

Bank of America Merrill Lynch – Buildings Conference 2009

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Agenda

- 1 Holcim strategy and positioning
- 2 Attractiveness of Holcim's business
- 3 Value creative expansion in Asia Pacific
- 4 Half-year 2009 results
- 5 Conclusions

Holcim strategy - based on three pillars

Product Focus

- Cementitious materials
- Aggregates
- Other construction materials & services (OCMS)

Geographic Diversification

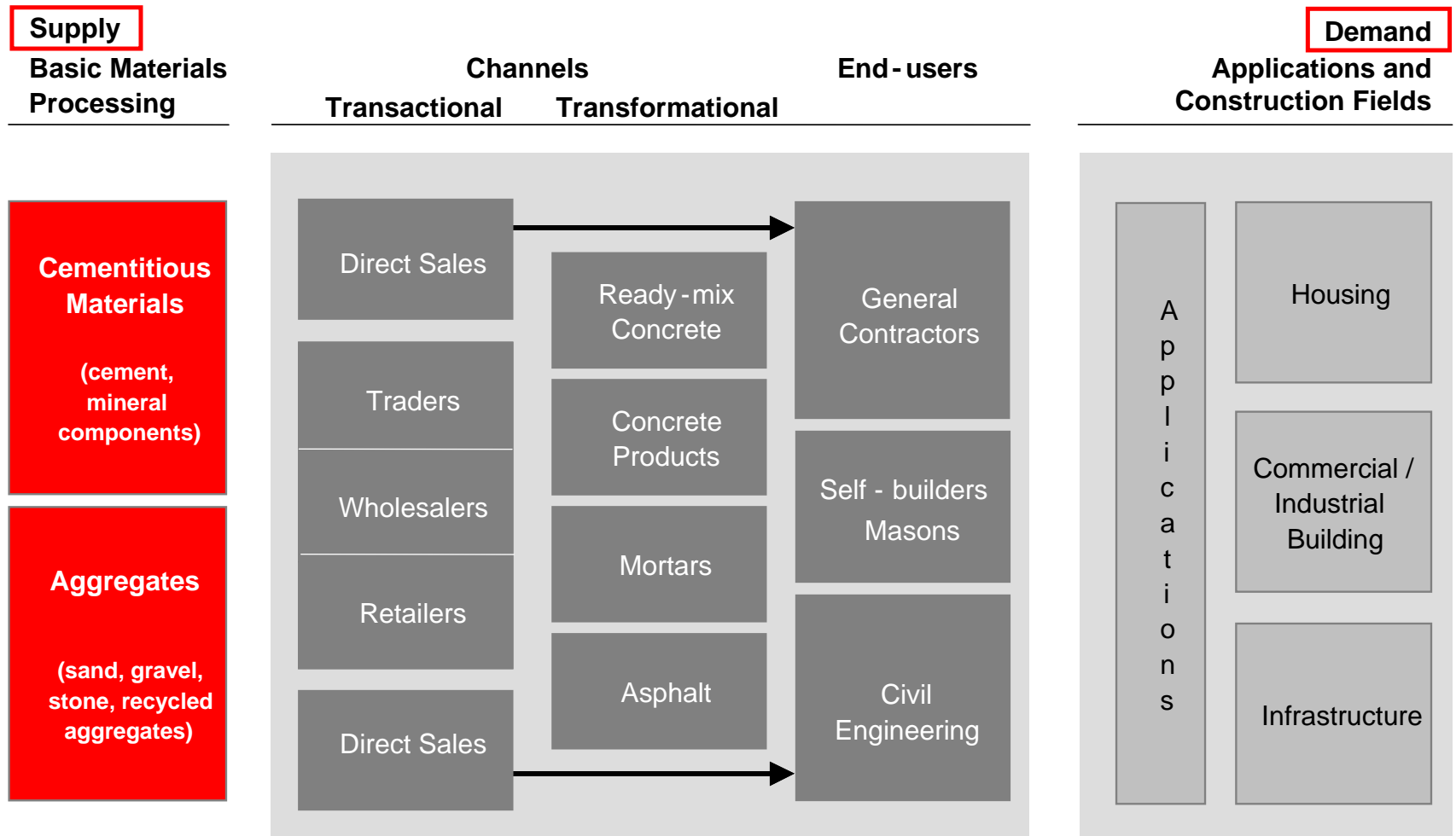
- Global presence
- Balanced between and within regions
- Balanced between mature and emerging markets

Local Management Global Standards

- Global business – strongly anchored in local markets
- Supported by global standards
 - ▶ Policies & directives
 - ▶ Exchange of know how & best practices

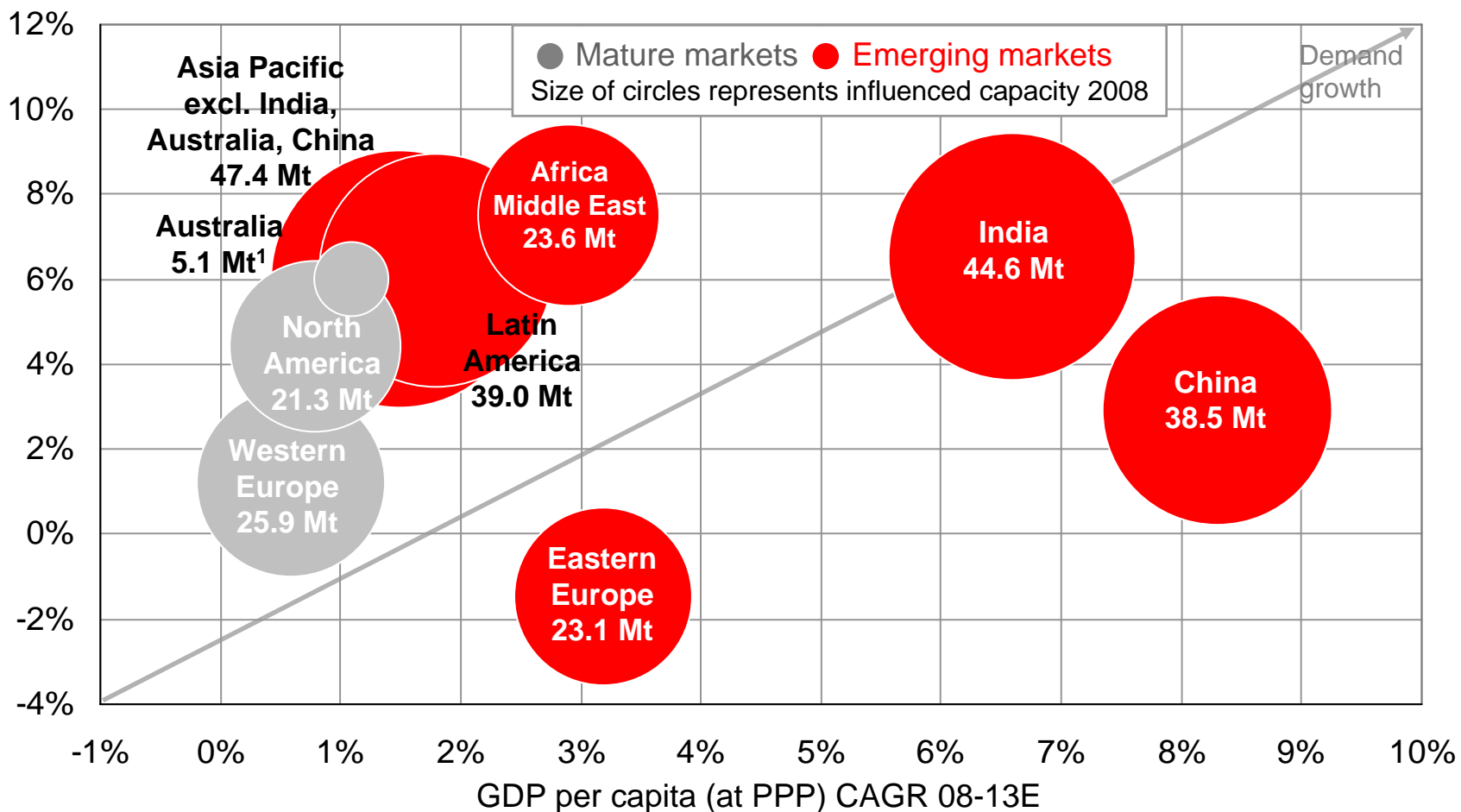
Value creation – paramount objective of the strategy

Holcim Value Chain



Positioning – Holcim’s cement market portfolio

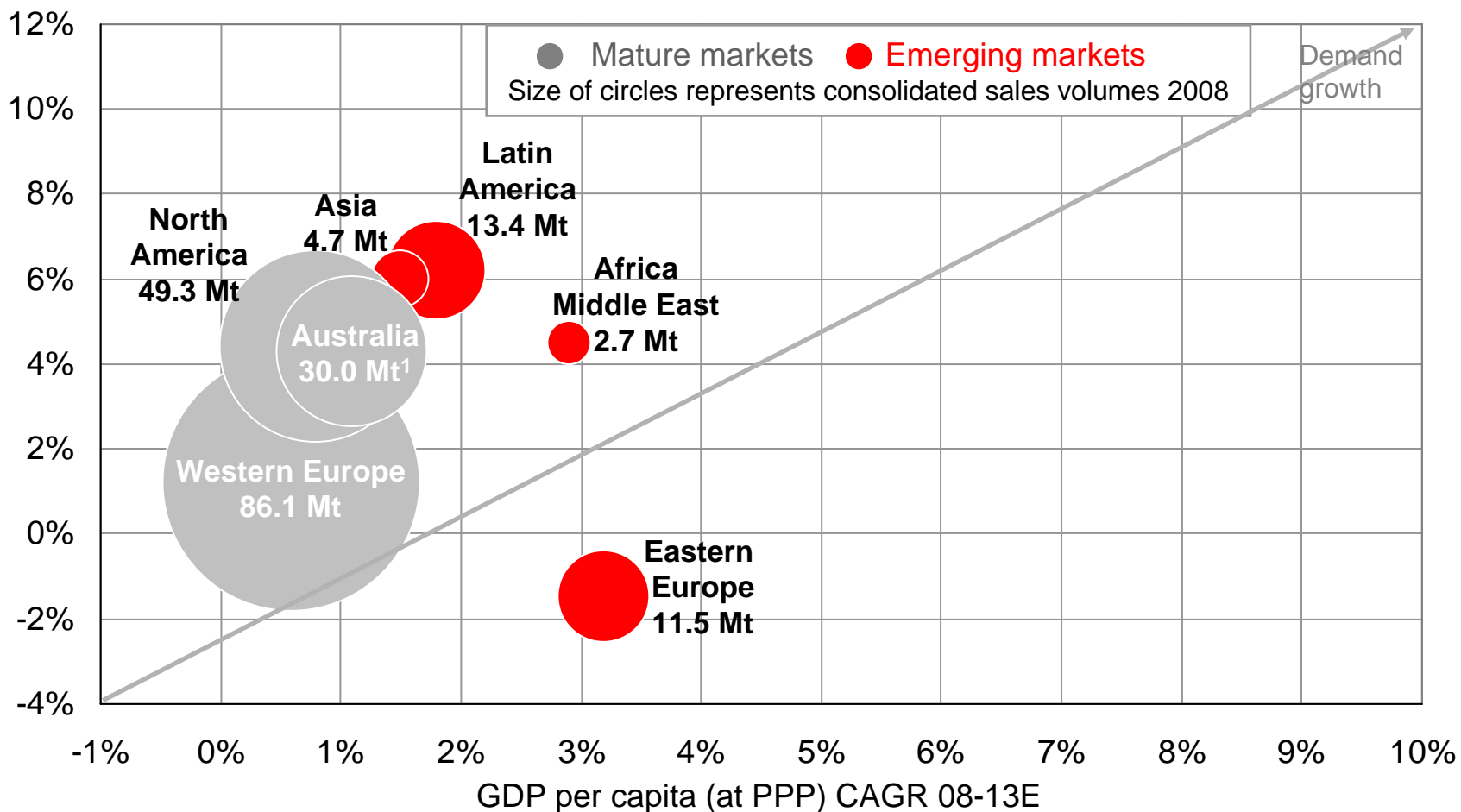
Cumulated population growth 2008 - 2013E



¹ 100% Cement Australia incl. capacity expansion to be commissioned in H2 2009
Sources: Holcim, US Census Bureau, Datastream - Economist Intelligence Unit, June 2009

Holcim's aggregate market portfolio

Cumulated population growth 2008 - 2013E



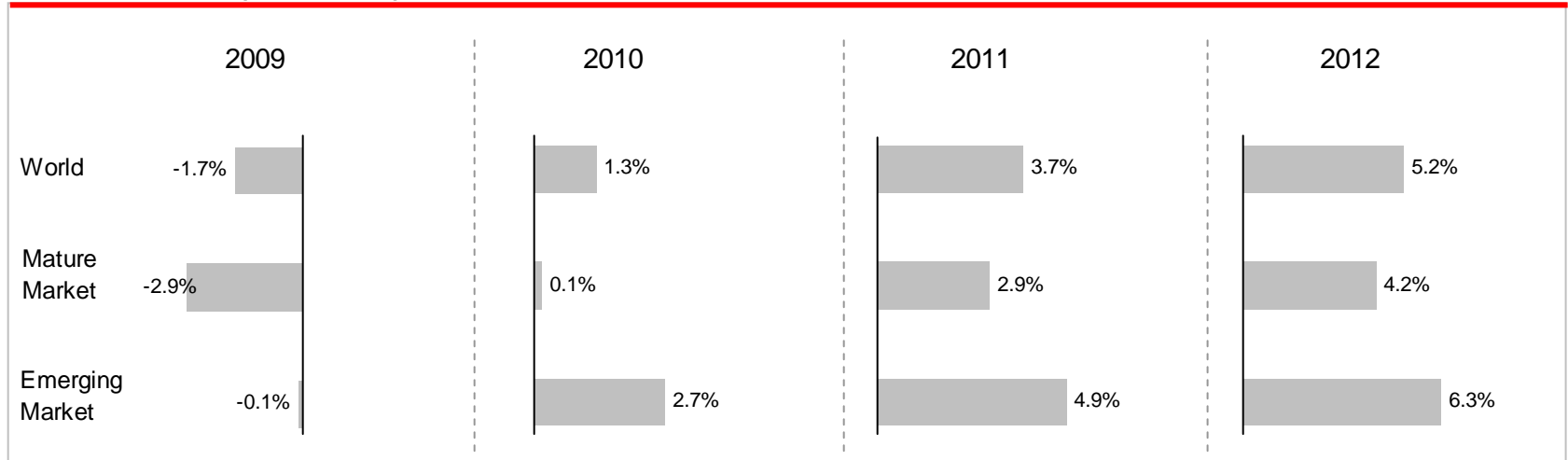
¹ represents 100% Cemex Australia

Sources: Holcim, US Census Bureau, Datastream - Economist Intelligence Unit, June 2009

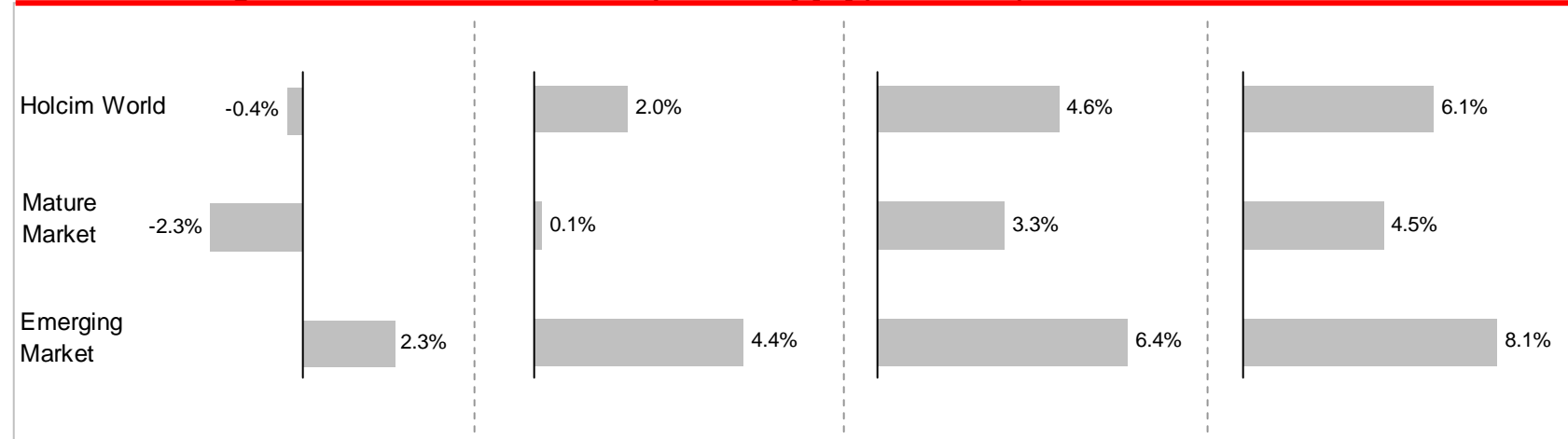


Holcim generates its EBITDA in countries with GDP growth above average

GDP Growth [%] (excl. China)



GDP Growth weighted with Holcim EBITDA 2008 per country [%] (excl. China)



Holcim
EBITDA 2008
split:

- Mature: 32%
- Emerging: 68%



Source: Nominal GDP per Capita (at PPP) in USD: International Monetary Fund - World Economic Outlook Database (April 2009), US Census Bureau

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Attractiveness of the heavy-side building materials

- Housing and infrastructure are basic needs
- Diverse customer base include private and public sector
- Sustainable Development is our “license to operate”



The demand drivers and characteristics of our products provide for continued growth and profitability

The industry invests in physical assets

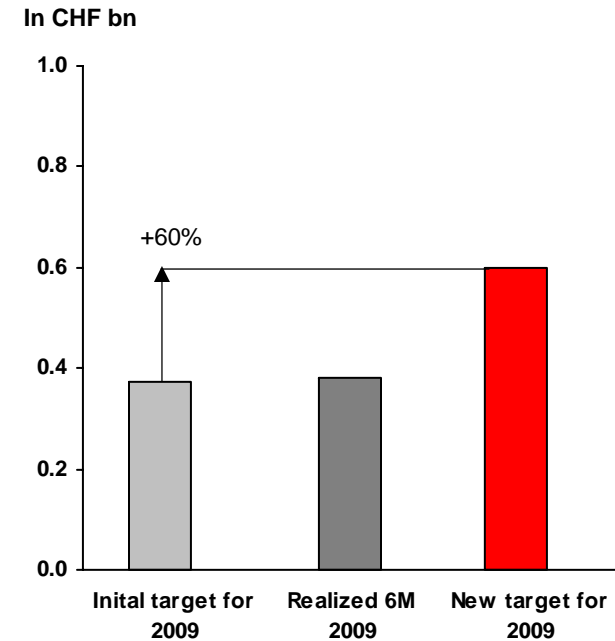
- Own raw material reserves
- Inflation hedge (real value)
- Limited substitution potential
- Products are not affected by short-term life-cycles
- No process obsolescence risk
- Plant and distribution network



Investments in real assets offer long term value

Cost saving measures start to bear fruit

- Capacity adjustments in all segments and across all regions
 - ▶ ~10.5 m tonnes of cement capacity closed or mothballed
 - ▶ > 100 aggregates and ready-mix operations closed
- Workforce reduction at operating companies and headquarters
- Technical optimization
- Energy efficiency
- Procurement
- Further optimization of logistics and distribution



CHF 381 million achieved per half-year 2009 – target increased to CHF 600 million

Infrastructure projects announced will generate future demand



- Globally, more than USD 2.5 trillion of stimulus programs announced – approx. USD 1 trillion reserved for infrastructure
- In Europe and the US, while initial funding has made its way into the economy, programs will have gradual impact on demand over the next year
- Impact on demand for building materials is seen in China
- India's estimated budget of USD 500 billion on infrastructure to be spent over five years is showing signs

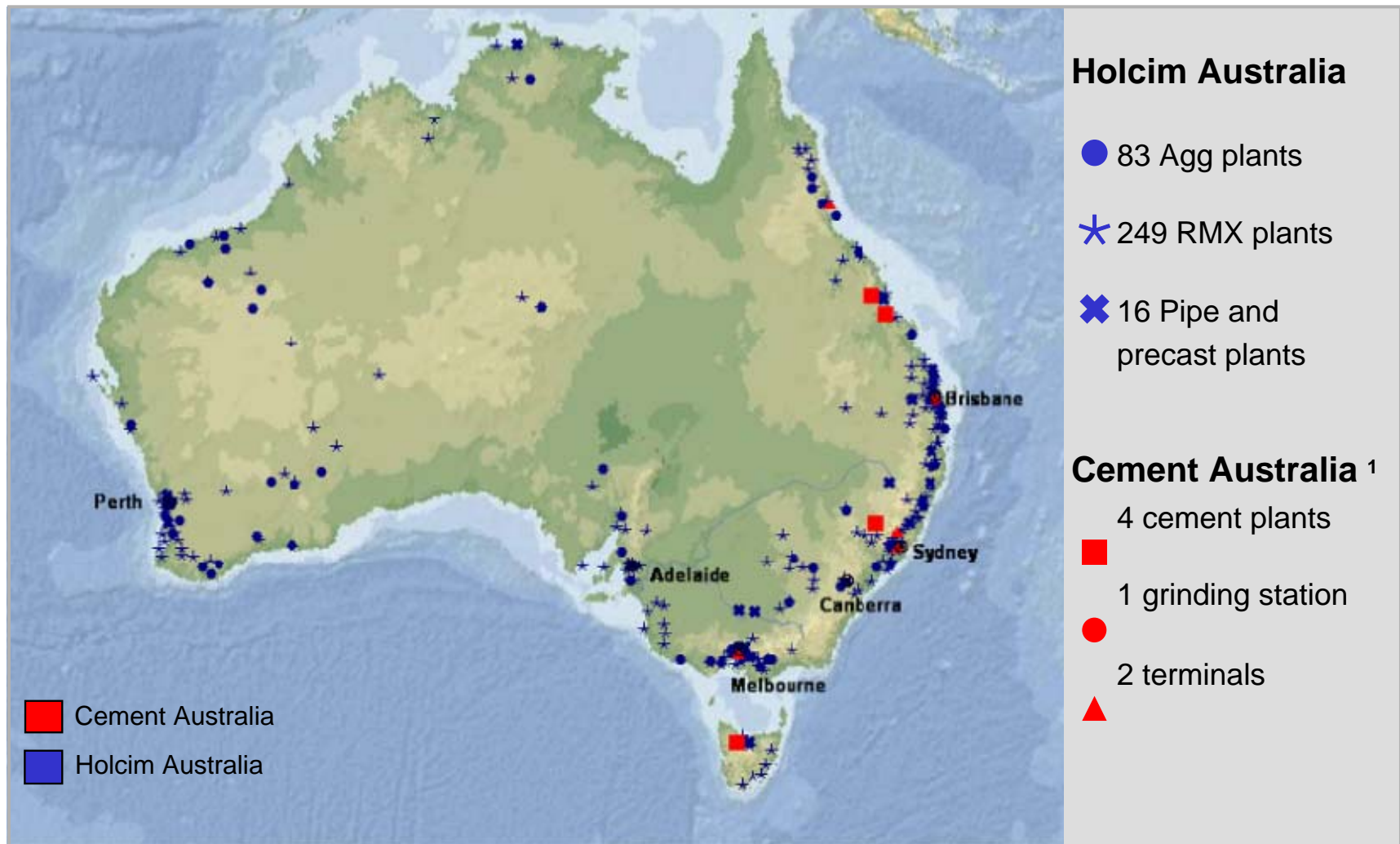
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Australia – an attractive opportunity to execute on our core strategy in a growing mature market

- Expand our business by creating a fully integrated position in a growing market for cement, aggregate, ready-mix and concrete products
 - ▶ Country with one of the strongest GDP growth rates among mature markets
 - ▶ High population growth and rich in natural resources
- Strengthen our “twin-leg” strategy
- Acquire operations located in the fast growing regions of Australia with long term reserves
- Build a regional cluster in combination with Holcim’s existing positions in New Zealand
- Transaction completed and consolidated as of October 1st 2009

Attractive opportunities – The new setup of Holcim in Australia



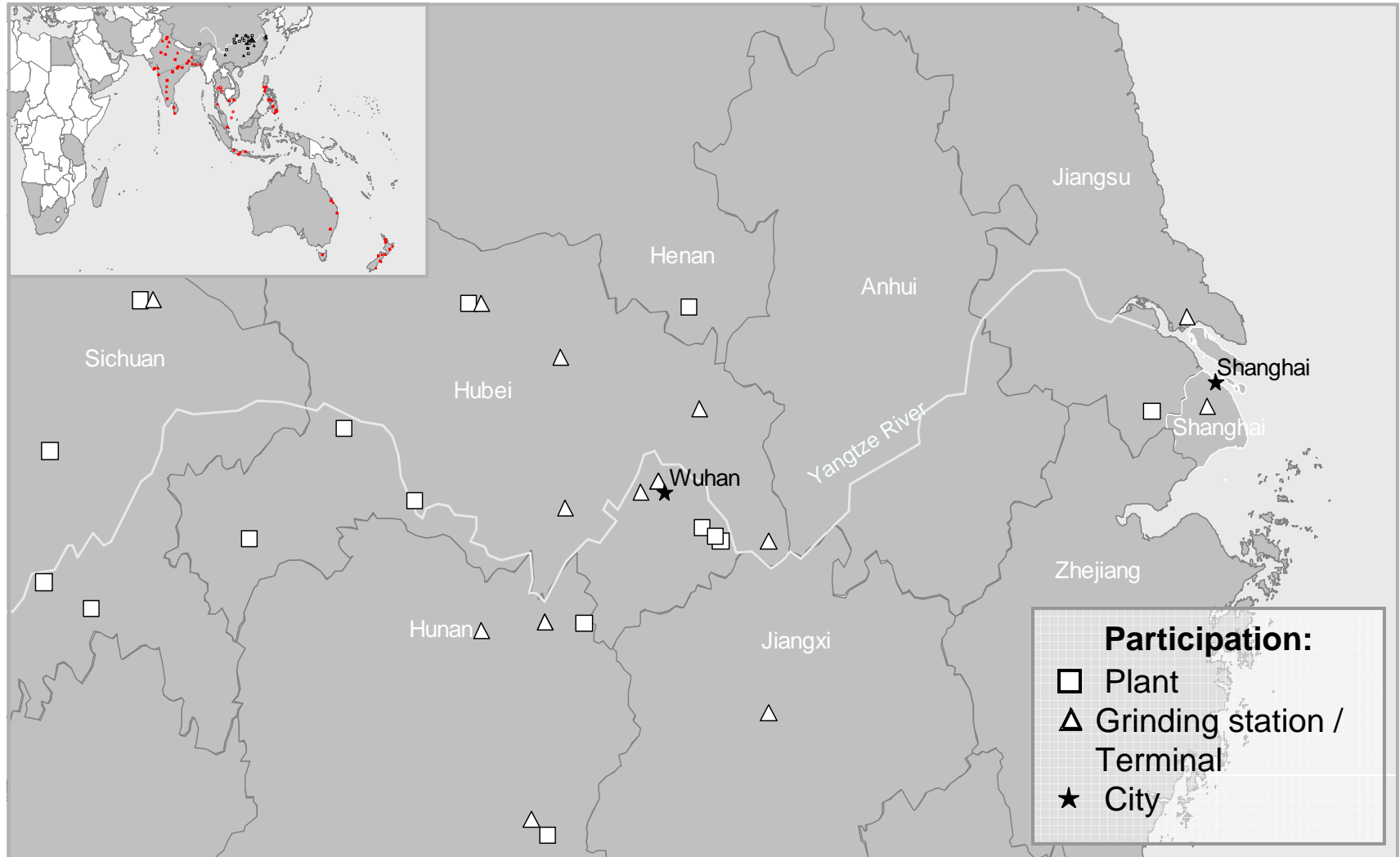
¹ Cement Australia is 75% owned by Holcim and 25% by HeidelbergCement

China – Holcim's successful partnership with Huaxin Cement

- Huaxin is a leading supplier of
 - ▶ Clinker & cement
 - ▶ Ready-mix & aggregates
 - ▶ Environmental solutions
 - ▶ Cement plant manufacturing equipment
- Sustainable cement capacity growth of 26% p.a. over the last few years
- Vertical integration into the ready-mix segment is growing
- Alternative fuels program initiated
- Focus on operational performance and energy efficiency including product differentiation
- Implementation of Holcim standard programs in the area of accounting including SAP
- Timing of the transaction depends on the response of authorities involved



Positions in China



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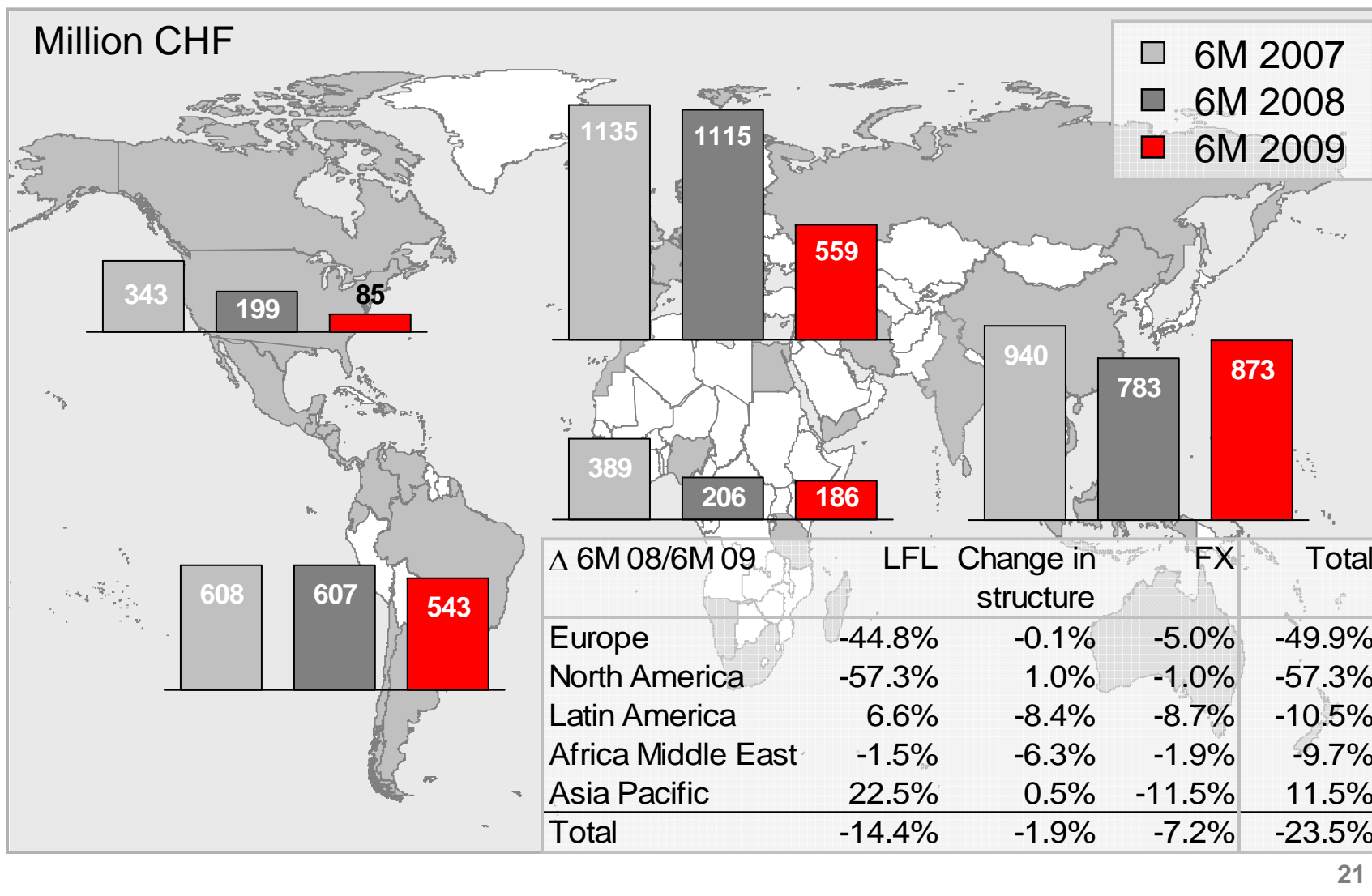
Highlights Half-Year 2009

- Due to its strong presence in growth markets, Holcim performed well in a difficult economic market environment and significantly increased its cash flow
- Robust organic growth in Asia Pacific, Latin America and Africa Middle East in the second quarter
- At 24.8 percent in the second quarter, operating EBITDA margin exceeds previous year's 23.8 percent
- Strong balance sheet and sound liquidity
- Based on the successful cost management, the reduction target for fixed costs in 2009 has been increased from CHF 375 million to CHF 600 million
- Asia will continue to grow and Latin America and Africa Middle East are also likely to follow favorable trends; in Europe and North America, the stimuli programs will have a positive impact on demand building up gradually over the next year

Key financial figures

Million CHF	12M	6M		+/-		
	2008			LFL		
		2008	2009	Q1	Q2	H1
Sales volumes						
Cement (mt)	143.4	72.5	65.1	-11.1%	-6.3%	-8.6%
Aggregates (mt)	167.7	79.7	62.5	-26.0%	-22.3%	-23.8%
RMX (mm3)	48.5	23.6	19.3	-20.0%	-21.4%	-20.8%
Net sales	25,157	12,434	10,082	-8.5%	-13.2%	-11.2%
Operating EBITDA	5,333	2,802	2,143	-23.0%	-8.4%	-14.4%
Operating profit	3,360	1,964	1,306	-41.5%	-13.0%	-23.7%
Net income	2,226	1,338	787	-55.9%	-20.1%	-33.9%
Cash flow from operating activities	3,703	664	805	7.0%	29.4%	38.1%

Operating EBITDA by region



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Conclusions

- The heavyside building materials industry is attractive for investments
 - ▶ Large-scale, real value investments
 - ▶ Basic needs with limited substitution
- Not all of Holcim's markets are affected equally by the economic crisis
- Cost saving measures that have been implemented bear fruit
- Stimulus programs will gradually generate demand over the next year
- Holcim is well positioned to weather the current challenging business environment, which also offers opportunities (e.g. Australia and China)
- Balance sheet strength continues to be an enabling factor

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Contact information and event calendar

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Event calendar

November 11, 2009

Press and analyst conference for the third quarter 2009

March 3, 2010

Press and analyst conference for the annual results 2009

May 5, 2010

Results for the first quarter 2010

May 6, 2010

General meeting of shareholders

August 19, 2010

Half-year results for 2010

November 10, 2010

Press and analyst conference for the third quarter 2010