INTERIM FINANCIAL REPORT
JANUARY TO MARCH 2014

HEIDELBERGCEMENT

- **Double-digit increase in sales volumes in all business lines**
- **Group revenue rose by 5.7 % to €bn 2.75 (previous year: 2.60; on a comparable basis +14.8 %)**
- **Operating income before depreciation (OIBD) improved by 15.6 % to €m 229 (previous year: 198; on a comparable basis +44.9 %)**
- **Continued margin improvement:**
  - **Successful price increases in key markets**
  - **Ongoing cost control**
- **Disciplined management of cash flow and working capital**
- **Financing structure improved**
- **Prospects for 2014 confirmed:**
  - **Positive outlook for global economy due to recovery in the mature markets of North America and Northern Europe, esp. USA and UK**
  - **Growth in sales volumes of cement, aggregates, and ready-mixed concrete**
  - **Increase in revenue, operating income, and profit for the financial year on a comparable basis**

Overview January to March 2014	January-March	
€m	2013[1]	**2014**
Revenue	2,602	**2,750**
Result from joint ventures	7	**22**
Operating income before depreciation (OIBD)	198	**229**
OIBD margin in %	7.6 %	**8.3 %**
Operating income	9	**50**
Additional ordinary result	-32	**11**
Result from participations	-2	**-4**
Earnings before interest and income taxes (EBIT)	-24	**57**
Loss before tax	-164	**-104**
Net loss from continuing operations	-187	**-106**
Net loss from discontinued operations	0	**-2**
Loss for the period	-187	**-108**
Group share of loss	-235	**-147**
Investments	414	**257**

[1] Amounts were restated due to the retrospective application of IFRS 10 and IFRS 11

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 2014

Economic environment

The recovery of the global economy is continuing. The national economies of Asia and the African countries south of the Sahara experience solid economic development. In Europe, the continuing economic recovery was supported by favourable weather conditions in the first quarter of 2014. In the USA, the cold winter adversely affected economic growth; however, a significant improvement in economic activity is expected in the coming quarters.

Sales volumes in the first quarter benefit from mild winter and economic recovery in Europe

The mild winter weather and the positive development of the economy in HeidelbergCement's markets have led to a significant increase in sales volumes in all business lines in Europe. In North America, the sales volumes of building materials were affected by the cold and snowy winter, but still remained at virtually the same level of the previous year. The markets in Asia and Africa continued to develop positively. Overall, the sales volumes for cement, aggregates, ready-mixed concrete, and asphalt all increased by a double-digit percentage.

The Group's cement and clinker sales volumes rose by 10.0 % to 17.5 million tonnes (previous year: 15.9). The Western and Northern Europe as well as Eastern Europe-Central Asia Group areas reported double-digit growth rates. Poland, in particular, experienced a significant increase in demand. Sales volumes in North America declined slightly due to the cold and wet weather in the northeast of the USA and in Canada. Asia and Africa, however, were able to build on the positive development in sales volumes of the previous years.

Deliveries of aggregates across the Group amounted to 44.3 million tonnes (previous year: 39.8), an increase of 11.3 %. Ready-mixed concrete deliveries rose by 11.2 % to 7.7 million cubic metres (previous year: 6.9). Asphalt sales volumes grew by 28.2 % to 1.5 million tonnes (previous year: 1.2).

Sales volumes	January - March		
	2013 [1]	**2014**	Change
Cement and clinker (million tonnes)	15.9	**17.5**	10.0 %
Aggregates (million tonnes)	39.8	**44.3**	11.3 %
Asphalt (million tonnes)	1.2	**1.5**	28.2 %
Ready-mixed concrete (million cubic metres)	6.9	**7.7**	11.2 %

[1] Amounts were restated due to the retrospective application of IFRS 10 and IFRS 11

Relevant Changes in Accounting

In the first quarter of 2014 HeidelbergCement applied the new IFRS standards 10 and 11 for the first time. According to the new rules the proportionate consolidation is abolished. Instead, joint ventures are to be accounted for using the equity method. Assets and liabilities as well as income and expenses of joint ventures will no longer be shown proportionately in the relevant balance sheet or income statement items, but will only be shown in a separate line using the equity method: the carrying amount in the balance sheet and the result from joint ventures in the income statement. Among the joint ventures of HeidelbergCement are important operations in Turkey, China, Hungary, Bosnia and the USA (Texas), which have contributed significant results to the operating income in the past. In order to continue with a comprehensive presentation of the operational performance, HeidelbergCement will include the result from joint ventures in operating income before depreciation starting with the first quarter of 2014.

Development of revenue and results

Group revenue for the period of January to March 2014 rose by 5.7 % to €2,750 million (previous year: 2,602). Excluding consolidation and exchange rate effects, the increase amounted to 14.8 %. This primarily reflects the positive development of sales volumes in all business lines and the successfully implemented price increases in major markets. While positive effects from changes in the consolidation scope to the amount of €18 million were negligible, the weakening of numerous currencies against the euro amounting to €221 million had a considerable negative impact on the development of revenue.

In the reporting period, material costs rose by 3.0 % to €1,208 million (previous year: 1,173). The disproportionately low increase is attributable to the declining prices for energy and raw materials. Other operating expenses and income were 3.5 % below the previous year's level at €-759 million (previous year: -733). At €537 million (previous year: 538), personnel costs remained almost unchanged.

Operating income before depreciation (OIBD) rose significantly by 15.6 % to €229 million (previous year: 198). Besides the pleasing development of sales volumes and revenue, the increase in the result from joint ventures – due to the positive development especially in Turkey and China – to €22 million (previous year: 7) contributed to this growth. Operating income increased by €41 million to €50 million (previous year: 9).

The additional ordinary result rose by €43 million to €11 million (previous year: -32). The previous year's figure included a €32 million addition to provisions in connection with the decision by the German Federal Court of Justice in the German antitrust proceedings. The financial result deteriorated by €22 million to €-162 million (previous year: -140). The main reason for this is the non-recurring depreciation and amortisation of the transaction fee for the early refinanced syndicated credit facility.

Profit before tax from continuing operations rose by €60 million to €-104 million (previous year: -164). Expenses relating to taxes on income decreased by €21 million to €2 million (previous year: 23). As a result, net income from continuing operations increased to €-106 million (previous year: -187).

Overall, the loss for the period amounts to €-108 million (previous year: -187). The profit attributable to non-controlling interests fell by €9 million to €39 million (previous year: 48). The Group share therefore amounts to €-147 million (previous year: -235).

Earnings per share – Group share of profit – in accordance with IAS 33 improved to €-0.78 (previous year: -1.25).

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

Statement of cash flows

The cash outflow from operating activities improved in the first quarter of 2014 by €33 million to €317 million (previous year: 350). The increase in operating income before depreciation (OIBD) had a particularly positive effect on liquidity.

Dividends received remained approximately at the previous year's level with €32 million (previous year: 33) and mainly include dividends received from joint ventures and associated companies. Interest proceeds rose by €14 million to €44 million (previous year: 30), whereas interest payments increased by €33 million to €185 million (previous year: 152) due to non-recurring refinancing costs. Income taxes paid fell by €6 million to €81 million (previous year: 87). Changes in working capital decreased by €68 million to €-321 million (previous year: -253), which is largely attributable to the revenue-related rise in trade receivables. In the reporting quarter, provisions of €49 million (previous year: 47) were utilised through payments.

The net cash used in investing activities declined by €193 million to €193 million (previous year: 386). The decrease is mainly attributable to the previous year's acquisition of an additional 25 % in the Australian company Cement Australia within the context of other financial assets. These factors were counteracted by increased investments in property, plant, and equipment, as well as in subsidiaries and other business units.

Financing activities generated a cash inflow of €415 million (previous year: 736) in the reporting period. Proceeds from and repayments of bonds and loans primarily include the issue of a new bond with a volume of €500 million. In the previous year, this item primarily included drawings as part of the syndicated facility agreement as well as the repayment of a US$750 million bond. The changes in current financial liabilities relate mainly to inflows from the issue of commercial papers and the repayment of current bank loans. Dividend payments to non-controlling interests led to a cash outflow of €2 million (previous year: 2).

Investments

Cash flow investments decreased in the first quarter to €257 million (previous year: 414). 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 €175 million (previous year: 121) of this total. Investments in financial assets and other business units fell to €82 million (previous year: 292); this is essentially due to the increase in shares in the Belgian Cimescaut Group and the acquisition of Espabel NV, which is also based in Belgium.

Balance sheet

The balance sheet total rose by €202 million to €26,639 million (previous year: 26,437) as at 31 March 2014.

Non-current assets increased by €66 million to €22,019 million (previous year: 21,953). The increase of €53 million in fixed assets to €21,066 million (previous year: 21,013) is mainly due to additions from business combinations, while exchange rates only had a negligible impact. The rise of €84 million in goodwill to €9,854 million (previous year: 9,770) was primarily related to exchange rate effects of €26 million in addition to acquisitions of €58 million. The exchange rates had a particular effect on the changes in property, plant, and equipment to the amount of €-42 million. Additions of €174 million to property, plant, and equipment were offset by depreciation and amortisation of €172 million. The change in financial assets is mainly owing to the acquisition of an additional 62.91 % of shares in the Cimescaut Group, Tournai, Belgium, amounting to €13 million.

Current assets increased by €166 million to €4,620 million (previous year: 4,454). As a result of seasonal factors, trade receivables rose to €1,232 million (previous year: 1,137). Cash and cash equivalents dropped by €64 million to €1,288 (previous year: 1,352). The changes are explained in the Statement of cash flows section.

On the equity and liabilities side, equity decreased by €100 million to €12,423 million (previous year: 12,523). This is essentially attributable to the comprehensive income of €-130 million, which is composed of the shortfall for the period of €108 million and particularly the actuarial losses of €24 million recognised in other comprehensive income. These factors were counteracted by the capital increase in return for contributions in kind of €1.25 million and the related conversion of a purchase price liability in retained earnings to the amount of €22 million, as well as changes to the scope of consolidation and other changes of €7 million.

The increase of €487 million in interest-bearing liabilities to €9,316 million (previous year: 8,829) is primarily due to the issuance of a new bond of €500 million. At €2,111 million (previous year: 2,112), total provisions remained nearly unchanged. The decline of €180 million in operating liabilities to €2,283 million (previous year: 2,462) relates mainly to trade payables. The changes are explained in more detail in the Statement of cash flows section.

Financing

On 25 February 2014, HeidelbergCement signed a new €3 billion syndicated credit facility with a term of five years to refinance the existing credit facility which would have expired in December 2015. The revolving credit line was early refinanced due to favourable market conditions. The new multicurrency credit facility is intended as liquidity back-up and can be used for cash drawdowns as well as for letters of credit and guarantees.

Out of the box margin is reduced from 125 to 95 basis points. In addition, formerly existing upstream guarantees and share pledges could be removed.

The new syndicated credit facility agreement secures sufficient liquidity back-up for our company until 2019 at clearly better conditions. The fact that we were able to maintain the same banking group while securing better terms and conditions without any security reiterates the excellent reputation of HeidelbergCement in the banking sector and reflects the strength of our relationships with the banks. The removal of all securities and upstream guarantees is another important milestone on our way back to improved credit ratings and benefits all bondholders who now rank pari passu with all bank lenders.

The following banks were mandated as bookrunners and Mandated Lead Arrangers in this transaction: Bank of America Merrill Lynch, Bayern LB, BNP Paribas, Citigroup, Commerzbank, Danske Bank, Deutsche Bank, Svenska Handelsbanken, Helaba, ING Bank, Intesa Sanpaolo, LBBW, Mediobanca, Morgan Stanley, Nordea, RBI, RBS, SEB, and Standard Chartered. Deutsche Bank is acting as documentation and facility agent.

On 12 March 2014, HeidelbergCement issued a Eurobond under its €10 billion EMTN Programme with an issue volume of €500 million and a maturity date of 12 March 2019. The 5 year bond bears a fixed coupon of 2.25 % p.a. The issue price was at 98.84 %, resulting in a yield to maturity of 2.50 %. The bond is unsecured and ranks pari passu with all other financial liabilities. 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 (including the new bond issued on 12 March 2014) 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 €2,391 million and the consolidated interest expense of €574 million are calculated on a pro forma basis in accordance with the terms and conditions of the bonds. As at 31 March 2014, the consolidated coverage ratio amounted to 4.16.

Net debt decreased by €347 million in comparison with 31 March 2013, amounting to €7,958 million (previous year: 7,611) as at 31 March 2014. The increase of €553 million in comparison with the end of 2013 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 €4,109 million as at the end of March 2014.

Capital increase against contributions in kind

In February 2014, HeidelbergCement AG increased its share capital in return for contributions in kind when it raised its participation from 30 % to 100 % in the logistics company Kerpen & Kerpen GmbH & Co. KG. The issuance of 416,477 new shares resulted from the Authorised Capital II excluding the subscription right of shareholders. The Company's subscribed share capital rose slightly by €1,249,431 (equivalent to 0.22 %) to €563,749,431. The implementation of the capital increase was recorded in the commercial register on 13 February 2014.

Western and Northern Europe

The economic recovery in Germany and the Nordic countries Sweden and Norway is continuing. In Belgium and in the Netherlands, the economy and construction activity are gaining momentum, too. In the first three months of 2014, the British economy expanded for the fourth quarter in a row; gross domestic product grew significantly by 0.8 %.

While the construction industry across the entire Group area suffered from the prolonged cold winter weather in the first quarter of 2013, construction activities benefited from the unusually mild winter weather in the first quarter of 2014.

In the cement business line, all Group countries experienced positive development in sales volumes during the first quarter. Our German plants achieved the highest growth in volumes with an increase of over 30 %. Deliveries in Benelux, Northern Europe, and the United Kingdom also rose by a double-digit percentage. Overall, our cement and clinker sales volumes in the Western and Northern Europe Group area increased by 19.9 % to 4.6 million tonnes (previous year: 3.9) in the first three months. In January 2014, HeidelbergCement acquired the Belgian cement company Espabel NV, which operates a cement grinding plant in Ghent.

In the aggregates business line, our deliveries likewise benefited from the favourable weather conditions: all countries with the exception of Norway, where our exports declined, recorded high growth rates in sales volumes. The Group area's deliveries of aggregates rose by 27.5 % overall to 13.9 million tonnes (previous year: 10.9). Excluding consolidation effects, the growth amounted to 17.0 %. To strengthen the market position in the field of aggregates, HeidelbergCement purchased an additional 62.91 % of shares in the Cimescaut Group, Tournai, Belgium – previously accounted for at equity – in January 2014, thereby raising its shareholding to 96.93 %.

In the ready-mixed concrete operating line, all countries, except for the Baltic States, also achieved considerable increases in volumes. Overall, ready-mixed concrete sales volumes rose by 25.1 % to 2.7 million cubic metres (previous year: 2.2). Excluding consolidation effects, the increase in volumes amounted to 25.7 %. The sales volumes of the asphalt operating line were 53.0 % higher than in the previous year. Excluding consolidation effects, the growth amounted to 17.0 %.

The building products business line, which consists primarily of the building products from Hanson in the United Kingdom and is heavily dependent on residential construction, benefited from the recovery in British residential construction. Sales volumes in all operating lines were above the previous year's level. In particular, precast concrete parts and lightweight blocks achieved considerable volume increases.

Revenue of the Western and Northern Europe Group area rose by 22.7 % to €914 million (previous year: 745); excluding consolidation and exchange rate effects, the increase amounted to 20.8 %.

Eastern Europe-Central Asia

Favourable weather conditions encouraged construction activity in large parts of the Group area. Furthermore, the emerging economic recovery in several countries, such as the Czech Republic and especially Poland, has had a positive impact on the construction industry. The crisis in the Ukraine impaired the Ukrainian and Russian economies, in particular due to capital outflow and the depreciation of the currencies in both countries, but has not yet had any effect on the operating activities of HeidelbergCement in these two countries.

In the cement business line, all Group countries with the exception of Russia recorded strong increases in sales volumes in the double-digit percentage range. In Russia, our cement deliveries were also above the previous year's level. We achieved our strongest growth in sales volumes in Poland. Favourable weather conditions and the recovering construction industry contributed to this development. Overall, the cement and clinker sales volumes of the Group area grew by 31.8 % to 2.8 million tonnes (previous year: 2.1) in the first quarter.

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. The plant is to be officially commissioned by the middle of 2014.

In the aggregates business line, our deliveries in all countries benefited from a significant increase in demand. The strongest growth was recorded by Kazakhstan and the Ukraine, where our volumes more than tripled. Overall, deliveries of aggregates in the Group area rose by 40.7 % to 2.3 million tonnes (previous year: 1.7). Deliveries of ready-mixed concrete increased by 21.6 % to 0.5 million cubic metres (previous year: 0.4).

Revenue of the Eastern Europe-Central Asia Group area rose by 18.4 % to €194 million previous year: 164); excluding exchange rate effects, the increase amounted to 31.0 %.

North America

In the North America Group area, HeidelbergCement is represented in the USA and Canada. Affected by the severe winter, growth in the US economy weakened noticeably in the first quarter of 2014. Gross domestic product grew by a mere 0.1 % in the first three months. However, the upcoming quarters are expected to show significantly higher growth rates once again. The harsh winter had a particularly negative impact on residential construction: housing investment declined by 5.7 % in the first quarter. Housing starts in March were at an annual rate of 946,000. This is 2.8 % above the previous month rate, but is 5.9 % below the March 2013 rate. In contrast, building permits were 2.4 % below the February rate, but were 11.2 % above the March 2013 rate.

In the first quarter of 2014, construction activities and the ensuing demand for our building materials in North America were adversely affected by the long, very cold winter, particularly in the eastern and northern United States as well as in Canada. The cement sales volumes of our North American plants dropped by 3.3 % in the first quarter to 2.2 million tonnes (previous year: 2.2). The increase in volumes in the West and South market regions were not quite able to offset the weather-related decrease in sales volumes in the North region and Canada. Our cement activities benefited from a positive price development in both the United States and in Canada.

In the aggregates business line, significant increases in sales volumes in the West and South regions were likewise able to offset the decrease in sales volumes in the North region and Canada. Overall, at 17.1 million tonnes (previous year: 17.1), aggregates sales volumes remained at the previous year's level. In the ready-mixed concrete operating line, the West region benefited from a strong demand in Arizona and Southern California. The rise in sales volumes achieved in this region and a slight increase in deliveries in Canada were able to almost offset the decrease in volumes in the North and South regions. Overall, ready-mixed concrete sales volumes recorded a slight decline of 0.5 % and were marginally lower than the previous year at 1.2 million cubic metres (previous year: 1.2). Asphalt deliveries rose by 11.9 % to 0.2 million tonnes (previous year: 0.2), which was primarily due to the increase in volumes in the West and North regions.

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

Total revenue in North America declined by 3.2 % to €591 million (previous year: 610); excluding exchange rate effects, it rose by 2.6 %.

Asia-Pacific

The emerging countries of Asia remain on course for growth and the International Monetary Fund expects a slight recovery in economic momentum in the current year. While the Chinese economy has slowed down noticeably, the increase of 7.4 % in gross domestic product in the first quarter was higher than expected. A slight economic upturn is anticipated in India following the weak growth of the previous year. The Indonesian economy continues on its expansion course, but its growth is affected by the high interest rates. The general economic momentum in Australia is being curbed by declining investments in the raw materials sector.

During the first quarter, cement and clinker deliveries of the Asia-Pacific Group area grew by 3.3 % to 6.3 million tonnes (previous year: 6.1). Excluding consolidation effects, the rise amounted to 5.9 %. In Indonesia, domestic cement consumption increased in the first three months of 2014 by 3.7 % in comparison with the previous year. Indocement's domestic sales volumes rose by 1.8 %. However, by including the imported cement for the expanding ready-mixed concrete business, Indocement's domestic sales volume rose by 2.8 %. Indocement's lower growth was due to the entry of new cement capacities and an increase in imports, which have led to pricing pressure in the market. In order to protect its margins, Indocement decided not to reduce the prices. In the first quarter of 2014, Indocement's sales prices were higher than those of the previous year due to successful price increases. As Indocement focuses on domestic demand, low-margin export deliveries remained at a very low level, as in the previous year. Overall, Indocement's cement and clinker sales volumes rose by 2.0 %, by including the imported cement for RMC mentioned above, the sales volume rose by 3 %. Due to the ongoing promising growth prospects in Indonesia, Indocement is continuing to expand its cement capacity. The construction of an additional cement grinding facility at the Citeureup plant was completed and test runs were started at the end of 2013. The grinding installation with a capacity of 1.9 million tonnes is scheduled to be put into operation in the second quarter of 2014. In addition, further expansion of the Citeureup plant has begun. At the beginning of October 2013, the foundation stone was laid for the construction of a new integrated production line with a cement capacity of 4.4 million tonnes, which is to be completed by 2015.

Under the new accounting standard IFRS 11, our Chinese joint ventures in the provinces of Guangdong and Shaanxi are to be accounted for using the equity method as of 1 January 2014. The sales volumes of our joint ventures remained significantly below the previous year. The decreases in volumes resulted primarily from declining demand due to the exceptionally long Chinese New Year celebrations as well as excess capacities in Shaanxi. In Guangdong, in particular, cement prices were considerably above the previous year's level.

In India, construction activity and cement demand continue to be adversely affected by the government's ongoing restraint towards infrastructural projects as well as by high interest rates. Nonetheless, deliveries of our Indian cement plant rose significantly by 7.9 % in the first three months, mainly as a result of the expansion of our cement capacities in central India by 2.9 million tonnes. After carrying out successful test runs between November 2012 and January 2013, we officially commissioned the new facilities at our Damoh plant in the state of Madya Pradesh and at our Jhansi plant in the state of Uttar Pradesh in February 2013. Subsequently, the production was ramped up. The sale of the Raigad cement grinding plant in the western Indian state of Maharashtra, which was initiated in 2013, was completed on 3 January 2014. HeidelbergCement now has a total annual cement capacity of 5.6 million tonnes in India. Excluding the consolidation effect, cement sales volumes rose by 28.6 % in the first quarter.

In Bangladesh, our cement deliveries recorded a slight increase, even though sales prices were below the previous year's level.

In Australia, the sales volumes of our joint operation Cement Australia were above the previous year's level thanks to the robust development in sales volumes in New South Wales. In the second quarter of 2014, a new grinding facility with a capacity of 1.1 million tonnes will go into operation in Port Kembla. Grinding tests commenced in February 2014.

In the aggregates business line, our deliveries in Malaysia remained slightly below the previous year's level, while Australia and Indonesia, in particular, recorded a strong increase in volumes. Overall, sales volumes of aggregates rose by 7.9 % to 8.6 million tonnes (previous year: 7.9). In the asphalt operating line, strong demand from infrastructural construction in Malaysia led to an increase in sales volumes of 24.0 %. Deliveries of ready-mixed concrete increased by 2.3 % to 2.6 million cubic metres (previous year: 2.5); growth in sales volumes in Australia and Malaysia were able to more than offset the decline in volumes in Indonesia caused by heavy rainfalls.

Revenue of the Asia-Pacific Group area declined by 11.6 % to €676 million (previous year: 765); excluding consolidation and exchange rate effects, revenue rose by 8.2 %.

Africa-Mediterranean Basin

The African countries south of the Sahara are continuing to experience solid economic development and lively construction activity. A slowdown in the growth of the Turkish economy is expected for the current year, mainly due to weak domestic demand, high inflation, and rising interest rates. While the economy has come out of recession in Spain, construction activity is still suffering as a result of the property crisis, high unemployment, and the government's budget cuts, which resulted in a considerable reduction in infrastructure expenditure in the current year.

In Africa, our cement deliveries recorded an increase of 1.5 % to 1.7 million tonnes (previous year: 1.6). Our main market regions, Ghana and Tanzania, made a particularly strong contribution to this growth, as did Liberia and Sierra Leone. At the end of March 2014, we sold our participation in the cement company Cimgabon S.A. in Gabon as part of the portfolio optimization.

In light of the positive growth prospects, HeidelbergCement is expanding its activities in Africa. In Togo, the commissioning of our new clinker plant is expected for the last quarter of 2014. The plant, with an annual capacity of 1.5 million tonnes, is located near the town of Tabligbo, around 80 km to the northeast of the capital, Lomé. Moreover, we are constructing a cement grinding facility with a capacity of around 250,000 tonnes in the North of the country which is scheduled for commissioning in 2016. We are expanding our cement production capacity in Tanzania with the construction of a new cement mill at our Tanzania Portland Cement plant. The commissioning of the mill with a capacity of 0.7 million tonnes is scheduled for the third quarter of 2014 and will increase our cement capacity in Tanzania to 2 million tonnes. We are also expanding our cement capacity in Ghana. With the scheduled commissioning of a new cement mill with a capacity of 0.8 million tonnes at the Takoradi plant by the end of 2014, our total cement grinding capacity in Ghana will increase to 4.4 million tonnes. In the second half of 2014, a new cement grinding plant in Burkina Faso with a capacity of 650,000 tonnes is to go into operation near the capital of Ouagadougou. We are also evaluating options for capacity expansions in other African countries.

Under the new accounting standard IFRS 11, our Turkish joint venture Akçansa is to be accounted for using the equity method as of 1 January 2014. The cement and clinker sales volumes of Akçansa increased in the first three months by 9.8 % compared with the previous year.

Since the sales volumes of Akçansa are no longer proportionally included in the Group sales volumes, cement and clinker sales volumes of the Africa-Mediterranean Basin Group area only include the deliveries of our African subsidiaries. Consequently, cement and clinker sales volumes of the Group area increased by 1.5 % to 1.7 million tonnes (previous year: 1.6).

Deliveries in the aggregates business line rose by 6.2 % overall to 2.7 million tonnes (previous year: 2.6). A slight decrease in volumes in Israel was more than offset by the surprisingly strong growth in sales volumes in Spain. Asphalt activities recorded a decrease of 20.8 % in sales volumes. Ready-mixed concrete deliveries increased by 14.5 % to 0.8 million cubic metres (previous year: 0.7); while sales volumes in Spain continued to decline, our ready-mixed concrete activities in Israel experienced a significant increase in volumes.

Revenue of the Africa-Mediterranean Basin Group declined marginally by 0.6 % to €230 million (previous year: 231); excluding exchange rate effects, revenue rose by 12.4 %.

Group Services

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

HC Trading's trading activities in cement, clinker, and other building materials such as lime and dry mortar increased by 29.5 % to 3.6 million tonnes in the first quarter (previous year: 2.8). Deliveries of coal and petroleum coke rose by 83.4 % to 1.4 million tonnes (previous year: 0.8).

Revenue of the Group Services business unit rose by 39.0 % to €244 million (previous year: 176); excluding exchange rate effects, revenue increased by 44.3 %.

Employees

At the end of the first quarter of 2014, the number of employees at HeidelbergCement stood at 50,908 (previous year: 49,960). The increase of 948 employees essentially results from two opposing developments: on the one hand, more than 300 jobs were cut in some Eastern European countries, in Benelux, and in India in connection with efficiency increases in sales and administration as well as location optimisations. Furthermore, the number of employees was reduced by around 180 due to the sale of the cement grinding plant in Raigad, India. On the other hand, more than 700 new employees were hired in growth markets such as Indonesia and Central Asia. In the United Kingdom, Germany, North America, and Australia, the workforce grew by just under 450 employees as a result of the good market development. Moreover, our number of employees increased by around 230 due to the acquisition in April 2013 of the remaining 50 % in the hitherto proportionately consolidated Midland Quarry Products, United Kingdom, and the increase in shares in January 2014 in Cimescaut Group, Belgium, which was previously accounted for at equity.

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) slightly lowered the growth rates for the global economy, but continues to expect a considerable acceleration in economic growth compared with the previous year. The slowdown is solely attributable to weaker performance in the emerging countries. In the mature markets, the growth rates were even slightly raised in part, e.g. for Germany and the United Kingdom. However, the necessary budgetary consolidation measures in the industrial countries and their effects on the emerging countries continue to threaten the development of the global economy. The continued tapering of the US Federal Reserve may lead to further capital outflows and exchange rate adjustments. In addition, the political tensions in the Middle East and the Ukraine pose risks to the economic development.

In North America, HeidelbergCement expects a continuing economic recovery and consequently a further growth in demand for building materials. Besides residential construction, commercial and infrastructural construction are also making an increasingly strong contribution to this growth. A stabilisation of the Eastern European market is anticipated following the weak phase experienced during 2013. Poland is expected to be the first country in this region to benefit from an incipient recovery. We project a further rise in demand for building materials in Central Asia. Although, the crisis in the Ukraine does not affect operating business in the Ukraine and Russia, the currencies of both countries have lost significantly in value against the euro since the beginning of the crisis. In Western and Northern Europe, positive market development is expected in all countries. This is based on the healthy economic development in Germany and Northern Europe, as well as a recovery in the United Kingdom and Benelux. In Asia and Africa, the Group still counts on sustained growth in demand. In view of the positive development of demand and the commissioning of new capacities, HeidelbergCement anticipates an increase in the overall sales volumes of the core products cement, aggregates, and ready-mixed concrete.

In terms of costs, the Group expects a light to moderate rise in the cost base for energy, raw materials, and personnel. The objective is to offset this increase by means of suitable measures and to improve our margins in the cement and aggregates business lines, bringing them back to pre-crisis levels. To this end, HeidelbergCement will continue pursuing its two price initiatives "PERFORM" for the cement business in the United States and Europe, and "CLIMB Commercial" for the aggregates business. Another area of focus in 2014 will be to not only safeguard but continuously improve the cost savings and efficiency increases in cement and aggregates that were achieved in the past few years with "OPEX" and "CLIMB". Moreover, the "LEO" programme aims to optimise logistics with the goal of reducing costs by €150 million over the next few years. For 2014, HeidelbergCement projects a slight decline in financing costs due to the improved financing structure and despite the higher level of net debt at the start of the year.

On the basis of these assumptions, the Managing Board has set the goal of further increasing revenue, operating income, and profit for the financial year in 2014 on a comparable basis, i.e. adjusted for exchange rate and consolidation effects as well as non-recurring effects.

Business development in the first quarter has strengthened our confidence in our outlook for the 2014 financial year. Deleveraging in order to regain investment grade rating, remains the highest priority for us. To this end, we will continue to be very disciplined in our spending in 2014 and focus more intensively on the sale of the building products business line in the United Kingdom and North America, as well as other assets that do not belong to our core business. At the same time, we will remain on course with our successful strategy of targeted expansion of our cement capacities in growth markets. We will continue unabatedly with our programmes to improve margins, "PERFORM" in the cement business, "CLIMB Commercial" in the aggregates business, and "LEO" to optimise logistics.

In 2014, we will benefit from the economic development in the industrial countries, particularly in North America, the United Kingdom, Germany, and Northern Europe. These countries generate almost 50 % of our revenue. Furthermore, we are improving our market position in growth markets with the commissioning of modern production facilities. In view of these factors as well as our high operational efficiency, we consider ourselves well-equipped to benefit over-proportionally from the accelerating economic growth in the interests of our shareholders.

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 2014 regarding the forecasts and other statements made in the 2013 Annual Report in the Outlook chapter on page 101 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 2014 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 and opportunity 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.

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 2014 financial year and in the foreseeable future as well as the opportunities are described in detail in the 2013 Annual Report in the risk and opportunity report chapter on page 109 ff.

The risks arising from volatile energy and raw material prices as well as from exchange rates remain high. Although the International Monetary Fund (IMF) has only slightly lowered the 2014 growth rate for the global economy in its latest forecast, ongoing development is subject to uncertainties and risks, amongst other things, due to the political tensions in the Ukraine and in the Middle East. In the industrialised countries, the most pressing task is to consolidate state finances, reform the financial sector and tackle unemployment. The emerging countries face the challenge of slowing growth rates and risks of further capital outflows and currency depreciation. Uncertainties still remain with regard to the stability of the global financial system.

Interim consolidated financial statements

Consolidated income statement

	January - March	
€m	2013 [1]	2014
Revenue	2,601.7	**2,749.8**
Change in finished goods and work in progress	30.9	**-40.6**
Own work capitalised	2.1	**1.8**
Operating revenue	2,634.7	**2,711.0**
Other operating income	70.7	**67.3**
Material costs	-1,172.6	**-1,207.7**
Employee and personnel costs	-538.0	**-537.3**
Other operating expenses	-803.9	**-826.1**
Result from joint ventures	7.1	**21.7**
Operating income before depreciation (OIBD)	197.9	**228.8**
Depreciation and amortisation	-188.5	**-178.4**
Operating income	9.3	**50.4**
Additional ordinary income	4.5	**18.2**
Additional ordinary expenses	-36.2	**-7.0**
Additional ordinary result	-31.8	**11.3**
Result from associates	-3.9	**-3.6**
Result from other participations	2.3	**-0.6**
Result from participations	-1.6	**-4.2**
Earnings before interest and taxes (EBIT)	-24.1	**57.4**
Interest income	17.8	**22.6**
Interest expenses	-148.2	**-157.1**
Foreign exchange gains and losses	4.2	**-1.4**
Other financial result	-14.1	**-25.8**
Financial result	-140.3	**-161.7**
Loss before tax from continuing operations	-164.3	**-104.2**
Income taxes	-22.9	**-1.7**
Net loss from continuing operations	-187.2	**-105.9**
Net loss from discontinued operations	0.0	**-1.6**
Loss for the period	-187.2	**-107.5**
Thereof non-controlling interests	47.7	**39.0**
Thereof Group share of loss	-235.0	**-146.5**
Earnings per share in € (IAS 33)		
Loss per share attributable to the parent entity	-1.25	**-0.78**
Loss per share – continuing operations	-1.25	**-0.77**
Loss per share – discontinued operations	0.00	**-0.01**

[1] Amounts were restated due to the retrospective application of IFRS 10 and IFRS 11.

Consolidated statement of comprehensive income

	January - March	
€m	2013 [1]	2014
Loss for the period	-187.2	**-107.5**
Other comprehensive income:		
Items not being reclassified to profit or loss in subsequent periods		
Remeasurement of the defined benefit liability (asset)	87.3	**-36.7**
Income taxes	-20.4	**12.4**
	66.9	**-24.3**
Items that may be reclassified subsequently to profit or loss		
Cash Flow Hedges - Change in fair value	0.6	**-5.0**
Reclassification adjustments for gains / losses included in profit or loss	2.0	**-1.1**
Income taxes	-0.5	**1.4**
	2.1	**-4.7**
Currency translation	237.5	**7.2**
Income taxes	4.1	**-2.1**
	241.6	**5.1**
Net gains / losses arising during the period from equity method investments	12.0	**1.4**
	255.7	**1.8**
Other comprehensive income	322.6	**-22.5**
Total comprehensive income	135.3	**-130.0**
Relating to non-controlling interests	71.7	**79.2**
Relating to HeidelbergCement AG shareholders	63.6	**-209.3**

[1] Amounts were restated due to the retrospective application of IFRS 10 and IFRS 11.

Consolidated statement of cash flows

	January - March	
€m	2013 [1]	2014
Net income from continuing operations	-187.2	**-105.9**
Income taxes	22.9	**1.7**
Interest income/ expenses	130.4	**134.5**
Dividends received	32.9	**31.5**
Interest received	29.5	**44.2**
Interest paid	-151.5	**-185.1**
Income taxes paid	-86.5	**-80.5**
Depreciation, amortisation, and impairment	186.7	**180.2**
Elimination of other non-cash items	-26.7	**32.6**
Cash flow	-49.5	**53.2**
Changes in operating assets	-17.5	**-131.1**
Changes in operating liabilities	-235.9	**-189.5**
Changes in working capital	-253.4	**-320.6**
Decrease in provisions through cash payments	-46.9	**-49.1**
Cash flow from operating activities	-349.9	**-316.5**
Intangible assets	-2.0	**-1.0**
Property, plant and equipment	-119.4	**-174.0**
Subsidiaries and other business units	-21.0	**-77.5**
Other financial assets, associates and joint ventures	-271.7	**-4.2**
Investments (cash outflow)	-414.2	**-256.7**
Subsidiaries and other business units	2.4	**16.8**
Other fixed assets	23.8	**25.0**
Divestments (cash inflow)	26.2	**41.8**
Cash from changes in consolidation scope	1.6	**21.8**
Cash flow from investing activities	-386.4	**-193.1**
Dividend payments - non-controlling shareholders	-2.1	**-1.9**
Increase in ownership interests in subsidiaries	0.0	**-5.7**
Proceeds from bond issuance and loans	710.1	**522.5**
Repayment of bonds and loans	-597.1	**-19.8**
Changes in short-term interest-bearing liabilities	625.0	**-80.3**
Cash flow from financing activities	735.8	**414.9**
Net change in cash and cash equivalents	-0.4	**-94.7**
Effect of exchange rate changes	25.5	**30.8**
Cash and cash equivalents at 1 January	1,367.7	**1,351.5**
Cash and cash equivalents at 31 March	1,392.9	**1,287.6**

[1] Amounts were restated due to the retrospective application of IFRS 10 and IFRS 11.

Consolidated balance sheet

Assets			
€m	31 Mar. 2013 [1]	31 Dec. 2013 [1]	31 Mar. 2014
Non-current assets			
Intangible assets			
Goodwill	10,561.7	9,770.1	**9,854.2**
Other intangible assets	271.5	245.9	**243.8**
	10,833.2	10,016.0	**10,098.1**
Property, plant and equipment			
Land and buildings	5,095.8	4,764.1	**4,779.9**
Plant and machinery	4,204.4	3,787.9	**3,719.3**
Other operating equipment	327.4	295.6	**291.9**
Prepayments and assets under construction	730.7	860.1	**897.9**
	10,358.3	9,707.7	**9,689.0**
Financial assets			
Investments in joint ventures	940.2	818.3	**814.2**
Investments in associates	275.8	287.2	**272.7**
Financial investments	42.5	56.8	**50.5**
Loans and derivative financial instruments	125.1	126.9	**141.5**
	1,383.6	1,289.2	**1,278.8**
Fixed assets	22,575.1	21,012.8	**21,065.9**
Deferred taxes	430.2	396.3	**414.6**
Other non-current receivables	339.0	527.5	**522.2**
Non-current income tax assets	20.8	15.9	**16.4**
Total non-current assets	23,365.1	21,952.5	**22,019.0**
Current assets			
Inventories			
Raw materials and consumables	706.9	596.3	**624.9**
Work in progress	213.1	171.9	**152.4**
Finished goods and goods for resale	682.3	648.9	**632.7**
Prepayments	22.4	18.1	**26.9**
	1,624.8	1,435.1	**1,436.8**
Receivables and other assets			
Current interest-bearing receivables	136.1	109.4	**136.5**
Trade receivables	1,268.0	1,136.9	**1,232.0**
Other current operating receivables	356.2	348.7	**372.9**
Current income tax assets	65.1	45.1	**103.8**
	1,825.4	1,640.1	**1,845.3**
Derivative financial instruments	57.8	27.1	**50.3**
Cash and cash equivalents	1,392.9	1,351.5	**1,287.6**
Total current assets	4,900.9	4,453.9	**4,620.0**
Disposal groups held for sale	15.2	30.6	
Balance sheet total	28,281.2	26,436.9	**26,639.0**

[1] Amounts were restated due to the retrospective application of IFRS 10 and IFRS 11.

Equity and liabilities

€m	31 Mar. 2013[1]	31 Dec. 2013[1]	31 Mar. 2014
Shareholders' equity and non-controlling interests			
Subscribed share capital	562.5	562.5	**563.7**
Share premium	5,539.4	5,539.4	**5,539.4**
Retained earnings	6,469.9	7,357.5	**7,201.9**
Other components of equity	70.7	-1,874.0	**-1,912.9**
Equity attributable to shareholders	12,642.4	11,585.3	**11,392.1**
Non-controlling interests	1,148.5	938.0	**1,030.9**
Total equity	13,790.9	12,523.4	**12,423.0**
Non-current liabilities			
Bonds payable	6,524.0	6,262.8	**6,777.4**
Bank loans	1,026.4	233.2	**235.2**
Other non-current interest-bearing liabilities	83.6	81.9	**85.5**
	7,633.9	6,577.9	**7,098.1**
Pension provisions	1,021.4	866.5	**877.2**
Deferred taxes	622.9	503.4	**506.3**
Other non-current provisions	1,001.0	941.1	**943.0**
Other non-current operating liabilities	74.8	61.4	**61.6**
Non-current income tax liabilities	52.3	50.0	**49.6**
	2,772.4	2,422.4	**2,437.8**
Total non-current liabilities	10,406.3	9,000.3	**9,535.9**
Current liabilities			
Bonds payable (current portion)	138.2	1,140.4	**1,151.8**
Bank loans (current portion)	573.2	418.6	**336.0**
Other current interest-bearing liabilities	716.3	647.3	**709.9**
	1,427.8	2,206.2	**2,197.7**
Non-controlling interests with put options	38.0	44.5	**19.9**
	1,465.8	2,250.8	**2,217.6**
Pension provisions (current portion)	87.1	94.8	**95.2**
Other current provisions	348.6	209.1	**195.9**
Trade payables	1,141.4	1,335.2	**1,175.3**
Other current operating liabilities	911.7	896.3	**888.9**
Current income tax liabilities	129.2	119.4	**107.2**
	2,618.1	2,654.8	**2,462.5**
Total current liabilities	4,084.0	4,905.6	**4,680.1**
Liabilities associated with disposal groups		7.7	
Total liabilities	14,490.3	13,913.5	**14,216.0**
Balance sheet total	28,281.2	26,436.9	**26,639.0**

Consolidated statement of changes in equity

€m	Subscribed share capital	Share premium	Retained earnings[1]	Cash flow hedge reserve
1 January 2013	562.5	5,539.4	6,668.1	-3.7
Adjustments IFRS 10/ IFRS 11			-29.9	
1 January 2013 (restated)	562.5	5,539.4	6,638.1	-3.7
Loss for the period			-235.0	
Other comprehensive income			66.8	2.1
Total comprehensive income			-168.2	2.1
Changes in non-controlling interests with put options			-0.4	
Changes in ownership interests in subsidiaries and other changes			0.3	
Dividends				
31 March 2013	562.5	5,539.4	6,469.9	-1.6
1 January 2014	562.5	5,539.4	7,357.5	6.5
Loss for the period			-146.5	
Other comprehensive income			-24.1	-2.7
Total comprehensive income			-170.6	-2.7
Changes in non-controlling interests with put options				
Changes in ownership interests in subsidiaries and other changes			-7.1	
Capital increase from issuance of new shares	1.2			
Capital increase from loan conversion			22.3	
Dividends				
31 March 2014	563.7	5,539.4	7,201.9	3.7

[1] Amounts of the financial year 2013 were adjusted due to the retrospective application of IFRS 10 and IFRS 11.

[2] The accumulated currency translation differences included in non-controlling interests increased in the first quarter 2014 by € 42.4 million (previous year: 23.9) to € -224,7 million (previous year: -37,3). The total currency translation differences recognised in equity thus amount to € -2,199.8 million (previous year: -24.8).

Other components of equity						
Available for sale reserve	Asset revaluation reserve	Currency translation[1]	Total other components of equity[1]	Equity attributable to shareholders[1]	Non-controlling interests[1][2]	**Total equity[1]**
22.3	34.0	-213.4	-160.8	12,609.2	1,098.3	**13,707.5**
				-29.9	-21.4	**-51.3**
22.3	34.0	-213.4	-160.8	12,579.2	1,077.0	**13,656.2**
				-235.0	47.7	**-187.2**
3.8		225.9	231.8	298.6	24.0	**322.6**
3.8		225.9	231.8	63.6	71.7	**135.3**
				-0.4	1.3	**0.8**
	-0.3		-0.3		0.5	**0.6**
					-2.1	**-2.1**
26.1	33.7	12.5	70.7	12,642.4	1,148.5	**13,790.9**
26.4	32.8	-1,939.6	-1,874.0	11,585.3	938.0	**12,523.4**
				-146.5	39.0	**-107.5**
-0.4		-35.5	-38.6	-62.7	40.2	**-22.5**
-0.4		-35.5	-38.6	-209.3	79.2	**-130.0**
					1.2	**1.2**
	-0.3		-0.3	-7.5	14.3	**6.9**
				1.2		**1.2**
				22.3		**22.3**
					-1.9	**-1.9**
26.0	32.4	-1,975.1	-1,912.9	11,392.1	1,030.9	**12,423.0**

Segment reporting / Notes

Group areas January - March	Western and Northern Europe		Eastern Europe-Central Asia		North America	
€m	2013[1]	2014	2013[1]	2014	2013[1]	2014
External revenue	730	**896**	164	**194**	610	**591**
Inter-Group areas revenue	15	**17**				
Revenue	745	**914**	164	**194**	610	**591**
Change to previous year in %		**22.7 %**		**18.4 %**		**-3.2 %**
Result from joint ventures	-5	**-2**	-2	**0**	6	**6**
Operating income before depreciation (OIBD)	-31	**36**	-11	**-6**	35	**19**
as % of revenue	-4.1 %	**4.0 %**	-6.9 %	**-3.0 %**	5.8 %	**3.1 %**
Depreciation	-59	**-59**	-28	**-25**	-55	**-52**
Operating income	-90	**-23**	-39	**-31**	-19	**-33**
as % of revenue	-12.1 %	**-2.5 %**	-23.7 %	**-15.9 %**	-3.2 %	**-5.6 %**
Result from associates	-3	**-3**	0	**0**	-2	**-2**
Result from other participations	0	**-1**				
Result from participations	-3	**-4**	0	**0**	-2	**-2**
Additional ordinary result						
Earnings before interest and taxes (EBIT)	-93	**-27**	-39	**-31**	-22	**-36**
Capital expenditures[2]	20	**29**	17	**19**	29	**50**
Segment assets[3]	6,373	**6,298**	2,149	**1,903**	7,955	**7,392**
OIBD as % of segment assets	-0.5 %	**0.6 %**	-0.5 %	**-0.3 %**	0.4 %	**0.3 %**
Number of employees as at 31 March	12,965	**13,450**	8,826	**8,937**	11,075	**11,158**
Average number of employees	13,050	**13,420**	8,804	**8,879**	11,363	**11,158**

[1] Amounts were restated due to the retrospective application of IFRS 10 and IFRS 11.

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

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

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

Asia-Pacific		Africa-Mediterranean Basin		Group Services		Reconciliation [4]		Continuing operations	
2013 [1]	2014	2013 [1]	2014	2013 [1]	2014	2013 [1]	2014	2013 [1]	2014
764	**675**	231	**231**	102	**163**			2,602	**2,750**
1	**1**		**-1**	73	**81**	-89	**-99**		
765	**676**	231	**230**	176	**244**	-89	**-99**	2,602	**2,750**
	-11.6 %		**-0.6 %**		**39.0 %**				**5.7 %**
4	**9**	4	**9**					7	**22**
182	**154**	50	**48**	4	**6**	-32	**-29**	198	**229**
23.8 %	**22.8 %**	21.6 %	**20.8 %**	2.4 %	**2.6 %**	35.8 %	**29.2 %**	7.6 %	**8.3 %**
-37	**-32**	-7	**-7**	0	**0**	-3	**-3**	-189	**-178**
145	**122**	43	**41**	4	**6**	-35	**-32**	9	**50**
19.0 %	**18.1 %**	18.6 %	**17.7 %**	2.3 %	**2.6 %**	39.2 %	**32.0 %**	0.4 %	**1.8 %**
1	**2**							-4	**-4**
2				0				2	**-1**
4	**2**			0				-2	**-4**
						-32	**11**	-32	**11**
149	**124**	43	**41**	4	**6**	-67	**-20**	-24	**57**
44	**47**	12	**29**	0	**0**	292	**82**	414	**257**
4,105	**3,523**	571	**634**	39	**37**			21,191	**19,787**
4.4 %	**4.4 %**	8.8 %	**7.5 %**	10.6 %	**17.3 %**			0.9 %	**1.2 %**
14,151	**14,449**	2,884	**2,849**	59	**66**			49,960	**50,908**
14,056	**14,448**	2,894	**2,851**	58	**64**			50,224	**50,821**

Notes to the interim consolidated financial statements

Accounting and valuation principles
The interim consolidated financial statements of HeidelbergCement AG as of 31 March 2014 were prepared on the basis of IAS 34 (Interim Financial Reporting). All International Financial Reporting Standards (IFRSs), including the interpretations of the IFRS Interpretations Committee (IFRIC), 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 2013, 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 2013. Detailed explanations can be found on pages 166 f. in the Notes to the 2013 Annual Report, which forms the basis for these interim financial statements.

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

The interim consolidated financial statements as at 31 March 2014 were not subject to any audits or reviews.

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

First-time application of accounting standards

Title
IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities
IFRIC 21 Levies

- **IFRS 10 Consolidated Financial Statements** establishes a single definition of the term control and sets out the existence of parent-subsidiary relationships in concrete terms. Control exists when an investor has decision-making powers, is exposed to variable returns, and is able to influence the level of the variable returns as a result of the decision-making powers. IFRS 10 replaces the requirements of IAS 27 (Consolidated and Separate Financial Statements), related to consolidated financial statements, and SIC-12 (Consolidation – Special Purpose Entities). On the basis of the revised control term, one of the companies that were previously proportionally consolidated as joint ventures is now included in the consolidated financial statements as a subsidiary.

- **IFRS 11 Joint Arrangements** replaces both IAS 31 (Interests in Joint Ventures) as well as SIC 13 (Jointly Controlled Entities – Non-Monetary Contributions by Venturers) and describes the accounting for situations where a company either exercises joint control over a joint venture or a joint operation. The economic substance of the arrangement, not its legal form, is the decisive factor in its classification. Joint ventures are characterised by the fact that the parties that have joint control participate in the net assets of the company by virtue of their position as shareholders. In joint operations, however, the parties with joint control have direct rights to the assets and liabilities or income and expenses of the company. For HeidelbergCement, the most significant effect of the new standard is the abolition of proportionate consolidation for joint ventures: pursuant to the amended version of IAS 28 (Investments in Associates and Joint Ventures), all joint ventures are to be accounted for using the equity method. This applies particularly to our joint ventures in Turkey, North America, China, Hong Kong, and Hungary, as well as the Mibau Group.

The assets and liabilities as well as income and expenses of joint operations will continue to be included proportionately in the consolidated financial statements. A significant joint operation within the HeidelbergCement Group is Cement Australia Pty Ltd., which we will continue to proportionately account for as a 50 % joint operation.

The retrospective application of IFRS 10 and IFRS 11 resulted in adjustments to the figures of the previous year. Furthermore, in the interests of uniformity, the proportionate tax expense of associates that was previously recorded under income taxes is now shown in the result from associates. The adjustments to the figures of the previous year are presented in the tables starting on page 24. In the explanations in the notes, we refer to the adjusted figures of the previous year.

- **IFRS 12 Disclosure of Interests in Other Entities** includes all of the disclosure requirements for subsidiaries, joint arrangements, and associated companies, which were previously included in IAS 27, IAS 31, and IAS 28, and extends the disclosure requirements in relation to the scope of consolidation and subsidiaries with non-controlling interests.

- The **Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities** clarify details concerning the netting of financial assets and liabilities. Therefore, the right to netting must be enforceable not only in the ordinary course of business, but also in the event of a payment default and insolvency of all contract parties. The amendment did not have any impact on the consolidated financial statements of HeidelbergCement.

- **IFRIC 21 Levies** clarifies that a company is to recognise a liability for public levies as soon as a statutory activity occurs that triggers a corresponding payment obligation. IFRIC 21 further highlights that liabilities for levy obligations that are linked to reaching a threshold value are only to be recognised when the defined threshold has been reached. The first-time application of the IFRIC 21 had no impact on the financial position and performance of the Group.

A detailed description of the pronouncements adopted by the IASB but not applicable until a later date is given in the Notes to the 2013 Annual Report on pages 179 f.

Consolidated income statement – Retrospective adjustments IFRS 10 and IFRS 11

	January - March 2013		
€m	Before adjustment	IFRS 10/ IFRS 11	Adjusted
Revenue	2,760.5	-158.8	**2,601.7**
Change in finished goods and work in progress	35.3	-4.4	**30.9**
Own work capitalised	2.2	-0.1	**2.1**
Operating revenue	2,798.0	-163.3	**2,634.7**
Other operating income	73.3	-2.6	**70.7**
Material costs	-1,253.6	81.0	**-1,172.6**
Employee and personnel costs	-557.1	19.1	**-538.0**
Other operating expenses	-841.8	37.9	**-803.9**
Result from joint ventures		7.1	**7.1**
Operating income before depreciation (OIBD)	218.8	-20.9	**197.9**
Depreciation and amortisation	-203.2	14.7	**-188.5**
Operating income	15.6	-6.3	**9.3**
Additional ordinary income	4.5		**4.5**
Additional ordinary expenses	-36.3	0.1	**-36.2**
Additional ordinary result	-31.8		**-31.8**
Result from associates	-4.7	0.8	**-3.9**
Result from other participations	4.1	-1.8	**2.3**
Result from participations	-0.6	-1.0	**-1.6**
Earnings before interest and taxes (EBIT)	-16.8	-7.3	**-24.1**
Interest income	18.1	-0.3	**17.8**
Interest expenses	-151.4	3.2	**-148.2**
Foreign exchange gains and losses	2.6	1.6	**4.2**
Other financial result	-14.2	0.1	**-14.1**
Financial result	-144.9	4.6	**-140.3**
Loss before tax from continuing operations	-161.7	-2.6	**-164.3**
Income taxes	-22.7	-0.2	**-22.9**
Net loss from continuing operations	-184.4	-2.8	**-187.2**
Net loss from discontinued operations	0.0		**0.0**
Loss for the period	-184.4	-2.8	**-187.2**
Thereof non-controlling interests	50.5	-2.8	**47.7**
Thereof Group share of loss	-234.9	-0.1	**-235.0**
Earnings per share in € (IAS 33)			
Loss per share attributable to the parent entity	-1.25	0.00	**-1.25**
Loss per share – continuing operations	-1.25	0.00	**-1.25**
Loss per share – discontinued operations	0.00		**0.00**

Consolidated statement of cash flows – Retrospective adjustments IFRS 10 and IFRS 11

	January - March 2013		
€m	Before adjustment	IFRS 10/ IFRS 11	Adjusted
Net income from continuing operations	-184.4	-2.8	**-187.2**
Income taxes	22.7	0.2	**22.9**
Interest income/ expenses	133.2	-2.8	**130.4**
Dividends received	0.5	32.4	**32.9**
Interest received	30.4	-0.9	**29.5**
Interest paid	-154.1	2.6	**-151.5**
Income taxes paid	-91.0	4.5	**-86.5**
Depreciation, amortisation, and impairment	201.5	-14.8	**186.7**
Elimination of other non-cash items	-14.6	-12.1	**-26.7**
Cash flow	-55.9	6.4	**-49.5**
Changes in operating assets	-30.5	13.0	**-17.5**
Changes in operating liabilities	-237.4	1.5	**-235.9**
Changes in working capital	-267.9	14.5	**-253.4**
Decrease in provisions through cash payments	-47.2	0.3	**-46.9**
Cash flow from operating activities	-371.0	21.1	**-349.9**
Intangible assets	-3.1	1.1	**-2.0**
Property, plant and equipment	-123.8	4.4	**-119.4**
Subsidiaries and other business units	-21.0	0.0	**-21.0**
Other financial assets, associates and joint ventures	-269.8	-1.9	**-271.7**
Investments (cash outflow)	-417.7	3.5	**-414.2**
Subsidiaries and other business units	2.5	-0.1	**2.4**
Other fixed assets	22.0	1.8	**23.8**
Divestments (cash inflow)	24.5	1.7	**26.2**
Cash from changes in consolidation scope	1.1	0.5	**1.6**
Cash flow from investing activities	-392.2	5.8	**-386.4**
Dividend payments - non-controlling shareholders	-2.4	0.3	**-2.1**
Increase in ownership interests in subsidiaries	0.0	0.0	**0.0**
Proceeds from bond issuance and loans	718.6	-8.5	**710.1**
Repayment of bonds and loans	-600.7	3.6	**-597.1**
Changes in short-term interest-bearing liabilities	639.5	-14.5	**625.0**
Cash flow from financing activities	755.0	-19.2	**735.8**
Net change in cash and cash equivalents	-8.2	7.8	**-0.4**
Effect of exchange rate changes	27.9	-2.4	**25.5**
Cash and cash equivalents at 1 January	1,474.8	-107.1	**1,367.7**
Cash and cash equivalents at 31 March	1,494.5	-101.6	**1,392.9**

Consolidated balance sheet – Retrospective adjustments IFRS 10 and IFRS 11

Assets	31 March 2013			31 December 2013		
€m	Before adjustment	IFRS 10/ IFRS 11	Adjusted	Before adjustment	IFRS 10/ IFRS 11	Adjusted
Non-current assets						
Intangible assets						
Goodwill	10,898.9	-337.2	**10,561.7**	10,055.1	-285.0	**9,770.1**
Other intangible assets	302.0	-30.5	**271.5**	274.7	-28.8	**245.9**
	11,200.9	-367.7	**10,833.2**	10,329.8	-313.8	**10,016.0**
Property, plant and equipment						
Land and buildings	5,345.4	-249.6	**5,095.8**	4,990.9	-226.8	**4,764.1**
Plant and machinery	4,516.8	-312.4	**4,204.4**	4,055.8	-267.9	**3,787.9**
Other operating equipment	341.1	-13.7	**327.4**	307.4	-11.8	**295.6**
Prepayments and assets under construction	752.6	-21.9	**730.7**	868.8	-8.7	**860.1**
	10,955.9	-597.6	**10,358.3**	10,222.9	-515.2	**9,707.7**
Financial assets						
Investments in joint ventures		940.2	**940.2**		818.3	**818.3**
Investments in associates	385.9	-110.1	**275.8**	391.8	-104.6	**287.2**
Financial investments	71.1	-28.6	**42.5**	79.7	-22.9	**56.8**
Loans and derivative financial instruments	107.7	17.4	**125.1**	109.7	17.2	**126.9**
	564.6	819.0	**1,383.6**	581.3	707.9	**1,289.2**
Fixed assets	22,721.5	-146.4	**22,575.1**	21,133.9	-121.1	**21,012.8**
Deferred taxes	444.1	-13.9	**430.2**	408.5	-12.2	**396.3**
Other non-current receivables	346.6	-7.6	**339.0**	533.6	-6.1	**527.5**
Non-current income tax assets	20.8		**20.8**	15.9		**15.9**
Total non-current assets	23,532.9	-167.8	**23,365.1**	22,091.9	-139.4	**21,952.5**
Current assets						
Inventories						
Raw materials and consumables	765.6	-58.7	**706.9**	642.6	-46.3	**596.3**
Work in progress	228.5	-15.4	**213.1**	183.7	-11.8	**171.9**
Finished goods and goods for resale	704.0	-21.7	**682.3**	664.3	-15.4	**648.9**
Prepayments	25.4	-3.0	**22.4**	20.1	-2.0	**18.1**
	1,723.5	-98.7	**1,624.8**	1,510.7	-75.6	**1,435.1**
Receivables and other assets						
Current interest-bearing receivables	103.2	32.9	**136.1**	89.5	19.9	**109.4**
Trade receivables	1,379.9	-111.9	**1,268.0**	1,241.3	-104.4	**1,136.9**
Other current operating receivables	380.2	-24.0	**356.2**	364.0	-15.3	**348.7**
Current income tax assets	67.9	-2.8	**65.1**	45.7	-0.6	**45.1**
	1,931.2	-105.8	**1,825.4**	1,740.6	-100.5	**1,640.1**
Derivative financial instruments	57.8		**57.8**	27.1		**27.1**
Cash and cash equivalents	1,494.5	-101.6	**1,392.9**	1,464.9	-113.4	**1,351.5**
Total current assets	5,207.1	-306.2	**4,900.9**	4,743.3	-289.4	**4,453.9**
Disposal groups held for sale	15.2		**15.2**	30.6		**30.6**
Balance sheet total	28,755.1	-473.9	**28,281.2**	26,865.8	-428.9	**26,436.9**

Equity and liabilities	31 March 2013			31 December 2013		
€m	Before adjustment	IFRS 10/ IFRS 11	Adjusted	Before adjustment	IFRS 10/ IFRS 11	Adjusted
Shareholders' equity and non-controlling interests						
Subscribed share capital	562.5		**562.5**	562.5		**562.5**
Share premium	5,539.4		**5,539.4**	5,539.4		**5,539.4**
Retained earnings	6,499.8	-29.9	**6,469.9**	7,397.3	-39.8	**7,357.5**
Other components of equity	71.5	-0.8	**70.7**	-1,876.9	2.9	**-1,874.0**
Equity attributable to shareholders	12,673.2	-30.8	**12,642.4**	11,622.2	-36.9	**11,585.3**
Non-controlling interests	1,173.5	-25.0	**1,148.5**	959.3	-21.3	**938.0**
Total equity	13,846.7	-55.8	**13,790.9**	12,581.6	-58.2	**12,523.4**
Non-current liabilities						
Bonds payable	6,524.0		**6,524.0**	6,262.8		**6,262.8**
Bank loans	1,106.3	-79.9	**1,026.4**	323.7	-90.5	**233.2**
Other non-current interest-bearing liabilities	119.8	-36.2	**83.6**	115.3	-33.4	**81.9**
	7,750.1	-116.2	**7,633.9**	6,701.8	-123.9	**6,577.9**
Pension provisions	1,025.8	-4.4	**1,021.4**	870.0	-3.5	**866.5**
Deferred taxes	638.5	-15.6	**622.9**	511.3	-7.9	**503.4**
Other non-current provisions	1,007.6	-6.6	**1,001.0**	946.1	-5.0	**941.1**
Other non-current operating liabilities	75.9	-1.1	**74.8**	62.3	-0.9	**61.4**
Non-current income tax liabilities	52.3		**52.3**	50.0		**50.0**
	2,800.0	-27.6	**2,772.4**	2,439.8	-17.4	**2,422.4**
Total non-current liabilities	10,550.1	-143.8	**10,406.3**	9,141.6	-141.3	**9,000.3**
Current liabilities						
Bonds payable (current portion)	138.2		**138.2**	1,140.4		**1,140.4**
Bank loans (current portion)	709.6	-136.4	**573.2**	510.2	-91.6	**418.6**
Other current interest-bearing liabilities	742.6	-26.3	**716.3**	662.4	-15.1	**647.3**
	1,590.5	-162.7	**1,427.8**	2,312.9	-106.7	**2,206.2**
Non-controlling interests with put options	44.0	-6.0	**38.0**	50.6	-6.1	**44.5**
	1,634.5	-168.7	**1,465.8**	2,363.5	-112.7	**2,250.8**
Pension provisions (current portion)	87.3	-0.2	**87.1**	95.1	-0.3	**94.8**
Other current provisions	350.1	-1.5	**348.6**	210.6	-1.5	**209.1**
Trade payables	1,201.9	-60.5	**1,141.4**	1,410.7	-75.5	**1,335.2**
Other current operating liabilities	951.6	-39.9	**911.7**	929.5	-33.2	**896.3**
Current income tax liabilities	133.0	-3.8	**129.2**	125.5	-6.1	**119.4**
	2,723.9	-105.8	**2,618.1**	2,771.5	-116.7	**2,654.8**
Total current liabilities	4,358.4	-274.4	**4,084.0**	5,134.9	-229.3	**4,905.6**
Liabilities associated with disposal groups				7.7		**7.7**
Total liabilities	14,908.4	-418.1	**14,490.3**	14,284.2	-370.7	**13,913.5**
Balance sheet total	28,755.1	-473.9	**28,281.2**	26,865.8	-428.9	**26,436.9**

Consolidated statement of comprehensive income – Retrospective adjustments IFRS 10 and IFRS 11

	January - March 2013		
€m	Before adjustment	IFRS 10/ IFRS 11	**Adjusted**
Loss for the period	-184.4	-2.8	**-187.2**
Other comprehensive income:			
Items not being reclassified to profit or loss in subsequent periods			
Remeasurement of the defined benefit liability (asset)	87.3		**87.3**
Income taxes	-20.4		**-20.4**
	66.9		**66.9**
Items that may be reclassified subsequently to profit or loss			
Cash Flow Hedges - Change in fair value	0.6		**0.6**
Reclassification adjustments for gains / losses included in profit or loss	2.0		**2.0**
Income taxes	-0.5		**-0.5**
	2.1		**2.1**
Available for sale assets - Change in fair value	4.0	-4.0	
Income taxes	-0.2	0.2	
	3.8	-3.8	
Currency translation	247.5	-10.0	**237.5**
Income taxes	4.1		**4.1**
	251.6	-10.0	**241.6**
Net gains / losses arising during the period from equity method investments		12.0	**12.0**
	257.5	-1.8	**255.7**
Other comprehensive income	324.4	-1.8	**322.6**
Total comprehensive income	139.9	-4.6	**135.3**
Relating to non-controlling interests	75.4	-3.7	**71.7**
Relating to HeidelbergCement AG shareholders	64.5	-0.9	**63.6**

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. 2013	**31 Mar. 2014**	01-03/2013	**01-03/2014**
USD	USA	1.3746	**1.3771**	1.3200	**1.3704**
AUD	Australia	1.5412	**1.4862**	1.2704	**1.5283**
CAD	Canada	1.4600	**1.5213**	1.3302	**1.5115**
GBP	Great Britain	0.8303	**0.8268**	0.8506	**0.8281**
IDR	Indonesia	16,755.00	**15,704.45**	12,797.11	**16,108.50**

Business combinations in the reporting period

To strengthen the market position in the field of aggregates, HeidelbergCement purchased an additional 62.91 % of shares in the Cimescaut Group, Tournai, Belgium – previously accounted for at equity – on 15 January 2014, thereby raising its shareholding to 96.93 %. The purchase price amounted to €47.9 million and was paid in cash. The fair value of the previously held equity interest amounted to €21.4 million as at the acquisition date. The revaluation of the interest resulted in a gain of €5.6 million, which was recognised in the additional ordinary income. The non-controlling interests of €1.3 million were measured on the basis of their proportionate interest in the fair value of the identifiable net assets. The purchase price allocation has not yet been completed, as not all valuations were available. There may be adjustments concerning the valuation of mineral reserves, property, plant and equipment, and the associated deferred taxes. The provisionally recognised goodwill of €28.9 million, which is not tax-deductible, represents synergy effects. As part of the business combination, receivables with a fair value of €17.2 million were acquired. These concern trade receivables amounting to €6.0 million, loan receivables amounting to €2.0 million, and other receivables to the amount of €9.2 million. The gross value of the receivables is €17.6 million, of which €0.4 million is likely to be irrecoverable.

On 20 January 2014, HeidelbergCement acquired 100 % of the shares in Espabel NV, Gent, Belgium. Espabel operates a cement grinding plant. With this acquisition, HeidelbergCement aims to enhance its market position in cement activities and realise cost savings in production and sales. The purchase price of €35.6 million is made up of a cash payment of €29.6 million and a liability for a contingent consideration, which was recognised at a fair value of €6.0 million. The provisionally recognised goodwill of €27.9 million, which is not tax-deductible, represents synergy effects. The purchase price allocation is provisional, as not all valuations have been completed. There may be adjustments concerning the valuation of property, plant and equipment, and the associated deferred taxes. Trade receivables with a fair value of €3.3 million were acquired. The gross value amounts to €3.4 million, of which €0.1 million is expected to be irrecoverable.

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

Preliminary fair values recognised as at the acquisition date

€m	Cimescaut	Espabel	Total
Intangible assets	0.0	1.0	**1.1**
Property, plant and equipment	11.6	33.1	**44.7**
Financial fixed assets	10.4	0.0	**10.4**
Inventories	3.2	2.7	**5.8**
Trade receivables	6.0	3.3	**9.3**
Cash and cash equivalents	22.9	0.2	**23.1**
Other assets	9.9	0.3	**10.2**
Total assets	63.9	40.7	**104.6**
Provisions	1.4		**1.4**
Liabilities	18.8	32.8	**51.6**
Deferred taxes	2.0	0.3	**2.3**
Total liabilities	22.2	33.0	**55.3**
Net assets	41.7	7.7	**49.4**

The acquisition of the companies led to an increase in revenue of €9.3 million and a reduction in results of €1.7 million from the date of first-time consolidation. If the share acquisitions had taken place on 1 January, contributions to revenue would be €1.6 million higher and results €0.3 million lower.

Business combinations in the same period of the previous year

In the first quarter of 2013, HeidelbergCement did not effect any business combinations that had a material impact on the financial position and performance of the Group.

Revenue development by Group areas and business lines

January - March	Cement		Aggregates		Building products		Concrete-service-other		Intra Group eliminations		Total	
€m	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**
Western and Northern Europe	321	**382**	138	**178**	92	**111**	318	**389**	-124	**-146**	745	**914**
Eastern Europe-Central Asia	141	**167**	10	**12**			23	**25**	-10	**-11**	164	**194**
North America	204	**190**	177	**172**	132	**127**	163	**158**	-66	**-56**	610	**591**
Asia-Pacific	471	**406**	129	**115**	7	**7**	256	**236**	-97	**-88**	765	**676**
Africa-Mediterranean Basin	172	**162**	20	**21**			53	**60**	-14	**-13**	231	**230**
Group Services							176	**244**			176	**244**
Inter-Group area revenue within business lines	-4	**-16**		**0**	0	**0**					-4	**-16**
Total	1,304	**1,291**	473	**499**	231	**245**	989	**1,112**	-311	**-315**	2,686	**2,833**
Inter-Group area revenue between business lines									-85	**-83**	-85	**-83**
Total									-396	**-397**	2,602	**2,750**

Earnings per share

Earnings per share	January - March	
€m	2013	**2014**
Loss for the period	-187.2	**-107.5**
Non-controlling interests	47.7	**39.0**
Group share of loss	-235.0	**-146.5**
Number of shares in '000s (weighted average)	187,500	**187,916**
Loss per share in €	-1.25	**-0.78**
Net loss from continuing operations – attributable to the parent entity	-235.0	**-145.0**
Loss per share in € – continuing operations	-1.25	**-0.77**
Loss from discontinued operations – attributable to the parent entity	0.0	**-1.6**
Loss per share in € – discontinued operations	0.00	**-0.01**

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 Group share in total comprehensive income amounts to €-209.3 million (previous year: 63.6). The loss for the period improved by €88.4 million to €-146.5 million (previous year: -235.0). Other comprehensive income amounts to €-62.7 million (previous year: 298.6). The actuarial losses of €-24.1 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, gains of €66.8 million were recorded. The negative changes in the cash flow hedge reserve of €-2.7 million (previous year: 2.1) during the reporting period result primarily from currency swaps. Currency translation resulted in losses of €-37.3 million (previous year: gains of 217.6) in the reporting period. The gains from the devaluation of the euro against the Indonesian rupiah and the Australian dollar were offset, in particular, by the losses from the appreciation of the euro against the Canadian dollar, the British pound, and the Eastern European currencies since 31 December 2013. The changes of the other comprehensive income of joint ventures and associates accounted for using the equity method total €-10.6 million and result from the market valuation of available-for-sale financial instruments amounting to €-4.2 million and the currency translation of €-6.4 million.

Non-controlling interests in the total comprehensive income of €79.2 million are composed of the positive non-controlling interest in the profit for the period of €39.0 million, which results in particular from the positive contributions to profits made by our Indonesian and African subsidiaries, as well as a positive result from currency translation of €42.4 million, which is mainly due to the appreciation of the Indonesian rupiah against the euro. In addition, other comprehensive income includes changes in the cash flow hedge reserve attributable to the non-controlling interests amounting to €-2.0 million.

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 2014, there were no events giving rise to or indications of a possible impairment requirement and therefore no impairment needed to be recognised.

Statement of changes in equity

The subscribed capital was increased by €1.25 million to €563.75 million as part of an authorised capital increase (Authorised Capital II) through the issuance of 416,477 no-par value shares. The number of no-par value bearer shares was raised to 187,916,477. As of 1 January 2014, the new shares are entitled to profit participation and are to be admitted to trading immediately after the Annual General Meeting on 7 May 2014. The nominal value of each share is €3.00, which corresponds to a proportionate amount of the subscribed share capital. The share premium of €5,539.4 million (unchanged from 31 December 2013) was essentially created from the premium from capital increases. As at the reporting date, the company has no treasury shares.

At the reporting date, the retained earnings amounted to €7,201.9 million (previous year: 7,357.5). They were reduced in the reporting period by the comprehensive income of €-170.6 million, which is composed of the loss for the period of €-146.5 million and the actuarial gains and losses of €-24.1 million recognised in other comprehensive income. The changes in ownership interests in subsidiaries amounting to €-7.1 million resulted mainly from the acquisition of the remaining 18 % of shares in the Georgian cement manufacturer LLC Kartuli Cementi Tiblisi, Georgia. Furthermore, retained earnings rose by €22.3 million due to the capital increase from the conversion of a purchase price liability from the complete acquisition of the remaining 70 % of the shares in Kerpen & Kerpen GmbH & Co. KG.

The other components of equity were reduced by a total of €38.9 million, of which €-35.5 million related to currency translation losses, €-2.7 million to negative changes in the fair value of cash flow hedges, €-0.4 million to assets available for sale, and €-0.3 million to the transfer from the revaluation reserve in retained earnings (other changes).

Non-controlling interests amounted to €1,030.9 million (previous year: 938.0) as at the reporting date. This includes the increase from the profit for the period of €39.0 million, and other comprehensive income for the period of €40.2 million. Changes in ownership interests in subsidiaries and other changes increased the non-controlling interests by €14.3 million. During the reporting period, dividend payments of €1.9 million were made to non-controlling interests. Other comprehensive income primarily relates to negative changes in fair value of cash flow hedges of €-2.0 million and currency translation differences amounting to €42.4 million. Currency translation differences have improved since 31 December 2013 from €-267.1 million to €-224.7 million.

Changes in estimates for pension provisions

The actuarial gains and losses were adjusted on the basis of the interest rates for the key countries applicable at the reporting date. The decrease in interest rates by around 0.1 percentage points led to an increase in the provisions for pensions and similar obligations by €36.7 million.

Disclosures on financial instruments

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

Carrying amounts, measurement and fair values by measurement categories

€m	Category of IAS 39[1]	Amortised cost	Cost	Fair value with P/L effect	Fair value without P/L effect	Carrying amount	Fair value
31 March 2014							
Assets							
Financial investments – available for sale at cost	AfS		50.5			**50.5**	
Financial investments – available for sale at fair value	AfS				0.0	**0.0**	**0.0**
Loans and other interest-bearing receivables	LaR	228.6				**228.6**	**231.3**
Trade receivables and other operating receivables	LaR	1,784.3				**1,784.3**	**1,784.3**
Cash and cash equivalents	LaR	1,287.6				**1,287.6**	**1,287.6**
Derivatives – hedge accounting	Hedge				31.7	**31.7**	**31.7**
Derivatives – held for trading	HfT			68.0		**68.0**	**68.0**
Liabilities							
Bonds payable, bank loans, and miscellaneous financial liabilities	FLAC	9,249.8				**9,249.8**	**10,227.2**
Trade payables, liabilities relating to personnel, and miscellaneous operating liabilities	FLAC	1,975.5				**1,975.5**	**1,975.5**
Liabilities from finance lease	FLAC	12.8				**12.8**	**12.8**
Derivatives – hedge accounting	Hedge				8.0	**8.0**	**8.0**
Derivatives – held for trading	HfT			25.3		**25.3**	**25.3**
Non-controlling interests with put options	FLAC	19.9				**19.9**	**19.9**
31 December 2013							
Assets							
Financial investments – available for sale at cost	AfS		56.8			**56.8**	
Financial investments – available for sale at fair value	AfS				0.0	**0.0**	**0.0**
Loans and other interest-bearing receivables	LaR	200.6				**200.8**	**203.4**
Trade receivables and other operating receivables	LaR	1,687.4				**1,687.4**	**1,687.4**
Cash and cash equivalents	LaR	1,351.5				**1,351.5**	**1,351.5**
Derivatives – hedge accounting	Hedge				11.5	**11.5**	**11.5**
Derivatives – held for trading	HfT			51.1		**51.1**	**51.1**
Liabilities							
Bonds payable, bank loans, and miscellaneous financial liabilities	FLAC	8,748.1				**8,748.0**	**9,711.2**
Trade payables, liabilities relating to personnel, and miscellaneous operating liabilities	FLAC	2,145.7				**2,145.7**	**2,145.7**
Liabilities from finance lease	FLAC	9.8				**9.8**	**9.8**
Derivatives – hedge accounting	Hedge				14.1	**14.1**	**14.1**
Derivatives – held for trading	HfT			12.2		**12.2**	**12.2**
Non-controlling interests with put options	FLAC	44.5				**44.5**	**44.5**

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

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

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

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

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

Fair value hierarchy	31 December 2013		31 March 2014	
€m	Level 1	Level 2	**Level 1**	**Level 2**
Assets				
Financial investments – available for sale at fair value	0.0		**0.0**	
Derivatives				
Currency forwards		0.6		**0.0**
Foreign exchange swaps		15.6		**36.4**
Cross-currency interest rate swaps		35.5		**31.6**
Interest rate swaps		10.9		**31.6**
Commodities		0.0		**0.1**
Liabilities				
Derivatives				
Currency forwards		0.1		**0.5**
Foreign exchange swaps		4.4		**17.2**
Currency swaps		4.3		**3.6**
Cross-currency interest rate swaps		7.5		**7.9**
Interest rate swaps		9.2		**3.4**
Commodities		0.8		**0.7**

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

Related parties disclosures

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

Contingent liabilities and other financial commitments

As at the reporting date, there were contingent liabilities of €52.7 million (previous year: 52.0) in connection with tax-related risks. The timing of the possible cash outflows for the contingent liabilities is uncertain because they depend on various external factors that remain outside HeidelbergCement's control. The application of taxation regulations may not yet be determined at the time that current income tax assets and liabilities are calculated. The calculation of tax items is based on the regulations most likely to be applied in each case. Regardless of this, the fiscal authorities may be of a deviating opinion, which may give rise to additional tax liabilities.

The total future minimum lease payments for operating leases as at the reporting date are shown in the following table.

Other financial commitments

€m	31 Dec. 2013	31 Mar. 2014
Future minimum lease payments under non-cancellable operating leases		
Due within one year	144.2	**125.9**
Due between one and five years	321.4	**341.0**
Due after five years	406.1	**385.3**
	871.7	**852.2**

Events after the balance sheet date

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

Heidelberg, 7 May 2014

HeidelbergCement AG

The Managing Board

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

Contact:
Group Communication
Phone: +49 (0) 6221 481-13 227
Fax: +49 (0) 6221 481-13 217
E-mail: info@heidelbergcement.com

Investor Relations
Phone:
Institutional investors USA and UK: +49 (0) 6221 481-13 925
Institutional investors EU and rest of the world: +49 (0) 6221 481-39568
Private investors: +49 (0) 6221 481-13 256
Fax: +49 (0) 6221 481-13 217
E-mail: ir-info@heidelbergcement.com

The Interim Financial Report January to March 2014 was published on 7 May 2014.

Financial calendar	
Half-Year Financial Report January to June 2014	30 July 2014
Interim Financial Report January to September 2014	6 November 2014
Annual General Meeting 2015	7 May 2015

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