Interim Financial Report

January to September 2011

HEIDELBERGCEMENT

Highlights and outlook 2011

- **Sales volumes of cement (+11.1 %), aggregates (+5.4 %), and ready-mixed concrete (+11.6 %) increase in comparison with previous year**
- **Group turnover at EUR 9.6 billion (+8.4 % compared with previous year)**
- **Operating income before depreciation (OIBD) at EUR 1,682 million (+2.5 % compared with previous year)**
- **Profit for the period rises to EUR 404 million (+8.6 % compared with previous year)**
- **"FOX 2013" savings programme exceeds expectations – already EUR 251 million cash savings achieved**
- **Well prepared for continuing volatility of financial markets: net debt reduced to EUR 8.5 billion – successful refinancing of maturities in difficult market environment**
- **Targets and outlook for 2011 unchanged: continued economic recovery at a slower pace – no recession expected in North America and Europe, provided the European Summit decisions are implemented**

Overview January to September 2011	July - September		January - September	
EURm	2010	**2011**	2010	**2011**
Turnover	3,401	**3,624**	8,877	**9,620**
Operating income before depreciation (OIBD)	777	**778**	1,642	**1,682**
in % of turnover	22.8 %	**21.5 %**	18.5 %	**17.5 %**
Operating income	573	**562**	1,047	**1,063**
Additional ordinary result	18	**-30**	-33	**-28**
Result from participations	13	**16**	17	**38**
Earnings before interest and income taxes (EBIT)	604	**548**	1,031	**1,073**
Profit before tax	441	**403**	464	**635**
Net income from continuing operations	379	**321**	396	**423**
Net loss from discontinued operations	-11	**-5**	-24	**-19**
Profit for the period	368	**316**	372	**404**
Group share of profit	322	**268**	243	**266**
Investments	218	**225**	506	**582**

Due to rounding, numbers presented in the Interim Financial Report may not add up precisely to the totals provided.

Interim Group management report

Business trend January to September 2011

Economic environment

The growth of the global economy is continuing, but the economic dynamics have weakened noticeably as a result of the European sovereign debt crisis and the associated uncertainties. The economic development still clearly differs from region to region: the national economies of Asia, particularly China and India, remain on a growth track, albeit at a slightly weakened pace; Africa is also recording solid growth. In contrast, the economic recovery in the industrialised countries of Europe and North America is progressing significantly more slowly than originally expected; the US, in particular, is still falling short of expectations.

Increase in sales volumes continued in the third quarter

Thanks to sustained growth in Asia-Pacific and Africa, as well as improving markets in North America and Europe, the sales volumes for cement, aggregates, and ready-mixed concrete in the third quarter of 2011 were above the figures for the same quarter of the previous year. In North America, the sales volumes recovered after the severe spell of adverse weather in the second quarter and exceeded the previous year's level significantly.

In the first nine months, the Group's cement and clinker sales volumes rose by 11.1% to 65.4 million tonnes (previous year: 58.8); excluding consolidation effects, the increase amounted to 8.9%. The Western and Northern Europe, Eastern Europe-Central Asia, and Africa-Mediterranean Basin Group areas reported double-digit growth rates. In Asia-Pacific, Indonesia's demand continued to develop strongly and was thus able to more than compensate for slightly declining sales volumes in China and Bangladesh. Cement sales volumes in North America also exceeded the previous year's level following a considerable recovery in the third quarter. Group-wide deliveries of aggregates grew by 5.4% to 191.1 million tonnes (previous year: 181.3); adjusted for consolidation effects, the increase amounted to 5.2%. Deliveries of ready-mixed concrete rose by 11.6% to 29.2 million cubic metres (previous year: 26.2). Asphalt sales volumes grew by 6.2% to 7.2 million tonnes (previous year: 6.8); excluding consolidation effects, the increase amounted to 5.8%.

Sales volumes	January - September		
	2010	2011	Change
Cement and clinker (million tonnes)	58.8	**65.4**	11.1%
Aggregates (million tonnes)	181.3	**191.1**	5.4%
Asphalt (million tonnes)	6.8	**7.2**	6.2%
Ready-mixed concrete (million cubic metres)	26.2	**29.2**	11.6%

Development of turnover and results

On the basis of the increases in sales volumes, Group turnover rose considerably from January to September 2011, by 8.4%, to EUR 9,620 million (previous year: 8,877). All Group areas, with the exception of North America, achieved double-digit growth rates. Negative exchange rate effects, particularly in relation to the US dollar, were largely offset by positive effects arising from the change in the consolidation scope in Africa, Australia, and Eastern Europe.

In the reporting period, material costs increased by 13.1% to EUR 3,992 million (previous year: 3,530). In particular, the disproportionately strong cost increases of 23.5% for energy and 11.9% for raw materials were only partly compensated for by price increases in some markets. The other operating expenses rose by 12.0% to EUR 2,631 million (previous year: 2,349), because of higher freight costs in particular.

Operating income before depreciation (OIBD) rose by 2.5% to EUR 1,682 million (previous year: 1,642). The increase of EUR 24 million in depreciation, which brought the figure to EUR 619 million (previous year: 595), is essentially attributable to depreciation on purchased emission rights. Operating income rose to EUR 1,063 million (previous year: 1,047).

The additional ordinary result improved by EUR 5 million to EUR -28 million (previous year: -33), primarily because of lower restructuring expenses during the reporting period. The results from participations rose by EUR 21 million to EUR 38 million (previous year: 17). Besides improved results in the reporting period, impairments also impacted the previous year results.

Financial result improved by EUR 128 million to EUR -438 (previous year: -566). Interest expenses decreased by EUR 47 million to EUR 464 million (previous year: 511) as a result of the decline in net debt and the improved interest terms. The other financial result rose significantly, by EUR 98 million to EUR -28 million (previous year: -126). In the previous year, this item included extraordinary depreciation connected with the reorganisation of the financing structure.

The profit before tax from continuing operations increased to EUR 635 million (previous year: 464). Expenses relating to taxes on income rose by EUR 143 million to EUR 212 million (previous year: 69). The figure was primarily characterised by non-capitalised deferred taxes on losses carried forward in North America. As a result, the effective tax rate changed in comparison with the previous year, from 18.5% to 33.3%. Net income from continuing operations amounted to EUR 423 million (previous year: 396).

Overall, the profit for the reporting period amounts to EUR 404 million (previous year: 372). The profit attributable to minority interests rose by EUR 9 million to EUR 138 million (previous year: 129). The Group share of profit therefore amounts to EUR 266 million (previous year: 243).

Earnings per share – Group share of profit – in accordance with IAS 33 increased to EUR 1.42 (previous year: 1.30).

The statement of comprehensive income and the derivation of the earnings per share are shown in detail in the Notes.

"FOX 2013" programme exceeds expectations for 2011

In the third quarter, the three-year programme for financial and operational excellence presented at the start of January ("FOX 2013") has already exceeded significantly the savings goal of EUR 200 million set for 2011. Cash-relevant savings of EUR 251 million have already been achieved in the first nine months of the year. This was primarily due to savings generated to offset the considerable rise in the energy cost indices, as well as efficiency improvements and energy cost savings in the context of the "OPEX" programme. Significant improvements were also made in working capital.

Cash flow statement

The cash inflow from operating activities decreased in the first nine months of 2011 by EUR 161 million to EUR 245 million (previous year: 405). Adjusted for one-off effects of EUR 206 million from the previous year, of which EUR 113 million related to tax refunds in North America and EUR 93 million to interest received from the settlement of interest rate swaps, the cash inflow from operating activities improved by EUR 45 million.

Reduced net interest outflows of EUR 83 million connected with the improved financing structure and lower net debt, as well as the decrease of EUR 59 million in payments for provisions, also had a positive impact. This was counteracted by the increase of EUR 22 million in tax payments because of improved results.

The cash outflow from the change in working capital rose by EUR 22 million to EUR 630 million (previous year: 608), with the turnover-related rise in operating receivables more than offset by a simultaneous rise in operating liabilities. In the reporting period, the cash outflow from operating liabilities includes an additional one-off payment of EUR 10 million to Saint Gobain in connection with the sale of the discontinued maxit Group business in 2008.

The cash outflow from investing activities rose by EUR 64 million to EUR 474 million (previous year: 410), which is primarily due to increased investments in tangible fixed assets for replacement and capacity expansions.

The cash inflow from financing activities amounts to EUR 296 million (previous year: 85) and is primarily characterised by the net proceeds from bonds and loans of EUR 407 million (previous year: 118). In the previous year, proceeds of EUR 45 million (USD 60 million) from the sale of around 6% of the African activities of the Scancem International Group to IFC and its finance partners were included in the financing activities. Dividend payments led to a cash outflow of EUR 103 million (previous year: 73).

Investments

In the first nine months of 2011, cash flow investments rose by 15.1% to EUR 582 million (previous year: 506). Investments in tangible fixed assets (including intangible assets), which relate to optimisation and environmental protection measures at our production sites, but also expansion projects in growth markets, accounted for EUR 522 million (previous year: 420) of this total. Investments in financial fixed assets and other business units amounted to EUR 60 million (previous year: 86); in addition to smaller acquisitions to round off shareholdings, these primarily related to the acquisition of 100% of the shares in the aggregates companies Ledinge Fastighets AB in Sweden and Galli Quarries Pty Ltd in Australia as well as the purchase of the operations of a limestone quarry in Spain.

Balance sheet

The balance sheet total rose by EUR 434 million to EUR 27,811 million (previous year: 27,377) as at 30 September 2011.

The decrease of EUR 370 million in fixed assets to EUR 21,987 million (previous year: 22,357) is mainly due to exchange rate effects. Currency exchange fluctuation had an effect of EUR -124 million on goodwill and EUR -169 million on tangible fixed assets. Additions of EUR 535 million to tangible fixed assets were offset by depreciation of EUR 573 million. Changes in the consolidation scope had no significant impact on the fixed assets.

The short-term assets increased by EUR 798 million to EUR 5,131 million (previous year: 4,333). Despite increased business activities, the stocks remained almost constant at EUR 1,506 million (previous year: 1,486). As a result of seasonal factors and growth, trade receivables rose by EUR 633 million to EUR 2,063 million (previous year: 1,430). Cash increased by EUR 65 million to EUR 935 million (previous year: 870). The changes are explained in the cash flow statement section.

On the liabilities side, the shareholders' equity decreased by EUR 52 million to EUR 12,832 million (previous year: 12,884). This was primarily due to dividend payments of EUR -103 million, currency exchange fluctuation of EUR -280 million, and the profit for the period of EUR 404 million. The statement of changes in equity is explained in detail in the Notes.

The rise of EUR 441 million in interest-bearing liabilities, which reached EUR 9,588 million (previous year: 9,147), was primarily the result of taking out short-term bank loans. The increase of EUR 148 million in operating liabilities to EUR 2,236 million (previous year: 2,088) is mainly attributable to measures taken to optimise the working capital. Provisions remained almost unchanged, with a decline of EUR 54 million to EUR 2,146 million (previous year: 2,200).

Financing

On 18 March 2011, Standard & Poor's upgraded HeidelbergCement's long-term rating to BB and maintained the positive outlook. The rating agency's decision took into account the continuation of the consistent debt reduction and the prudent stance towards investments and dividend distribution.

On 9 May 2011, Fitch Ratings raised HeidelbergCement's long-term Issuer Default Rating (IDR) to BB+. As rationale, Fitch highlighted the company's improved maturity profile and liquidity as well as the view that the stringent execution of cost-cutting programmes and working capital management should allow HeidelbergCement to improve cash flow from operations in both 2011 and 2012.

On 31 May 2011, Moody's Investors Service raised HeidelbergCement's Corporate Family rating to Ba1. As rationale, Moody's highlighted the company's sound performance in the first quarter and the agency's expectation that HeidelbergCement will continue to perform well in 2011 leading to further deleveraging and improved credit metrics.

The current ratings from Standard & Poor's, Moody's, and Fitch Ratings are now BB/B, Ba1/NP, BB+/B. Already two rating agencies thus regard HeidelbergCement as being just one notch away from its targeted investment grade rating.

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 2,360 million and the consolidated interest expense of EUR 654 million are calculated on a pro forma basis in accordance with the terms and conditions of the bonds. As at 30 September 2011, the consolidated coverage ratio amounted to 3.61.

The net financial liabilities decreased by EUR 148 million in comparison with 30 September 2010, amounting to EUR 8,499 million (previous year: 8,647) as at 30 September 2011. The increase of EUR 353 million in comparison with the end of 2010 is primarily due to increased tax payments and investments.

The available liquidity from cash and cash equivalents, liquidable financial investments and derivative financial instruments, and unused credit lines amounted to EUR 3,392 million as at the end of September 2011.

Western and Northern Europe

In the countries of the Western and Northern Europe Group area, the upward economic trend continued in the first nine months of 2011, but the economy has cooled considerably because of the European sovereign debt crisis and the associated uncertainties. According to forecasts, the German economy should have achieved strong growth again in the third quarter following the weak second quarter; residential and commercial construction, in particular, benefited from the healthy economic situation. While Norway and Sweden have so far recorded a solid upturn and lively construction activity, construction activity in the United Kingdom was significantly impaired by the weak economic development. Overall, besides the mild weather at the start of the year, the recovery of the construction industry also had a positive impact on demand for building materials in the Group area during the first nine months. This meant that our core activities of cement, aggregates, and ready-mixed concrete were able to achieve double-digit increases in sales volumes.

In the cement business line, our domestic deliveries in the first nine months of the year significantly exceeded the previous year's level in all countries. Germany achieved the biggest increase in domestic shipments, followed by Sweden, Norway, the Baltic States, and the Benelux countries. In the United Kingdom, besides our cement shipments the deliveries of blast furnace slag, in particular, recorded pleasing growth. Germany, the Benelux countries, and our cement plant in Kunda, Estonia, increased their cement and clinker exports significantly. Overall, our cement and clinker sales volumes in Western and Northern Europe rose by 11.2 % in the reporting period to 16.7 million tonnes (previous year: 15.0).

As at the end of September 2011, deliveries of aggregates were considerably above the previous year's level in most countries. The aggregates operating line also achieved a slight increase in volumes in the United Kingdom. The Group area's aggregates sales volumes increased by 13.6 % to 59.8 million tonnes (previous year: 52.7). In order to expand our activities in Sweden, we acquired an aggregates company north of Stockholm at the end of January 2011.

The upward trend also continued in the ready-mixed concrete operating line. All countries recorded substantial volume increases. Overall, ready-mixed concrete sales volumes rose by 16.6 % to 10.4 million cubic metres (previous year: 8.9). The sales volumes of the asphalt operating line were 7.9 % above the previous year's level.

The building products business line essentially comprises Hanson's building products in the United Kingdom. All operating lines – bricks, precast concrete parts, masonry blocks, lightweight blocks, and concrete paving – were able to achieve volume increases. Thanks to the capacity adjustments and cost reduction measures introduced at an early stage, we were able to cushion the significant rise in energy and raw material costs to some extent.

The turnover of the Western and Northern Europe Group area rose by 12.3 % to EUR 3,262 million (previous year: 2,904); excluding consolidation and exchange rate effects, the increase amounted to 12.2 %.

Eastern Europe-Central Asia

In the Eastern Europe-Central Asia Group area, construction activity in some countries such as Hungary, the Czech Republic, and Romania is still significantly impaired by the fact that only a hesitant economic recovery is in progress. However, the economy and construction activity have regained momentum in the majority of countries. Our sales volumes of building materials are showing a pleasing upward trend, particularly in Russia, Poland, Kazakhstan, and Georgia. Demand for our building materials in Ukraine has also improved considerably.

In the cement business line, sales volumes increased substantially in most countries in the first nine months; however, in Bosnia-Herzegovina, our cement deliveries remained significantly below the previous year. The overall positive development was boosted not only by relatively mild weather in the first quarter but also by the sustained recovery in construction activity. In Russia, our sales volumes increased by a factor of more than two and a half. Besides the healthy market development, this was also due to the consolidation of the cement company CJSC "Construction Materials" in the Republic of Bashkortostan, in which we acquired the majority share in 2010. We also achieved strong increases in sales volumes in Ukraine, Kazakhstan, and particularly in Georgia and Poland. Overall, the cement and clinker sales volumes of the Group area grew by 24.0 % to 13.4 million tonnes (previous year: 10.8) in the first nine months. Excluding consolidation effects, the rise amounted to 14.8 %.

At the end of March 2011, we completed the expansion of the clinker capacity at the Górazdze cement plant in Poland on schedule. At the beginning of April, the modernised kiln line No 2 started operation with a capacity of 6,000 tonnes of clinker per day. In a further project phase, the cement grinding capacity will also be expanded by approximately 1.2 million tonnes per year, with a new mill set to be constructed by mid-2012. In order to benefit from the growing construction activity and rising cement demand in western Georgia, we commissioned a new cement terminal in Supsa, a harbour city on the Black Sea, on 1 April 2011. Since June 2011, we have also supplied the Arkhangelsk region in Russia with cement from our plant in Kjøpsvik, Norway, via a new import terminal. The TulaCement plant, located around 150 kilometres south of Moscow in the Tula region, which was inaugurated in July, is in the phase of commissioning. The plant, equippped with state-of-the-art technology, has an annual cement production capacity of 2 million tonnes. The construction of the Caspi Cement plant in western Kazakhstan, near the city of Aktau, with a capacity of 0.8 million tonnes is proceeding according to plan; the plant, which should commence operation by mid-2013, will strengthen our nationwide presence and allow us to supply the oil- and gas-rich region on the Caspian Sea more cost-effectively.

Sales volumes also recovered considerably in the majority of countries in the aggregates business line. While deliveries of aggregates in the Czech Republic and Slovakia remained below the previous year's level because of declining infrastructure activity, the other countries of the Group area achieved double-digit growth rates. Overall, our aggregates activities in the Group area achieved a 7.4% increase in volumes to 16.0 million tonnes (previous year: 14.9). Ready-mixed concrete deliveries rose by 19.1% to 3.4 million cubic metres (previous year: 2.8).

The turnover of the Eastern Europe-Central Asia Group area rose by 23.8% to EUR 1,070 million (previous year: 864); excluding consolidation and exchange rate effects, the increase amounted to 17.2%.

North America

In the North America Group area, HeidelbergCement is represented in the US and Canada. Although the upward movement in the US economy is continuing, the economic recovery is progressing significantly more slowly than initially assumed. The persistent high unemployment and the low level of consumer confidence in the US with regard to future economic development are adversely affecting both private consumption and residential construction. The markets for residential and industrial property continue to be characterised by significant oversupply. The spending cuts made by the US government as well as the US states and municipalities are also putting a strain on the construction industry.

The cement sales volumes of the North America Group area recorded substantial growth of 10.0% in the third quarter. Overall, cement deliveries from our North American plants rose by 4.5% to 7.9 million tonnes (previous year: 7.6) in the first nine months. In the North market region, where construction activity was heavily impaired by the harsh winter weather, sustained spring rainfall and flooding in the Midwest, and in September by severe storms in the Northeast, our cement deliveries as at the end of September were still slightly under the previous year's level. In contrast, the South and in particular the West market regions achieved considerable volume increases. In the Canada region, our cement sales volumes recovered noticeably in the third quarter thanks to the strong oil and gas industry, which meant that the figures almost reached the previous year's level by the end of September.

In the aggregates business line, our deliveries benefited in the third quarter from a significant rise in demand in the South region and particularly in the Canada region. In the first nine months, sales volumes were still in decline only in the North region, while the South region reached the previous year's level and the West region, and especially Canada, achieved a pleasing increase. Overall, the aggregates sales volumes suffered a slight decline of 0.8% in the first nine months and were just under the previous year's level at 79.5 million tonnes (previous year: 80.1).

Deliveries of ready-mixed concrete rose by 5.5% in comparison with the previous year to 4.3 million cubic metres (previous year: 4.1). In the asphalt operating line, increases in sales volumes in the West region could not offset the decline in the North region, resulting in an overall decrease of 6.8% in asphalt deliveries to 2.6 million tonnes (previous year: 2.8).

In the building products business line, which is heavily dependent on residential construction, the bricks, paving blocks, and particularly the roof tiles operating lines recorded significant decreases in volumes. While overall sales volumes of concrete pipes were slightly below the previous year's level, we recorded a strong volume increase in Canada. Significant increases were achieved by the pressure pipes and precast concrete parts operating lines. Thanks to the cost reduction programmes, the business line's results have improved substantially in comparison with last year.

Total turnover in North America decreased by 2.4% to EUR 2,261 (previous year: 2,318) million; excluding exchange rate effects, turnover grew by 4.4%.

Asia-Pacific

The emerging countries of Asia remained on course for growth in the first nine months of 2011, although the economic dynamics weakened increasingly. In China, economic growth in the third quarter cooled in comparison with the previous year to 9.1%; however, a substantial increase of 2.3% was recorded in comparison with the previous quarter. An economic slowdown was also noticeable in India. The consistently high inflation pressure in the Asian national economies remains a cause for concern. Although the Australian economy was badly hit by the flood disaster and cyclones in the first quarter, it regained momentum in the subsequent months thanks to the strong demand from Asia for raw materials.

During the first nine months, the cement and clinker deliveries of the Asia-Pacific Group area grew by 5.7% to 20.7 million tonnes (previous year: 19.6). In Indonesia, our subsidiary Indocement benefited from the extremely lively construction activity, particularly in residential and high-rise construction. In view of the rapidly growing domestic market, Indocement reduced its lower-margin export deliveries substantially; the cement and clinker sales volumes increased by 12.0% overall. The substantial rise in costs, particularly for fuels, could only be partially offset by price increases. In order to meet the rising domestic demand for cement, Indocement has started a project for the construction of a further cement grinding facility at the Citeureup production site with a capacity of 2 million tonnes, which is scheduled for commissioning in 2013.

In China, the sales volumes of our joint ventures in the provinces of Guangdong and Shaanxi in the first nine months were still slightly below the previous year's level, despite a pleasing increase in the third quarter. The decline is primarily due to production downtimes following a quarry accident in the first quarter and a weakening of infrastructure activity in Guangdong following the conclusion of the Asian Games. While a positive price development was recorded in Guangdong, cement prices in Shaanxi fell significantly because of excess capacities and the fact that the market consolidation has not yet been completed.

In India, cement demand lost momentum as a result of the government's continued restraint in the area of infrastructural projects and the weakening of the property sector. As at the end of September 2011, the deliveries of our Indian cement plants were 4.4% above the previous year's level thanks to a significant recovery in the third quarter. Following a substantial increase in the first quarter, cement prices fell again in the subsequent months because of the weakening of growth and the monsoon. A price recovery commenced in September, with the end of the monsoon season; in central India, in particular, we were able to raise prices significantly.

The expansion of our cement capacities in central India by 2.9 million tonnes is proceeding according to schedule. We are planning to commission the new facilities in our Damoh and Jhansi plants in the first quarter of 2012. HeidelbergCement will then have a total capacity of 6 million tonnes in India. In addition, we will increase the cement capacity of the Raigad grinding facility near Mumbai by 0.6 million tonnes by 2013.

In Bangladesh, prolonged rainfall and nationwide strikes hampered construction activity. As a result, our sales volumes in the first nine months remained below the previous year. At the Chittagong grinding plant, we completed the construction of an additional cement mill with a capacity of 0.8 million tonnes on schedule; commissioning will follow in November 2011. In Australia, the sales volumes of the proportionately consolidated cement company Cement Australia were adversely affected by the flood disaster that occurred at the beginning of the year.

Deliveries of aggregates rose significantly in all Group countries. Malaysia, Indonesia, and China, in particular, recorded a substantial increase; however, the development of volumes in Australia was also pleasing. Overall, sales volumes of aggregates rose by 14.5% to 27.8 million tonnes (previous year: 24.3). In Australia, we acquired an aggregates company at the beginning of August 2011 to secure our aggregates reserves in the Melbourne metropolitan region.

The asphalt activities benefited from the market recovery in Malaysia, with a volume increase of 28.6%. Deliveries of ready-mixed concrete increased by 10.2% to 7.2 million cubic metres (previous year: 6.5); a particularly strong contribution was made by Indonesia, where sales volumes more than doubled.

The turnover of the Asia-Pacific Group area rose by 11.2% to EUR 2,133 million (previous year: 1,918); excluding consolidation and exchange rate effects, the increase amounted to 9.1%.

Africa-Mediterranean Basin

The majority of African countries south of the Sahara are continuing to experience dynamic economic development and lively construction activity. Construction activity in Turkey is also benefiting from the sustained economic boom. In contrast, the construction industry in Spain is still suffering as a result of the property crisis, high unemployment, and the government's budget cuts.

In Africa, our cement deliveries achieved a considerable increase of 20.3% in the first nine months of 2011. Ghana, Gabon, Sierra Leone, Tanzania, and Benin made a particularly strong contribution to this growth, as did the consolidation of the cement activities in the Democratic Republic of Congo acquired in September 2010. Excluding the consolidation effect, the growth in sales volumes amounted to 12.1%.

In light of the good growth prospects, HeidelbergCement is expanding its activities in Africa. A new cement mill is currently under construction in Liberia and is set to be commissioned in 2012. We are also expanding our cement production capacity in Ghana with the construction of a new cement mill at the Tema grinding facility; the commissioning of the mill with a capacity of 1 million tonnes is scheduled for the fourth quarter of 2012. A greenfield cement grinding plant with a capacity of 650,000 tonnes is set to be commissioned in Burkina Faso in 2013. In the Democratic Republic of Congo, we intend to increase the cement capacity of the three plants from over 500,000 tonnes to more than 1.4 million tonnes in the coming years. In Tanzania, the modernisation and upgrading of cement kiln no. 3 should increase the clinker capacity of our Tanzania Portland Cement plant by 250,000 tonnes from the second quarter of 2012. We are also evaluating options for capacity expansions in other African countries.

Boosted by the lively construction activity in Turkey, the domestic cement sales volumes of our joint venture Akçansa increased by more than 11%. In view of the strong domestic market, cement prices could be increased substantially during the course of the year. Cement and clinker exports decreased considerably because of the unrest in North

Africa. Overall, the cement and clinker sales volumes of Akçansa were just below the previous year's level with a slight decrease of 0.7 %. In the Çanakkale plant, a facility for generating electricity from kiln waste heat was commissioned at the end of September 2011. The system will cover around 30 % of the entire electricity requirement of the plant and will also cut CO_2 emissions by 60,000 tonnes per year.

Overall, the cement and clinker sales volumes of the Africa-Mediterranean Basin Group area increased by 12.5 % to 6.9 million tonnes (previous year: 6.1). Excluding consolidation effects, the rise amounted to 7.3 %.

In the aggregates business line, declines in sales volumes in Spain and Turkey were more than offset by a pleasing increase in volumes in Israel. Overall, the Group area's deliveries of aggregates rose by 1.3 % to 10.8 million tonnes (previous year: 10.7). At the start of September 2011, we acquired the operations of a limestone quarry in Barcelona to secure raw material reserves.

Our asphalt activities recorded an increase of more than 30 % in sales volumes. Ready-mixed concrete deliveries rose by 3.3 % to 3.9 million cubic metres (previous year: 3.7); increases in volumes in Turkey and particularly in Israel more than compensated for the losses in Spain.

The turnover of the Africa-Mediterranean Basin Group area rose by 10.6 % to EUR 768 million (previous year: 694); excluding consolidation and exchange rate effects, the growth amounted to 11.7 %.

Group Services

HC Trading's trading activity in cement, clinker, and other building materials such as lime and dry mortar decreased by 11.0 % to 6.6 million tonnes in the first nine months (previous year: 7.4). The significant decline in cement and clinker deliveries to the Mediterranean Basin – particularly to North Africa – was not offset by growth in other regions. Deliveries of coal and petroleum coke, which HC Trading has only been conducting via sea routes since 2009, decreased by 4.0 % to 1.9 million tonnes (previous year: 2.0).

Until the beginning of 2011, the Group Services business unit also comprised our subsidiary HC Fuels, which was responsible – amongst other things – for the overland supply of Group-owned plants with coal and petroleum coke purchased on the international markets. In order to better co-ordinate energy purchasing across the Group, the purchase of fossil fuels and electricity was pooled together in the Group Purchasing department in the first quarter of 2011. The tasks formerly undertaken by HC Fuels were taken over by the Group Energy Purchasing team.

Turnover of the Group Services business unit decreased by 13.2 % to EUR 469 million (previous year: 541); excluding exchange rate effects, turnover fell by 7.4 %.

Employees

At the end of September 2011, the number of employees at HeidelbergCement stood at 54,335 (previous year: 54,742). The decrease of 407 employees results essentially from two opposing developments: on the one hand, the number of employees in the North America Group area decreased by more than 800 following the successful implementation of the "WIN NAM" programme to increase efficiency in sales and administration. A significant number of job cuts were also made in the United Kingdom and some Eastern European countries as a result of location optimisations and capacity adjustments. In the UK alone, the number of job cuts amounted to more than 200. On the other hand, the number of employees in Russia rose by around 1,000 as a result of the expansion of our cement capacities. This includes the consolidation of the CJSC "Construction Materials" cement plant in the Russian Republic of Bashkortostan, as well as the increase in the workforce for the new TulaCement plant south of Moscow.

Events after the balance sheet date

On 5 October 2011, we issued a Eurobond with an issue volume of EUR 300 million and a term ending on 15 December 2018 via our EUR 10 billion EMTN programme. The 7-year bond has a fixed interest rate of 9.50% p.a. The issue price was 99.304%, giving a rate of return of 9.625%. The bond is unsecured and ranks pari passu with all other capital market debt. As with the Eurobonds issued in January and July 2010 and in October 2009, the bond terms and conditions include a limitation on incurring additional debt. The proceeds from the issue of the bond are being used to refinance existing liabilities.

On 10 October 2011, we placed a further bond with an issue volume of CHF 150 million with a term ending on 14 November 2017. The settlement date will be 14 November 2011. The bond has a fixed interest rate of 7.25% p.a. The issue price was 100%, giving a rate of return of 7.25%. The bond is unsecured and ranks pari passu with all other capital market debt. Again, for this bond, the bond terms and conditions include a limitation on incurring additional debt. The proceeds from the issue of the bond are being used to refinance existing liabilities.

Through the issuance of the two bonds, we have increased our liquidity headroom and further optimised our maturity profile.

Outlook

The OECD and IMF still forecast a continuation of the global economic recovery for this year, although it should be somewhat weaker than in 2010. The growth rates in the emerging countries of Asia and Africa will remain significantly above those of the mature markets in North America and Europe. In the IMF's current forecast, the rates for worldwide economic growth have been revised downward slightly because of the sluggish nature of the recovery so far in mature markets and the increased financial, political, and economic uncertainties. The revision affected all regions with the exception of Japan and was particularly pronounced in North America. However, we do not anticipate a recession in the mature markets of North America and Europe in 2011 and 2012, provided the European Summit decisions are implemented.

The uncertainties regarding the effects of the debt crisis in the US and in individual countries of the euro zone, as well as the current growth forecasts, have also been reflected in the projections of the North American cement association PCA and the European research and advisory network Euroconstruct. As early as July, the PCA further reduced its expectations for the increase in cement consumption in the US and, since then, has anticipated only a very slight recovery for 2011 and 2012. In Europe, the forecasts for cement growth in 2011 for HeidelbergCement's core countries in Scandinavia and Western and Eastern Europe, with the exception of the United Kingdom, were raised; in contrast, the expected growth rates in the euro zone's crisis regions in Southern Europe and Ireland – areas in which we do not have a presence apart from some small-scale activities in Spain – were reduced further. In addition, HeidelbergCement is not active in the crisis regions of North Africa or in Japan.

In the Western and Northern Europe Group area, we again anticipate a recovery in demand for the whole of 2011 and thus increasing sales volumes for cement and aggregates, which will be primarily driven by strong trends in Scandinavia and Germany. We expect varying trends in the Eastern Europe-Central Asia Group area: while we continue to anticipate consistently weak development in Hungary and Romania, we expect a rise in demand in Poland and in the Czech Republic in particular. For Russia, Ukraine, and the countries of Central Asia, we anticipate a further increase in demand and a price recovery. Subject to new decisions on debt reduction by the US government, which could also adversely affect expenditure on road construction, we continue to expect a slight volume increase in cement and aggregates in North America, driven by sustained investment in road construction in the US and the continuing growth of the oil and raw materials industry in Canada. We expect demand to continue developing positively in the Asia-Pacific and Africa-Mediterranean Basin Group areas.

The prices for energy and raw materials have passed their peak following the significant rise in the first half of 2011 and have recently experienced a slight decline. Energy, raw materials, and personnel costs are expected to increase overall in 2011 because of inflationary trends, particularly in the emerging countries. Therefore, HeidelbergCement continues its efforts to further offset the rise in costs through cost-saving measures as well as price increases and fuel surcharges in the individual markets. Once again, the Managing Board has set the objective of increasing turnover and operating income in 2011 in comparison with the previous year.

The development of our results is supported by our advantageous geographical footprint and our dual product strategy focussed on cement and aggregates. In Europe we continue to benefit from our strong market position in the Northern European countries, where we expect the positive economic development to continue. In Southern Europe, however, we have only minor activities in Spain; therefore potential weak economic growth in this region has hardly any influence on our business. Despite significantly increased energy costs, we were able to achieve a stable operating income in the third quarter. We will maintain our focus on reducing costs and increasing efficiency within the scope of the "FOX 2013" programme and plan further price increases, especially for the year 2012, to counteract cost inflation. Top priority remains reduction of our net debt. In addition, we will continue our cautious financing strategy and, at the same time, continue our targeted investments in new cement capacities in growing markets. With increased liquidity headroom, a continuously falling level of debt, and our strong market position, we believe we are very well prepared for the future challenges.

Additional statements on the outlook

The Managing Board of HeidelbergCement has not seen evidence of developments beyond those mentioned in the previous paragraph that would suggest changes for the business year 2011 regarding the forecasts and other statements made in the 2010 Annual Report in the Prospects chapter on page 111 ff. on the expected development of HeidelbergCement and its business environment.

The expected future development of HeidelbergCement and the business environment over the course of 2011 is described in the outlook. As such, please note that this Interim 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 Interim Financial Report.

Risk report

The HeidelbergCement risk policy is based on the business strategy, which focuses on safeguarding the Group's existence and sustainably increasing its value. Entrepreneurial activity is always forward-looking and therefore subject to certain risks. Identifying risks, understanding them, and reducing them systematically is the responsibility of the Managing Board and a key task for all managers. HeidelbergCement is subject to various risks that are not fundamentally avoided, but instead accepted, provided they are well balanced by the opportunities they present.

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. HeidelbergCement ensures that competences and responsibilities for risk management are governed by transparent regulations that are based on the Group's structure. A code of conduct, guidelines, and principles apply across the Group for the implementation of systematic and effective risk management. 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.

In a holistic view of individual risks and the overall risk situation, there are, from today's perspective, no identifiable risks that could threaten the existence of the Group or any other apparent significant risks. Our control and risk management system standardised across the Group ensures that major risks, which, if they occurred, would lead to a considerable deterioration of the Group's economic position, are identified at an early stage.

Risks that may have a significant impact on our financial position and performance in the 2011 financial year and in the foreseeable future are described in detail in the 2010 Annual Report in the Risk report chapter on pages 83 ff.

The risks arising from volatile exchange rates remain high. Although prices for energy and raw materials have passed their peak following a significant rise in the first half of 2011 and have recently experienced a slight decline, they are expected to remain at a high level for the foreseeable future, in comparison with the previous year. Although fears that the industrialised countries would slide back into recession were not confirmed so far, and forecasts are based on a further, albeit weaker global economic growth in 2011 and 2012, the ongoing development is subject to uncertainties and risks. In the industrialised countries, the most pressing task is to consolidate state finances and tackle unemployment. In contrast, the challenge facing many emerging countries is to counteract the overheating of the economy and strong inflation pressure. Significant uncertainties still remain with regard to the stability of the global financial system.

HeidelbergCement interim accounts

Group profit and loss accounts

Group profit and loss accounts	July - September		January - September	
EURm	2010	**2011**	2010	**2011**
Turnover	3,400.7	**3,623.6**	8,876.6	**9,619.7**
Change in stock and work in progress	-8.9	**-1.3**	-26.1	**-9.9**
Own work capitalised	2.2	**3.9**	5.2	**10.9**
Operating revenue	3,394.0	**3,626.2**	8,855.7	**9,620.6**
Other operating income	74.8	**80.2**	229.2	**229.0**
Material costs	-1,319.4	**-1,464.3**	-3,530.3	**-3,991.5**
Employee and personnel costs	-527.4	**-506.5**	-1,563.9	**-1,545.4**
Other operating expenses	-845.2	**-957.9**	-2,349.1	**-2,630.7**
Operating income before depreciation (OIBD)	776.8	**777.7**	1,641.6	**1,682.0**
Depreciation of tangible fixed assets	-204.4	**-191.3**	-580.9	**-572.9**
Amortisation of intangible assets	0.2	**-24.2**	-14.0	**-45.7**
Operating income	572.6	**562.2**	1,046.7	**1,063.4**
Additional ordinary income	22.5	**0.4**	34.0	**26.0**
Additional ordinary expenses	-4.6	**-30.8**	-67.1	**-54.2**
Additional ordinary result	18.0	**-30.4**	-33.1	**-28.2**
Result from associated companies [1]	12.7	**15.4**	25.9	**34.6**
Result from other participations	0.5	**0.4**	-8.9	**3.4**
Earnings before interest and taxes (EBIT)	603.8	**547.5**	1,030.6	**1,073.3**
Interest income	33.8	**16.9**	81.1	**55.3**
Interest expenses	-166.4	**-162.0**	-510.9	**-463.7**
Foreign exchange losses	-8.9	**-0.8**	-10.2	**-1.8**
Other financial result	-20.9	**1.2**	-126.2	**-27.6**
Financial result	-162.5	**-144.7**	-566.2	**-437.9**
Profit before tax from continuing operations	441.3	**402.8**	464.4	**635.4**
Taxes on income	-62.3	**-82.1**	-68.5	**-212.0**
Net income from continuing operations	379.0	**320.7**	395.8	**423.4**
Net loss from discontinued operations	-11.4	**-4.6**	-23.7	**-19.2**
Profit for the period	367.6	**316.1**	372.1	**404.2**
Thereof minority interests	45.8	**48.4**	129.1	**137.9**
Thereof Group share of profit	321.8	**267.7**	243.0	**266.3**
Earnings per share in EUR (IAS 33)				
Earnings per share attributable to the parent entity	1.72	**1.43**	1.30	**1.42**
Earnings per share – continuing operations	1.77	**1.45**	1.42	**1.52**
Loss per share – discontinued operations	-0.05	**-0.02**	-0.12	**-0.10**

1) Net result from associated companies	10.7	12.9	20.7	28.7

Group statement of comprehensive income

Group statement of comprehensive income	July - September		January - September	
EURm	2010	**2011**	2010	**2011**
Profit for the period	367.6	**316.1**	372.1	**404.2**
Actuarial gains and losses	-102.5	**-105.5**	-284.2	**-52.5**
Income taxes	28.7	**8.3**	80.5	**-8.2**
	-73.9	**-97.2**	-203.7	**-60.7**
Cash flow hedges - change in fair value	1.0	**0.7**	7.2	**-4.9**
Reclassification of gains/losses included in the profit and loss accounts		**-0.5**		**-0.1**
Income taxes	-0.6	**0.2**	-2.0	**-0.7**
	0.5	**0.4**	5.3	**-5.6**
Available for sale assets – change in fair value	5.0	**-2.3**	16.8	**-5.2**
Income taxes	-0.2	**0.1**	-3.5	**0.3**
	4.8	**-2.2**	13.4	**-5.0**
Business combinations				
Income taxes			0.1	
			0.1	
Currency translation	-991.9	**680.6**	933.1	**-281.4**
Income taxes	-1.3	**1.0**	7.2	**1.5**
	-993.3	**681.6**	940.3	**-280.0**
Other comprehensive income	-1,061.8	**582.6**	755.3	**-351.2**
Total comprehensive income	-694.3	**898.7**	1,127.4	**53.0**
Relating to minority interests	-16.0	**83.2**	170.0	**140.4**
Relating to HeidelbergCement AG shareholders	-678.3	**815.5**	957.4	**-87.4**

Group cash flow statement

Group cash flow statement	July - September		January - September	
EURm	2010	2011	2010	2011
Net income from continuing operations	379.0	**320.7**	395.8	**423.4**
Taxes on income	62.3	**82.1**	68.5	**212.0**
Interest income/expenses	132.7	**145.1**	429.8	**408.4**
Dividends received	7.2	**7.2**	16.6	**20.2**
Interest received	108.4	**27.1**	169.3	**85.8**
Interest paid	-95.6	**-133.5**	-590.4	**-517.5**
Taxes paid	-58.7	**-60.3**	-99.6	**-234.6**
Depreciation, amortisation and impairment	202.5	**224.4**	619.6	**633.0**
Elimination of other non-cash items	-37.9	**26.0**	208.3	**-10.0**
Cash flow	699.8	**638.7**	1,217.9	**1,020.6**
Changes in operating assets	-8.0	**-118.9**	-518.0	**-781.6**
Changes in operating liabilities	-157.4	**-63.1**	-90.3	**151.5**
Changes in working capital	-165.4	**-182.0**	-608.3	**-630.1**
Decrease in provisions through cash payments	-59.9	**-47.6**	-204.5	**-146.0**
Cash flow from operating activities	474.5	**409.1**	405.2	**244.5**
Intangible assets	-5.8	**-1.4**	-8.6	**-7.1**
Tangible fixed assets	-148.3	**-184.6**	-411.3	**-515.5**
Subsidiaries and other business units	-62.2	**-34.8**	-73.7	**-48.8**
Other financial fixed assets	-1.9	**-4.1**	-12.4	**-10.8**
Investments (cash outflow)	-218.3	**-224.9**	-506.0	**-582.3**
Subsidiaries and other business units	1.6	**12.6**	1.6	**20.0**
Other fixed assets	23.0	**26.7**	91.7	**88.7**
Divestments (cash inflow)	24.6	**39.3**	93.3	**108.7**
Cash from changes in consolidation scope	2.1	**0.2**	2.9	**-0.3**
Cash flow from investing activities	-191.5	**-185.3**	-409.8	**-473.8**
Dividend payments – HeidelbergCement AG			-22.5	**-46.9**
Dividend payments – minority shareholders	-5.6	**-6.2**	-50.9	**-55.6**
Decrease in ownership interests in subsidiaries	45.4		45.4	
Increase in ownership interests in subsidiaries	-0.7	**-7.6**	-4.8	**-7.8**
Proceeds from bond issuance and loans	2,064.8	**1,320.2**	4,863.4	**5,352.7**
Repayment of bonds and loans	-2,298.3	**-1,569.2**	-4,745.7	**-4,946.2**
Cash flow from financing activities	-194.4	**-262.8**	85.0	**296.4**
Net change in cash and cash equivalents	88.6	**-39.0**	80.3	**67.1**
Effect of exchange rate changes	-69.6	**43.0**	50.5	**-2.9**
Cash and cash equivalents at the beginning of period	966.2	**930.7**	854.4	**870.5**
Cash and cash equivalents at period end	985.1	**934.7**	985.1	**934.7**

Group balance sheet

Assets			
EURm	30 Sept. 2010	31 Dec. 2010	**30 Sept. 2011**
Non-current assets			
Intangible assets			
Goodwill	10,355.3	10,561.3	**10,433.5**
Other intangible assets	280.3	351.9	**355.1**
	10,635.5	10,913.2	**10,788.6**
Tangible fixed assets			
Land and buildings	5,058.8	5,233.4	**5,140.5**
Plant and machinery	4,429.9	4,584.9	**4,322.9**
Fixtures, fittings, tools and equipment	236.9	240.1	**251.6**
Payments on account and assets under construction	795.8	865.4	**928.7**
	10,521.4	10,923.9	**10,643.6**
Financial fixed assets			
Investments in associates	360.1	367.5	**378.4**
Financial investments	71.2	63.8	**57.5**
Loans to participations	19.5	19.1	**18.5**
Other loans and derivative financial instruments	50.7	70.0	**100.5**
	501.5	520.4	**554.9**
Fixed assets	21,658.3	22,357.4	**21,987.2**
Deferred taxes	403.3	355.8	**344.4**
Other long-term receivables	187.0	305.3	**328.4**
Long-term tax assets	17.8	22.1	**19.9**
Total non-current assets	22,266.4	23,040.7	**22,679.9**
Current assets			
Stock			
Raw materials and consumables	638.3	649.1	**696.0**
Work in progress	149.3	152.3	**148.2**
Finished goods and goods for resale	615.8	659.2	**624.6**
Payments on account	25.8	25.0	**36.6**
	1,429.2	1,485.6	**1,505.5**
Receivables and other assets			
Short-term financial receivables	99.2	76.5	**79.6**
Trade receivables	1,893.0	1,429.8	**2,063.2**
Other short-term operating receivables	378.9	374.6	**421.0**
Current tax assets	86.4	61.0	**62.0**
	2,457.5	1,941.9	**2,625.9**
Financial investments and derivative financial instruments	21.0	36.0	**64.9**
Cash and cash equivalents	985.1	869.7	**934.7**
Total current assets	4,892.9	4,333.2	**5,131.0**
Disposal groups held for sale		2.8	
Balance sheet total	27,159.3	27,376.7	**27,811.0**

Liabilities

EURm	30 Sept. 2010	31 Dec. 2010	**30 Sept. 2011**
Shareholders' equity and minority interests			
Subscribed share capital	562.5	562.5	**562.5**
Share premium	5,539.4	5,539.4	**5,539.4**
Retained earnings	6,192.2	6,481.6	**6,645.2**
Other components of equity	-951.4	-522.1	**-816.2**
Equity attributable to shareholders	11,342.6	12,061.4	**11,930.8**
Minority interests	734.4	822.8	**901.3**
Total equity	12,077.0	12,884.2	**12,832.1**
Non-current liabilities			
Debenture loans	7,062.7	7,023.9	**6,104.7**
Bank loans	1,557.7	935.7	**981.8**
Other long-term financial liabilities	234.4	267.3	**135.4**
	8,854.9	8,226.9	**7,221.9**
Puttable minorities	59.7	76.6	**72.8**
	8,914.5	8,303.5	**7,294.7**
Provisions for pensions	1,037.3	844.4	**824.1**
Deferred taxes	811.8	823.8	**779.2**
Other long-term provisions	1,044.5	1,051.3	**1,027.9**
Other long-term operating liabilities	192.5	223.6	**233.6**
Long-term tax liabilities	88.8	90.7	**91.5**
	3,174.9	3,033.9	**2,956.3**
Total non-current liabilities	12,089.5	11,337.4	**10,250.9**
Current liabilities			
Debenture loans (current portion)	186.8	204.9	**1,189.5**
Bank loans (current portion)	208.6	203.3	**430.4**
Other short-term financial liabilities	402.6	416.6	**657.0**
	798.0	824.9	**2,276.9**
Puttable minorities	14.1	18.9	**16.7**
	812.0	843.8	**2,293.6**
Provisions for pensions (current portion)	116.6	94.4	**92.7**
Other short-term provisions	186.7	209.9	**201.2**
Trade payables	896.6	1,084.7	**1,171.9**
Other short-term operating liabilities	819.5	779.7	**830.6**
Current income taxes payables	161.3	138.9	**137.8**
	2,180.8	2,307.6	**2,434.3**
Total current liabilities	2,992.8	3,151.3	**4,727.9**
Provisions and liabilities associated with disposal groups		3.8	
Total liabilities	15,082.3	14,492.5	**14,978.8**
Balance sheet total	27,159.3	27,376.7	**27,811.0**

Group statement of changes in equity

EURm	Subscribed share capital	Share premium	Retained earnings	Cash flow hedge reserve
1 January 2010	562.5	5,539.4	6,166.5	-13.3
Profit for the period			243.0	
Other comprehensive income			-203.7	5.3
Total comprehensive income			39.3	5.3
Changes in consolidation scope				
Changes in ownership interests in subsidiaries			24.2	
Changes in puttable minorities			-17.1	
Other changes			1.7	
Dividends			-22.5	
30 September 2010	562.5	5,539.4	6,192.2	-8.0
1 January 2011	562.5	5,539.4	6,481.6	-4.2
Profit for the period			266.3	
Other comprehensive income			-60.7	-5.6
Total comprehensive income			205.5	-5.6
Changes in consolidation scope				
Changes in ownership interests in subsidiaries			-3.0	
Changes in puttable minorities			6.6	
Other changes			1.3	
Dividends			-46.9	
30 September 2011	562.5	5,539.4	6,645.2	-9.8

Other components of equity						
Available for sale reserve	Asset revaluation reserve	Currency translation	Total other components of equity	Equity attributable to shareholders	Minority interests	**Total equity**
12.9	39.6	-1,906.5	-1,867.4	10,401.0	602.0	**11,003.0**
				243.0	129.1	**372.1**
13.4	0.1	899.4	918.1	714.4	40.9	**755.3**
13.4	0.1	899.4	918.1	957.4	170.0	**1,127.4**
					16.0	**16.0**
				24.2	16.9	**41.2**
				-17.1	-19.7	**-36.8**
-0.1	-2.0		-2.2	-0.4		**-0.4**
				-22.5	-50.9	**-73.4**
26.2	37.6	-1,007.2	-951.4	11,342.6	734.4	**12,077.0**
23.9	37.1	-578.9	-522.1	12,061.4	822.8	**12,884.2**
				266.3	137.9	**404.2**
-5.0		-282.4	-292.9	-353.6	2.5	**-351.2**
-5.0		-282.4	-292.9	-87.4	140.4	**53.0**
					-2.3	**-2.3**
				-3.0	-3.9	**-6.9**
				6.6	-0.1	**6.4**
	-1.2		-1.2	0.1		**0.1**
				-46.9	-55.6	**-102.5**
19.0	35.9	-861.4	-816.2	11,930.8	901.3	**12,832.1**

Segment reporting / Notes

Group areas January - September 2011	Western and Northern Europe		Eastern Europe-Central Asia		North America	
EURm	2010	**2011**	2010	**2011**	2010	**2011**
External turnover	2,867	**3,220**	864	**1,070**	2,318	**2,261**
Inter-Group areas turnover	37	**42**	0	**0**	0	**0**
Turnover	2,904	**3,262**	864	**1,070**	2,318	**2,261**
Change to previous year in %		**12.3 %**		**23.8 %**		**-2.4 %**
Operating income before depreciation (OIBD)	458	**550**	215	**246**	362	**313**
as % of turnover	15.8 %	**16.9 %**	24.9 %	**23.0 %**	15.6 %	**13.8 %**
Depreciation	-201	**-217**	-70	**-78**	-198	**-182**
Operating income	257	**333**	146	**168**	163	**131**
as % of turnover	8.8 %	**10.2 %**	16.9 %	**15.7 %**	7.0 %	**5.8 %**
Results from participations	21	**31**	0	**1**	-11	**-2**
Impairments	-23	**-5**	-1		0	**-3**
Reversal of impairments	7		5			
Other additional result						
Additional ordinary result	-17	**-5**	4		0	**-3**
Earnings before interest and taxes (EBIT)	261	**359**	150	**169**	152	**126**
Capital expenditures [1]	97	**100**	124	**165**	91	**89**
Segment assets [2]	6,824	**6,719**	1,926	**2,154**	8,035	**8,044**
OIBD as % of segment assets	6.7 %	**8.2 %**	11.2 %	**11.4 %**	4.5 %	**3.9 %**
Number of employees as at 30 September	14,319	**13,791**	9,311	**9,914**	13,953	**13,079**
Average number of employees	14,330	**13,666**	9,305	**9,897**	13,281	**12,610**

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

2) Segments assets = tangible fixed assets and intangible assets

Asia-Pacific		Africa-Mediterranean Basin		Group Services		Reconciliation Overhead-Other		Continuing operations	
2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**
1,897	**2,120**	666	**746**	265	**203**			8,877	**9,620**
21	**13**	28	**22**	276	**266**	-362	**-344**	0	**0**
1,918	**2,133**	694	**768**	541	**469**	-362	**-344**	8,877	**9,620**
	11.2 %		**10.6 %**		**-13.2 %**				**8.4 %**
542	**518**	120	**130**	16	**9**	-71	**-84**	1,642	**1,682**
28.3 %	**24.3 %**	17.3 %	**16.9 %**	2.9 %	**2.0 %**	19.6 %	**24.4 %**	18.5 %	**17.5 %**
-102	**-107**	-25	**-26**	0	**0**	2	**-7**	-595	**-619**
440	**410**	94	**103**	15	**9**	-69	**-91**	1,047	**1,063**
22.9 %	**19.2 %**	13.6 %	**13.4 %**	2.9 %	**1.9 %**	19.1 %	**26.6 %**	11.8 %	**11.1 %**
4	**5**	2	**3**	0	**0**			17	**38**
	-6		**0**					-25	**-14**
								12	**0**
						-20	**-14**	-20	**-14**
	-6		**0**			-20	**-14**	-33	**-28**
444	**409**	97	**107**	15	**9**	-89	**-105**	1,031	**1,073**
98	**137**	10	**31**			86	**60**	506	**582**
3,611	**3,747**	723	**729**	39	**39**			21,157	**21,432**
15.0 %	**13.8 %**	16.6 %	**17.8 %**	40.2 %	**23.9 %**			7.8 %	**7.8 %**
13,550	**14,009**	3,556	**3,491**	54	**52**			54,742	**54,335**
13,600	**13,812**	2,485	**3,498**	52	**50**			53,052	**53,533**

Notes to the interim Group accounts

Accounting and valuation principles

The interim Group accounts of HeidelbergCement AG as at 30 September 2011 were prepared on the basis of IAS 34 "Interim Financial Statements". All International Financial Reporting Standards (IFRS) that were binding at the reporting date and have been ratified by the European Union as well as the announcements of the International Financial Reporting Interpretations Committee (IFRIC) were applied.

In accordance with the regulations of IAS 34, a condensed report scope in comparison with the Group annual accounts as at 31 December 2010, with selected explanatory notes, was chosen. The accounting and valuation principles applied in the preparation of the interim Group accounts correspond in principle to those of the Group annual accounts as at 31 December 2010, with the exception of the amendments to announcements issued by the International Accounting Standards Board (IASB) listed below, which were applicable for the first time in the 2011 financial year. Further details of the accounting and valuation principles applied can be found in the Notes to the 2010 Annual Report on pages 154 ff.

In accordance with IAS 34, the income tax expense in the reporting period was accrued on the basis of the tax rate expected for the whole financial year.

The interim Group accounts as at 30 September 2011 were not subjected to any audits or reviews.

Accounting standards applicable for the first time

The following amendments to announcements issued by the IASB were applicable for the first time in the 2011 financial year:

- Amendments to IAS 24 (Related Parties Disclosures)
- Amendments to IFRIC 14 (Prepayments of a Minimum Funding Requirement)
- Annual improvements project 2010

The first-time application of the amendments had no impact on the financial position and performance of the Group.

Accounting standards published in the 2011 financial year

As part of an extensive project to reform group accounting, the IASB adopted three new standards in May 2011:

IFRS 10 (Consolidated Financial Statements) creates a standardised definition of the term "control" and sets out the existence of parent-subsidiary relationships in concrete terms. The first-time application of IFRS 10 may have an impact on the composition of the consolidation scope. IFRS 10 supersedes the regulations of IAS 27 (Consolidated and Separate Financial Statements), which governs the preparation of annual accounts for groups, and SIC-12 Consolidation – Special Purpose Entities.

IFRS 11 (Joint Arrangements) governs accounting in situations where a company exercises joint control over a joint venture or a joint operation. IFRS 11 supersedes IAS 31 (Interests in Joint Ventures). The most significant effect of the new standard is the abolition of proportionate consolidation for joint ventures. In the future, all joint ventures must be accounted for using the equity method. The first-time application of IFRS 11 will have an impact on the structure of HeidelbergCement's Group annual accounts. The assets and liabilities as well as the income and expenses of joint ventures will no longer be shown proportionately in the relevant balance sheet or profit and loss account items, but will simply be shown in a separate line using the equity method: the proportionate carrying amount in the balance sheet and the results from participations in the profit and loss account.

IFRS 12 (Disclosure of Interests in Other Entities) summarises the disclosure regulations for a company's participations in subsidiaries, joint arrangements, and associated companies, which were previously included in IAS 27, IAS 31, and IAS 28, and extends the disclosure requirements in relation to the consolidation scope and subsidiaries with minority shareholders.

The IASB also adopted IFRS 13 (Fair Value Measurement) in May 2011. This standard introduces a uniform framework for fair value measurement, which applies to all IFRSs, with a few exceptions (IFRS 2 Share-based Payment, IAS 17 Leases, and IAS 36 Impairment of Assets).

In June 2011, the IASB published amendments to IAS 19 (Employee Benefits). The former option of either recognising actuarial gains and losses immediately in profit or loss, recognising them in other comprehensive income, or deferring them in accordance with the corridor method, was abolished. In future, these gains or losses may only be recognised in other comprehensive income. HeidelbergCement already exercises the existing option set out in IAS 19 in this form. In addition, the return on plan assets will, in the future, be recognised not on the basis of the expected return but on the basis of the discount rate applied for the determination of the liability. Moreover, the amended version of IAS 19 introduces more extensive disclosure requirements.

In October 2011, the IASB published the interpretation IFRIC 20 (Stripping Costs in the Production Phase of a Surface Mine). This interpretation governs the accounting of stripping costs during the production phase in surface mining and clarifies under what conditions an asset is to be recognised for relevant stripping measures and how that asset should be measured both initially and in subsequent periods.

The application of all standards and interpretations published in the 2011 financial year is mandatory from 1 January 2013; these standards and interpretations have not yet been ratified by the European Commission.

HeidelbergCement is currently investigating the future impact of the new accounting standards on the financial position and performance of the Group.

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.

Exchange rates

The following table contains the key exchange rates used in the conversion of the companies' individual accounts into euro.

Exchange rates		Exchange rates at reporting date		Average annual exchange rates	
EUR		31 Dec. 2010	**30 Sept. 2011**	01-09/2010	**01-09/2011**
USD	US	1.3379	**1.3386**	1.3159	**1.4076**
AUD	Australia	1.3081	**1.3856**	1.4662	**1.3543**
CAD	Canada	1.3348	**1.4046**	1.3630	**1.3759**
CNY	China	8.8173	**8.5433**	8.9559	**9.1448**
GBP	Great Britain	0.8575	**0.8590**	0.8578	**0.8716**
GEL	Georgia	2.3735	**2.2234**	2.3389	**2.3858**
GHC	Ghana	1.9608	**2.0738**	1.8915	**2.1445**
HKD	Hong Kong	10.3918	**10.4277**	10.2250	**10.9580**
IDR	Indonesia	12,029.06	**11,810.47**	11,989.98	**12,231.59**
INR	India	59.8190	**65.6180**	60.4605	**63.6674**
KZT	Kazakhstan	197.2200	**198.3300**	193.7995	**205.8043**
MYR	Malaysia	4.1252	**4.2682**	4.2795	**4.2613**
NOK	Norway	7.7920	**7.8518**	8.0025	**7.8099**
PLN	Poland	3.9630	**4.4200**	4.0071	**4.0194**
RON	Romania	4.2355	**4.3570**	4.1918	**4.2051**
RUB	Russia	40.9229	**43.1980**	39.8124	**40.5151**
SEK	Sweden	8.9834	**9.1962**	9.6592	**9.0139**
CZK	Czech Republic	25.0250	**24.6660**	25.4558	**24.3431**
HUF	Hungary	278.2300	**293.3750**	275.5161	**271.2609**
TZS	Tanzania	1,966.51	**2,194.57**	1,826.82	**2,180.40**
TRY	Turkey	2.0612	**2.4899**	1.9995	**2.2926**

Business combinations in the reporting period

In order to expand its activities in the aggregates business line in the north of the Swedish capital, Stockholm, HeidelbergCement acquired 100% of the shares in Ledinge Fastighets AB, Rimbo, and its subsidiaries on 31 January 2011. The acquired group's area of activity primarily comprises the operation of sand, gravel, and crushed stone pits. The goodwill of EUR 6.1 million arising on the difference between the purchase price of EUR 10.0 million and the provisionally measured net assets of EUR 3.9 million represents growth prospects resulting from the improved market position. The purchase price was paid in cash. The transaction costs of EUR 0.2 million were recognised in the profit and loss account as additional ordinary expenses. The purchase price allocation has not yet been completed as not all final valuation reports are yet available. The figures may be revised following the adjustments of the fair values of the intangible assets, tangible fixed assets, and the deferred taxes applicable to these assets. The receivables recognised as at the acquisition date primarily include trade receivables and other short-term operating receivables with fair values amounting to EUR 1.4 and 0.5 million respectively, which are expected to be fully recoverable.

To secure the aggregates reserves in the Melbourne metropolitan area, HeidelbergCement acquired 100% of the shares in Galli Quarries Pty Ltd, Bundoora, Australia, and its subsidiaries on 1 August 2011. The purchase price of EUR 25.3 million was paid in cash. The provisionally measured net assets amount to EUR 25.3 million. The acquisition-related costs of EUR 0.2 million were recognised in the additional ordinary expenses. The purchase price allocation has not yet been completed, as not all final valuation reports are yet available. The figures may be revised following the adjustments of the fair values of the intangible assets, tangible fixed assets, and deferred taxes. In connection with the business combination, HeidelbergCement acquired trade receivables with a gross value of EUR 1.7 million, which are likely to be fully recoverable.

On 6 September 2011, HeidelbergCement acquired the operations of a limestone quarry in Barcelona, Spain, for a cash purchase price of EUR 11.8 million as part of an asset deal to secure raw material reserves. An advance payment of EUR 1.0 million on the purchase price was made in the previous year. The goodwill of EUR 3.6 million arising on the difference between the purchase price and the provisionally measured net assets of EUR 8.2 million represents synergy effects in the ready-mixed concrete business and is deductible for tax purposes. The acquisition-related costs of EUR 0.8 million were recognised in the additional ordinary expenses. The purchase price allocation has not yet been completed, as not all valuation reports are yet available. The figures may be revised following the adjustments of the fair values of the intangible assets and tangible fixed assets.

The following table shows the provisional fair values of the identifiable assets and liabilities as at the acquisition date.

Preliminary fair values recognised as at the aquisition date

EURm	Sweden	Australia	Spain	Total
Intangible assets		19.1	4.8	**23.9**
Tangible fixed assets	7.1	5.8	3.6	**16.5**
Stocks	1.2	0.2		**1.4**
Trade receivables	1.4	1.7		**3.2**
Cash at bank and in hand	0.4	0.1		**0.5**
Other assets	0.6			**0.6**
Total assets	10.7	26.9	8.4	**46.0**
Provisions	0.6		0.2	**0.8**
Liabilities	5.0	1.6		**6.6**
Deferred taxes	1.2			**1.2**
Total liabilities	6.8	1.6	0.2	**8.6**
Net assets	3.9	25.3	8.2	**37.4**

The following table shows the turnover and profits of Ledinge Fastighets AB and Galli Quarries Pty Ltd since the acquisition date and the amounts that would have arisen if the companies had been fully consolidated on 1 January 2011.

Turnover and profit or loss			
EURm	Sweden	Australia	Total
Since acquisition date			
Turnover		1.5	**1.5**
Profit or loss	-0.3	0.7	**0.4**
Since 1 January 2011			
Turnover		5.9	**5.9**
Profit or loss	-0.3	3.2	**2.9**

Business combinations in the previous year

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 11.4 million 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 11.4 million. The revaluation of the shareholding resulted in a loss of EUR 1.1 million, which was recognised in the additional ordinary expenses. The goodwill of EUR 8.4 million, which is not deductible for tax purposes, reflects the synergy potential arising from the business combination. Transaction costs of EUR 34,000 were recognised in the additional ordinary expenses. As part of the business combination, receivables with a fair value of EUR 3.8 million were acquired. The gross value of the receivables is EUR 4.3 million, of which EUR 0.5 million is likely to be irrecoverable. The purchase price allocation has been completed. There have been no changes from the values published on 31 December 2010.

In order to expand its cement production capacity in the Democratic Republic of Congo, HeidelbergCement acquired 55% of the shares in Cimenterie de Lukala S.A.R.L. (CILU), Kinshasa, and 70% of the shares in Interlacs S.A.R.L., Lubumbashi, from the Forrest Group on 15 September 2010. The purchase price of EUR 62.2 million was paid in cash. The goodwill of EUR 35.3 million, which is not deductible for tax purposes, represents, in particular, the future market potential in the Democratic Republic of Congo. The minority interests were measured at EUR 21.6 million on the basis of their proportionate share in the fair value of the identifiable net assets. As part of the acquisition, receivables with a fair value of EUR 2.4 million were recognised. Their gross value amounts to EUR 2.5 million. EUR 0.1 million of this total is expected to be irrecoverable. The acquisition-related costs amounted to EUR 0.1 million and were recognised in the additional ordinary expenses. The purchase price allocation has been completed. Subsequent adjustments have had only an immaterial impact on the assets and liabilities.

The following table shows the final fair values of the assets and liabilities.

Fair values recognised as at the aquisition date

EURm	Australia	DR Congo	Total
Intangible assets		37.8	**37.8**
Tangible fixed assets	15.5	43.0	**58.5**
Stocks	0.6	19.0	**19.6**
Trade receivables	3.8	2.4	**6.2**
Cash at bank and in hand	0.7	2.3	**3.0**
Other assets	2.2	3.0	**5.2**
Total assets	22.8	107.6	**130.3**
Provisions	0.2	4.3	**4.5**
Liabilities	8.2	30.1	**38.3**
Deferred taxes		24.7	**24.7**
Total liabilities	8.4	59.0	**67.5**
Net assets	14.4	48.6	**62.8**

From the acquisition date to 30 September 2010, the companies generated turnover of EUR 10.4 million and a profit for the period of EUR 2.2 million. If the business combinations had taken place on 1 January 2010, the Group's turnover as at 30 September 2010 would have been EUR 47.5 million higher and the profit for the period EUR 0.9 million higher.

Divestments in the reporting period

On 1 January 2011, the 50% proportionately consolidated Mibau Group sold the shipping partnership MS "Splittnes" GmbH & Co. KG, Cadenberge, for EUR 7.7 million. The purchase price was offset against a liability of EUR 7.0 million; the remainder was paid in cash.

On 9 February 2011, HeidelbergCement disposed of its shares in the proportionately consolidated company Heidelberger Betonelemente GmbH & Co. KG, Baden-Baden, for a sales price of EUR 7.0 million, which was paid in cash.

On 5 September 2011, HeidelbergCement sold its shares in Solvent Resource Management Limited (SRM), Maidenhead, United Kingdom. The sales price of EUR 14.3 million is made up of a cash payment of EUR 12.6 million and a receivable of EUR 1.7 million.

The assets and liabilities of the companies at the time of sale are shown in the following table.

Assets and liabilities at divestiture date

EURm	HDBB	MS "Splittnes"	SRM	**Total**
Intangible assets			7.3	**7.3**
Tangible fixed assets	5.1	1.9	11.8	**18.8**
Financial fixed assets	0.5			**0.5**
Stocks	1.4	0.1	1.0	**2.5**
Trade receivables	0.9	0.0	9.8	**10.7**
Cash at bank and in hand		0.8	0.2	**1.0**
Other assets	5.3	0.0	1.3	**6.6**
Total assets	13.2	2.8	31.4	**47.3**
Provisions	0.1	0.0		**0.1**
Liabilities	4.4	3.6	7.1	**15.1**
Deferred taxes	0.1	0.2	1.4	**1.7**
Total liabilities	4.6	3.8	8.5	**16.9**
Net assets	8.6	-1.0	22.9	**30.4**

Turnover development by Group areas and business lines

January to September 2011	Cement		Aggregates		Building products		Concrete-service-other		Intra-Group eliminations		Total	
EURm	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**
Western-Northern Europe	1,235	**1,359**	593	**664**	338	**353**	1,176	**1,383**	-437	**-497**	2,904	**3,262**
Eastern Europe-Central Asia	662	**840**	93	**99**			177	**214**	-69	**-83**	864	**1,070**
North America	677	**655**	707	**695**	538	**527**	646	**621**	-251	**-237**	2,318	**2,261**
Asia-Pacific	1,146	**1,238**	316	**386**	23	**30**	651	**734**	-218	**-255**	1,918	**2,133**
Africa-Mediterranean Basin	482	**545**	63	**67**			202	**213**	-53	**-57**	694	**768**
Group Services							541	**469**			541	**469**
Inter-Group area turnover within business lines	-4	**-7**									-4	**-7**
Total	4,198	**4,629**	1,772	**1,912**	900	**910**	3,393	**3,635**	-1,027	**-1,130**	9,235	**9,956**
Inter-Group area turnover between business lines									-358	**-336**	-358	**-336**
Continuing operations	4,198	**4,629**	1,772	**1,912**	900	**910**	3,393	**3,635**	-1,385	**-1,466**	8,877	**9,620**

Earnings per share

Earnings per share	January - September	
EURm	2010	**2011**
Profit for the period	372.1	**404.2**
Minority interests	129.1	**137.9**
Group share of profit	243.0	**266.3**
Number of shares in '000s (weighted average)	187,500	**187,500**
Earnings per share in EUR	1.30	**1.42**
Net income from continuing operations – attributable to the parent entity	266.7	**285.5**
Earnings per share in EUR - continuing operations	1.42	**1.52**
Net loss from discontinued operations – attributable to the parent entity	-23.7	**-19.2**
Loss per share in EUR – discontinued operations	-0.12	**-0.10**

The basic earnings per share are calculated in accordance with IAS 33 (Earnings per Share), by dividing the Group share of profit for the financial year by the weighted average of the number of issued shares. The diluted earnings per share indicator takes into account not only currently issued shares but also shares potentially available through option rights. The earnings per share were not diluted in the reporting period in accordance with IAS 33.30.

Statement of comprehensive income

The total comprehensive income for the period from January to September decreased by EUR 1,074.4 million in comparison with the previous year from EUR 1,127.4 million to EUR 53.0 million. The profit for the period rose by EUR 32.1 million. The other comprehensive income for the period fell by EUR 1,106.5 million in comparison with the same period of the previous year.

The actuarial losses of EUR 60.7 million (including tax effects) recognised in other comprehensive income in the financial year are primarily due to changes in interest rates. In the same period of the previous year, these losses amounted to EUR 203.7 million.

The negative changes in fair value of the cash flow hedges in the reporting period of EUR 5.6 million result primarily from commodities. In the previous year, cash flow hedges made a positive contribution of EUR 5.3 million.

In the reporting period, the market valuation of available-for-sale assets resulted in losses of EUR 5.0 million. In the same period of the previous year, a gain of EUR 13.4 million was recognised.

Foreign currency translation resulted in losses of EUR 280.0 million in the reporting period. The losses are due, in particular, to the devaluation of the euro against the Australian dollar, the Canadian dollar, and the Polish zloty since

31 December 2010. In the same period of the previous year, currency gains of EUR 940.3 million were achieved. The appreciation of the euro against the Australian dollar, US dollar, and British pound contributed substantially to this figure.

The minority interests in total comprehensive income of EUR 140.4 million are composed of the minority interests in the profit for the period of EUR 137.9 million and a positive contribution from foreign currency translation of EUR 2.5 million. A share of EUR 266.3 million in the profit for the period and negative contributions of EUR 5.6 million from changes in the fair value of cash flow hedges and of EUR 5.0 million from assets available for sale are attributable to the shareholders of HeidelbergCement AG. Foreign currency translation resulted in losses of EUR 282.4 million for the shareholders of HeidelbergCement AG in other comprehensive income.

Statement of changes in equity

As at the balance sheet date, 30 September 2011, the subscribed share capital amounts to EUR 562.5 million – unchanged from 31 December 2010 – and is divided into 187,500,000 no-par value bearer shares, each representing a notional amount of EUR 3.00 in the share capital. The share premium of EUR 5,539.4 million (unchanged from 31 December 2010) was essentially created from the premium from capital increases. As at the balance sheet date, the Company has no treasury shares.

In the reporting period, the retained earnings were increased by the total comprehensive income of EUR 205.5 million, which is composed of the profit for the period of EUR 266.3 million and the actuarial losses of EUR -60.7 million recognised in other comprehensive income. Consolidation adjustments contributed to an increase of EUR 4.9 million in retained earnings. The dividend payment to the shareholders of HeidelbergCement AG decreased the retained earnings by EUR 46.9 million.

The other components of equity were reduced by other comprehensive income components amounting to EUR 292.9 million, which resulted from foreign currency translation losses of EUR 282.4 million and negative changes in the fair value of cash flow hedges and available-for-sale assets of EUR 10.5 million.

The minority interests in the shareholders' equity was increased by the minority interest in the profit for the period of EUR 137.9 million and other comprehensive income components amounting to EUR 2.5 million. Consolidation adjustments decreased the minority interests by EUR 6.3 million. In the reporting period, dividends totalling EUR 55.6 million were paid to minority shareholders. Major payments were made to the minority shareholders of PT Indocement and our African subsidiaries.

Goodwill

An impairment test on goodwill in accordance with IAS 36 (Impairment of Assets) is generally 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. In this impairment test, the carrying amount of a group of cash-generating units (CGUs) to which goodwill is allocated is compared with the recoverable amount of this group of CGUs.

As at 30 September 2011, the management carried out an impairment review. The review indicated that, as at 30 September 2011, no impairment loss needed to be recognised on goodwill.

Changes in estimates for provisions for pensions

The actuarial gains and losses were adjusted on the basis of the interest rates for the key countries applicable at the reporting date. The decline of around 0.2 percentage points in interest rates, particularly in North America and Northern Europe, led to an increase of EUR 52.5 million in the actuarial losses recognised in equity. The legally mandated adjustment of the inflation index for the calculation of defined benefit plans in the United Kingdom and the conversion of defined benefit plans to defined contribution plans in the Netherlands resulted in releases of provisions for pensions of EUR 89.9 million to profit or loss.

Related parties disclosures

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

Contingent liabilities

As at 30 September 2011, there were contingent liabilities of EUR 449.5 million (31 December 2010: 376.4). These include obligations of EUR 349.1 million (31 December 2010: 303.4) for which the probability of outflow is remote. The contingent liabilities mainly relate to guarantee obligations.

Events after the balance sheet date

On 5 October 2011, we issued a Eurobond with an issue volume of EUR 300 million and a term ending on 15 December 2018 via our EUR 10 billion EMTN programme. The 7-year bond has a fixed interest rate of 9.50% p.a. The issue price was 99.304%, giving a rate of return of 9.625%. The bond is unsecured and ranks pari passu with all other capital market debt. As with the Eurobonds issued in January and July 2010 and in October 2009, the bond terms and conditions include a limitation on incurring additional debt. The proceeds from the issue of the bond are being used to refinance existing liabilities.

On 10 October 2011, we placed a further bond with an issue volume of CHF 150 million with a term ending on 14 November 2017. The settlement date will be 14 November 2011. The bond has a fixed interest rate of 7.25% p.a. The issue price was 100%, giving a rate of return of 7.25%. The bond is unsecured and ranks pari passu with all other capital market debt. Again, for this bond, the bond terms and conditions include a limitation on incurring additional debt. The proceeds from the issue of the bond are being used to refinance existing liabilities.

Through the issuance of the two bonds, we have increased our liquidity headroom and further optimised our maturity profile.

Heidelberg, 3 November 2011

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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The Interim Financial Report January to September 2011 was published on 3 November 2011.

Financial calendar	
Group annual accounts 2011	15 March 2012
Press conference on annual accounts	15 March 2012
Interim Financial Report January to March 2012	3 May 2012
Annual General Meeting 2012	3 May 2012
Half-Year Financial Report January to June 2012	31 July 2012
Interim Financial Report January to September 2012	6 November 2012

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