Holcim

Strength. Performance. Passion.

First Quarter Interim Report 2011 Holcim Ltd

Key figures Group Holcim

January–March		2011	2010	±%	±% like-for-like
Annual cement production capacity	million t	211.7	211.5[1]	+0.1	+0.1
Sales of cement	million t	33.2	31.0	+7.2	+7.2
Sales of mineral components	million t	1.2	0.6	+107.0	+107.0
Sales of aggregates	million t	34.3	29.5	+16.3	+12.8
Sales of ready-mix concrete	million m^3	10.4	9.5	+9.8	+7.9
Sales of asphalt	million t	1.7	1.6	+3.5	+3.5
Net sales	million CHF	4,657	4,741	−1.8	+6.8
Operating EBITDA	million CHF	753	909	−17.1	−9.1
Operating EBITDA margin	%	16.2	19.2		
EBITDA	million CHF	765	972	−21.3	
Operating profit	million CHF	347	460	−24.7	−17.2
Operating profit margin	%	7.4	9.7		
Net income	million CHF	122	66	+85.1	+103.9
Net income margin	%	2.6	1.4		
Net income (loss) – shareholders of Holcim Ltd	million CHF	10	(68)	+114.2	+114.8
Cash flow from operating activities	million CHF	(538)	(257)	−109.5	−129.5
Cash flow margin	%	(11.5)	(5.4)		
Net financial debt	million CHF	12,379	11,363[1]	+8.9	+8.1
Total shareholders' equity	million CHF	21,133	21,121[1]	+0.1	
Gearing[2]	%	58.6	53.8[1]		
Personnel		80,911	80,310[1]	+0.7	−0.4
Earnings per share[3]	CHF	0.03	(0.21)	+114.3	
Fully diluted earnings per share[3]	CHF	0.03	(0.21)	+114.3	

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

Principal key figures in USD (illustrative)[4]

Net sales	million USD	4,954	4,473	+10.8
Operating EBITDA	million USD	801	858	−6.6
Operating profit	million USD	369	434	−15.0
Net income (loss) – shareholders of Holcim Ltd	million USD	11	(64)	+117.2
Cash flow from operating activities	million USD	(572)	(242)	−136.4
Net financial debt	million USD	13,455	12,088[1]	+11.3
Total shareholders' equity	million USD	22,971	22,469[1]	+2.2
Earnings per share[3]	USD	0.03	(0.20)	+115.0

Principal key figures in EUR (illustrative)[4]

Net sales	million EUR	3,638	3,247	+12.0
Operating EBITDA	million EUR	588	623	−5.6
Operating profit	million EUR	271	315	−14.0
Net income (loss) – shareholders of Holcim Ltd	million EUR	8	(47)	+117.0
Cash flow from operating activities	million EUR	(420)	(176)	−138.6
Net financial debt	million EUR	9,522	9,090[1]	+4.8
Total shareholders' equity	million EUR	16,256	16,897[1]	−3.8
Earnings per share[3]	EUR	0.02	(0.14)	+114.3

[1] As of December 31, 2010.

[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.

Robust economic development in the emerging markets

The European construction industry benefited from the mild winter

Higher sales volumes in all segments

Inflation-induced cost pressure on raw materials and energy, as well as the strong Swiss franc, dampened results

On a like-for-like basis and excluding sales of CO_2 emissions certificates, operating EBITDA remained almost stable

Significantly higher net income

Dear shareholder,

In the emerging markets of Asia and Latin America, the economic climate and demand for building materials continued to grow. However, in many mature markets, infrastructure projects ready for execution were postponed. In Europe, a mild winter provided some compensation.

Holcim experienced higher sales volumes in all segments, and in several markets prices could be adjusted. However, this was not enough to fully absorb the above-average cost increases for raw materials and energy sources, such as coal and petcoke, as well as for distribution.

Operating EBITDA improved in Group region North America. It also increased in Europe, when excluding the delayed sales of CO_2 emissions certificates, which amounted to CHF 65 million in the first quarter of 2010. On a like-for-like basis, operating EBITDA also rose in Asia Pacific.

Group	Jan–March 2011	Jan–March 2010	±%	±% like-for-like
Sales of cement in million t	33.2	31.0	+7.2	+7.2
Sales of aggregates in million t	34.3	29.5	+16.3	+12.8
Sales of ready-mix concrete in million m^3	10.4	9.5	+9.8	+7.9
Sales of asphalt in million t	1.7	1.6	+3.5	+3.5
Net sales in million CHF	4,657	4,741	−1.8	+6.8
Operating EBITDA in million CHF	753	909	−17.1	−9.1
Net income in million CHF	122	66[1]	+85.1	+103.9
Net income (loss) – shareholders of Holcim Ltd – in million CHF	10	(68)[1]	+114.2	+114.8
Cash flow from operating activities in million CHF	(538)	(257)	−109.5	−129.5

[1] Including a non-recurring cash-neutral tax charge of CHF 182 million in connection with the restructuring of the Group's interests in North America.

Sales development and financial results

Consolidated cement deliveries rose by 7.2 percent to 33.2 million tonnes in the first quarter of 2011. In absolute terms, the largest volume increases were achieved in Asia Pacific followed by Europe and Latin America. Sales of aggregates were up by 16.3 percent to 34.3 million tonnes due to improved demand in all Group regions with the exception of Africa Middle East. All Group regions contributed to the increase in deliveries of ready-mix concrete by 9.8 percent to 10.4 million cubic meters. Sales of asphalt increased by 3.5 percent to 1.7 million tonnes.

Consolidated net sales remained, with CHF 4.7 billion or a minus of 1.8 percent, quite stable; operating EBITDA decreased by 17.1 percent to CHF 753 million for the reasons mentioned above. Internal operating EBITDA development of the Group was negative at −9.1 percent. Due to seasonal factors, cash flow from operating activities came to CHF −538 million.

Net income increased by 85.1 percent to CHF 122 million, and the share of net income attributable to shareholders of Holcim Ltd rose by 114.2 percent to CHF 10 million. However, the previous year's first quarter had a non-recurring cash-neutral tax charge of CHF 182 million in connection with the restructuring of the Group's interests in North America and no CO_2 emissions certificates have been sold yet in 2011. In the previous year, this amounted to CHF 65 million.

Better demand for building materials in Europe

The mild winter in large parts of Europe was favorable to construction activity in the first quarter of 2011. Therefore, demand for building materials picked up in virtually all markets. The recovery mostly came from the private sector; public sector construction continued to suffer from budget restrictions.

Europe	Jan–March 2011	Jan–March 2010	±%	±% like-for-like
Sales of cement in million t	5.2	4.3	+19.9	+19.9
Sales of aggregates in million t	18.3	15.7	+16.7	+13.0
Sales of ready-mix concrete in million m^3	3.6	3.1	+15.7	+14.6
Sales of asphalt in million t	1.5	1.4	+3.9	+3.9
Net sales in million CHF	1,364	1,334	+2.3	+12.5
Operating EBITDA in million CHF	75	137	–45.4	–41.5

Aggregate Industries UK increased its deliveries of ready-mix concrete, with brisk demand in the Greater London area particularly supporting sales. Due to government stimulus measures, sales volumes of aggregates and asphalt were nearly maintained.

Holcim France Benelux increased sales volumes across its entire product range. Demand for building materials was particularly positive in Eastern France, where the Group company benefited from the acquisition of additional gravel quarries and ready-mix concrete plants in Alsace.

In Germany, the economic recovery was an impetus for both private and public sector construction projects. Holcim Germany and Holcim Southern Germany delivered higher volumes in all product segments.

Due to brisk construction activity, Holcim Switzerland increased its deliveries in all segments, with ready-mix concrete enjoying particularly strong demand. In a competitive environment, Holcim Italy was able to maintain its cement sales. The work for the 2015 World Expo in Milan provided an especially positive note. However, the Group company sold less aggregates and ready-mix concrete. In Spain, residential and infrastructure construction remained virtually idle.

In Eastern Europe, the difficult economic environment persisted. Despite investment in infrastructure, construction activity remained weak overall. Nevertheless, due to the low figures in the previous year and the mild weather conditions, the Group companies, with the exceptions of Hungary, increased delivery volumes. The strongest increases in cement sales were achieved in Bulgaria, Romania and the Czech Republic.

The Russian economy continued to recover due to government stimulus measures. Driven by infrastructure and municipal housing activity, Alpha Cement sold more cement. The construction work on the new kiln line at the Shurovo plant meant that clinker had to be brought in from the sister plant in Volsk. In Azerbaijan too, Garadagh Cement sold more cement.

Consolidated cement sales in Group region Europe increased by 19.9 percent to 5.2 million tonnes. Deliveries of aggregates rose by 16.7 percent to 18.3 million tonnes, and ready-mix concrete sales increased by 15.7 percent to 3.6 million cubic meters. Sales of asphalt grew by 3.9 percent to 1.5 million tonnes.

Excluding the sales of CO_2 emissions certificates (1st quarter 2010: CHF 65 million), operating EBITDA increased slightly. Without this exclusion, it decreased by 45.4 percent to CHF 75 million. Significantly better operating results were achieved by Holcim Germany and Holcim Switzerland, as well as Holcim Bulgaria and Alpha Cement in Russia. In particular, the previous year's results were not matched in Italy, Spain and Romania. Internal operating EBITDA development came to –41.5 percent.

Further recovery in the US

The US saw an increase in construction activity and cement consumption. However, there were considerable fluctuations between the individual market regions, but consumption increased in the majority of states. Various stimulus programs set the tone, particularly in the road building sector. In Canada, the markets remained stable overall.

North America	Jan–March 2011	Jan–March 2010	±%	±% like-for-like
Sales of cement in million t	1.8	1.7	+3.5	+3.5
Sales of aggregates in million t	5.4	4.4	+22.3	+12.1
Sales of ready-mix concrete in million m^3	0.9	0.9	+7.4	–9.5
Sales of asphalt in million t	0.2	0.2	0.0	0.0
Net sales in million CHF	396	454	–12.6	–7.0
Operating EBITDA in million CHF	(27)	(29)	+6.2	–7.4

Holcim US sold more cement despite sometimes poor weather conditions for construction. As there is no sign of a sustainable and substantial upturn in demand for cement in sight, the Catskill plant near New York will be mothballed from June 13, 2011.

At Aggregate Industries US, shipments of aggregates benefited from major government investment in road building, exceeding expectations particularly in the Mid-Atlantic region. Sales of ready-mix concrete and asphalt also increased. The previous minority stake in the company Lattimore Materials was increased to 100 percent in March of the current year. The Group is thus also present in Texas with aggregates and ready-mix concrete.

Holcim Canada was off to a somewhat slower start in 2011. In the previous year, low interest rates and federal stimulus programs supported demand. Ontario in particular experienced a softening residential market, which put pressure on cement and ready-mix concrete volumes. This was partially offset by a more stable market demand in Quebec and slightly higher sales of aggregates in both regions.

Cement shipments in Group region North America increased by 3.5 percent to 1.8 million tonnes. The volume of aggregates delivered increased by 22.3 percent to 5.4 million tonnes, ready-mix concrete volumes rose by 7.4 percent to 0.9 million cubic meters and sales of asphalt remained stable with 0.2 million tonnes.

Operating EBITDA for Group region North America improved despite the mothballing costs for the Catskill plant by 6.2 percent to CHF –27 million (1st quarter 2010: –29). The stronger results of Holcim US and Aggregate Industries US more than compensated for the weaker start in Canada in the current year. Holcim US benefited from lower production costs at the new Ste. Genevieve plant, among other factors. Aggregate Industries US profited from successful cost management and good volume development in the Mid-Atlantic region. Internal operating EBITDA development came to –7.4 percent.

Rising sales volumes in Latin America

Overall, the construction markets in Group region Latin America developed positively. Mexico and Central America saw signs of a positive demand development for the first time since the economic crisis. Brazil continued to benefit from a solid domestic economy. In Ecuador, Argentina and Chile, demand for building materials was supported by infrastructure projects.

Latin America	Jan–March 2011	Jan–March 2010	±%	±% like-for-like
Sales of cement in million t	5.6	5.5	+2.3	+2.3
Sales of aggregates in million t	3.3	2.8	+17.7	+17.7
Sales of ready-mix concrete in million m^3	2.5	2.4	+5.6	+5.6
Net sales in million CHF	804	822	–2.2	+6.1
Operating EBITDA in million CHF	217	248	–12.5	–4.4

In Mexico, Holcim Apasco sold more cement and particularly more aggregates. In the run-up to the 2012 elections, some stimuli came from the public sector. In contrast, private house building continued to suffer from a lack of remittances sent home by expatriates; the commercial construction sector, too, failed to gain real momentum. The new cement plant in Hermosillo, which was officially opened in March in the presence of the Mexican President, enabled the company to strengthen its market presence in the northwest of the country and reduce its logistics costs.

For the first time since 2008, Holcim El Salvador succeeded in increasing its cement deliveries again, a sign of a possible turnaround. Deliveries of aggregates and ready-mix concrete also increased. Following the completion of the Pirris dam, Holcim Costa Rica and Holcim Nicaragua combined sold less cement and aggregates, but slightly more ready-mix concrete.

In Colombia, economic conditions remained good. This benefited both residential and commercial construction activity as well as the infrastructure sector. Despite heavy rainfall in January, Holcim Colombia sold greater volumes in all segments. Due to road building and infrastructure projects, Holcim Ecuador also increased its sales of cement and ready-mix concrete.

In Brazil, the construction sector remained a strong pillar of the economy. Private and public investment activity and construction projects in the run-up to the 2014 Soccer World Cup have strengthened demand. Holcim Brazil profited from this in the cement segment. However, postponement of public sector projects marginally impacted shipments of ready-mix concrete and aggregates. In Argentina, cement sales at Minetti missed the previous year's level. However, deliveries of aggregates increased. Cemento Polpaico in Chile was able to increase sales volumes across its entire product range.

Consolidated cement deliveries in Group region Latin America rose by 2.3 percent to 5.6 million tonnes. Shipments of aggregates increased by 17.7 percent to 3.3 million tonnes, while deliveries of ready-mix concrete rose 5.6 percent to 2.5 million cubic meters.

Due to higher production costs and particularly more expensive thermal energy, operating EBITDA of Group region Latin America decreased by 12.5 percent to CHF 217 million. The Group companies in Mexico and El Salvador succeeded in improving results. At Holcim Colombia, freight costs temporarily increased, and Holcim Brazil's operating result was adversely affected by heavy rains in March. Internal operating EBITDA development came to –4.4 percent.

Weaker markets in Africa and the Middle East

Demand for construction materials did not fundamentally change in this heterogeneous Group region. Infrastructure and private construction projects supported demand in Morocco. In Lebanon, growth momentum declined slightly.

Africa Middle East	Jan–March 2011	Jan–March 2010	±%	±% like-for-like
Sales of cement in million t	1.9	2.1	–10.0	–10.0
Sales of aggregates in million t	0.4	0.5	–7.7	–7.7
Sales of ready-mix concrete in million m^3	0.3	0.2	+20.3	+20.3
Net sales in million CHF	218	272	–19.7	–7.9
Operating EBITDA in million CHF	73	91	–20.7	–9.3

In Morocco, new competitors entered the market and the fiercer competition impacted cement deliveries. Sales of aggregates also decreased as orders for supplies for a major motorway project were delayed. By contrast, sales of ready-mix concrete increased substantially.

In Lebanon, the construction sector was adversely affected by bad weather and the less stable political situation. In a market which is currently largely saturated, Holcim Lebanon sold slightly less cement. However, the company sold more ready-mix concrete.

In the Indian Ocean region, the construction sector experienced a slow start in the new year. Nevertheless, Holcim was able to increase cement deliveries. There was also an increase in deliveries of aggregates and particularly ready-mix concrete. Due to political troubles, the grinding plant in Ivory Coast sold less cement.

Consolidated cement sales in Group region Africa Middle East decreased by 10 percent to 1.9 million tonnes. Deliveries of aggregates also fell by 7.7 percent to 0.4 million tonnes, while sales of ready-mix concrete rose by 20.3 percent to 0.3 million cubic meters.

The operating EBITDA of Group region Africa Middle East declined by 20.7 percent to CHF 73 million. This mainly reflects the declining operating results in Lebanon, Morocco and the Ivory Coast. Internal operating EBITDA development was negative at –9.3 percent.

Dynamic market development in Asia Pacific

The Asian markets continued to grow. India saw a renewed increase in demand for construction materials, particularly for infrastructure and house building. Shipments of building materials experienced setbacks following the floods in Australia and the earthquake in New Zealand.

Asia Pacific	Jan–March 2011	Jan–March 2010	±%	±% like-for-like
Sales of cement in million t	19.3	18.2	+6.3	+6.3
Sales of aggregates in million t	6.9	6.1	+12.0	+12.0
Sales of ready-mix concrete in million m^3	3.1	2.9	+7.0	+7.0
Net sales in million CHF	2,036	2,004	+1.6	+9.7
Operating EBITDA in million CHF	472	507	–7.1	+0.9

The two Indian Group companies ACC and Ambuja Cements increased their sales of cement despite some overcapacity in certain regions. Sales of ready-mix concrete were also higher.

Holcim Lanka and Holcim Bangladesh increased their cement deliveries at double-digit rates. In March, Holcim Bangladesh secured participation in a major infrastructure project through a joint venture. Siam City Cement in Thailand sold more construction materials thanks to stronger demand. A significant increase in sales of aggregates and ready-mix concrete was achieved, particularly in Bangkok. Holcim Malaysia and Holcim Vietnam also sold more cement and ready-mix concrete. The Hon Chong plant in Vietnam began construction work on an energy-saving heat recovery system.

In the Philippines, the delay in infrastructure projects led to a decline in the Group company's cement sales. Supported by a booming real estate sector and important infrastructure projects, Holcim Indonesia posted excellent sales growth in all segments.

Cement Australia's cement shipments were impacted by January's floods. Volumes fell particularly on the east coast. Holcim Australia nonetheless increased sales of aggregates and held deliveries of ready-mix concrete at the previous year's level. Holcim New Zealand fell short of the previous year's period in all segments.

Cement deliveries in Group region Asia Pacific increased by 6.3 percent year-on-year to 19.3 million tonnes. Sales of aggregates rose by 12 percent to 6.9 million tonnes. Shipments of ready-mix concrete increased by 7 percent to 3.1 million cubic meters.

In local currencies, operating EBITDA of Group region Asia Pacific improved. In Swiss francs, it decreased by 7.1 percent to CHF 472 million. The price increases were not sufficient to compensate for the rise in cost of raw materials, energy and distribution. In the Philippines, the operating result was adversely affected by lower prices and the decline in demand. Despite the floods in the east of Australia, Cement Australia significantly exceeded its previous year's result. Holcim Australia only just fell short of its operating result for the first quarter of 2010. Holcim New Zealand failed to match its 2010 result. By contrast, Holcim Indonesia, Holcim Malaysia and Holcim Singapore turned in encouraging performances. Siam City Cement in Thailand also posted a substantial increase. Internal operating EBITDA growth reached 0.9 percent.

Outlook

We are still of the opinion that the construction sector in the mature markets will recover and that the growth in the emerging markets will continue.

The Board of Directors and the Executive Committee are confident that the Group will be successful in securing its share of future growth in the emerging markets, and that its lean cost structures will enable it to benefit above average from continuing economic recovery in Europe and North America.

Rolf Soiron
Chairman of the Board of Directors

Markus Akermann
Chief Executive Officer

May 4, 2011

Consolidated statement of income of Group Holcim

January–March	Notes	2011	2010
Million CHF		Unaudited	Unaudited
Net sales	6	**4,657**	**4,741**
Production cost of goods sold		(2,741)	(2,730)
Gross profit		**1,915**	**2,011**
Distribution and selling expenses		(1,217)	(1,193)
Administration expenses		(351)	(358)
Operating profit		**347**	**460**
Other (expenses) income	8	(2)	14
Share of profit of associates		3	45
Financial income	9	33	20
Financial expenses	10	(195)	(222)
Net income before taxes		**187**	**317**
Income taxes	11	(65)	(251)
Net income		**122**	**66**
Attributable to:			
Shareholders of Holcim Ltd		10	(68)
Non-controlling interest		112	134
Earnings per share in CHF			
Earnings per share[1]		0.03	(0.21)
Fully diluted earnings per share[1]		0.03	(0.21)

Million CHF			
Operating EBITDA	4, 7	753	909
EBITDA	4	765	972

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

Consolidated statement of comprehensive earnings of Group Holcim

January–March	2011	2010
Million CHF	Unaudited	Unaudited
Net income	**122**	**66**
Other comprehensive earnings		
Currency translation effects		
– Change in exchange rate	(13)	640
– Tax effect	(3)	(1)
Available-for-sale financial assets		
– Change in fair value	(1)	(1)
– Realized through statement of income		
– Tax effect		
Cash flow hedges		
– Change in fair value	(1)	3
– Realized through statement of income		
– Tax effect	(1)	
Net investment hedges in subsidiaries		
– Change in fair value	(1)	
– Tax effect		
Total other comprehensive earnings	**(20)**	**641**
Total comprehensive earnings	**102**	**707**
Attributable to:		
Shareholders of Holcim Ltd	34	428
Non-controlling interest	68	279

Consolidated statement of financial position of Group Holcim

Million CHF	31.3.2011 Unaudited	31.12.2010 Audited	31.3.2010 Unaudited
Cash and cash equivalents	3,284	3,386	3,809
Marketable securities	29	30	37
Accounts receivable	2,996	2,590	3,748
Inventories	2,215	2,072	2,259
Prepaid expenses and other current assets	541	416	547
Assets classified as held for sale	20	18	234
Total current assets	**9,085**	**8,512**	**10,634**
Long-term financial assets	846	921	670
Investments in associates	1,260	1,432	1,571
Property, plant and equipment	23,509	23,343	25,895
Intangible assets	9,112	9,061	10,185
Deferred tax assets	449	385	245
Other long-term assets	598	605	335
Total long-term assets	**35,774**	**35,747**	**38,901**
Total assets	**44,859**	**44,259**	**49,535**
Trade accounts payable	2,066	2,303	1,971
Current financial liabilities	3,194	2,468	4,622
Current income tax liabilities	493	555	473
Other current liabilities	1,650	1,632	1,806
Short-term provisions	204	256	229
Total current liabilities	**7,607**	**7,214**	**9,101**
Long-term financial liabilities	12,469	12,281	13,674
Defined benefit obligations	324	317	378
Deferred tax liabilities	2,185	2,203	2,352
Long-term provisions	1,141	1,123	1,274
Total long-term liabilities	**16,119**	**15,924**	**17,678**
Total liabilities	**23,726**	**23,138**	**26,779**
Share capital	654	654	654
Capital surplus	9,367	9,371	9,367
Treasury shares	(487)	(476)	(471)
Reserves	8,530	8,552	9,896
Total equity attributable to shareholders of Holcim Ltd	**18,064**	**18,101**	**19,446**
Non-controlling interest	3,069	3,020	3,310
Total shareholders' equity	**21,133**	**21,121**	**22,756**
Total liabilities and shareholders' equity	**44,859**	**44,259**	**49,535**

Statement of changes in consolidated equity of Group Holcim

Million CHF	Share capital	Capital surplus	Treasury shares	*Retained earnings*
Equity as at January 1, 2011	**654**	**9,371**	**(476)**	**15,688**
Net income				10
Other comprehensive earnings				
Total comprehensive earnings				10
Payout				
Change in treasury shares			(20)	1
Share-based remuneration		(4)	9	1
Capital paid-in by non-controlling interest				
Acquisition and disposal of participation in Group companies				
Change in participation in existing Group companies				(58)
Equity as at March 31, 2011 (unaudited)	**654**	**9,367**	**(487)**	**15,642**
Equity as at January 1, 2010	**654**	**9,368**	**(455)**	**15,019**
Net income				(68)
Other comprehensive earnings				
Total comprehensive earnings				(68)
Payout				
Change in treasury shares			(19)	2
Share-based remuneration		(1)	3	
Capital paid-in by non-controlling interest				
Change in participation in existing Group companies				2
Equity as at March 31, 2010 (unaudited)	**654**	**9,367**	**(471)**	**14,955**

Available-for-sale reserve	*Cash flow hedging reserve*	*Currency translation adjustments*	Total reserves	Total equity attributable to shareholders of Holcim Ltd	Non-controlling interest	Total shareholders' equity
249	**7**	**(7,392)**	**8,552**	**18,101**	**3,020**	**21,121**
			10	10	112	122
(1)	(2)	27	24	24	(44)	(20)
(1)	(2)	27	34	34	68	102
					(7)	(7)
			1	(19)		(19)
			1	6	1	7
					1	1
					24	24
			(58)	(58)	(38)	(96)
248	**5**	**(7,365)**	**8,530**	**18,064**	**3,069**	**21,133**
(2)	**(2)**	**(5,549)**	**9,466**	**19,033**	**3,011**	**22,044**
			(68)	(68)	134	66
(1)	3	494	496	496	145	641
(1)	3	494	428	428	279	707
					(7)	(7)
			2	(17)		(17)
				2		2
					19	19
		(2)			8	8
(3)	**1**	**(5,057)**	**9,896**	**19,446**	**3,310**	**22,756**

Consolidated statement of cash flows of Group Holcim

January–March	Notes	2011	2010
Million CHF		Unaudited	Unaudited
Net income before taxes		**187**	**317**
Other (expenses) income		2	(14)
Share of profit of associates		(3)	(45)
Financial expenses net	9, 10	162	202
Operating profit		**347**	**460**
Depreciation, amortization and impairment of operating assets		407	449
Other non-cash items		51	32
Change in net working capital		(964)	(775)
Cash generated from operations		**(160)**	**166**
Dividends received		30	8
Interest received		28	37
Interest paid		(186)	(223)
Income taxes paid		(238)	(241)
Other expenses		(13)	(4)
Cash flow from operating activities (A)		**(538)**	**(257)**
Purchase of property, plant and equipment		(307)	(333)
Disposal of property, plant and equipment		16	26
Acquisition of participation in Group companies		(12)	(60)
Disposal of participation in Group companies		3	0
Purchase of financial assets, intangible and other assets		(56)	(76)
Disposal of financial assets, intangible and other assets		16	66
Cash flow used in investing activities (B)		**(340)**	**(377)**
Dividends paid to non-controlling interest		(12)	(14)
Capital paid-in by non-controlling interest		1	19
Movements of treasury shares		(19)	(17)
Proceeds from current financial liabilities		1,539	1,018
Repayment of current financial liabilities		(1,084)	(904)
Proceeds from long-term financial liabilities		826	307
Repayment of long-term financial liabilities		(689)	(537)
Increase in participation in existing Group companies		(40)	(31)
Decrease in participation in existing Group companies		0	30
Cash flow from (used in) financing activities (C)		**522**	**(129)**
Decrease in cash and cash equivalents (A+B+C)		**(355)**	**(763)**
Cash and cash equivalents as at January 1 (net)		**3,069**	**4,261**
Decrease in cash and cash equivalents		(355)	(763)
Currency translation effects		(2)	70
Cash and cash equivalents as at March 31 (net)[1]		**2,712**	**3,568**

[1] Cash and cash equivalents at the end of the period include bank overdrafts of CHF 572 million (2010: 241), disclosed in current financial liabilities.

1 Basis of preparation

The unaudited consolidated first quarter interim financial statements (hereafter "interim financial statements") are prepared in accordance with IAS 34 *Interim Financial Reporting*. The accounting policies used in the preparation and presentation of the interim financial statements are consistent with those used in the consolidated financial statements for the year ended December 31, 2010 (hereafter "annual financial statements") except for the adoption as of January 1, 2011 of IAS 24 (amended) *Related Party Disclosures*, IFRIC 14 (amended) *IAS 19 – Prepayment of a minimum funding requirement* and *Improvements to IFRSs*. The amendments to IAS 24 (amended) are disclosure-related only and have no impact on the Group's financial statements. The amendment to IFRIC 14 (amended) clarifies that companies recognize the benefit of a prepayment as a pension asset. The effect of applying this amendment has no material effect on the Group's financial statements. The improvements to IFRSs relate largely to clarification issues only. Therefore, the effect of applying these amendments has no material impact on the Group's financial statements.

The interim financial statements should be read in conjunction with the annual financial statements as they provide an update of previously reported information.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

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

During 2011 and 2010, there were no business combinations that were either individually material or that were considered material on an aggregated basis.

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

	Europe		North America		Latin America		Africa Middle East		Asia Pacific		Corporate/ Eliminations		Total Group	
January–March (unaudited)	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Capacity and sales														
Million t														
Annual cement production capacity[1]	49.9	49.9	23.2	23.2	33.4	33.4	11.2	11.2	93.9	93.7			211.7	211.5
Sales of cement	5.2	4.3	1.8	1.7	5.6	5.5	1.9	2.1	19.3	18.2	(0.6)	(0.8)	33.2	31.0
– of which mature markets	3.7	3.0	1.8	1.7					1.0	1.1	(0.3)	(0.1)	6.2	5.7
– of which emerging markets	1.5	1.3			5.6	5.5	1.9	2.1	18.3	17.1	(0.3)	(0.7)	27.0	25.3
Sales of mineral components	0.7	0.2	0.2	0.2					0.2	0.2			1.2	0.6
Sales of aggregates	18.3	15.7	5.4	4.4	3.3	2.8	0.4	0.5	6.9	6.1			34.3	29.5
– of which mature markets	16.8	14.7	5.4	4.4					6.0	5.5			28.2	24.6
– of which emerging markets	1.5	1.0			3.3	2.8	0.4	0.5	0.9	0.6			6.1	4.9
Sales of asphalt	1.5	1.4	0.2	0.2									1.7	1.6
Million m^3														
Sales of ready-mix concrete	3.6	3.1	0.9	0.9	2.5	2.4	0.3	0.2	3.1	2.9			10.4	9.5
– of which mature markets	3.3	2.9	0.9	0.9					1.3	1.3			5.6	5.1
– of which emerging markets	0.3	0.2			2.5	2.4	0.3	0.2	1.8	1.6			4.8	4.4
Statement of income and statement of financial position														
Million CHF														
Net sales to external customers	1,331	1,305	396	454	785	822	218	272	1,926	1,888			4,657	4,741
Net sales to other segments	33	29			19				110	116	(162)	(145)		
Total net sales	1,364	1,334	396	454	804	822	218	272	2,036	2,004	(162)	(145)	4,657	4,741
– of which mature markets	1,202	1,171	396	454					537	525	(72)	(64)	2,063	2,086
– of which emerging markets	162	163			804	822	218	272	1,498	1,479	(90)	(81)	2,593	2,655
Operating EBITDA	75	137	(27)	(29)	217	248	73	91	472	507	(56)	(45)	753	909
– of which mature markets	73	101	(27)	(29)					83	70	(25)	(7)	103	135
– of which emerging markets	2	36			217	248	73	91	389	437	(30)	(38)	650	774
Operating EBITDA margin in %	5.5	10.3	(6.8)	(6.4)	27.0	30.2	33.2	33.5	23.2	25.3			16.2	19.2
EBITDA	65	125	(36)	483	178	216	68	87	476	507	14	(446)	765	972
Operating profit	(58)	(12)	(100)	(114)	164	196	60	78	343	367	(61)	(55)	347	460
Operating profit margin in %	(4.3)	(0.9)	(25.3)	(25.1)	20.4	23.8	27.6	28.7	16.8	18.3			7.4	9.7
Net operating assets[1]	9,472	8,738	6,905	6,809	4,065	4,000	725	695	9,550	9,371	157	204	30,874	29,817
Total assets[1]	15,212	14,379	7,968	7,882	5,233	5,315	1,324	1,250	14,080	14,095	1,043	1,338	44,859	44,259

[1] Prior-year figures as of December 31, 2010.

Reconciling measures of profit and loss to the consolidated statement of income of Group Holcim

January–March (unaudited) Million CHF	Notes	2011	2010
Operating profit		**347**	**460**
Depreciation, amortization and impairment of operating assets		407	449
Operating EBITDA		**753**	**909**
Dividends earned	8	0	1
Other ordinary income	8	0	14
Share of profit of associates		3	45
Other financial income	9	8	3
EBITDA		**765**	**972**
Depreciation, amortization and impairment of operating assets		(407)	(449)
Depreciation, amortization and impairment of non-operating assets	8	(1)	(1)
Interest earned on cash and marketable securities	9	25	17
Financial expenses	10	(195)	(222)
Net income before taxes		**187**	**317**

5 Information by product line

	Cement[1]		Aggregates		Other construction materials and services		Corporate/ Eliminations		Total Group	
January–March (unaudited) Million CHF	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Statement of income and statement of financial position										
Net sales to external customers	2,848	2,906	333	307	1,476	1,528			4,657	4,741
Net sales to other segments	303	281	203	201	160	130	(666)	(612)		
Total net sales	3,151	3,187	536	508	1,636	1,658	(666)	(612)	4,657	4,741
Operating EBITDA	715	884	58	54	(20)	(29)			753	909
Operating EBITDA margin in %	22.7	27.7	10.9	10.6	(1.2)	(1.7)			16.2	19.2
Net operating assets[2]	20,405	19,907	5,993	5,822	4,476	4,088			30,874	29,817

[1] Cement, clinker and other cementitious materials.
[2] Prior-year figures as of December 31, 2010.

6 Change in net sales

January–March Million CHF	2011	2010
Volume and price	322	(151)
Change in structure	29	283
Currency translation effects	(435)	86
Total	**(84)**	**218**

7 Change in operating EBITDA

January–March Million CHF	2011	2010
Volume, price and cost	(82)	97
Change in structure	0	36
Currency translation effects	(73)	13
Total	**(155)**	**146**

8 Other (expenses) income

January–March Million CHF	2011	2010
Dividends earned	0	1
Other ordinary income	0	14
Depreciation, amortization and impairment of non-operating assets	(1)	(1)
Total	**(2)**	**14**

9 Financial income

January–March Million CHF	2011	2010
Interest earned on cash and marketable securities	25	17
Other financial income	8	3
Total	**33**	**20**

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

10 Financial expenses

January–March Million CHF	2011	2010
Interest expenses	(169)	(204)
Amortization on bonds and private placements	(2)	(3)
Unwinding of discount on provisions	(7)	(6)
Other financial expenses	(23)	(20)
Foreign exchange gain (loss) net	2	(2)
Financial expenses capitalized	5	13
Total	**(195)**	**(222)**

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.

11 Income taxes

As a last restructuring step following the buyout of the non-controlling interest 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 182 million) on the capital gain appears as of the first quarter 2010 in 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 Events after the reporting period

There were no significant events after the reporting period.

14 Principal exchange rates

	Statement of income Average exchange rates in CHF January–March		Statement of financial position Closing exchange rates in CHF		
	2011	2010	31.3.2011	31.12.2010	31.3.2010
1 EUR	1.28	1.46	1.30	1.25	1.43
1 GBP	1.50	1.65	1.48	1.45	1.60
1 USD	0.94	1.06	0.92	0.94	1.06
1 CAD	0.95	1.02	0.94	0.94	1.04
100 MXN	7.76	8.32	7.69	7.56	8.57
100 INR	2.08	2.31	2.05	2.09	2.36
100 THB	3.06	3.21	3.01	3.09	3.25
1,000 IDR	0.11	0.12	0.11	0.10	0.12
100 PHP	2.14	2.31	2.11	2.14	2.34
1 AUD	0.95	0.96	0.95	0.95	0.97

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 22.6 billion at March 31, 2011.

Cautionary statement regarding forward-looking statements

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

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

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

Financial reporting calendar

General meeting of shareholders	May 5, 2011
Ex date	May 9, 2011
Payout	May 12, 2011
Half-year results for 2011	August 18, 2011
Press and analyst conference for the third quarter 2011	November 9, 2011
Press and analyst conference on annual results for 2011	February 29, 2012
General meeting of shareholders	April 17, 2012
Results for the first quarter 2012	May 9, 2012

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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 more than 80,000 people.