

Half-Year Report 2009 Holcim Ltd



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The German version is binding

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Key figures Group Holcim

January–June		2009	2008	±%	±% like-for-like
Annual cement production capacity	million t	192.5	194.4 ¹	–1.0	–0.5
Sales of cement	million t	65.1	72.5	–10.2	–8.6
Sales of mineral components	million t	1.5	2.2	–31.8	–31.8
Sales of aggregates	million t	62.5	79.7	–21.6	–23.8
Sales of ready-mix concrete	million m ³	19.3	23.6	–18.2	–20.8
Sales of asphalt	million t	4.3	5.8	–25.9	–25.9
Net sales	million CHF	10,082	12,434	–18.9	–11.2
Operating EBITDA	million CHF	2,143	2,802	–23.5	–14.4
Operating EBITDA margin	%	21.3	22.5		
EBITDA	million CHF	2,349	2,970	–20.9	
Operating profit	million CHF	1,306	1,964	–33.5	–23.7
Operating profit margin	%	13.0	15.8		
Net income	million CHF	787	1,338	–41.2	–33.9
Net income margin	%	7.8	10.8		
Net income – equity holders of Holcim Ltd	million CHF	527	1,066	–50.6	–43.3
Cash flow from operating activities	million CHF	805	664	+21.2	+38.1
Cash flow margin	%	8.0	5.3		
Net financial debt	million CHF	16,048	15,047 ¹	+6.7	+5.2
Total shareholders' equity	million CHF	19,580	17,974 ¹	+8.9	
Gearing ²	%	82.0	83.7 ¹		
Personnel		81,522	86,713 ¹	–6.0	–5.5
Earnings per dividend-bearing share ³	CHF	1.88	3.73	–49.6	
Fully diluted earnings per share ³	CHF	1.88	3.73	–49.6	

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. The weighted average number of shares outstanding was retrospectively increased by 5 percent to reflect the 1:20 ratio of the stock dividend and by an additional 3.6 percent to reflect the bonus element for existing shareholders in the rights issue for all periods presented.

Principal key figures in USD (illustrative)⁴

Net sales	million USD	8,922	11,956	–25.4
Operating EBITDA	million USD	1,896	2,694	–29.6
Operating profit	million USD	1,156	1,888	–38.8
Net income – equity holders of Holcim Ltd	million USD	466	1,025	–54.5
Cash flow from operating activities	million USD	712	638	+11.6
Net financial debt	million USD	14,859	14,195 ¹	+4.7
Total shareholders' equity	million USD	18,130	16,957 ¹	+6.9
Earnings per dividend-bearing share ³	USD	1.66	3.59	–53.8

Principal key figures in EUR (illustrative)⁴

Net sales	million EUR	6,721	7,771	–13.5
Operating EBITDA	million EUR	1,429	1,751	–18.4
Operating profit	million EUR	871	1,228	–29.1
Net income – equity holders of Holcim Ltd	million EUR	351	666	–47.3
Cash flow from operating activities	million EUR	537	415	+29.4
Net financial debt	million EUR	10,558	10,099 ¹	+4.5
Total shareholders' equity	million EUR	12,882	12,063 ¹	+6.8
Earnings per dividend-bearing share ³	EUR	1.25	2.33	–46.4

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

Due to its strong presence in growth markets, Holcim performed well in a difficult economic environment and significantly increased its cash flow

In the second quarter, three out of five Group regions achieved strong organic growth

Holcim will substantially exceed its 2009 cost saving targets and will be fit for the economic upturn

Dear Shareholder

During the first half of 2009, demand for construction services declined again in North America as well as in Western and Eastern Europe. The announced government stimulus packages have yet to make an impact on the construction sector, although in the US the negative trend slowed in the second quarter.

Most of the Asian emerging markets, and India in particular, continued to grow. Positive growth was evident in most of Latin America and in Group region Africa Middle East, construction activity maintained the high level of the previous year.

Following a harsh winter, operating results improved significantly in the second quarter. Also in the second quarter, Group companies in Asia Pacific, Latin America and Africa Middle East achieved strong organic growth.

The Group-wide cost-cutting program is showing its effect. By mid-year, fixed costs have already been reduced by CHF 381 million. This means that the targeted annual reduction has already been achieved, mainly due to the rapid capacity reduction in critical markets. The related unavoidable job losses were conducted in such a way as to minimize the social impact.

Holcim has a strong balance sheet and sound liquidity. Since the beginning of the year, debt totaling CHF 5 billion has been refinanced. Furthermore, at an extraordinary general meeting held in July, you decided to increase the company's equity base by CHF 2.1 billion in order to finance strategic investments in Australia and China.

Group	January–June 2009	January–June 2008	±%	±% like-for-like*
Sales of cement in million t	65.1	72.5	–10.2	–8.6
Sales of aggregates in million t	62.5	79.7	–21.6	–23.8
Sales of ready-mix concrete in million m ³	19.3	23.6	–18.2	–20.8
Sales of asphalt in million t	4.3	5.8	–25.9	–25.9
Net sales in million CHF	10,082	12,434	–18.9	–11.2
Operating EBITDA in million CHF	2,143	2,802	–23.5	–14.4
Operating profit in million CHF	1,306	1,964	–33.5	–23.7
Net income in million CHF	787	1,338	–41.2	–33.9
Net income – equity holders of Holcim Ltd – in million CHF	527	1,066	–50.6	–43.3
Cash flow from operating activities in million CHF	805	664	+21.2	+38.1

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

Group	April–June 2009	April–June 2008	±%	±% like-for-like
Sales of cement in million t	35.4	38.3	–7.6	–6.3
Sales of aggregates in million t	37.4	47.0	–20.4	–22.3
Sales of ready-mix concrete in million m ³	10.6	13.1	–19.1	–21.4
Sales of asphalt in million t	2.7	3.9	–30.8	–30.8
Net sales in million CHF	5,559	6,925	–19.7	–13.2
Operating EBITDA in million CHF	1,380	1,651	–16.4	–8.4
Operating profit in million CHF	963	1,227	–21.5	–13.0
Net income in million CHF	592	825	–28.2	–20.1
Net income – equity holders of Holcim Ltd – in million CHF	453	696	–34.9	–26.4
Cash flow from operating activities in million CHF	966	822	+17.5	+29.4

In the first half, consolidated deliveries of cement decreased by 10.2 percent to 65.1 million tonnes, while sales of aggregates declined by 21.6 percent to 62.5 million tonnes. Sales of ready-mix concrete fell by 18.2 percent to 19.3 million cubic meters. Asphalt sales totaled 4.3 million tonnes, which represents a reduction of 25.9 percent.

Consolidated net sales were down by 18.9 percent to CHF 10.1 billion. Operating EBITDA fell by 23.5 percent to CHF 2.1 billion. The corresponding margin amounted to 21.3 percent (first half of 2008: 22.5). However, in the second quarter, the operating EBITDA margin recovered to 24.8 percent (second quarter of 2008: 23.8). The predominantly stable pricing environment and the success of the cost reduction effort had a positive impact. Despite the lower operating EBITDA, cash flow from operating activities was significantly higher at CHF 805 million (first half of 2008: 664). Net income decreased by 41.2 percent to CHF 787 million. Net income attributable to equity holders of Holcim Ltd declined by 50.6 percent to CHF 527 million. Among other factors, this reflects the reduced contribution of Group region Europe.

Sales of building materials still falling in Europe

Most European countries are currently enduring the worst economic crisis since the 1970s and in some markets, the recession has intensified even more since the beginning of the year. In particular, Spain, the UK and Eastern Europe including Russia and Azerbaijan are suffering from the economic downturn. While the poor start to the new year was largely attributed to the hard winter, construction activity during the second quarter was depressed by a lack of investment activity. Cement consumption declined significantly in comparison with the previous year.

Europe	January–June 2009	January–June 2008	±%	±% like-for-like
Sales of cement in million t	13.0	17.1	–24.0	–25.1
Sales of aggregates in million t	38.0	48.7	–22.0	–25.7
Sales of ready-mix concrete in million m ³	8.3	10.3	–19.4	–27.2
Sales of asphalt in million t	2.7	3.2	–15.6	–15.6
Net sales in million CHF	3,603	5,144	–30.0	–23.9
Operating EBITDA in million CHF	559	1,115	–49.9	–44.8
Operating profit in million CHF	224	798	–71.9	–68.5

Europe	April–June 2009	April–June 2008	±% like-for-like	±%
Sales of cement in million t	7.9	9.8	–19.4	–20.4
Sales of aggregates in million t	21.8	26.9	–19.0	–22.3
Sales of ready-mix concrete in million m ³	4.6	5.6	–17.9	–25.0
Sales of asphalt in million t	1.4	1.7	–17.6	–17.6
Net sales in million CHF	2,092	2,901	–27.9	–22.2
Operating EBITDA in million CHF	440	691	–36.3	–29.8
Operating profit in million CHF	280	528	–47.0	–40.9

Although housebuilding saw some stabilization, Aggregate Industries UK reported a decline in volumes in all segments. The core markets of Holcim Spain in Andalusia and Madrid suffered more than other regions of the country from the impact of the housebuilding crisis.

Holcim France Benelux recorded a decline in deliveries of building materials, particularly in France and Belgium. In the Netherlands, the downward trend was less pronounced. Holcim Germany saw a decline in cement sales as a result of the combination of weaker domestic demand and dwindling exports. Thanks to acquisitions, sales of aggregates and ready-mix concrete were on par with the previous year. In the south of the country, new construction projects were sparse, adversely affecting cement sales of Holcim Southern Germany. However, the aggregates companies acquired in the region of Karlsruhe the previous year led to an increase in sales.

Holcim Switzerland benefited from solid construction demand, particularly in the big cities. The Group company nearly made up for the winter months, with volumes in all segments only slightly below the previous year's level. In Italy, after the sharp drop in the first quarter, volumes continued to decline.

In Eastern and Southeastern Europe, the economic downturn, which followed a period of prolonged growth, was significant. Investment halt, project holdups and a shortage of new orders led to a decline in cement sales. The Group companies in the Czech Republic, Slovakia and Hungary were hard hit. Holcim held up better in Austria and Croatia thanks to major projects requiring large amounts of ready-mix concrete. In Romania, liquidity bottlenecks affecting customers led to a further slowdown in demand for building materials and in Bulgaria, the general market weakness was compounded by massive cement imports from Turkey.

In Russia, cement consumption virtually halved in comparison with the previous year, although toward the end of the first half Alpha Cement was at least able to reverse some of the initial sharp decline in deliveries. However, cement sales declined significantly in the period under review. Garadagh Cement in Azerbaijan also sold less cement. The key factors were the decline in demand for building materials in the housebuilding and industrial sectors and the pressure of imports from Russia and Turkey.

The Group companies in the UK, Spain and Eastern Europe quickly adjusted production capacity in all segments to the changed market environment. In the cement segment, the Russian Group company Alpha Cement and Holcim Hungary both mothballed one of their kiln lines. The Pleven cement plant in Bulgaria is presently only operating as a grinding station; the clinker is shipped from the Beli Izvor plant. As announced, the Torredonjimeno plant in the south of Spain was permanently closed in the second quarter of 2009.

In the first half, consolidated cement deliveries in Group region Europe decreased by 24 percent to 13 million tonnes. Sales of aggregates declined by 22 percent to 38 million tonnes. Deliveries of ready-mix concrete contracted by 19.4 percent to 8.3 million cubic meters.

Operating EBITDA fell by 49.9 percent to CHF 559 million. Despite the systematic implementation of cost-cutting measures in all areas, no Group companies, with the exception of Germany and Switzerland, were able to match their prior-year performance. The deterioration in the results of Aggregate Industries UK, Holcim Spain and Holcim France Benelux had a major impact. The Group companies in Eastern and Southeastern Europe, including Alpha Cement in Russia, also fell well short of their previous year's figures. At -44.8 percent, Group region Europe posted a negative internal operating EBITDA development.

Still no upturn in North America

In North America, the economic situation remained fraught throughout the first half of the year. In the US, the deep recession continued to shape events in all markets, although the downturn became less severe in the second quarter. Canada too continued to lose ground and, after many years of positive growth, saw a decline in overall economic output.

North America	January–June 2009	January–June 2008	±% like-for-like	±%
Sales of cement in million t	5.0	6.7	-25.4	-25.4
Sales of aggregates in million t	15.3	20.9	-26.8	-28.2
Sales of ready-mix concrete in million m ³	2.3	3.2	-28.1	-28.1
Sales of asphalt in million t	1.6	2.5	-36.0	-36.0
Net sales in million CHF	1,445	1,857	-22.2	-24.4
Operating EBITDA in million CHF	85	199	-57.3	-57.3
Operating (loss) profit in million CHF	(74)	46	-260.9	-245.7

North America	April–June 2009	April–June 2008	±% like-for-like	±%
Sales of cement in million t	3.2	4.0	-20.0	-20.0
Sales of aggregates in million t	10.8	14.4	-25.0	-26.4
Sales of ready-mix concrete in million m ³	1.5	2.1	-28.6	-28.6
Sales of asphalt in million t	1.3	2.1	-38.1	-38.1
Net sales in million CHF	928	1,210	-23.3	-25.2
Operating EBITDA in million CHF	139	213	-34.7	-35.7
Operating profit in million CHF	54	134	-59.7	-59.7

In the US, private construction was particularly strongly affected by the difficult economic environment. House-building was still down compared with the previous year. In the commercial construction segment, the industry and healthcare sectors were unable to make up for the marked slump in demand for office and business premises. Volumes were at least supported by investment in public safety and the government's multi-year infrastructure plan. The announced stimulus programs did not yet have an impact on the construction sector during the period under review.

Holcim US registered a further decline in cement deliveries. This mainly affected the east of the country, but also the sales areas along the Mississippi and Missouri rivers and Texas. The harsh winter and the unfavorable weather conditions for building work in spring further depressed shipments on the East Coast. The Group company responded swiftly to the decline in the market. In addition to the closure of the Dundee and Clarksville plants, the key measures taken in the first quarter of 2009 included the mothballing of the Artesia and Mason City plants.

Aggregate Industries US saw further declines in sales of aggregates, ready-mix concrete and asphalt and systematically continued with measures to cut costs and reduce capacity.

Holcim Canada, the former St. Lawrence Cement, also suffered from the decline in demand with a reduction in sales in all market regions and segments. The decline was felt strongly in the industrial province of Ontario, although the picture was somewhat brightened by a number of major building and infrastructure projects.

In the first half, consolidated cement deliveries in North America fell by 25.4 percent to 5 million tonnes. Aggregates volumes declined by 26.8 percent to 15.3 million tonnes. Deliveries of ready-mix concrete also decreased by 28.1 percent to 2.3 million cubic meters.

Operating EBITDA declined by 57.3 percent to CHF 85 million, mainly because of the deterioration in business activity at Holcim US. Despite cost-cutting programs, the Group companies were only able to a limited extent to offset the decline in volumes through efficiency improvements. Aggregate Industries US benefited from the cost-cutting measures, which had already been initiated in the previous year. Holcim Canada's result was supported by construction services. At -57.3 percent, Group region North America posted a negative internal operating EBITDA development.

For the first time, Holcim US produced clinker at its new Ste. Genevieve plant in July 2009. During the coming months, production will be gradually increased and the plant will start to deliver cement.

Regionally mixed demand in Latin America

The global slowdown in growth had a mixed impact on the Latin American continent. While construction activity slowed in Mexico and El Salvador due to the North American recession, sales of building materials continued to develop positively in Ecuador and Colombia owing to the housebuilding and infrastructure sectors.

Latin America	January–June 2009	January–June 2008	±% like-for-like	±%
Sales of cement in million t	11.2	13.7	-18.2	-8.8
Sales of aggregates in million t	5.9	6.6	-10.6	-4.5
Sales of ready-mix concrete in million m ³	4.9	6.0	-18.3	-15.0
Net sales in million CHF	1,674	2,053	-18.5	-1.2
Operating EBITDA in million CHF	543	607	-10.5	+6.6
Operating profit in million CHF	445	495	-10.1	+6.7

Latin America	April–June 2009	April–June 2008	±% like-for-like	±%
Sales of cement in million t	5.7	7.1	–19.7	–9.9
Sales of aggregates in million t	3.0	3.6	–16.7	–11.1
Sales of ready-mix concrete in million m ³	2.5	3.2	–21.9	–18.8
Net sales in million CHF	854	1,076	–20.6	–3.7
Operating EBITDA in million CHF	290	323	–10.2	+7.7
Operating profit in million CHF	240	266	–9.8	+8.3

Mexico's construction sector had to contend with the recessionary environment and the banks' reluctance to lend. Holcim Apasco's deliveries of building materials decreased in the first half of 2009. Exports of clinker and cement also fell. However, government economic stimulus measures supported construction activity particularly in the center and south of the country.

Cemento de El Salvador saw a decline in delivery volumes. The presidential elections did not provide the stimuli to boost the construction sector. In Costa Rica, private property developers struggled in the face of tougher financing terms. With the exception of a large dam, infrastructure construction failed to make any real headway. While the Group company reported a slight decline in all segments, sister company Holcim Nicaragua succeeded in increasing deliveries of ready-mix concrete.

Holcim Ecuador recorded significant increases in volumes across its entire product range. After the previous year's strong growth, Holcim Colombia sold less cement, but increased its sales of aggregates and ready-mix concrete. The Brazilian construction sector proved relatively crisis-resistant thanks to government investment in building projects and low interest rates. Holcim Brazil stepped up marketing efforts in the high-margin cement segment, while consciously accepting a decline in volumes. The Group company increased its sales of ready-mix concrete. In Argentina, Minetti partially compensated for lower domestic cement sales through higher exports. Despite delays in roadbuilding projects, deliveries of aggregates and ready-mix concrete increased. As a result of new competitors and a fall-off in construction activity, Cemento Polpaico in Chile experienced a decline in sales volumes of aggregates in particular.

The Group companies affected by the decline in demand were quick to respond to the changing market environment and adjusted production capacity. The first half of the year saw the mothballing of one kiln each in Mexico, El Salvador, Brazil, Chile and Argentina. In addition, the ready-mix concrete network was streamlined in several markets.

In the first half, cement sales in Group region Latin America fell by 18.2 percent to 11.2 million tonnes. Deliveries of aggregates were down by 10.6 percent to 5.9 million tonnes, and ready-mix concrete volumes contracted by 18.3 percent to 4.9 million cubic meters.

Despite the deconsolidation of Holcim Venezuela, Group region Latin America achieved good operating results in local currency terms. The decline in volumes was fully offset by the predominantly stable price environment, extensive cost-cutting measures and lower energy costs. As a result, operating margins improved. In Swiss franc terms, operating EBITDA declined by 10.5 percent to CHF 543 million, mainly due to the unfavorable exchange rate development against the Mexican peso and the Brazilian real. However, in this Group region internal operating EBITDA growth reached 6.6 percent.

By the end of the first half of 2009, no compensation payment had been received for the nationalization of Holcim Venezuela. In February, Holcim appealed to the relevant court of arbitration at the World Bank in Washington D.C. and is demanding full compensation for the expropriation in line with the market value of the company.

As a consequence of the nationalization of Holcim Venezuela, the long-term economics of supplying clinker and cement from Holcim production to the grinding stations and terminals in Panama and the Caribbean is no longer viable. As a result, at the end of July 2009, Holcim sold its interests in Panama and the Caribbean to its Colombian joint venture partner Argos. The proceeds from the disposals amount to USD 157 million.

Holcim increased its stake in Cemento de El Salvador from 64 percent to more than 90 percent. The company is a leading nationwide supplier of cement, gravel and ready-mix concrete as well as a regional cement exporter.

Stable construction materials markets in Africa and the Middle East

Despite slightly weaker economic growth, the markets supplied by Holcim in Group region Africa Middle East developed largely stable. In Morocco, the high demand for building materials for housebuilding and infrastructure projects led to a satisfactory workload in the construction industry. The easing of political tensions in Lebanon stimulated construction activity virtually throughout the country.

Africa Middle East	January–June 2009	January–June 2008	±% like-for-like	±%
Sales of cement in million t	4.5	4.8	–6.3	+2.1
Sales of aggregates in million t	1.2	1.2	–	–
Sales of ready-mix concrete in million m ³	0.6	0.6	–	–
Net sales in million CHF	618	652	–5.2	+2.0
Operating EBITDA in million CHF	186	206	–9.7	–1.5
Operating profit in million CHF	158	178	–11.2	–3.4

Africa Middle East	April–June 2009	April–June 2008	±% like-for-like	±%
Sales of cement in million t	2.4	2.3	+4.3	+8.7
Sales of aggregates in million t	0.8	0.8	–	–
Sales of ready-mix concrete in million m ³	0.4	0.4	–	–
Net sales in million CHF	322	338	–4.7	+0.9
Operating EBITDA in million CHF	108	101	+6.9	+9.9
Operating profit in million CHF	94	88	+6.8	+9.1

After a sluggish start of the year and a strike lasting several weeks in the transport sector, Holcim Morocco was able to increase cement deliveries slightly. However, sales of aggregates and ready-mix concrete increased significantly. In Lebanon, the Chekka plant produced at full capacity. Sales of ready-mix concrete increased. To meet the robust domestic demand, Holcim Lebanon had to reduce its cement exports to neighboring countries. The commissioning of a second cement mill at National Cement in Abu Dhabi, an affiliated company, strengthened the market position in the Gulf region.

Sales of cement decreased in the West African group of countries managed by Holcim Trading. Also the companies in the Indian Ocean got off to a muted start in the first half of the year, recording a decline in volumes in all segments. This was due to the political crisis in Madagascar, the drop in housebuilding and a lack of follow-on projects in the infrastructure sector in La Réunion.

In the first half and like-for-like, Group region Africa Middle East slightly increased its cement sales to 4.5 million tonnes. Deliveries of aggregates and ready-mix concrete maintained the previous year's level of 1.2 million tonnes and 0.6 million cubic meters respectively.

Operating EBITDA of Group region Africa Middle East declined by 9.7 percent to CHF 186 million. Internal operating EBITDA development came to -1.5 percent.

Asia Pacific construction sector generally growing

Asia Pacific defied the global economic crisis and construction activity remained lively. In India in particular, high pent-up demand in the infrastructure sector and the positive development of the agriculture sector led to rising demand for building materials. The first half of the year also saw brisk construction activity in the Philippines. However, there are also countries in this Group region where growth momentum was slowed by the global economic crisis.

Asia Pacific	January-June 2009	January-June 2008	±% like-for-like	±%
Sales of cement in million t	34.1	33.5	+1.8	+0.9
Sales of aggregates in million t	2.1	2.3	-8.7	-13.0
Sales of ready-mix concrete in million m ³	3.2	3.5	-8.6	-8.6
Net sales in million CHF	3,079	3,089	-0.3	+9.2
Operating EBITDA in million CHF	873	783	+11.5	+22.5
Operating profit in million CHF	670	561	+19.4	+31.6

Asia Pacific	April-June 2009	April-June 2008	±% like-for-like	±%
Sales of cement in million t	17.3	16.7	+3.6	+2.4
Sales of aggregates in million t	1.0	1.3	-23.1	-23.1
Sales of ready-mix concrete in million m ³	1.6	1.8	-11.1	-11.1
Net sales in million CHF	1,560	1,552	+0.5	+7.2
Operating EBITDA in million CHF	454	380	+19.5	+27.4
Operating profit in million CHF	354	272	+30.1	+38.6

The two Indian Group companies posted significant increases in cement deliveries in all regions of the country. Sales of ready-mix concrete also slightly increased. Holcim Bangladesh reported higher sales volumes. In Sri Lanka, demand for building materials did not yet pick up following the end of the civil war. As a result, Holcim Lanka sold less cement than in the previous year.

In Thailand, cement consumption decreased nationwide. Siam City Cement managed to sell virtually the same amount of cement as in the previous year, and the decline in the volume of clinker and cement exports also remained within narrow limits. Sales of aggregates developed positively, while deliveries of ready-mix concrete declined. Holcim Vietnam increased cement sales and made a determined effort to expand the ready-mix concrete business in the greater Ho Chi Minh City area. At Holcim Malaysia, industrial construction in Johor underpinned cement deliveries, which were otherwise in decline. Holcim Singapore was able to maintain ready-mix concrete volumes virtually at the previous year's level despite the city state's sharp economic downturn.

Brisk demand for building materials in both private and public projects enabled Holcim Philippines to increase its domestic shipments of cement and sales of ready-mix concrete. The focus was on commercial projects and infrastructure expansion. As a result, the Group company reduced its export activity. In Indonesia, the decline in construction activity led to rising competition. In the cement segment, the Group company nearly matched its prior-year volumes thanks to higher exports. Sales of aggregates and ready-mix concrete declined significantly.

In Australia, demand for building materials declined in the context of the economic slowdown – a situation aggravated by adverse weather conditions in the first quarter. As a result of the decrease in demand for cement in the housebuilding and commercial sectors, Cement Australia saw falls in volumes on the East Coast in particular. In New Zealand, deliveries of cement and ready-mix concrete declined, although deliveries of aggregates were up compared to the previous year.

As a result of higher volumes in India, consolidated cement deliveries in Group region Asia Pacific increased in the first half by 1.8 percent to 34.1 million tonnes. Shipments of aggregates contracted by 8.7 percent to 2.1 million tonnes, while deliveries of ready-mix concrete were reduced by 8.6 percent to 3.2 million cubic meters. The low level of business activity in New Zealand was a major factor in the decline of ready-mix concrete deliveries, as was the downturn in construction activity in some urban centers in Asia.

In local currency terms, the majority of Group companies posted an increase in operating EBITDA, which had a positive impact on operating margins in this Group region. Besides favorable market conditions, efficiency improvements, the consistent implementation of cost-cutting measures and lower energy costs contributed to the result. In addition, innovative sales concepts and customer-specific system solutions for major projects were supportive. The positive development of results seen in India, Vietnam, Indonesia and the Philippines is remarkable. Despite predominantly unfavorable exchange rates, the Group region also increased its operating EBITDA in Swiss francs, by 11.5 percent to CHF 873 million. The Group region posted internal operating EBITDA growth of 22.5 percent.

As explained in several releases and communications and at the extraordinary general meeting, Holcim will pay CHF 1.8 billion for the acquisition of Cemex Australia, a company with nationwide operations in the aggregates, ready-mix concrete and concrete products sectors, including a 25 percent interest in the Group company Cement Australia. The due diligence process has now been successfully completed. The Australian authorities have yet to give the final go-ahead. Once the transaction has been successfully completed, Holcim will fully consolidate Cemex Australia and Cement Australia.

Furthermore, Holcim has reconfirmed its strategic partnership in China by announcing it will fully participate in the planned private placement of Huaxin Cement. Funds totaling CHF 252 million have been earmarked for this purpose. China's fourth-largest cement manufacturer will use the proceeds of the capital increase to expand its production capacity from 38 million tonnes to 55 million tonnes in order to participate in the continuing growth of the market.

Outlook

In the first half of the year, there was no sign of an economic turnaround. Markets such as the US, the UK, Spain and Eastern Europe are expected to remain challenging. In contrast, Asia, and India in particular, will likely continue to show growth. In Latin America and in Africa Middle East, we expect business to likewise follow a favorable trend. On balance, Holcim's strong footprint in the emerging markets partially offsets the negative EBITDA development in the mature markets. In Europe and North America, the government stimulus programs will have a positive impact on demand building up gradually over the next year.

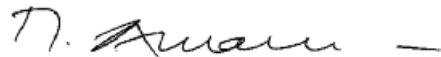
Therefore, Holcim will continue to concentrate its strength on factors that it can influence. This includes focusing on the continued rapid reduction of production capacity in all segments to changes in the market environment and the consistent implementation of the cost-cutting programs. The targeted reduction in fixed costs in 2009 has been increased from CHF 375 million to CHF 600 million.

Furthermore, continued high priority is given to the financial strength of the Group. Investments will continue to be kept to a minimum, and current assets will be strictly managed.

The Board of Directors and the Executive Committee believe that the rigorous cost reduction, the favorable development of cash flow from operating activities, the successful capital market and refinancing transactions as well as the strategic expansion in Australia and China, as approved by you, provide the basis for strengthening the Group in preparation for the next economic upturn.



Rolf Soiron
Chairman of the Board of Directors



Markus Akermann
Chief Executive Officer

August 20, 2009

Consolidated statement of income of Group Holcim

	Notes	January–June 2009 Unaudited	January–June 2008 Unaudited	±%	April–June 2009 Unaudited	April–June 2008 Unaudited	±%
Million CHF							
Net sales	5	10,082	12,434	–18.9	5,559	6,925	–19.7
Production cost of goods sold		(5,766)	(6,724)		(3,033)	(3,704)	
Gross profit		4,316	5,710	–24.4	2,526	3,221	–21.6
Distribution and selling expenses		(2,313)	(2,889)		(1,225)	(1,569)	
Administration expenses		(697)	(857)		(338)	(425)	
Operating profit		1,306	1,964	–33.5	963	1,227	–21.5
Other income	7	18	48		0	13	
Share of profit of associates		140	100		84	56	
Financial income	8	90	92		48	46	
Financial expenses	9	(435)	(413)		(243)	(199)	
Net income before taxes		1,119	1,791	–37.5	852	1,143	–25.5
Income taxes		(332)	(453)		(260)	(318)	
Net income		787	1,338	–41.2	592	825	–28.2
Attributable to:							
Equity holders of Holcim Ltd		527	1,066	–50.6	453	696	–34.9
Minority interest		260	272	–4.4	139	129	+7.8
CHF							
Earnings per dividend-bearing share ¹		1.88	3.73	–49.6	1.61	2.43	–33.7
Fully diluted earnings per share ¹		1.88	3.73	–49.6	1.61	2.43	–33.7
Million CHF							
Operating EBITDA ²	6	2,143	2,802	–23.5	1,380	1,651	–16.4
EBITDA ³		2,349	2,970	–20.9	1,494	1,731	–13.7

¹ EPS calculation based on net income attributable to equity holders of Holcim Ltd weighted by the average number of shares. The weighted average number of shares outstanding was retrospectively increased by 5 percent to reflect the 1:20 ratio of the stock dividend (note 13) and by an additional 3.6 percent to reflect the bonus element for existing shareholders in the rights issue (note 14) for all periods presented.

² Operating profit CHF 1,306 million (2008: 1,964) before depreciation, amortization and impairment of operating assets CHF 837 million (2008: 838).

³ Net income CHF 787 million (2008: 1,338) before interest earned on cash and marketable securities CHF 44 million (2008: 73), financial expenses CHF 435 million (2008: 413), taxes CHF 332 million (2008: 453) and depreciation, amortization and impairment CHF 839 million (2008: 839).

Consolidated statement of comprehensive earnings of Group Holcim

	January–June 2009 Unaudited	January–June 2008 Unaudited	April–June 2009 Unaudited	April–June 2008 Unaudited
Million CHF				
Net income	787	1,338	592	825
Other comprehensive earnings				
Currency translation effects	1,012	(2,295)	156	218
Available-for-sale securities				
– Change in fair value	(22)	(18)	2	(15)
– Realized gain through statement of income	1	–	2	–
– Tax expense	–	–	–	–
Cash flow hedges				
– Change in fair value	(20)	(6)	(16)	(4)
– Realized gain through statement of income	–	–	–	–
– Tax expense	–	–	–	–
Net investment hedges				
– Change in fair value	(4)	–	(4)	–
– Tax expense	–	–	–	–
Other comprehensive earnings¹	967	(2,319)	140	199
Total comprehensive earnings²	1,754	(981)	732	1,024
Attributable to:				
Equity holders of Holcim Ltd	1,403	(768)	599	1,001
Minority interest	351	(213)	133	23

¹ Per half-year interim report 2008: Net loss recognized directly in equity.² Per half-year interim report 2008: Total recognized net income (loss).

Consolidated statement of financial position of Group Holcim

	Note	30.6.2009 Unaudited	31.12.2008 Audited	30.6.2008 Unaudited
Million CHF				
Cash and cash equivalents		3,680	3,605	3,170
Marketable securities		5	5	12
Accounts receivable		3,825	3,116	4,512
Inventories		2,382	2,482	2,551
Prepaid expenses and other current assets		496	385	668
Assets classified as held for sale		383	401	29 ¹
Total current assets		10,771	9,994	10,942
Long-term financial assets		743	715	890
Investments in associates		1,396	1,341	1,359
Property, plant and equipment		24,292	23,262	23,739
Intangible and other assets		10,162	9,613	10,207
Deferred tax assets		316	268	219
Total long-term assets		36,909	35,199	36,414
Total assets		47,680	45,193	47,356
Trade accounts payable		2,033	2,566	2,578
Current financial liabilities		5,732	5,863	5,898
Current tax liabilities		403	349	245
Other current liabilities		1,776	1,734	1,938
Short-term provisions		267	201	227
Liabilities directly associated with assets classified as held for sale		55	52	0
Total current liabilities		10,266	10,765	10,886
Long-term financial liabilities	10	13,996	12,789	12,435
Defined benefit obligations		373	334	396
Deferred tax liabilities		2,210	2,157	2,587
Long-term provisions		1,255	1,174	1,215
Total long-term liabilities		17,834	16,454	16,633
Total liabilities		28,100	27,219	27,519
Share capital	11	554	527	527
Capital surplus		7,423	6,870	6,873
Treasury shares		(397)	(401)	(71)
Reserves		9,159	8,362	9,808
Total equity attributable to shareholders of Holcim Ltd		16,739	15,358	17,137
Minority interest		2,841	2,616	2,700
Total shareholders' equity		19,580	17,974	19,837
Total liabilities and shareholders' equity		47,680	45,193	47,356

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				(868)
Change in treasury shares			(6)	1
Share-based remuneration		(6)	2	
Capital paid-in by minorities				
Other movements in minorities				
Total comprehensive earnings ¹				1,066
Equity as at June 30, 2008 (unaudited)	527	6,873	(71)	13,462
Equity as at December 31, 2008	527	6,870	(401)	14,178
Share capital increase				
Dividends	27	552		(594)
Change in treasury shares			(5)	(12)
Share-based remuneration		1	9	
Capital paid-in by minorities				
Other movements in minorities				
Total comprehensive earnings				527
Equity as at June 30, 2009 (unaudited)	554	7,423	(397)	14,099

¹ Per half-year 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
			(868)	(868)	(128)	(996)
			1	(5)		(5)
				(4)	1	(3)
					1	1
					(124)	(124)
(17)	(6)	(1,811)	(768)	(768)	(213)	(981)
(14)	(5)	(3,635)	9,808	17,137	2,700	19,837
(3)	17	(5,830)	8,362	15,358	2,616	17,974
			(594)	(15)	(122)	(137)
			(12)	(17)		(17)
				10	1	11
					(5)	(5)
(22)	(20)	918	1,403	1,403	351	1,754
(25)	(3)	(4,912)	9,159	16,739	2,841	19,580

Consolidated statement of cash flows of Group Holcim

	Notes	January–June 2009 Unaudited	January–June 2008 Unaudited	±%	April–June 2009 Unaudited	April–June 2008 Unaudited	±%
Million CHF							
Net income before taxes		1,119	1,791	–37.5	852	1,143	–25.5
Other income		(18)	(48)		0	(13)	
Share of profit of associates		(140)	(100)		(84)	(56)	
Financial expenses net	8, 9	345	321		195	153	
Operating profit		1,306	1,964	–33.5	963	1,227	–21.5
Depreciation, amortization and impairment of operating assets		837	838		417	424	
Other non-cash items		104	(26)		94	31	
Change in net working capital		(809)	(1,325)		(171)	(442)	
Cash generated from operations		1,438	1,451	–0.9	1,303	1,240	+5.1
Dividends received		57	23		55	11	
Interest received		83	91		32	44	
Interest paid		(369)	(401)		(219)	(238)	
Income taxes paid		(405)	(495)		(208)	(226)	
Other income (expenses)		1	(5)		3	(9)	
Cash flow from operating activities (A)		805	664	+21.2	966	822	+17.5
Purchase of property, plant and equipment		(1,240)	(1,779)		(639)	(970)	
Disposal of property, plant and equipment		103	67		46	47	
Purchase of financial assets, intangible, other assets and businesses		(672)	(1,185)		(142)	(411)	
Disposal of financial assets, intangible, other assets and businesses		92	258		15	96	
Cash flow used in investing activities (B)		(1,717)	(2,639)	+34.9	(720)	(1,238)	+41.8
Dividends paid on ordinary shares		0	(868)		0	(868)	
Dividends paid to minority shareholders		(100)	(136)		(91)	(118)	
Capital paid-in by minority interests		0	1		0	1	
Movements of treasury shares		(17)	(5)		3	(3)	
Proceeds from current financial liabilities		3,430	2,649		1,653	1,227	
Repayment of current financial liabilities		(4,585)	(344)		(2,406)	(30)	
Proceeds from long-term financial liabilities		5,346	2,760		2,816	1,476	
Repayment of long-term financial liabilities		(3,489)	(1,972)		(2,672)	(1,110)	
Cash flow from (used in) financing activities (C)		585	2,085	–71.9	(697)	575	–221.2
(De)Increase in cash and cash equivalents (A+B+C)		(327)	110		(451)	159	
Cash and cash equivalents as at the beginning of the period		3,611	3,345		3,848	3,014	
(De)Increase in cash and cash equivalents		(327)	110		(451)	159	
Currency translation effects		128	(285)		15	(3)	
Cash and cash equivalents as at the end of the period		3,412¹	3,170		3,412¹	3,170	

¹ Cash and cash equivalents at the end of the period include bank overdrafts of CHF 273 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 half-year 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.

In the context of the current economic environment, Holcim assessed whether there are any indications of impairment relating to goodwill allocated to the respective group of cash generating units. Based on this review, Holcim concluded that there is no need for goodwill impairment as at June 30, 2009.

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.

On April 1, 2009, **United Cement Company of Nigeria Ltd** was deconsolidated as joint control ceased and recognized as an investment in associate as a result of retaining significant influence. The impact of the above resulted in Group Holcim derecognizing its proportionate interest of total assets and liabilities amounting to CHF 476 million and CHF 533 million respectively and the recognition of an investment in an associate at zero cost.

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–June (unaudited)	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Capacity and sales														
Million t														
Production capacity cement ¹	49.4	47.4	18.3	21.3	31.2	31.9	10.9	11.1	82.7	82.7			192.5	194.4
Sales of cement	13.0	17.1	5.0	6.7	11.2	13.7	4.5	4.8	34.1	33.5	(2.7)	(3.3)	65.1	72.5
Sales of mineral components	0.7	1.1	0.6	0.8					0.2	0.3			1.5	2.2
Sales of aggregates	38.0	48.7	15.3	20.9	5.9	6.6	1.2	1.2	2.1	2.3			62.5	79.7
Sales of asphalt	2.7	3.2	1.6	2.5				0.1					4.3	5.8
Million m ³														
Sales of ready-mix concrete	8.3	10.3	2.3	3.2	4.9	6.0	0.6	0.6	3.2	3.5			19.3	23.6
Statement of income and statement of financial position														
Million CHF														
Net sales to external customers	3,558	5,054	1,445	1,857	1,654	2,016	616	646	2,809	2,861			10,082	12,434
Net sales to other segments	45	90			20	37	2	6	270	228	(337)	(361)		
Total net sales	3,603	5,144	1,445	1,857	1,674	2,053	618	652	3,079	3,089	(337)	(361)	10,082	12,434
Operating EBITDA ²	559	1,115	85	199	543	607	186	206	873	783	(103)	(108)	2,143	2,802
Operating EBITDA margin in %	15.5	21.7	5.9	10.7	32.4	29.6	30.1	31.6	28.4	25.3			21.3	22.5
Operating profit (loss)	224	798	(74)	46	445	495	158	178	670	561	(117)	(114)	1,306	1,964
Operating profit margin in %	6.2	15.5	(5.1)	2.5	26.6	24.1	25.6	27.3	21.8	18.2			13.0	15.8
Net operating assets ¹	11,139	10,042	6,444	6,045	3,973	3,728	892	861	7,465	7,254	317	375	30,230	28,305
Total assets ¹	18,041	15,302	9,793	9,187	5,541	5,257	1,444	1,878	10,999	11,219	1,862	2,350	47,680	45,193

Information by product	Cement ³		Aggregates		Other construction materials and services		Corporate/ Eliminations		Total Group	
January–June (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	6,311	7,448	611	835	3,160	4,151			10,082	12,434
Net sales to other segments	551	669	315	383	247	318	(1,113)	(1,370)		
Total net sales	6,862	8,117	926	1,218	3,407	4,469	(1,113)	(1,370)	10,082	12,434
Operating EBITDA ²	1,906	2,375	156	229	81	198			2,143	2,802
Operating EBITDA margin in %	27.8	29.3	16.8	18.8	2.4	4.4			21.3	22.5
Net operating assets ¹	19,415	18,450	6,222	5,714	4,593	4,141			30,230	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.

Information by region	Europe		North America		Latin America		Africa Middle East		Asia Pacific		Corporate/ Eliminations		Total Group	
April–June (unaudited)	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Sales														
Million t														
Sales of cement	7.9	9.8	3.2	4.0	5.7	7.1	2.4	2.3	17.3	16.7	(1.1)	(1.6)	35.4	38.3
Sales of mineral components	0.4	0.6	0.4	0.7					0.1	0.2			0.9	1.5
Sales of aggregates	21.8	26.9	10.8	14.4	3.0	3.6	0.8	0.8	1.0	1.3			37.4	47.0
Sales of asphalt	1.4	1.7	1.3	2.1				0.1					2.7	3.9
Million m ³														
Sales of ready-mix concrete	4.6	5.6	1.5	2.1	2.5	3.2	0.4	0.4	1.6	1.8			10.6	13.1
Statement of income														
Million CHF														
Net sales to external customers	2,063	2,847	928	1,210	839	1,070	322	332	1,407	1,466			5,559	6,925
Net sales to other segments	29	54			15	6		6	153	86	(197)	(152)		
Total net sales	2,092	2,901	928	1,210	854	1,076	322	338	1,560	1,552	(197)	(152)	5,559	6,925
Operating EBITDA ²	440	691	139	213	290	323	108	101	454	380	(51)	(57)	1,380	1,651
Operating EBITDA margin in %	21.0	23.8	15.0	17.6	34.0	30.0	33.5	29.9	29.1	24.5			24.8	23.8
Operating profit	280	528	54	134	240	266	94	88	354	272	(59)	(61)	963	1,227
Operating profit margin in %	13.4	18.2	5.8	11.1	28.1	24.7	29.2	26.0	22.7	17.5			17.3	17.7

Information by product	Cement ³		Aggregates		Other construction materials and services		Corporate/ Eliminations		Total Group	
April–June (unaudited)	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Statement of income										
Million CHF										
Net sales to external customers	3,413	4,016	365	490	1,781	2,419			5,559	6,925
Net sales to other segments	304	364	183	221	160	76	(647)	(661)		
Total net sales	3,717	4,380	548	711	1,941	2,495	(647)	(661)	5,559	6,925
Operating EBITDA ²	1,136	1,302	134	178	110	171			1,380	1,651
Operating EBITDA margin in %	30.6	29.7	24.5	25.0	5.7	6.9			24.8	23.8

5 Change in consolidated net sales

	January–June 2009	January–June 2008	April–June 2009	April–June 2008
Million CHF				
Volume and price	(1,388)	1,051	(917)	630
Change in structure	(52)	(395)	(20)	(173)
Currency translation effects	(912)	(1,224)	(429)	(806)
Total	(2,352)	(568)	(1,366)	(349)

6 Change in consolidated operating EBITDA

	January–June 2009	January–June 2008	April–June 2009	April–June 2008
Million CHF				
Volume, price and cost	(403)	(29)	(138)	(37)
Change in structure	(54)	(210)	(23)	(101)
Currency translation effects	(202)	(283)	(110)	(193)
Total	(659)	(522)	(271)	(331)

7 Other income

	January–June 2009	January–June 2008	April–June 2009	April–June 2008
Million CHF				
Dividends earned	2	4	1	2
Other ordinary income	18	45	0	10
Depreciation, amortization and impairment of non-operating assets	(2)	(1)	(1)	1
Total	18	48	0	13

8 Financial income

	January–June 2009	January–June 2008	April–June 2009	April–June 2008
Million CHF				
Interest earned on cash and marketable securities	44	73	19	34
Other financial income	46	19	29	12
Total	90	92	48	46

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

9 Financial expenses

Million CHF	January–June 2009	January–June 2008	April–June 2009	April–June 2008
Interest expenses	(372)	(410)	(193)	(206)
Fair value changes on financial instruments	0	(1)	0	(1)
Amortized discounts on bonds and private placements	(1)	(1)	0	(1)
Other financial expenses	(51)	(36)	(26)	(18)
Foreign exchange (loss) gain net	(78)	(2)	(55)	6
Financial expenses capitalized	67	37	31	21
Total	(435)	(413)	(243)	(199)

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 reporting period.

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 were used to refinance existing debt and for general corporate purposes. On April 8, 2009, Holcim Finance (Luxembourg) S.A. increased this bond transaction 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 were used to refinance the GBP 200 million bond of Aggregate Industries Holdings Limited maturing in July 2009 and for general corporate purposes.

On June 16, 2009, the proportionately consolidated Siam City Cement (Public) Company Limited issued a 4-year THB 4 billion bond with a coupon of 4.5 percent.

11 Share capital increase

The annual general meeting of shareholders of May 7, 2009 approved a CHF 26,358,610 capital increase (5 percent of the previous share capital) through the issuance of 13,179,305 fully paid-in registered shares with a par value of CHF 2. The new shares were paid by the conversion of freely disposable equity capital into share capital. The new Holcim shares were paid as a stock dividend at a ratio of 1:20 to the shareholders of Holcim Ltd (note 13).

12 Contingencies and commitments

There have been no significant changes for contingencies.

With respect to the financing of AfriSam, Holcim subscribed to loan notes in the amount of ZAR 2.6 billion (CHF 294 million) during the reporting period. With this subscription, Holcim has substantially fulfilled its commitments relating to the financing of AfriSam.

On June 15, 2009, Holcim and Cemex España S.A. entered into a share purchase agreement relating to the sale of 100 percent of the share capital of Cemex Australia Holdings Pty Ltd including the 25 percent stake in Cement Australia for a total consideration of AUD 2,020 million (CHF 1,778).

Holcim has agreed to subscribe to a private placement issued by its associated company Huaxin Cement Co. Ltd. amounting to CNY 1.6 billion (CHF 252 million) and so confirms its commitment to further deepen the strategic relationship with Huaxin.

13 Dividends

In conformity with the decision taken at the annual general meeting on May 7, 2009, a stock dividend related to 2008 of CHF 2.25 per registered share has been paid. This resulted in a total stock dividend payment of CHF 594 million (note 11).

14 Events after the reporting period

On July 8, 2009, the extraordinary shareholders' meeting of Holcim Ltd resolved to increase the company's share capital through a rights issue from CHF 553,530,790 to CHF 654,172,752 by issuing 50,320,981 fully paid-in registered shares with a par value of CHF 2 each. The subscription price for the new registered shares was CHF 42, which corresponded to gross proceeds of CHF 2.1 billion. The cash proceeds are intended to be used to finance the acquisition of Cemex Australia Holdings Pty Ltd, which is expected to be completed in the second half of 2009, and also to affirm its strategic partnership in China through the participation in the planned private placement of Huaxin Cement. The new registered shares were listed on July 20, 2009 under the Main Standard of the SIX Swiss Exchange.

On July 9, 2009, Holcim Ltd issued a CHF 1 billion bond with a coupon of 4 percent and a tenor of 4 years and 5 months. The proceeds were used to refinance existing debt and for general corporate purposes.

On July 27, 2009, Holcim Finance (Luxembourg) S.A. issued a private placement of EUR 200 million with a coupon of 6.35 percent and a tenor of 8 years and 4 months, guaranteed by Holcim Ltd. The proceeds were used to refinance existing debt and for general corporate purposes.

On August 7, 2009, Holcim Finance (Australia) Pty Ltd issued an AUD 500 million bond with a coupon of 8.5 percent and a tenor of 3 years, guaranteed by Holcim Ltd. The proceeds were used to refinance existing debt and for general corporate purposes.

15 Principal exchange rates

	Income statement			Balance sheet		
	Average exchange rates in CHF January–June			Closing exchange rates in CHF		
	2009	2008	±%	30.6.2009	31.12.2008	30.6.2008
1 EUR	1.50	1.60	–6.3	1.52	1.49	1.61
1 GBP	1.69	2.06	–18.0	1.81	1.53	2.03
1 USD	1.13	1.04	+8.7	1.08	1.06	1.02
1 CAD	0.94	1.04	–9.6	0.94	0.87	1.01
100 MXN	8.13	9.85	–17.5	8.21	7.68	9.89
100 INR	2.29	2.56	–10.5	2.26	2.18	2.37
100 THB	3.21	3.22	–0.3	3.16	3.02	3.02
1,000 IDR	0.10	0.11	–9.1	0.11	0.10	0.11
100 PHP	2.36	2.48	–4.8	2.24	2.25	2.26
1 AUD	0.80	0.97	–17.5	0.88	0.73	0.98

Holcim securities

The Holcim shares (security code number 1221405) are listed on the SIX Swiss Exchange and traded on the Main Standard 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 17.1 billion at June 30, 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

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
Half-year results for 2010	August 19, 2010
Press and analyst conference for the third quarter 2010	November 10, 2010

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 around 70 countries and employs some 80,000 people.

