

Half-Year Financial Report
January to June 2010



HEIDELBERGCEMENT

- Trend change: sales volumes of cement, aggregates, and ready-mixed concrete increase in the second quarter
- Turnover at EUR 5.5 billion (+2.0 %)
- Operating income at EUR 474 million (+3.7 %)
- Profit for the financial year of EUR 5 million takes into account expenses for restructuring and refinancing
- Cost-saving programme "FitnessPlus 2010" progressing as planned
- Liquidity and maturity profile further improved through the issue of a new Eurobond
- Sustained growth expected in Asia-Pacific, Africa-Mediterranean Basin, and North America
- Focus on reducing debt and targeted expansion of cement capacities in growth regions

Overview January to June 2010 EURm	April - June		January - June	
	2009	2010	2009	2010
Turnover	3,011	3,296	5,370	5,476
Operating income before depreciation (OIBD)	635	693	836	865
in % of turnover	21.1 %	21.0 %	15.6 %	15.8 %
Operating income	446	492	457	474
Additional ordinary result	44	-37	47	-51
Result from participations	26	6	20	4
Earnings before interest and income taxes (EBIT)	516	461	524	427
Profit before tax	357	241	162	23
Net income from continuing operations	367	174	328	17
Net loss from discontinued operations	-3	-7	-10	-12
Profit for the period	364	166	318	5
Group share of profit	333	120	270	-79
Investments	141	169	290	292

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Interim Group management report

Business trend January to June 2010

Economic environment

The global economy is continuing its recovery, although the development dynamics still clearly differ from region to region. The emerging countries of Asia, with China and India leading the way, are recording solid growth. While the economy in the industrial countries of Europe and North America has recovered considerably following the severe winter, Eastern Europe is making only a very hesitant recovery so far.

Significant recovery of sales volumes in the second quarter

While HeidelbergCement's development in the first quarter of 2010 was characterised not only by economic factors but also, to a considerable extent, by the long period of wintry weather, demand for our building materials recovered significantly in the second quarter. Thanks to sustained growth in Asia-Pacific and Africa, as well as recovering markets in North America, the sales volumes for cement, aggregates, and ready-mixed concrete in the second quarter were above the figures for the same quarter of the previous year.

In the cement business line, the increased demand in the growth regions Asia-Pacific and Africa-Mediterranean Basin largely offset the decline in the other Group areas. Overall, the cement and clinker sales volumes of HeidelbergCement decreased by 1.6 % to 37.1 million tonnes (previous year: 37.7). While sales volumes had fallen by 5.4 % in the first quarter, our deliveries experienced growth of 1.2 % in the second quarter. At 108.3 million tonnes (previous year: 108.3), sales volumes of aggregates reached last year's level, with an increase of 0.1 %. Ready-mixed concrete sales volumes declined by 2.0 % to 16.4 million cubic metres (previous year: 16.8). Asphalt deliveries decreased by 15.4 % to 3.7 million tonnes (previous year: 4.4).

Turnover and results

Group turnover rose by 2.0 % in the first half of the year to EUR 5,476 million (previous year: 5,370). Positive exchange rate effects in all Group areas, particularly in Asia-Pacific, contributed EUR 282 million to turnover. Excluding exchange rate and consolidation effects, turnover decreased by 3.8 %. While turnover declined in all Group areas except for Asia-Pacific in the first quarter, it increased everywhere except for Eastern Europe-Central Asia in the second quarter. As a result, the first half of the year saw double-digit increases in turnover in Asia-Pacific and a welcome rise in Africa-Mediterranean Basin; on the other hand, turnover declines were recorded in the Western and Northern Europe and North America Group areas, in addition to a significant decline in Eastern Europe-Central Asia. Operating income before depreciation (OIBD) improved by 3.4 % to EUR 865 million (previous year: 836). The OIBD margin rose to 15.8 % (previous year: 15.6 %). Operating income increased by 3.7 % to EUR 474 million (previous year: 457). Excluding exchange rate and consolidation effects, the operating income fell by 6.4 %. In the first half of the year, savings of EUR 124 million were achieved through the "FitnessPlus 2010" programme.

The additional ordinary result decreased by EUR 97.8 million to EUR -51.1 million (previous year: 46.7). Reduced divestment activity and increased restructuring expenses, particularly in North America and Germany, had an impact on this figure.

The decline of EUR 16.3 million in results from participations to EUR 3.8 million (previous year: 20.1) is, to a large extent, the result of changes in the consolidation scope and impairment of other participations.

The change of EUR -418 million in the financial result, which brought the figure to EUR -403.7 million (previous year: -361.9), is essentially attributable to one-off effects of EUR 57.8 million in the other financial result, arising from the syndicated loan taken out in June 2009 and refinanced on 27 April 2010.

The profit before tax from continuing operations amounts to EUR 23.1 million (previous year: 161.9). Taxes on income rose by EUR 172.4 million to EUR 6.3 million (previous year: - 166.1). The change mainly relates to the reversal of provisions for tax risks in Australia and the United Kingdom last year following the conclusion of tax audits. Net income from continuing operations amounted to EUR 16.8 million (previous year: 328.0).

Overall, the profit for the reporting period amounts to EUR 4.6 million (previous year: 318.3). The increase in profit attributable to minority interests by EUR 35 million to EUR 83.3 million (previous year: 48.3) is largely a consequence of the improvement in results and the changed participation in Indocement. The Group share therefore amounts to EUR -78.7 million (previous year: 270.0).

Balance sheet

For the first half of 2010, the balance sheet total rose by EUR 3.1 billion to EUR 28.6 billion (previous year: 25.5). The increase in fixed assets by EUR 2.1 billion to EUR 22.9 billion (previous year: 20.8) is mainly due to exchange rate effects. Trade receivables rose by EUR 0.6 billion to EUR 1.9 billion (previous year: 1.3) as a result of seasonal factors. The changes on the liabilities side of the Group balance sheet with regard to equity are mainly caused by currency exchange fluctuations amounting to EUR 1.9 billion. A particular impact on liabilities was exerted by the increase in interest-bearing liabilities by EUR 0.7 billion to EUR 10.1 billion (previous year: 9.4) as well as the rise in provisions for pensions by EUR 0.2 billion to EUR 1.1 billion (previous year: 0.9).

HeidelbergCement in the DAX

Deutsche Börse included HeidelbergCement in the DAX with effect from 21 June 2010, which means that we are now among the 30 largest listed companies in Germany. In being promoted to the German benchmark index, we achieved a major corporate goal for 2010. Inclusion in the DAX reflects HeidelbergCement's successful development over the preceding twelve months. With the help of strict cost and cash management, we reorganised the Group's capital and financing structure, placing it on a solid basis. As one of the leading building materials manufacturers worldwide, HeidelbergCement has a highly attractive product portfolio as well as strong international market positions in Europe, North America, Africa, and Asia-Pacific. Being promoted to the DAX further strengthens HeidelbergCement's profile in the capital markets and as an international employer.

The successful capital increase in the autumn of 2009 together with a replacement of existing shares set the stage for HeidelbergCement to become the first company in the construction and building materials sector to join the DAX. The company's inclusion was based on the first entry rule, because the share fulfilled the criteria for first entry in terms of both market capitalisation and order book turnover.

Financing structure on a solid basis

On 19 January 2010, we issued two Eurobonds to national and foreign institutional investors with a total issue volume of EUR 1.4 billion: one bond of EUR 650 million with a term of 5 years and a second of EUR 750 million with a term of 10 years. The bonds have fixed interest rates of 6.5 % p.a. for the 5-year term and 7.5 % for the 10-year term. The issue prices were 98.8561 % and 98.2192 %, giving yields to maturity of 6.75 % and 7.75 % respectively. The bonds are unsecured and rank pari passu with all other capital market debt. The proceeds from the issue were exclusively used for the partial repayment of the syndicated loan from June 2009.

To secure liquidity in the long term, HeidelbergCement arranged and concluded a new syndicated credit facility with a volume of EUR 3 billion, with a group of 17 banks, on 27 April 2010. The new credit line refinanced the remaining liabilities from the credit agreement concluded in June 2009 with 60 banks and a term ending in December 2011. The new credit facility is mainly intended as liquidity back-up and has a maturity date of 31 December 2013. Heidelberg Cement thereby strengthens its financial and operational flexibility. At the same time, the security package granted to the creditors could be reduced significantly compared with the old credit facility. The syndicated credit facility can be used for cash drawdowns as well as for letters of credit and guarantees.

For cash drawdowns, the initial credit margin amounts to 3.0% and is clearly lower than for the existing syndicated credit facility, ranging from 3.5% to 1.5% depending on the ratio of net debt to EBITDA. For letter of credits and guarantees, the margin is at 75% of the applicable margin for cash drawdowns. The commitment fee is 35% of the applicable margin. The upfront fee amounts to 100 basis points, which will be amortised during the tenor of the credit facility.

On 22 June 2010, we placed a Eurobond with an issue volume of EUR 650 million and a term ending on 15 December 2015 with institutional investors in Germany and abroad under our EUR 10 billion EMTN programme. The closing date was 1 July 2010. The bond has a fixed interest rate of 6.75% p.a. The issue price was 99.444%, giving a yield to maturity of 6.875%. The bond is unsecured and ranks *pari passu* with all other capital market debt. The proceeds from the issue of the bond were used to further improve our maturity profile.

Following the successful placement of the EUR 650 million 6.75% Eurobond on 24 June 2010, Fitch Ratings once again upgraded HeidelbergCement's credit rating by one notch. The current ratings from Standard & Poor's, Moody's, and Fitch Ratings are now BB-/B, Ba3/NP, BB/B.

According to the terms and conditions of the Eurobond issued in July 2010, the two Eurobonds issued in January 2010, and the three Eurobonds issued in October 2009, with total issue volumes of EUR 650 million, EUR 1.4 billion, and EUR 2.5 billion, there is a limitation on incurring additional debt if the consolidated coverage ratio (i.e. the ratio of the aggregate amount of the consolidated EBITDA to the aggregate amount of the consolidated interest expense) of the HeidelbergCement Group is below 2. The consolidated EBITDA of EUR 2,099 million and the consolidated interest expense of EUR 891 million are calculated on a pro forma basis in accordance with the terms and conditions of the bonds. As at 30 June 2010, the consolidated coverage ratio amounted to 2.36.

The net financial liabilities decreased by EUR 2.2 billion in comparison with 30 June 2009, amounting to EUR 9.1 billion (previous year: 11.3) as at 30 June 2010. The increase of EUR 0.6 billion in comparison with the end of 2009 is primarily due to the rise in working capital, related to seasonal factors, and the exchange rate effect from the USD liabilities.

Investments

In the first half of the year, cash flow investments remained around last year's level at EUR 292 million (previous year: 290). Investments in tangible fixed assets (including intangible assets), which primarily relate to optimisation and environmental protection measures at our production sites, but also expansion projects in growing markets, accounted for EUR 266 million (previous year: 274) of this total. The investments in financial fixed assets reached EUR 26 million (previous year: 16); in addition to smaller acquisitions to round off shareholdings, these primarily related to the acquisition of the remaining 50% of the shares in our Australian joint venture Pioneer North Queensland Pty Ltd.

Western and Northern Europe

In the countries of the Western and Northern Europe Group area, economic activity partly recovered to a considerable extent following the unusually severe winter. In Germany and the United Kingdom in particular, the economy is achieving stronger growth than expected. Following the losses incurred at the beginning of the year as a result of the winter weather, construction activity and sales volumes of building materials progressively recovered over the course of the second quarter.

In the cement business line, our deliveries were still noticeably below last year's level in almost all countries at the end of the first half-year. Nevertheless, the Benelux countries, Denmark, and the Baltic States recorded slight increases in the second quarter, while Norway achieved a rise of over 30 %. By the end of June, we had almost achieved last year's quantities in Norway and Sweden, thanks to recovering domestic markets and strengthened export levels. In the United Kingdom, our cement shipments rose slightly; however, shipments of blast furnace slag remained significantly below last year's figure. The sales volumes achieved by the German plants were adversely affected by declining exports and delays in some infrastructural projects. Overall, our cement and clinker sales volumes in Western and Northern Europe fell by 8.9 % to 9.4 million tonnes (previous year: 10.3).

After a considerable decline in the first three months, deliveries of aggregates recovered strongly in all countries during the second quarter. Altogether, sales volumes rose in the first half of the year by 4.7 % to 32.9 million tonnes (previous year: 31.4).

Ready-mixed concrete sales volumes also recorded an upward trend in the second quarter; at the end of the first half-year, deliveries were still 5.4 % below last year, at 5.6 million cubic metres (previous year: 5.9). The sales volumes of the asphalt operating line were just below last year's level, experiencing a decline of 1.4 %.

In the building products business line, which essentially comprises Hanson's building products in the United Kingdom, the sales volumes of all operating lines in the first six months were once again below the previous year's level, with the exception of lightweight blocks, although the declines were noticeably smaller in the second quarter. Thanks to the promptly introduced capacity adjustments and cost reduction measures, the building products business line achieved a considerable increase in earnings.

The turnover of the Western and Northern Europe Group area fell by 2.9 % to EUR 1,807 million (previous year: 1,861); excluding consolidation and exchange rate effects, the decline amounted to 7.7 %.

Eastern Europe-Central Asia

In the countries of the Eastern Europe-Central Asia Group area, construction activity is still significantly impaired by the fact that only a hesitant economic recovery is in progress; the very severe winter also had a negative impact on the construction industry in the first quarter. Heavy rainfall and delays in infrastructural measures meant that this Group area was the only one to suffer a further decline in sales volumes and turnover in the second quarter.

In the cement business line, sales volumes decreased in the majority of countries, by a significant percentage in most cases. In Poland and Romania, the floods in May had a negative impact on our deliveries, as did the weak demand caused by economic factors. In contrast, slight increases were achieved in Russia, Kazakhstan, and Georgia; in Ukraine, our deliveries almost reached last year's level, following a significant rise in the second quarter. Overall, cement and clinker sales volumes in the first half-year remained 18.1 % below last year's level at 6.1 million tonnes (previous year: 7.4). Excluding consolidation effects, the decline amounted to 13.0 %.

Deliveries of aggregates decreased by 10.4 % to 7.8 million tonnes (previous year: 8.7); excluding consolidation effects, they dropped by 10.7 %. Ready-mixed concrete sales volumes declined by 11.3 % to 1.6 million cubic metres (previous year: 1.8); excluding consolidation effects, the decline amounted to 5.2 %.

The turnover of the Eastern Europe-Central Asia Group area fell by 19.0% to EUR 482 million (previous year: 595); excluding consolidation and exchange rate effects, it decreased by 19.1%.

North America

In North America, HeidelbergCement is represented in the US and Canada. In the US, the economic recovery continued; however, with the job market experiencing only a hesitant recovery, uncertainties remain over future developments. In Canada, the economy is benefiting from the strong demand in raw materials and the recovery of the construction industry; initial indications suggest that economic growth may have been more restrained in the second quarter than in the strong first quarter.

Following the heavy slump in demand in the first quarter of 2010, which was caused by the exceptionally hard winter in large parts of the US, our building material deliveries improved considerably in the second quarter. The impact of the government infrastructure programme is increasingly being felt; by June 2010, 37% of the funds earmarked for highway projects under the American Recovery and Reinvestment Act (ARRA) (around USD 27 billion) had been paid out.

In the second quarter, the cement and clinker sales volumes of our North American plants achieved a considerable increase of 8.7%. The Canada market region made a particularly strong contribution to this growth, benefiting from the lively activity in the oil industry. However, our deliveries also increased noticeably in the North and South regions. The only area that failed to achieve last year's quantity was the west coast. Overall, our cement and clinker sales volumes experienced a slight decline of 1.8%, falling only just below last year's level at the end of the first half-year, at 4.6 million tonnes (previous year: 4.7).

Deliveries of aggregates also recovered significantly in all market regions in the second quarter, with an overall increase of 2.2% achieved in the first half of the year, bringing the figure to 46.2 million tonnes (previous year: 45.3). In the second quarter, deliveries of ready-mixed concrete remained only slightly below last year's level; at the end of the first half-year, they were 9.4% below last year's figure at 2.6 million cubic metres (previous year: 2.8). The asphalt operating line benefited to a particularly strong degree from the infrastructural measures in the second quarter, resulting in an overall increase of 10.4% in asphalt deliveries to 1.2 million tonnes (previous year: 1.1) in the first half of the year.

In the building products business line, which is heavily dependent on housing construction, deliveries in all operating lines, with the exception of bricks and precast prestressed concrete parts, were still below last year's level. While sales volumes in the US are only making a gradual recovery, solid demand is being recorded in Canada. Thanks to the cost reduction programmes, results have improved significantly in comparison with last year.

The total turnover in North America decreased by 4.0% to EUR 1,363 million (previous year: 1,420); excluding exchange rate effects, the decline amounted to 4.5%.

Asia-Pacific

The emerging countries of Asia remained on course for growth in the second quarter: driven by the massive government economic stimulus programmes, the Chinese economy also grew markedly in the second quarter of 2010. The general economic conditions are also maintaining momentum in Indonesia, India, and Bangladesh. The Australian economy benefits from the strong demand for raw materials from China and the robust level of domestic demand.

During the first half-year, cement and clinker deliveries of the Asia-Pacific Group area grew by a total of 11.4% to 13.1 million tonnes (previous year: 11.7). In Indonesia, our subsidiary Indocement benefited from the extremely lively

construction activity, despite the long period of rainfall. As a result of the strong domestic demand, Indocement reduced its export deliveries considerably; the cement and clinker sales volumes increased by 10.1 % overall. At the Cirebon plant, two new cement mills were commissioned in July 2010, with a total grinding capacity of 1.5 million tonnes; production is scheduled to start in the third quarter of 2010. Indocement will then have a cement capacity of 18.6 million tonnes. Two additional cement mills are also set to be constructed at the Citeureup plant, with a capacity of 2 million tonnes, by mid 2012. In China, the sales volumes of our joint ventures in the provinces of Guangdong and Shaanxi rose by 3.8%. Deliveries from our Indian cement plants remained just below last year's level. Overcapacities in the South led to price pressure in the South and the West of the country. In Bangladesh, a considerable increase was achieved in sales volumes and earnings. In the second quarter of 2010, construction began on an additional cement mill with a capacity of 0.8 million tonnes at the Chittagong grinding plant; commissioning is scheduled for the end of 2011. Since the takeover of Hanson in 2007, we hold a 25-per cent participation in the Australian cement company Cement Australia.

Aggregates sales volumes dropped by 5.8 % to 15.4 million tonnes (previous year: 16.4). The asphalt business also showed a decline. After a significant rise in demand in the second quarter, particularly in Australia and Indonesia, deliveries of ready-mixed concrete increased by 4.7 %, reaching 4.2 million cubic metres (previous year: 4.1).

In May 2010, we further strengthened our activities in Australia by purchasing the remaining 50 % of the shares in our joint venture Pioneer North Queensland Pty Ltd. The company operates two quarrying sites for sand, two hard rock quarries, an asphalt plant, and a ready-mixed concrete facility in the north of Queensland.

The turnover of the Asia-Pacific Group area rose by 22.1 % to EUR 1,251 million (previous year: 1,025); excluding the consolidation and exchange rate effects, the increase amounted to 2.3 %.

Africa-Mediterranean Basin

The majority of African countries south of the Sahara are experiencing an acceleration of economic development and lively construction activity. While the economy in Turkey has recovered strongly thanks to rising exports, the crisis is not yet over in Spain.

In Africa, our cement deliveries underwent a welcome increase of 6.7 %. Sierra Leone, Ghana, Tanzania, Liberia, and Togo made a particularly strong contribution to this growth. HeidelbergCement and IFC, a member of the World Bank Group, signed an agreement in May 2010 to promote the expansion of infrastructure in the sub-Saharan countries by increasing the local cement supply. IFC and its finance partner will acquire a minority participation in HeidelbergCement's African activities, putting in up to USD 180 million. In return, HeidelbergCement has made a commitment to invest these funds in the expansion of its cement capacities in the sub-Saharan countries supported by the International Development Association (IDA).

In Turkey, cement and clinker sales volumes of our joint venture Akçansa grew by 27.7 % as a result of strong domestic demand and increased export deliveries. Overall, the cement and clinker sales volumes of the Africa-Mediterranean Basin Group area increased by 13.8 % to 4.1 million tonnes (previous year: 3.6).

The sales volumes for aggregates decreased by 9.3 % to 7.0 million tonnes (previous year: 7.7). The decline is essentially due to the continuing weak construction activity in Spain. The asphalt business also showed a decline. In contrast, ready-mixed concrete deliveries rose by 11.4 % to 2.5 million cubic metres (previous year: 2.2).

The turnover of the Africa-Mediterranean Basin Group area grew by 4.7 % to EUR 459 million (previous year: 439); excluding exchange rate effects, the growth amounted to 1.6 %.

Group Services

In the first half of the year, the trade volume of our subsidiary HC Trading grew by 15.4 % to 5.0 million tonnes (previous year: 4.3). The considerable growth in the clinker trade volume more than offset a slight decline in cement deliveries.

The Group Services business line also comprises our subsidiary HC Fuels, which is responsible for the purchase of fossil fuels. Overall, the turnover of Group Services rose by 33.6% to EUR 346 million (previous year: 259); excluding exchange rate effects, the growth amounted to 32.5%.

Employees

At the end of the first half of 2010, the number of employees at HeidelbergCement was 53,572 (previous year: 56,811). This decrease by 3,239 employees results essentially from the location optimisations and capacity adjustments, particularly in North America and the United Kingdom, which were linked with job cuts.

By-election to appoint Supervisory Board members

On 6 May 2010, the Annual General Meeting elected Dr.-Ing. Herbert Lütkestratkötter and Alan Murray to the Supervisory Board; they had been appointed members of the Supervisory Board as shareholder representatives by the Local Court (Amtsgericht) of Mannheim in January. They replace the former Supervisory Board members Eduard Schleicher and Gerhard Hirth, who had resigned from their positions at the end of 2009 in response to the changes in the shareholder structure of HeidelbergCement.

Related parties disclosures

No reportable transactions with related companies or persons took place in the reporting period beyond normal business relations.

Prospects

The OECD and IMF have raised the forecasts for global economic growth for this year as a result of the positive development in the first half of the year. Development dynamics still clearly differ from region to region. In Asia, continued growth is anticipated, although growth rates in China are expected to weaken slightly in the second half of the year. Economic activity in Western Europe and North America has experienced a significant recovery following the long, hard winter, while Eastern Europe is still grappling with the crisis. According to all forecasts, uncertainties still remain over the strength and timescale of the economic recovery because of the high level of unemployment and national debt in individual countries.

HeidelbergCement continues to expect a noticeable positive business development in the Asia-Pacific and Africa-Mediterranean Basin Group areas. In North America, on the basis of the considerable increase in expenditure on road construction, the recovery is expected to continue in the second half of the year. The extent and rate will depend on the spending behaviour in the US states. Decrease in the unemployment rate remains a decisive factor for the upswing in private residential construction. In Western Europe, HeidelbergCement continues to expect residential construction to stabilise during the remainder of 2010, along with a noticeable decline in commercial construction, and positive development in infrastructure. On a regional level, we expect a positive trend in construction in Northern Europe and the UK, and a slight volume decline in Germany and Belgium. Construction market in the Netherlands

is weakening considerably. The recovery in Eastern Europe and Central Asia has been somewhat delayed. While construction activities in Poland are further stabilising, the Czech Republic and Romania show only a slow recovery. Further development in Hungary is expected to be weak. Rising cement consumption from a low level and a recovery of prices are expected in the countries of the eastern part of Eastern Europe and in Central Asia.

HeidelbergCement's sales volumes improved significantly in the second quarter, particularly because of the successful implementation of the infrastructure projects in North America and Western and Northern Europe. However, uncertainties still remain over future developments because of the sustained high level of unemployment and the still unclear effects of budgetary consolidation on infrastructure expenditure in individual countries. Therefore, HeidelbergCement will consistently continue with its "FitnessPlus 2010" cost-saving programme and keep working towards its savings goal of EUR 300 million for 2010. Debt reduction remains an important area of focus. At the same time the Group will continue with its targeted investments in future growth, particularly in cement activities, in the emerging countries of Asia, Africa, and Eastern Europe. With its improved cost structures, operational strength, and leading market positions, HeidelbergCement believes it is well-equipped to benefit to an above average degree from an economic upturn in the course of this year and the next.

Additional statements on the prospects

The Managing Board of HeidelbergCement has not seen evidence of developments that would suggest changes for the business year 2010 regarding the forecasts and other statements made in the 2009 Annual Report on the expected development of HeidelbergCement and its business environment.

The expected future development of HeidelbergCement and the business environment over the course of 2010 is described in the prospects. As such, please note that this Half-Year Financial Report contains forward-looking statements based on the information currently available and the current assumptions and forecasts of the Managing Board of HeidelbergCement. Such statements are naturally subject to risks and uncertainties and may therefore deviate significantly from the actual development. HeidelbergCement undertakes no obligation and furthermore has no intention to update the forward-looking statements made in this Half-Year Financial Report.

Risk report

Business activities are always future-oriented and therefore involve risks. HeidelbergCement is likewise subject to various risks in its business activities that are not fundamentally avoided, but instead accepted, provided they are well balanced by the opportunities they present. Identifying risks, understanding them and reducing them systematically is the responsibility of the Managing Board and a key task for all managers. The Managing Board of HeidelbergCement AG is obliged to set up and supervise an internal control and risk management system. The Managing Board also has overall responsibility for the scope and organisation of the established systems. The internal control and risk management system, standardised across the Group, comprises several components that are carefully co-ordinated and systematically incorporated into the structure and workflow organisation. It is based on the financial resources, operational planning, and the risk management strategy established by the Managing Board.

After evaluation of the overall risk situation, there are, from today's perspective, deemed to be no identifiable risks, either at present or for the foreseeable future, that could threaten the existence of the Group or other significant risks whose occurrence would lead to a considerable deterioration of the Group's economic position.

Risks that may have a significant impact on our assets, financial and earnings position in the 2010 financial year and in the foreseeable future are described in detail in the 2009 Annual Report. For remarks on the syndicated credit agreement of 16 June 2009, which matures in December 2011, in the context of financial risks, see the information included in this interim Group management report under the section "Financing structure on a solid basis". With the new syndicated credit line established on 27 April 2010, the remaining liabilities under the credit agreement entered into in June 2009 were replaced. The risks arising from volatile energy and raw material prices as well as from exchange rate effects continue to be high. Although the forecasts for global economic growth this year have been raised, ongoing development is subject to uncertainties and risks. In the industrial nations, the most challenging aspect will be the consolidation of the state finances and the efforts to combat unemployment.

HeidelbergCement interim accounts

Group profit and loss accounts

Group profit and loss accounts EUR '000s	April - June		January - June	
	2009	2010	2009	2010
Turnover	3,010,534	3,296,310	5,369,930	5,475,963
Change in stock and work in progress	-108,209	-36,693	-154,078	-17,277
Own work capitalised	1,834	1,523	3,490	3,036
Operating revenue	2,904,159	3,261,140	5,219,342	5,461,722
Other operating income	70,114	87,189	133,810	154,404
Material costs	-1,095,810	-1,257,646	-2,081,340	-2,210,887
Employee and personnel costs	-525,525	-550,334	-1,042,382	-1,036,518
Other operating expenses	-718,335	-846,971	-1,393,209	-1,503,939
Operating income before depreciation (OIBD)	634,603	693,378	836,221	864,782
Depreciation of tangible fixed assets	-182,688	-193,605	-366,431	-376,547
Amortisation of intangible assets	-6,250	-7,557	-12,848	-14,182
Operating income	445,665	492,216	456,942	474,053
Additional ordinary income	84,452	7,318	106,182	11,422
Additional ordinary expenses	-39,987	-43,831	-59,472	-62,505
Additional ordinary result	44,465	-36,513	46,710	-51,083
Result from associated companies ¹⁾	24,249	14,095	18,533	13,173
Result from other participations	1,747	-8,424	1,597	-9,338
Earnings before interest and taxes (EBIT)	516,126	461,374	523,782	426,805
Interest income	10,276	21,814	21,399	47,328
Interest expenses	-164,122	-174,368	-312,014	-344,448
Foreign exchange losses	18,605	1,397	-11,078	-1,326
Other financial result	-24,059	-69,357	-60,234	-105,256
Financial result	-159,300	-220,514	-361,927	-403,702
Profit before tax from continuing operations	356,826	240,860	161,855	23,103
Taxes on income	10,184	-66,964	166,109	-6,263
Net income from continuing operations	367,010	173,896	327,964	16,840
Net loss from discontinued operations	-2,808	-7,412	-9,679	-12,267
Profit for the period	364,202	166,484	318,285	4,573
Thereof minority interests	31,228	46,355	48,274	83,320
Thereof Group share of profit	332,974	120,129	270,011	-78,747
Earnings per share in EUR (IAS 33)				
Earnings / loss per share attributable to the parent entity	2.66	0.64	2.16	-0.42
Earnings / loss per share – continuing operations	2.69	0.68	2.24	-0.35
Loss per share – discontinued operations	-0.03	-0.04	-0.08	-0.07

¹⁾ Net result from associated companies

19,606

10,215

14,709

10,014

Group statement of comprehensive income

Group statement of comprehensive income EUR '000s	April - June		April - June		January - June		January - June	
	2009	2009	2010	2010	2009	2009	2010	2010
Profit for the period		364,202		166,484		318,285		4,573
IAS 19 Actuarial gains and losses	-116,876		-18,806		-75,196		-181,706	
Income taxes	34,060		4,901		21,581		51,819	
		-82,816		-13,905		-53,615		-129,887
IAS 39 Cash flow hedges	2,854		4,548		-6,148		6,233	
Income taxes	-770		-980		1,670		-1,401	
		2,084		3,568		-4,478		4,832
IAS 39 Available for sale assets	1,708		10,728		-1,122		11,836	
Income taxes	-32		-3,520		1,215		-3,295	
		1,676		7,208		93		8,541
IFRS 3 Business combinations	1,721		1,438		9,665			
Income taxes	-482		88		-3,182		88	
		1,239		1,526		6,483		88
Other	-38		-1,428		-550			
Income taxes	32				662			
		-6		-1,428		112		
Currency translation	134,936		1,129,489		491,933		1,925,055	
Income taxes			1,916				8,492	
		134,936		1,131,405		491,933		1,933,547
Other comprehensive income		57,113		1,128,374		440,528		1,817,121
Total comprehensive income		421,315		1,294,858		758,813		1,821,694
Relating to minority interests		28,540		102,916		35,435		185,992
Relating to HeidelbergCement AG shareholders		392,775		1,191,942		723,378		1,635,702

Group cash flow statement

Group cash flow statement EUR '000s	January - June	
	2009	2010
Net income from continuing operations	327,964	16,840
Taxes on income	-166,109	6,263
Interest income/expenses	290,615	297,120
Dividends received	14,741	9,362
Interest paid	-545,863	-433,878
Taxes paid	-93,687	-40,885
Elimination of non-cash items	395,090	663,314
Cash flow	222,751	518,136
Changes in operating assets	78,969	-509,946
Changes in operating liabilities	-106,559	67,113
Changes in working capital	-27,590	-442,833
Decrease in provisions through cash payments	-135,994	-144,631
Cash flow from operating activities – continuing operations	59,167	-69,328
Intangible assets	-6,624	-2,772
Tangible fixed assets	-267,403	-263,034
Financial fixed assets	-16,254	-26,045
Investments (cash outflow)	-290,281	-291,851
Proceeds from fixed asset disposals	338,924	68,670
Cash from changes in consolidation scope	-2,444	770
Cash flow from investing activities – continuing operations	46,199	-222,411
Dividend payments – HeidelbergCement AG	-15,000	-22,500
Dividend payments – minority shareholders	-29,141	-45,230
Proceeds from bond issuance and loans	9,009,933	2,798,567
Repayment of bonds and loans	-8,456,451	-2,447,362
Cash flow from financing activities – continuing operations	509,341	283,475
Net change in cash and cash equivalents – continuing operations	614,707	-8,264
Effect of exchange rate changes	17,759	120,107
Cash and cash equivalents at 1 January	843,646	854,368
Cash and cash equivalents at 30 June	1,476,112	966,211

Group balance sheet

Assets EUR '000s	31 Dec. 2009	30 June 2010
Non-current assets		
Intangible assets		
Goodwill	9,804,195	10,867,440
Other intangible assets	264,627	288,746
	10,068,822	11,156,186
Tangible fixed assets		
Land and buildings	4,904,125	5,366,070
Plant and machinery	4,412,359	4,738,074
Fixtures, fittings, tools and equipment	236,280	243,661
Payments on account and assets under construction	667,271	815,465
	10,220,035	11,163,270
Financial fixed assets		
Investments in associates	349,361	366,356
Financial investments	79,346	69,983
Loans to participations	19,020	20,969
Other loans and derivative financial instruments	45,781	136,786
	493,508	594,094
Fixed assets	20,782,365	22,913,550
Deferred taxes	268,771	380,592
Other long-term receivables	183,262	238,745
Long-term tax assets	16,570	21,452
Total non-current assets	21,250,968	23,554,339
Current assets		
Stock		
Raw materials and consumables	595,331	666,411
Work in progress	147,254	156,628
Finished goods and goods for resale	601,002	663,223
Payments on account	12,499	27,609
	1,356,086	1,513,871
Receivables and other assets		
Short-term financial receivables	99,671	99,124
Trade receivables	1,298,770	1,922,015
Other short-term operating receivables	361,928	430,389
Current tax assets	238,380	85,897
	1,998,749	2,537,425
Financial investments and derivative financial instruments	47,914	51,482
Cash and cash equivalents	854,368	966,211
Total current assets	4,257,117	5,068,989
Balance sheet total	25,508,085	28,623,328

Liabilities EUR '000s	31 Dec. 2009	30 June 2010
Shareholders' equity and minority interests		
Subscribed share capital	562,500	562,500
Share premium	5,539,377	5,539,377
Retained earnings	6,166,476	5,936,432
Other components of equity	-1,867,366	-24,906
Equity attributable to shareholders	10,400,987	12,013,403
Minority interests	602,029	746,724
Total equity	11,003,016	12,760,127
Non-current liabilities		
Debenture loans	4,898,865	6,536,511
Bank loans	2,981,880	1,657,067
Other long-term financial liabilities	300,317	249,746¹⁾
	8,181,062	8,443,324
Provisions for pensions	756,712	1,007,324
Deferred taxes	892,367	900,804
Other long-term provisions	1,023,818	1,123,980
Other long-term operating liabilities	204,388	235,338
Long-term tax liabilities	79,798	88,792
	2,957,083	3,356,238
Total non-current liabilities	11,138,145	11,799,562
Current liabilities		
Debenture loans (current portion)	699,467	770,182
Bank loans (current portion)	196,220	254,567
Other short-term financial liabilities	285,629	651,165¹⁾
	1,181,316	1,675,914
Provisions for pensions (current portion)	115,139	140,945
Other short-term provisions	176,331	211,644
Trade payables	931,560	1,057,417
Other short-term operating liabilities	763,112	866,826
Current income taxes payables	199,466	110,893
	2,185,608	2,387,725
Total current liabilities	3,366,924	4,063,639
Total liabilities	14,505,069	15,863,201
Balance sheet total	25,508,085	28,623,328

¹⁾ Includes puttable minorities with an amount of EUR '000s 35,353 (previous year: 36,938)

Group statement of changes in equity

Group statement of changes in equity	Subscribed share capital	Share premium	Retained earnings	Cash flow hedge reserve	
EUR '000s					
1 January 2009	375,000	3,470,892	6,316,964	-14,234	
Profit for the period			270,011		
Other comprehensive income			-53,503	-4,233	
Total comprehensive income			216,508	-4,233	
Adjustments consolidation scope and other changes					
Dividends			-15,000		
30 June 2009	375,000	3,470,892	6,518,472	-18,467	
1 January 2010	562,500	5,539,377	6,166,476	-13,339	
Profit for the period			-78,747		
Other comprehensive income			-129,887	4,832	
Total comprehensive income			-208,634	4,832	
Adjustments consolidation scope and other changes			1,090		
Dividends			-22,500		
30 June 2010	562,500	5,539,377	5,936,432	-8,507	

Other components of equity					Equity attributable to shareholders	Minority interests	Total equity
	Available for sale reserve	Asset revaluation reserve	Currency translation	Total other components of equity			
	9,166	4,901	-2,442,548	-2,442,715	7,720,141	540,703	8,260,844
					270,011	48,274	318,285
	93	6,483	504,527	506,870	453,367	-12,839	440,528
	93	6,483	504,527	506,870	723,378	35,435	758,813
						113,764	113,764
					-15,000	-29,141	-44,141
	9,259	11,384	-1,938,021	-1,935,845	8,428,519	660,761	9,089,280
	12,929	39,585	-1,906,541	-1,867,366	10,400,987	602,029	11,003,016
					-78,747	83,320	4,573
	8,541	88	1,830,875	1,844,336	1,714,449	102,672	1,817,121
	8,541	88	1,830,875	1,844,336	1,635,702	185,992	1,821,694
	-138	-1,738		-1,876	-786	3,933	3,147
					-22,500	-45,230	-67,730
	21,332	37,935	-75,666	-24,906	12,013,403	746,724	12,760,127

Segment reporting / Notes

Group areas January - June 2010	Western and Northern Europe		Eastern Europe-Central Asia	
	2009	2010	2009	2010
EURm				
External turnover	1,835	1,782	593	482
Inter-Group areas turnover	25	26	2	
Turnover	1,861	1,807	595	482
Change to previous year in %		-2.9 %		-19.0 %
Operating income before depreciation (OIBD)	267	226	135	95
as % of turnover	14.3 %	12.5 %	22.8 %	19.7 %
Depreciation	-121	-133	-46	-46
Operating income	146	92	89	49
as % of turnover	7.9 %	5.1 %	15.0 %	10.1 %
Results from participations	15	38	-3	
Impairments		-21		-1
Reversal of impairments		5		3
Other additional result				
Additional ordinary result		-17		2
Earnings before interest and taxes (EBIT)	161	114	86	50
Capital expenditures¹⁾	70	62	113	87
Segment assets²⁾	6,948	7,064	1,741	1,945
OIBD as % of segment assets	3.8 %	3.2 %	7.8 %	4.9 %
Number of employees as at 30 June	14,925	14,282	10,448	9,355
Average number of employees	15,044	14,299	10,452	9,324

¹⁾ Capital expenditures = in the segment columns: tangible fixed assets and intangible assets investments; in the reconciliation column: financial fixed assets investments

²⁾ Segments assets = tangible fixed assets and intangible assets

	North America		Asia-Pacific		Africa-Med. Basin		Group Services		Reconciliation Overhead-Other		Continuing operations	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
	1,420	1,363	1,008	1,239	423	439	90	170			5,370	5,476
			16	12	16	20	169	175	-228	-233		
	1,420	1,363	1,025	1,251	439	459	259	346	-228	-233	5,370	5,476
		-4.0 %		22.1 %		4.7 %		33.6 %				2.0 %
	118	147	264	361	83	77	24	9	-55	-50	836	865
	8.3 %	10.8 %	25.8 %	28.8 %	18.9 %	16.8 %	9.3 %	2.7 %	24.2 %	21.4 %	15.6 %	15.8 %
	-134	-129	-53	-67	-15	-17			-9	2	-379	-391
	-17	18	211	294	68	60	24	9	-64	-48	457	474
	-1.2 %	1.3 %	20.6 %	23.5 %	15.5 %	13.1 %	9.2 %	2.7 %	28.3 %	20.7 %	8.5 %	8.7 %
		-13	6	-23	1	2					20	4
												-22
												8
									47	-36	47	-36
									47	-36	47	-51
	-17	5	218	271	69	62	24	9	47	-36	524	427
	50	61	28	50	12	6			16	26	290	292
	8,197	8,933	2,786	3,663	706	676	34	38			20,413	22,319
	1.4 %	1.6 %	9.5 %	9.8 %	11.8 %	11.4 %	70.4 %	24.7 %			4.1 %	3.9 %
	14,999	13,807	13,842	13,606	2,545	2,467	52	55			56,811	53,572
	15,149	13,391	13,938	13,560	2,564	2,455	52	55			57,199	53,085

Notes to the interim Group accounts

Accounting and consolidation principles

The interim Group accounts for HeidelbergCement AG as of 30 June 2010 were prepared according to the International Financial Reporting Standards (IFRS) for interim reporting as applicable in the European Union.

The same accounting and valuation methods were principally applied as in the preparation of the Group annual accounts as of 31 December 2009, as well as IAS 34 "Interim Financial Reporting".

The announcements or amendments to announcements issued by the IASB listed below are applicable for the first time in the 2010 financial year:

- Amendments to IFRS 2 (Group Cash-settled Share-based Payment Transactions)
- Amendments to IFRS 3 (Business Combinations)
- Amendments to IAS 27 (Consolidated and Separate Financial Statements)
- Amendments to IFRIC 9 and IAS 39 (Embedded Derivatives)
- IFRIC 18 (Transfer of Assets from Customers)
- 2009 annual improvement process.

The amendments relevant for the HeidelbergCement Group relate to the revised versions of IFRS 3 and IAS 27.

The revisions to IFRS 3 and IAS 27 have resulted in amendments to the accounting of business combinations.

The major changes from the previous version of IFRS 3 can be summarised as follows: Minority interests may now be shown either at fair value or as their proportionate interest in the net identifiable assets. Transaction costs connected with the acquisition of companies are expensed immediately as incurred. Contingent considerations are measured at fair value and recognised either as a liability or as shareholders' equity. Changes in the fair value after the acquisition date are no longer recognised as an adjustment to goodwill but are instead recognised in profit or loss. The aforementioned amendments may affect the amount of goodwill, the minority interests, and the profit for the financial year.

For successive business combinations, a revaluation of the existing shareholders' equity ratios takes place at the acquisition date. Gains or losses arising from the revaluation are recognised in profit or loss.

The major amendments to IAS 27 relate to the accounting of changes in ownership interests as well as minority interests. Changes in the ownership interest that do not result in the loss of control are recognised as equity transactions between owners and do not lead to recognition of revenue, nor to any adjustment to goodwill. If there is a loss of control, the assets and liabilities of the subsidiary are derecognised under consideration of their impact on profit or loss. Remaining shares are now recognised at fair value. Differences between the existing carrying amount and the fair value are recognised in profit or loss. Shares of losses are now attributable to minorities even if this means that the minority interests are negative.

The interim Group accounts as of 30 June 2010 were not subject to any audits or reviews.

Seasonal nature of the business

The production and sales of building materials are seasonal due to the regional weather patterns. Particularly in our important markets in Europe and North America, business figures of the first and fourth quarters are adversely affected by the winter months, whereas the warmer months contribute to higher sales and profit numbers in the second and third quarters.

Segment reporting

With effect from the beginning of the 2010 financial year HeidelbergCement has reorganised its reporting structure. It is now geographically divided into six Group areas: Western and Northern Europe, Eastern Europe-Central Asia, North America, Asia-Pacific, Africa-Mediterranean Basin, and Group Services. The Western and Northern Europe area includes the Benelux countries, Denmark, Germany, the United Kingdom, Norway, Sweden, and the Baltic States. Bosnia-Herzegovina, Georgia, Kazakhstan, Croatia, Poland, Romania, Russia, the Czech Republic, Slovakia, the Ukraine, and Hungary are part of the Eastern Europe-Central Asia Group area. North America remains unchanged and is made up of the United States and Canada. Asia-Pacific consists of Bangladesh, Brunei, China, India, Indonesia, Malaysia, Singapore, as well as Australia, and the Africa-Mediterranean Basin Group area comprises our activities in Africa, Israel, Spain, and Turkey. As in the past, our trading activities are bundled within the Group Services unit.

Our main activities, cement and aggregates, are reflected separately in the reporting segments. The building products business line remains unchanged, and in the Concrete, Service, and Others section we mainly report on downstream activities, such as ready-mixed concrete and asphalt.

The previous year's values have been restated accordingly.

Goodwill

An impairment test on goodwill is performed annually within the HeidelbergCement Group, in the fourth quarter once the operational three-year plan has been prepared, or if there are reasons to suspect impairment. On 30 June 2010, management conducted sensitivity analyses with respect to the discount rates for those units that, as already indicated in the 2009 Annual Report, exhibit a less extensive scope for assessment. They did not necessitate the recognition of impairment.

Business combinations

On 13 May 2010, HeidelbergCement acquired the remaining 50% of the shares in the joint venture Pioneer North Queensland Pty Ltd, thus further strengthening its activities in Australia. The purchase price amounted to EUR 11,434,000 and was paid in cash. The company was previously accounted for using the equity method. The fair value of the equity participation amounted to EUR 11,434,000. The revaluation of the shareholding resulted in a loss of EUR 1,140,000, which was recognised in the additional ordinary expenses.

The purchase price allocation has not yet been completed. The provisional fair values of the identifiable assets and liabilities, which are based on the carrying amounts, are shown in the following table.

Preliminary amounts recognised for assets and liabilities as of the acquisition date		
EUR '000s		30 June 2010
Intangible assets		336
Tangible fixed assets		13,314
Deferred taxes		466
Stocks		610
Trade receivables		3,570
Other short-term receivables and other assets		1,637
Cash at bank and in hand		580
Total assets		20,513
Provisions		184
Liabilities		7,887
Total liabilities		8,071
Net assets		12,442

The provisionally recognised goodwill of EUR 9,275,000, which is not deductible for tax purposes, reflects the synergy potential arising from the business combination.

Since the acquisition date, Pioneer North Queensland has contributed EUR 2,671,000 to the turnover and EUR 334,000 to the profit for the financial year. If the business combination had taken place at the beginning of the year, the Group's turnover would have been EUR 11,764,000 higher and the profit for the financial year EUR 319,000 higher.

Turnover development by Group areas and business lines January - June 2010	Cement		Aggregates		Building products		Concrete Service Other		Intra Group eliminations		Total	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
	EURm											
Western and Northern Europe	790	765	313	367	265	210	769	741	-277	-276	1,861	1,807
Eastern Europe-Central Asia	475	372	49	48			113	101	-42	-38	595	482
North America	423	411	381	403	371	330	375	362	-129	-142	1,420	1,363
Asia-Pacific	546	758	163	198	16	14	385	417	-87	-136	1,025	1,251
Africa-Med. Basin	297	320	46	41			129	132	-33	-34	439	459
Total	2,531	2,626	952	1,056	652	554	1,771	1,754	-568	-627	5,339	5,363
Group Services											259	346
Inter-area turnover											-228	-233
Continuing operations											5,370	5,476

Exchange rates		Exchange rates at reporting day		Average exchange rates	
EUR		31 Dec. 2009	30 June 2010	01- 06 / 2009	01- 06 / 2010
USD	US	1.4316	1.2234	1.3345	1.3276
AUD	Australia	1.5956	1.4566	1.8713	1.4861
CAD	Canada	1.5058	1.3019	1.6087	1.3731
CNY	China	9.7720	8.2965	9.1176	9.0618
GBP	Great Britain	0.8862	0.8185	0.8929	0.8704
GEL	Georgia	2.3846	2.2316	2.2101	2.3265
GHC	Ghana	2.0674	1.7534	1.8384	1.9042
HKD	Hong Kong	11.0995	9.5274	10.3447	10.3170
IDR	Indonesia	13,457.04	11,112.14	14,720.83	12,189.97
INR	India	66.4262	56.8147	65.6054	60.6852
KZT	Kazakhstan	212.5497	180.2680	193.4363	195.4591
MYR	Malaysia	4.8989	3.9663	4.7843	4.3852
NOK	Norway	8.2938	7.9448	8.9079	8.0263
PLN	Poland	4.0955	4.1351	4.4700	4.0095
RON	Romania	4.2327	4.3569	4.2289	4.1595
RUB	Russia	43.3932	38.2423	44.1264	39.9447
SEK	Sweden	10.2505	9.5090	10.8697	9.8052
CZK	Czech Republic	26.3085	25.6767	27.1284	25.7477
HUF	Hungary	269.0835	284.5628	289.4448	272.2061
TZS	Tanzania	1,899.49	1,704.87	1,752.24	1,799.63
TRY	Turkey	2.1402	1.9351	2.1524	2.0226

Financing

On 19 January 2010, HeidelbergCement issued two Eurobonds to national and foreign institutional investors with a total issue volume of EUR 1.4 billion: one bond of EUR 650 million with a term of 5 years and a second of EUR 750 million with a term of 10 years. The bonds have fixed interest rates of 6.5 % p.a. for the 5-year term and 7.5 % for the 10-year term. The issue prices were 98.8561 % and 98.2192 %, giving yields to maturity of 6.75 % and 7.75 % respectively. The bonds are unsecured and rank pari passu with all other capital market debts. The proceeds from the issue were exclusively used for the repayment of the syndicated loan from June 2009.

To secure liquidity in the long term, HeidelbergCement arranged and concluded a new syndicated credit line with a volume of EUR 3 billion, with a group of 17 banks, on 27 April 2010. The new credit line refinanced the remaining liabilities from the credit agreement concluded in June 2009 with 60 banks and a term ending in December 2011. Primarily intended as a liquidity reserve, the new credit line has a term ending on 31 December 2013. This increases HeidelbergCement's financial and operational flexibility. At the same time, it significantly reduced the lender's collateral in comparison with the previous credit agreement.

Changes in estimations in pension provisions

The actuarial gains and losses were adjusted for the material countries based on the discount rates applicable as at the closing date.

Related parties disclosures

No reportable transactions with related parties took place in the reporting period beyond normal business relations.

Contingent liabilities

Since 31 December 2009, there have been no significant changes in contingent liabilities.

Events after the balance sheet date

On 1 July 2010, HeidelbergCement issued a Eurobond with an issue volume of EUR 650 million and a term ending on 15 December 2015 via its EUR 10 billion EMTN programme. The bond has a fixed interest rate of 6.75 % p.a. The issue price was 99.444 %, giving a rate of return of 6.875 %. The bond is unsecured and ranks pari passu with all other capital market debt. As with the Eurobonds issued in January 2010 and October 2009, the bond terms and conditions include a limitation on incurring additional debt. The proceeds from the issue of the bond were used to further improve our maturity profile.

HeidelbergCement and IFC, a member of the World Bank Group, signed an agreement in May 2010 to strengthen and support HeidelbergCement's activities in the countries south of the Sahara. IFC and its finance partner will acquire a minority participation in HeidelbergCement's African activities, putting in up to USD 180 million. The first part, with a volume of USD 60 million, will be completed at the end of July 2010.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Heidelberg, 30 July 2010

HeidelbergCement AG

The Managing Board

The Company has its registered office in Heidelberg, Germany.
It is registered with the Commercial Register at the Local Court
of Mannheim (Amtsgericht Mannheim) under HRB 330082.

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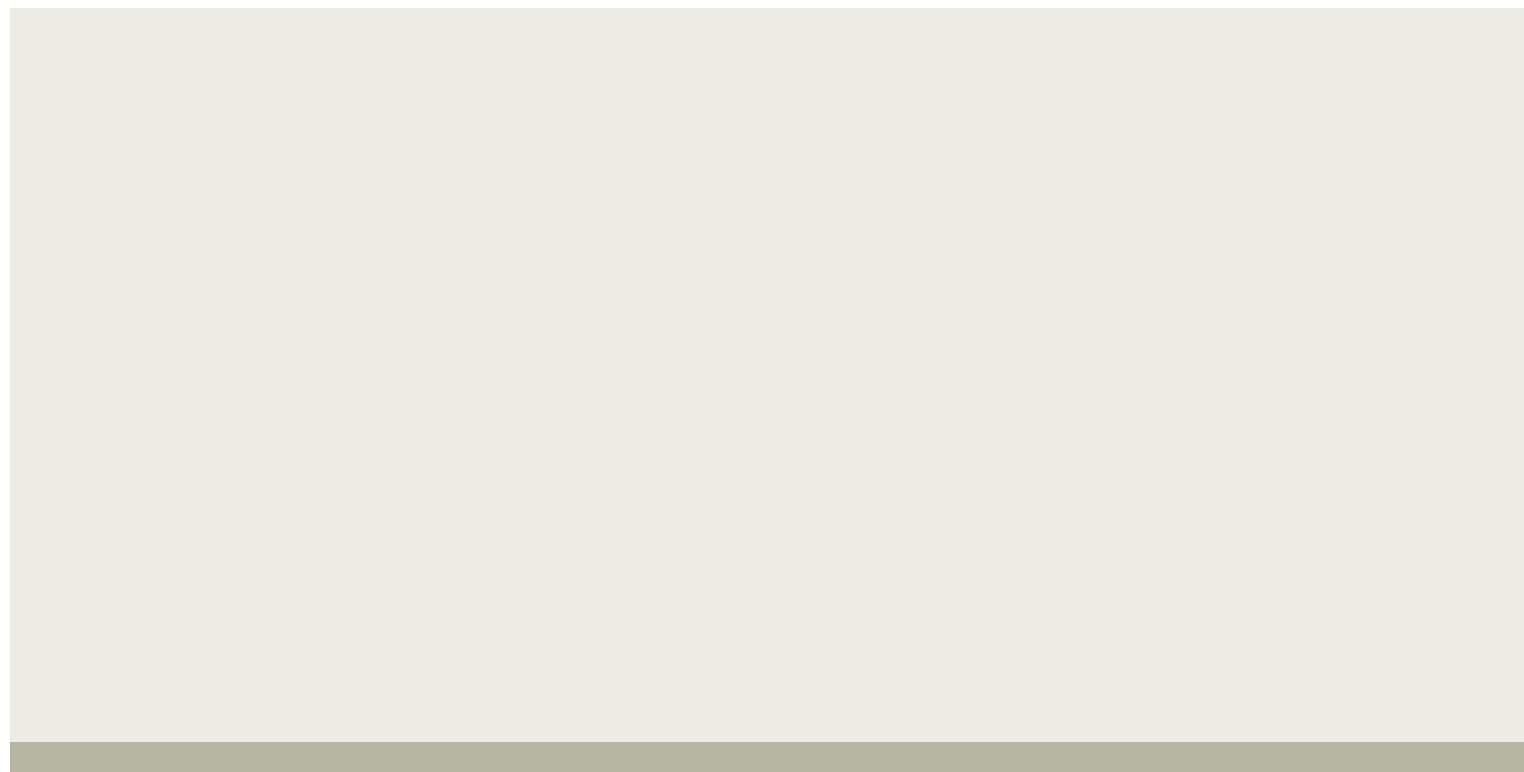
Financial calendar

Interim Financial Report January to September 2010

4 November 2010

Annual General Meeting 2011

5 May 2011



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