BWI • BHI • BTI • IBB • ICM
www.bwint.org

Building and Wood Workers' International - BWI
Bau- und Holzarbeiter Internationale - BHI
Byggnads- och Träarbetar-Internationalen - BTI
Internationale des travailleurs du bâtiment et du bois - IBB
Internacional de Trabajadores de la Construcción y la Madera - ICM

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Trends and Developments in the Cement Industry

World Cement Conference 22 -23 June 2007 in Portugal

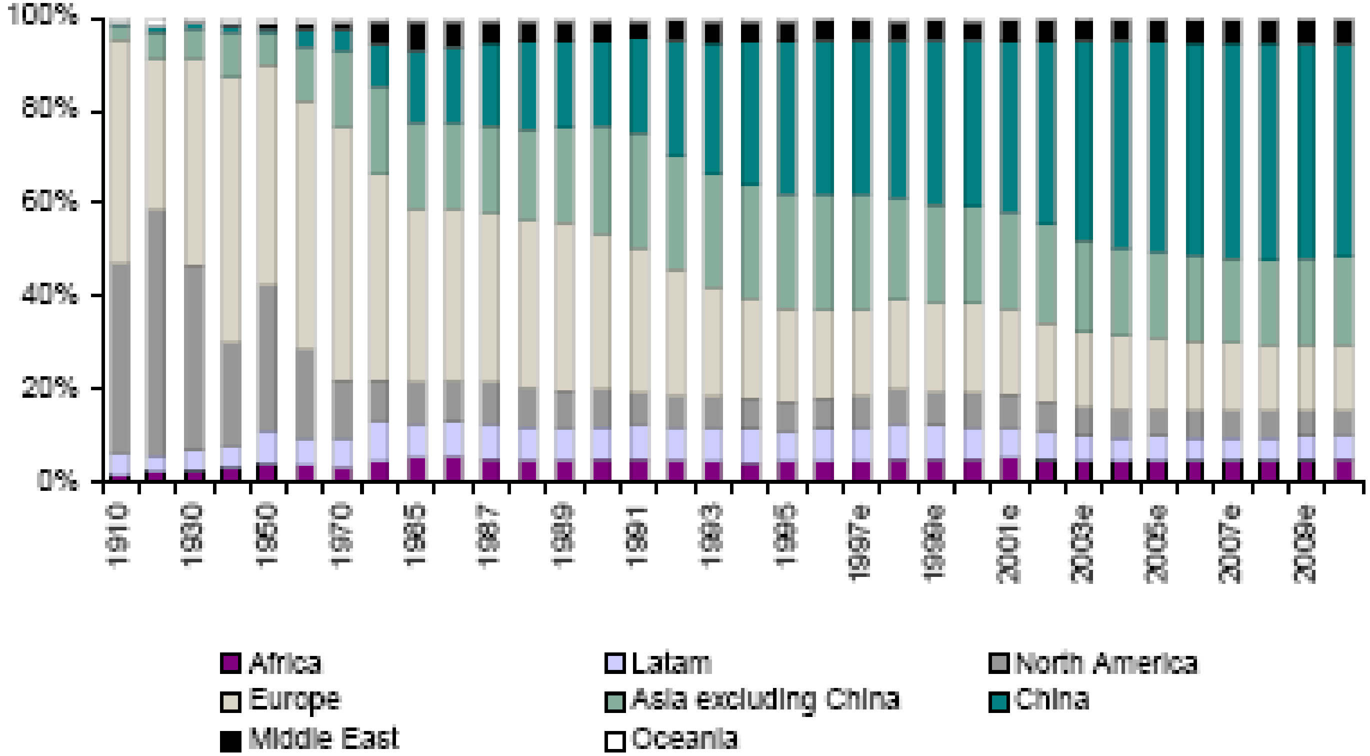
H. Baumann, Unia, Switzerland

World Cement Production 2006 (1000 To.)

China	1‘100‘000	2001: 626‘000!
India	155‘000	
US	101‘000	Import: 35‘000
Japan	68‘000	
Russia	54‘000	
Korea	52‘000	
Spain	50‘000	
World	2‘500‘000	2001: 1‘700‘000

World Cement Consumption

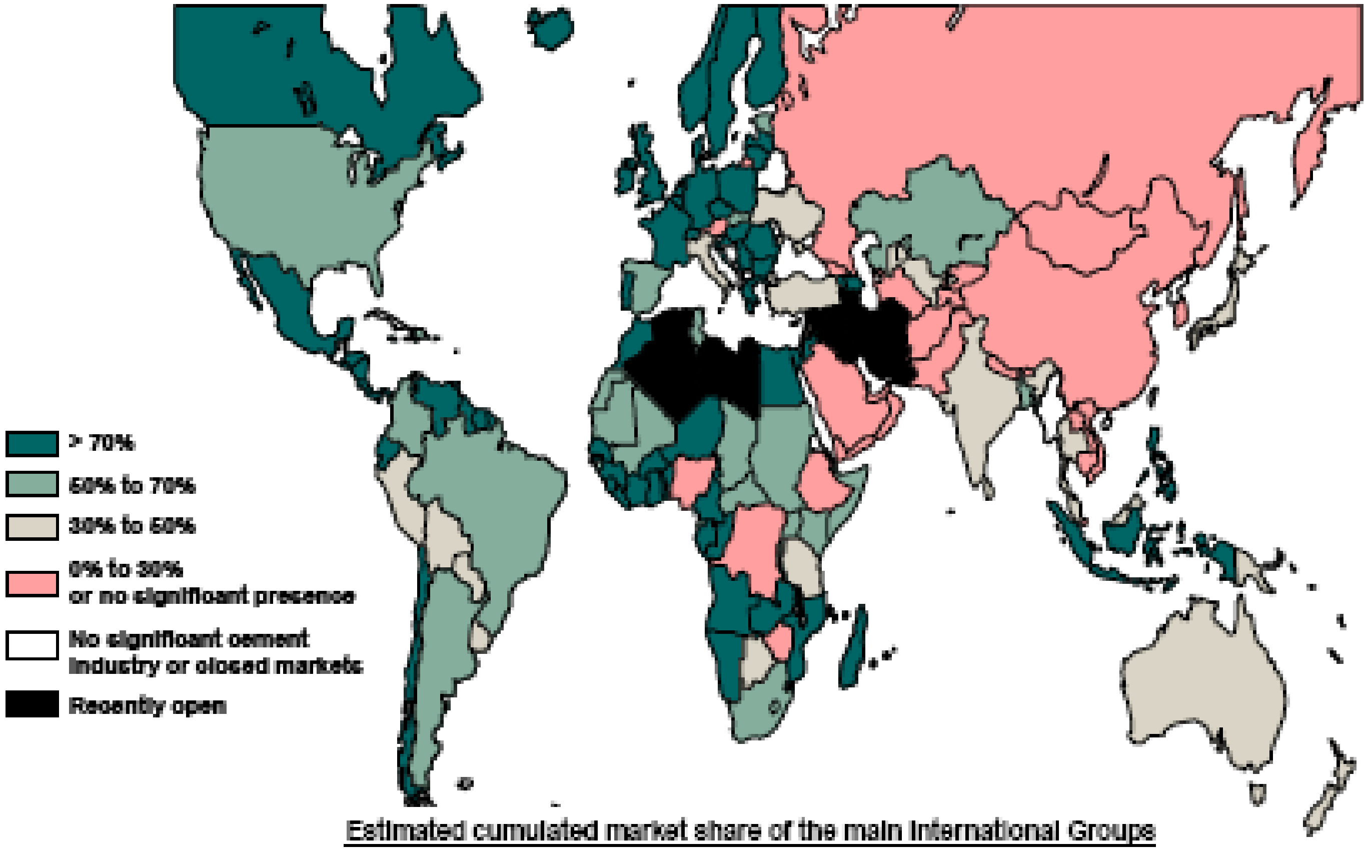
Chart 13: Evolution of regional cement consumption as a % of world total (1910–2010e)



Source: Exane BNP Paribas estimates

Market Share of the top International Groups

Chart 14: State of consolidation of the cement industry



Estimated cumulated market share of the main International Groups (Lafarge, Holcim, Cemex, Heidelberg, Italcementi, Buzzi Unicem, Cimpor, Vicat, Cementir, Titan, CRH). Source: Exane BNP Paribas estimates

Market Share of the top International Groups

The 4 biggest cement groups produce more than

- 1/5 of world cement (with China)
- 1/3 of world cement (without China)

with an increasing trend.

Market Share of the top International Groups

	China	India
Holcim	3%	25%
Lafarge	2%	4%
Heidelberg	1%	-
Italcementi	-	?

Aquisitions and Devestments

Holcim	LAFARGE	CEMEX	HEIDELBERGCEMENT	Italcementi Group	CRH
2005 Aggregates Ind. UK+US, 3 bill. € 2006 India, UK, US, 2 bill. €	2005 China 2006 Bangaladesh 2007 Devestment Roofing, 2.4 bill. €	2005 RMC 2006 Rinker, ca. 10 bill. €	2007 Hanson, ca. 10 bill. €	2006 RMX US, Egypt Cement India	2006 US, Europe Tot. 2.1 bill. €

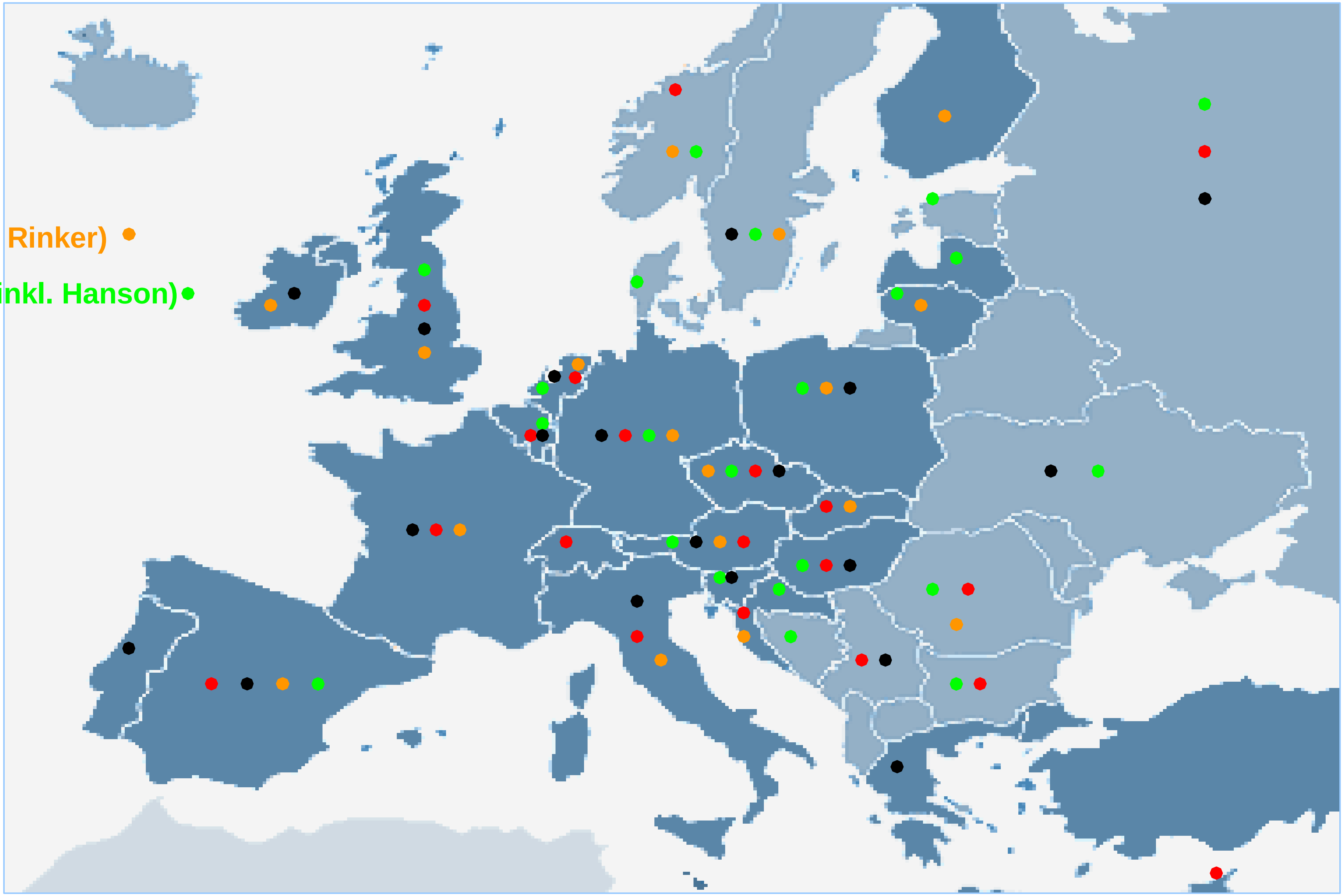
Production locations in Europe

Holcim ●

Cemex (inkl. Rinker) ●

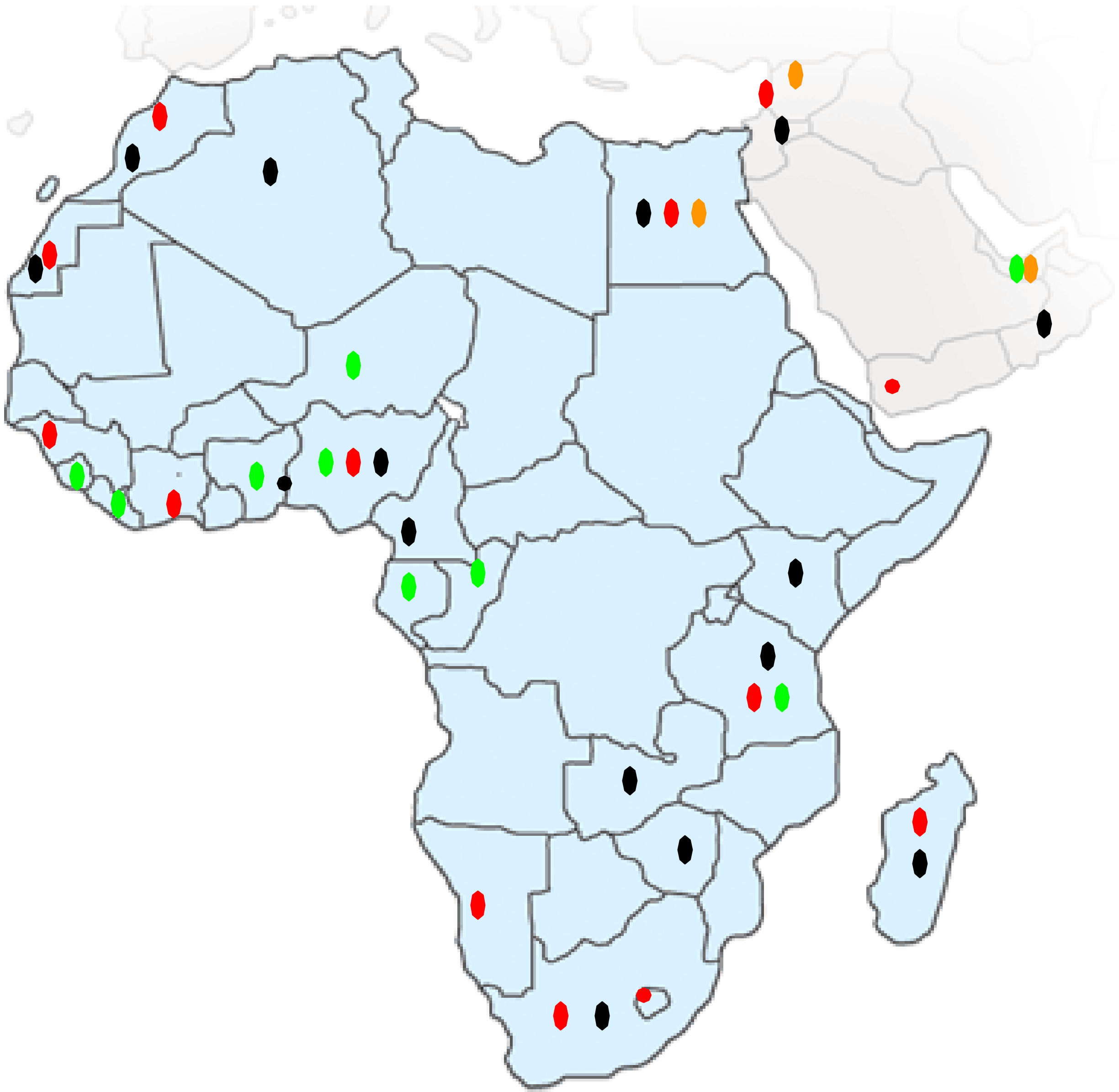
Heidelberg (inkl. Hanson) ●

Lafarge ●



Production locations in Africa and Middle East

Holcim
Cemex (inkl. Rinker)
Heidelberg (inkl. Hanson)
Lafarge



Production locations in America

Holcim
Cemex (inkl. Rinker)
Heidelberg (inkl. Hanson)
Lafarge

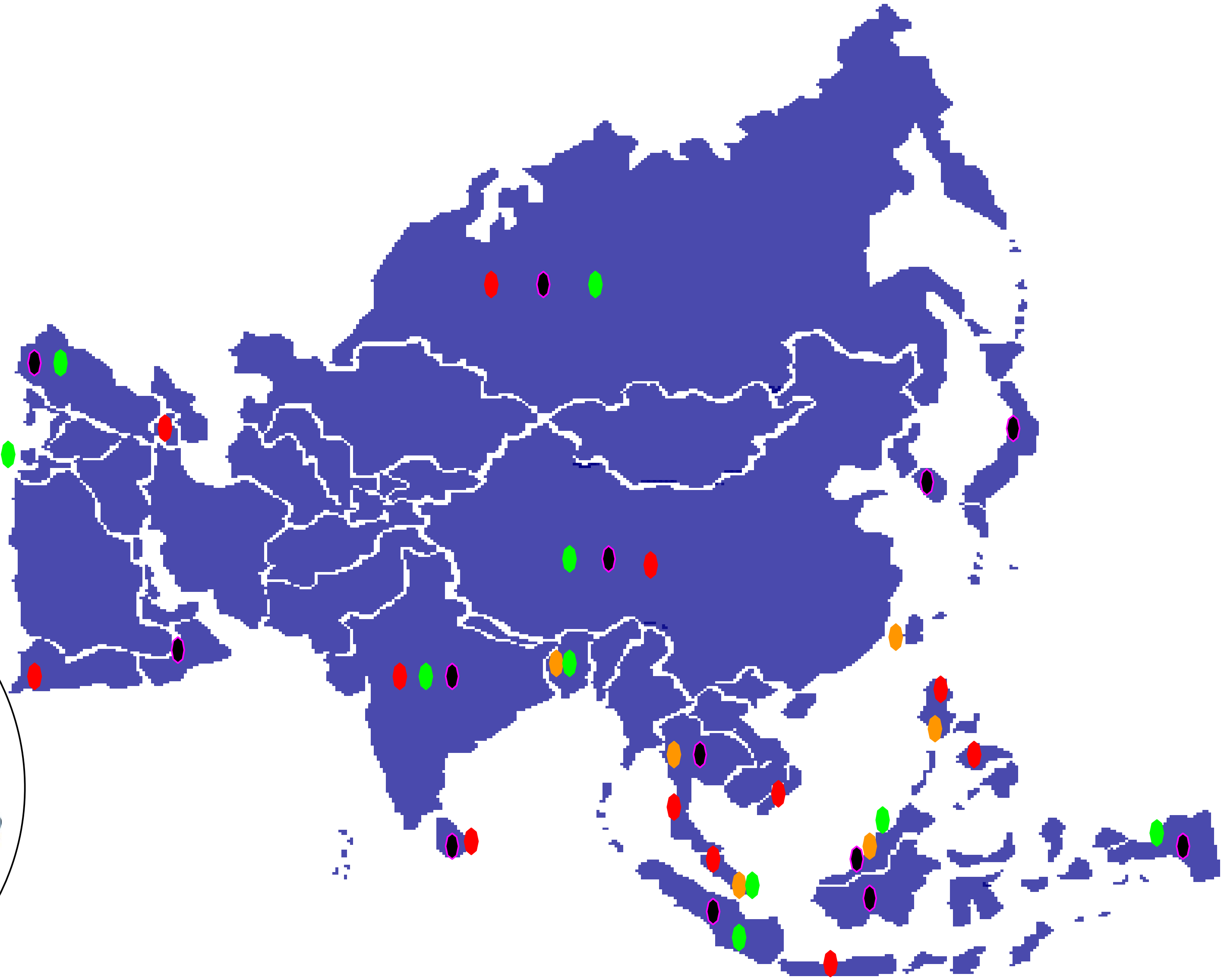
Production locations in Asia Pacific

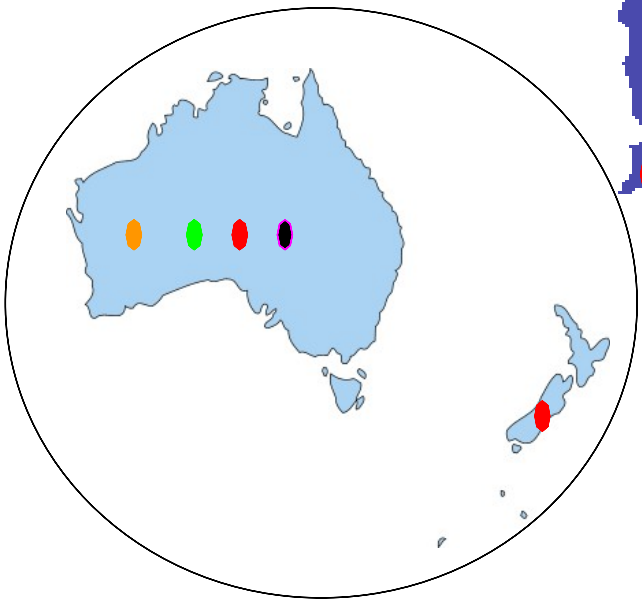
Holcim

Cemex (inkl. Rinker)

Heidelberg (inkl. Hanson)

Lafarge





Comparison of the Global Players

Holcim	Lafarge	Cemex	HeidelbergCement	Italcementi Group	CRH
3 business areas	4 business areas	3 business areas	4 business areas	3 business areas	5 business areas
cementitious materials	cementitious materials	cementitious materials	cementitious materials	cementitious materials	cementitious materials
aggregates	aggregates	aggregates	aggregates	aggregates	aggregates
building mat.	concrete	concrete	concrete	concrete	concrete
incl. concrete	Gypsum		building mat.		building prod.
					Do-It-Yourself
88’783 employees	70’676 employees	50’000 employees, 67’000 incl. Rinker	45’958 employees, 70’000 incl. Hanson	22’868 employees	80’000 employees
70+ countries	70 countries	50+ countries	50+ countries	19 countries	27 countries
Net sales 15’216	Net sales 16’909	Net sales 14’521, 16’900 incl. Rinker	Net sales 9’234, 17’000 incl. Hanson	Net sales 5’854	Net sales 18’737

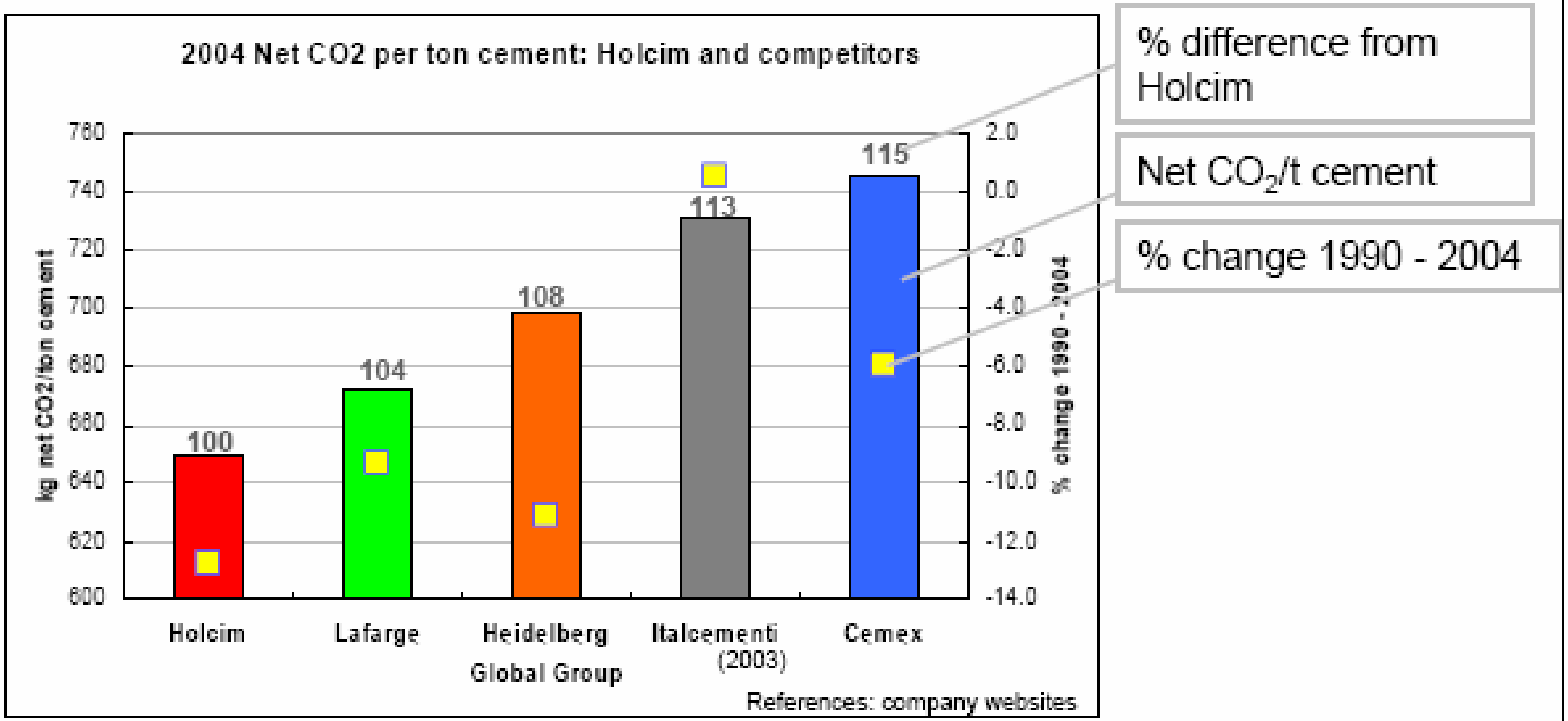
Building the future™

A world class local business

Comparison of the Global Players

Holcim	LAFARGE	CEMEX Building the future™	HEIDELBERGCEMENT	Italcementi Group A world class local business	CRH
EBITDA 3'864 margin 25.4%	EBITDA 3'704 margin 21.9%	EBITDA 3'292 margin 22.7%	EBITDA 1'846 margin 20.0%	EBITDA 1'447 margin 24.7%	EBITDA 2'456 margin 13.1%
Cash flow 2'785	Cash flow 2'566	Cash flow 2'224	Cash flow 1'259	Cash flow 891	Cash flow 1'727
margin 18.3%	margin 15.2%	margin 15.3%	margin 13.6%	margin 15.2%	margin 9.2%
CC volumes: 141	CC volumes: 132	CC volumes: 86, 90 incl. Rinker	CC volumes: 80, 84 incl. Hanson	CC volumes: 64	CC volumes: 14
AGG volumes: 188	AGG volumes: 262	AGG volumes:166, 265 incl. Rinker	AGG volumes: 104, 355 incl. Hanson	AGG volumes: 59	AGG volumes: 262
RMX volumes: 44	RMX volumes: 43	RMX volumes: 74	RMX volumes: 31, 55 incl. Hanson	RMX volumes: 22	RMX volumes: 22

Global Group specific net CO_2 emission (kg net CO_2/t cement)



Holcim Group has the lowest net CO_2 emission per tonne cement and the best progress from 1990 to 2004

Challenges for Workers and Unions

- Merging and restructuring (vertical integration)
- „Globalisation“ (emerging markets), low-cost regions
- Overcapacity, export-, import flows
- CO_2, Kyoto protocol
- Threat of financial investors (hedge funds, PE’s)?
- Workers rights