HeidelbergCement

2013 Results and 2014 Outlook

19 March 2014

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Market & financial overview 2013; Outlook 2014

- **Strong operational performance and solid results despite significant negative currency impact**
  - Clear year-over-year increase in like-for-like Revenues, margins and Operating Income
  - Substantial operating leverage driven by superior footprint and efficient operations
  - Successful program execution with clear reflection in EBITDA margin in all business lines
- **Profit for the period increased by 79% to 945m€ (Prior year: 529m€)**
- **EPS increased by 162% to 3.98€; proposed dividend increased by 28% to 0.60€ per share**
- **Solid financial structure**
  - Financing costs decreased due to better financing structure – refinancing of maturities at better conditions
  - 2013 net debt significantly impacted by opportunistic M&A, payment of cartel fine and negative currency movements
  - Strong liquidity headroom and well balanced debt maturity profile
- **Outlook 2014**
  - Volume growth in all regions; continued recovery in US and UK
  - Increase in revenues, operating income and net profit (*)
  - Further decrease in financial costs
  - Reduction of net debt supported by disposal of Building Products in UK and North America as well as further disposal of non-core assets

(*) Before currency impacts and one-offs; and based on figures restated according to new IFRS 10,11,12 standards.

Key financials

€m	Full Year				Q4			
	2012[1]	2013	Variance	L-f-L	2012[1]	2013	Variance	L-f-L
Volumes								
Cement (Mt)	88,974	**91,294**	3 %	1%	21,936	**23,592**	8 %	6 %
Aggregates (Mt)	243,049	**241,497**	-1 %	-1%	60,152	**60,857**	1 %	1 %
Ready-Mix Concrete (Mm3)	39,101	**40,310**	3 %	4%	10,070	**10,518**	4 %	5 %
Asphalt (Mt)	8,604	**8,627**	0 %	-3%	2,075	**2,260**	9 %	4 %
Income statement								
Revenue	14,020	**13,936**	-1 %	3%	3,495	**3,485**	0 %	7 %
Operating EBITDA	2,477	**2,424**	-2 %	2%	698	**661**	-5 %	2 %
in % of revenue	*17.7%*	***17.4%***			*20.0%*	***19.0%***		
Operating income	1,604	**1,607**	0 %	5%	452	**463**	2 %	12 %
Profit for the period	529	**945**	79 %		125	**34**	-73 %	
Earnings per share in € (IAS 33) [2]	1.52	**3.98**	162 %		0.31	**-0.05**	N/A	
Dividends in € [3]	0.47	**0.60**	28 %					
Statement of cash flows								
Cash flow from operating activities	1,513	**1,057**	-456		927	**797**	-130	
Total investments	-866	**-1,314**	-448		-355	**-384**	-29	
Balance sheet								
Net debt [4]	7,047	**7,523**	475					
Gearing	51.3%	**59.7%**						

1) 2012 values are restated due to the retrospective application of IAS 19 R and IFRIC 20.
2) Attributable to the parent entity.
3) Proposal of Managing Board and Supervisory Board to Annual General Meeting.
4) Excluding puttable minorities

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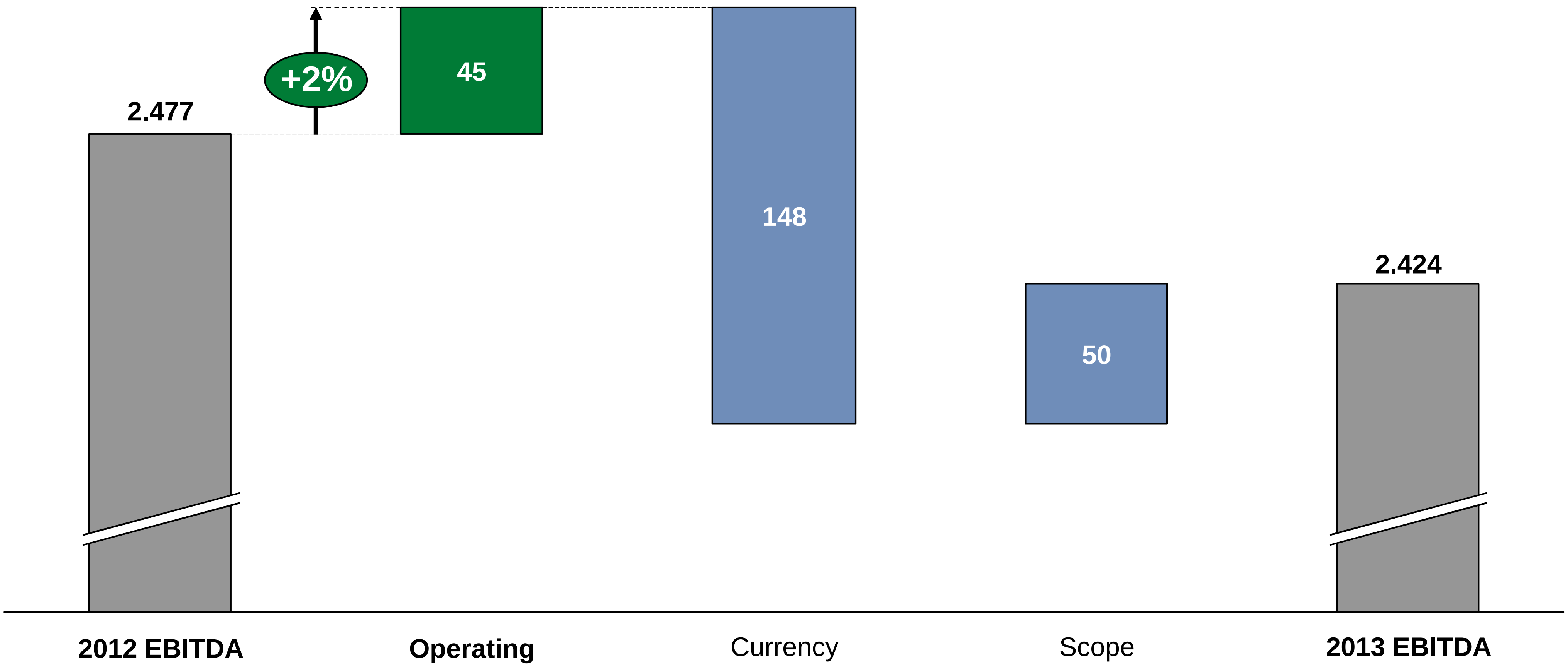
Like for like EBITDA development



Like-for-Like EBITDA up by +2%;
Underlying operational performance is up by +7% (*)

(*) Underlying operational performance excluding:
- Gain from exhausted quarry sale: 25m€ (2013); 70m€ (2012)
- CO_2 gains: 64m€ (2012)

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Strong operating leverage

GROUP

Cement volume	Aggregates volume	Revenue	EBITDA
+1%	-1%	+3%	+7%

North America

Cement volume	Aggregates volume	Revenue	EBITDA
+7%	0%	+3%	+20%

West / North Europe

Cement volume	Aggregates volume	Revenue	EBITDA
-2%	-5%	0%	+8%

Eastern Eur. / Central Asia

Cement volume	Aggregates volume	Revenue	EBITDA
-3%	+2%	-4%	-5%

Asia / Pacific

Cement volume	Aggregates volume	Revenue	EBITDA
+3%	+4%	+5%	+2%

Africa / Med. Basin

Cement volume	Aggregates volume	Revenue	EBITDA
+4%	-9%	+7%	+12%

Solid performance driven by superior footprint and efficient operations

All values are Like-for-Like; excluding currency and consolidation impacts.
Gain from exhausted quarry sales and CO_2 gains are excluded from the figures.

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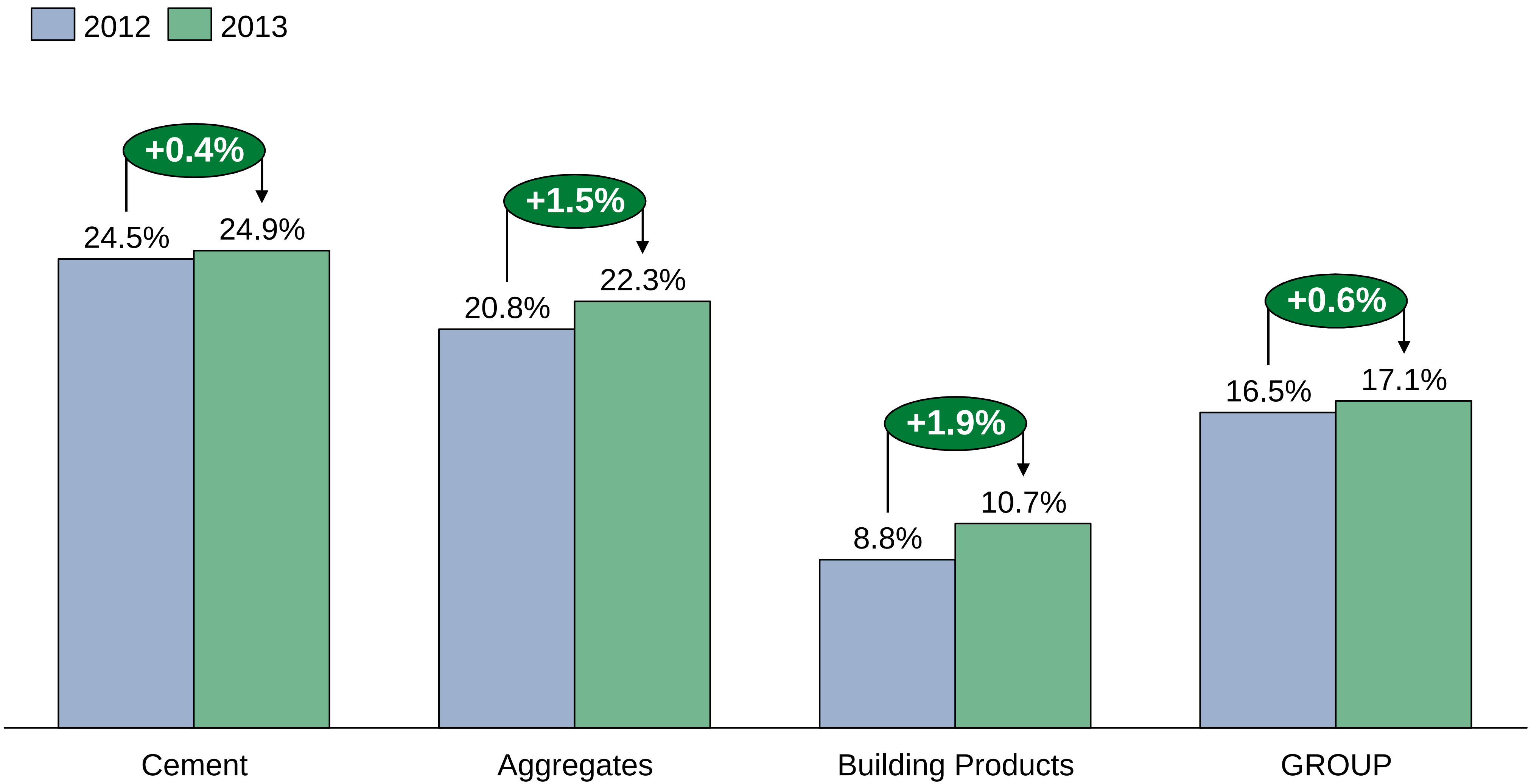
Margin improvement in all business lines (*)



First impacts of margin improvement programs clearly visible

(*) Based on underlying operational performance excluding currency, scope, gain from CO2 and exhausted quarry sales.

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Group Sales Volumes

2012 2013

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Full year volume and price development

CEMENT (Gray Domestic)		
2013 vs. 2012	**Volume**	**Price**
US	++	++
Canada	++	+
Indonesia	+	++
Bangladesh	- -	+
India	++	-
China North	-	- -
China South	++	- -
Germany	- -	++
Belgium	- -	-
Netherlands	++	-
United Kingdom	++	-
Norway	+	+
Sweden	- -	+
Czech Republic	-	-
Hungary	+	++
Poland	- -	-
Romania	- -	+
Russia	++	-
Ukraine	-	-
Kazakhstan	- -	++
Georgia	+	- -
Ghana	+	+
Tanzania	- -	- -
Turkey	++	++

AGGREGATES		
2013 vs. 2012	**Volume**	**Price**
US	-	++
Canada	-	++
Australia	+	+
Hong Kong	++	-
Indonesia	++	++
Malaysia	+	++
United Kingdom	++	-
Germany	- -	++
Belgium	- -	++
Netherlands	++	++
Norway	- -	++
Sweden	- -	+
Czech Republic	- -	-
Poland	++	- -
Israel	-	++
Spain	- -	+

++ = Strong
+ = Slightly up
- = Slightly down
- - = Negative

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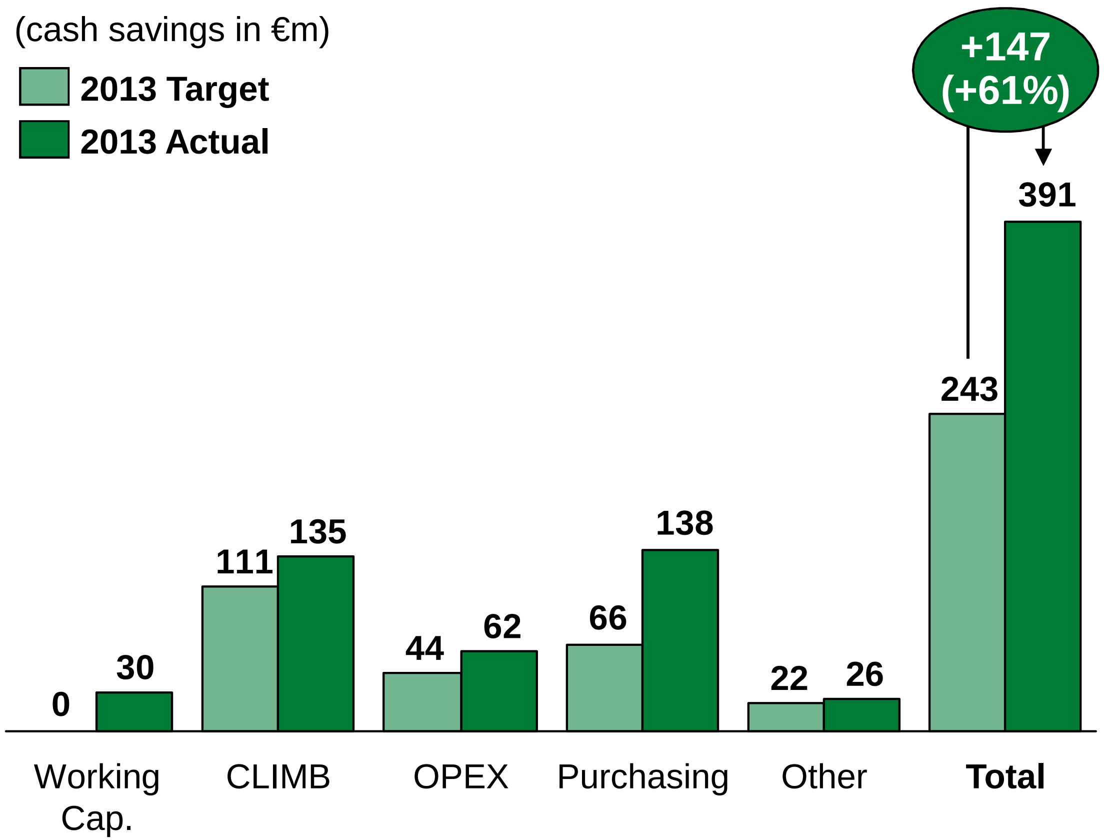
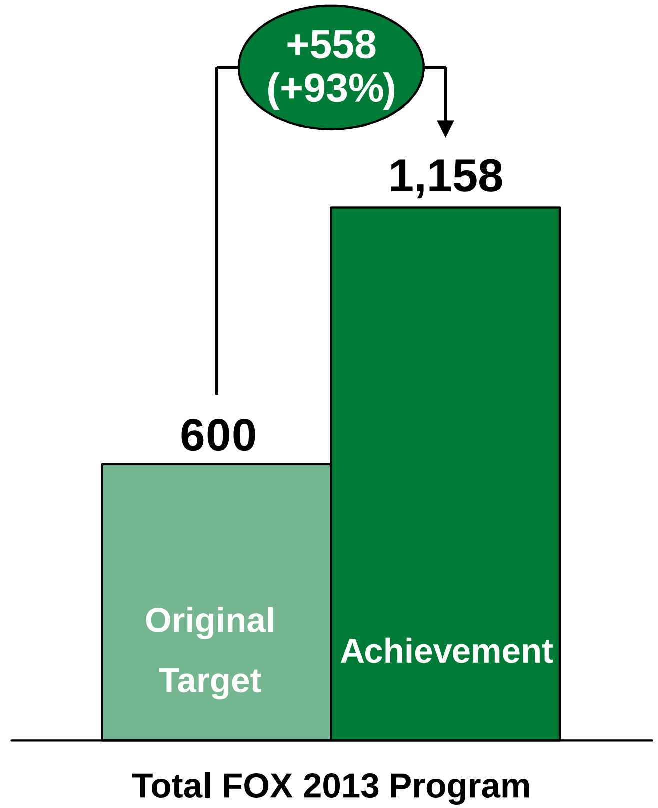
FOX 2013 exceeds expectations

2013 targets overachieved



3-year-period: 1,158 m€



1,158 m€ savings realized in 3 years.
Actual achievement almost double the original target

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Western and Northern Europe

- Full year and Q4 Operating EBITDA clearly above prior year excluding CO_2 certificate sales
- **Germany:** Successful price increases and good cost control lead to full year result improvement; strong outlook
- **UK:** Full year result up clearly, driven by impressive recovery of residential demand and large infrastructure projects in the London area; strong outlook
- **Northern Europe:** Solid demand, particularly driven by infrastructure projects; positive outlook
- **Benelux:** Sluggish market demand and price pressure due to declining construction activity and increasing competition countered with successful fixed cost reductions; outlook gradually improving

Western & Northern Eur.	Full Year					Q4				
	2012	2013	variance		L-f-L	2012	2013	variance		L-f-L
Volumes										
Cement volume ('000 t)	21,288	20,901	-387	-1.8 %	-1.8 %	5,218	5,291	72	1.4 %	1.4 %
Aggregates volume ('000 t)	72,207	69,991	-2,216	-3.1 %	-5.0 %	16,918	17,962	1,044	6.2 %	3.9 %
Ready mix volume ('000 m³)	13,197	13,385	187	1.4 %	1.9 %	3,361	3,510	150	4.4 %	5.0 %
Asphalt volume ('000 t)	2,765	2,900	135	4.9 %	-5.6 %	602	751	149	24.8 %	8.3 %
Operational result (€m) (*)(**)										
Revenue	4,201	4,147	-54	-1.3 %	-0.3 %	1,038	1,053	14	1.4 %	3.0 %
Operating EBITDA	578	578	-1	-0.1 %	0.0 %	200	176	-23	-11.6 %	-11.0 %
in % of revenue	*13.8 %*	*13.9 %*				*19.2 %*	*16.7 %*			
Operating income	286	319	33	11.5 %	11.4 %	112	111	-1	-1.0 %	0.3 %

Revenue (€m)	2012	2013	variance		2012 (Q4)	2013 (Q4)	variance (Q4)	
Cement	1,731	1,726	-5	-0.3 %	436	429	-7	-1.7 %
Aggregates	858	839	-19	-2.2 %	196	206	10	5.4 %
Building Products	484	437	-47	-9.6 %	113	108	-5	-4.4 %

Opr. EBITDA margin (%) (*)(**)	2012	2013	2012 (Q4)	2013 (Q4)
Cement	22.2 %	20.3 %	32.2 %	25.9 %
Aggregates	15.0 %	17.3 %	16.8 %	19.0 %
Building Products	11.5 %	11.0 %	13.9 %	11.0 %

(*) 2012 values are restated due to the retrospective application of IAS 19 R; (**) CO_2 gains: 42m€ (2012), 43m€ (Q4 2012)
Like-for-Like: Excluding currency and consolidation impacts. Details are included on slide 18

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North America

- **USA:**
  - Pricing up significantly in all business lines; 2014 price increases announced
  - Good cement volume growth in Q4 and for the full year, particularly in California and Texas
  - Successful execution of CLIMB Program improves aggregates EBITDA margin
  - Strong outlook
- **Canada:**
  - Slightly lower activity in Alberta and Saskatchewan is offset by increased demand in British Columbia
  - Improved pricing in all business lines
  - Strong outlook

North America	Full Year					Q4				
	2012	2013	variance		L-f-L	2012	2013	variance		L-f-L
Volumes										
Cement volume ('000 t)	11,711	12,502	791	6.8 %	6.8 %	2,853	3,082	228	8.0 %	8.0 %
Aggregates volume ('000 t)	104,494	104,148	-346	-0.3 %	-0.3 %	25,945	25,049	-897	-3.5 %	-3.5 %
Ready mix volume ('000 m³)	6,100	5,899	-201	-3.3 %	0.1 %	1,428	1,421	-7	-0.5 %	-0.5 %
Asphalt volume ('000 t)	3,432	3,049	-383	-11.2 %	-11.2 %	824	783	-41	-5.0 %	-5.0 %
Operational result (€m) (*)(**)										
Revenue	3,441	3,407	-34	-1.0 %	3.4 %	836	800	-35	-4.2 %	0.6 %
Operating EBITDA	572	607	35	6.2 %	9.5 %	123	150	26	21.4 %	28.0 %
in % of revenue	*16.6 %*	*17.8 %*				*14.8 %*	*18.7 %*			
Operating income	322	378	56	17.4 %	19.9 %	62	95	33	52.9 %	61.8 %

Revenue (€m)	Full Year 2012	Full Year 2013	variance		Q4 2012	Q4 2013	variance	
Cement	1,078	1,134	56	5.2 %	257	269	12	4.7 %
Aggregates	1,032	1,043	11	1.0 %	256	244	-12	-4.6 %
Building Products	723	639	-84	-11.7 %	176	143	-33	-18.5 %

Opr. EBITDA margin (%) (*)(**)	Full Year 2012	Full Year 2013	Q4 2012	Q4 2013
Cement	20.1 %	22.0 %	19.8 %	23.0 %
Aggregates	30.7 %	27.3 %	25.9 %	31.2 %
Building Products	7.3 %	10.6 %	5.7 %	8.5 %

1) (*) 2012 values are restated due to the retrospective application of IAS 19 R.
(**) Gain from exhausted quarry sale: 25m€ (2013); 70m€ (2012); 25m€ (Q4 2013)
Like-for-Like: Excluding currency and consolidation impacts. Details are included on slide 18

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Eastern Europe-Central Asia

- Mild weather prolongs the construction season and leads to broadly improved Q4 sales volumes and result excluding CO_2 certificate sales
- **Russia:** Market demand continues to be strong; volume growth above market average
- **Kazakhstan**: Positive pricing from PERFORM project leads to improved full year result despite lower volumes
- **Ukraine:** Weak economic environment; restructuring under new management team leads to improved cost structure
- **Poland:** Strong H2 result shows clear turn-around; positive outlook
- **Czech Republic:** Improved trend in H2 vs. H1; bottom has been reached
- **Romania**: Full year volumes decline in all business lines due to continued austerity measures; solid pricing

Eastern Eur. - Cent. Asia	Full Year					Q4				
	2012	2013	variance		L-f-L	2012	2013	variance		L-f-L
Volumes										
Cement volume ('000 t)	17,187	16,682	-506	-2.9 %	-2.9 %	3,778	4,154	376	10.0 %	10.0 %
Aggregates volume ('000 t)	19,168	19,619	451	2.4 %	2.4 %	4,999	5,863	864	17.3 %	17.3 %
Ready mix volume ('000 m³)	3,778	3,713	-64	-1.7 %	-1.7 %	972	1,040	68	7.0 %	7.0 %
Operational result (€m) (*)(**)										
Revenue	1,435	1,337	-99	-6.9 %	-4.2 %	320	328	9	2.7 %	8.0 %
Operating EBITDA	319	270	-49	-15.3 %	-13.3 %	83	74	-9	-10.7 %	-7.7 %
in % of revenue	*22.2 %*	*20.2 %*				*25.8 %*	*22.4 %*			
Operating income	193	150	-42	-21.8 %	-20.0 %	41	44	3	8.2 %	12.0 %

Revenue (€m)	FY 2012	FY 2013	variance		Q4 2012	Q4 2013	variance	
Cement	1,171	1,094	-77	-6.6 %	252	261	9	3.5 %
Aggregates	123	114	-9	-7.1 %	32	33	1	4.5 %

Opr. EBITDA margin (%) (*)(**)	FY 2012	FY 2013	Q4 2012	Q4 2013
Cement	25.1 %	22.4 %	30.2 %	24.6 %
Aggregates	13.0 %	11.3 %	13.6 %	15.3 %

1) (*) 2012 values are restated due to the retrospective application of IAS 19 R
(**) CO_2 gains: 27m€ (2012), 27m€ (Q4 2012)
Like-for-Like: Excluding currency and consolidation impacts. Details are included on slide 18

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Asia-Pacific

- Significantly negative translational currency effect on results due to appreciation of the Euro
- **Indonesia:** Market and operational performance continues to be good; cost inflation and depreciation of IDR put pressure on the margin in H2; further price increases implemented
- **China:** Continous sales volume improvement since Q2; considerable price increases put through in Q4
- **India:** Sluggish market demand in 2013 due to economic slow-down and low government spending; HC volume growth above market average due to new capacity in Central India; pricing improves in Q4
- **Bangladesh:** General strikes negatively affect volumes; margins improve due to good cost control
- **Australia:** Overall solid market demand and operational performance

Asia - Pacific	Full Year					Q4				
	2012	2013	variance		L-f-L	2012	2013	variance		L-f-L
Volumes										
Cement volume ('000 t)	29,967	31,906	1,939	6.5 %	3.0 %	7,893	8,696	802	10.2 %	6.8 %
Aggregates volume ('000 t)	36,961	38,788	1,827	4.9 %	4.4 %	9,844	10,167	323	3.3 %	3.3 %
Ready mix volume ('000 m³)	11,092	12,409	1,317	11.9 %	11.9 %	3,105	3,283	177	5.7 %	5.7 %
Asphalt volume ('000 t)	1,863	2,163	300	16.1 %	16.1 %	526	613	87	16.5 %	16.5 %
Operational result (€m)										
Revenue	3,477	3,419	-58	-1.7 %	5.2 %	929	853	-76	-8.2 %	5.9 %
Operating EBITDA	887	845	-43	-4.8 %	2.0 %	260	221	-39	-15.0 %	-3.3 %
in % of revenue	*25.5 %*	*24.7 %*				*28.0 %*	*25.9 %*			
Operating income	732	686	-46	-6.3 %	0.7 %	220	187	-33	-15.0 %	-3.2 %

Revenue (€m)	2012	2013	variance		2012 (Q4)	2013 (Q4)	variance (Q4)	
Cement	2,029	2,054	26	1.3 %	540	515	-24	-4.5 %
Aggregates	592	571	-22	-3.7 %	156	136	-20	-12.8 %
Building Products	26	28	1	5.4 %	6	8	2	39.7 %

Opr. EBITDA margin (%)	2012	2013	2012 (Q4)	2013 (Q4)
Cement	33.4 %	32.5 %	36.6 %	35.4 %
Aggregates	27.9 %	27.8 %	28.3 %	25.7 %
Building Products	-3.9 %	6.2 %	0.5 %	3.0 %

Like-for-Like: Excluding currency and consolidation impacts. Details are included on slide 18

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Africa-Mediterranean Basin

- **Ghana:** Positive volume and price development despite unanticipated heavy rainfall across the country
- **Tanzania:** Increased competition from imports but trend is positive; price increases announced in November
- **Togo:** Solid pricing and efficient cost management leads positive operational result despite fierce competition and heavy rain in North
- **DR of Congo:** Good domestic demand driven by several major infrastructure projects; positive pricing
- **Turkey**: Strong domestic demand, good pricing; clear result improvement despite negative currency impact
- **Israel:** Positive price development leads to better result
- **Spain:** Difficult market situation continues; no recovery visible

Africa - Med. Basin	Full Year					Q4				
	2012	2013	variance		L-f-L	2012	2013	variance		L-f-L
Volumes										
Cement volume ('000 t)	9,221	9,619	398	4.3 %	4.3 %	2,306	2,432	125	5.4 %	5.4 %
Aggregates volume ('000 t)	13,721	12,526	-1,195	-8.7 %	-8.7 %	3,187	3,070	-116	-3.6 %	-3.6 %
Ready mix volume ('000 m³)	4,934	4,904	-30	-0.6 %	-0.6 %	1,204	1,264	61	5.0 %	5.0 %
Asphalt volume ('000 t)	544	514	-30	-5.5 %	-5.5 %	122	112	-10	-8.2 %	-8.2 %
Operational result (€m)										
Revenue	1,135	1,143	8	0.7 %	6.5 %	289	283	-6	-2.2 %	7.8 %
Operating EBITDA	204	212	9	4.4 %	11.9 %	57	51	-6	-10.8 %	-1.2 %
in % of revenue	*17.9 %*	*18.6 %*				*19.7 %*	*18.0 %*			
Operating income	166	174	8	5.0 %	13.5 %	46	41	-4	-9.8 %	1.0 %
Revenue (€m)										
Cement	825	791	-34	-4.1 %		213	173	-40	-18.6 %	
Aggregates	87	90	3	3.1 %		21	22	1	5.5 %	
Opr. EBITDA margin (%)										
Cement	22.3 %	23.6 %				24.8 %	26.1 %			
Aggregates	14.4 %	18.7 %				8.9 %	15.3 %			

Like-for-Like: Excluding currency and consolidation impacts. Details are included on slide 18

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Group Services

- After a 28% increase in 2012, international sales volume increased by another 28% and reached 18.7mio tons in 2013
- Export clinker prices have increased in the Middle East & Asia whereas they remained steady in Europe and the Mediterranean
- Southern European surplus of cement was absorbed by strong demand in Algeria and Libya
- Freight rates have sharply increased in Q4 after being relatively stable for the first 9 months
- Fuel prices remained under pressure due to slower growth of emerging markets

Group Services	Full Year					Q4				
	2012	2013	variance		L-f-L	2012	2013	variance		L-f-L
Operational result (€m)										
Revenue	828	941	113	13.6 %	17.4 %	214	285	72	33.4 %	40.0 %
Operating EBITDA	22	21	-1	-3.2 %	0.0 %	6	5	-1	-21.4 %	-17.7 %
in % of revenue	*2.6 %*	*2.3 %*				*2.9 %*	*1.7 %*			
Operating income	22	21	-1	-3.2 %	0.0 %	6	5	-1	-21.7 %	-17.9 %

Like-for-Like: Excluding currency and consolidation impacts. Details are included on slide 18

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Currency and consolidation impacts

REVENUE €m	December Year to Date Cons.	Decons.	Curr.	Q4 Cons.	Decons.	Curr.
North America	0	-35	-110	0	0	-40
Western / Northern Europe	38	-5	-74	13	-1	-27
Eastern Europe / Central Asia	0	0	-40	0	0	-16
Asia / Pacific	132	0	-352	31	0	-153
Africa / Med. Basin	0	0	-62	0	0	-27
Group Service	0	0	-26	0	0	-10
Total Group	**170**	**-40**	**-664**	**44**	**-1**	**-273**

OPERATING EBITDA €m	December Year to Date Cons.	Decons.	Curr.	Q4 Cons.	Decons.	Curr.
North America	0	1	-18	0	0	-6
Western / Northern Europe	8	0	-8	3	0	-4
Eastern Europe / Central Asia	0	0	-7	0	0	-3
Asia / Pacific	41	0	-99	14	0	-46
Africa / Med. Basin	0	0	-14	0	0	-6
Group Service	0	0	-1	0	0	0
Total Group	**49**	**1**	**-148**	**16**	**0**	**-65**

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Financial key messages

- **Significant increase in profit for the period and earnings per share**
  - Additional ordinary result improved to €m 2 (2012: €m -409)
  - Improvement of financial result due to reduced net interest expenses of -501 m€ (2012: -559 m€)
  - Reduced risk position from Hanson Asbestos claim liabilities is key contributor to net income from discontinued operations of €m 98 (2012: €m 89)
  - Reduced minority share of profit to €m 200 (2012: €m 244)
- **Free cash flow used for successful execution of value creating bolt-on acquisitions and cartel fine payment in H1 2013; negative currency impact in H2 2013**
- **Strong liquidity headroom, well balanced debt maturity profile and further improvement of our financial flexibility**
  - Strong liquidity headroom supported by new 5-year SFA at significantly improved conditions
  - Well-balanced maturity profile and excellent access to capital market; three bonds issues at very favorable terms in 2013/2014

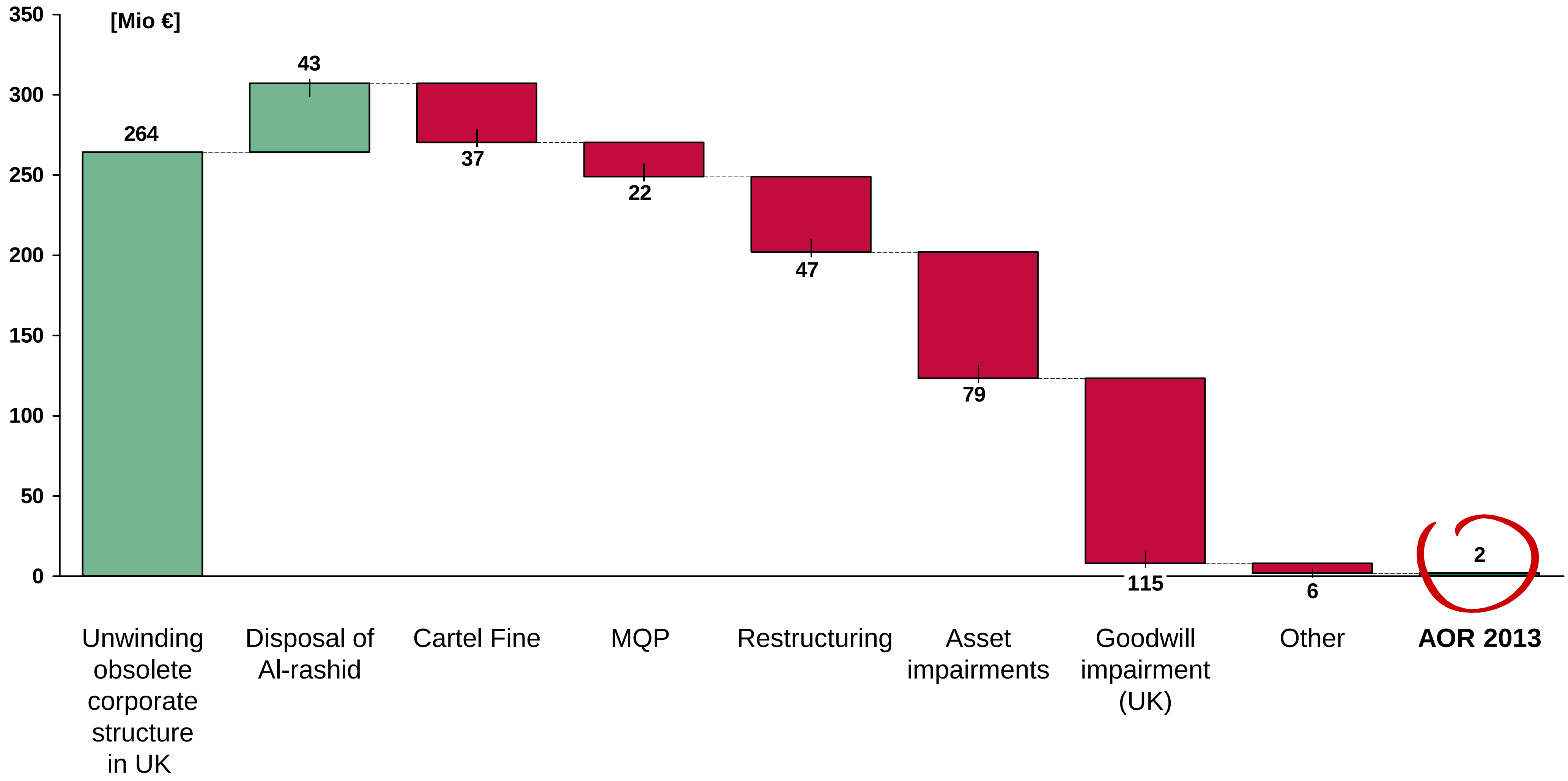
Income Statement 2013

€m	December Year to Date			Q4		
	2012 (*)	2013	Variance	2012 (*)	2013	Variance
Revenue	14,020	**13,936**	-1 %	3,495	**3,486**	0 %
Operating EBITDA	2,477	**2,424**	-2 %	698	**661**	-5 %
in % of revenue	17.7%	**17.4%**		20.0%	**19.0%**	
Amortisation and depreciation of intangible assets and property, plant and equipment	-873	**-818**	6 %	-245	**-197**	20 %
Operating income	1,604	**1,607**	0 %	453	**463**	2 %
Additional ordinary result	-409	**2**	N/A	-297	**-230**	22 %
Result from participations	44	**41**	-6 %	11	**13**	14 %
Earnings before interest and income taxes (EBIT)	1,239	**1,650**	33 %	167	**246**	47 %
Financial result	-648	**-569**	12 %	-165	**-140**	15 %
Income taxes	-152	**-233**	-54 %	34	**-75**	N/A
Net income from discontinued operations	89	**98**	11 %	89	**2**	-97 %
Profit for the financial year	529	**945**	79 %	125	**34**	-73 %
Minorities	-244	**-200**	-18 %	-67	**-43**	-36 %
Group share of profit	285	**745**	162 %	58	**-9**	N/A

Significant increase in group share of profit driven by favorable AOR, improvement of financial result as well as a reduced share of profit of minorities

(*) 2012 values are restated due to the retrospective application of IAS 19 R.

Additional Ordinary Result 2013



AOR 2013 determined by unwinding obsolete Hanson corporate structure in UK as well as asset and goodwill impairments

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Cash Flow Statement Group 2013

Cartel fine payment and unusually high investments in 2013

€m	December Year to Date			Q4		
	2012 (*)	2013	Variance	2012 (*)	2013	Variance
Cash flow	1,546	**1,241**	-305	355	**316**	-39
Changes in working capital	166	**193**	27	618	**534**	-84
Decrease in provisions through cash payments	-213	**-377**	-164	-61	**-54**	7
Cash flow from operating activities - discontinued opera	14		-14	14		-14
Cash flow from operating activities	1,513	**1,057**	-456	927	**797**	-130
Total investments	-866	**-1,314**	-448	-355	**-384**	-29
Proceeds from fixed asset disposals/consolidation	284	**215**	-69	123	**81**	-42
Cash flow from investing activities	-582	**-1,098**	-516	-232	**-303**	-71
Free cash flow	931	**-41**	-972	695	**494**	-201
Capital increase - non-controlling shareholders	3	**3**		3		-3
Dividend payments	-134	**-182**	-48	-4	**-9**	-5
Transactions between shareholders	-2	**-110**	-108	-1	**-3**	-2
Net change in bonds and loans	-1,130	**551**	1,681	-401	**-162**	239
Cash flow from financing activities	-1,262	**262**	1,524	-403	**-174**	229
Net change in cash and cash equivalents	-331	**221**	552	292	**320**	28
Effect of exchange rate changes	-64	**-231**	-167	-39	**-67**	-28
Change in cash and cash equivalents	-395	**-10**	385	253	**253**	

(*) 2012 values are restated due to the retrospective application of IAS 19 R and IFRIC 20.

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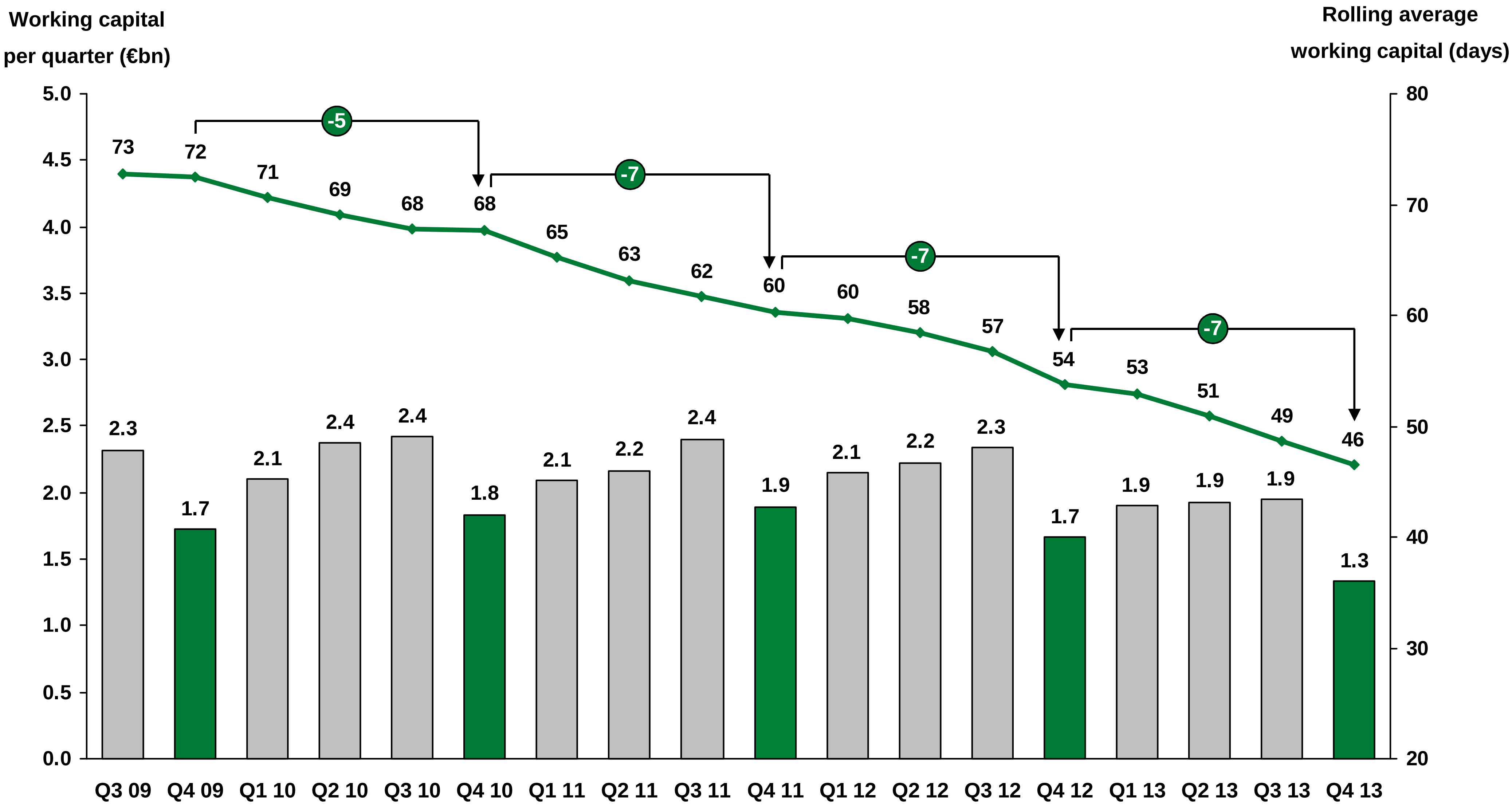
Successful working capital management



Reduction of working capital continues

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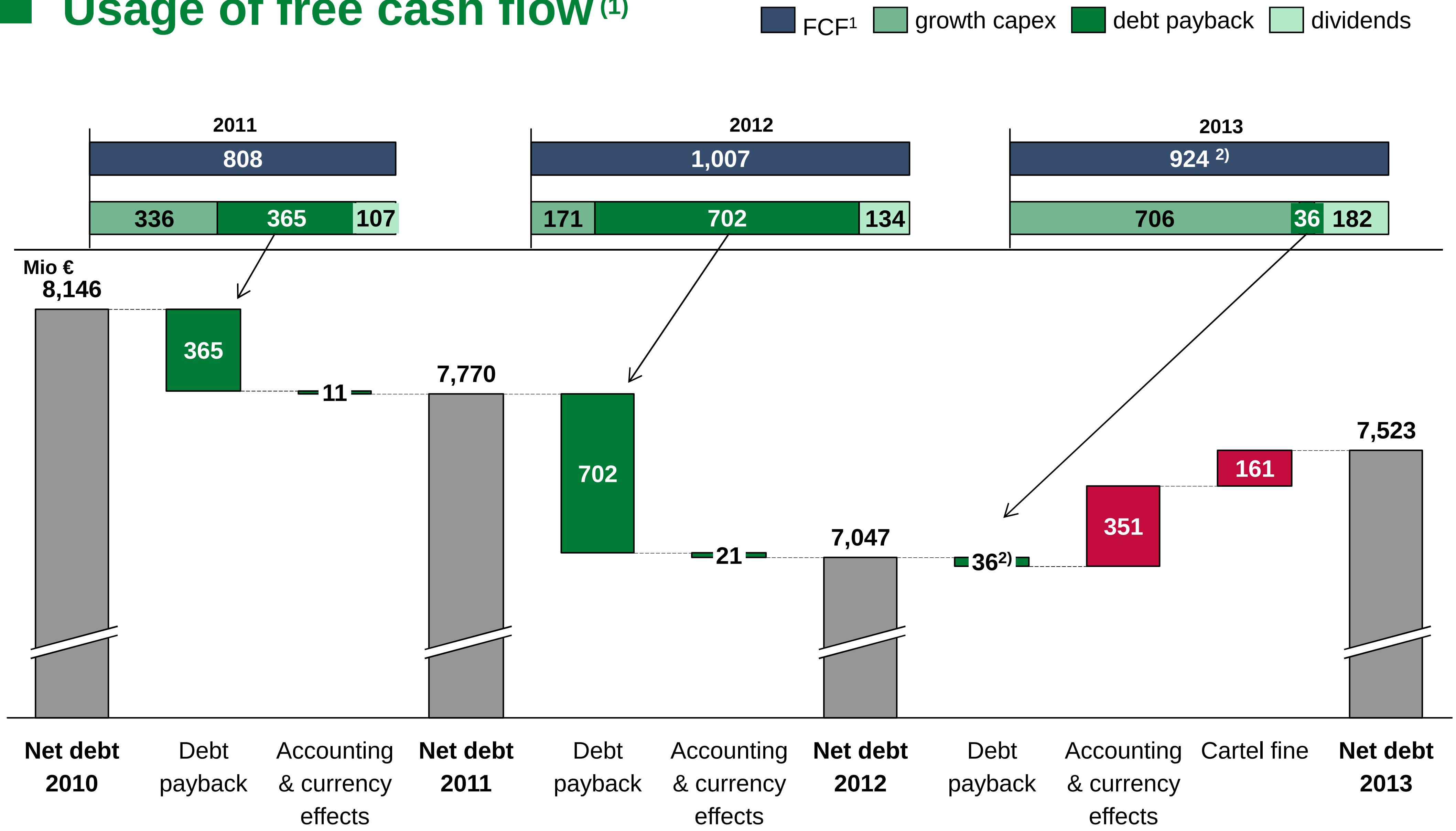
Usage of free cash flow [1]



1) Before growth CapEx, disposals and currency effects (swaps)

2) Before cartel fine payment.

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Opportunistic M&A: successful execution of value creating bolt-on acquisitions

Cement Australia

Acquisition of additional 25% of the share capital to balance respective interests in Cement Australia

CJSC "Construction Materials", Sterlitamak

Increase of holding in the Russian cement company CJSC "Construction Materials" from 51% to 100%.

Midland Quarry Products (MQP)

Exercising contractual pre-emption right to take full ownership

~ 400 m€

Bolt-on acquisitions fulfill our investment criteria
No change in overall disciplined investment policy

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Group balance sheet

€m	Dec 2012 (*)	Dec 2013	Variance Dec 13/Dec12 €m	%
Assets				
Intangible assets	10,911	**10,330**	-581	-5 %
Property, plant and equipment	10,797	**10,223**	-574	-5 %
Financial assets	538	**581**	43	8 %
Fixed assets	22,246	**21,134**	-1,112	-5 %
Deferred taxes	445	**409**	-36	-8 %
Receivables	2,196	**2,290**	94	4 %
Inventories	1,625	**1,511**	-114	-7 %
Cash and short-term derivatives	1,481	**1,492**	11	1 %
Disposal groups held for sale	16	**31**	15	95 %
Balance sheet total	28,008	**26,866**	-1,142	-4 %
Equity and liabilities				
Equity attributable to shareholders	12,609	**11,622**	-987	-8 %
Non-controlling interests	1,098	**959**	-139	-13 %
Equity	13,708	**12,582**	-1,126	-8 %
Debt [1)]	8,573	**9,065**	492	6 %
Provisions	2,422	**2,122**	-300	-12 %
Deferred taxes	659	**511**	-148	-22 %
Operating liabilities	2,646	**2,578**	-68	-3 %
Liabilities in disposal groups		**8**	8	
Balance sheet total	28,008	**26,866**	-1,142	-4 %
Net Debt (excl. puttable minorities)	7,047	**7,523**	476	7 %
Gearing	51.3 %	**59.7 %**		

(*) 2012 values are restated due to the retrospective application of IAS 19 R and IFRIC 20.

1) Includes non-controlling interests with put options in the amount of €m 45 (Dec 2012), €m 51 (Dec 2013).

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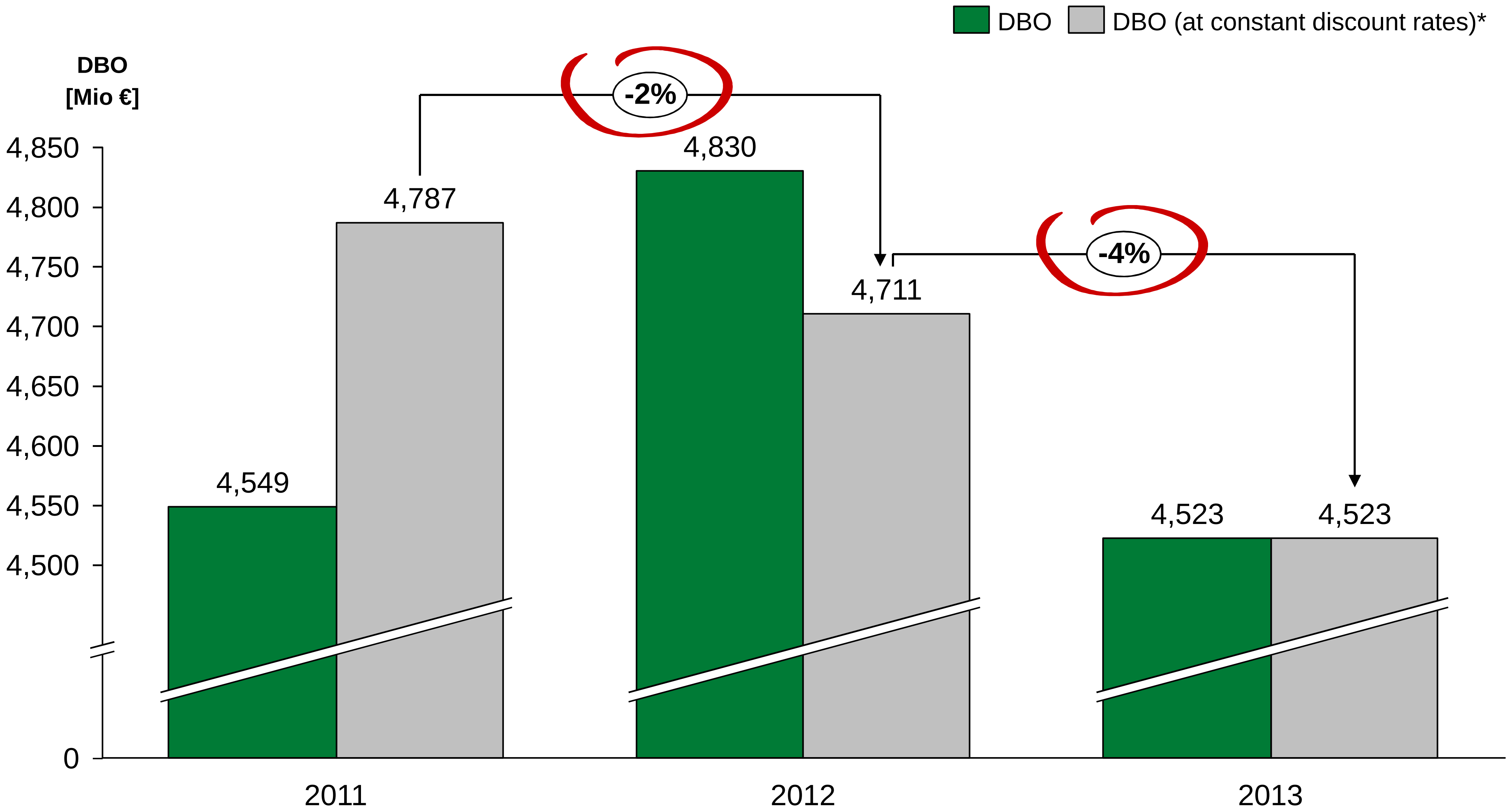
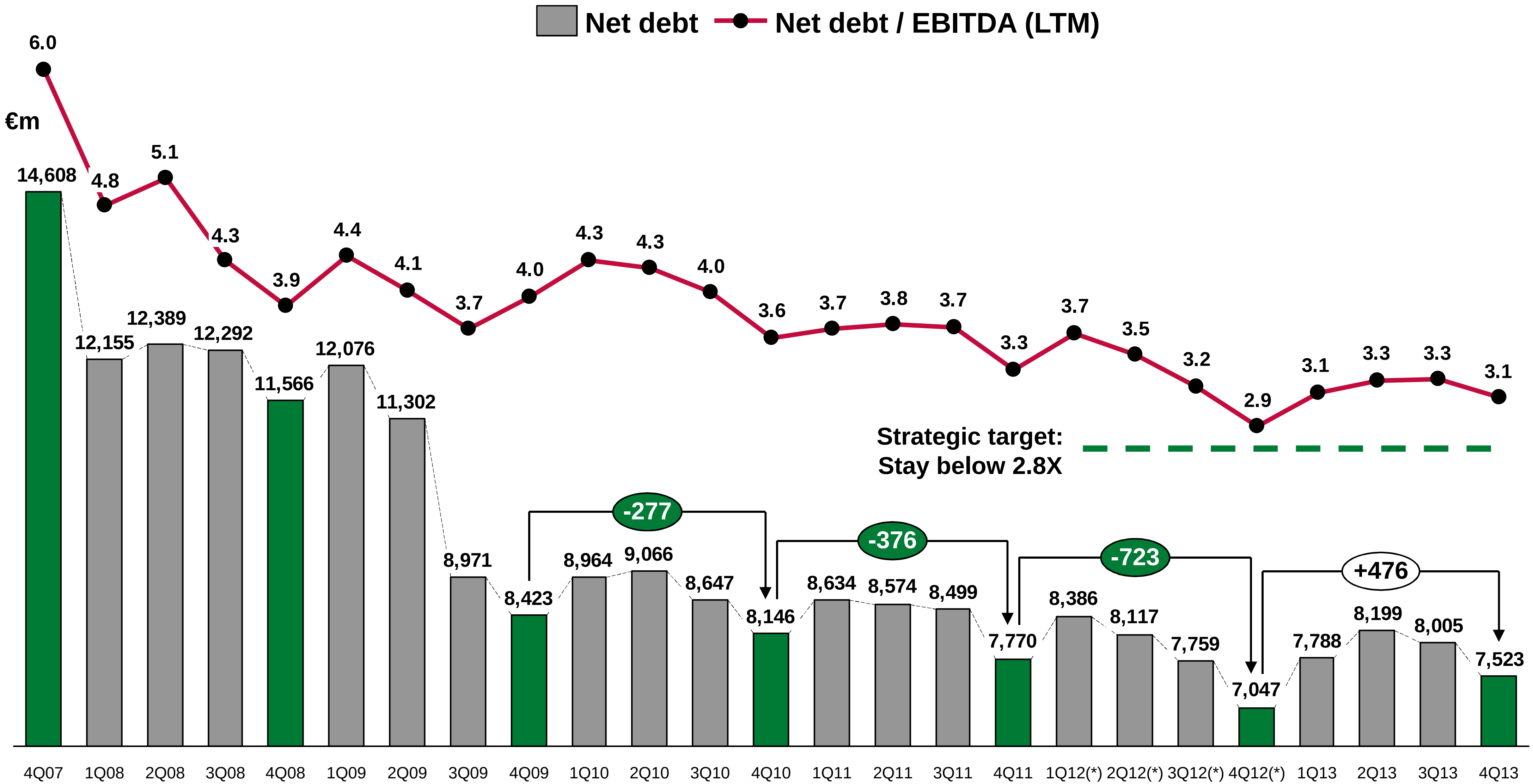
Continuous decrease of Defined Benefit Obligation (DBO)



*) Source: Mercer calculations (24.02.2014)

Net debt development



(*) 2012 values are restated due to the retrospective application of IAS 19 R and IFRIC 20.

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Substantial headway made in last months to reduce average interest costs and further improve maturity profile

1 Refinancing of 3bn € Syndicated Credit Facility at improved conditions

- Extension of maturity from 2015 until February 2019
- Significantly lower margins and utilization fee
- Removal of all securities (upstream guarantees and share pledges)

2 Successful placement of bonds at favorable terms

300m € Eurobond (Oct’13)

- 7 year bond (October 2020)
- Fixed coupon 3.25%
- Yield to maturity 3.375%

500m € Eurobond (Dec’13)

- 8 year bond (October 2021)
- Fixed coupon 3.25%
- Yield to maturity 3.375%

500 Mio € Eurobond (Mar’14)

- 5 year bond (March 2019)
- Fixed coupon 2.25%
- Yield to maturity 2.50%

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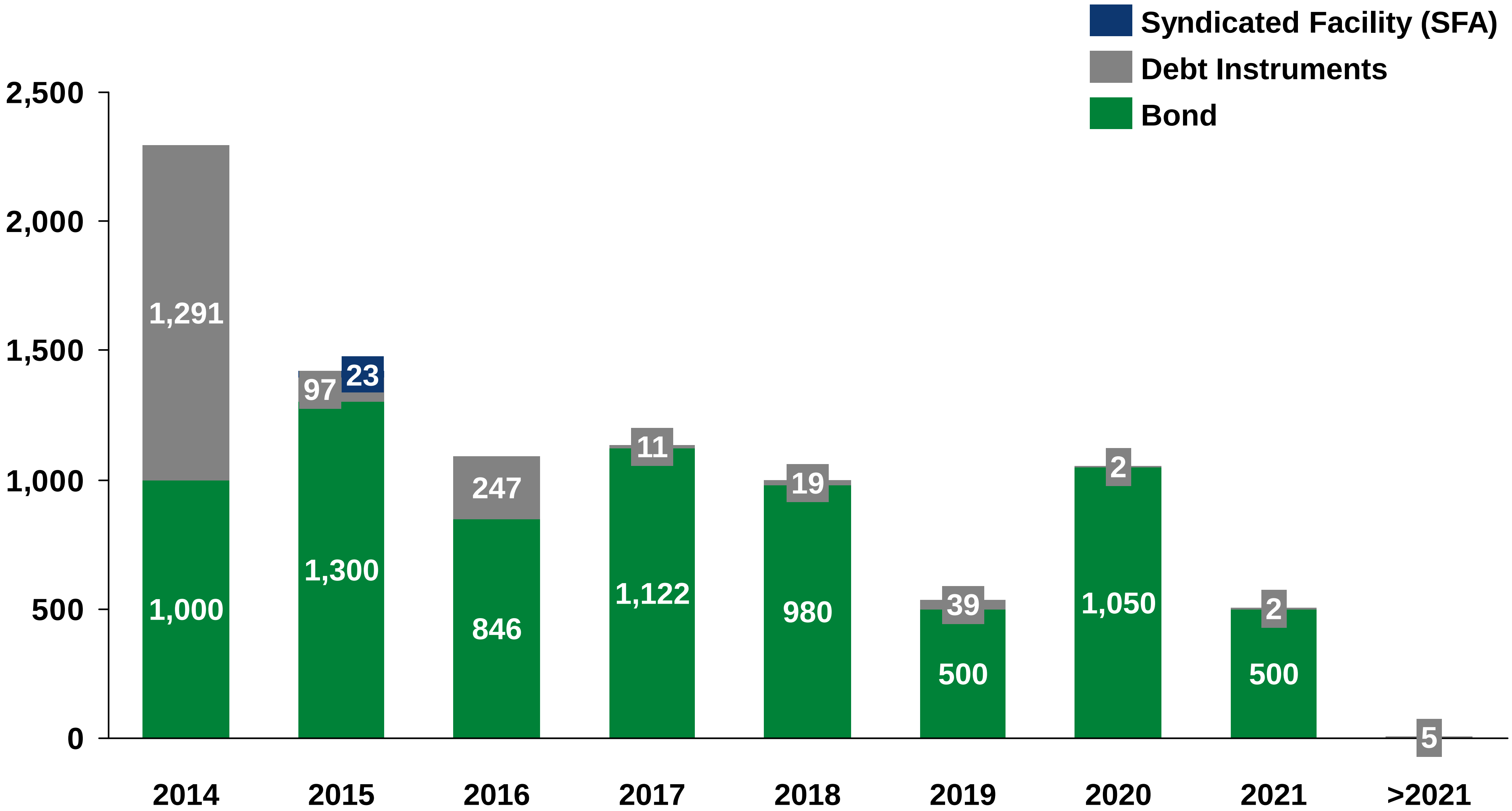
Debt maturity profile

as per 31 December 2013 in €m



-Excluding reconciliation adjustments with a total amount of -20.2 €m (transaction costs to be amortized over the term of the SFA,issue prices and fair value adjustments)
-Excluding puttable minorities with a total amount of 50.6 €m

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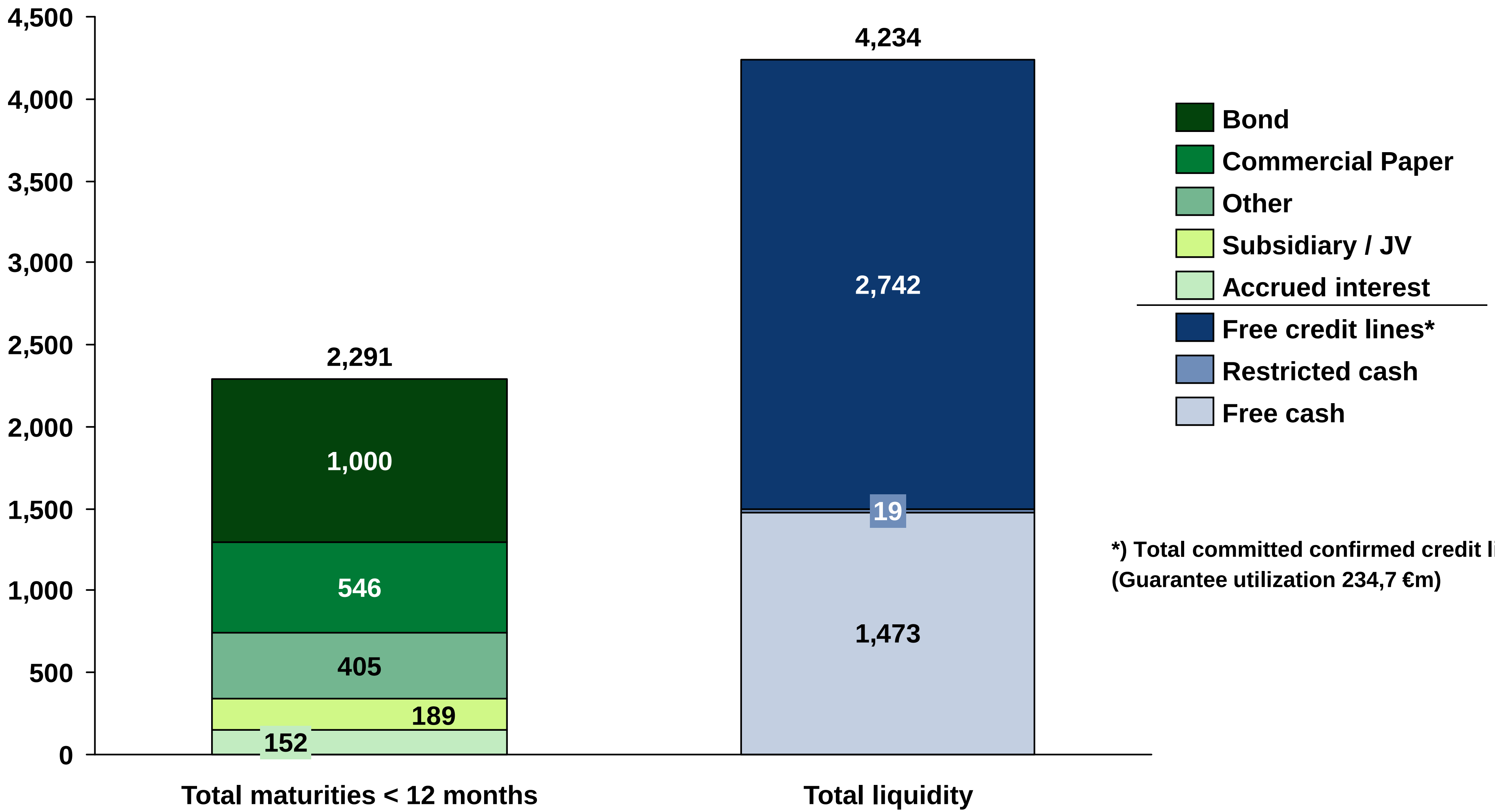
Short-term liquidity headroom

as per 31 December 2013 in €m



*) Total committed confirmed credit line 3,000 €m
(Guarantee utilization 234,7 €m)

-Excluding reconciliation adjustments with a total amount of 21.6 €m (transaction costs to be amortized over the term of the SFA,issue prices and fair value adjustments)
-Excluding puttable minorities with a total amount of 50.6 €m

Impact of new IFRS 10/11/12

- No proportional consolidation for joint ventures
- Net result of joint ventures to be included under “result from participations”

Major JVs

- Bosnia
- China
- Germany (Mibau Group)
- Hong Kong
- Turkey
- Hungary
- USA (Texas Lehigh)

	Impact on 2013 Group result (m€)
Revenue	-798
Operating EBITDA	-184
EBIT	-57
Net profit	Neutral
Net debt	-117

Net Debt/EBITDA is to increase slightly by 0.2X

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Contents

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Outlook 2014

- Continued strong recovery in USA and UK
- Demand growth in Asia and Africa
- Strong Germany, Poland and Russia; stabilization in other European markets, especially in Benelux, Czech Republic and Hungary
- Currently no impact on business in Ukraine
- Price increases in all markets supported by “PERFORM” and “CLIMB commercial”
- Target is to keep energy cost flat; slight to moderate increase in raw materials and staff

IMPROVED OPERATIONAL & FINANCIAL RESULTS

- ➢ Volume growth in all regions
- ➢ Increase in revenues, operating income and net profit (*)
- ➢ Further decrease in financial costs
- ➢ Reduction of net debt

(*) Before currency impacts and one-offs; based on figures restated according to new IFRS 10,11,12 standards.

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Further focus on disposal projects

Disposal of Building Products

Geographical Presence

(Combined turnover >US$1 bn)


US


Canada


UK

Key Products Include


Bricks


Pipe & Precast


Pressure Pipe


Structural Precast


Aircrete Blocks

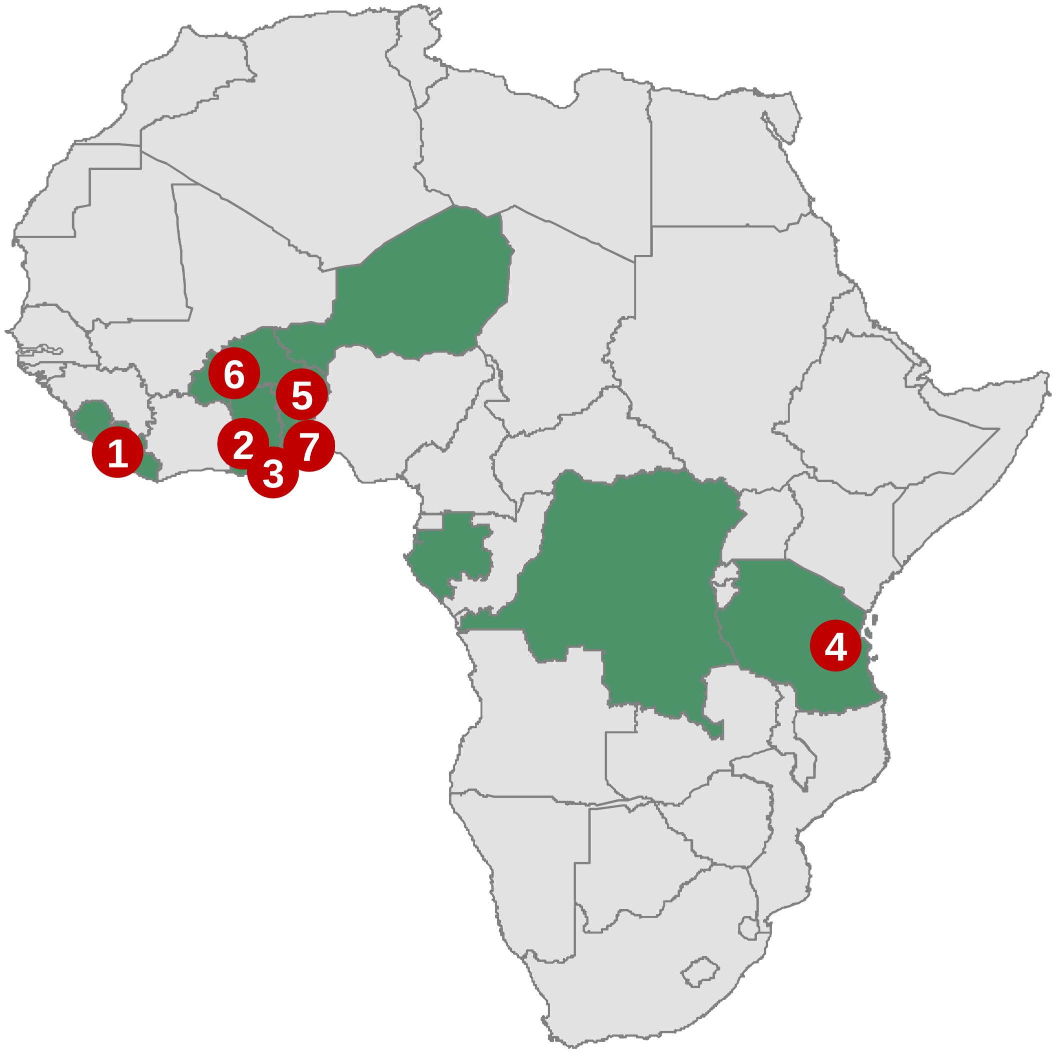
Various disposal options are being considered and evaluated

Other disposal projects

- **Disposal of cement plant in Raigad / India**
  – Process completed in January 2014
- **Disposal of non-core assets in Europe**
  – Process is continuing, to be finalized in H1
- **Further disposal of unused fixed assets**
  – Idle and unused items being checked in all countries
- **Disposal of exhausted quarries**
  – Valuable land assets with high values

Optimization of asset base is a continuing process in HeidelbergCement

Continue to grow in most attractive markets of Sub-Saharan Africa



	Country	Type	Cap.	Date	Cost
1	Liberia ✔	Brown Field	0.5 mt	2013	22 €/t
2	Ghana ✔	Brown Field	1.0 mt	2013	15 €/t
3	Ghana	Brown Field	0.8 mt	2014	31 €/t
4	Tanzania	Brown Field	0.7 mt	2014	33 €/t
5	Togo (*clinker*)	Green Field	1.5 mt	2014	115 €/t
6	Burkina Faso	Green Field	0.7 mt	2014	59 €/t
7	Togo	Green Field	0.2 mt	2015	55 €/t

Over 5 million tons capacity with market leading efficient CapEx values

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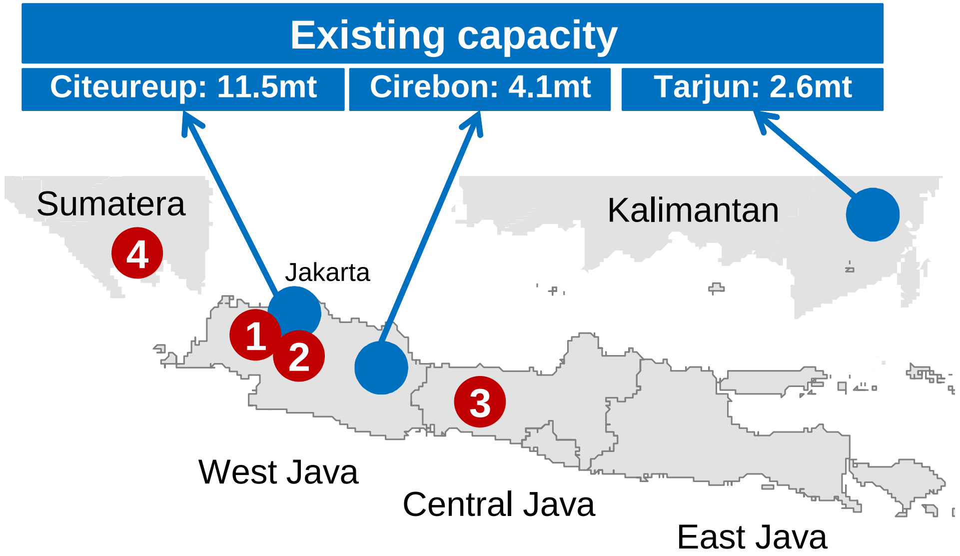
Expanding in fast growing Asian markets

INDONESIA: Further improve our market leading position in Java with projects close to main market



New capacity		Type	Cap.	Date	Cost
1	Citeureup ✔	Brown Field	1.9 mt	2014	48 €/t
2	Citeureup	Brown Field	4.4 mt	2015	112 €/t
3	*In Java*	Green Field	2.5 mt	2017	157 €/t
4	*Outside Java*	Green Field	2.5 mt	2017	195 €/t

KAZAKHSTAN: Green field project completed in a fast growing market that is driven by oil and residential demand

New capacity		Type	Cap.	Date	Cost
1	Kazakhstan (Shetpe) ✔	Green Field	0.8 mt	2014	165 €/t

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Targets 2014

	2014 Target
CapEx*	**1.2 billion EUR**
Maintenance **	**600 million EUR**
Expansion	**600 million EUR**
Cost of gross debt	**6.2 %**
Operational tax rate	**22 %**
Mid cycle targets unchanged	
Operating EBITDA	**3 billion €**
Net debt / operating EBITDA	**Below 2.8x; proforma 2.2x**

* Before any currency impacts
** Including improvement CapEx

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Management focus 2014

Deleveraging with clear goal to reach investment grade metrics
Solid steps in **disposal program**
Margin improvement driven by announced programs
Targeted growth in Africa, Indonesia and Kazakhstan

Contact information and event calendar

Event calendar

07 May 2014	2014 first quarter results
07 May 2014	2014 AGM
30 July 2014	2014 half year results
06 Nov 2014	2014 third quarter results

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