American Group companies positively contributed to the 2 percent overall volume growth. The decrease in Africa Middle East relates to the deconsolidations. The Group companies of this region increased sales volumes by 10 percent facilitated by the successfully commissioned new capacities in Morocco and the Emirates. With a few exceptions, the Group companies in Asia Pacific increased their deliveries of cement. Both Indian Group companies posted solid volume growth which compensated for the decline experienced by the operations in Thailand.

Aggregates – Sales volumes by region



2007/2008	LFL	Change in structure	Total
Europe	-15.1%	4.8%	-10.3%
North America	-14.6%	1.2%	-13.4%
Latin America	7.2%	0.0%	7.2%
Africa Middle East	1.8%	-54.4%	-52.6%
Asia Pacific	12.5%	5.0%	17.5%
Total	-12.3%	1.5%	-10.8%

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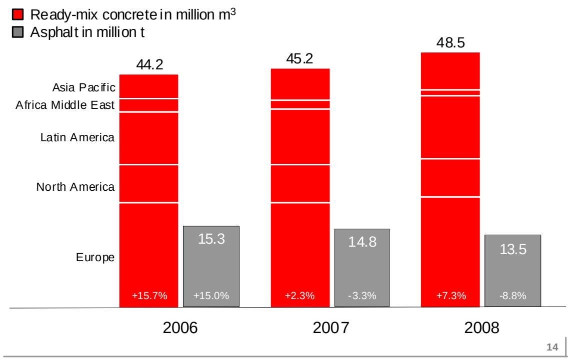
13) Aggregates sales volumes decreased by 11 percent to 168 million tonnes driven by the declined construction markets in the UK, US and Spain. The emerging market regions held up well.

Ready-mix concrete and asphalt – Sales volumes



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14) Ready-mix concrete volumes increased by 7 percent to 49 million cubic meters led by growth in the construction sector in the regions of Latin America and Asia Pacific. Due to various smaller acquisitions, ready-mix concrete sales volumes increased in the region of Europe and remained stable in North America, which had experienced a decline of 10 percent like-for-like. The sales figure of Africa Middle East declined due to the deconsolidation of the operations in South Africa. Total asphalt volumes decreased by 9 percent to 14 million tonnes driven by softer demand in the US and UK.

Exchange rates

Statement of income average exchange rates in CHF	2006	2007	2008	+/-
1 EUR	1.58	1.65	1.59	-3.6%
1 GBP	2.31	2.40	1.99	-17.1%
1 USD	1.25	1.20	1.08	-10.0%
1 LATAM Basket (MXN, BRL, ARS, CLP) [1]	1.02	1.00	0.90	-10.0%
1 Asian Basket (AUD, IDR, INR, THB, PHP) [1]	0.96	1.00	0.87	-13.0%

Balance sheet exchange rates in CHF	31/12/06	31/12/07	31/12/08	+/-
1 EUR	1.61	1.66	1.49	-10.2%
1 GBP	2.40	2.25	1.53	-32.0%
1 USD	1.22	1.13	1.06	-6.2%
1 LATAM Basket (MXN, BRL, ARS, CLP) [1]	1.05	1.00	0.75	-25.0%
1 Asian Basket (AUD, IDR, INR, THB, PHP) [1]	0.98	1.00	0.77	-23.0%

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[1] Weighted by net sales full year 2007

Exchange rates – Translation gains/losses

Million CHF	2006		2007		2008	
	in CHF	+/-	in CHF	+/-	in CHF	+/-
Net sales	246	1.3%	391	1.6%	-2,749	-10.2%
Operating EBITDA	39	0.8%	74	1.3%	-593	-8.6%
Operating profit	22	0.7%	47	1.1%	-376	-7.5%
Net income - equity holders of Holcim Ltd	16	1.0%	16	0.8%	-152	-3.9%
Cash flow from operating activities	30	0.9%	53	1.2%	-369	-6.9%
Total shareholders' equity	-619	-4.3%	-450	-2.4%	-4,687	-21.4%
Net financial debt	11	0.1%	-342	-2.7%	-1,877	-14.6%

Significant strengthening of the Swiss franc in 2008 with acceleration toward the end of the year.

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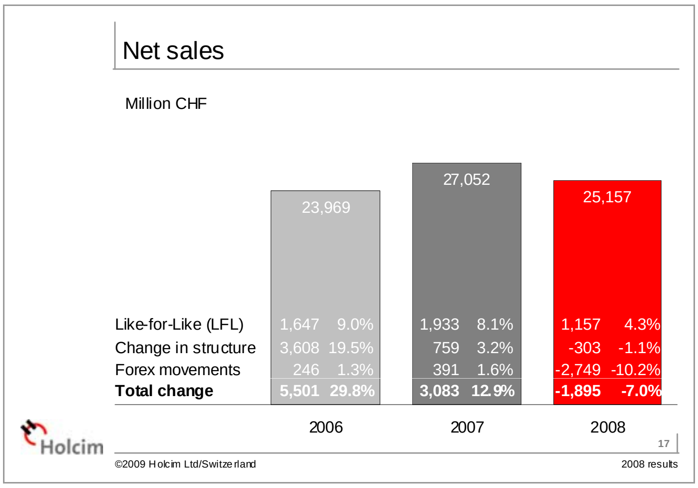
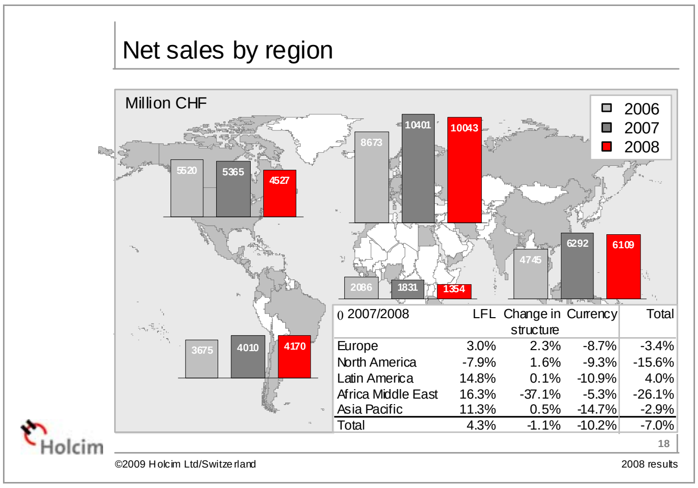
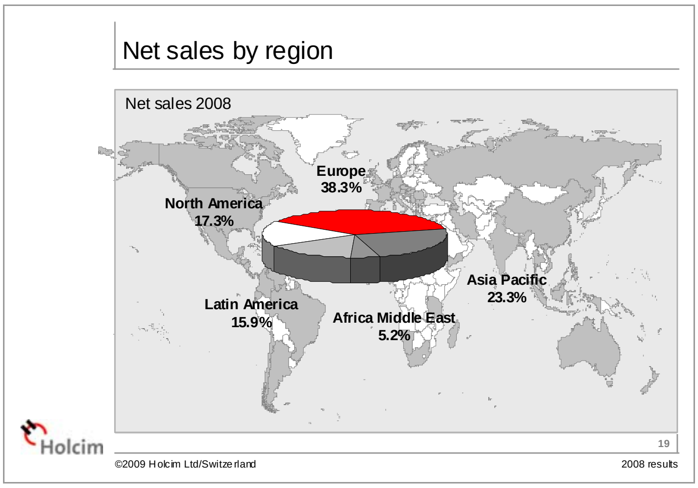
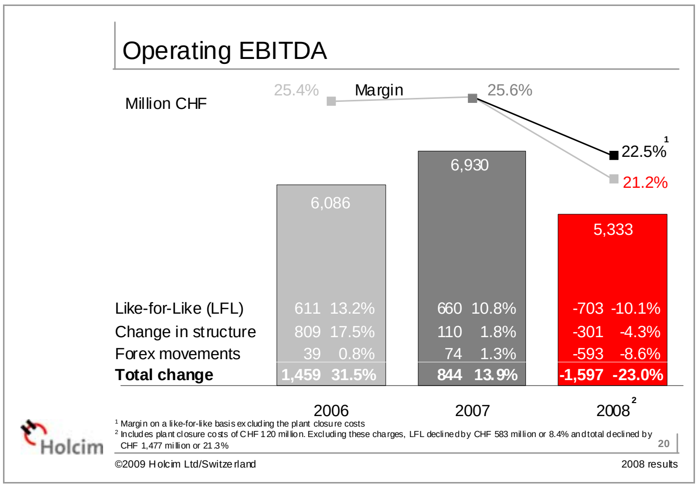


17) Total consolidated net sales amounted to 25 billion Swiss francs resulting in a decrease of 7 percent overall however the underlying like-for-like growth reached 4 percent.

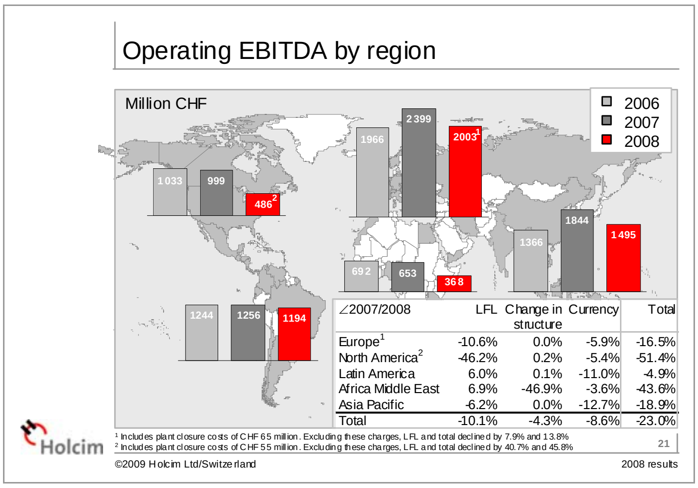


18) In Group region Europe, the previous-year levels were surpassed on a like-for-like basis by 3 percent, with Eastern Europe, some countries in Western Europe and Azerbaijan accounting for most of the increase. This contrasted with declines in Spain and the UK. In the fourth quarter, sales in Russia also nose-dived. In Group region North America, net sales were down by 8 percent on a like-for-like basis. While the US companies posted lower figures, Canada reported a small gain. In Group region Latin America, the upward trend held firm, with Brazil in particular contributing to the rise of 15 percent on a like-for-like basis. The overall decline of sales in Group region Africa Middle East stems from the deconsolidation of the companies in South Africa and Egypt. On a like-for-like basis, net sales grew by 16 percent mainly due to the strong contributions from Morocco. Net sales in Group region Asia Pacific increased by 11 percent on a like-for-like basis with the largest contributions coming from India and Indonesia.



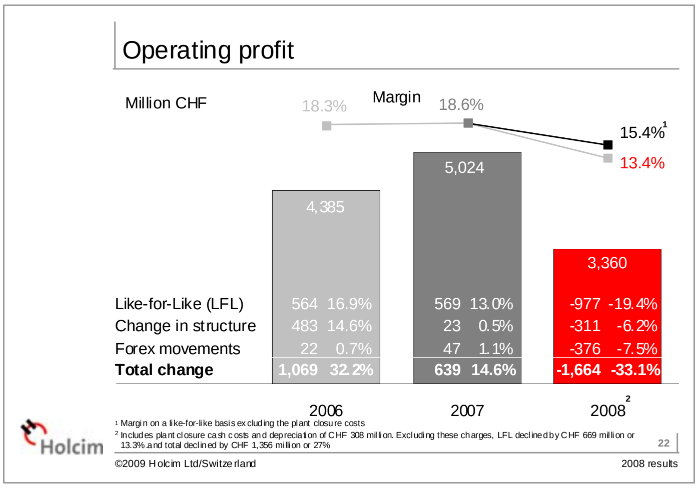


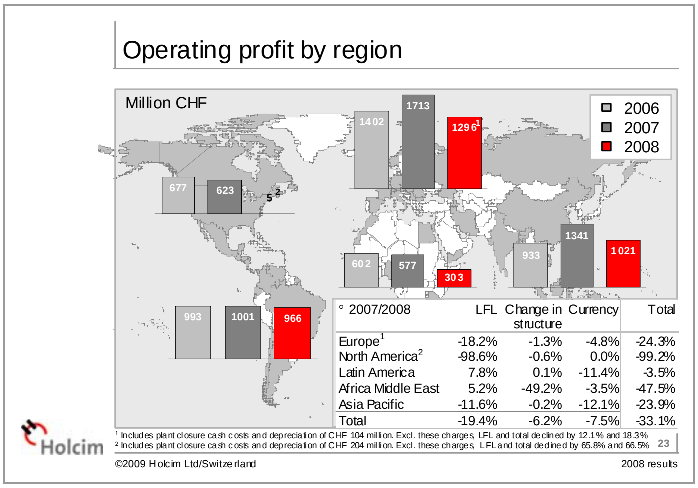
20) Operating EBITDA declined to 5.3 billion Swiss francs representing a decrease of 23 percent. Excluding changes in structure and currency effects, the decrease was 10 percent. High energy costs and the weak fourth quarter along with the plant closure costs accelerated the decline. Operating EBITDA margin decreased by 4 percentage points to 21 percent. One third of this decline stems from the weakening business environment and the rest from higher energy costs and additional purchase of resources in the context of new capacity coming on stream. Excluding the charges related to the plant closures, like-for-like operating EBITDA declined by 8 percent.



21) In Group region Europe, operating EBITDA decreased to 2 billion Swiss francs mainly due to higher energy costs and the strong decline in demand in the UK and Spain. Economic conditions in other parts of Europe also deteriorated rapidly during the fourth quarter. In particular, our Group companies in Russia, France and Italy were impacted whereas Azerbaijan posted better results. Excluding the one-off costs in connection with the plant closure in Spain of 65 million Swiss francs,

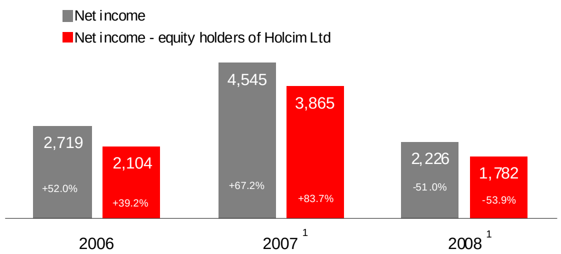
overall like-for-like EBITDA was down by 8 percent for Europe. In Group region North America, operating EBITDA was reduced by half to 486 million Swiss francs due to lower revenues, higher energy costs and the costs for the plant closures of 55 million Swiss francs in the US. On a like-for-like basis and adjusted for the plant closure costs, this corresponds to a 41 percent decline. In Canada, St. Lawrence Cement reported stable results on a like-for-like basis due to demand in the construction services and asphalt segments. In Group region Latin America, operating EBITDA was 1.2 billion or 5 percent below the prior-year level. However, internal growth was 6 percent as almost all Group companies increased their contributions in local currency, with the key exception being the company in Chile, where increasingly fierce competition had a negative impact. Signs that the US financial crisis is also having an impact on Latin America became evident in Mexico where Holcim Apasco was not able to match its previous-year contribution. However, Colombia, Ecuador, Brazil, Costa Rica and Panama all posted better results. In Group region Africa Middle East, operating EBITDA declined to 368 million Swiss francs driven by the changes in the scope of consolidation. On a like-for-like basis, operating EBITDA increased by 7 percent mainly as a result of the strong market in Morocco and the new capacity available there. Group region Asia Pacific reported a decline in operating EBITDA to 1.5 billion Swiss francs, down by 6 percent on a like-for-like basis. The volume growth was offset by massive increases in the cost for energy, raw materials and transportation. Efficiency gains and price adjustments only partially offset the additional costs. Government anti-inflation measures limited the two Indian Group companies' ability to pass on the sharp rise in input costs. Only Holcim Indonesia and Holcim Vietnam increased their contributions to the result of this region.





Net income

Million CHF



[1] Includes a capital gain on the sale of a stake in Holcim South Africa of CHF 1,110 million and a special dividend of CHF 150 million net in 2007 and plant closure costs after tax of CHF 205 million in 2008. Excluding these effects, LFL net income and net income – equity holders of Holcim Ltd – declined by 16.3% and 15% respectively

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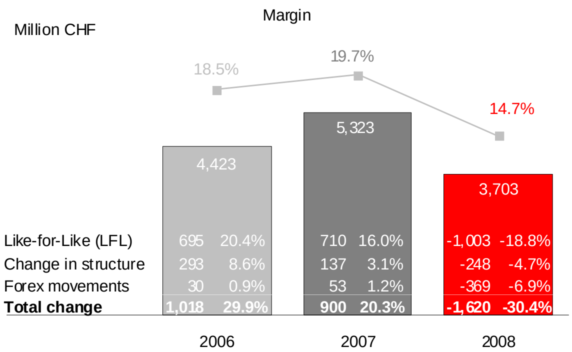
24) Net income decreased to 2.2 billion Swiss francs or 51 percent mainly due to the change in the scope of consolidation and the non-recurring gain from the sale of a stake in Holcim South Africa included in the previous-year result. Additionally, 2008 net income was charged for the plant closures with 205 million Swiss francs net of tax. Net income attributable to equity holders of Holcim Ltd declined to 1.8 billion Swiss francs – a decline of 54 percent. However, on a like-for-like basis and excluding the one-time effects, it decreased by 15 percent.

Cash flow from operating activities

Million CHF



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25) Cash flow from operating activities declined by 30 percent to 3.7 billion Swiss francs. This decrease is mainly attributable to the lower EBITDA and reduced operating liabilities, partially offset by a reduction of income taxes paid. The like-for-like decrease amounts to 19 percent. Cash flow margin declined by 5 percentage points.

Cash flow statement

Million CHF	2006	2007	2008	+/-
Cash flow from operating activities	**4,423**	**5,323**	**3,703**	-30.4%
Net investments to maintain productive capacity and to secure competitiveness	-1,062	-1,043	-1,104	5.8%
Free cash flow	**3,361**	**4,280**	**2,599**	-39.3%
Expansion investments	-1,265	-2,245	-3,287	46.4%
Financial investments net	-2,054	-2,277	-1,084	-52.4%
Dividends paid	-703	-872	-1,105	26.7%
Financing requirement	**-661**	**-1,114**	**-2,877**	158.3%

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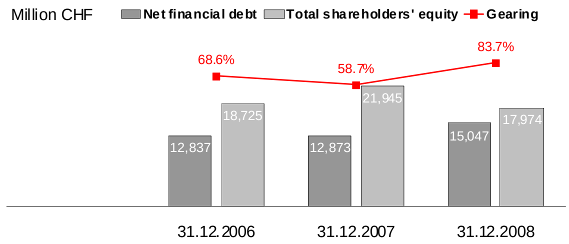
26) Net investments to maintain productive capacity and to secure competitiveness were 1.1 billion Swiss francs while expansion investments rose to 3.3 billion Swiss francs. The most important current investment projects include the construction of new cement plants in the US and Mexico and the expansion of a cement plant in Russia. In addition, Holcim is selectively expanding its capacities in the growth market of India. The major financial investments include the subscription to a private placement in the amount of 282 million USD issued by Huaxin Cement, China, which resulted in an increase in participation from 26 percent to 40 percent.

Financial position



	31.12.2006	31.12.2007		31.12.2008
FFO / Net financial debt	34.6 %	50.2 %	(40.4%)[1]	28.0 %
Net financial debt / EBITDA	2.0 x	1.5 x	(1.8x)[1]	2.6 x
EBITDA net interest coverage	6.8 x	11.0 x	(9.3x)[1]	7.6 x
EBIT net interest coverage	5.0 x	8.5 x	(6.9x)[1]	4.9 x

[1] Excluding gain on sale of Holcim South Africa of CHF 1,260 million

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2008 results

27) Net financial debt increased by 2.1 billion Swiss francs to 15 billion Swiss francs due to the lower cash generation and as we reached the culmination of our investment program. Shareholders' equity decreased to 18 billion Swiss francs mainly as a result of foreign currency translation effects. Accordingly, the gearing reached 84 percent. The key financing ratios deteriorated compared with the previous-year figures due to the lower cash flow and the higher net financial debt level but were well maintained within our target ranges for a strong investment grade rating. In 2008, the ratio of funds from operations to net financial debt stood at 28 percent as compared to our internal target of greater than 25 percent. Net financial debt to EBITDA amounts to 2.6 times compared to the target of less than 2.8 times. The EBITDA net interest coverage was 7.6 times as compared to our target of greater than 5 times and the EBIT net interest coverage was 4.9 times as compared to our target greater than 3 times.

Financial indicators

	2006	2007	2008	Target
Operating EBITDA margin (%) for:				
- Cementitious materials	32.6	32.6	27.3	33
- Aggregates	20.7	20.3	19.5	27
- Other construction materials and services	6.0	7.0	4.3	8
ROE (%)	15.8	22.8	10.4	13-15
RONOA (%)	15.4	15.8	11.0[1]	15-18
Gearing (%)	68.6	58.7	83.7	80-100
Funds from operations/Net financial debt (%)	34.6	50.2	28.0	> 25
Net financial debt/EBITDA	2.0	1.5	2.6	< 2.8
EBITDA net interest coverage	6.8	11.0	7.6	> 5
EBIT net interest coverage	5.0	8.5	4.9	> 3
Standard & Poor's Rating	BBB+	BBB+	BBB	
Fitch Rating	BBB+	BBB+	BBB+	
Moody's Rating			Baa1	

[1] Adjusted by plant closure costs, RONOA in 2008 was 12%

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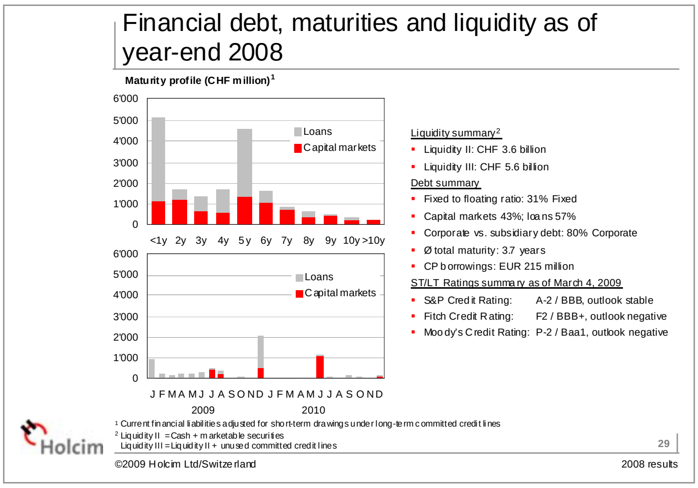
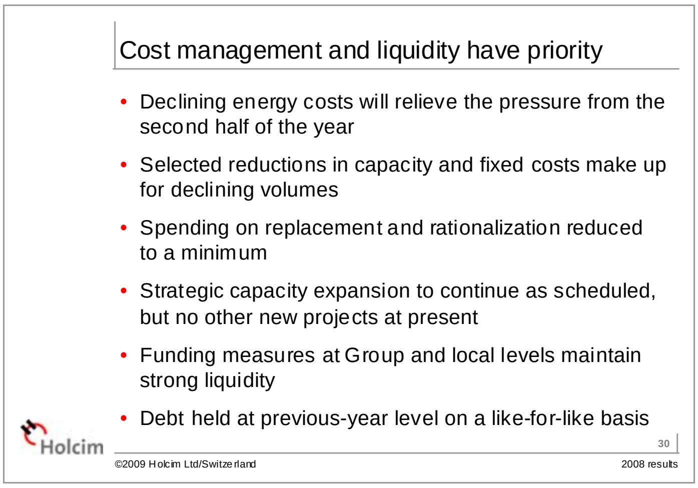
2008 results

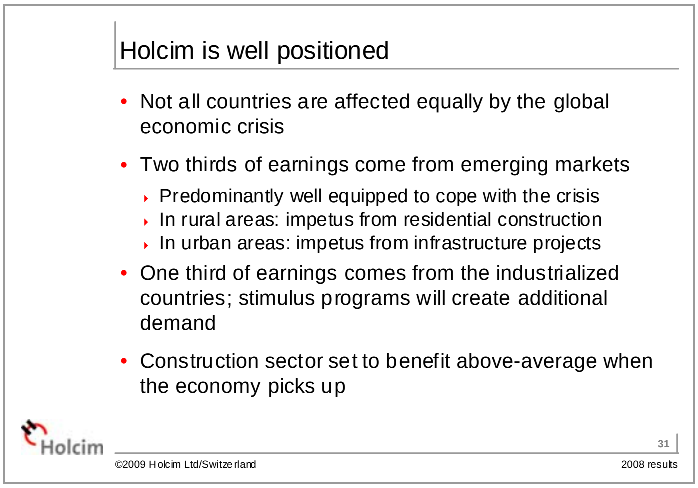


29) To ensure adequate liquidity, Holcim holds cash and marketable securities of 3.6 billion Swiss francs. This cash is invested in time deposits held with a large number of banks on a broadly diversified basis. As of December 31, 2008, unutilized credit lines amounting to 4 billion Swiss francs were also available. This includes unused committed credit lines of 2 billion Swiss francs. Committed credit lines at corporate level do not include any financial covenants. The seasonally weighted average rate of interest for 2008 was 5.1 percent while the average rate of interest of financial liabilities at December 31, 2008 was 3.8 percent. The maturities of the first two months of 2009 were refinanced while the liquidity three was maintained.



30) As you all know, the extremely high energy prices have fallen back from their 2008 peaks. Beginning in the second half of the year, this will have the effect of gradually relieving pressure on the income statement. Given stable prices, we expect this to have a favorable effect on margins. Holcim will review production capacities in all segments on an ongoing basis, and in case of a continued decline in demand more operations will be closed temporarily. We see no alternative to the mothballing of additional plants in North America, namely Artesia and Mason City with an annual capacity of 1.4 million tonnes of cement. The plant closures and temporary shutdowns in the US, Spain and the UK result in savings of approximately 230 million Swiss francs of which 75 percent will be realized in 2009. These plant closures also lead to a yearly reduction in replacement and rationalization investment of 40 million Swiss francs. Furthermore, there is a global reduction of fixed costs in non-production related areas. These measures include corporate as well as the operating level and amount to additional yearly savings of 200 million Swiss francs. The strategically important capacity expansion program of around 25 million tonnes – which with the exception of the US is concentrated on emerging markets and India in particular – will be continued and finalized by 2011. We have no further plans for new investments to increase capacity. Spending on maintenance capital expenditure has been reduced to a minimum. In the last few months, by means of financing measures at Group and – of particular importance – at Group company level, Holcim has succeeded in maintaining a high degree of liquidity. Consequently, we will continue with this financing approach.

It is our objective to keep Group indebtedness at the previous-year level on a like-for-like basis.



31) The Holcim Group will continue to benefit from its broad-based geographical diversification in 2009, because the global economic crisis will not affect all regions and markets equally. A good two thirds of operating EBITDA is generated in the emerging markets. Compared to previous crises, many of these countries have seen significant improvements in overall economic conditions. Latin America and Asia in particular have learned from the past and are now better equipped. Growth will continue here, even if at a more moderate level. In rural areas, residential construction will provide the most important demand stimulus. India is an excellent example: the heavy monsoon brought high crop yields, and much of the resulting increased spending power is flowing into rural residential construction. As is well-known, some 700 million people live in rural areas. There is an enormous deficit of housing and basic infrastructure. In the conurbations, there will be setbacks in commercial and industrial construction, and in the construction of large office and residential blocks. But large infrastructure projects, which are the most important in these major agglomerations, are being continued by ongoing government commitment. In the saturated markets of North America and Europe, demand for construction services will initially continue its decline in 2009. It is essential for economic activity to be supported by stimulation programs. The very large state programs that have been announced, some of which have been approved, will trigger projects for the expansion and improvement of the infrastructure. Holcim products and services are well positioned in all these markets. We are convinced that the construction sector will grow at above-average rates at the beginning of the next economic cycle.

32) In the final months of 2008, the European economies declined more sharply than expected, and the business environment will remain difficult in 2009. Holcim expects sales of building materials in Western Europe to decline further in line with the general economic development. In the east and southeast of the continent as well, construction activity will lose momentum. All Group companies have launched programs to cut costs and adjust capacity. In North America, the US construction sector appears set for a further slowdown in 2009. The economic aid package

announced by the new US administration should provide some stimulus for the infrastructure sector toward the end of the year. In Canada, Holcim expects the market to weaken, particularly in Ontario and Quebec. In Latin America, the change in the global economic environment and falling commodity prices will have a negative impact on economic activity. Demand volumes in the construction sector are therefore expected to decline. The downturn can be expected to be more acute in Mexico and Central America because of their proximity to the US markets. Market conditions should be more stable in South America and particularly in Brazil. As you know, our Group company in Venezuela was nationalized last year. We have yet to receive the agreed compensation of some 550 million US dollars, however and we are therefore considering taking the case to the International Arbitration Tribunal in Washington D.C. Group region Africa Middle East should for the most part continue to make progress in 2009. Morocco is expected to see more moderate growth. The construction materials markets of Lebanon, West Africa and the Indian Ocean should also positively develop under stable political conditions. The Group region as a whole is expected to see satisfactory sales volumes and operating results. In line with the global economic trend for 2009, Asia Pacific can be expected to see a further slowdown in growth. The development of the Chinese and Indian economy will be important for the region. Demand in the construction sector is expected to progress due to an increasing demand for affordable housing and major infrastructure projects. Sales of cement and ready-mix concrete should therefore increase overall. In the absence of key forecast data on the trend of the global economy, the Board of Directors and the Executive Committee refrain from communicating any predictions about the Group's performance in 2009. The focus will be on rigorous cost management and maximizing cash flow generation. Holcim's main objective is to preserve the financial stability of the Group.

Cement – Price/volume variances per region

	Domestic cement prices +/- 2007/2008 *	Domestic cement volumes +/- 2007/2008
Europe		
Belgium	4.2%	2.0%
France	5.5%	0.3%
Germany[1]		
Switzerland	6.0%	1.0%
Italy	5.1%	-8.2%
Hungary	8.8%	6.2%
Czech Republic	6.5%	-5.5%
Slovakia	5.7%	7.7%
Croatia	13.3%	-8.5%
Romania	12.0%	18.9%
Bulgaria	12.6%	12.6%
Serbia	12.1%	2.0%
Russia	23.0%	-11.7%
Azerbaijan	28.3%	0.2%
Spain	-5.6%	-25.7%

* If not otherwise indicated calculation based on local currencies
[1] Locally not published yet; will be updated as soon as local results are public

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 2008 results

Cement – Price/volume variances per region

	Domestic cement prices +/- 2007/2008 *	Domestic cement volumes +/- 2007/2008
North America		
Canada	4.2%	-0.1%
USA	-3.4%	-11.8%
Latin America		
Mexico	7.4%	-3.2%
El Salvador	12.6% [1]	-9.6%
Costa Rica	16.6% [1]	8.9%
Nicaragua	18.6% [1]	1.7%
Panama	17.7% [1]	1.4%
Venezuela	11.0% [1]	15.4%
Colombia	8.5%	-2.4%
Ecuador	0.8% [1]	8.1%
Brazil	33.8%	12.5%
Chile	-1.5%	3.8%
Argentina	19.7%	-0.2%

* If not otherwise indicated calculation based on local currencies [1] Calculation in USD

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 2008 results

Cement – Price/volume variances per region

	Domestic cement prices +/- 2007/2008 *	Domestic cement volumes +/- 2007/2008
Africa Middle East		
Morocco[1]		
Lebanon[1]		
Indian Ocean	8.3%	4.9%

* If not otherwise indicated calculation based on local currencies
[1] Locally not published yet; will be updated as soon as local results are public

Cement – Price/volume variances per region

	Domestic cement prices +/- 2007/2008 *	Domestic cement volumes +/- 2007/2008
Asia Pacific		
India	5.1%	7.0%
Sri Lanka	16.8%	-1.0%
Bangladesh	8.7%	1.9%
Thailand	9.5%	-10.0%
Vietnam	26.9%	8.4%
Malaysia	11.9%	19.9%
Indonesia[1]		
Philippines[1]		
Australia	2.6%	3.7%
New Zealand	2.8%	-3.7%

* If not otherwise indicated calculation based on local currencies
[1] Locally not published yet; will be updated as soon as local results are public

Contact information and event calendar

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Event calendar

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

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

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