

ANNUAL REPORT 2013



HEIDELBERGCEMENT

Financial highlights

Figures in €m	2007	2008	2009	2010	2011	2012	2013
Number of employees as at 31 December	67,916	60,841	53,302	53,437	52,526	51,966	52,560
Sales volumes							
Cement and clinker (million tonnes)	87.9	89.0	79.3	78.4	87.8	89.0	91.3
Aggregates (million tonnes)	179.6	299.5	239.5	239.7	254.1	243.0	241.5
Asphalt (million tonnes)	4.8	12.1	10.0	9.1	9.5	8.6	8.6
Ready-mixed concrete (million cubic metres)	32.7	44.4	35.0	35.0	39.1	39.1	40.3
Income statement							
Total Group revenue	10,862	14,187	11,117	11,762	12,902	14,020	13,936
Operating income before depreciation (OIBD) ¹⁾	2,423	2,946	2,102	2,239	2,321	2,477	2,424
Operating income (OI) ¹⁾	1,850	2,147	1,317	1,430	1,474	1,604	1,607
Profit for the financial year ¹⁾	2,119	1,920	168	511	534	529	945
Group share of profit ¹⁾	2,022	1,808	43	343	348	285	745
Dividend per share in €	1.30	0.12	0.12	0.25	0.35	0.47	0.60 ⁴⁾
Earnings per share in € ¹⁾	17.11	14.55	0.30	1.83	1.86	1.52	3.98
Investments							
Investments in intangible assets and PP&E	1,039	1,101	796	734	874	831	936
Investments in financial assets ²⁾	11,735	150	24	138	85	35	377
Total investments	12,774	1,251	820	872	959	866	1,314
Depreciation and amortisation¹⁾							
	573	799	785	809	847	873	818
Free cash flow							
Cash flow from operating activities	1,911	1,523	1,164	1,144	1,332	1,513	1,057
Cash flow from investing activities ²⁾	-10,677	1,113	-539	-648	-758	-582	-1,098
Balance sheet							
Equity and non-controlling interests ¹⁾	7,519	8,261	11,003	12,884	13,569	13,708	12,582
Balance sheet total ¹⁾	29,201	26,288	25,508	27,377	29,020	28,008	26,866
Net debt ³⁾	14,608	11,566	8,423	8,146	7,770	7,047	7,523
Ratios							
OIBD margin ¹⁾	22.3 %	20.8 %	18.9 %	19.0 %	18.0 %	17.7 %	17.4 %
OI margin ¹⁾	17.0 %	15.1 %	11.8 %	12.2 %	11.4 %	11.4 %	11.5 %
Net debt/equity (gearing) ³⁾	193.4 %	139.8 %	76.5 %	62.9 %	57.0 %	51.3 %	59.7 %
Net debt/OIBD ³⁾	6.03x	3.93x	4.01x	3.64x	3.35x	2.85x	3.10x

1) 2012: figures have been restated due to the retrospective application of IAS 19R and IFRIC 20 (see the Notes on page 176f.) and are not comparable with the annual report 2012.

2) 2007 and 2008: including decrease/increase in ownership interests in subsidiaries

3) Without adjustment to IAS 32.18 b) Non-controlling interests with put options in the amount of €51 million (2013), €45 million (2012), €98 million (2011), €96 million (2010), €37 million (2009), €50 million (2008), €86 million (2007)

4) The Managing Board and Supervisory Board will propose to the Annual General Meeting on 7 May 2014 the distribution of a cash dividend of €0.60.

Overview of Group areas

Figures in €m	2008	2009	2010	2011	2012	2013
Western and Northern Europe						
Revenue	4,936	3,848	3,811	4,318	4,201	4,147
Operating income before depreciation ¹⁾	1,014	687	683	734	578	578
Investments in property, plant, and equipment		248	178	193	177	184
Employees as at 31 December	15,770	14,640	14,302	13,693	13,438	13,484
Eastern Europe-Central Asia						
Revenue	2,046	1,282	1,138	1,392	1,435	1,337
Operating income before depreciation ¹⁾	718	361	299	327	319	270
Investments in property, plant, and equipment		270	202	240	181	124
Employees as at 31 December	11,556	9,481	9,959	9,693	9,435	9,302
North America						
Revenue	3,958	2,892	3,033	3,035	3,441	3,407
Operating income before depreciation ¹⁾	676	340	448	473	572	607
Investments in property, plant, and equipment		152	146	159	162	192
Employees as at 31 December	15,739	12,601	11,899	11,586	11,001	10,781
Asia-Pacific						
Revenue	2,177	2,211	2,609	2,957	3,477	3,419
Operating income before depreciation ¹⁾	462	612	718	711	887	845
Investments in property, plant, and equipment		96	174	215	231	287
Employees as at 31 December	15,044	14,030	13,682	14,039	14,686	15,601
Africa-Mediterranean Basin						
Revenue	974	837	938	1,023	1,135	1,143
Operating income before depreciation ¹⁾	182	157	156	164	204	212
Investments in property, plant, and equipment		28	34	67	80	149
Employees as at 31 December	2,680	2,499	3,539	3,460	3,349	3,331
Group Services						
Revenue	701	475	709	652	828	941
Operating income before depreciation ¹⁾	22	30	20	11	22	21
Investments in property, plant, and equipment						0
Employees as at 31 December	52	51	55	55	57	61

1) 2012 amounts restated



With roughly 53,000 employees at 2,500 locations in more than 40 countries, HeidelbergCement is among the leading manufacturers of building products worldwide.

Founded in Heidelberg in 1873, we remain a solid and down-to-earth company in spite of our expansion and internationalisation. Long-term investment and sustainable growth have been key to our business model from the very beginning. Our decentralised structure means that our management is always close to the business and their customers locally. We work continuously to improve our production and business processes – to attain the highest possible levels of efficiency. This is at the core of our corporate culture.

Review

2013

Q₁

New cement capacities commissioned in India

New production facilities commence operation at the Damoh and Jhansi locations in central India with total cement capacity of 2.9 million tonnes.

Expansion of the cement business in several African countries

Construction of new cement mills begins both in Tanzania and at the Takoradi location in Ghana. This will increase the cement capacities in the two countries to 2 million tonnes and 4.4 million tonnes, respectively. In Burkina Faso, a new cement grinding plant with an annual capacity of 650,000 tonnes is built near the capital of Ouagadougou.

Cement Australia joint venture with Holcim

HeidelbergCement increases its participation in Cement Australia to 50 %, and now holds an equal share with Holcim. Cement Australia operates three production sites with a total cement capacity of 4.2 million tonnes.

Q₂

Takeover of Midland Quarry Products in the United Kingdom

HeidelbergCement acquires the remaining 50 % of Midland Quarry Products Ltd. The company operates one quarry for the production of aggregates and five asphalt plants.

Increased participation in Russian cement company

HeidelbergCement increases its investment from 51 % to 100 % in the cement manufacturer CJSC "Construction Materials", which has a cement capacity of 1.8 million tonnes and is the market leader in the Russian Republic of Bashkortostan.

New cement mill in Liberia goes into operation

In the Liberian capital of Monrovia, a new cement mill with a grinding capacity of 0.5 million tonnes is commissioned. Our subsidiary Liberia Cement Corporation Ltd. is the only cement manufacturer in the country.

Q₃

140th anniversary of HeidelbergCement

Around 200 customers and guests of honour join in to celebrate the 140th company anniversary of HeidelbergCement, which was founded in Heidelberg in 1873.

Q₄

Increase in liquidity headroom

HeidelbergCement places two Eurobonds with a volume of €300 million and €500 million and terms of seven and eight years, respectively. The proceeds from the issue are used for general corporate financing purposes.

Further capacity expansion in Indonesia

Construction of a new production line with a cement capacity of 4.4 million tonnes commences at the Citeureup location. When commissioned in 2015, the cement capacity of the Group's largest production site will rise to 18.2 million tonnes per year.

Contents

1 To our shareholders

Letter to the shareholders	16
Report of the Supervisory Board	21
Managing Board	28
HeidelbergCement in the capital market	30

2 Combined management report of HeidelbergCement Group and HeidelbergCement AG

Fundamentals of the Group	38
2013 economic report	48
Additional statements	82
Sustainability	88
Employees and society	89
Environmental responsibility	96
Procurement	100
Outlook	101
Risk and opportunity report	109

3 Corporate Governance¹⁾

Corporate Governance statement	130
Remuneration report	135
Supervisory Board and Managing Board	149

4 Consolidated financial statements

Consolidated income statement	157
Consolidated statement of comprehensive income	158
Consolidated statement of cash flows	159
Consolidated balance sheet	160
Consolidated statement of changes in equity	162
Segment reporting	164
Notes to the 2013 consolidated financial statements	166
Audit opinion	264
Responsibility statement	265

5 Additional information

Global functions and Country Managers	268
Glossary	270
Imprint	272
Cement capacities and aggregates reserves	back cover

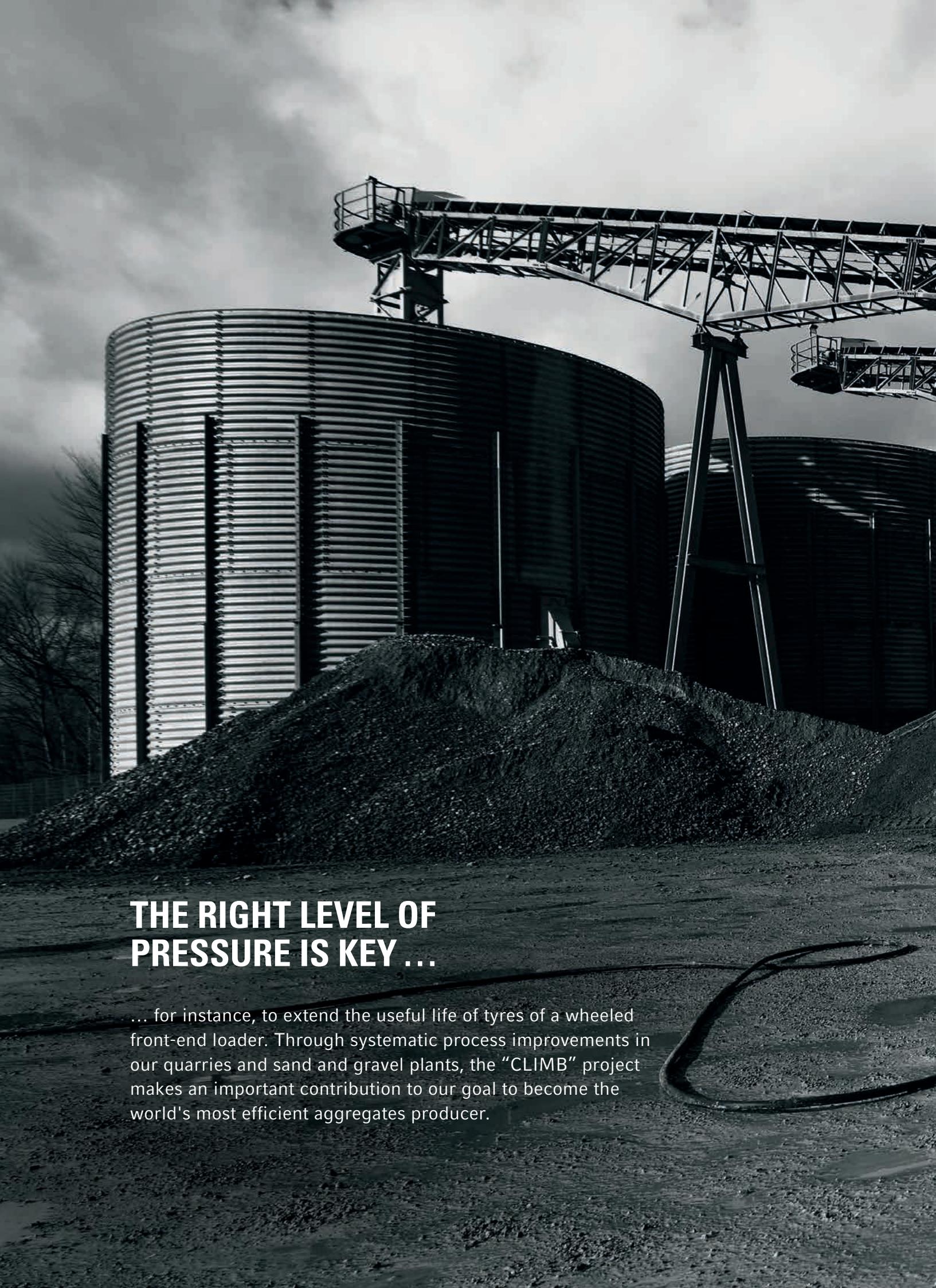
¹⁾ Part of the combined management report of HeidelbergCement Group and HeidelbergCement AG

SMALL CHANGES – BIG PAY OFF!

In 2010, we launched the Group-wide “Operational Excellence” project (“OPEX”), which aimed at analysing and optimising production processes at our cement plants step by step to reduce energy consumption and electricity costs. It takes often just minor changes, such as optimising the fill levels of grinding balls in cement mills, to achieve substantial results.







THE RIGHT LEVEL OF PRESSURE IS KEY ...

... for instance, to extend the useful life of tyres of a wheeled front-end loader. Through systematic process improvements in our quarries and sand and gravel plants, the "CLIMB" project makes an important contribution to our goal to become the world's most efficient aggregates producer.



LESS IS MORE ...

... especially when it comes to our FOX programme, launched in 2011. Reducing energy consumption in production and stocking less inventory leads to more financial liquidity. In the end, "FOX 2013" far exceeded our initial expectations – generating around €1.2 billion in liquidity-enhancing cost savings.





2903 05

2904 05

2903
2903

A black and white photograph of two men in construction attire. The man on the left is older, with a white beard, wearing a white hard hat and a white jacket with a green stripe. The man on the right is younger, wearing a white hard hat with the 'HEIDELBERG CEMENT' logo and a high-visibility vest. He is holding a PDA device and pointing at the screen. The background is a blurred industrial setting. The text 'THE CUSTOMER ALWAYS COMES FIRST ...' is overlaid in the center, followed by a paragraph of text.

THE CUSTOMER ALWAYS COMES FIRST ...

... and we are right there with him. Through our global logistics project "LEO", we aim to lower costs by improving processes and better utilising our freight transport capacities. At the same time, we are investing in new technology to make our customer service even better.



FIDELBERG
CEMENT
GROUP



TGS 32.400


DELBERGER
MASSESTRICH
BERGCEMENT Group

Südwest
21-7920-0


SÜDWEST
Südwest

EVERYTHING HAS ITS PRICE ...

... but we are worth it. The "PERFORM" programme was set up to improve our margins. The way we see it, not only bulk products are classy! Specialty products, such as our high-performance fluidised floor levelling finish Cemflow, also offer added value that leaves both sides satisfied.



1

To our shareholders

Letter to the shareholders	16
Report of the Supervisory Board	21
Managing Board	28
HeidelbergCement in the capital market	30
Overview	30
Development of the HeidelbergCement share	30
Earnings per share	32
Dividend	32
Shareholder structure and trading volume	32
Bonds and credit ratings	34
Investor Relations	34

Dear Shareholders, Dear Employees and Friends of HeidelbergCement,

2013 was a special year for HeidelbergCement: the Group's 140th anniversary provided the opportunity to celebrate this event with our employees and long-standing customers in Heidelberg. 140 years of HeidelbergCement pay testament to the stability and solidity of our long-term business model. Our anniversary year also saw the best results since the onset of the financial crisis.

The global economic environment in 2013 remained difficult and very volatile. The tense financial and economic situation hampered construction activities in a number of countries in the euro zone and also notably in Eastern Europe. While, on the whole, the economy made a pleasing recovery in the United States, it was still burdened by prevailing uncertainties concerning the national budget and future fiscal policy. As in previous years, the emerging countries have provided a significant contribution to global economic growth. However, the considerable devaluation of numerous currencies against the euro, political instability, and a general slowdown in economic growth had a negative impact.

HeidelbergCement performed well in this environment, which was particularly challenging in the second half of the year. Despite negative exchange rate effects of €115 million, we succeeded in raising the operating income of the Group slightly. As a result of lower non-recurring charges, profit for the financial year was up by €417 million to €945 million, which represents an increase of 79%. On a comparable basis¹⁾, we were able to further improve on our operating margins in all four business lines – cement, aggregates, building products, and concrete-service-other. Furthermore, we continued to raise the performance of the Group, clearly demonstrated by the success of our "FOX 2013" efficiency improvement initiative. In 2013, we achieved cash-relevant savings of €391 million, thereby substantially exceeding our internal goal of €240 million. Our "PERFORM" and "CLIMB Commercial" sales excellence initiatives, which were launched in 2012, also contributed a total of €252 million to margin improvements in 2013.

2013 was a successful year for the capital markets. The HeidelbergCement share performed well and, at €55.15 at the end of December 2013, was 20.3% higher than the closing price in 2012. While it did not rise as sharply as the German benchmark index DAX owing to the weaker development in the second half of the year, it noticeably surpassed the share prices of our direct competitors and the MSCI World Construction Materials Index, which is particularly relevant for us.

Strong operating business development in 2013

In 2013, HeidelbergCement's Group revenue reached €13,935 million. This corresponds to an organic growth of 3.4%. In nominal terms, however, revenue fell slightly by 0.6% as a consequence of negative exchange rate effects of €664 million. Operating income amounted to €1,607 million, an increase of 5.2% when adjusted for currency and consolidation effects. Regarding

1) Adjusted for exchange rate and consolidation effects, as well as capital gains and proceeds from the sale of emission rights



Dr. Bernd Scheifele, Chairman of the Managing Board

the additional ordinary result, income and expenses totalling €1.6 million virtually balanced each other out in the reporting year. In 2012, we still had a shortfall of €409 million. Earnings before interest and taxes (EBIT) rose by €411 million to €1,650 million, an increase of 33 %.

The financial result improved by €79 million to €-569 million. This reflects lower interest expenses and the elimination of burdens in the other financial result. The tax ratio improved considerably on the previous year.

At €98 million, the result from discontinued operations remained positive, as in the previous year. The reason for this was a significantly lower risk position resulting from a positive decision by the Supreme Court of California regarding the Hanson asbestos claims in the United States.

Profit for the financial year rose by 79 % to €945 million, and earnings per share more than doubled to €3.98!

In view of the positive development of our business and the considerable growth in profit for the financial year, the Managing Board and Supervisory Board will propose to the Annual General Meeting on 7 May 2014 an increase in the dividend from €0.47 per share to €0.60 per share, corresponding to a rise of 27.7 %. With this proposal, we are continuing the dividend's steady upward trend of the past few years. In the medium term, we remain on course to achieve our goal of a payout ratio of 30 %–35 %.

Focus on sustainability

Our sustainability initiatives also made significant progress in 2013. Numerous measures in the area of occupational safety were implemented. The success of our continuous efforts in this regard is also reflected in the fact that the accident frequency rate and accident severity rate continued to decline in comparison with the previous year. However, we are still not satisfied with the level reached thus far, which is underlined by the unfortunate rise in the fatality rate. We will therefore continue to consistently pursue our intensive efforts in the field of occupational safety.

Safeguarding biodiversity at our more than 600 quarries worldwide is a primary concern for HeidelbergCement. That is why we have intensified our partnership, started in 2011, with the nature conservation organisation BirdLife International through a variety of global activities during the reporting year. Our aim is to continue strengthening our outstanding position in the field of biodiversity. In September 2013, we kicked off the second round of our international "Quarry Life Award" competition, which promotes the development of new ideas for the preservation and promotion of biodiversity at quarrying sites.

Thanks to our employees

Our employees once again had to face many challenges in 2013. Your high level of personal commitment and unconditional loyalty to our Group are particular strengths of HeidelbergCement. On behalf of the Managing Board, I would like to express my sincere gratitude and appreciation for this. The same goes for the employee representatives, who in line with our partnership-oriented company philosophy, cooperated very closely, openly, and trustingly with the Managing Board for the benefit of the Group.

Strong global management team

As in previous years, I would like to personally thank and express my utmost appreciation to our managers in the operating units around the world, as well as the staff functions. Without you, the good performance in our anniversary year – even in comparison with our competitors – would not have been possible. HeidelbergCement's success is based on the achievements of a strong global management team. Contributing to this are two important factors: First, a strong corporate culture that focuses on the key success factors of HeidelbergCement – namely customer and employee orientation, sustainability, performance and results orientation, comprehensive cost management, and strength of implementation; and second, the balanced composition of our management team with its different personalities, competences, and levels of experience. This diversity mirrors our presence in international markets, customer structure, and our business environment. We are thus able to respond quickly and flexibly to global challenges and local market changes. Our mutual aspiration is clear: We want to be the best-run company in our industry! In 2013, we carried out a global management survey, which attested our managers' high level of dedication and commitment to the Group. We achieved top marks in the areas of leadership, strategic direction, corporate values, and particularly loyalty to the Group, setting us apart even in comparison with leading companies in similar industries. The survey also aimed to discover potential for improvement. For example, according to our managers, we still have development potentials in the areas of customer and market cultivation. This will be a point of emphasis in 2014.

Strategic focal points unchanged

The strategic focal points we defined in 2011 still apply:

- cost leadership through continuous efficiency improvements,
- reduction of debt with the aim of attaining investment grade status,
- targeted investment in cement capacities in growth markets, and
- investment in raw material deposits to strengthen our global leadership in the field of aggregates.

Cost management continues to take on high priority and is a basic prerequisite for successful business. Our approach is to take advantage of the global standardisation, digitisation, and acceleration of processes in key business areas in order to constantly improve our performance. Various management initiatives have aided and will continue to aid us in pursuing this goal.

In the reporting year, we successfully completed the “FOX 2013” efficiency improvement initiative, which was launched in 2011. Instead of the original target of €600 million in cash-relevant savings, we generated €1,158 million. We will continue our “PERFORM” and “CLIMB Commercial” sales excellence initiatives, which were launched successfully in 2012. By 2015, we intend to increase the margins in the cement and aggregates business lines by €230 million and €120 million, respectively.

We have high expectations for the “LEO” project, which will significantly simplify the logistics processes in and between the cement, aggregates, and ready-mixed concrete lines. To this end, a completely new company software was developed in 2013, which will be phased into operation beginning 2014. We are confident of our ability to achieve the savings potential of €150 million over the coming years.

In the 2013 financial year, we made two strategically sound and low-risk acquisitions, increasing our participation in the Australian cement company Cement Australia from 25 % to 50 %, as well as acquiring the remaining 50 % of the British aggregates and asphalt company Midland Quarry Products. However, by seizing these unique opportunities, we have exceeded our original investment target of €1.1 billion.

Contrary to our strategic objective, net debt increased in 2013. Besides the higher than planned investment volume, this was due largely to exchange rate losses and the payment of the German cartel fine from 2003 in the amount of €161 million. Against this background, debt reduction will have a high priority for us in the current financial year. Emphasis is put 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. Of course, we will only carry out these disinvestments if the market conditions are favourable for us.

We will prudently pursue our strategy of targeted expansion of our cement capacities in the emerging countries of Asia and Africa. Our focus is once again not on acquisitions, but rather on the expansion of existing production facilities and the construction of new plants in markets where we already operate. In 2014, for example, we will commission capacities of around 3.5 million tonnes in Africa. In the aggregates business line, we will concentrate on strengthening our position as global leader by means of investments in raw material deposits and the integration of smaller local operations. As in previous years, major acquisitions that would significantly increase the Group’s debt are still not part of our strategy.

Outlook for 2014

We are cautiously optimistic about 2014: The outlook for the global economy is positive, but there are still great macroeconomic risks. An escalation of political conflicts in the Middle East or Eastern Europe could have a negative impact on the business environment. The tapering of the US Federal Reserve has led to a capital flight from emerging countries and a decline of several exchange rates against the euro. This will still have an impact on revenue and results, especially in the first half of 2014. However, we will also benefit from the economic recovery in the industrialised countries, particularly in North America, the United Kingdom, Germany, and Northern Europe. These countries generate almost 50% of our revenue. Furthermore, we will strengthen our market position in growth markets with the commissioning of modern production facilities. Overall, we expect an increase in the sales volumes of our core products cement and aggregates, as well as of ready-mixed concrete.

With regard to costs, we estimate a slight to moderate increase in energy and raw material prices, as well as personnel costs. We will take targeted measures to offset this increase and also improve our margins in the cement and aggregates business lines, bringing them back to pre-crisis levels. Consequently, we will intensify our implementation efforts for the "PERFORM" and "CLIMB Commercial" sales excellence initiatives, as well as our "LEO" logistics programme. On the basis of these assumptions, the Managing Board has set the goal of moderately increasing revenue and operating income before exchange rate and consolidation effects. The business trend in the first two months of 2014 makes us confident that we will reach this objective.

We want our 140-year history to continue successfully. With our advantageous geographical positioning in attractive markets and our high degree of operational efficiency, we consider ourselves well-equipped to face the opportunities and challenges to come in 2014. As one of the largest building materials producers in the world, we will make full use of our business potential and dynamics to benefit over-proportionally from the accelerating economic growth while always keeping in mind the interests of our shareholders.

Yours sincerely,



Dr. Bernd Scheifele
Chairman of the Managing Board

Heidelberg, 19 March 2014



Fritz-Jürgen Heckmann, Chairman of the Supervisory Board

Report of the Supervisory Board

Ladies and Gentlemen,

The 2013 financial year was characterised by a solid operating performance. However, this was not reflected in the Group's revenue and operating income due to the unexpected and dramatic weakening of a multitude of currencies against the euro. In 2013, HeidelbergCement was able to benefit from the economic recovery in the United States, in particular, and the sustained growth in emerging countries. The Group-wide programmes that were launched in recent years to improve cash flow, margins, and operational efficiency have developed very successfully. Furthermore, price increases could be implemented in major markets, while energy costs declined somewhat. Despite substantial negative exchange rate effects, the operating income and operating margin slightly improved compared with the previous year. Earnings per share increased significantly thanks to a decline in financing costs and the reduced impact of negative special items.

Net debt, however, rose for the first time in several years. HeidelbergCement made unscheduled investments in the first half of the year to increase its shares in Cement Australia and Midland Quarry Products in the United Kingdom. In both cases, market opportunities arose at relatively short notice. The Supervisory Board has wholeheartedly backed these value-enhancing investments in the medium- and long-term future of the Group and has shown unanimous support considering

the associated opportunities and risks. Cash flow was also negatively impacted by the payment of the fine resulting from the German antitrust case. In the second half of the year, exchange rate effects led to a devaluation of cash reserves and thus to an overall increase in net debt. Nevertheless, HeidelbergCement's financing structure was further improved, amongst others, through the placement of two bonds payable with a total amount of €800 million and an interest rate of only 3.25 % per annum.

Consultation and monitoring

The Supervisory Board firmly supported the aforementioned measures and discussed them in detail with the Managing Board at the ordinary meetings of the plenary session and its committees as well as through contact outside the scheduled meetings. Additionally, it received regular and detailed reports, both in writing and verbally, about the intended business policies, fundamental issues regarding financial, investment, and personnel planning, the progress of business, and the profitability of the Group. All deviations of the actual business development from the plans were explained in detail by the Managing Board. In particular, the Managing Board agreed the Group's strategy with the Supervisory Board. The Supervisory Board was directly involved in all decisions of fundamental importance to the Group. Investment projects and financing matters requiring authorisation were presented by the Managing Board and discussed before decisions were made.

The Supervisory Board is satisfied that the Managing Board has installed an effective risk management system capable of recognising at an early stage any developments that could jeopardise the survival of the Group. The Supervisory Board has also had this certified by the auditor.

Furthermore, it is satisfied as to the expansion and effectiveness of the compliance programme, which guarantees Group-wide compliance with the law and with internal guidelines. In the relevant meetings, the responsible line managers of the Group below Managing Board level were available together with members of the Managing Board to provide information to the Audit Committee and to answer questions. Outside the scheduled meetings and without the participation of the Managing Board, the Chairman of the Supervisory Board and the Chairman of the Audit Committee discussed topics relating to the audit in detail with the auditor.

The Chairman of the Supervisory Board was also in regular contact with the Chairman of the Managing Board outside the scheduled meetings. In summary, it is evident that the Supervisory Board has duly fulfilled the duties incumbent upon it under the law, the Articles of Association, the Rules of Procedure, and the Corporate Governance Code.

Topics of discussion in the meetings of the Supervisory Board and its committees

The plenary session of the Supervisory Board met five times in the reporting year, and the Audit Committee and the Personnel Committee both met three times. The Nomination Committee met twice. The Arbitration Committee, formed in accordance with § 27, section 3 of the German Codetermination Law, did not need to meet. In addition, the Audit Committee held three conference calls to discuss the relevant quarterly reports in detail prior to their publication. The results of the committees' meetings were reported at the subsequent plenary sessions. Members of the Supervisory Board and its committees are listed in the Corporate Governance chapter on page 149f.

There was an attendance rate of 91.7 % at the five ordinary plenary sessions in February, March, May, September, and November. The sessions dealt, amongst other things, with the adoption of the 2012 annual financial statements and consolidated financial statements, the approval of the 2013 operating plan, and preparations for the 2013 Annual General Meeting, in addition to reporting on the business trends and status of financial liabilities, as well as resolutions on current Corporate Governance issues, including decisions on the variable elements of the Managing Board remuneration.

The Supervisory Board's activities focused once again on comprehensive financing decisions during the reporting year. The Supervisory Board addressed the successful reduction of the credit margins in the syndicated credit agreement in June 2013 and the increase in the Commercial Paper programme, which serves short-term refinancing, from €1 billion to €1.5 billion. It was also involved in decisions concerning drawings under the EMTN framework programme, which serves medium- and long-term financing. It dealt with the five-month €75 million Eurobond issued in May 2013, the successful placement of a seven-year €300 million Eurobond in October 2013, and the eight-year €500 million Eurobond issued in December 2013.

In its meeting held in March, the Supervisory Board gave great attention to, amongst other things, the increase of the participation to 50 % in Cement Australia, Australia's leading cement manufacturer, and in its meeting held in September, it addressed the increase of the participation in the British joint venture Midland Quarry Products to 100 %. It approved both investment projects after a thorough examination of their impact on the current and future market, results, and financial situation of the Group. The Supervisory Board thus welcomes and promotes the sustainable reinforcement and expansion of market positions in its core business lines. Furthermore, it was regularly informed during the reporting year about the progress of ongoing programmes to improve the operating margins: these include the price initiatives of "PERFORM" (cement business line) and "CLIMB Commercial" (aggregates business line), the "FOX 2013" efficiency improvement initiative with the "CLIMB" project in the aggregates business line and the "OPEX" project in the cement business line, as well as the "LEO" programme to optimise processes and reduce costs in the logistics sector.

In June 2013, the Federal Court of Justice ruled conclusively on the antitrust fine proceedings that had been ongoing for more than ten years against HeidelbergCement and several German cement companies, and essentially confirmed the antitrust fines imposed by the Higher Regional Court of Düsseldorf in 2009. Although the sanctioned procedures date back in time and the courts have reduced the fine originally imposed by the German Federal Cartel Office against HeidelbergCement by almost half to €161.4 million, the Managing Board and Supervisory Board are by no means satisfied with the outcome of the proceedings. During and after the proceedings, the Supervisory Board repeatedly conducted a thorough review of the case, most recently in its September meeting, and actively promoted and supported the undertakings of the Managing Board to further expand its antitrust compliance programme with the aim to create the most comprehensive and preventive antitrust compliance system possible. The goal of antitrust-compliant business activities continues to be a high priority for HeidelbergCement. Any violations against the laws or the Group's conduct guidelines by employees will under no circumstances be tolerated at any location worldwide and sufficiently severe penalties will be imposed. Training at all levels of the organisation and e-learning platforms ensure that antitrust laws are manifest throughout the Group, thus completing the antitrust compliance system.

In its meeting held in November, the Supervisory Board was informed about the potential for improvement in customer management and how this can be realized. Also subject to intense consultation and resolution was the adjustment of the Managing Board remuneration system, which took effect in 2011, to the developments that have occurred in the meantime concerning Managing Board remuneration in the DAX 30 companies, of which HeidelbergCement is one. Managing Board remuneration is to be reviewed at regular intervals by the Supervisory Board, as stipulated by the German Stock Company Act, the German Corporate Governance Code, and as laid down in Managing Board employment contracts.

The decision made in the November meeting to strengthen variable remuneration elements of total remuneration as of 1 January 2014, especially the increased focus on long-term variable remuneration elements, takes into account the capital markets' expectations that Managing Boards

participate appropriately in the opportunities and risks of business development. For a regular member of the Managing Board, the variable remuneration elements of total remuneration will be increased from 62 % to 67 %, for the Chairman of the Managing Board from 62 % to 71 %. This will be implemented in that, as of 2014, the target value of the annual bonus for a regular member of the Managing Board will amount to 80 % of the fixed annual salary (previously: 70 %), and the target value of the long-term bonus will amount to 125 % of the fixed annual salary (previously: 90 %). As of 2014, the target value of the annual bonus for the Chairman of the Managing Board will amount to 100 % of the fixed annual salary (previously: 70 %), and the target value of the long-term bonus will amount to 150 % (previously: 90 %). For detailed information, please refer to the Remuneration report on page 135 f. After thoroughly studying the remuneration level of the DAX companies with the assistance of an external remuneration expert, the Supervisory Board decided to adjust the Managing Board remuneration system as of 1 January 2014 and is convinced to have laid the foundation of a fair and just remuneration system to ensure excellent management services in the future. The adjusted remuneration system will be presented at the Annual General Meeting on 7 May 2014 under agenda item 7 (Say on Pay) for discussion and resolution.

In its meetings, the Audit Committee dealt with the 2012 annual financial statements and consolidated financial statements and the focal points for the audit, the status quo reports regarding internal audit, risk management, occupational health and safety, and compliance, the quarterly and half-yearly reports for the 2013 financial year, the preparation of the Supervisory Board's proposal to the 2013 Annual General Meeting for the appointment of the auditor and Group auditor, and – after the Annual General Meeting followed this proposal – the award of the contract to the audit firm Ernst & Young for the auditing of the annual financial statements and consolidated financial statements for the 2013 financial year. In this context, it defined the focal points for the audit. The Audit Committee was lastly asked to examine the aforementioned placements of three Eurobonds under the EMTN Programme.

The Personnel Committee meetings covered, amongst other things, the preliminary discussion and recommendation to the Supervisory Board regarding the determination of the variable Managing Board remuneration for 2012, as well as the definition of parameters for the variable Managing Board remuneration for 2013 and 2013 to 2015/16, respectively. The Personnel Committee also thoroughly prepared the review and adjustment of the Managing Board remuneration system in line with the developments of Managing Board remuneration in the DAX 30 companies.

The meetings and resolution of the Nomination Committee addressed the nomination of Prof. Dr. Marion Weissenberger-Eibl as a candidate for by-election as a shareholder representative by the 2013 Annual General Meeting, as well as the preliminary consideration of suitable candidates for election as shareholder representatives who will be proposed at the 2014 Annual General Meeting.

There were no conflicts of interest of any Supervisory Board member when dealing with topics within the Supervisory Board. In the reporting year 2013, there were also no consulting or other contracts for services or work between any member of the Supervisory Board and the Group.

Corporate Governance

The statement of compliance in the reporting year was submitted by the Managing Board on 5 February 2013 and by the Supervisory Board on 7 February 2013. The statement of compliance for this year was submitted by the Managing Board on 5 February 2014 and by the Supervisory Board on 7 February 2014. The complete text can be found in the section Statement of compliance in accordance with § 161 of the German Stock Company Act in the Corporate Governance chapter on page 130. The statements are made permanently available to the shareholders on the Group's website.

With regard to its future composition and that of the Managing Board, from now on the Supervisory Board will thoroughly comply with the guidelines of the German Corporate Governance Code regarding the principles of diversity when appointing committees and leadership roles within the Group. Regarding its own composition, it implements the diversity goals stipulated in the Code with the following specific objectives: The composition of the Supervisory Board is an appropriate reflection of the national and international alignment of HeidelbergCement as a leading building materials manufacturer. The Supervisory Board comprises at least three members who have been elected by the shareholders and who are independent members in line with point 5.4.2 of the Code. Following the 2014 Annual General Meeting, the newly constituted Supervisory Board shall comprise at least two women. The standard retirement age for members of the Supervisory Board is 75 years. With these goals, the Supervisory Board aims to make a wide range of expertise available to the Group and to have the broadest possible pool of candidates at its disposal for the election of future Supervisory Board members. The Supervisory Board holds the opinion that its present composition already meets its objectives with the exception of the goal of having two female members in 2014 – currently the Supervisory Board only has one female member. The Supervisory Board also welcomes and supports the Managing Board's goal of bringing the proportion of women in management positions in line with the proportion of women employed within the Group by 2020. Thereby, the proportion of women in management positions in Germany will more than double, from currently 7% to 15%.

As regards the remuneration structure for the members of the Managing Board for the 2013 financial year, details on remuneration of the Managing Board are included in the Corporate Governance chapter on page 135f. to avoid repetition. The chapter also describes the previous Managing Board remuneration system, which came into force on 1 January 2011, and the adjustment as of 1 January 2014.

In October and November 2013, the Supervisory Board again conducted the regular efficiency review of its activities, as required by the German Corporate Governance Code. The review focused on the proper communication of information, efficient cooperation between the Supervisory Board and the Managing Board with regard to the strategic direction of the Group, and issues concerning the structural organisation of the Group. The Supervisory Board members have participated in a written survey and provided important suggestions as to how to improve the work of the Supervisory Board and communication with the Managing Board. The results of the review were presented and explained in detail at the November meeting of the Supervisory Board. Afterwards, the Chairman of the Supervisory Board made the results available to the entire Managing Board and discussed them with the Chairman of the Managing Board.

In its meeting held in February 2014 and in line with the suggestions of the Code, internal training sessions, which were last conducted in the 2012 financial year, were resumed for the members of the Supervisory Board. Further training courses are planned on a regular basis. The Supervisory Board has thus reaffirmed its commitment to effective Corporate Governance in the Group.

Finally, the amendments to the German Corporate Governance Code, which were first presented for public discussion by the Government Commission and then adopted in May 2013, have been the subject of several meetings of the Supervisory Board in the previous financial year. The amendments to the Code, especially in the specifications of the Managing Board remuneration and its transparency, will be fully complied with in the Managing Board remuneration system that was adjusted in November of the reporting period. Reference tables for the uniform disclosure of remuneration in the Remuneration report have already been used for the 2013 financial year, one year before the date specified in the Code.

Auditing and approval of annual financial statements and consolidated financial statements

Before the contract for the auditing of the annual financial statements of the Company and the consolidated financial statements of the Group was awarded, the points of focus for the audit, the content of the audit, and the costs were discussed in detail with the auditors, Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Stuttgart. In February 2014, the Managing Board informed the Supervisory Board about the preliminary, unaudited key figures for the 2013 financial year and provided a status report on the financial statements work. The annual financial statements of HeidelbergCement AG and the consolidated financial statements as of 31 December 2013 as well as the combined management report for the Company and the Group, as prepared by the Managing Board, were examined by the independent auditors. The auditors gave the statements the unqualified confirmation. The financial statements documents and auditors' reports were sent to the members of the Supervisory Board. At first, the Audit Committee dealt intensively with the financial statements in the presence of the auditors. The auditors reported on the main results of their audit. Then, the Supervisory Board discussed the financial statements in detail, once again in the presence of the auditors. The Supervisory Board approved the audit results. It examined the annual financial statements and consolidated financial statements, the combined management report, as well as the Managing Board's proposal for the use of net profit shown in the balance sheet. The results of the pre-audit conducted by the Audit Committee and the results of its own audit correspond fully to the results of the official auditor. The Supervisory Board raised no objections to the final results of this examination. The Supervisory Board has therefore approved the annual financial statements and the consolidated financial statements. The annual financial statements have thus been adopted.

The Supervisory Board approved the Managing Board's proposal for the use of net profit, including the payout of a dividend increased by €0.13 to the amount of €0.60 per share (previous year: €0.47 per share).

Personnel matters and a note of thanks

The 2013 Annual General Meeting confirmed the judicial appointment of Prof. Dr. Marion Weissenberger-Eibl as a shareholder representative on the Supervisory Board with a convincing vote of approval. At the Annual General Meeting on 7 May 2014, Prof. Dr. Marion Weissenberger-Eibl will stand for election, along with four others, as shareholder representative for a further term of office. The Supervisory Board is convinced that with the proposed candidates, it is presenting a well-balanced proposal that is in keeping with the law, the Code, and the self-defined goals for its desired composition, at the 2014 Annual General Meeting. The participation of candidates for election to the Supervisory Board in the plenary sessions and committees during the reporting year will be published individually together with a short curriculum vitae on the Group's website to increase transparency and good corporate governance.

Employees already elected their representatives to the Supervisory Board in February 2014. They will be presented on the Group website.

The Supervisory Board would like to pay special thanks to Max Dietrich Kley. On reaching the standard retirement age, Mr Kley is relinquishing his seat on the Supervisory Board, which he held for ten years, at the end of this year's Annual General Meeting. Mr Kley's active participation made a valuable contribution to the Supervisory Board as he accompanied the Group through all the major financial decisions of recent years in an advisory capacity. Mr Kley therefore deserves special recognition and our sincerest gratitude.

With the candidacy of Dr. Jürgen M. Schneider, the former Chief Financial Officer of Bilfinger SE and current full-time Dean of the Faculty of Business Administration at the University of Mannheim, the Supervisory Board is paying particular importance to the continuity of expertise in financial and accounting issues and is convinced to have found a worthy successor to Mr Kley. Continuity in terms of the Supervisory Board's composition is also envisaged for the next term of office: Apart from Mr Kley, all current members of the Supervisory Board are standing for re-election at the Annual General Meeting on 7 May 2014.

At the end of November 2013, changes in the composition of the Personnel Committee were reported: Tobias Merckle has given up his seat on the Personnel Committee in favour of Alan Murray. Thus, with the appointment of an internationally experienced, independent industry expert, the Personnel Committee will see an even greater emphasis on diversity in future. The Supervisory Board thanks Tobias Merckle for his valuable active and constantly constructive participation in this committee over the last four years.

Finally, the Supervisory Board would like to thank all employees of the Group for their high level of commitment and their performance on behalf of the Group in the 2013 financial year.

Heidelberg, 18 March 2014

For the Supervisory Board

Yours sincerely,



Fritz-Jürgen Heckmann
Chairman

Managing Board



DR. BERND SCHEIFELE

Born in Freiburg (Germany), aged 55 years. Studies in law at the universities of Freiburg, Dijon (France), and the University of Illinois (USA). Since 2005, Chairman of the Managing Board; in charge of Strategy & Development, Communication & Investor Relations, Human Resources, Legal, Compliance, and Internal Audit.

DR. DOMINIK VON ACHTEN

Born in Munich (Germany), aged 48 years. Studies in law and economics at the German universities of Freiburg and Munich. Member of the Managing Board since 2007; in charge of the North America Group area, Purchasing, and worldwide coordination of the Competence Center Materials.

ANDREAS KERN

Born in Neckarsteinach (Germany), aged 55 years. Studies in business administration at the University of Mannheim (Germany). Since 1983 at HeidelbergCement. Member of the Managing Board since 2000; in charge of the Eastern Europe-Central Asia Group area and Germany, Sales and Marketing, as well as worldwide coordination of secondary cementitious materials.

DR. LORENZ NÄGER

Born in Ravensburg (Germany), aged 53 years. Studies in business administration at the German universities of Regensburg and Mannheim and in Swansea (UK). Since 2004, member of the Managing Board; in charge of Finance, Group Accounting, Controlling, Taxes, Insurance & Risk Management, IT, Shared Service Center, and Logistics.

DANIEL GAUTHIER

Born in Charleroi (Belgium), aged 57 years. Studies in mining engineering at the Polytechnic University of Mons (Belgium). Since 1982 at CBR, the Belgian subsidiary of HeidelbergCement. Member of the Managing Board since 2000; in charge of the Group areas Western and Northern Europe (without Germany), Africa-Mediterranean Basin, and Group Services, as well as Environmental Sustainability.

DR. ALBERT SCHEUER

Born in Alsfeld (Germany), aged 56 years. Studies in mechanical engineering/process technology at the Clausthal University of Technology (Germany). Since 1992 at HeidelbergCement. Member of the Managing Board since 2007; in charge of the Asia-Pacific Group area and worldwide coordination of the Heidelberg Technology Center.

HeidelbergCement in the capital market

Overview

In Germany, the HeidelbergCement share is listed for trading on the Prime Standard stock market segment of the Frankfurt stock exchange and on the Regulated Market of the Stuttgart, Düsseldorf, and Munich stock exchanges. The HeidelbergCement share is listed in the German benchmark index DAX, making HeidelbergCement the only company in the construction and building materials industry to be recognised as one of the 30 largest listed companies in Germany.

Our share ranks among the most important building materials shares in Europe. Besides the DAX, it is also included in other indices, such as the FTSEurofirst 300 Economic Sector Index, the S&P Global 1200 Index, and the Dow Jones Construction & Materials Titans 30 Index, which comprises the 30 largest construction shares and second-tier shares in the world.

Development of the HeidelbergCement share

The HeidelbergCement share, which closed at €45.83 at the end of 2012, reached its annual low of €45.22 on 28 January 2013. Supported by low interest rates, abundant liquidity in the capital markets as a result of the extremely relaxed monetary policies of the central banks, and sustained by solid results as compared with competitors, the share price rose significantly from February onwards and reached its annual high of €60.54 on 16 May. At that point, the increase of our share price had well outperformed the DAX and the MSCI World Construction Materials index.

Towards the middle of the year, the upward trend of share prices was interrupted when the US Federal Reserve publicly considered reducing its bond purchases. This led to increasing concerns about the economic development and financial viability of the current account deficit of some emerging countries, which in turn resulted in significant share price losses as of June. The price of our share recovered somewhat from July onwards. Our strong operational development in the second quarter as well as cash inflows from American investors in European equity funds contributed to this.

When the US Federal Reserve meeting in September brought about no change to the cheap money policy, the upward trend in the capital markets continued throughout the rest of the year. Towards the end of the year, signs of an imminent recovery became increasingly evident, especially in the industrial countries. This led to a year-end rally in the DAX. However, since HeidelbergCement is one of the most internationally active companies in the DAX, persistent uncertainties affected our share with regard to the further development of the economy and currencies in emerging countries. The HeidelbergCement share consequently followed a moderate downward trend and closed at €55.15 at the end of 2013. After a rise of 39.8 % in 2012, this meant an increase of 20.3 % in 2013. As a result of the year-end rally, the DAX recorded an even stronger growth with a rise of 25.5 %. The global MSCI World Construction Materials index, however, only increased by 15.6 %. At the end of 2013, HeidelbergCement's market capitalisation amounted to €10.3 billion, considerably higher than the previous year's value of €8.6 billion.

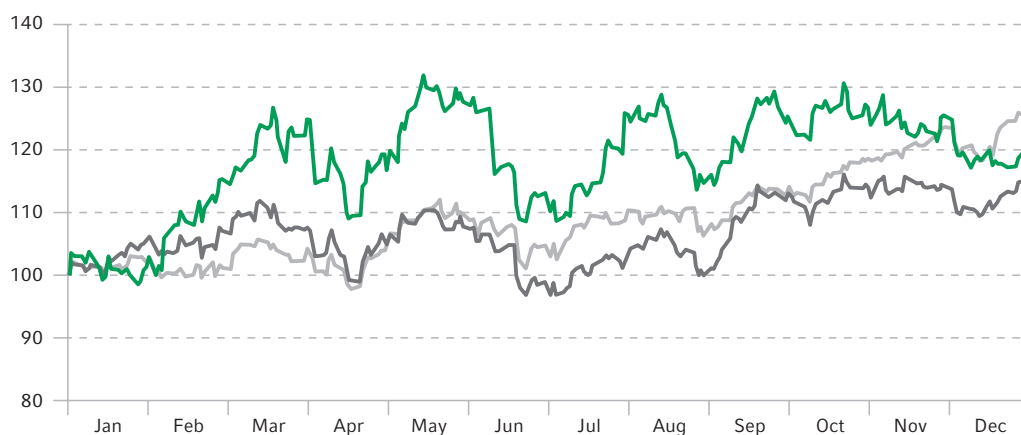
Development of the HeidelbergCement share (ISIN DE0006047004, WKN 604700)	
€	2013
Year-end share price 2012	45.83
Highest share price	60.54
Lowest share price	45.22
Year-end share price 2013	55.15
Equity per share on 31 Dec. 2013	67.10
Market value on 31 Dec. 2013 (€ '000s)	10,340,625
Change compared with 31 Dec. 2012	
HeidelbergCement share	+20.3%
DAX	+25.5%
MSCI World Construction Materials Index	+15.6%

Performance of the HeidelbergCement share in 2013



Development of the HeidelbergCement share compared to MSCI World Construction Materials Index and DAX in 2013

Index (Base: 31 December 2012 = 100)



■ HeidelbergCement share ■ MSCI World Construction Materials Index ■ DAX

Earnings per share

Earnings per share in accordance with IAS 33 for the 2013 financial year were €3.98 (previous year: 1.52). For continuing operations, earnings per share amount to €3.46 (previous year: 1.04).

The calculation of the earnings per share in accordance with IAS 33 is shown in the following table. To determine the average number of shares, additions are weighted in proportion to time; in the 2012 and 2013 financial years, no additions were recorded and so the number of shares remained constant in both years. Further comments are provided in the Notes under Note 13.

Earnings per share according to IAS 33		
	2012 ¹⁾	2013
Group share of profit in €m	284.7	745.4
Number of shares in '000s (weighted average)	187,500	187,500
Earnings per share in €	1.52	3.98
Net income from continuing operations in €m – attributable to the parent entity	196.1	647.5
Earnings per share in € – continuing operations	1.04	3.46
Net income from discontinued operations in €m – attributable to the parent entity	88.5	97.9
Earnings per share in € – discontinued operations	0.48	0.52

1) Amounts restated

Dividend

In view of the positive business development, the Managing Board and Supervisory Board will propose to the Annual General Meeting on 7 May 2014 the distribution of a dividend of €0.60 per HeidelbergCement share.

Dividend key figures					
	2009	2010	2011	2012 ¹⁾	2013
Dividend per share in €	0.12 ²⁾	0.25	0.35	0.47	0.60 ³⁾
Dividend yield ⁴⁾ in %	0.3	0.5	0.9	0.8	1.1
Group share of profit in €m	42.6	342.7	348.1	284.7	745.4
Dividends in €m	22.5	46.9	65.6	88.1	112.5
Payout ratio in %	52.8	13.7	18.8	30.9	15.1

1) Amounts restated

2) The syndicated loan agreement from June 2009 limited the distribution of dividends to the statutory minimum dividend of €0.12 per share.

3) To be proposed to the Annual General Meeting on 7 May 2014

4) Dividend per share/share price on the day of the Annual General Meeting; for the 2013 financial year: dividend per share/share price at the end of the financial year

Shareholder structure and trading volume

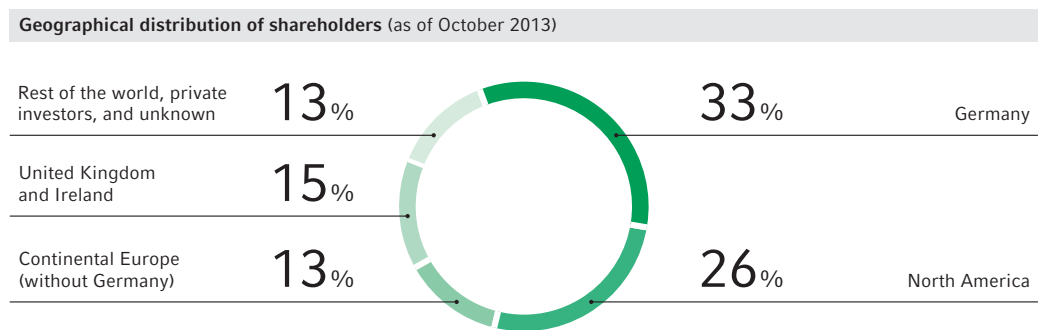
A shareholder study conducted in October 2013 showed very few changes in the shareholder structure of HeidelbergCement in comparison with the last study in November 2012. As in previous years, we have worked to further improve our relations with investors. We were particularly pleased that we could increase the proportion of institutional investors from Germany, the United

Kingdom, and Ireland. The proportion of continental European investors, especially from France, slightly declined, on the contrary, as did the proportion of North American investors. In North America, a certain shifting from the West Coast to the Midwest was also evident.

In October 2013, investors from Germany formed the largest investor group at 33 %, followed by investors from North America at 26 %, the United Kingdom and Ireland at 15 %, as well as continental Europe excluding Germany at 13 %.

As at 31 December 2013, the free float amounted to 74.89 %. According to information available to us, Mr Ludwig Merckle holds 25.11 % of the shares.

On average, around 0.8 million HeidelbergCement shares were traded per day in Xetra trading on the Frankfurt Stock Exchange in 2013. In the Equity Indices Ranking published by Deutsche Börse, our share was in place 26 at the end of 2013 for the free float market capitalisation criterion and in place 24 for order book turnover.



Shareholder structure		31 Dec. 2013
Ludwig Merckle, Ulm/Germany (4 November 2010)		25.11 %
of which via companies controlled by him holding 3 % or more of the voting rights directly or indirectly (21 January 2011)		25.01 %
Free float		74.89 %
Comprising:		
Arnhold and S. Bleichroeder Holdings, Inc., New York/USA (via First Eagle Investment Management, LLC, New York/USA) ¹⁾ (23 June 2011)		5.12 %
BlackRock, Inc., New York/USA ¹⁾ (20 November 2013)		5.12 %

1) Attribution in accordance with § 22, section 1, sentence 1, no. 6 of the German Securities Trading Law (Wertpapierhandelsgesetz)
In brackets: date on which percentage exceeded or fell below a reporting threshold

HeidelbergCement AG share capital		
	Share capital € '000s	Number of shares
1 January 2013	562,500	187,500,000
31 December 2013	562,500	187,500,000

Bonds and credit ratings

In the 2013 financial year, HeidelbergCement raised capital on the capital market at very favourable conditions by issuing three bonds under the €10 billion EMTN Programme. In May, we issued a €75 million Eurobond with a five-month term at a yield to maturity of 1.0 %. The second bond was issued in October with an issue volume of €300 million and a seven-year term at a yield to maturity of 3.375 %. The third bond issue followed in December with an issue volume of €500 million and an eight-year term at a yield to maturity of 3.375 %. The bonds are unsecured and rank pari passu with all other capital market debt of HeidelbergCement. Further information on our corporate bonds can be found in the Group financial management section on page 74 f.

HeidelbergCement's credit quality is assessed by the internationally recognised rating agencies Moody's Investors Service and Fitch Ratings. In the 2013 financial year, the credit ratings for our Group remained stable. The ratings are Ba1/Not Prime/Outlook Stable from Moody's Investors Service and BB+/B/Outlook Stable from Fitch Ratings. Further information on HeidelbergCement's rating and its development can be found in the Group financial management section on page 77 f.

Investor Relations

In 2013, our investor relations work mainly focused on fostering existing investor relations, as well as attracting new, long-term investors. These activities concentrated on making contact with previously uninvolved investors in North America. By directly addressing institutional investors through road shows and conferences, particularly in the financial centers of Germany, the USA, the United Kingdom, and continental Europe, we succeeded in diversifying the shareholder base further and attracting long-term investors as shareholders.

In September 2013, 39 analysts responded to our invitation to attend a presentation with discussion forum and subsequent dinner at our Group headquarters in Heidelberg. During this event, the Managing Board presented the strategy and financial management of the Group and informed participants of market trends in the Group areas. The presentations shown during this event and at other conferences and visits are available on the Internet, provided they contain significant changes compared with previous presentations. The Investor Relations team supported reporting on HeidelbergCement by regular discussions with analysts. The number of analysts regularly reporting on HeidelbergCement has – with 39 – remained approximately the same since the publication of the last Annual Report.

As in 2012, we conducted a survey among selected international investors and analysts at the end of 2013 to determine their opinions and expectations of our Group, and also asked them to assess the Investor Relations team. The results were incorporated into the ongoing development of our investor relations work, with the aim of successfully continuing open dialogue and transparent communication with the capital market and further strengthening trust in our Group and our share.

Contact us

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2

Combined management report of HeidelbergCement Group and HeidelbergCement AG

Fundamentals of the Group	38
Business model	38
Strategy and targets	40
Internal management control and indicators	41
Research and technology	43
2013 economic report	48
Economic environment	48
Development of sales volumes	51
Earnings position	51
Non-financial key performance indicators	53
Business trend in the Group areas	54
Discontinued operations	69
Statement of cash flows	69
Investments	71
Consolidated balance sheet	72
Group financial management	74
Results of operations, asset positions, and financial performance of HeidelbergCement AG	78
Evaluation of the economic situation by Group management	80
Comparison of the business trend with the previous year's forecasts	81
Additional statements	82
Sustainability	88
Employees and society	89
Environmental responsibility	96
Procurement	100
Outlook	101
Risk and opportunity report	109
Corporate Governance	128

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

Fundamentals of the Group

Business model

HeidelbergCement is one of the world's largest building materials companies and operates on five continents. Our products are used for the construction of houses, infrastructure, and commercial and industrial facilities, thus meeting the demands of a growing world population for housing, mobility, and economic development.

Products

Our core activities include the production and distribution of cement and aggregates, the two essential raw materials for the manufacture of concrete. Our product range is complemented by downstream activities, such as ready-mixed concrete, concrete products, and concrete elements; in some countries, asphalt and building products, such as bricks and roof tiles, lime, or sand-lime bricks, are also manufactured. Furthermore, HeidelbergCement offers services such as worldwide trading in cement and coal by sea.

Our core products are cement and aggregates (sand, gravel, and crushed rock), which are generally homogeneous bulk goods. Their product characteristics are standardised in order to ensure the required stability, reliability, and processability in the application.

Cements are classified according to their early and final strength as well as their composition. In addition to cements that consist of 100 % clinker, there are so-called composite cements, in which a portion of the clinker is replaced by alternative raw materials, such as fly ash, ground slag, or limestone. As the production of clinker is energy-intensive and releases large amounts of CO₂, the use of alternative raw materials can conserve natural resources and reduce CO₂ emissions. Cement is used as a binder mainly in concrete production.

Aggregates are classified according to their particle size and consistency. They are the main component in the production of concrete and asphalt, but are also used as base courses in the construction of infrastructure, such as roads.

Concrete is a mixture of aggregates (about 80 %), cement (about 12 %), and water. After water, concrete is the most commonly used substance on our planet. Concrete is usually delivered to the building site by ready-mix trucks and is poured locally into forms. Moreover, concrete is also used for the production of precast concrete parts, such as stairs, ceiling elements, or structural components.

Asphalt is a mixture of aggregates (about 95 %) and bitumen, and is generally used as a top layer in road construction.

In 2013, HeidelbergCement sold 91.3 million tonnes (previous year: 89.0) of cement, 241.5 million tonnes (previous year: 243.0) of aggregates, 40.3 million cubic metres (previous year: 39.1) of ready-mixed concrete, and 8.6 million tonnes (previous year: 8.6) of asphalt.

Locations and sales markets

Due to the heavy weight of cement and aggregates compared with their price, production is usually located in close proximity to the sales markets. The cement transportation radius by road normally does not exceed 200 km. The delivery radius for aggregates and ready-mixed concrete by road is less than 100 km. Consequently, we have local production sites in the more than 40 countries in

→ Fundamentals of the Group

- 2013 economic report
- Additional statements
- Sustainability
- Employees and society

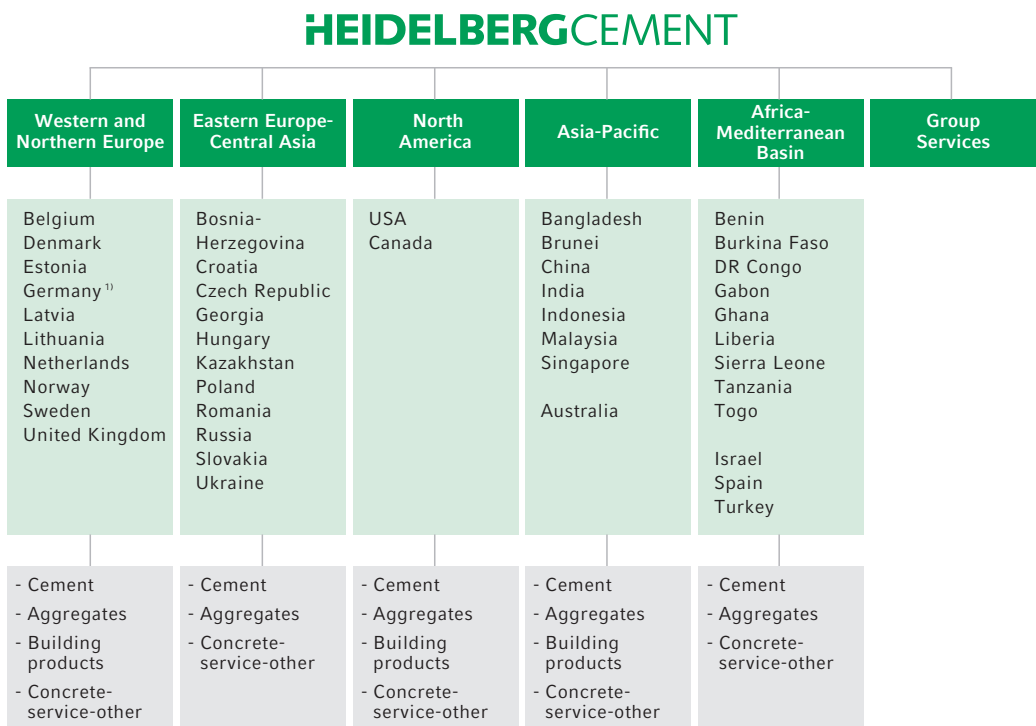
- Environmental responsibility
- Procurement
- Outlook
- Risk and opportunity report

which we offer building materials. We currently operate over 100 cement plants, more than 600 quarries and aggregate pits, and well over 1,000 ready-mixed concrete production sites worldwide. In total, the Group employs 52,560 people at around 2,500 locations in more than 40 countries.

Organisational structure

HeidelbergCement is divided into five geographical Group areas: Western and Northern Europe, Eastern Europe-Central Asia, North America, Asia-Pacific, and Africa-Mediterranean Basin (see organisation chart for breakdown of countries). Within the geographical Group areas, we have divided our activities into four business lines: cement, aggregates, building products, and concrete-service-other. In Asia-Pacific, however, building products are only represented to a below-average extent, and in the Eastern Europe-Central Asia and Africa-Mediterranean Basin Group areas, they are not represented at all. Our global trading activities, especially the trading of cement, clinker, and fuels, are pooled together in the sixth Group area Group Services.

Organisational structure of the Group areas and business lines



1) Germany, as a mature market, is reported on as part of the Western and Northern Europe Group area. For management reasons, however, the country belongs to the area of responsibility of the same Managing Board member who is in charge of Eastern Europe-Central Asia.

Business processes

HeidelbergCement operates as a fully integrated building materials company. Key business processes include the extraction of raw materials, the production of building materials, as well as their marketing and distribution to the customers. Operating activities are supported by central competence centers for technology as well as by shared service centers in individual countries and regions. Operating business processes include the geological exploration of raw material deposits,

the purchase or lease of the land where the deposits are located, obtaining mining concessions and environmental certifications, the construction of manufacturing facilities in cooperation with external service providers, as well as the actual production of building materials, including the extraction of raw materials and the maintenance of facilities.

External factors of influence

The most significant external factors influencing the economic development of the HeidelbergCement Group are weather conditions, economic and population growth, as well as the development of the regulatory environment and the competition in the markets in which we operate.

Strategy and targets

The target of HeidelbergCement is to increase the value of the Group in the long term through sustainable and result-oriented growth. We want to continue to provide our customers with superior quality and innovative products at competitive prices, open up prospects for our shareholders, and offer all of our employees safe and attractive jobs. We incorporate economic, ecological, and social targets in our business strategy by the measures we take to protect the climate and biodiversity, as well as the social responsibility we assume at all locations worldwide.

Dual growth strategy

Cement and aggregates form the basis of our dual resource and growth strategy. In cement, the focus is on growth markets. As more and more countries industrialise, we are working to secure raw materials resources and increase diversification in the aggregates business, as well as concentrating on vertical integration through investments in ready-mixed concrete in mature markets. The focus is on growth pockets characterised by higher rates of expansion than their surrounding regions. The expansion can be achieved organically, through partnerships, or acquisitions.

In the 2013 financial year, we continued to focus our investments on cement in the growth markets. Our goal is to increase the proportion of cement capacities in these markets to more than 67 % in the medium term. In the interests of capital efficiency, priority will thus be given to the expansion of existing facilities over the building or acquisition of new capacities. In 2013, we raised our cement capacities at existing locations in India and Africa, and further increased ready-mixed concrete capacities in Indonesia. At the end of the year, the proportion of our cement capacity in the growth markets amounted to around 63 %.

Cost leadership

In a market with largely standardised products, cost leadership is a key factor for success. In addition to our consistent focus on cost cutting programmes, emphasis is placed on continual improvement of operational performance at individual production sites. We engage in intensive benchmarking both internally and in relation to competitors, in order to identify optimisation potentials. When it comes to investment, we also aim to keep costs as low as possible through a combination of HeidelbergCement's engineering and low-cost suppliers worldwide for machines, equipment, and services.

→ Fundamentals of the Group

- 2013 economic report
- Additional statements
- Sustainability
- Employees and society

- Environmental responsibility
- Procurement
- Outlook
- Risk and opportunity report

Performance culture and local responsibility

An excellent management team and dedicated, qualified employees are the source of our business success. As a company with a focus on performance and results, we greatly value the competence of our employees and management. The focus is on comprehensive efficiency and clear customer-orientation. HeidelbergCement pursues an integrated management approach, the success of which is based on a balance between local operational responsibility, Group-wide standards, and global leadership. Our local operations are key for the success of our business. Local management bears full responsibility for production, market, and management development, with the aim of market and cost leadership. They are supported by nationwide shared service centers, which handle administration for all business lines on the basis of a standardised IT infrastructure. In order to ensure transparency, efficiency, and rapid implementation of measures throughout the Group, HeidelbergCement has standardised all important management processes. Group-wide, uniform key performance indicators (KPIs) facilitate direct comparability and provide a foundation for continual benchmarking.

Sustainability

We build our long-term success on sustainable business practices. This includes securing access to raw materials reserves with adequate lifetimes and introducing innovative production processes. Alongside the use of alternative raw materials and fuels, and the development of new products, this leads to emission reductions and conservation-oriented handling of our raw materials base. HeidelbergCement is also active in the promotion of biodiversity at its extraction sites, through targeted implementation of biodiversity management plans, partnerships with international and national environmental organisations, as well as organising the international “Quarry Life Award” competition.

Financing strategy

For information on financial management-related targets and policies, please refer to the section Group financial management on page 74f.

Internal management control and indicators

Components and functionality of the control system

The internal management control system at HeidelbergCement is based primarily on annual operational planning, ongoing management accounting and control, quarterly management meetings, central coordination of investment processes, as well as regular Managing Board meetings and reporting to the Supervisory Board.

Annual planning takes the form of top-down/bottom-up planning, under which the Managing Board first defines a top-down budget on the basis of macroeconomic analyses, its assessment of market conditions and cost targets. From this, specific targets are derived for individual operating units, which are used as the basis of detailed planning for the individual units and setting of targets with local management. The individual operational plans created by the operating units are then consolidated centrally to create the Group-wide plan.

Ongoing management accounting and control of the company is carried out using a comprehensive system of standardised reports on the Group's net assets, financial performance, and results of operations. The indicators used for this purpose are determined and presented uniformly throughout the Group. Reports on financial status, selected sales volumes and production overviews are prepared weekly. Reports on results of operations and working capital are prepared monthly as well as a detailed cash flow report in order to monitor cash flow as a key management indicator for the company. Detailed reports on the assets positions are submitted at the end of each quarter. Since 2011, internal quarterly reporting has been including a detailed tax reporting. At the quarterly management meetings, the Management Board and country managers discuss business developments, including target achievement, along with the outlook for the relevant year and any measures that need to be taken.

Central departments in the areas of strategy, finance, and technology follow a formalised process to review and assess all major investments and acquisitions. This ensures comparability between different projects and consistent high quality in investment decision making. Investments in expansion are assessed using a discounted cash flow (DCF) model. The standard is that investment projects must generate at least enough income to cover their weighted average cost of capital (WACC). This long-term approach to investment returns is supported by simulated calculations that show the impact of an investment on the consolidated income statement, statement of cash flows, balance sheet, and taxes over a period of five years.

The financial analysis is complemented by a strategic analysis of the planned investments. Here, the strategic value of an investment is determined taking into account the expected market position, growth potential, synergies with other Group units, and the risk structure. The overall result of these analyses is the criterion by which the Managing Board makes its investment decisions.

Financial targets and management indicators

Earnings, capital expenditure, and return on capital

The most important short-term indicator of the company's earnings strength is operating income, which is determined in detail and analysed for all operating units. The decisive indicator at Group level is Group share of profit. The financial and assets positions of the operating units are monitored short-term primarily via the amount of working capital and investment. Fixed targets are agreed with all operating units for each indicator.

The company uses return on capital employed (ROCE) at operational level and return on invested capital (ROIC) at strategic level for medium-term management control and capital allocation. ROCE is calculated as the ratio of EBIT (earnings before interest and taxes) to invested capital. Taxes and goodwill are not taken into account for calculation. These are strategic-level indicators, and are therefore taken into account for determination of ROIC. Strategic management and capital allocation are based on ROIC, which is defined as the ratio of earnings before interest but after tax to the sum of shareholders' equity and interest-bearing liabilities.

The target is generation of ROCE between 19 % and 20 % and ROIC at least equivalent to weighted average cost of capital (WACC). HeidelbergCement's weighted WACC totalled 8.7 % at the end of the reporting year, and ranged between 6.5 % and 17.2 % in the individual countries. Please see page 74, for more information on capital efficiency.

→ Fundamentals of the Group

2013 economic report
Additional statements
Sustainability
Employees and society

Environmental responsibility
Procurement
Outlook
Risk and opportunity report

Financing structure

HeidelbergCement is determined to achieve an investment grade rating to ensure that we retain our high financial stability as a company that is sensitive to business cycles. Furthermore, investment grade rating facilitates access to attractive and cost-effective funding opportunities and makes our share more attractive for an even broader circle of investors. To achieve this goal, we are focussing on the financial indicators most watched by rating agencies. An important indicator is the dynamic debt ratio, i.e. the ratio of net debt to operating income before depreciation, which we intend to lower to less than 3.0x by the end of 2014. By the end of 2013, we achieved a ratio of 3.1x, as compared to 2.9x at the end of 2012. Our medium to long-term objective is to lower this ratio to below 2.8x.

Non-financial targets and sustainable key-performance indicators

Information on non-financial key-performance indicators is available in the chapters 2013 economic report on page 53f., Occupational health and safety on page 94f., and Environmental responsibility on page 96f.

Lead indicators

HeidelbergCement's core business is in standardised mass products that are generally ordered at short notice. For the most part, suppliers of such products are interchangeable from a customer standpoint. Moreover, the volume of construction activity – and thus sales volumes of building materials – are dependent on local weather conditions in the respective markets. Given this market constellation, no reliable lead indicators are definable for business forecasting. However, selected statistical data and industry association forecasts can be utilised to gauge the business outlook at country level. In mature markets, for instance, figures on building permits or infrastructure budgets serve as important sources of information. In emerging markets, data on population growth and GDP growth forecasts are frequently used indicators.

Research and technology

The targets of HeidelbergCement's research and development activities are to generate added value for customers and the Group through innovative products as well as through process improvements and new formulations, whilst minimising the use of energy, CO₂ emissions, and hence costs.

Our research and development activities

The innovation work at HeidelbergCement can essentially be divided into three areas of focus:

- Products and applications: Our research and development activities are geared strongly towards the market and our customers. The main priority is the development and improvement of binders and concretes with optimised properties and innovative functionalities. However, our work does not end with the product; it also involves providing our customers with a competent, professional technical service on the application and optimisation of their products.
- Production: The focus lies on the continuous improvement of processes and cost structures. This includes the cost-efficient replacement of fossil fuels and natural raw materials as well as reducing energy requirements in production. These goals were pursued in the Group-wide "Operational Excellence" initiative, and potential was systematically and very successfully exploited in the cement plants. In the aggregates business line, the "CLIMB" project has also achieved the goal of sustainably optimising the cost structure and increasing added value.

- Development of cements and concretes with improved CO₂ balance: The main emphasis here is to further develop composite cements with less clinker – even beyond the limits of today's existing standards. Reducing the proportion of clinker is the most important lever when it comes to minimising energy consumption and CO₂ emissions, and in preserving natural raw materials. Finally, we are also researching entirely new kinds of binder systems that dispense with the use of clinker altogether. These innovative alternative products are only in the early stages of research and it will take several years until they are ready for the market and for wide deployment.

Organisation and fields of activities in the area of research and technology

Our global competence center Heidelberg Technology Center Global (HTC Global) pools the knowledge and expertise in our Group and makes it available to the operational units quickly and comprehensively. With its numerous international employees, HTC Global is subdivided into five areas: Research & Development, Engineering, Geology & Raw Materials, Benchmarking & Training, and Mining. The area of research and technology is divided into the following fields of activities.

Central research and development

We have concentrated the Group-wide research and development activities in the cement, concrete, and aggregates business lines at HTC Global. To match the high importance of the development of CO₂-minimised products, we reinforced this area even more, both financially and in terms of personnel, in recent years. The individual projects are defined and carried out in close coordination with the operating companies. This close collaboration from the very start of the project facilitates the efficient implementation of the development results and a quick market launch.

Technology and innovation

Technical centers support our national companies in the Group areas. In the cement business line this is the Heidelberg Technology Center (HTC) with two locations in Europe, which also support the Mediterranean Basin, Africa, and Central Asia, one location in North America, and one in Asia with offices in China, India, and Indonesia. They support our cement plants with all technical issues, from securing raw materials and operational optimisations to process control and quality assurance. With investment projects, HTC locations are involved in project management up until a new installation or plant is commissioned or optimisation measures have been finished. Similarly, the technical centers of the Competence Center Materials (CCM) support our Group companies in the aggregates, ready-mixed concrete, and asphalt business areas. The close dialogue between HTC, CCM, and our plants ensures efficient implementation of potential optimisations and a continuous improvement process.

Customer-related development and technical service

Our close proximity to the market requires intensive customer-oriented development and technical service, which is also reflected in high financial expenditure (see the following table). The relevant departments and employees, which are integrated directly into the organisation of the respective national companies, develop and optimise the cements and concretes that are tailored to the local needs, often in close cooperation with the customers.

→ Fundamentals of the Group

2013 economic report
Additional statements
Sustainability
Employees and society

Environmental responsibility
Procurement
Outlook
Risk and opportunity report

Expenditure for research and technology

Total expenditure for research and technology amounted to €103.9 million in the reporting year (previous year: 91.8), corresponding to 0.7 % of revenue. Personnel costs accounted for around three quarters of the total expenses. The following table shows a breakdown of expenses for the last five years for each of the three fields of activities mentioned above.

Expenditure for research and technology					
€m	2009	2010	2011	2012	2013
Central research and development ¹⁾	4.3	4.9	6.6	7.3	7.8
Technology and innovation	29.4	32.2	37.1	46.4	49.3
Customer-related development and technical service	29.9	30.5	35.2	38.1	46.8
Total	63.6	67.6	78.9	91.8	103.9

1) Including capitalised expenses

The structure of the expenditure for research and technology corresponds to the organisational breakdown: Expenses for the development of basic technologies are allocated to the Central research and development section, expenses for process innovations can be found in the Technology and innovation section, while the third section of the table contains the expenses for the optimisation of products and applications according to the wishes of our customers.

The development projects that were capitalised as investments include, amongst others, our innovative special products CemFlow® and TioCem® as well as new composite cements. In 2013, capitalised development costs totalled €2.1 million, which corresponds to around 2 % of total expenditure for research and technology. Because this figure is low, we have not presented it separately or shown further key figures.

Employees in research and technology

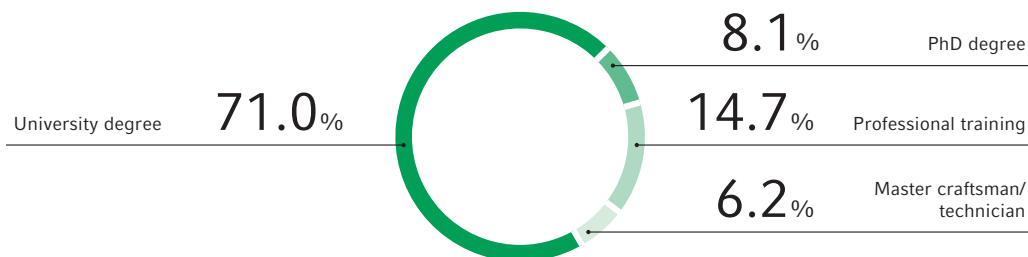
In the 2013 financial year, a total of 935 people (previous year: 849) were employed in research and technology. The personnel breakdown and development over the last five years is shown in the following table.

Employees in research and technology					
	2009	2010	2011	2012	2013
Central research and development	38	42	54	54	56
Technology and innovation	260	262	283	341	329
Customer-related development and technical service	359	366	413	454	550
Total	657	670	750	849	935

The high importance of customer-related development and technical service as well as technology and innovation is reflected not only in the costs but also in the number of employees.

Our employees' high level of expertise in research and technology is a key competitive factor and the qualification requirements are correspondingly high. 71 % of the employees in our technical competence centers have a university degree and more than 8 % have a PhD (see the following graph). Intensive on-going training and a systematic exchange of knowledge in expert networks across the Group ensure a high level of qualification.

Qualification profile of our employees in research and technology



Research cooperations

Close cooperations with institutes and universities at both a local and global level complement our own research and development activities. At a global level, we refer in particular to our participation in Nanocem, the world's most important research network in the cement sector. The network includes cement and admixture companies as well as 23 leading universities in Europe, who all work together to carry out fundamental research, which is supported by public funding. Another large network linking industry and research institutions is the COIN (COncrete INnovation) project sponsored by the Norwegian government, with a duration of seven years and a total budget of around €25 million. We are involved with this via our Norwegian subsidiaries.

In terms of product development, we prefer bilateral cooperations with individual universities in order to complement our own expertise in a targeted way. In some cases, cooperation projects with universities are supported by government funding. Compared with total expenditure, the funding ratio is marginal; therefore, we do not record it centrally. Total expenditure for contract research is considerably less than €1 million for the year and is therefore not shown separately; these expenses are included in the Central research and development section in the table on page 45. Aside from the research cooperations mentioned above, we did not acquire any research and development expertise in 2013.

Major projects and research and development results

Improving cost efficiency and tied-up capital

During the reporting year, we continued to build on the success of our Group-wide "Group Spare Parts" and "Maintenance Improvement" programmes, which were already concluded in 2012. As a result, our repair, maintenance, and warehouse management costs have reached a competitive level.

Furthermore, we have successfully completed our Group-wide "Operational Excellence" (OPEX) programme in the cement business line. The three-year programme to reduce operating costs in the cement plants has shown far better results than expected, thanks to the systematic exploitation of savings in power and fuel consumption, fuel mix, and clinker replacement by alternative raw materials. By the end of 2013, we were able to reduce the cost base by around €70 million compared with 2010.

In the aggregates business line, we have also concluded the Group-wide "CLIMB" programme with great success, which was aimed at optimising all process steps on a sustainable basis, from the extraction and preparation of aggregates through to their sale. By the end of 2013, the programme, which was launched in 2011, had achieved to reduce the cost base by €135 million compared with the originally targeted €120 million. We also launched the "CLIMB Commercial"

→ Fundamentals of the Group

2013 economic report
Additional statements
Sustainability
Employees and society

Environmental responsibility
Procurement
Outlook
Risk and opportunity report

programme in the reporting year. It focuses on the optimisation of product, pricing, and customer strategy. Further operational improvements are being pursued in addition to this. The three-year programme is expected to improve the profit margin by a further €120 million, of which an increase by €20 million was already achieved in the reporting year. HeidelbergCement is not only the largest manufacturer of aggregates in the world, but owing to these optimisation measures, it is also well on its way to becoming the most profitable.

The increase in cost efficiency achieved via these programmes is even more significant because all the measures taken are sustainable and represent a major competitive advantage in the long term. These programmes, along with their precisely tailored training courses, also offer our globally active employees good opportunities for further development.

Cements with lower proportions of clinker

We have made further progress in the development of cements with less clinker, thereby achieving a reduction in both CO₂ emissions and costs. In Norway and Sweden, we are making use of the positive interaction between fly ash and limestone. In Norway, the clinker proportion in standard cement is thus reduced by 4%; in Sweden, the switch from pure limestone cement to this combination saves even 10%. Progress has also been made with cements containing blast furnace slag. In the Netherlands, we have developed such a cement as 52.5 R type with high early strength, which meets the most stringent requirements in the production of precast concrete parts. In Poland, three new cements based on blast furnace slag or blast furnace slag/fly ash were launched on the market. In Germany, we were able to significantly reduce the average clinker content in cement by almost 5% to 73% thanks to a series of product optimisations. In North America, pilot projects involving the use of limestone cements in road construction provided the basis for a higher acceptance rate and thus an increase in market share.

Development of alternative clinker

With the discovery of a new reactive clinker phase, we have established the basis for an alternative clinker technology. Based on an altered chemical composition and low burning temperatures, CO₂ output is 30% lower in comparison with conventional clinker and energy consumption is reduced by around 10% to 15%. The basic technology is protected by various patent applications. In 2013, technical feasibility was successfully demonstrated in a first large-scale industrial experiment, where 1,500 tonnes of clinker and cement were produced and subsequently used in various concrete applications.

Preservation of resources, recycling, and CO₂ capture

Our subsidiaries in Benelux, HTC, and external partners are cooperating in the intensive search for new recycling concepts for concrete. The aim of the EU-funded project is to be able to re-use demolition concrete at 100% with the aid of innovative processing technology. Of great importance in this context is the use of recycled fine materials as components in cement production, for example.

In May 2013, we launched the global cement industry's first small-scale pilot project to capture CO₂ from combustion exhaust gases at our Brevik plant in Norway. This project is mainly funded by the Norwegian government and is carried out in cooperation with the European Cement Research Academy. HeidelbergCement thus plays a leading role in the development of environmentally friendly technologies of the future.

Innovative binders and concretes

The fluidised floor levelling finish Cemflow® has become firmly established on the German market as a high-quality product. Cemflow® has proved its performance not only in residential construction, but especially in commercial construction, where large screed surfaces have to be

installed in the shortest possible time. An impressive example in 2013 was the installation of a screed surface totalling around 45,000 m² in a Berlin shopping center. With the help of two work crews, the screeding company achieved a record installation rate of more than 3,100 m² of screed surface per day. In the meantime, Cemflow® has also been successfully introduced in Canada and is gaining in market share.

In tunnel construction, the skills acquired through research projects have been successfully transferred to large construction projects in various countries. The cement from our Ketton cement plant in the United Kingdom has become the material of choice for the large London Cross Rail project and other major construction projects in the United Kingdom, with order volumes totalling more than 100,000 tonnes.

Hanson UK has developed a ground blast furnace slag product with a specific particle size distribution for the inclusion of radioactive waste, which enables excellent flow properties with good water retention. The product has been successfully launched on the market and sales figures are profiting from the decommissioning of nuclear power plants in the United Kingdom.

2013 economic report

Economic environment

General economic conditions

Contrary to expectations, 2013 was characterised by a worldwide slowdown in economic growth and a considerable weakening of numerous currencies against the euro, particularly in Asia but also of the Canadian and Australian dollar. In the United States, economic growth in the first half of the year fell short of expectations, owing to uncertainties caused by fiscal and budgetary issues, and only showed significant improvement by the third quarter. It remained below expectations in the fourth quarter, however. The European financial crisis continued to have a negative impact on the world markets. Signs of a trend reversal in Europe's crisis countries only became evident in the second half of the year. Due to the lower domestic demand compared with the previous year, economic growth proceeded to cool down in the emerging countries of Asia, with the exception of China and India. Although economy in Germany slowed down somewhat, the rise of 0.4 % was considerably higher than development overall in the euro zone, where economic output fell by 0.4 %. Together with population growth and gross domestic product per capita, economic growth is one of the most important indicators for measuring the development of construction activity and the demand for building materials. The increase in demand for cement in emerging countries is roughly in line with economic growth. During infrastructural expansion phases, however, it can also be exceeded several times.

In 2013, the European Central Bank continued its expansionary policy to stabilise the markets. In contrast, the US Federal Reserve began to reduce bond purchases at the end of the year – so-called tapering – due to the improvement in the labour market. This move, which the capital markets had already anticipated in summer, led to increasing outflows of capital from emerging countries and a significant weakening of the respective currencies against the US dollar and euro from the middle of the year onwards. The United Kingdom experienced a surprisingly strong economic recovery, which led to a noticeable decline in the unemployment rate. The Bank of England has nonetheless kept interest rates low. However, in view of the sharp rise in property investment,

a support programme for home loans was terminated early. At the end of 2013, solid economic data in North America and Europe as well as a rise in exports from emerging countries pointed towards an improvement in the economic climate. According to the IMF, the global economy grew by 3.0 % in 2013 compared with 3.1 % in the previous year.

Real GDP growth rate in major Group countries					
in %	2012	2013 ¹⁾	in %	2012	2013 ¹⁾
Western and Northern Europe			Asia-Pacific		
Belgium	-0.1	0.2	Australia	3.6	2.8
Germany	0.7	0.4	Bangladesh ²⁾	6.1	5.8
Netherlands	-1.2	-1.0	China	7.7	7.7
Norway	2.9	0.6	India	4.1	4.3
Sweden	0.9	1.5	Indonesia	6.2	5.8
UK	0.3	1.9	Malaysia	5.6	4.7
Eastern Europe-Central Asia			Africa-Mediterranean Basin		
Czech Republic	-1.0	-1.3	DR Congo ²⁾	7.2	6.2
Hungary	-1.7	1.0	Ghana ²⁾	7.9	7.9
Kazakhstan	5.0	6.0	Tanzania ²⁾	6.9	7.0
Poland	1.9	1.6	Togo ²⁾	5.6	5.5
Romania	0.7	2.5	Israel	3.4	3.4
Russia	3.4	1.3	Spain	-1.6	-1.2
Ukraine	0.2	0.0	Turkey	2.2	3.8
North America					
Canada	1.7	2.0			
USA	2.8	1.9			

1) 2013 values are based on estimations and forecasts.

Source: Deutsche Bank Research and 2) CIA World Factbook Estimates

As a result of overall weakening economic growth, the prices of many raw materials decreased in 2013. The increased availability of shale gas, especially in North America, led to a continued decline in fuel prices, particularly for coal.

Industry-specific conditions

Besides the country-specific investment climate for residential, commercial, and infrastructural construction, industry-specific conditions also include local weather conditions, developments in the competitive situation, and the regulatory environment.

The construction industry experienced distinctly varied regional trends in 2013. In North America, construction activity continued to grow, driven by private residential construction. Residential construction also saw a significant increase in the United Kingdom, not least thanks to the government's "Help to Buy" programme. In Northern Europe, the positive development of previous years carried on. Construction in Germany benefited from the strong economic development, but activities were impaired by the prolonged winter and the floods in the east of the country. In Belgium and the Netherlands, the budgetary consolidation and reduction in private residential construction after support programmes were discontinued had a negative impact. In large parts of Eastern Europe, construction activity declined due to the weak economic development and the

lack of financing for building projects. In the countries of Asia and Africa, south of the Sahara, the dynamic growth in construction activity persisted, but slowed down somewhat in comparison with the previous year.

According to the American cement association PCA construction activity increased by 1.5 % in the United States in 2013. While residential construction rose by 8.5 % and non-residential construction by 9.3, public construction decreased by 3.0 %. Cement consumption increased by 4.5 %.

According to its projection from December 2013, the European market research network Euroconstruct expects a clear bifurcation of construction activity in Europe in 2013. In the countries of Southern Europe and Ireland, which are affected by the bursting of the housing bubble or the debt crisis, another partly significant decline in construction activity is anticipated. Moreover, construction activity is also expected to diminish in Belgium and France. Both countries have reduced their infrastructural construction expenditure in connection with budgetary consolidations. In 2013, a decline of 5.6 % in cement consumption is projected for Belgium. Construction activity in the Eastern European countries is also forecast to diminish in 2013, especially in Poland by 8.9 % and the Czech Republic by 8.2 %. In Norway, a 3.7 % rise in construction activity is foreseen in 2013. In contrast, a slight decrease of 0.4 % is expected in Sweden. The United Kingdom is anticipating growth in construction activity once again after a slump in the previous year, thanks to the significant recovery in residential construction. In Germany, total construction activity rose only slightly in 2013, despite continuing strong demand from residential construction. Cement consumption was more than 2 % below the previous year's level.

Asia experienced a further increase in cement consumption as a result of the continued economic growth. While cement demand in Indonesia grew by 5.5 %, it was adversely affected in India by the government's ongoing restraint regarding infrastructural projects and by high interest rates. In Central Asia, the commodity-producing countries Russia and Kazakhstan benefited from their respective governments' infrastructural projects.

Sustained positive demand has increased the level of global competition in 2013, particularly in the emerging countries of Africa and Asia. Local as well as regional companies have announced new cement capacities. In addition, import volumes have risen, putting pressure on local prices to some extent.

Weather conditions also play a major role, as construction activities are considerably restricted or even suspended altogether when temperatures fall well below freezing, during snow, or heavy rainfalls. In 2013, construction in Europe suffered from the prolonged cold winter in February and March, as well as the subsequent rainfalls. In eastern Germany and Poland, construction activity was also significantly limited until early May due to floodings. However, mild winter weather at the end of the year favoured construction projects, enabling at least partial recovery of the loss in sales volumes recorded at the beginning of the year.

The EU Emissions Trading Scheme (ETS) is just one of the regulatory conditions that exercise an influence on the results of building materials producers. The declining economic development in Europe led to a surplus of emission rights in 2013 and a price collapse to well below €10 per tonne of CO₂. Due to the low price, HeidelbergCement has decided not to sell its surplus emission rights as in previous years, but has kept them for future use. The sale of surplus emission rights in 2012 contributed €64 million to operating income before depreciation (OIBD).

Development of sales volumes

In 2013, sales volumes showed divergent trends depending on the Group area and business line, yet benefited overall from the progressing economic revival in North America, the recovery in demand for building materials in the United Kingdom, and the continued growth in demand in Asia and Africa.

In 2013, cement and clinker sales volumes rose as predicted. They increased by 2.6 % in comparison with the previous year to 91.3 million tonnes (previous year: 89.0). The North America, Asia-Pacific, and Africa-Mediterranean Basin Group areas experienced a particularly positive development. Besides the positive economic trend, this is attributable to the additional cement capacities in some African countries, in India, and Australia. In contrast, the countries of Europe and Central Asia partly suffered significant losses in sales volumes, with a few exceptions such as the United Kingdom, Russia, and Georgia.

As expected, aggregates sales volumes decreased marginally in 2013, by 0.6 % to 241.5 million tonnes (previous year: 243.0). But here, too, a mixed picture is apparent. While North America nearly reached the previous year's level once again, volumes declined in the Western and Northern Europe Group area – with the exception of the United Kingdom – and in the Mediterranean Basin. In Eastern Europe-Central Asia, sales volumes exceeded the previous year's level due to a distinct recovery in demand in several countries, such as Poland, the Ukraine, and Russia, from the middle of the reporting year. The highest growth occurred in the Asia-Pacific Group area thanks to strong construction activities.

Ready-mixed concrete sales volumes rose by 3.1 % to 40.3 million cubic metres (previous year: 39.1). This increase is mainly attributable to the construction of new ready-mixed concrete plants in Indonesia and high demand in Malaysia, which significantly raised sales volumes in Asia-Pacific. A positive development in demand, particularly in the United Kingdom and Norway, also led to a slight improvement in sales volumes in Western and Northern Europe. All other Group areas remained below the previous year's levels.

In 2013, asphalt deliveries reached the previous year's level of 8.6 million tonnes (previous year: 8.6). The significant increase in sales volumes in the Asia-Pacific Group area and the United Kingdom were able to offset the decline in North America and the Mediterranean Basin.

Sales volumes			
	2012	2013	Change
Cement and clinker (million tonnes)	89.0	91.3	2.6 %
Aggregates (million tonnes)	243.0	241.5	-0.6 %
Asphalt (million tonnes)	8.6	8.6	0.3 %
Ready-mixed concrete (million cubic metres)	39.1	40.3	3.1 %

Earnings position

The earnings position of HeidelbergCement improved further in the 2013 financial year compared with the previous year.

Revenue in 2013 decreased marginally compared with the previous year. It fell by 0.6 % to €13,936 million (previous year: 14,020), which is entirely due to the weakening of numerous currencies against the euro, amounting to a total of €664 million. Consolidation effects of €130 million had a positive impact. Excluding exchange rate and consolidation effects, revenue rose by 3.4 %.

Above all, this reflects the positive development of sales volumes and successfully implemented price increases in major markets.

Material costs declined by 2.4 % to €5,795 million (previous year: 5,936), which is primarily due to a decrease in expenses for energy (-4.6 %) and raw materials (-7.8 %). Other operating expenses and income were 3.0 % above the previous year's level at €3,428 million (previous year: 3,327), which is primarily a consequence of the decline in book profits from the sale of intangible assets and property, plant, and equipment. In addition to the decrease of €64 million from the sale of surplus emission rights, a decline of €42 million in book profits arose from the scheduled sale of exhausted quarries in Canada that were no longer in operational use. Personnel costs fell slightly by 1.2 % to €2,302 million (previous year: 2,331). The average number of employees also dropped slightly by 0.8 %, while personnel costs remained more or less stable in relation to revenue at 16.5 % (previous year: 16.6 %). Operating income before depreciation (OIBD) fell marginally by 2.1 % to €2,424 million (previous year: 2,477).

The decline of €40 million in the amortisation of intangible assets to €31 million (previous year: 71) is primarily based on the devaluation of emission rights by €38 million as a result of reduced market prices. The depreciation of property, plant, and equipment decreased slightly to €787 million (previous year: 801). Operating income rose by 0.2 % to €1,607 million (previous year: 1,604).

Additional ordinary result improved by €411 million to €2 million (previous year: -409). The increase of €320 million in additional ordinary income is primarily due to foreign exchange related profits from the repayment of capital and the following deconsolidation of a foreign finance company as well as the divestment of a non-controlling interest in a precast concrete company in Saudi Arabia. The decline of €90 million in additional ordinary expenses to €325 million (previous year: 415) relates mainly to a decrease in impairment losses of property, plant, and equipment by €74 million and a decrease in sales and deconsolidation losses from the disposal of business units by €73 million. A countering effect had mainly additional expenses in the amount of €37 million in connection with the fine that was imposed by the Düsseldorf High Court in the German cartel proceedings and upheld by the Federal Court of Justice. The fine was paid in full in 2013.

At €41 million (previous year: 44), result from participations remained almost unchanged. Overall, earnings before interest and taxes (EBIT) increased by €411 million to €1,650 million (previous year: 1,239).

Financial result improved by €79 million to €-569 million (previous year: -648). Lower interest expenses as a result of the refinancing at more favourable conditions of the US\$750 million bond, which was repaid in March 2013, as well as the improvement of the interest portion from the valuation of non-current provisions had a substantial impact on this figure. Offsetting effects arose from foreign exchange losses.

Profit before tax from continuing operations rose by €489 million to €1,081 million (previous year: 592). Expenses relating to income taxes increased by €81 million to €233 million (previous year: 152). Of this increase, €29 million related to current taxes amounting to €399 million (previous year: 370). Withholding tax connected to the sale of the non-controlling interest in Saudi Arabia, as well as the release of long-term tax liabilities no longer required to profit or loss in 2012 had a substantial impact. The income from deferred taxes fell by €53 million to €166 million (previous year: 219), which is largely attributable to the measurement of financial instruments in accordance with IAS 39. As a result, the effective tax rate decreased in comparison with the previous year from 25.6 % to 21.6 %. Net income from continuing operations thus amounts to €848 million (previous year: 440).

Net income from discontinued operations rose to €98 million (previous year: 89). This increase principally resulted from the recognition of receivables towards insurers based on a final court ruling. Further comments are provided in the Notes on page 196.

Overall, a profit of €945 million (previous year: 529) was recorded for the financial year. Profit attributable to non-controlling interests fell by €44 million to €200 million (previous year: 244). Thus, the Group share of profit amounts to €745 million (previous year: 285).

Earnings per share – Group share – in accordance with IAS 33 rose to €3.98 (previous year: 1.52). For continuing operations, the earnings per share increased to €3.46 (previous year: 1.04).

In view of the positive business development, the Managing Board and Supervisory Board will propose to the Annual General Meeting on 7 May 2014 the distribution of a dividend of €0.60 (previous year: 0.47) per share.

Consolidated income statement (short form)			
€m	2012 ¹⁾	2013	Change
Revenue	14,020	13,936	-1 %
Operating income before depreciation (OIBD)	2,477	2,424	-2 %
Amortisation and depreciation of intangible assets and property, plant, and equipment	-873	-818	-6 %
Operating income	1,604	1,607	0 %
Additional ordinary result	-409	2	
Result from participations	44	41	-6 %
Earnings before interest and taxes (EBIT)	1,239	1,650	33 %
Financial result	-648	-569	-12 %
Profit before tax from continuing operations	592	1,081	83 %
Income taxes	-152	-233	54 %
Net income from continuing operations	440	848	93 %
Net income from discontinued operations	89	98	11 %
Profit for the financial year	529	945	79 %
Group share of profit	285	745	162 %

1) Amounts restated

Non-financial key performance indicators

In the non-financial area we use several key performance indicators for the internal control and monitoring of occupational safety and CO₂ emissions.

The extraction of raw materials and the production of cement and aggregates in itself harbour various dangers, for example with regard to the transportation of raw materials and finished products, working at great heights, with high voltage currents, or using heavy technical equipment. Therefore, occupational health and safety has top priority at HeidelbergCement. To gauge the effectiveness of our occupational safety measures, we use the following key performance indicators: accident frequency rate, accident severity rate, and fatality rate. For more information on the definition and development of these non-financial key performance indicators, see the section on occupational health and safety on page 94f.

The production of cement generates a large amount of CO₂ due to the chemical processes involved in burning clinker and the high temperatures that are required. Climate protection is not only a necessary measure to safeguard the living conditions of future generations, it also has financial benefits. HeidelbergCement is increasingly involved in emission trading systems, which require the additional purchase of emission rights if the assigned amount is exceeded. That is why the continuous reduction of CO₂ emissions is at the heart of our environmental policy. The use of alternative raw materials and fuels is one of the essential levers for reducing CO₂ emissions. In order to control and monitor progress in climate protection, we use the following key performance indicators: specific net CO₂ emissions, alternative fuel rate, and clinker ratio. For more information on the definition and development of these non-financial key performance indicators, see the section on environmental responsibility on page 96 f.

Business trend in the Group areas

Western and Northern Europe

HeidelbergCement operates in ten countries in the Western and Northern Europe Group area. In these mature markets, we manufacture cement, aggregates, asphalt, ready-mixed concrete, and various building products as a fully integrated building materials company. We are the market leader in most of the countries in which we produce cement. We also have a dense network of quarries for aggregates and production facilities for ready-mixed concrete. The United Kingdom is our largest market region in Western and Northern Europe.

Economic development in some countries of the Western and Northern Europe Group area was impaired by national budgetary problems and the uncertainties resulting from the euro crisis. Despite the dampening effects of the financial and debt crisis in Europe, Germany, Sweden, and Norway continued to experience a positive economic trend. Gross domestic product thus rose by 0.4 %, 1.5 %, and 0.6 % respectively in the reporting year. Economic recovery continued in the United Kingdom, with a growth rate of 1.9 %; Belgium reported a slight increase of 0.2 %. The Netherlands has not yet overcome its weak economic development. Economic output fell by 1.0 %.

Construction activity in the countries of the Group area showed varied trends in the reporting year. Total construction investments in Germany rose only slightly in 2013 compared with the previous year, despite continued strong demand from residential construction. Private residential construction was also the growth driver in the United Kingdom – supported by the government's "Help to buy" programme. Construction activity in the United Kingdom increased by 1.3 % after a decline in 2012. In Norway, construction activity is expected to rise by 3.7 % in 2013, driven by an upswing in infrastructural construction. In contrast, a slight decline by 0.4 % is expected in Sweden. Construction activities weakened also in Belgium and the Netherlands. This was due to a decline in infrastructure investments in Belgium, and the budgetary consolidation as well as a decrease in private residential construction in the Netherlands.

At the beginning of 2013, construction activities throughout the Group area suffered under a long period of cold winter. This weather-related decline in the demand for building materials could not be fully offset as the year progressed and contributed to the single-digit percentage decreases in sales volumes in our core activities of cement and aggregates.

Cement business line

In 2013, estimated cement consumption in Germany was more than 2 % below the previous year, due to the long winter, totalling around 26.4 million tonnes, while it grew strongly in the United Kingdom. Cement consumption in the Netherlands and in Sweden is expected to decrease by 5.0 % and in Belgium by 5.6 %. Norway developed more satisfactorily, where cement consumption rose by 2.0 %.

In the cement business line, we experienced varied development in sales volumes in 2013. Total cement and clinker sales volumes in the Group area fell by 1.8 % to 20.9 million tonnes (previous year: 21.3). The largest increase in sales volumes was recorded in the United Kingdom – mainly as a result of the recovery in residential construction. Deliveries of ground blast furnace slag, however, remained approximately at the previous year's level. While domestic shipments in the Baltic States and Denmark increased slightly and remained stable in Norway and Benelux, they fell below the previous year's level in Sweden and Germany. Our plants in Norway, Sweden, and Benelux were able to significantly increase their cement exports, while they declined in Germany and the Baltic States. Revenue of the business line only decreased slightly by 0.3 % to €1,726 million (previous year: 1,731) as a result of successful price increases in several countries.

Investments in 2013 were governed by expenditure discipline. In our British cement plants, we have optimised the use of solid alternative fuels. We thus conserve natural resources, reduce greenhouse gases, and limit our dependence on fossil fuels. In Germany, we acquired two limestone quarries in the Sauerland region to secure raw materials for our cement plants in Northwestern Germany. In Belgium, we have invested in a packing machine for plastic bags. In Risavika in the region of Stavanger, Norway, the construction of a cement terminal has started, which will replace an existing terminal in the city center in the second half of 2014.

Aggregates business line

In the Western and Northern Europe Group area, HeidelbergCement operates an extensive network of production sites. Total aggregates sales volumes decreased by 3.1 % to 70.0 million tonnes (previous year: 72.2). In the reporting year, we increased our participation in Midland Quarry Products in the United Kingdom. Excluding the consolidation effect of this increase in participation, sales volumes of aggregates fell by 5.0 %. While deliveries of aggregates rose in the United Kingdom, our largest market region, and the Baltic States, they remained significantly below the previous year in Germany, Norway, Sweden, and Benelux. Revenue of the business line decreased slightly by 2.2 % to €839 million (previous year: 858).

The largest investment in the aggregates business line took place at the beginning of April 2013 with the above-mentioned increase in participation from 50 % to 100 % in the previously proportionately consolidated aggregates company Midland Quarry Products. The company operates a quarry in the vicinity of Whitwick, Leicestershire, with an annual capacity of more than 3 million tonnes of granite and five asphalt plants. Midland Quarry Products is the leading supplier of gravel for railway construction in the United Kingdom. In Sweden, we finalised an investment in our aggregates and ready-mixed concrete plant in the Stockholm district of Ulvsunda. During the reporting year, we began to optimise production at the Tau aggregates plant in Norway. These measures will be completed in early 2014. In Belgium, we have closed our plant in Boorseem.

Building products business line

This business line mainly comprises Hanson building products in the United Kingdom. It also includes the lime and sand-lime brick operating lines, which predominantly focus on Germany.

Our building products are mainly used in residential construction. Hanson is one of the largest manufacturers of bricks and lightweight blocks in the United Kingdom.

In 2013, building products in the United Kingdom benefited from the recovery in private residential construction. While the sales volumes of concrete paving blocks and lightweight blocks were still in decline, the brick operating line generated pleasing increases in volumes. Sales volumes of precast concrete parts and masonry blocks even showed a double-digit percentage growth. In Germany, we were able to slightly increase the deliveries of sand-lime bricks compared with the previous year. We recorded a satisfying growth in revenue in the lime operating line, yet had to accept a marginal decline in revenue for concrete products.

In 2013, a new lime kiln was successfully put into operation in each of the two German lime plants Istein and Regensburg. The kilns are state of the art, boast high energy efficiency, and consequently improve our competitiveness. Our associate company Lithonplus has built a new paving block plant in northern Germany, which not only allows us to expand our product range, but also facilitates the optimisation of production sites. At the end of the year, we put our brick plant in Claughton, United Kingdom, which was decommissioned in 2009, back into operation thanks to a sharp rise in demand in residential construction. Total revenue of the building products business line declined by 9.6 % to €437 million (previous year: 484).

Concrete-service-other business line

This business line primarily includes ready-mixed concrete and asphalt activities. While we have an extensive network of ready-mixed concrete facilities in many parts of the Group area, asphalt activities are mainly limited to the United Kingdom.

In 2013, ready-mixed concrete deliveries rose by 1.4 % to 13.4 million cubic metres (previous year: 13.2). While sales volumes in the United Kingdom, Denmark, Norway, and the Baltic States increased significantly, they remained slightly below the previous year's level in Germany and Benelux. Sweden experienced a considerable decline, because major infrastructure projects were completed in 2012.

The sales volumes of the asphalt operating line rose by 4.9 % to 2.9 million tonnes (previous year: 2.8). This increase is due to the consolidation effects from the acquisition of Midland Quarry Products. Excluding consolidation effects, sales volumes decreased by 5.6 %.

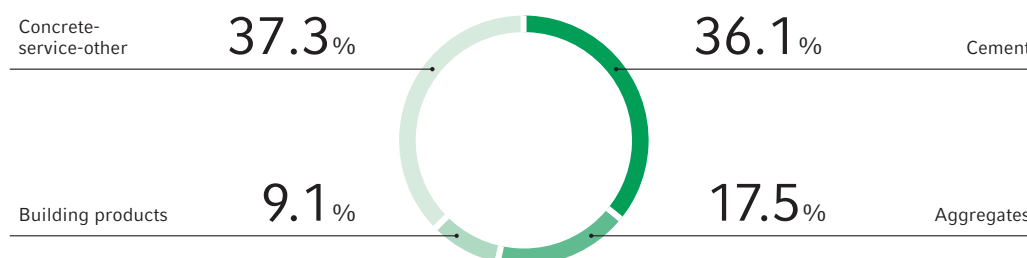
A number of ready-mixed concrete companies have been demerged and reorganised in Germany. In the Netherlands, we had to close individual ready-mixed concrete plants and sell numerous ready-mix trucks. In the United Kingdom, however, we acquired approximately 100 new vehicles in order to benefit from the upswing. In 2013, revenue of the concrete-service-other business line increased slightly by 0.3 % to €1,783 million (previous year: 1,777).

Revenue and results

Revenue of the Western and Northern Europe Group area decreased by 1.3 % to €4,147 million (previous year: 4,201). In operational terms, i.e. excluding consolidation and exchange rate effects, the decline only amounted to a small minus of 0.3 %. At €578 million (previous year: 578), operating income before depreciation (OIBD) was at the same level as the previous year. Consolidation and exchange rate effects had hardly any impact here. However, the previous year includes proceeds from the sale of CO₂ certificates worth €42 million, while there were none in 2013. Operating income rose by 11.5 % to €319 million (previous year: 286). Excluding consolidation and exchange rate effects, the increase was 11.4 %. Proceeds from the sale of CO₂ certificates amounted to €13 million in the previous year; none were recorded in 2013. Income in 2013 was negatively affected by restructuring expenses in Benelux.

Key data Western and Northern Europe			
€m	2012	2013	Change
Revenue	4,201	4,147	-1.3 %
Operating income (2012: restated)	286	319	11.5 %
Investment in property, plant, and equipment	177	184	3.8 %
Cement and clinker sales volumes (Mt)	21.3	20.9	-1.8 %
Aggregates sales volumes (Mt)	72.2	70.0	-3.1 %
Asphalt sales volumes (Mt)	2.8	2.9	4.9 %
Ready-mixed concrete sales volumes (Mm ³)	13.2	13.4	1.4 %
Employees as at 31 December	13,438	13,484	0.3 %

Revenue Western and Northern Europe 2013: €4,147 million



Eastern Europe-Central Asia

HeidelbergCement operates in eleven countries in the Eastern Europe-Central Asia Group area. In most of these growth markets, the Group is the market leader in the cement business. The production of aggregates and ready-mixed concrete is also becoming increasingly important. In terms of revenue, Russia has overtaken Poland as our largest market region in Eastern Europe-Central Asia.

Although Europe showed the first signs of an economic recovery in 2013, the economic development of many countries in the Group area was still adversely affected by the financial and debt crisis and financial restrictions imposed by the governments. To this effect, a decline of 1.3 % in gross domestic product is predicted for the Czech Republic in 2013, and stable economic development for the Ukraine. In Hungary, Poland, and Russia, a moderate economic growth of 1.0 %, 1.6 %, and 1.3 % is expected. The economy in Georgia and Romania grew by an estimated 2.5 %, respectively, in 2013. Gross domestic product in Kazakhstan showed the best performance with an expected increase of around 6 %.

2013 was a difficult year for the construction industry in the Eastern Europe-Central Asia Group area. In the first half of the year, the prolonged winter impaired construction activity. Furthermore, the demand for building materials in many Eastern European countries declined due to the weak economic development and the lack of financing for infrastructural projects. In addition, prices were under pressure in a number of markets as a result of the combination of low demand and increased competition. Pressure on prices and negative exchange rate effects led to weaker revenue and sales volumes in all business lines. The situation of the construction industry improved in the

second half of the year. Poland was the first Eastern European country to show signs of recovery. In contrast to the majority of our Eastern European markets, the construction industry grew in Kazakhstan and Russia, mainly due to investment programmes by the respective governments. For example, major investments have been made in Russia in connection with the expansion of the Moscow city border and the 2018 Football World Cup.

Cement business line

Aside from Croatia and Slovakia, HeidelbergCement produces cement and clinker in all other countries of the Eastern Europe-Central Asia Group area. Total cement and clinker deliveries decreased slightly by 2.9 % in 2013 to 16.7 million tonnes (previous year: 17.2).

Cement sales volumes remained below the previous year in the majority of countries because of the unfavourable weather conditions at the beginning of the year and the weak construction activity. In the second half of the year, some countries were able to stabilise or show a trend reversal, partly fostered by mild weather towards the end of the year. Poland, in particular, saw a distinct improvement in the second half of the year, where construction activity and cement consumption had previously suffered due to the limited demand from the infrastructure and industry sectors. Russia recorded a distinct increase in sales volumes as a result of the sustained healthy development in construction activity and the start of production in our new Tula cement plant, which supplies the booming Moscow market. Georgia and the Ukraine also achieved a moderate increase in volumes. Our deliveries were below the previous year's level in Bosnia-Herzegovina, Kazakhstan, the Czech Republic, Hungary, and especially in Romania. Revenue of the cement business line fell by 6.6 % to €1,094 million (previous year: 1,171).

In 2013, a major part of our investments was made in Kazakhstan and Russia. The construction of the new CaspiCement 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. In mid-2014, the plant will officially commence operation. In April 2013, we increased our participation in the Russian cement company CJSC "Construction Materials" from 51 % to 100 % as part of our strategy of targeted additional investments with a low risk profile. The company, which is headquartered in Sterlitamak, has a cement capacity of 1.8 million tonnes and is the market leader in the Russian Republic of Bashkortostan. In Russia, we have also commissioned a new floating terminal in St. Petersburg and a cement terminal in Rostov-on-Don to improve our market coverage.

Aggregates business line

The main markets of HeidelbergCement in the aggregates business line are the Czech Republic, Poland, and Russia. We also run aggregates operations in Romania, Hungary, Slovakia, the Ukraine, and Kazakhstan. Since the second half of 2013, a clear upward trend is noticeable in several countries of the Group area. After a decline in aggregates sales volumes amounting to 11.5 % in the first half of the year, deliveries rose by 2.4 % to 19.6 million tonnes (previous year: 19.2) by the end of 2013.

While aggregates sales volumes recorded a double-digit percentage drop in Romania and Slovakia and a single-digit percentage drop in the Czech Republic, we were able to achieve significant growth in volumes in Poland, Russia, the Ukraine, Hungary, and particularly Kazakhstan. Revenue of the aggregates business line decreased by 7.1 % to €114 million (previous year: 123).

Investments in the aggregates business line were governed by strict expenditure control. We limited them principally to the opening of a new location in the Almaty region in Kazakhstan.

Concrete-service-other business line

With the exception of Russia, HeidelbergCement has ready-mixed concrete activities in all countries of the Group area, with a dense network of plants. Our main market regions are located in the Czech Republic and Poland. In 2013, ready-mixed concrete sales volumes in Eastern Europe-Central Asia decreased by 1.7 % in comparison with the previous year to 3.7 million cubic metres (previous year: 3.8). While sales volumes of ready-mixed concrete rose by a double-digit percentage in Bosnia-Herzegovina, Hungary, the Ukraine, and Georgia, they remained considerably below the previous year in Poland, Romania, and Slovakia. Kazakhstan and the Czech Republic recorded a moderate growth in sales volumes compared with the previous year. At €221 million (previous year: 238), revenue in the concrete-service-other business line fell by 7.3 % in 2013.

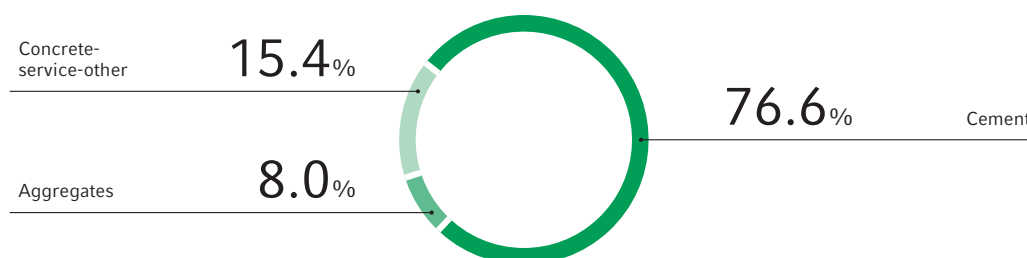
Investments in 2013 were limited to the opening of five ready-mixed concrete plants in Georgia and one in the Czech Republic. In Poland, we sold five concrete plants as part of a geographical realignment.

Revenue and results

Revenue in the Eastern Europe-Central Asia Group area declined by a total of 6.9 % in 2013 to €1,337 million (previous year: 1,435). Adjusted for currency and consolidation effects, revenue decreased by 4.2 %. At €270 million (previous year: 319), operating income before depreciation (OIBD) was 15.3 % below the previous year. Excluding exchange rate and consolidation effects, the decrease amounted to 13.3 %. Operating income fell by 21.8 % to €150 million (previous year: 193). Adjusted for currency and consolidation effects, the decline amounted to 20.0 %. In comparison with the previous year, both operating income before depreciation (OIBD) and operating income were noticeably affected by missing proceeds from the sale of emission rights to the amount of €27 million and €13 million, respectively.

Key data Eastern Europe-Central Asia			
€m	2012	2013	Change
Revenue	1,435	1,337	-6.9 %
Operating income (2012: restated)	193	150	-21.8 %
Investment in property, plant, and equipment	181	124	-31.4 %
Cement and clinker sales volumes (Mt)	17.2	16.7	-2.9 %
Aggregates sales volumes (Mt)	19.2	19.6	2.4 %
Ready-mixed concrete sales volumes (Mm ³)	3.8	3.7	-1.7 %
Employees as at 31 December	9,435	9,302	-1.4 %

Revenue Eastern Europe-Central Asia 2013: €1,337 million



North America

The United States and Canada form the North America Group area. In its largest market area, HeidelbergCement is one of the leading manufacturers of cement, aggregates, ready-mixed concrete, asphalt, and building products.

The US economy recovered slowly but steadily in 2013. Especially in the second half of the year, growth rates rose substantially – fuelled by a surge in private consumption. Given the considerably weaker situation in the first half, which was marred by the budget battle in Congress (fiscal cliff), GDP expanded by only 1.9 % in 2013, compared to 2.8 % in 2012. Positive economic data lead us to expect another upward trend in 2014. The labour market also improved in the reporting year, with unemployment rate sinking to 6.7 % by the end of 2013. The construction sector in 2013 grew only by 1.5 %, compared to 7.6 % in the previous year. Residential construction was up by 8.5 %, while non-residential construction rose by 9.3 %, especially as a result of growth in industrial and commercial construction. Public construction, on the other hand, was down 3.0 %, which is attributable to declines in public-sector investment as tax revenues were delayed and budget consolidation measures were implemented.

While Canada's gross domestic product increased by 2.0 % in 2013, construction activity was down 1.0 %. Mainly residential and infrastructural construction declined; non-residential construction was unchanged.

Cement business line

In 2013, cement consumption in the United States rose by 4.5 % to 82 million tonnes. The American Cement Association PCA expects a further significant increase in 2014. In Canada, however, cement consumption is expected to have dropped between 9 % and 10 % in 2013.

Cement and clinker sales volumes of our plants reached 12.5 million tonnes (previous year: 11.7), an increase of 6.8 %. The highest increase in volumes was recorded at a double-digit level in the West Region. Due to the growing construction activity in recent years, especially in Los Angeles and San Francisco, cement demand continued to grow in 2013. Sales volumes in the South Region also improved considerably. The same goes for our plants in Canada, though poor weather conditions were a moderating factor for cement sales. The North Region suffered the most from the prolonged winter and subsequent heavy rainfalls with sales volumes only slightly exceeding the previous year. In the reporting year, the sales volumes of our two white cement plants recorded double-digit growth compared with 2012. Revenue of the cement business line only rose by 5.2 % to €1,134 million (previous year: 1,078) in 2013 as a result of exchange rate effects; in US dollar, revenue was up by 8.7 %.

In the quarry of the Permanente plant in Cupertino, California, the primary crusher was relocated and at the same time extensively renewed to open up further reserves. Investments were made in all US cement plants to meet the new emission standards for hazardous air pollutants, NESHAP, which will come into effect in September 2015.

Aggregates business line

In the United States and western Canada, HeidelbergCement has a dense network of production sites for sand, gravel, and hard rock. In total, sales volumes fell short of previous year levels by only 0.3 % – at 104.1 million tonnes (previous year: 104.5). With the exception of the Regions West and South, where double-digit growth was achieved in some markets, sales volumes in the other market regions of the United States and Canada fell significantly. This is primarily attributable to the decline in government infrastructure investment and poor weather conditions in the north of the United States and in Canada. Revenue of the aggregates business line was up by only a

modest 1.0 % to €1,043 million (previous year: 1,032) as a result of exchange rate effects. In US dollar, this translates to an increase of 4.4 %.

In Canada, we invested in the renewal of production and extraction equipment at the Sechelt and Villeneuve locations.

Building products business line

The building products business line includes the production of concrete and pressure pipes, precast concrete parts, bricks, and concrete roof tiles.

In 2013, the development of the building products business line was mixed. On the one hand, rising residential construction activities fuelled the demand for bricks. On the other hand, the decrease in infrastructure investments led to declines in concrete and pressure pipes, especially in Canada. Sales volumes of precast concrete parts and roof tiles also experienced a decline.

In order to streamline our business activities, we closed several plants both in the United States and in Canada during the reporting year and transferred production to neighbouring locations. This allowed us to further ensure cost-effective delivery to our markets.

Revenue of the building products business line fell by 11.7 % to €639 million (previous year: 723), as a result of exchange rate and consolidation effects brought about by our withdrawal from the concrete paving block business last year. In US dollar, revenue decreased by 8.7 %.

Concrete-service-other business line

This business line primarily comprises ready-mixed concrete and asphalt activities. While we have an extensive network of ready-mixed concrete plants throughout the Group area, asphalt production focuses mainly on New York and Pennsylvania, as well as California.

Ready-mixed concrete deliveries declined in comparison with the previous year by 3.3 % to 5.9 million cubic metres (previous year: 6.1). Excluding consolidation effects, sales volumes were at the level of the previous year. Our plants in Canada achieved a substantial increase in sales volumes thanks to brisk activity in the oil and gas sector. The overall decline in sales volumes is partly due to the sale of a ready-mixed concrete company in the South Region in the third quarter of 2012. During the previous year, we also restructured our ready-mixed concrete activities in the Los Angeles area in the West Region, which led to a decrease in volumes for this year. Bad weather conditions in the North Region considerably impacted the demand for ready-mixed concrete.

Asphalt sales volumes fell by 11.2 % to 3.0 million tonnes (previous year: 3.4) in the reporting year. This reflects the general decline in infrastructure construction and the decrease in government investments in this area.

In 2013, total revenue of the concrete-service-other business line dropped by 4.1 % to €955 million (previous year: 995), which translates to a marginal decline of 0.8 % in US dollar.

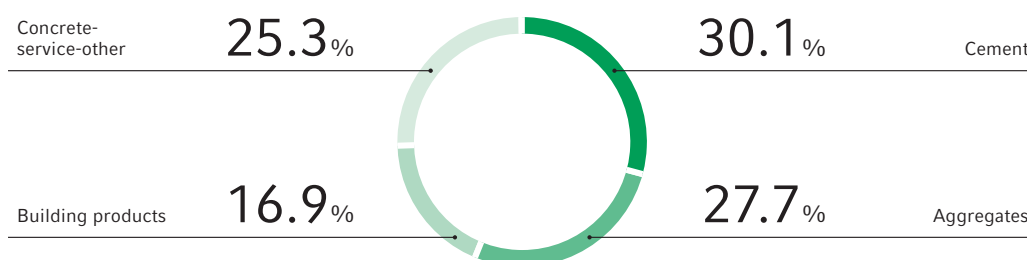
Revenue and results

After conversion to euro, total revenue in the North America Group area fell by 1.0 % to €3,407 million (previous year: 3,441). In operational terms, i.e. excluding consolidation and exchange rate effects, revenue rose by 3.4 %. The weakening of the Canadian dollar against the euro had a particularly strong impact. As a result of our intensive cost-cutting measures and the success of our various Group-wide efficiency improvement programmes, we were able to increase operating income before depreciation (OIBD) by 6.2 % to €607 million (previous year: 572); excluding consolidation and exchange rate effects, the increase was 9.5 %. Despite lower profits compared

with the previous year from the sale of exhausted quarries in Canada, operating income rose by 17.4 % to €378 million (previous year: 322); excluding consolidation and exchange rate effects, this equates to an increase of 19.9 %.

Key data North America			
€m	2012	2013	Change
Revenue	3,441	3,407	-1.0 %
Operating income (2012: restated)	322	378	17.4 %
Investment in property, plant, and equipment	162	192	18.7 %
Cement and clinker sales volumes (Mt)	11.7	12.5	6.8 %
Aggregates sales volumes (Mt)	104.5	104.1	-0.3 %
Asphalt sales volumes (Mt)	3.4	3.0	-11.2 %
Ready-mixed concrete sales volumes (Mm ³)	6.1	5.9	-3.3 %
Employees as at 31 December	11,001	10,781	-2.0 %

Revenue North America 2013: €3,407 million



Asia-Pacific

The Asia-Pacific Group area comprises seven Asian countries and Australia. In most of the growth countries of Asia, the focus is on cement production. In Indonesia, in particular, cement capacities are currently undergoing major expansion. In Malaysia, Hong Kong, and Indonesia, HeidelbergCement maintains a strong market position in aggregates and ready-mixed concrete. In Australia, we have significant market positions in ready-mixed concrete and aggregates, with a dense network of production sites. In the meantime, we also hold a 50 % participation in the largest cement company in Australia.

The emerging countries of Asia also remained on growth track in 2013, although the economic dynamics have weakened as a whole. In 2013, the Chinese economy grew, as in the previous year, by 7.7 % and has thus retained its pace of expansion. In India, the economy has not yet overcome its weak growth; the increase in gross domestic product amounted to less than 5 % in the last few quarters. In Indonesia, the economy has slowed down noticeably due to the declining raw material prices. Economic output rose by only 5.8 % in 2013 compared with 6.2 % in the previous year. In Australia, the general economic momentum is being curbed by the declining boom in raw materials; gross domestic product increased by 2.8 % in 2013. The prospect of a reduction in bond purchases by the US Federal Reserve (tapering) led to the withdrawal of capital from abroad and a sharp currency depreciation in a number of countries, particularly in Indonesia and India. The Australian dollar also weakened significantly in 2013.

Cement business line

Cement and clinker deliveries of the Asia-Pacific Group area grew by a total of 6.5 % in 2013 to 31.9 million tonnes (previous year: 30.0). Excluding the consolidation effect, resulting from the increase in our stake in Cement Australia from 25 % to 50 %, the rise amounted to 3.0 %.

In Indonesia, our largest Asian market, domestic cement consumption increased by 5.5 % in 2013, in contrast to the double-digit growth rates in the two previous years. Indocement's domestic sales volumes rose by 0.5 %. In addition, Indocement imported cement for its strongly expanding ready-mixed concrete business for the first time in 2013; including these additional volumes, domestic sales volumes rose by 1.7 %. The lower growth of Indocement compared to the market is 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. As a result of successful price increases, Indocement's sales prices were even noticeably above the previous year's level at the end of 2013. As Indocement focuses on domestic demand, low-margin export deliveries remained at a very low level, as in the previous year. Total cement and clinker sales volumes rose by 1.2 % to 18.2 million tonnes (previous year: 18.0). By including the volume of cement imported for the ready-mixed concrete business mentioned above, total cement and clinker sales volumes rose by 2.4 % to 18.4 million tonnes (previous year: 18.0). Growth in sales volumes and price increases, as well as a number of measures to improve cost efficiency and optimise purchasing activities, have led to an improvement in revenue and results in local currency. 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 March 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.

In China, HeidelbergCement is represented with the two joint ventures China Century Cement and Jidong Heidelberg Cement Company in the Guangdong and Shaanxi provinces. In 2013, both provinces experienced a significant increase in cement consumption thanks to the resurgence of investment in infrastructure and residential construction projects. The consolidated sales volumes of our joint ventures rose by 2.9 % to 6.4 million tonnes (previous year: 6.2). While cement prices in both provinces were below the level of the previous year, they recovered significantly during the year. Despite the decline in revenue, results have improved overall due to lower coal prices.

In India, construction activity and cement demand continued to be adversely affected by the government's ongoing restraint with regard to infrastructural projects as well as by high interest rates. In addition, the heavy rainfalls from June to August, along with legal restrictions regarding the conveyance of sand, negatively impacted construction activity. Domestic cement consumption in 2013 therefore remained at the previous year's level. Nonetheless, deliveries of our Indian cement plants rose significantly by 24.7 %, primarily as a result of the expansion of our cement capacities in central India by 2.9 million tonnes. After carrying out successful test runs between November 2012 and January 2013, we officially commissioned the new facilities at our Damoh plant in the state of Madhya Pradesh and at our Jhansi plant in the state of Uttar Pradesh in February 2013. 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.

In Bangladesh, our sales volumes remained noticeably below the level of the previous year due to political unrest, numerous strikes, and the earlier onset of the monsoon. Higher sales prices and cost savings, however, led to an encouraging improvement in results. Our cement deliveries also

declined sharply in the Sultanate of Brunei; several large residential construction projects were completed in this region and new projects have not yet started.

In Australia, the sales volumes of the proportionately consolidated cement company Cement Australia were slightly below the previous year's level due to the heavy rainfalls and floods on the east coast. In March, HeidelbergCement acquired an additional 25 % of the shares in Cement Australia from Holcim via its subsidiary Hanson Australia, thereby increasing its stake in the largest Australian cement manufacturer to 50 %. 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. Cement grinding test runs began in February 2014.

Revenue of the cement business line rose by only 1.3 % to €2,054 million (previous year: 2,029) as a result of the negative currency effects.

Aggregates business line

In the aggregates business line, HeidelbergCement is represented in Australia, Malaysia, Indonesia, and Hong Kong. In 2013, our aggregates activities achieved record sales volumes of 38.8 million tonnes (previous year: 37.0) with a growth rate of 4.9 %. Excluding consolidation effects, the increase in sales volumes amounted to 4.4 %.

In Australia, by far our biggest aggregates market in this Group area, strong demand was recorded especially in the metropolitan areas of Sydney and Perth, as well as in the mining areas in northwestern Australia and Queensland. This more than offset the decline in volumes in Victoria and Tasmania. In addition to the growth in sales volumes, moderate price increases contributed to an encouraging rise in revenue in local currency.

While our deliveries in Malaysia were at the high previous year's level, our aggregates activities in Indonesia and Hong Kong achieved a considerable growth in volumes. The price level was significantly improved in both Malaysia and Indonesia. Despite the good operational development, revenue of the aggregates business line fell by 3.7 % to €571 million (previous year: 592), owing to the negative currency effects.

Building products business line

With two modern precast concrete plants in the Sydney area, we are one of the best diversified precast part manufacturers in Australia. Revenue of the building products business line rose by 5.4 % to €28 million (previous year: 26) as a result of the pleasing development in sales volumes and prices.

Concrete-service-other business line

HeidelbergCement performs ready-mixed concrete activities in Australia, Malaysia, Indonesia, and China. In Malaysia, we conduct major asphalt activities. We now only operate one asphalt plant in Australia, following the sale of the asphalt business in 2009.

Our ready-mixed concrete deliveries rose overall by 11.9 % to 12.4 million cubic metres (previous year: 11.1). A particularly strong contribution was made by Indonesia with an increase in sales volumes of more than 25 %. In light of the continued positive growth prospects, Indocement strengthened its ready-mixed concrete activities and commissioned six new plants and more than 200 ready-mix trucks. Malaysia also achieved a double-digit percentage increase in volumes thanks to robust growth in residential and infrastructure construction. In Australia, our ready-mixed concrete deliveries were slightly above the previous year's level. In China, we attained an encouraging increase in sales volumes. The decrease in volumes in Hong Kong was more than compensated for by growth in the Guangdong province.

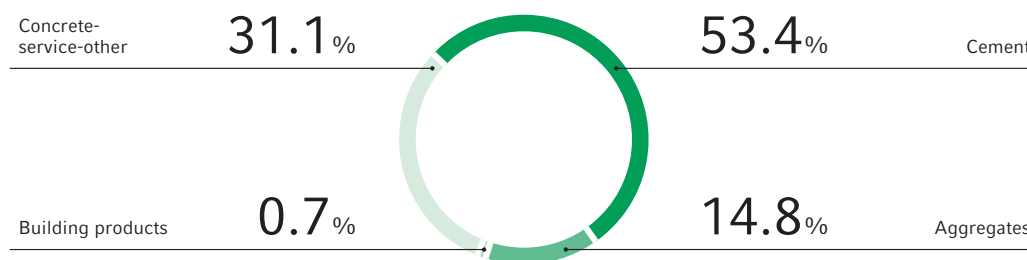
In Malaysia, sales volumes of the asphalt operating line grew by 16.1 % to 2.2 million tonnes (previous year: 1.9) thanks to the strong demand from the infrastructural sector. Revenue of the concrete-service-other business line fell by 1.2 % to €1,198 million (previous year: 1,213) as a result of exchange rate effects.

Revenue and results

Revenue of the Asia-Pacific Group area decreased by 1.7 % to €3,419 million (previous year: 3,477). However, excluding consolidation and exchange rate effects, an increase of 5.2 % was recorded. The negative currency effect amounting to €352 million arose from the drastic weakening of the Indonesian rupiah, the Indian rupee, and the Australian dollar against the euro. Operating income before depreciation (OIBD) fell by 4.8 % to €845 million (previous year: 887) compared with the previous year. Excluding consolidation and exchange rate effects, growth of 2.0 % was recorded. Operating income decreased by 6.3 % to €686 million (previous year: 732); excluding consolidation and exchange rate effects, it rose by 0.7 %.

Key data Asia-Pacific			
€m	2012	2013	Change
Revenue	3,477	3,419	-1.7 %
Operating income (2012: restated)	732	686	-6.3 %
Investment in property, plant, and equipment	231	287	24.2 %
Cement and clinker sales volumes (Mt)	30.0	31.9	6.5 %
Aggregates sales volumes (Mt)	37.0	38.8	4.9 %
Asphalt sales volumes (Mt)	1.9	2.2	16.1 %
Ready-mixed concrete sales volumes (Mm ³)	11.1	12.4	11.9 %
Employees as at 31 December	14,686	15,601	6.2 %

Revenue Asia-Pacific 2013: €3,419 million



Africa-Mediterranean Basin

In Africa, HeidelbergCement is represented in nine countries south of the Sahara, where it almost exclusively produces cement. Our locations in the Mediterranean Basin are situated in Spain, Israel, and Turkey. In Spain and Israel, HeidelbergCement mainly produces aggregates and ready-mixed concrete. In Turkey, our joint venture Akçansa is one of the country's leading cement manufacturers; in addition, Akçansa also manages ready-mixed concrete and aggregates activities.

The African countries south of the Sahara benefit from the dynamic raw material industry and are continuing to experience sound economic development and lively construction activity. Solid economic growth, population increase, urbanisation, and infrastructural measures are the main drivers in these countries when it comes to the rise in construction activity and cement demand. In Turkey, the economy and the construction industry are recovering from a period of weakness in the previous year. However, the high current account deficit and the depreciation of the Turkish currency are reasons for concern. The Turkish economy should have grown by around 3.8 % in 2013. In Spain, the economy grew minimally in the third and fourth quarter for the first time after more than two years of recession; economic output fell by 1.2 % for the whole of 2013. The dramatically high levels of unemployment, the ongoing housing crisis, as well as the austerity packages introduced by the government and the regional administrations, which resulted in heavy cuts in infrastructure expenditure, have once again led to a significant decline in demand for building materials in Spain. Israel recorded economic growth of 3.4 % as well as lively construction activity, which was primarily driven by residential construction and infrastructural measures.

Cement business line

In the African countries in which HeidelbergCement operates, cement consumption rose by an average of almost 7 % in 2013. Our cement plants and grinding facilities achieved a solid overall rise in cement shipments, with varied development in the individual markets. Togo made a particularly strong contribution to this growth, as did our main market Ghana, as well as Liberia and the Democratic Republic of Congo. Overall, cement deliveries from our African subsidiaries rose by 5.2 % to 6.6 million tonnes (previous year: 6.2). Sales prices decreased slightly in some countries as a result of increased competitive pressure, particularly through imports. Due to negative exchange rate effects, revenue and results of our African cement activities remained slightly below the previous year.

In light of the good growth prospects, HeidelbergCement is expanding its activities in Africa. In Liberia, we put a new cement mill into operation with a capacity of 0.5 million tonnes in June 2013. We are also expanding our cement production capacity in Tanzania with the construction of a new cement mill at our Tanzania Portland Cement plant. The commissioning of the mill with a capacity of 0.7 million tonnes is scheduled for the end of 2014 and will increase our cement capacity in Tanzania to 2 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. Following the expansion of the cement capacity at our Tema grinding facility in Ghana, we are undertaking a similar project at our Takoradi location. With the scheduled commissioning of a new cement mill with a capacity of 0.8 million tonnes at Takoradi at the end of 2014, we will have a cement grinding capacity of 4.4 million tonnes in Ghana. In Togo, the commissioning of our new clinker plant is expected for the end 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 200,000 tonnes in the north of the country which is scheduled for commissioning in 2016. We are also evaluating options for capacity expansions in other African countries.

In Turkey, construction activities and the demand for cement have risen thanks to new infrastructure projects, such as bridge and motorway construction. Significant growth in cement consumption of around 8 % is expected for 2013. The domestic cement sales volumes of our joint venture Akçansa increased by more than 16 %. In contrast, cement and clinker exports declined significantly. All in all, the cement and clinker sales volumes of Akçansa rose by 2.5 % to 7.7 million tonnes (consolidated quantity: 3.1 million). In view of the strong domestic market, cement prices were increased substantially during the course of the year.

Total cement and clinker sales volumes in the Africa-Mediterranean Basin Group area grew by 4.3 % to 9.6 million tonnes (previous year: 9.2). Revenue of the cement business line decreased by 4.1 % to €791 million (previous year: 825).

Aggregates business line

HeidelbergCement is active in Spain, Israel, and Turkey in the aggregates business line. As a whole, the Group area's deliveries of aggregates fell by 8.7 % to 12.5 million tonnes (previous year: 13.7). The decline is primarily due to the continued weak construction activity in Spain, where our aggregates activities suffered as a result of further cuts in public funding for infrastructural measures. In Israel, our aggregates sales volumes remained also below the previous year, but the decline was more than offset by price increases. We recorded a slight rise in our deliveries of aggregates in Turkey. Successful price increases led to a significant improvement in results. Revenue of the aggregates business line rose by 3.1 % to €90 million (previous year: 87).

Concrete-service-other business line

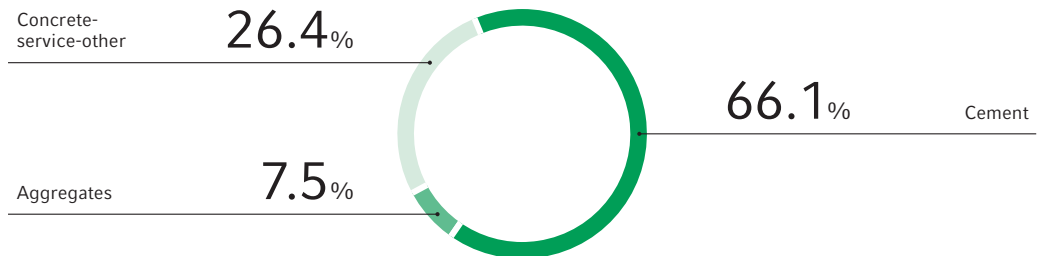
In this Group area, HeidelbergCement conducts major ready-mixed concrete activities in Spain, Israel, and Turkey. The asphalt operating line is only represented in Israel. Deliveries of ready-mixed concrete decreased by 0.6 % in 2013 to 4.9 million cubic metres (previous year: 4.9); while Israel achieved pleasing growth in sales volumes and Turkey remained only slightly below the previous year, our Spanish ready-mixed concrete activities suffered significant declines in quantities. As a result of low construction activity in Spain, it was necessary to make further adjustments to our ready-mixed concrete capacities. Our Israeli ready-mixed concrete plants benefited from the high level of demand from the residential construction and infrastructure sectors. The asphalt operating line in Israel reported a decline of 5.5 % in sales volumes. Revenue of the concrete-service-other business line rose overall by 5.3 % to €315 million (previous year: 299).

Revenue and results

Total revenue of the Africa-Mediterranean Basin Group area increased slightly by 0.7 % to €1,143 million (previous year: 1,135). Excluding exchange rate effects, the increase amounted to 6.5 %; no consolidation effects were recorded. At €212 million (previous year: 204), operating income before depreciation (OIBD) came in 4.4 % above the previous year; excluding exchange rate effects, the increase amounted to 11.9 %. Operating income improved by 5.0 % to €174 million (previous year: 166); excluding exchange rate effects, the increase amounted to 13.5 %. Income in 2013 was negatively affected by restructuring expenses in Gabon.

Key data Africa-Mediterranean Basin			
€m	2012	2013	Change
Revenue	1,135	1,143	0.7 %
Operating income (2012: restated)	166	174	5.0 %
Investment in property, plant, and equipment	80	149	86.6 %
Cement and clinker sales volumes (Mt)	9.2	9.6	4.3 %
Aggregates sales volumes (Mt)	13.7	12.5	-8.7 %
Asphalt sales volumes (Mt)	0.5	0.5	-5.5 %
Ready-mixed concrete sales volumes (Mm ³)	4.9	4.9	-0.6 %
Employees as at 31 December	3,349	3,331	-0.5 %

Revenue Africa-Mediterranean Basin 2013: €1,143 million



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 responsible, on the one hand, for the maritime transport of cement, clinker, and other building materials produced by HeidelbergCement plants, and on the other hand, for the purchase and delivery of coal and petroleum coke also via sea routes to our own locations and to other cement companies around the world.

Thanks to the global trading network of HC Trading, with employees from 20 countries, strategically important locations in Malta, Istanbul, Singapore, Shanghai, and Dubai, as well as representations in South America, the United Kingdom, and Bangladesh, we are able to better control the capacity utilisation of our plants and deliver the surplus production from one country to another with high demand for cement and clinker. HC Trading managed to increase its trade volume and revenue in the reporting year to 18.5 million tonnes (previous year: 14.6) and €941 million (previous year: 828), respectively. 11 % of these deliveries were within the Group, while 89 % went to other international companies that make use of our competitive, efficient, and global trading network.

Our deliveries of cement, clinker, and other building products, such as lime and dry mortar, rose by 28.5 % to 13.6 million tonnes (previous year: 10.6) in 2013. The largest volumes were destined for Africa, Bangladesh, and Saudi Arabia. The key supply countries were Turkey, Vietnam, and Taiwan.

International trading in coal and petroleum coke increased in the reporting year by 21.1 % to 4.9 million tonnes (previous year: 4.1). Besides Group-owned cement plants, the main purchaser was the global cement industry. In the reporting year, we supplied customers in Africa, Europe, the Middle East, Southeast Asia, as well as North and South America.

Overall, more than 1,100 ships transported the goods in 2013, mostly via the main sea routes of Asia, the Mediterranean Basin, and Continental Europe to their destinations in Africa, the Middle East, and South America. Thanks to its sophisticated logistics, HC Trading is able to respond quickly to changing market conditions.

Revenue and results

Revenue in Group Services increased by 13.6 % to €941 million (previous year: 828). Excluding exchange rate effects, the increase amounted to 17.4 %. Operating income before depreciation (OIBD) decreased slightly by 3.2 % to €21 million (previous year: 22), which was due to high

competitive pressure in cement deliveries and in the markets for solid fuels. Furthermore, margins declined in the fourth quarter owing to a sharp increase in freight rates. Operating income decreased in the same order of magnitude to €21 million (previous year: 22).

Key data Group Services			
€m	2012	2013	Change
Revenue	828	941	13.6 %
Operating income	22	21	-3.2 %
Employees as at 31 December	57	61	7.0 %

Discontinued operations

Income from discontinued operations include expenses and income relating to provisions for damages and environmental obligations for US subsidiaries of the Hanson Group, which was taken over in 2007.

Net income from discontinued operations amounted to €98 million (previous year: 89) in the financial year. As a result of a ruling of the Supreme Court of California, the Group was able to recognise claims for reimbursement against primary insurers in its results of the second quarter of the reporting year. Claims for reimbursement increased by €195 million to €324 million (previous year: 129). As a result, income taxes rose by €31 million to €65 million (previous year: 34). In contrast, expenses declined primarily as a result of the decrease of €36 million in provisions for damages and environmental obligations to €37 million (previous year: 73).

Statement of cash flows

The statement of cash flows for the 2013 financial year was characterised by payments for strategic investments and the cartel fine in Germany.

The cash inflow from operating activities fell by €443 million to €1,057 million (previous year: 1,513). The higher decrease in provisions through cash payment due to the disbursement of €161 million for the legally confirmed penalty notice by the Federal Court of Justice in the second quarter of 2013 for antitrust violations in the years from 1990 to 2002 had a particular impact on this figure. Furthermore, the increase of €77 million in income taxes payments to €406 million (previous year: 328) and the decrease of €17 million in dividend payments to €15 million (previous year: 32) reduced cash inflow from operating activities. The cash inflow from interest received fell by €26 million to €104 million (previous year: 130).

The drop of €127 million in interest payments to €638 million (previous year: 765) had a positive effect. Despite higher net debt, interest rates were significantly lowered in line with the refinancing of the repaid US\$750 million bond. The increase of €27 million in cash inflow from working capital to €193 (previous year: 166) had a positive impact on liquidity.

Cash flow from investing activities rose by €516 million to €1,098 million (previous year: 582). Cash flow investments (cash outflow) increased by €448 million to €1,314 (previous year: 866) and related mainly to investments in property, plant, and equipment as well as in other financial assets, associated companies, and joint ventures. A prime example of this is the acquisition of

an additional 25 % in the Australian cement manufacturer Cement Australia. Investments in subsidiaries and other business units also increased and, in particular, included the acquisition of the remaining 50 % of the shares in Midland Quarry Products Limited (MQP), United Kingdom. €508 million (previous year: 490) related to investments for sustaining and optimising capacity and €806 million (previous year: 376) to capacity expansions.

Financing activities generated a cash inflow of €262 million (previous year: cash outflow of -1,262) in the reporting period. Proceeds from and repayments of bonds and loans primarily include the issuance of three new bonds of €75 million, €300 million, and €500 million, of which the proceeds were used to refinance existing bank debts and the bond of US\$750 million that was repaid in March. The €75 million bond was fully repaid already in the reporting year. Furthermore, the use of the syndicated facility agreement and the repayment of several debt certificates are included in the cash inflow. Besides the repayment of a bond of €1 billion that matured in January 2012, a Eurobond with an issue volume of €300 million was issued in the previous year.

The changes in short-term interest-bearing liabilities relate primarily to inflows from the issuance of commercial papers. The cash outflow of €110 million (previous year: 2) from the increase in ownership interests in subsidiaries shows the increase in our participation in the Russian cement company CJSC "Construction Materials" from 51 % to 100 %. Dividend payments led to a cash outflow of €182 million (previous year: 134), with dividend payments of HeidelbergCement AG making up €88 million (previous year: 66) of this figure.

In the 2013 financial year, HeidelbergCement was able to meet its payment obligations at all times.

Consolidated statement of cash flows (short form)			
€m	2012 ¹⁾	2013	Difference
Cash flow	1,546	1,241	-305
Changes in working capital	166	193	27
Decrease in provisions through cash payments	-213	-377	-164
Cash flow from operating activities – continuing operations	1,500	1,057	-443
Cash flow from operating activities – discontinued operations	14		-14
Cash flow from operating activities	1,513	1,057	-456
Investments (cash outflow)	-866	-1,314	-448
Other inflows of cash and cash equivalents	284	215	-69
Cash flow from investing activities	-582	-1,098	-516
Capital increase – non-controlling shareholders	3	3	
Dividend payments	-134	-182	-48
Increase in ownership interests in subsidiaries	-2	-110	-108
Net proceeds from/repayment of bonds and loans	-1,130	551	1,681
Cash flow from financing activities	-1,262	262	1,524
Effect of exchange rate changes	-64	-231	-167
Change in cash and cash equivalents	-395	-10	385

1) Amounts restated

Investments

A strict spending discipline regarding investments formed a significant cornerstone of our rigid and consistent cash management also for the 2013 financial year. However, we have seized arising opportunities, especially in financial assets, to make strategically important investments with a low risk profile. Cash flow investments thus increased to a total of €1,314 million (previous year: 866) in the reporting year and clearly exceeded our target value of €1.1 billion. €936 million (previous year: 831) was attributed to investments in property, plant, and equipment, including intangible assets. Investments in financial assets and other business units amounted to €377 million (previous year: 35).

Investments in property, plant, and equipment related partly to maintenance, optimisation, and environmental protection measures at our production sites, but also included numerous projects to improve energy efficiency and environmental protection in all Group areas. For instance, we commissioned two state-of-the-art lime kilns with high energy efficiency in both of our German lime plants, optimised the use of solid alternative fuels in our cement plants in the United Kingdom, and have made investments in all cement plants in the United States to meet the new National Emission Standards for Hazardous Air Pollutants (NESHAP), which will come into effect in September 2015. In order to optimise deliveries to the markets in Russia, we have commissioned a floating terminal in St. Petersburg and a cement terminal in Rostov-on-Don.

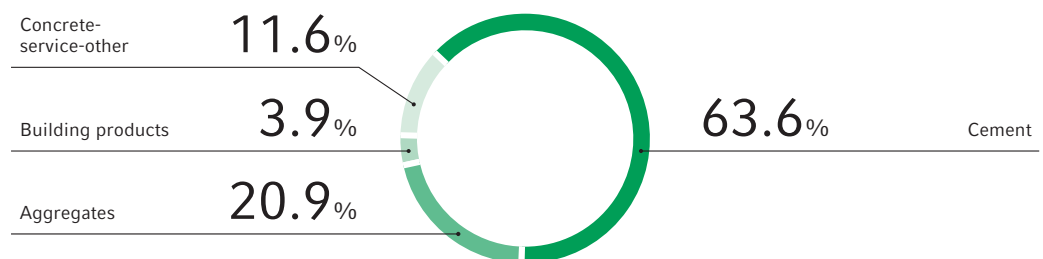
In 2013, we also carried out targeted investments in the Asia-Pacific and Africa-Mediterranean Basin Group areas as well as in Central Asia, in order to lay the foundations for future growth. Larger expansion projects in the Asia-Pacific Group area included the expansion of our cement capacities in central India by 2.9 million tonnes, the construction of an additional cement grinding facility with a capacity of 1.9 million tonnes at our Citeureup plant in Indonesia, the construction of a new integrated production line with a cement capacity of 4.4 million tonnes also at the Citeureup location, and the construction of a new cement grinding plant with a capacity of 1.1 million tonnes in the Australian town of Port Kembla. Our most important investment projects in Africa comprise the construction of a new clinker plant in Togo with a capacity of 1.5 million tonnes and the expansion of our cement grinding capacities in Tanzania, Ghana, Togo, and Burkina Faso by a total of 2.4 million tonnes. In Central Asia, we are investing in the new construction of the CaspiCement plant in Kazakhstan with a capacity of 0.8 million tonnes.

The investments in financial assets and other business units related primarily to the acquisition of an additional 25 % of shares in the Australian cement company Cement Australia and the remaining 50 % of the previously proportionately consolidated company Midland Quarry Products in the United Kingdom, in addition to smaller acquisitions to round off shareholdings.

Investments			
€m	2012	2013	Change
Western and Northern Europe	177	184	3.8 %
Eastern Europe-Central Asia	181	124	-31.4 %
North America	162	192	18.7 %
Asia-Pacific	231	287	24.2 %
Africa-Mediterranean Basin	80	149	86.6 %
Group Services		0	
Financial assets and other business units	35	377	
Total	866	1,314	51.7 %

The commissioning of the new production facilities in central India, new grinding capacities in Africa, and the completion of an additional grinding facility at Citeureup in Indonesia meant that more than 5 million tonnes of cement capacity were either put into operation or were started in test runs in 2013. In addition to that, we have doubled our cement capacities in Australia to more than 2 million tonnes by increasing our stake in Cement Australia.

Investments in property, plant, and equipment by business lines in 2013



Consolidated balance sheet

The balance sheet total fell by €1,142 million to €26,866 million (previous year: 28,008) as at 31 December 2013.

Non-current assets declined by €886 million to €22,092 million (previous year: 22,978). Exchange rate effects of €1,392 million, impairment losses of €198 million, and disposals of €86 million from the sale of subsidiaries, other business units, and other property, plant, and equipment, as well as reclassifications of €20 million in disposal groups held for sale contributed to the decrease of €1,112 million in fixed assets to €21,134 million (previous year: 22,246).

Additions of €939 million to property, plant, and equipment offset depreciation and amortisation of €787 million. Other non-current receivables increased by €266 million to €534 million (previous year: 268), mainly as a result of the capitalisation of claims against insurers concerning liability for damages in connection with discontinued operations as well as the valuation of plan assets from defined benefit pension plans.

Current assets decreased by €271 million to €4,743 (previous year: 5,014). Inventories fell by €114 million to €1,511 million (previous year: 1,625), primarily as a result of exchange rate effects. Trade receivables declined by €178 million to €1,241 million (previous year: 1,419), mainly due to currency exchange fluctuations of €-113 million. In addition, active receivables management enabled a further acceleration in the receipt of customer payments. The change in cash and cash equivalents is explained in more detail in the Statement of cash flows section on page 69f.

On the equity and liabilities side, equity decreased by €1,126 million to €12,582 million (previous year: 13,708), which was primarily due to currency exchange fluctuations of €-1,936 million, dividend payments totalling €-182 million, and changes in ownership interests in subsidiaries of €-112 million. In particular, the profit for the financial year of €945 million, the revaluation of defined benefit pension plans amounting to €139 million, and changes in the market value of cash flow hedges and available-for-sale financial instruments totalling €21 million had a positive impact. The consolidated statement of changes in equity is explained in detail on pages 162/163.

The rise of €492 million in interest-bearing liabilities, which reached €9,065 million (previous year: 8,573), is mainly due to offsetting effects. Despite the repayment of the US\$750 million bond, bond liabilities increased owing to the issuance of three new bonds. Liabilities to banks decreased slightly as a result of drawings in connection with the syndicated facility agreement and the repayment of several debt certificates. Other interest-bearing liabilities rose predominantly due to the issue of commercial papers.

The reduction of €300 million in provisions to €2,122 million (previous year: 2,422) primarily resulted from exchange rate effects, higher discount rates, and the €161 million payment of the German cartel fine. The decrease of €155 million in pension provisions mainly relates to measurements directly recognised in equity of defined benefit plans (actuarial losses), which are included in other comprehensive income.

The drop of €68 million in operating liabilities to €2,578 million (previous year: 2,646) is predominantly due to exchange rate effects of €-175 million, while trade payables increased by €140 million after adjustment for exchange rate effects.

In the 2013 financial year, the net debt-to-equity ratio (gearing) increased by 8.4 percentage points to 59.7 % (previous year: 51.3 %) due to exchange rate effects in equity as well as the rise of €476 million in net debt to €7,523 million (previous year: 7,047), of which €165 million is attributable to exchange rate effects.

Consolidated balance sheet (short form)			
€m	31 Dec. 2012 ¹⁾	31 Dec. 2013	Part of balance sheet total 2013
Intangible assets and property, plant, and equipment	21,708	20,553	77 %
Financial assets	538	581	2 %
Other non-current assets	733	958	4 %
Current assets	5,014	4,743	17 %
Disposal groups held for sale	16	31	0 %
Shareholders' equity and non-controlling interests	13,708	12,582	47 %
Non-current liabilities	10,046	9,142	34 %
Current liabilities	4,254	5,135	19 %
Liabilities in disposal groups		8	0 %
Balance sheet total	28,008	26,866	100 %

1) Amounts restated

Key financial ratios			
	2011	2012 ¹⁾	2013
Assets and capital structure²⁾			
Equity/total capital	47.0 %	49.1 %	47.0 %
Net debt/balance sheet total	26.8 %	25.2 %	28.0 %
Non-current capital/fixed assets	107.4 %	107.0 %	103.0 %
Gearing (net debt/equity)	57.0 %	51.3 %	59.7 %
Earnings per share			
Earnings per share (€)	1.86	1.52	3.98
Profitability			
Return on total assets before taxes ²⁾	4.9 %	4.3 %	6.2 %
Return on equity ²⁾	4.1 %	3.2 %	6.7 %
Return on revenue	4.3 %	3.1 %	6.1 %

1) Amounts restated

2) Without adjustment to IAS 32.18 b) non-controlling interests with put options in the amount of €98 million (2011), €45 million (2012), €51 million (2013)

Capital efficiency

Target of HeidelbergCement is to generate a ROCE between 19 % and 20 %. In the Group areas Asia-Pacific and Africa-Mediterranean Basin, the company easily beat this target in 2013. Western and Northern Europe, along with North America, were able to improve compared with the previous year but were still below ROCE targets, primarily as a result of the still relative weak construction activity in the United Kingdom and USA compared with the level prior to the financial crisis. Due to the decline in results of some Eastern European countries, ROCE in the Eastern Europe-Central Asia Group area declined compared with the previous year and was thereby also below the target range.

In addition, we want to achieve a ROIC equivalent to at least the weighted average cost of capital (WACC) which totalled 8.7 % at the end of the reporting year. ROIC for HeidelbergCement improved to 6.18 % compared with the previous year.

Group financial management

Financial principles and goals

The objective of external financing and safeguarding of liquidity is to ensure sufficient liquidity for the Group at all times. The crisis in the international capital markets has emphasised how important it is to focus on liquidity.

Our external financial flexibility is primarily assured by capital markets and a group of major international banks. Within the Group the principle of internal financing applies, i.e. financing requirements of subsidiaries are – where possible – covered by internal loan relationships. In 2013, our subsidiaries were financed according to this principle primarily by our finance companies HeidelbergCement Finance B.V. (HC Finance B.V.) and HeidelbergCement Finance Luxembourg S.A. (HC Finance Luxembourg S.A.) based in the Netherlands and Luxembourg, respectively, as well as by HeidelbergCement AG. This central financing principle ensures a uniform presence in the capital markets and also in relation to rating agencies, it eliminates structural benefits for

individual creditor groups, and strengthens our negotiating position with credit institutions and other market participants. Furthermore, it enables us to allocate liquidity in the most efficient way and to monitor and eliminate the financial risk positions (currencies and interest) across the Group on the basis of net positions.

The Group companies use either liquidity surpluses from other subsidiaries in cash pools (Germany, Scandinavia/Baltic States, United States, Benelux countries, Australia, United Kingdom, Canada, Czech Republic, Russia, Spain, and other countries) or are provided with intra-Group loans from HC Finance B.V., HC Finance Luxembourg S.A., or HeidelbergCement AG. In some cases, the Group Treasury department also arranges credit lines for subsidiaries with local banks in order to accommodate legal, tax, or other conditions. Local financing is mainly used for particularly small volumes.

Financing measures

The year 2013 was characterised by the successful placement of three bonds, the increase of the Commercial Paper Programme serving for short-term refinancing from €1 billion to €1.5 billion, the establishment of short-term bilateral credit lines and the successful reduction of the interest margin of the €3 billion syndicated credit with a term until 31 December 2015.

As at 31 December 2013, only €257.9 million had been drawn upon the syndicated credit facility. The free credit line amounted to €2,742.1 million at year-end 2013 (see following table). Overall, it is thereby ensured that all Group companies have sufficient cash and available headroom for drawings to enable them to successfully finance operational business and new investments.

Credit line	
€m	31 Dec. 2013
Syndicated facility (SFA)	3,000.0
Utilisation (cash)	23.2
Utilisation (guarantee)	234.7
Free credit line	2,742.1

In 2013, we raised capital on the capital market at very favourable conditions by issuing three bonds under the €10 billion EMTN Programme. The first bond was issued on 17 May: a €75 million bond with a term of less than a year and a maturity date on 17 October at a yield to maturity of 1%. The second bond issue followed on 24 October with an issue volume of €300 million and a seven-year term until 21 October 2020. The bond bears a fixed coupon of 3.25% p.a. The issue price was at 99.227%, resulting in a yield to maturity of 3.375%. The last issue took place on 12 December with an eight-year term until 21 October 2021 and an issue volume of €500 million. The bond was issued at a price of 99.337% and bore a fixed coupon of 3.25% p.a., resulting in a yield to maturity of 3.375%. The proceeds from all the bond issues were used for general corporate financing purposes.

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

The bonds issued in 2013 are unsecured and rank pari passu with all other capital market debt. According to the terms and conditions of all the bonds issued since 2009 and the debt certificate issued in December 2011, there is a limitation on incurring additional debt if the consolidated coverage ratio (i.e. the ratio of the aggregate amount of the consolidated EBITDA to the aggregate amount of the consolidated interest expense) of the HeidelbergCement Group is below 2. The consolidated EBITDA of €2,447 million and the consolidated interest expense of €577 million are calculated on a pro forma basis in accordance with the terms and conditions of the bonds. At the end of 2013, the consolidated coverage ratio amounted to 4.24. In the reporting year, net debt rose by €0.5 billion, and amounted to €7.5 billion (previous year: 7.0) as at 31 December 2013.

The following table shows the new issues and repayments of HeidelbergCement Group in 2013.

New issues and repayments of HeidelbergCement Group					
Transaction	Offering date	Duration	Maturity date	Nominal volume	Yield
New issue / Repayment	2013-05-17	5 months	2013-10-17	EURm 75	1.000 %
New issue	2013-10-24	7 years	2020-10-21	EURm 300	3.250 %
New issue	2013-12-12	8 years	2021-10-21	EURm 500	3.250 %
Repayment	2003-03-18	10 years	2013-03-15	USDm 750	5.250 %
Repayment	2002-09-27	11 years	2013-03-27	EURm 5	variable
Repayment	2008-04-18	5 years	2013-04-18	EURm 40	variable
Repayment	2008-05-05	5 years	2013-05-06	EURm 100	variable
Repayment	2008-06-09	5 years	2013-06-10	EURm 50	variable
Repayment	2011-12-20	5 years	2016-10-31 ¹⁾	EURm 115.5	variable

1) Early repayment 2013-04-30 at par

The following tables show the financial liabilities of HeidelbergCement Group as at 31 December 2013.

Bonds payable						
Issuer €m	Nominal volume	Book value	Coupon rate in %	Offering date	Maturity date	ISIN
HC Finance Luxembourg S.A.	1,000.0	1,018.6	7.500	2009-10-21	2014-10-31	XS0458230082
HC Finance Luxembourg S.A.	650.0	662.5	6.500	2010-01-19	2015-08-03	XS0478802548
HC Finance Luxembourg S.A.	650.0	654.1	6.750	2010-07-01	2015-12-15	XS0520759803
HC Finance Luxembourg S.A.	300.0	306.9	4.000	2012-03-08	2016-03-08	XS0755521142
Hanson Limited 750 Mio \$	545.6	562.0	6.125	2006-08-16	2016-08-15	US411349AA15
HC Finance B.V.	1,000.0	1,051.0	8.000	2009-10-21	2017-01-31	XS0458230322
HC Finance Luxembourg S.A. CHFm 150	122.2	122.1	7.250	2011-11-14	2017-11-14	CH0140684512
HC Finance B.V.	480.0	485.1	5.625	2007-10-22	2018-01-04	DE000A0TKUU3
HC Finance Luxembourg S.A.	500.0	509.0	9.500	2011-10-05	2018-12-15	XS0686703736
HC Finance Luxembourg S.A.	500.0	492.8	8.500	2009-10-21	2019-10-31	XS0458685913
HC Finance Luxembourg S.A.	750.0	749.1	7.500	2010-01-19	2020-04-03	XS0478803355
HC Finance Luxembourg S.A.	300.0	299.4	3.250	2013-10-24	2020-10-21	XS0985874543
HC Finance Luxembourg S.A.	500.0	490.4	3.250	2013-12-12	2021-10-21	XS1002933072
Total		7,403.2				

Bank loans					
Issuer €m	Nominal volume	Book value	Coupon rate in %	Offering date	Maturity date
Debt certificates					
HC Finance B.V.	25.0	26.1	6.570	2008-05-07	2014-05-07
HC Finance B.V.	18.0	18.1	3-M-Euribor + 2.150	2008-05-07	2014-05-07
HC Finance B.V.	100.0	101.2	6.000	2007-10-16	2014-10-16
HeidelbergCement AG	173.5	174.7	6.770	2011-12-20	2016-10-31
Syndicated facility¹⁾					
HeidelbergCement AG	23.2	2.9		2010-04-27	2015-12-31
Others					
HeidelbergCement Group		510.9			
Total		833.9			

1) Refinanced at the end of February 2014; see section Events occurring after the close of the 2013 financial year on page 87 f.

Other interest-bearing liabilities						
Issuer €m	Nominal volume	Book value	Coupon rate in %	Offering date	Maturity date	ISIN
European Medium Term Note						
HC Finance B.V.	30.0	30.0	3-M-Euribor + 1.450	2005-06-09	2015-06-09	XS0221489155
Commercial Paper						
HeidelbergCement AG	545.8	545.8				
Others						
HeidelbergCement Group		201.9				
Total		777.7				

Non-controlling interests with put options	
€m	Book value
Non-controlling interests with put options	50.6
Total	50.6

The following table shows the main liquidity instruments as at 31 December 2013.

Liquidity instruments	
€m	31 Dec. 2013
Cash and cash equivalents	1,464.9
Derivative financial instruments	27.1
Free credit line	2,742.1
Free liquidity	4,234.1

Rating

In the financial year, the company's credit rating by the rating agencies Moody's and Fitch Ratings remained stable at Ba1 and BB+, respectively. As a result of the increased demand and the favourable conditions on the market, we increased the line of our Commercial Paper Programme by €0.5 billion to €1.5 billion on 24 July 2013. We were able to successfully continue issuance activity in the money market during the first nine months and issued a total volume of €5.3 billion via our €1.5 billion Euro Commercial Paper Programme over the course of 2013. In the fourth quarter, issuance activity under the Commercial Paper Programme was gradually reduced in order to limit

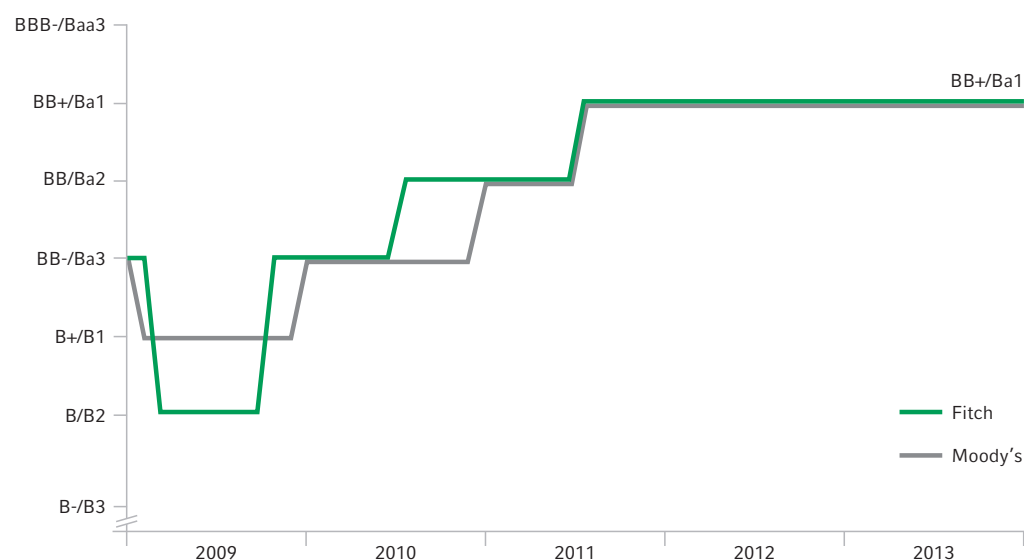
excess liquidity at the end of the year. As at 31 December 2013, €545.8 million of the Commercial Paper issued by HeidelbergCement AG remained outstanding. The €3 billion syndicated credit facility thereby serves as a backup line.

Ratings as at 31 December 2013

Rating agency	Long-term rating	Outlook	Short-term rating
Moody's	Ba1	stable	Not Prime
Fitch	BB+	stable	B

The consistent and successful reduction of net debt over recent years is reflected by the positive development of our credit ratings between 2009 and 2013:

Development of ratings 2009–2013



Results of operations, asset positions, and financial performance of HeidelbergCement AG

In addition to the Group reporting, the parent company's development is described below. In contrast with the consolidated financial statements, the annual financial statements of HeidelbergCement AG are prepared in accordance with German commercial law. HeidelbergCement AG's management report is combined with that of the HeidelbergCement Group in accordance with § 315, section 3 of the German Commercial Code (Handelsgesetzbuch, HGB), as the business trend, economic position, and future opportunities and risks of the parent company are closely linked with the Group on account of their common activity in the building materials business.

As the controlling company, HeidelbergCement AG plays the leading role in the HeidelbergCement Group. It is also operationally active in Germany in both the cement and the building products business lines, with eleven cement plants and grinding facilities as well as a lime plant.

In 2013, construction investments in Germany increased only slightly, despite sustained high demand in residential construction. Our cement and clinker sales volumes decreased in comparison with the previous year as a result of the long winter period, which stretched far into the reporting year. Exports also diminished in 2013. The accretion of HeidelbergCement Baustoffe für Geotechnik GmbH & Co. KG, Ennigerloh, Germany, resulted in a contribution to revenue of €35 million, which meant the overall revenue of HeidelbergCement AG only fell slightly by 0.7 % to €526 million (previous year: 530). Material costs declined slightly by 7.8 %, or €18 million, to €211 million (previous year: 229). This is primarily attributable to considerably reduced energy costs. Other operating income fell to €113 million (previous year: 125). Personnel costs increased by €10 million to €175 million (previous year: 165) due to the accretion and rise in the number of employees. Other operating expenses decreased by €31 million to €205 million (previous year: 236). Overall, earnings before interest and taxes (EBIT) improved by €28 million to €19 million (previous year: -9).

The results from participations declined by €5 million to €-14 million (previous year: -9), which is essentially attributable to the increase in loss compensation at HeidelbergCement International Holding GmbH, Heidelberg. The interest income from loans also fell by €5 million to €39 million (previous year: 44). One reason for this decline is the repayment of a loan amounting to €116 million granted to HeidelbergCement UK Holding Limited, United Kingdom.

Other interest and similar earnings rose by €32 million to €329 million (previous year: 297). Interest and similar expenses improved by €56 million to €305 million (previous year: 249). These adjustments are mainly due to the treasury activities of HeidelbergCement AG within the Group.

Through the in-house banking activities, the financing measures of the subsidiaries lead to currency positions that are hedged by means of external foreign exchange transactions, which are appropriate in terms of maturities and amounts. As the hedging transactions do not, as a rule, relate to any valuation units, currency gains or losses may arise at the end of each year in the annual financial statements. In accordance with the imparity principle, provisions for risks arising from hedging transactions were recognised to the extent of the negative market values. Positive market values are not recognised as assets. The foreign currency results in the 2013 financial year amounted to €15 million (previous year: 67).

Reversal of impairment in participations amounting to a total of €68.5 million were carried out in the 2013 financial year.

The income tax of €3 million (previous year: 42) essentially relates to taxes of the reporting year. Tax income from the reversal of provisions for previous years had an opposing effect. The total profit for the 2013 financial year amounted to €144 million (previous year: 90), while balance sheet profit was €150 million (previous year: 94).

The balance sheet total rose by €0.4 billion in comparison with the previous year to €19.2 billion (previous year: 18.8). This increase is primarily attributable to an increase of shares in affiliated companies by €1.0 billion, and a €0.6 billion decline in receivables from affiliated companies. Other liabilities increased by €0.5 billion owing to a greater use of the Commercial Paper Programme.

On the assets side, shares in affiliated companies rose by €1.0 billion to €13.5 billion (previous year: 12.5), which is essentially due to the increase in the capital reserves of HeidelbergCement International Holding GmbH, Heidelberg, through a cash contribution of €0.97 billion. The loans to affiliated companies remained almost unchanged at the previous year's level of €1.1 billion.

Financial assets rose by €1.0 billion to €14.7 billion (previous year: 13.7). Total fixed assets also increased by a similar amount to €15.0 billion (previous year: 13.9). Inventories rose by €5.0 million to €64.6 million (previous year: 59.6) due to the growing clinker stock. Trade receivables rose by €0.9 million in comparison with the previous year to €7.6 million (previous year: 6.7) as a result of the mild December. Receivables and other assets dropped to €4.1 billion (previous year: 4.7), which is essentially due to the decrease in receivables from affiliated companies to €4.0 billion (previous year: 4.6) related to financing measures within the Group. Cash and cash equivalents declined by €79 million to €77 million (previous year: 156).

On the equity and liabilities side, the equity remained largely unchanged at €11.7 billion (previous year: 11.7). Provisions fell considerably to €0.4 billion (previous year: 0.7) in comparison with the previous year as a result of the settlement of the antitrust fine. In contrast, liabilities increased by €0.6 billion to €7.1 billion (previous year: 6.5). This primarily reflects the rise in other liabilities to €0.6 billion, which grew in line with Group financing activities.

In February 2014, capital reserves at HeidelbergCement Finance B.V., Netherlands, were increased by €18.1 million by cash contribution in the context of further Group internal restructuring measures.

Evaluation of the economic situation by Group management

2013 was characterised by a divided development in the Group areas of HeidelbergCement. In the emerging countries of Asia and Africa, building materials consumption continued to grow, driven by the sustained economic growth. Private residential construction rose significantly in North America and led to a corresponding increase in demand for cement. In Europe, however, demand for building materials continued to weaken in some countries as a result of the cuts in public expenditure in connection with budgetary consolidation. Overall, the development of results benefited from our advantageous geographical positioning in local growth markets and from the fact that we are not represented, or only to a very limited extent, in the crisis-stricken countries of Southern Europe and the countries undergoing political upheaval in north Africa.

As a leading manufacturer of cement we profited from rising demand in North America, Asia, and African countries south of the Sahara, as well as in the United Kingdom and Russia. Furthermore, we were able to continue improving our operating margin with price increases and measures of our "FOX 2013" programme to reduce costs and optimise efficiency. This pleasing development was also supported by slightly declining energy prices. However, due to considerably negative exchange rate effects, revenue fell short of the level of the previous year and operating income only slightly exceeded it. In operational terms, or adjusted for exchange rate and consolidation effects, we were able to moderately increase both revenue and operating income in line with our targets. Special items in additional ordinary results were almost fully offset. Thanks to the successful ongoing optimisation of our financing structure, we were able to reduce financing costs in comparison with the previous year. As announced, we significantly increased the net result.

The cash inflow from operating activities fell considerably in comparison with the previous year, mainly as a result of the one-off payment of the German antitrust fine and negative exchange rate effects. We continued with our disciplined and targeted investments to expand cement capacities in attractive growth markets and, as announced, increased expenditure in this respect in order to make up the shortfall of the previous year. Furthermore, we carried out unplanned acquisitions that arose as opportunities during the first half of the year and that we considered

to be strategically important with a low risk profile. Additionally, the cash position was affected by the deterioration of key currencies in the second half of the year. As a result, net debt increased from €7.0 billion at the end of 2012 to €7.5 billion at the end of 2013. We were therefore unable to reduce the ratio of net debt to operating income before depreciation (OIBD) to below 2.8x, as planned, but merely achieved a factor of 3.1x. We consider the decrease in operating income before depreciation and the increase in net debt in 2013 to be temporary. Deleveraging with the aim to improve the decisive key financial ratios is still a top priority for us, in order to qualify for investment grade rating. To this end, we will also intensify the sale of parts of the Group that do not belong to our core business. With the successful placement of two bonds payable with favourable conditions at the end of the year, we strengthened our liquidity reserves and further improved the maturity profile. At the end of 2013, the available liquidity was €4.2 billion.

Comparison of the business trend with the previous year's forecasts

Revenue forecast

The forecast for 2013, issued by the Managing Board in the 2012 Annual Report, indicated that revenue would increase moderately with a slight appreciation of the euro against other currencies. This forecast was based on the assumption that sales volumes would increase in cement and aggregates volumes would decline somewhat. In addition, price increases would take on a high priority. Both cement and aggregates sales volumes have developed as expected. Overall, we were able to increase our prices for cement and aggregates. However, the weakening of numerous currencies against the euro was far more pronounced than anticipated. Negative exchange rate effects amounting to €664 million put a strain on revenue development. As a result, revenue fell slightly by 0.6 %. Excluding exchange rate and consolidation effects, in contrast, revenue rose by 3.4 % and was thus in line with expectations.

Expenditure forecast

In last year's Annual Report, a slight to moderate increase was anticipated for 2013 in the cost base for electricity, fuels, raw materials, and personnel. Energy costs developed better than expected in 2013 and were even marginally lower compared with the previous year. In absolute terms, they fell by 4.6 %, corresponding to 11.6 % of revenue in 2012 and 11.2 % in 2013. The decisive factor was the declining price of coal, which we were able to use to our advantage by virtue of our rather short-term purchasing strategy in 2013. Electricity costs, on the other hand, increased.

Personnel costs also developed better than expected in 2013 and decreased slightly by 1.2 %; as a percentage of revenue, they fell from 16.6 % in 2012 to 16.5 % in 2013.

The weakening of numerous currencies against the euro also resulted in lower material and personnel costs. Excluding exchange rate and consolidation effects, these rose marginally and were thus in line with expectations.

In 2013, our "FOX 2013" programme exceeded the target values for the increase in cash flow and achieved a gain in liquidity of €391 million compared with the planned €240 million.

As expected, financing costs decreased compared with the previous year. The main reason for this was the lower interest expenses compared with last year due to an improvement in the financing structure.

Profit forecast

On the basis of the expected development of revenue and expenditure, we forecast a moderate rise in operating income in the 2012 Annual Report. Despite the, in operational terms, very successful development in 2013, we were only able to slightly increase operating income by 0.2 % compared with the previous year owing to significantly worse exchange rate effects than expected. Excluding exchange rate and consolidation effects, the improvement was 5.2 % and thus in line with expectations. It should also be taken into account that the previous year's operating income included positive contributions to results from the sale of emission rights and exhausted quarries, which did not recur to the same extent in the reporting year.

Comparison of the business trend with the forecast in the 2012 Annual Report				
€m	Forecast Annual Report 2012	Actual 2012	Actual 2013	Change (adjusted for exchange rate and consolidation effects)
Revenue	Moderate increase	14,020	13,936	-0.6 % (+3.4 %)
Energy costs	Light to moderate increase	1,631	1,556	-4.6 % (+0.2 %)
Wages and salaries	Light to moderate increase	2,331	2,302	-1.2 % (+1.7 %)
Financing costs (financial result)	Decrease	-648	-569	-12.1 %
Operating income	Moderate increase	1,604	1,607	+0.2 % (+5.2 %)

Additional statements

Statements in accordance with § 289, section 4 and § 315, section 4 of the German Commercial Code (HGB)

On 31 December 2013, the share capital of HeidelbergCement AG amounted to €562,500,000. It is divided into 187,500,000 no-par value bearer shares, each with a notional amount of €3, which corresponds to a proportionate amount of the subscribed share capital. Each share carries one vote at the Annual General Meeting. All shares carry the same rights and obligations; there are no different classes of shares. The Managing Board knows of no restrictions concerning voting rights or the transfer of shares.

According to information available to the company in accordance with the German Securities Trading Law (Wertpapierhandelsgesetz), as at 31 December 2013, Mr Ludwig Merckle, Ulm, Germany, holds more than 10 % of the voting rights in the company. He currently holds 25.11 % of the voting rights directly and indirectly via various companies, including UBH Holding GmbH, Zossen, and Spohn Cement Beteiligungen GmbH, Zossen. No holder of shares has been granted special rights giving power of control.

The company's Managing Board is appointed and discharged by the Supervisory Board. The Articles of Association may be amended by the Annual General Meeting with a simple majority of the share capital represented at the time of voting, except where a greater majority is required by law. Amendments affecting only the wording of the Articles of Association may be made by the Supervisory Board.

As at 31 December 2013, there were two authorised capitals: namely, authorisation of the Managing Board and Supervisory Board to increase the capital by issuing new shares in return for cash contributions (Authorised Capital I), and authorisation of the Managing Board and Supervisory Board to increase the capital by issuing new shares in return for contributions in kind (Authorised

Capital II). The Authorised Capitals are summarised as below. The complete text of the authorisations can be found in the Articles of Association, which are published on our website www.heidelbergcement.com under "About us/Corporate Governance/Articles of Association".

Authorised Capital I

The Managing Board is authorised to increase, with the consent of the Supervisory Board, the company's share capital by a total amount of up to €225,000,000 by issuing new no-par value bearer shares in return for cash contributions on one or more occasions until 5 May 2015 (Authorised Capital I). The shareholders must be granted subscription rights. However, the Managing Board is authorised, in certain cases described in more detail in the authorisation, to exclude the subscription rights of shareholders in order to realise residual amounts or to issue shares totalling up to 10 % of the share capital at a near-market price.

Authorised Capital II

The Managing Board is also authorised to increase, with the consent of the Supervisory Board, the company's share capital by a total amount of up to €56,100,000 by issuing new no-par value bearer shares in return for contributions in kind on one or more occasions until 5 May 2015 (Authorised Capital II). The subscription right of shareholders is generally excluded in the case of capital increases in return for contributions in kind. The authorisation governs, in particular, the possibility of excluding the subscription right insofar as the capital increase in return for contributions in kind is performed for the purposes of acquisition of companies or to service option or conversion rights.

As at 31 December 2013, the authorisation to issue new shares in return for cash contributions or contributions in kind forming the basis of the Authorised Capitals I and II had not been used.

Conditional Share Capital

In addition, the Conditional Share Capital described below existed as at 31 December 2013. The share capital was conditionally increased by a further amount of up to €168,000,000, divided into up to 56,000,000 new no-par value bearer shares (Conditional Share Capital 2013). The conditional capital increase serves to back the issuance of option or conversion rights, or option or conversion obligations, on HeidelbergCement shares. The conditional capital increase is only carried out insofar as the Managing Board issues warrant or convertible bonds until 7 May 2018 under the authorisation of the Annual General Meeting from 8 May 2013 and the bearers of option or conversion rights make use of their rights. Warrant or convertible bonds may also be issued with option or conversion obligations.

The shareholders generally have a subscription right to newly issued warrant or convertible bonds. The authorisation governs specific cases in which the Managing Board may exclude the subscription right of shareholders to warrant or convertible bonds. The complete text of the Conditional Share Capital can also be found in the Articles of Association, which are published on our website www.heidelbergcement.com under "About us/Corporate Governance/Articles of Association".

As at 31 December 2013, the authorisation to issue warrant or convertible bonds forming the basis of the Conditional Share Capital 2013 had not been used.

A corresponding volume limit as well as the deduction clauses ensure that the sum of all exclusions of subscription rights in the two existing Authorised Capitals and the Conditional Share Capital 2013 will not exceed a limit of 20 % of the share capital existing at the time the authorisation to exclude the subscription right comes into force. The company has no treasury shares and there is no authorisation to acquire treasury shares.

A list of the company's significant agreements contingent on a change of control resulting from a takeover bid, and a summary of the effects thereof, is provided in the following in accordance with § 289, section 4, no. 8 and § 315, section 4, no. 8 of the German Commercial Code (HGB). Please note that we are disregarding agreements whose potential consequences for the company fall below the thresholds of €50 million in a singular instance or €100 million in the case of several similar agreements, as they will not normally affect the decision of a potential bidder. These change of control clauses are standard for this industry and type of transaction and have not been agreed with the intention of hindering any takeover bids.

As at 31 December 2013, the following significant agreements of HeidelbergCement AG were contingent on a change of control within HeidelbergCement AG resulting from a takeover bid.

Name of agreement/date	Type of contract	Nominal amount €m ¹⁾	Repayment	Type of clause
Syndicated credit and aval agreements				
Syndicated credit line and aval credit facility of 27 April 2010, extended on 17 February 2012	Credit and aval credit facility	3,000 ²⁾	to the extent outstanding by 31 December 2015	(1)
Bonds issued by HeidelbergCement Finance B.V., guaranteed by HeidelbergCement AG				
8.0% bond 2009/2017	Debenture bond	1,000	to the extent outstanding by 31 January 2017	(3)
5.625% bond 2007/2018	Debenture bond	480	to the extent outstanding by 4 January 2018	(2)
Bonds issued by HeidelbergCement Finance Luxembourg S.A., guaranteed by HeidelbergCement AG				
7.5% bond 2009/2014	Debenture bond	1,000	to the extent outstanding by 31 October 2014	(3)
6.5% bond 2010/2015	Debenture bond	650	to the extent outstanding by 3 August 2015	(3)
6.75% bond 2010/2015	Debenture bond	650	to the extent outstanding by 15 December 2015	(3)
4.0% bond 2012/2016	Debenture bond	300	to the extent outstanding by 8 March 2016	(3)
7.25% bond 2011/2017	Debenture bond	CHFm 150	to the extent outstanding by 14 November 2017	(3)
9.5% bond 2011/2018	Debenture bond	500	to the extent outstanding by 15 December 2018	(3)
8.5% bond 2009/2019	Debenture bond	500	to the extent outstanding by 31 October 2019	(3)
7.5% bond 2010/2020	Debenture bond	750	to the extent outstanding by 3 April 2020	(3)
3.25% bond 2013/2020	Debenture bond	300	to the extent outstanding by 21 October 2020	(3)
3.25% bond 2013/2021	Debenture bond	500	to the extent outstanding by 21 October 2021	(3)
Debt certificates issued by HeidelbergCement Finance B.V., guaranteed by HeidelbergCement AG				
of 7 May 2008	Debt certificate	43	by 7 Mai 2014	(2)
of 16 October 2007	Debt certificate	100	by 16 October 2014	(2)
Debt certificates issued by HeidelbergCement AG				
of 20 December 2011	Debt certificate	173.5	to the extent outstanding by 31 October 2016	(3)
Shareholders agreement				
between HeidelbergCement AG and IFC dated 19 May 2010, supplemented and revised on 19 January 2012	Agreement between HeidelbergCement AG and IFC as well as their associated shareholders in Scancem International DA	to be determined	to be determined	(4)

1) Provided that no other currency is specified

2) Of this figure, €257.9 million was outstanding as at 31 December 2013.

The relevant change of control clauses give the contractual partner or bearer of the bonds or debt certificates the right to immediately accelerate and to demand repayment of the agreement or outstanding loans, debenture bonds, or debt certificates, or to end the common participation in Scancem International DA in the event of a change in the company's shareholder structure as defined variously below.

The syndicated credit line and aval credit facility agreement dated 27 April 2010, extended on 17 February 2012 and modified on 24 June 2013, marked (1) in the type of clause column gives each bank syndicate creditor the right, in the event of a change of control, to accelerate the loan amount it provided (plus any accrued interest) and to demand repayment accordingly. A change of control is deemed to occur when a person or a group of people acting jointly in the sense of § 2, section 5 of the German Securities Acquisition and Takeover Act (WpÜG) has acquired more than 30 % of the shares in the company.

The bonds and debt certificates marked (2) in the type of clause column give each bearer of the debenture bond or debt certificate the right of early termination in the event of changes in the shareholder structure that lead to a change in the control of the company. A change of control is deemed to occur when more than 50 % of the subscribed capital or more than 50 % of the voting rights are controlled contractually or by other means. In connection with a concept of "registered partner", a change of control to (a) SC Vermögensverwaltung GmbH (formerly Spohn Cement GmbH) or (b) any partner of SC Vermögensverwaltung GmbH including successors and legatees of partners of SC Vermögensverwaltung GmbH and persons who are beneficial owners of shares in SC Vermögensverwaltung GmbH or (c) any legal person or foundation or comparable institution managed by such persons to whom shares in HeidelbergCement AG were transferred by persons mentioned under (a) to (c) is exempted from the change of control provision and thus from the regulation regarding a right of early termination.

The bonds and debt certificates marked (3) in the type of clause column give each bearer of the debenture bond or debt certificate the right, in the event of a change of control as described below, to demand full or partial repayment of the debt certificate from the company or, in the case of debenture bonds, at the company's option, the full or partial purchase of his debenture bonds by the company (or, at the company's request, by a third party) at the "early repayment amount". The early repayment amount means, in the case of the debt certificate, 100 % of the nominal amount of the debt certificate or, in the case of debenture bonds, 101 % of the nominal amount of the debenture bond plus accrued and unpaid interest up to (but not including) the repayment date defined in the bond terms.

A change of control is deemed to occur when one of the following events takes place:

- the company becomes aware that a person or group of persons acting in concert in the sense of § 2, section 5 of the German Securities Acquisition and Takeover Act (WpÜG) has become the legal or beneficial owner of more than 30 % of the company's voting rights, or
- the merger of the company with or into a third person or the merger of a third person with or into the company, or the sale of all or substantially all assets (consolidated) of the company to a third person, except in connection with legal transactions, as a result of which (a) in the event of a merger the holders of 100 % of the company's voting rights hold at least the majority of the voting rights in the surviving legal entity immediately after such a merger and (b) in the event of the sale of all or substantially all assets, the acquiring legal entity is or becomes a subsidiary of the company and becomes the guarantor for the debenture bonds.

The US\$750 million 6.125 % bond taken out by Hanson Limited, issued on 16 August 2006 and maturing on 15 August 2016, now guaranteed by HeidelbergCement AG, includes a provision whereby not only the direct but also the indirect acquisition of more than 50 % of the shares or voting rights in Hanson Limited may represent a change of control. The acquisition of 30 % of the voting rights in HeidelbergCement AG, which indirectly holds 100 % of the shares in Hanson Limited, could be regarded as an indirect acquisition. A change of control would grant the bearers of this bond a put option at 101 % of the nominal value plus interest against Hanson Limited if, in connection with this change of control, the bond was downgraded below investment grade by certain rating agencies. As the bond is already classified below investment grade, this change of control provision is currently not applicable.

In May 2010, HeidelbergCement signed a shareholders agreement, marked (4) in the type of clause column, with International Finance Corporation (IFC), a member of the World Bank Group. The agreement was supplemented and revised on 19 January 2012. This agreement governs the rights of the shareholders in the jointly held Norwegian holding partnership Scancem International DA, which brings together the main African activities of HeidelbergCement in the countries south of the Sahara. The agreement provides IFC and its financial partners with the opportunity of selling their indirect holding in Scancem International DA to HeidelbergCement at a price that corresponds to the reference price determined according to certain requirements in the agreement, if an "adverse sponsor change in control" occurs. This is defined as a change in control at HeidelbergCement AG that leads to a mandatory offer, pursuant to the German Securities Acquisition and Takeover Act (WpÜG), for the outside shareholders of HeidelbergCement AG, if the purchaser of the control is either included in one of the sanction lists of the UN, EU, France, USA, or the World Bank specified in the agreement, or if the purchaser of the control takes action or makes decisions that would end or compromise the objectives planned with the IFC's participation in Scancem International DA, i.e. the modernisation and expansion of the jointly led activities in the African countries south of the Sahara.

Agreements also exist on pension schemes in the United Kingdom, which stipulate that a change of control (not contractually specified) at HeidelbergCement AG must be communicated to the trustees of these pension schemes. If, according to the corresponding regulatory guidelines, a change of control poses a considerable risk to the fulfilment of the pension obligations (Type A Event), the trustees can request negotiations on the suitability of the safeguarding of the pension cover and these can be verified by means of a clearance procedure before the supervisory authority, which may lead to the adjustment of the securities.

With the introduction of the new Managing Board remuneration system in November 2010, the HeidelbergCement AG Supervisory Board has decided, in the event of new contracts and the extension of Managing Board contracts in accordance with the German Corporate Governance Code (point 4.2.3, section 5), to agree that a possible redundancy payment in the case of early termination of membership of the Managing Board following a change of control be limited to 150 % of the redundancy pay cap.

The other details required in accordance with § 289, section 4, and § 315, section 4 of the German Commercial Code (HGB) relate to circumstances that do not exist at HeidelbergCement AG.

Regional branches

HeidelbergCement has no regional branches either domestically or internationally.

Events occurring after the close of the 2013 financial year

In February 2014, HeidelbergCement AG increased its 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.

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 (see table on the following page).

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. As with all the bonds issued since 2009 and the debt certificate issued in December 2011, the bond terms and conditions include a limitation on incurring additional debt. In addition, the terms and conditions include the same change of control clause as the bonds and debt certificate marked (3) in the type of clause column in the table on page 84. The proceeds of the transaction will be used for general corporate purposes.

Syndicated facility agreement (SFA) executed on 25 February 2014

Borrower	HeidelbergCement AG	
Facility amount	€3,000,000,000	
Facility	A syndicated multi-currency cash and letter of credit facility €500,000,000 letter of credit facility operating as a sub-limit	
Maturity date	25 February 2019	
Margins		
- Cash drawdowns	Initial margin in % p.a.	0.95
	Subsequent margin depending on the ratio of Group net debt to EBITDA:	
	Group net debt : EBITDA	Margin in % p.a.
	Greater than or equal to 3.50 : 1	1.15
	Less than 3.50 : 1 but greater than or equal to 3.00 : 1	0.95
	Less than 3.00 : 1 but greater than or equal to 2.50 : 1	0.85
	Less than 2.50 : 1 but greater than or equal to 2.00 : 1	0.75
	Less than 2.00 : 1 but greater than or equal to 1.50 : 1	0.65
	Less than 1.50 : 1	0.55
- Issued letters of credit	75.00 % p.a. of the applicable margin	
Utilisation fee	Depending on the aggregate amount of utilisations outstanding:	
	≤ 33.33 % outstanding	0.10 %
	> 33.33 % outstanding	0.20 %
	> 66.66 % outstanding	0.40 %
Upfront fee	0.60 % on the total commitment	
Commitment fee	35.00 % p.a. of the applicable margin	
Financial covenants	Max. leverage ratio of 4.00x Min. interest coverage ratio of 3.50x	
Security	No upstream guarantees or any other kind of security	

Sustainability

The commitment to sustainable development is a pillar of HeidelbergCement's corporate strategy. The creation of economic added value, ecological competence, and social responsibility secure the Group's future viability. For us, sustainable corporate governance means ensuring a balance between making profit and securing future viability. We strive to act in a socially and ecologically responsible way. We take into account the effects of our entrepreneurial activity on the environment and society, and thereby reduce the risks for our business. Our sustainability strategy is thus derived from our corporate profile.

Sustainability strategy

As a commodity company, people, nature, and society are the focus of our sustainability strategy. We consider concern for the environment, climate protection, and sustainable resource conservation to be the foundation for the future development of our Group. In the same way, our obligation to prevent employees from work-related dangers and to protect their health has become an integral part of our activities for many years. Last but not least, acting in a sustainable way for us also means taking on social responsibility at our locations.

Our sustainability strategy and the areas of focus of our sustainability activities are strongly influenced by the expectations of external and internal stakeholders, which are systematically recorded and incorporated into our approach. Furthermore, after consulting numerous stakeholder groups and experts, the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development (WBCSD) has defined central fields of action and supplemented its 2012 Progress Report with new key topics. These are occupational safety, climate protection (CO₂ and energy management), use of alternative raw materials and fuels, pollutant emissions, sustainable land use and species conservation, sustainable construction, water management, supply chain management, and stakeholder dialogue.

Further fields of action are arising from the structure of our sales markets. Competition in the market is limited amongst building materials suppliers in many regions, which is why transparency and fair competition take on particular importance. Our international positioning comes with the need to respect cultural diversity and promote regional development at all our locations.

Sustainability management

The Sustainability Steering Committee, led by the Chairman of the Managing Board, is in charge of the management and control of the sustainability strategy. The committee is made up of people from various business lines and disciplines: the member of the Managing Board responsible for environmental sustainability as well as the heads of the Group departments Human Resources, Legal, Logistics, Sales & Marketing, Purchasing, Research & Technology, Communication & Investor Relations, and Global Environmental Sustainability. Operational responsibility for implementing the sustainability goals and measures lies with the individual Group departments, the country managers, and the Group Environmental Sustainability Committee, which manages environmental protection within the Group. It was set up in 2008 with the aim of improving our performance in environmental protection and occupational safety – very important areas for our industry – and promoting the exchange of information between the Group areas and business lines. An interdisciplinary team of experts from the individual business lines and Group areas defines guidelines, goals, and measures and coordinates their implementation.

Employees and society

Employee development

Employees worldwide

At the end of 2013, the number of employees at HeidelbergCement stood at 52,560 (previous year: 51,966). The increase of 594 employees essentially results from two opposing developments. On the one hand, around 750 jobs were cut in the North America Group area, in Benelux, and some Eastern European countries in connection with efficiency increases in sales and administration, location optimisations, and capacity adjustments. On the other hand, just under 1,000 new employees were hired in growth markets such as Indonesia and Central Asia. Furthermore, the number of employees rose by more than 300 because of the increase of our share in the proportionately consolidated cement company Cement Australia and the acquisition of the remaining 50% in the hitherto proportionately consolidated company Midland Quarry Products, United Kingdom.

Employees by Group areas			
31 December	2012	2013	Change
Western and Northern Europe	13,438	13,484	0.3%
Eastern Europe-Central Asia	9,435	9,302	-1.4%
North America	11,001	10,781	-2.0%
Asia-Pacific	14,686	15,601	6.2%
Africa-Mediterranean Basin	3,349	3,331	-0.5%
Group Services	57	61	7.0%
Total	51,966	52,560	1.1%

Personnel costs and social benefits

Expenditure on wages and salaries, social security contributions, costs of retirement benefits and other personnel cost fell by 1.2 % in comparison with the previous year to €2,302 million (previous year: 2,331). This corresponds to a share in revenue of 16.5 % (previous year: 16.6 %). The increase in personnel costs resulting from the acquisitions and business development was more than offset by opposing exchange rate effects and job cuts in some countries.

Personnel costs			
€m	2012	2013	Change
Wages, salaries, social security costs	2,222.4	2,199.2	-1.0 %
Costs of retirement benefits	87.5	80.0	-8.6 %
Other personnel costs	20.6	22.6	9.7 %
Total	2,330.5	2,301.8	-1.2 %

Communicating with employees

Qualified and motivated employees are an important prerequisite for the sustainable success of HeidelbergCement. Identifying our employees' talents, developing them, and – in competition with other companies – retaining those employees within the Group are therefore at the core of the Group-wide personnel policy. This is supported by the HeidelbergCement competence model, which defines the essential professional and personal capabilities and skills that are critical for the success of our business. It enables the respective superiors to perform systematic, Group-wide assessments of performance and potential in accordance with standardised regulations and serves as a basis for strategic development of managers and successor planning. Superiors and employees discuss development opportunities and prospects within the framework of structured appraisal interviews. The dialogue is primarily targeted at upper and middle management, those in specialist roles, and future executives. We aim to achieve the following three goals:

- to internally fill key positions with top-class candidates worldwide,
- to develop top talent at HeidelbergCement in a targeted way, and
- to retain employees in the Group for the long term by means of personalised development planning.

On-going training

Sustainable personnel work means consistently investing in training, i.e. employing and training qualified talent. The proportion of apprentices in Germany is 6 % (previous year: 6 %). The retention rate of these apprentices stands at 82 % (previous year: 82 %).

Technical skills are essential in ensuring the functionally sound operational management of process technology and maintenance in our plants. In addition to technical training, we also offer master classes every year at the German Cement Works Association (Verein Deutscher Zementwerke e.V.).

As in the previous year, a focus of our training programmes throughout the Group was on occupational safety, which made up around 46 % of the total training measures. Other areas of focus were specialist training (30 %) and the training of our managers (9 %).

Our extensive training programmes in virtually every work area are characterised by practical and business-oriented learning and enable our employees to develop their skills.

Management training

The motivation and skills of our managers play a crucial role in determining how well HeidelbergCement positions itself among its global competitors and how well-prepared the Group is for future challenges. In order to prepare our managers for their future tasks, we offer training programmes tailored specifically to the needs of our Group. This applies both to traditional topics such as strategy, leadership, and management, or the method of capital expenditure budgeting, and to special training topics, for instance in the area of technology. Uniform training content ensures that a common understanding of strategy, integrated management approach, and leadership is developed everywhere.

A strategic Group initiative is to further develop the skills of our senior managers. For this purpose, we consistently develop our "Summit" programme each year, in close cooperation with Duke Corporate Education. So far, more than 300 senior managers from 30 countries have already taken part in the three-stage curriculum focusing on general management and leadership, which takes into account global, regional, and local issues. Members of the Managing Board partake actively in all modules through discussion forums and with their own presentations. The mix of theory and practice is a key factor in the programme's success, and its ongoing evaluation and adjustment contributes to the fact that the programme is highly valued by the participants.

Securing and advancing future executives

In the reporting year, we consistently pursued our efforts to advance future executives. We offer highly motivated and qualified university graduates international trainee programmes focusing on the following areas: technology, sales, finance, personnel, purchasing, and IT. We also continued to work intensively on expanding our programmes for the advancement of future executives and strengthening our recruitment of university graduates and graduates with first professional experience worldwide. In 2013, we hired 263 university graduates. Currently, more than 700 employees take part in programmes which prepare them for more advanced tasks.

In 2011, we started a special programme for highly qualified engineers in the cement business as a pilot project in Europe and Central Asia, in order to prepare these employees for senior engineering positions. Upon completion of the "Engineer in Training" programme, the engineers spend several years completing specifically defined training stages in technical fields at various plants both in Germany and abroad – supplemented by training in general management and leadership. In 2013, we began to extend this programme to other Group areas.

During the reporting year, the Aggregates Academy expanded its employee training offer in the aggregates business line. More than 1,000 participants from our aggregates business management team have been trained in over 70 courses in 18 countries. The target group of the training offered by the Aggregates Academy comprises plant managers, managers, and professionals from quality control and sales. Further "hands-on" training modules are regularly conducted at the plants to ensure essential learning objectives are rapidly put into practice. All of our programmes are geared towards attracting talent and retaining it within the Group as well as directly conveying knowledge and skills that are decisive for the success of our Group.

Demographic development

Our Group, too, is faced with the consequences of demographic change. Around 13 % of our employees are younger than 30. The majority of the employees are aged between 30 and 49, making up around 53 % of the Group's total workforce. 34 % of our employees are above 50 years of age.

We are responding to the effects of demographic change with numerous measures adapted to regional requirements. In Germany, for example, we have continued to develop our health management activities and have incorporated them in the "FIT for LIFE" initiative. It includes a prevention programme for the early diagnosis of illnesses and risk factors, but primarily focuses on the initiative of individuals to adopt a healthy lifestyle. This service covers, among other things, colon cancer screening, flu vaccinations, special health days, and lectures about health. In the future, health management activities will continue to focus on the prevention of typical age-related health risks and change in awareness. We are therefore specifically promoting company sports activities for all age groups.

Diversity as a factor for success

In the Group-wide personnel policy, we consciously aim for a balanced mix of diverse personalities, skills, and experience when putting together teams of employees. We understand diversity as a management concept, which through the inclusion of various cultures, talents, and levels of experience ensures that the composition of our workforce mirrors our presence in the international markets, our customer structure, and our business environment. We aim to achieve this in the following ways:

- with local management at the individual production locations, resulting in the strong international composition of our management teams around the world,
- with an international workforce at the Group headquarters,
- by ensuring that the composition of our management reflects the structure of the workforce, e.g. proportion of men and women (gender diversity),
- by forming teams with a wide range of experience and skills, and
- by ensuring that the age structure of the workforce is balanced.

The goal is to advance and attract highly qualified and committed employees around the world who can bring various social and professional skills to our company and thus contribute to the success of the Group.

The international composition of our management team enables us to benefit from a broad range of experience and different cultural backgrounds, thereby allowing us to respond more flexibly to both global challenges and local market needs. The proportion of local managers at the upper management level remains unchanged at around 80 %.

At the Group headquarters, we consciously aim to ensure that the workforce is composed of employees from the countries in which we operate. We benefit considerably from their local knowledge and this also facilitates cooperation with the local personnel. We have nearly 750 employees at the headquarters and at our technical centers, the Competence Center Materials and Heidelberg Technology Center in Heidelberg and Leimen, with more than 150 of these employees representing 44 different countries.

For our numerous foreign employees at the Heidelberg and Leimen locations, we have established the “Expatriate Network”, which is about helping our employees to help themselves. The company supports this network of employees, friends, and family members to help with the integration into the Rhine-Neckar metropolitan area, e.g. in looking for accommodation, dealing with administrative authorities, nursery/school affairs, etc.

To aid diversity, we believe it is important for management positions to be held by both men and women, thereby providing a true reflection of our employee structure. Within the Group, women made up 14 % of the total workforce and held 9 % of the upper management positions in 2013. In Germany, women represent 16 % of the total workforce and hold 7 % of the upper management positions. Together with other DAX companies, HeidelbergCement signed a self-commitment in 2011. Our goal is to more than double the proportion of women in management positions in Germany to 15 % by 2020. To achieve this goal, we will be devoting increased attention to our programmes for the advancement of future executives. The proportion of women in these programmes is around 25 % across Germany. At the start of 2013, we consciously publicised the fact that we value diversity by signing the Diversity Charter to acknowledge the activities we have carried out to date.

The “Global Ladies Network @ HC Group” is an initiative that brings together women in management positions worldwide both virtually and face-to-face. It allows a regular, informal exchange of ideas on individual career development and aims at promoting female future executives.

We consider the diversity of our workforce and management team and the clear focus on commitment, professional expertise, and conformity with our corporate values to be a decisive advantage in global competition.

Work-life balance

In the race for the best employees, we adapt ourselves globally to changing lifestyles. In terms of what we offer to encourage a good work-life balance, we focus on models such as flexitime, part-time, and leave of absence. The part-time ratio at HeidelbergCement AG is 10.7 %. Because of the small size of our locations, cooperation with external networks has proven itself for example in terms of children’s daycare, caring for family members, or holiday camps for children. Employees benefit from having easy access to a professional and flexible network at reasonable costs. As part of our “FIT for FAMILY” initiative, we have entered into cooperations with daycare centers for the Heidelberg and Leimen locations. These arrangements allocate us our own quota of places that can be offered to our employees.

Result-oriented remuneration systems

If you expect performance, you need to create a suitable environment. This includes also an attractive remuneration system. Alongside fixed salaries governed by a collective agreement or an individual work contract, HeidelbergCement AG employees also receive variable remuneration elements based on their individual performance and on corporate success. In the case of managers, we consciously aim to achieve a high variable element as part of the total remuneration in order to take into account, in a clear and direct way, collective and personal performances as well as corporate success. The employees in our foreign subsidiaries benefit from attractively designed remuneration systems that relate to the respective local market conditions. For our 160 top managers we have launched a long-term bonus plan for 2013–2015/16 which follows the same targets as the long-term bonus plan for the Managing Board.

Occupational health and safety

Group standards

At HeidelbergCement, occupational health and safety continues to be a top priority. Besides the continued improvement of technical and organisational safety standards within the Group, we adopted additional measures in 2013 to reinforce the safety culture in our company.

In 2013, we introduced further Group standards on key risk areas and promoted their Group-wide implementation. On the one hand, these standards apply to plant processes with an increased risk of accidents, such as repair or maintenance work. On the other hand, they also apply outside of our plants, especially when transporting our products to customers. In many countries, this transport is handled by forwarding companies on our behalf. We strive to continuously improve the safety standards of these forwarding companies. This is an ambitious goal, but the improvements we have already witnessed in 2013 are very promising and show that we are on the right track.

Work management systems, such as those in accordance with the internationally accepted OHSAS 18001 standard, have already been implemented in many of our plants. These systems require a structured approach from the location managers with planning, clear work regulations, responsibilities, and controls to ensure an ongoing improvement process and thus prevent accidents. We made particular efforts to introduce work management systems in additional plants during the reporting year. In 2013, our plants in Russia, Togo, and Bangladesh successfully passed the external certification audits in accordance with OHSAS 18001.

Our German locations operate primarily in line with the professional association's standard "Sicher-mit-System" (Systematic Safety). During the reporting year, the remaining plants of the subsidiaries Heidelberger Beton and Heidelberger Sand und Kies, as well as the concrete production locations of LithonPlus, were successfully certified according to this standard. We will now continue this process in other subsidiaries.

Management responsibility for occupational health and safety

Although we have been continually improving occupational health and safety at a technical and organisational level for a number of years, we still have to report serious accidents – including some fatalities – that are often caused by human error. Already in 2012, therefore, we started a Group-wide initiative to make managers at all levels aware of their management responsibility with regard to occupational health and safety. All managers, from foremen through to the Chairman of the Managing Board, are role models when it comes to occupational health and safety. In an effort to familiarise them with the specific requirements, they were trained by the end of 2013.

Group-wide security week

At the end of September 2013, we organised our third Group-wide safety week, in which our employees as well as contractors and family members were sensitised to the topic of occupational health and safety. In many European countries, five new brochures on the various aspects of occupational safety were presented and discussed in line with this event. The company developed these brochures in a joint project with the European Works Council of HeidelbergCement and the financial assistance from the European Commission.

At various events throughout the safety week, we made it clear that everyone involved must join forces to achieve effective occupational health and safety. The response to the safety week from both managers and employees was consistently positive.

Accident trends

In 2013, we were able to further reduce both the accident frequency rate as well as the accident severity rate. The goal we had originally set ourselves for the end of 2012, to reduce the accident frequency rate by 50 % compared with 2008, was achieved several months late in September 2013. Meanwhile, many locations have been accident-free for years; others were able to reduce their accident rates drastically. Despite these achievements, the measures must be maintained consistently and further intensified to safely prevent accidents on a sustained basis.

While we were able to significantly lower the frequency of accidents, we unfortunately did not succeed in further reducing the number of fatalities in the reporting year. It was with great regret that we had to report the death of five of our own employees, who died as a result of accidents at work. Furthermore, the lives of eleven employees from external companies were claimed, two of whom died in road accidents. This development is very painful, but encourages us in our efforts to further improve in the area of occupational health and safety. Each occurrence that results in death is intensively analysed and discussed by the Managing Board. Appropriate measures are being determined and shared across the Group in order to avoid similar accidents from happening elsewhere.

Accident trends ¹⁾					
	2009	2010	2011	2012	2013
Accident frequency rate ²⁾	4.5	4.3	3.8	3.4	2.6
Accident severity rate ³⁾	171	146	125	115	94
Fatality rate ⁴⁾	1.7	1.1	0.6	0.5	1.1

1) Accident trends in the business areas of cement, ready-mixed concrete, and aggregates in companies where HeidelbergCement is in charge of safety management.

2) Number of accidents (with at least one lost working day) suffered by Group employees per 1,000,000 working hours

3) Number of lost working days resulting from accidents suffered by Group employees per 1,000,000 working hours

4) Number of fatalities of Group employees per 10,000 Group employees

Social responsibility

The responsibility we take at our locations around the world is a key factor in the success of our business activity worldwide, according to the motto "think global – act local". We aim to work with local partners to create added value for both our Group and the local communities.

We believe in giving local employees responsibility for local management wherever possible. Each plant collaborates closely with local suppliers and service providers. We invest around 30 % of our purchasing volume in the areas immediately surrounding our plants. Wages, investments, purchasing, and taxes, as well as the creation of jobs, all help to create added value and promote economic development at our locations.

Corporate citizenship

Corporate responsibility is not limited to a company's business processes and the areas where they have a direct impact. As a corporate citizen, we are a part of society, and we benefit from being fully involved at the community level at our locations around the world. We are also playing an active role in the search for solutions to social issues that affect these locations. Our understanding of our role is reflected in the Corporate Citizenship Guidelines, which lay down the benchmarks and objectives related to our social commitment. This commitment is focused on areas in which we have specific expertise and can achieve the best results for society:

- Building, architecture, and infrastructure: we provide practical help in the construction of buildings and infrastructure by making products, financial means, and expertise available.
- Environment, climate, and biodiversity: we support initiatives that promote environmental protection and strengthen the diversity of nature at our locations.
- Education, training, and culture: in this area, we are guided by the specific needs of our locations.

Local responsibility in Ghana und Benin

Our subsidiaries Ghacem in Ghana and CimBenin in Benin are pursuing similar strategies when cooperating with the local municipalities. These comply with specific local needs. Our goal is to create added value, together with local partners, for the community and the Group. This includes the funding of public facilities, such as schools and health centers, as well as infrastructural measures.

Ghacem has set up a development fund for the communities surrounding its cement plant. For each truck load that leaves the plant premises, US\$5 will be paid into a special account. The money, which is managed by Ghacem, is used to finance social projects in the communities and is distributed according to the criteria of the Ghacem Foundation. In Benin, our Calcim subsidiary has made it possible for a primary school with three classrooms to be built in the city of Bopa. The school was opened on 5 July 2013.

Community Advisory Panels in Romania

In Romania, so-called "Community Advisory Panels" were set up. These panels allow company representatives to meet with the members of local communities at regular intervals to talk about the latest developments in the plants and communities, and to solve problems together. Important projects have been launched thanks to these meetings. They include "Access to Education", a project to increase school children's awareness about the importance of learning for their future careers, "Young Guardians of the Environment", a project to inspire young people about environmental protection, and "Training for Local Entrepreneurs" to support local entrepreneurship. The goal of all these projects is to contribute to the development of the communities and the young people, in particular.

Environmental responsibility

As an active member and co-chair of the Cement Sustainability Initiative (CSI) of the World Business Council for Sustainable Development (WBCSD), we take our responsibility for the sustainable development of our business activity and the health and safety of our employees seriously. In recent years, we have made remarkable progress. Our improvements are driven by our Sustainability Ambitions 2020, in which the Group's main sustainability issues and goals are defined.

Biodiversity

In order to increase awareness of the high biological value of our quarrying sites, we launched the "Quarry Life Award" in 2011. The first round of this international competition, concluded at the end of 2012, was a great success. We therefore started the second round in September 2013. The competition now encompasses 22 countries and includes, for the first time, quarrying sites in North America, Indonesia, and Turkey. As of March 2014, five selected projects in each

participating country will begin their practical research at our quarrying sites. The best projects will be awarded in autumn 2014.

During the reporting year, we further developed our partnership with the international nature conservation organisation, BirdLife International. Together, we implemented biodiversity action plans at our facilities and continued to work on various local partnership projects. These include, for example, the settlement of Taurus cattle and Konik horses at the Gerhausen quarry close to Blaubeuren, Germany. The semi-natural all-year grazing contributes to preserving the high nature conservation value of the quarry. We are working on this project in cooperation with the German BirdLife partner NABU (Nature and Biodiversity Conservation Union). In the United Kingdom, we are closely collaborating with the RSPB (Royal Society for the Protection of Birds) to transform the Needingworth quarry in Cambridgeshire into a nature reserve with the largest reed bed habitat in the United Kingdom. In June 2013, we presented our partnership with BirdLife at the nature conservation organisation's World Congress in Ottawa, Canada, where we received a lot of attention and positive feedback.

The second public-private partnership project with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) was successfully completed in 2013. In Tanzania, we have established a modern tree nursery and developed a concept for the afforestation of the quarry belonging to our subsidiary Tanzania Portland Cement Company (TPCC). In doing so, we worked closely together with both political and scientific stakeholders, non-governmental organisations, and the general public. The project will be continued without the support of GIZ in 2014.

Our collaboration with the Jane Goodall Institute in Tanzania has also developed positively. So far, 22 student groups (Roots & Shoots Groups) have been formed near the cement plant and have taken on the topic of protecting species and supporting biodiversity. They are instructed about environmental issues and tree cultivation by the nursery staff. In addition, they receive tree seedlings for greening their school grounds.

During the reporting year, we published the third book in our series on species diversity in quarrying sites with the title "Birds in quarries and gravel pits". This book showcases the diversity of bird species and describes the important role that quarrying sites play in protecting them.

Sustainable construction

HeidelbergCement holds the co-chair at the CSI working group "Sustainability with concrete". A key area of activity focuses on the development of a global responsible sourcing scheme for concrete. This sourcing scheme enables the concrete industry to demonstrate the measures it has taken to improve the environmental performance of concrete, taking into account social and economic aspects along the value chain.

HeidelbergCement is also investing in the development of new products. With the discovery of a new reactive clinker phase, we have established the basis for an alternative clinker technology. Based on an altered chemical composition and low burning temperatures, CO₂ output is 30 % lower in comparison with conventional clinker and energy consumption is reduced by around 10 % to 15 %. The basic technology is protected by various patent applications. In 2013, technical feasibility was successfully demonstrated in a first large-scale industrial experiment, where 1,500 tonnes of clinker and cement were produced and subsequently used in various concrete applications.

Use of alternative raw materials and fuels

The conservation of natural resources is part of our sustainable business strategy. That is why we make greater use of waste materials and by-products from other industries as valuable raw materials and fuels. We use alternative raw materials for the production of clinker, which is the most important intermediate product in the manufacture of cement. In this way we reduce the amount of CO₂ intensive clinker in the final product. The increased use of alternative raw materials in cement production is thus a core element of our climate strategy. At Group level, the proportion of clinker in cement amounted to 75 % in the reporting year. We were able to further reduce the clinker ration compared with the previous years.

In numerous Group countries, we are involved in the area of waste management and provide sustainable solutions for many municipalities through the recycling of waste in our clinker kilns. In 2013, we replaced 2 million tonnes of primary fuels. Compared to the previous years, we were able to increase the share of alternative fuels to 21 % of our total fuel demand. In the Slite plant, which operates the largest clinker kiln in Northern Europe, we have actually increased the use of alternative fuels from 40 % to 60 %. Our joint venture Akçansa is occupying a leading position in Turkey with its proportion of alternative fuels at 15 %. Akçansa recycles dust-free and odourless dried sewage sludge from the state-of-the-art sewage treatment plant in the city of Istanbul. In North America, the use of waste materials has grown at a double-digit rate. In most US states, the restrictions placed on landfilling have led to the identification of new opportunities for waste recycling. In China and Indonesia, waste recycling is also on the rise. The optimisation of the feeding system for alternative fuels at the Citeureup site in Indonesia has led to greater fuel flexibility and a higher substitution rate. In Tanzania, we have conducted the first successful test runs for recycling agricultural waste.

HeidelbergCement is well on the way to achieving the Sustainability Ambitions 2020 target of increasing the proportion of alternative fuels within the Group to 30 %.

Climate protection

Climate protection is at the heart of our environmental policy. As an energy-intensive company, we have been striving for many years to minimise our CO₂ emissions. Between 1990 and 2013, we reduced the specific net CO₂ emissions by 21 % to 612 kg CO₂ per tonne of cement. By 2015, we wish to reduce them by 23 % compared with 1990. For the entire Group, this corresponds to an actual reduction of 12 million tonnes of CO₂.

Climate protection			
	2011	2012	2013
Specific net CO ₂ emissions (kg CO ₂ /t cement)	626	614	612
Alternative fuel rate	20 %	20 %	21 %
Clinker ratio	76 %	76 %	75 %

In May 2013, we launched the global cement industry's first small-scale pilot project to capture CO₂ from combustion exhaust gases at our Brevik plant in Norway. This project is mainly funded by the Norwegian government and is carried out in cooperation with the European Cement Research Academy.

Reducing other environmental effects

In line with the Sustainability Ambitions 2020, we have conducted Group-wide environmental audits in all business lines. Our objective is to audit all locations between 2015 and 2020. The improvement measures resulting from the previous audits have already been implemented and contribute to improved environmental performance.

During the reporting year, we made technical improvements in numerous plants in Europe as well as in the USA, Turkey, China, India, and Indonesia to reduce dust, nitrogen oxide, and sulfur oxide emissions. In the Czech Republic, we continued the long-term project to reduce noise in our cement plants Mokra and Radotin.

In 2013, our Union Bridge, Maryland, cement plant in the USA was awarded the prestigious “2013 ENERGY STAR®” by the American Environmental Protection Agency (EPA) for its excellent energy efficiency. Union Bridge is the American cement industry’s most energy efficient plant. In order to comply with NESHAP (National Emission Standards for Hazardous Air Pollutants), we have installed, for instance, a new fabric dust filter for the cleaning of kiln exhaust gases at our Waco white cement plant in Texas. Furthermore, we have equipped our Glens Falls cement plant in New York with a monitoring system for dust emissions; in the Californian cement plant Tehachapi, an activated carbon system has been installed to reduce mercury emissions.

During the reporting year, our Indonesian subsidiary Indocement was among the winners of the prestigious “2013 Indonesian Green Awards” for its commitment to the environment. The company received the special award “The Best Earth Conservator” for its qualification in the four categories: “Pioneer in waste management”, “Conservation of biodiversity”, “Conservation of renewable energies”, and “Conservation of community heritage”.

In the aggregates business line, we have modernised a wastewater treatment system in the Czech Republic and implemented dust reduction measures. As part of the “ENERGY STAR® Challenge for Industry” programme, two locations in the USA were awarded by the American EPA: the Mission Valley Rock plant in California was able to reduce its energy intensity by 12.2 % within just one year, and the Harding Street aggregates plant in Indiana by 12.5 % within one and a half years. These are the first aggregate production plants in the USA to have received this award.

We have implemented a water project in the Belgian ready-mixed concrete plant in Tessenderlo. The plant courtyard was given a new surface, which allows the collection of water. After being processed by a water filter press, it is subsequently returned to the concrete production. This is the first project of its kind to be undertaken in a European ready-mixed concrete plant, and thus complies with the “zero discharge – zero waste” regulation for the Belgian ready-mixed concrete industry. In 2013, we also carried out several projects for concrete recycling and rainwater collection in Romania, the Czech Republic, and Poland.

Procurement

In the 2013 reporting year, goods and services with a total value of €8,171 million were procured at HeidelbergCement. This corresponds to 64.0 % of the total operating costs (including depreciation).

Procurement management

Our lead buyer organisation facilitates cost-effective procurement of important commodity groups at Group level. This means that we bundle process-critical goods and services, usually with high volumes, into commodity groups in order to obtain better terms and conditions from our suppliers. The tasks of our lead buyers within the Group include conducting price negotiations, concluding framework agreements, and observing current market and price developments. Thanks to their detailed market knowledge, they make an important contribution to increasing efficiency and to risk management in our Group.

Another important part of procurement management is the local purchasing at our production sites, which strengthens our negotiating position with local suppliers. The local purchasing departments can also obtain goods and services directly via the Group framework agreements. In this way, we combine the advantages of central and local procurement.

Increasing efficiency

At the start of 2011, HeidelbergCement commenced the three-year "FOX 2013" programme to increase the Group's financial and operational performance. One of the aims of this programme, which was successfully completed at the end of 2013, was to make savings in the area of purchasing in order to counteract the rise in costs. In the reporting year and within the whole programme period, we succeeded in achieving considerable cost savings in comparison with general market trends.

Another aim of "FOX 2013" was to improve payment periods, because our terms of payment represented a competitive disadvantage. Thanks to continuous process optimisations and an improvement of our Group-wide terms of payment, we were able to reduce the gap on our main competitors and achieve a correspondingly high liquidity effect by the end of 2013.

Procurement of energy

Overall, HeidelbergCement's purchasing policy for the procurement of fuels and electricity focuses primarily on the short term. This means that in 2013, we only concluded agreements with fixed prices and quantities in a few cases. In liquid electricity markets, in particular, such as Northern Europe, Germany, Belgium, Poland, the Czech Republic, and North America, we relied on low day-ahead prices. Our procurement strategy proved successful thanks to in part significantly reduced spot prices in these markets. Since we further increasingly used index-based contracts for coal, we were able to benefit from reduced spot prices during the year. By adopting these measures, we were able to slightly reduce the energy costs in the cement business in 2013.

Outlook

The expected future development of the HeidelbergCement Group, HeidelbergCement AG, and the business environment in 2014 is described in the following. In this context, please note that this Annual Report contains forward-looking statements based on the information presently available and the current assumptions and forecasts of the Group management 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 Annual Report.

Economic environment

General economic development

After economic growth continued to weaken in 2013, we anticipate an acceleration of global economic expansion once again in 2014. The International Monetary Fund (IMF) forecasts global economic growth of 3.7 % for 2014, compared with 3.0 % in 2013. The IMF perceives the recovery in the industrialised countries of North America and Europe to be the main driver behind this positive development. The emerging countries will benefit from the resulting increase in export demand, but will also have to cope with the challenges of higher interest rates, necessary structural reforms, and a rise in the outflow of capital.

In Asia, China will continue to be the driving force of industrial development. The IMF forecasts a slight decline in growth for China, from 7.7 % in 2013 to 7.5 % in 2014. For Indonesia, a growth of 5.3 % is anticipated. Positive developments are also forecast for Africa. This relates primarily to the countries south of the Sahara, where growth rates are expected to rise again from 5.1 % in 2013 to 6.1 % in 2014.

In the mature markets, economic growth is estimated to accelerate substantially from 1.3 % in 2013 to 2.2 % in 2014. Individual countries are expected to undergo a very different development. According to IMF forecasts, the important markets for HeidelbergCement in the United States, the United Kingdom, Germany, and Canada will accelerate their economic growth considerably in 2014. Out of these countries, the United States are expected to achieve the highest economic growth with a rate of 2.8 %, followed by the United Kingdom with 2.4 %, Canada with 2.2 %, and Germany with 1.6 %. Further economic growth of 2.6 % is anticipated for Australia, where increasing residential construction is expected to offset the decline in mining activities.

Further expansion is also expected in Eastern Europe and Central Asia in 2014. As in the mature markets, development of individual countries is said to vary. In the markets of Eastern and South-eastern Europe, economic development is estimated to accelerate again from the low level of 2013 in 2014, achieving growth rates between 1.3 % and 2.4 %. Expansion rates between 2 % and 6 % are anticipated in our markets rich in raw materials – Russia and Kazakhstan.

With regard to consumer goods prices, the IMF expects an increase in mature markets and a decline in emerging countries. Prices for oil and raw materials are likely to fall in 2014.

Exchange rate movements against the euro are an important factor in determining business figures over the coming years. We anticipate the continued weakening of a large number of currencies against the euro for the whole of 2014. However, compared with the levels at the beginning of 2014, we rather expect exchange rates to stabilise and slightly improve. For further assessments of exchange rate trends, please refer to the Risks and opportunities report on page 114f.

Industry development

The acceleration of economic growth is also reflected in the demand estimates for building materials. The forecast of the US cement association PCA from August 2013 estimates an increase of 4.0 % in global cement sales volumes for 2014, compared with 3.6 % in 2013. While the development in demand in 2013 was still driven primarily by the emerging countries with a growth rate of 3.8 %, the recovery in North America will be essential for an acceleration in growth in 2014. According to the PCA, China is still the largest cement market with a share of around 58 % of global cement production and consumption.

Cement demand in North America is expected to rise significantly by 8.1 % in 2014, compared with 4.5 % in 2013. This increase is mainly driven by the sustained recovery of private residential construction and commercial construction. In 2014, the PCA expects an increase in the number of starts of construction of single-family houses by 20 % and of multi-family residential units by around 22 %. The current federal programme for road construction (MAP-21) will expire at the end of September 2014. Details of a possible follow-up programme are not yet known. Overall, a considerable backlog in demand exists due to the low infrastructure investments in recent years. The American cement association estimates a moderate increase in infrastructural construction in the coming years based on rising tax revenues and the financing support from the TIFIA programme (Transportation Infrastructure Finance and Innovation Act).

In Europe, trends in the demand for building materials are expected to vary greatly by region. For the countries particularly affected by the property and financial crisis, such as Spain, Italy, and Portugal, Euroconstruct in its forecast from November 2013 anticipates a further decline in cement consumption in 2014. A drop in demand for cement is also expected in France, Finland, and the Czech Republic. For the remaining countries of Western Europe, as well as Hungary, Poland, and Slovakia, an increase in cement consumption is expected as a result of the positive economic development. The recovery in the United Kingdom should continue and lead to a slight growth of 3.5 % in 2014. After a halt was brought to Poland's decline in demand in 2013, an increase of 2.0 % is expected in 2014. In its medium-term forecast, the Federal Association of the German Cement Industry (BDZ) predicts slight growth for the cement market in Germany in 2014, based on the positive economic development. Almost all sectors are contributing to this trend, particularly the continuing dynamic development in private residential construction. Orders in Germany rose by 4.2 % in 2013.

Just as the general economic forecasts, the development of demand for building materials during 2014 is also associated with uncertainties. With efforts being made to consolidate budgets in some mature markets, the demand for building materials is still dependent on the trend in private residential construction as well as commercial construction. Rising demand for building materials can only be achieved in line with positive economic development, reduced unemployment figures,

and affordable property financing. In the growth markets of the emerging countries, the continuation of solid economic growth also plays an important role, as does income available for private residential construction, which in turn depends on the development of local food prices and thus inflation. Political conflicts, such as the one in the Ukraine, can also influence the development of sales volumes.

Due to the ongoing high demand, we expect the level of competition to continue to increase in 2014, especially in the emerging countries of Asia and Africa. The devaluation of some currencies in these regions, however, should slow down the investment activities of local producers.

The European Union has adopted a plan to reduce CO₂ pollution rights in the short term. The so-called "backloading" plan envisages the reduction of 900 million emission rights over the next three years, 400 million of which in 2014 alone. The price of emission rights has already risen since the beginning of the year in anticipation of this new arrangement, but is still well below the level of previous years. HeidelbergCement has more than sufficient emission rights for 2014.

In Europe, the beginning of 2014 saw some very mild weather in January and February, which led to significantly stronger construction activity compared with the previous year. In contrast, construction was impaired by several severe snowstorms in the central, southern, and northeastern areas of the United States. Nevertheless, we expect to make up leeway in the course of the year thanks to the positive trend in demand.

Changes in international accounting standards

The International Accounting Standards Board (IASB) has brought into force changes to the international accounting standards (International Financial Reporting Standards, IFRS) with effect from 1 January 2014. The changes in IFRS 10, 11, and 12 will have an impact on the future reporting of HeidelbergCement's key financial ratios. The ratios listed in this 2013 Annual Report are still based on the old standards. In order to improve comparability, the qualified comparative forecasts in this Outlook chapter refers to the key financial ratios for 2013 in accordance with the new accounting standards. The impact of these changes in the international accounting standards on the key financial ratios for 2013 is described in the Notes on page 176 f.

Anticipated earnings

Revenue

Taking into account the general economic and industry-specific prospects for the building materials industry and the special growth prospects for markets in which HeidelbergCement operates, we expect a moderate increase in revenue on a comparable basis, i. e. adjusted for exchange rate and consolidation effects, for 2014. Capacity expansions in the cement business, which have already been completed in 2013 or are set to be finalised in 2014, support this forecast. These include, in particular, the capacity expansions in our Damoh and Jhansi plants in central India, which were commissioned in February 2013, the new grinding capacities in Africa, which were commissioned in 2013, as well as the new cement grinding facility in Indonesia and the new integrated cement plant in Kazakhstan, which should start operations in the first half of 2014. In the cement business, we therefore anticipate moderately rising sales volumes. In the aggregates business, we also expect a moderate development in sales volumes due to the recovery of infrastructure investments in mature markets, especially in North America. In 2014, price increases will continue to take on a

high priority in order to further improve margins towards pre-crisis levels. To this end, the Group has continued its two price initiatives "PERFORM" for the cement business in the United States and Europe as well as "CLIMB Commercial" for the aggregates business.

Group areas

In the Western and Northern Europe Group area, we expect a moderate increase in sales volumes of cement and aggregates, driven by a recovery or continuation of demand growth in the countries in which we operate.

In our Eastern Europe-Central Asia Group area, we anticipate a moderate growth in sales volumes of cement and aggregates, which will largely be stimulated by the additional capacities in Kazakhstan, the emerging recovery in Poland, and the ongoing increase in demand in Russia and Central Asia. In the other countries of Eastern Europe, we predict sales volumes to stabilise in 2014, following the weak development in 2013.

In North America, we expect a moderate increase in cement and aggregates volumes as a result of the continued economic recovery, which should now also affect commercial and public construction besides residential construction.

In the Asia-Pacific and Africa-Mediterranean Basin Group areas, we count on a consistently positive demand trend. Cement sales volumes should increase considerably, particularly in Indonesia and India, thanks to the capacity build-up. In Africa, we only expect a moderate increase in cement sales volumes since our new capacities are not scheduled to be commissioned until the second half of the year. In contrast, we project demand for building materials to slow down further, partly even considerably, in Spain. Overall, we anticipate a moderate rise in sales volumes of cement and aggregates for both Group areas due to the recently commissioned capacities.

Costs

Prices for energy and raw materials are expected to remain highly volatile. HeidelbergCement anticipates a slight to moderate increase in the cost base for electricity, fuels, raw materials, and personnel in 2014. One of the areas of focus in 2014 will not only be to safeguard but to continuously improve the cost savings and efficiency increases in cement and aggregates that were achieved in the past few years with the "OPEX" and "CLIMB" programmes. In addition, we are optimising our logistics with the new "LEO" programme that has the goal of reducing costs by €150 million over the next few years. In 2014, we expect a slight decrease in financing costs as a result of an improved financing structure and despite the increase in net debt at the beginning of the year.

Results

In view of the positive business development since the beginning of the year, HeidelbergCement projects a moderate increase in operating income on a comparable basis, i. e. adjusted for exchange rate and consolidation effects, for 2014. This assumption is made on the basis that building materials sales volumes will grow as expected, price increases can be implemented, and the rise in energy and personnel costs is only slight to moderate. Excluding non-recurring effects, especially in the areas of additional ordinary result, taxes, and discontinued operations, we anticipate a moderate increase in profit for the financial year. This estimation is based on an improvement in operating income and lower financing costs.

Dividend

As in 2013, we will also adjust the dividend to the development of the ratio of net debt to operating income before depreciation (OIBD) and of the cash flow of HeidelbergCement for the next year, and, in doing so, take into account further general economic developments. In the medium term, we aim to achieve an industry-typical payout ratio of 30 % to 35 % of the Group share of profit.

Investments

As in previous years, HeidelbergCement will continue to exercise strict spending discipline regarding investments. Debt reduction remains an important area of focus. In the 2014 financial year, we will once again align the amount of our investments with the development of the ratio of net debt to operating income before depreciation (OIBD) and the operating income of the Group as well as with the expected general economic trend. At €1.3 billion, our investments in 2013 were significantly above our target of €1.1 billion. In 2014, we will reduce investment activities and aim for cash flow investments of around €1.2 billion.

HeidelbergCement will consistently continue with its targeted investments in future growth – especially in cement activities – in the emerging countries of Asia, Africa, and Eastern Europe-Central Asia. In the long term, we strive to increase the proportion of our cement capacities in these markets from currently 63 % to 67 % of the total capacity. With the commissioning of further production facilities during the coming months, we will have more than 5 million tonnes of additional cement capacities in growth markets by the end of 2014.

Due to the unabated promising growth prospects in Indonesia, Indocement is continuing the expansion of its cement capacity. The construction of an additional cement grinding facility at the Citeureup production site was completed and test runs were started at the end of 2013. The grinding facility with a capacity of 1.9 million tonnes is scheduled to be put into operation in March 2014. Furthermore, we are continuing the expansion of the Citeureup production site. 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. In Australia, a new grinding facility with a capacity of 1.1 million tonnes will go into operation in Port Kembla in the second quarter of 2014. Grinding tests commenced in February 2014. The construction of the new CaspiCement 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.

Another significant investment focus is on the expansion of our cement activities in Africa. In Togo, the commissioning of our new clinker plant is expected for the end 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 200,000 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 end 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.

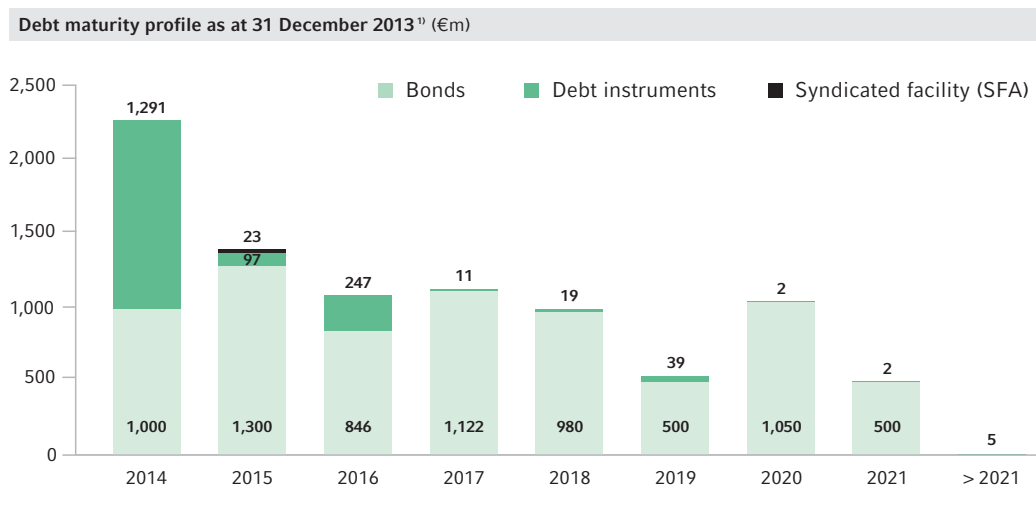
In addition to these capacity expansions, we will invest in the maintenance and modernisation of our existing capacities in 2014. We will be making investments to upgrade our cement plants, among other things, in order to increase the use of alternative fuels and meet the new emission limits (NESHAP) in the United States, which will come into force in September 2015, in due time.

Besides pursuing the successful strategy for the targeted and disciplined expansion of our cement capacities in attractive growth markets, we will intensify divestments at the same time. Deleveraging remains the highest priority for us, with the aim of improving the relevant financial key figures to an investment grade level. Our focus lies on building products in the United States, Canada, and the United Kingdom. Further divestment projects relate to the sale of other assets that do not belong to our core business. The most significant of these are non-core activities in Europe, global assets that are unused and no longer required, and exhausted quarries in North America. The sale of the Raigad cement grinding plant in West India was already completed in early January 2014.

Expected financing

HeidelbergCement has a stable financing structure for the long term and a well-balanced debt maturity profile (see the following diagram). We will refinance the €1 billion Eurobond becoming due in October 2014 and the maturing financial liabilities in 2014 by making use of available liquidity, issuing on the capital market, or use of free credit lines depending on the capital market situation.

The following graph shows the maturity profile of HeidelbergCement as at 31 December 2013.



1) Excluding reconciliation adjustments of liabilities of €-49.9 million (accrued transaction costs, issue prices, and fair value adjustments) as well as derivative liabilities of €29.6 million. Excluding also puttable minorities with a total amount of €50.6 million.

As at the end of 2013, we had liquidity reserves consisting of cash, securities portfolios, and committed bank credit facilities, amounting to €4.2 billion (see Group financial management section on page 77). We also have framework programmes in the money and capital markets in place that allow us to issue the relevant securities within a short period of time (€1.5 billion Euro Commercial Paper Programme and €10 billion EMTN Programme).

Our objective is to further improve our financial ratios in the coming years in order to achieve the necessary preconditions for our credit rating to be upgraded further by the rating agencies. In particular, we want to reduce the ratio of net debt to operating income before depreciation (OIBD) to below 3.0x by the end of 2014 (31 December 2013: 3.1x). An investment grade rating remains our objective as – given the capital-intensive nature of our business – favourable refinancing opportunities in the banking, money, and capital markets create an important competitive advantage.

Employees and society

Over the next few years, we will continue to focus on improving the identification of internal successor candidates for senior management positions and on the global IT-supported handling of our core personnel processes for all management levels. Since the beginning of 2013, the performance management, goal agreement, remuneration, appraisal interview, and individual development plan processes for senior managers have been handled with IT support via the “HR GLOBE” platform. The extension of this approach to middle management and future executives started at the end of 2013 and will be gradually continued over the next years.

The “Summit” management training programme in collaboration with Duke Corporate Education will be the focus of our training measures at Group level until 2015. In the coming years, we will constantly examine the quality of our programmes for the advancement of future executives, such as the trainee programme for new employees from the CIS countries, and develop these programmes across all countries. We have added a follow-up programme to our existing “Engineer in Training” programme. In the aggregates business line, we are continuing with the trainings at the Aggregates Academy. Over a period of four to five years, our talented engineers are specifically prepared for management positions in the technical field both in Germany and abroad.

In 2014, we will proceed with the training of middle and junior management in the topic of management responsibility in occupational health and safety. Foremen, in particular, play a key role in the improvement of our occupational health and safety culture. Consistent implementation of and compliance with existing safety standards continues to take top priority and is a pre-requisite for the prevention of accidents, which we will monitor in a targeted manner by means of standardised site inspections.

The areas surrounding our plants are as diverse as the people living and working there. That is why our social commitment is geared towards their needs. The voluntary activities we undertake at our locations are in line with our Corporate Citizenship Guidelines. All measures should achieve positive results for the benefit of society. We also want to promote mutual trust and partnership through transparency, open communication, and cooperation. Because we firmly believe that companies play a vital role in tackling social issues, our commitment is an ongoing one. In cooperation with development organisations, we aim to improve health care and the quality of vocational training in particular at our locations in Africa.

Environmental responsibility

HeidelbergCement will continue to hold the co-chair of the WBCSD Cement Sustainability Initiative (CSI) in 2014. The key areas of activity focus on climate change, biodiversity, and the development of a global responsible sourcing scheme for concrete.

We will increase the number of biodiversity management plans as well as implement and monitor existing plans. With our partner BirdLife International, we will examine the possibilities of future cooperation in Africa and Asia. The second round of the "Quarry Life Award" is currently in progress in 22 countries. Prizes will be awarded for the most innovative projects of students and young researchers at an international presentation in Prague in autumn 2014.

Various projects are planned in all Group areas in order to increase the proportion of alternative fuels that are recovered from waste materials. We want to convince waste management companies, municipalities, and public authorities of the advantages that waste utilisation in clinker kilns offers within a balanced waste management system.

In 2014, the regulatory environment continues to be difficult and uncertain due to the as yet pending structural reform of the EU Emissions Trading System (EU ETS) and review of the so-called carbon leakage list, which names industrial sectors that are deemed to be at considerable risk of transferring CO₂ emissions to non-EU countries, is ongoing. Nonetheless, we believe it highly probable that the cement industry will continue to receive free allocation of emission certificates. In China, our plants in the Guangdong province will be affected by a recently introduced regional CO₂ emissions trading scheme from 2014 onwards.

We will continue our Group-wide environmental audit of all business lines in 2014 in order to achieve our goal of auditing all locations between 2015 and 2020.

In 2014, our environmental protection initiatives will also focus on reducing dust, nitrogen oxide, and sulphur oxide emissions. We will therefore invest in new filters and emission monitoring systems at several locations in Europe, Asia, and Africa. In order to comply with NESHAP (National Emission Standards for Hazardous Air Pollutants), we will install new clinker coolers, mercury control systems, and various continuous monitoring systems for mercury, dust, and hydrocarbon emissions at our US cement plants.

In India, we will commission a facility to generate electricity from the waste heat of all three kiln lines at our clinker plant Narsingarh. As a result, we will save energy and generate over 13 MW of electricity ourselves.

At our European ready-mixed concrete plants we will either install new recycling systems or update the existing systems.

Research and technology

In the next few years, we will continue centering our efforts on developing cement types with reduced clinker proportion and thus lower CO₂ emissions. The alternative raw materials and fuels used will benefit the environment. Significant cost savings are also expected, depending on the future price development for CO₂ emission certificates. In addition, we will promote the development of our new clinker technology as another option to save CO₂ and energy.

Another area of focus is the development of high-quality binders and concrete applications in order to achieve greater benefit for our customers and added value for our company. In the future, we will intensify the successful transfer of technology to further increase the speed of innovation. For the concrete business, we plan to increase again the profit contribution of special products in mature markets in 2014.

In the cement business line, we will ensure that the success of our “Operational Excellence” programme, which was completed during the reporting year, will lead to further sustainable savings in the coming years. In the aggregates business line, we will continue to advance the “CLIMB Commercial” programme, which was launched in 2013 and focuses on optimising our product, price, and customer strategy. We intend to improve our results by €120 million by the end of 2015.

Procurement

Over the current and the next year, we will continue to increase the efficiency of our procurement activities by consistently standardising and optimising our procurement processes. This will include further efforts to bundle commodity groups.

For 2014, we anticipate varying energy price developments in the energy markets that are relevant to us. While significant price increases are still expected in Asia, Central Asia, and parts of Africa partly because of the high rates of inflation, we anticipate a more stable price level for Central and Northern Europe in comparison with 2013. In North America, we expect higher electricity and fuel costs compared with 2013 due to the recently once again increased gas prices.

Overall, we plan to maintain the rather short-term focus of our purchasing policy for fuels and electricity. We will only make use of price opportunities arising from price setting on an individual basis.

Risk and opportunity report

Risks and opportunities

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, as well as assessing 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.

Risk management

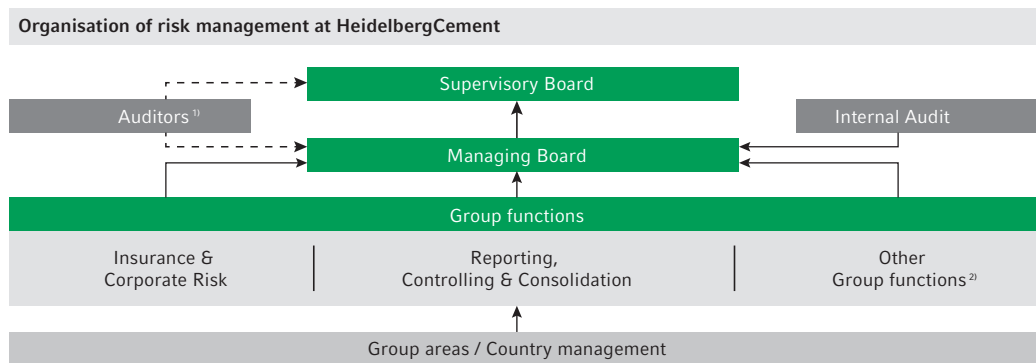
The Managing Board of HeidelbergCement AG is obliged to set up and supervise an internal control and risk management system. The Managing Board also has overall responsibility for the scope and organisation of the established systems. The Supervisory Board and its Audit Committee also review the effectiveness of the risk management system on a regular basis.

HeidelbergCement has installed transparent regulations to govern competences and responsibilities for risk management that are based on the Group's structure.

A code of conduct, guidelines, and principles apply across the Group for the implementation of systematic and effective risk management. The standardised internal control and risk management system at HeidelbergCement is based on financial resources, operational planning, and the risk management strategy established by the Managing Board. It comprises several components that are carefully coordinated and systematically incorporated into the structure and workflow organisation.

The essential elements of the risk management system are:

- documentation of the general conditions for a methodical, efficient risk management in a Group guideline. In addition to this Risk Management Policy, the Group's Code of Business Conduct is concerned with the code of conduct and compliance standards to be observed.
- coordination of risk management in the Group Insurance & Corporate Risk department
- managers responsible for corporate risk at country level
- direct information and open communication of quantified risks between the Managing Board and country management
- standardised and regular reporting at Group and country level



1) Part of the annual audit

2) Legal, Compliance, Tax, IT, Treasury, Corporate Finance, Human Resources, Strategy & Development, Marketing & Sales

Risk management process

In order to optimise risk management, we are employing comprehensive software across the Group to map the entire risk management process. By using this software, we have implemented the basic conditions for increasing transparency and efficiency in all phases of the risk management process and for contributing to audit security. The software helps us with, among other things, the clear representation of the Group structure and the assignment of appropriate local responsibilities, the systematic recording and tracking of risks as well as proposed countermeasures

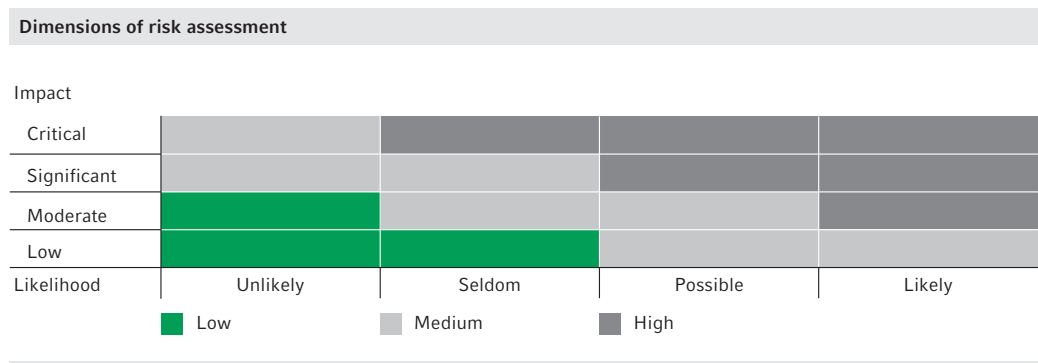
over time, or the provision of uniform evaluation schemes. The visualised risk data can now be consolidated in a timely manner, analysed flexibly and in various ways, and depicted using standardised risk reporting.

We plan to introduce risk management working groups for the clarification of specific issues and for the international exchange of information in order to further develop adequate risk awareness.

Identification and assessment of risks

The process of identifying risks is performed regularly on a decentralised basis by the country management and by the globally responsible Group functions. General macro-economic data as well as other industry-specific factors and risk information sources serve as auxiliary parameters for the identification process.

Appropriate thresholds for reporting relevant risks have been established for the individual countries, taking into account their specific circumstances. On the basis of our Group's risk model and according to the defined risk categories, the risks are assessed with reference to a minimum probability of occurrence of 10 % and their potential extent of damage. The operational planning cycle is used as the base period for the probability forecast. In addition to this risk quantification, geared towards a duration of twelve months, there exists also an obligation to report on new and already known risks with medium- or long-term risk tendencies. The impacts on the key parameters – operating income, profit after tax, and cash flow – are used as a benchmark to assess damage potential. Both dimensions of risk assessment can be visualised by means of a risk map.



The underlying scaling is as follows:

Likelihood

Unlikely	1 to 20 %
Seldom	21 % to 40 %
Possible	41 % to 60 %
Likely	61 % to 100 %

Impact

Definition of impact on business activity, financial performance and results of operations, and cash flow

Low	Negligible negative impact (≤ €20 million)
Moderate	Limited negative impact (> €20 million)
Significant	Significant negative impact (> €120 million)
Critical	Harmful negative impact (> €220 million)

The risk statement also includes risks that do not have a direct impact on the financial situation, but that can have an effect on non-monetary factors such as reputation or strategy. In the case of risks that cannot be directly calculated, the potential extent of damage is assessed on the basis of qualitative criteria such as low risk or risks constituting a threat to the Group's existence.

The process of regular identification is supplemented with an ad-hoc risk report in the event of the sudden occurrence of serious risks or of sudden damage caused. This can arise, in particular, in connection with political events, trends in the financial markets, or natural disasters.

Aggregating, reporting, monitoring, and controlling risks

The quantitative, updated risk reports for all business lines in our Group countries are presented to the Managing Board on a quarterly basis within the framework of central management reporting to ensure that risks are monitored in a structured and continuous way. Correlations between individual risks and events are considered at local level as far as possible. The quarterly management meetings provide a platform for the Managing Board and responsible country managers to discuss and determine appropriate risk control measures promptly. Decisions are thus made as to which risks will be intentionally borne independently and which will be transferred to other risk carriers, as well as which measures are suitable for reducing or avoiding potential risks.

The Group Insurance & Corporate Risk department is responsible for coordinating the risk management processes. It summarises all significant quantitative and qualitative risks for countries and Group functions on a quarterly basis in a central risk map. The Group's detailed risk report is presented to the Managing Board once a year. In addition, interim reporting to the Supervisory Board is effected in the course of the year.

Monitoring and adjustments

The Group Internal Audit department systematically examines and assesses risk management to help increase risk awareness. In addition, the auditor carries out an examination of the risk management system as part of the annual audit in accordance with legal guidelines to determine whether the monitoring system is capable of identifying in good time any issues that could threaten the Group's existence. The Managing Board also regularly informs the Supervisory Board and its Audit Committee about the risk situation.

The internal control and risk management system with regard to the Group accounting process

In accordance with § 289, section 5 and § 315, section 2, number 5 of the German Commercial Code (HGB), the internal control system within the HeidelbergCement Group includes all principles, processes, and measures intended to ensure the effectiveness, cost efficiency, and accuracy of the accounting and to ensure observance of the relevant legal provisions.

The internal monitoring system within the HeidelbergCement Group consists of process-independent and process-integrated control measures. The process-integrated auditing activities include controls that are incorporated into the process (e.g. the principle of dual control). Process-independent measures are controls carried out by persons not directly involved in the accounting process (e.g. Group Internal Audit).

Structures and processes

The organisational and management structure of HeidelbergCement AG and its Group companies is clearly defined. The responsibilities within the accounting process (e.g. accounting of HeidelbergCement AG and its Group companies, Group Controlling, Group Treasury, and Group Consolidation) are clearly defined and functionally separated.

Key characteristics of the accounting processes and the consolidation

All departments involved in the accounting process have the requisite qualifications and are equipped in accordance with the requirements. In the case of accounting issues that are complex or require discretionary judgement, we also call upon the expertise of external service providers such as pension experts or recultivation obligation assessors.

The accounting guideline and uniform accounting framework, both of which are centrally administered by the Group Reporting, Controlling, and Consolidation department, are mandatory for all Group companies. New laws, accounting standards, and current developments (e.g. in the Group's economic and legal environment) are analysed and taken into account with regard to their relevance and impact on the consolidated financial statements. The central accounting guideline and uniform accounting framework guarantee uniform recognition, measurement, and presentation in the consolidated financial statements. Group-wide deadlines set out in a centrally managed financial calendar and instructions pertaining to the financial statements also help to make the accounting process structured, efficient, and uniform across the Group.

In most countries, the financial statements of the Group companies are prepared in shared service centers in order to centralise and standardise the accounting processes. Accounting systems from SAP and Oracle are used in the majority of cases. To prepare the consolidated financial statements, further information is added to the individual financial statements of the Group companies and these are then consolidated using standardised software developed by SAP. All consolidation adjustments, such as the capital consolidation, the debt consolidation, the expense and income consolidation, and the at equity valuation, are carried out and documented. The various elements that make up the consolidated financial statements, including the Notes, are created entirely from this consolidation programme.

At HeidelbergCement, the accounts data is checked at both local and central level. The decentralised checking of the local financial statements is carried out by the responsible Financial Director and country controlling. The central checking of the accounts data is carried out by the Group departments Consolidation, Controlling, Tax, and Treasury.

HeidelbergCement's control system is also supplemented by manual checks, such as regular spot checks and plausibility checks, carried out both locally and centrally. The validations automatically performed by the consolidation program also form an integral part of HeidelbergCement's control system.

Process-independent checks are carried out by the Audit Committee of the Supervisory Board and by Group Internal Audit. The latter checks the internal control system for the structures and processes described and monitors application of the accounting guidelines and accounting framework. The results of the check carried out by Group Internal Audit are reported to the Managing Board and Audit Committee. Additional process-independent monitoring activities are also performed by the Group auditor and other auditing bodies, such as the external tax auditors.

Measures for identifying, assessing, and limiting risks

In order to identify and assess risks, individual business transactions at HeidelbergCement are analysed using the criteria of potential risk, likelihood of occurrence, and impact. Suitable control measures are then established on the basis of these analyses. To limit the risks, transactions above a certain volume or with a certain complexity are subject to an established approval process. Furthermore, organisational measures (e.g. separation of functions in sensitive areas) and ongoing target/actual comparisons are performed for key accounting figures. The IT systems used for accounting are protected from unauthorised access by appropriate security measures.

The established control and risk management systems are not able to guarantee accurate and complete accounting with absolute certainty. In particular, individual false assumptions, inefficient controls, and illegal activities may limit the effectiveness of the internal control and risk management systems employed. Exceptional or complex circumstances that are not handled in a routine manner also entail a latent risk.

The statements made here apply only to the Group companies included in the consolidated financial statements of HeidelbergCement AG whose financial and operational policies can be determined directly or indirectly by HeidelbergCement AG for the purpose of deriving benefit from the activity of the company.

Risk areas

Risks that may have a significant impact on our assets, financial, and earnings position in the 2014 financial year are divided into four categories based on the risk catalogue established in the Group: financial risks, strategic risks, operational risks, as well as legal and compliance risks. In the following, we assess only the risk situation of risks that are significant for us.

Financial risks

Our significant financial risks are currency risks, interest rate risks, refinancing risks, and credit risks. We manage these risks primarily as part of our ongoing business and financing activities and, when required, by using derivative financial instruments. These risk areas are monitored on a continuous basis by the Group Treasury department in accordance with internal Group guidelines. All Group companies must identify their risks and hedge them in cooperation with Group Treasury on the basis of these guidelines. The activities and processes of Group Treasury are governed by comprehensive guidelines, which, amongst other things, regulate the separation of trade and the processing of financial transactions. As part of our ongoing risk management, we manage the transaction risk, i.e. the risk of fluctuating prices (e.g. currency exchange rates, interest rates, raw material prices) that may affect the Group's earnings position. Financial risks have only slightly risen in comparison with the previous year.

Currency risks

The most significant risk position overall and naturally also with respect to financial risks is related to currency risks, particularly translation risks. In the second half of 2013, some of our major currencies weakened considerably, such as the Indonesian rupiah and the Australian and Canadian dollar. We have adjusted our exchange rates accordingly for the 2014 planning but cannot rule

out further negative translation and transaction effects due to the highly volatile exchange rates. We consider the currency risks to be a medium risk.

Currency risks arising as a result of transactions with third parties in foreign currency (transaction risks) are hedged in certain cases using derivative financial instruments with a hedging horizon of up to twelve months. We primarily use currency swaps and forward exchange contracts for this purpose, as well as currency options in some individual cases. Currency risks arising from intra-Group transactions in goods are not hedged, as the inflows and outflows in the various currency pairs cancel one another out at Group level to a large extent. Through our in-house banking activities, the borrowing and investment of liquidity of the subsidiaries lead to currency positions that are hedged by means of external currency swap transactions, which are appropriate in terms of maturities and amounts.

In general, we do not hedge currency risks arising from converting the financial statements of foreign individual companies or subgroups (translation risks). The associated effects have no impact on cash flow, and influences on the consolidated balance sheet and income statement are monitored on a continuous basis. More information on currency risks can be found in the Notes on page 233.

Pension risks

Primarily in North America, HeidelbergCement is involved in various defined contribution pension plans for unionised employees (Multi-employer Pension Plans). The funding status of these pension plans could be affected by adverse developments in the capital markets, demographic changes, and increases in pension benefits. If one of the participating companies no longer pays contributions into the pension plan, all other parties concerned will be held liable for the obligations that have not been covered. Regarding the year 2014, we consider the pension risks as a low risk.

Interest rate risks

Interest rate risks exist as a result of potential changes in the market interest rate and may lead to a change in fair value in the case of fixed interest-bearing financial instruments and to fluctuations in interest payments in the case of variable interest-bearing financial instruments. Interest rate risks are maintained within the parameters set by the Group's Chief Financial Officer. By using financial instruments, primarily interest rate swaps, we are able to hedge both the risk of fluctuating cash flows and the risk of value fluctuations. However, the downgrading of our credit rating by the rating agencies (see Rating section on page 77f.) could increase the interest margins in the event of a refinancing measure. On the basis of the balanced maturity structure of financial liabilities (see diagram in the Outlook chapter on page 106) and the expected cash inflow from operating activities, there is no significant short- or medium-term need to refinance, meaning that no significant effects on the interest result are to be expected. Therefore, we see here only a low risk. More information on interest rate risks can be found in the Notes on page 232f.

Refinancing/liquidity risks

Refinancing/liquidity risks exist when a company is not able to procure the funds necessary to fulfil operational obligations or obligations entered into in connection with financial instruments.

Possible risks from fluctuating cash flows are considered as part of the Group liquidity planning. Assumptions concerning the expected economic cycle harbour particular uncertainties in liquidity planning, which is why we update them on an ongoing basis and simulate them by means of

so-called stress tests. On this basis, we can – if necessary – initiate the appropriate measures, such as the issue of additional money and capital market securities or the raising of fresh funds in the bank market. As a result of our extensive refinancing measures over the last 24 months, including the prolongation of a syndicated credit facility of €3 billion, we have access to substantial amounts of cash and cash equivalents and have thus considerably reduced the refinancing risk. In addition, cash is continuously accruing from our operating activities. As an additional precautionary measure, an appropriate amount for increasing shareholders' equity was decided upon at the 2013 Annual General Meeting.

The revolving syndicated credit facility of €3 billion mentioned above with a term that runs until the end of February 2019, following the conclusion of a new agreement in February 2014, of which only €257.9 million had been drawn upon as at the balance sheet date, is available for financing existing payment obligations. In total, we have €4.2 billion of cash and cash equivalents, of securities, and free credit lines in our portfolio across the Group (see Liquidity instruments table in the Group financial management section on page 77).

In connection with credit agreements, we agreed to comply with various financial covenants, which were all met in the reporting period. The most important key financial ratios are the ratio of net debt to EBITDA and the interest coverage ratio. Within the framework of Group planning, compliance with the covenants is monitored consistently, with notification issued to the creditors on a quarterly basis. In the event of a breach of the covenants, the creditors could, under certain conditions, accelerate corresponding loans irrespective of the contractually agreed terms. Depending on the volume of the relevant loan and the refinancing possibilities in the financial markets, this could lead to a refinancing risk for the Group.

The €3 billion syndicated credit facility contains covenants, which were agreed at a level that takes into account the current economic environment and our forecasts. More information on liquidity risks can be found in the Notes on page 231 f.

Credit risks

Credit risks exist when a contractual partner in a business cannot fulfil its obligations, or at least not within the stipulated period. We minimise the risk position arising from this by diversification and ongoing assessment of the creditworthiness of the contracting parties.

Credit risks from operating activities are monitored continuously as part of our receivables management. We apply strict standards with regard to the creditworthiness of our business partners. In this way – as well as by avoiding concentrations of positions – we are able to minimise the Group's credit risks. We minimise credit risks for our financial investments by only conducting transactions with banks that are particularly creditworthy. We select banks for payment transactions and establish cash pools in exactly the same way. We consider the credit risks as a low risk. More information on credit risks can be found in the Notes on page 230.

Strategic risks

Strategic risks particularly include risks related to the development of our sales markets in terms of demand, pricing, and the level of competition. In this category we also take into account risks arising from acquisitions and investments, product substitution, and political risks. Strategic risks have significantly declined in comparison with the previous year due to the closing of market risks in several countries.

Industry-specific risks and sales market risks

The International Monetary Fund anticipates a slight acceleration of global economic growth for 2014. However, this is subject to the industrial countries in North America and Europe continuing unabated with their efforts to resolve the debt crisis and to achieve budgetary consolidation, and that the economic growth in Asia, particularly in China, does not sink to a level critical to global economic growth.

Economic development in the individual Group areas will continue to vary greatly in terms of magnitude and time frame in 2014. We perceive risks in demand and price trends in some countries and regions, especially in Eastern Europe, due to financial restrictions imposed by governments, which already led to reductions in infrastructure expenditure in 2013. Furthermore, the increase in competition, particularly through the entry of new competitors in emerging countries, represents risks for sales volumes, prices, and customer relationships. Overall, we rate this as a medium risk.

The global development of demand for building materials naturally represents both an opportunity and a risk for us, and is dependent on a number of different factors. The key factors include population growth and the increasing need for housing, economic growth, growing industrialisation and urbanisation, and the increased need for infrastructure. Demand for building materials is essentially divided into three sectors: private residential construction, commercial construction, and public construction.

Demand in private residential construction depends on factors such as access to affordable loans, the trend in house prices, and the available household income, which is in turn influenced by additional parameters such as the rate of unemployment or inflation. The development of these factors and thus the demand in this sector is mostly subject to country-specific risks and uncertainties. In the USA, the bursting of the property bubble led to a high excess of houses and apartments and a corresponding price collapse. The housing market in the United States recovered significantly in 2013. Sales volumes, the number of construction starts, and house prices have risen, as have lending rates. The continuing recovery of this market is subject to uncertainties and depends, among other things, on the further development of interest rates. In Asia, there is a risk that rising cost of living could negatively impact the revenue available for construction projects and thereby also the investments in private residential construction. In China, there still remain risks from speculations in urban residential property. Although the steps taken by the government and central bank to combat overheating in the booming property market have so far been successful, the situation must still be monitored very carefully.

The utilisation of production facilities, office spaces, and storage areas is crucial in determining the level of demand in commercial construction, and in turn depends on the general order situation both at home and abroad. As a result of the economic crisis, the vacancy rate of office and industrial spaces is still marked in some countries, such as in the USA. While this sector has begun the recovery process, its extent and time span is uncertain. Intensified budgetary consolidation or increasing interest rates resulting from rising inflation pressure could have a negative effect on economic growth and the future demand for building materials.

Investments in infrastructure such as roads, railways, airports, and waterways fall into the public construction sector. The demand in this sector depends on national budgets and the implementation of special infrastructure funding programmes. Risks exist insofar as countries could cut back on their infrastructure investments in order to consolidate their budgets. Noticeable growth

in result from state-funded projects will only be seen with a time lag. The scope of the cutbacks and their effects on the demand for building materials cannot be predicted with absolute certainty.

Building materials are characterised by heavy weight in relation to the sales price and are thus not transported overland for long distances. Excess cement volumes are traded by sea on a regional level as well as between individual continents. If the difference in the price level between two countries, with connection to the sea trade, is so high that it exceeds the transportation costs, there is a danger of increased import pressure and thus of a price drop in the importing market.

A major industry-specific risk is the weather-related sales risk for building materials, which is mainly due to the seasonal nature of demand. Harsh winters with extremely low temperatures or high precipitation impact construction activity and have a negative effect on the demand for building materials. In addition to the winter weather, monsoons in some Group countries, such as India, are another example of the seasonal weather conditions that adversely affect the sales volumes of our products and thus our business results.

We counteract weather-related fluctuations in sales volumes and risks from trends in sales markets with regional diversification, increased customer focus, the development of special products, and, to the extent possible, with operational measures: for example, we adjust the production level to the demand situation and use flexible working time models. In 2013, we reorganised our activities in Spain as a result of the sharp downturn in the construction industry, and a number of locations were temporarily or permanently closed.

In order to further improve relationships with our customers and to respond to country-specific needs, HeidelbergCement carries out customer surveys across the Group and expands research and development operations at Group level. A continuous transfer of knowledge between our locations, which is systematically supported and promoted by the employees of our technical centers – HTC (cement and binders) and CCM (aggregates) – working at various locations across the Group, ensures that synergy effects are utilised as effectively as possible.

Our expectations regarding the future development of the industry and our sales markets are presented in the Outlook chapter on page 102f.

Risks from acquisitions and investments

Capacity expansions from acquisitions and investments ensure opportunities, but also risks. Possible risks in the case of acquisitions arise from the integration of employees, processes, technologies, and products. These also include cultural and language barriers in the growing markets as well as a generally increased level of personnel turnover in Asia, which leads to an outflow of valuable knowledge. We counteract these risks by targeted personnel development and an integrative corporate culture, including the creation of local management structures.

Acquisitions can affect the net debt to equity ratio and financing structure and lead to increases in fixed assets, including goodwill. In particular, impairments of goodwill due to unforeseen business trends can lead to financial burdens.

Investment projects can span several years from the planning phase to completion. In this process, there are particular risks when it comes to obtaining the necessary permission for mining raw

materials or developing infrastructure, including connecting to energy and road networks, as well as risks concerning the requirements for subsequent use plans for quarrying sites.

In the case of future acquisitions, partnerships, and investments, there is a risk that political restrictions may only allow them to be implemented under complicated conditions or may prevent them at all. A resulting shortage in capacity expansion projects could affect the growth prospects of HeidelbergCement. In order to minimise financial burdens and risks and better exploit opportunities, we look for suitable partners, particularly in politically unstable regions.

HeidelbergCement constantly monitors the market environment with respect to embarking on suitable acquisition projects or partnerships. In addition, market potential and raw material deposits are also systematically analysed and turned into proposals for investment projects. We place very high return requirements on every acquisition or investment decision, which are explained in the Internal management control and indicators section on page 41 f. Significant investment and acquisition projects are also subject to subsequent checks. We have many years of experience in integrating companies and have already created the necessary processes and structures.

The cement industry is building up its capacities in the markets of Eastern Europe, Asia, and Africa in order to benefit from the rising domestic demand. HeidelbergCement is likewise pursuing a capacity expansion programme and is focusing on local markets with exceptional growth potential. In 2013, we put into operation new clinker and cement capacities in central India, as well as a new cement mill in Liberia. The commissioning of additional cement capacities in Indonesia, Kazakhstan, Togo, Tanzania, Ghana, and Burkina Faso is planned for 2014. Competitors are also building up new capacities in these regions to some extent. If the capacity increases in the markets in which we operate exceed the growth in demand, there is a risk of price collapse, which has negative effects on revenue and operating income. Prior to capacity expansion projects, HeidelbergCement reviews both the market environment and the market potential and responds to excess capacities with cost-saving and efficiency improvement programmes, capacity adjustments, and location enhancements. Overall, we consider the risks from acquisitions and investments as a low risk.

Risks resulting from the substitution of products

Cement, sand, gravel, and hard rock are the basic raw materials for the construction of houses, industrial facilities, and infrastructure throughout the world. The use of cement-like binders can be traced back to Roman times. Because cement is highly energy- and CO₂-intensive, research projects are being undertaken to develop alternative binders with a more favourable energy and climate footprint.

Employees of the Heidelberg Technology Center (HTC) are closely monitoring the development of alternative binders and are actively exploring this area. However, because the current state of knowledge regarding alternative binders is not sufficient for the stringent requirements relating to the processability, durability, and cost-effective production of the binders, we generally do not anticipate that the alternative binders currently being developed will replace traditional cement types on a large scale in the next few years. If the production costs for traditional binders increase dramatically, particularly in mature markets, e.g. as a result of further shortages of government-issued CO₂ emission certificates or significant increases in energy prices, alternative binders could replace traditional binders provided that they fulfil all the aforementioned requirements. However, since this is currently not foreseeable, the risk is not included in our risk reporting.

Political risks and risks arising from exceptional external incidents

As is the case for all companies, potential turmoil in a political, legal, or social context poses fundamental risks for us, too. HeidelbergCement operates in more than 40 countries around the world and is therefore also exposed to political risks such as nationalisation, prohibition of capital transfer, terrorism, war, and unrest. At a number of locations, we cannot rule out certain security risks because of internal political circumstances. In isolated cases, cement prices are subject to government regulation, e.g. in Togo. There may also be government intervention in production control, such as the temporary decommissioning orders in China. Overall, we consider this as a low risk.

Exceptional external incidents, such as natural disasters or pandemics, could also negatively impact our business performance. Appropriate compensation limits of our Group-wide property insurance programme guarantee comprehensive coverage against natural disasters, including earthquakes, for our activities in heavily endangered regions of North America and Asia.

Operational risks

Operational risks particularly include risks related to the availability and cost development of energy, raw materials, and qualified personnel. In this category we also take into account regulatory risks associated with environmental constraints, as well as production, quality, and IT risks. Operational risks have diminished significantly in comparison with the previous year due to, among others, the reduced risk assessment regarding the development of energy costs and the commissioning of new capacities in Kazakhstan.

Volatility of energy and raw material prices

For an energy-intensive company such as HeidelbergCement, price trends in energy markets, which are extremely volatile, represent a considerable risk. In 2013, energy prices remained stable or decreased slightly. This development was favoured by an increase in the production of shale gas and oil in North America. However, in some countries, such as India, energy prices rose considerably.

Production bottlenecks, such as those owing to conflicts in the Middle East, could lead to a major increase in energy prices. In a few countries, risks also arise from cutbacks in state subsidies for electricity or from the state regulation of oil and gas prices. In Indonesia, a reduction in fuel subsidies for trucks is currently under discussion. If this reduction is introduced, it will raise the transportation costs of our raw materials and finished products. As a countermeasure, we are planning a corresponding increase in sales prices to offset the rising costs. We consider this a medium risk.

In addition to the rise in energy prices, infrastructural bottlenecks also pose a common risk for our Group with regard to electricity supply, especially in Africa. The prices of other raw materials are also subject to economic fluctuations. In 2013, prices for our key raw materials remained essentially stable, but developed very differently in the various regions.

We minimise the price risks for energy and raw materials by Group-wide, structured procurement processes. Furthermore, we rely on the increasing use of alternative fuels and raw materials. In this way, we minimise price risks while reducing CO₂ emissions and the proportion of energy-intensive clinker in the end product cement. We have sustainably improved the efficiency of the

cement manufacturing process with the Group-wide “Operational Excellence” programme, which was launched in the summer of 2010. By reducing and optimising our consumption of electricity, fuel, and raw materials, we are working directly towards a reduction in energy costs.

The “FOX 2013” programme has enabled us to further increase the Group’s financial and operational performance over the last three years and to achieve savings in purchasing to offset the rising costs of energy and raw materials. More information on our procurement management can be found on page 100.

In the process of setting prices for our products, we aim to pass on increases in the costs of energy and raw materials to our customers. The success of these price increases is subject to considerable uncertainty, as most of our products are standardised bulk goods whose price is essentially determined by supply and demand. As a result, there is a risk that price increases cannot be passed on or will cause a decline in sales volumes, particularly in markets with excess capacities.

Availability of raw materials and additives

HeidelbergCement requires a considerable amount of raw materials for cement and aggregates production, which is ensured by our own high deposits. In order to emphasise the key role of raw materials in our company and facilitate the transfer of knowledge and synergy effects beyond national borders, we have combined our geology activities across the Group at HTC Global (see the Research and technology section on page 44). There is, however, potential for certain risks in particular locations with regard to obtaining mining concessions. In Malaysia, for example, the expansion of urbanisation may prevent a quarry from continuing to operate. Necessary permissions may be refused in the short term or disputes may arise regarding mining fees. Ecological factors and environmental regulations for access to raw material deposits also create a degree of uncertainty. In some regions of the world, for example in West Africa south of the Sahara, raw materials for cement production are so scarce that cement or clinker needs to be imported by sea. Rising transportation costs and capacity constraints in the port facilities can lead to an increase in product costs. Overall, we rate this as a low risk.

Availability and prices of the additive blast furnace slag, which is used in cement manufacturing and is a by-product in steel manufacturing, are subject to economic fluctuations and therefore entail a cost risk. Blast furnace slag is used primarily in Europe. In 2014, steel production is expected to remain stable or increase slightly compared with the previous year.

The transfers of production in connection with adjustments of European excess steel capacity may result in a shortage of blast furnace slag quantities in the short to medium term. As a precaution against potential future supply shortages and price fluctuations, we are optimising our stock holding and range of cement types.

Production-related risks

The cement industry is a facility-intensive industry with complex technology for storing and processing raw materials, additives, and fuels. Because of accident and operating risks, personal injury and material or environmental damage may occur and operations may be interrupted. In order to avoid the potential occurrence of damage and the resulting consequences, we rely on various surveillance and security systems in our plants as well as integrated management systems, which guarantee high safety standards, and regular checks, maintenance, and servicing. To identify the threat of potential dangers, we aim to provide all employees with appropriate training to raise their risk awareness. Overall, we consider the production-related risks as low risks.

As demand for building materials is heavily dependent on weather conditions, there is a risk that capacity utilisation may fluctuate and production downtimes may occur. We minimise this risk by establishing different regional locations, making use of demand-oriented production control and flexible working time models. In addition, we make use of production downtimes, where possible, to carry out any necessary maintenance work.

HeidelbergCement's risk transfer strategy sets deductibles for the main insurance programmes that have been adjusted to the size of the Group and are based on many years of failure analyses. As of 2011, the international liability insurance programme has optimised the cover and liability limits, particularly for risks resulting from environmental damage.

Quality risks

Building materials are subject to a strict standardisation. If supplied products do not meet the prescribed standards or the customer's quality requirements, we risk losing sales volumes, facing claims for damages, and/or damaging our customer relationships. HeidelbergCement ensures compliance with the standards at the Group's own laboratories by means of fine-meshed quality assurance in parallel with every process step as well as final inspections. Quality assurance controls are also carried out by independent experts as part of the extensive quality assurance programmes already in place. We consider the quality risks as a low risk.

Regulatory risks in environmental protection

Changes to the regulatory environment can affect the business activities of HeidelbergCement. This concerns mainly legal regulations for environmental protection. Tighter environmental regulations could lead to increasing costs, higher demand for investments, or even the closing of production sites.

As part of the European climate package adopted in December 2008, which concerns the reduction of greenhouse gas emissions, ambitious goals have been set by the European Parliament and the European Commission with regard to climate protection. The cement industry, like other CO₂-intensive industry sectors, has not been affected by the full auction of emission rights since 2013. The emission rights will thus continue to be allocated free of charge, but by 2020 their quantity will have been reduced by 21 % compared with 2005. The emission certificates are to be allocated on the basis of demanding, product-specific benchmarks, and will be further reduced by the annually growing cross-sectoral correction factor. A rise in climate protection cost may be assumed as the total volume of certificates continues to decrease. In the long term, this could create additional burdens in Europe as a result of higher manufacturing costs and therefore clear competitive disadvantages in comparison with producers from countries not involved in emissions trading.

In the US state of California, emissions trading started with the first auction on 14 November 2012. The new regulation officially came into effect on 1 January 2013. Four auctions took place in the reporting year. Our subsidiary Lehigh Hanson did not take part because the state of California allocated sufficient emission rights free of charge to the cement industry. We do not expect this to change in the short term. However, we will monitor the programme closely to ensure we make a timely decision regarding participation. Any involvement in the cap-and-trade programme entails the risk of having insufficient emission rights in the future and of incurring additional costs from the acquisition of rights.

An emissions trading system was introduced as pilot project in the Chinese province of Guangdong in 2013. In 2014, 97 % of the emission certificates assigned for the year 2013 were allocated free of charge. Guangdong is one of China's first provinces to introduce the emissions trading system.

It is still in the early stages and will surely continue to develop. The full extent of the impact on our cement plants in the region cannot be conclusively assessed at this point.

The implementation of the European Industrial Emissions Directive 2010/75 into national law in 2013 led to more stringent environmental requirements for the European cement industry. In Germany, in particular, the limits for dust and ammonia emissions from 2016 and for nitrogen oxide emissions from 2019 were significantly tightened and even exceed EU requirements. Considerable investment is needed in order for us to meet these more stringent environmental regulations.

On 7 February 2013, the American Environmental Protection Agency (EPA) introduced the New Emission Standards for Hazardous Air Pollutants (NESHAP), which also apply to the cement industry. The industry was granted an additional two years before having to adopt the new standards, which will be mandatory from September 2015. Our North American subsidiary Lehigh Hanson has invested in technical equipment in order to meet these new standards, which are more stringent than standards already existing in other parts of the world.

Climate protection and reducing CO₂ emissions are a focus of HeidelbergCement's sustainability strategy. By increasing energy efficiency, developing cement types with a lower proportion of clinker, and using alternative fuels, such as biomass, we were able to reduce our specific net CO₂ emissions from 1990 to 2013 by 21 %. Additional measures concerning climate and environmental protection are outlined in the Environmental responsibility chapter on page 96 f. and the Research and technology section on page 43 f.

IT risks

IT systems support not only our global business processes and our internal and external communication but also to an increasing extent sales and production. Risks could primarily arise from the unavailability of IT systems, the delayed provision of important data, and the loss or manipulation of data.

To minimise these risks, our Group uses back-up procedures as well as standardised IT infrastructures and applications. Furthermore, the critical systems are run at two separate computer centers per region that comply with the latest security standards.

All important server systems and all PCs are constantly protected against potential threats by up-to-date antivirus software. In addition, operating system platforms and critical business applications are regularly updated and secured by additional safeguards.

Information security is an integral part of the Group-wide IT strategy. We prepare, implement, and revise measures to protect data, applications, systems, and networks. One particular focus is access protection as well as the monitoring and filtering of data traffic. The IT security process is structured and divided into a series of guidelines, standards, and recommendations, which help raise our employees' awareness.

A continuous improvement process ensure amendments and a sustainable increase in the efficiency of security measures. We also take measures to counteract the ageing process of equipment and system technology. In the case of existing applications, we are particularly concerned with business-critical resources (e.g. ERP applications, WAN infrastructure), which are updated or replaced in a consolidation programme.

Legal and compliance risks

Our principal legal and compliance risks include risks from ongoing proceedings and investigations, as well as risks arising from changes in the regulatory environment and the non-observance of compliance requirements. Legal and compliance risks have risen in comparison with the previous year following the inclusion of risks regarding the changes to the German Renewable Energy Act (Erneuerbare-Energien-Gesetz).

Hanson asbestos-related claims and environmental damage

Some of our Hanson participations in the USA are exposed to particular legal risks and disputes relating to former activities. The most significant of these are asbestos-related claims, which, amongst other things, allege bodily injury and involve several American subsidiaries. Products containing asbestos were manufactured in the period from 1973 to 1984, and thus before these companies belonged to the Hanson Group and to HeidelbergCement. In the USA, these damage claims are being handled and intensively managed by a team of in-house lawyers in collaboration with insurers and external consultants. The dispute is likely to continue for a few more years because of the complexity of the cases and the peculiarities of the American legal system. Adequate provisions have been formed on the basis of an extrapolation of the claims, the existing liability insurance coverage, and reliable estimates of the development of costs.

Furthermore, there is a considerable number of environmental and product liability claims against former and existing Hanson participations in the USA, which relate back to business activities discontinued a long time ago. There is partly insufficient insurance cover for law suits and liability loss claims relating to toxic substances such as coal by-products or wood preservatives. Our subsidiaries may also be charged further fines set by the court in addition to the clean-up costs and the compensation; there is, however, a possibility to settle authorised claims for compensation outside of court. Sufficient financial provision has been made for this event. Overall, we consider the risks related to environmental damages in North America as a medium risk.

Cartel proceedings

In the cartel proceedings initiated in 2002 against German cement companies, the Düsseldorf High Regional Court imposed a fine of around €170 million against HeidelbergCement in June 2009, which was reduced in the last instance by the Federal Court of Justice in 2013 to approximately €161.4 million and ultimately settled. The action for damages brought by the Belgian company Cartel Damage Claims SA before the Düsseldorf District Court, which was based on allegedly inflated cement prices as the result of a cartel between 1993 and 2002, was indeed rejected in the first instance for legal reasons. However, the appeal that called into question this verdict was lodged in good time and the proceeding continued. Appropriate financial provision has been made for the proceeding. We assign a medium risk to this case.

In November 2008, HeidelbergCement was confronted with additional cartel allegations, with reviews conducted by the European Commission at locations in Germany, Belgium, the Netherlands, and the UK. The investigations of HeidelbergCement and its external lawyers into the circumstances have not confirmed the alleged cartel law violations. The proceedings were continued with the issuing of questionnaires at the end of September 2009 and additional enquiries in 2010 and 2011, which HeidelbergCement answered by the respective deadlines. In December 2010, the European Commission informed HeidelbergCement that in this connection, proceedings had commenced in several EEA countries on the basis of suspicions concerning the violation of EU competition legislation. The notice from the Commission reads in part: "The initiation of proceedings does not

imply that the Commission has conclusive proof of the infringements, but merely signifies that the Commission will deal with the case as a matter of priority.”

These and other proceedings motivate us to continuously review and develop intensive internal precautions, particularly regular training initiatives – using, among others, electronic training programmes – in order to avoid cartel law violations.

Market investigation in the United Kingdom

In recent years, the Competition Commission in the United Kingdom has investigated the market structures of cement and aggregates activities and published its final report in mid-January 2014. It ascertained that there is still an insufficient level of competition in the cement market. In order to improve the competitive situation, the Competition Commission has adopted a set of measures that, among other things, foresees the sale of one of our slag grinding plants to an independent producer. It is currently unclear as to when the sale of this slag grinding plant is to take place and for what price. We rate this as a medium risk.

Regulatory risks

In some countries, laws are used to influence economic conditions, such as the cost of energy. In Germany, for example, the Renewable Energy Act (EEG) regulates the expansion of renewable energies. The costs incurred are passed on to all consumers using the so-called EEG apportionment. Energy-intensive businesses are exempted from the EEG apportionment – in part or in whole – by means of a special compensation scheme. This also includes HeidelbergCement’s production sites in Germany. In December 2013, the EU Commission started an investigation into the legality of the exemptions from the EEG apportionment in light of the fact that the regulation, which came into force in 2012, could represent unfair competition. The current federal government is simultaneously working on a revision of the EEG in order to curb ever-increasing costs and to ensure compatibility with EU law. The outcome of the EU investigation and revision of the EEG is not foreseeable at present. There is a risk that the German cement industry, and thus HeidelbergCement plants, will have to pay more in future or even the full EEG apportionment as part of the electricity price. Furthermore, it is possible that the partial exemptions from the EEG apportionment granted in 2013 could be rescinded, and a low to medium double-digit million euro subsequent payment required to settle the 2013 EEG apportionment. We consider it unlikely that this will occur.

Sustainability and compliance risks

As part of its sustainable corporate governance, HeidelbergCement makes a special commitment to protect the environment, preserve resources, conserve biodiversity, and to act in a socially responsible way. We consider concern for the environment, climate protection, and sustainable resource conservation to be the foundation for the future development of our Group. Compliance with applicable law and Group regulations forms an integrated part of our corporate culture and is therefore a task and an obligation for every employee. Violations of our commitments or of laws and Group guidelines pose direct sanction risks in addition to strategic and operational risks, and also entail a risk to our reputation.

We have implemented a compliance programme across the Group to ensure conduct that is compliant with both the law and Group guidelines. This comprises, amongst other things, informational leaflets, a compliance hotline, and employee training measures, which are conducted using state-of-the-art technologies and media such as electronic learning modules, and which focus on the risk areas of antitrust and competition legislation as well as anticorruption regulations. Violations of applicable laws and internal guidelines will be appropriately sanctioned. In

addition, corresponding corrective and preventive measures will be taken to help prevent similar incidents from arising in the future.

Moreover, we have developed a concept for the evaluation and the reduction of corruption risks and potential conflicts of interest, which will be gradually implemented across the Group. The development of a concept for the assessment of business partners, especially by using international sanction lists, is another area of focus of our compliance programme.

See page 88 f. for more information on sustainability, page 96 f. for more on environmental responsibility, and page 134 f. for more on compliance.

Opportunity areas

Business opportunities are recognized at Group level and at operational level in the individual countries and taken into account as part of the strategy and planning processes. In the opportunities outlined below, we refer to possible future developments or events that can lead to a positive deviation from our forecast. Usually, we do not assess opportunities as their probability of occurrence is difficult to estimate.

Financial opportunities

Exchange rate and interest risks described under financial risks are also offset by opportunities that can turn the identified factors of influence to our advantage. Fluctuations in the exchange rates of foreign currencies against the euro present both risks and opportunities. On the one hand, for example, appreciation of the US dollar against the euro leads to growth in revenue and operating income; on the other, the US dollar-based proportion of purchasing costs measured in euro also increases. This primarily affects raw materials, which are traded in US dollar on the global market.

Strategic opportunities

Industry and sales market risks are also offset by opportunities that can turn the identified factors of influence to our advantage. In 2014, opportunities could arise from stronger-than-expected economic growth in Europe and North America. Public construction might also benefit as a result of higher tax yield. In the medium and long term, we particularly see opportunities for an increase in demand for building materials in residential, commercial, and public construction as a result of rising population numbers, growing prosperity, and the ongoing trend of urbanisation, especially in the growth markets of emerging countries.

Risks arising from acquisitions and investments are also counterbalanced by opportunities. In recent years we continuously expanded our cement capacities in growth markets and will commission new capacities in emerging countries in 2014 as well, especially in Indonesia, Kazakhstan, and the African countries south of the Sahara. The opportunity exists to complete investment projects more quickly than expected, which in turn will provide a higher contribution to growth in earnings than anticipated. In the Outlook chapter on page 105 f., only acquisitions that have already been completed are taken into account.

Operational opportunities

Risks from the increase in prices for energy, raw materials, and additives are offset by opportunities that can turn the identified factors of influence to our advantage. Energy price inflation could be lower if the supply of coal, shale gas, and oil exceeds demand, or if tariff increases for energy sources in emerging countries are lower or introduced later than expected.

The consistent and ongoing implementation of measures to increase efficiency, reduce costs, and improve margins in production, logistics, and distribution is an integral part of our business strategy. As part of the "LEO" programme, which was launched in 2012, we are working on the optimisation of our logistics to achieve further improvements in efficiency and reduce costs through the better utilisation of vehicles and drivers. The first pilot projects will be completed in 2014. In addition, the projects "CLIMB Commercial" in the aggregates business line and "PERFORM" in the cement business line aim to improve margins by setting appropriate prices for our high-quality products. The opportunity exists for all projects to produce higher-than-anticipated results and margin improvements that exceed previous expectations.

Assessment of the overall risk and opportunity situation by Group management

The assessment of the Group's overall risk situation is the result of a consolidated examination of all major compound and individual risks. Compared with the previous year, there is no significant change in the composition of the risk matrix. The overall risk situation has improved in comparison with the previous year.

Overall, the Managing Board is not aware of any risks that could threaten the existence of the Group either independently or in combination with other risks. There has been no notable change in the Group's risk situation between the reporting date of 31 December 2013 and the preparation of the 2013 consolidated financial statements. The company has a solid financial base and its liquidity situation is comfortable.

HeidelbergCement is aware of the opportunities and risks for its business activity as presented in this chapter. The measures described above play a significant role in allowing HeidelbergCement to make use of the opportunities to further develop the Group without losing sight of the risks. Our control and risk management system, standardised across the Group, ensures that any major risks that could negatively affect our business performance are identified at an early stage.

With its integrated product portfolio, its strong positions in growth markets, and its efficient cost structure, HeidelbergCement considers itself well-equipped to overcome any risks that may materialise and benefit from opportunities presented.

3

Corporate Governance

Part of the combined management report of HeidelbergCement Group
and HeidelbergCement AG

Corporate Governance statement	130
Statement of compliance in accordance with § 161 of the German Stock Company Act (Aktiengesetz)	130
Corporate Governance practices that extend beyond the legal requirements	131
Working methods of Managing Board and Supervisory Board, and composition and working methods of their committees	131
Compliance	134
Remuneration report	135
Current Managing Board remuneration system 2013	135
Amount of Managing Board remuneration in 2013	141
Managing Board remuneration 2013 according to Accounting Standard DRS 17	141
Managing Board remuneration 2013 according to the German Corporate Governance Code	143
Further development of the Managing Board remuneration system as of 1 January 2014	146
Remuneration of the Supervisory Board in 2013	148
Supervisory Board and Managing Board	149
Supervisory Board	149
Supervisory Board Committees	151
Managing Board	151

Corporate Governance statement ¹⁾

Statement of compliance in accordance with § 161 of the German Stock Company Act (Aktiengesetz)

On 5 February 2014, the Managing Board and on 6 February 2014, the Supervisory Board resolved to submit the following statement of compliance in accordance with § 161, section 1 of the German Stock Company Act: The Managing Board and Supervisory Board of HeidelbergCement AG declare, in accordance with § 161, section 1 of the German Stock Company Act, that they have complied with, and are in compliance with, the recommendations of the Government Commission on the German Corporate Governance Code (hereafter referred to as the Code), with the following exceptions:

- Some of the Managing Board agreements do not provide for any limit on redundancy payments (redundancy pay cap) in the event of early termination of membership of the Managing Board without good cause or due to a change of control (deviation from point 4.2.3).
Justification: The Supervisory Board respects the provision for the protection of continuance for the existing Managing Board agreements, which do not provide for any corresponding limit on redundancy payments. New future agreements and extensions to existing Managing Board agreements will, however, include a limit on redundancy payments in line with the Code. Four out of six Managing Board agreements already contain a limit on redundancy payments in line with the Code.
- Prior to the change of the Managing Board agreements in November 2013, not all variable remuneration components showed limits for the amount (deviation from point 4.2.3, section 2, sentence 6).
Justification: The employment contracts of the incumbent members of the Managing Board already provided limits for variable remuneration elements, which did not, however, fully meet the requirements of the new Code recommendation dated May 2013. The adjustment of the Managing Board agreements, as part of the review of the Managing Board remuneration system in November 2013, fully complies with the new Code recommendation. Since the Code has not stipulated whether the new recommendation also applies to existing employment contracts or not, the previous statement of deviation is a precautionary measure.
- The performance-oriented element of the remuneration of the Supervisory Board is not geared towards the sustainable development of the Group (deviation from point 5.4.6).
Justification: The variable element of the remuneration of the Supervisory Board introduced in 2010 is dependent on the Group earnings per share achieved in the respective previous year. As it is not based on a multi-year assessment, this variable element is thus not sustainable in the sense of the Code. Nevertheless, the Managing Board and the Supervisory Board both feel that the remuneration element on a yearly basis pays due consideration to the significance of the advisory and supervisory function of the Supervisory Board and moreover makes it easier to measure the variable remuneration in a timely manner in case of retirement or appointment of a Supervisory Board member during the year.
- The shareholdings of members of the Supervisory Board are not disclosed (deviation from point 6.3).
Justification: The members of the Supervisory Board are bound by the shareholding disclosure requirements under § 21 of the German Securities Trading Law (Wertpapierhandelsgesetz) and the Directors' Dealings disclosure requirements under § 15a of the German Securities Trading Law. This seems to guarantee sufficient transparency as regards the shareholdings of members of the Supervisory Board.

¹⁾ In accordance with § 289a of the German Commercial Code (HGB), likewise the Corporate Governance Report in accordance with point 3.10 of the German Corporate Governance Code

For the reporting period from 5/7 February 2013 (submission date of previous statement of compliance) to 10 June 2013, the above statement relates to the version of the Code published in the German Federal Gazette (Bundesanzeiger) dated 15 May 2012. For the period from 11 June 2013, it relates to the version of the Code dated 13 May 2013, published on 10 June 2013.

Corporate Governance practices that extend beyond the legal requirements

A Group-wide Code of Business Conduct requires all employees to observe the basic rules of business decorum – irrespective of whether these rules have been expressed in legal regulations or not. In particular, the Code of Business Conduct calls for:

- integrity and professional behaviour towards customers, suppliers, authorities, and business partners,
- consistent avoidance of conflicts of interest,
- careful and responsible handling of the Group's property and assets,
- careful and responsible handling of company and business secrets as well as personal data,
- fair, non-discriminatory employment conditions and fair dialogue with the employee representatives,
- the provision of healthy and safe jobs, and
- considerate handling of natural resources.

The Code of Business Conduct, which is published on our website www.heidelbergcement.com under "About us/Corporate Governance/Code of Business Conduct", is part of the comprehensive compliance programme and its observance is monitored by control mechanisms included in the programme.

Working methods of Managing Board and Supervisory Board, and composition and working methods of their committees

As a German public limited company, HeidelbergCement is required by law to have a two-tier board system. The Managing Board is responsible for independently managing the Group; its members are jointly accountable for the management of the Group; the Chairman of the Managing Board coordinates the work of the members of the Managing Board. The Supervisory Board appoints, monitors, and advises the Managing Board and is directly involved in decisions of fundamental importance to the Group; the Chairman of the Supervisory Board coordinates the work of the Supervisory Board.

Management by the Managing Board

In managing the Group, the Managing Board is obliged to act in the Group's best interests. It takes into account the interests of shareholders, its employees, and other stakeholders with the aim of creating sustainable added value. The Managing Board develops the Group's strategy, coordinates it with the Supervisory Board, and ensures its implementation. It ensures that all provisions of law and the Group's internal guidelines are adhered to, and works to achieve compliance by Group companies. It ensures appropriate risk management and risk controlling within the Group. The Managing Board considers diversity when filling management positions within the Group, and in doing so, strives to give due consideration to women; however, the Managing Board is opposed to a fixed quota of women. The Managing Board Rules of Procedure issued by the Managing and Supervisory Boards govern, in connection with the schedule of responsibilities approved by the Supervisory Board, the work of the Managing Board, in particular the departmental responsibilities of individual members of the Managing Board, matters reserved for the full Managing

Board, and the required majority for resolutions. In accordance with these rules, each member of the Managing Board runs his management department independently, with the provision that all matters of clearly defined fundamental importance are to be decided upon by the full Managing Board. This takes place in the regular meetings of the Managing Board, led by the Chairman of the Managing Board, on the basis of prepared meeting documents. The results of the meetings are recorded in minutes, which are issued to all members of the Managing Board. There are no Managing Board committees.

Consultation and supervision by the Supervisory Board

The task of the Supervisory Board is to regularly advise and supervise the Managing Board in the management of the Group. The Managing Board must involve the Supervisory Board in decisions of fundamental importance to the Group. The Supervisory Board Rules of Procedure issued by the Supervisory Board govern its organisation and work, in particular the required majority for resolutions, the legal transactions and measures requiring its consent, the standard retirement age for Managing and Supervisory Board members, and the tasks of established committees.

The Supervisory Board meets at least twice every half-year; at these meetings, it usually discusses the open topics and passes the required resolutions, on the basis of reports drawn up by the Managing Board and documents received in advance in preparation for the meeting. Additional or extraordinary meetings are held if necessary. The results of the meetings are recorded in minutes, which are issued to all members of the Supervisory Board. The Supervisory Board comprises a number of independent members – a number which it deems sufficient – and at least one independent member with expertise in either accounting or auditing. In accordance with the Articles of Association, the Supervisory Board has set up a total of four committees, which are entrusted with the tasks and working methods described below. The following respective plenary session of the Supervisory Board is given an account of the results of the committee work.

The Personnel Committee is responsible for preparing the decision of the Supervisory Board concerning the appointment of members of the Managing Board, for preparing the election of the Chairman of the Managing Board, and the establishment of the Managing Board's remuneration structure as well as the remuneration paid to the individual members of the Managing Board. It is also responsible for making a decision concerning the structuring of the non-remuneration-related legal relationships between the company and the members of the Managing Board. The Personnel Committee comprises Messrs Fritz-Jürgen Heckmann, Josef Heumann, Hans Georg Kraut, Ludwig Merckle, Tobias Merckle (until 22 November 2013; since then: Alan Murray), and Heinz Schmitt; the Chairman is Mr Ludwig Merckle.

The Audit Committee is responsible for preparing the decision of the Supervisory Board concerning the adoption of the annual financial statements and the approval of the consolidated financial statements. It is also responsible for monitoring the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the compliance programme, and the audit. When dealing with the audit, it is responsible in particular for the preparation of the Supervisory Board's proposal to the Annual General Meeting for the appointment of the auditor, issuing the audit assignment, establishing points of focus for the audit, additional services provided by the auditor, concluding the fee agreement with the auditor, verifying the auditor's independence including obtaining the auditor's statement of independence, and making the decision concerning measures to be taken if reasons emerge during the audit to warrant the possible disqualification of the auditor or suggest a conflict of interest on the part of the auditor. The Audit Committee discusses the half-yearly and quarterly reports with the Managing Board before they are published. The results of the meetings are recorded in minutes, which are issued to all committee members. The Chairman of the Audit Committee has specialist knowledge and experience in the application of accounting principles and internal control processes. In addition

to the Chairman, the Audit Committee includes at least one independent member with expertise in either accounting or auditing. The Audit Committee comprises Messrs Robert Feiger, Fritz-Jürgen Heckmann, Max Dietrich Kley, Ludwig Merckle, Heinz Schmitt, and Werner Schraeder; the Chairman is Mr Ludwig Merckle.

The Nomination Committee is responsible for putting suitable candidates forward to the Supervisory Board for its proposals for election to be made to the Annual General Meeting. It comprises Messrs Fritz-Jürgen Heckmann, Ludwig Merckle, and Tobias Merckle as shareholder representatives; the Chairman is Mr Fritz-Jürgen Heckmann.

The Arbitration Committee, formed in accordance with § 27, section 3 and § 31, section 3 of the German Codetermination Law, is responsible for making a proposal to the Supervisory Board for the appointment of members of the Managing Board if the necessary two-thirds majority is not initially achieved. It comprises Messrs Fritz-Jürgen Heckmann, Hans Georg Kraut, Tobias Merckle, and Heinz Schmitt; the Chairman is Mr Fritz-Jürgen Heckmann.

Diversity

On 28 June 2012, the Supervisory Board resolved to adopt the recommendations stated in point 5.4.1 of the Code as amended on 15 May 2012. Therefore, the Supervisory Board set the following concrete objectives regarding its composition: The composition of the Supervisory Board is an appropriate reflection of the national and international alignment of HeidelbergCement as a leading building materials producer. The Supervisory Board comprises at least three members who have been elected by the shareholders and who are independent members in line with point 5.4.2 of the Code. Following the 2014 Annual General Meeting, the newly constituted Supervisory Board comprises at least two female members. The standard retirement age for members of the Supervisory Board is 75 years.

The Supervisory Board considers that its constitution corresponds to its specified goals and remains confident that following the 2014 Annual General Meeting, the newly constituted Supervisory Board will appoint at least two female members.

Cooperation between Managing Board and Supervisory Board

The Managing Board and Supervisory Board cooperate closely for the benefit of the Group. To this end, the Managing Board coordinates the Group's strategic approach with the Supervisory Board and discusses the current state of strategy implementation with the Supervisory Board at regular intervals. For clearly defined transactions of fundamental importance, the Supervisory Board has specified provisions in the Managing Board Rules of Procedure requiring its approval.

The Managing Board informs the Supervisory Board regularly, without delay and comprehensively, of all issues of importance to the Group with regard to strategy, planning, business development, risk situation, risk management, and compliance. The Managing Board explains deviations of the actual business development from previously formulated plans and goals, indicating the reasons for this. The Supervisory Board has included detailed provisions in the Managing Board Rules of Procedure with regard to the Managing Board's information and reporting duties. Documents required for decisions, in particular, the annual financial statements, the consolidated financial statements, and the Auditors' report, are sent to the members of the Supervisory Board in due time before the meeting. The cooperation between the Managing Board and the Supervisory Board is shaped by mutual trust and a culture of open debate while fully protecting confidentiality.

In the periods between Supervisory Board meetings, the Chairman of the Supervisory Board also maintains regular contact with the Managing Board, especially the Chairman of the Managing Board, to discuss Group issues regarding strategy, planning, business development, risk situation,

risk management, and compliance. The Chairman of the Supervisory Board is informed by the Chairman of the Managing Board without delay on important events which are essential for the assessment of the situation and development, as well as for the management of the company.

Shareholdings of members of the Managing Board and Supervisory Board

The direct or indirect ownership of shares or share-based financial instruments, especially derivatives, by members of the Managing Board has, neither in any individual case nor in total, exceeded the threshold of 1 % of the issued shares.

According to the available reports, Supervisory Board member Ludwig Merckle directly and indirectly holds 25.11 % of the issued shares. As regards the other members of the Supervisory Board, the ownership of shares or share-based derivatives has, neither in any individual case nor in total, exceeded the threshold of 1 % of the issued shares, according to the available reports.

Relationships with shareholders

In line with the options provided for in accordance with the law or the Articles of Association, the shareholders exercise their rights before or during the Annual General Meeting and thereby exercise their voting right. Each share carries one vote at the Annual General Meeting (one-share-one-vote principle). The ordinary Annual General Meeting is normally held in the first five months of the financial year. All important documents for exercising shareholder rights as well as the resolution issues and documentation are duly and easily available on our website for shareholders to access. Both the notice of the agenda for the Annual General Meeting and our website will provide shareholders with the information they need to exercise their rights, and particularly their voting rights at the Annual General Meeting, including by way of proxy or postal vote. A company proxy bound by instructions is also available to shareholders to exercise their voting rights at the Annual General Meeting. The presentation slides accompanying the report given by the Chairman of the Managing Board to the Annual General Meeting will be made available on the Internet at the same time. After the Annual General Meeting is over, our website will be updated with the attendance details and the voting results of each agenda item.

As part of our investor relations work, we provide information to shareholders and other investors comprehensively and regularly on a quarterly basis to tell them about the business development as well as the financial situation and earnings position, and also provide them with notifications in accordance with the German Securities Trading Law and information on analyst presentations, press releases, and the annual financial calendar. Details on our investor relations work can be found on page 34.

Compliance

Within the Group's management culture, strong emphasis is placed on the compliance programme, which is firmly anchored in the Group-wide management and supervisory structures. It comprises the entire compliance organisation within the Group, the set up of guidelines, and verification of compliance with these guidelines.

The compliance organisation is under the authority of the Chairman of the Managing Board, to whom the Director Group Compliance reports directly. Each country has its own compliance officer; however, responsibility for ensuring that employees' conduct complies with the law and regulations lies with all managers and, of course, the employees themselves.

The compliance officers are supported by modern technologies and media, such as electronic learning platforms and learning programmes as well as an Internet- and telephone-based reporting system. The entire compliance programme is reviewed on an ongoing basis for any necessary adjustments

to current legal and social developments, and is continuously improved and developed accordingly. Group-wide implementation of the compliance programme is monitored by regular and special audits by Group Internal Audit as well as via special half-yearly compliance reporting by the Director Group Compliance to the Managing Board and the Audit Committee of the Supervisory Board. As part of his responsibilities, the Director Group Compliance monitors the effectiveness of the compliance programme and verifies in particular whether it adequately satisfies the legal requirements and recognised compliance standards. An additional quarterly report regularly informs the Managing Board members with regional responsibility about the most important compliance incidents in their Group areas.

In 2013, the compliance officers' preventive activities once again placed great emphasis on compliance with the provisions of competition legislation and anti-corruption regulations. This was backed by appropriate training measures in these areas together with a revision of the relevant guidelines. Particularly in the context of the provisions of the UK Bribery Act, which came into effect on 1 July 2011, the compliance programme is supplemented by additional tools. A plan for the evaluation, as well as the reduction, of corruption risks and potential conflicts of interest, for example, was thus developed together with external experts in order to ensure the effective prevention of corruption offences. This plan has been progressively introduced across the Group since 2012.

In addition to these key areas, other focuses continue to be occupational safety legislation and environmental law. This reflects the characteristics and specific features of a heavy industry that extracts raw materials and manufactures and markets homogeneous mass goods, and which generally operates locally. Special efforts are also made to observe the prohibition of insider trading, capital market and data protection regulations, regulations on non-discrimination in dealings with employees, and internal purchasing principles.

Remuneration report

The remuneration report contains three parts. The first part presents the Managing Board remuneration system and the remuneration of members of the Managing Board for the 2013 financial year, both according to the applicable accounting standards as well as the valid version of the German Corporate Governance Code dated 13 May 2013. The second part shows the revised remuneration system valid from 1 January 2014 together with the prospects for remuneration of the Managing Board in 2014. The third part shows the remuneration for the Supervisory Board paid for the 2013 financial year.

Current Managing Board remuneration system 2013

In the context of the Act on the Appropriateness of Managing Board Remuneration, which came into effect on 5 August 2009, the Supervisory Board decided on a Managing Board remuneration system, applicable for the first time in the 2011 financial year. This system was approved by the Annual General Meeting on 5 May 2011 with a majority of 96% of the votes cast, in accordance with § 120, section 4 of the German Stock Company Act.

Principles

The system and amount of remuneration of the Managing Board are determined by the Supervisory Board following a recommendation by the Personnel Committee. They are based on the size and international activity of the Group, its economic and financial situation, its future prospects, the

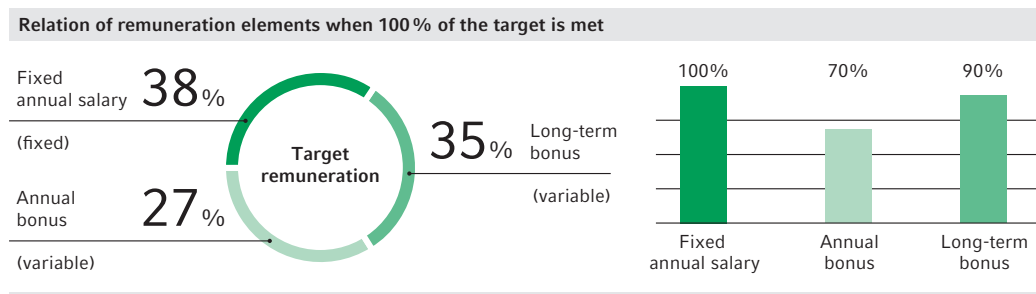
amount and structure of the Managing Board remuneration in comparable companies, and the remuneration structure used for the rest of the Group. In addition, the tasks and performance of the relevant member of the Managing Board, and of the entire Managing Board, are taken into account. The remuneration is calculated in such a way that it is competitive on the market for highly qualified senior managers and provides an incentive for successful work in a business culture with a clear focus on performance and results.

Remuneration elements

The remuneration system applicable since 1 January 2011 comprises:

1. a fixed annual salary,
2. a variable annual bonus,
3. a variable long-term bonus with long-term incentive,
4. fringe benefits, as well as
5. pension promises.

The following graph shows the relation between fixed and variable remuneration elements of the target remuneration (without fringe benefits and pension promises) and a comparison of the amount of the individual variable components – when 100% of the target is met – with the fixed annual salary.



1. Fixed annual salary

The fixed annual salary is a set cash payment relating to the financial year, which is based on each Managing Board member’s area of responsibility and is paid on a monthly basis over the year. It amounts to around 38% of the target remuneration when 100% of the target is met.

2. Annual bonus

The annual bonus is a variable remuneration element, which relates to the financial year and is 70% of the fixed annual salary, when 100% of the target is met. It amounts to around 27% of the target remuneration. The Group share of profit, adjusted for one-off items, is used as the key performance indicator. In addition, individual targets will be agreed with the Chairman of the Managing Board and the Managing Board members.

At the start of the financial year, the Supervisory Board decides on the performance targets and, at the end of the financial year, determines the extent to which the target has been reached.

- Target value (value when 100% of the target is met)
70% of fixed annual salary
- Key performance indicators and weighting (value when 100% of the target is met)
2/3 Group share of profit
1/3 individual targets
- Target achievement range
0–200% (the maximum value of annual bonus is limited to 140% of the fixed annual salary and total loss of the entire annual bonus is possible; the determination of the range refers to each individual key performance indicator)

The following table shows a sample calculation for the determination of the annual bonus with a fixed annual salary of €700,000.

Sample calculation annual bonus ¹⁾	
Target	€490,000 (70% of fixed annual salary of €700,000)
Performance period	1 year
Key performance indicators	2/3 Group share of profit (€326,667) 1/3 individual targets (€163,333)
Range	0–200%
Target achievement (example)	Group share of profit 130% (€424,667) individual targets 100% (€163,333)
Example result	Group share of profit €424,667 + individual targets €163,333 = Cash payout €588,000

1) The degrees of target achievement are fictitious and serve only as illustration.

3. Long-term bonus

The long-term bonus is a variable remuneration element based on the long term, which is to be issued in annual tranches starting in 2011. It amounts to 90 % of the fixed annual salary, when 100 % of the target is met. The long-term bonus makes up around 35 % of the target remuneration and comprises two equally weighted components.

The first component (management component with a term of three years) considers the internal added value as measured by earnings before interest and taxes (EBIT) and return on invested capital (ROIC), and is arranged in the form of a bonus with cash payment. The bonus will be paid after the Annual General Meeting in the year following the three-year performance period. The second component (capital market component with a term of four years) considers the external added value as measured by total shareholder return (TSR) – adjusted for the reinvested dividend payments and for changes in the capital – compared with the relevant capital market indices, using performance share units (PSUs). The PSUs are virtual shares used for the calculation of the capital market component.

At the start of every tranche, the Supervisory Board determines the performance targets for both components based on the various key performance indicators, which, if they are achieved, affect the amount of the long-term bonus. After expiry of the respective performance period, the Supervisory Board will ascertain the extent to which the target has been reached.

The target for the management component is based on the Group's relevant three-year operational plan, presented to the Supervisory Board by the Managing Board. The share-based capital market component is measured over a four-year period, on the basis of § 193, section 2, no. 4 of the German Stock Company Act (AktG).

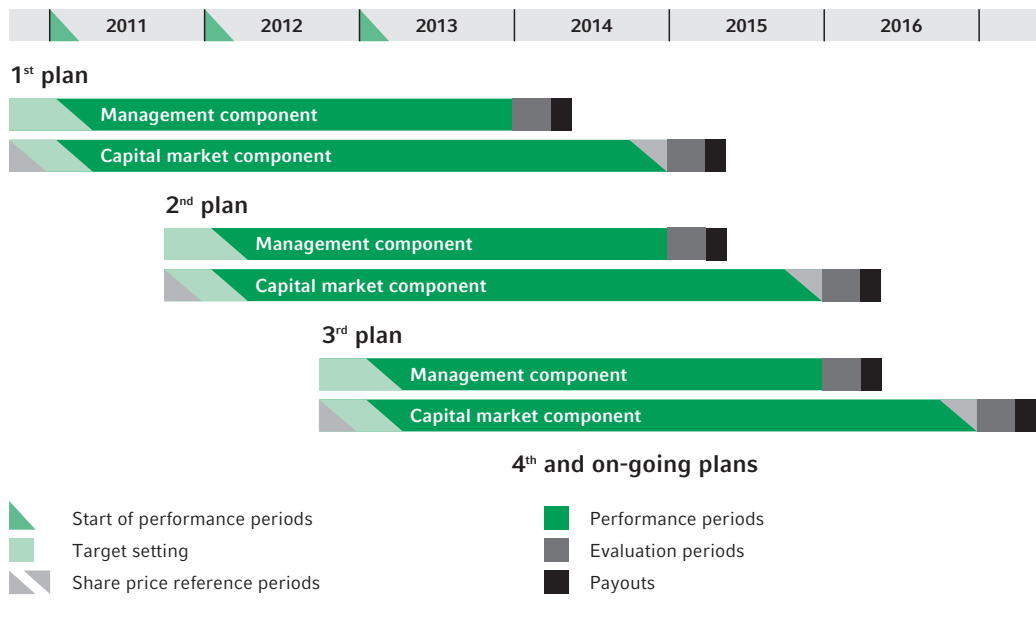
For the capital market component, the number of performance share units (PSUs) initially granted is ascertained in the first instance: the number of PSUs is calculated from 45 % of the fixed annual salary divided by the reference price²⁾ of the HeidelbergCement share as at the time of issue. After expiry of the four-year performance period, the PSUs definitively earned are to be calculated in a second step according to the attainment of the target and paid in cash at the reference price of the HeidelbergCement share valid at that time – adjusted for the reinvested dividend payments and for changes in the capital.

2) The reference price is respectively the average of the daily closing prices of the HeidelbergCement share on the Frankfurt Stock Exchange Xetra trading system for three months retrospectively from the start/expiration of the performance period.

- Target value (value when 100 % of the target is met)
90 % of fixed annual salary (of which 50 % is the management component and 50 % is the capital market component)
- Key performance indicators and weighting (value when 100 % of the target is met)
Management component (three-year performance period):
1/2 average of EBITs attained during the performance period
1/2 target ROIC at the end of the performance period
Capital market component (four-year performance period):
1/2 peer total shareholder return (TSR); calculation of TSR compared with DAX 30 Index
1/2 peer total shareholder return (TSR); calculation of TSR compared with MSCI World Construction Materials Index
- Target achievement range
Management component: target achievement ranges from 0–200 %, i.e. the maximum value of the management component of the long-term bonus is limited to 90 % of the fixed annual salary and total loss of the management component is possible; the range applies separately for each key performance indicator EBIT and ROIC
Capital market component: target achievement ranges from 0–200 %, i.e. depending on the target achievement, the number of virtual shares (PSUs) can maximally double or reduce to zero (total loss)
- Cap of performance of the HeidelbergCement share before payout
Maximum of 2.5 times the reference price, which was determined at the start of the performance period

Payment system for the long-term bonus

The following graph shows the payment system for the long-term bonus.



The management component of the long-term bonus plan 2013-2015/16, which was issued in 2013, is paid after the Annual General Meeting 2016, i.e. in the year following the three-year performance period; the capital market component is paid after the Annual General Meeting 2017, i.e. in the year following the four-year performance period.

During the implementation phase, a disbursement mechanism with a bonus-malus system forms an element of the long-term bonus plan. According to this mechanism, for the first three years, a third of the target value of the first long-term bonus plan 2011–2013/14 is paid out annually after the following year's Annual General Meeting. These amounts must be repaid to the Group or offset against future payments of variable remuneration elements if and to the extent to which the target value is not reached.

The following table shows a sample calculation for the determination of a long-term bonus with a fixed annual salary of €700,000.

Sample calculation long-term bonus ¹⁾	
Target	€630,000 (90 % of fixed annual salary of €700,000)
Basis	Management component: 50 % of €630,000 = €315,000 Capital market component: 50 % (€315,000) will be converted into virtual shares; Ø share price of the last 3 months before the beginning of the plan: €60 €315,000 / €60 = 5,250 virtual shares
Performance period	3 years (from 2013 to 2015) for the management component and 4 years (from 2013 to 2016) for the capital market component
Key performance indicators	Management component: 315,000 € 1/2 EBIT (€157,500) 1/2 ROIC (€157,500) Capital market component: €315,000 (5,250 virtual shares) Peer TSR: 1/2 DAX 30 Index (2,625 virtual shares) 1/2 MSCI World Construction Materials Index (2,625 virtual shares)
Range	0–200 %
Target achievement (example)	EBIT 200 % (€315,000) Relative TSR: DAX 30 Index 100% (2,625 virtual shares) ROIC 100 % (€157,500) MSCI World Construction Materials Index 140% (3,675 virtual shares)
Example result	Management component: €315,000 + €157,500 = €472,500 Capital market component: 2,625 + 3,675 = 6,300 virtual shares (Ø share price over the last 3 months before the end of the 4 th year e.g.: €160; Cap at 250 % = maximum value €150) = 6,300 virtual shares x €150 = €945,000 Management component €472,500 + capital market component €945,000 = €1,417,500

1) The degrees of target achievement and share prices are fictitious and serve only as illustration.

4. Fringe benefits

The taxable fringe benefits of the members of the Managing Board comprise of the provision of company cars, mobile phone and communication resources, the reimbursement of expenses, as well as insurance- and assignment-related benefits.

5. Pension promises

The retirement agreements of the German members of the Managing Board contain the promise of an annual retirement pension, which is calculated as a percentage of the pensionable income. The percentage rate depends on the term of the Managing Board membership. After five years of Managing Board membership, the rate is at least 40 % of the pensionable income and can increase to a maximum of 65 % of the pensionable income. The percentage rate for the Chairman of the Managing Board is 4 % of the pensionable income for each year of service or part thereof, but no more than 60 %. The pensionable income is equivalent to a contractually agreed percentage of the fixed annual salary of the Managing Board member. When the Managing Board member's agreement is terminated and he starts receiving the pension benefit, he receives a transitional allowance for six months, equal to the monthly instalments of the fixed annual salary. The pension is paid monthly either:

- after leaving the company upon reaching retirement age (pension benefit paid on individual basis between the 62nd and 65th year of age), or
- in the case of early termination of the agreement for reasons not attributable to the Managing Board member, provided the member has reached 60 years of age at the time the agreement is terminated, or
- due to permanent invalidity as a result of illness.

The retirement agreements include a survivor pension benefit. If a member of the Managing Board dies during the term of his employment contract, or after effectuating the pension benefit, the member's widow and dependent children receive a widow's/orphan's pension. The widow's pension is 60 % of the deceased's pension benefit. The orphan's pension is 10 % of the deceased's pension benefit as long as a widow's pension is being paid at the same time. If a widow's pension is not being paid at the same time, the orphan's pension is 20 % of the deceased's pension benefit.

The retirement provision for Mr Daniel Gauthier is based on the retirement scheme of Cimenteries CBR S.A., a wholly owned subsidiary of HeidelbergCement AG, based in Brussels, Belgium. The pension promise is comparable to the retirement provision for the German members of the Managing Board in terms of the amount, and also contains a survivor pension benefit.

Adjustment of remuneration

The Supervisory Board has the option of discretionary adjustment (administrative discretion) of the annual and the long-term bonus by $\pm 25\%$ of the target value of these variable remuneration elements in order to account for the personal performance of the individual members of the Managing Board and/or for exceptional circumstances. In accordance with § 87, section 2 of the German Stock Company Act (AktG), the Supervisory Board's right and obligation to reduce the Managing Board remuneration to a reasonable amount remains unaffected, if the position of the Group worsens after the fixing to such an extent that it would be unfair for the Group if remuneration of the Managing Board continued to be granted unchanged.

Individual investment (share ownership)

To support the sustainable development of the Group, the Supervisory Board has decided upon a set of guidelines for the shareholdings of members of the Managing Board. Members of the Managing Board are obliged to invest part of their personal wealth to purchase a fixed number of HeidelbergCement shares and to hold these shares for the term of their membership on the Managing Board. The number of shares to be held by the Chairman of the Managing Board is set at 30,000 HeidelbergCement shares and at 10,000 HeidelbergCement shares for each of the other members of the Managing Board. In order to comply with the guidelines, half of the amount issued for the long-term bonus is to be used to buy shares of the company until the full individual investment is generated. The accumulation of the individual investment can therefore take several years. Following the first payment from the long-term bonus plan, reports will be drawn up on the individual investment of each member of the Managing Board. HeidelbergCement shares that are already held by Managing Board members are taken into account in the individual investment.

D&O liability insurance

The members of the Managing Board are covered in the Group's existing D&O liability insurance. The agreed deductible corresponds to the minimum deductible pursuant to § 93, section 2, sentence 3 of the German Stock Company Act (AktG) in the respective version.

Guidelines in the case of new agreements and extensions to existing Managing Board agreements

The following guidelines on the redundancy pay cap and change of control clause are applicable as of 1 January 2011 for new agreements or extensions to existing Managing Board agreements. These guidelines entered into force in 2011 for Daniel Gauthier and Andreas Kern; for Dr. Dominik von Achten and Dr. Albert Scheuer, they entered into force in 2012.

Redundancy pay cap

In accordance with the German Corporate Governance Code, when concluding new Managing Board agreements or extending existing Managing Board agreements, it must be ensured that payments to a member of the Managing Board – in the event of the early termination of a Managing

Board membership without serious cause – do not exceed the value of two annual remunerations (including fringe benefits) and do not amount to more than the remaining term of the agreement. The redundancy pay cap is calculated based on the amount of the total remuneration for the past financial year and, if necessary, also on the amount of the anticipated total remuneration for the current financial year.

Change of control clause

In accordance with the German Corporate Governance Code, when concluding new Managing Board agreements or extending existing Managing Board agreements, it must be ensured – in the event of the early termination of a Managing Board membership – that benefits promised as a result of a change of control do not exceed 150 % of the redundancy cap.

Amount of Managing Board remuneration in 2013

The disclosure of the remuneration of the Managing Board for the 2013 financial year is governed by two different bodies of rules and regulations: firstly, as previously, by the applicable German Accounting Standards (DRS 17), and secondly, for the first time, by recommendations from the German Corporate Governance Code in the version of 13 May 2013.

Managing Board remuneration 2013 according to DRS 17

Amount of fixed and variable remuneration

The fixed remuneration of the Managing Board remained unchanged in comparison with the previous year at €5.0 million (previous year: 5.0). The sum of variable remuneration elements rose to €7.0 million (previous year: 6.7). It comprised a one-year bonus in 2013 and the payment of the management component of the long-term bonus plant 2011–2013/14. The remuneration of the Managing Board members for financial year 2013 according to DRS 17 is shown in the following table.

Managing Board remuneration for the 2013 financial year (DRS 17)							
€ '000s rounded off (previous year in brackets)	Dr. Bernd Scheifele	Dr. Dominik von Achten	Daniel Gauthier	Andreas Kern	Dr. Lorenz Näger	Dr. Albert Scheuer	Total
Non-performance related compensation							
Fixed annual salary	1,320 (1,320)	900 (900)	700 (700)	700 (700)	700 (700)	700 (700)	5,020 (5,020)
Fringe benefits	302 (336)	63 (94)	144 (148)	192 (286)	301 (334)	39 (60)	1,041 (1,258)
Performance related compensation							
Annual bonus	1,799 (1,884)	1,176 (1,134)	882 (890)	816 (890)	967 (990)	871 (890)	6,511 (6,678)
Deduction of fringe benefits from the annual bonus	-234 (-267)		-129 (-132)	-193 (-259)	-234 (-267)		-790 (-925)
Total cash compensation including fringe benefits	3,187 (3,273)	2,139 (2,128)	1,597 (1,606)	1,515 (1,617)	1,734 (1,757)	1,610 (1,650)	11,782 (12,031)
Compensation with long-term incentive							
Management component 2011-2013/14	178	63	63	63	63	63	493
Capital market component 2013-2015/16	576 (482)	392 (329)	305 (256)	305 (256)	305 (256)	305 (256)	2,189 (1,832)
Total compensation	3,941 (3,755)	2,594 (2,457)	1,965 (1,862)	1,883 (1,872)	2,102 (2,012)	1,978 (1,905)	14,464 (13,864)

Long-term bonus plan 2013–2015/16

The members of the Managing Board are participating in the long-term bonus plan 2013–2015/16, issued in 2013. The target values for the plan are €1,188,000 for Dr. Bernd Scheifele, €810,000 for Dr. Dominik von Achten, and €630,000 for each of the other members of the Managing Board. The plan comprises two equally weighted components: the management component and the capital market component. The target value of each component amounts to €594,000 for Dr. Bernd Scheifele, €405,000 for Dr. Dominik von Achten, and €315,000 for each of the other members of the Managing Board. The reference price for the capital market component amounts to €41.71. This equates to 14,241 performance share units (PSUs) for Dr. Bernd Scheifele, 9,710 PSUs for Dr. Dominik von Achten, and 7,552 PSUs for each of the other members of the Managing Board. In accordance with § 314, section 1, no. 6a, sentence 4 of the German Commercial Code (HGB), the fair value at the grant date must be indicated for the capital market components. For Dr. Bernd Scheifele this amounts to €576,000, for Dr. Dominik von Achten to €392,000, and for each of the other members of the Managing Board to €305,000. The fair value was determined in accordance with a recognised actuarial method (Monte Carlo simulation). The following table shows the long-term bonus plan 2013–2015/16.

Long-term bonus plan	Target value 2013–2015/16	Management component	Capital market component		
		Target value	Target value	Number of PSUs	Fair Value at grant date
€ '000s					
Dr. Bernd Scheifele	1,188	594	594	14,241	576
Dr. Dominik von Achten	810	405	405	9,710	392
Daniel Gauthier	630	315	315	7,552	305
Andreas Kern	630	315	315	7,552	305
Dr. Lorenz Näger	630	315	315	7,552	305
Dr. Albert Scheuer	630	315	315	7,552	305
Total	4,518	2,259	2,259	54,159	2,189

Amount of fringe benefits (rounded to €'000s)

The taxable fringe benefits amounted to €1.0 million (previous year: 1.3). For posts and offices held with Group companies, Dr. Bernd Scheifele received €234,000 (previous year: 267,000), Daniel Gauthier €129,000 (previous year: 132,000), Andreas Kern €193,000 (previous year: 259,000), and Dr. Lorenz Näger €234,000 (previous year: 267,000). These amounts are to be offset fully against total remuneration. Furthermore, Dr. Bernd Scheifele and Dr. Lorenz Näger receive compensation of €50,000 for expenses relating to their service on supervisory boards within the HeidelbergCement Group and Dr. Dominik von Achten for his service as Managing Board member in charge of the North America Group area. Fringe benefits also relate to taxation of monetary benefits, which amount to €17,000 (previous year: 19,000) for Dr. Bernd Scheifele, €13,000 (previous year: 44,000) for Dr. Dominik von Achten, €14,000 (previous year: 16,000) for Daniel Gauthier, €0 (previous year: 27,000) for Andreas Kern, €16,000 (previous year: 17,000) for Dr. Lorenz Näger, and €39,000 (previous year: 60,000) for Dr. Albert Scheuer.

Amount of total remuneration 2013 according to DRS 17

When applying Accounting Standard DRS 17, the total remuneration of the Managing Board amounted to €14.5 million (previous year: 13.9) in 2013.

Pension promises

In 2013, allocations to provisions for pensions (current service cost) for members of the Managing Board amounted to €1.9 million (previous year: 1.8). The present values of the defined benefit obligation amounted to €24.6 million (previous year: 22.6). The figures are shown in the following table.

Pension promises	Service cost		Defined benefit obligation	
	2012	2013	2012	2013
€ '000s (rounded off)				
Dr. Bernd Scheifele	850	890	7,186	8,121
Dr. Dominik von Achten	237	237	1,273	1,509
Daniel Gauthier	131	141	4,356	4,486
Andreas Kern	139	142	4,255	4,400
Dr. Lorenz Näger	285	294	2,472	2,780
Dr. Albert Scheuer	144	147	3,088	3,261
Total	1,785	1,852	22,630	24,557

Payments to former members of the Managing Board and their surviving dependants amounted to €3.1 million (previous year: 3.1) in 2013. Provisions for pension obligations to former members of the Managing Board amounted to €25.2 million (previous year: 27.6).

Loans to members of the Managing Board

In 2013, no loans were granted to members of the Managing Board of HeidelbergCement AG.

Managing Board remuneration 2013 according to the German Corporate Governance Code

Pursuant to the recommendations of the German Corporate Governance Code dated 13 May 2013, both the granted benefits and the allocations in form of the proposed reference tables are disclosed for the reporting year 2013.

Granted benefits

When compared with DRS 17, the granted benefits presented in the table on pages 144/145 depict the target value of the annual bonus as well as the target value of the management component and the fair value of the capital market component for the long-term bonus plan 2013–2015/16, as shown on page 142. In addition, the minimum and maximum values that can be achieved are also stated. Furthermore, the pension expenses are taken into account in the total remuneration as shown in the table above in the form of current service cost.

The total Managing Board remuneration granted according to the German Corporate Governance Code amounted to €15.1 million (previous year: 14.7) for the 2013 financial year.

Granted benefits according to GCGC ¹⁾	Dr. Bernd Scheifele Chairman of the Managing Board since 1 February 2005				Dr. Dominik von Achten Member of the Managing Board since 1 October 2007				Daniel Gauthier Member of the Managing Board since 1 July 2000			
	2012	2013	Min. 2013	Max. 2013	2012	2013	Min. 2013	Max. 2013	2012	2013	Min. 2013	Max. 2013
€ '000s (rounded off)												
Non-performance related compensation												
Fixed annual salary	1,320	1,320	1,320	1,320	900	900	900	900	700	700	700	700
Fringe benefits	336	302	302	302	94	63	63	63	148	144	144	144
Total	1,656	1,622	1,622	1,622	994	963	963	963	848	844	844	844
Performance related compensation												
Annual bonus ²⁾	924	924	0	2,079	630	630	0	1,418	490	490	0	1,103
Deduction of fringe benefits from the annual bonus	-267	-234	0	-234	0	0	0	0	-132	-129	0	-129
Total one-year variable compensation³⁾	657	690	0	1,845	630	630	0	1,418	358	361	0	974
Long-term bonus plans												
2012-2014/15												
Management component	594				405				315			
Capital market component	482				329				256			
2013-2015/16												
Management component ²⁾		594	0	4,455		405	0	3,038		315	0	2,363
Capital market component ²⁾		576				392				305		
Total multi-year variable compensation	1,076	1,170	0	4,455	734	797	0	3,038	571	620	0	2,363
Total	3,389	3,482	1,622	7,922	2,358	2,390	963	5,418	1,777	1,825	844	4,180
Service cost	850	890	890	890	237	237	237	237	131	141	141	141
Total compensation	4,239	4,372	2,512	8,812	2,595	2,627	1,200	5,655	1,908	1,966	985	4,321

Allocations according to GCGC ¹⁾	Dr. Bernd Scheifele Chairman of the Managing Board since 1 February 2005		Dr. Dominik von Achten Member of the Managing Board since 1 October 2007		Daniel Gauthier Member of the Managing Board since 1 July 2000	
	2012	2013	2012	2013	2012	2013
€ '000s (rounded off)						
Non-performance related compensation						
Fixed annual salary	1,320	1,320	900	900	700	700
Fringe benefits	336	302	94	63	148	144
Total	1,656	1,622	994	963	848	844
Performance related compensation						
Annual bonus	1,884	1,799	1,134	1,176	890	882
Deduction of fringe benefits from the annual bonus	-267	-234	0	0	-132	-129
Total one-year variable compensation³⁾	1,617	1,565	1,134	1,176	758	753
Disbursement mechanism with a bonus-malus system for long-term bonus plan 2011–2013/14 ⁴⁾	396	396	210	210	210	210
Total multi-year variable compensation	396	396	210	210	210	210
Total	3,669	3,583	2,338	2,349	1,816	1,807
Service cost	850	890	237	237	131	141
Total compensation	4,519	4,473	2,575	2,586	1,947	1,948

1) German Corporate Governance Code dated 13 May 2013

2) The maximum amount includes the Supervisory Board's option of discretionary adjustment of the payout by +25% of the target value.

3) One-year variable compensation including the Supervisory Board's discretionary adjustment and the deduction of fringe benefits.

4) Prepayments during the implementation phase (see page 138f.). First payout of the long-term bonus plan 2011–2013/14, launched in 2011, is scheduled for reporting year 2014.

	Andreas Kern Member of the Managing Board since 1 July 2000				Dr. Lorenz Näger Member of the Managing Board since 1 October 2004				Dr. Albert Scheuer Member of the Managing Board since 1 August 2007				Total			
	2012	2013	Min. 2013	Max. 2013	2012	2013	Min. 2013	Max. 2013	2012	2013	Min. 2013	Max. 2013	2012	2013	Min. 2013	Max. 2013
	700	700	700	700	700	700	700	700	700	700	700	700	5,020	5,020	5,020	5,020
	286	192	192	192	334	301	301	301	60	39	39	39	1,258	1,041	1,041	1,041
	986	892	892	892	1,034	1,001	1,001	1,001	760	739	739	739	6,278	6,061	6,061	6,061
	490	490	0	1,103	490	490	0	1,103	490	490	0	1,103	3,514	3,514	0	7,907
	-259	-193	0	-193	-267	-234	0	-234	0	0	0	0	-925	-790	0	-790
	231	297	0	910	223	256	0	869	490	490	0	1,103	2,589	2,724	0	7,117
					315				315				2,259			
					256				256				1,832			
		315	0	2,363		315	0	2,363		315	0	2,363		2,259	0	16,943
		305				305				305				2,189		
	571	620	0	2,363	571	620	0	2,363	571	620	0	2,363	4,091	4,448	0	16,943
	1,787	1,809	892	4,164	1,827	1,877	1,001	4,232	1,820	1,849	739	4,204	12,959	13,233	6,061	30,120
	139	142	142	142	285	294	294	294	144	147	147	147	1,785	1,852	1,852	1,852
	1,926	1,951	1,034	4,306	2,112	2,171	1,295	4,526	1,964	1,996	886	4,351	14,743	15,084	7,913	31,972

	Andreas Kern Member of the Managing Board since 1 July 2000		Dr. Lorenz Näger Member of the Managing Board since 1 October 2004		Dr. Albert Scheuer Member of the Managing Board since 1 August 2007		Total	
	2012	2013	2012	2013	2012	2013	2012	2013
	700	700	700	700	700	700	5,020	5,020
	286	192	334	301	60	39	1,258	1,041
	986	892	1,034	1,001	760	739	6,278	6,061
	890	816	990	967	890	871	6,678	6,511
	-259	-193	-267	-234	0	0	-925	-790
	631	623	723	733	890	871	5,753	5,721
	210	210	210	210	210	210	1,446	1,446
	210	210	210	210	210	210	1,446	1,446
	1,827	1,725	1,967	1,944	1,860	1,820	13,477	13,228
	139	142	285	294	144	147	1,785	1,852
	1,966	1,867	2,251	2,238	2,003	1,967	15,262	15,080

Allocations

For the members of the Managing Board, the allocations to be disclosed in or for the 2013 financial year are shown in the table on pages 144/145.

The table shows the allocations for the 2013 financial year regarding the fixed annual salary, fringe benefits, and the one-year variable compensation. The multi-year variable compensation shows the actual payments made in 2013. The allocations correspond to the second prepayment on the long-term bonus plan 2011–2013/14 as part of the payment mechanism with a bonus-malus system as described on page 138 f.

The accrued total remuneration of the Managing Board according to the German Corporate Governance Code amounted to €15.1 million (previous year: 15.3) in or for the 2013 financial year.

Further development of the Managing Board remuneration system as of 1 January 2014

Based on the contractually agreed review of the Managing Board remuneration system introduced on 1 January 2011, which is to check for compliance with market standards and appropriateness after a period of two to three years, the Supervisory Board has decided to make certain changes to further develop the Managing Board remuneration system. The revised remuneration system came into effect on 1 January 2014 as standard for all members of the Managing Board and will, in accordance with § 120, section 4 of the German Stock Company Act (AktG), be presented to the Annual General Meeting for approval in May 2014.

The Supervisory Board has had the changes reviewed by a renowned independent expert. They comply with relevant laws and the Code as well as with market standards and appropriateness. The revised remuneration system, which still maintains the main existing system and key performance indicators, has been oriented more than before towards the sustainable development of the company and company performance. This requirement was fulfilled by the following changes effective from 1 January 2014:

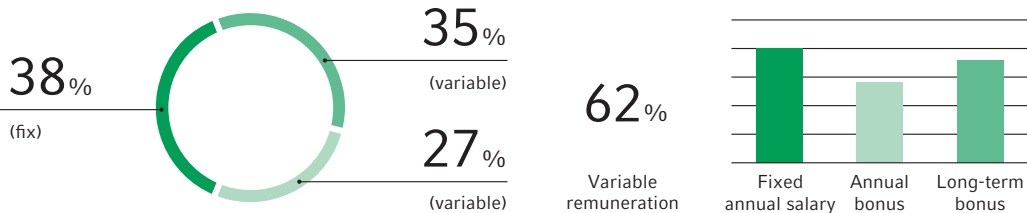
- Change in the annual bonus from 70 % of the fixed annual salary (value if 100 % of target is met) to 100 % for the Chairman of the Managing Board, and from 70 % to 80 % for members of the Managing Board. Weightings, key performance indicators, and the individual target achievement ranges remain unchanged.
- Change in the long-term bonus from 90 % of the fixed annual salary (value if 100 % of target is met) to 150 % for the Chairman of the Managing Board, and from 90 % to 125 % for members of the Managing Board. Weightings, key performance indicators, and the individual target achievement ranges remain unchanged.
- Including the Supervisory Board's scope for exercising maximum discretion, the payment of the annual bonus and long-term bonus is limited to 2.25 times the respective target value; a total loss is possible.

Fringe benefits, pension promises, and other contractual elements remain unchanged.

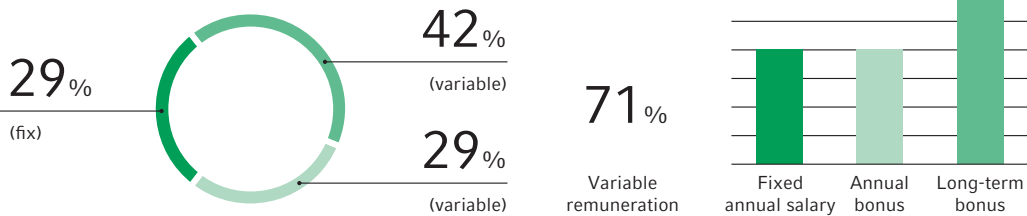
The following graph shows the relation between remuneration elements of total remuneration (excluding fringe benefits and pension promises) as well as a comparison of the amount of the individual variable components – if 100 % of the target is met – with the fixed annual salary.

Relation of remuneration elements when 100 % of the target is met

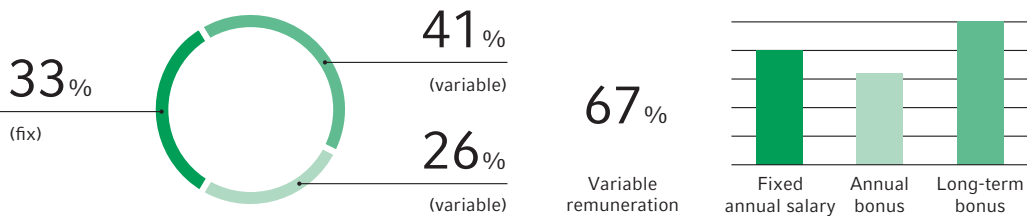
Chairman and members of the Managing Board since 2011



Chairman of the Managing Board as of 1 January 2014



Members of the Managing Board as of 1 January 2014



■ Fixed annual salary ■ Annual bonus ■ Long-term bonus

For the Chairman of the Managing Board, the fixed annual salary decreases from 38 % of the total remuneration to 29 %, while the variable remuneration increases from 62 % to 71 %. In particular, the long-term bonus rises from 35 % to 42 %.

For the members of the Managing Board, the fixed annual salary decreases from 38 % of the total remuneration to 33 %, while the variable remuneration increases from 62 % to 67 %. The long-term bonus rises from 35 % to 41 %.

With the new remuneration structure in place, the remuneration of the Managing Board as based on the Managing Board agreements valid on 1 January 2014 can be seen below.

Managing Board remuneration 2014 (status: 1 January 2014)							
€ '000s (rounded off)	Dr. Bernd Scheifele	Dr. Dominik von Achten	Daniel Gauthier	Andreas Kern	Dr. Lorenz Näger	Dr. Albert Scheuer	Total
Fixed remuneration							
Fixed annual salary	1,320	900	700	700	700	700	5,020
Variable remuneration¹⁾							
Annual bonus	1,320	720	560	560	560	560	4,280
Long-term bonus	1,980	1,125	875	875	875	875	6,605
Total	4,620	2,745	2,135	2,135	2,135	2,135	15,905
Minimum value	1,320	900	700	700	700	700	5,020
Maximum value ²⁾	8,745	5,051	3,929	3,929	3,929	3,929	29,511

1) When 100% of the target is met

2) The maximum value of the annual bonus and long-term bonus takes into account the Supervisory Board's scope for exercising maximum discretion from +25% to the respective target value.

Remuneration of the Supervisory Board in 2013

Supervisory Board remuneration was re-established by the 2010 Annual General Meeting and is set out in § 12 of the Articles of Association of HeidelbergCement AG, which are published on our website www.heidelbergcement.com under "About us/Corporate Governance/Articles of Association". The remuneration consists of fixed amounts and attendance fees. Each member receives a fixed amount of €40,000, with the Chairman receiving two-and-a-half times this amount and the Deputy Chairman one-and-a-half times. The members of the Audit Committee additionally receive fixed remuneration of €15,000 and the members of the Personnel Committee €7,500. The Chairmen of the committees receive twice these respective amounts. In addition, an attendance fee of €1,500 is paid for each meeting of the Supervisory Board and its committees that is personally attended. In addition to the fixed remuneration, each member of the Supervisory Board shall receive a variable remuneration component, which is €58 for each €0.01 earnings per share exceeding the base amount of €2.50 earnings per share. What is decisive are the earnings per share determined in accordance with the International Financial Reporting Standards and reported in the consolidated financial statements for the financial year in which the remuneration is paid. The Chairman of the Supervisory Board shall receive 2.5 times this amount, the Deputy Chairman 1.5 times. The variable remuneration thus determined shall be limited to the amount of fixed remuneration. The variable remuneration granted to all Supervisory Board members may not exceed the overall balance sheet profit of the company, less 4% of contributions paid towards the lowest issue amount of the shares. No variable remuneration was paid in the 2013 financial year. Total Supervisory Board remuneration (excluding value added tax) paid for the 2013 financial year amounted to €810,500 (previous year: 790,978).

The employee representatives on the Supervisory Board remit a significant portion of their Supervisory Board compensation to the recuperation facility for the employees at HeidelbergCement AG and – with the exception of the representative of the senior managers – to the trade union-linked Hans Böckler Foundation.

The Supervisory Board remuneration paid for the 2013 financial year is divided as shown in the following table.

The Supervisory Board remuneration paid for the 2013 financial year				
€ '000s	Fixed remuneration	Remuneration for committee membership	Attendance fees	Total
Fritz-Jürgen Heckmann (Chairman)	100.0	22.5	9.0	131.5
Heinz Schmitt (Deputy Chairman)	60.0	22.5	9.0	91.5
Robert Feiger	40.0	15.0	4.5	59.5
Josef Heumann	40.0	7.5	9.0	56.5
Max Dietrich Kley	40.0	15.0	6.0	61.0
Hans Georg Kraut	40.0	7.5	9.0	56.5
Ludwig Merckle	40.0	45.0	9.0	94.0
Tobias Merckle	40.0	6.7	7.5	54.2
Alan Murray	40.0	0.8	7.5	48.3
Werner Schraeder	40.0	15.0	9.0	64.0
Frank-Dirk Steininger	40.0	"	7.5	47.5
Prof. Dr. Marion Weissenberger-Eibl	40.0	"	6.0	46.0
Total	560.0	157.5	93.0	810.5

1) No member of committees

Supervisory Board and Managing Board

Supervisory Board

According to the Articles of Association, the Supervisory Board of HeidelbergCement AG consists of twelve members. Half of the members shall be elected by the Annual General Meeting according to the provisions of the German Stock Company Act and half by the employees according to the provisions of the German Codetermination Law. The term of office for the Supervisory Board started with the conclusion of the Annual General Meeting of 7 May 2009 and ends according to schedule with the conclusion of the ordinary Annual General Meeting in 2014.

Fritz-Jürgen Heckmann

Chairman of the Supervisory Board

Stuttgart; Business Lawyer

Member since 8 May 2003, Chairman since 1 February 2005; Chairman of the Arbitration and Nomination Committee and member of the Personnel and Audit Committee

External mandates: HERMA Holding GmbH + Co. KG²⁾, Filderstadt (Chairman) | Infoman AG¹⁾, Stuttgart | Neue Pressegesellschaft mbH & Co. KG²⁾, Ulm | Paul Hartmann AG¹⁾, Heidenheim (Chairman) | Süddeutscher Verlag GmbH²⁾, Munich | Südwestdeutsche Medien Holding GmbH²⁾, Stuttgart | URACA GmbH & Co. KG²⁾, Bad Urach (Chairman) | Wieland-Werke AG¹⁾, Ulm (Chairman)

Heinz Schmitt

Deputy Chairman

Heidelberg; Controller; Chairman of the Council of Employees at the headquarters of Heidelberg-Cement AG

Member since 6 May 2004, Deputy Chairman since 7 May 2009; Member of the Audit, Arbitration, and Personnel Committee

Robert Feiger

Frankfurt; Chairman of the Federal Executive Committee, IG Bauen-Agrar-Umwelt
Member since 2 January 2008; Member of the Audit Committee

External mandates: BAUER Aktiengesellschaft¹⁾, Schrobenhausen (Deputy Chairman) | Zusatzversorgungskasse des Baugewerbes AG²⁾, Wiesbaden | Zusatzversorgungskasse des Gerüstbaugewerbes VVaG²⁾, Wiesbaden (Chairman)

Josef Heumann

Burglengenfeld; Kiln Supervisor; Chairman of the Council of Employees at the Burglengenfeld plant, HeidelbergCement AG

Member since 6 May 2004; Member of the Personnel Committee

Max Dietrich Kley

Heidelberg; Attorney

Member since 6 May 2004; Member of the Audit Committee

External mandates: BASF SE¹⁾, Ludwigshafen

Hans Georg Kraut

Schelklingen; Director of the Schelklingen plant of HeidelbergCement AG and Managing Director of Urzeit Weide GbR

Member since 6 May 2004; Member of the Personnel and Arbitration Committee

Ludwig Merckle

Ulm; Managing Director of Merckle Service GmbH

Member since 2 June 1999; Chairman of the Personnel and Audit Committee and member of the Nomination Committee

External mandates: Kässbohrer Geländefahrzeug AG¹⁾, Laupheim (Chairman) | MCS Software und Systeme AG¹⁾, Eltville (Chairman) | MerFam AG²⁾, Switzerland (Chairman) | PHOENIX Pharmahandel GmbH & Co KG²⁾, Mannheim | VEM Vermögensverwaltung AG¹⁾, Zossen (Chairman)

Tobias Merckle

Leonberg; Managing Director of the association Seehaus e.V.

Member since 23 May 2006; Member of the Nomination and Arbitration Committee and, until 22 November 2013, of the Personnel Committee

Alan Murray

Naples, Florida/USA; former member of the Managing Board of HeidelbergCement AG

Member since 21 January 2010; Member of the Personnel Committee since 22 November 2013

External mandates: Hanson Pension Trustees Limited, trustee of the Hanson No 2 Pension Scheme²⁾, UK | Wolseley plc²⁾, Jersey, Channel Islands

Werner Schraeder

Ennigerloh; Building Fitter; Chairman of the General Council of Employees of HeidelbergCement AG and Chairman of the Council of Employees at the Ennigerloh plant of HeidelbergCement AG

Member since 7 May 2009; Member of the Audit Committee

External mandates: Berufsgenossenschaft Rohstoffe und chemische Industrie²⁾, Heidelberg

Frank-Dirk Steininger

Frankfurt; Specialist in Employment Law for the Federal Executive Committee of IG Bauen-Agrar-Umwelt

Member since 11 June 2008

Univ.-Prof. Dr. Marion Weissenberger-Eibl

Karlsruhe; Head of the Fraunhofer Institute for Systems and Innovation Research ISI in Karlsruhe and holder of the Chair of Innovation and Technology Management (iTM) at the Karlsruhe Institute of Technology (KIT)

Member since 3 July 2012

External mandates: MTU Aero Engines AG¹⁾, Munich I Steinbeis-Stiftung für Wirtschaftsförderung (StW)²⁾, Stuttgart (deputy member)

The above mentioned indications refer to 31 December 2013 and have the following meaning:

- 1) Membership in other legally required supervisory boards of German companies;
- 2) Membership in comparable German and foreign supervisory committees of commercial enterprises.

Supervisory Board Committees

Personnel Committee

Ludwig Merckle (Chairman), Fritz-Jürgen Heckmann, Josef Heumann, Hans Georg Kraut, Tobias Merckle (until 22 November 2013), Alan Murray (since 22 November 2013), Heinz Schmitt

Audit Committee

Ludwig Merckle (Chairman), Robert Feiger, Fritz-Jürgen Heckmann, Max Dietrich Kley, Heinz Schmitt, Werner Schraeder

Nomination Committee

Fritz-Jürgen Heckmann (Chairman), Ludwig Merckle, Tobias Merckle

Arbitration Committee, according to § 27, section 3 of the German Codetermination Law

Fritz-Jürgen Heckmann (Chairman), Hans Georg Kraut, Tobias Merckle, Heinz Schmitt

Managing Board

At present, there are six members on the Managing Board of HeidelbergCement AG: the Chairman of the Managing Board, the Chief Financial Officer, and four members of the Managing Board with regional responsibilities. The Managing Board organisation is characterised by dual management responsibility: The operating units in the Group areas fall under the line responsibility of individual members of the Managing Board. In addition, they have cross-area responsibility for specific corporate functions with great strategic importance for the Group.

Dr. Bernd Scheifele

Chairman of the Managing Board

Area of responsibility: Strategy and Development, Communication & Investor Relations, Human Resources, Legal, Compliance, Internal Audit

Chairman of the Managing Board since 2005; appointed until January 2015

External mandates: PHOENIX Pharmahandel GmbH & Co KG²⁾, Mannheim (Chairman) | Verlagsgruppe Georg von Holtzbrinck GmbH¹⁾, Stuttgart (Deputy Chairman)

Group mandates: Castle Cement Limited²⁾, UK | ENCI Holding N.V.²⁾, Netherlands | Hanson Limited²⁾, UK | Hanson Pioneer España, S.L.U.²⁾, Spain | HeidelbergCement Holding S.à.r.l.²⁾, Luxembourg | HeidelbergCement India Limited²⁾, India | HeidelbergCement Netherlands Holding B.V.²⁾, Netherlands | PT Indocement Tunggal Prakarsa Tbk.²⁾, Indonesia | RECEM S.A.²⁾, Luxembourg

Dr. Dominik von Achten

Area of responsibility: North America, Purchasing, worldwide coordination of Competence Center Materials

Member of the Managing Board since 2007; appointed until September 2017

External mandates: TITAL Holding GmbH & Co.KG²⁾, Bestwig | Verlag Lensing-Wolff GmbH & Co. KG („Medienhaus Lensing“)²⁾, Dortmund

Group mandates: HeidelbergCement Canada Holding Limited²⁾, UK | HeidelbergCement UK Holding II Limited²⁾, UK | Lehigh Hanson, Inc.²⁾, USA | Lehigh Hanson Materials Limited²⁾, Canada

Daniel Gauthier

Area of responsibility: Western and Northern Europe (without Germany), Africa-Mediterranean Basin, Group Services, Environmental Sustainability

Member of the Managing Board since 2000; appointed until June 2016

External mandates: Akçansa Çimento Sanayi ve Ticaret A.S.²⁾, Turkey (Deputy Chairman) | Carmeuse Holding SA²⁾, Belgium | Genlis Metal²⁾, France

Group mandates: Castle Cement Limited²⁾, UK | CBR Asset Management S.A.²⁾, Luxembourg (Chairman) | CBR Asset Management Belgien S.A.²⁾, Belgium (Chairman) | CBR Finance S.A.²⁾, Luxembourg (Chairman) | CBR International Services S.A.²⁾, Belgium (Chairman) | Cementrum I B.V.²⁾, Netherlands | Cementrum II B.V.²⁾, Netherlands | Cimenteries CBR S.A.²⁾, Belgium (Chairman) | Cimenterie de Lukala "CILU" SARL²⁾, Democratic Republic of the Congo | Ciments du Togo SA²⁾, Togo (Chairman) | Civil and Marine Limited²⁾, UK | ENCI Holding N.V.²⁾, Netherlands (Chairman) | Ghacem Ltd.²⁾, Ghana (Chairman) | Hanson Building Products Limited²⁾, UK | Hanson Pioneer España, S.L.²⁾, Spain | Hanson Quarry Products Europe Limited²⁾, UK | HC Green Trading Limited²⁾, Malta | HC Trading International Inc.²⁾, Bahamas (Chairman) | HC Trading B.V.²⁾, Netherlands (Chairman) | HC Trading Malta Ltd²⁾, Malta | HCT Holding Malta Limited²⁾, Malta | HeidelbergCement Asia Pte Ltd²⁾, Singapore | HeidelbergCement Holding S.à.r.l.²⁾, Luxembourg | HeidelbergCement Northern Europe AB²⁾, Sweden (Chairman) | HeidelbergCement UK Holding Limited²⁾, UK | Interlacs SARL²⁾, Democratic Republic of the Congo | International Trading and Finance (ITF) B.V.²⁾, Netherlands (Chairman) | Lehigh B.V.²⁾, Netherlands (Deputy Chairman) | PT Indocement Tunggul Prakarsa Tbk.²⁾, Indonesia | RECEM S.A.²⁾, Luxembourg | Scancem International DA²⁾, Norway (Chairman) | Scancem International a.s.²⁾, Norway (Chairman) | Tadir Readymix Concrete (1965) Ltd²⁾, Israel | TPCC Tanzania Portland Cement Company Ltd.²⁾, Tanzania

Andreas Kern

Area of responsibility: Eastern Europe-Central Asia, Germany, Sales and Marketing, worldwide coordination of secondary cementitious materials

Member of the Managing Board since 2000; appointed until June 2016

External mandates: Basalt-Actien-Gesellschaft¹⁾, Linz am Rhein | Kronimus AG¹⁾, Iffezheim (Deputy Chairman)

Group mandates: Carpatcement Holding S.A.²⁾, Romania | CaucasusCement Holding B.V.²⁾, Netherlands (Chairman) | Ceskomoravský cement, a.s., nástupnická společnost²⁾, Czech Republic (Chairman) | Duna-Dráva Cement Kft.²⁾, Hungary (Chairman) | ENCI Holding N.V.²⁾, Netherlands | Górażdze Cement S.A.²⁾, Poland (Chairman) | Hanson Pioneer España, S.L.U.²⁾, Spain | HeidelbergCement Central Europe East Holding B.V.²⁾, Netherlands (Chairman) | HeidelbergCement Georgia, Ltd.²⁾, Georgia (Deputy Chairman) | HeidelbergCement Netherlands Holding B.V.²⁾, Netherlands | Joint Stock Company - Bukhtarminskaya Cement Company²⁾, Kazakhstan (Chairman) | Limited Liability Company Kartuli Cementi²⁾, Georgia | NCD Nederlandse Cement Deelnemingsmaatschappij B.V.²⁾, Netherlands | OAO Cesla²⁾, Russia | Public Joint Stock Company "HeidelbergCement Ukraine"²⁾, Ukraine | RECEM S.A.²⁾, Luxembourg | Tvornica Cementa Kakanj d.d.²⁾, Bosnia-Herzegovina

Dr. Lorenz Näger

Area of responsibility: Finance, Group Accounting, Controlling, Taxes, Insurance & Corporate Risk Management, IT, Shared Service Center, Logistics
Member of the Managing Board since 2004; appointed until September 2014

External mandates: MVV Energie AG¹⁾, Mannheim | PHOENIX Pharmahandel GmbH & Co KG²⁾, Mannheim

Group mandates: Castle Cement Limited²⁾, UK | Cimenteries CBR S.A.²⁾, Belgium | ENCI Holding N.V.²⁾, Netherlands | Hanson Limited²⁾, UK | Hanson Pioneer España, S.L.U.²⁾, Spain | HeidelbergCement Canada Holding Limited²⁾, UK | HeidelbergCement Holding S.à.r.l.²⁾, Luxembourg | HeidelbergCement India Limited²⁾, India | HeidelbergCement Netherlands Holding B.V.²⁾, Netherlands | HeidelbergCement UK Holding Limited²⁾, UK | HeidelbergCement UK Holding II Limited²⁾, UK | Lehigh B.V.²⁾, Netherlands (Chairman) | Lehigh Hanson, Inc.²⁾, USA | Lehigh Hanson Materials Limited²⁾, Canada | Lehigh UK Limited²⁾, UK | Palatina Insurance Ltd.²⁾, Malta | PT Indocement Tungal Prakarsa Tbk.²⁾, Indonesia | RECEM S.A.²⁾, Luxembourg

Dr. Albert Scheuer

Area of responsibility: Asia-Pacific, worldwide coordination of Heidelberg Technology Center
Member of the Managing Board since 2007; appointed until August 2017

External mandates: Cement Australia Holdings Pty Ltd²⁾, Australia | Cement Australia Pty Limited²⁾, Australia | China Century Cement Ltd.²⁾, Bermuda | Easy Point Industrial Ltd.²⁾, Hong Kong | Guangzhou Heidelberg Yuexiu Enterprise Management Consulting Company Ltd.²⁾, China | Jidong Heidelberg (Fufeng) Cement Company Limited²⁾, China | Jidong Heidelberg (Jingyang) Cement Company Limited²⁾, China | Sqaereal Cement Ltd²⁾, Hong Kong

Group mandates: Butra HeidelbergCement Sdn. Bhd.²⁾, Brunei (Chairman) (since 1 January 2014) | COCHIN Cements Ltd.²⁾, India | Hanson Building Materials (S) Pte Ltd²⁾, Singapore | Hanson Investment Holdings Pte Ltd²⁾, Singapore | Hanson Pacific (S) Pte Limited²⁾, Singapore | HeidelbergCement Asia Pte Ltd²⁾, Singapore (Chairman) | HeidelbergCement Bangladesh Limited²⁾, Bangladesh (Chairman since 29 January 2014) | HeidelbergCement Holding HK Limited²⁾, Hong Kong | HeidelbergCement India Limited²⁾, India | HeidelbergCement Myanmar Company Limited²⁾, Myanmar | PT Indocement Tungal Prakarsa Tbk.²⁾, Indonesia (Chairman)

The above mentioned indications refer to 31 December 2013 and have the following meaning:

- 1) Membership in legally required supervisory boards of German companies;
- 2) Membership in comparable German and foreign supervisory committees of commercial enterprises.

4

Consolidated financial statements

Consolidated income statement	157
Consolidated statement of comprehensive income	158
Consolidated statement of cash flows	159
Consolidated balance sheet	160
Consolidated statement of changes in equity	162
Segment reporting / Notes to the 2013 consolidated financial statements	164
Notes to the 2013 consolidated financial statements	166
General information	166
Accounting and valuation principles	166
Changes in accounting and valuation principles	176
Estimation uncertainty and assumptions	182
Scope of consolidation	183
Notes to the segment reporting	187
Notes to the income statement	188
Notes to the statement of cash flows	197
Notes to the balance sheet – Assets	201
Notes to the balance sheet – Equity and liabilities	210
Additional disclosures on financial instruments	224
Other disclosures	233
List of shareholdings	238
Audit opinion	264
Responsibility statement	265

→ Consolidated income statement

Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 Notes to the 2013 consolidated financial statements
 Audit opinion
 Responsibility statement

Consolidated income statement

€m	Notes	2012 ¹⁾	2013
Revenue	1	14,020.2	13,935.9
Change in finished goods and work in progress		37.3	0.7
Own work capitalised		13.5	13.3
Operating revenue		14,070.9	13,950.0
Other operating income	2	549.8	369.1
Material costs	3	-5,936.2	-5,795.3
Employee and personnel costs	4	-2,330.5	-2,301.8
Other operating expenses	5	-3,877.2	-3,797.5
Operating income before depreciation (OIBD)		2,476.9	2,424.4
Depreciation of property, plant and equipment	6	-801.3	-786.6
Amortisation of intangible assets	6	-71.4	-31.1
Operating income		1,604.2	1,606.7
Additional ordinary income	7	6.3	326.7
Additional ordinary expenses	7	-415.4	-325.1
Additional ordinary result		-409.1	1.6
Result from associated companies ²⁾	8	44.0	38.7
Result from other participations	8	0.1	2.7
Earnings before interest and taxes (EBIT)		1,239.2	1,649.7
Interest income		62.4	76.1
Interest expenses		-621.1	-577.5
Foreign exchange gains and losses		5.0	-13.7
Other financial result	9	-93.8	-53.9
Financial result		-647.5	-568.9
Profit before tax from continuing operations		591.7	1,080.8
Income taxes	10	-151.6	-233.3
Net income from continuing operations		440.1	847.5
Net income from discontinued operations	11	88.5	97.9
Profit for the financial year		528.7	945.4
Thereof non-controlling interests		244.0	200.0
Thereof Group share of profit		284.7	745.4
Thereof proposed dividend	12	88.1	112.5
Earnings per share in € (IAS 33)	13		
Earnings per share attributable to the parent entity		1.52	3.98
Earnings per share – continuing operations		1.04	3.46
Earnings per share – discontinued operations		0.48	0.52

1) Amounts were restated due to the retrospective application of IAS 19R and IFRIC 20 (see Notes page 176f.).

2) Net result from associated companies

34.6

31.0

Consolidated statement of comprehensive income

€m	2012 ¹⁾	2013
Profit for the financial year	528.7	945.4
Other comprehensive income not being reclassified to profit or loss in subsequent periods		
Remeasurement of the defined benefit liability (asset)	-230.0	164.1
Income taxes	25.5	-25.3
	-204.5	138.7
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Cash flow hedges – change in fair value	3.0	19.2
Reclassification of gains / losses included in the income statement	2.8	3.5
Income taxes	-0.6	-5.3
	5.2	17.3
Available for sale assets – change in fair value	3.3	4.3
Income taxes	-0.2	-0.2
	3.2	4.1
Currency translation	-112.7	-2,231.8
Reclassification of gains / losses included in the income statement		271.8
Income taxes	-10.4	24.0
	-123.1	-1,936.0
	-114.7	-1,914.6
Other comprehensive income	-319.2	-1,775.9
Total comprehensive income	209.4	-830.4
Relating to non-controlling interests	177.1	0.2
Relating to HeidelbergCement AG shareholders	32.4	-830.6

1) Amounts were restated due to the retrospective application of IAS 19R (see Notes page 176 f.).

Consolidated income statement
 → Consolidated statement of comprehensive income
 → Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 Notes to the 2013 consolidated financial statements
 Audit opinion
 Responsibility statement

Consolidated statement of cash flows

€m	Notes	2012 ¹⁾	2013
Net income from continuing operations		440.1	847.5
Income taxes		151.6	233.3
Interest income/ expenses		558.7	501.3
Dividends received		32.1	14.8
Interest received	14	129.7	103.9
Interest paid	15	-764.9	-638.4
Income taxes paid	16	-328.4	-405.8
Depreciation, amortisation, and impairment		1,133.9	1,013.8
Elimination of other non-cash items	17	193.3	-429.2
Cash flow		1,546.2	1,241.3
Changes in operating assets	18	67.2	43.2
Changes in operating liabilities	19	99.0	150.1
Changes in working capital		166.2	193.4
Decrease in provisions through cash payments	20	-212.9	-377.3
Cash flow from operating activities - continuing operations		1,499.6	1,057.4
Cash flow from operating activities - discontinued operations		13.8	
Cash flow from operating activities		1,513.4	1,057.4
Intangible assets		-28.1	-21.5
Property, plant and equipment		-803.3	-914.9
Subsidiaries and other business units		-11.4	-72.3
Other financial assets, associates and joint ventures		-23.1	-304.9
Investments (cash outflow)	21	-865.9	-1,313.7
Subsidiaries and other business units		60.1	2.5
Other fixed assets		219.9	207.8
Divestments (cash inflow)	22	280.0	210.2
Cash from changes in consolidation scope	23	3.6	5.2
Cash flow from investing activities		-582.4	-1,098.3
Capital increase - non-controlling shareholders		3.4	3.4
Dividend payments - HeidelbergCement AG		-65.6	-88.1
Dividend payments - non-controlling shareholders	24	-67.9	-94.0
Increase in ownership interests in subsidiaries	25	-2.3	-110.3
Proceeds from bond issuance and loans	26	341.3	1,016.0
Repayment of bonds and loans	27	-1,472.3	-1,117.4
Changes in short-term interest-bearing liabilities	28	1.0	652.7
Cash flow from financing activities		-1,262.4	262.2
Net change in cash and cash equivalents		-331.4	221.3
Effect of exchange rate changes		-63.6	-231.0
Cash and cash equivalents at 1 January		1,869.8	1,474.8
Cash and cash equivalents at 31 December		1,474.8	1,465.1
Reclassification of cash and cash equivalents according to IFRS 5			-0.2
Cash and cash equivalents presented in the balance sheet at 31 December	29	1,474.8	1,464.9

1) Amounts were restated due to the retrospective application of IAS 19R and IFRIC 20 as well as reclassifications (see Notes page 176f.).

Consolidated balance sheet

Assets			
€m	Notes	31 Dec. 2012 ¹⁾	31 Dec. 2013
Non-current assets			
Intangible assets	30		
Goodwill		10,609.4	10,055.1
Other intangible assets		301.6	274.7
		10,911.0	10,329.8
Property, plant and equipment	31		
Land and buildings		5,287.6	4,990.9
Plant and machinery		4,315.3	4,055.8
Other operating equipment		334.8	307.4
Prepayments and assets under construction		859.2	868.8
		10,796.9	10,222.9
Financial assets			
Investments in associates	32	379.7	391.8
Financial investments	33	68.1	79.7
Loans to participations	34	14.1	10.8
Other loans and derivative financial instruments	34	75.8	98.9
		537.6	581.3
Fixed assets		22,245.5	21,133.9
Deferred taxes	10	444.6	408.5
Other non-current receivables	34	268.4	533.6
Non-current income tax assets		19.8	15.9
Total non-current assets		22,978.2	22,091.9
Current assets			
Inventories	35		
Raw materials and consumables		725.8	642.6
Work in progress		193.1	183.7
Finished goods and goods for resale		685.4	664.3
Prepayments		21.2	20.1
		1,625.4	1,510.7
Receivables and other assets	36		
Current interest-bearing receivables		93.5	89.5
Trade receivables		1,418.8	1,241.3
Other current operating receivables		353.8	364.0
Current income tax assets		41.6	45.7
		1,907.7	1,740.6
Derivative financial instruments	37	5.9	27.1
Cash and cash equivalents	38	1,474.8	1,464.9
Total current assets		5,013.8	4,743.3
Disposal groups held for sale	39	15.7	30.6
Balance sheet total		28,007.8	26,865.8

1) Amounts were restated due to the retrospective application of IAS 19R and IFRIC 20 (see Notes page 176f.).

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 → Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 Notes to the 2013 consolidated financial statements
 Audit opinion
 Responsibility statement

Equity and liabilities			
€m	Notes	31 Dec. 2012 ¹⁾	31 Dec. 2013
Shareholders' equity and non-controlling interests			
Subscribed share capital	40	562.5	562.5
Share premium	41	5,539.4	5,539.4
Retained earnings	42	6,668.1	7,397.3
Other components of equity	43	-160.8	-1,876.9
Equity attributable to shareholders		12,609.2	11,622.2
Non-controlling interests	44	1,098.3	959.3
Total equity		13,707.5	12,581.6
Non-current liabilities			
	47		
Bonds payable		6,509.2	6,262.8
Bank loans		529.8	323.7
Other non-current interest-bearing liabilities		109.2	115.3
		7,148.2	6,701.8
Pension provisions	45	1,030.3	870.0
Deferred taxes	10	659.1	511.3
Other non-current provisions	46	1,067.0	946.1
Other non-current operating liabilities		89.0	62.3
Non-current income tax liabilities		52.2	50.0
		2,897.6	2,439.8
Total non-current liabilities		10,045.9	9,141.6
Current liabilities			
	47		
Bonds payable (current portion)		708.8	1,140.4
Bank loans (current portion)		461.4	510.2
Other current interest-bearing liabilities		209.5	662.4
		1,379.7	2,312.9
Non-controlling interests with put options		45.1	50.6
		1,424.9	2,363.5
Pension provisions (current portion)	45	89.4	95.1
Other current provisions	46	235.5	210.6
Trade payables		1,372.3	1,410.7
Other current operating liabilities		984.7	929.5
Current income tax liabilities		147.6	125.5
		2,829.5	2,771.5
Total current liabilities		4,254.4	5,134.9
Liabilities associated with disposal groups	39		7.7
Total liabilities		14,300.3	14,284.2
Balance sheet total		28,007.8	26,865.8

Consolidated statement of changes in equity

€m	Subscribed share capital	Share premium	Retained earnings ¹⁾	Cash flow hedge reserve
1 January 2012	562.5	5,539.4	6,623.1	-8.9
IAS 19R			-3.8	
1 January 2012 (restated)	562.5	5,539.4	6,619.3	-8.9
Profit for the financial year			284.7	
Other comprehensive income			-201.0	5.2
Total comprehensive income			83.7	5.2
Capital increase from loan conversion				
Changes in ownership interests in subsidiaries			0.2	
Changes in non-controlling interests with put options			29.4	
Other changes			1.1	
Dividends			-65.6	
31 December 2012	562.5	5,539.4	6,668.1	-3.7
1 January 2013	562.5	5,539.4	6,668.1	-3.7
Profit for the financial year			745.4	
Other comprehensive income			138.8	10.1
Total comprehensive income			884.2	10.1
Capital increase from issuance of new shares				
Changes in ownership interests in subsidiaries			-61.6	
Changes in non-controlling interests with put options			-6.3	
Other changes			1.0	
Dividends			-88.1	
31 December 2013	562.5	5,539.4	7,397.3	6.5

1) Amounts of the financial year 2012 were adjusted due to retrospective application of IAS 19R (see Notes page 176f.).

2) The accumulated currency translation differences included in non-controlling interests decreased in the 2013 financial year by €-206.9 million (previous year: -63.4) to €-264.4 million (previous year: -57.5). The total currency translation differences recognised in equity thus amounts to €-2,206.9 million (previous year: -270.9).

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet

Segment reporting/Notes to the consolidated financial statements
 Notes to the 2013 consolidated financial statements
 Audit opinion
 Responsibility statement

→ Consolidated statement of changes in equity

Other components of equity							
	Available for sale reserve	Asset revaluation reserve	Currency translation ¹⁾	Total other components of equity	Equity attributable to shareholders ¹⁾	Non-controlling interests ^{1), 2)}	Total equity ¹⁾
	19.1	35.5	-153.7	-108.0	12,617.0	951.6	13,568.6
					-3.8	-0.6	-4.4
	19.1	35.5	-153.7	-108.0	12,613.2	951.0	13,564.2
					284.7	244.0	528.7
	3.2		-59.7	-51.3	-252.3	-66.9	-319.2
	3.2		-59.7	-51.3	32.4	177.1	209.4
						10.8	10.8
					0.2	0.8	1.0
					29.4	26.6	56.0
		-1.5		-1.5	-0.3		-0.3
					-65.6	-67.9	-133.6
	22.3	34.0	-213.4	-160.8	12,609.2	1,098.3	13,707.5
	22.3	34.0	-213.4	-160.8	12,609.2	1,098.3	13,707.5
					745.4	200.0	945.4
	4.1		-1,729.1	-1,714.9	-1,576.0	-199.8	-1,775.9
	4.1		-1,729.1	-1,714.9	-830.6	0.2	-830.4
						3.4	3.4
					-61.6	-50.0	-111.6
					-6.3	0.9	-5.4
		-1.3		-1.3	-0.3	0.5	0.2
					-88.1	-94.0	-182.1
	26.4	32.8	-1,942.5	-1,876.9	11,622.2	959.3	12,581.6

Segment reporting/Notes to the consolidated financial statements

Group areas	Western and Northern Europe		Eastern Europe-Central Asia		North America	
	2012 ¹⁾	2013	2012 ¹⁾	2013	2012 ¹⁾	2013
€m						
External revenue	4,132	4,075	1,435	1,337	3,441	3,407
Inter-Group areas revenue	69	72	0			
Revenue	4,201	4,147	1,435	1,337	3,441	3,407
Change to previous year in %		-1.3 %		-6.9 %		-1.0 %
Operating income before depreciation (OIBD)	578	578	319	270	572	607
as % of revenue	13.8 %	13.9 %	22.2 %	20.2 %	16.6 %	17.8 %
Depreciation	-292	-258	-126	-120	-250	-229
Operating income	286	319	193	150	322	378
as % of revenue	6.8 %	7.7 %	13.4 %	11.3 %	9.4 %	11.1 %
Results from associated companies	28	18	2	2	4	5
Results from other participations	-4	-4	0	0	0	0
Results from participations	24	15	3	3	4	4
Additional ordinary result						
Earnings before interest and taxes (EBIT)	311	334	195	153	326	382
Capital expenditures²⁾	177	184	181	124	162	192
Segment assets³⁾	6,738	6,349	2,280	2,142	7,896	7,544
OIBD as % of segment assets	8.6 %	9.1 %	14.0 %	12.6 %	7.2 %	8.0 %
Segment liabilities⁴⁾	2,287	1,955	321	290	1,875	1,713
Number of employees as at 31 December	13,438	13,484	9,435	9,302	11,001	10,781
Average number of employees	13,633	13,314	9,812	9,466	12,336	11,589

Business lines	Cement		Aggregates		Building products	
	2012 ¹⁾	2013	2012 ¹⁾	2013	2012 ¹⁾	2013
€m						
External revenue	5,978	5,931	1,918	1,897	1,227	1,103
Inter-business lines revenue	841	855	773	759	6	1
Revenue	6,819	6,786	2,692	2,656	1,233	1,104
Change to previous year in %		-0.5 %		-1.3 %		-10.5 %
Operating income before depreciation (OIBD)	1,755	1,700	639	618	107	118
as % of revenue	25.7 %	25.1 %	23.7 %	23.3 %	8.7 %	10.7 %
Capital expenditures¹⁾	556	596	174	196	34	36
Segment assets²⁾	6,976	6,876	12,616	11,537	986	915
OIBD as % of segment assets	25.2 %	24.7 %	5.1 %	5.4 %	10.9 %	12.9 %

1) Amounts were restated due to the retrospective application of IAS 19R and IFRIC 20 (see Notes page 176 f.).

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) Segment liabilities = liabilities and provisions; the financial liabilities are recorded in the reconciliation column

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

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

→ Segment reporting/Notes to the consolidated financial statements

Notes to the 2013 consolidated financial statements
 Audit opinion
 Responsibility statement

	Asia-Pacific		Africa-Mediterranean Basin		Group Services		Reconciliation ⁵⁾		Continuing operations	
	2012 ¹⁾	2013	2012 ¹⁾	2013	2012 ¹⁾	2013	2012 ¹⁾	2013	2012 ¹⁾	2013
	3,472	3,409	1,100	1,119	440	589			14,020	13,936
	6	10	35	24	388	352	-498	-458		
	3,477	3,419	1,135	1,143	828	941	-498	-458	14,020	13,936
		-1.7 %		0.7 %		13.6 %				-0.6 %
	887	845	204	212	22	21	-105	-108	2,477	2,424
	25.5 %	24.7 %	17.9 %	18.6 %	2.6 %	2.3 %	21.0 %	23.6 %	17.7 %	17.4 %
	-156	-159	-38	-39	0	0	-11	-13	-873	-818
	732	686	166	174	22	21	-116	-121	1,604	1,607
	21.0 %	20.0 %	14.6 %	15.2 %	2.6 %	2.2 %	23.2 %	26.4 %	11.4 %	11.5 %
	8	13	1	1					44	39
	1	3	2	2	1	2			0	3
	9	15	3	2	1	2			44	41
							-409	2	-409	2
	741	701	168	176	23	23	-525	-119	1,239	1,650
	231	287	80	149		0	35	377	866	1,314
	4,006	3,679	750	802	38	37			21,708	20,553
	22.2 %	23.0 %	27.2 %	26.5 %	57.3 %	57.2 %			11.4 %	11.8 %
	808	768	339	371	97	122	8,573	9,065	14,300	14,284
	14,686	15,601	3,349	3,331	57	61			51,966	52,560
	14,355	15,383	3,425	3,352	56	59			53,617	53,163

	Concrete-service-other		Reconciliation ⁵⁾		Total	
	2012 ¹⁾	2013	2012 ¹⁾	2013	2012 ¹⁾	2013
	4,896	5,005			14,020	13,936
	455	407	-2,075	-2,022		
	5,351	5,412	-2,075	-2,022	14,020	13,936
		1.1 %				-0.6 %
	81	98	-106	-109	2,477	2,424
	1.5 %	1.8 %			17.7 %	17.4 %
	67	109	35	377	866	1,314
	1,130	1,226			21,708	20,553
	7.2 %	8.0 %			11.4 %	11.8 %

Notes to the 2013 consolidated financial statements

General information

HeidelbergCement AG is a public limited company based in Germany. The company has its registered office in Heidelberg, Germany. Its address is: HeidelbergCement AG, Berliner Strasse 6, 69120 Heidelberg.

The core activities of HeidelbergCement include the production and distribution of cement, aggregates, concrete, and building products. Further details are given in the management report.

Accounting and valuation principles

Accounting principles

The consolidated financial statements of HeidelbergCement AG were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the additional requirements of German Commercial Law pursuant to § 315a, section 1 of the German Commercial Code. All binding IFRS for the 2013 financial year adopted into European law by the European Commission, including the interpretations of the IFRS Interpretations Committee (IFRIC), were applied.

The previous year's figures were determined according to the same principles. The consolidated financial statements are prepared in euro. The financial statements show a true and fair view of the financial position and performance of the HeidelbergCement Group.

In accordance with IAS 1 (Presentation of Financial Statements), the consolidated financial statements contain a balance sheet as at the reporting date, an income statement, a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows in accordance with the principles of IAS 7 (Statement of Cash Flows). The segment reporting is prepared in accordance with the regulations of IFRS 8 (Operating Segments).

For reasons of clarity, some individual items have been combined in the income statement and in the balance sheet. Explanations of these items are contained in the Notes. To improve the level of information, the additional ordinary result is shown separately in the income statement and in the segment reporting. The income statement classifies expenses according to their nature.

Scope of consolidation

The consolidated financial statements comprise the subsidiaries in which HeidelbergCement is able to govern the financial and operating policies. Normally, this is the case when more than 50 % of the shares are owned. If contractual regulations stipulate that a company can be controlled despite a shareholding of less than 50 %, this company is included in the consolidated financial statements as a subsidiary. If a company cannot be controlled with a shareholding of more than 50 % as a result of contractual regulations, this company is not included in the consolidated financial statements as a subsidiary.

Significant joint ventures of the HeidelbergCement Group are included in the consolidated financial statements as proportionately consolidated companies (IAS 31 Interests in Joint Ventures). Using this method, the Group accounts for its share of the assets, liabilities, income, expenses, and cash flows in the corresponding lines of the consolidated financial statements.

Investments in associates, in cases where HeidelbergCement exerts significant influence on the operating and financial policies of the participation through a shareholding of between 20 % and 50 % are accounted for in accordance with the equity method (IAS 28 Investments in Associates) in the consolidated financial statements.

Initially, the acquired investments are recognised at cost and in subsequent years the proportionate results are recorded in the carrying amount of the investment. In order to present the results from participations in a more meaningful way, the Group's share of income from associates is shown before income taxes. The proportionate income tax expense is shown under income taxes. The net result from associated companies is shown separately below the income statement.

Consolidation principles

The consolidation is performed using the acquisition method in accordance with IFRS 3 (Business Combinations). In this process, the acquirer measures the identifiable assets acquired and liabilities assumed at their fair values at the acquisition date. The acquiring entity's investment, measured at the fair value of the consideration transferred, is eliminated against the revalued equity of the newly consolidated subsidiary at acquisition date. The residual positive difference between the fair value of the consideration transferred and the fair value of acquired assets and liabilities is shown as goodwill. A residual negative difference is recognised in profit or loss after further review. Non-controlling interests can be recognised either at their proportionate share of the acquiree's net assets or at fair value. This option can be applied separately for every business combination. Transaction costs relating to business combinations are recorded as expenses.

Business combinations achieved in stages are accounted for on the basis of the regulations of IFRS 3.41 f. Differences between the carrying amount and the fair value of previously held shares are recognised in profit or loss, accordingly. Changes in the ownership interest that do not lead to a loss of control over a subsidiary are recognised outside profit or loss as equity transactions, in accordance with IAS 27.30. In the case of transactions that lead to a loss of control, any residual interests are revalued at fair value in profit or loss.

The share of equity and the share of profit or loss for the financial year attributable to non-controlling interests are shown separately. In the case of put options held by non-controlling interests (including non-controlling interests in German partnerships), the proportionate share of the period's comprehensive income attributable to the non-controlling interests as well as the dividend payments to non-controlling interests are shown over the course of the year as changes in equity. At the reporting date, non-controlling interests with a put option were reclassified as financial liabilities. The financial liability is measured at the present value of the redemption amount. Differences between the carrying amount of the non-controlling interests and the present value of the redemption amount are recognised directly in equity. In the statement of changes in equity, this is reported in the line changes in non-controlling interests with put options.

Income and expenses as well as receivables and payables between consolidated companies are eliminated according to IAS 27 (Consolidated and Separate Financial Statements). Profits and losses from intra-Group sales of assets are eliminated.

The consequences of consolidation on income tax are taken into account by recognising deferred taxes.

Foreign currency translation

The individual financial statements of the Group's foreign subsidiaries are translated into euro according to IAS 21 (The Effects of Changes in Foreign Exchange Rates) using the concept of functional currency. In general, for operating companies, the functional currency is that of the country in which the subsidiary is based, since all foreign subsidiaries are financially, economically, and organisationally independent in the conduct of their business. Assets and liabilities are translated using the closing rates at the reporting date, with equity, in contrast, using the historical exchange rates. The translation differences resulting from this are recognised outside profit or loss in other components of equity through other comprehensive income until the subsidiary is disposed of.

The proportionate equity of the foreign associated companies is translated in accordance with the procedure described for subsidiaries. Income and expenses are translated using average annual exchange rates.

Foreign currency transactions in the companies' individual financial statements are recorded at the spot exchange rate at the date of the transaction. Exchange gains or losses from the measurement of monetary items in foreign currency at the closing rate up to the reporting date are recognised in profit or loss. Exchange differences arising from foreign currency borrowings, to the extent that they are part of a net investment in a foreign operation, form an exception to recognition in profit or loss. They are part of a net investment in a foreign operation if settlement is neither planned nor likely to occur in the foreseeable future. Translation differences are recognised directly in equity through other comprehensive income until the net investment is sold and are not recognised in profit or loss until its disposal. Non-monetary items in foreign currency are recorded at historical exchange rates.

The following key exchange rates were used in the translation of the separate financial statements denominated in foreign currencies into euro.

Exchange rates		Exchange rates at reporting date		Average exchange rates	
		31 Dec. 2012	31 Dec. 2013	2012	2013
EUR					
USD	USA	1.3197	1.3746	1.2860	1.3285
AUD	Australia	1.2693	1.5412	1.2419	1.3777
CAD	Canada	1.3090	1.4600	1.2853	1.3686
GBP	Great Britain	0.8117	0.8303	0.8112	0.8491
IDR	Indonesia	12,761.02	16,755.00	12,112.07	14,032.21

Recognition and measurement principles

The consolidated financial statements are generally prepared using the historical cost principle. Exceptions to this are derivative financial instruments and available-for-sale investments, which are measured at fair value. Furthermore, the carrying amounts of the assets and liabilities recognised in the balance sheet, which represent the hedged items in fair value hedges and are otherwise accounted at cost, are adjusted as a result of changes in the fair values assigned to the hedged risks. The fundamental recognition and measurement principles are outlined below.

According to IAS 38 (Intangible Assets), an **intangible asset** is an identifiable non-monetary asset without physical substance. The definition requires an intangible asset to be identifiable in order to distinguish it from goodwill. An asset meets the identifiability criterion if it is separable or arises from contractual or other legal rights. Intangible assets are initially measured at cost. In subsequent periods, intangible assets with a finite useful life are measured at cost less accumulated amortisation and impairment, and intangible assets with an indefinite useful life are measured at cost less impairment. Intangible assets with a finite useful life are amortised using the unit of production method, in the case of quarrying licences, otherwise using the straight-line method

Emission rights are shown as intangible assets. Emission rights granted free of charge are initially measured at a nominal value of zero. Emission rights acquired for consideration are accounted for at cost and are subject to write-down in the event of impairment. Provisions for the obligation to return emission rights are recognised if the actual CO₂ emissions up to reporting date are not covered by emission rights granted free of charge. The amount

of provision for emission rights already acquired for consideration is measured at the carrying amount and, for emission rights yet to be acquired in order to fulfil the obligation, at the market value as at the reporting date.

In accordance with IFRS 3 (Business Combinations), **goodwill** arising from business combinations is not amortised. Instead, goodwill is tested for impairment according to IAS 36 (Impairment of Assets) at least once a year in the fourth quarter after completion of the current operational plan or upon the occurrence of significant events or changes in circumstances that indicate an impairment requirement. 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. On the basis of the sales and management structure, a group of cash-generating units is defined generally as a country or group area.

As soon as the carrying amount of a group of CGUs to which a goodwill is allocated exceeds its recoverable amount, an impairment loss of the allocated goodwill is recognised in profit or loss. The recoverable amount is the higher of fair value less costs to sell and the value in use of a group of CGUs. The fair value is the amount obtainable from the sale in an arm's length transaction. The value in use is calculated by discounting estimated future cash flows after taxes with a post-tax risk-adjusted discount rate (WACC).

Property, plant and equipment are accounted for according to IAS 16 (Property, Plant and Equipment) at cost less accumulated depreciation and impairment. Cost includes all costs that can be attributed to the manufacturing process and appropriate amounts of production overheads. Costs for repair and maintenance of property, plant and equipment are expensed as incurred. Capitalisation takes place if the measures lead to an extension or significant improvement of the asset. Property, plant and equipment are depreciated on a straight-line basis unless there is another depreciation method more appropriate for the pattern of use. Borrowing costs that can be allocated directly or indirectly to the construction of large facilities with a creation period of more than twelve months (Qualifying Assets) are capitalised as part of the cost in accordance with IAS 23 (Borrowing Costs).

Inventories are measured in accordance with IAS 2 (Inventories) at the lower of cost and net realisable value, using the weighted average cost method. Adequate provisions are made for risks relating to quality and quantity. Besides direct expenses, the costs for finished goods and work in progress include production-related indirect materials and indirect labour costs, as well as production-related depreciation. The overhead rates are calculated on the basis of the average operating performance rate. Borrowing costs are not recognised as part of the costs because the production period is less than twelve months. Spare parts for equipment are generally reported under inventories. If they were acquired in connection with the acquisition of the equipment, or in a separate acquisition meet the definition of an asset, then they are reported under fixed assets.

Long-term service and construction contracts spanning a longer period of time are accounted according to the stage of completion (Percentage of Completion Method).

Pension provisions and similar obligations are determined in accordance with IAS 19 (Employee Benefits). For numerous employees, the Group makes provisions for retirement either directly or indirectly through contributions to pension funds. Various post-employment benefit plans are in place, depending on the legal, economic, and tax framework in each country, which are generally based on employees' years of service and remuneration. The pension provisions include those from current pensions and from entitlements from pensions to be paid in the future.

At HeidelbergCement, the company pension schemes include both defined contribution and defined benefit plans. In defined contribution plans, the Group pays contributions into earmarked funds. After paying the contributions, the Group has no further benefit obligations. In defined benefit plans, the Group's obligation is to provide the agreed benefits to current and former employees. A distinction is made between benefit systems financed by provisions and those financed by funds.

The most significant post-employment benefit plans financed by funds exist in Belgium, Canada, Indonesia, the Netherlands, Norway, the United Kingdom and the USA. The retirement benefit system in Indonesia consists of a statutory defined benefit plan and a company-based defined contribution plan financed by funds, the benefits from which may be set off against the statutory benefits. In Germany and Sweden, the retirement benefit plans are financed by means of provisions. HeidelbergCement also has a retirement benefit system financed by provisions to cover the health care costs of pension recipients in Belgium, Canada, Indonesia, the United Kingdom and the USA. In addition, the Group grants its employees other long-term employee benefits, such as jubilee benefits, old age part-time arrangements or early retirement commitments.

The three Group areas or countries North America, the United Kingdom and Germany, account for approximately 90 % of the defined benefit obligation.

The majority of defined benefit pension plans in North America have been closed to new entrants, and many have been closed to future accruals. In North America, a retirement plans committee has been established by HeidelbergCement to serve as oversight of the pension administration and fiduciary responsibilities of HeidelbergCement in relation to its retirement plans and to act as plan administrator. The regulatory framework for each of the qualified pension plans in the USA has a minimum funding requirement based on the statutory funding objective agreed with the plan administrator. In the USA, the Employee Retirement Income Security Act of 1974 (ERISA) provides the national legal framework which sets the minimum standards for company retirement plans. ERISA sets minimum standards for participation, vesting, benefit accrual and funding and requires accountability of plan fiduciaries. ERISA also guarantees payment of certain benefits through the Pension Benefit Guaranty Corporation if a plan is terminated. In Canada, the pension plans of HeidelbergCement fall under the jurisdiction of the provinces of Alberta or Ontario.

In the United Kingdom, the main defined benefit pension plans operate under UK trust law and under the jurisdiction of the UK Pensions Regulator. These plans are run by groups of trustees, some of whom are appointed by the sponsoring employer and some of whom are nominated by the plan members. The trustees are obligated by the statutory funding framework mandated by UK law to meet the statutory funding objective of having sufficient and appropriate assets to cover the schemes' technical provisions. All of the main defined benefit pension plans in the United Kingdom are closed to new entrants and in most cases to future accruals. Benefits are granted under a number of plans, many of which are final salary plans. As such, the liabilities are expected to trend downward in the mid- to long-term as benefits are paid. Liability driven investments (LDI) are used extensively in the United Kingdom and the UK pension plans are currently, in aggregate, overfunded on an IAS 19 basis. As pension benefits in the United Kingdom receive inflationary increases after benefit commencement, these benefits are subject to inflation risk. This risk is mitigated in many cases through the use of LDI products and/or through the use of caps on the maximum pension indexation granted. Given the closed nature of the arrangements, the liabilities in the United Kingdom are only marginally impacted by the salary trend assumption.

In Germany, pension plans operate under the framework of German Company Pension Law (BetrAVG) and general regulations based on German Labour Law. The main pension plans were closed to new entrants in 2005. Employees hired prior to 2006 continue to earn benefits under these arrangements. The closed pension arrangements have either a final salary plan design or a fixed benefit per year of service structure. In addition, individual pension entitlements have been granted to the members of the Managing board (please refer to the Management Report, chapter remuneration report on page 139f.). The German pension benefits are largely unfunded.

The liabilities in respect of the benefits granted are subject to the following major risks:

- Discount rate risks in all cases where falling market interest rates could result in a higher present value being placed on the remaining future obligations, leading to higher liabilities,
- Inflation risks (in particular where benefits are linked to salary, or pension payments are subject to inflation adjustments),
- Asset performance risks, in countries where funded pension plans are present (such as the USA and the United Kingdom). These risks have been mitigated in part through the use of liability driven investment strategies,
- Longevity risks in cases where benefits would be paid for a longer period in the future than is currently anticipated in the mortality assumptions used to estimate the future benefits payable,
- Changes to national funding requirements may accelerate cash flows required to meet pension funding requirements, and national law might also mandate increases in benefits beyond those presently agreed upon.

The pension obligations and the available plan assets are valued annually by independent experts for all major Group companies. The pension obligations and the expenses required to cover this obligation are measured in accordance with the internationally accepted projected unit credit method.

For the purpose of financial reporting, the actuarial assumptions are dependent on the economic situation in each individual country. The interest rate is based on the interest rate level observed on the measurement date for high-quality corporate bonds (AA rating) with a duration corresponding to the pension plans concerned in the relevant country. In countries or currency areas without a deep market for corporate bonds, the interest rate is determined on the basis of government bonds or using other approximation methods.

Actuarial gains and losses result from increases or decreases in the present value of the defined benefit obligations versus the expected amounts. These may be caused by, for example, changes in the calculation parameters or deviations between the actual and expected development of the pension obligations. These amounts, as well as the difference between the actual asset performance and the interest income shown in profit or loss, and the effect of the asset ceiling, are reported in other comprehensive income.

Defined contribution accounting has been used for certain multi-employer plans for which insufficient information is available to use defined benefit accounting.

Other provisions are recognised in accordance with IAS 37 (Provisions, Contingent Liabilities, and Contingent Assets) if, as a result of past events, there are legal or constructive obligations towards third parties that are likely to lead to outflows of resources embodying economic benefits that can be reliably determined. The provisions are calculated on the basis of the best estimate, taking into account all identifiable risks.

The capital market components of the Group-wide virtual stock option plan are accounted for as cash-settled, share-based payment transactions in accordance with IFRS 2 (Share-based Payment). As at the reporting date, a provision is recognised pro rata temporis in the amount of the fair value of the payment obligation. Changes

in the fair value are recognised in profit or loss. The fair value of the options is determined using a recognised option price model.

Deferred tax assets and liabilities are recognised in accordance with the balance sheet liability method (IAS 12 Income Taxes). This means that, with the exception of goodwill arising on capital consolidation, deferred taxes are recognised for all temporary differences between the IFRS financial statements and the tax accounts regardless of the period of time within which these differences are likely to reverse. Furthermore, deferred tax assets are recognised on unused tax losses carried forward, to the extent that the probability of their recovery in subsequent years is sufficiently high. Deferred tax liabilities are considered in connection with undistributed profits from subsidiaries, joint ventures, and associates, unless HeidelbergCement is able to control the dividend policy of the companies and no dividend distribution or disposal is anticipated in the foreseeable future. The deferred taxes are measured using the rates of taxation that, as of the reporting date, are applicable or have been announced as applicable in the individual countries for the period when the deferred taxes are realised. Deferred tax assets and liabilities are offset if there is an enforceable right to set off current tax assets and liabilities and if they relate to income taxes levied by the same taxing authority and the Group intends to settle its current tax assets and liabilities on a net basis. In principle, changes in the deferred taxes in the balance sheet lead to deferred tax expense or income. If circumstances that lead to a change in the deferred taxes are recognised outside profit or loss in other comprehensive income or directly in equity, the change in deferred taxes is also taken into account in other comprehensive income or directly in equity. If deferred taxes were recognised via other comprehensive income, they are also subsequently released via other comprehensive income.

A **financial instrument** is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The financial instruments include non-derivative and derivative financial instruments.

Non-derivative financial instruments are, in principle, measured at fair value when first recognised. These include non-current and current investments, loans and receivables granted, and financial liabilities.

Financial instruments classified as held for trading are measured at fair value through profit or loss.

Non-current and current investments that are categorised as available for sale in accordance with IAS 39 (Financial Instruments – Recognition and Measurement) are regularly measured at fair value if it can be reliably ascertained. This class of instrument is referred to in the following as investments available for sale at fair value. The unrealised gains and losses resulting from the subsequent measurement are recognised outside profit or loss in equity through other comprehensive income. The stock market price at the reporting date forms the basis of the fair value. If the fair values of investments available for sale at fair value fall below the cost and there is objective evidence of a significant or permanent impairment, the accumulated gains and losses previously recognised in equity are recognised directly in profit or loss. Investments in equity instruments, for which no listed price on an active market exists and whose fair values cannot be reliably determined with justifiable expense, are measured at cost. This class of instruments is referred to in the following as investments available for sale at cost. This concerns other participations that are not listed on the stock exchange. If there is objective evidence of significant or permanent impairment, these impairment losses are directly recognised in profit or loss. The recognition of reversals of impairment in profit or loss for equity instruments held is not permitted.

Loans and receivables are measured at amortised cost, using the effective interest method if applicable, provided that they are not linked with hedging instruments. This concerns non-current, interest-bearing receivables, trade receivables, and other current operating receivables. In principle, the amortised cost in the case of current receivables corresponds to the nominal value or the redemption amount. Receivables are derecognised from the balance sheet when all risks and rewards were transferred and the receipt of payment associated with the receivables is ensured. In case not all chances and risks are transferred, the receivables are derecognised when the control over the receivables has been transferred. If there is objective evidence of impairment of the loans and receivables (e.g. significant financial difficulties or negative changes in the market environment of the debtor), impairment losses are recognised in profit or loss. For trade receivables, the impairment losses are recognised through the use of a provision for doubtful debts account. A derecognition is booked as soon as a default of receivables occurs. Reversals are carried out if the reasons for the impairment losses no longer apply. In the past reporting year, there were no financial assets (as in the previous year) whose terms have been changed which would otherwise have been overdue or impaired.

Non-derivative financial liabilities are recognised for the first time at the fair value of the consideration received or at the value of the cash received less transaction costs incurred, if applicable. These instruments are subsequently measured at amortised cost, using the effective interest method if applicable. This includes trade payables, other current operating liabilities, and current and non-current financial liabilities. Non-current financial liabilities are discounted. In principle, the amortised cost in the case of current financial liabilities corresponds to the nominal value or the redemption amount.

The Group has not yet made use of the possibility of designating non-derivative financial instruments, when first recognised, as financial instruments at fair value through profit or loss. All non-derivative financial instruments are accounted for at the settlement date.

A **derivative financial instrument** is a contract whose value is dependent on a variable, which usually requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors, and which is settled at a later date. All derivative financial instruments are measured at fair value on the trade date when first recognised. The fair values are also relevant for the subsequent measurement. The fair value of traded derivative financial instruments corresponds to the market value. This value can be positive or negative. For derivative financial instruments, the fair value corresponds to the amount that HeidelbergCement would either receive or have to pay at the reporting date in the case of early termination of this financial instrument. This amount is calculated on the basis of the relevant exchange and interest rates on the reporting date. Average rates are used for the calculation.

In the HeidelbergCement Group, derivative financial instruments such as currency forwards, currency option contracts, interest rate swaps, or interest rate options are, in principle, used to minimise financial risks. The focus is on hedging interest, currency, and other market price risks. The market valuations are monitored regularly by the Group Treasury department. No derivative financial instruments are contracted or held for speculative purposes.

Contracts concluded for the purpose of receiving or supplying non-financial items in accordance with the company's expected purchase, sale, or usage requirements and held as such (own use contracts) are accounted for as pending transactions rather than derivative financial instruments. Written options for the purchase or sale of non-financial items that can be cash-settled are not classified as own use contracts.

Hybrid financial instruments consist of a non-derivative host contract and an embedded financial derivative. The two components are legally inseparable. These are usually contracts with riders. Separate accounting of the embedded derivative and the host contract is required if the economic characteristics and risks are not closely linked with the host contract, the embedded derivative fulfils the same definition criteria as a stand-alone derivative, and the hybrid financial instrument is not measured at fair value through profit or loss. The contract of the hybrid financial instrument may also be measured in total at fair value through profit or loss unless the embedded derivative changes the resulting cash flows to an insignificant degree or separation of the embedded derivative is not permitted.

Hedge accounting denotes a specific accounting method that modifies the accounting of the hedged item and hedging instrument of a hedging relationship so that the results of measuring the hedged item or hedging instrument are recognised in the period incurred directly in equity or in profit or loss. Accordingly, hedge accounting is based on matching the offsetting values of the hedging instrument and the hedged item.

For accounting purposes, three types of hedges exist in accordance with IAS 39, provided that the stringent conditions for hedge accounting are fulfilled in each individual case.

– Cash flow hedges

Where necessary, HeidelbergCement hedges the risk of fluctuation in future cash flows. The risk of interest rate fluctuations in the case of variable interest is hedged by means of swaps that convert variable interest payments into fixed interest payments. This method is also used for hedging currency risks of transactions to be executed in foreign currency in the future. The market value of the derivatives used for hedging is shown in the balance sheet. As an offsetting item, the other components of equity are adjusted to the amount of the effective portion, taking deferred taxes into account. They are only recognised in profit or loss when the hedged future cash flows are realised. The ineffective portion is recognised directly in the profit or loss for the period.

– Fair value hedges

The Group hedges against fluctuations in the fair value of assets or liabilities. Where necessary, the foreign exchange risk that arises when financial instruments are accounted for in a currency other than the functional currency is hedged. In addition, the fair value of fixed interest-bearing liabilities is selectively hedged by means of conversion to variable interest. In the case of hedging against fluctuations in the fair value of certain balance sheet items (fair value hedges), both the hedging instrument and the hedged portion of the risk of the underlying transaction are recognised at fair value. Changes in fair value are recognised in profit or loss.

– Hedging a net investment in a foreign operation

When acquiring foreign companies, the investment can, for example, be hedged with loans in the functional currency of the foreign company. In these cases, the currency risk arising on the subsidiary's equity through fluctuations in exchange rates (translation risk) is designated as a hedged risk. The loans are translated using the exchange rate applicable at the reporting date. As an offsetting item, the foreign currency translation reserves in equity are adjusted. Consequently, translation differences are recognised outside profit or loss in equity through other comprehensive income until the net investment is sold, and are recognised in profit or loss on its disposal.

Derivative financial instruments for which no hedge accounting is used nevertheless represent an effective hedge in an economic sense within the context of the Group strategy. In accordance with IAS 39, these instruments are classified for accounting purposes as held for trading.

Consolidated income statement
Consolidated statement of comprehensive income
Consolidated statement of cash flows
Consolidated balance sheet
Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
→ [Notes to the 2013 consolidated financial statements](#)
Audit opinion
Responsibility statement

The changes in the market values of these derivative financial instruments recognised in profit or loss are almost offset by changes in the market values of the hedged items.

Assets held for sale and discontinued operations are shown separately in the balance sheet if they can be sold in their present condition and the sale is highly probable. Assets classified as held for sale are recognised at the lower of their carrying amount and fair value less costs to sell. According to their classification, liabilities directly connected with these assets are shown in a separate line on the liability side of the balance sheet.

For discontinued operations, the profit after tax is shown in a separate line in the income statement. In the statement of cash flows, the cash flows are broken down into continuing and discontinued operations. Likewise, the discontinued operations are shown separately in the segment reporting. For discontinued operations, the previous year's values in the income statement, the statement of cash flows, and the segment reporting are restated. The Notes include additional details on the assets held for sale and discontinued operations.

Contingent liabilities and assets are current or possible obligations or assets arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events that are not within the Group's control. Contingent liabilities are recognised in the balance sheet at their fair value if they have been assumed as a result of a business combination. Contingent assets are only recognised in the balance sheet if they are virtually certain. Insofar as an outflow or inflow of economic benefits is possible, details of contingent liabilities and assets are provided in the Notes.

Finance leases, for which all risks and rewards incidental to ownership of the leased asset are transferred to the Group, lead to capitalisation of the leased asset at the inception of the lease. The leased asset is recognised at the lower of its fair value and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability so as to produce a constant rate of interest on the remaining balance of the liability over the term of the lease. The finance charge is recognised in profit or loss. Leased assets are depreciated over the useful life of the asset. If, however, there is insufficient certainty that the transfer of title to the Group will take place at the end of the lease term, the leased asset is depreciated fully over the shorter of the expected useful life and the lease term.

Lease payments for operating leases are recognised as an expense in the income statement over the lease term on a straight-line basis.

Income is recognised if it is sufficiently probable that the Group will receive future economic benefits that can be reliably determined. It is measured at the fair value of the consideration received; sales tax and other duties are not taken into account. Revenue is recognised as soon as the goods have been delivered and the risks and rewards have passed to the purchaser. Interest income is recognised pro rata temporis using the effective interest method. Dividend income is realised when the legal entitlement to payment arises.

Changes in accounting and valuation principles

Application of new accounting standards

In the 2013 financial year, HeidelbergCement applied the following standards of the International Accounting Standards Board (IASB) for the first time.

First-time application of accounting standards
Title
Amendments to IAS 1 Presentation of Items of Other Comprehensive Income
Amendments to IAS 19 Employee Benefits (Revised 2011)
Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets
Amendments to IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities
IFRS 13 Fair Value Measurement
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
Improvements to IFRSs 2009-2011 Cycle

- The amendments to **IAS 1 Presentation of Items of Other Comprehensive Income** relate to the presentation of items shown in other comprehensive income. Components in other comprehensive income that in subsequent periods will be reclassified to profit or loss under certain conditions should be shown separately from the components that will never be reclassified to profit or loss. The statement of comprehensive income for the Group has been adjusted accordingly.
- The amendments to **IAS 19 Employee Benefits (Revised 2011)** – subsequently referred to as IAS 19R – had the following impact on the financial reporting of the HeidelbergCement Group: The existing method of recording expected return on plan assets and the calculation of the interest cost from the defined benefit obligation will now be replaced by recording the net interest from the net defined benefit obligation or the net defined benefit asset. The difference between the interest income from plan assets and actual return on plan assets is included in remeasurement of the defined benefit liability (asset) in the statement of comprehensive income. Past service costs are immediately recognised in profit or loss as they arise. Administration costs that are incurred while the service is being provided and do not relate to the management of the plan assets (investment-related costs), will be recorded in other operating expenses from now on. The obligation to retrospectively apply IAS 19R led to adjustments to the income statement, the statement of comprehensive income, the statement of cash flows, the balance sheet, and the statement of changes in equity in earlier periods.
- With the amendments to **IAS 36 Recoverable Amount Disclosures for Non-Financial Assets**, the International Accounting Standards Board (IASB) has corrected overly broad disclosure requirements regarding the calculation of the recoverable amount of impaired non-financial assets. The amendments are mandatory for financial years beginning on or after 1 January 2014. Early application is permissible. HeidelbergCement has opted for early application of this standard.
- The amendment to **IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities** results in additional disclosures relating to the netting of financial instruments. In addition to expanded disclosures regarding the actual netting carried out, disclosure requirements are being introduced for existing netting rights that do not comply with the balance sheet netting criteria in accordance with IAS 32. The amendments to IFRS 7 did not have any significant impact on the reporting of the HeidelbergCement Group.

- **IFRS 13 Fair Value Measurement** introduces a uniform framework for the measurement of the fair value of assets and liabilities, which applies to all IFRS with a few exceptions (IFRS 2 Share-based Payment and IAS 17 Leases). IFRS 13 is to be applied prospectively. The application of IFRS 13 does not have any significant impact on the fair values determined by the Group.
- **IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine** describes the accounting of stripping costs during the production phase in surface mining and clarifies when production stripping costs should lead to the recognition of an asset and how that asset should be classified and measured both initially and in subsequent periods. The retrospective application of IFRIC 20 resulted in balance sheet and income statement reclassifications in the prior period. As at the reporting date, the effects of the initial application of IFRIC 20 were quite similar in magnitude to those on 31 December 2012.
- As part of the annual improvements project **Improvements to IFRS 2009–2011 Cycle**, the IASB made minor amendments to five standards (IAS 1 Presentation of Financial Statements, IAS 16 Property, Plant, and Equipment, IAS 32 Financial Instruments: Presentation, IAS 34 Interim Financial Reporting, and IFRS 1 First-time Adoption of IFRS). The changes did not have any impact on the reporting of the HeidelbergCement Group.

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

Income statement	2012				
	€m	Before adjustment	IAS 19R	IFRIC 20	Adjusted
Employee and personnel costs		-2,330.4	-0.1		-2,330.5
Other operating expenses		-3,877.0	-9.0	8.8	-3,877.2
Operating income before depreciation (OIBD)		2,477.2	-9.1	8.8	2,476.9
Depreciation of property, plant and equipment		-794.1		-7.2	-801.3
Amortisation of intangible assets		-69.8		-1.6	-71.4
Operating income		1,613.3	-9.1		1,604.2
Earnings before interest and taxes (EBIT)		1,248.3	-9.1		1,239.2
Foreign exchange gains and losses		4.5	0.5		5.0
Other financial result		-86.7	-7.1		-93.8
Financial result		-640.9	-6.6		-647.5
Profit before tax from continuing operations		607.4	-15.7		591.7
Income taxes		-150.9	-0.7		-151.6
Net income from continuing operations		456.5	-16.4		440.1
Profit for the financial year		545.1	-16.4		528.7
Thereof non-controlling interests		243.9	0.1		244.0
Thereof Group share of profit		301.2	-16.5		284.7
Earnings per share in € (IAS 33)					
Earnings per share attributable to the parent entity		1.61	-0.09		1.52
Earnings per share – continuing operations		1.13	-0.09		1.04
Earnings per share – discontinued operations		0.48	0.00		0.48

4 Consolidated financial statements

Statement of comprehensive income	2012			
	€m	Before adjustment	IAS 19R	Adjusted
Profit for the financial year		545.1	-16.4	528.7
Other comprehensive income not being reclassified to profit or loss in subsequent periods				
Remeasurement of the defined benefit liability (asset)		-243.4	13.4	-230.0
Income taxes		23.8	1.7	25.5
		-219.5	15.0	-204.5
Other comprehensive income being reclassified to profit or loss in subsequent periods				
Currency translation		-112.8	0.1	-112.7
Other comprehensive income		-334.3	15.1	-319.2
Total comprehensive income		210.8	-1.4	209.4
Relating to non-controlling interests		177.0	0.1	177.1
Relating to HeidelbergCement AG shareholders		33.8	-1.4	32.4

Statement of cash flows	2012				
	€m	Before adjustment	IAS 19R	IFRIC 20	Adjusted
Net income from continuing operations		456.5	-16.4		440.1
Income taxes		150.9	0.7		151.6
Depreciation, amortisation, and impairment		1,125.1		8.8	1,133.9
Elimination of other non-cash items		177.6	15.7		193.3
Cash flow		1,537.4		8.8	1,546.2
Changes in operating assets		76.0		-8.8	67.2
Changes in working capital		175.0		-8.8	166.2
Cash flow from operating activities		1,513.4			1,513.4

Balance sheet	31 December 2012				
	€m	Before adjustment	IAS 19R	IFRIC 20	Adjusted
Assets					
Other intangible assets		297.7		3.9	301.6
Land and buildings		5,272.7		14.9	5,287.6
Fixed assets		22,226.7		18.8	22,245.5
Deferred taxes		442.0	2.6		444.6
Other non-current receivables		275.4		-7.0	268.4
Total non-current assets		22,963.9	2.6	11.8	22,978.2
Other current operating receivables		365.6		-11.8	353.8
Total current assets		5,025.6		-11.8	5,013.8
Balance sheet total		28,005.2	2.6		28,007.8
Equity and liabilities					
Retained earnings		6,673.5	-5.4		6,668.1
Equity attributable to shareholders		12,614.6	-5.4		12,609.2
Non-controlling interests		1,098.8	-0.5		1,098.3
Total equity		13,713.4	-5.9		13,707.5
Non-current pension provisions		1,018.7	11.6		1,030.3
Total non-current liabilities		10,034.2	11.6		10,045.9
Current pension provisions		87.4	2.0		89.4
Other current operating liabilities		989.8	-5.2		984.7
Total current liabilities		4,257.5	-3.2		4,254.4
Total liabilities		14,291.8	8.5		14,300.3
Balance sheet total		28,005.2	2.6		28,007.8

Changes in the statement of cash flows

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

Statement of cash flows	2012		
	Before adjustment	Adjustment	Adjusted
€m			
Proceeds from bond issuance and loans	1,873.7	-1,532.4	341.3
Repayment of bonds and loans	-3,003.7	1,531.4	-1,472.3
Changes in short-term interest-bearing liabilities		1.0	1.0
Cash flow from financing activities	-1,262.4	0.0	-1,262.4

Accounting standards that have been published but not yet applied in the financial year

The IASB and IFRIC adopted the standards and interpretations listed below, whose application was not yet mandatory for the 2013 financial year. HeidelbergCement will not apply these standards and interpretations until the date when their application first becomes mandatory and after endorsement by the European Commission.

Published, but not yet applicable accounting standards		
Title	Date of first-time application ¹⁾	Endorsement by the EU Commission
Amendments to IAS 19 Defined Benefit Plans: Employee Contributions	1 July 2014	no
Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014	yes
IFRS 9 Financial Instruments and subsequent amendments to IFRS 9, IFRS 7 and IAS 39	open	no
IFRS 10 Consolidated Financial Statements	1 January 2014	yes
IFRS 11 Joint Arrangements	1 January 2014	yes
IFRS 12 Disclosure of Interests in Other Entities	1 January 2014	yes
IFRIC 21 Levies	1 January 2014	yes
Improvements to IFRSs 2010-2012 Cycle	1 July 2014	no
Improvements to IFRSs 2011-2013 Cycle	1 July 2014	no

1) Fiscal years beginning on or after that date

- The amendments to **IAS 19 Defined Benefit Plans: Employee Contributions** clarify the accounting of employee contributions or contributions made by third parties for defined benefit pension plans. Contributions that are independent of the years of service may be deducted from past service costs in the period in which the corresponding service was rendered. However, if the contributions are dependent on the number of years of service, they are to be attributed to the periods of service in the same way as the gross benefits. The amendments are not expected to have a significant impact on the financial position and performance of the Group.
- The amendment to **IAS 32 Offsetting Financial Assets and Financial Liabilities** clarifies details concerning the netting of financial assets and liabilities: 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 is not expected to have any impact on the consolidated financial statements.

- In November 2009, the IASB published the new standard **IFRS 9 Financial Instruments** for the classification and measurement of financial assets. This standard constitutes the first part of the three-part project to completely replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 pursues a new, less complex approach for the categorisation and measurement of financial assets and financial liabilities. Instead of the previous four measurement categories for financial instruments on the assets side, there are now only two. The categorisation is based firstly on the company's business model for the group of financial instruments under consideration and secondly on the characteristics of the contractual cash flows of the relevant financial asset. Regulations for the accounting of financial liabilities pursuant to IFRS 9 were published in October 2010 and essentially correspond to the previous regulations in IAS 39. The only changes made were those within the context of the fair value option: changes in the fair value attributable to changes in the entity's own credit risk are to be recognised outside profit or loss in other comprehensive income. Furthermore, there will no longer be an option to measure derivative liabilities at cost for unquoted equity instruments in future. The IASB published IFRS 9 Financial Instruments (Hedge Accounting and Amendments to IFRS 9, IFRS 7, and IAS 39) in November 2013. This expansion of the standard is based on the third part of the project to completely replace IAS 39 and contains general regulations for future accounting of hedging relationships. In comparison with the previous regulations in IAS 39, the main amendments relate, among others, to the elimination of applicable thresholds for effective hedging relationships, as part of the retrospective effectiveness test, in favour of evidence of the economic relationship between the hedged item and the hedging instrument. Furthermore, the new regulations provide an expanded scope of eligible hedging instruments and hedged items, as well as expanded disclosures relating to hedge accounting. The effects of the initial application of IFRS 9 on the financial position and performance of the Group are currently being analysed.
- **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). The first-time application of IFRS 10 may have an impact on the composition of the consolidation scope.
- **IFRS 11 Joint Arrangements** governs accounting in situations where a company 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. IFRS 11 supersedes IAS 31 (Interests in Joint Ventures). The most significant effect of the new standard is the abolition of proportionate consolidation for joint ventures. In the future, all joint ventures are to be accounted for using the equity method in accordance with the amended version of IAS 28 (Investments in Associates and Joint Ventures). Assets and liabilities as well as income and expenses of a joint operation will continue to be included proportionately in the consolidated financial statements. The first-time application of IFRS 11 will have an impact on the structure of HeidelbergCement's consolidated financial statements. The assets and liabilities as well as the income and expenses of joint ventures will no longer be shown proportionately in the relevant balance sheet or 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 participations in the income statement.

The estimated impact from the first-time application of IFRS 10 and IFRS 11 on selected items of the income statement and balance sheet of the Group for the financial year 2013 is presented in the following tables.

Income statement	2013		
	As reported	IFRS 10 and IFRS 11	Adjusted
€m			
Revenue	13,936	-798	13,138
Operating income before depreciation (OIBD)	2,424	-184	2,240
Amortisation and depreciation	-818	53	-764
Operating income	1,607	-131	1,476
Additional ordinary result	2	-8	-7
Result from participations	41	82	124
Earnings before interest and income (EBIT)	1,650	-57	1,593
Financial result	-569	20	-549
Profit before tax from continuing operations	1,081	-37	1,044
Income taxes	-233	24	-210
Net income from continuing operations	848	-13	835
Net income from discontinued operations	98		98
Profit for the financial year	945	-13	933
Thereof non-controlling interests	200	-3	197
Thereof Group share of profit	745	-9	736

Balance sheet	31 December 2013		
	As reported	IFRS 10 and IFRS 11	Adjusted
€m			
Assets			
Fixed assets	21,134	-121	21,013
Miscellaneous assets	5,732	-308	5,424
	26,866	-429	26,437
Equity and liabilities			
Equity	12,582	-59	12,523
Provisions	2,122	-10	2,112
Liabilities	12,162	-360	11,802
Total liabilities	14,284	-370	13,914
	26,866	-429	26,437

- **IFRS 12 Disclosure of Interests in Other Entities** includes all of the disclosure requirements for subsidiaries, joint arrangements, and associates, which were previously included in IAS 27, IAS 31, and IAS 28, and extends the disclosure requirements in relation to the consolidation scope and subsidiaries with non-controlling interests.
- **IFRIC 21 Levies** clarifies that a company is to recognise a liability for public levies as soon as an 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 initial application of IFRIC 21 is not expected to have an impact on the financial position and performance of the Group.
- As part of the annual improvements projects **Improvements to IFRS 2010–2012 Cycle** and **Improvements to IFRS 2010–2013 Cycle**, the IASB made minor amendments to a total of nine standards. The effects of the initial application of the improvements on the financial position and performance of the Group are currently being analysed.

Estimation uncertainty and assumptions

The presentation of the financial position and performance in the consolidated financial statements is dependent on estimates and assumptions made by the management, which affect the amounts and presentation of the assets and liabilities, expenses and income, and contingent liabilities accounted for in the period. The actual values may differ from these estimates. The assumptions and estimates relate particularly to the necessity and calculation of impairment of goodwill, the recognition of deferred tax assets, and the measurement of pension provisions and other provisions.

A cash flow-based method in accordance with IAS 36 (Impairment of Assets) is used to determine the recoverable amount of cash-generating units as part of the impairment test for goodwill. In particular, estimates are required in relation to future cash flows of the cash-generating units as well as to the discount rates used (discounted cash flow method). A change in the influencing factors may have a significant impact on the amount of impairment. Explanations concerning the composition of the carrying amount of goodwill and the impairment test are provided in Note 30 Intangible assets.

To assess the future probability that deferred tax assets can be utilised, various estimates must be adopted, e.g. operational plans, periods of loss carried forward, and tax planning strategies. If the actual results deviate from these estimates, this may impact the financial position and performance. More detailed information on deferred taxes is given in Note 10 Income taxes.

The obligations arising from defined benefit pension plans are determined on the basis of actuarial methods, which are based on assumptions and estimates concerning the discount rate, future salary increases, development of health care costs, and other influencing factors. A change in the underlying parameters may lead to changes in the amounts recognised in the balance sheet. Further details are given on page 169 f. and in Note 45 Provisions for pensions.

Provisions for damages and environmental obligations are measured on the basis of an extrapolation of the claims and estimates of the development of costs. A change in the influencing parameters may have an impact on the income statement as well as the amounts recognised in the balance sheet. The recognition and measurement of the other provisions are based on estimates of the probabilities of future outflow of resources and on the basis of empirical values and the circumstances known at the reporting date. The actual outflow of resources may differ from the outflow of resources expected at the reporting date and may have an impact on the recognition and measurement. Further explanations on provisions can be found in Note 46 Other provisions.

Scope of consolidation

In addition to HeidelbergCement AG, the consolidated financial statements include 877 companies that have been fully or proportionately consolidated, of which 49 are German and 828 are foreign companies. The changes in comparison with 31 December 2012 are shown in the following table.

Number of fully and proportionately consolidated companies			
	Germany	Abroad	Total
31 December 2012	56	840	896
First-time consolidations		1	1
Divestments	-1	-1	-2
Incorporations / mergers / liquidations / method changes	-6	-12	-18
31 December 2013	49	828	877

A complete list of shareholdings of the HeidelbergCement Group as at 31 December 2013 is provided on page 238 f. It contains an exhaustive list of all subsidiaries that make use of the exemption from disclosure obligations in accordance with § 264b of the German Commercial Code (HGB).

The contributions of the proportionately consolidated joint ventures to the financial position and performance of the HeidelbergCement Group are shown in the table below.

Impact of proportionately consolidated joint ventures		
€m	2012	2013
Balance sheet		
Non-current assets	962.2	1,098.3
Current assets	436.4	449.2
	1,398.6	1,547.5
Non-current liabilities	202.4	283.6
Current liabilities	417.3	391.1
	619.7	674.7
Income statement		
Revenue	1,194.3	1,313.5
Other income	48.9	42.9
Expenses	-1,128.3	-1,214.6
Profit for the financial year	114.9	141.8
Statement of cash flows		
Cash flow from operating activities	169.5	237.0
Cash flow from investing activities	-48.7	-74.7
Cash flow from financing activities	-4.9	-2.1

Business combinations in the reporting year

To strengthen the market position in the field of ready-mixed concrete, HeidelbergCement has effected various business combinations in Germany. On 1 January 2013, the outstanding 50 % share in BLG Transportbeton GmbH & Co. KG, Munich, was acquired. On 1 July 2013, the remaining 42.5 % of the shares in Wetterauer Lieferbeton GmbH & Co. KG, Bad Nauheim, as well as the outstanding 40 % of the shares in Heidelberger Beton Zwickau GmbH & Co. KG, Zwickau, were taken over. Thus far the companies have been proportionately included as joint ventures in the consolidated financial statements. Furthermore, HeidelbergCement acquired two ready-mixed concrete plants in Cologne on 15 August 2013 as part of an asset deal. In total, €14.0 million was paid in cash for these business combinations. The fair value of the previously held equity interests in joint ventures amounted to €12.7 million. The revaluation of the interests resulted in a profit of €6.6 million, which was recognised in the additional ordinary income. The goodwill of €16.1 million, of which €0.4 million is likely to be deductible for tax purposes, reflects the synergy potential arising from the business combinations. As part of the business combinations, receivables with a gross value of €3.4 million were acquired, of which €3.3 million are expected to be recoverable. The fair value of the receivables amounts to €3.3 million. BLG Transportbeton GmbH & Co. KG, Wetterauer Lieferbeton GmbH & Co. KG, and Heidelberger Beton Zwickau GmbH und Co. KG were merged into Heidelberger Beton GmbH in the financial year.

On 2 April 2013, HeidelbergCement acquired the remaining 50 % of the shares in the joint venture Midland Quarry Products Limited (MQP), Whitwick, within the scope of a business combination. The acquired company is one of the leading suppliers of aggregates and asphalt for the construction industry and rail industry in the United Kingdom. The purchase price amounted to €39.4 million and was paid in cash. Thus far the company has been proportionately consolidated. The fair value of the previously held equity interest in the company amounted to €50.6 million as at the acquisition date. The revaluation of the interest resulted in a loss of €20.3 million, which was recognised in the additional ordinary expenses. The goodwill of €5.6 million, which is not tax-deductible, represents synergy effects. Transaction costs of €0.6 million were recognised in the additional ordinary expenses. As part of the business combination, receivables with a fair value of €14.0 million were acquired. The gross value of the receivables is €14.3 million, of which €0.3 million is likely to be irrecoverable.

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

Fair values recognised as at the acquisition date			
€m	Germany	MQP	Total
Intangible assets	0.2		0.2
Property, plant and equipment	13.7	73.8	87.5
Inventories	0.5	5.5	6.0
Trade receivables	3.2	14.0	17.2
Cash and cash equivalents	1.0	8.3	9.3
Other assets	1.2	15.3	16.5
Total assets	19.9	116.9	136.8
Provisions	0.8	2.0	2.8
Liabilities	7.4	15.5	22.9
Deferred taxes	1.2	15.0	16.2
Total liabilities	9.4	32.5	42.0
Net assets	10.5	84.4	95.0

The acquired property, plant and equipment relates to land and buildings (€32.3 million), plant and machinery (€52.6 million), other equipment (€0.5 million), and assets under construction (€2.1 million).

The purchase of the outstanding shares of the hitherto proportionally consolidated companies BLG Transportbeton GmbH & Co. KG, Wetterauer Lieferbeton GmbH & Co. KG, Heidelberger Beton Zwickau GmbH & Co. KG, and Midland Quarry Products Limited led to an increase in revenue and results of €51.5 million and €2.5 million, respectively, from the date of first-time consolidation. If the share acquisitions had taken place on 1 January, contributions to revenue would be €8.6 million higher, and results €0.1 million lower. The revenue and results of the two ready-mixed concrete plants in Cologne cannot be determined separately as the units were integrated into the existing business following their acquisition.

Business Combinations after the end of 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 %.

On 20 January 2014, HeidelbergCement acquired 100 % of the shares in Espabel NV, Gent, Belgium. With this acquisition, HeidelbergCement aims to enhance its market position in cement activities and realise cost savings in production and sales.

The transferred consideration consists of cash payments amounting to a total of €77.5 million and a contingent consideration of €6.0 million.

The initial accounting for the business combinations was still incomplete when the consolidated financial statements were approved by the Managing Board. Valuations were not yet available for the preparation of further information in accordance with paragraph B64 of IFRS 3.

Divestments in the reporting year

HeidelbergCement did not effect any significant cash-relevant divestments in the 2013 financial year. A foreign finance company was deconsolidated after the repayment of capital. The transaction was non-cash. The foreign exchange related income from deconsolidation is shown in the additional ordinary income.

Business combinations in the previous year

On 31 July 2012, HeidelbergCement acquired 100 % of the shares in Yalkara Contracting Pty Ltd, Brisbane, Australia, in order to safeguard aggregates reserves for the supply of key mining and infrastructural projects in the coalfields of Queensland. The purchase price of €5.0 million was paid in cash. The net assets amount to €10.2 million. The difference between the purchase price and the net assets results from a bargain purchase (lucky buy) and is shown in the additional ordinary income. The transaction costs of €39,000 were accounted for in the additional ordinary expenses. Receivables with a gross value of €0.6 million were acquired, of which €0.5 million are likely to be recoverable. The fair value of the receivables amounts to €0.5 million. The purchase price allocation has been completed.

HeidelbergCement acquired six ready-mixed concrete plants in Belgium on 30 March 2012 and 10 September 2012 as part of two asset deals. These acquisitions support the strategy of vertically integrating deliveries of cement, aggregates, and ready-mixed concrete in Belgium. The purchase price amounted to €5.9 million and was paid in cash. The net assets acquired totalled €3.8 million. The goodwill of €2.1 million, which is not tax-deductible, represents growth prospects arising from the improved market position. The transaction costs of €0.2 million were recognised in other operating expenses. The purchase price allocation has been completed.

The assets and liabilities at the date of first-time consolidation are shown in the following table.

Fair values recognised as at the acquisition date			
€m	Australia	Belgium	Total
Intangible assets	10.4		10.4
Property, plant and equipment	1.7	3.8	5.5
Other assets	0.7		0.7
Total assets	12.8	3.8	16.6
Liabilities	0.4		0.4
Deferred taxes	2.2		2.2
Total liabilities	2.6		2.6
Net assets	10.2	3.8	14.0

The acquired property, plant and equipment relates to plant and machinery (€5.0 million) and other equipment (€0.5 million).

From the date of first-time consolidation to 31 December 2012, Yalkara Contracting Pty Ltd and the ready-mixed concrete plants in Belgium contributed €18.1 million to revenue and €1.5 million to results for the financial year. If Yalkara Contracting Pty Ltd had been consolidated for the first time on 1 January 2012, revenue and results would be higher by €2.9 million and €0.3 million, respectively. As the ready-mixed concrete plants in Belgium were accounted for as part of existing business operations prior to the acquisition, the revenue and results from 1 January 2012 are not available.

Divestments in the previous year

On 23 May 2012, HeidelbergCement sold 100 % of its shares in Perstrup Beton Industri A/S, Kolind, Denmark. The sales price of €2.8 million was collected in cash.

In August 2012, HeidelbergCement sold operations in the building products and concrete-service-other business lines in North America as part of two asset deals. The sales price of €57.3 million was likewise collected in cash.

The assets and liabilities at the date of disposal are shown in the following table.

Assets and liabilities at date of disposal			
€m	Denmark	North America	Total
Intangible assets	2.4	21.4	23.8
Property, plant and equipment	2.2	67.7	69.9
Inventories	2.5	7.8	10.3
Other assets	2.0	4.5	6.4
Total assets	9.1	101.3	110.4
Current liabilities	2.5		2.5
Total liabilities	2.5		2.5
Net assets	6.6	101.3	107.9

Notes to the segment reporting

HeidelbergCement's segment reporting is based on the Group's internal division into geographical regions and business lines. It reflects the management organisation and divides the Group into geographical regions. In addition, a voluntary breakdown into business lines is provided. HeidelbergCement is geographically divided into the following six Group areas:

- Western and Northern Europe
- Eastern Europe-Central Asia
- North America
- Asia-Pacific
- Africa-Mediterranean Basin
- Group Services

The Western and Northern Europe Group area includes the Benelux countries, Denmark, the United Kingdom, Norway, Sweden, and the Baltic States. Germany was integrated into the Group area Western and Northern Europe. Bosnia-Herzegovina, Georgia, Kazakhstan, Croatia, Poland, Romania, Russia, the Czech Republic, Slovakia, Ukraine, and Hungary are part of the Eastern Europe-Central Asia Group area. The Group area Asia-Pacific includes Bangladesh, Brunei, China, Hong Kong, India, Indonesia, Malaysia, Myanmar, and Australia. The Group area Africa-Mediterranean Basin is made up of the African countries as well as Israel, Spain, and Turkey. North America includes the United States and Canada. Our trading activities are combined in Group Services.

HeidelbergCement is also divided into four business lines: cement, aggregates, building products, and concrete-service-other. In the concrete-service-other business line, we mainly report on the downstream activities such as ready-mixed concrete and asphalt.

HeidelbergCement evaluates the performance in the segments primarily on the basis of the operating income. Group financing (including financing expenses and income) and income taxes are managed centrally by the Group, and are therefore not allocated to segments. The IFRS used in these financial statements form the basis for the valuation principles of the segment reporting.

Revenue with other Group areas or business lines represents the revenue between segments. In the reconciliation, intra-Group relationships between the segments are eliminated.

The following table shows a breakdown of the revenue with external customers and the non-current assets by country in accordance with IFRS 8.33.

Information by country	Revenue with external customers		Non-current assets ¹⁾	
	2012	2013	2012	2013
€m				
United States	2,578	2,597	7,399	7,043
United Kingdom	1,329	1,347	3,647	3,379
Indonesia	1,422	1,322	765	687
Australia	1,246	1,269	2,291	2,136
Germany	1,109	1,072	1,067	1,070
Canada	864	810	506	467
Sweden	484	458	460	437
Belgium	441	412	842	799
Other countries	4,548	4,650	4,731	4,536
Total	14,020	13,936	21,708	20,553

1) Intangible assets and property, plant and equipment

Revenue is allocated to countries according to the company's country of origin.

Notes to the income statement

1 Revenue

Revenue development by Group areas and business lines	Cement		Aggregates		Building products		Concrete-service-other		Intra-Group eliminations		Total	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
Western and Northern Europe	1,731	1,726	858	839	484	437	1,777	1,783	-648	-638	4,201	4,147
Eastern Europe-Central Asia	1,171	1,094	123	114			238	221	-97	-92	1,435	1,337
North America	1,078	1,134	1,032	1,043	723	639	995	955	-387	-362	3,441	3,407
Asia-Pacific	2,029	2,054	592	571	26	28	1,213	1,198	-383	-432	3,477	3,419
Africa-Mediterranean Basin	825	791	87	90			299	315	-76	-54	1,135	1,143
Group Services							828	941			828	941
Inter-Group area revenue within business lines	-15	-14									-15	-14
Total	6,819	6,786	2,692	2,656	1,233	1,104	5,351	5,412	-1,592	-1,578	14,503	14,380
Inter-Group area revenue between business lines									-483	-445	-483	-445
Continuing operations									-2,075	-2,022	14,020	13,936

2 Other operating income

Other operating income		
€m	2012	2013
Gains from sale of fixed assets	227.2	89.3
Income from sale of non-core products	56.4	63.5
Rental income	32.6	33.6
Foreign exchange gains	43.4	41.4
Write back of provisions	22.1	24.3
Income from reduction of bad debt provision	9.5	11.8
Other income	158.5	105.2
	549.8	369.1

Book profits from fixed asset disposals include gains from the sale of quarries in Canada that were depleted and no longer in operational use to the amount of €28.0 million (previous year: 70.3). Book profits from the sale of excess emission rights amounted to €0.6 million (previous year: 102.8).

The foreign exchange gains concern trade receivables and payables. Foreign exchange gains from interest-bearing receivables and liabilities are shown in the financial result.

Income from the write-back of provisions includes the write-back of provisions that cannot be assigned by cost type.

Significant non-recurring transactions occurring in the course of ordinary business activities are shown in the additional ordinary income and explained in Note 7.

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 → [Notes to the 2013 consolidated financial statements](#)
 Audit opinion
 Responsibility statement

3 Material costs

Material costs		
€m	2012	2013
Raw materials	2,315.2	2,134.2
Supplies, repair materials, and packaging	908.5	889.3
Costs of energy	1,631.2	1,556.1
Goods purchased for resale	891.4	1,016.1
Miscellaneous	189.8	199.6
	5,936.2	5,795.3

Material costs amounted to 41.6 % of revenue (previous year: 42.3 %). The increase in expenses related to goods purchased for resale is primarily due to the expansion of trading activities.

4 Personnel costs and employees

Personnel costs		
€m	2012	2013
Wages, salaries, social security costs	2,222.4	2,199.2
Costs of retirement benefits	87.5	80.0
Other personnel costs	20.6	22.6
	2,330.5	2,301.8

Personnel costs amounted to 16.5 % of revenue (previous year: 16.6 %). The development of costs of retirement benefits is explained in Note 45 Pension provisions.

Annual average number of employees		
(categories of employees)	2012	2013
Blue-collar employees	37,855	37,284
White-collar employees	15,463	15,580
Apprentices	299	299
	53,617	53,163

The average number of employees in the proportionately consolidated companies amounted to 3,424 (previous year: 3,357).

Long-term bonus – capital market component

As a non-current variable remuneration element, the members of the Managing Board of HeidelbergCement AG and certain managers within the HeidelbergCement Group receive a long-term bonus made up of a management component and a capital market component. The capital market component with a term of four years considers the external added value as measured by total shareholder return (TSR) – adjusted for the reinvested dividend payments and for changes in capital – compared with the relevant capital market indices, using performance share units (PSU). The PSU are virtual shares used for the calculation of the capital market component.

For the capital market component, the number of PSU initially granted is determined in a first step: the number of PSU is calculated from a set percentage of the fixed annual salary divided by the reference price of the HeidelbergCement share as at the time of issue. The reference price in each case is the average of the daily closing prices (trading days) of the HeidelbergCement share in Xetra trading on the Frankfurt Stock Exchange for three months retrospectively from the start/expiration of the performance period. After expiry of the four-year performance period, the PSU definitively earned are to be calculated in a second step according to the attainment of the target (0–200 %) and paid in cash at the reference price of the HeidelbergCement share valid at that time, adjusted for the reinvested dividend payments and for changes in capital.

The following table shows the key figures of the plans.

Key parameters of the long-term bonus plans			
	Plan 2011	Plan 2012	Plan 2013
Date of issuance	1 January 2011	1 January 2012	1 January 2013
Term	4 years	4 years	4 years
Reference price at issuance	€41.30	€30.45	€41.71
Maximum payment amount per PSU	€103.25	€76.13	€104.28

The reconciliation of the number of PSU from 1 January 2011 to 31 December 2013 is shown in the following table.

Number of PSUs			
	Plan 2011	Plan 2012	Plan 2013
Granted as of 1 January 2011			
Additions	151,169		
Disposals	-3,430		
Granted as of 31 December 2011 / as of 1 January 2012	147,739		
Additions		216,828	
Disposals	-954	-3,020	
Granted as of 31 December 2012 / as of 1 January 2013	146,785	213,808	
Additions			166,151
Disposals	-6,861	-9,818	-6,990
Granted as of 31 December 2013	139,924	203,990	159,161

For accounting in accordance with IFRS 2 (Share-based Payment), the fair value of the PSU is calculated using a recognised option price model. A large number of different development paths for the HeidelbergCement share – taking into account the effects of reinvested dividends – and the benchmark indices are simulated (Monte Carlo simulation). As at the reporting date, the benchmark index DAX 30 had 9,552 points (previous year: 7,612) and the benchmark index MSCI World Construction Materials 178.2 points (previous year: 154.5). The fair value and additional valuation parameters are shown in the tables below.

Fair value			
in €	Plan 2011	Plan 2012	Plan 2013
Fair value as of 31 December 2011	21.26		
Fair value as of 31 December 2012	32.31	39.51	
Fair value as of 31 December 2013	32.93	53.89	55.60

Measurement parameters	31 Dec. 2011	31 Dec. 2012	31 Dec. 2013
	Plan 2011	Plans 2011/12	Plans 2011/12/13
Expected dividend yield	8 %	8 %	8 %
Share price at 31 December	€32.79	€45.83	€55.15
Volatility of HeidelbergCement share ¹⁾	42 %	41 %	32 %
Volatility of MSCI World Construction Materials Index ¹⁾	33 %	31 %	23 %
Volatility of DAX 30 Index ¹⁾	24 %	25 %	17 %
Correlation HeidelbergCement share / MSCI World Construction Materials Index ¹⁾	93 %	94 %	95 %
Correlation HeidelbergCement share / DAX 30 Index ¹⁾	71 %	89 %	92 %
Correlation DAX 30 Index / MSCI World Construction Materials Index ¹⁾	52 %	86 %	95 %

1) Average over the last two years

The total expenditure for the capital market component of the long-term bonus plan for the 2013 financial year amounted to €6.3 million (previous year: 5.4). At the reporting date, the provisions totalled €16.1 million (previous year: 4.8). The capital market component of the long-term bonus plan 2011–2013/14 is paid after the Annual General Meeting 2015, the capital market component of the long-term bonus plan 2012–2014/15 is paid after the Annual General Meeting 2016, and the payment of the capital market component of the long-term bonus plan 2013–2015/16 is paid after the Annual General Meeting 2017, i.e. in the year following the four-year performance period.

5 Other operating expenses

Other operating expenses		
€m	2012	2013
Selling and administrative expenses	987.5	1,001.0
Freight	1,477.8	1,455.6
Expenses for third party repairs and services	1,022.8	995.4
Rental and leasing expenses	204.5	207.6
Other taxes	51.8	46.6
Foreign exchange losses	51.0	38.4
Other expenses	81.8	52.9
	3,877.2	3,797.5

The foreign exchange losses concern trade receivables and payables. Foreign exchange losses from interest-bearing receivables and liabilities are shown in the financial result. The other expenses include losses from the sale and expenses from the submission of emission rights acquired amounting to €0.2 million (previous year: 38.8). Expenses of €102.0 million (previous year: 90.0) for research and development are not capitalised according to the conditions stated in IAS 38 (Intangible Assets).

Significant non-recurring transactions occurring in the course of ordinary business activities are reported in the additional ordinary expenses and explained in Note 7.

6 Amortisation and depreciation of intangible assets and property, plant and equipment

Scheduled amortisation of intangible assets and property, plant and equipment is determined on the basis of the following Group-wide useful lives:

Useful lives	
	Years
Standard software	3
SAP applications	3 to 5
Buildings	20 to 40
Technical equipment and machinery	10 to 20
Plant and office equipment	5 to 10
IT hardware	4 to 5

Impairment is shown in the additional ordinary expenses and explained in Note 7.

7 Additional ordinary result

The additional ordinary result includes transactions which, although occurring in the course of ordinary business activities, are not reported in operating income as they are non-recurring.

Additional ordinary result		
€m	2012	2013
Additional ordinary income		
Gains from the disposal of subsidiaries and other business units	0.2	324.3
Other non-recurring income	6.1	2.4
	6.3	326.7
Additional ordinary expenses		
Losses from the disposal of subsidiaries and other business units	-49.3	-21.6
Impairment of goodwill	-110.2	-115.2
Impairment of other intangible assets and property, plant and equipment	-147.3	-79.3
Restructuring expenses	-41.3	-46.9
Other non-recurring expenses	-67.3	-62.1
	-415.4	-325.1
	-409.1	1.6

Additional ordinary income

Gains from the disposal of subsidiaries and other business units primarily include foreign exchange related gains in connection with the repayment of capital and the subsequent deconsolidation of a foreign finance company, as well as income from the sale of the non-controlling interest in a precast concrete parts manufacturer in Saudi Arabia. This item also includes income from the revaluation of the previously held equity interests in the ready-mixed concrete companies in Germany that were acquired as part of business combinations.

Additional ordinary expenses

Losses from the disposal of subsidiaries and other business units primarily include losses from the revaluation of the previously held equity interest in Midlands Quarry Products Limited, United Kingdom. In the previous year, the item contained disposal losses from divestments in North America and Denmark.

Following the goodwill impairment test, impairment losses of €115.2 million were recognised in the reporting year in the United Kingdom. In the previous year, impairment losses of €92.3 million and €17.9 million were recorded in the United Kingdom and Spain, respectively. Detailed explanations on the impairment test can be found in Note 30 Intangible assets.

Impairment of other intangible assets and property, plant and equipment were recognised, particularly in connection with shutdowns or closures of locations. The impairment losses related to intangible assets at €5.9 million (previous year: 0) and property, plant and equipment at €73.4 million (previous year 147.3). Impairment losses of €66.9 million were recognised on the value in use and €12.5 million on the fair value less selling costs. The impairment losses were incurred in the Group areas of Western and Northern Europe (€55.0 million), especially in Benelux and the United Kingdom, Eastern Europe-Central Asia (€4.8 million), North America (€6.9 million), Asia-Pacific (€2.2 million), and Africa-Mediterranean Basin (€10.4 million).

The restructuring expenses of €46.9 million in the financial year related to the Group areas of Western and Northern Europe (€11.3 million), Eastern Europe-Central Asia (€1.0 million), North America (€7.3 million), Asia-Pacific (€6.4 million), and Africa-Mediterranean Basin (€20.9 million). In the previous year, restructuring expenses were primarily incurred in the Western and Northern Europe Group area as well as in North America.

Other non-recurring expenses in the financial year include additional expenses of €36.5 million in connection with the fine imposed by the Düsseldorf High Court in the German antitrust proceedings, which was upheld by the Federal Court of Justice, and for which no risk provisions were made in previous years. In the previous year, the item included numerous one-off expenses.

8 Result from participations

Result from participations		
€m	2012	2013
Result from associated companies	44.0	38.7
Income from financial investments	4.4	4.3
Impairment of other participations	-4.1	-2.8
Impairment / Reversal of impairment of loans	-0.2	1.2
	44.1	41.4

The results from associated companies are measured using the gross amounts, i.e. they are shown before income taxes. The Group's share of their tax expense is reported under Income taxes. The net result amounted to €31.0 million (previous year: 34.6).

9 Other financial result

Other financial result		
€m	2012	2013
Interest balance from defined benefit pension plans	-40.6	-37.5
Interest portion from the valuation of other provisions	-51.8	12.3
Valuation result of financial derivatives	13.3	-2.5
Miscellaneous other financial result	-14.7	-26.1
	-93.8	-53.9

The rise in discount rates contributed significantly to the income from the interest portion from the valuation of other provisions.

10 Income taxes

Income taxes from continuing operations		
€m	2012	2013
Current taxes	-370.1	-399.0
Deferred taxes	218.5	165.7
	-151.6	-233.3

The increase of €28.9 million in current taxes primarily resulted from withholding tax, which was charged as part of the sale of a non-controlling interest in a precast concrete manufacturer in Saudi Arabia. In addition, the reduction of non-current tax liabilities in the previous year led to a decrease in taxes. Adjusted for additional tax payments and tax refunds for previous years, which amounted to €5.6 million (previous year: 26.3), the current taxes increased by €8.2 million. The proportionate tax expense of associated companies accounted for at equity and amounting to €7.7 million (previous year: 9.4) is included in the current taxes.

Deferred tax income contains €53.1 million (previous year: 164.4) relating to temporary differences. The change is essentially attributable to the measurement of financial instruments in accordance with IAS 39 and deferred tax income of €65.5 million in the previous year, which is an opposite effect resulting from the reversal of non-current operating liabilities of discontinued operations in the United States. Deferred tax assets created in previous years for losses carried forward were impaired by €8.5 million (previous year: 11.2) during the reporting year. The reduction in the tax expense for deferred taxes as a result of tax losses not recognised in previous years amounted to €128.9 million in the financial year (previous year: 103.7). As in the previous year, upon recognition of deferred tax assets of €153.6 million (previous year: 144.6) in the United States, which were not covered by deferred tax liabilities, the assessment regarding the recoverability of the losses carried forward within the next five years was considered in accordance with the forecast income and on the basis of the tax planning.

Tax losses carried forward and tax credits for which no deferred tax is recognised amount to €2,985.8 million (previous year: 3,153.9), of which €366.1 (previous year: 458.3) has a limited term of 20 years. The remaining losses carried forward both in Germany and abroad have essentially vested. In addition, no deferred tax assets were recognised for deductible temporary differences of €76.3 million (previous year: 222.0). Overall, unrecognised deferred tax assets amounted to €834.4 million (previous year: 956.0) in the reporting year.

In the financial year, €-1.9 million (previous year: 12.7) in deferred taxes, resulting primarily from the measurement of pension provisions in accordance with IAS 19 and from the measurement of financial instruments in accordance with IAS 39, were charged directly to equity. In addition, €-4.9 million of current taxes, likewise resulting from the measurement of financial instruments according to IAS 39, were directly recognised in equity. The deferred tax liabilities increased by €13.4 million (previous year: 2.8) as a result of changes in the scope of consolidation and were recognised directly in equity.

The non-current income tax liabilities of €50.0 million (previous year: 52.2) include contingent liabilities recognised in connection with the acquisition of the Hanson Group according to IFRS 3.23.

As laid down in IAS 12, deferred taxes must be recognised on the difference between the share of equity of a subsidiary captured in the consolidated balance sheet and the carrying amount for this subsidiary in the parent company's tax accounts, if realisation is expected (outside basis differences). On the basis of the regulations for the application of IAS 12.39, deferred taxes of €21.1 million (previous year: 23.8) were recognised on planned future dividends. No deferred tax liabilities were recognised for additional outside basis differences from retained earnings of the subsidiaries of HeidelbergCement AG amounting to €5.8 billion (previous year: 4.8), as no further dividend payments are planned. In accordance with the regulations of IAS 12.87, the amount of unrecognised deferred tax liabilities was not computed.

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 → [Notes to the 2013 consolidated financial statements](#)
 Audit opinion
 Responsibility statement

To measure deferred taxes, a combined income tax rate of 29.43 % is applied for the domestic companies. This consists of the statutory corporation tax rate of 15.0 % plus the solidarity surcharge of 5.5 % levied on the corporation tax to be paid, as well as an average trade tax burden of 13.6 %. For 2012, the combined income tax rate was 29.42 %.

The calculation of the expected income tax expense at the domestic tax rate is carried out using the same combined income tax rate that is used in the calculation of deferred taxes for domestic companies.

The profit before tax of the Group companies based abroad is taxed at the applicable rate in the respective country of residence. The local income tax rates range between 0 % and 35 %, thus resulting in corresponding tax rate differentials.

A weighted average tax rate is established by taking the tax rate differentials into account. The increase in this rate in comparison with the previous year is primarily due to the change in the relative weighting of the companies' results. In line with the anticipated recovery in our mature markets, such as the United States or the United Kingdom, the weighted average tax rate is expected to rise further in the future.

Tax reconciliation of continuing operations		
€m	2012	2013
Profit before tax	591.7	1,080.8
Impairment of goodwill	-110.2	-115.2
Profit before tax and impairment of goodwill	701.9	1,196.0
Expected tax expense at national tax rate of 29.4 % (2012: 29.4 %)	-206.5	-352.0
Tax rate differentials	76.3	86.3
Expected tax expense at weighted average tax rate of 22.2 % (2012: 18.6 %)	-130.2	-265.6
Tax-free earnings (+) and non-deductible expenses (-)	-26.1	-28.1
Effects from loss carry forwards	92.5	120.4
Not recognised deferred tax assets	-152.7	-70.1
Tax increase (-), reduction (+) for prior years	39.8	-6.6
Changes in tax rate	23.5	20.4
Others	1.6	-3.6
Income taxes	-151.6	-233.3

Deferred tax by type of temporary difference		
€m	2012	2013
Deferred tax assets		
Fixed assets	91.6	66.4
Other assets	141.5	89.4
Provisions and liabilities	563.9	530.4
Carry forward of unused tax losses and tax credits	597.2	660.7
Gross amount	1,394.2	1,346.9
Netting	-949.6	-938.4
	444.6	408.5
Deferred tax liabilities		
Fixed assets	1,412.5	1,247.8
Other assets	8.4	67.6
Provisions and liabilities	187.8	134.3
Gross amount	1,608.7	1,449.7
Netting	-949.6	-938.4
	659.1	511.3

11 Discontinued operations

The following table shows the composition of the results from discontinued operations.

Net income from discontinued operations		
€m	2012	2013
Income	195.8	200.0
Expenses	-73.1	-37.1
Income taxes	-34.2	-65.0
Net income from discontinued operations	88.5	97.9

The results include income and expenses incurred in connection with operations of the Hanson Group discontinued in previous years and that essentially result from provisions for damages and environmental obligations. Further details on the obligations are provided in Note 46 Other provisions.

The income for the financial year resulted principally from the set up of receivables against primary insurers based on a current court ruling. In the previous year, liabilities to insurers were reversed as a result of court decisions. Expenses from discontinued operations relate primarily to the adjustment of provisions for damages and environmental obligations.

12 Proposed dividend

The Managing Board and Supervisory Board propose the following dividend: €0.60 per share. Based on 187,500,000 no-par value shares, entitled to participate in dividends for the 2013 financial year, the amount for dividend payment comes to €112,500,000 (previous year: 88,125,000).

13 Earnings per share

Earnings per share		
€m	2012	2013
Profit for the financial year	528.7	945.4
Non-controlling interests	244.0	200.0
Group share of profit	284.7	745.4
Number of shares in '000s (weighted average)	187,500	187,500
Earnings per share in €	1.52	3.98
Net income from continuing operations – attributable to the parent entity	196.1	647.5
Earnings per share in € – continuing operations	1.04	3.46
Net income from discontinued operations – attributable to the parent entity	88.5	97.9
Earnings per share in € – discontinued operations	0.48	0.52

The basic earnings per share are calculated in accordance with IAS 33 (Earnings per Share) by dividing the Group share in 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 according to IAS 33.30.

Notes to the statement of cash flows

The consolidated statement of cash flows shows how the Group's cash and cash equivalents changed through inflows and outflows during the reporting year. In accordance with IAS 7 (Statement of Cash Flows), a distinction is made between cash flows from operating, investing, and financing activities. The changes in the relevant balance sheet items cannot be directly derived from the consolidated balance sheet, as non-cash transactions – such as effects arising from currency translation and changes in the consolidation scope – are adjusted.

The cash flow is calculated as net income from continuing operations adjusted for income taxes, net interest, depreciation, amortisation, impairment losses, and other non-cash items. Cash flows from dividends received from non-consolidated companies, from interest received and paid, and from taxes paid are also recognised. Changes in working capital and utilisation of provisions are taken into account when determining the cash flow from operating activities.

Cash flows from the acquisition or sale of intangible assets as well as property, plant and equipment and financial assets are recognised in the cash flow from investment activities. If these relate to the acquisition or disposal of subsidiaries or other business units (gain or loss of control), the effects on the statement of cash flows are shown in separate items.

The cash outflow from financing activities mainly results from changes in capital and dividend payments as well as proceeds from and repayments of bonds and loans. In addition, cash flows from changes in ownership interests in subsidiaries that do not result in a loss of control are classified as financing activities.

The cash flows from foreign Group companies shown in the statement are generally translated into euro using the average annual exchange rates. In contrast, cash and cash equivalents are translated using the exchange rate at year end, as in the consolidated balance sheet. The effects of exchange rate changes on cash and cash equivalents are shown separately.

The significant individual items in the statement of cash flows are explained below.

14 Interest received

The cash inflow from interest received fell by €25.8 million to €103.9 million (previous year: 129.7).

15 Interest paid

Despite increased net debt compared with the previous year, interest payments could be lowered by €126.5 million to €638.4 million (previous year: 764.9) due to significantly reduced interest rates for refinancing instruments.

16 Income taxes paid

This item includes payments relating to income taxes amounting to €405.8 million (previous year: 328.4).

17 Elimination of other non-cash items

Other non-cash items include, as the largest individual item, the elimination of non-cash gains from the disposal of subsidiaries and other business units, which are primarily related to the repayment of capital and the subsequent deconsolidation of a foreign finance company. In addition, other non-cash expenses and income are included, such as additions to and releases of provisions as well as impairment losses and reversals of write-downs of current assets. Furthermore, the results were adjusted for the book profits and losses from fixed asset disposals. The total amount earned from these fixed asset disposals is shown under divestments in investment activities.

18 Changes in operating assets

Operating assets consist of inventories, trade receivables, and other assets used in operating activities.

19 Changes in operating liabilities

Operating liabilities include trade payables and other liabilities from operating activities.

20 Decrease in provisions through cash payments

This item shows the cash outflow of pension provisions and other provisions. The one-off payment of €161.4 million for the penalty notice that was legally confirmed by the Federal Supreme Court in the second quarter of 2013 for antitrust violations in the years from 1990 to 2002 is included as a significant individual item in the financial year.

21 Investments (cash outflow)

The payments for investments differ from additions in the fixed-asset movement schedule, which shows, for instance, non-cash items as additions, e.g. additions in connection with barter transactions or contributions in kind.

Of the total investments (cash outflow) of €1,313.7 million (previous year: 865.9), €508.2 million (previous year: 490.3) related to investments to sustain and optimise capacity and €805.5 million (previous year: 375.6) to capacity expansions.

Investments in intangible assets and property, plant and equipment amounted to €936.4 million (previous year: 831.4) and concerned maintenance, optimisation, and environmental protection measures at our production sites, as well as expansion projects in growth markets.

Investments in other financial assets, associated companies, and joint ventures totalled €304.9 million (previous year: 23.1) and related primarily to the acquisition of an additional 25 % in the shares of the Australian cement manufacturer Cement Australia.

Expenditure for the acquisition of subsidiaries and other business units came to €72.3 million (previous year: 11.4) and related mainly to the acquisition of the remaining 50 % of shares in the joint venture Midland Quarry Products Limited (MQP), United Kingdom, for €39.4 million. HeidelbergCement also has effected several business combinations for a total of €14.0 million to strengthen its market position in the field of ready-mixed concrete in Germany. In addition, the repayment of a purchase price liability from the acquisition of 51 % of the shares in CJSC "Construction Materials", Russia, in 2010 led to a cash outflow of €14.2 million in the reporting year. Cash and cash equivalents amounting to €4.6 million were acquired in connection with the investments in subsidiaries and other business units.

22 Divestments (cash inflow)

The cash inflow from the disposal of subsidiaries and other business units amounted to €2.5 million (previous year: 60.1). In the previous year, this item essentially included the sale of business operations in North America for €57.3 million. No cash and cash equivalents were transferred in connection with the disposal of subsidiaries and other business units.

Proceeds from the disposal of other fixed assets amounting to €207.8 million (previous year: 219.9) include proceeds from the disposal of intangible assets and property, plant and equipment totalling €125.3 million (previous year: 211.4). This decrease was primarily due to lower net proceeds from the sale of excess emission rights, which decreased by €72.7 million to €0.9 million compared with the previous year. Payments received from the disposal of financial assets to the amount of €70.0 million included as a significant item the proceeds from the sale of a non-controlling interest in a precast concrete manufacturer in Saudi Arabia.

23 Cash from changes in consolidation scope

This line shows the change in cash and cash equivalents in connection with a gain or loss of control over subsidiaries and other business units and with other changes in the consolidation scope.

24 Dividend payments to non-controlling shareholders

This item shows dividends paid to non-controlling shareholders during the financial year.

25 Increase in ownership interests in subsidiaries

This item shows cash flows from the increase of ownership interests in subsidiaries. The transactions in the reporting year essentially comprise the increase in the participation in the Russian cement company CJSC "Construction Materials" from 51 % to 100 %.

26 Proceeds from bond issuance and loans

This item primarily includes the issue of three new bonds payable. The issue proceeds were used to refinance existing bank debts and the bond of US\$750 million maturing in March. The 2013 debut issue was launched on 17 May with a short-term bond of €75 million ending on 17 October 2013. The second bond issue followed on 24 October with an issue volume of €300 million and a seven-year term ending on 21 October 2020. The final issue of the year took place on 12 December with a volume of €500 million and a term of eight years ending on 21 October 2021. Drawings on the syndicated facility agreement are also included.

In the previous year, this item included the proceeds from the syndicated facility agreement of €3 billion. In addition, a new bond was issued, with the issue proceeds being used to refinance existing bank debts. The bond was issued in March and has a term of four years (€300 million).

27 Repayment of bonds and loans

This item includes the scheduled repayments of financial liabilities. Primarily, the US\$750 million bond was repaid on schedule in March, as were various drawings under the EMTN programme and debt certificates. On 22 February 2013, HeidelbergCement invoked its right to terminate the debt certificate issued on 20 December 2011, and repaid at par the tranche of €115.5 million with floating interest rates and an original term ending on 31 October 2016 ahead of schedule on 30 April 2013.

During the previous year, the €1 billion bond was repaid on schedule in January, as were various drawings under the EMTN programme and debt certificates.

28 Changes in short-term interest-bearing liabilities

This line shows the balance from proceeds and payments for items with a high turnover rate, large amounts, and short terms from financing activities. For the financial year it primarily included proceeds and repayments from the Commercial Paper Programme as well as changes to other current interest-bearing liabilities.

29 Cash and cash equivalents

Cash and cash equivalents with a remaining term of less than three months are included. Of this item, €18.8 million (previous year: 32.2) is not available for use by HeidelbergCement. This relates to short-term cash deposits at banks that were placed as security for various business transactions – such as outstanding recultivation payments – or in connection with energy trading.

Notes to the balance sheet – Assets

30 Intangible assets

Intangible assets			
€m	Goodwill	Other intangible assets	Total
Cost			
1 January 2012	11,979.1	672.1	12,651.2
Adjustment IFRIC 20 - Stripping costs		5.5	5.5
Currency translation	-3.0	0.3	-2.7
Change in consolidation scope	14.8	11.0	25.8
Additions		60.3	60.3
Disposals	-48.1	-101.8	-149.9
Reclassifications		-5.0	-5.0
31 December 2012	11,942.8	642.4	12,585.2
Amortisation and impairment			
1 January 2012	1,215.8	326.2	1,542.0
Adjustment IFRIC 20 - Stripping costs		1.6	1.6
Currency translation	7.4	-0.3	7.1
Additions		69.8	69.8
Impairment	110.2		110.2
Disposals		-50.8	-50.8
Reclassifications		-5.7	-5.7
31 December 2012	1,333.4	340.8	1,674.2
Carrying amount at 31 December 2012	10,609.4	301.6	10,911.0
Cost			
1 January 2013	11,942.8	642.4	12,585.2
Currency translation	-625.4	-29.5	-655.0
Change in consolidation scope	161.0	7.2	168.2
Additions		22.4	22.4
Disposals	-0.8	-64.9	-65.6
Reclassifications	-1.2	16.6	15.4
Reclassifications to current assets	-4.3	-13.5	-17.8
31 December 2013	11,472.0	580.8	12,052.8
Amortisation and impairment			
1 January 2013	1,333.4	340.8	1,674.2
Currency translation	-31.7	-13.1	-44.7
Change in consolidation scope	-0.1	4.8	4.7
Additions		31.1	31.1
Impairment	115.2	5.9	121.1
Disposals		-59.1	-59.1
Reclassifications		0.1	0.1
Reclassifications to current assets		-4.4	-4.4
31 December 2013	1,416.9	306.1	1,723.0
Carrying amount at 31 December 2013	10,055.1	274.7	10,329.8

Goodwill

Larger individual items of goodwill originate from the acquisition of the Hanson Group, London, United Kingdom; S.A. Cimenteries CBR, Brussels, Belgium; Lehigh Hanson, Inc., Wilmington, USA; HeidelbergCement Northern Europe AB, Stockholm, Sweden; Akçansa Cimento Sanayi ve Ticaret A.S., Istanbul, Turkey; and ENCI N.V., 's-Hertogenbosch, Netherlands. Goodwill comprises acquired market shares and synergy effects that cannot be assigned to any other determinable and separable intangible asset.

Additions from changes in the scope of consolidation to the amount of €161.0 million resulted primarily from the acquisition of a further 25 % of shares in our Australian joint venture Cement Australia and the business combinations described on page 184f.

Goodwill impairment tests are carried out annually in accordance with IAS 36 (Impairment of Assets). The recoverable amount was determined based on value in use, taking into account the following parameters.

Cash flow estimates extend over a five-year planning period, after which a terminal value is applied. A three-year detailed bottom-up operational plan approved by management forms the basis for these estimates. This is complemented by a top-down plan for an additional two years, which incorporates medium-term expectations of the management based on estimates of market volume, market shares, as well as cost and price development. As a general rule, the top-down plan is derived by applying growth rates to the detailed three-year operational plan. A detailed plan is created for all CGUs operating in unstable markets. This applies especially to those markets in which demand for building materials and building products has decreased substantially due to the financial and economic crisis. It is generally assumed that demand in these markets will recover. As the recovery in Europe is expected to be slow as a result of the sovereign debt crisis, the planned levels of demand in some CGUs at the end of the planning period are significantly below the pre-crisis levels. The sales volumes derived thereof are generally based on the assumption of constant market shares.

Variable costs are assumed to evolve in line with the projected development of sales volumes and prices. As a rule, it is expected that the contribution margin in per cent of revenue remains on a stable level. With increasing sales volumes, this leads to an improvement in the operating margin. Furthermore, it was assumed that the savings achieved through cost reduction programmes ("Fox 2013" and "LEO"), as well as the initiatives to increase prices ("PERFORM" and "CLIMB Commercial"), would have a positive influence on the operating margins.

The projections for the estimated growth rates of the terminal value are based on country-specific long-term inflation rates.

The WACC rates for the Group were calculated based on a two-phase approach, whereby a phase one WACC rate was used to discount the future payment surpluses for the first five years and a phase two WACC rate was applied for the determination of the terminal value. The difference between the two WACC rates merely results from the adjustment for the perpetual growth rate in phase two. The credit spread was derived from the rating of the homogenous peer group. The peer group is subjected to an annual review and adjusted, if necessary.

The following key assumptions were applied in the determination of the recoverable amount based on the value in use for the CGU.

Assumptions made in the calculation of impairment of goodwill						
Group area / CGU ¹⁾	Carrying amount of goodwill in €m		Weighted average cost of capital after taxes ²⁾		Perpetual growth rate	
	31 Dec. 2012	31 Dec. 2013	31 Dec. 2012	31 Dec. 2013	31 Dec. 2012	31 Dec. 2013
Western and Northern Europe	3,363.4	3,174.7	6.2% - 9.0%	6.5% - 9.1%	1.6% - 2.3%	1.6% - 2.0%
Benelux	536.1	536.1	6.9%	7.1%	2.0%	2.0%
Denmark	24.2	24.2	6.2%	6.6%	2.0%	1.9%
United Kingdom	2,157.4	1,962.7	6.9%	7.7%	2.0%	2.0%
Eastern Europe-Central Asia	623.6	604.1	7.2% - 15.0%	7.4% - 17.1%	2.0% - 3.7%	1.8% - 4.0%
Ukraine	52.1	50.5	14.0%	17.1%	3.4%	3.3%
North America	4,371.5	4,205.7	6.7%	8.0%	2.0%	2.0%
Asia-Pacific	1,942.7	1,770.7	6.0% - 13.3%	6.6% - 14.7%	1.6% - 4.9%	1.6% - 5.7%
Australia	1,479.5	1,356.9	8.0%	8.7%	2.5%	2.4%
Africa-Mediterranean Basin	270.6	263.4	9.1% - 16.6%	8.4% - 17.2%	1.8% - 7.5%	1.8% - 7.2%
Group Services	37.6	36.5	6.3%	6.5%	1.6%	1.6%
Total	10,609.4	10,055.1				

1) CGU = Cash-generating unit

2) The weighted average cost of capital shown for 2013 is the phase one WACC, before adjustment for growth. The second phase WACC, used to calculate the terminal value, is equal to the phase one WACC, after adjustment for growth.

As a result of the impairment testing procedures performed, the Group recognised a total impairment of goodwill of €115.2 million. This impairment relates to the CGU United Kingdom, where the carrying amount calculated with the value-in-use method, as described above, exceeded the recoverable amount of €3,500 million. The impairment resulted from a significant increase in the discount rate.

In the previous year, the Group recognised total impairment of goodwill of €110.2 million, which primarily concerned the United Kingdom (€92.3 million) and Spain (€17.9 million).

For the CGUs Benelux, Denmark, and Ukraine, marginal changes in the sustainable growth rate or in the operational planning as the basis for cash flow estimates respectively the weighted average cost of capital could cause the carrying amount to exceed the recoverable amount. Management does not rule out such a development. With a reduction of the growth rate by 0.1 percentage points for the CGU Ukraine and by 0.9 percentage points for the CGUs Denmark and Benelux the recoverable amount corresponds to the respective carrying amount. A decline by around one percentage point in the planned results (EBIT) for each year of planning as well as in the terminal value results in the carrying amount and the recoverable amount being equal in the CGU Ukraine. With a WACC increase of around 0.1 percentage points the recoverable amount of the CGU Ukraine corresponds to the respective carrying amount.

Without the aforementioned changes, the recoverable amount exceeds the carrying amount of the CGU Ukraine by €0.7 million, of the CGU Denmark by €5.9 million and of the CGU Benelux by €109.0 million on the reporting date.

With a reduction of 1.0 percentage points in the growth rate, a WACC increase of up to 0.5 percentage points, or a decline of 5.0% in the planned results (EBIT) for each year of planning as well as in the terminal value, the recoverable amount for all other CGU continues to lie above the carrying amount.

Other intangible assets

Quarrying rights, concessions, and software, as well as emission rights acquired through emissions trading, are shown under other intangible assets. Emission rights have been accounted for with a carrying amount of €0.5 million (previous year: 0.8). Depreciation and amortisation include expenses from the devaluation of emission rights as a result of reduced market prices amounting to €0.0 million (previous year: 38.4). Book profits from the sale of excess emission rights amounting to €0.6 million (previous year: 102.8) are included in other operating income. Expenses from the sale or return of emission rights acquired amounting to €0.2 million (previous year: 38.8) are reported in other operating expenses.

Impairment of other intangible assets amounting to €5.9 million (previous year: 0.0) was recognised in the additional ordinary expenses. Development costs of €1.9 million (previous year: 1.9) were capitalised as intangible assets in the financial year. The carrying amount of intangible assets pledged as security amounts to €35.5 million (previous year: 36.0).

Other intangible assets include trademark rights in the United Kingdom with a carrying amount of €12.9 million (previous year: 13.2), which have an indefinite useful life.

31 Property, plant and equipment

Property, plant and equipment					
€m	Land and buildings	Plant and machinery	Other operating equipment	Prepayments and assets under construction	Total
Cost					
1 January 2012	7,586.1	10,646.9	952.8	1,061.4	20,247.2
Adjustment IFRIC 20 Stripping costs	22.1				22.1
Currency translation	-7.1	8.8	2.2	-4.9	-1.0
Change in consolidation scope	18.9	21.9	1.8	2.3	44.9
Additions	42.6	128.4	31.3	631.6	833.9
Disposals	-99.7	-253.2	-41.0	-4.6	-398.5
Reclassifications	238.4	493.9	99.3	-826.6	5.0
31 December 2012	7,801.3	11,046.8	1,046.4	859.2	20,753.7
Depreciation and impairment					
1 January 2012	2,289.4	6,266.8	655.0		9,211.1
Adjustment IFRIC 20 Stripping costs	7.2				7.2
Currency translation	4.9	23.0	2.9		30.8
Change in consolidation scope	-1.0	-0.9	0.4		-1.5
Additions	176.3	550.8	67.0		794.1
Impairment	78.8	64.2	4.3		147.3
Reversal of impairment		-0.6			-0.6
Disposals	-47.9	-152.8	-36.7		-237.4
Reclassifications	6.0	-19.0	18.7		5.7
31 December 2012	2,513.7	6,731.5	711.6		9,956.7
Carrying amount at 31 December 2012	5,287.6	4,315.3	334.8	859.2	10,796.9
Cost					
1 January 2013	7,801.3	11,046.8	1,046.4	859.2	20,753.7
Currency translation	-452.3	-695.3	-61.7	-94.3	-1,303.6
Change in consolidation scope	126.3	208.3	25.0	22.0	381.5
Additions	49.9	82.6	27.1	779.1	938.7
Disposals	-79.8	-243.8	-68.7	-5.1	-397.5
Reclassifications	145.7	493.2	35.7	-690.1	-15.4
Reclassifications to current assets	-1.7	-13.1	-0.5	-0.4	-15.7
31 December 2013	7,589.4	10,878.6	1,003.3	870.4	20,341.7
Depreciation and impairment					
1 January 2013	2,513.7	6,731.5	711.6		9,956.8
Currency translation	-123.4	-387.7	-36.4		-547.5
Change in consolidation scope	43.7	135.1	17.5		196.3
Additions	182.3	539.7	64.6		786.6
Impairment	23.2	46.4	2.2	1.6	73.4
Reversal of impairment	0.0	-0.1			-0.1
Disposals	-52.3	-221.2	-65.0		-338.5
Reclassifications	11.5	-13.4	1.8		-0.1
Reclassifications to current assets	-0.3	-7.6	-0.3		-8.2
31 December 2013	2,598.5	6,822.9	695.9	1.6	10,118.8
Carrying amount at 31 December 2013	4,990.9	4,055.8	307.4	868.8	10,222.9

Property, plant and equipment includes €21.9 million (previous year: 27.2) of capitalised lease assets, of which €20.5 million (previous year: 25.1) relates to plant and machinery, €0.6 million (previous year: 1.2) to plant and office equipment, and €0.7 million (previous year: 0.9) to land and buildings.

The carrying amount of property, plant and equipment pledged as security amounts to €106.2 million (previous year: 121.0).

Borrowing costs of €5.3 million (previous year: 21.1) were recognised. The decrease is attributable to the completion of the cement plant in Tula, Russia, in the 2012 financial year, as well as the completion of the plants in Damoh and Jhansi, India, in the 2013 financial year. The average capitalisation rate applied was 8 % (previous year: 7 %).

In the reporting year, impairment losses of €73.4 million were recognised; these are shown in the additional ordinary result and explained in Note 7.

32 Investments in associates

The following table contains the summarised financial information concerning the investments in associates of the HeidelbergCement Group.

Investments in associates		
€m	2012	2013
Investments in associates – balance sheet		
Assets	709.8	628.1
Liabilities	-284.7	-200.6
	425.1	427.5
Impairment	-51.2	-44.1
Net assets	373.9	383.4
Investments in associates – income statement		
Revenue	750.3	544.4
Profit	32.8	28.3
Unrecognised share of losses for the period	-2.3	-3.0
Unrecognised share of losses cumulated	-5.8	-8.4
Carrying amount of associates	379.7	391.8

33 Financial investments

This item includes investments in equity instruments acquired on the basis of long-term investment planning. As at the reporting date, the fair value of financial investments categorised as available for sale at fair value amounts to €18.6 million (previous year: 18.7). In the period, changes in the fair value of €-0.1 million (previous year: 3.8) were recognised directly in equity. The carrying amount of the financial investments classified as available for sale at cost amounts to €61.1 million (previous year: 49.4).

34 Non-current receivables and derivative financial instruments

The following table shows the composition of the non-current receivables and derivative financial instruments.

Non-current receivables and derivative financial instruments		
€m	2012	2013
Loans to participations	14.1	10.8
Other loans	58.5	63.4
Derivative financial instruments	17.3	35.5
Other non-current operating receivables	147.4	308.7
Other non-current non-financial receivables	121.0	224.9
	358.3	643.3

The non-current derivative financial instruments essentially relate to cross-currency interest rate swaps. Because of the separation into long-term and short-term components, the fair values were shown on both the assets side as well as the equity and liabilities side. Additional information on the derivative financial instruments is provided on page 228 f.

Other non-current operating receivables particularly include claims for reimbursement against insurance companies for environmental and third-party liability damages amounting to €260.1 million (previous year: 102.2). The carrying amount for the reserve account covering credit losses of pre-financed receivables, which also falls under other non-current operating receivables, amounts to €14.1 million (previous year: 16.3) and substantially represents the maximum exposure to loss from the continuing involvement to the amount of €15.6 million (previous year: 16.3).

The other non-current non-financial receivables primarily include overfunding of pension funds as well as prepaid expenses.

The following table shows the due term structure of the non-current financial receivables.

Due terms of non-current financial receivables	Loans to participations		Other loans		Other non-current operating receivables		Total	
	2012	2013	2012	2013	2012	2013	2012	2013
Not impaired, not overdue	14.1	10.8	58.1	63.2	143.2	308.6	215.4	382.6
Not impaired, overdue 1 – 60 days				0.2	2.1	0.1	2.1	0.3
Not impaired, overdue 61 – 360 days								
Not impaired, overdue > 360 days			0.4				0.4	
Impaired					2.1		2.1	
	14.1	10.8	58.5	63.4	147.4	308.7	220.0	382.9

As at the reporting date, there are no indications that the debtors of the receivables shown as not impaired and not overdue will not meet their payment obligations.

35 Inventories

In the reporting year, write-downs of inventories of €25.2 million (previous year: 50.3) and reversals of impairment losses of €4.2 million (previous year: 8.4) were recognised. Of the inventories, €15.8 million (previous year: 7.8) is pledged as collateral for liabilities of joint ventures.

36 Receivables and other assets

The following overview shows the composition of the receivables and other assets.

Receivables and other assets		
€m	2012	2013
Current interest-bearing receivables	93.5	89.5
Trade receivables	1,418.8	1,241.3
Miscellaneous current operating receivables	222.3	249.3
Non-financial other assets	131.5	114.8
Current income tax assets	41.6	45.7
	1,907.7	1,740.6

The miscellaneous current operating receivables include claims for damages as well as claims for reimbursement against insurance companies for environmental and third-party liability damages amounting to €64.0 million (previous year: 26.6). Non-financial other assets, which do not fall within the scope of IAS 39, essentially include prepaid expenses.

The following table shows the due term structure of the current financial receivables.

Due terms of current financial receivables	Current interest-bearing receivables		Trade receivables		Miscellaneous current operating receivables		Total	
	2012	2013	2012	2013	2012	2013	2012	2013
€m								
Not impaired, not overdue	91.1	89.5	991.5	841.3	210.7	239.4	1,293.3	1,170.2
Not impaired, overdue 1 – 60 days	0.8		333.2	328.0	5.6	6.7	339.6	334.7
Not impaired, overdue 61 – 360 days	0.2		75.9	44.9	2.8	0.5	78.9	45.4
Not impaired, overdue > 360 days	1.4		15.1	14.9	1.7	2.6	18.2	17.5
Impaired			3.1	12.2	1.5	0.1	4.6	12.3
	93.5	89.5	1,418.8	1,241.3	222.3	249.3	1,734.6	1,580.1

As at the reporting date, there are no indications that the debtors of the receivables shown as not impaired and not overdue will not meet their payment obligations.

The valuation allowances on trade receivables have developed as follows:

Valuation allowances on trade receivables		
€m	2012	2013
Valuation allowances at 1 January ¹⁾	81.9	92.5
Additions	44.0	27.8
Use and reversal	-34.7	-34.7
Currency translation and other adjustments	1.3	-4.0
Valuation allowances at 31 December ¹⁾	92.5	81.6

1) The prior-year figures were adjusted by €38.0 million.

The valuation allowances are essentially based on historical default probabilities and due terms. They primarily relate to collective specific valuation allowances.

37 Derivative financial instruments

The current derivatives with positive market values essentially include currency forwards of €0.6 million (previous year: 0.0), foreign exchange swaps of €15.6 million (previous year: 5.6), and interest rate swaps of €10.9 million (previous year: 0.0). Additional information on the derivative financial instruments is provided on page 228 f.

38 Cash and cash equivalents

Cash and cash equivalents include cash balances and deposits at banks with a first-class credit rating. Restrictions on cash and cash equivalents are explained in Note 29.

39 Assets and liabilities held for sale

The agreement dated 5 October 2013 obliges HeidelbergCement to dispose of the grinding facility in Raigad, India. The approval of the local authorities and the transfer of assets and liabilities took place on 3 January 2014.

On the basis of an agreement dated 23 December 2013, HeidelbergCement is obliged to dispose of its shares in the participation OAO Voronezhskoe Rudoupravlenije, Russia. The notarial transfer of the shares to the purchaser occurred after approval was given by the local competition authorities on 3 February 2014.

Both transactions are in line with our strategy to divest non-core activities.

At the reporting date, the assets and liabilities of the disposal groups were classified as disposal groups held for sale and liabilities associated with disposal groups. The following table shows the composition of the disposal groups.

Disposal groups			
€m	India	Russia	Total
Intangible assets	4.3	8.5	12.8
Property, plant and equipment	6.5	1.0	7.5
Inventories	6.2	0.7	6.9
Cash and cash equivalents	0.2	0.0	0.2
Other assets	2.7	0.5	3.2
Total assets	19.9	10.7	30.6
Provisions	0.1	3.4	3.5
Liabilities	3.5	0.7	4.2
Total liabilities	3.6	4.1	7.7
Net assets	16.3	6.6	22.9

Notes to the balance sheet – Equity and liabilities

40 Subscribed share capital

As at the reporting date of 31 December 2013, the subscribed share capital amounts to €562,500,000 – unchanged from the previous year – and is divided into 187,500,000 shares; the shares are no-par value bearer shares. The nominal value of each share is €3.00, which corresponds to a proportionate amount of the subscribed share capital.

Authorised Capital

As at 31 December 2013, there were two authorised capitals: namely, authorisation of the Managing Board and Supervisory Board to increase the capital by issuing new shares in return for cash contributions (Authorised Capital I), and authorisation of the Managing Board and Supervisory Board to increase the capital by issuing new shares in return for contributions in kind (Authorised Capital II). The authorised capitals are summarised below; the complete text of the authorisations can be found in the Articles of Association, which are published on our website www.heidelbergcement.com under “About us/Corporate Governance/Articles of Association”.

Authorised Capital I

The Annual General Meeting held on 6 May 2010 authorised the Managing Board, with the consent of the Supervisory Board, to increase the Company’s subscribed share capital by a total amount of up to €225,000,000 by issuing up to 75,000,000 new no-par value bearer shares in total in return for cash contributions on one or more occasions until 5 May 2015 (Authorised Capital I). The shareholders must be granted subscription rights. However, the Managing Board is authorised, in certain cases described in more detail in the authorisation, to exclude the subscription rights of shareholders in order to realise residual amounts or to issue shares totalling up to 10 % of the subscribed share capital at a near-market price.

Authorised Capital II

Furthermore, the Annual General Meeting of 6 May 2010 authorised the Managing Board, with the consent of the Supervisory Board, to increase the Company’s subscribed share capital by a total amount of up to €56,100,000 by issuing up to 18,700,000 new no-par value bearer shares in total against contributions in kind on one or more occasions until 5 May 2015 (Authorised Capital II). The subscription right of shareholders is generally excluded in the case of capital increases in return for contributions in kind. The authorisation governs, in particular, the possibility of excluding subscription rights insofar as the capital increase in return for contributions in kind is performed for the purposes of acquisition of companies or to service option or conversion rights.

As at 31 December 2013, the authorisation to issue new shares in return for cash contributions or contributions in kind forming the basis of the Authorised Capitals I and II had not been used.

Conditional Share Capital

The Conditional Share Capital described below existed as at 31 December 2013. The Annual General Meeting of 8 May 2013 decided to conditionally increase the subscribed share capital by a further amount of up to €168,000,000, divided into up to 56,000,000 new no-par value bearer shares (Conditional Share Capital 2013). The conditional capital increase serves to back the issuance of option or conversion rights, or option or conversion obligations, on HeidelbergCement shares. The conditional capital increase is only carried out insofar as the Managing Board issues warrant or convertible bonds under the authorisation until 7 May 2018 and the bearers of option or conversion rights make use of their rights. Warrant or convertible bonds may also be issued with option or conversion obligations. The shareholders generally have a subscription right to newly issued warrant or convertible bonds. The authorisation governs specific cases in which the Managing Board may exclude the subscription rights of shareholders to warrant or convertible bonds. The complete text of the Conditional Share

Capital can also be found in the Articles of Association, which are published on our website (www.heidelbergcement.com under "About us/Corporate Governance/Articles of Association"). As at 31 December 2013, the authorisation to issue warrant or convertible bonds forming the basis of the Conditional Share Capital 2013 had not been used.

Appropriate volume limits, on the one hand, and deduction clauses, on the other, ensure that the sum of all subscription rights exclusions in the two existing Authorised Capitals and the 2013 Conditional Share Capital does not exceed a limit of 20% of the subscribed share capital existing on the effective date of subscription rights exclusion.

As at the reporting date of 31 December 2013, the Company has no treasury shares and there is no authorisation to acquire treasury shares.

41 Share premium

The share premium of €5,539.4 million is unchanged from the previous year. It was essentially created from the premium from capital increases.

42 Retained earnings

Retained earnings include profits earned by HeidelbergCement AG and its subsidiaries which have not yet been distributed, as well as changes from remeasurement of defined benefit pension plans recognised directly in equity. The retained earnings rose by €729.2 million to €7,397.3 million in the reporting period. The comprehensive income contributed an increase of €884.2 million, which comprises profit for the financial year amounting to €745.4 million and the remeasurement of defined benefit pension plans amounting to €138.8 million. Changes in the ownership interests in subsidiaries, in particular, mitigated reserves by €61.6 million, which essentially resulted from the acquisition of the remaining 49% of the shares in the Russian cement manufacturer CJSC "Construction Materials". Dividends of €88.1 million (€0.47 per share) were paid to shareholders of HeidelbergCement AG.

The changes in comparison with the previous year are presented in the consolidated statement of comprehensive income and the consolidated statement of changes in equity.

43 Other components of equity

The other components of equity include currency translation differences, reserves from investments categorised as available for sale at fair value, reserves from cash flow hedges, and revaluation reserves, with a total amount of €-1,876.9 million (previous year: €-160.8) at the reporting date. The decrease of €-1,716.1 million is attributable to currency translation (€-1,729.1 million), the cash flow hedge reserve (€10.1 million), the available-for-sale reserve (€4.1 million), and the revaluation reserve (€-1.3 million). The negative contributions from currency translation resulted primarily from the appreciation of the euro against the Australian dollar, the US dollar, the British pound, and the Indonesian rupiah.

The changes in comparison with the previous year are shown in the statement of comprehensive income and the statement of changes in equity.

44 Non-controlling interests

The major non-controlling interests in equity relate to PT Indocement Tungal Prakasa Tbk., Indonesia; Kunda Nordic Cement Corp., Estonia; TPCC Tanzania Portland Cement Company Ltd., Tanzania; HeidelbergCement India Ltd., India; and HeidelbergCement Bangladesh Limited, Bangladesh.

As at the reporting date, the non-controlling interests totalled €959.3 million (previous year: 1,098.3). The non-controlling interests were increased by the profit for the financial year of €200.0 million and reduced by the other comprehensive income of €-199.8 million. The profit for the financial year attributable to non-controlling interests resulted primarily from the contribution to results by PT Indocement Tunggal Prakasa Tbk., Indonesia. Furthermore, the positive results of our subsidiaries in Ghana, Tanzania, and Bangladesh, in particular, contributed to the profit for the financial year attributable to non-controlling interests. The other comprehensive income attributable to non-controlling interests includes changes from the remeasurement of defined benefit pension plans of €-0.1 million recognised directly in equity, changes in the cash flow hedge reserve of €7.2 million, and currency translation differences amounting to €-206.9 million. As at the reporting date, the non-controlling interests include currency translation differences of €-264.4 million (previous year: -57.5).

The reduction arising from changes in the ownership interests in subsidiaries amounting to €-50.0 million is essentially due to the acquisition of the remaining 49 % of shares in the Russian cement manufacturer CJSC "Construction Materials". In the reporting year, dividends totalling €94.0 million were paid to non-controlling shareholders. Considerable payments were made to the non-controlling shareholders of PT Indocement and Ghacem Ltd.

The changes in comparison with the previous year are presented in the consolidated statement of changes in equity.

45 Provisions for pensions

Defined contribution plans

The sum of all pension expenses in connection with defined contribution plans amounted to €53.8 million (previous year: 46.0). In 2013, the contributions to the social security programmes amounted to €61.1 million (previous year: 61.6).

Actuarial assumptions

The actuarial assumptions on which the calculations are based are summarised in the following table (weighted presentation):

Actuarial assumptions				
in %	Group	North America	UK	Germany
31 December 2013				
Discount rate	4.57 %	4.98 %	4.55 %	3.50 %
Pension increase rate	2.56 %	-	2.80 %	1.75 %
Expected increase in health care costs	7.92 %	8,50 % - 5,00 %	9.95 %	-
31 December 2012				
Discount rate	4.27 %	4.10 %	4.50 %	3.60 %
Pension increase rate	2.40 %	-	2.55 %	2.00 %
Expected increase in health care costs	8.56 %	9,00 % - 5,00 %	9.95 %	-

For the largest pension plans in the USA, the RP-2000 mortality tables were used in the valuations. For all Canadian pension plans, the UP-94 mortality tables. In the United Kingdom different mortality tables based on the "S1" series have been taken into account. All mortality tables in the United Kingdom, the USA and Canada have been modified to consider future improvements in life expectancy and in many cases are additionally adjusted based on company-specific experience. In Germany, the "2005 G Richttafeln" from Prof. Dr. Klaus Heubeck have been used.

Overview of provisions for pensions for the different types of retirement benefit plans

The following tables show the obligations from defined benefit pension plans including other long-term employee benefits plans and plans for health care costs, and their presentation in the balance sheet.

Types of post-employment benefit plans				
€m	Group	North America	UK	Germany
31 December 2013				
Defined benefit pension plans	606.8	180.5	-113.2	360.5
Plans for health care costs	174.4	147.3	5.4	
	781.2	327.8	-107.8	360.5
31 December 2012				
Defined benefit pension plans	792.7	245.9	-31.7	368.2
Plans for health care costs	241.1	211.7	4.9	
	1,033.8	457.6	-26.8	368.2

Presentation in the balance sheet				
€m	Group	North America	UK	Germany
31 December 2013				
Non-current pension provisions	870.0	293.3	56.5	339.8
Current pension provisions	95.1	34.5	14.1	20.7
Overfunding of pension schemes	-183.9		-178.4	
	781.2	327.8	-107.8	360.5
31. December 2012				
Non-current pension provisions	1,030.3	427.5	48.9	347.0
Current pension provisions	89.4	30.1	9.3	21.2
Overfunding of pension schemes	-86.0		-85.0	
	1,033.8	457.6	-26.8	368.2

In respect of the two overfunded pension plans in the United Kingdom for which an asset ceiling has not been applied, HeidelbergCement has the unconditional right to the pension plan surplus in the event of plan wind-up.

In the following a disaggregation of the pension figures are shown for the three most material group areas and countries, North America, United Kingdom and Germany. A disaggregation of the figures for the health care plans by geography is not provided, as the vast majority of the liabilities and costs are in North America.

Pension obligations and pension funds

In 2013, pension obligations amounting to €3,782.5 million (previous year: 3,997.8) existed in the Group, which were essentially covered by outside pension funds. In addition, there were direct agreements of €566.5 million (previous year: 591.6). Obligations in the USA, Indonesia, Belgium and Canada for medical care costs for pension recipients amounted to €174.4 million (previous year: 241.1). The following table shows the financing status of these plans and their presentation in the balance sheet.

4 Consolidated financial statements

Pension obligations and plan assets	Pension plans and plans for health care costs			thereof pension plans		
	Pension plans	Plans for health care costs	Group	North America	UK	Germany
€m						
31 December 2013						
Present value of funded obligations	3,782.5		3,782.5	1,125.4	2,403.6	9.9
Fair value of plan assets	-3,767.5		-3,767.5	-996.6	-2,543.8	-9.9
Recognised limitation acc. to IAS 19.64	25.3		25.3		24.4	
Fair value of plan assets after limitation acc. to IAS 19.64	-3,742.2		-3,742.2	-996.6	-2,519.4	-9.9
Deficit (+) / surplus (-)	40.3		40.3	128.8	-115.8	
Present value of unfunded obligations	566.5	174.4	740.9	51.7	2.6	360.5
Total liability	606.8	174.4	781.2	180.5	-113.2	360.5
31 December 2012						
Present value of funded obligations	3,997.8		3,997.8	1,302.3	2,424.1	8.9
Fair value of plan assets	-3,828.0		-3,828.0	-1,114.7	-2,489.4	-8.9
Recognised limitation acc. to IAS 19.64	31.3		31.3		31.1	
Fair value of plan assets after limitation acc. to IAS 19.64	-3,796.7		-3,796.7	-1,114.7	-2,458.3	-8.9
Deficit (+) / surplus (-)	201.1		201.1	187.6	-34.2	
Present value of unfunded obligations	591.6	241.1	832.7	58.3	2.5	368.2
Total liability	792.7	241.1	1,033.8	245.9	-31.7	368.2

The reconciliation of net liability (asset) was as follows:

Pension net liability (asset)	Pension plans and plans for health care costs			thereof pension plans		
	Pension plans	Plans for health care costs	Group	North America	UK	Germany
€m						
2013						
Pension net liability (asset) at 1 January	792.7	241.1	1,033.8	245.9	-31.7	368.2
Changes in consolidation Scope	10.0		10.0			
Pension expenses recognised in profit or loss	71.9	-17.2	54.7	20.6	3.6	19.2
Remeasurements recognised in other comprehensive income	-137.5	-26.6	-164.1	-63.5	-45.6	-6.1
Cash flow in the period	-103.8	-15.2	-119.0	-12.1	-38.4	-20.8
Disposal groups	-0.1		-0.1			
Exchange rate changes	-26.4	-7.7	-34.1	-10.4	-1.1	
Pension net liability (asset) at 31 December	606.8	174.4	781.2	180.5	-113.2	360.5
2012						
Pension net liability (asset) at 1 January	616.0	232.9	848.9	133.6	-39.3	319.4
Changes in consolidation Scope	4.0		4.0			
Pension expenses recognised in profit or loss	67.7	13.1	80.8	18.2	5.6	16.8
Remeasurements recognised in other comprehensive income	210.7	18.9	229.6	113.0	38.9	53.3
Cash flow in the period	-100.0	-19.9	-119.9	-14.3	-35.8	-21.3
Exchange rate changes	-5.7	-3.9	-9.6	-4.6	-1.1	
Pension net liability (asset) at 31 December	792.7	241.1	1,033.8	245.9	-31.7	368.2

Breakdown of the pension obligations

The following table shows the pension obligations divided in different member groups.

Defined benefit obligation by member groups	Pension plans and plans for health care costs		thereof pension plans			
	Pension plans	Plans for health care costs	Group	North America	UK	Germany
€m						
31 December 2013						
Active members	729.3	45.4	774.7	324.2	25.8	124.7
Deferred vested members	1,198.1	6.3	1,204.4	184.5	964.3	21.9
Pensioners	2,421.6	122.7	2,544.3	668.4	1,416.1	223.9
Total defined benefit obligation	4,349.0	174.4	4,523.4	1,177.1	2,406.2	370.5
31 December 2012						
Active members	1,076.7	65.9	1,142.6	381.2	297.9	121.2
Deferred vested members	992.1	6.9	999.0	203.0	749.3	20.6
Pensioners	2,520.6	168.3	2,688.9	776.4	1,379.4	235.3
Total defined benefit obligation	4,589.4	241.1	4,830.5	1,360.6	2,426.6	377.1

Amounts recognised in other comprehensive income

In 2013 total actuarial gains from the defined benefit obligation (DBO) amounting to €123.3 million (prior year: losses of 318.4) have arisen mainly from the increase in the discount rate on which the actuarial calculation is based. The weighted average discount rate as at the end of the year is 0.3 percentage points higher (previous year: 0.57 percentage points lower) than the weighted discount rate as at the end of the previous year. This increase results primarily from the development of the discount rate in North America. The discount rate increased by 0.9 percentage points in the USA, and by 0.63 percentage points in Canada. The total actuarial losses can be broken down into effects from experience adjustments resulting in gains of €33.2 million (previous year: losses of 5.0), effects from changes in demographic assumptions resulting in losses of €5.0 million (previous year: 19.9) and effects from changes in financial assumptions resulting in gains of €95.1 million (previous year: losses of 293.4).

In addition this situation is improved by the positive development of the plan assets. The return on plan assets excluding the interest income amounts to €35.6 million (previous year: 77.1).

The actuarial gains from the defined benefit obligation and the return on plan assets exceeding the interest income have been recognised directly in equity through other comprehensive income.

Due to the changes in the effect of asset ceiling according to IAS 19.64, an amount of €5.2 million (previous year: 11.6) was recognised directly in equity through other comprehensive income.

Development in the income statement

The expenses for retirement benefits for the significant pension and healthcare plans can be summarised as follows. Please note that the interest income on plan assets excludes the assets in excess of the asset ceiling.

Development in the income statement	Pension plans and plans for health care costs			thereof pension plans		
	Pension plans	Plans for health care costs	Group	North America	UK	Germany
€m						
31 December 2013						
Current service cost	37.6	2.1	39.7	9.3	3.7	6.4
Administrative expenses (not investment related) paid by the plan	3.8		3.8	1.6	2.0	
Net interest, thereof	29.4	8.1	37.5	9.5	-2.1	12.9
Interest cost on defined benefit obligation	186.2	8.1	194.3	54.7	102.1	13.2
Interest income on plan assets	-156.8		-156.8	-45.2	-104.2	-0.3
Past service cost recognised	1.1	-27.4	-26.3	0.1		
Expenses recognised in profit or loss	71.9	-17.2	54.7	20.5	3.6	19.3
31 December 2012						
Current service cost	42.2	1.9	44.1	17.5	4.3	5.1
Administrative expenses (not investment related) paid by the plan	9.0		9.0	5.0	3.9	
Net interest, thereof	29.4	11.2	40.6	7.2	-2.7	14.8
Interest cost on defined benefit obligation	207.3	11.2	218.5	65.4	108.4	15.2
Interest income on plan assets	-177.9		-177.9	-58.2	-111.1	-0.4
Past service cost recognised	-1.5		-1.5			-3.1
Settlement gains / losses recognised	-11.4		-11.4	-11.4		
Expenses recognised in profit or loss	67.7	13.1	80.8	18.3	5.5	16.8

Of the total pension expenses of €54.7 million (previous year: 80.8), €17.2 million (previous year: 40.2) are shown in the personnel costs or in other operating expenses and an amount of €37.5 million (previous year: 40.6) in other financial result.

IAS 19 (revised 2011) requires calculating the expected return on plan asset by multiplying the fair value of the plan assets by the discount rate. Had the standard IAS 19 (revised 2008) been applied in 2013, the weighted average expected return on plan assets would have been 4.50 % or €162.9 million.

In 2013 the US plan for health care costs US LH OPEB was amended to provide an annual subsidy through a health reimbursement account for post-65 retiree medical coverage. These changes resulted in a past service income of €27.4 million.

The actual return on plan assets amounted to €188.6 million (previous year: 246.0).

Sensitivity analysis of the defined benefit obligations

Changes in the discount rate, pension increase rate and the life expectancy affect the income statement and the pension obligations. The sensitivities to changes in assumptions as shown below are determined by changing one assumption as indicated and keeping all other assumptions constant. In reality, multiple assumptions may change at the same time, and the change of one parameter may result in a change of another parameter.

Sensitivity analysis of defined benefit obligations (pension plans)					
€m		Group	North America	UK	Germany
31 December 2013					
Defined benefit obligation		4,349.0	1,177.1	2,406.2	370.5
Discount rate	increase by 1.0 %	3,791.9	1,054.4	2,054.0	327.4
	decrease by 1.0 %	5,035.7	1,314.3	2,854.2	424.6
Pension increase rate	increase by 0.25 %	4,415.1	1,177.1	2,456.4	379.8
	decrease by 0.25 %	4,283.1	1,177.1	2,355.6	361.4
Life expectancy	increase by 1 year	4,517.6	1,231.5	2,496.2	386.3
	decrease by 1 year	4,185.2	1,129.1	2,315.1	354.3
Duration (in years)		14.7	11.6	17.1	13.2
31 December 2012					
Defined benefit obligation		4,589.4	1,360.6	2,426.6	377.1
Discount rate	increase by 1.0 %	3,996.8	1,217.0	2,064.2	333.0
	decrease by 1.0 %	5,319.8	1,521.4	2,889.6	432.6
Duration (in years)		14.6	11.8	17.6	13.2

Development of the pension obligations and the plan assets

The following table shows the development of the pension obligations and the plan assets.

Development of pension obligations and plan assets	Pension plans		Plans for health care costs		Total	
	2012	2013	2012	2013	2012	2013
€m						
Defined benefit obligation at 1 January	4,321.5	4,589.4	232.9	241.1	4,554.4	4,830.5
Change in scope of consolidation	4.0	13.6			4.0	13.6
Current service cost	42.2	37.6	1.9	2.1	44.1	39.7
Interest cost	207.3	186.2	11.2	8.1	218.5	194.3
Employee contributions	2.3	2.3			2.3	2.3
Actuarial gains / losses	299.4	-96.7	18.9	-26.6	318.3	-123.3
Benefits paid by the company	-43.6	-43.6	-19.9	-15.2	-63.5	-58.8
Benefits paid by the fund	-199.7	-197.0			-199.7	-197.0
Taxes and premiums paid	-1.2	-1.7			-1.2	-1.7
Past service cost	-1.5	1.1		-27.4	-1.5	-26.3
Plan settlements	-81.2	-2.6			-81.2	-2.6
Disposal groups		-0.1				-0.1
Exchange rate changes	39.9	-139.5	-3.9	-7.7	36.0	-147.2
Defined benefit obligation at 31 December	4,589.4	4,349.0	241.1	174.4	4,830.5	4,523.4
Funded obligation	3,997.8	3,782.5			3,997.8	3,782.5
Unfunded obligation	591.6	566.5	241.1	174.4	832.7	740.9
Fair value of plan assets at 1 January	3,747.3	3,828.0			3,747.3	3,828.0
Change in scope of consolidation		3.6				3.6
Interest income	177.9	156.8			177.9	156.8
Return on plan assets (excluding interest income)	77.1	35.6			77.1	35.6
Administrative expenses (not investment related) paid by the plan	-9.0	-3.8			-9.0	-3.8
Employer contributions	55.2	58.5			55.2	58.5
Employee contributions	2.3	2.3			2.3	2.3
Benefits, taxes and premiums paid	-199.7	-197.0			-199.7	-197.0
Plan settlements	-69.9	-2.6			-69.9	-2.6
Exchange rate changes	46.8	-113.9			46.8	-113.9
Fair value of plan assets at 31 December	3,828.0	3,767.5			3,828.0	3,767.5

HeidelbergCement paid €58.8 million (previous year: 63.5) directly to the pension recipients and €58.5 million (previous year: 55.2) as employer contributions to the funds. In 2014, HeidelbergCement expects to make pension payments of €59.0 million and contributions to funds of €64.0.

The following table shows the expected benefits paid directly by HeidelbergCement or from the plan assets. These expected payments will reduce the defined benefit obligations in the future.

Expected benefit payments	Pension plans and plans for health care costs		thereof pension plans			
	Pension plans	Plans for health care costs	Group	North America	UK	Germany
€m						
31 December 2013						
in the following year	245.7	15.5	261.2	82.3	108.9	21.2
in the current year +2	249.2	15.3	264.5	83.8	112.1	21.1
in the current year +3	249.2	15.1	264.3	84.5	115.5	20.8
in the current year +4	257.8	14.8	272.6	85.0	118.9	20.6
in the current year +5	255.1	14.4	269.5	85.2	122.5	21.0
aggregated in the current year +6 through current year +10	1,320.7	63.7	1,384.4	421.3	669.6	103.7
31 December 2012						
in the following year	238.7	17.9	256.6	84.4	100.1	21.5
in the current year +2	244.0	18.2	262.2	85.9	102.9	21.5
in the current year +3	247.0	18.2	265.2	87.2	105.7	21.4
in the current year +4	248.8	18.0	266.8	87.8	109.9	21.5
in the current year +5	259.5	17.6	277.1	88.0	114.9	21.3
aggregated in the current year +6 through current year +10	1,304.4	78.7	1,383.1	436.8	627.9	105.2

Breakdown of the plan assets

The plan assets originate primarily from North America with 27 % (previous year: 30 %) and the United Kingdom with 68 % (previous year: 66 %). The plan assets can be divided into the following categories:

Breakdown of the plan assets				
€m	Group	North America	UK	Germany
31 December 2013				
Cash and cash equivalents	398.8	17.1	370.3	
Equity	976.4	230.9	672.9	
Interest rate swaps	39.6		39.6	
Hedge funds	1.3			
Nominal government bonds	398.3	216.1	119.2	
Nominal corporate bonds	702.0	474.7	207.6	
Index linked bonds	690.8		690.7	
Real estate	169.7		157.0	
Insurance policies	124.9		102.0	
Other	265.7	57.8	184.5	9.9
Total	3,767.5	996.6	2,543.8	9.9
31 December 2012				
Cash and cash equivalents	375.3	4.6	362.4	
Equity	984.0	259.6	655.6	
Interest rate swaps	94.7		94.1	
Hedge funds	115.1	4.2	109.4	
Nominal government bonds	719.0	401.8	244.5	
Nominal corporate bonds	643.5	416.7	206.5	
Index linked bonds	519.6	13.4	506.1	
Real estate	164.8		151.1	
Insurance policies	125.4		109.0	
Other	86.6	14.4	50.7	8.9
Total	3,828.0	1,114.7	2,489.4	8.9

The total equities can be further divided up as follows:

Division of equity	
in %	2013
North America	51 %
United Kingdom	7 %
Europe	18 %
Emerging Markets	8 %
Other	16 %

Certain non-monetary assets are based on appraisals that are not completed until the consolidated financial statements have been adopted by the Managing Board. In those cases the most recent appraisal values are rolled forward with observed trends in the relevant markets to determine the best estimates at year end. The majority of the group assets are based directly on quoted market prices for the invested assets or, in the case where investment funds are used, indirectly based on the quoted value of the underlying investments. Exceptions are that in the United Kingdom and Germany, a portion of the assets needs to be estimated as at the year end, as detailed asset information is not available or is not available in time until adoption of the consolidated financial statements by the Managing Board (approx. €97.4 million). In the United Kingdom these asset values are estimated based on the most information available. For the German deferred compensation plan, assets are assumed to be equal to the defined benefit obligation, as the benefits are fully funded.

The plan assets do not include any significant own financial instruments, property occupied by, or other assets used by HeidelbergCement.

Multi-employer plans

HeidelbergCement participates in Multi-Employer Pension Plans (MEP), predominantly in the USA and Canada, which award some unionised employees fixed benefits after their retirement. These Multi-Employer Pension Plans are accounted for as defined contribution plans, as it is not possible to isolate the individual company liability and asset allocations for these plans. The contributions are determined on the basis of collective bargaining. Contributions of €12.8 million (previous year: 11.9) were paid in 2013. The funding status of these pension plans could be affected by adverse developments in the capital markets due to demographic changes and increases in pension benefits. If one of the participating companies no longer pays contributions into the multi-employer pension plan, all other parties concerned will be held liable for the obligations that have not been covered. Contributions of €12.7 million are expected in 2014. The withdrawal liability of these plans as at 31 December 2013 amounts to €108.2 million (previous year: 110.5).

46 Other provisions

The following table explains the development of other provisions.

Provisions				
€m	Provisions for damages and environmental obligations	Other environmental provisions	Other	Total
1 January 2013	446.2	355.5	500.8	1,302.5
Adjustment	-18.9	-11.2	-15.2	-45.3
Reclassification		-1.6	-5.3	-6.9
Utilisation	-22.5	-27.1	-235.9	-285.5
Reduction	-81.7	-37.4	-33.7	-152.8
Addition	136.9	55.1	152.7	344.7
31 December 2013	460.0	333.3	363.4	1,156.7

The adjustment line includes changes in the scope of consolidation and adjustments from currency translation. The reclassification line shows other reclassifications. The reduction line includes the release of unused provisions amounting to €112.8 million, the offsetting of obligations against the corresponding claims for reimbursement, and the offsetting of obligations in kind against other assets totalling €39.8 million.

The maturities of the provisions accounted for in the 2013 financial year can be broken down as follows:

Maturities				
€m	Provisions for damages and environmental obligations	Other environmental provisions	Other	Total
Maturity ≤ 1 year	67.8	37.3	105.5	210.6
Maturity > 1 year ≤ 5 years	301.0	132.6	255.5	689.1
Maturity > 5 years	91.2	163.4	2.4	257.0
	460.0	333.3	363.4	1,156.7

Provisions for damages and environmental obligations

Provisions for damages and environmental obligations result from discontinued operations that were transferred to the HeidelbergCement Group as part of the takeover of the Hanson Group in 2007. The obligations are therefore not linked to the continuing operations of the HeidelbergCement Group.

The provisions for damages concern legal proceedings before US courts. The claims relate to health problems allegedly caused by the sale of products containing asbestos in the period from 1973 to 1984. The environmental liability claims pertain to remediation obligations in connection with the sale of chemical products by a former Hanson participation. The provisions to be formed are measured at the present value of the expected expenses, using reliable estimates of the development of costs.

The provisions are offset by claims for reimbursement against environmental and third-party liability insurers amounting to €324.1 million (previous year: 128.8), of which €260.1 million (previous year: 102.2) is recorded under other non-current operating receivables and €64.0 million (previous year: 26.6) under other current operating receivables.

Other environmental provisions

The other environmental provisions include recultivation, environmental, and asset retirement obligations.

Recultivation obligations relate to legal and actual obligations to backfill and restore raw material quarrying sites. The provisions formed for these obligations are measured in accordance with the extraction progress on the basis of the best cost estimate for fulfilling the obligation. As at the reporting date, these provisions amounted to €207.5 million (previous year: 229.8).

Provisions for environmental obligations are recognised on the basis of contractual or official regulations and essentially include expenses connected with the cleaning up of contaminated areas as well as the remediation of pollutant emissions and extraction damages. The provisions are measured at the present value of the expected expenses. These provisions amount to a total of €61.7 million (previous year: 50.9).

The provisions for asset retirement obligations pertain to obligations arising in connection with the removal of installations (e.g. conveying systems at rented locations), so that a location can be restored to its contractually agreed or legally defined state after the end of its useful life. As at the reporting date, provisions for asset retirement obligations of €64.1 million (previous year: 74.8) had been formed.

Other provisions

Other provisions particularly exist for restructuring obligations, other process risks, and compensation obligations.

The provisions for restructuring obligations concern expenses for various optimisation programmes, such as the closure of plants or relocation of activities. Provisions of €47.7 million (previous year: 48.7) had been recognised for this purpose as at the reporting date.

Because of pending legal action against the Group, provisions for process risks, including those relating to pending antitrust proceedings, amounted to €82.9 million (previous year: 216.1) and were recognised in the balance sheet.

Provisions for compensation obligations pertain to the Group's obligations arising from occupational accidents. As at the reporting date, provisions of €70.5 million (previous year: 70.8) had been formed for this purpose.

Other provisions were additionally recognised for a variety of minor issues.

Impact of interest rate effects

Provisions are measured at their present value, which is determined using a pre-tax interest rate that reflects current market expectations regarding the interest rate effect and the risks specific to the liability. To this effect, HeidelbergCement uses the risk-free interest rate of government bonds from the respective countries, taking into account the relevant term.

Interest rate effects of €-3.5 million for provisions for damages and environmental obligations are included in the expenses from discontinued operations. Changes in the interest rate of €-16.4 million and compounding of €4.1 million led to a decrease in other provisions.

47 Liabilities

The following table shows the composition of the interest-bearing liabilities.

Interest-bearing liabilities		
€m	2012	2013
Bonds payable	7,218.0	7,403.2
Bank loans	991.2	833.9
Other interest-bearing liabilities		
Miscellaneous interest-bearing liabilities	216.6	733.8
Liabilities from finance lease	17.2	14.3
Derivative financial instruments	85.0	29.6
Non-controlling interests with put options	45.1	50.6
	8,573.1	9,065.4

Further information on interest-bearing liabilities can be found in the Group financial management section of the Management Report on page 74 f. Explanations on the derivative financial instruments are provided on page 228 f.

Of the interest-bearing liabilities to third parties, €101.3 million (previous year: 111.7) is secured by mortgages. Of this figure, €100.5 million (previous year: 109.9) relates to joint ventures that are primarily financed independently. Furthermore, subsidiaries have provided collateral of €0.8 million (previous year: 1.8) – independent of Group financing – that may essentially be refinanced in the short term.

The following table provides an overview of the maturities of the interest-bearing liabilities.

Maturities of interest-bearing liabilities				
€m	< 1 year	1–5 years	> 5 years	Total
31 December 2013				
Bonds payable	1,140.4	4,254.4	2,008.4	7,403.2
Bank loans	510.2	291.4	32.3	833.9
Miscellaneous interest-bearing liabilities	641.2	79.1	13.5	733.8
Liabilities from finance lease	5.7	7.8	0.8	14.3
Derivative financial instruments	15.5	-1.4	15.5	29.6
Non-controlling interests with put options	50.6			50.6
	2,363.6	4,631.3	2,070.5	9,065.4
31 December 2012				
Bonds payable	708.8	4,331.2	2,178.0	7,218.0
Bank loans	461.4	485.0	44.8	991.2
Miscellaneous interest-bearing liabilities	124.2	78.4	14.0	216.6
Liabilities from finance lease	5.4	9.7	2.1	17.2
Derivative financial instruments	79.9	5.1		85.0
Non-controlling interests with put options	45.1			45.1
	1,424.8	4,909.4	2,238.9	8,573.1

The following table contains further details of the finance lease liabilities. It shows the reconciliation of the total future minimum lease payments at the reporting date with their present value.

Minimum lease payments of finance leases				
€m	< 1 year	1–5 years	> 5 years	Total
31 December 2013				
Present value of future minimum lease payments	5.7	7.8	0.8	14.3
Interest of future minimum lease payments	0.7	1.5		2.2
Future minimum lease payments	6.4	9.3	0.8	16.5
31 December 2012				
Present value of future minimum lease payments	5.4	9.7	2.1	17.2
Interest of future minimum lease payments	1.4	2.0	0.2	3.6
Future minimum lease payments	6.8	11.7	2.3	20.8

The following table shows a division of the operating liabilities.

Operating liabilities		
€m	2012	2013
Trade payables	1,372.3	1,410.7
Income tax liabilities	199.8	175.5
Liabilities relating to personnel	270.6	284.0
Miscellaneous operating liabilities	660.3	548.8
Deferred income and non-financial liabilities	142.8	159.0
	2,645.9	2,578.0

To secure tax liabilities of a subsidiary, mortgages were created to the amount of €34.2 million (previous year: 34.6).

Additional disclosures on financial instruments

The following table assigns the individual balance sheet items for the financial instruments to classes and measurement categories of IAS 39. In addition, the aggregate carrying amounts for each measurement category and the fair values for each class are depicted.

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 December 2013							
Assets							
Financial investments – available for sale at cost	AfS		61.1			61.1	
Financial investments – available for sale at fair value	AfS				18.6	18.6	18.6
Loans and other interest-bearing receivables	LaR	163.7				163.7	166.4
Trade receivables and other operating receivables	LaR	1,799.3				1,799.3	1,799.3
Cash and cash equivalents	LaR	1,464.9				1,464.9	1,464.9
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	8,970.9				8,970.9	9,934.1
Trade payables, liabilities relating to personnel, and miscellaneous operating liabilities	FLAC	2,243.5				2,243.5	2,243.5
Liabilities from finance lease	FLAC	14.3				14.3	14.3
Derivatives – hedge accounting	Hedge				14.1	14.1	14.1
Derivatives – held for trading	HfT			15.5		15.5	15.5
Non-controlling interests with put options	FLAC	50.6				50.6	50.6
31 December 2012							
Assets							
Financial investments – available for sale at cost	AfS		49.4			49.4	
Financial investments – available for sale at fair value	AfS				18.7	18.7	18.7
Loans and other interest-bearing receivables	LaR	166.1				166.1	169.6
Trade receivables and other operating receivables	LaR	1,788.5				1,788.5	1,788.9
Cash and cash equivalents	LaR	1,474.8				1,474.8	1,474.8
Derivatives – hedge accounting	Hedge				0.3	0.3	0.3
Derivatives – held for trading	HfT			22.9		22.9	22.9
Liabilities							
Bonds payable, bank loans, and miscellaneous financial liabilities	FLAC	8,425.8				8,425.8	9,510.0
Trade payables, liabilities relating to personnel, and miscellaneous operating liabilities	FLAC	2,303.2				2,303.2	2,303.2
Liabilities from finance lease	FLAC	17.2				17.2	17.2
Derivatives – hedge accounting	Hedge				4.8	4.8	4.8
Derivatives – held for trading	HfT			80.2		80.2	80.2
Non-controlling interests with put options	FLAC	45.1				45.1	45.1

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

Financial investments available for sale at cost are equity investments measured at cost, for which no listed price on an active market exists and whose fair value cannot be reliably determined. Therefore, no fair value is indicated for these instruments. Financial investments available for sale at fair value are measured at fair value on the basis of the stock market prices on the reporting date. Derivative financial instruments with and without a hedging relationship are also measured at fair value. For these items, the fair value always corresponds to the carrying amount.

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

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 appropriate estimates of the fair values.

The derivatives contracted by HeidelbergCement are sometimes subject to legally enforceable netting agreements (ISDA Agreement or German Master Agreement for Financial Derivatives), which, however, do not permit netting of receivables and liabilities in the balance sheet in accordance with IAS 32.42. The right to offset only exists in the case of delayed payment or if a contracting party becomes insolvent. The disclosure in the balance sheet is therefore shown on a gross basis. At the reporting date, derivatives with a positive carrying amount of €62.6 million (previous year: 23.2) and corresponding derivatives with a negative carrying amount of €-29.6 million (previous year: -85.0) were subject to netting agreements. Taking these agreements into consideration, a calculated netting amount of €5.4 million (previous year: 6.3) would result at the reporting date. Accordingly, the derivatives would have positive net carrying amounts of €57.2 million (previous year: 16.9) and negative net carrying amounts of €-24.2 million (previous year: -78.7). Other contractual arrangements for netting financial assets and liabilities do not exist.

The following table shows the fair value levels of the financial instruments accounted for at fair value.

Fair value hierarchy	31 December 2012		31 December 2013	
	Level 1	Level 2	Level 1	Level 2
€m				
Assets				
Financial investments – available for sale at fair value	18.7		18.6	
Derivatives				
Currency forwards		0.0		0.6
Foreign exchange swaps		5.6		15.6
Cross-currency interest rate swaps		17.3		35.5
Interest rate swaps				10.9
Commodities		0.3		0.0
Liabilities				
Derivatives				
Currency forwards		0.9		0.1
Foreign exchange swaps		70.2		4.4
Currency swaps		2.7		4.3
Cross-currency interest rate swaps		6.8		8.4
Interest rate swaps		0.9		9.6
Commodities		1.0		0.8
Other interest rate and currency derivatives		2.5		2.0

The following table shows the fair value hierarchies of the assets and liabilities, which are not measured at fair value in the balance sheet, but whose fair value is reported.

Fair value hierarchy	31 December 2013		
	Level 1	Level 2	Level 3
€m			
Assets			
Loans and other interest-bearing receivables		166.4	
Trade receivables and other operating receivables		1,799.3	
Cash and cash equivalents	1,464.9		
Liabilities			
Bonds payable, bank loans, and miscellaneous financial liabilities	7,179.0	2,755.1	
Trade payables, liabilities relating to personnel, and miscellaneous operating liabilities		2,243.5	
Liabilities from finance lease		14.3	
Non-controlling interests with put options		23.5	27.1

In level 1, the fair value is calculated using prices quoted on an active market (unadjusted) for identical assets or liabilities to which HeidelbergCement has access on the reporting 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.

Non-controlling interests with put options in level 3 are reported as liabilities and relate to put options held by non-controlling interests of German partnerships. The discounted cash flow method was used for the fair value calculation. In this respect, the cash flows from the companies' underlying plans were discounted with a risk-adjusted discount rate (WACC). A put option (level 2) due in 2014 was recognised with the already set purchase price liability in the amount of €23.5 million.

The assessment as to whether financial assets and liabilities, which are accounted for at fair value, are to be transferred between the levels of the fair value hierarchy will take place at the end of each reporting period. No reclassifications were carried out in the period under review.

The following table shows the net results from the financial instruments by measurement category.

Net gains or losses	2012	2013
€m		
Loans and receivables	74.2	-235.4
Financial investments – available for sale	3.4	-0.1
Financial instruments – held for trading	-110.6	293.7
Financial liabilities at amortised cost	6.2	-106.7
	-26.8	-48.5

The net results from loans and receivables include impairment losses of €-34.0 million (previous year: -44.8) and currency effects of €-201.4 million (previous year: 119.0).

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 → [Notes to the 2013 consolidated financial statements](#)
 Audit opinion
 Responsibility statement

The measurement of the financial investments available for sale at fair value produced a result of €-0.1 million (previous year: 3.8) recognised in equity. This amount includes currency losses of €-4.4 million (previous year: currency gains of 0.5). A net loss of €-0.9 million (previous year: -0.4) is attributable to impairments of financial instruments available for sale at cost.

The net result from the subsequent measurement of the financial instruments held for trading includes currency and interest effects. In financial liabilities carried at amortised costs, the net result includes effects from currency translation of €-106.7 million (previous year: 6.2).

The following table shows the total interest income and expenses for the financial instruments not measured at fair value in profit or loss.

Total interest income and expense		
€m	2012	2013
Total interest income	62.4	76.1
Total interest expense	-621.1	-577.5
	-558.7	-501.4

The impairment of financial assets by class is depicted in the following table.

Impairment		
€m	2012	2013
Financial investments – available for sale at cost	-0.4	-0.9
Loans and other interest-bearing receivables	-0.3	-0.6
Trade receivables and other operating receivables	-44.5	-33.4
	-45.2	-34.9

Derivative financial instruments

The following table shows the nominal values and fair values of the derivative financial instruments.

Derivative financial instruments €m	31 December 2012		31 December 2013	
	Nominal value	Fair value	Nominal value	Fair value
Assets				
Cash flow hedges				
Currency forwards ¹⁾	0.7	0.0	11.7	0.6
Commodities ²⁾		0.3		
Fair value hedges				
Interest rate swaps ³⁾			1,845.6	10.9
Derivatives held for trading				
Currency forwards ¹⁾	3.2	0.0	1.3	0.0
Foreign exchange swaps	1,097.6	5.6	2,607.0	15.6
Cross-currency interest rate swaps ⁴⁾	94.7	17.3	112.3	35.5
Commodities ⁵⁾				0.0
	1,196.2	23.2	4,577.9	62.6
Liabilities				
Cash flow hedges				
Currency forwards	7.2	0.9	6.2	0.1
Currency swaps	124.2	2.7	122.2	4.3
Interest rate swaps	19.7	0.2	24.3	0.1
Commodities ²⁾		1.0		0.5
Fair value hedges				
Interest rate swaps ³⁾			500.0	9.1
Derivatives held for trading				
Currency forwards ¹⁾	1.2	0.0	3.3	0.0
Foreign exchange swaps	3,041.5	70.2	1,371.8	4.4
Cross-currency interest rate swaps ⁴⁾	3.4	6.8	46.9	8.4
Interest rate swaps	13.0	0.7	9.8	0.4
Commodities ^{1) 5)}		0.0		0.3
Other interest rate and currency derivatives	9.0	2.5	8.2	2.0
	3,219.2	85.0	2,092.7	29.6

1) The fair value specified with €0.0 is less than €50,000.

2) The negative fair value of €-0.5 million (previous year: positive fair value of 0.3 and negative fair value of -1.0) of the electricity derivatives, which were designated as hedging instruments in a cash flow hedge, relates to a supply quantity of 0.1 million MWh (previous year: 0.3).

3) The nominal values of €1,845.6 million relate to interest rate swaps with positive fair values of €5.7 million, which were designated as hedging instruments in a fair value hedge. The fair values are shown on the asset side in the amount of €10.9 million and on the liability side in the amount of €-5.2 million because of separation into long-term and short-term components of the interest rate swaps. The nominal value of €500 million refers to interest rate swaps with negative fair values of €-3.9 million.

4) The nominal value of €112.3 million (previous year: 94.7) relates to cross-currency interest rate swaps with positive fair values of €28.2 million (previous year: 11.6), which are shown on the asset side in the amount of €35.5 million (previous year: 17.3) and on the liability side in the amount of €-7.3 million (previous year: -5.7) because of separation into long-term and short-term components of the swaps. The nominal values of €46.9 million refer to cross-currency interest rate swaps with negative fair values of €-1.1 million (previous year: -1.1).

5) The positive fair value of €12,000 (previous year: negative fair value of €47,000) of the fuel derivatives, relates to a supply quantity of 2.4 metric tonnes (previous year: 5.6). The negative fair value of the electricity derivatives of €-0.3 million relates to a supply quantity of 0.1 MWh.

Cash flow hedges

The interest rate swaps open at the reporting date hedge the future interest rate risks of a variable interest-bearing loan. These swaps with a fair value of €-0.1 million (previous year: -0.2) mature in 2016. During the reporting period, €-0.1 million (previous year: 0.1) was recognised directly in equity through other comprehensive income and €0.4 million (previous year: 0.0) was released to profit or loss.

The currency forwards open at the reporting date hedge the currency risks of future purchases of raw materials in US dollars. These forward contracts with a fair value of €0.5 million (previous year: -0.9) will mature in the course of 2014. During the reporting period, €1.2 million (previous year: -0.7) was recognised directly in equity through other comprehensive income and €1.0 million (previous year: 1.1) was released to profit or loss.

The currency swap open at the reporting date with a fair value of €-4.3 million (previous year: -2.7) hedges the currency risk of the fixed interest-bearing CHF 150 million bond that matures in 2017. The currency swap matures in the following time bands: one portion with a negative fair value of €-2.1 million (previous year: -1.9) matures within one year, another portion with a negative fair value of €-2.2 million (previous year: -0.8) has a term of between 1 and 5 years. During the reporting period, €-1.5 million (previous year: -2.1) was recognised directly in equity through other comprehensive income and €2.0 million (previous year: -0.7) was released to profit or loss. The accrued interest of €-0.3 million (previous year: -0.2) included in the fair value was recognised in profit or loss in the interest result.

The energy derivatives of €-0.5 million (previous year: -0.7) open at the reporting date hedge future electricity prices and mature in the course of 2014. In the reporting year, valuation effects of €0.1 million (previous year: 5.8) were recognised directly in equity through other comprehensive income. The release of electricity derivatives caused effects of €0.1 million (previous year: 2.4) to be reclassified from equity to profit or loss.

The contractually set future payments in foreign currency resulting from a long-term investment project are hedged by appropriate liquid foreign currencies. During the reporting period, currency effects of €19.8 million were recognised directly in equity through other comprehensive income. In the context of the payment of instalments during the reporting period, €-0.2 million of the amount recognised in the other comprehensive income was reclassified directly from equity to assets under construction.

There is no significant ineffectiveness in the cash flow hedges.

Fair value hedges

The interest rate swaps open at the reporting date with a fair value of €1.8 million hedge the interest rate risks of fixed interest-bearing loans. A fair value of €10.9 million thereof is due within one year. Furthermore, a fair value of €6.4 million has a term between 1 to 5 years and a fair value of €-15.5 million has a term of more than 5 years. The change in fair value adjusted for accrued interest of €-1.5 million was recognised in profit or loss through the hedging result. A corresponding fair value adjustment of €2.9 million was made for the loans, which was also shown in the hedging result. The accrued interest of €3.3 million included in the fair value was recognised in profit or loss in the interest result.

Derivatives not accounted for as hedges (held for trading)

For the derivatives with a fair value of €35.6 million (previous year: -57.3), which were not accounted for as hedges in accordance with IAS 39, fair values of €2.9 million (previous year: -70.4) will mature within a year and fair values of €32.7 million (previous year: 13.1) have a term between 1 and 5 years.

Risks from financial instruments

As regards its assets, liabilities, firm commitments, and planned transactions, HeidelbergCement is particularly exposed to risks arising from changes in foreign exchange rates, interest rates, and market and stock market prices. These market price risks might have a negative impact on the financial position and performance of the Group. The Group manages these risks primarily as part of its ongoing business and financing activities and, when required, by using derivative financial instruments. The main aspects of the financial policy are determined by the Managing Board.

The Group Treasury department is responsible for the implementation of the financial policy and ongoing risk management. The Group Treasury department acts on the basis of existing guidelines, which bindingly determine the decision criteria, competences, responsibilities, and processes for managing the financial risks. Certain transactions also require the prior approval of the Managing Board. The Group Treasury department informs the Managing Board on an ongoing basis about the amount and scope of the current risk exposure and current market developments on the global financial markets. The Group Internal Audit department monitors the observance of the guidelines mentioned above and the corresponding legal framework by means of targeted auditing.

Credit risk

HeidelbergCement is exposed to credit risks through its operating activities and certain financial transactions. The credit risk stands for the chance that a contracting party unexpectedly does not fulfil, or only partially fulfils, the obligations agreed when signing a financial instruments contract. The Group limits its credit risk by only concluding contracts for financial assets and derivative financial instruments with partners that have a first-class credit rating.

Credit rating

The rating agencies Moody's and Fitch Ratings assess the creditworthiness of HeidelbergCement as Ba1/Not Prime (Outlook Stable) and BB+/B (Outlook Stable) as at the end of 2013. Any potential downgrading of the ratings awarded by the rating agencies could have a negative impact on HeidelbergCement's cost of capital and refinancing options.

Cash and cash equivalents

This item essentially comprises cash. The Group is exposed to losses arising from credit risks in connection with the investment of cash and cash equivalents if contracting parties do not fulfil their obligations. HeidelbergCement manages the resulting risk position by diversification of contracting parties. Cash and cash equivalents are invested in selected companies, banks, and financial institutions following a thorough credit analysis. At present, no cash or cash equivalents are overdue or impaired as a result of defaults. The maximum credit risk of cash and cash equivalents corresponds to the carrying amount.

Trade receivables

Trade receivables result mainly from the sale of cement, concrete, and aggregates. In operating activities, the outstanding debts are monitored on an ongoing basis. Default risks are taken into account by means of specific valuation allowances and collective specific valuation allowances. The maximum risk position from trade receivables corresponds to the carrying amount.

Other receivables and assets

The credit risk position from other receivables and assets corresponds to the carrying amount of these instruments. HeidelbergCement regards this credit risk as insignificant.

Derivative financial instruments

Derivative financial instruments are generally used to reduce risks. In the course of its business activity, HeidelbergCement is exposed to interest rate, currency, and energy price risks. For accounting purposes, a significant portion of the derivatives are not accounted for as hedges in accordance with IAS 39, but as instruments in the held-for-trading category. However, from a commercial perspective, the changes in the fair values of these instruments represent an economically effective hedge within the context of the Group strategy. The maximum credit risk of this item corresponds to the fair value of the derivative financial instruments that have a positive market value and are shown as financial assets at the reporting date. Interest rate swaps and cross-currency interest rate swaps were contracted to hedge the fair value risk and were designated as hedging instruments in accordance with IAS 39. In order to reduce default risks, the hedging transactions are generally concluded only with leading financial institutions that have a first-class credit rating. The contracting parties enjoy very good credit ratings, awarded by external rating agencies such as Moody's or Fitch Ratings. There are currently no past-due derivative financial instruments in the portfolio.

Liquidity risk

The liquidity risk describes the risk of a company not being able to fulfil its financial obligations to a sufficient degree. To manage HeidelbergCement's liquidity, the Group maintains sufficient cash and cash equivalents as well as extensive credit lines with banks, besides the cash inflow from operating activities. The operating liquidity management includes a daily reconciliation of cash and cash equivalents. The Group Treasury department, based in Heidelberg, acts as an in-house bank. This allows liquidity surpluses and requirements to be managed in accordance with the needs of the entire Group and of individual Group companies.

As at the end of the year, HeidelbergCement still has as yet undrawn, confirmed credit lines of €2.7 billion available in order to secure liquidity, in addition to available cash. An open-ended framework agreement for the issue of short-term bearer bonds (commercial papers) of €1.5 billion is available to cover short-term liquidity peaks. Within the context of the programme, individual tranches with different terms will be issued at different times depending on the market situation. As at the end of 2013, commercial papers totalling €545.8 million were outstanding. Further information on liquidity risks can be found in the Management Report, Risk and opportunity report chapter on page 115 f.

As the financial contracts of HeidelbergCement do not contain any clauses that trigger a repayment obligation in the event of the credit rating being downgraded, the maturity structure will remain unaffected even if the credit assessments change. Margin calls that could lead to an outflow of liquidity are not agreed in any of the main financial instruments. All derivative financial instruments are contracted on the basis of existing framework agreements that contain netting agreements for the purpose of reducing credit and liquidity risks.

The following maturity overview shows how the cash flows of the liabilities as at 31 December 2013 affect the Group's liquidity position. The overview describes the progress of:

- Undiscounted repayments and interest payments for bonds payable
- Undiscounted liabilities and interest payments to banks
- Undiscounted other liabilities
- Undiscounted contractually agreed payments for derivative financial instruments, as a total for the year

The trade payables are assigned to short-term maturities (within a year). For variable interest payments, the current interest rate is taken as a basis. Payments in foreign currency are translated using the exchange rate at year end.

Cash flows of interest-bearing liabilities and derivative financial instruments

€m	Carrying amount 31 Dec. 2013	Cash flows 2014	Cash flows 2015	Cash flows 2016	Cash flows 2017	Cash flows 2018-2024
Bonds payable	7,403.2	1,492.3	1,719.7	1,173.1	1,370.3	3,424.4
Bank loans	833.9	537.2	565.7	231.3	13.1	61.7
Other interest-bearing liabilities	733.8	638.5	56.5	31.9	1.8	7.8
Derivatives with positive fair value						
Cash Flow Hedges	0.6	11.7				
Fair Value Hedges	10.9	110.7	37.4	37.2	6.4	18.2
Derivatives held for trading	51.1	2,616.3	8.1	55.3	24.8	19.2
Derivatives with negative fair value						
Cash flow hedges	5.0	17.9	11.7	11.3	132.5	
Fair Value Hedges	9.1	10.6	10.6	10.7	10.7	40.9
Derivatives held for trading	15.5	1,380.3	4.9	7.5	4.1	55.7

Cash flows of interest-bearing liabilities and derivative financial instruments

€m	Carrying amount 31 Dec. 2012	Cash flows 2013	Cash flows 2014	Cash flows 2015	Cash flows 2016	Cash flows 2017-2024
Bonds payable	7,218.0	1,053.4	1,470.2	1,695.2	1,171.4	3,876.6
Bank loans	991.2	499.6	193.4	548.8	358.8	72.9
Other interest-bearing liabilities	216.6	128.8	51.5	34.0	0.6	12.0
Derivatives with positive fair value						
Cash flow hedges	0.3	0.7				
Derivatives held for trading	22.9	1,108.3	7.6	7.6	4.1	1.0
Derivatives with negative fair value						
Cash flow hedges	4.8	18.6	10.9	10.9	10.9	9.7
Derivatives held for trading	80.2	3,043.8	1.1	1.1	0.7	

The inflow of liquidity amounting to €705.6 million (previous year: 55.0) from interest rate and cross-currency interest rate swaps has not been taken into account in the table.

The undiscounted contractual cash flows of the finance lease liabilities are shown in a separate table on page 223.

Interest rate risk

Interest rate risks exist as a result of potential changes in the market rate of interest and might lead to a change in fair value in the case of fixed interest-bearing financial instruments and to fluctuations in interest payments in the case of variable interest-bearing financial instruments. The Managing Board and Supervisory Board of HeidelbergCement AG have decided against hedging the variable interest-bearing financial instruments. This strategy is based on the historically strong correlation between increasing profits and rising interest rates. For financial instruments with fixed interest that are measured at amortised cost, interest rate risks have no impact on the results and equity.

The hedging of the bonds issued with interest rate swaps in line with fair value hedge accounting has resulted in effects on results from the adjustment of the carrying amount of the hedged items (bonds – hedged risk) and from the valuation of the interest rate swaps. These effects on profit or loss were taken into account in the sensitivity analysis.

The average proportion of variable interest-bearing financial instruments is 26.7 % (previous year: 14.5 %). If the market interest rate level had been 100 basis points higher (lower) on 31 December 2013, the interest cost of the HeidelbergCement Group would have risen (fallen) by €24.8 million (previous year: 13.3)

Currency risk

HeidelbergCement's currency risks result from its investing, financing, and operating activities. Risks from foreign currencies are generally hedged, insofar as they affect the Group's cash flow. In contrast, foreign currency risks that do not affect the Group's cash flow (i.e. risks resulting from the translation of assets and liabilities of foreign subsidiaries into the Group reporting currency) generally remain unhedged. However, if necessary, HeidelbergCement can also hedge this foreign currency risk. Currency forwards and foreign exchange swaps are used in the elimination of existing currency risks.

Through the in-house banking activities of HeidelbergCement AG, the borrowing and investment of liquidity of the subsidiaries leads to currency positions that are hedged by means of external foreign exchange swap transactions, which are appropriate in terms of maturities and amounts. Consequently, currency fluctuations in connection with the in-house banking activities would have no impact on profit or loss or equity.

The following table shows the hypothetical impact on the financial result before tax, considering the external financial instruments (primarily foreign exchange swap transactions) in isolation and in the event of a 10 % increase or decrease in the value of the euro against the main foreign currencies for the Group, whereby the positive values represent revenue and the negative values an expense in the income statement.

Sensitivity analysis of currency risk	Increase in the value of the euro by 10 %		Decrease in the value of the euro by 10 %	
	31 Dec. 2012	31 Dec. 2013	31 Dec. 2012	31 Dec. 2013
€m				
EUR/USD	-108.6	-78.6	108.6	78.6
EUR/GBP	-27.2	-75.8	27.2	75.8
EUR/CAD	-76.7	-65.1	76.7	65.1
EUR/NOK	-32.6	-38.4	32.6	38.4
EUR/ILS	-6.9	-8.1	6.9	8.1
EUR/CHF	1.0	7.3	-1.0	-7.3
EUR/RUB	36.1	32.3	-36.1	-32.3
EUR/AUD	-84.6	38.5	84.6	-38.5

Other disclosures

Capital management

The objective of capital management is to ensure sufficient liquidity for the Group at all times. Therefore, the Group makes use of external and internal financing opportunities (see Management Report, chapter Group financial management on page 74f.).

The net debt as well as the dynamic gearing ratio, which corresponds to the ratio of net debt to operating income before depreciation (OIBD), are of fundamental importance to the monitoring of the Group's capital.

Net debt/OIBD		
€m	31 Dec. 2012	31 Dec. 2013
Cash and derivative financial instruments	1,480.7	1,492.0
Interest-bearing liabilities	8,573.1	9,065.3
Non-controlling interests with put options	-45.1	-50.6
Net debt	7,047.3	7,522.7
Operating income before depreciation (OIBD)	2,476.9	2,424.4
Net debt / OIBD	2.84	3.10

In connection with credit agreements, HeidelbergCement agreed to comply with various financial covenants, which were all met in the reporting period. The most important key financial ratios are the ratio of net debt to EBITDA and the interest coverage ratio. The EBITDA key figure is derived from the credit agreements and therefore differs from the operating income before depreciation (OIBD) key figure as it takes elements of the additional ordinary result and adjustments from changes in the scope of consolidation into consideration. Further explanations are given in the Management Report on page 76.

Within the context of the Group planning, compliance with the credit agreements is monitored consistently, with notifications issued to the creditors on a quarterly basis. In the event of a breach of the covenants, the creditors could, under certain conditions, accelerate corresponding loans irrespective of the contractually agreed terms.

Contingent liabilities

As at the reporting date, contingent liabilities amounted to €52.7 million (previous year: 45.5), which are essentially related to 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 might not yet be determined at the time that tax refund claims and liabilities are calculated. The calculation of tax items is based on the regulations most likely to be applied in each case. Nevertheless, the fiscal authorities may be of a deviating opinion, which may give rise to additional tax liabilities.

Other financial commitments

The following table shows the other financial commitments of the HeidelbergCement Group.

Other financial commitments		
€m	2012	2013
Future minimum lease payments under non-cancellable operating leases¹⁾		
Due within one year	163.8	162.9
Due between one and five years	403.3	386.7
Due after five years	494.2	459.3
	1,061.2	1,008.9
Other financial commitments for planned investments in property, plant and equipment and financial assets	323.4	311.2

1) Prior year's figures were adjusted by €126.1 million in total.

Other financial commitments are listed with their nominal values. The future leasing obligations refer primarily to property and other assets used by HeidelbergCement.

Related parties disclosures

IAS 24 requires a statement concerning the most important relationships with related companies and persons that may exert a considerable influence on HeidelbergCement AG; the former are accounted for as joint ventures or associated companies, the latter hold key positions as members of the management.

As at 31 December 2013, Mr Ludwig Merckle, Ulm, indirectly holds a 25.11 % share in HeidelbergCement AG via Spohn Cement Beteiligungen GmbH, Zossen. HeidelbergCement AG provided services for a net amount of €83,900 (previous year: 117,600) to PHOENIX Pharmahandel GmbH & Co KG, Mannheim, a company of the Merckle Group.

Business transactions with associated companies include revenue and other sales amounting to €16.8 million (previous year: 14.7), the procurement of goods and services amounting to €24.6 million (previous year: 35.9), and services provided amounting to €0.6 million (previous year: 0.7). Receivables of €12.4 million (previous year: 21.7) and liabilities of €7.8 million (previous year: 8.3) exist in connection with these activities and financial transactions. In addition, capital increases of €5.9 million (previous year: 2.0) were carried out at associated companies in 2013. Guarantees of €0.2 million (previous year: 0.9) were outstanding to associated companies.

Intra-Group revenue and other sales with joint ventures amounted to €110.8 million (previous year: 150.1). Raw materials, goods, and other services amounting to €273.4 million (previous year: 330.9) were procured from these joint ventures. A total of €6.2 million (previous year: 7.8) was generated in financial and other services. Receivables of €135.1 million (previous year: 170.1) and liabilities of €63.1 million (previous year: 87.5) exist in connection with these activities and financial transactions.

In addition, capital increases of €5.1 million (previous year: 5.4) were carried out for joint ventures. These relate primarily to capital increases effected by Hanson Aggregates LLC in Terrell Materials LLC for €2.3 million and by Heidelberger Sand und Kies GmbH in Mibau Holding GmbH for €2.0 million.

In the 2013 financial year, no guarantees were outstanding to joint ventures (previous year: €13.4 million).

Supervisory Board and Managing Board

We refer to the details given in the Corporate Governance chapter of the Management Report on pages 135 f.

The fixed remuneration of the Managing Board remained unchanged in comparison with the previous year at €5.0 million (previous year: 5.0). The sum of current variable remuneration elements changed to €5.7 million (previous year: 5.8). It consisted of the annual bonus in the amount of €6.5 million (previous year: 6.7) on which €0.8 million (previous year: €0.9) were credited to other remuneration elements.

Other remuneration elements totalled €1.0 million (previous year: 1.3). The other remuneration elements consisted of payments for committee activities at subsidiaries of HeidelbergCement AG and taxable fringe benefits, particularly consisting of the provision of company cars, mobile phones, and communication tools, the reimbursement of expenses, as well as insurance- and assignment-related benefits.

The members of the Managing Board are participating in the long-term bonus plan 2013–2015/16, issued in 2013. The target values for the plan are €1,188,000 for Dr. Bernd Scheifele, €810,000 for Dr. Dominik von Achten, and €630,000 for each of the other members of the Managing Board. The plan comprises two equally weighted components: the management component and the capital market component. The target value of each component amounts to €594,000 for Dr. Bernd Scheifele, €405,000 for Dr. Dominik von Achten, and €315,000 for each of the other members of the Managing Board. The reference price for the capital market component amounts to €41.71. This equates to 14,241 performance share units (PSU) for Dr. Bernd Scheifele, 9,710 PSU for Dr. Dominik von Achten, and 7,552 PSU for each of the other members of the Managing Board.

In accordance with § 314, section 1, no. 6a, sentence 4 of the German Commercial Code (HGB), the fair value at the grant date must be indicated for the capital market component. For Dr. Bernd Scheifele this amounts to €576,000, for Dr. Dominik von Achten to €392,000, and for each of the other members of the Managing Board to €305,000.

The total remuneration according to DRS 17 amounted to €14.5 million (previous year: 13.9). For the calculation according to DRS 17, we refer to the explanations on page 141 f. in the chapter Corporate Governance of the Management Report.

The expenses relating to the long-term capital market components of the 2011, 2012, and 2013 long-term bonus plans in accordance with IFRS 2.51a amounted to €2.5 million (previous year: 1.3). Of this amount, €652,000 (previous year: 348,000) apply to Dr. Scheifele, €426,000 (previous year: 214,000) to Dr. von Achten, and €346,000 (previous year: 185,000) to each of the other members of the Managing Board. The expenses recognised relating to the long-term management component came to €2.6 million (previous year: 0.6).

In line with the bonus/penalty system during the implementation phase, which is described in the remuneration report, two thirds of the target value of the first long-term bonus plan 2011–2013/14 of €1.4 million was prepaid in the 2013 financial year. These amounts must be repaid to the Group or offset against future payments of variable remuneration elements if the target value is not reached.

Provisions for pension obligations (current service cost) for the current members of the Managing Board amounted to €1.9 million (previous year: 1.8). The present value of the pension entitlements amounted to €24.6 million (previous year: 22.6).

Total remuneration of the Managing Board in accordance with IAS 24 came to €18.7 million in 2013 (previous year: 15.8).

Payments to former members of the Managing Board and their surviving dependants amounted to €3.1 million in the reporting year (previous year: 3.1). Provisions for pension obligations to former members of the Managing Board amounted to €25.2 million (previous year: 27.6).

The total Supervisory Board remuneration (excluding value added tax) paid for the 2013 financial year totalled €810,500 (previous year: 790,978). Employee representatives of the Supervisory Board who are employees of the HeidelbergCement Group also received remuneration in accordance with their contracts of employment, the level of which corresponded to an equitable remuneration for their relevant functions and tasks within the Group.

In addition, companies of the HeidelbergCement Group have not carried out reportable transactions of any kind with members of the Supervisory Board or members of the Managing Board as persons in key positions or with companies in whose executive or governing bodies these persons are represented.

Statement of compliance with the German Corporate Governance Code

The statement of compliance with the German Corporate Governance Code as required by § 161 of the German Stock Company Act was submitted by the Managing Board and the Supervisory Board of HeidelbergCement AG and made available on the Internet (www.heidelbergcement.com under "About us/Corporate Governance/Statement of Compliance").

Fees of the auditor

In 2013, the auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft received fees of €3.7 million (previous year: 3.9).

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 → [Notes to the 2013 consolidated financial statements](#)
 Audit opinion
 Responsibility statement

Fees of the independent auditors		
€m	2012	2013
Audit services ¹⁾	3.2	3.0
Other assurance services	0.2	0.2
Tax services	0.4	0.4
Other services	0.1	0.1
	3.9	3.7

1) Thereof for the previous year: 2012: €0.4 million, 2013: €0.2 million

Events occurring after the close of the 2013 financial year

In February 2014, HeidelbergCement completed a capital increase against contributions in kind in connection with the increase of its participation in the logistics subsidiary Kerpen & Kerpen GmbH & Co. KG from 30 % to 100 %. The issuance of 416,477 new shares resulted from the Authorised Capital II excluding the subscription rights of shareholders. The Group's subscribed share capital thus rose slightly by €1,249,431 (equivalent to 0.22 %) to €563,749,431. The implementation of the subscribed share capital increase was recorded in the commercial register on 13 February 2014.

On 25 February 2014, HeidelbergCement concluded a new syndicated credit line to the amount of €3 billion with a term ending at the beginning of 2019 to replace the existing credit line, which would have expired in December 2015. The early refinancing was due to favourable market conditions. The syndicated credit line with currency options is intended as a liquidity reserve and can be used for cash drawings and avals. The credit margin dropped from 125 to 95 basis points. The granting of securities and guarantees of subsidiaries is no longer a component of the credit agreement.

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 capital market debt. As with all the bonds issued since 2009 and the debt certificate issued in December 2011, the bond terms and conditions include a limitation on incurring additional debt. The proceeds of the transaction will be used for general corporate purposes.

Explanations of the business combinations after the end of the reporting period can be found on page 185.

Approval of the consolidated financial statements

The consolidated financial statements were prepared by the Managing Board and adopted on 18 March 2014. They were then submitted to the Supervisory Board for approval.

List of shareholdings of HeidelbergCement Group and HeidelbergCement AG as at 31 December 2013 (§ 313, section 2, resp. § 285, no. 11 of the German Commercial Code (HGB))

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
Subsidiaries							
Western and Northern Europe							
"Exakt" Kiesaufbereitung-Gesellschaft mit beschränkter Haftung & Co Kommanditgesellschaft *	Paderborn, DEU	100.00	100.00	100.00	2012	1.0	0.3
A.R.C. (Western) Limited	Maidenhead, GBR		100.00	100.00	2012	7.5	0.0
Abetong AB	Växjö, SWE		100.00	100.00	2013	80.9	44.5
Alexandre Limited	Maidenhead, GBR		100.00	100.00	2012	5.0	0.0
Amey Group Limited (The)	Maidenhead, GBR		100.00	100.00	2012	15.7	0.0
Amey Roadstone International Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Appleby Group Limited	Maidenhead, GBR		100.00	100.00	2012	64.0	1.3
ARC Aggregates Limited	Maidenhead, GBR		100.00	100.00	2012	4.0	0.0
ARC Building Limited	Maidenhead, GBR		100.00	100.00	2012	-22.2	0.0
ARC Concrete (Anglia) Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
ARC Concrete Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
ARC Holdings Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
ARC Land Holdings Limited	Maidenhead, GBR		100.00	100.00	2012	0.3	0.0
ARC Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
ARC Property Investments Limited	Maidenhead, GBR		100.00	100.00	2012	48.2	0.0
ARC Slimline Limited	Maidenhead, GBR		100.00	100.00	2012	-3.9	0.0
ARC South Wales Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
ARC South Wales Mortar Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
ARC South Wales Quarries Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
ARC South Wales Surfacing Limited	Maidenhead, GBR		100.00	100.00	2012	0.4	0.0
ARC Wales Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Aridos Sanz S.L.U.	Valladolid, ESP		100.00	100.00	2012	5.8	0.1
AS Abetong	Oslo, NOR		100.00	100.00	2012	0.8	0.0
Attendflower Limited	Maidenhead, GBR		100.00	100.00	2012	1,232.1	0.0
B.V. Betoncentrale De Schelde	Bergen op Zoom, NLD		66.67	66.67	2012	-0.9	-0.3
B.V. Betonmortelcentrale 'BEMA'	Alkmaar, NLD		66.67	66.67	2012	0.4	-0.1
B.V. Bouwgrondstoffen A.G.M.	Amsterdam, NLD		90.00	90.00	2012	2.0	-0.3
Baltic Saule	Riga, LVA		100.00	100.00	2012	2.8	0.8
Banbury Alton Limited	Maidenhead, GBR		100.00	100.00	2012	-0.3	0.0
Bath and Portland Stone (Holdings) Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Baustoffwerke Dresden GmbH & Co. KG *	Dresden, DEU		51.00	51.00	2012	1.1	1.2
Beazer Limited	Maidenhead, GBR		100.00	100.00	2012	7.8	3.5
Beazer Services Limited	Douglas, IMN		100.00	100.00	2012	1.5	-0.2
Beforebeam Limited	Maidenhead, GBR		100.00	100.00	2012	492.8	0.0
Beforeblend Limited	Maidenhead, GBR		100.00	100.00	2012	251.0	0.0
Berec Holdings B.V.	Amsterdam, NLD		100.00	100.00	2013	187.7	0.0
Beton Baguette Marcel S.A.	Bruxelles, BEL		85.46	85.43	2012	2.0	0.6
Betong Sør AS	Oslo, NOR		67.50	67.50	2012	5.1	0.5
Betongindustri AB	Stockholm, SWE		100.00	100.00	2013	10.4	0.1
Bickleylake Limited	Maidenhead, GBR		100.00	100.00	2012	284.5	0.0
Birchwood Concrete Products Limited	Maidenhead, GBR		100.00	100.00	2012	196.3	0.0
Birchwood Omnia Limited	Maidenhead, GBR		100.00	100.00	2012	1,247.7	40.7
Bonny Holding Ltd.	Irish Town, GIB		100.00	93.94	2012	0.2	0.0
Boons Granite Quarries Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Brazier Aggregates Limited	Maidenhead, GBR		100.00	100.00	2012	2.0	0.0
Bristol Sand and Gravel Company Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
British Agricultural Services Limited	Maidenhead, GBR		100.00	100.00	2012	425.6	0.2

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 → [Notes to the 2013 consolidated financial statements](#)
 Audit opinion
 Responsibility statement

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
British Ever Ready Limited	Maidenhead, GBR		100.00	100.00	2012	29.8	0.0
Buckland Sand & Silica Company Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Bulldog Company Limited	St. Peter Port, GGY		100.00	100.00	2012	47.8	-2.1
Butterley Brick Investments (No 2) Limited	Maidenhead, GBR		100.00	100.00	2012	32.0	0.0
Butterley Brick Limited	Maidenhead, GBR		100.00	100.00	2012	0.6	0.0
C.B.R. Finance S.A.	Luxembourg, LUX		100.00	100.00	2012	7.9	4.1
Calumite Limited	Maidenhead, GBR		51.00	51.00	2012	2.5	1.7
Cantera El Hoyon, S.A.U.	Madrid, ESP		100.00	100.00	2012	4.9	0.4
Canteras Mecánicas Cárcaba, S.A.U.	Oviedo, ESP		100.00	100.00	2012	8.8	-1.2
Carrieres d'Antoing S.A.	Tournai, BEL		100.00	100.00	2012	14.3	0.5
Castle Building Products Limited	Maidenhead, GBR		100.00	100.00	2012	-0.5	0.0
Castle Cement (Chatburn) Limited	Maidenhead, GBR		100.00	100.00	2012	0.2	0.0
Castle Cement (Clyde) Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Castle Cement (Ketton) Limited	Maidenhead, GBR		100.00	100.00	2012	27.8	0.0
Castle Cement (Padeswood) Limited	Maidenhead, GBR		100.00	100.00	2012	7.3	0.0
Castle Cement (Pitstone) Limited	Maidenhead, GBR		100.00	100.00	2012	12.0	0.0
Castle Cement (Ribblesdale) Limited	Maidenhead, GBR		100.00	100.00	2012	25.9	0.0
Castle Cement Limited	Maidenhead, GBR		100.00	100.00	2012	197.7	28.7
Castle Lime Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Castle Pension Scheme Trustees Limited ⁵⁾	Maidenhead, GBR		100.00	100.00	-	-	-
CaucasusCement Holding B.V.	's-Hertogenbosch, NLD		75.00	75.00	2013	97.2	3.8
CBR Asset Management Belgium S.A.	Bruxelles, BEL		100.00	100.00	2012	8.5	0.0
CBR Baltic B.V.	's-Hertogenbosch, NLD		100.00	100.00	2013	206.5	35.3
CBR International Services S.A.	Bruxelles, BEL		100.00	100.00	2013	1,375.8	39.3
CBR Portland B.V.	's-Hertogenbosch, NLD		100.00	100.00	2013	73.7	0.0
Cem Invest Ltd ¹⁾	Irish Town, GIB		50.00	46.97	2012	2.3	0.0
Cemeta AB	Stockholm, SWE		100.00	100.00	2013	48.4	0.6
Cemeta Fastighets AB	Stockholm, SWE		100.00	100.00	2012	0.0	0.0
Cementrum I B.V.	's-Hertogenbosch, NLD		100.00	100.00	2013	105.9	-0.4
Cementrum II B.V.	's-Hertogenbosch, NLD		100.00	100.00	2013	0.5	0.0
CGF Capital B.V.	Amsterdam, NLD		100.00	100.00	2013	0.1	0.0
CHB Exeter Limited	Maidenhead, GBR		100.00	100.00	2012	1.4	0.0
CHB Group Limited	Maidenhead, GBR		100.00	100.00	2012	750.0	0.0
CHB P H R Limited	Maidenhead, GBR		100.00	100.00	2012	-10.8	-0.1
CHB Products Limited	Maidenhead, GBR		100.00	100.00	2012	2,464.1	0.0
Chemical Manufacture and Refining Limited	Maidenhead, GBR		100.00	100.00	2012	6.7	0.0
Chester Road Sand and Gravel Company Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
City of London Heliport Limited	Maidenhead, GBR		55.56	55.56	2012	-2.2	0.0
Civil and Marine (Holdings) Limited	Maidenhead, GBR		100.00	100.00	2012	44.1	91.6
Civil and Marine Limited	Maidenhead, GBR		100.00	100.00	2012	385.8	22.0
Civil and Marine Slag Cement Limited	Maidenhead, GBR		100.00	100.00	2012	136.7	0.0
Cloughton Manor Brick Limited (The)	Maidenhead, GBR		100.00	100.00	2012	0.2	0.0
Clyde Cement Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Coln Gravel Company Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Conbloc Limited	Maidenhead, GBR		100.00	100.00	2012	-0.1	0.0
Cradley Special Brick Company Limited	Maidenhead, GBR		100.00	100.00	2012	2.2	0.0
Creamix N.V.	Bruxelles, BEL		99.50	99.46	2012	0.0	0.0
Creative Land Developers Limited ¹⁾	Maidenhead, GBR		50.00	50.00	2012	-0.5	0.0
Crispway Limited	Maidenhead, GBR		100.00	100.00	2012	0.5	0.0
Cromhall Quarries, Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Cumbrian Industrials Limited	Maidenhead, GBR		100.00	100.00	2012	11.9	-0.5
D. & H. Sand Supplies Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Delmorgal Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Desimpel Brick Limited	Maidenhead, GBR		100.00	100.00	2012	3.2	0.0
Devon Concrete Works, Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
DK Beton A/S	Ringsted, DNK		100.00	100.00	2013	10.1	0.6

4 Consolidated financial statements

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
DK Cement A/S	Copenhagen, DNK		100.00	100.00	2012	5.5	0.3
DUPAMIJ Holding GmbH	Kalkar, DEU		88.00	88.00	2012	1.2	0.0
E & S Retail Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
E Sub Limited	Maidenhead, GBR		100.00	100.00	2012	7.5	0.0
Effectengage Limited	Maidenhead, GBR		100.00	100.00	2012	325.4	0.0
ENCI B.V.	Maastricht, NLD		100.00	100.00	2013	116.9	1.2
ENCI Holding N.V.	's-Hertogenbosch, NLD		100.00	100.00	2012	503.8	79.3
Ensign Park Limited ¹⁾	Maidenhead, GBR		50.00	50.00	2012	-2.0	0.0
F.C. Precast Concrete Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Fastighets AB Limhamns Kalkbrott	Stockholm, SWE		100.00	100.00	2012	2.7	0.0
Ferrersand Aggregates Limited	Maidenhead, GBR		100.00	100.00	2012	1.7	0.0
Formpave Holdings Limited	Maidenhead, GBR		100.00	100.00	2012	4.1	0.0
Formpave Limited	Maidenhead, GBR		100.00	100.00	2012	6.1	0.0
Fulber Limited	St. Peter Port, GGY		100.00	100.00	2012	262.6	0.0
Garkalnes Grants SIA	Riga, LVA		100.00	100.00	2012	3.8	0.1
Granor S.A.S.	Loos, FRA		100.00	100.00	2012	0.2	0.6
Greenways Environmental and Waste Management Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Greenwoods (St. Ives) Limited	Maidenhead, GBR		100.00	100.00	2012	2.2	0.0
Guidelink	Maidenhead, GBR		100.00	99.99	2012	0.2	0.0
Habfield Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Hanson (CGF) (No.1) Limited	Maidenhead, GBR		100.00	100.00	2012	3,692.8	200.3
Hanson (CGF) (No2) Limited	Maidenhead, GBR		100.00	100.00	2012	4,930.7	0.0
Hanson (CGF) Finance Limited	Maidenhead, GBR		100.00	100.00	2012	1,028.7	8.8
Hanson (CGF) Holdings Limited	Maidenhead, GBR		100.00	100.00	2012	288.8	6.2
Hanson (ER-No 10) Limited	Maidenhead, GBR		100.00	100.00	2012	313.3	0.0
Hanson (ER-No 5) Limited	Maidenhead, GBR		100.00	100.00	2012	181.0	0.0
Hanson (ER-No 8) Limited	Maidenhead, GBR		100.00	100.00	2012	0.3	0.0
Hanson (ER-No 9) Limited	Maidenhead, GBR		100.00	100.00	2012	4.1	0.0
Hanson (FP) Limited	Maidenhead, GBR		100.00	100.00	2012	7,873.7	0.0
Hanson (MR) Limited	Maidenhead, GBR		100.00	99.99	2012	2,704.9	0.0
Hanson (NAIL) Limited	Maidenhead, GBR		100.00	100.00	2012	6.7	0.0
Hanson Aggregates (North) Limited	Maidenhead, GBR		100.00	100.00	2012	49.7	0.0
Hanson Aggregates Belgium N.V.	Zeebrugge, BEL		100.00	100.00	2012	7.5	0.7
Hanson Aggregates Holding Nederland B.V.	Amsterdam, NLD		100.00	100.00	2012	4.5	0.0
Hanson Aggregates Limited	Maidenhead, GBR		100.00	100.00	2012	100.9	0.0
Hanson Aggregates Marine Limited	Maidenhead, GBR		100.00	100.00	2012	143.4	6.3
Hanson Aggregates Nederland B.V.	Amsterdam, NLD		100.00	100.00	2012	0.3	0.1
Hanson Aggregates South Wales Holdings Limited	Maidenhead, GBR		100.00	100.00	2012	8.4	0.0
Hanson Aggregates South Wales Limited	Maidenhead, GBR		100.00	100.00	2012	47.7	0.0
Hanson Aggregates UK Limited	Maidenhead, GBR		100.00	100.00	2012	2,464.3	0.0
Hanson America Holdings (1) Limited	Maidenhead, GBR		100.00	100.00	2012	2,342.9	0.0
Hanson America Holdings (2) Limited	Maidenhead, GBR		100.00	100.00	2012	586.7	0.0
Hanson America Holdings (3) Limited	Maidenhead, GBR		100.00	100.00	2012	579.9	0.0
Hanson America Holdings (4) Limited	Maidenhead, GBR		100.00	100.00	2012	51.0	0.0
Hanson Aruba Limited	St. Peter Port, GGY		99.99	99.99	2012	1,599.8	-0.1
Hanson Bath and Portland Stone Limited	Maidenhead, GBR		100.00	100.00	2012	-2.6	0.0
Hanson Batteries Limited	Maidenhead, GBR		100.00	100.00	2012	56.9	0.0
Hanson Blocks North Limited ¹⁾	Maidenhead, GBR		50.00	50.00	2012	16.3	0.0
Hanson Brick Ltd	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Hanson Building Materials Europe Limited	Maidenhead, GBR		100.00	100.00	2012	2,777.2	0.0
Hanson Building Materials Limited	Maidenhead, GBR		100.00	100.00	2012	3,938.5	-10.9
Hanson Building Products (2003) Limited	Maidenhead, GBR		100.00	100.00	2012	1,879.1	12.5
Hanson Building Products Limited	Maidenhead, GBR		100.00	100.00	2012	-60.6	6.0
Hanson Canada Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Hanson Clay Products Limited	Maidenhead, GBR		100.00	100.00	2012	18.7	0.0

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 → [Notes to the 2013 consolidated financial statements](#)
 Audit opinion
 Responsibility statement

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
Hanson Concrete Products Limited	Maidenhead, GBR		100.00	100.00	2012	63.6	0.0
Hanson Crewing Services Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Hanson Devon Limited	Shannon, IRL		100.00	100.00	2012	3,989.6	-0.1
Hanson Facing Bricks Limited	Maidenhead, GBR		100.00	100.00	2012	305.6	0.0
Hanson Finance (2003) Limited	Maidenhead, GBR		100.00	100.00	2012	588.6	31.2
Hanson Finance Limited	Maidenhead, GBR		100.00	100.00	2012	954.5	-33.3
Hanson Financial Services Limited	Maidenhead, GBR		100.00	100.00	2012	121.9	1.4
Hanson Fletton Bricks Limited	Maidenhead, GBR		100.00	100.00	2012	38.9	0.0
Hanson Foods Limited	Maidenhead, GBR		100.00	100.00	2012	208.8	0.0
Hanson FP Holdings B.V.	Amsterdam, NLD		100.00	100.00	2013	391.0	3.9
Hanson Funding (G) Limited	Maidenhead, GBR		100.00	100.00	2012	214.1	0.0
Hanson Germany GmbH & Co. KG *	Leinatal, DEU		100.00	100.00	2012	0.5	-0.3
Hanson Gerrard Limited	St. Peter Port, GGY		100.00	100.00	2012	-0.2	0.0
Hanson H4 Limited	Maidenhead, GBR		100.00	100.00	2012	1,908.2	0.0
Hanson H5	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Hanson Hedging (Dollars) (1) Limited	Maidenhead, GBR		100.00	100.00	2012	239.4	0.0
Hanson Hedging (Dollars) (2) Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Hanson Hispania, S.A.U.	Madrid, ESP		100.00	100.00	2012	135.3	-36.1
Hanson Holdings (1) Limited	Maidenhead, GBR		100.00	100.00	2012	46,821.8	0.0
Hanson Holdings (2) Limited	Maidenhead, GBR		100.00	100.00	2012	1,293.6	0.0
Hanson Holdings (3) Limited	Maidenhead, GBR		100.00	100.00	2012	1,021.2	0.0
Hanson Holdings Limited	Maidenhead, GBR		100.00	100.00	2012	2,441.9	-32.1
Hanson Iceland EHF	Reykjavik, ISL		100.00	100.00	2012	2,463.4	-0.1
Hanson Industrial (Engineering Holdings) Limited	Maidenhead, GBR		100.00	100.00	2012	6.7	0.0
Hanson Industrial Limited	Maidenhead, GBR		100.00	100.00	2012	193.2	0.0
Hanson International Holdings Limited	Maidenhead, GBR		100.00	100.00	2012	13,924.5	0.0
Hanson Island Management Limited	St. Peter Port, GGY		100.00	100.00	2012	0.2	-0.1
Hanson Land Development Limited	Maidenhead, GBR		100.00	100.00	2012	-36.4	0.0
Hanson LHA Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Hanson Limited	Maidenhead, GBR		100.00	100.00	2013	7,816.8	-35.7
Hanson Marine Holdings Limited	Maidenhead, GBR		100.00	100.00	2012	3.1	12.3
Hanson Marine Limited	Maidenhead, GBR		100.00	100.00	2012	46.8	-0.3
Hanson Overseas Corporation Limited	Maidenhead, GBR		100.00	100.00	2012	2,325.0	0.0
Hanson Overseas Holdings Limited	Maidenhead, GBR		100.00	100.00	2012	21,986.5	-22.0
Hanson Peabody Limited	Maidenhead, GBR		100.00	100.00	2012	1,236.3	0.0
Hanson Pioneer España, S.L.U.	Madrid, ESP		100.00	100.00	2012	394.3	-20.3
Hanson Quarry Products Europe Limited	Maidenhead, GBR		100.00	100.00	2012	48,840.7	-61.9
Hanson Quarry Products Holdings Limited	Maidenhead, GBR		100.00	100.00	2012	51.4	0.0
Hanson Quarry Products Overseas Limited	Maidenhead, GBR		100.00	100.00	2012	2.4	0.0
Hanson Quarry Products Trade Finance Limited	Maidenhead, GBR		100.00	100.00	2012	16.0	0.1
Hanson Quarry Products Transport Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Hanson Quarry Products Ventures Limited	Maidenhead, GBR		100.00	100.00	2012	54.4	1.5
Hanson Recycling Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Hanson Retail Limited	Maidenhead, GBR		100.00	100.00	2012	124.4	0.0
Hanson Ship Management Ltd	St. Peter Port, GGY		100.00	100.00	2012	0.2	-0.2
Hanson Thermalite Limited	Maidenhead, GBR		100.00	100.00	2012	51.4	0.0
Hanson TIS Holdings Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Hanson TIS Limited	Maidenhead, GBR		100.00	100.00	2012	-3.0	0.0
Hanson Trust Limited	Maidenhead, GBR		100.00	100.00	2012	119.9	0.0
Hanson Trustees Limited	Maidenhead, GBR		100.00	100.00	2012	-1.8	0.0
Harrisons Limeworks Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Hartsholme Property Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
HB Hotels Limited	Maidenhead, GBR		100.00	100.00	2012	-0.7	0.0
HC Asia Holding GmbH	Heidelberg, DEU	100.00	100.00	100.00	2012	37.8	16.4
HC Betons SIA	Riga, LVA		100.00	100.00	2012	-0.1	-0.5

4 Consolidated financial statements

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
HC Betocon AS, Estonia	Tallinn, EST		100.00	100.00	2012	6.7	0.3
HC Fuels Limited	London, GBR		100.00	100.00	2012	10.7	-0.3
HC Green Trading Limited	St. Julian's, MLT		100.00	100.00	2012	0.0	0.0
HC Hanson Holding B.V.	's-Hertogenbosch, NLD		100.00	100.00	2013	326.6	0.0
HC Italia SRL	Rome, ITA		100.00	100.00	2012	0.6	0.0
HC Kalkproduktionsgesellschaft Istein mbH	Efringen-Kirchen, DEU	100.00	100.00	100.00	2012	1.6	-0.1
HC Trading B.V.	's-Hertogenbosch, NLD		100.00	100.00	2012	28.9	-6.0
HC Trading Malta Limited	St. Julian's, MLT		100.00	100.00	2012	0.0	17.1
HCT Holding Malta Limited	St. Julian's, MLT	100.00	100.00	100.00	2012	75.0	26.3
Heidelberg Cement Iceland EHF	Reykjavik, ISL		100.00	100.00	2012	0.0	0.0
HeidelbergCement Canada Holding Limited	Maidenhead, GBR		100.00	100.00	2012	3,824.9	364.0
HeidelbergCement Central Europe East Holding B.V.	's-Hertogenbosch, NLD		100.00	100.00	2012	1,058.4	96.3
HeidelbergCement Danmark A/S	Ringsted, DNK		100.00	100.00	2012	50.3	0.0
HeidelbergCement Finance B.V.	's-Hertogenbosch, NLD	100.00	100.00	100.00	2013	34.1	7.9
HeidelbergCement Finance Luxembourg S.A.	Luxembourg, LUX		100.00	100.00	2012	12.1	126.1
HeidelbergCement Grundstücks-gesellschaft mbH & Co. KG *	Heidelberg, DEU	100.00	100.00	100.00	2012	17.5	1.2
HeidelbergCement Holding Coöperatief U.A.	's-Hertogenbosch, NLD		100.00	100.00	2013	1,125.4	35.2
HeidelbergCement Holding S.à r.l.	Luxembourg, LUX		100.00	100.00	2012	18,849.6	84.9
HeidelbergCement Holdings Limited	Maidenhead, GBR	100.00	100.00	100.00	2012	2.4	0.0
HeidelbergCement International Holding GmbH	Heidelberg, DEU	100.00	100.00	100.00	2012	11,854.7	0.0
HeidelbergCement Luxembourg S.à r.l.	Luxembourg, LUX		100.00	100.00	2012	-0.1	0.0
HeidelbergCement Mediterranean Basin Holdings S.L.	Madrid, ESP		100.00	100.00	2012	300.9	13.4
HeidelbergCement Miljö AB	Stockholm, SWE		100.00	100.00	2012	2.1	0.0
HeidelbergCement Netherlands Holding B.V.	's-Hertogenbosch, NLD	85.46	100.00	100.00	2012	692.3	-0.4
HeidelbergCement Northern Europe AB	Stockholm, SWE		100.00	100.00	2012	1,286.2	616.8
HeidelbergCement Northern Europe Pumps & Trucks A/S	Ringsted, DNK		100.00	100.00	2012	5.2	0.0
HeidelbergCement Norway a.s.	Oslo, NOR		100.00	100.00	2012	312.0	41.6
HeidelbergCement Sweden AB	Stockholm, SWE		100.00	100.00	2012	747.3	0.8
HeidelbergCement UK Holding II Limited	Maidenhead, GBR		100.00	100.00	2012	12,910.9	70.3
HeidelbergCement UK Holding Limited	Maidenhead, GBR		100.00	100.00	2012	10,523.5	-577.7
HeidelbergCement UK Limited	Maidenhead, GBR	100.00	100.00	100.00	2012	98.5	0.3
Heidelberger Beton Donau-Naab GmbH & Co. KG *	Burglengenfeld, DEU		85.00	85.00	2012	1.5	0.9
Heidelberger Beton GmbH	Heidelberg, DEU	100.00	100.00	100.00	2012	18.5	-0.5
Heidelberger Betonelemente GmbH & Co. KG *	Chemnitz, DEU		83.00	83.00	2012	4.3	3.3
Heidelberger Betonpumpen Rhein-Main-Nahe GmbH & Co. KG *	Bad Kreuznach, DEU		100.00	93.77	2012	0.6	0.4
Heidelberger Kalksandstein GmbH	Durmersheim, DEU		100.00	100.00	2012	17.4	2.5
Heidelberger Kalksandstein Grundstücks- und Beteiligungs-GmbH & Co. KG *	Durmersheim, DEU		100.00	100.00	2012	17.5	3.2
Heidelberger Kieswerke Niederrhein GmbH	Essen, DEU		100.00	100.00	2012	0.9	0.0
Heidelberger Kieswerke Rhein-Ruhr GmbH	Essen, DEU		100.00	100.00	2012	1.7	-0.2
Heidelberger KS Beteiligungen Deutschland GmbH & Co. KG *	Heidelberg, DEU		100.00	100.00	2012	4.6	0.7
Heidelberger Sand und Kies GmbH	Heidelberg, DEU	100.00	100.00	100.00	2012	79.1	3.3
HIPS (Trustees) Limited	Bedford, GBR		100.00	100.00	2012	0.0	0.0
HK Holdings (No 2) Limited	Maidenhead, GBR		100.00	100.00	2012	79.3	0.1
HK Holdings (No.1) Limited	Maidenhead, GBR		100.00	100.00	2012	34.4	0.0
HKS Hunziker Kalksandstein AG	Brugg, CHE		100.00	100.00	2012	7.4	0.7
Holms Sand & Gravel Company (1985) (The)	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Holms Sand & Gravel Company Limited (The)	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Homes (East Anglia) Limited	Maidenhead, GBR		100.00	100.00	2012	0.2	0.0
Hormigones y Aridos, S.A.U.	Bilbao, ESP		100.00	100.00	2012	2.7	-1.3
Housemotor Limited	Maidenhead, GBR		100.00	100.00	2012	1,901.9	0.0
Houseprice Limited	Maidenhead, GBR		100.00	100.00	2012	722.1	0.0
Houserate Limited	Maidenhead, GBR		100.00	100.00	2012	1,701.5	-0.2
HPL Albany House Developments Limited ¹⁾	Maidenhead, GBR		50.00	50.00	2012	-0.6	0.0
HPL Estates Limited	Maidenhead, GBR		100.00	100.00	2012	4.3	0.0

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 → [Notes to the 2013 consolidated financial statements](#)
 Audit opinion
 Responsibility statement

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
HPL Investments Limited	Maidenhead, GBR		100.00	100.00	2012	496.8	0.0
HPL Properties Limited	Maidenhead, GBR		100.00	100.00	2012	49.0	0.0
HPL Property Limited	Maidenhead, GBR		100.00	100.00	2012	50.6	0.0
HPL West London Developments Limited ¹⁾	Maidenhead, GBR		50.00	50.00	2012	-0.3	0.0
Hurst and Sandler Limited	Maidenhead, GBR		100.00	100.00	2012	5.8	0.0
Imperial Foods Holdings Limited	Maidenhead, GBR		100.00	100.00	2012	0.7	0.0
Imperial Group Limited	Maidenhead, GBR		100.00	100.00	2012	19.1	0.0
Imperial Potted Shrimps Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Imperial Seafoods Limited	Maidenhead, GBR		100.00	100.00	2012	1.4	0.0
Inter-Beton SA	Bruxelles, BEL		99.96	99.96	2013	57.3	-5.8
International Trading and Finance (ITF) B.V.	's-Hertogenbosch, NLD		100.00	100.00	2013	11.7	0.1
Irvine - Whitlock Limited	Maidenhead, GBR		100.00	100.00	2013	4.6	-0.2
J A Crabtree & Co Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
J. Riera, S.A.	Barcelona, ESP		100.00	100.00	2012	7.7	-5.3
James Grant & Company (West) Limited	Edinburgh, GBR		100.00	100.00	2012	2.7	0.0
Joseph Wones (Holdings) Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Judkins Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
K.M. Property Development Company Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
KalininCement Holding B.V.	's-Hertogenbosch, NLD		74.90	74.90	2013	3.8	0.0
Kazakhstan Cement Holding B.V.	's-Hertogenbosch, NLD		100.00	100.00	2013	85.4	15.1
Kerpen & Kerpen GmbH & Co. KG * ¹⁾	Ochtendung, DEU		30.00	30.00	2012	0.2	1.5
Ketton Cement Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Kieswerk Maas-Roeloffs GmbH & Co KG	Kalkar, DEU		100.00	88.00	2012	0.8	0.1
Kieswerk Maas-Roeloffs Verwaltungsgesellschaft mbH	Kalkar, DEU		96.00	84.48	2012	0.0	0.0
Kieswerke Andresen GmbH	Damsdorf, DEU		100.00	100.00	2012	1.0	0.0
Kingston Minerals Limited	Maidenhead, GBR		100.00	100.00	2012	0.2	0.0
Kivel Properties Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Kommanditbolaget Cementen	Stockholm, SWE		100.00	100.00	2012	1.4	0.3
Kunda Nordic Tsement AS	Kunda, EST		75.00	75.00	2013	151.0	6.1
L.B. (Stewartby) Limited	Maidenhead, GBR		100.00	100.00	2012	62.0	0.0
Leamaat Omikron B.V.	Amsterdam, NLD		100.00	100.00	2013	11.9	0.0
Leca (Great Britain) Limited	Maidenhead, GBR		100.00	100.00	2012	1.0	0.0
Lehigh B.V.	's-Hertogenbosch, NLD		100.00	100.00	2013	10,239.5	0.0
Lehigh UK Limited	Maidenhead, GBR		100.00	100.00	2013	16,295.3	-1.4
Lindustries Limited	Edinburgh, GBR		100.00	100.00	2012	54.9	0.0
Localdouble Limited	Maidenhead, GBR		100.00	100.00	2012	793.1	0.0
London Brick Company Limited	Maidenhead, GBR		100.00	100.00	2012	27.2	0.0
London Brick Engineering Limited	Maidenhead, GBR		100.00	100.00	2012	2.6	0.0
M E Sub Limited	Maidenhead, GBR		100.00	100.00	2012	21.7	0.0
Maatschappij tot Exploitatie van Betoncentrale De Zilvermeeuw MATOZ v.o.f. ¹⁾	Rotterdam, NLD		50.00	50.00	2012	-0.4	-0.4
Magnatool AB	Malmö, SWE		100.00	75.00	2012	0.0	0.0
Malmö-Limhamns Järnvägsaktiebolag	Stockholm, SWE		100.00	100.00	2012	0.1	0.0
Mantle & Llay Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Marnee Limited	Maidenhead, GBR		100.00	100.00	2012	66.2	0.0
Marples Ridgway Limited	Maidenhead, GBR		100.00	100.00	2012	-4.9	0.0
Marples Ridgway Overseas Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Mebin B.V.	's-Hertogenbosch, NLD		100.00	100.00	2013	32.5	-6.0
Mebin Leeuwarden B.V.	Leeuwarden, NLD		79.79	79.79	2012	0.8	0.0
Meppeler Betoncentrale B.V.	Meppel, NLD		66.67	66.67	2012	0.4	0.0
Midland Quarry Products Limited	Whitwick, GBR		100.00	100.00	2012	72.3	6.0
Milton Hall (Southend) Brick Company Limited (The)	Maidenhead, GBR		100.00	100.00	2012	1.7	0.0
Minster Quarries Limited	Maidenhead, GBR		100.00	100.00	2012	-1.5	0.0
Mixconcrete Holdings Limited	Maidenhead, GBR		100.00	100.00	2012	4.8	0.0
Mixconcrete Limited	Maidenhead, GBR		100.00	100.00	2012	-2.2	0.0
Mold Tar Macadam Co.Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0

4 Consolidated financial statements

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
Morebeat Limited	Maidenhead, GBR		100.00	100.00	2012	151.0	0.0
Motioneager Limited	Maidenhead, GBR		100.00	100.00	2012	263.0	0.0
National Brick Company Limited	Maidenhead, GBR		100.00	100.00	2012	3.1	0.0
National Star Brick and Tile Holdings Limited	Maidenhead, GBR		100.00	100.00	2012	2.6	0.0
National Star Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
NedCem Holding B.V.	's-Hertogenbosch, NLD		100.00	66.67	2012	0.8	0.0
Norbetong AS	Oslo, NOR		100.00	100.00	2013	65.3	2.6
Norbetong Pumping AS	Oslo, NOR		75.50	75.50	2012	0.3	0.1
Norcem AS	Oslo, NOR		100.00	100.00	2013	46.9	2.6
Nord-fosen Pukkverk AS	Steinsdalen, NOR		60.00	100.00	2012	1.6	-0.2
Norstone AS	Oslo, NOR		100.00	100.00	2013	17.3	1.1
P. & B. J. Dallimore Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Paderborner Transport - Beton - Gesellschaft mit beschränkter Haftung & Co. K.-G. *	Paderborn, DEU		87.50	87.50	2012	0.8	0.1
Padyear Limited ¹⁾	Maidenhead, GBR		50.00	50.00	2012	-0.2	0.0
Palatina Insurance Ltd.	Sliema, MLT		100.00	100.00	2012	46.1	0.8
Paperbefore Limited	Maidenhead, GBR		100.00	100.00	2012	370.8	0.0
Pencrete Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Penfolds Builders Merchants Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Picon Overseas Limited	St. Peter Port, GGY		100.00	100.00	2012	181.4	6.2
Piedras y Derivados, S.A.U.	Barcelona, ESP		100.00	100.00	2012	15.3	-4.2
PILC Limited	St. Peter Port, GGY		100.00	100.00	2012	17.9	0.1
Pinden Plant & Processing Co. Limited (The)	Maidenhead, GBR		100.00	100.00	2012	6.9	0.0
Pioneer Aggregates (UK) Limited	Maidenhead, GBR		100.00	100.00	2012	4.4	-0.1
Pioneer Asphalts (U.K.) Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Pioneer Concrete (U.K.) Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Pioneer Concrete Development Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Pioneer Concrete Holdings Limited	Maidenhead, GBR		100.00	100.00	2012	143.4	0.0
Pioneer International Group Holdings Limited	Maidenhead, GBR		100.00	100.00	2012	1,090.9	0.0
Pioneer International Investments Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Pioneer Investments UK Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Pioneer Overseas Investments Limited	St. Peter Port, GGY		100.00	100.00	2012	108.9	-0.1
Pioneer Willment Concrete Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Premix Concrete Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Protenna AB	Stockholm, SWE		75.00	75.00	2012	29.9	0.3
Purfleet Aggregates Limited	Maidenhead, GBR		100.00	100.00	2012	-0.1	0.0
Recem S.A.	Luxembourg, LUX		100.00	100.00	2012	2.9	0.0
Reci Eesti A/S	Tallinn, EST		100.00	100.00	2012	5.0	0.0
Red Bank Manufacturing Company Limited	Maidenhead, GBR		100.00	100.00	2012	14.7	0.0
Redshow Limited	Maidenhead, GBR		100.00	100.00	2012	135.4	0.0
Renor AS	Aurskog, NOR		100.00	100.00	2012	3.3	0.2
Rezincote (1995) Limited	Maidenhead, GBR		100.00	100.00	2012	-0.5	0.0
Ribblesdale Cement Limited	Maidenhead, GBR		100.00	100.00	2012	3.0	0.0
Roads Reconstruction Limited	Maidenhead, GBR		100.00	100.00	2012	10.6	0.0
S Sub Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
S.A. CBR Asset Management	Luxembourg, LUX		100.00	100.00	2012	0.4	0.0
S.A. Cimenteries CBR	Bruxelles, BEL	100.00	100.00	100.00	2013	610.7	-3.6
Sabine Limited	St. Peter Port, GGY		100.00	100.00	2012	262.6	0.0
Sagrex B.V.	's-Hertogenbosch, NLD		100.00	100.00	2012	-1.1	-0.5
Sagrex Holding B.V.	's-Hertogenbosch, NLD		100.00	100.00	2012	19.4	0.5
Sagrex Productie B.V.	's-Hertogenbosch, NLD		100.00	100.00	2012	5.1	1.0
SAGREX S.A.	Bruxelles, BEL		100.00	100.00	2012	67.3	6.4
Sailltown Limited	Maidenhead, GBR		100.00	100.00	2012	282.6	2.4
Saint Hubert Investments S.à r.l.	Luxembourg, LUX		100.00	100.00	2012	369.5	-0.1
Samuel Wilkinson & Sons Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Sand- & Grusaktiebolag Jehander	Stockholm, SWE		100.00	100.00	2013	11.9	-0.5

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 → [Notes to the 2013 consolidated financial statements](#)
 Audit opinion
 Responsibility statement

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
Sand Supplies (Western) Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Sandwerke Biesern GmbH	Penig, DEU		100.00	100.00	2012	8.4	0.0
Saunders (Ipswich) Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Scancem Central Africa Holding 1 AB	Stockholm, SWE		100.00	100.00	2012	18.6	0.1
Scancem Central Africa Holding 2 AB	Stockholm, SWE		100.00	100.00	2012	18.5	0.1
Scancem Central Africa Holding 3 AB	Stockholm, SWE		100.00	100.00	2012	15.3	0.0
Scancem Central Africa Holding 4 AB	Stockholm, SWE		100.00	100.00	2012	15.3	0.1
Scancem East OY AB	Helsinki, FIN		100.00	100.00	2012	7.2	0.1
Scancem Energy and Recovery Limited	Maidenhead, GBR		100.00	100.00	2012	19.9	0.0
Scancem International a.s	Oslo, NOR		100.00	100.00	2012	303.1	45.7
Scancem International DA	Oslo, NOR		93.94	93.94	2012	331.4	58.3
Scancem International Limited	Maidenhead, GBR		100.00	100.00	2012	22.0	0.0
Scancem Recovery Limited	Maidenhead, GBR		100.00	100.00	2012	19.8	0.1
Scancem Supply Limited	Maidenhead, GBR		100.00	100.00	2012	-2.3	0.0
Seagoe Concrete Products Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Second City Properties Limited	Maidenhead, GBR		100.00	100.00	2012	14.2	0.0
Shanon Limited Partnership	Edinburgh, GBR		100.00	99.99	2012	1.7	-0.1
Shapedirect Limited	Maidenhead, GBR		100.00	100.00	2012	7,598.7	4.8
SJP 1 Limited	Maidenhead, GBR		100.00	100.00	2012	-0.1	0.0
Slotcount Limited	Maidenhead, GBR		60.14	60.15	2012	1,958.4	0.0
Small Lots (Mix-It) Limited	Maidenhead, GBR		100.00	100.00	2012	13.3	0.0
SMW Sand und Mörtelwerk GmbH & Co. KG *	Königs Wusterhausen, DEU		100.00	100.00	2012	0.9	0.7
Solrec Limited	Maidenhead, GBR		100.00	100.00	2012	10.3	0.0
SQ Corporation Limited	Maidenhead, GBR		100.00	100.00	2012	2,989.4	0.0
SQ Finance No 2 Limited	Maidenhead, GBR		100.00	100.00	2012	3,094.2	0.0
St Edouard S.à r.l.	Luxembourg, LUX		100.00	99.99	2012	2,491.2	0.0
ST JUDE S.à r.l.	Luxembourg, LUX		100.00	100.00	2012	2,464.0	0.0
ST LUKE S.à r.l.	Luxembourg, LUX		100.00	100.00	2012	13.4	-0.2
ST MARIUS S.à r.l.	Luxembourg, LUX		100.00	100.00	2012	145.6	0.0
ST NICOLAS S.à r.l.	Luxembourg, LUX		100.00	100.00	2012	419.9	0.1
St Pierre S.à r.l.	Luxembourg, LUX		100.00	99.99	2012	0.5	-0.1
Stahlsaiten Betonwerke GmbH	Ennigerloh, DEU	74.00	74.00	74.00	2012	0.4	0.0
Stephen Toulson & Sons Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Stewartby Housing Association, Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Structherm Holdings Limited	Maidenhead, GBR		100.00	100.00	2012	2.2	1.2
Structherm Limited	Maidenhead, GBR		100.00	100.00	2012	3.8	3.1
Supamix Limited	Maidenhead, GBR		100.00	100.00	2012	6.9	0.0
Svensk Returindustri AB	Stockholm, SWE		100.00	100.00	2012	0.0	0.0
Svenska Cementföreningen UPA	Stockholm, SWE		100.00	100.00	2012	0.0	0.0
TBG Transportbeton Kurpfalz GmbH & Co. KG *	Eppelheim, DEU		51.11	51.11	2012	4.3	0.4
TBH Transportbeton Hamburg GmbH & Co. KG *	Hamburg, DEU		85.00	85.00	2012	0.6	-3.1
The Purfleet Ship to Shore Conveyor Company Limited	Maidenhead, GBR		100.00	100.00	2012	0.1	0.0
Thistleton Quarries Limited	Maidenhead, GBR		100.00	100.00	2012	-1.8	0.0
Tillotson Commercial Motors Limited	Maidenhead, GBR		100.00	100.00	2012	-23.1	0.0
Tillotson Commercial Vehicles Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Tilmanstone Brick Limited	Maidenhead, GBR		100.00	100.00	2012	8.7	0.0
Timesound	Maidenhead, GBR		100.00	100.00	2012	0.7	0.0
TLQ Limited	Edinburgh, GBR		100.00	100.00	2012	0.0	0.0
TMC Pioneer Aggregates Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
Tunnel Cement Limited	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
U.D.S. Holdings B.V.	Amsterdam, NLD		100.00	100.00	2013	612.8	0.0
UAB Gerdukas	Vilnius, LTU		70.00	70.00	2012	2.2	0.4
UAB Heidelberg Cement Klaipeda	Klaipeda, LTU		100.00	100.00	2012	0.3	-0.2
UDS (No 10)	Maidenhead, GBR		100.00	100.00	2012	0.0	0.0
UDS (No 3) Limited	Maidenhead, GBR		100.00	100.00	2012	7.0	0.0
UDS Corporation Limited	Maidenhead, GBR		100.00	100.00	2012	449.3	0.0

4 Consolidated financial statements

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
UDS Finance Limited	Maidenhead, GBR		100.00	100.00	2012	50.2	0.0
UDS Group Limited	Maidenhead, GBR		100.00	100.00	2012	135.3	0.0
UDS Holdings (1) Limited	Maidenhead, GBR		100.00	100.00	2012	229.4	0.0
UGI Group Limited	Maidenhead, GBR		100.00	100.00	2012	118.7	0.0
United Gas Industries Limited	Maidenhead, GBR		100.00	100.00	2012	14.3	0.0
V.E.A. Limited	St. Peter Port, GGY		100.00	100.00	2012	195.5	0.3
V.O.F. 'Bouwdok Barendrecht'	Barendrecht, NLD		60.01	60.01	2012	0.2	0.0
Viewgrove Investments Limited	Maidenhead, GBR		100.00	100.00	2012	7,873.7	0.0
Visionfocus Limited	Maidenhead, GBR		100.00	100.00	2012	444.0	0.0
Visionrefine Limited	Maidenhead, GBR		100.00	100.00	2012	-0.4	0.0
Walhalla Kalk GmbH & Co. KG *	Regensburg, DEU	79.91	79.91	79.91	2012	11.5	4.0
Walhalla Kalkproduktionsgesellschaft mbH	Regensburg, DEU		100.00	79.91	2012	3.9	-0.1
Welbecson Group Limited	Maidenhead, GBR		100.00	100.00	2012	-0.1	0.0
WIKA Sand und Kies GmbH & Co. KG *	Bremen, DEU		100.00	100.00	2012	4.2	1.1
Wineholm Limited	Maidenhead, GBR		100.00	100.00	2012	-2.5	0.0

Subsidiaries

Eastern Europe-Central Asia

BayKaz Beton LLP	Almaty, KAZ		100.00	100.00	2012	5.2	-0.9
BEKTAS Group LLP	Almaty, KAZ		100.00	100.00	2012	0.9	-0.6
Betonpumpy a doprava SK a.s.	Bratislava, SVK		100.00	100.00	2012	0.3	0.0
BETOTECH, s.r.o.	Beroun, CZE		100.00	91.50	2012	0.8	0.1
BT Poznań Sp. z o.o.	Janikowo, POL		75.00	75.00	2012	1.0	0.0
BT Topbeton Sp. z o.o. ¹⁾	Gorzów Wielkopolski, POL		50.00	50.00	2012	7.6	1.4
Bukhtarma Cement Company LLP	Oktyabrskiy village, KAZ		100.00	100.00	2012	64.0	8.9
Calumite s.r.o.	Ostrava, CZE		100.00	51.00	2012	4.7	1.0
Carpat Agregate S.A.	Bucharest, ROU		100.00	100.00	2012	8.7	-2.0
Carpat Beton S.R.L.	Bucharest, ROU		100.00	100.00	2012	17.7	-2.2
Carpat Beton Servicii Pompe SRL	Bucharest, ROU		100.00	100.00	2012	2.8	-0.1
Carpat Cemtrans S.R.L.	Bucharest, ROU		100.00	100.00	2012	4.5	0.1
Carpatcement Holding S.A.	Bucharest, ROU		100.00	100.00	2013	255.5	17.2
CaspiCement Limited Liability Partnership	Shetpe, KAZ		100.00	100.00	2012	104.9	0.5
Caspinerud Limited Liability Partnership	Aktau, KAZ		75.10	75.10	2012	12.1	-0.3
Českomoravský beton, a.s.	Beroun, CZE		100.00	100.00	2012	31.0	2.0
Českomoravský cement, a.s.	Mokra, CZE		100.00	100.00	2013	171.8	22.6
Českomoravský sterk, a.s.	Mokra, CZE		100.00	100.00	2012	57.7	2.3
Górażdże Beton Sp. z o.o.	Chorula, POL		100.00	100.00	2013	24.3	1.1
Górażdże Cement S.A.	Chorula, POL		100.00	100.00	2013	245.9	36.4
Górażdże Kruszywa Sp. z o.o.	Chorula, POL		100.00	100.00	2012	28.1	-1.1
HeidelbergCement Georgia, Ltd.	Tbilisi, GEO		100.00	75.00	2013	10.9	-2.7
Kamenivo Slovakia a.s.	Bytča-Hrabové, SVK		100.00	100.00	2012	1.3	-0.1
Limited Liability Company "Construction Materials"	Sterlitamak, RUS		100.00	100.00	2013	102.5	9.8
Limited Liability Company "HeidelbergBeton Ukraine"	Kryvyi Rih, UKR		100.00	99.98	2012	4.8	-0.2
Limited Liability Company "KSL"	Busheve, UKR		100.00	100.00	2012	1.9	-0.5
Limited Liability Company "Rybalsky Quarry"	Dnepropetrovsk, UKR		100.00	100.00	2012	1.0	-0.3
LLC "HeidelbergGranit Ukraine"	Kryvyi Rih, UKR		100.00	100.00	2012	6.3	-0.1
LLC HeidelbergBeton Georgia	Tbilisi, GEO		100.00	100.00	2012	2.4	0.6
LLC "HeidelbergCement Rus"	Podolsk, RUS		100.00	100.00	2013	14.1	1.5
LLC Kartuli Cementi	Tbilisi, GEO		82.00	82.00	2012	-6.9	0.5
LLC Terjola-Quarry	Tbilisi, GEO		100.00	100.00	2012	1.0	0.3
OAD Voronezhskoe Rudoupravlenije	Strelica, RUS		100.00	100.00	2013	2.1	1.0
OOO "Norcem Kola"	Murmansk, RUS		100.00	100.00	2013	0.6	0.0
OOO KaliningradCement	Kaliningrad, RUS		100.00	74.90	2013	7.4	1.4
Open Joint Stock Company Gurovo-Beton	Novogurovskiy, RUS		100.00	100.00	2013	5.6	1.1
Open Joint-Stock Company "Slantsy Cement Plant "Cesla"	Slantsy, RUS		99.67	99.78	2013	28.4	-2.5
Precon Polska Sp.z.o.o.	Warsaw, POL		100.00	100.00	2012	3.5	0.3

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 → [Notes to the 2013 consolidated financial statements](#)
 Audit opinion
 Responsibility statement

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
Public Joint Stock Company "HeidelbergCement Ukraine"	Kryvyi Rih, UKR		99.83	99.83	2013	76.6	-5.3
Recyfuel SRL	Bucharest, ROU		100.00	100.00	2012	0.2	0.0
TBG BETONMIX a. s.	Brno, CZE		66.00	66.00	2012	10.8	1.2
TBG BETONPUMPY MORAVA s.r.o.	Brno, CZE		90.00	84.90	2012	0.8	0.1
TBG Plzen Transportbeton s.r.o.	Beroun, CZE		50.10	50.10	2012	2.3	0.6
TBG SEVEROZAPADNI CECHY s.r.o.	Chomutov, CZE		66.00	66.00	2012	3.8	0.1
TBG Východní Čechy s.r.o.	Trutnov, CZE		90.00	70.04	2012	2.8	0.7
TBG Vysočina s.r.o.	Kozichovice, CZE		90.00	59.40	2012	2.4	0.3
TBG ZNOJMO s. r. o.	Dyje, CZE		100.00	66.00	2012	2.0	0.0
Tulacement - Limited Liability Company	Novogurovskiy, RUS		100.00	100.00	2013	50.6	15.2

Subsidiaries

North America

Allied Ready Mix Concrete Limited	Vancouver, CAN		100.00	100.00	2012	-2.3	-1.6
Amangani SA	Panama City, PAN		100.00	100.00	2012	-0.1	-0.1
Amcord, Inc.	Dover, USA		100.00	100.00	2012	12.2	-6.5
Anche Holdings Inc	Panama City, PAN		100.00	100.00	2012	1,600.0	0.0
Asian Carriers Inc.	Panama City, PAN		100.00	100.00	2012	34.1	0.2
Astravance Corp.	Panama City, PAN		100.00	100.00	2012	54,243.7	0.0
Beazer East, Inc.	Wilmington, USA		100.00	100.00	2012	-219.6	-6.1
Cadman (Black Diamond), Inc.	Olympia, USA		100.00	100.00	2012	7.6	-0.4
Cadman (Rock), Inc.	Olympia, USA		100.00	100.00	2012	13.1	0.9
Cadman (Seattle), Inc.	Olympia, USA		100.00	100.00	2012	43.1	2.4
Cadman Holding Co., Inc. ⁵⁾	Olympia, USA		100.00	100.00	-	-	-
Cadman, Inc.	Olympia, USA		100.00	100.00	2012	42.9	-1.7
Calaveras Materials Inc.	Sacramento, USA		100.00	100.00	2012	74.1	-8.0
Calaveras-Standard Materials, Inc.	Sacramento, USA		100.00	100.00	2012	27.6	-0.8
Campbell Concrete & Materials LLC	Austin, USA		100.00	100.00	2013	2.9	-1.4
Campbell Transportation Services LLC ⁵⁾	Austin, USA		99.00	99.00	-	-	-
Cascpedia Corporation	Panama City, PAN		100.00	100.00	2012	-0.2	-0.1
Cavenham Forest Industries LLC	Wilmington, USA		100.00	100.00	2012	3.8	-3.3
Civil and Marine Inc.	Wilmington, USA		100.00	100.00	2012	37.5	-0.6
Commercial Aggregates Transportation and Sales LLC	Wilmington, USA		100.00	100.00	2012	1.6	0.4
Constar LLC	Wilmington, USA		100.00	100.00	2012	214.5	3.7
Continental Florida Materials Inc.	Tallahassee, USA		100.00	100.00	2013	67.5	-3.7
Cowichan Corporation	Panama City, PAN		100.00	100.00	2012	2,460.1	-0.1
Deroche Gravel Sales Ltd. ⁵⁾	Richmond, CAN		100.00	100.00	-	-	-
EPC VA 121, LLC ⁵⁾	Richmond, USA		100.00	100.00	-	-	-
Essex NA Holdings LLC	Wilmington, USA		100.00	100.00	2012	39.9	0.0
Ferndale Ready Mix & Gravel, Inc.	Olympia, USA		100.00	100.00	2012	15.3	-1.1
Gulf Coast Stabilized Materials LLC ⁵⁾	Austin, USA		100.00	100.00	-	-	-
Gypsum Carrier Inc	Panama City, PAN		100.00	100.00	2012	67.1	-0.2
H P & P Portland, Inc. ⁵⁾	Salem, USA		100.00	100.00	-	-	-
HA Properties IN, LLC ⁵⁾	Indianapolis, USA		100.00	100.00	-	-	-
HA Properties KY, LLC ⁵⁾	Frankfort, USA		100.00	100.00	-	-	-
HA Properties NY II, LLC ⁵⁾	Albany, USA		100.00	100.00	-	-	-
HA Properties NY, LLC ⁵⁾	Albany, USA		100.00	100.00	-	-	-
HA Properties SC, LLC ⁵⁾	Greenville, USA		100.00	100.00	-	-	-
HAMW Minerals, Inc.	Wilmington, USA		100.00	100.00	2012	6.9	0.0
Hanson (ER-No 16) Inc. ⁵⁾	Wilmington, USA		100.00	100.00	-	-	-
Hanson Aggregates LLC	Wilmington, USA		100.00	100.00	2013	799.9	15.4
Hanson Aggregates BMC, Inc.	Harrisburg, USA		100.00	100.00	2013	219.5	2.0
Hanson Aggregates Contracting, Inc. ⁵⁾	Sacramento, USA		100.00	100.00	-	-	-
Hanson Aggregates Davon LLC	Columbus, USA		100.00	100.00	2012	95.1	-6.5
Hanson Aggregates East LLC	Wilmington, USA		100.00	100.00	2012	352.8	0.1

4 Consolidated financial statements

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
Hanson Aggregates Mid-Pacific, Inc.	Wilmington, USA		100.00	100.00	2013	217.6	-0.2
Hanson Aggregates Midwest LLC	Frankfort, USA		100.00	100.00	2013	286.1	20.5
Hanson Aggregates New York LLC	Albany, USA		100.00	100.00	2013	342.2	19.8
Hanson Aggregates Pacific Southwest, Inc.	Wilmington, USA		100.00	100.00	2012	291.3	-15.0
Hanson Aggregates Pennsylvania LLC	Wilmington, USA		100.00	100.00	2013	216.6	15.8
Hanson Aggregates Properties TX, LLC ⁵⁾	Austin, USA		100.00	100.00	-	-	-
Hanson Aggregates Southeast LLC	Wilmington, USA		100.00	100.00	2013	488.5	15.7
Hanson Aggregates WRP, Inc.	Wilmington, USA		100.00	100.00	2012	61.1	0.8
Hanson BC Limited	Hamilton, BMU		100.00	100.00	2012	1,275.3	0.0
Hanson Brick America, Inc. ⁵⁾	Lansing, USA		100.00	100.00	-	-	-
Hanson Brick Limited	Burlington, CAN		100.00	100.00	2013	70.2	-38.6
Hanson Building Materials America LLC	Wilmington, USA		100.00	100.00	2012	655.7	-0.4
Hanson Canada Acquisition #1 Ltd.	Toronto, CAN		50.00	100.00	2012	43.9	-0.9
Hanson Canada Acquisition #2 Ltd.	Toronto, CAN		100.00	100.00	2012	29.3	4.3
Hanson Finance America, Inc. ⁵⁾	Wilmington, USA		100.00	100.00	-	-	-
Hanson Green Limited	Hamilton, BMU		100.00	100.00	2012	0.1	0.0
Hanson Hardscape Products Inc.	Toronto, CAN		100.00	100.00	2012	39.8	-29.7
Hanson Hardscape Products LLC	Wilmington, USA		100.00	100.00	2012	-0.4	-35.0
Hanson Marine Finance, Inc.	Sacramento, USA		100.00	100.00	2012	0.3	0.2
Hanson Marine Operations, Inc.	Sacramento, USA		100.00	100.00	2012	6.7	-0.2
Hanson Micronesia Cement, Inc.	Wilmington, USA		100.00	100.00	2012	3.7	-0.1
Hanson Permanente Cement of Guam, Inc.	Sacramento, USA		100.00	100.00	2012	34.7	1.2
Hanson Permanente Cement, Inc.	Phoenix, USA		100.00	100.00	2012	165.2	36.8
Hanson Pipe & Precast LLC	Wilmington, USA		100.00	100.00	2013	296.6	-5.8
Hanson Pipe & Precast Quebec Ltd.	Montreal, CAN		100.00	100.00	2012	24.0	-1.1
Hanson Pipe & Precast, Ltd.	Toronto, CAN		100.00	100.00	2013	11.7	1.4
Hanson Pressure Pipe Inc.	Montreal, CAN		100.00	100.00	2013	87.1	0.2
Hanson Pressure Pipe, Inc.	Columbus, USA		100.00	100.00	2012	62.9	5.1
Hanson Roof Tile, Inc.	Wilmington, USA		100.00	100.00	2012	26.8	-26.3
Hanson Structural Precast, Inc.	Los Angeles, USA		100.00	100.00	2012	37.1	-7.5
HBMA Holdings LLC	Wilmington, USA		100.00	100.00	2012	3,182.7	0.0
HC Trading International Inc.	Nassau, BHS		100.00	100.00	2013	4.8	-7.5
HNA Investments	Wilmington, USA		100.00	100.00	2012	3,863.9	0.0
HP&P SE Properties SC LLC ⁵⁾	Columbia, USA		100.00	100.00	-	-	-
HP&P SE Properties VA LLC ⁵⁾	Richmond, USA		100.00	100.00	-	-	-
HSC Cocoa Property Reserve, LLC ⁵⁾	Tallahassee, USA		100.00	100.00	-	-	-
HSPP Properties BMC Ohio LLC ⁵⁾	Olympia, USA		100.00	100.00	-	-	-
HSPP Properties Idaho LLC ⁵⁾	Boise, USA		100.00	100.00	-	-	-
HSPP Properties Ohio LLC ⁵⁾	Columbus, USA		100.00	100.00	-	-	-
HSPP Properties PMA Ohio LLC ⁵⁾	Olympia, USA		100.00	100.00	-	-	-
HSPP Properties Tennessee LLC ⁵⁾	Nashville, USA		100.00	100.00	-	-	-
HSPP Properties Utah LLC ⁵⁾	Salt Lake City, USA		100.00	100.00	-	-	-
Indocement (Cayman Island) Ltd.	George Town, CYM		99.99	51.00	2012	0.1	0.0
Kaiser Gypsum Company, Inc.	Olympia, USA		100.00	100.00	2012	-181.8	105.3
KH 1 Inc.	Dover, USA		100.00	100.00	2012	196.3	0.0
Lehigh Cement Company LLC	Wilmington, USA		100.00	100.00	2013	799.9	52.0
Lehigh Hanson Materials Limited	Calgary, CAN		100.00	100.00	2013	963.3	115.6
Lehigh Hanson Receivables LLC	Wilmington, USA		100.00	100.00	2012	6.7	5.4
Lehigh Hanson, Inc.	Wilmington, USA		100.00	100.00	2013	8,255.3	-222.0
Lehigh Northeast Cement Company ⁵⁾	Albany, USA		100.00	100.00	-	-	-
Lehigh Northwest Cement Company	Olympia, USA		100.00	100.00	2012	128.4	-5.8
Lehigh Northwest Marine, LLC	Wilmington, USA		100.00	100.00	2012	2.0	0.0
Lehigh Portland Holdings, LLC	Wilmington, USA		100.00	100.00	2012	0.1	0.0
Lehigh Portland Investments, LLC	Wilmington, USA		100.00	100.00	2012	40.8	24.4
Lehigh Portland New York LLC ⁵⁾	Albany, USA		100.00	100.00	-	-	-

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 → [Notes to the 2013 consolidated financial statements](#)
 Audit opinion
 Responsibility statement

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
Lehigh Realty Company	Richmond, USA		100.00	100.00	2012	1.7	0.0
Lehigh Southwest Cement Company	Sacramento, USA		100.00	100.00	2013	243.3	-2.1
Lehigh White Cement Company	Harrisburg, USA		51.00	51.00	2013	42.7	8.4
Lucas Coal Company, Inc. ⁵⁾	Harrisburg, USA		100.00	100.00	-	-	-
Magnum Minerals, Inc. ⁵⁾	Harrisburg, USA		100.00	100.00	-	-	-
Material Service Corporation	Wilmington, USA		100.00	100.00	2013	56.0	7.1
Mayco Mix Ltd.	Langley, CAN		100.00	100.00	2012	2.3	-1.3
Mays Landing Sand & Gravel Company	Trenton, USA		100.00	100.00	2012	1.9	-0.3
Mineral and Land Resources Corporation	Wilmington, USA		100.00	100.00	2012	28.9	0.8
Mission Valley Rock Co.	Sacramento, USA		100.00	100.00	2012	84.3	1.0
PCAz Leasing, Inc.	Phoenix, USA		100.00	100.00	2012	5.8	1.1
Permanente Cement Company ⁵⁾	Sacramento, USA		100.00	100.00	-	-	-
Pioneer International Overseas Corporation	Tortola, VGB		100.00	100.00	2012	131.1	0.8
Plum Run Lake, LLC ⁵⁾	Columbus, USA		100.00	100.00	-	-	-
Rempel Bros. Concrete Ltd.	Langley, CAN		100.00	100.00	2013	17.7	-4.9
Rimarcal Corporation	Panama City, PAN		100.00	100.00	2012	2,802.8	32.1
Sherman Industries LLC	Wilmington, USA		99.00	99.00	2012	56.2	-14.3
Sherman-Abetong, Inc. ⁵⁾	Montgomery, USA		100.00	100.00	-	-	-
Shrewsbury Properties LLC ⁵⁾	Austin, USA		100.00	100.00	-	-	-
Sinclair General Corporation	Panama City, PAN		100.00	100.00	2012	8,742.1	-0.1
South Coast Materials Company ⁵⁾	Sacramento, USA		100.00	100.00	-	-	-
South Valley Materials, Inc.	Sacramento, USA		100.00	100.00	2012	18.0	1.2
Standard Concrete Products, Inc.	Sacramento, USA		100.00	100.00	2012	-68.4	-7.8
SunCrete Rooftile, Inc. ⁵⁾	Sacramento, USA		100.00	100.00	-	-	-
Three Rivers Management, Inc. ⁵⁾	Wilmington, USA		100.00	100.00	-	-	-
Vestur Insurance (Bermuda) Ltd	Hamilton, BMU		100.00	100.00	2012	-0.1	0.0

Subsidiaries							
Asia-Pacific							
Bitumix Granite Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	2.8	-0.1
Butra HeidelbergCement Sdn. Bhd.	Bandar Seri Begawan , BRN		70.00	70.00	2012	14.8	7.7
CGF Pty Limited	New South Wales, AUS		100.00	100.00	2012	268.3	0.0
Christies Stone Quarries Pty Ltd	South Australia, AUS		100.00	100.00	2012	0.0	0.0
COCHIN Cements Ltd.	Kottayam, IND		98.72	98.72	2012	0.7	0.2
Concrete Materials Laboratory Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	0.0	0.1
Consolidated Quarries Pty Ltd.	Victoria, AUS		100.00	100.00	2012	0.0	0.0
Excel Quarries Pty Limited	Queensland, AUS		100.00	100.00	2012	0.1	0.0
Fairfield Pre-Mix Concrete Pty Ltd	Victoria, AUS		100.00	100.00	2012	0.1	0.0
Galli Quarries Pty Limited	Victoria, AUS		100.00	100.00	2012	28.3	-0.2
Gerak Harapan Sdn Bhd	Kuala Lumpur, MYS		70.00	70.00	2012	1.2	0.4
Hanson Australia (Holdings) Proprietary Limited	Victoria, AUS		100.00	100.00	2012	1,592.4	120.9
Hanson Australia Cement (2) Pty Ltd ⁵⁾	New South Wales, AUS		100.00	100.00	-	-	-
Hanson Australia Cement Pty Limited	New South Wales, AUS		100.00	100.00	2012	33.2	8.0
Hanson Australia Funding Limited	New South Wales, AUS		100.00	100.00	2012	0.0	0.0
Hanson Australia Investments Pty Limited	New South Wales, AUS		100.00	100.00	2012	43.2	13.2
Hanson Australia Pty Limited	New South Wales, AUS		100.00	100.00	2012	1,044.3	-6.9
Hanson Building Materials (S) Pte. Ltd.	Singapore, SGP		100.00	100.00	2012	-0.3	0.2
Hanson Building Materials Cartage Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	0.0	0.1
Hanson Building Materials Industries Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	-0.1	0.0
Hanson Building Materials Malaysia Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2013	15.6	3.8
Hanson Building Materials Manufacturing Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	0.5	0.0
Hanson Building Materials Production Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	13.6	0.0
Hanson Building Materials Transport Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	0.3	0.1
Hanson Building Materials-KTPC Sdn Bhd	Kuala Lumpur, MYS		65.00	65.00	2012	0.3	0.0
Hanson Building Materials-KTPC-PBPM Sdn Bhd	Kuala Lumpur, MYS		100.00	67.50	2012	1.2	0.1

4 Consolidated financial statements

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
Hanson Building Materials-PBPM Sdn Bhd	Kuala Lumpur, MYS		70.00	70.00	2012	0.2	0.0
Hanson Cement Holdings Pty Ltd ⁵⁾	Victoria, AUS		100.00	100.00	-	-	-
Hanson Concrete (M) Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	-0.3	0.3
Hanson Construction Materials Pty Ltd	Queensland, AUS		100.00	100.00	2013	125.4	27.4
Hanson Finance Australia Ltd	Australian Capital Territory, AUS		100.00	100.00	2012	181.3	-4.7
Hanson Holdings (M) Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	3.8	0.0
Hanson Investment Holdings Pte Ltd	Singapore, SGP		100.00	100.00	2012	34.2	0.1
Hanson Landfill Services Pty Ltd	Victoria, AUS		100.00	100.00	2012	14.7	3.9
Hanson Pacific (S) Pte Limited	Singapore, SGP		100.00	100.00	2012	-6.9	0.0
Hanson Precast Pty Ltd	New South Wales, AUS		100.00	100.00	2012	-5.9	-2.4
Hanson Pty Limited	Victoria, AUS		100.00	100.00	2012	3,172.1	0.0
Hanson Quarries Victoria Pty Limited	New South Wales, AUS		100.00	100.00	2012	0.2	0.0
Hanson Quarry Products (Batu Pahat) Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	0.4	0.0
Hanson Quarry Products (EA) Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	1.7	0.0
Hanson Quarry Products (Holdings) Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	73.3	-0.8
Hanson Quarry Products (Kluang) Sdn Bhd ⁶⁾	Kuala Lumpur, MYS		100.00	100.00	-	1.4	0.2
Hanson Quarry Products (Kuantan) Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	0.2	0.0
Hanson Quarry Products (Kulai) Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	0.0	0.0
Hanson Quarry Products (Land) Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	6.1	0.5
Hanson Quarry Products (Masai) Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	0.7	0.0
Hanson Quarry Products (Northern) Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	2.6	0.0
Hanson Quarry Products (Pengerang) Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	0.4	0.2
Hanson Quarry Products (Perak) Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	2.9	0.2
Hanson Quarry Products (Premix) Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	0.9	0.0
Hanson Quarry Products (Rawang) Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	1.7	0.1
Hanson Quarry Products (Segamat) Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	0.2	0.0
Hanson Quarry Products (Tempoyak) Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	-0.5	-0.1
Hanson Quarry Products (Terengganu) Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	1.6	0.0
Hanson Quarry Products (Transport) Sdn Bhd ⁶⁾	Kuala Lumpur, MYS		100.00	100.00	-	-	-
Hanson Quarry Products Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2013	53.1	12.8
HCT Services Asia Pte. Ltd.	Singapore, SGP		100.00	100.00	2012	0.5	0.1
HeidelbergCement Asia Pte Ltd	Singapore, SGP		100.00	100.00	2012	13.3	1.6
HeidelbergCement Bangladesh Limited	Chittagong, BGD	60.67	60.66	2013	68.4	15.4	
HeidelbergCement Holding HK Limited	Hong Kong, HKG	100.00	100.00	2012	68.9	0.1	
HeidelbergCement India Limited	Gurgaon, IND	68.91	68.91	2013	92.4	-5.2	
HeidelbergCement Myanmar Company Limited ⁵⁾	Naypyitaw, MMR		100.00	100.00	-	-	-
Hymix Australia Pty Ltd	New South Wales, AUS		100.00	100.00	2013	110.2	11.4
Meghna Energy Limited	Dhaka, BGD		100.00	100.00	2012	8.1	0.5
Pioneer Concrete (Hong Kong) Limited	Hong Kong, HKG		100.00	100.00	2012	15.8	1.8
Pioneer Concrete (Tasmania) Proprietary Limited	Tasmania, AUS		100.00	100.00	2012	6.5	0.0
Pioneer Concrete (WA) Pty Ltd	Western Australia, AUS		100.00	100.00	2012	0.0	0.0
Pioneer Concrete Services (Malaysia) S/B ⁶⁾	Kuala Lumpur, MYS		100.00	100.00	-	-	-
Pioneer International (Labuan) Ltd	Labuan, MYS		100.00	100.00	2012	0.4	0.0
Pioneer International Holdings Pty Ltd	New South Wales, AUS		100.00	100.00	2012	1,219.3	0.0
Pioneer North Queensland Pty Ltd	Queensland, AUS		100.00	100.00	2012	20.1	-0.3
Plentong Granite Industries Sdn Bhd	Kuala Lumpur, MYS		70.00	70.00	2012	4.0	1.0
PT Bahana Indonor	Jakarta, IDN		100.00	50.98	2012	11.7	2.4
PT Bhakti Sari Perkasa Abadi	Jakarta, IDN		100.00	50.99	2012	0.1	0.0
PT Dian Abadi Perkasa	Jakarta, IDN		100.00	50.98	2012	37.0	9.6
PT Gunung Tua Mandiri ¹⁾	Bogor, IDN		51.00	26.01	2012	5.0	0.5
PT Indocement Tunggal Prakarsa Tbk.	Jakarta, IDN		51.00	51.00	2013	1,331.6	348.7
PT Indomix Perkasa	Jakarta, IDN		100.00	51.00	2012	3.9	0.1
PT Lentera Abadi Sejahtera	Jakarta, IDN		100.00	51.00	2012	0.0	0.0
PT Mandiri Sejahtera Sentra	Purwakarta, IDN		100.00	50.98	2012	5.0	-0.1
PT Mineral Industri Sukabumi	Sukabumi, IDN		100.00	50.98	2012	1.1	0.0

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 → [Notes to the 2013 consolidated financial statements](#)
 Audit opinion
 Responsibility statement

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
PT Multi Bangun Galaxy	Lombok, IDN		100.00	50.98	2012	0.2	0.0
PT Pionirbeton Industri	Jakarta, IDN		100.00	51.00	2012	3.3	4.2
PT Sahabat Mulia Sakti	Semarang, IDN		100.00	50.98	2012	0.0	0.0
PT Sari Bhakti Sejati	Jakarta, IDN		100.00	51.00	2012	0.0	0.0
PT Tarabatu Manunggal ⁵⁾	South Tangerang, IDN		100.00	50.98	-	-	-
Rajang Perkasa Sdn Bhd	Kuala Lumpur, MYS		60.00	60.00	2012	0.4	0.4
Realistic Sensation Sdn Bhd	Kuala Lumpur, MYS		70.00	70.00	2012	1.2	0.1
Sofinaz Holdings Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	0.4	0.0
South Coast Basalt Pty Ltd	New South Wales, AUS		100.00	100.00	2012	1.2	0.3
Tanah Merah Quarry Sdn Bhd	Kuala Lumpur, MYS		100.00	100.00	2012	-3.4	-0.1
Valscot Pty Limited	New South Wales, AUS		100.00	100.00	2012	0.0	0.0
Waterfall Quarries Pty Limited	Victoria, AUS		100.00	100.00	2012	0.0	0.0
West Coast Premix Pty Ltd ⁵⁾	Victoria, AUS		100.00	100.00	-	-	-
Yalkara Contracting Pty Ltd	Queensland, AUS		100.00	100.00	2012	7.8	4.9

Subsidiaries

Africa-Mediterranean Basin

Calcim S.A.	Cotonou, BEN		100.00	93.94	2012	0.1	0.1
Cimbenin SA	Cotonou, BEN		55.90	52.51	2012	14.0	4.9
CimBurkina S.A.	Ouagadougou, BFA		55.00	51.66	2012	5.5	-0.8
Ciments du Togo SA	Lome, TGO		99.63	93.59	2013	16.7	5.6
Cimgabon S.A.	Libreville, GAB		75.00	70.46	2012	-1.3	-8.9
Ghacem Ltd.	Accra, GHA		93.10	87.46	2013	51.6	54.0
GRANUBENIN SA avec CA ⁵⁾	Cotonou, BEN		99.90	93.85	-	-	-
Hanson (Israel) Ltd	Ramat Gan, ISR		99.98	99.98	2012	115.0	18.0
Hanson Quarry Products (Israel) Ltd	Ramat Gan, ISR		100.00	99.98	2012	132.0	12.0
Hanson Yam Limited Partnership	Ramat Gan, ISR		100.00	99.98	2012	1.3	0.2
HC MAG SARL	Algier, DZA		70.00	70.00	2012	-0.7	-0.7
HC Trading FZE ⁵⁾	Dubai, ARE		100.00	100.00	-	-	-
Heidelberg Cement Afrique Service	Lome, TGO		100.00	93.79	2012	0.0	0.0
Interlacs S.A.R.L.	Lubumbashi, COD		66.74	66.74	2012	-0.2	0.0
La Cimenterie de Lukala S.A.R.L.	Kinshasa, COD		55.00	55.00	2012	17.4	7.5
La Societe GRANUTOGO SA	Lome, TGO		99.90	93.85	2012	3.6	-0.2
Liberia Cement Corporation Ltd.	Monrovia, LBR		81.67	76.72	2012	0.2	-0.4
Pioneer Beton Muva Umachzavot Ltd	Ramat Gan, ISR		100.00	99.98	2012	0.2	0.0
Scantogo Mines SA	Lome, TGO		100.00	93.85	2012	0.0	0.0
Sierra Leone Cement Corp. Ltd. ¹⁾	Freetown, SLE		100.00	46.97	2012	12.4	3.8
Tadir Readymix Concrete (1965) Ltd	Ramat Gan, ISR		100.00	100.00	2011	0.0	0.0
TPCC Tanzania Portland Cement Company Ltd.	Dar Es Salaam, TZA		69.25	65.05	2013	99.9	17.1
West Africa Quarries Limited	Accra, GHA		100.00	87.46	2012	0.5	0.1

Proportionately consolidated companies

Western and Northern Europe

Betong Öst AS	Kongsvinger, NOR		50.00	50.00	2012	4.4	1.9
Betongtransport Öst AS	Kongsvinger, NOR		100.00	50.00	2012	0.8	0.1
Betonpumping Øst AS	Kongsvinger, NOR		100.00	50.00	2012	0.2	0.0
CEEM Investment Fund B.V.	's-Hertogenbosch, NLD		100.00	50.00	2013	53.8	4.2
GAM Greifswalder Asphaltmischwerke GmbH & Co. KG	Greifswald, DEU		51.00	25.50	2012	0.4	0.1
GriValim S.A.	Bruxelles, BEL		50.00	50.00	2012	0.4	1.0
Hanse-Asphalt Gesellschaft mbH	Wismar, DEU		50.00	25.00	2012	1.0	0.1
Heidelberger Beton Aschaffenburg GmbH & Co. KG ²⁾	Aschaffenburg, DEU		70.95	70.95	2012	0.3	0.5
Heidelberger Beton Rhein-Nahe GmbH & Co. KG ²⁾	Bad Kreuznach, DEU		83.15	83.15	2012	0.8	-0.6
Heidelberger Beton Schwandorf GmbH ²⁾	Schwandorf, DEU		67.60	57.46	2012	0.3	0.2
Lithonplus GmbH & Co. KG ²⁾	Lingenfeld, DEU		60.00	60.00	2012	31.7	3.6
Mibau Baustoffhandel GmbH	Cadenberge, DEU		100.00	50.00	2012	1.4	0.0

4 Consolidated financial statements

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ²⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
Mibau Holding GmbH	Cadenberge, DEU		50.00	50.00	2012	41.1	1.7
Mibau Nederland B.V.	Venlo, NLD		100.00	50.00	2012	1.3	-0.1
Norsk Stein A/S	Jelsa, NOR		100.00	50.00	2012	70.6	4.1
Reederei Hans Jürgen Hartmann MS "Beltnes" GmbH & CO KG	Cadenberge, DEU		50.00	50.00	2012	12.3	-0.1
Reederei Hans-Jürgen Hartmann MS "Bulknes" GmbH & Co KG	Cadenberge, DEU		50.00	50.00	2012	11.9	-0.5
Rostocker Zementumschlagsgesellschaft mbH	Rostock, DEU		100.00	50.00	2012	0.1	0.0
Sola Betong AS	Tananger, NOR		33.33	33.33	2012	2.3	0.7
Specialstabilisering i Stockholm AB	Stockholm, SWE		50.00	50.00	2012	0.0	0.0
Splitt Chartering Aps	Aabenraa, DNK		100.00	50.00	2012	2.8	-0.3
Stema Shipping (UK) Limited	Tilbury, GBR		100.00	50.00	2012	1.7	0.0
Stema Shipping A/S	Aabenraa, DNK		100.00	50.00	2012	59.5	-0.7
Stema Shipping S.A.R.L	Le Treport, FRA		100.00	50.00	2012	0.4	-0.4
TBG Transportbeton Franken GmbH & Co. KG ²⁾	Fürth, DEU		51.00	51.00	2012	0.5	0.7
TBG Transportbeton GmbH & Co. KG Naabbeton	Nabburg, DEU		50.00	50.00	2012	1.0	1.8
TBG Transportbeton Mainfranken GmbH & Co.KG. ²⁾	Sand am Main, DEU		57.00	57.00	2012	1.8	-0.3
TBG Transportbeton Oder-Spree GmbH & Co. KG	Wriezen, DEU		50.00	50.00	2012	1.5	0.1
TBG Transportbeton Saalfeld GmbH & Co. KG ²⁾	Saalfeld, DEU		56.67	56.67	2012	0.4	0.0
Trapobet Transportbeton GmbH Kaiserslautern Kommanditgesellschaft	Kaiserslautern, DEU		50.00	50.00	2012	1.0	1.2
UTE Adossat	Barcelona, ESP		33.33	33.33	2012	1.2	0.2
UTE Port	Barcelona, ESP		33.33	33.33	2012	1.2	0.5
WIKING Baustoff- und Transport GmbH & Co. Kommanditgesellschaft	Soest, DEU		50.00	50.00	2012	0.2	-0.1

Proportionately consolidated companies

Eastern Europe-Central Asia

Duna-Dráva Cement Kft.	Vác, HUN		50.00	50.00	2013	160.5	6.6
Mibau Polska Sp. z o.o.	Gdansk, POL		100.00	50.00	2012	0.2	0.0
PISKOVNY MORAVA spol. s.r.o.	Brno, CZE		50.00	50.00	2012	1.6	0.1
Prazske betonpumpy a doprava s.r.o.	Praha, CZE		83.66	50.00	2012	1.3	0.0
TBG BH d.o.o.	Kakanj, BIH		100.00	46.64	2012	6.4	0.3
TBG Doprastav, a.s.	Bratislava, SVK		60.00	50.00	2012	7.0	-3.2
TBG Dunakeszi Transportbetonyártó és Forgalmazó Kft.	Dunakeszi, HUN		50.00	25.00	2012	0.3	0.0
TBG METROSTAV s.r.o.	Praha, CZE		50.00	50.00	2012	18.7	1.6
TBG Prazske malty, s.r.o.	Praha, CZE		100.00	50.00	2012	3.1	0.5
TBG SWIETELSKY s.r.o. ²⁾	Ceske Budejovice, CZE		51.00	51.00	2012	1.2	0.1
Tvornica cementa Kakanj dionicko drustvo	Kakanj, BIH		93.27	46.64	2013	83.9	9.3
Vltavske sterkopisky s.r.o.	Chlumín, CZE		50.00	50.00	2012	5.2	0.6

Proportionately consolidated companies

North America

Able Concrete Holdings Ltd. ⁵⁾	Winnipeg, CAN		100.00	50.00	-	-	-
Able Concrete Ltd. ⁵⁾	Winnipeg, CAN		100.00	50.00	2012	0.8	0.1
ABM Concrete Ltd. ⁵⁾	Winnipeg, CAN		100.00	50.00	2012	1.0	0.0
All-Star Concrete (2011) Ltd. ⁵⁾	Winnipeg, CAN		100.00	50.00	-	-	-
Bless Concern Limited	Tortola, VGB		100.00	50.00	2012	-0.1	0.0
Boom Victory Investments Ltd	Tortola, VGB		50.00	25.00	2012	6.4	-0.3
BP General Partner Ltd. 2) ⁵⁾	Winnipeg, CAN		100.00	100.00	-	-	-
Building Products & Concrete Supply Limited Partnership	Winnipeg, CAN		50.00	50.00	2012	0.8	2.4
China Century Cement Ltd.	Hamilton, BMU		50.00	50.00	2012	19.9	-0.8
Concrete Pipe & Precast, LLC	Wilmington, USA		50.00	50.00	2012	65.8	-1.5
Dynamic Pro Investments Limited	Tortola, VGB		100.00	50.00	2012	0.0	0.0
Enmore Ltd.	Tortola, VGB		100.00	50.00	2012	0.3	0.3
Fast Fortune Limited	Tortola, VGB		50.00	25.00	2012	0.1	0.0
Forward Move	Tortola, VGB		100.00	50.00	2012	0.5	0.8
Fu Cheong Ltd.	Tortola, VGB		100.00	50.00	2012	1.1	1.5

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 → [Notes to the 2013 consolidated financial statements](#)
 Audit opinion
 Responsibility statement

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
Guangzhou Investments (Industries) Co. Ltd	Tortola, VGB		100.00	50.00	2012	2.2	0.0
K.Wah Materials and Development (Huidong) Co Ltd	Tortola, VGB		100.00	25.00	2012	-0.1	-0.1
Kin Hing Concrete (H.K.) Company Ltd.	Tortola, VGB		100.00	25.00	2012	0.0	0.0
Lucky Horizon Holdings Limited	Tortola, VGB		100.00	50.00	2012	0.0	0.0
Master Win Group	Tortola, VGB		100.00	50.00	2012	0.0	0.0
Moving Up International Ltd.	Tortola, VGB		100.00	50.00	2012	0.3	0.0
New Grand Global Ltd.	Tortola, VGB		100.00	50.00	2012	-0.3	0.0
Parsons Creek Aggregates	Fort McMurray, CAN		50.00	50.00	2012	7.5	2.0
Rocket Growth Limited	Tortola, VGB		100.00	50.00	2012	0.0	0.0
Terrell Materials LLC ²⁾	Austin, USA		100.00	100.00	2012	3.0	0.0
Texas Lehigh Cement Company LP	Austin, USA		50.00	50.00	2013	28.1	27.1
Two Rivers Cement LLC	Dover, USA		50.00	50.00	2012	7.9	-0.4

Proportionately consolidated companies

Asia-Pacific							
AHK Aggregates Ltd.	Hong Kong, HKG		63.50	31.75	2012	0.2	0.1
AHK Concrete Ltd	Hong Kong, HKG		50.00	25.00	2012	0.1	0.0
Alliance Construction Materials Ltd	Hong Kong, HKG		50.00	50.00	2012	20.5	6.2
Anderson Concrete Ltd	Hong Kong, HKG		100.00	50.00	2012	24.4	18.2
Asia Stone Co Ltd	Hong Kong, HKG		100.00	50.00	2012	8.2	3.5
Australian Admixture Corporation Pty Limited	Queensland, AUS		100.00	50.00	2012	0.0	0.0
Australian Kaolite Company Pty Limited	Queensland, AUS		100.00	50.00	2012	0.3	0.0
Cement Australia (Coal) Pty Limited	Victoria, AUS		100.00	50.00	2012	-0.2	0.0
Cement Australia (Darra) Pty Limited	Queensland, AUS		100.00	50.00	2012	3.6	0.4
Cement Australia (Exploration) Pty Limited	Queensland, AUS		100.00	50.00	2012	-8.9	0.0
Cement Australia (Goliath) Pty Limited	Tasmania, AUS		100.00	50.00	2012	277.3	36.1
Cement Australia (Kandos) Pty Limited	Victoria, AUS		100.00	50.00	2012	-5.0	-2.3
Cement Australia (Queensland Transport) Pty Limited	Queensland, AUS		100.00	50.00	2012	8.4	0.3
Cement Australia (Queensland) Pty Limited	Victoria, AUS		100.00	50.00	2012	76.8	53.1
Cement Australia Holdings Pty Ltd	New South Wales, AUS		50.00	50.00	2012	414.4	70.2
Cement Australia Packaged Products (Qld) Pty Limited	Queensland, AUS		100.00	50.00	2012	23.7	0.8
Cement Australia Packaged Products Pty Limited	Victoria, AUS		100.00	50.00	2012	36.9	3.5
Cement Australia Partnership	New South Wales, AUS		50.00	50.00	2012	60.0	60.0
Cement Australia Pty Limited	Victoria, AUS		50.00	50.00	2012	0.0	0.0
Cementco Investments Pty Limited	Queensland, AUS		100.00	50.00	2012	34.3	0.0
Cementco Steel Pty Limited	Queensland, AUS		100.00	50.00	2012	8.8	15.3
Central Milling Facility Unincorporated JV	New South Wales, AUS		85.00	42.50	2013	0.0	0.0
Centre Full Enterprises Ltd.	Hong Kong, HKG		100.00	50.00	2012	-11.0	0.2
Century Cement Trading Company Limited	Hong Kong, HKG		100.00	50.00	2012	0.1	0.0
Concrete Services Ltd	Hong Kong, HKG		100.00	50.00	2012	0.4	0.0
Double Crown Investment Ltd	Hong Kong, HKG		100.00	50.00	2012	0.0	0.0
Easy Point Industrial Ltd.	Hong Kong, HKG		50.00	50.00	2012	-0.3	0.0
Geocycle Pty Limited	Queensland, AUS		100.00	50.00	2012	-4.6	0.3
Geocycle SBF Pty Limited	Victoria, AUS		100.00	50.00	2012	12.3	1.9
Guangdong Yue Sheng Concrete Co. Ltd.	Guangzhou, CHN		90.00	45.00	2012	1.1	0.1
Guangdong Yuequn Concrete Co. Ltd.	Guangzhou, CHN		90.00	45.00	2012	1.8	-0.4
Guangzhou Asia Stone Trading Co Ltd	Guangzhou, CHN		100.00	50.00	2012	0.1	0.0
Guangzhou Cement Factory	Guangzhou, CHN		70.00	35.00	2012	30.3	1.2
Guangzhou Heidelberg Yuexiu Cement Company Limited	Guangzhou, CHN		90.00	45.00	2012	139.6	8.9
Guangzhou Heidelberg Yuexiu Enterprise Management Consulting Company Ltd.	Guangzhou, CHN		100.00	50.00	2012	0.4	0.0
Guangzhou Yue Xiu Concrete Company Ltd.	Guangzhou, CHN		100.00	39.13	2012	2.4	0.2
Guangzhou-Zhujiang Cement Company Limited	Guangzhou, CHN		71.00	35.50	2012	132.4	5.4
Holkem Pty Limited	Queensland, AUS		100.00	50.00	2012	3.1	0.4
Huadu Cement Ltd.	Guangzhou, CHN		50.00	25.00	2012	2.9	0.0
Jidong Heidelberg (Fufeng) Cement Company Limited	Baoji, CHN		48.11	48.11	2012	82.5	12.7

4 Consolidated financial statements

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ²⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
Jidong Heidelberg (Jingyang) Cement Company Limited	Xianyang City, CHN		50.00	50.00	2012	102.4	24.0
K.Wah Materials (Huidong) Ltd	Huizhou City, CHN		100.00	25.00	2012	5.7	-0.8
Kandos Collieries Pty Ltd	New South Wales, AUS		100.00	50.00	2012	-1.0	0.0
Kimbolton Coal Company Pty Limited	Victoria, AUS		100.00	50.00	2012	2.1	0.1
Lytton Unincorporated Joint Venture	Queensland, AUS		50.00	50.00	2012	0.0	0.0
Master Jet Industrial Ltd.	Hong Kong, HKG		100.00	50.00	2012	0.0	0.0
Melbourne Cement Facilities Unincorporated Joint Venture	Victoria, AUS		50.00	25.00	2012	0.0	0.0
Multi-Way Industries Ltd.	Hong Kong, HKG		50.00	25.00	2012	8.8	4.5
Pacific Lime Pty Limited	Queensland, AUS		100.00	50.00	2012	0.0	0.0
Pioneer Quarries (CSC) Limited	Hong Kong, HKG		100.00	50.00	2012	0.8	-0.7
Pioneer Quarries (Hong Kong) Limited	Hong Kong, HKG		100.00	50.00	2012	5.0	1.1
Port Kembla Milling Pty Limited	Victoria, AUS		100.00	37.50	2012	0.0	0.0
Pozzolanic Australia Pty Limited	Queensland, AUS		100.00	50.00	2012	-1.6	0.0
Pozzolanic Enterprises Pty Limited	Queensland, AUS		100.00	50.00	2012	54.2	1.3
Pozzolanic Holdings Pty Limited	Queensland, AUS		100.00	50.00	2012	23.6	0.0
Pozzolanic Industries Pty Limited	Queensland, AUS		100.00	50.00	2012	4.0	0.0
Shek O Quarry Limited	Hong Kong, HKG		100.00	50.00	2012	-0.3	1.2
Shine Bonus International	Hong Kong, CHN		100.00	25.00	2012	-0.1	0.0
Squareal Cement Ltd	Hong Kong, HKG		50.00	50.00	2012	12.9	-1.4
The Cornwall Coal Company Pty Ltd	Tasmania, AUS		100.00	50.00	2012	8.0	-1.0
Yue Chi Cement Company Limited	Hong Kong, HKG		50.00	25.00	2012	1.1	0.6
Yue Xiu Concrete Company Limited	Hong Kong, HKG		75.00	18.75	2012	5.8	2.8
Zhuhai Guishan Reclamation Project Co. Ltd.	Zhuhai, CHN		100.00	50.00	2012	8.8	0.0

Proportionately consolidated companies

Africa-Mediterranean Basin

Akçansa Çimento Sanayi ve Ticaret A.S.	Istanbul, TUR		39.72	39.72	2012	272.0	55.0
Karcinsa Cimento San.Ve Tic.A.S.	Karabük, TUR		51.00	20.26	2012	12.1	0.7

Associated companies

Western and Northern Europe

B.V. Autotransport Sint Pieter ³⁾	Maastricht, NLD		50.00	50.00	2012	0.0	0.0
B.V. Mortel Installatie Assen 'M.I.A.' ²⁾	Assen, NLD		66.67	66.67	2012	0.9	-0.1
BetonMarketing Nordost Gesellschaft für Bauberatung und Marktförderung mbH ³⁾	Hannover, DEU	50.00	50.00	50.00	2012	0.1	0.0
Betonmortel Grevelingen B.V. ³⁾	Zierikzee, NLD		50.00	50.00	2012	0.7	-0.1
Betonmortelcentrale De Mark B.V.	Breda, NLD		28.57	28.57	2012	0.3	-0.4
Betonmortelfabriek Tilburg Bemoti B.V.	Tilburg, NLD		38.67	38.67	2012	0.0	-0.6
Betonpumpendienst Simonis GmbH & Co. KG ²⁾	Ubstadt-Weiher, DEU		100.00	56.74	2012	2.5	0.3
Betonpumpen-Service Niedersachsen GmbH & Co. KG ³⁾	Hannover, DEU		50.00	50.00	2012	0.2	0.1
Betotech Baustofflabor GmbH	Heidelberg, DEU		100.00	100.00	2012	0.1	0.0
Betotech GmbH, Baustofftechnisches Labor ²⁾	Eppelheim, DEU		100.00	59.31	2012	0.2	0.1
Betotech GmbH, Baustofftechnisches Labor ²⁾	Nabburg, DEU		100.00	61.85	2012	0.1	0.0
betotech München GmbH & Co. KG	München, DEU		100.00	100.00	2012	0.0	0.1
Betuwe Beton Holding B.V. ³⁾	Tiel, NLD		50.00	50.00	2012	4.6	-0.5
BVS Beton-Vertrieb-Südbayern GmbH & Co. KG	Rohrdorf, DEU		100.00	24.20	2012	1.5	0.3
Condroz Béton S.A. ²⁾	Bruxelles, BEL		100.00	67.37	2012	0.1	-0.2
Cugla B.V. ³⁾	Breda, NLD		50.00	50.00	2012	6.4	2.5
Demula N.V. ³⁾	Laarne, BEL		99.34	50.00	2012	1.3	0.5
Donau Kies GmbH & Co. KG ²⁾	Plattling, DEU		75.00	75.00	2012	4.9	-0.2
DONAU MÖRTEL - GmbH & Co. KG ³⁾	Neuburg a. Inn, DEU		50.00	50.00	2012	0.4	0.1
Ernst Marschall GmbH & Co. KG Kies- und Schotterwerke	Kressbronn, DEU		20.50	20.50	2012	4.0	0.6
Europomp B.V.	Heerlen, NLD		55.96	47.25	2012	1.0	0.0
Fertigbeton (FBU) GmbH & Co Kommanditgesellschaft Unterwittbach ²⁾	Unterwittbach, DEU		57.14	57.14	2012	0.2	0.0
Gebrüder Willersinn Industriesandwerk GmbH & Co. KG	Raunheim, DEU		33.33	33.33	2012	1.7	0.3

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 → [Notes to the 2013 consolidated financial statements](#)
 Audit opinion
 Responsibility statement

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
GENAMO Gesellschaft zur Entwicklung des Naherholungsgebietes Misburg-Ost mbH ³⁾	Hannover, DEU	50.00	50.00	50.00	2012	0.1	0.0
H.H. & D.E. Drew Limited	New Milton, GBR		49.00	49.00	2012	13.6	-0.2
Hafenbetriebsgesellschaft mbH & Co KG Stade ³⁾	Stade, DEU		50.00	50.00	2012	0.5	0.1
Heidelberger Beton Donau-Iller GmbH & Co. KG ²⁾	Elchingen, DEU		50.48	50.48	2012	0.8	0.2
Heidelberger Beton GmbH & Co Stuttgart KG	Remseck a. N., DEU		33.33	33.33	2012	0.8	-0.5
Heidelberger Beton Grenzland GmbH & Co. KG ³⁾	Marktredwitz, DEU		50.00	50.00	2012	0.6	1.0
Heidelberger Beton Karlsruhe GmbH & Co. KG	Karlsruhe, DEU		41.25	41.25	2012	1.7	-0.7
Heidelberger Beton Personal-Service GmbH	Heidelberg, DEU		100.00	100.00	2012	0.1	0.0
Heidelberger Fließestrich München GmbH	München, DEU		100.00	100.00	2012	0.0	0.0
Heidelberger Fließestrich Südwest GmbH ²⁾	Eppelheim, DEU		100.00	59.54	2012	0.4	0.2
Hessisches Bausteinwerk Dr. Blasberg GmbH & Co. KG	Mörfelden-Walldorf, DEU		47.08	47.08	2012	3.6	0.8
Humber Sand and Gravel Limited ³⁾	Egham, GBR		50.00	50.00	2012	0.0	0.0
ISAR-DONAU MÖRTEL-GmbH & Co. KG	Passau, DEU		33.33	33.33	2012	0.1	-0.1
Joyce Green Aggregates Limited ³⁾	Dartford, GBR		50.00	50.00	2012	0.0	0.0
Kalksandsteinwerk Amberg GmbH & Co. KG ²⁾	Ebermannsdorf, DEU		50.10	50.10	2012	1.6	0.3
Kalksandsteinwerke Birkenmeier Gesellschaft mit beschränkter Haftung	Breisach am Rhein, DEU		40.00	40.00	2012	3.1	0.7
KANN Beton GmbH & Co. KG ³⁾	Bendorf, DEU		50.00	50.00	2012	0.9	-2.1
Kieswerk Langsdorf GmbH ²⁾	Langsdorf, DEU		100.00	62.45	2012	1.7	0.2
Kieswerke Flemmingen GmbH	Penig, DEU		54.00	54.00	2012	2.2	0.3
Kronimus Aktiengesellschaft	Iffezheim, DEU	24.90	24.90	24.90	2012	19.6	2.3
Kronimus SAS	Metz, FRA		100.00	43.60	2011	4.5	0.3
KVB Kies- Vertrieb GmbH & Co. KG	Karlsdorf-Neuthard, DEU		22.13	22.13	2012	0.1	0.1
MDF MÖRTEL- UND ESTRICH-DIENST FRANKEN GmbH & Co. KG	Nürnberg, DEU		52.00	26.52	2012	0.1	0.0
Mendip Rail Limited ³⁾	Markfield, GBR		50.00	50.00	2012	2.8	0.1
MERMANS BETON N.V.	Arendonk, BEL		50.00	49.98	2012	0.3	0.4
Misburger Hafengesellschaft mit beschränkter Haftung	Hannover, DEU	39.66	39.66	39.66	2012	0.8	0.3
Mittelschwäbische Transport- und Frischbeton- Gesellschaft mit beschränkter Haftung & Co. Kommanditgesellschaft	Thannhausen, DEU		30.23	30.23	2012	0.4	0.1
MM MAIN-MÖRTEL GmbH & Co.KG ²⁾	Aschaffenburg, DEU		84.19	59.74	2012	0.1	0.1
Mortel Productie Vianen (MPV) B.V. ³⁾	Utrecht, NLD		50.00	50.00	2012	0.0	0.0
NCD Nederlandse Cement Deelnemingsmaatschappij B.V. ⁶⁾	Nieuwegein, NLD	36.88	36.88	36.88	2012	1.4	0.1
Nederlands Cement Transport Cetra B.V. ³⁾	Uithoorn, NLD		50.00	50.00	2012	1.9	-0.2
New Milton Concrete Limited	New Milton, GBR		100.00	49.00	2012	0.7	-0.1
Noorder Betonpompen Centrale (N.B.C.) B.V.	Zuidbroek, NLD		100.00	25.00	2012	0.1	0.2
Noorder Isolatiebeton B.V.	Zuidbroek, NLD		100.00	25.00	2012	0.0	0.2
North Tyne Roadstone Limited ³⁾	Wolverhampton, GBR		50.00	50.00	2012	0.8	-0.1
Peene Kies GmbH	Jarmen, DEU		24.90	24.90	2012	3.8	0.2
Peters Cementoverslagbedrijf B.V. Den Hout	Breda, NLD		46.30	30.86	2011	1.4	0.0
Raunheimer Sand- und Kiesgewinnung Blasberg GmbH & Co. KG	Raunheim, DEU		23.53	23.53	2012	0.5	0.3
Recycling Assen v.o.f.	Assen, NLD		40.00	33.33	2012	0.0	0.0
Rederij Cement-Tankvaart B.V. ²⁾	Terneuzen, NLD		66.66	66.66	2012	4.7	-0.3
Renor loop services AB ³⁾	Björkelangen, NOR		50.00	50.00	2012	0.2	-0.2
S.A. Cimescaut	Tournai, BEL		41.38	34.02	2012	26.1	1.8
SAFA GmbH & Co. KG ⁶⁾	Baden-Baden, DEU	48.70	48.70	48.70	2012	1.1	3.6
SBU Sandwerke Dresden GmbH	Dresden, DEU		24.00	24.00	2012	2.4	0.0
Schwaben Mörtel GmbH u. Co. KG	Stuttgart, DEU		30.00	30.00	2012	0.5	0.3
Shire Business Park Limited ³⁾	London, GBR		50.00	50.00	2012	0.0	0.0
Smiths Concrete Limited	Oxford, GBR		49.00	49.00	2012	9.5	0.3
Solent Industrial Estates Limited	New Milton, GBR		81.50	39.94	2012	3.6	0.1
Südbayerisches Portland-Zementwerk Gebr. Wiesböck & Co. GmbH	Rohrdorf, DEU	23.90	25.12	24.20	2012	288.3	23.1
Tangen Eiendom AS ³⁾	Brevik, NOR		50.00	50.00	2012	2.9	0.1
TBG Bayerwald Transportbeton GmbH & Co. KG ³⁾	Straubing, DEU		50.00	50.00	2012	0.2	0.0
TBG Deggendorfer Transportbeton GmbH	Deggendorf, DEU		33.33	33.33	2012	1.2	0.3

4 Consolidated financial statements

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ²⁾	Equity in € million ³⁾	Net income in € million ³⁾
TBG Ilm-Beton GmbH & Co. KG ²⁾	Arnstadt, DEU		55.00	55.00	2012	0.5	-0.1
TBG Pegnitz-Beton GmbH & Co. KG	Hersbruck, DEU		28.00	28.00	2012	0.1	0.1
TBG Rott Kies und Transportbeton GmbH	Kelheim, DEU		24.00	20.40	2012	0.6	0.1
TBG Saale-Beton GmbH & Co. KG	Hammelburg, DEU		76.00	43.32	2012	0.2	-0.1
TBG Transportbeton Aue-Schwarzenberg GmbH & Co. KG ²⁾	Schwarzenberg, DEU		90.00	90.00	2012	0.2	0.1
TBG Transportbeton Bad Mergentheim GmbH & Co. KG	Bad Mergentheim, DEU		66.67	38.00	2012	0.2	0.1
TBG Transportbeton Caprano GmbH & Co. KG ³⁾	Pirmasens, DEU		50.00	50.00	2012	0.1	0.1
TBG Transportbeton Elster-Spree GmbH & Co. KG ²⁾	Cottbus, DEU		60.00	60.00	2012	0.6	0.2
TBG Transportbeton Gesellschaft, Eck-Beton, Eck GmbH & Co. KG	Bad Windsheim, DEU		50.00	28.50	2012	0.2	0.0
TBG Transportbeton Glöckle GmbH & Co. KG	Grafenrheinfeld, DEU		55.00	31.35	2012	0.2	0.1
TBG Transportbeton GmbH & Co. KG Betonpumpendienst ²⁾	Nabburg, DEU		68.41	52.54	2012	0.1	0.6
TBG Transportbeton GmbH & Co. Kommanditgesellschaft INN-BETON ²⁾	Altötting, DEU		68.39	68.39	2012	0.6	1.2
TBG Transportbeton GmbH & Co. KG Lohr-Beton ³⁾	Lohr a. Main, DEU		50.00	50.00	2012	0.2	0.2
TBG Transportbeton Haidenaab GmbH & Co. KG	Weiden i. d. Opf., DEU		75.00	37.50	2012	0.2	0.2
TBG Transportbeton Herzog GmbH & Co. KG	Oberveichtach, DEU		50.00	25.00	2012	0.2	0.0
TBG Transportbeton Meier GmbH & Co. KG ³⁾	Wilkau-Haßlau, DEU		50.00	50.00	2012	0.3	0.0
TBG Transportbeton Mittweida GmbH & Co. KG	Mittweida, DEU		40.00	40.00	2012	0.2	0.1
TBG Transportbeton Pfaffenhofen GmbH & Co. KG	Pfaffenhofen, DEU		100.00	24.20	2012	0.4	0.2
TBG Transportbeton Reichenbach GmbH & Co. KG ²⁾	Reichenbach, DEU		70.00	70.00	2012	0.8	0.0
TBG Transportbeton Rhein-Donau-Raum GmbH & Co. KG	Singen, DEU		36.90	36.90	2012	0.3	0.4
TBG Transportbeton Schleiz GmbH & Co. KG ³⁾	Schleiz, DEU		50.00	50.00	2012	0.3	0.0
TBG Transportbeton Selb GmbH & Co. KG	Selb, DEU		33.33	33.33	2012	0.3	0.1
TBG Transportbeton Weiden GmbH & Co. KG	Weiden i. d. Opf., DEU		75.00	37.50	2012	0.1	0.1
TBG Transportbeton Werner GmbH & Co. KG	Dietfurt a.d. Altmühl, DEU		50.00	42.50	2012	0.1	0.2
TBM Transportbeton-Gesellschaft mbH Marienfeld & Co. KG ²⁾	Marienfeld, DEU		75.00	64.69	2012	0.1	0.1
Trans CBR S.A.	Bruxelles, BEL		100.00	100.00	2012	1.0	0.0
Transbeton Gesellschaft mit beschränkter Haftung & Co Kommanditgesellschaft	Löhne, DEU		26.81	26.81	2012	1.6	0.9
Transportbeton - Gesellschaft m.b.H. 'Garant' & Co., Kommanditgesellschaft	Bad Salzuflen, DEU	30.00	30.00	30.00	2012	0.6	0.1
Transportbeton Amberg-Sulzbach GmbH & Co. KG	Amberg, DEU		50.00	25.00	2012	0.6	0.9
Transportbeton Bad Waldsee GmbH & Co. KG ²⁾	Bad Waldsee, DEU		64.00	64.00	2012	0.0	-0.1
Transportbeton Beuschlein GmbH & Co. KG	Würzburg, DEU		50.00	28.50	2012	0.1	0.0
Transportbetongesellschaft Kressbronn mbH & Co. KG i.L.	Kressbronn, DEU		79.41	35.85	2012	0.5	0.6
V.o.F. Betoncentrale West-Brabant ^{3) 5)}	Oud-Gastel, NLD		50.00	50.00	-	-	-
Van Zanten Holding B.V.	Zuidbroek, NLD		25.00	25.00	2012	2.6	0.4
Vlissingse Transportbeton Onderneming B.V. ³⁾	Middelburg, NLD		50.00	50.00	2012	1.2	0.1
Waalwijkse Beton Centrale (W.B.C.) B.V.	Waalwijk, NLD		100.00	38.67	2012	0.0	0.0
WEIDEMANN GmbH	Beckum, DEU	22.00	22.00	22.00	2012	2.5	0.7
Westland Beton B.V. ³⁾	Maassluis, NLD		50.00	50.00	2012	-0.4	-0.4
Woerdense Betonmortel Centrale B.V. ³⁾	Utrecht, NLD		50.00	50.00	2012	0.0	0.0
WTG Walhalla Transportbeton GmbH	Regensburg, DEU		33.33	28.33	2012	0.3	0.1
Zement- und Kalkwerke Otterbein GmbH & Co. KG	Müs, DEU	38.10	38.10	38.10	2012	2.8	0.3

Associated companies

Eastern Europe-Central Asia

Beton Technologia Centrum Fejlesztő és Minősegvizsgalo Kft ³⁾	Budapest, HUN		100.00	50.00	2012	0.1	0.0
BETONIKA plus s.r.o.	Luzec nad Vitavou, CZE		33.33	33.33	2012	3.2	0.1
CEMET S.A.	Warsaw, POL		42.91	42.91	2012	13.9	3.5
CEMET Serwis Sp. z o.o.	Małogoszcz, POL		100.00	42.91	2012	2.0	0.2
Centrum Technologiczne Betotech Sp. z o.o.	Dąbrowa Górnicza, POL		100.00	100.00	2012	0.6	-0.2
DAKO-PUMPA Betonipari Szolgáltató Kft.	Budaörs, HUN		40.00	20.00	2012	1.1	-0.1
Dunav-Drava Cement d.o.o.	Zagreb, HRV		100.00	46.64	2012	0.2	0.0
LOMY MORINA spol. s r.o.	Morina, CZE		48.95	48.95	2012	14.6	0.2
Open Joint Stock Company "Mineral Resources Company" ³⁾	Ishimbay, RUS		50.00	50.00	2013	15.8	1.7

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 → [Notes to the 2013 consolidated financial statements](#)
 Audit opinion
 Responsibility statement

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
Podgrodzie Sp. z o.o.	Wroclaw, POL		100.00	100.00	2012	3.9	-0.3
PREFA Grygov a.s. ²⁾	Grygov, CZE		53.73	53.73	2012	2.9	0.0
SP Bohemia, k.s. ²⁾	Kraluv Dvur, CZE		77.32	75.00	2012	7.3	0.2
TBG Balatonboglár Transzportbeton Kft.	Balatonboglár, HUN		50.00	25.00	2012	0.4	0.1
TBG Beton d.o.o.	Zagreb, HRV		100.00	46.64	2012	7.9	0.0
TBG Betonove stavby Klatovy s.r.o. ²⁾	Beroun, CZE		100.00	50.10	2012	1.9	0.2
TBG Dunakanyar Kavics-Beton Transzportbeton Gyarto es Kavicsosztalyozo Kft.	Esztergom, HUN		85.00	42.50	2012	0.5	0.0
TBG Frissbeton Betongyarto Kft.	Pécs, HUN		50.00	25.00	2012	0.6	0.1
TBG INTERBETON Transzportbetongyarto Kft. ³⁾	Siófok, HUN		100.00	50.00	2012	0.2	0.0
TBG Kallai Transzportbeton Gyarto es Forgalmazó Kft.	Hajdúszoboszló, HUN		60.00	30.00	2012	0.0	0.0
TBG Louny s.r.o.	Louny, CZE		33.33	33.33	2012	1.2	0.0
TBG Otolec Transzportbeton Kft.	Kaposvár, HUN		50.00	25.00	2012	0.4	0.0
TBG PKS a.s.	Zdar nad Sazavou, CZE		50.00	29.70	2012	1.3	0.0
TBG STRABAG d.o.o.	Zagreb, HRV		50.00	23.32	2012	1.0	-0.4
TBG Szeged Betongyártó Kft. ³⁾	Szeged, HUN		100.00	50.00	2012	0.5	0.0
TBG Tisza Beton Építőipari Kereskedelmi es Szolgáltató Kft	Tiszaújváros, HUN		50.00	25.00	2012	0.2	0.0

Associated companies

North America

Allied Cement Company, d/b/a CPC Terminals (Limited Partnership Interest) ³⁾	Austin, USA		50.50	50.00	2012	0.5	-0.9
American Stone Company ³⁾	Raleigh, USA		50.00	50.00	2012	2.1	0.2
California Commercial Asphalt, LLC ³⁾	Wilmington, USA		50.00	50.00	2012	6.1	0.4
Campat ⁵⁾	Annapolis, USA		25.00	6.25	-	-	-
Campbell Sand and Gravel Company, LLLP ⁵⁾	Olympia, USA		48.00	12.00	-	-	-
Cemstone Products Company	St. Paul, USA		58.03	49.45	2012	8.5	1.7
Cemstone Ready-Mix, Inc.	Madison, USA		44.01	44.01	2012	2.9	0.0
Chandler Concrete/Piedmont, Inc.	Raleigh, USA		33.33	33.33	2012	4.8	-0.2
Chaney Enterprises Limited Partnership	Olympia, USA		25.00	25.00	2012	9.9	0.6
Cornerstone Partners I, LLC ^{3) 5)}	Carson City, USA		50.00	50.00	-	-	-
CPC Terminals, Inc. ^{3) 5)}	Sacramento, USA		50.00	50.00	-	-	-
Great River Spec Mix, LLC ⁵⁾	Mendota Heights, USA		50.00	16.81	-	-	-
Houston Cement Company, L.P. ⁵⁾	Austin, USA		15.00	7.50	-	-	-
KHB Venture LLC ⁵⁾	Boston, USA		33.33	33.33	-	-	-
KSA Limited Partnership	Columbus, USA		50.00	49.52	2013	1.4	0.7
Newbury Development Associates, LP ^{2) 5)}	Bridgeville, USA		100.00	100.00	-	-	-
Newbury Development Management, LLC ^{2) 5)}	Bridgeville, USA		100.00	100.00	-	-	-
Owatonna Concrete Products, LLC ⁵⁾	St. Paul, USA		100.00	49.45	-	-	-
Quikrete Wisconsin, Inc. ⁵⁾	Madison, USA		33.00	11.10	-	-	-
Randall Ready Mix, LLC ⁵⁾	Des Moines, USA		100.00	49.45	-	-	-
Red Bluff Sand & Gravel, L.L.C.	Montgomery, USA		50.00	49.50	2012	1.4	0.0
Roberts Concrete Products, Inc. ⁵⁾	Madison, USA		100.00	33.63	-	-	-
Southstar Limited Partnership	Annapolis, USA		25.00	25.00	2012	12.0	0.2
Spec/Mix, Inc. ⁵⁾	St. Paul, USA		51.00	17.15	-	-	-
Twin City Concrete Products Co.	St. Paul, USA		33.63	33.63	2012	10.3	1.2
Upland Ready Mix Ltd. ³⁾	Campbell River, CAN		50.00	50.00	2012	0.6	0.0

Associated companies

Asia-Pacific

Australian Steel Mill Services Pty Ltd	New South Wales, AUS		50.00	25.00	2012	17.2	0.9
Ecocem Pty Limited	New South Wales, AUS		50.00	25.00	2012	18.8	6.4
Flyash Australia Pty Limited	New South Wales, AUS		50.00	25.00	2012	4.7	4.1
Jidong Cement Fufeng Transportation Company	Baoji, CHN		76.25	36.68	2012	2.8	-0.2
Jidong Heidelberg (Shaanxi) Logistics Company Limited ³⁾	Xianyang City, CHN		100.00	50.00	2012	3.7	-0.4
M&H Quarries Partnership ³⁾	Victoria, AUS		50.00	50.00	2012	-1.4	-0.2

4 Consolidated financial statements

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
Metromix Pty Limited ³⁾	New South Wales, AUS		50.00	50.00	2012	17.7	0.1
Penrith Lakes Development Corporation Limited	New South Wales, AUS		20.00	20.00	2013	-190.5	2.9
PT Cibinong Center Industrial Estate	Bogor, IDN		50.00	25.50	2012	4.4	0.8
PT Pama Indo Mining	Jakarta, IDN		40.00	20.39	2012	3.6	0.8
Technically Designed Concrete Partnership ³⁾⁵⁾	Western Australia, AUS		50.00	50.00	-	-	-
West Australian Landfill Services Pty Ltd ³⁾	Victoria, AUS		50.00	50.00	2012	2.9	4.0
Western Suburbs Concrete Partnership ³⁾	New South Wales, AUS		50.00	50.00	2013	4.0	3.2

Associated companies

Africa-Mediterranean Basin

Fortia Cement S.A.	Lome, TGO		50.00	46.97	2012		
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The following companies are reflected in the consolidated financial statements at cost (Available for sale at cost) due to their immateriality.

Immaterial subsidiaries

Western and Northern Europe

Bausteinwerk Bott - Blasberg G.m.b.H. & Co. Kommanditgesellschaft	Heppenheim (Bergstraße), DEU		93.33	61.58	2012	1.4	0.0
Betonpumpendienst Simonis Verwaltungsgesellschaft mbH	Ubstadt-Weiher, DEU		100.00	56.69	2012	0.0	0.0
betotech München Verwaltungs GmbH	München, DEU		100.00	100.00	2012	0.3	0.0
Betotech Verwaltungs-GmbH	Heidelberg, DEU		100.00	100.00	2012	0.0	0.0
CEMLAPIS Warstein GmbH & Co. KG ⁵⁾	Warstein, DEU	100.00	100.00	100.00	-	-	-
CEMLAPIS Warstein Verwaltungsgesellschaft mbH ⁵⁾	Warstein, DEU	100.00	100.00	100.00	-	-	-
Donau Kies Verwaltungs GmbH	Plattling, DEU		75.00	75.00	2012	0.0	0.0
Etablissement F.S. Bivois SARL	Strasbourg, FRA		100.00	60.00	2012	0.4	0.0
Exakt Kiesaufbereitung GmbH	Paderborn, DEU	100.00	100.00	100.00	2012	0.0	0.0
Fertigbeton (FBU) GmbH	Unterwittbach, DEU		100.00	57.14	2012	0.0	0.0
Fruitbat Company	Maidenhead, GBR		100.00	100.00	2013	0.0	0.0
Hanson Aggregates Verwaltungs-GmbH	Leinatal, DEU		100.00	100.00	2012	0.1	0.0
HC River Logistics and Shipping Limited ⁶⁾	Birkirkara, MLT	99.93	100.00	100.00	-	-	-
HeidelbergCement Grundstücksverwaltungsgesellschaft mbH	Heidelberg, DEU	100.00	100.00	100.00	2012	0.0	0.0
HeidelbergCement Shared Services GmbH	Leimen, DEU	100.00	100.00	100.00	2012	0.1	0.0
HeidelbergCement Technology Center GmbH	Heidelberg, DEU		100.00	100.00	2012	0.0	0.0
Heidelberger Beton Aschaffenburg Verwaltungs-GmbH	Aschaffenburg, DEU		70.74	70.74	2012	0.0	0.0
Heidelberger Beton Donau-Iller Verwaltungs-GmbH	Unterechingen, DEU		50.46	50.46	2012	0.1	0.0
Heidelberger Beton Donau-Nahe Verwaltungsgesellschaft mbH	Burglengenfeld, DEU		100.00	85.00	2012	0.0	0.0
Heidelberger Beton Rhein-Nahe Verwaltungs-GmbH	Bad Kreuznach, DEU		83.08	83.08	2012	0.0	0.0
Heidelberger Betonelemente Verwaltungs-GmbH	Chemnitz, DEU		83.00	83.00	2012	0.0	0.0
Heidelberger Betonpumpen Rhein-Main-Nahe Verwaltungs-GmbH	Bad Kreuznach, DEU		100.00	93.74	2012	0.0	0.0
Heidelberger Kalksandstein Grundstücks- und Beteiligungs-Verwaltungs-GmbH	Durmshheim, DEU		100.00	100.00	2012	0.1	0.0
Heidelberger KS Beteiligungen Deutschland Verwaltungsgesellschaft mbH	Heidelberg, DEU		100.00	100.00	2012	0.0	0.0
Heidelberger Sand und Kies Handel & Logistik GmbH	Essen, DEU		100.00	100.00	2012	0.0	-0.2
Kalko B.V.	's-Hertogenbosch, NLD		100.00	100.00	2012	0.0	0.0
Kalksandsteinwerk Amberg Verwaltungs-GmbH	Ebermannsdorf, DEU		50.10	50.10	2012	0.1	0.0
Kieswerke Kieser GmbH & Co. KG	Gotha, DEU		51.00	51.00	2012	0.0	0.0
Kieswerke Kieser Verwaltungs-GmbH	Gotha, DEU		51.00	51.00	2012	0.0	0.0
KS-QUADRO Bausysteme GmbH	Durmshheim, DEU		100.00	80.00	2012	0.2	0.0
Lithonplus Verwaltungs-GmbH	Lingenfeld, DEU		60.00	60.00	2012	0.0	0.0
Materiaux de Boran S.A.	Boran-sur-Oise, FRA		99.84	99.84	2012	0.2	0.0
MM MAIN-MÖRTEL Verwaltungsgesellschaft mbH	Aschaffenburg, DEU		100.00	59.74	2012	0.0	0.0
Paderborner Transport - Beton - Gesellschaft mit beschränkter Haftung	Paderborn, DEU		75.00	75.00	2012	0.0	0.0
Rimbo Jord och Maskiner Aktiebolag	Stockholm, SWE		100.00	100.00	2012	0.6	0.0

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
RLG Rohstoffe GmbH & Co. KG	Essen, DEU		100.00	100.00	2012	0.1	0.0
RLG Rohstoffe Verwaltungsgesellschaft mbH	Mülheim a. d. Ruhr, DEU		100.00	100.00	2012	0.0	0.0
SBM Systembaumontagen GmbH	Chemnitz, DEU		100.00	83.00	2012	0.0	0.0
SCI Bicowal	Strasbourg, FRA		100.00	60.00	2012	0.0	0.0
SMW Sand und Mörtelwerk Verwaltungs-GmbH	Königs Wusterhausen, DEU		100.00	100.00	2012	0.1	0.0
SPRL Ferme de Wisempierre	Saint-Maur-Ere, BEL		100.00	100.00	2012	2.0	0.2
TBG Ilm-Beton Verwaltungs-GmbH	Arnstadt, DEU		55.00	55.00	2012	0.0	0.0
TBG Transportbeton Elster-Spree Verwaltungs-GmbH	Cottbus, DEU		100.00	60.00	2012	0.0	0.0
TBG Transportbeton Franken Geschäftsführung GmbH	Fürth, DEU		100.00	51.00	2012	0.0	0.0
TBG Transportbeton Kurpfalz Verwaltungsgesellschaft mbH	Eppelheim, DEU		100.00	51.11	2012	0.0	0.0
TBG Transportbeton Mainfranken Geschäftsführungs GmbH	Sand am Main, DEU		100.00	57.00	2012	0.0	0.0
TBG Transportbeton Reichenbach Verwaltungs-GmbH	Reichenbach, DEU		70.00	70.00	2012	0.0	0.0
TBG Transportbeton Saalfeld Verwaltungs-GmbH	Saalfeld, DEU		56.67	56.67	2012	0.0	0.0
TBG Transportbeton Schwarzenberg Verwaltungs-GmbH	Schwarzenberg, DEU		100.00	100.00	2012	0.0	0.0
TBG Transportbeton Verwaltungsgesellschaft mbH	Altötting, DEU		100.00	68.39	2012	0.0	0.0
TBG WIKA-Beton Verwaltungs- GmbH	Stade, DEU		100.00	100.00	2012	0.0	0.0
TBH Transportbeton Hamburg Verwaltungs-GmbH	Hamburg, DEU		85.00	85.00	2012	0.0	0.0
TBM Transportbeton-Gesellschaft mit beschränkter Haftung Marienfeld	Harsewinkel, DEU		75.00	64.69	2012	0.0	0.0
TopCem Holding B.V.	's-Hertogenbosch, NLD		100.00	100.00	2013	0.0	0.0
Transportbeton Bad Waldsee Geschäftsführungs GmbH	Bad Waldsee, DEU		100.00	64.00	2012	0.0	0.0
Transportbeton-Gesellschaft Kressbronn mbH	Kressbronn, DEU		100.00	52.30	2012	0.0	0.0
Verwaltungsgesellschaft Baustoffwerke Dresden mbH	Dresden, DEU		100.00	51.00	2012	0.2	0.0
Walhalla Kalk Verwaltungsgesellschaft mbH	Regensburg, DEU	80.00	80.00	80.00	2012	0.0	0.0
WIKA Sand und Kies Verwaltungs-GmbH	Bremen, DEU		100.00	100.00	2012	0.0	0.0

Immaterial subsidiaries

Eastern Europe-Central Asia

8 Vershin LLP	Almaty, KAZ		100.00	100.00	2012	0.3	0.0
Bratislavské štrkopiesky, s.r.o.	Blatne, SVK		100.00	75.00	2012	0.1	0.0
Budějovické štrkopiesky, spol. s r.o.	Budweis, CZE		99.91	74.93	2012	1.8	0.1
Bukhtarma TeploEnerg LLP	Oktyabrskiy village, KAZ		100.00	100.00	2012	-2.3	0.0
Bukhtarma Vodokanal LLP	Oktyabrskiy village, KAZ		100.00	100.00	2012	-0.4	0.0
Calnor S.A. (Poland) ⁵⁾	Warsaw, POL		100.00	100.00	-	-	-
Center Cement Plus Limited Liability Partnership	Astana, KAZ		100.00	100.00	2012	2.1	0.5
Donau Kies Bohemia Verwaltungs, s.r.o.	Pilsen, CZE		77.33	75.00	2012	0.0	0.0
Ekoelektro Slovakia s.r.o.	Blatne, CZE		100.00	86.57	2012	0.0	0.0
Euroc AB S.p.z.o.o. ⁵⁾	Warsaw, POL		100.00	100.00	-	-	-
Geo Nieruchomości Sp. z o.o.	Opole, POL		100.00	100.00	2012	0.1	0.0
Heidelberg Vostok-Cement LLP	Almaty, KAZ		100.00	100.00	2013	2.1	0.0
HeidelbergCement Services - LLP	Almaty, KAZ		100.00	100.00	2012	0.0	0.0
Klatovske sterkopisky s.r.o.	Pilsen, CZE		100.00	75.00	2012	-0.3	0.0
Labske sterkopisky a beton s.r.o.	Litomerice, CZE		80.00	60.00	2012	-0.2	0.0
LLC HeidelbergCement Caucasus	Tbilisi, GEO		100.00	100.00	2012	0.0	0.0
MIXT Sp. z o. o.	Chorula, POL		100.00	100.00	2012	1.2	0.0
OOO HC Yug	Strelica, RUS		100.00	100.00	2013	1.4	0.5
Pilsenske sterkopisky s.r.o.	Pilsen, CZE		80.00	60.00	2012	0.2	0.1
Polgrunt Sp. z o. o.	Chorula, POL		100.00	100.00	2012	0.0	-0.1
PZP Bohemia, k.s.	Kraluv Dvur, CZE		100.00	75.00	2012	0.0	0.0
ROBA sterkovny Nové Sedlo s.r.o.	Rožtyly cp.3., CZE		100.00	75.00	2012	-0.3	0.1
SABIA spol. s r.o.	Bohusovice nad Ori, CZE		99.00	59.40	2012	0.3	0.0
Severočeské pískovny a štrkopiesky, s. r. o.	Žatec, CZE		98.00	73.50	2012	1.7	-0.3
TRANS-SERVIS, spol. s r.o.	Kraluv Dvur, CZE		100.00	100.00	2012	2.8	-0.2
VAPIS stavební hmoty s.r.o.	Praha, CZE		100.00	51.00	2012	0.2	0.1

4 Consolidated financial statements

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
Immaterial subsidiaries							
North America							
Cementi Meridionali Ltd. ⁵⁾	Tortola, VGB		100.00	100.00	-	-	-
Industrial Del Fresno SA ⁵⁾	Mexico City, MEX		76.00	76.00	-	-	-
Kidde Industries, Inc. ⁵⁾	Wilmington, USA		100.00	100.00	-	-	-
Mediterranean Carriers, Inc.	Panama City, PAN		100.00	100.00	2012	2.2	0.0
Piedras y Arenas Baja SA de CV ⁵⁾	Tijuana, MEX		100.00	100.00	-	-	-
PUSH NA Holdings, Inc. ⁵⁾	Wilmington, USA		100.00	100.00	-	-	-
Total Limited ⁵⁾	Wilmington, USA		100.00	100.00	-	-	-
Immaterial subsidiaries							
Asia-Pacific							
PT Makmur Abadi Perkasa Mandiri	Jakarta, IDN		100.00	51.00	2012	0.0	0.0
Immaterial subsidiaries							
Africa-Mediterranean Basin							
Meba Calcaires SA ⁵⁾	Libreville, GAB		60.00	42.27	-	-	-

The following associates and joint ventures are accounted for at cost (available for sale at cost) due to their immateriality.

Immaterial associates and joint ventures							
Western and Northern Europe							
AB Stebo	Göteborg, SWE		50.00	50.00	2012	0.1	0.0
AB Strömstadsbetong	Göteborg, SWE		33.00	33.00	2012	0.0	0.0
AB Strömstadsbetong & Co Kommanditbolag	Göteborg, SWE		33.00	33.00	2012	0.5	0.5
Alzagri NV	Brugge, BEL		50.00	50.00	2012	1.1	0.1
Bausteinwerk Bott-Blasberg Gesellschaft mit beschränkter Haftung	Bensheim, DEU		100.00	47.08	2012	0.4	0.0
Baustoff- und Umschlags-GmbH	Mosbach, DEU		66.66	38.14	2012	0.1	0.0
Beton Lana GmbH	Lana (Bozen), ITA		100.00	24.20	2012	5.9	0.1
Betonprüfgesellschaft Löhne GmbH	Löhne, DEU		100.00	26.81	2012	0.1	0.0
Betonpumpen-Service Niedersachsen Verwaltungs-GmbH	Hannover, DEU	50.00	50.00	50.00	2012	0.0	0.0
betoserv GmbH	Kufstein, AUT		100.00	24.20	2012	0.0	0.0
Beuschlein Verwaltung-GmbH	Randersacker, DEU		50.00	28.50	2012	0.0	0.0
Björgun ehf	Reykjavik, ISL		100.00	20.00	2012	4.5	-0.4
Björgun Holding ehf	Reykjavik, ISL		20.00	20.00	2012	1.7	-0.3
BM Valla ehf	Reykjavik, ISL		100.00	49.00	2012	2.6	-0.8
BMV Holding ehf	Reykjavik, ISL		49.00	49.00	2012	2.7	0.0
BOST Baustoffhandels-gesellschaft mbH & Co. KG	Niederlehme, DEU		100.00	30.00	2012	0.7	0.0
BOST Baustoffhandelsverwaltungs-gesellschaft mbH	Niederlehme, DEU		100.00	30.00	2012	0.0	0.0
BWL Betonwerk Linden GmbH	Maishofen, AUT		100.00	24.20	2012	3.5	0.1
BWL Betonwerk Linden GmbH & Co. KG	Rohrdorf, DEU		100.00	24.20	2012	18.4	1.3
BWL Linden Verwaltung GmbH	Rohrdorf, DEU		100.00	24.20	2012	0.0	0.0
C. & G. Concrete Limited ⁶⁾	Leeds, GBR		23.48	23.48	-	-	-
Calcaires de la Rive Gauche I SPRL	Obourg, BEL		35.00	35.00	2012	6.3	-0.4
Cimescaut Materiaux S.A.	Antoing, BEL		99.98	34.78	2012	27.3	4.8
Cimescaut Vente Granulats S.A.S.	Harnes, FRA		100.00	34.79	2012	4.4	0.3
DONAU MÖRTEL-Verwaltungs-GmbH	Passau, DEU		50.00	50.00	2012	0.0	0.0
Dörgeloh GmbH & Co. KG	Löhne, DEU		100.00	26.81	2012	0.3	0.0
Dörgeloh Verwaltungs GmbH	Löhne, DEU		100.00	26.81	2012	0.0	0.0
ETG Erzgebirge Transportbeton GmbH	Freiberg, DEU		40.00	20.00	2012	0.2	0.0
GAM Greifswalder Asphaltmischwerke VerwaltungsGmbH	Greifswald, DEU		51.00	25.50	2012	0.0	0.0
Gebrüder Willersinn Industriesandwerk Verwaltungsgesellschaft mit beschränkter Haftung	Raunheim, DEU		33.33	33.33	2012	0.0	0.0
Geosystems Spezialbaustoffe GmbH	Rohrdorf, DEU		100.00	24.20	2012	1.0	0.0

Consolidated income statement
 Consolidated statement of comprehensive income
 Consolidated statement of cash flows
 Consolidated balance sheet
 Consolidated statement of changes in equity

Segment reporting/Notes to the consolidated financial statements
 → [Notes to the 2013 consolidated financial statements](#)
 Audit opinion
 Responsibility statement

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
Geosystems Spezialbaustoffe GmbH, Gmunden	Gmunden, AUT		100.00	24.20	2012	0.3	-0.1
Green Land GmbH	Lana (Bozen), ITA		100.00	24.20	2012	0.5	0.1
Greystone Ambient & Style GmbH & Co. KG	Lingenfeld, DEU		75.00	45.00	2012	0.5	0.1
Greystone Ambient & Style Verwaltungsgesellschaft mbH	Lingenfeld, DEU		75.00	45.00	2012	0.0	0.0
Gutbrod GmbH	Rohrdorf, DEU		100.00	24.20	2012	0.0	0.0
Gutbrod Kieswerk GmbH & Co. KG	Rohrdorf, DEU		100.00	24.20	2012	5.9	1.3
Hafenbetriebs- und Beteiligungs-GmbH, Stade	Stade, DEU		50.00	50.00	2012	0.1	0.0
Heidelberger Beton Grenzland Verwaltungs-GmbH	Marktredwitz, DEU		100.00	50.00	2012	0.0	0.0
Heidelberger Beton Karlsruhe Verwaltungs-GmbH	Karlsruhe, DEU		100.00	41.25	2012	0.0	0.0
Heidelberger Beton Verwaltungs GmbH Stuttgart	Remseck a. N., DEU		100.00	33.33	2012	0.0	0.0
Herrig Kies GmbH ⁵⁾	Damsdorf, DEU		100.00	50.00	-	-	-
Hocinvest SA	Ath, BEL		7.14	5.90	2012	0.8	0.0
Hormigones Mecanizados, S.A.	Palma de Mallorca, ESP		25.00	25.00	2012	-0.1	-0.2
ISAR-DONAU MÖRTEL-Verwaltungs-GmbH	Plattling, DEU		33.33	33.33	2012	0.0	0.0
Kalksandstein-Service Rhein-Main-Neckar GmbH ⁵⁾	Bensheim, DEU		100.00	47.08	-	-	-
Kalksandsteinwerke Willersinn + Kleiner GmbH & Co. KG	Ludwigshafen, DEU		100.00	47.08	2012	1.2	-0.3
KANN Beton Verwaltungsgesellschaft mbH	Bendorf, DEU		50.00	50.00	2012	0.0	0.0
KS-Willersinn Verpachtungs-GmbH & Co.KG	Ludwigshafen, DEU		100.00	47.08	2012	2.9	0.2
KVB Verwaltungs- und Beteiligungs-GmbH	Karlsdorf-Neuthard, DEU		24.80	24.80	2012	0.0	0.0
L1022 ehf	Reykjavik, ISL		49.00	49.00	2012	1.0	0.0
Les Carrieres du Fond des Vaulx S.A.	Wellin, BEL		100.00	34.79	2012	4.1	0.4
Martin Milch Gesellschaft mit beschränkter Haftung	Ochtendung, DEU		30.00	30.00	2012	0.1	0.0
MDF MÖRTEL-DIENST FRANKEN Verwaltungs-GmbH	Nürnberg, DEU		52.00	26.52	2012	0.0	0.0
Mittelschwäbische Transport- und Frischbeton Gesellschaft mit beschränkter Haftung	Thannhausen, DEU		20.00	20.00	2012	0.0	0.0
MKB Mörteldienst Köln-Bonn GmbH & Co. KG	Hückelhoven, DEU		21.25	21.25	2012	0.2	0.0
MKB Mörteldienst Köln-Bonn Verwaltungs GmbH	Hürth, DEU		100.00	21.25	2012	0.0	0.0
Münchner Mörtel GmbH & Co. KG	München, DEU		20.00	20.00	2012	0.1	0.2
Münchner Mörtel Verwaltungsges. mbH	München, DEU		20.00	20.00	2012	0.0	0.0
MWK Kies Verwaltungs-GmbH	Kressbronn, DEU		20.00	20.00	2012	0.0	0.0
Nordhafen Stade-Bützfleth Verwaltungsgesellschaft mbH	Stade, DEU		20.00	20.00	2012	0.0	0.0
Otterbein Gesellschaft mit beschränkter Haftung	Großenlüder, DEU	20.00	20.00	20.00	2012	0.0	0.0
Otterbein Spedition und Service GmbH & Co. KG	Großenlüder, DEU		100.00	38.10	2012	0.1	0.0
RBW Fertigaragen GmbH	Rohrdorf, DEU		100.00	24.20	2012	0.8	0.4
RBW Rohrdorfer Betonwerke GmbH & Co. KG	Rohrdorf, DEU		100.00	24.20	2012	35.9	5.7
RBW Verwaltung GmbH	Rohrdorf, DEU		100.00	24.20	2012	0.0	0.0
Recybel S.A.	Bruxelles, BEL		25.50	25.50	2012	0.4	0.1
Recyfuel S.A.	Bruxelles, BEL		50.00	50.00	2012	14.5	0.4
Reederei B & B Beteiligungs GmbH ⁵⁾	Cadenberge, DEU		50.00	50.00	-	-	-
Rieder Aussenanlagen GmbH	Maishofen, AUT		90.00	21.78	2012	0.5	0.2
Rohrdorfer Baustoffe Vertrieb GmbH	Rohrdorf, DEU		100.00	24.20	2012	0.0	0.0
Rohrdorfer Energie GmbH	Rohrdorf, DEU		100.00	24.20	2012	0.1	0.0
Rohrdorfer Sand und Kies GmbH	Rohrdorf, DEU		100.00	24.20	2012	33.5	-0.4
Rohrdorfer Transportbeton GmbH	Rohrdorf, DEU		100.00	24.20	2012	33.3	0.8
Rohrdorfer Transportbeton Oberland Verwaltung GmbH	Rohrdorf, DEU		100.00	24.20	2012	0.0	0.0
RSK Rohrdorfer Sand und Kies GmbH	Kufstein, AUT		100.00	24.20	2012	3.1	-1.0
RTB Rohrdorfer Transportbeton GmbH	Kufstein, AUT		100.00	24.20	2012	5.8	-0.1
Ruperti Beton GmbH	Salzburg, AUT		100.00	24.20	2012	4.3	0.1
Ruperti Beton GmbH & Co. KG	Rohrdorf, DEU		100.00	24.20	2012	3.0	0.2
Ruperti Beton Verwaltung GmbH	Rohrdorf, DEU		100.00	24.20	2012	0.0	0.0
SAFA Verwaltungsgesellschaft mbH ⁶⁾	Baden-Baden, DEU	48.70	48.70	48.70	2012	0.1	0.0
Schmitt Beton GmbH & Co. KG	Markt Schwaben, DEU		100.00	24.20	2012	0.6	0.4
Schmitt Beton Verwaltungs GmbH	Markt Schwaben, DEU		100.00	24.20	2012	0.0	0.0
Schmitt Immobilien GmbH & Co. KG	Markt Schwaben, DEU		100.00	24.20	2012	0.1	0.1
Schmitt Immobilien-Verwaltungs GmbH	Markt Schwaben, DEU		100.00	24.20	2012	0.0	0.0
Schwaben-Mörtel Beteiligungs GmbH	Stuttgart, DEU		100.00	30.00	2012	0.0	0.0

4 Consolidated financial statements

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
Sementsverksmidjan ehf	Reykjavik, ISL		100.00	49.00	2012	-0.9	-1.4
Société de Traitement De Produits Industriels Sprl ⁶⁾	Charleroi, BEL		74.00	37.00	-	-	-
Split Import B.V.	Amsterdam, NLD		100.00	50.00	2012	0.2	0.1
SPZ Austria Beteiligungs GmbH	Salzburg, AUT		100.00	24.20	2012	65.2	6.2
SPZ Rohrdorfer Grundbesitzverwaltung GmbH & Co. KG	Rohrdorf, DEU		100.00	24.20	2012	0.1	-0.1
SPZ Service GmbH	Rohrdorf, DEU		100.00	24.20	2012	0.1	0.0
SPZ Service GmbH, Gmunden	Gmunden, AUT		100.00	24.20	2012	0.1	0.0
SPZ Zementwerk Eiberg GmbH & Co. KG	Kufstein, AUT		100.00	24.20	2012	14.0	2.3
SPZ Zementwerk Rohstoff Verwertungs GmbH & Co. KG	Kufstein, AUT		100.00	24.20	2012	13.9	-0.2
SPZ Zementwerk Verwaltungs GmbH	Kufstein, AUT		100.00	24.20	2012	0.1	0.0
SWKV Südwestdeutsche Kalksandstein-Vertriebsgesellschaft mbH	Ludwigshafen, DEU		50.00	23.54	2012	0.1	0.0
T Beton GmbH & Co. KG	Bösel, DEU		100.00	26.81	2012	0.7	0.7
T Beton Verwaltungs- und Beteiligungs GmbH	Bösel, DEU		100.00	26.81	2012	0.0	0.0
TBG Bayerwald Verwaltungs-GmbH	Straubing, DEU		50.00	50.00	2012	0.0	0.0
TBG Eck Verwaltungsgesellschaft mbH	Bad Windsheim, DEU		50.00	28.50	2012	0.0	0.0
TBG Gersdorfer Transportbeton GmbH & Co. KG	Gersdorf, DEU		50.00	50.00	2012	0.1	0.1
TBG Gersdorfer Transportbeton Verwaltungs- und Beteiligungs-GmbH	Gersdorf, DEU		50.00	50.00	2012	0.0	0.0
TBG Hallertau Verwaltung GmbH	Mainburg, DEU		100.00	24.20	2012	0.0	0.0
TBG Pegnitz-Beton Verwaltungs-GmbH	Hersbruck, DEU		28.00	28.00	2012	0.0	0.0
TBG Pinzl GmbH & Co. KG	Simbach a. Inn, DEU		50.00	34.20	2012	0.1	0.3
TBG Pinzl Verwaltung GmbH	Simbach a. Inn, DEU		50.00	34.20	2012	0.0	0.0
TBG Saale-Beton Verwaltungsgesellschaft mbH	Hammelburg, DEU		100.00	43.32	2012	0.0	0.0
TBG Transportbeton Bad Mergentheim Verwaltungs-GmbH	Bad Mergentheim, DEU		66.60	37.96	2012	0.0	0.0
TBG Transportbeton Caprano Verwaltungs-GmbH	Pirmasens, DEU		50.00	50.00	2012	0.0	0.0
TBG Transportbeton Glöckle Verwaltungs-GmbH	Grafenrheinfeld, DEU		100.00	31.35	2012	0.0	0.0
TBG Transportbeton Haidenaab Verwaltungsgesellschaft mbH	Weiden i. d. OPf., DEU		100.00	37.50	2012	0.0	0.0
TBG Transportbeton Hallertau GmbH & Co. KG	Mainburg, DEU		100.00	24.20	2012	0.1	0.3
TBG Transportbeton Herzog Verwaltungsgesellschaft mit beschränkter Haftung	Oberviechtach, DEU		50.00	25.00	2012	0.0	0.0
TBG Transportbeton Lohr Verwaltungsgesellschaft mbH	Lohr a. Main, DEU		50.00	50.00	2012	0.0	0.0
TBG Transportbeton Meier Verwaltungs-GmbH	Wilkau-Haßlau, DEU		50.00	50.00	2012	0.0	0.0
TBG Transportbeton Mittweida Verwaltungs-GmbH	Mittweida, DEU		40.00	40.00	2012	0.0	0.0
TBG Transportbeton Oder-Spree Verwaltungs-GmbH	Wriezen, DEU		50.00	50.00	2012	0.0	0.0
TBG Transportbeton Rhein-Donau-Raum Verwaltungs-GmbH	Singen, DEU		100.00	36.90	2012	0.0	0.0
TBG Transportbeton Schleiz Verwaltungs-GmbH	Schleiz, DEU		50.00	50.00	2012	0.0	0.0
TBG Transportbeton Selb Verwaltungsgesellschaft mbH	Selb, DEU		33.33	33.33	2012	0.0	0.0
TBG Transportbeton Verwaltungsgesellschaft mbH	Nabburg, DEU		50.00	50.00	2012	0.0	0.0
TBG Transportbeton Weiden Verwaltungsgesellschaft mbH	Weiden i. d. OPf., DEU		75.00	37.50	2012	0.0	0.0
TBG Transportbeton Werner Verwaltungsgesellschaft mbH	Dietfurt a.d. Altmühl, DEU		50.00	42.50	2012	0.0	0.0
TBG Transportbeton Westpfalz GmbH & Co. KG	Pirmasens, DEU		72.00	36.00	2012	0.3	0.3
TBG Transportbeton Westpfalz Verwaltungs GmbH	Pirmasens, DEU		72.00	36.00	2012	0.0	0.0
Theodor Kleiner GmbH & Co. KG Kalksandsteinwerke	Worms, DEU		100.00	47.08	2012	2.0	0.0
Tournai Ternaire S.A.	Tournai, BEL		50.00	50.00	2012	0.1	0.0
Transbeton Gesellschaft mit beschränkter Haftung	Löhne, DEU		100.00	26.81	2012	0.0	0.0
Transportbeton Amberg-Sulzbach Verwaltungsgesellschaft mbH	Amberg, DEU		50.00	25.00	2012	0.0	0.0
Transportbeton Meschede Gesellschaft mit beschränkter Haftung	Meschede, DEU		100.00	44.53	2012	0.0	0.0
Transportbeton Meschede GmbH & Co. KG	Meschede, DEU		100.00	44.53	2012	0.3	0.1
Transportbeton-Gesellschaft mit beschränkter Haftung Garant	Bad Salzuflen, DEU		23.33	23.33	2012	0.0	0.0
Urzeit Weide GbR ⁵⁾	Schelklingen, DEU	50.00	50.00	50.00	-	-	-
Verwaltungsgesellschaft mit beschränkter Haftung TRAPOBET Transportbeton Kaiserslautern	Kaiserslautern, DEU		50.00	50.00	2012	0.0	0.0
Wellinvest SPRL	Antoing, BEL		100.00	34.79	2012	0.2	0.0
WIKING Baustoff- und Transport Gesellschaft mit beschränkter Haftung	Soest, DEU		50.00	50.00	2012	0.0	0.0
Zementwerk Hatschek GmbH	Wels, AUT		98.52	23.84	2012	30.6	6.2

Company name	Corporate seat	HC AG direct ownership %	Capital Share % ⁴⁾	Group Ownership %	Year ⁷⁾	Equity in € million ⁸⁾	Net income in € million ⁹⁾
Immaterial associates and joint ventures							
Eastern Europe-Central Asia							
ASDAG Kavicsbanya es Epitő Kft.	Janossomorja, HUN		64.91	48.68	2012	0.0	0.0
Asdeka Kft.	Hegyeshalom, HUN		50.00	24.34	2012	0.0	-0.1
Bukhtarma Teplo Tranzit LLP	New Bukhtarma village, KAZ		20.00	20.00	2012	-0.2	0.0
Duna-Dráva Cement sro	Bratislava, SVK		100.00	50.00	2012	-0.4	-0.3
Duna-Dráva Logisztikai Kft.	Beremend, HUN		100.00	50.00	2012	0.0	0.0
Duna-Dráva Vendéglátó és Kereskedelmi Kft.	Vác, HUN		100.00	50.00	2012	0.0	0.0
Grdevinski agregati d.o.o. ⁶⁾	Kakanj, BIH		100.00	46.64	2012	0.0	0.0
Kopalnia Kruszyw Rokitki Sp. z o.o.	Rokitki, POL		47.63	23.81	2012	1.6	0.1
RS Czech Republic, s.r.o.	Kraluv Dvur, CZE		50.00	37.50	2012	0.1	0.1
SPEX CZ, s.r.o.	Cheb, CZE		50.00	25.00	2012	0.2	0.0
Transportservis d.o.o. ⁶⁾	Kakanj, BIH		100.00	46.64	2012	0.0	0.0
Üzemi Vendéglátó és Kereskedelmi Kft.	Beremend, HUN		100.00	50.00	2012	0.0	0.0
Velkolom Certovy schody, akciova spolecnost	Tman, CZE		50.00	50.00	2012	8.2	0.1
Immaterial associates and joint ventures							
Asia-Pacific							
Diversified Function Sdn Bhd	Kuala Lumpur, MYS		50.00	50.00	2012	0.0	0.0
Pomphen Prathan Company Limited ⁶⁾	Bangkok, THA		49.70	49.70	-	-	-
Immaterial associates and joint ventures							
Africa-Mediterranean Basin							
Açansa Tasimcilik Tic. A.S. ⁶⁾	Canakkale, TUR		96.61	38.37	-	-	-
Union Cement Norcem C.o. (W.L.L.)	Ras Al Khaimah, ARE		40.00	40.00	2012	0.8	5.5

* The company makes use of the exemption from disclosure obligations in accordance with § 264b of the German Commercial Code (HGB).

- 1) Controlling influence through contractual arrangements and/or legal regulations
- 2) Absence of controlling influence through contractual arrangements and/or legal regulations
- 3) Absence of joint control through contractual arrangements and/or legal regulations
- 4) Share pursuant to Section 16 of the German Stock Corporation Act (AktG)
- 5) Information on equity and earnings is omitted pursuant to Section 286 Subsection 3 Sentence 1 No. 1 of the HGB if such information is of minor relevance for a fair presentation of the financial position, cash flows and profitability of HeidelbergCement AG.
- 6) In Liquidation
- 7) Last fiscal year for which financial statements are available.
- 8) Translated with the closing rate of the fiscal year for which financial statements are available.
- 9) Translated with the average rate of the fiscal year for which financial statements are available.

Heidelberg, 18 March 2014

HeidelbergCement AG

The Managing Board

Audit opinion

“We have audited the consolidated financial statements prepared by the HeidelbergCement AG, Heidelberg, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated balance sheet, the consolidated statement of changes in equity and the notes to the consolidated financial statements, together with the combined management report of HeidelbergCement Group and HeidelbergCement AG for the fiscal year from 1 January to 31 December 2013. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB [“Handelsgesetzbuch”: “German Commercial Code”] and supplementary provisions of the articles of incorporation and bylaws are the responsibility of the parent company’s management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and supplementary provisions of the articles of incorporation and bylaws and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group’s position and suitably presents the opportunities and risks of future development.”

Stuttgart, 18 March 2014

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Wollmert
Wirtschaftsprüfer
[German Public Auditor]

Viering
Wirtschaftsprüfer
[German Public Auditor]

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group management report, which has been combined with the management report of HeidelbergCement AG, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Heidelberg, 18 March 2014

HeidelbergCement AG

The Managing Board



Dr. Bernd Scheifele



Andreas Kern



Dr. Dominik von Achten



Dr. Lorenz Näger



Daniel Gauthier



Dr. Albert Scheuer

5

Additional information

Global functions and Country Managers	268
Glossary	270
Imprint	272
Cement capacities and aggregates reserves	back cover

Global functions and Country Managers

Global functions

Global functions	
Böttcher, Henner	Director Group Treasury
Day, Gareth	Director Group Strategy & Development and Cementitious
Kozelka, Rolf	Director Group Tax
Schaffernak, Dr. Ingo	Director Group Legal
Schaller, Andreas	Director Group Communication & Investor Relations
Schnurr, Andreas	Director Group Human Resources and Group Compliance
Schwind, Klaus	Director Group Shared Service Centers
Sijbring, Henk	Director Group Purchasing
Standhaft, Dr. Wolfgang	Director Group Information Technology
Toborek, Anna	Director Group Corporate Finance
Vandenberghe, Marc	Director Group Insurance & Corporate Risk Management
Weingardt, Stefan	Director Group Internal Audit
Wendt, Dr. Carsten	Director Group Reporting, Controlling & Consolidation

Heidelberg Technology Center (HTC)	
Jelito, Ernest	Director Global HTC
Breyer, Robert	Director Manufacturing & Engineering Central Europe-Central Asia and Head of HTC Central Europe-Central Asia
Fritz, Daniel	Director Manufacturing & Engineering Asia-Oceania and Head of HTC Asia-Oceania
Gupta, Akhilesh	Director Manufacturing & Engineering TEAM and Head of HTC TEAM
Bertola, Arnaldo	Senior Vice President Manufacturing & Engineering, President HTC North America

Competence Center Materials (CCM)	
Smith, Chuck	Director Global Competence Center Materials

Global Environmental Sustainability	
Lukas, Peter	Director Global Environmental Sustainability

Global Logistics	
Middendorf, Kay	Director Global Logistics

Global Sales & Marketing	
Oerter, Gerald	Director Global Sales & Marketing

Country Managers

Western and Northern Europe		
Baltics/Denmark/Norway/Sweden	Syvertsen, Gunnar	General Manager Northern Europe
Belgium/Netherlands	Jacquemart, André	General Manager Benelux
Germany	Knell, Christian	General Manager Germany
United Kingdom	O'Shea, Patrick	Chief Executive Officer UK
Eastern Europe-Central Asia		
Bosnia & Herzegovina	Muidza, Branimir	Country Manager Bosnia & Herzegovina
Czech Republic	Hrozek, Jan	General Manager Czech Republic
Georgia	Hampel, Michael	General Manager Georgia
Hungary	Szarkándi, János	General Manager Hungary
Kazakhstan	Kempe, Roman	General Manager Kazakhstan
Poland	Balcerek, Andrzej	General Manager Poland
Romania	Aldea, Dr. Florian	General Manager Romania
Russia	Polendakov, Mihail	General Manager Russia
Ukraine	Thiede, Silvio	General Manager Ukraine
North America		
Harrington, Dan	Chief Executive Officer USA	
Derkatch, Jim	Regional President Canada	
Dolan, Dennis	Regional President North	
Jordanoff, Plamen	President Building Products	
Morrish, Jon	Regional President South	
Saragusa, Kari	Regional President West	
Asia-Pacific		
Australia	Gluskie, Kevin	Chief Executive Officer Australia
Bangladesh/Brunei	Ugarte, Marcelino	General Manager Bangladesh & Brunei
China	Jamar, Jean-Claude	Chief Executive Officer China
India	Guha, Ashish	Chief Executive Officer India
Indonesia – South East Asia	Lavallé, Daniel	Chief Executive Officer South East Asia (until 30 April 2014)
	Kartawijaya, Christian	Chief Executive Officer Indonesia (from 1 May 2014)
Malaysia	Thornton, John	General Manager Malaysia
Africa-Mediterranean Basin		
Africa	Junon, Jean-Marc	Chief Operating Officer Africa
Israel	Priel, Eliezer	Country Manager Israel
Mediterranean Basin/HC Trading	Adigüzel, Emir	Chief Operating Officer Mediterranean Basin & Middle East and HC Trading
Spain	Ortiz, Jesus	Country Manager Spain
Turkey	Gürdal, Hakan	General Manager Akçansa

Glossary

Aggregates

Aggregates in the form of sand, gravel and crushed rock are used principally for concrete manufacturing or for road construction and maintenance.

Alternative fuels

Combustible substances and materials used in place of fossil fuels in the clinker-burning process.

Alternative raw materials

By-products or waste from other industries, whose chemical components make them suitable substitutes for natural raw materials. Alternative raw materials are used both in the production of clinker, the most important intermediate product in cement production, and as additives in cement grinding, in order to conserve natural raw material resources and reduce the proportion of energy-intensive clinker in cement, the end product. By using alternative raw materials and fuels, HeidelbergCement is actively contributing to the preservation of resources as well as to waste management and recycling.

Asphalt

Asphalt is manufactured from a mixture of graded aggregates, sand, filler and bitumen. It is used primarily for road construction and maintenance.

Biodiversity

Biodiversity or biological diversity is the genetic diversity within species, diversity between species and diversity of ecosystems.

Blast furnace slag

Finely ground, glassy by-product from steel production. Additive for cement.

Cement

Cement is a hydraulic binder, i.e. a finely ground inorganic material that sets and hardens by chemical interaction with water and that is capable of doing so also under water. Cement is mainly used to produce concrete. It binds the sand and gravel into a solid mass.

Cement mill

Cement grinding is the final stage of the cement manufacturing process. In cement mills, the clinker is ground into cement, with the addition of gypsum and anhydrite, as well as other additives, such as limestone, blast furnace slag or fly ash, depending on the type of cement.

Cement Sustainability Initiative

HeidelbergCement is a founding member of the Cement Sustainability Initiative (CSI), an association of 24 leading cement manufacturers worldwide to promote sustainable development under the auspices of the World Business Council for Sustainable Development (WBCSD).

Clinker (cement clinker)

Intermediate product in the cement production process that is made by heating a finely-ground raw material mixture to around 1,450° C in the cement kiln. For the manufacture of cement, the greyish-black clinker nodules are extremely finely ground. Clinker is the main ingredient in most cement types.

Commercial Paper

Bearer notes issued by companies within the framework of a Commercial Paper Programme (CP Programme) to meet short-term financing needs.

Composite cement

In composite cements, a proportion of the clinker is replaced with alternative raw materials, usually by-products from other industries, such as blast furnace slag or fly ash. Decreasing the proportion of energy-intensive clinker in cement is of critical importance for reducing energy consumption and CO₂ emissions as well as for preserving natural raw materials.

Concrete

Building material that is manufactured by mixing cement, aggregates (gravel, sand or crushed stone) and water.

Euro Medium Term Note (EMTN) programme

An EMTN programme represents a framework agreement made between the company and the banks appointed to be dealers. HeidelbergCement has the option of issuing debenture bonds up to a total volume of €10 billion under its EMTN programme.

Fly ash

Solid, particulate combustion residue from coal-fired power plants. Additive for cement.

Grinding plant

A grinding plant is a cement production facility without clinker-burning process. Delivered clinker and selected additives, depending on the type of cement, are ground into cement. Grinding plants are particularly operated at locations where suitable raw material deposits for cement production are not available.

Net debt

The sum of all non-current and current financial liabilities minus cash and cash equivalents, short-term investments and short-term derivatives

Rating (credit rating)

Classification of the credit standing of debt instruments and their issuers. Specialised agencies such as Standard & Poor's, Fitch Ratings, and Moody's produce such ratings. Ratings range from AAA or Aaa as the highest credit standing to C or D as the lowest.

Ready-mixed concrete

Concrete that is manufactured in a ready-mixed concrete facility and transported to the building site using ready-mix trucks.

Sustainability

Sustainable development signifies a development that fulfils the economic, ecological and social needs of people alive today without endangering the ability of future generations to fulfil their own needs.

Syndicated loan

Large-sized loan which is distributed ("syndicated") among several lenders for the purpose of risk spreading.

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Copies of the 2013 financial statements of HeidelbergCement AG and further information are available on request. Kindly find this Annual Report and further information about HeidelbergCement on the Internet: www.heidelbergcement.com.

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← HeidelbergCement in the world – cement capacities and aggregates reserves

Financial calendar 2014

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

HeidelbergCement in the world – cement capacities and aggregates reserves

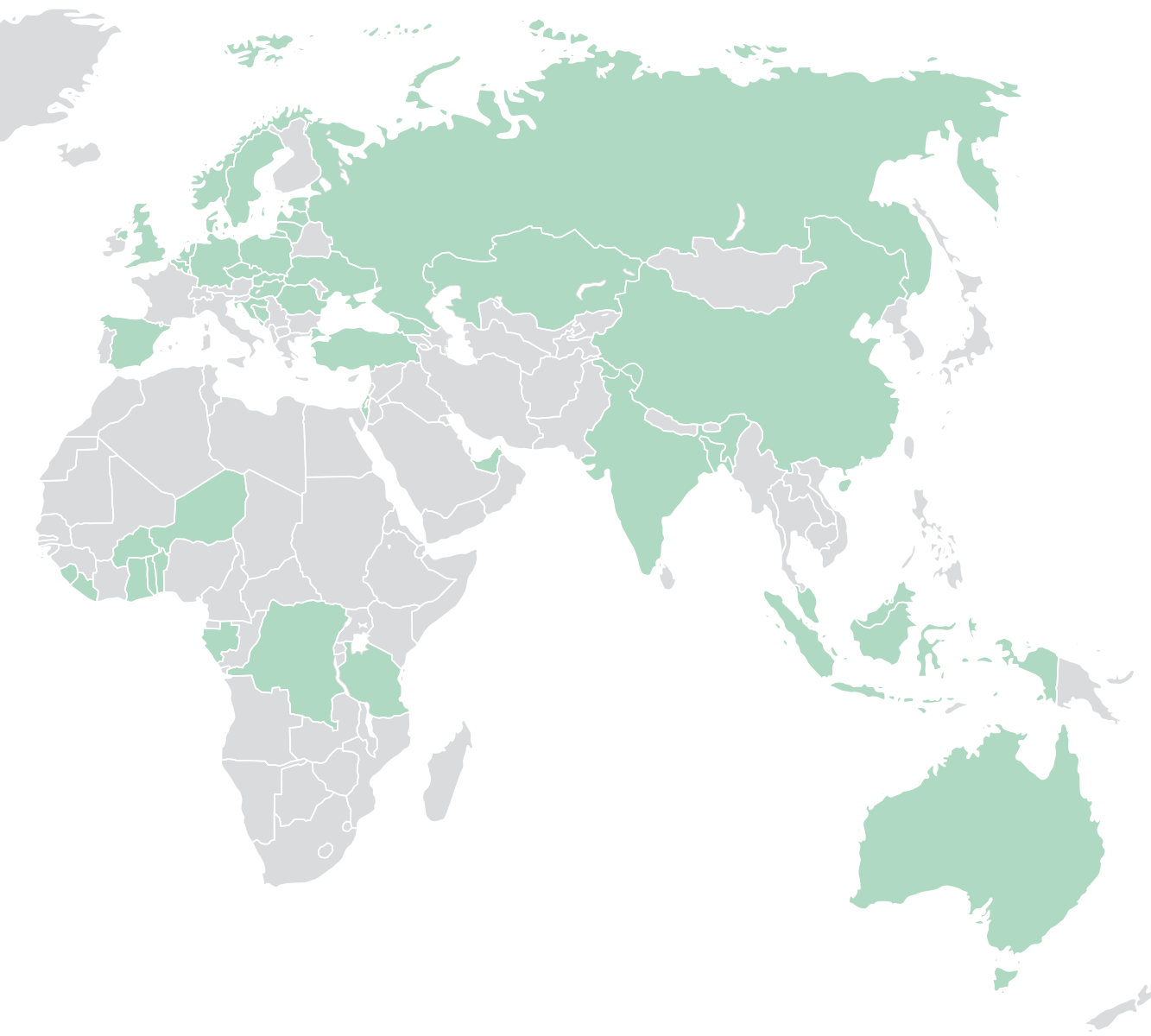
Cement capacities ¹⁾	Million tonnes
Western and Northern Europe	
Belgium	4.7
Estonia	1.5
Germany	11.0
Netherlands	4.3
Norway	1.7
Sweden	3.3
United Kingdom	6.6
	33.1
Eastern Europe-Central Asia	
Bosnia-Herzegovina ²⁾	0.4
Czech Republic	2.2
Georgia	2.0
Hungary ²⁾	1.7
Kazakhstan	2.5
Poland	6.0
Romania	6.0
Russia	5.1
Ukraine	5.2
	31.1
North America	
USA ²⁾	10.9
Canada	2.6
	13.5
Asia-Pacific	
Bangladesh	2.2
Brunei	0.5
China ²⁾	7.1
India	5.6
Indonesia	20.5
Australia ²⁾	2.7
	38.6
Africa-Mediterranean Basin	
Benin	0.3
DR Congo	0.6
Gabon	0.4
Ghana	3.7
Liberia	0.7
Sierra Leone	0.6
Tanzania	1.3
Togo	0.7
Turkey ²⁾	3.8
	12.1
HeidelbergCement total	128.4



Aggregates reserves ³⁾	Billion tonnes
Western and Northern Europe	3.4
Eastern Europe-Central Asia	0.9
North America	13.2
Asia-Pacific	1.3
Africa-Mediterranean Basin	0.3
HeidelbergCement total	19.1

1) Operational capacities based on 80 % calendar time utilisation
2) Proportionately included cement capacities

3) Owned and leased reserves



HeidelbergCement is member of:



World Business Council for Sustainable Development

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Forum Nachhaltige Entwicklung

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