Interim Financial Report

HEIDELBERGCEMENT

January to March 2012

- **Group revenue improved by 8% to €2.8 billion**

- **Increase in sales volumes in cement (+5%) and aggregates (+1%) despite cold wave in Europe:**
  - **Strong growth in North America: economic recovery and mild winter**
  - **Continued positive development in Asia, esp. in Indonesia**

- **Operating income before depreciation (OIBD) decreased by 16% to €214 million:**
  - **Increased costs of energy, freight, and maintenance (timing)**

- **Price increases launched and partly already successfully executed**

- **Net debt reduced by €248 million compared to previous year**

- **Outlook for 2012 confirmed:**
  - **Sustained growth in Asia-Pacific and Africa-Mediterranean Basin; continuing recovery in North America and parts of Europe**
  - **Increase in revenue and operating income envisaged**

Overview January to March 2012	January - March	
€m	2011	**2012**
Revenue	2,602	**2,799**
Operating income before depreciation (OIBD)	253	**214**
in % of revenue	9.7%	**7.6%**
Operating income	60	**14**
Additional ordinary result	-2	**-10**
Result from participations	-4	**-1**
Earnings before interest and income taxes (EBIT)	54	**3**
Loss before tax	-87	**-144**
Net loss from continuing operations	-116	**-148**
Net loss from discontinued operations	-4	**-8**
Loss for the period	-120	**-155**
Group share of loss	-161	**-204**
Investments	171	**164**

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 2012

Economic environment
The growth of the global economy is continuing, but the economic dynamics have weakened noticeably as a result of the turmoil in the second half of 2011. The economic development clearly differs from region to region: the national economies of Asia remain on a growth track, albeit at a slightly weakened pace. 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 public budget deficits. In the US, economic recovery is continuing. Although economic growth was sligtly lower than expected in the first quarter, the employment situation improved somewhat in recent months.

First Quarter cement sales volumes driven by North America and Asia
In the first quarter, cement sales volumes benefited from the continued economic recovery and mild winter weather in North America as well as from the strong growth of demand in HeidelbergCement markets in Asia and Africa. The increase in sales volumes in those Group areas more than compensated for the losses in Western and Northern Europe which were caused by the onset of winter in February. Due to a very positive development in North America, total aggregates sales volumes also rose slightly.

The Group's cement and clinker sales volumes rose by 5.0% to 18.2 million tonnes (previous year: 17.3). The North America and Asia-Pacific Group areas achieved double-digit growth rates. Particularly in Indonesia, demand continued to develop strongly. Cement sales volumes in Western and Northern Europe declined due to the onset of winter in February. Higher capacities in Poland and Russia led to a slight increase in sales volumes in Eastern Europe-Central Asia.

Deliveries of aggregates across the Group amounted to 47.0 million tonnes (previous year: 46.3), an increase of 1.5%. Ready-mixed concrete deliveries declined by 3.2% to 8.1 million cubic metres (previous year: 8.4). Asphalt sales volumes fell by 13.7% to 1.4 million tonnes (previous year: 1.6).

Sales volumes	January - March		
	2011	**2012**	Change
Cement and clinker (million tonnes)	17.3	**18.2**	5.0%
Aggregates (million tonnes)	46.3	**47.0**	1.5%
Asphalt (million tonnes)	1.6	**1.4**	-13.7%
Ready-mixed concrete (million cubic metres)	8.4	**8.1**	-3.2%

Development of revenue and results
On the basis of the increases in sales volumes, Group revenue rose considerably from January to March 2012, by 7.6%, to €2,799 million (previous year: 2,602). In particular, the Asia-Pacific and North America Group areas recorded double-digit growth rates. While moderate growth was achieved in the Eastern Europe-Central Asia Group area, the onset of winter had a particularly strong impact in the Western and Northern Europe Group area. The effects from changes in the consolidation scope were insignificant. Positive exchange rate effects of €61 million primarily affected the Asia-Pacific, North America, and Western and Northern Europe Group areas.

In the reporting period, material costs rose by 10.2% to €1,286 million (previous year: 1,168). As in the previous year, this is due to disproportionately strong growth of 15.5% in energy costs, which could only be partially compensated for by price increases. The other operating expenses rose by 10.4% to €848 million (previous year: 769), because of higher freight costs in particular.

Operating income before depreciation (OIBD) fell by 15.5% to €214 million (previous year: 253). Operating income decreased to €14 million (previous year: 60).

The additional ordinary result deteriorated by €8 million to €-10 million (previous year: -2), primarily because of restructuring expenses and impairment losses on property, plant, and equipment. The result from participations improved by €3 million to €-1 million (previous year: -4).

As a result of pre-financing the €1 billion Eurobond, which was repaid in January 2012, financial result deteriorated by €7 million to €-147 million (previous year: -140).

The profit before tax from continuing operations fell by €57 million to €-144 million (previous year: -87). Expenses relating to taxes on income fell by €25 million to €4 million (previous year: 29). 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 -33.9% to -2.5%. Profit after tax from continuing operations amounts to €-148 million (previous year: -116).

Overall, the loss for the period amounts to €-155 million (previous year: -120). The profit attributable to non-controlling interests rose by €8 million to €48 million (previous year: 40). The Group share therefore amounts to €-204 million (previous year: -161).

Earnings per share – Group share of profit – in accordance with IAS 33 decreased to €-1.09 (previous year: -0.86).

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

"FOX 2013" programme 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 2012. It is thus well on the way to achieving the targeted improvement of €850 million over the three-year horizon. In 2011, the programme generated cash effective savings totalling €384 million.

Statement of cash flows

The cash outflow from operating activities decreased in the first quarter of 2012 by a total of €40 million to €434 million (previous year: 474). Besides higher income tax payments of €30 million, which primarily relate to withholding taxes for dividends paid within the Group, the net interest payment outflows fell by €8 million. In addition, active management resulted in an improvement of €12 million in the working capital.

The cash flow from investing activities was at approximately the same level as the previous year, totalling €144 million (previous year: 145), and relates essentially to investments in property, plant, and equipment.

In the reporting period, the cash flow from financing activities amounted to €233 million (previous year: inflow of 591), primarily in connection with proceeds from and repayment of bonds and loans. The proceeds from bond issuance and loans include the utilisation of credit lines and the issue of a Eurobond with an issue volume of €300 million. The repayment of bonds and loans is essentially characterised by the repayment of the bond of €1 billion that matured in January 2012. This item also includes the balance from the proceeds and payments for items with a high turnover rate, large amounts, and short terms from financing activities.

The cash outflow from operating activities, which is characteristic of the first quarter because of the seasonal nature of the business, as well as exchange rate and other non-cash effects, led to an increase of €616 million in net debt to €8,386 million in comparison with the end of 2011 (€7,770 million).

Investments

Cash flow investments decreased by 4.3% in the first quarter to €164 million (previous year: 171). 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 €161 million (previous year: 154) of this total. Investments in financial assets and other business units decreased to €3 million (previous year: 17); these primarily related to smaller acquisitions to round off shareholdings.

Balance sheet

The balance sheet total decreased by €994 million to €28,026 million (previous year: 29,020) as at 31 March 2012.

The long-term assets fell by €217 million to €23,178 million (previous year: 23,395). The decrease of €298 million in fixed assets to €22,400 million (previous year: 22,698) is mainly due to exchange rate effects. Currency exchange fluctuation had an effect of €-144 million on goodwill and €-98 million on property, plant, and equipment. Additions of €161 million to property, plant, and equipment were offset by depreciation of €191 million. The other long-term receivables increased by €87 million to €381 million (previous year: 294), mainly as a result of the valuation of plan assets from defined benefit pension plans.

The short-term assets decreased by €776 million to €4,849 (previous year: 5,625). Despite increased business activities, inventories rose only slightly by €71 million to €1,654 million (previous year: 1,583). Trade receivables remained almost unchanged at €1,642 million (previous year: 1,649). Cash and cash equivalents decreased by €844 million to €1,026 (previous year: 1,870). The changes are explained in the Statement of cash flows section.

On the equity and liabilities side, the shareholders' equity decreased by €378 million to €13,191 million (previous year: 13,569). This was primarily due to currency exchange fluctuation of €-297 million and the loss for the period of €-155 million. These factors were counteracted to some extent by actuarial gains of €17 million and the changes in non-controlling interests with put options, amounting to €57 million. The consolidated statement of changes in equity is explained in detail in the Notes.

The decline of €339 million in interest-bearing liabilities, which reached €9,462 million (previous year: 9,801), is primarily due to the repayment of bonds. The decline of €239 million in operating liabilities to €2,268 million (previous year: 2,507) relates mainly to trade payables. The changes are explained in more detail in the Statement of cash flows section. Provisions remained almost unchanged at €2,212 million (previous year: 2,184).

Financing

On 25 January 2012, HeidelbergCement repaid the €1 billion Eurobond 2008/2012 by using available liquidity or making use of credit lines.

On 31 January 2012, HeidelbergCement secured the extension until 31 December 2015 of its €3 billion syndicated credit line, originally maturing at the end of 2013. All 17 banks involved so far have confirmed their participation and two further banks have joined the syndicate. The agreement was signed on 17 February 2012. The €3 billion multicurrency credit line is intended as a liquidity back-up and can be used for cash drawings and letters of credit and guarantee facilities.

Under the extension, the margins increased by 25 basis points across the existing margin grid, with an additional 50 basis points pricing premium for US dollar drawings. HeidelbergCement paid a one-time amendment fee of 45 basis points and pays a first draw fee of 15 basis points whilst all other terms and conditions remained unchanged.

The successful extension of the syndicated credit line is proof of the strength of our relationships with our core banks. The fact that, in a difficult financial market environment, two additional banks have joined the syndicate and we were able to limit the margin increase to just 25 basis points, underlines the confidence the banks have in our Group. The extension of the credit line means that we have secured sufficient liquidity until the end of 2015.

In this self-arranged credit line, Bank of America/Merrill Lynch, BayernLB, BNP/Fortis, Citigroup, Commerzbank, Danske A/S, Deutsche Bank, Svenska Handelsbanken, Helaba, ING, Intesa, LBBW, Mediobanca, Morgan Stanley, Nordea, RBS, RBI, SEB, and Standard Chartered act as the mandated lead arrangers.

On 8 March 2012, HeidelbergCement issued a Eurobond under its €10 billion EMTN programme with an issue volume of €300 million and a maturity date of 8 March 2016. The bond bears a fixed coupon of 4.00% p.a. The issue price was at 100.0%, resulting in a yield to maturity of 4.00%. The bond is unsecured and ranks pari passu with all other capital market debt. As with all the bonds issued since 2009 and the debt certificate issued in December 2011, the bond terms and conditions include a limitation on incurring additional debt. The proceeds of the transaction will be used for general corporate purposes.

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 €2,385 million and the consolidated interest expense of €636 million are calculated on a pro forma basis in accordance with the terms and conditions of the bonds. As at 31 March 2012, the consolidated coverage ratio amounted to 3.75.

Net debt decreased by €248 million in comparison with 31 March 2011, amounting to €8,386 million (previous year: 8,634) as at 31 March 2012. The increase of €616 million in comparison with the end of 2011 is primarily due to the rise in working capital, related to seasonal factors.

The available liquidity from cash and cash equivalents, liquidable financial investments and derivative financial instruments, and unused credit lines amounted to €3.719 million as at the end of March 2012.

Western and Northern Europe

The economic recovery in Germany and the Nordic countries Sweden and Norway is continuing, although the economy has cooled considerably because of the European sovereign debt crisis. According to forecasts, the German economy should gain considerable momentum in the course of the year despite the ongoing difficulties in the euro zone. After a weak phase during the winter months, it appears that the recovery of the British economy will take longer than expected.

While the construction industry was boosted by mild weather in the first quarter of 2011, construction activity in the first quarter of 2012 was adversely affected by several weeks of exceptionally cold winter weather in some countries, particularly in Germany, the Benelux countries, and the United Kingdom.

In the cement business line, the individual Group countries experienced varied development in sales volumes during the first quarter. The Nordic countries Sweden, Norway, and Denmark, as well as the Baltic States, achieved moderate or significant increases in domestic shipment quantities thanks to consistently strong construction activity. Cement exports also rose, while lower-margin clinker exports were reduced. In Germany, the generally strong development of construction activity was disrupted by the cold winter weather in February, which meant that our deliveries fell short of last year's quantity. Significant decreases in sales volumes, caused by weather conditions, were also recorded in the United Kingdom and the Benelux countries. The Netherlands were also adversely affected by weak construction demand. Overall, our cement and clinker sales volumes in Western and Northern Europe fell by 8.3% in the first three months to 4.3 million tonnes (previous year: 4.7).

The development of sales volumes in the aggregates business line also followed two opposing trends. While Sweden and Norway achieved double-digit increases in sales volumes and Germany also recorded a noticeable rise in quantities, deliveries of aggregates in the United Kingdom and the Benelux countries were significantly below the previous year's level. The Group area's aggregates sales volumes decreased by 6.5% overall to 15.3 million tonnes (previous year: 16.3). Excluding consolidation effects, the decline amounted to 13.9%.

The Nordic countries and the Baltic States also recorded pleasing increases in quantities in the ready-mixed concrete operating line. Deliveries decreased noticeably in Germany, the United Kingdom, and the Benelux countries. Overall, ready-mixed concrete sales volumes fell by 12.0% to 2.7 million cubic metres (previous year: 3.1). The sales volumes of the asphalt operating line were 21.2% 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 precast concrete parts. However, a significant increase in results was achieved thanks to the capacity adjustments and cost reduction measures introduced at an early state.

Revenue of the Western and Northern Europe Group area declined by 6.3% to €887 million (previous year: 947); excluding consolidation and exchange rate effects, the decrease amounted to 6.2%.

Eastern Europe-Central Asia

The cooling down in the global economy and the European sovereign debt crisis are also having a noticeable impact in the countries of the Eastern Europe-Central Asia Group area, with a weakening of economic development. In some countries, such as the Czech Republic, Hungary, and Romania, the construction industry is being adversely affected by the lack of financing for infrastructural projects. Severe winter weather hampered construction activity in large parts of the Group area.

In the first three months, our deliveries in the cement business line remained below the previous year in the majority of countries because of the unfavourable weather conditions. In contrast, our sales volumes in Russia increased by more than 70% as a result of healthy market development as well as deliveries from the new Tula cement plant to the Moscow area. Georgia also achieved a substantial increase in quantities. Despite the cold winter weather, Poland recorded a slight increase in sales volumes thanks to favourable market conditions. In Hungary, our deliveries were impaired not only by the weather but also by the ongoing difficult situation in the construction industry. Overall, the cement and clinker sales volumes of the Group area increased by 4.5% to 2.4 million tonnes (previous year: 2.3) in the first quarter.

At the end of March 2012, the capacity expansion in the Górazdze cement plant in Poland was completed with the commissioning of a new cement mill. The new mill is HeidelbergCement's largest ball mill in Europe with a capacity of 1.4 million tonnes per year. Its commissioning is the perfect follow-up to the increase in clinker capacity carried out in the past year. This brings our total cement capacity in Poland to 5.6 million tonnes. 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 by 2013.

In the aggregates business line, our sales volumes remained below the previous year's level in most countries. Overall, our aggregates activities in the Group area recorded a 3.9% decline in sales volumes to 2.1 million tonnes (previous year: 2.2). Deliveries of ready-mixed concrete fell by 15.3% to 0.6 million cubic metres (previous year: 0.7).

Revenue of the Eastern Europe-Central Asia Group area rose by 4.7% to €195 million previous year: 187); excluding consolidation and exchange rate effects, the increase amounted to 7.1%.

North America
In the North America Group area, HeidelbergCement is represented in the US and Canada. In the US, there are increasing signs of an improvement in the economic environment. Gross domestic product grew by 2.2% in the first quarter of 2012, somewhat slower than expected. However, the unemployment rate decreased to 8.2% by March. Signs of a recovery are also emerging in residential construction: in March, housing starts were 10.3% above the same month of the previous year, with an annual rate of 654,000. In April, in view of the improved outlook on the job market, the North American cement association PCA significantly raised its forecast for the increase in US cement consumption in 2012 from 0.5% to 3.7%. Besides the economic recovery, the construction industry – and therefore demand for our building materials – benefited in particular from the mild winter weather in North America during the first quarter.

The cement sales volumes of our North American plants grew by 25.0% in the first quarter to 2.3 million tonnes (previous year: 1.9). The highest increase in quantities was achieved by the North market region, which benefited from strong demand in all major markets. Deliveries also underwent a double-digit increase in the West and South regions. The Canada region recorded a moderate increase in sales volumes; the growing demand from the energy and mining sector in the Prairie provinces was offset by the ongoing weakness of construction activity in British Columbia, with large projects not scheduled to start until the second quarter.

In the aggregates business line, our deliveries benefited from the strong demand in the North and Canada regions. The substantial increases in quantities in these two regions more than compensated for the declines in the West and South regions. Overall, the aggregates sales volumes increased by 14.9% in the first quarter to 18.5 million tonnes (previous year: 16.1). The North region achieved strong growth in sales volumes in the ready-mixed concrete operating line; deliveries of ready-mixed concrete also rose in the other regions. Ready-mixed concrete sales volumes increased by 10.3% overall to 1.2 million cubic metres (previous year: 1.1). Asphalt deliveries decreased by 8.5% to just under 0.2 million tonnes (previous year: 0.2). The decline is mainly attributable to the late start of projects in the West region.

In the building products business line, which is heavily dependent on residential construction, the roof tiles, precast concrete parts, and pressure pipes operating lines recorded significant decreases in quantities. On the other hand, pleasing increases were achieved by the bricks and paving blocks operating lines. Sales volumes of concrete pipes also exceeded the previous year's quantity.

Total revenue in North America rose by 17.7% to €616 million (previous year: 523); excluding exchange rate effects, it rose by 12.8%.

Asia-Pacific
The emerging countries of Asia remain on course for growth, although the economic dynamics have weakened overall. In China, economic growth was less vigorous than expected in the first quarter, with a rise of 8.1% in the gross domestic product; however, the Chinese economy is in good shape overall thanks to strong investment and consumer spending. The economic expansion in India has also slowed, but remains at a high level. Thanks to strong domestic demand, Indonesia is recording robust general economic growth. The Australian economy is back on course for growth, thanks to the raw materials boom.

During the first quarter, cement and clinker deliveries of the Asia-Pacific Group area grew by 12.0% to 7.1 million tonnes (previous year: 6.3). In Indonesia, our subsidiary Indocement benefited from the extremely lively construction activity, particularly in residential construction. In view of the rapidly growing domestic market, Indocement reduced its lower-margin export deliveries substantially. Overall, Indocement's cement and clinker sales volumes grew by 19.9%. In order to meet the rising domestic demand for cement, Indocement is currently constructing an additional cement grinding facility at the Citeureup plant with a capacity of 2 million tonnes, set to be commissioned in 2013.

In China, our joint ventures in the provinces of Guangdong and Shaanxi achieved slight increases in quantities in comparison with the previous year. The significant rise in cement sales volumes more than compensated for declining clinker deliveries. With cement prices having fallen considerably in Shaanxi during the past year because of excess capacities and the fact that the market consolidation had not yet been completed, a clear upward trend was recorded in the first quarter of 2012.

In India, cement demand was adversely affected by the government's continued restraint in the area of infrastructural projects and the weakening dynamics in the property sector due to high interest rates. Deliveries from our Indian cement plants remained 1.1% below the previous year's level. Cement prices have recovered considerably over the last few months. The expansion of our cement capacities in central India by 2.9 million tonnes is proceeding according to schedule. New facilities in our Damoh and Jhansi plants are set to be completed by mid-2012. HeidelbergCement will then have a total capacity of 6 million tonnes in India.

We achieved a significant increase in sales volumes in Bangladesh. This growth was partly due to the scheduled completion of an additional cement mill with a capacity of 0.8 million tonnes at the Chittagong grinding facility; after successful test runs at the end of 2011, production commenced at the start of 2012. In Australia, the sales volumes of the proportionately consolidated cement company Cement Australia were adversely affected by the wet summer on the East Coast.

In the aggregates business line, the market recovery in Malaysia continued, although the increase in sales volumes achieved there could not compensate for the weather-related decreases in quantities in Australia and Indonesia. Overall, sales volumes of aggregates fell by 6.6% to 8.3 million tonnes (previous year: 8.9). In the asphalt operating line, the substantial rise in bitumen prices in Malaysia was reflected in a considerable decrease of 14.3% in quantities. Deliveries of ready-mixed concrete increased by 8.4% to 2.4 million cubic metres (previous year: 2.2); a particularly strong contribution was made by Indonesia, where Indocement achieved a substantial increase in quantities despite heavy rainfall.

Revenue of the Asia-Pacific Group area rose by 19.2% to €782 million (previous year: 656); excluding consolidation and exchange rate effects, the increase amounted to 14.5%.

Africa-Mediterranean Basin

The African countries south of the Sahara are continuing to experience solid economic development and lively construction activity. In Turkey, a weakening of the general economic dynamics has been evident for several months; in the first quarter of 2012, the construction sector was adversely affected by unfavourable weather conditions. In Spain, the construction industry is still suffering as a result of the property crisis, high unemployment, and the government's budget cuts, which result in a heavy reduction in infrastructure expenditure this year.

In Africa, our cement deliveries recorded a slight increase of 1.4%. In our main market, Ghana, we were unable to achieve increases in sales volumes because of capacity limitations; as a result, sales volumes only reached the previous year's level. Therefore, the main priority is to intensify production with the existing equipment until the commissioning of the new cement mill in the Tema grinding facility, which is scheduled for the fourth quarter of 2012.

In light of the positive growth prospects, HeidelbergCement is expanding its activities in Africa. A new cement mill with a capacity of 0.5 million tonnes is currently under construction in Liberia and is set to be commissioned during the fourth quarter of 2012. We are also expanding our cement production capacity in our main market, 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. In Togo, we are planning to construct a greenfield clinker plant with a capacity of 1.5 million tonnes. At the beginning of

2014, a greenfield cement grinding plant with a capacity of 650,000 tonnes is set to commence operation in Burkina Faso, close to the capital, Ouagadougou. In the Democratic Republic of Congo, we intend to increase our cement capacity 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 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.

In Turkey, construction activity in the first quarter of 2012 was impaired considerably by adverse winter weather. The domestic cement sales volumes of our joint venture Akçansa decreased by more than 10% in the first three months. While cement exports also fell, clinker exports were increased considerably. In total, Akçansa's cement and clinker sales volumes remained 9.5% below the previous year's level. The cement and clinker sales volumes of the Africa-Mediterranean Basin Group area decreased slightly overall, by 2.0% to 2.2 million tonnes (previous year: 2.2).

In the aggregates business line, the decline in sales volumes in Spain was offset by pleasing increases in quantities in Israel and Turkey. Overall, the Group area's deliveries of aggregates rose slightly and were 0.3% above the previous year's level, at 3.5 million tonnes (previous year: 3.5). Our asphalt activities recorded an increase of just under 60% in sales volumes. Deliveries of ready-mixed concrete fell by 7.3% to 1.1 million cubic metres (previous year: 1.2); the growth in sales volumes in Israel could not compensate for significant decreases in quantities in Turkey and particularly in Spain.

Revenue of the Africa-Mediterranean Basin Group area rose by 6.1% to €265 million (previous year: 250); excluding consolidation and exchange rate effects, the growth amounted to 7.7%.

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 19.5% to 2.5 million tonnes in the first quarter (previous year: 2.1). Deliveries of coal and petroleum coke rose by 25.7% to 0.7 million tonnes (previous year: 0.5).

Revenue of the Group Services business unit rose by 18.1% to €168 million (previous year: 143); excluding exchange rate effects, revenue increased by 13.1%.

Employees

At the end of the first quarter of 2012, the number of employees at HeidelbergCement stood at 53.230 (previous year: 53,771). The decrease of 541 employees essentially results from two opposing developments: on one hand, just under 1,000 jobs were cut in the North America Group area, in the United Kingdom, 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 around 500 new employees in growing markets such as India and Indonesia.

Personnel change on the Supervisory Board

As of 14 March 2012, Dr.-Ing. Herbert Lütkestratkötter resigned from his position on the Supervisory Board of HeidelbergCement AG for personal reasons. The Nomination Committee of the Supervisory Board is intensively engaged in the selection of a suitable successor.

Events after the balance sheet date

After the balance sheet date, there were no reportable events.

Outlook

In its latest forecast, the International Monetary Fund (IMF) raised growth rates for the world economy and some key countries, like the US, China, and Germany, and thus anticipates a smaller weakening of the economic development compared to the previous year. 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. The economic recovery of the US continued in the first quarter. Due to a stronger than anticipated decline of unemployment, the American Cement Association significantly increased its forecast of cement consumption in 2012 from 0.5% to 3.7%.

In the Western and Northern Europe Group area, HeidelbergCement expects further economic growth but a slight overall dip in demand and falling sales volumes in cement and aggregates. This is mainly due to the strong growth in sales volumes in the previous year, particularly because of the mild winter weather. In the Eastern Europe-Central Asia Group area, HeidelbergCement expects further growth in sales volumes of cement and aggregates, which will be largely driven by the additional capacities and ongoing increase in demand in Russia, the Ukraine, and Central Asia. In North America, the company expects demand of cement and aggregates to grow because of the gradual recovery of investment in private residential construction as well as commercial construction. HeidelbergCement anticipates the demand for building materials from the raw materials industry in Canada and the US to support the company's sales volumes once again in 2012. In the Group areas Asia-Pacific and Africa-Mediterranean Basin, the company expects a sustained positive demand trend.

With regard to costs, HeidelbergCement expects a further – albeit significantly weaker compared to the previous year– increase in energy and raw material prices as well as rising personnel costs. HeidelbergCement aims to offset the cost increase and gain back some of the margins lost in 2011 by placing a high priority on cost reduction measures and targeted price increases. The Managing Board has set the objective of further increasing revenue and operating income in 2012 compared to the previous year.

The development of demand in the first quarter confirmed our outlook for the 2012 financial year. In view of the still quite high energy costs, we will continue our efforts to reduce costs and improve efficiency under the "FOX 2013" programme as before and consequently increase prices in our markets. Deleveraging remains the highest priority for us, in order to regain our investment grade rating. We will also continue our successful strategy of targeted investments to expand cement capacities in the growth markets of Asia, Africa, and Eastern Europe. Thanks to our advantageous geographical positioning in attractive markets – in both emerging and industrialised countries –, and the global market leadership in the aggregates business, HeidelbergCement is excellently positioned 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 2012 regarding the forecasts and other statements made in the 2011 Annual Report in the Outlook chapter on page 113 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 2012 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 2012 financial year and in the foreseeable future are described in detail in the 2011 Annual Report in the Risk report chapter on page 80 ff. and in the section "Estimates for 2012 and 2013 by Group management – risks and opportunities" on page 121 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) slightly raised growth rates for the world 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	2011	2012
Revenue	2,602.2	**2,799.4**
Change in finished goods and work in progress	35.3	**40.0**
Own work capitalised	3.3	**2.0**
Operating revenue	2,640.8	**2,841.5**
Other operating income	74.1	**63.8**
Material costs	-1,167.7	**-1,286.3**
Employee and personnel costs	-525.5	**-556.9**
Other operating expenses	-768.7	**-848.5**
Operating income before depreciation (OIBD)	253.0	**213.7**
Depreciation of property, plant, and equipment	-191.9	**-190.6**
Amortisation of intangible assets	-1.0	**-9.3**
Operating income	60.1	**13.8**
Additional ordinary income	2.1	**0.7**
Additional ordinary expenses	-4.0	**-10.2**
Additional ordinary result	-1.9	**-9.6**
Result from associated companies [1]	-5.0	**-1.4**
Result from other participations	0.5	**0.3**
Earnings before interest and taxes (EBIT)	53.8	**3.1**
Interest income	21.0	**24.0**
Interest expenses	-145.3	**-159.2**
Foreign exchange gains	0.5	**3.0**
Other financial result	-16.5	**-14.8**
Financial result	-140.3	**-146.9**
Loss before tax from continuing operations	-86.5	**-143.9**
Income taxes	-29.3	**-3.6**
Net loss from continuing operations	-115.8	**-147.5**
Net loss from discontinued operations	-4.4	**-7.8**
Loss for the period	-120.3	**-155.3**
Thereof non-controlling interests	40.4	**48.5**
Thereof Group share of loss	-160.7	**-203.8**
Earnings per share in € (IAS 33)		
Loss per share attributable to the parent entity	-0.86	**-1.09**
Loss per share – continuing operations	-0.83	**-1.05**
Loss per share – discontinued operations	-0.03	**-0.04**

1) Net result from associated companies	-4.2	-1.7

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income	January - March	
€m	2011	2012
Loss for the period	-120.3	**-155.3**
Actuarial gains and losses	38.3	**25.9**
Income taxes	-12.2	**-9.3**
	26.1	**16.5**
Cash flow hedges – change in fair value	-0.1	**2.9**
Reclassification of gains/losses included in the income statement		**-1.1**
Income taxes		**-0.5**
	-0.1	**1.4**
Available for sale assets – change in fair value	0.3	**3.0**
Income taxes		**-0.1**
	0.3	**2.8**
Currency translation	-698.2	**-292.9**
Income taxes	1.3	**-3.8**
	-697.0	**-296.8**
Other comprehensive income	-670.7	**-276.0**
Total comprehensive income	-791.0	**-431.3**
Relating to non-controlling interests	18.5	**17.1**
Relating to HeidelbergCement AG shareholders	-809.5	**-448.4**

Consolidated statement of cash flows

Consolidated statement of cash flows	January - March	
€m	2011	2012
Net income from continuing operations	-115.8	**-147.5**
Income taxes	29.3	**3.6**
Interest income/ expenses	124.3	**135.2**
Dividends received	2.5	**1.0**
Interest received	33.3	**30.3**
Interest paid	-249.5	**-238.6**
Income taxes paid	-69.4	**-99.6**
Depreciation, amortisation, and impairment	194.0	**205.2**
Elimination of other non-cash items	13.3	**102.8**
Cash flow	-38.0	**-7.6**
Changes in operating assets	-338.2	**-139.2**
Changes in operating liabilities	-48.1	**-234.9**
Changes in working capital	-386.3	**-374.2**
Decrease in provisions through cash payments	-49.2	**-52.1**
Cash flow from operating activities	-473.5	**-433.9**
Intangible assets	-1.5	**-1.8**
Property, plant, and equipment	-152.9	**-159.2**
Subsidiaries and other business units	-14.1	**0.0**
Other financial assets	-2.5	**-2.6**
Investments (cash outflow)	-171.0	**-163.6**
Subsidiaries and other business units	7.4	**0.0**
Other fixed assets	18.8	**20.0**
Divestments (cash inflow)	26.2	**20.0**
Cash from changes in consolidation scope	-0.5	**0.1**
Cash flow from investing activities	-145.3	**-143.5**
Dividend payments - non-controlling shareholders	-1.9	**-3.4**
Increase in ownership interests in subsidiaries		**-0.2**
Proceeds from bond issuance and loans	1,814.4	**608.8**
Repayment of bonds and loans	-1,221.5	**-838.1**
Cash flow from financing activities	591.0	**-232.9**
Net change in cash and cash equivalents	-27.8	**-810.4**
Effect of exchange rate changes	-30.6	**-33.3**
Cash and cash equivalents at 1 January	870.5	**1,869.8**
Cash and cash equivalents at 31 March	812.2	**1,026.1**

Consolidated balance sheet

Assets			
€m	31 Mar. 2011	31 Dec. 2011	31 Mar. 2012
Non-current assets			
Intangible assets			
Goodwill	10,196.0	10,763.3	**10,619.5**
Other intangible assets	350.8	345.9	**335.4**
	10,546.8	11,109.2	**10,954.9**
Property, plant, and equipment			
Land and buildings	5,037.2	5,296.7	**5,245.8**
Plant and machinery	4,366.0	4,380.1	**4,239.7**
Other operating equipment	247.8	297.8	**294.2**
Prepayments and assets under construction	887.1	1,061.4	**1,117.7**
	10,538.1	11,036.1	**10,897.5**
Financial assets			
Investments in associates	351.1	390.7	**384.6**
Financial investments	62.3	63.9	**68.1**
Loans to participations	18.4	17.0	**16.6**
Other loans and derivative financial instruments	64.7	81.0	**78.7**
	496.5	552.6	**548.0**
Fixed assets	21,581.4	22,697.8	**22,400.4**
Deferred taxes	337.0	379.2	**371.7**
Other non-current receivables	303.1	294.0	**381.3**
Non-current income tax assets	21.7	23.9	**24.2**
Total non-current assets	22,243.2	23,394.9	**23,177.5**
Current assets			
Inventories			
Raw materials and consumables	647.9	705.8	**753.3**
Work in progress	190.1	171.0	**196.9**
Finished goods and goods for resale	624.6	672.3	**675.8**
Prepayments	29.9	34.0	**27.8**
	1,492.4	1,583.1	**1,653.9**
Receivables and other assets			
Current interest-bearing receivables	68.0	60.5	**61.4**
Trade receivables	1,619.6	1,648.8	**1,642.2**
Other current operating receivables	404.5	359.0	**390.7**
Current income tax assets	73.4	41.1	**69.1**
	2,165.5	2,109.3	**2,163.3**
Derivative financial instruments	23.5	63.1	**5.6**
Cash and cash equivalents	812.2	1,869.8	**1,026.1**
Total current assets	4,493.6	5,625.4	**4,848.9**
Balance sheet total	26,736.8	29,020.3	**28,026.4**

Equity and liabilities

€m	31 Mar. 2011	31 Dec. 2011	31 Mar. 2012
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	6,346.9	6,623.1	**6,465.8**
Other components of equity	-1,197.4	-108.0	**-369.5**
Equity attributable to shareholders	11,251.4	12,617.0	**12,198.1**
Non-controlling interests	838.8	951.6	**992.3**
Total equity	12,090.2	13,568.6	**13,190.5**
Non-current liabilities			
Bonds payable	5,889.1	6,793.6	**6,498.5**
Bank loans	1,481.4	770.9	**803.5**
Other non-current interest-bearing liabilities	229.9	131.4	**126.4**
	7,600.4	7,695.9	**7,428.5**
Non-controlling interests with put options	77.8	75.0	**22.7**
	7,678.1	7,770.9	**7,451.2**
Pension provisions	790.1	832.6	**880.3**
Deferred taxes	782.2	754.3	**677.6**
Other non-current provisions	1,015.4	1,078.7	**1,061.8**
Other non-current operating liabilities	205.8	253.7	**253.2**
Non-current income tax liabilities	87.7	93.0	**91.7**
	2,881.2	3,012.3	**2,964.5**
Total non-current liabilities	10,559.4	10,783.2	**10,415.7**
Current liabilities			
Bonds payable (current portion)	1,141.8	1,218.6	**708.0**
Bank loans (current portion)	214.8	539.8	**617.4**
Other current interest-bearing liabilities	512.4	248.9	**664.0**
	1,869.0	2,007.2	**1,989.4**
Non-controlling interests with put options	16.5	22.9	**21.7**
	1,885.5	2,030.1	**2,011.1**
Pension provisions (current portion)	98.5	86.8	**85.4**
Other current provisions	189.5	186.0	**184.2**
Trade payables	1,016.4	1,344.8	**1,149.3**
Other current operating liabilities	763.5	908.3	**865.2**
Current income tax liabilities	133.7	112.5	**125.1**
	2,201.7	2,638.4	**2,409.1**
Total current liabilities	4,087.2	4,668.5	**4,420.2**
Total liabilities	14,646.6	15,451.7	**14,836.0**
Balance sheet total	26,736.8	29,020.3	**28,026.4**

Consolidated statement of changes in equity

€m	Subscribed share capital	Share premium	Retained earnings	Cash flow hedge reserve	
1 January 2011	562.5	5,539.4	6,481.6	-4.2	
Loss for the period			-160.7		
Other comprehensive income			26.1	-0.1	
Total comprehensive income			-134.6	-0.1	
Changes in non-controlling interests with put options			-0.5		
Changes in consolidation scope and other changes			0.4		
Dividends					
31 March 2011	562.5	5,539.4	6,346.9	-4.3	
1 January 2012	562.5	5,539.4	6,623.1	-8.9	
Loss for the period			-203.8		
Other comprehensive income			16.5	1.4	
Total comprehensive income			-187.3	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	6,465.8	-7.5	

	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**
	23.9	37.1	-578.9	-522.1	12,061.4	822.8	**12,884.2**
					-160.7	40.4	**-120.3**
	0.3		-675.1	-674.9	-648.9	-21.9	**-670.7**
	0.3		-675.1	-674.9	-809.5	18.5	**-791.0**
					-0.5		**-0.5**
		-0.4		-0.4		-0.6	**-0.6**
						-1.9	**-1.9**
	24.2	36.7	-1,254.0	-1,197.4	11,251.4	838.8	**12,090.2**
	19.1	35.5	-153.7	-108.0	12,617.0	951.6	**13,568.6**
					-203.8	48.5	**-155.3**
	2.8		-265.3	-261.1	-244.6	-31.4	**-276.0**
	2.8		-265.3	-261.1	-448.4	17.1	**-431.3**
					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	12,198.1	992.3	**13,190.5**

Segment reporting / Notes

Group areas January - March 2012	Western and Northern Europe		Eastern Europe-Central Asia		North America	
€m	2011	2012	2011	2012	2011	2012
External revenue	933	**874**	187	**195**	523	**616**
Inter-Group areas revenue	14	**13**	0	**0**	0	**0**
Revenue	947	**887**	187	**195**	523	**616**
Change to previous year in %		**-6.3%**		**4.7%**		**17.7%**
Operating income before depreciation (OIBD)	79	**25**	-2	**-9**	-11	**-4**
as % of revenue	8.3%	**2.8%**	-1.2%	**-4.4%**	-2.0%	**-0.6%**
Depreciation	-61	**-65**	-24	**-26**	-61	**-60**
Operating income	18	**-40**	-26	**-35**	-72	**-64**
as % of revenue	1.9%	**-4.5%**	-14.2%	**-17.8%**	-13.7%	**-10.4%**
Result from participations	-2	**-1**	-1	**0**	-4	**-2**
Impairment	-1	**-5**		**0**		**0**
Reversal of impairment				**0**		
Other additional result						
Additional ordinary result	-1	**-5**	0	**0**	0	**0**
Earnings before interest and taxes (EBIT)	16	**-46**	-27	**-35**	-75	**-66**
Capital expenditures [1]	27	**34**	57	**39**	21	**30**
Segment assets [2]	6,753	**6,830**	2,160	**2,260**	7,724	**8,056**
OIBD as % of segment assets	1.2%	**0.4%**	-0.1%	**-0.4%**	-0.1%	**0.0%**
Number of employees as at 31 March	13,831	**13,481**	9,731	**9,835**	12,907	**12,333**
Average number of employees	13,763	**13,156**	9,735	**9,815**	12,971	**12,510**

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

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

	Asia-Pacific		Africa-Mediterranean Basin		Group Services		Reconciliation		Continuing operations	
	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**
	651	**780**	242	**256**	66	**77**			2,602	**2,799**
	5	**2**	8	**9**	76	**91**	-103	**-115**	0	**0**
	656	**782**	250	**265**	143	**168**	-103	**-115**	2,602	**2,799**
		19.2%		**6.1%**		**18.1%**				**7.6%**
	161	**177**	42	**44**	3	**5**	-19	**-24**	253	**214**
	24.5%	**22.6%**	16.8%	**16.5%**	2.1%	**3.0%**	18.3%	**21.2%**	9.7%	**7.6%**
	-35	**-38**	-9	**-9**	0	**0**	-2	**-2**	-193	**-200**
	125	**139**	33	**35**	3	**5**	-21	**-27**	60	**14**
	19.1%	**17.8%**	13.2%	**13.1%**	2.1%	**3.0%**	20.6%	**23.4%**	2.3%	**0.5%**
	2	**2**	0	**0**	0	**0**			-4	**-1**
		0							-1	**-5**
				0					0	**0**
							-1	**-4**	-1	**-4**
	0	**0**	0	**0**			-1	**-4**	-2	**-10**
	127	**141**	33	**35**	3	**5**	-22	**-31**	54	**3**
	45	**47**	4	**11**			17	**3**	171	**164**
	3,684	**3,934**	724	**734**	40	**37**			21,085	**21,852**
	4.4%	**4.5%**	5.8%	**5.9%**	7.7%	**13.6%**			1.2%	**1.0%**
	13,718	**14,099**	3,531	**3,427**	53	**55**			53,771	**53,230**
	13,715	**14,070**	3,532	**3,440**	53	**55**			53,769	**53,046**

Notes to the interim consolidated financial statements

Accounting and valuation principles
The interim consolidated financial statements of HeidelbergCement AG as of 31 March 2012 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 2011, 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 2011. Detailed explanations can be found on pages 158 ff. in the Notes to the 2011 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.

No new or amended IASB standards and interpretations were applicable for the first time in these interim consolidated financial statements. A detailed description of the pronouncements adopted by the IASB but not applicable until a later date is given in the Notes to the 2011 Annual Report on pages 160 ff.

The interim consolidated financial statements as at 31 March 2012 were not subject to any audits or reviews.

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

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	
EUR		31 Dec. 2011	**31 Mar. 2012**	01-03/2011	**01-03/2012**
USD	US	1.2948	**1.3344**	1.3695	**1.3119**
AUD	Australia	1.2654	**1.2888**	1.3618	**1.2430**
CAD	Canada	1.3194	**1.3327**	1.3497	**1.3134**
CNY	China	8.1453	**8.4041**	9.0106	**8.2781**
GBP	Great Britain	0.8331	**0.8327**	0.8543	**0.8346**
GEL	Georgia	2.1626	**2.2151**	2.4116	**2.1782**
GHS	Ghana	2.0747	**2.3324**	2.0726	**2.1976**
HKD	Hong Kong	10.0512	**10.3601**	10.6642	**10.1802**
IDR	Indonesia	11,740.79	**12,249.79**	12,137.92	**11,922.59**
INR	India	68.6090	**67.8875**	61.9078	**65.8728**
KZT	Kazakhstan	192.1600	**197.4600**	200.4664	**194.3147**
MYR	Malaysia	4.1025	**4.0856**	4.1729	**4.0156**

Exchange rates		Exchange rates at reporting date		Average exchange rates	
EUR		31 Dec. 2011	31 Mar. 2012	01-03/2011	01-03/2012
NOK	Norway	7.7411	**7.5930**	7.8300	**7.5907**
PLN	Poland	4.4662	**4.1530**	3.9451	**4.2279**
RON	Romania	4.3239	**4.3865**	4.2201	**4.3535**
RUB	Russia	41.6730	**39.2950**	40.0565	**39.5471**
SEK	Sweden	8.9200	**8.8258**	8.8698	**8.8508**
CZK	Czech Republic	25.5700	**24.8020**	24.3610	**25.0681**
HUF	Hungary	315.1500	**294.4250**	272.3422	**296.5703**
TZS	Tanzania	2,088.73	**2,121.96**	2,055.54	**2,084.51**
TRY	Turkey	2.4438	**2.3771**	2.1607	**2.3570**

Business combinations in the reporting period

HeidelbergCement did not effect any business combinations in the first quarter of 2012.

Business combinations in the previous year

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 €6.1 million arising on the difference between the purchase price of €10.0 million and the net assets of €3.9 million represents growth prospects resulting from the improved market position. The purchase price was paid in cash. The transaction costs of €0.2 million were recognised in the income statement as additional ordinary expenses. The purchase price allocation has been completed. There have been no changes from the values published on 31 December 2011.

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

Fair values recognised as at the acquisition date €m		Total
	Intangible assets	
	Property, plant, and equipment	7.1
	Inventories	1.2
	Trade receivables	1.4
	Cash and cash equivalents	0.4
	Other assets	0.6
	Total assets	**10.7**
	Provisions	0.6
	Liabilities	5.0
	Deferred taxes	1.2
	Total liabilities	**6.8**
	Net assets	**3.9**

The company's revenue and results since the acquisition date or since 1 January 2011 were insignificant.

Divestments in the reporting period

HeidelbergCement did not make any divestments in the first quarter of 2012.

Divestments in the previous year

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

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

Assets and liabilities at date of disposal €m		HDBB	MS "Splittnes"	Total
	Non-current assets	5.6	1.9	**7.5**
	Current assets	7.6	0.1	**7.7**
	Cash and cash equivalents		0.8	**0.8**
	Total assets	13.2	2.8	**16.0**
	Non-current liabilities	0.2	3.6	**3.8**
	Current liabilities	4.3	0.2	**4.6**
	Total liabilities	4.5	3.8	**8.3**
	Net assets	8.7	-1.0	**7.7**

Revenue development by Group areas and business lines

January to March 2012	Cement		Aggregates		Building products		Concrete-service-other		Intra Group eliminations		Total	
€m	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**
Western and Northern Europe	389	**356**	188	**184**	104	**104**	418	**389**	-152	**-146**	947	**887**
Eastern Europe-Central Asia	143	**158**	14	**13**			47	**39**	-16	**-15**	187	**195**
North America	159	**205**	143	**177**	144	**142**	130	**154**	-53	**-61**	523	**616**
Asia-Pacific	386	**468**	118	**133**	11	**7**	219	**259**	-78	**-85**	656	**782**
Africa-Mediterranean Basin	179	**191**	21	**22**			68	**69**	-19	**-18**	250	**265**
Group Services							143	**168**			143	**168**
Inter-Group area revenue within business lines	-2	**-3**									-2	**-3**
Total	1,253	**1,376**	485	**528**	260	**253**	1,024	**1,078**	-318	**-325**	2,703	**2,911**
Inter-Group area revenue between business lines									-101	**-111**	-101	**-111**
Continuing operations	1,253	**1,376**	485	**528**	260	**253**	1,024	**1,078**	-420	**-436**	2,602	**2,799**

Earnings per share

Earnings per share €m	January - March	
	2011	2012
Loss for the period	-120.3	**-155.3**
Non-controlling interests	40.4	**48.5**
Group share of loss	-160.7	**-203.8**
Number of shares in '000s (weighted average)	187,500	**187,500**
Loss per share in €	-0.86	**-1.09**
Net loss from continuing operations – attributable to the parent entity	-156.2	**-196.0**
Loss per share in € – continuing operations	-0.83	**-1.05**
Net loss from discontinued operations – attributable to the parent entity	-4.4	**-7.8**
Loss per share in € – discontinued operations	-0.03	**-0.04**

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.

Consolidated statement of comprehensive income

The comprehensive income for the period improved by €359.7 million in comparison with the previous year to €-431.3 million (previous year: -791.0). The loss for the period increased by €-35.0 million to €-155.3 million (previous year: -120.3). Other comprehensive income rose by €394.7 million to €-276.0 million (previous year: -670.7). The actuarial gains of €16.5 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 €26.1 million. The positive changes in the cash flow hedge reserve of €1.4 million in the reporting period result primarily from currency swaps and commodities. In the previous year, there was a negative contribution to results of €-0.1 million. The market valuation of assets available for sale resulted in gains of €2.8 million (previous year: 0.3). Foreign currency translation resulted in losses of €-296.8 million in the reporting period. The losses are due, in particular, to the appreciation of the euro against the US dollar and Australian dollar since 31 December 2011. In the same period of the previous year, the foreign exchange losses amounted to €-697.0 million and resulted primarily from the appreciation of the euro against the US dollar, Australian dollar, and British pound.

The non-controlling interests in the comprehensive income of €17.1 million are composed of the positive non-controlling interest of €48.5 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 negative result from foreign currency translation of €-31.4 million.

Consolidated statement of changes in equity

As at 31 March 2012, the subscribed share capital amounts to €562.5 million – unchanged from 31 December 2011 – 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 2011) 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 decreased by the comprehensive income of €-187.3 million, which is composed of the loss for the period of €-203.8 million and the actuarial gains and losses of €16.5 million recognised in other comprehensive income. The changes in non-controlling interests with put options increased the retained earnings by €29.8 million. This increase is due, in particular, to the release of the liability from put options against IFC. The other components of equity were reduced by a total of €-261.1 million, of which €-265.3 million related to foreign currency translation losses and €4.2 million to positive changes in the fair value of cash flow hedges and assets available for sale.

The non-controlling interests in the shareholders' equity were increased by the non-controlling interest in the comprehensive income of €17.1 million. The changes in non-controlling interests with put options, which primarily resulted from the release of the liability from put options towards IFC, also led to a rise of €26.9 million in non-controlling interests. In the reporting period, dividends totalling €3.4 million were paid to non-controlling shareholders.

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 2012, the management carried out an impairment review. The review indicated that no impairment needed to be recognised.

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 €16.5 million in the actuarial gains and losses recognised in equity.

Related parties disclosures

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

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 2011 Annual Report on page 216. There have been no major changes since 31 December 2011.

Events after the balance sheet date

After the balance sheet date, there were no reportable events.

Heidelberg, 3 May 2012

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 March 2012 was published on 3 May 2012.

Financial calendar	
Half-Year Financial Report January to June 2012	31 July 2012
Interim Financial Report January to September 2012	8 November 2012
Annual General Meeting 2013	8 May 2013

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