

Interim Financial Report January to March 2013



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2013

HEIDELBERGCEMENT

- Sales volumes of building materials impaired by long and cold winter in Europe and parts of North America and less working days in the first quarter
- Growth in cement sales volumes in North America, Asia, and Africa mostly compensates for weakness in Europe
- Group revenue almost stable at €2.8 billion
- Operating income before depreciation up 3 % to €219 million
- Improvement of margins continued:
 - successful price increases
 - cost saving programmes on track
 - lower energy costs
- Sizeable expansion of cement capacities:
 - 2.9 mt annual cement capacity commissioned in Central India
 - increase in stake in Cement Australia from 25 % to 50 % (+ 1 mt)
- Net debt recuded by €598 million compared to previous year
- Outlook confirmed for 2013:
 - continuing growth in Asia-Pacific and Africa-Mediterranean Basin; sustained recovery in North America; Europe weak, with the exception of Germany, Scandinavia and Russia
 - target for 2013: increase in revenue and operating income as well as significant improvement in profit before tax

Overview January to March 2013	January - March	
€m	2012 ¹⁾	2013
Revenue	2,799	2,761
Operating income before depreciation (OIBD)	212	219
in % of revenue	7.6 %	7.9 %
Operating income	12	16
Additional ordinary result	-10	-32
Result from participations	-1	-1
Earnings before interest and income taxes (EBIT)	1	-17
Loss before tax	-147	-162
Net loss from continuing operations	-151	-184
Net loss from discontinued operations	-8	
Loss for the period	-159	-184
Group share of loss	-208	-235
Investments	164	418

1) Amounts restated

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 March 2013

Economic environment

The growth of the global economy is continuing, but the economic development clearly differs from region to region: the national economies of Asia appear to have recovered from a period of weakness in 2012 and remain on a growth track. The African countries south of the Sahara are continuing to experience solid economic development. In contrast, economic development in many European countries is adversely affected by the debt crisis and budgetary constraints. In the US, economic recovery is continuing. Although economic growth was slightly weaker than expected in the first quarter, the employment situation improved further in recent months.

First quarter cement sales volumes sustained by North America and Asia

Sales volumes of our building materials recorded a two-track development in the first quarter of 2013. While construction activity in Europe and large parts of North America was hindered due to the long, cold winter, our building material deliveries benefited from the sustained growth in demand in our Asian and African markets as well as from the continued economic recovery in North America. Sales volumes were also negatively affected by the reduced number of working days compared with the previous year.

The Group's cement and clinker sales volumes remained relatively stable with a slight decline of 0.7 % to 18.1 million tonnes (previous year: 18.2). The growth in sales volumes in the North America, Asia-Pacific, and Africa-Mediterranean Basin Group areas almost completely compensated for losses in European markets. Despite poor weather in eastern and northern USA, North America still achieved an overall strong growth in sales volumes. In the Asia-Pacific and Africa-Mediterranean Basin Group areas, the expansion of our cement capacities in India and the high increase in volumes in Ghana and Togo contributed, among others, to a slight increase in sales volumes. Cement sales volumes in the Western and Northern Europe Group area declined significantly due to the poor weather conditions. The harsh winter, coupled with difficult market conditions in some countries, also resulted in a loss of sales volumes in Eastern Europe-Central Asia.

Aggregates sales volumes decreased Group wide by 10.8 % to 41.9 million tonnes (previous year: 47.0). Ready-mixed concrete deliveries fell by 2.1 % to 7.9 million cubic metres (previous year: 8.1). Asphalt sales volumes decreased by 8.6 % to 1.3 million tonnes (previous year: 1.4).

Sales volumes	January - March		
	2012	2013	Change
Cement and clinker (million tonnes)	18.2	18.1	-0.7 %
Aggregates (million tonnes)	47.0	41.9	-10.8 %
Asphalt (million tonnes)	1.4	1.3	-8.6 %
Ready-mixed concrete (million cubic metres)	8.1	7.9	-2.1 %

Development of revenue and results

Group revenue in the period from January to March 2013 decreased slightly by 1.4 % to €2,761 million (previous year: 2,799). The prolonged winter put a strain on sales volumes and revenue primarily in the Western and Northern Europe and Eastern Europe-Central Asia Group areas. In operational terms, the other Group areas achieved an increase in revenue of more than 5 %. Successful price increases in cement and aggregates in all group areas had a positive impact on revenue development. The impact of changes in the consolidation scope and exchange rate effects almost completely offset each other.

In the reporting period, material costs fell by 2.5 % to €1,254 million (previous year: 1,286). In contrast to the previous year, this was the result of a disproportionate decrease in energy expenses of 12.6 %. Other operating expenses and income improved by 2.3 % to €-769 million (previous year: -787). Operating income before depreciation rose by 3.5 % to €219 million (previous year: 212). Operating income increased by 35.1 % to €16 million (previous year: 12).

The additional ordinary result fell by €22 million to €-32 million (previous year: -10). This relates primarily to the addition to provisions totalling €32 million owing to the Federal Court of Justice largely upholding fines imposed by the Higher Court of Düsseldorf in the German antitrust proceedings, while changes to the scope of consolidation led to income of €5 million. At €-1 million (previous year: -1), the result from participations remained unchanged. Overall, earnings before interest and taxes (EBIT) fell by €18 million to €-17 million (previous year: -1).

The financial result improved by €3 million to €-145 million (previous year: -148).

Profit before tax from continuing operations fell by €15 million to €-162 million (previous year: -147). Expenses relating to taxes on income increased by €19 million to €23 million (previous year: 4). As in the previous year, the figure was primarily characterised by non-capitalised deferred taxes on losses carried forward in North America. The effective tax rate changed in comparison with the previous year, from -2.7 % to -14.0 %. Profit after tax from continuing operations amounts to €-184 million (previous year: -151).

Overall, the loss for the period amounts to €-184 million (previous year: -159). The profit attributable to non-controlling interests rose by €2 million to €50 million (previous year: 48). The Group share therefore amounts to €-235 million (previous year: -208).

Earnings per share – Group share of profit – in accordance with IAS 33 decreased to €-1.25 (previous year: -1.11).

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

„FOX 2013“ programme further progressing according to plan

The three-year programme for financial and operational excellence (“FOX 2013”) led to an improvement in cash flow of €39 million in the first quarter of 2013. It is thus well on the way to achieving the targeted improvement of €1,010 million over the three-year horizon. In 2011 and 2011, the programme generated cash effective savings totalling €767 million.

Statement of cash flows

The cash outflow from operating activities decreased in the first quarter of 2013 by €63 million to €371 million (previous year: 434). Increases in liquidity as a result of the €106 million improvement to working capital had a particularly positive effect. Interest payments contracted by €85 million to €154 million (previous year: 239), primarily due to different maturities compared with the previous year. Income tax payments decreased by €9 million to €91 million (previous year: 100). In the reporting quarter, provisions of €47 million (previous year: 52) were utilised through payments.

Net cash used in investing activities was €248 million above the previous year’s level, totalling €392 million (previous year: 144), primarily owing to increased investments in other financial assets, associated companies, and joint ventures, including the acquisition of an additional 25 % in the Australian cement company Cement Australia.

Financing activities generated a cash inflow of €755 million (previous year: cash outflow of 233) in the reporting period. Proceeds from and repayments of bonds and loans primarily include drawings as part of the syndicated facility agreement as well as the repayment of a US\$750 million bond. In the same period of the previous year, a Eurobond with an issue volume of €300 million was issued and a bond of €1 billion that matured in January 2012 was repaid. The changes in short-term interest-bearing assets and liabilities relate primarily to inflows from the issue of commercial papers. Dividend payments to non-controlling shareholders led to a cash outflow of €2 million (previous year: 3).

Business trend January to March 2013

Outlook	Consolidated statement of cash flows
Risk report	Consolidated balance sheet
Consolidated income statement	Consolidated statement of changes in equity
Consolidated statement of comprehensive income	Segment reporting/Notes
	Notes to the interim consolidated financial statements

Investments

Cash flow investments increased in the first quarter to €418 million (previous year: 164). Investments in property, plant, and equipment, including intangible assets, which primarily related to optimisation and environmental protection measures at our production sites, but also expansion projects in growing markets, accounted for €127 million (previous year: 161) of this total. Investments in financial assets and other business units increased to €291 million (previous year: 3); this includes the acquisition of additional 25 % of the share capital of the Australian cement company Cement Australia and further acquisitions to round off shareholdings.

Balance sheet

The balance sheet total grew by €747 million to €28,755 million (previous year: 28,008) as at 31 March 2013.

Long-term assets rose by €554 million to €23,533 million (previous year: 22,979). Fixed assets increased by €474 million to €22,722 million (previous year: 22,248) mainly as a result of exchange rate effects. The rise of €290 million in goodwill to €10,899 million (previous year: €10,609) was primarily due to currency exchange fluctuation of €114 million and acquisitions of €175 million. Currency exchange fluctuation in property, plant, and equipment of €108 million, changes to the scope of consolidation of €312 million, and additions of €124 million to property, plant, and equipment were offset by depreciation of €195 million. Other long-term receivables increased by €80 million to €347 million (previous year: 267), mainly as a result of the valuation of plan assets from defined benefit pension plans.

Short-term assets rose by €194 million to €5,207 million (previous year: 5,013). In the first quarter, inventories increased by €99 million to €1,724 (previous year: 1,625). Trade receivables remained almost unchanged at €1,380 million (previous year: 1,419). Cash and cash equivalents increased by €20 million to €1,495 (previous year: 1,475). The changes are explained in the Statement of cash flows section.

On the equity and liabilities side, shareholders' equity rose by €139 million to €13,847 million (previous year: 13,708). This was primarily due to currency exchange fluctuation of €252 million and the loss for the period of €-184 million. These factors were counteracted in particular by actuarial gains of €67 million and changes in the market values of cash flow hedges and available-for-sale financial instruments totalling €5 million. The consolidated statement of changes in equity is explained in detail in the Notes.

The increase of €812 million in interest-bearing liabilities to €9,385 million (previous year: 8,573) is primarily attributable to the offsetting effect of the repayment of a US\$750 million bond against loans taken out as part of the syndicated facility agreement and the issue of commercial papers. The rise of €54 million in provisions to €2,471 million (previous year: 2,417) relates mainly to additions to other provisions for obligations arising from the German antitrust proceedings and the long-term bonus plans. The decline of €236 million in operating liabilities to €2,415 million (previous year: 2,651) relates primarily to trade payables and other short-term operating liabilities. The changes are explained in more detail in the Statement of cash flows section.

Financing

On 22 February 2013, HeidelbergCement invoked its right to terminate the debt certificate issued on 20 December 2011 and redeemed at par the tranche of €115.5 million with floating interest rates and an original term ending on 31 October 2016 ahead of schedule on 30 April 2013. In the context of good liquidity development and more favourable refinancing conditions on the market, this measure serves to further reduce financing costs.

On 15 March 2013, HeidelbergCement repaid the US\$750 million bond 2003/2013 by using available liquidity or making use of credit lines.

According to the terms and conditions of all the bonds issued since 2009 and the debt certificate issued in December 2011, 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 €2,620 million and the consolidated interest expense of €706 million are calculated on a pro forma basis in accordance with the terms and conditions of the bonds. As at 31 March 2013, the consolidated coverage ratio amounted to 3.71.

Net debt decreased by €598 million in comparison with 31 March 2012, amounting to €7,788 million (previous year: 8,386) as at 31 March 2013. The increase of €741 million in comparison with the end of 2012 is primarily due to the rise in working capital, related to seasonal factors, and the acquisition of additional 25 % of the share capital of the Australian cement company Cement Australia.

The available liquidity from cash and cash equivalents, liquidable financial investments and derivative financial instruments, and unused credit lines amounted to €3.628 million as at the end of March 2013.

Western and Northern Europe

The economic recovery in Germany and the Nordic countries Sweden and Norway is continuing, albeit at a slightly weakened pace. According to forecasts, the German economy, which experienced a period of weakness in the winter, should gain momentum in the course of the year. In Belgium and particularly in the Netherlands, construction activity is suffering from weak economic development. Despite a slight growth in the first quarter, it appears that the recovery of the British economy will take longer than expected; construction activity is continuing to decline.

While, by and large, the onset of winter only had an adverse effect on the construction industry in February during the first quarter of 2012, construction activity across the entire Group area suffered from the prolonged cold winter weather in the first quarter of 2013.

In the cement business line, the individual Group countries experienced varied development in sales volumes during the first quarter. While our deliveries in Benelux, the Nordic countries – Sweden, Norway, and Denmark – and particularly in Germany remained significantly below the level of the previous year, the Baltic States achieved a pleasing increase in volumes. We also increased our sales volumes slightly in the United Kingdom by gaining new customers. Overall, our cement and clinker sales volumes in Western and Northern Europe fell by 11.3 % in the first three months to 3.9 million tonnes (previous year: 4.3).

In the aggregates business line, the adverse weather conditions of the first quarter were particularly apparent: all countries, with the exception of the Baltic States, recorded significant decreases in sales volumes. The Group area's deliveries of aggregates contracted by 19.6 % overall to 12.3 million tonnes (previous year: 15.3). Excluding consolidation effects, the decline amounted to 19.9 %.

Sales volumes in the ready-mixed concrete operating line also remained below the previous year in all countries apart from the Baltic States. Overall, ready-mixed concrete sales volumes fell by 11.1 % to 2.4 million cubic metres (previous year: 2.7). Excluding consolidation effects, the volume loss amounted to 10.9 %.

The sales volumes of the asphalt operating line were 29.7 % below the previous year's level.

In the building products business line, which essentially comprises the building products of Hanson in the United Kingdom, a decline in sales volumes was recorded in all operating lines, with the exception of masonry blocks, which achieved an increase in volumes of over 20 %.

Revenue of the Western and Northern Europe Group area declined by 12.8 % to €774 million (previous year: 887). Positive exchange rate effects were offset by negative consolidation effects.

Eastern Europe–Central Asia

Severe and prolonged winter weather hampered construction activity in large parts of the Group area. In addition, the construction industry is being adversely affected in some countries, such as Poland, the Czech Republic, Hungary, and Romania by the lack of financing for infrastructural projects.

In the cement business line, the growth in sales volumes in Russia, the Ukraine, Bosnia-Herzegovina, Georgia, and Kazakhstan did not offset the drop in volumes in Poland, the Czech Republic, Hungary, and Romania. Overall, cement and clinker sales volumes in the Group area decreased by 6.0 % to 2.2 million tonnes (previous year: 2.4) in the first quarter. We achieved our strongest increase in sales volumes in Russia as a result of the sustained healthy development in construction activity as well as deliveries from the new Tula cement plant to the booming Moscow market. While sales volumes in Romania were only slightly below the level of the previous year, our deliveries in Hungary, the Czech Republic, and particularly in Poland decreased significantly due to disruption caused by bad weather and to the lack of demand from infrastructure and non-residential construction.

In April 2013, we increased our stake in the Russian cement company CJSC “Construction Materials” from 51 % to 100 % as part of our strategy of low risk bolt-on acquisitions. CJSC “Construction Materials”, located in Sterlitamak, has a cement capacity of 1.8 million tonnes and is the market leader in the Russian Republic of Bashkortostan.

The construction of the new Caspi Cement plant in western Kazakhstan is progressing according to plan. The plant with a capacity of 0.8 million tonnes will strengthen our nationwide presence and allow us to supply the oil- and gas-rich region on the Caspian Sea more cost-effectively. We aim to produce the first cement there in 2014.

In the aggregates business line, our deliveries remained below the level of the previous year in all countries apart from Russia, where we achieved an increase in volumes of over 20 %. Overall, our aggregates activities in the Group area recorded an 18.3 % decline in sales volumes to 1.8 million tonnes (previous year: 2.1). Deliveries of ready-mixed concrete decreased by 16.5 % to 0.5 million cubic metres (previous year: 0.6).

Revenue of the Eastern Europe-Central Asia Group area declined by 10.0 % to €176 million (previous year: 195); excluding exchange rate effects, the decrease amounted to 9.5 %.

North America

In the North America Group area, HeidelbergCement is represented in the USA and Canada. In the USA, economic recovery is continuing. Gross domestic product grew by 2.5 % in the first quarter of 2013, somewhat slower than expected. However, the unemployment rate decreased to 7.5 % by April. Residential construction is further recovering: housing investment rose by 12.6 % in the first quarter. Housing starts in March were at an annual rate of 1.036,000. This is 7.0 % above the previous month rate and is 46.7 % above the March 2012 rate. Building permits were 3.9 % below the February rate, but were 17.3 % above the March 2012 rate.

While the construction industry benefited from the mild winter weather in North America in the first quarter of 2012, construction activity and thus demand for our building materials in the first quarter of 2013 was adversely affected by the long, cold winter particularly on the East Coast and in the Midwest of the USA. In the West, however, our deliveries were supported not only by improved market conditions but also favourable weather conditions.

The cement sales volumes of our North American plants grew by 6.1 % in the first quarter to 2.5 million tonnes (previous year: 2.3). The highest increase in volumes was achieved by the Canada market region, which benefited from strong demand primarily in British Columbia, Alberta, and in the US state of Washington. Deliveries also underwent a double-digit increase in the West and South regions. However, the North region, which achieved a particularly strong increase in sales volumes in the first quarter of 2012 due to the favourable weather conditions, did not quite reach the high level of deliveries that was recorded in the previous year.

In the aggregates business line, the double-digit increase in volumes in the West and South regions offset the weather-related decrease in sales volumes in the North and Canada regions. Overall, the aggregates sales volumes fell by 7.3 % in the first quarter to 17.1 million tonnes (previous year: 18.5). In the ready-mixed concrete operating line, the Canada region benefited from the lively activity in the oil and gas industry as well as from commercial construction projects. The increase in sales volumes achieved in this region offset the decrease in volumes of the North, West, and South regions. Overall, ready-mixed concrete sales volumes recorded a slight increase of 0.2 % and were marginally higher than the previous year at 1.2 million cubic metres (previous year: 1.2). Excluding consolidation effects, the increase amounted to 4.6%. Asphalt deliveries rose by 31.4 % to 0.2 million tonnes (previous year: nearly 0.2) primarily due to the favourable weather conditions in the West region.

In the building products business line, which is heavily dependent on residential construction, the concrete pipes, precast concrete parts, and roof tiles operating lines recorded significant decreases in volumes. In contrast, sales volumes of bricks were at the level of the previous year and the pressure pipes operating line achieved strong growth. Thanks to the cost reduction programmes and the disposal of the concrete paving blocks operating line in the past year, the business line's results have improved substantially in comparison with the previous year.

Total revenue in North America rose by 3.8 % to €639 million (previous year: 616); excluding consolidation and exchange rate effects, it rose by 5.5 %.

Asia-Pacific

The emerging countries of Asia remain on course for growth and the International Monetary Fund expects a slight recovery in economic momentum in the current year. In China, economic growth was less vigorous than expected in the first quarter, with a rise of 7.7 % in the gross domestic product; however, the Chinese economy is in good shape overall thanks to the increasing importance of domestic consumption. A slight economic upturn is anticipated in India following the weak growth of the previous year. Thanks to strong domestic demand, Indonesia is recording robust general economic growth. The Australian economy is continuing to expand thanks to the demand for raw materials in Asia.

During the first quarter, cement and clinker deliveries of the Asia-Pacific Group area grew by 3.8 % to 7.3 million tonnes (previous year: 7.1). Excluding consolidation effects, the rise amounted to 0.6 %. In Indonesia, domestic cement consumption increased in the first three months of 2013 by 8.6 % in comparison with the previous year. In contrast, Indocement's domestic sales volumes rose by only 2.2 %. Indocement's lower growth was due to the entry of new cement capacities into the market, which was associated with discounts. Indocement decided to protect its margins rather than react with price reductions. In the first quarter of 2013, Indocement's sales prices were significantly higher than those of the previous year due to successful price increases during the past year. As Indocement is focusing on the strong domestic demand, low-margin export deliveries were minimised. Overall, Indocement's cement and clinker sales volumes rose by 1.4 %. In view of the promising growth prospects in Indonesia, Indocement is continuing to expand its cement capacity with the construction of an additional cement grinding facility at the Citeureup production site. The commissioning of the grinding installation with a capacity of 1.9 million tonnes is scheduled to be finished by the end of 2013. In addition, we intend to further expand the Citeureup site by building a new integrated production line with a cement capacity of 4.4 million tonnes, which is set to be completed by 2015.

In China, sales volumes of our joint ventures in the provinces of Guangdong and Shaanxi remained noticeably below the previous year. The decreases in volumes resulted primarily from declining demand, the exceptionally long Chinese New Year celebrations, and excess capacities. While a positive price development was recorded in Shaanxi because of the continuing market consolidation, cement prices in Guangdong have fallen significantly.

In India, construction activity and cement demand were adversely affected by the government's continued restraint with regard to infrastructural projects as well as by high interest rates. Nonetheless, deliveries of our

Outlook	Consolidated statement of cash flows
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Consolidated income statement	Consolidated statement of changes in equity
Consolidated statement of comprehensive income	Segment reporting/Notes
	Notes to the interim consolidated financial statements

Indian cements plant rose significantly by 19.7 % in the first three months, primarily as a result of the expansion of our cement capacities in central India by 2.9 million tonnes. After carrying out successful test runs between November 2012 and January 2013, we officially commissioned the new facilities at our Damoh plant in the state of Madhya Pradesh and at our Jhansi plant in the state of Uttar Pradesh in February 2013. HeidelbergCement now has a total annual cement capacity of 6.2 million tonnes in India.

In Bangladesh, our sales volumes remained below the levels of the previous year due to political unrest and numerous strikes. However, price increases and cost savings led to a significant improvement in results. In Australia, the sales volumes of the proportionately consolidated cement company Cement Australia were adversely affected by heavy rain and flooding on the east coast. In March, HeidelbergCement acquired an additional 25 % of the shares in Cement Australia from Holcim via its subsidiary Hanson Australia, thereby increasing its stake in the largest Australian cement manufacturer to 50 %. A new grinding station with a capacity of 1.1 million tonnes will be commissioned in Port Kembla in the current year.

In the aggregates business line, decreases in sales volumes in Australia were more than offset by increases in volumes in Malaysia, Indonesia, and Hong Kong. Overall, sales volumes of aggregates rose by 1.9 % to 8.5 million tonnes (previous year: 8.3). In the asphalt operating line, strong demand from infrastructure construction in Malaysia led to an increase in sales volumes of 21.4 %. Deliveries of ready-mixed concrete increased by 12.3 % to 2.7 million cubic metres (previous year: 2.4), helped by Malaysia and in particular Indonesia, where Indocement benefited from the extension of its ready-mixed concrete business.

Revenue of the Asia-Pacific Group area rose by 5.0 % to €821 million (previous year: 782); excluding consolidation and exchange rate effects, the increase amounted to 5.2 %.

Africa-Mediterranean Basin

The African countries south of the Sahara are continuing to experience solid economic development and lively construction activity. In Turkey, there were signs of an economic upturn in the economy and in the construction industry following the period of weakness in the previous year. In Spain, the construction industry is still suffering as a result of the recession, the property crisis, high unemployment, and the government's budget cuts, which result in further heavy reductions in infrastructure expenditure this year.

In Africa, our cement deliveries recorded an increase of 5.2 %. Our main market, Ghana, and Togo made a particularly strong contribution to this growth, as did Liberia, the Democratic Republic of Congo, and Sierra Leone.

In light of the positive growth prospects, HeidelbergCement is expanding its activities in Africa. In Liberia, we will commission an additional cement mill with a capacity of 0.5 million tonnes in the second quarter of 2013. We are also expanding our cement production capacity in Tanzania with the construction of a new cement mill at our Tanzania Portland Cement plant; the commissioning of the mill with a capacity of 0.7 million tonnes is scheduled for the end of 2014, bringing our total cement capacity to 2 million tonnes in Tanzania. In addition, a new cement grinding plant in Burkina Faso with a capacity of 650,000 tonnes is to be commissioned near the capital of Ouagadougou at the end of 2014. Following the expansion of the cement capacity at our Tema grinding facility in Ghana, which was completed in November 2012, we are carrying out a similar project at our Takoradi location. With the scheduled commissioning of a new cement mill with a capacity of 0.8 million tonnes at the Takoradi grinding plant at the end of 2014, we will have a cement grinding capacity of 4.4 million tonnes in Ghana. In Togo, we set up a new clinker plant with an annual capacity of 1.5 million tonnes near the town of Tabligbo, around 80 km to the northeast of the capital of Lomé. In addition, we are constructing a cement grinding facility with a capacity of 200,000 tonnes in the north of the country. Commissioning for both plants is planned for 2015. We are evaluating options for capacity expansions in other African countries.

The domestic cement sales volumes of our joint venture Akçansa increased by more than 20 % in the first three months. In contrast, cement and clinker exports declined significantly. In total, Akçansa's cement and clinker sales volumes were 3.8 % above the previous year's level. Overall, the cement and clinker sales volumes of the

Africa-Mediterranean Basin Group area increased by 4.8 % to 2.3 million tonnes (previous year: 2.2).

Deliveries in the aggregates business line fell by 20.0 % overall to 2.8 million tonnes (previous year: 3.5). This decline is primarily attributable to the continuing weak construction activity in Spain. Israel also suffered significant decreases in sales volumes, while Turkey achieved a pleasing increase in volumes. The asphalt activities recorded a decrease of 11.9 % in sales volumes. Deliveries of ready-mixed concrete fell by 6.4 % to 1.1 million cubic metres (previous year: 1.1); while the quantities of the previous year were almost exceeded in Turkey and Israel remained slightly below the level of the previous year, our Spanish ready-mixed concrete activities recorded large losses in quantities.

Revenue of the Africa-Mediterranean Basin Group area rose by 2.6 % to €272 million (previous year: 265); excluding consolidation and exchange rate effects, the growth amounted to 5.4 %.

Group Services

Group Services comprises the activities of our subsidiary HC Trading, one of the largest international trading companies for cement and clinker. The company is also responsible for purchasing and delivering coal and petroleum coke via sea routes to our own locations and to other cement companies around the world.

HC Trading's trading activities in cement, clinker, and other building materials such as lime and dry mortar increased by 12.2 % to 2.8 million tonnes in the first quarter (previous year: 2.5). Deliveries of coal and petroleum coke rose by 16.7 % to 0.8 million tonnes (previous year: 0.7).

Revenue of the Group Services business unit rose by 4.4 % to €176 million (previous year: 168); excluding exchange rate effects, revenue increased by 5.0 %.

Employees

At the end of the first quarter of 2013, the number of employees at HeidelbergCement stood at 52,613 (previous year: 53,230). The decrease of 617 employees essentially results from two opposing developments: on the one hand, around 1,800 jobs were cut in the North America Group area, in the United Kingdom, in Spain, and some Eastern European countries in connection with efficiency increases in sales and administration, location optimisations, and capacity adjustments. On the other hand, we have hired more than 900 new employees in growing markets such as India and Indonesia. In addition, the number of our employees in Australia has grown by around 250 following the increase in the stake in the proportionately consolidated cement company Cement Australia.

Events after the balance sheet date

In April 2013, we increased our stake in the Russian cement company CJSC "Construction Materials" from 51 % to 100 %. The acquisition of the remaining 50 % in the previously proportionately consolidated company Midland Quarry Products Limited (MQP), United Kingdom, is explained on page 24 under "Business combinations following the end of the reporting period".

Outlook

In its latest forecast, the International Monetary Fund (IMF) slightly lowered the growth rates for the global economy and some key countries such as the USA, China, and Germany, but continues to expect a gentle acceleration in the global economy compared with the previous year. However, this remains subject to the industrial countries in North America and Europe continuing unabatedly with their efforts to resolve the debt crisis and to achieve budgetary consolidation. The euro debt crisis, the high level of debt in the USA, and the armed conflicts in the Middle East continue to pose political risks to the development of the global economy. As a result of automatic budget cuts, the North American Portland Cement Association reduced its estimate for US cement consumption in 2013 from 8.1 % to 6.1 % at the end of April; yet it simultaneously increased its estimates for the following years so that even a slight increase is projected for 2015.

In North America, HeidelbergCement expects a continuing economic recovery and consequently a further increasing demand for building materials, especially from residential construction and the raw materials industry. In Europe and Central Asia, HeidelbergCement anticipates a divided development: while markets in Germany, Northern Europe, Russia, and Central Asia should remain stable or continue growing, a weak development of the economy and demand for building materials is expected in all other regions. In Asia and Africa, the company expects a sustained positive demand.

In terms of costs, the company anticipates a light to moderate increase in the cost base for raw materials and personnel. Regarding the energy costs, the Group expects an overall stable development in 2013 following the slight decline in energy costs in the first quarter 2013 compared to the previous year. The objective is still to recover the margin loss that has arisen from the massively increasing energy costs in recent years. As a result, price increases have top priority. In 2012, the Group therefore started the two sales excellence programmes "PERFORM" for the cement business in the USA and Europe as well as "CLIMB Commercial" for the aggregates business line, in order to achieve margin improvements totalling €350 million by 2015. The Group wants to realise a further €240 million of cash savings in 2013 as part of the "FOX 2013" programme, in comparison with the base year 2010. Furthermore, HeidelbergCement is pursuing the "LEO" programme for optimising supply chains, which has the goal of achieving cost reductions of €150 million over the coming years.

On the basis of these assumptions, the Managing Board is continuing with the objective of further increasing revenue and operating income in 2013 and significantly improving profit before tax.

Business development in the first quarter has strengthened our conviction in our prospects for the 2013 financial year. We will continue to focus our efforts on increasing sales prices. For this purpose, we will implement the sales excellence programmes "PERFORM" and "CLIMB Commercial" with high priority. At the same time, we will continue to drive our efforts to lower costs and increase efficiency with the "FOX 2013" and "LEO" programmes. The consistent reduction of net debt is still a top priority for us, with the aim of improving the relevant financial key figures to an investment grade level. We will also remain on course with our successful strategy of targeted investments to expand cement capacity in emerging countries. With our global market leadership in aggregates and our advantageous geographical positioning in attractive markets, we will do our utmost to benefit over-proportionally from the continued economic growth.

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 2013 regarding the forecasts and other statements made in the 2012 Annual Report in the Outlook chapter on page 112 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 2013 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

HeidelbergCement's 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 consistent with the legal and ethical principles of entrepreneurial activity and are well balanced by the opportunities they present. Opportunity and risk management at HeidelbergCement is closely linked by Group-wide planning and monitoring systems. Opportunities are recorded in the annual operational plan and followed up as part of monthly financial reporting. Operational management in each country and the central Group departments are directly responsible for identifying and observing opportunities at an early stage.

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 Supervisory Board and its Audit Committee also review the effectiveness of the risk management system on a regular basis. HeidelbergCement has installed transparent regulations to govern competences and responsibilities for risk management 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 coordinated 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 2013 financial year and in the foreseeable future are described in detail in the 2012 Annual Report in the Risk report chapter on page 79 ff. and in the section "Estimates for 2013 and 2014 by Group management – risks and opportunities" on page 120 f in the Outlook chapter.

The risks arising from volatile energy and raw material prices as well as from exchange rates remain high. Although the International Monetary Fund (IMF) has only slightly lowered the 2013 growth rate for the global economy in its latest forecast, ongoing development is subject to uncertainties and risks. In the industrialised countries, the most pressing task is to consolidate state finances, reform the financial sector and tackle unemployment. Significant uncertainties still remain with regard to the stability of the global financial system.

Interim consolidated financial statements

Consolidated income statement

Consolidated income statement	January - March	
€m	2012 ¹⁾	2013
Revenue	2,799.4	2,760.5
Change in finished goods and work in progress	40.0	35.3
Own work capitalised	2.0	2.2
Operating revenue	2,841.5	2,798.0
Other operating income	63.8	73.3
Material costs	-1,286.3	-1,253.6
Employee and personnel costs	-556.9	-557.1
Other operating expenses	-850.7	-841.8
Operating income before depreciation (OIBD)	211.5	218.8
Depreciation of property, plant and equipment	-190.6	-194.8
Amortisation of intangible assets	-9.3	-8.4
Operating income	11.5	15.6
Additional ordinary income	0.7	4.5
Additional ordinary expenses	-10.2	-36.3
Additional ordinary result	-9.6	-31.8
Result from associated companies ²⁾	-1.4	-4.7
Result from other participations	0.3	4.1
Earnings before interest and taxes (EBIT)	0.9	-16.8
Interest income	24.0	18.1
Interest expenses	-159.2	-151.4
Foreign exchange gains	3.0	2.6
Other financial result	-16.0	-14.2
Financial result	-148.2	-144.9
Loss before tax from continuing operations	-147.3	-161.7
Income taxes	-3.9	-22.7
Net loss from continuing operations	-151.3	-184.4
Net loss from discontinued operations	-7.8	0.0
Loss for the period	-159.1	-184.4
Thereof non-controlling interests	48.5	50.5
Thereof Group share of loss	-207.6	-234.9
Earnings per share in € (IAS 33)		
Loss per share attributable to the parent entity	-1.11	-1.25
Loss per share – continuing operations	-1.07	-1.25
Loss per share – discontinued operations	-0.04	0.00

1) Amounts restated

-1.7

-4.0

2) Net result from associated companies

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Consolidated statement of comprehensive income

Consolidated statement of comprehensive income	January - March	
€m	2012 ¹⁾	2013
Loss for the period	-159.1	-184.4
Other comprehensive income not being reclassified to profit or loss in subsequent periods:		
Actuarial gains and losses	29.4	87.3
Income taxes	-10.7	-20.4
	18.7	66.9
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Cash flow hedges – change in fair value	2.9	0.6
Reclassification of gains / losses included in the income statement	-1.1	2.0
Income taxes	-0.5	-0.5
	1.4	2.1
Available for sale assets – change in fair value	3.0	4.0
Income taxes	-0.1	-0.2
	2.8	3.8
Currency translation	-292.9	247.5
Income taxes	-3.8	4.1
	-296.8	251.6
Other comprehensive income	-273.8	324.4
Total comprehensive income	-432.9	139.9
Relating to non-controlling interests	17.1	75.4
Relating to HeidelbergCement AG shareholders	-449.9	64.5

1) Amounts restated

Consolidated statement of cash flows

Consolidated statement of cash flows	January - March	
€m	2012 ¹⁾	2013
Net loss from continuing operations	-151.3	-184.4
Income taxes	3.9	22.7
Interest income/ expenses	135.2	133.2
Dividends received	1.0	0.5
Interest received	30.3	30.4
Interest paid	-238.6	-154.1
Income taxes paid	-99.6	-91.0
Depreciation, amortisation, and impairment	205.2	201.5
Elimination of other non-cash items	106.2	-14.6
Cash flow	-7.6	-55.9
Changes in operating assets	-139.2	-30.5
Changes in operating liabilities	-234.9	-237.4
Changes in working capital	-374.2	-267.9
Decrease in provisions through cash payments	-52.1	-47.2
Cash flow from operating activities	-433.9	-371.0
Intangible assets	-1.8	-3.1
Property, plant and equipment	-159.2	-123.8
Subsidiaries and other business units	0.0	-21.0
Other financial assets, associates, and joint ventures	-2.6	-269.8
Investments (cash outflow)	-163.6	-417.7
Subsidiaries and other business units	0.0	2.5
Other fixed assets	20.0	22.0
Divestments (cash inflow)	20.0	24.5
Cash from changes in consolidation scope	0.1	1.1
Cash flow from investing activities	-143.5	-392.2
Dividend payments - non-controlling shareholders	-3.4	-2.4
Increase in ownership interests in subsidiaries	-0.2	0.0
Proceeds from bond issuance and loans	358.8	718.6
Repayment of bonds and loans	-1,064.0	-600.7
Changes in short-term interest-bearing assets and liabilities	475.9	639.5
Cash flow from financing activities	-232.9	755.0
Net change in cash and cash equivalents	-810.4	-8.2
Effect of exchange rate changes	-33.3	27.9
Cash and cash equivalents at 1 January	1,869.8	1,474.8
Cash and cash equivalents at 31 March	1,026.1	1,494.5

1) Amounts restated

Consolidated balance sheet

Assets			
€m	31 Mar. 2012 ¹⁾	31 Dec. 2012 ¹⁾	31 Mar. 2013
Non-current assets			
Intangible assets			
Goodwill	10,619.5	10,609.4	10,898.9
Other intangible assets	339.2	302.0	302.0
	10,958.8	10,911.4	11,200.9
Property, plant and equipment			
Land and buildings	5,261.7	5,289.5	5,345.4
Plant and machinery	4,239.7	4,315.3	4,516.8
Other operating equipment	294.2	334.8	341.1
Prepayments and assets under construction	1,117.7	859.2	752.6
	10,913.3	10,798.8	10,955.9
Financial assets			
Investments in associates	384.6	379.7	385.9
Financial investments	68.1	68.1	71.1
Loans to participations	16.6	14.1	14.5
Other loans and derivative financial instruments	78.7	75.8	93.2
	548.0	537.6	564.6
Fixed assets	22,420.1	22,247.8	22,721.5
Deferred taxes	372.3	444.6	444.1
Other non-current receivables	374.4	266.6	346.6
Non-current income tax assets	24.2	19.8	20.8
Total non-current assets	23,191.0	22,978.7	23,532.9
Current assets			
Inventories			
Raw materials and consumables	753.3	725.8	765.6
Work in progress	196.9	193.1	228.5
Finished goods and goods for resale	675.8	685.4	704.0
Prepayments	27.8	21.2	25.4
	1,653.9	1,625.4	1,723.5
Receivables and other assets			
Current interest-bearing receivables	61.4	93.5	103.2
Trade receivables	1,642.2	1,418.8	1,379.9
Other current operating receivables	377.8	353.3	380.2
Current income tax assets	69.1	41.6	67.9
	2,150.4	1,907.2	1,931.2
Derivative financial instruments	5.6	5.9	57.8
Cash and cash equivalents	1,026.1	1,474.8	1,494.5
Total current assets	4,836.0	5,013.3	5,207.1
Disposal groups held for sale		15.7	15.2
Balance sheet total	28,027.0	28,007.8	28,755.1

1) Amounts restated

Equity and liabilities			
€m	31 Mar. 2012 ¹⁾	31 Dec. 2012 ¹⁾	31 Mar. 2013
Shareholders' equity and non-controlling interests			
Subscribed share capital	562.5	562.5	562.5
Share premium	5,539.4	5,539.4	5,539.4
Retained earnings	6,460.4	6,668.1	6,499.8
Other components of equity	-369.5	-160.8	71.5
Equity attributable to shareholders	12,192.8	12,609.2	12,673.2
Non-controlling interests	991.7	1,098.3	1,173.5
Total equity	13,184.5	13,707.5	13,846.7
Non-current liabilities			
Bonds payable	6,498.5	6,509.2	6,524.0
Bank loans	803.5	529.8	1,106.3
Other non-current interest-bearing liabilities	126.4	109.2	119.8
	7,428.5	7,148.2	7,750.1
Non-controlling interests with put options	22.7		
	7,451.2	7,148.2	7,750.1
Pension provisions	886.9	1,027.2	1,025.8
Deferred taxes	677.6	659.1	638.5
Other non-current provisions	1,061.8	1,067.0	1,007.6
Other non-current operating liabilities	253.2	89.0	75.9
Non-current income tax liabilities	91.7	52.2	52.3
	2,971.1	2,894.5	2,800.0
Total non-current liabilities	10,422.3	10,042.7	10,550.1
Current liabilities			
Bonds payable (current portion)	708.0	708.8	138.2
Bank loans (current portion)	617.4	461.4	709.6
Other current interest-bearing liabilities	664.0	209.5	742.6
	1,989.4	1,379.7	1,590.5
Non-controlling interests with put options	21.7	45.1	44.0
	2,011.1	1,424.9	1,634.5
Pension provisions (current portion)	85.4	87.4	87.3
Other current provisions	184.2	235.5	350.1
Trade payables	1,149.3	1,372.3	1,201.9
Other current operating liabilities	865.2	989.8	951.6
Current income tax liabilities	125.1	147.6	133.0
	2,409.1	2,832.7	2,723.9
Total current liabilities	4,420.2	4,257.5	4,358.4
Total liabilities	14,842.5	14,300.3	14,908.4
Balance sheet total	28,027.0	28,007.8	28,755.1

Consolidated statement of changes in equity

	Subscribed share capital	Share premium	Retained earnings	Cash flow hedge reserve	
€m					
1 January 2012	562.5	5,539.4	6,623.1	-8.9	
IAS 19R (revised)			-3.8		
1 January 2012 (restated)	562.5	5,539.4	6,619.3	-8.9	
Loss for the period			-207.6		
Other comprehensive income			18.8	1.4	
Total comprehensive income			-188.8	1.4	
Changes in non-controlling interests with put options			29.8		
Changes in ownership interests in subsidiaries and other changes			0.2		
Dividends					
31 March 2012	562.5	5,539.4	6,460.4	-7.5	
1 January 2013	562.5	5,539.4	6,673.5	-3.7	
IAS 19R (revised)			-5.4		
1 January 2013 (restated)	562.5	5,539.4	6,668.1	-3.7	
Loss for the period			-234.9		
Other comprehensive income			66.8	2.1	
Total comprehensive income			-168.1	2.1	
Changes in non-controlling interests with put options			-0.4		
Changes in ownership interests in subsidiaries and other changes			0.3		
Dividends					
31 March 2013	562.5	5,539.4	6,499.8	-1.6	

INTERIM FINANCIAL REPORT JANUARY TO MARCH 2013

Business trend January to March 2013	Consolidated statement of cash flows
Outlook	Consolidated balance sheet
Risk report	Consolidated statement of changes in equity
Consolidated income statement	Segment reporting/Notes
Consolidated statement of comprehensive income	Notes to the interim consolidated financial statements

Other components of equity							
	Available for sale reserve	Asset revaluation reserve	Currency translation	Total other components of equity	Equity attributable to shareholders	Non-controlling interests	Total equity
	19.1	35.5	-153.7	-108.0	12,617.0	951.6	13,568.6
					-3.8	-0.6	-4.4
	19.1	35.5	-153.7	-108.0	12,613.2	951.0	13,564.2
					-207.6	48.5	-159.1
	2.8		-265.3	-261.1	-242.4	-31.4	-273.8
	2.8		-265.3	-261.1	-449.9	17.1	-432.9
					29.8	26.9	56.7
		-0.4		-0.4	-0.2	0.1	-0.2
						-3.4	-3.4
	21.9	35.1	-419.1	-369.5	12,192.8	991.7	13,184.5
	22.3	34.0	-213.5	-160.8	12,614.6	1,098.8	13,713.4
					-5.4	-0.5	-5.9
	22.3	34.0	-213.5	-160.8	12,609.2	1,098.3	13,707.5
					-234.9	50.5	-184.4
	3.8		226.7	232.6	299.4	24.9	324.4
	3.8		226.7	232.6	64.5	75.4	139.9
					-0.4	1.6	1.1
		-0.3		-0.3		0.5	0.5
						-2.4	-2.4
	26.1	33.7	13.3	71.5	12,673.2	1,173.5	13,846.7

Segment reporting / Notes

Group areas January - March 2013	Western and Northern Europe		Eastern Europe-Central Asia		North America		
€m	2012 ¹⁾	2013	2012 ¹⁾	2013	2012 ¹⁾	2013	
External revenue	874	759	195	176	616	639	
Inter-Group areas revenue	13	15					
Revenue	887	774	195	176	616	639	
Change to previous year in %		-12.8 %		-10.0 %		3.8 %	
Operating income before depreciation (OIBD)	24	-23	-9	-9	-5	37	
as % of revenue	2.7 %	-3.0 %	-4.4 %	-5.3 %	-0.8 %	5.8 %	
Depreciation	-65	-63	-26	-30	-60	-56	
Operating income	-41	-86	-35	-40	-65	-19	
as % of revenue	-4.6 %	-11.1 %	-17.8 %	-22.6 %	-10.6 %	-2.9 %	
Results from associated companies	-1	-5	0	1	-2	-3	
Results from other participations	0	0					
Results from participations	-1	-5	0	1	-2	-3	
Additional ordinary result							
Earnings before interest and taxes (EBIT)	-42	-91	-35	-39	-67	-21	
Capital expenditures ²⁾	34	20	39	17	30	30	
Segment assets ³⁾	6,843	6,578	2,264	2,269	8,056	8,076	
OIBD as % of segment assets	0.3 %	-0.4 %	-0.4 %	-0.4 %	-0.1 %	0.5 %	
Number of employees as at 31 March	13,481	13,157	9,835	9,444	12,333	11,433	
Average number of employees	13,156	13,235	9,815	9,422	12,510	11,720	

1) Amounts restated

2) Capital expenditures = in the segment columns: property, plant and equipment as well as intangible assets investments; in the reconciliation column: investments in financial fixed assets and other business units

3) Segment assets = property, plant and equipment as well as intangible assets

4) Includes corporate functions, eliminations of intra-Group relationships between the segments and additional ordinary result.

INTERIM FINANCIAL REPORT JANUARY TO MARCH 2013

Business trend January to March 2013

Outlook

Risk report

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated statement of cash flows

Consolidated balance sheet

Consolidated statement of changes in equity

Segment reporting/Notes

Notes to the interim consolidated financial statements

	Asia-Pacific		Africa-Mediterranean Basin		Group Services		Reconciliation ⁴⁾		Continuing operations	
	2012 ¹⁾	2013	2012 ¹⁾	2013	2012 ¹⁾	2013	2012 ¹⁾	2013	2012 ¹⁾	2013
	780	820	256	265	77	102			2,799	2,761
	2	1	9	7	91	74	-115	-97		
	782	821	265	272	168	176	-115	-97	2,799	2,761
		5.0 %		2.6 %		4.4 %				-1.4 %
	177	190	44	52	5	4	-24	-32	212	219
	22.6 %	23.2 %	16.5 %	19.1 %	3.0 %	2.4 %	21.2 %	33.0 %	7.6 %	7.9 %
	-38	-42	-9	-10	0	0	-2	-3	-200	-203
	139	148	35	43	5	4	-27	-35	12	16
	17.8 %	18.1 %	13.1 %	15.6 %	3.0 %	2.3 %	23.4 %	36.1 %	0.4 %	0.6 %
	2	2							-1	-5
	0	2		2		0			0	4
	2	4		2		0			-1	-1
							-10	-32	-10	-32
	142	152	35	44	5	4	-36	-67	1	-17
	47	45	11	15			3	291	164	418
	3,937	4,425	734	769	37	39			21,872	22,157
	4.5 %	4.3 %	5.9 %	6.8 %	13.6 %	10.6 %			1.0 %	1.0 %
	14,099	15,197	3,427	3,325	55	59			53,230	52,613
	14,070	15,108	3,440	3,334	55	58			53,046	52,877

Notes to the interim consolidated financial statements

Accounting and valuation principles

The interim consolidated financial statements of HeidelbergCement AG as of 31 March 2013 were prepared on the basis of IAS 34 (Interim Financial Statements). All International Financial Reporting Standards (IFRSs), including the interpretations of the IFRS Interpretations Committee, that were binding as at the reporting date and had been adopted into European law by the European Commission were applied.

In accordance with the regulations of IAS 34, a condensed report scope in comparison with the consolidated financial statements as at 31 December 2012, with selected explanatory notes, was chosen. The accounting and valuation principles applied in the preparation of the interim financial statements correspond in principle to those of the consolidated financial statements as at 31 December 2012. Detailed explanations can be found on pages 156 f. in the Notes to the 2012 Annual Report, which forms the basis for these interim financial statements.

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

The interim consolidated financial statements as at 31 March 2013 were not subject to any audits or reviews.

The following new or amended IASB standards and interpretations were applicable for the first time in these interim consolidated financial statements:

- The amendments to IAS 1 (Presentation of Financial Statements) concern the future breakdown of the items shown in other comprehensive income into two categories, depending on whether, in subsequent periods, they are reclassified to the consolidated income statement or not. The consolidated statement of comprehensive income for the Group has been adjusted accordingly.
- The amendments to IAS 19 (Employee Benefits – Revised 2011) – subsequently referred to as IAS 19R – had the following impact on the financial reporting of the HeidelbergCement Group: The existing method of recording expected income from plan assets and the calculation of the interest cost from the defined benefit obligation will now be replaced by recording the net interest from the net defined benefit obligation or the net defined benefit asset. The difference between the interest income from plan assets and actual return on plan assets is included in actuarial gains and losses in the statement of comprehensive income. Past service costs are immediately recognised in profit or loss as they arise. Administration costs that are incurred while the service is being provided and do not relate to the management of the plan assets (investment-related costs), will be recorded in other operating expenses from now on. The obligation to retrospectively apply IAS 19R led to adjustments to the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated balance sheet, and the consolidated statement of changes in equity in earlier periods.
- The amendment to IFRS 7 (Disclosures – Offsetting Financial Assets and Financial Liabilities) results in additional disclosures relating to the netting of financial instruments in the Notes. The amendment to IFRS 7 does not have any impact on the reporting of the HeidelbergCement Group.
- IFRS 13 (Fair Value Measurement) introduces a uniform framework for the measurement of the fair value of assets and liabilities, which applies to all IFRS with a few exceptions (IFRS 2 Share-based Payment and IAS 17 Leases). IFRS 13 is to be applied prospectively. The initial application was of subordinate importance for the interim consolidated financial statement.

INTERIM FINANCIAL REPORT JANUARY TO MARCH 2013

Business trend January to March 2013	Consolidated statement of cash flows
Outlook	Consolidated balance sheet
Risk report	Consolidated statement of changes in equity
Consolidated income statement	Segment reporting/Notes
Consolidated statement of comprehensive income	Notes to the interim consolidated financial statements

- IFRIC 20 (Stripping Costs in the Production Phase of a Surface Mine) describes the accounting of stripping costs during the production phase in surface mining and clarifies when production stripping costs should lead to the recognition of an asset and how that asset should be classified and measured both initially and in subsequent periods. The retrospective application of IFRIC 20 resulted in consolidated balance sheet reclassifications in earlier periods. The effects on the consolidated income statement were of subordinate importance.

The following tables show the impact of the retrospective application of IAS 19R and IFRIC 20 on the income statement, the statement of comprehensive income, the statement of cash flows, and the balance sheet in earlier periods. The retrospective adjustment of shareholders' equity is shown in the statement of changes in equity.

Consolidated income statement	January - March 2012		
€m	Before adjustment	IAS 19R	Adjusted
Other operating expenses	-848.5	-2.2	-850.7
Operating income	13.8	-2.2	11.5
Other financial result	-14.8	-1.3	-16.0
Loss before tax from continuing operations	-143.9	-3.5	-147.3
Income taxes	-3.6	-0.3	-3.9
Loss for the period	-155.3	-3.8	-159.1
Thereof Group share of loss	-203.8	-3.8	-207.6
Loss per share in €			
Loss per share attributable to the parent entity	-1.09	-0.02	-1.11
Loss per share – continuing operations	-1.05	-0.02	-1.07
Loss per share – discontinued operations	-0.04		-0.04

Consolidated statement of comprehensive income	January - March 2012		
€m	Before adjustment	IAS 19R	Adjusted
Loss for the period	-155.3	-3.8	-159.1
Other comprehensive income not being reclassified to profit or loss in subsequent periods			
Actuarial gains and losses	25.9	3.5	29.4
Income taxes	-9.3	-1.4	-10.7
	16.5	2.1	18.7
Other comprehensive income	-276.0	2.1	-273.8
Total comprehensive income	-431.3	-1.7	-432.9
Relating to HeidelbergCement AG shareholders	-448.4	-1.7	-449.9

Consolidated statement of cash flows	January - March 2012		
€m	Before adjustment	IAS 19R	Adjusted
Net loss from continuing operations	-147.5	-3.8	-151.3
Income taxes	3.6	0.3	3.9
Elimination of other non-cash items	102.8	3.5	106.2
Cash flow	-7.6		-7.6

Consolidated balance sheet	1 January 2012			
€m	Before adjustment	IAS 19R	IFRIC 20	Adjusted
Assets				
Other intangible assets	345.9		3.8	349.6
Land and buildings	5,296.7		15.5	5,312.3
Deferred taxes	379.2	2.2		381.4
Other non-current receivables	294.0		-6.2	287.8
Total non-current assets	23,394.9	2.2	13.1	23,410.2
Other current operating receivables	359.0		-13.1	345.9
Total current assets	5,625.4		-13.1	5,612.3
Balance sheet total	29,020.3	2.2		29,022.5
Shareholders' equity and non-controlling interests				
Retained earnings	6,623.1	-3.8		6,619.3
Non-controlling interests	951.6	-0.6		951.0
Total equity	13,568.6	-4.4		13,564.2
Non-current pension provisions	832.6	6.6		839.2
Total liabilities	15,451.7	6.6		15,458.3
Balance sheet total	29,020.3	2.2		29,022.5

Consolidated balance sheet	31 March 2012			
€m	Before adjustment	IAS 19R	IFRIC 20	Adjusted
Assets				
Other intangible assets	335.4		3.9	339.2
Land and buildings	5,245.8		15.9	5,261.7
Deferred taxes	371.7	0.6		372.3
Other non-current receivables	381.3		-6.8	374.4
Total non-current assets	23,177.5	0.6	12.9	23,191.0
Other current operating receivables	390.7		-12.9	377.8
Total current assets	4,848.9		-12.9	4,836.0
Balance sheet total	28,026.4	0.6		28,027.0
Shareholders' equity and non-controlling interests				
Retained earnings	6,465.8	-5.4		6,460.4
Non-controlling interests	992.3	-0.6		991.7
Total equity	13,190.5	-6.0		13,184.5
Non-current pension provisions	880.3	6.6		886.9
Total liabilities	14,836.0	6.6		14,842.5
Balance sheet total	28,026.4	0.6		28,027.0

INTERIM FINANCIAL REPORT JANUARY TO MARCH 2013

Business trend January to March 2013

Outlook

Risk report

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated statement of cash flows

Consolidated balance sheet

Consolidated statement of changes in equity

Segment reporting/Notes

Notes to the interim consolidated financial statements

Consolidated balance sheet		31 December 2012		
€m	Before adjustment	IAS 19R	IFRIC 20	Adjusted
Assets				
Other intangible assets	297.7		4.3	302.0
Land and buildings	5,272.7		16.8	5,289.5
Deferred taxes	442.0	2.6		444.6
Other non-current receivables	275.4		-8.8	266.6
Total non-current assets	22,963.9	2.6	12.3	22,978.7
Other current operating receivables	365.6		-12.3	353.3
Total current assets	5,025.6		-12.3	5,013.3
Balance sheet total	28,005.2	2.6		28,007.8
Shareholders' equity and non-controlling interests				
Retained earnings	6,673.5	-5.4		6,668.1
Non-controlling interests	1,098.8	-0.5		1,098.3
Total equity	13,713.4	-5.9		13,707.5
Non-current pension provisions	1,018.7	8.5		1,027.2
Total liabilities	14,291.8	8.5		14,300.3
Balance sheet total	28,005.2	2.6		28,007.8

A detailed description of the pronouncements adopted by the IASB but not applicable until a later date is given in the Notes to the 2012 Annual Report on pages 159 f.

In order to improve transparency, the presentation of proceeds from and repayment of bonds and loans in the consolidated statement of cash flows was amended to the effect that proceeds and repayments relating to the syndicated facility agreement are reported on a net basis within a reporting period. Furthermore, changes to short-term interest-bearing receivables and liabilities are now reported separately. The following table shows the adjustments to the earlier period.

Consolidated statement of cash flows		January - March 2012	
€m	Before adjustment	Adjustment	Adjusted
Proceeds from bond issuance and loans	608,8	-250,0	358,8
Repayment of bonds and loans	-838,1	-225,9	-1.064,0
Changes in short-term interest-bearing assets and liabilities		475,9	475,9
Cash flow from financing activities	-232,9		-232,9

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 translation of the separate financial statements denominated in foreign currencies into euro.

Exchange rates		Exchange rates at reporting date		Average exchange rates	
		31 Dec. 2012	31 Mar. 2013	01-03/2012	01-03/2013
EUR	USA	1.3197	1.2821	1.3119	1.3200
AUD	Australia	1.2693	1.2303	1.2430	1.2704
CAD	Canada	1.3090	1.3043	1.3134	1.3302
CNY	China	8.2218	7.9626	8.2781	8.2145
GBP	Great Britain	0.8117	0.8432	0.8346	0.8506
GEL	Georgia	2.1863	2.1253	2.1782	2.1887
GHS	Ghana	2.5089	2.4869	2.1976	2.5251
HKD	Hong Kong	10.2227	9.9517	10.1802	10.2380
IDR	Indonesia	12,761.02	12,460.24	11,922.59	12,797.11
INR	India	72.4030	69.5960	65.8728	71.5012
KZT	Kazakhstan	198.7850	193.4100	194.3147	198.9589
MYR	Malaysia	4.0355	3.9660	4.0156	4.0662
NOK	Norway	7.3435	7.4979	7.5907	7.4313
PLN	Poland	4.0795	4.1780	4.2279	4.1523
RON	Romania	4.4453	4.4173	4.3535	4.3846
RUB	Russia	40.2910	39.8150	39.5471	40.1456
SEK	Sweden	8.5802	8.3667	8.8508	8.4957
CZK	Czech Republic	25.0815	25.7405	25.0681	25.5477
HUF	Hungary	291.3550	304.2050	296.5703	296.3263
TZS	Tanzania	2,145.42	2,125.68	2,084.51	2,183.31
TRY	Turkey	2.3546	2.3196	2.3570	2.3565

Business combinations in the reporting period

In the first quarter of 2013, as in the same quarter of the previous year, HeidelbergCement did not effect any significant business combinations.

Business combinations following the end of the reporting period

At the beginning of April 2013, HeidelbergCement acquired the remaining 50 % in the previously proportionately consolidated company Midland Quarry Products Limited (MQP), United Kingdom. MQP operates a quarry at Whitwick and five asphalt plants. The initial recognition of the business combination in the consolidated balance sheet was incomplete at the time the interim consolidated financial statements were authorised for issue. The final valuation reports for the disclosure of the necessary information in accordance with paragraph B64 of IFRS 3 (Business Combinations) were not yet available.

Divestments

HeidelbergCement did not effect any significant divestments in the first quarter of 2013, as in the first quarter of 2012.

INTERIM FINANCIAL REPORT JANUARY TO MARCH 2013

Business trend January to March 2013

Outlook

Risk report

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated statement of cash flows

Consolidated balance sheet

Consolidated statement of changes in equity

Segment reporting/Notes

Notes to the interim consolidated financial statements
Revenue development by Group areas and business lines

January - March 2013	Cement		Aggregates		Building products		Concrete-service-other		Intra Group eliminations		Total	
€m	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Western and Northern Europe	356	321	184	152	104	92	389	335	-146	-126	887	774
Eastern Europe-Central Asia	158	147	13	11			39	31	-15	-13	195	176
North America	205	222	177	177	142	140	154	165	-61	-67	616	639
Asia-Pacific	468	507	133	133	7	7	259	275	-85	-101	782	821
Africa-Mediterranean Basin	191	201	22	20			69	69	-18	-19	265	272
Group Services							168	176			168	176
Inter-Group area revenue within business lines	-3	-4	0			0	0	0			-3	-4
Total	1,376	1,394	528	494	253	240	1,078	1,050	-325	-326	2,911	2,853
Inter-Group area revenue between business lines									-111	-93	-111	-93
Continuing operations									-436	-418	2,799	2,761

Earnings per share

Earnings per share	January - March	
€m	2012	2013
Loss for the period	-159.1	-184.4
Non-controlling interests	48.5	50.5
Group share of loss	-207.6	-234.9
Number of shares in '000s (weighted average)	187,500	187,500
Loss per share in €	-1.11	-1.25
Net loss from continuing operations – attributable to the parent entity	-199.8	-234.9
Loss per share in € – continuing operations	-1.07	-1.25
Net loss from discontinued operations – attributable to the parent entity	-7.8	0.0
Loss per share in € – discontinued operations	-0.04	0.00

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.

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 indications of 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 31 March 2013, the management carried out an impairment review. The review indicated that no impairment needed to be recognised.

Consolidated statement of comprehensive income

The comprehensive income for the period improved by €572.8 million in comparison with the previous year to €139.9 million (previous year: -432.9). The loss for the period increased by €-25.3 million to €-184.4 million (previous year: -159.1). Other comprehensive income rose by €598.2 million to €324.4 million (previous year: -273.8). The actuarial gains and losses of €66.9 million (after income taxes) recognised in other comprehensive income are primarily due to changes in interest rates. In the same period of the previous year, the gains amounted to €18.7 million. The positive changes in the cash flow hedge reserve of €2.1 million in the reporting period (previous year: 1.4) result primarily from currency swaps and commodities. The market valuation of assets available for sale resulted in gains of €3.8 million (previous year: 2.8). Foreign currency translation resulted in gains of €251.6 million in the reporting period. The gains are due, in particular, to the depreciation of the euro against the US dollar and Australian dollar since 31 December 2012. In the same period of the previous year, the foreign exchange losses amounted to €-296.8 million and resulted primarily from the appreciation of the euro against the US dollar and Australian dollar.

The non-controlling interests in the comprehensive income of €75.4 million are composed of the positive non-controlling interest of €50.5 million in the loss for the period, which results in particular from the positive contributions to profits made by our Indonesian and African subsidiaries, as well as a positive result from foreign currency translation of €24.9 million.

Consolidated statement of changes in equity

As at 31 March 2013, the subscribed share capital amounts to €562.5 million – unchanged from 31 December 2012 – and is divided into 187,500,000 no-par value bearer shares, each representing a notional amount of €3.00 in the share capital. The share premium of €5,539.4 million (unchanged from 31 December 2012) was essentially created from the premium from capital increases. As at the balance sheet date, the company has no treasury shares.

As at 31 March 2013, the retained earnings amount to €6,499.8 million (previous year: 6,668.1). In the reporting period, the retained earnings were decreased by the comprehensive income of €-168.1 million, which is composed of the loss for the period of €-234.9 million and the actuarial gains and losses of €66.8 million recognised in other comprehensive income. In addition, consolidation measures totalling €-0.1 million led to a decrease in retained earnings. The other components of equity increased by a total of €232.3 million, of which €226.7 million related to foreign currency translation gains and €5.9 million to positive changes in the fair value of cash flow hedges and assets available for sale.

The non-controlling interests amounted to €1,173.5 million (previous year: 1,098.3) as at the balance sheet date. The rise resulted from the profit for the period attributable to non-controlling shareholders of €50.5 million and other comprehensive income totalling €24.9 million, primarily due to the change in foreign currency translation. As at the balance sheet date, the non-controlling interests include foreign currency translation differences of €-32.6 million (previous year: -57.5). Consolidation adjustments increased the non-controlling interests by €2.1 million. These related essentially to the increase of the non-controlling interests with put options of €1.6 million. In the reporting year, dividends totalling €2.4 million were paid to non-controlling shareholders.

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 0.1 percentage points in interest rates led to an increase of €66.9 million in the actuarial gains and losses recognised in equity.

Business trend January to March 2013	Consolidated statement of cash flows
Outlook	Consolidated balance sheet
Risk report	Consolidated statement of changes in equity
Consolidated income statement	Segment reporting/Notes
Consolidated statement of comprehensive income	Notes to the interim consolidated financial statements

Disclosures on financial instruments

The following table assigns the individual balance sheet items for the financial instruments to classes and valuation categories. In addition, the aggregate carrying amounts for each measurement category and the fair values for each class are shown.

Carrying amounts, measurement and fair values by measurement categories							
€m	Category of IAS 39 ¹⁾	Amortised cost	Cost	Fair value with P/L effect	Fair value without P/L effect	Carrying amount	Fair value
31 March 2013							
Assets							
Financial investments – available for sale at cost	AfS		48.0			48.0	
Financial investments – available for sale at fair value	AfS				23.1	23.1	23.1
Loans and other interest-bearing receivables	LaR	193.3				193.3	197.4
Trade receivables and other operating receivables	LaR	1,741.7				1,741.7	1,741.7
Cash and cash equivalents	LaR	1,494.5				1,494.5	1,494.5
Derivatives – hedge accounting	Hedge				0.6	0.6	0.6
Derivatives – held for trading	HfT			74.8		74.8	74.8
Liabilities							
Bonds payable, bank loans, and miscellaneous financial liabilities	FLAC	9,297.8				9,297.8	10,380.0
Trade payables, liabilities relating to personnel, and miscellaneous operating liabilities	FLAC	2,069.4				2,069.4	2,069.4
Liabilities from finance lease	FLAC	16.8				16.8	16.8
Derivatives – hedge accounting	Hedge				5.0	5.0	5.0
Derivatives – held for trading	HfT			20.9		20.9	20.9
Non-controlling interests with put options ²⁾	FLAC		23.1		20.9	44.0	20.9
31 December 2012							
Assets							
Financial investments – available for sale at cost	AfS		49.4			49.4	
Financial investments – available for sale at fair value	AfS				18.7	18.7	18.7
Loans and other interest-bearing receivables	LaR	166.1				166.1	169.6
Trade receivables and other operating receivables	LaR	1,788.5				1,788.5	1,788.9
Cash and cash equivalents	LaR	1,474.8				1,474.8	1,474.8
Derivatives – hedge accounting	Hedge				0.3	0.3	0.3
Derivatives – held for trading	HfT			22.9		22.9	22.9
Liabilities							
Bonds payable, bank loans, and miscellaneous financial liabilities	FLAC	8,425.8				8,425.8	9,510.1
Trade payables, liabilities relating to personnel, and miscellaneous operating liabilities	FLAC	2,308.3				2,308.3	2,308.3
Liabilities from finance lease	FLAC	17.2				17.2	17.2
Derivatives – hedge accounting	Hedge				4.8	4.8	4.8
Derivatives – held for trading	HfT			80.2		80.2	80.2
Non-controlling interests with put options ²⁾	FLAC		23.0		22.1	45.1	22.1

1) AfS: Available for sale, LaR: Loans and receivables, Hedge: Hedge accounting, HfT: Held for trading, FLAC: Financial liabilities at amortised cost

2) The non-controlling interests with put options accounted for at cost are not taken into account in the fair value data.

Available for sale at cost investments are equity investments measured at cost, for which no listed price on an active market exists and whose fair values cannot be reliably determined. Therefore, no fair value is indicated for these instruments. Available for sale at fair value investments are measured at fair value on the basis of the stock market prices on the balance sheet date. Derivative financial instruments, both those designated as hedges and those held for trading, are also measured at fair value. In these items, the fair value always corresponds to the carrying amount.

The fair values of the long-term loans, other long-term operating receivables, bank loans, finance lease liabilities, and other long-term interest-bearing and operating liabilities correspond to the present values of the future payments, taking into account the interest parameters at the time of payment.

The fair values of the listed bonds correspond to the nominal values multiplied by the price quotations on the balance sheet date. For the financial instruments with short-term maturities, the carrying amounts on the balance sheet date represent reasonable estimates of the fair values.

The following overview shows the valuation hierarchies in which the financial assets and liabilities are classified in accordance with IFRS 13 and which are measured at fair value.

Fair value hierarchy	31 December 2012		31 March 2013	
€m	Hierarchy 1	Hierarchy 2	Hierarchy 1	Hierarchy 2
Assets				
Financial investments – available for sale at fair value	18.7		23.1	
Derivatives				
Currency forwards		0.0		2.6
Foreign exchange swaps		5.6		54.7
Cross-currency interest rate swaps		17.3		17.5
Commodities		0.3		0.6
Liabilities				
Derivatives				
Currency forwards		0.9		0.8
Foreign exchange swaps		70.2		11.1
Currency swaps		2.7		3.5
Cross-currency interest rate swaps		6.8		6.9
Interest rate swaps		0.9		0.8
Commodities		1.0		0.5
Other interest rate and currency derivatives		2.5		2.3

In hierarchy 1, the fair value is calculated using prices quoted on an active market (unadjusted) for identical assets or liabilities to which the company has access on the measurement date. For hierarchy 2, the fair value is determined using a discounted cash flow model on the basis of input data that does not involve quoted prices classified in level 1, and which is directly or indirectly observable.

Related parties disclosures

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

INTERIM FINANCIAL REPORT JANUARY TO MARCH 2013

Business trend January to March 2013	Consolidated statement of cash flows
Outlook	Consolidated balance sheet
Risk report	Consolidated statement of changes in equity
Consolidated income statement	Segment reporting/Notes
Consolidated statement of comprehensive income	Notes to the interim consolidated financial statements

Contingent liabilities and other financial commitments

A description of the contingent liabilities and other financial commitments of HeidelbergCement Group can be found in the Notes to the 2012 Annual Report on page 213 f. There have been no major changes since 31 December 2012.

Events after the balance sheet date

In April 2013, we increased our stake in the Russian cement company CJSC "Construction Materials" from 51 % to 100 %. The acquisition of the remaining 50 % in the previously proportionately consolidated company Midland Quarry Products Limited (MQP), United Kingdom, is explained on page 24 under "Business combinations following the end of the reporting period".

Heidelberg, 8 May 2013

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.

Contact:

Group Communication

Phone: +49 (0) 6221 481-13 227

Fax: +49 (0) 6221 481-13 217

E-mail: info@heidelbergcement.com

Investor Relations

Phone:

Institutional investors USA and UK: +49 (0) 6221 481-13 925

Institutional investors EU and rest of the world: +49 (0) 6221 481-39568

Private investors: +49 (0) 6221 481-13 256

Fax: +49 (0) 6221 481-13 217

E-mail: ir-info@heidelbergcement.com

The Interim Financial Report January to March 2013 was published on 8 May 2013.

Financial calendar

Half-Year Financial Report January to June 2013	31 July 2013
Interim Financial Report January to September 2013	7 November 2013
Annual General Meeting 2014	7 May 2014



140 Years

HeidelbergCement AG
Berliner Strasse 6
69120 Heidelberg, Germany
www.heidelbergcement.com