Holcim

Strength. Performance. Passion.

Half-Year Report 2010 Holcim Ltd

Key figures Group Holcim

January–June		2010	2009	±%	±% like-for-like
Annual cement production capacity	million t	208.0	202.9[1]	+2.5	+2.5
Sales of cement	million t	67.8	65.1	+4.1	+2.8
Sales of mineral components	million t	1.7	1.5	+13.3	0.0
Sales of aggregates	million t	73.2	62.5	+17.1	–0.5
Sales of ready-mix concrete	million m^3	21.9	19.3	+13.5	0.0
Sales of asphalt	million t	4.4	4.3	+2.3	+2.3
Net sales	million CHF	10,902	10,082	+8.1	–0.8
Operating EBITDA	million CHF	2,343	2,143	+9.3	+2.0
Operating EBITDA margin	%	21.5	21.3		
EBITDA	million CHF	2,431	2,349	+3.5	
Operating profit	million CHF	1,416	1,306	+8.4	+1.0
Operating profit margin	%	13.0	13.0		
Net income	million CHF	611*	787	–22.4	–24.9
Net income margin	%	5.6*	7.8		
Net income – shareholders of Holcim Ltd	million CHF	331*	527	–37.2	–40.0
Cash flow from operating activities	million CHF	906	805	+12.5	+2.7
Cash flow margin	%	8.3	8.0		
Net financial debt	million CHF	14,075	13,833[1]	+1.7	+3.9
Total shareholders’ equity	million CHF	22,337	22,044[1]	+1.3	
Gearing[2]	%	63.0	62.8[1]		
Personnel		83,108	81,498[1]	+2.0	+2.0
Basic earnings per share[3]	CHF	1.03	1.88	–45.2	
Fully diluted earnings per share[3]	CHF	1.03	1.88	–45.2	

Principal key figures in USD (illustrative)[4]

Net sales	million USD	10,094	8,922	+13.1
Operating EBITDA	million USD	2,169	1,896	+14.4
Operating profit	million USD	1,311	1,156	+13.4
Net income – shareholders of Holcim Ltd	million USD	306*	466	–34.3
Cash flow from operating activities	million USD	839	712	+17.8
Net financial debt	million USD	13,032	13,430[1]	–3.0
Total shareholders’ equity	million USD	20,682	21,402[1]	–3.4
Basic earnings per share[3]	USD	0.95	1.66	–42.8

Principal key figures in EUR (illustrative)[4]

Net sales	million EUR	7,624	6,721	+13.4
Operating EBITDA	million EUR	1,638	1,429	+14.6
Operating profit	million EUR	990	871	+13.7
Net income – shareholders of Holcim Ltd	million EUR	231*	351	–34.2
Cash flow from operating activities	million EUR	634	537	+18.1
Net financial debt	million EUR	10,663	9,284[1]	+14.9
Total shareholders’ equity	million EUR	16,922	14,795[1]	+14.4
Basic earnings per share[3]	EUR	0.72	1.25	–42.4

[1] As of December 31, 2009.

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

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

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

* Including a non-recurring cash-neutral tax charge of CHF 186 million in connection with the restructuring of the Group’s interests in North America.

Higher sales volumes, net sales and operating EBITDA

Not only did many emerging markets continue to grow but also better results in North America

Difficult business conditions in many European markets

Stringent cost controls support Group result

Further strengthening of efficiency and competitiveness

Appointments to the Executive Committee of Holcim Ltd

Dear Shareholder,

After a first quarter beset by heavy winter snowfall in the northern hemisphere, the overall economic picture improved slightly. In some Western European markets and in North America, demand for building materials increased, and Asia remained on a growth trajectory. Latin America and in particular Group region Africa Middle East held up well. However, one cannot speak of a global economic recovery. Elements of uncertainty still exist and make forecasting difficult. These include high levels of government debt which are limiting further stimulus programs, particularly in Europe. Even though the US economy has improved, the upturn is not yet broadly based.

Important key figures of the Group have improved in comparison with the first half of 2009, and the company has achieved further growth. The Group benefited from its strong presence in the emerging markets, which accounted for more than 50 percent of consolidated net sales and more than 70 percent of operating EBITDA in the first half of the year. The large Asian economies such as India, Indonesia and the Philippines recorded particularly strong growth. Brazil witnessed a similar trend. Progress was also made in mature markets, particularly in North America.

Australia made an important contribution to the Group's success. Holcim Australia, with its substantial positions in the aggregates and ready-mix concrete sectors, has been fully consolidated since last fall – as has the local cement group Cement Australia.

Measures to cut costs and boost efficiency continued Group-wide. Despite the commissioning of approximately 5 million tonnes of new cement capacity, fixed costs on a like-for-like basis were reduced compared with the same period a year ago.

Group	January–June 2010	January–June 2009	±%	±% like-for-like*
Sales of cement in million t	67.8	65.1	+4.1	+2.8
Sales of aggregates in million t	73.2	62.5	+17.1	–0.5
Sales of ready-mix concrete in million m^3	21.9	19.3	+13.5	0.0
Sales of asphalt in million t	4.4	4.3	+2.3	+2.3
Net sales in million CHF	10,902	10,082	+8.1	–0.8
Operating EBITDA in million CHF	2,343	2,143	+9.3	+2.0
Net income in million CHF	611[1]	787	–22.4	–24.9
Net income – shareholders of Holcim Ltd – in million CHF	331[1]	527	–37.2	–40.0
Cash flow from operating activities in million CHF	906	805	+12.5	+2.7

* Factoring out changes in the scope of consolidation and currency translation effects.
[1] Including a non-recurring cash-neutral tax charge of CHF 186 million in connection with the restructuring of the Group's interests in North America.

Group	April–June 2010	April–June 2009	±%	±% like-for-like*
Sales of cement in million t	36.8	35.4	+4.0	+2.3
Sales of aggregates in million t	43.7	37.4	+16.8	+1.1
Sales of ready-mix concrete in million m^3	12.4	10.6	+17.0	+3.8
Sales of asphalt in million t	2.8	2.7	+3.7	+3.7
Net sales in million CHF	6,161	5,559	+10.8	+1.2
Operating EBITDA in million CHF	1,434	1,380	+3.9	−4.0
Net income in million CHF	545	592	−7.9	−16.2
Net income – shareholders of Holcim Ltd – in million CHF	399	453	−11.9	−21.4
Cash flow from operating activities in million CHF	1,163	966	+20.4	+14.4

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

In the first half of the year, consolidated cement sales grew by 4.1 percent to 67.8 million tonnes. Sales of aggregates increased by a more substantial 17.1 percent to 73.2 million tonnes, while sales of ready-mix concrete grew by 13.5 percent to 21.9 million cubic meters. In comparison with the first quarter of 2010, sales increased in all segments. The main contribution to volume growth came from the newly consolidated Holcim Australia. Group companies in the UK, Canada, Brazil and Morocco sold significantly more aggregates. The Group companies in Canada, India and Vietnam achieved marked increases in sales of ready-mix concrete.

Primarily as a result of acquisitions, consolidated net sales increased by 8.1 percent to CHF 10.9 billion, and operating EBITDA rose by 9.3 percent to CHF 2.3 billion. The biggest contributions to the result came from the mature markets in Australia and North America and from Group region Africa Middle East – supported by stringent cost management throughout the Group. Due to intensified competition in some markets, price pressure increased. Nevertheless, the margin improved slightly to 21.5 percent, and internal operating EBITDA growth reached 2 percent. Cash flow from operating activities increased by 12.5 percent to CHF 906 million.

Net income declined 22.4 percent to CHF 611 million, and the share attributable to shareholders of Holcim Ltd decreased by 37.2 percent to CHF 331 million. The lower earnings reflect the non-recurring cash-neutral tax charge of CHF 186 million recorded in the first quarter of 2010 in connection with the restructuring of the Group's interests in North America.

No major stimuli in Europe
In the first half of 2010, the development of the European economy differed regionally. In Western Europe, the economies of the UK, France and Germany bottomed out. In the south and east of the continent, the extremely tight public sector debt situation created uncertainty among potential investors. Nevertheless, the second quarter did see some recovery in construction activity, following a sluggish start to the new year due to difficult weather and market conditions.

Europe	January–June 2010	January–June 2009	±%	±% like-for-like*
Sales of cement in million t	12.0	13.0	–7.7	–8.5
Sales of aggregates in million t	37.5	38.0	–1.3	–1.6
Sales of ready-mix concrete in million m^3	7.8	8.3	–6.0	–7.2
Sales of asphalt in million t	2.9	2.7	+7.4	+7.4
Net sales in million CHF	3,304	3,603	–8.3	–6.4
Operating EBITDA in million CHF	500	559	–10.6	–8.6

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

Europe	April–June 2010	April–June 2009	±%	±% like-for-like*
Sales of cement in million t	7.7	7.9	–2.5	–2.5
Sales of aggregates in million t	21.8	21.8	0.0	–0.5
Sales of ready-mix concrete in million m^3	4.7	4.6	+2.2	0.0
Sales of asphalt in million t	1.5	1.4	+7.1	+7.1
Net sales in million CHF	1,970	2,092	–5.8	–2.5
Operating EBITDA in million CHF	363	440	–17.5	–14.8

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

After beginning the year on a subdued note, Aggregate Industries UK increased its sales of aggregates. Thanks to more stable conditions in the housebuilding sector, sales of ready-mix concrete declined only marginally. Asphalt deliveries developed positively.

France saw an increase in cement sales. Belgium's cement industry was impacted by imports and some degree of price pressure. Deliveries of aggregates declined in France and shipments of ready-mix concrete increased in both markets. Holcim Germany achieved a rise in exports which virtually offset the decline in domestic cement sales. Deliveries of aggregates increased, but sales of ready-mix concrete decreased compared with the previous year's first half. In Switzerland and Southern Germany, Holcim benefited from a persistently healthy order situation, posting volume growth in all segments.

Southern Europe suffered from the construction crisis. In Italy, overcapacity in the cement industry led to significant pressure on prices. The Group company also experienced a drop in sales of aggregates. Projects in Milan had a positive impact on deliveries of ready-mix concrete. The economic situation remained difficult in Spain and the Group company experienced a sales decrease in all segments.

Weak governmental and private investment impacted sales of building materials in Eastern and Southeastern Europe. However, in the Czech Republic, Holcim lifted sales of cement slightly due to modest recovery in demand since April. In Slovakia, two important projects led to a rise in delivery volumes in all product segments. Holcim Bulgaria suffered a major decline due to a reduction in construction activity and massive cement imports from Turkey. The Group companies in Romania, Croatia and Serbia also supplied less cement. Although major transport infrastructure projects are underway in numerous locations, there was a significant decline in volumes of aggregates and ready-mix concrete. The unfavorable trend was compounded by heavy rainfall and floods throughout the second quarter.

In Russia, despite rising oil prices, first signs of a recovery in demand were only visible in June. Overall, construction activity remained weak, depressing cement deliveries by Alpha Cement. In Azerbaijan, Garadagh Cement succeeded in increasing cement sales despite import pressure and floods. Work on the construction of new kiln lines in Shurovo (Russia) and Garadagh (Azerbaijan) proceeded according to plan.

In the first half of 2010, the cement sales of Group region Europe declined by 7.7 percent to 12 million tonnes. Aggregates fell by 1.3 percent to 37.5 million tonnes, while sales of ready-mix concrete decreased by 6 percent to 7.8 million cubic meters.

Factoring in the sale of CHF 66 million in CO2 emission certificates, operating EBITDA contracted by 10.6 percent to CHF 500 million. The weak euro accentuated the decline in Swiss franc terms. The deterioration in the results of the Group companies in Romania, Northern Germany and Russia was a major factor. Due to the decisive implementation of restructuring measures, Holcim Spain posted a clearly positive operating EBITDA compared with the first half of the previous year. In many locations, cost-cutting measures mitigated the impact of declining volumes and prices. At –8.6 percent, internal operating EBITDA development was negative.

Slightly better demand in North America

The better US economy and the government infrastructure programs had a positive impact on the construction sector. For the first time in years, cement consumption rose in the second quarter. However, given the high debt levels of many US states, and with unemployment still high, it remains unclear how sustainable the recovery of market conditions will be. In Canada, the economy gained momentum across a broad front, which supported construction activity.

North America	January–June 2010	January–June 2009	±%	±% like-for-like*
Sales of cement in million t	5.0	5.0	0.0	0.0
Sales of aggregates in million t	15.5	15.3	+1.3	+1.3
Sales of ready-mix concrete in million m^3	2.5	2.3	+8.7	+8.7
Sales of asphalt in million t	1.5	1.6	–6.3	–6.3
Net sales in million CHF	1,405	1,445	–2.8	–4.2
Operating EBITDA in million CHF	140	85	+64.7	+57.6

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

North America	April–June 2010	April–June 2009	±%	±% like-for-like*
Sales of cement in million t	3.3	3.2	+3.1	+3.1
Sales of aggregates in million t	11.1	10.8	+2.8	+2.8
Sales of ready-mix concrete in million m^3	1.6	1.5	+6.7	+6.7
Sales of asphalt in million t	1.3	1.3	0.0	0.0
Net sales in million CHF	951	928	+2.5	–0.5
Operating EBITDA in million CHF	169	139	+21.6	+19.4

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

Due to the improvement in market conditions in the second quarter, the delivery volumes of Holcim US only experienced a slight decline. Demand for residential and commercial real estate remained weak, while industrial construction and government infrastructure projects went some way toward evening out volumes.

Aggregate Industries US also experienced a weather-related decline in shipments of aggregates, ready-mix concrete and asphalt. The delivery shortfalls in the first quarter compared with last year could only partially be offset in the second quarter due to heavy rainfall. The construction of a new freeway interchange on the Atlantic coast absorbed significant volumes of aggregates. Sales of ready-mix concrete were supported by airport construction projects in Nevada and demand for asphalt was boosted by road surfacing work in the Mid-West.

Holcim Canada benefited from a positive business environment, with cement consumption picking up in the provinces of Quebec and Ontario in particular. The construction sector was strengthened by house building, commercial construction activity and numerous infrastructure projects. The Group company realized marked increases in sales across all segments.

Consolidated cement sales in North America remained stable at 5 million tonnes due to the increase in deliveries by Holcim Canada. Holcim recorded an increase of 1.3 percent to 15.5 million tonnes in sales of aggregates and sales of ready-mix concrete were up by 8.7 percent to 2.5 million cubic meters.

Operating EBITDA increased by 64.7 percent to CHF 140 million. The improved performance is largely a consequence of a stronger result from Holcim Canada. Despite slightly lower cement prices, Holcim US also posted a substantially better result, while Aggregate Industries US could not match its previous year's level. The systematic cost-cutting programs and the significantly lower production costs of the new Ste. Genevieve plant had a positive impact on performance. Internal operating EBITDA growth reached 57.6 percent.

Latin American markets mostly solid

Many South American markets reported sound construction activity. Business was particularly good in Brazil and Argentina. On the other hand, Mexico and Central America felt the dampening impact of the US economy.

Latin America	January–June 2010	January–June 2009	±%	±% like-for-like*
Sales of cement in million t	11.1	11.2	–0.9	–0.9
Sales of aggregates in million t	5.9	5.9	0.0	0.0
Sales of ready-mix concrete in million m^3	4.9	4.9	0.0	0.0
Net sales in million CHF	1,725	1,674	+3.0	–0.7
Operating EBITDA in million CHF	523	543	–3.7	–6.4

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

Latin America	April–June 2010	April–June 2009	±%	±% like-for-like*
Sales of cement in million t	5.6	5.7	–1.8	–1.8
Sales of aggregates in million t	3.1	3.0	+3.3	+3.3
Sales of ready-mix concrete in million m^3	2.5	2.5	0.0	0.0
Net sales in million CHF	903	854	+5.7	0.0
Operating EBITDA in million CHF	275	290	–5.2	–10.0

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

As expected, Mexico saw a fall-off in public spending after the 2009 elections. Furthermore, already approved and financed public and private sector construction projects were postponed. The situation improved slightly in May, but a sustained market recovery failed to emerge. On balance, Holcim Apasco experienced a drop in domestic cement sales and exports came to a standstill. Sales of aggregates and ready-mix concrete slightly exceeded the previous year due to orders from the transport and utility sectors.

The markets of Holcim in Central America remained under pressure. In El Salvador, the government had to cancel programs to stimulate residential construction, and the start of building work on key motorway projects was delayed. Sales were down in all segments, and the Group company exported only little cement. In Costa Rica, cement sales were only slightly below the previous year's level. The noticeable decline in special infrastructure projects impacted on the sales of aggregates and ready-mix concrete.

Holcim Colombia increased its sales of cement in the run-up to the presidential elections. Shipments of aggregates and ready-mix concrete decreased. In Ecuador, the construction sector slowed down after several years of expansion. The Group company felt the impact of declining governmental and private sector investment. In addition, heavy rainfall restricted construction activity in the coastal regions. In all segments, sales volumes fell short of the previous year's high levels.

In Brazil, robust domestic demand drove cement consumption to record levels. Supported by numerous infrastructure projects, Holcim Brazil has been steadily increasing its sales of cement and aggregates since the beginning of the year. Sales volumes of ready-mix concrete also gained momentum toward mid-year and reached approximately the previous year's level. Argentina's economy particularly benefited from the good soya harvest. Minetti also achieved higher domestic cement sales and exported more clinker to Bolivia and Paraguay. Deliveries of aggregates declined. However, due to infrastructure projects, volumes of ready-mix concrete increased. The decrease in cement sales at Cemento Polpaico in Chile reflected the arrival of a new competitor on the market, but was also due to the damage on the road system by the earthquake. Various mining projects and certain reconstruction measures led to an improvement in sales of aggregates and ready-mix concrete.

In Group region Latin America, consolidated cement shipments fell by 0.9 percent to 11.1 million tonnes. Sales of aggregates remained stable at 5.9 million tonnes, and sales volumes of ready-mix concrete reached, as in the previous year, 4.9 million cubic meters.

Operating EBITDA decreased by 3.7 percent to CHF 523 million. The positive performance by the Group companies in Brazil and Argentina was not sufficient to offset the decline in Mexico and other markets of this Group region. The internal operating EBITDA development was –6.4 percent.

Sales situation stable in Group region Africa Middle East

The markets supplied by Holcim in Group region Africa Middle East benefited from predominantly solid demand for construction materials. In the Mediterranean countries Morocco and Lebanon, investment activity remained high due to brisk levels of construction activity on housing and infrastructure projects. The markets of West Africa, the Gulf region and the Indian Ocean were stable.

Africa Middle East	January–June 2010	January–June 2009	±%	±% like-for-like*
Sales of cement in million t	4.7	4.5	+4.4	+11.1
Sales of aggregates in million t	1.3	1.2	+8.3	+8.3
Sales of ready-mix concrete in million m^3	0.5	0.6	–16.7	–16.7
Net sales in million CHF	596	618	–3.6	+8.6
Operating EBITDA in million CHF	209	186	+12.4	+20.4

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

Africa Middle East	April–June 2010	April–June 2009	±%	±% like-for-like*
Sales of cement in million t	2.6	2.4	+8.3	+8.3
Sales of aggregates in million t	0.8	0.8	0.0	0.0
Sales of ready-mix concrete in million m^3	0.3	0.4	–25.0	–25.0
Net sales in million CHF	324	322	+0.6	+7.8
Operating EBITDA in million CHF	118	108	+9.3	+14.8

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

After a temporary dip in the first quarter, cement consumption in Morocco picked up again. Due to the high availability of the new Settat plant, the Group company benefited above average from the recovery in demand. Sales of aggregates showed a remarkable increase, whereas deliveries of ready-mix concrete declined. In Lebanon, construction activity remained robust. Holcim Lebanon reported significantly higher sales volumes for both cement and ready-mix concrete. Exports were minor, apart from clinker deliveries to the company's own grinding station in Northern Cyprus.

The operations managed by Holcim Trading in West Africa held up well despite political and economic instability. In Qatar, expansion projects in the liquefied gas industry ensured that local grinding capacity was well utilized. The cement sales of the Group companies in the Indian Ocean showed little change. In Madagascar, construction activity remained at a respectable level, and in La Réunion, cement sales picked up again after a sluggish start to the year. Deliveries of aggregates and ready-mix concrete suffered from a lack of follow-up orders after the completion of important infrastructure projects.

The consolidated cement sales of Group region Africa Middle East were up by 4.4 percent to 4.7 million tonnes. Aggregates sales increased by 8.3 percent to 1.3 million tonnes, while sales of ready-mix concrete declined by 16.7 percent to 0.5 million cubic meters.

The operating EBITDA of Group region Africa Middle East rose by 12.4 percent to CHF 209 million. With the exception of the positions in the Indian Ocean, all Group companies improved their performance. Internal operating EBITDA growth reached 20.4 percent.

Growth in Asia Pacific

Group region Asia Pacific continued to expand, with strong demand for construction materials in key markets such as India, Indonesia and the Philippines. Sales volumes also developed well in Sri Lanka, Bangladesh and Vietnam. Even Thailand recovered, despite suffering from unrest.

Asia Pacific	January–June 2010	January–June 2009	±%	±% like-for-like*
Sales of cement in million t	36.5	34.1	+7.0	+3.8
Sales of aggregates in million t	13.0	2.1	+519.0	+4.8
Sales of ready-mix concrete in million m^3	6.2	3.2	+93.8	+12.5
Net sales in million CHF	4,195	3,079	+36.2	+5.1
Operating EBITDA in million CHF	1,072	873	+22.8	+4.2

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

Asia Pacific	April–June 2010	April–June 2009	±%	±% like-for-like*
Sales of cement in million t	18.3	17.3	+5.8	+2.3
Sales of aggregates in million t	6.9	1.0	+590.0	+20.0
Sales of ready-mix concrete in million m^3	3.3	1.6	+106.3	+18.8
Net sales in million CHF	2,191	1,560	+40.4	+5.0
Operating EBITDA in million CHF	565	454	+24.4	+0.4

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

In India, a push in infrastructure construction and the rural house building increased demand. However, the strong markets of the north and west of the country experienced a fall-off in demand toward the end of the first half of the year as the monsoon season set in earlier than in 2009. Cement sales by ACC were not quite able to match the previous year's high level. This was due to a combination of shortages of granulated slag for the production of composite cements, limited availability of rail and road haulage services and delays in commissioning new capacity. The Group company significantly increased sales volumes of ready-mix concrete. At Ambuja Cements, domestic cement sales benefited from the additional clinker capacity at the Rauri and Bhatapara plants, as well as from the new grinding stations in Dadri and Nalagarh. Holcim experienced double-digit growth rates in cement deliveries in Sri Lanka and Bangladesh.

In Thailand, Siam City Cement increased its sales in all segments despite intense competition. Larger quantities of building materials were exported through the regional sales network. Holcim Vietnam increased sales in spite of mounting pressure from imports; however, the sharp rise in steel prices subdued construction activity. After getting off to a weak start this year, Holcim Malaysia sold significantly more cement and ready-mix concrete. The Group company benefited from the strong revival in the domestic and export sectors. As a consequence of price pressure in the market, Holcim Singapore concentrated on technologically sophisticated products and accepted a decline in the volume of ready-mix concrete deliveries.

In the Philippines, the large number of private and public building projects positively influenced the construction sector. Holcim Philippines posted a significant increase in deliveries of cement. In Indonesia, the economic climate also remained friendly and shipments of cement and ready-mix concrete increased significantly, shored up by major infrastructure projects. In response to robust domestic demand, both Group companies reduced their exports of clinker and cement.

After the unfavorable weather conditions at the beginning of the year, Cement Australia saw cement sales recover in the second quarter. Stimuli came from growing demand for environmentally friendly composite cements. Due to project delays in Western Australia, Holcim Australia's deliveries of aggregates were below 2009 levels. Despite intense competitive pressure in the country's major urban centers, ready-mix concrete volumes reached the previous year's scale. In New Zealand, the construction sector showed few signs of recovery, but the Group company increased its sales of aggregates after taking over management responsibility for an additional quarry. Development of sales volumes for cement and ready-mix concrete continued to be weak.

Cement deliveries in Group region Asia Pacific grew by 7 percent to 36.5 million tonnes. Holcim increased its cement sales in all regional Group markets except New Zealand. The first-time full consolidation of Cement Australia contributed to the volume growth. Sales of aggregates came to 13 million tonnes – an increase of 519 percent. Deliveries of ready-mix concrete also rose by a substantial 93.8 percent to 6.2 million cubic meters. These high rates of increase mainly reflect the acquisition of Holcim Australia, which was fully consolidated in the first half of this year.

The operating EBITDA of Group region Asia Pacific increased by 22.8 percent to CHF 1.1 billion. The Group companies in India, Indonesia, Australia and the Philippines made substantial contributions to results. Internal operating EBITDA growth was 4.2 percent.

In light of the forecast market growth in Indonesia, the Board of Directors and the Executive Committee decided to build a new cement plant in Tuban on the main island of Java. The plant, which is expected to come on stream in the first half 2013, will have an annual capacity of 1.6 million tonnes of cement. The new location will supplement the existing production and distribution network and help reduce logistics costs.

Appointments to the Executive Committee of Holcim Ltd

In the course of the succession process of the Executive Committee, Thomas Aebischer (born 1961), currently CFO of Holcim US, has been appointed a Member of the Executive Committee as of January 1, 2011. Effective April 1, 2011, he will take over Group CFO responsibility from Theophil H. Schlatter, who will be retiring at end of March 2011. Andreas Leu (born 1967), currently Area Manager and member of the senior management of Holcim Ltd, has been appointed a Member of the Executive Committee of Holcim Ltd as of January 1, 2011. He will take over responsibility for Latin America from Thomas Knöpfel, who will be retiring at year-end 2010.

Outlook

The economic trend in Group regions Europe and North America remains considerably uncertain despite some positive market signals. Holcim expects demand in most countries of Latin America to be stable. Demand in the Group regions Africa Middle East and in particular Asia Pacific will grow further.

In the second half of the year, Holcim will continue to concentrate its efforts on factors it can directly influence, such as cost efficiency along the whole value chain and the efficient commissioning of new state-of-the-art production facilities in the fast-growing emerging markets.

Certain countries are witnessing signs of economic slowdown and increasing pressure on prices. Holcim is confident of coping well with these challenges thanks to the operational measures initiated at an early stage.

Rolf Soiron
Chairman of the Board of Directors

Markus Akermann
Chief Executive Officer

August 19, 2010

Consolidated statement of income of Group Holcim

Million CHF	Notes	January–June 2010 Unaudited	January–June 2009 Unaudited	±%	April–June 2010 Unaudited	April–June 2009 Unaudited	±%
Net sales	5	**10,902**	**10,082**	**+8.1**	**6,161**	**5,559**	**+10.8**
Production cost of goods sold		(6,116)	(5,766)		(3,386)	(3,033)	
Gross profit		**4,786**	**4,316**	**+10.9**	**2,775**	**2,526**	**+9.9**
Distribution and selling expenses		(2,650)	(2,313)		(1,457)	(1,225)	
Administration expenses		(720)	(697)		(362)	(338)	
Operating profit		**1,416**	**1,306**	**+8.4**	**956**	**963**	**–0.7**
Other income	7	29	18		15	0	
Share of profit of associates		77	140		32	84	
Financial income	8	17	90		(3)	48	
Financial expenses	9	(466)	(435)		(244)	(243)	
Net income before taxes		**1,073**	**1,119**	**–4.1**	**756**	**852**	**–11.3**
Income taxes	11	(462)	(332)		(211)	(260)	
Net income		**611**	**787**	**–22.4**	**545**	**592**	**–7.9**
Attributable to:							
Shareholders of Holcim Ltd		331	527	–37.2	399	453	–11.9
Minority interests		280	260	+7.7	146	139	+5.0
Earnings per share in CHF							
Basic earnings per share[1]		1.03	1.88	–45.2	1.25	1.61	–22.4
Fully diluted earnings per share[1]		1.03	1.88	–45.2	1.25	1.61	–22.4

Million CHF							
Operating EBITDA[2]	6	2,343	2,143	+9.3	1,434	1,380	+3.9
EBITDA[3]		2,431	2,349	+3.5	1,459	1,494	–2.3

[1] EPS calculation based on net income attributable to shareholders of Holcim Ltd weighted by the average number of shares.
[2] Operating profit CHF 1,416 million (2009: 1,306) before depreciation, amortization and impairment of operating assets CHF 927 million (2009: 837).
[3] Net income CHF 611 million (2009: 787) before interest earned on cash and marketable securities CHF 38 million (2009: 44), financial expenses CHF 466 million (2009: 435), income taxes CHF 462 million (2009: 332) and depreciation, amortization and impairment CHF 930 million (2009: 839).

Consolidated statement of comprehensive earnings of Group Holcim

Million CHF	January–June 2010 Unaudited	January–June 2009 Unaudited	April–June 2010 Unaudited	April–June 2009 Unaudited
Net income	**611**	**787**	**545**	**592**
Other comprehensive earnings				
Currency translation effects	289	1,012	(351)	156
– Tax income	2		3	
Available-for-sale securities				
– Change in fair value	(1)	(22)		2
– Realized gain through statement of income		1		2
– Tax expense				
Cash flow hedges				
– Change in fair value	12	(20)	9	(16)
– Realized gain through statement of income				
– Tax expense				
Net investment hedges				
– Change in fair value		(4)		(4)
– Tax expense				
Total other comprehensive earnings	**302**	**967**	**(339)**	**140**
Total comprehensive earnings	**913**	**1,754**	**206**	**732**
Attributable to:				
Shareholders of Holcim Ltd	540	1,403	112	599
Minority interests	373	351	94	133

Consolidated statement of financial position of Group Holcim

Million CHF	30.6.2010 Unaudited	31.12.2009 Audited	30.6.2009 Unaudited
Cash and cash equivalents	3,625	4,474	3,680
Marketable securities	36	33	5
Accounts receivable	4,030	3,401	3,825
Inventories	2,319	2,162	2,382
Prepaid expenses and other current assets	403	493	496
Assets classified as held for sale	238	234	383
Total current assets	**10,651**	**10,797**	**10,771**
Long-term financial assets	664	677	743
Investments in associates	1,453	1,529	1,396
Property, plant and equipment	25,405	25,493	24,292
Intangible assets	9,983	9,983	9,849
Deferred tax assets	232	412	316
Other long-term assets	338	315	313[1]
Total long-term assets	**38,075**	**38,409**	**36,909**
Total assets	**48,726**	**49,206**	**47,680**
Trade accounts payable	2,120	2,223	2,033
Current financial liabilities	3,477	4,453	5,732
Current income tax liabilities	501	531	403
Other current liabilities	1,882	1,821	1,776
Short-term provisions	248	252	267
Liabilities directly associated with assets classified as held for sale	0	0	55
Total current liabilities	**8,228**	**9,280**	**10,266**
Long-term financial liabilities	14,223	13,854	13,996
Defined benefit obligations	370	376	373
Deferred tax liabilities	2,333	2,389	2,210
Long-term provisions	1,235	1,263	1,255
Total long-term liabilities	**18,161**	**17,882**	**17,834**
Total liabilities	**26,389**	**27,162**	**28,100**
Share capital	654	654	554
Capital surplus	9,366	9,368	7,423
Treasury shares	(478)	(455)	(397)
Reserves	9,522	9,466	9,159
Total equity attributable to shareholders of Holcim Ltd	**19,064**	**19,033**	**16,739**
Minority interests	3,273	3,011	2,841
Total shareholders' equity	**22,337**	**22,044**	**19,580**
Total liabilities and shareholders' equity	**48,726**	**49,206**	**47,680**

[1] Reclassified from intangibles and other assets.

Statement of changes in consolidated equity of Group Holcim

Million CHF	Share capital	Capital surplus	Treasury shares	Retained earnings
Equity as at January 1, 2009	**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 minority interests				
Change in participation in existing Group companies				
Total comprehensive earnings				527
Equity as at June 30, 2009 (unaudited)	**554**	**7,423**	**(397)**	**14,099**
Equity as at January 1, 2010	**654**	**9,368**	**(455)**	**15,019**
Share capital increase				
Dividends				(480)
Change in treasury shares			(30)	7
Share-based remuneration		(2)	7	
Capital paid-in by minority interests				
Change in participation in existing Group companies				(9)
Total comprehensive earnings				331
Equity as at June 30, 2010 (unaudited)	**654**	**9,366**	**(478)**	**14,868**

Available-for-sale equity reserve	Cash flow hedging reserve	Currency translation effects	Total reserves	Total equity attributable to shareholders of Holcim Ltd	Minority interests	Total shareholders' equity
(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**
(2)	**(2)**	**(5,549)**	**9,466**	**19,033**	**3,011**	**22,044**
			(480)	(480)	(132)	(612)
			7	(23)		(23)
				5	2	7
					20	20
		(2)	(11)	(11)	(1)	(12)
(1)	12	198	540	540	373	913
(3)	**10**	**(5,353)**	**9,522**	**19,064**	**3,273**	**22,337**

Consolidated statement of cash flows of Group Holcim

Million CHF	Notes	January–June 2010 Unaudited	January–June 2009 Unaudited	±%	April–June 2010 Unaudited	April–June 2009 Unaudited	±%
Net income before taxes		**1,073**	**1,119**	**–4.1**	**756**	**852**	**–11.3**
Other income		(29)	(18)		(15)	0	
Share of profit of associates		(77)	(140)		(32)	(84)	
Financial expenses net	8, 9	449	345		247	195	
Operating profit		**1,416**	**1,306**	**+8.4**	**956**	**963**	**–0.7**
Depreciation, amortization and impairment of operating assets		927	837		478	417	
Other non-cash items		137	104		105	94	
Change in net working capital		(1,026)	(809)		(251)	(171)	
Cash generated from operations		**1,454**	**1,438**	**+1.1**	**1,288**	**1,303**	**–1.2**
Dividends received		167	57		159	55	
Interest received		68	83		31	32	
Interest paid		(481)	(369)		(258)	(219)	
Income taxes paid		(293)	(405)		(52)	(208)	
Other (expenses) income		(9)	1		(5)	3	
Cash flow from operating activities (A)		**906**	**805**	**+12.5**	**1,163**	**966**	**+20.4**
Purchase of property, plant and equipment		(760)	(1,240)		(427)	(639)	
Disposal of property, plant and equipment		67	103		41	46	
Acquisition of participation in Group companies		(60)	(60)		0	(17)	
Disposal of participation in Group companies		0	(23)		0	(23)	
Purchase of financial assets, intangible and other assets[1]		(119)	(446)		(43)	(79)	
Disposal of financial assets, intangible and other assets[1]		100	115		34	38	
Cash flow used in investing activities (B)		**(772)**	**(1,551)**	**+50.2**	**(395)**	**(674)**	**+41.4**
Dividends paid on ordinary shares	13	(480)	0		(480)	0	
Dividends paid to minority interests		(132)	(100)		(118)	(91)	
Capital paid-in by minority interests		20	0		1	0	
Movements of treasury shares		(23)	(17)		(6)	3	
Proceeds from current financial liabilities		3,130	3,430		2,112	1,653	
Repayment of current financial liabilities		(3,648)	(4,585)		(2,744)	(2,406)	
Proceeds from long-term financial liabilities		2,027	5,346		1,720	2,816	
Repayment of long-term financial liabilities		(2,092)	(3,489)		(1,555)	(2,672)	
Increase in participation in existing Group companies[1]		(43)	(166)		(12)	(46)	
Decrease in participation in existing Group companies[1]		30	0		0	0	
Cash flow (used in) from financing activities (C)		**(1,211)**	**419**	**–389.0**	**(1,082)**	**(743)**	**–45.6**
Decrease in cash and cash equivalents (A+B+C)		**(1,077)**	**(327)**		**(314)**	**(451)**	
Cash and cash equivalents as at the beginning of the period		**4,261**	**3,611**		**3,568**	**3,848**	
Decrease in cash and cash equivalents		(1,077)	(327)		(314)	(451)	
Currency translation effects		53	128		(17)	15	
Cash and cash equivalents as at the end of the period (net)[2]		**3,237**	**3,412**		**3,237**	**3,412**	

[1] Based on an amendment in IAS 7, cash flows arising from changes in ownership interests in a subsidiary that do not result in a loss of control are classified as cash flows from financing activities, and this is to be applied retrospectively.

[2] Cash and cash equivalents at the end of the period include bank overdrafts of CHF 388 million (2009: 273), disclosed in current financial liabilities, and CHF 0 million (2009: 5), 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, 2009 (hereafter "annual financial statements") except for the adoption as of January 1, 2010 of IAS 27 (revised) *Consolidated and Separate Financial Statements,* IFRS 3 (revised) *Business Combinations* and IFRS 2 (amended) *Share-based Payment*. According to IAS 27 (revised), changes in the ownership interest of a subsidiary that do not result in a loss of control will now be accounted for as an equity transaction. The amendment to IFRS 3 (revised) introduces several changes such as the choice to measure a minority interest in the acquiree either at fair value or at its proportionate interest in the acquiree's identifiable net assets, the accounting for step acquisitions requiring the remeasurement of a previously held interest to fair value through profit or loss as well as the expensing of acquisition costs directly to the income statement. The effect of applying IFRS 2 (amended) clarifying the accounting of group cash-settled shared-based payment transactions has no impact on the Group. The interim financial statements should be read in conjunction with the annual financial statements as they provide an update of previously reported information.

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

2 Changes in the scope of consolidation

On October 1, 2009, Holcim acquired 100 percent of the share capital of **Holcim Australia** (formerly Cemex Australia), including its 25 percent interest in Cement Australia.

As a result of the acquisition of Holcim Australia, Holcim's interest in **Cement Australia** increased from 50 percent to 75 percent. Until September 30, 2009, Holcim accounted for Cement Australia as a joint venture and proportionately consolidated its 50 percent interest. As from October 1, 2009, Cement Australia has been fully consolidated.

The identifiable assets and liabilities arising from the acquisition are as follows:

Assets and liabilities arising from the acquisition of Holcim Australia and Cement Australia (consolidated)

Million CHF	Fair value	Carrying amount[1]
Current assets	648	648
Property, plant and equipment	1,852	1,635
Other assets	227	304
Short-term liabilities	(492)	(479)
Long-term provisions	(238)	(148)
Other long-term liabilities	(372)	(383)
Net assets	**1,625**	**1,577**
Previously held net assets of Cement Australia (50 percent)	(201)	
Minority interest in Cement Australia (25 percent)	(100)	
Net assets acquired	**1,324**	
Total purchase consideration (cash)	**1,725**	
Fair value of net assets acquired	(1,324)	
Goodwill	**401**	

[1] Excluding goodwill previously included in the accounts of Cement Australia.

The amounts disclosed above were determined provisionally. Further adjustments may be made to the fair values assigned to the identifiable assets acquired and liabilities assumed up to twelve months from the date of acquisition.

The total goodwill arising from this transaction is CHF 401 million of which CHF 98 million had been previously recognized in the accounts of the former joint venture Cement Australia. The goodwill is attributable to the favorable presence that both Holcim Australia and Cement Australia enjoy in Australia, including the good location and strategic importance of mineral reserves.

Holcim Australia and Cement Australia (50 percent) contributed net income of CHF 40 million to the Group for the period from October 1, 2009 to December 31, 2009. If the acquisition had occurred on January 1, 2009, Group net sales and net income for the year 2009 would have been CHF 1,268 million and CHF 123 million higher respectively.

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 Information by reportable segment

Information by region	Europe		North America		Latin America		Africa Middle East		Asia Pacific		Corporate/ Eliminations		Total Group	
January–June (unaudited)	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Capacity and sales														
Million t														
Annual production capacity cement[1]	50.0	49.4	20.6	20.6	31.0	31.0	11.2	11.2	95.2	90.7			208.0	202.9
Sales of cement	12.0	13.0	5.0	5.0	11.1	11.2	4.7	4.5	36.5	34.1	(1.5)	(2.7)	67.8	65.1
– of which mature markets	7.8	7.9	5.0	5.0					2.3	1.4	(0.2)	(0.2)	14.9	14.1
– of which emerging markets	4.2	5.1			11.1	11.2	4.7	4.5	34.2	32.7	(1.3)	(2.5)	52.9	51.0
Sales of mineral components	0.6	0.7	0.6	0.6					0.5	0.2			1.7	1.5
Sales of aggregates	37.5	38.0	15.5	15.3	5.9	5.9	1.3	1.2	13.0	2.1			73.2	62.5
– of which mature markets	34.2	34.1	15.5	15.3					11.6	0.6			61.3	50.0
– of which emerging markets	3.3	3.9			5.9	5.9	1.3	1.2	1.4	1.5			11.9	12.5
Sales of asphalt	2.9	2.7	1.5	1.6									4.4	4.3
Million m^3														
Sales of ready-mix concrete	7.8	8.3	2.5	2.3	4.9	4.9	0.5	0.6	6.2	3.2			21.9	19.3
– of which mature markets	7.0	7.2	2.5	2.3					2.8	0.3			12.3	9.8
– of which emerging markets	0.8	1.1			4.9	4.9	0.5	0.6	3.4	2.9			9.6	9.5
Statement of income and statement of financial position														
Million CHF														
Net sales to external customers	3,239	3,558	1,405	1,445	1,725	1,654	596	616	3,937	2,809			10,902	10,082
Net sales to other segments	65	45				20		2	258	270	(323)	(337)		
Total net sales	3,304	3,603	1,405	1,445	1,725	1,674	596	618	4,195	3,079	(323)	(337)	10,902	10,082
– of which mature markets	2,792	2,921	1,405	1,445					1,137	269	(153)	(150)	5,181	4,485
– of which emerging markets	512	682			1,725	1,674	596	618	3,058	2,810	(170)	(187)	5,721	5,597
Operating EBITDA[2]	500	559	140	85	523	543	209	186	1,072	873	(101)	(103)	2,343	2,143
– of which mature markets	343	355	140	85					182	51	(27)	(23)	638	468
– of which emerging markets	157	204			523	543	209	186	890	822	(74)	(80)	1,705	1,675
Operating EBITDA margin in %	15.1	15.5	10.0	5.9	30.3	32.4	35.1	30.1	25.6	28.4			21.5	21.3
Operating profit (loss)	193	224	(40)	(74)	419	445	181	158	777	670	(114)	(117)	1,416	1,306
Operating profit margin in %	5.8	6.2	(2.8)	(5.1)	24.3	26.6	30.4	25.6	18.5	21.8			13.0	13.0
Net operating assets[1]	10,005	10,551	8,075	7,532	4,020	3,844	809	842	10,079	9,331	263	275	33,251	32,375
Total assets[1]	15,974	16,430	9,267	9,240	5,822	5,561	1,384	1,407	14,834	14,434	1,445	2,134	48,726	49,206

[1] Prior-year figures as of December 31, 2009.
[2] Operating profit before depreciation, amortization and impairment of operating assets.

Information by region	Europe		North America		Latin America		Africa Middle East		Asia Pacific		Corporate/ Eliminations		Total Group	
April–June (unaudited)	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Capacity and sales														
Million t														
Sales of cement	7.7	7.9	3.3	3.2	5.6	5.7	2.6	2.4	18.3	17.3	(0.7)	(1.1)	36.8	35.4
– of which mature markets	4.8	4.5	3.3	3.2					1.2	0.7	(0.1)	(0.1)	9.2	8.3
– of which emerging markets	2.9	3.4			5.6	5.7	2.6	2.4	17.1	16.6	(0.6)	(1.0)	27.6	27.1
Sales of mineral components	0.4	0.4	0.4	0.4					0.3	0.1			1.1	0.9
Sales of aggregates	21.8	21.8	11.1	10.8	3.1	3.0	0.8	0.8	6.9	1.0			43.7	37.4
– of which mature markets	19.5	19.3	11.1	10.8					6.1	0.3			36.7	30.4
– of which emerging markets	2.3	2.5			3.1	3.0	0.8	0.8	0.8	0.7			7.0	7.0
Sales of asphalt	1.5	1.4	1.3	1.3									2.8	2.7
Million m^3														
Sales of ready-mix concrete	4.7	4.6	1.6	1.5	2.5	2.5	0.3	0.4	3.3	1.6			12.4	10.6
– of which mature markets	4.1	4.0	1.6	1.5					1.5	0.2			7.2	5.7
– of which emerging markets	0.6	0.6			2.5	2.5	0.3	0.4	1.8	1.4			5.2	4.9
Statement of income and statement of financial position														
Million CHF														
Net sales to external customers	1,934	2,063	951	928	903	839	324	322	2,049	1,407			6,161	5,559
Net sales to other segments	36	29				15			142	153	(178)	(197)		
Total net sales	1,970	2,092	951	928	903	854	324	322	2,191	1,560	(178)	(197)	6,161	5,559
– of which mature markets	1,621	1,653	951	928					612	144	(89)	(93)	3,095	2,632
– of which emerging markets	349	439			903	854	324	322	1,579	1,416	(89)	(104)	3,066	2,927
Operating EBITDA[2]	363	440	169	139	275	290	118	108	565	454	(56)	(51)	1,434	1,380
– of which mature markets	242	286	169	139					112	30	(20)	(21)	503	434
– of which emerging markets	121	154			275	290	118	108	453	424	(36)	(30)	931	946
Operating EBITDA margin in %	18.4	21.0	17.8	15.0	30.5	34.0	36.4	33.5	25.8	29.1			23.3	24.8
Operating profit	205	280	74	54	223	240	103	94	410	354	(59)	(59)	956	963
Operating profit margin in %	10.4	13.4	7.8	5.8	24.7	28.1	31.8	29.2	18.7	22.7			15.5	17.3

Information by product line	Cement[1]		Aggregates		Other construction materials and services		Corporate/ Eliminations		Total Group	
January–June (unaudited)	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Statement of income and statement of financial position										
Million CHF										
Net sales to external customers	6,509	6,311	757	611	3,636	3,160			10,902	10,082
Net sales to other segments	665	551	460	315	317	247	(1,442)	(1,113)		
Total net sales	7,174	6,862	1,217	926	3,953	3,407	(1,442)	(1,113)	10,902	10,082
Operating EBITDA[2]	2,044	1,906	222	156	77	81			2,343	2,143
Operating EBITDA margin in %	28.5	27.8	18.2	16.8	1.9	2.4			21.5	21.3
Net operating assets[3]	21,686	20,944	6,653	6,723	4,912	4,708			33,251	32,375

[1] Cement, clinker and other cementitious materials.
[2] Operating profit before depreciation, amortization and impairment of operating assets.
[3] Prior-year figures as of December 31, 2009.

Information by product line	Cement[1]		Aggregates		Other construction materials and services		Corporate/ Eliminations		Total Group	
April–June (unaudited)	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Statement of income and statement of financial position										
Million CHF										
Net sales to external customers	3,603	3,413	450	365	2,108	1,781			6,161	5,559
Net sales to other segments	384	304	259	183	187	160	(830)	(647)		
Total net sales	3,987	3,717	709	548	2,295	1,941	(830)	(647)	6,161	5,559
Operating EBITDA[2]	1,160	1,136	168	134	106	110			1,434	1,380
Operating EBITDA margin in %	29.1	30.6	23.7	24.5	4.6	5.7			23.3	24.8

5 Change in consolidated net sales

Million CHF	January–June 2010	January–June 2009	April–June 2010	April–June 2009
Volume and price	(85)	(1,388)	66	(917)
Change in structure	680	(52)	397	(20)
Currency translation effects	225	(912)	139	(429)
Total	**820**	**(2,352)**	**602**	**(1,366)**

6 Change in consolidated operating EBITDA

Million CHF	January–June 2010	January–June 2009	April–June 2010	April–June 2009
Volume, price and cost	42	(403)	(55)	(138)
Change in structure	105	(54)	69	(23)
Currency translation effects	53	(202)	40	(110)
Total	**200**	**(659)**	**54**	**(271)**

7 Other income

Million CHF	January–June 2010	January–June 2009	April–June 2010	April–June 2009
Dividends earned	3	2	2	1
Other ordinary income	29	18	15	0
Depreciation, amortization and impairment of non-operating assets	(3)	(2)	(2)	(1)
Total	**29**	**18**	**15**	**0**

8 Financial income

Million CHF	January–June 2010	January–June 2009	April–June 2010	April–June 2009
Interest earned on cash and marketable securities	38	44	21	19
Other financial income	(21)	46	(24)	29
Total	**17**	**90**	**(3)**	**48**

The position “other financial income” relates primarily to income from loans and receivables. In the first half of the year 2010, a value adjustment of CHF 44 million on long-term financial receivables – associates has been recognized in this position.

9 Financial expenses

Million CHF	January–June 2010	January–June 2009	April–June 2010	April–June 2009
Interest expenses	(412)	(372)	(208)	(193)
Amortization on bonds and private placements	(5)	(1)	(2)	0
Unwinding of discount on provisions	(13)	(12)	(7)	(6)
Other financial expenses	(46)	(39)	(26)	(20)
Foreign exchange loss net	(14)	(78)	(12)	(55)
Financial expenses capitalized	24	67	11	31
Total	**(466)**	**(435)**	**(244)**	**(243)**

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 June 7, 2010, Holcim Ltd issued a CHF 475 million bond with a coupon of 2.375 percent and a tenor of 6 years. The proceeds were used for general corporate purposes.

11 Income taxes

As a last restructuring step following the buyout of the minority interests in Holcim (Canada) Inc., Holcim (US) Inc. transferred in the first quarter 2010 its entire stake in Holcim (Canada) Inc. to its parent company Holcim Ltd. As a consequence, Holcim (US) Inc. realized a capital gain in the amount of CHF 518 million, which is eliminated in the Group’s consolidated accounts. The non-recurring tax charge of USD 171 million (CHF 186 million) on the capital gain appears in the first quarter 2010 consolidated statement of income under deferred taxes. However, this charge is cash-neutral as it is fully offset by tax losses carried forward.

12 Contingencies and commitments

There have been no significant changes for contingencies and commitments.

13 Dividends

In conformity with the decision taken at the annual general meeting on May 6, 2010, a cash dividend related to 2009 of CHF 1.50 per registered share has been paid. This resulted in a total dividend payment of CHF 480 million.

14 Events after the reporting period

There were no significant events after the reporting period.

15 Principal exchange rates

	Statement of income			Statement of financial position		
	Average exchange rates in CHF January–June			Closing exchange rates in CHF		
	2010	2009	±%	30.6.2010	31.12.2009	30.6.2009
1 EUR	1.43	1.50	–4.7	1.32	1.49	1.52
1 GBP	1.65	1.69	–2.4	1.63	1.66	1.81
1 USD	1.08	1.13	–4.4	1.08	1.03	1.08
1 CAD	1.05	0.94	+11.7	1.03	0.98	0.94
100 MXN	8.56	8.13	+5.3	8.41	7.88	8.21
100 INR	2.37	2.29	+3.5	2.32	2.21	2.26
100 THB	3.30	3.21	+2.8	3.32	3.08	3.16
1,000 IDR	0.12	0.10	+20.0	0.12	0.11	0.11
100 PHP	2.37	2.36	+0.4	2.32	2.23	2.24
1 AUD	0.97	0.80	+21.3	0.92	0.93	0.88

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 23.8 billion at June 30, 2010.

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 2010	November 10, 2010
Press and analyst conference on annual results for 2010	March 2, 2011
Results for the first quarter 2011	May 4, 2011
General meeting of shareholders	May 5, 2011
Half-year results for 2011	August 18, 2011
Press and analyst conference for the third quarter 2011	November 9, 2011

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Holcim is a worldwide leading producer of cement and aggregates. Further activities include the provision of ready-mix concrete and asphalt as well as other services. The Group works in around 70 countries and employs some 80,000 people.