HeidelbergCement

Annual General Meeting 2013
1. HeidelbergCement reached its targets for 2012

2. HeidelbergCement performed well when compared with its competitors

3. The performance of HeidelbergCement is reflected by a positive development on capital markets

4. HeidelbergCement is well prepared for the future

5. The positive development continued in Q1 2013

6. Outlook for 2013: continued growth in revenue and results
HeidelbergCement reached its targets for 2012 …

- Increase in revenue in all business lines: €bn 14.0 (+8.7%)
- Increase in operating income despite flat sales volumes: €bn 1.6 (+9.5%)
- Highly improved cash flow led to significant reduction of debt: €m 723
- “FOX 2013” programme exceeds expectations: €m 384
- Expansion of cement capacity forms basis for new growth: 3.9 mt
… but not everything went smoothly

1. **Start of greenfield projects behind schedule**
   
   Commissioning of the cement plants Tula in Russia and Damoh/Jhansi in India behind schedule

2. **Planned divestments not completely realised**
   
   The sale of operating units in the building products business line in North America was not realised as expected

3. **Financial result decreased by €m 58 compared to the previous year**
   
   Non cash-effective expenses of €m 52 from the valuation of non-current provisions (restoration) at decreased discount rate; the interest rate level of 6.5% is too high

4. **Earnings per share fell by € 0.25**
   
   Earnings per share affected by negative non-recurring effects

---

In the future, operating growth shall be translated into growth of results for the shareholders
Review of economy in 2012

- Slowdown of economic growth worldwide to 3.2% (2011: 3.9%)
  - Effects of the European financial crisis
  - Economic growth in Germany and Northern Europe slightly down, but stable demand for building materials
  - Slowdown of growth in China and India

- Positive economic development in the USA
  - Important growth driver is construction, especially residential construction
  - Significant increase in cement consumption

- Continued growth in Asia and Africa
Sales volumes mostly at the level of previous year

- Cement benefits from growth in Asia and recovery in North America
- Asphalt and aggregates affected by weakness in Europe and in infrastructure construction in the USA
Growth in revenue due to superior geographic positioning (in €m)

- **North America**
  - 2011: 3,035
  - 2012: 3,441
  - +13%

- **Western and Northern Europe**
  - 2011: 4,318
  - 2012: 4,201
  - -3%

- **Eastern Europe-Central Asia**
  - 2011: 1,392
  - 2012: 1,435
  - +3%

- **Africa-Mediterranean Basin**
  - 2011: 1,023
  - 2012: 1,135
  - +11%

- **Asia-Pacific**
  - 2011: 2,957
  - 2012: 3,477
  - +18%

Significant increase especially in emerging countries and North America
Slowdown in rise of energy costs

2011: significant increase in energy costs after Fukushima
2012: increase in energy costs lower than expected, they even fell when considered in relation to revenue
### Key financial figures 2012

Non-recurring effects prevent significant growth in operating income to reach earnings per share

#### Consolidated income statement

<table>
<thead>
<tr>
<th>€m</th>
<th>2011</th>
<th>2012</th>
<th>Variance in %</th>
<th>like for like&lt;sup&gt;1) in %&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>12.902</td>
<td>14.020</td>
<td>9%</td>
<td>4%</td>
</tr>
<tr>
<td>Operating EBITDA</td>
<td>2.321</td>
<td>2.477</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>Operating income</td>
<td>1.474</td>
<td>1.613</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>as % of revenue</td>
<td>11.4%</td>
<td>11.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the financial year</td>
<td>534</td>
<td>545</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Group share of profit</td>
<td>348</td>
<td>301</td>
<td>-13%</td>
<td></td>
</tr>
<tr>
<td>Earnings per share in €&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>1.86</td>
<td>1.61</td>
<td>-13%</td>
<td></td>
</tr>
</tbody>
</table>

---

<sup>1</sup> At constant consolidation scope and exchange rates

<sup>2</sup> Attributable to parent entity
## Consolidated balance sheet (short form)

### Capital efficiency improved – gearing reduced

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets and property, plant and equipment</td>
<td>22,145</td>
<td>21,689</td>
<td>77 %</td>
</tr>
<tr>
<td>Financial assets</td>
<td>553</td>
<td>538</td>
<td>2 %</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>697</td>
<td>737</td>
<td>3 %</td>
</tr>
<tr>
<td>Current assets</td>
<td>5,625</td>
<td>5,026</td>
<td>18 %</td>
</tr>
<tr>
<td>Disposal groups held for sale</td>
<td>16</td>
<td>16</td>
<td>0 %</td>
</tr>
<tr>
<td>Shareholders’ equity and non-controlling interests</td>
<td>13,569</td>
<td>13,713</td>
<td>49 %</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>10,783</td>
<td>10,034</td>
<td>36 %</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>4,669</td>
<td>4,258</td>
<td>15 %</td>
</tr>
<tr>
<td>Balance sheet total</td>
<td>29,020</td>
<td>28,005</td>
<td>100 %</td>
</tr>
<tr>
<td>Shareholders’ equity/total capital</td>
<td>47,0%</td>
<td>49,1%</td>
<td></td>
</tr>
<tr>
<td>Gearing (net debt/shareholders' equity)</td>
<td>57,0%</td>
<td>51,3%</td>
<td></td>
</tr>
</tbody>
</table>
Main profit drivers

- Margin improvement through:
  - Efficiency programmes “FOX 2013” and “LEO”
  - Sales excellence programmes “PERFORM” and “CLIMB Commercial”

- Investments in growth markets mitigate decline in revenue in Europe

- Non cash effective non-recurring effects adversely affect profit for the financial year
“FOX 2013” programme exceeds expectations

Target 2012 more than exceeded

Cash savings (€m)

<table>
<thead>
<tr>
<th>Category</th>
<th>2012 Target</th>
<th>2012 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Cap.</td>
<td>37</td>
<td>45</td>
</tr>
<tr>
<td>CLIMB*</td>
<td>74</td>
<td>66</td>
</tr>
<tr>
<td>OPEX*</td>
<td>68</td>
<td>155</td>
</tr>
<tr>
<td>Purchasing</td>
<td>66</td>
<td>18</td>
</tr>
<tr>
<td>Other</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
<td>384</td>
</tr>
</tbody>
</table>

+184 (+92%)

Total “FOX 2013” programme

Original target: €m 600
New target: €m 1,010

+410 (+68%)

€m 767 savings achieved in two years – €m 243 additional savings targeted in 2013

*CLIMB: cost reductions in the aggregates business; OPEX: reduction of energy costs in the cement business
Logistics optimisation project: “LEO”

Identified key levers

1. Centralised dispatching system
2. Integrated replenishment
3. Fleet optimisation
4. Bundling and sourcing of trucks

Identified potential in pilot countries

(Confirmed savings by end of 2013)

Pilot countries: UK, BE, NL, PL, CZ

Encouraging start in pilot countries

Improvement based on new, integrative SCM structures

Blue curve
(new way of working)

Red curve
(operational excellence)

Time
Performance

best practice

exploited improvements

new way of working

Assumed savings
Confirmed savings

+45%
Sales excellence programmes well on track

“PERFORM”  
(Focus on cement in Europe & USA)

- Consistent pricing policy
- Energy, transport, and service surcharges
- Intensive & regular sales force training
- Sales enhancement

€m 230 improvement in cement margins* until 2015

“CLIMB Commercial”  
(Focus on aggregates globally)

- Focus on price niches in aggregates
- Focus on unprofitable/small customers
- Ample market intelligence
- Pricing according to product costs

€m 120 improvement in aggregates margins* until 2015

Recovery and further increase in margins of €m 350

* Contribution margin
Cement margin continues to recover

Positive trend continues

Earthquake in Fukushima

<table>
<thead>
<tr>
<th>Month</th>
<th>Cement margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 2010</td>
<td>78.4</td>
</tr>
<tr>
<td>Mar. 2011</td>
<td>80.6</td>
</tr>
<tr>
<td>June 2011</td>
<td>82.3</td>
</tr>
<tr>
<td>Sep. 2011</td>
<td>84.9</td>
</tr>
<tr>
<td>Dec. 2011</td>
<td>87.8</td>
</tr>
<tr>
<td>Mar. 2012</td>
<td>88.6</td>
</tr>
<tr>
<td>June 2012</td>
<td>89.5</td>
</tr>
<tr>
<td>Sep. 2012</td>
<td>89.4</td>
</tr>
<tr>
<td>Dec. 2012</td>
<td>89.0</td>
</tr>
</tbody>
</table>

Cement sales volumes

Cement operating EBITDA margin*

Last 12 months rolling

* Excluding CO₂ and the gain from the curtailment of pension plans
Stable aggregates margin despite declining sales volumes

- Aggregates operat. EBITDA margin*- last 12 months rolling

- Aggregates sales volumes - last 12 months rolling

“CLIMB” project clearly pays off:
HeidelbergCement has still the highest aggregates margin in the sector

* Excluding the gain from the sale of an exhausted quarry and the gain from the curtailment of pension plans
Expansion of cement capacities by 3.9 mt

Major projects:

- **Bangladesh**
  - Commissioning of a new cement mill with 0.8 mt annual capacity at Chittagong grinding plant
  - Cement capacity rises to 2.2 mt in Bangladesh

- **Poland**
  - Finalisation of capacity expansion
  - With the commissioning of the new cement mill, cement capacity rises by 1.4 mt to 5.6 mt in Poland

- **Tanzania**
  - Expansion of clinker capacity by 250,000 t to 1.1 mt
  - Tanzania is HeidelbergCement’s second-largest market in Africa

- **Ghana**
  - With the commissioning of a new cement mill at Tema, Ghana’s cement capacity rises by 1 mt to 3.7 mt

2013: 5 mt additional cement capacities in India, Indonesia, and Liberia
Growth in emerging countries compensates for declining result in Europe

Operating EBITDA (€m)

<table>
<thead>
<tr>
<th>Region</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western and Northern Europe</td>
<td>1,014</td>
<td>1,048</td>
<td>982</td>
<td>1,061</td>
<td>894</td>
</tr>
<tr>
<td>Eastern Europe-Central Asia</td>
<td>718</td>
<td>687</td>
<td>683</td>
<td>734</td>
<td>577</td>
</tr>
<tr>
<td>Africa-Mediterranean Basin</td>
<td>182</td>
<td>157</td>
<td>156</td>
<td>164</td>
<td>203</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>462</td>
<td>612</td>
<td>718</td>
<td>711</td>
<td>887</td>
</tr>
</tbody>
</table>

-48% (-838)

+69% (+446)
Business activities increase in emerging countries: cooperation with minority shareholders is advantageous

Share of non-controlling interests in Group profit (€m)

- 2008: 112
- 2009: 125
- 2010: 168
- 2011: 186
- 2012: 244

Shareholdings in listed companies in emerging countries:
- PT Indocement Tunggal Prakarsa Tbk.: 51%
- HeidelbergCement India Ltd.: 68.55%
- HeidelbergCement Bangladesh Ltd.: 60.66%
- TPCC Tanzania Ltd.: 65.05%
- GHACEM Ltd., Ghana: 87.46%

Listing at stock exchanges and local shareholders are good for local business
2012 Group share of profit

- 2012 Group share of profit includes impairments and non-recurring effects:
  - €m - 409 additional ordinary result (> 80% non-cash relevant)
  - €m - 52 non-cash relevant expenses due to a drop in discount rates for the valuation of non-current provisions
  - €m + 116 income from the reversal of potential repayment obligations in connection with the Hanson asbestos claims

- Group share of profit rises after adjustment
Additional ordinary result adversely affected in 2012

- UK, Spain: double-dip recession (increase of risk interest rate / reduction of UK business plan)
- North America: repositioning of the building products business line in the market

Additional ordinary result adversely affected by impairment in the UK and North America
Significant rise in free cash flow* is used for higher dividend payment and consistent debt reduction

Reduction targets (€m 300-500) clearly reached in past years

* Before investments in growth and disposals
Proposal to increase dividend by 34% to 0.47 €

- Continuous increase in dividend payment
- Free cash flow primarily used for further debt reduction and return to investment grade
- Medium-term increase of the payout ratio to a level of 30%-35% of Group share of profit planned, in line with industry standards
1. HeidelbergCement reached its targets for 2012

2. HeidelbergCement performed well when compared with its competitors

3. The performance of HeidelbergCement is reflected by a positive development on capital markets

4. HeidelbergCement is well prepared for the future

5. The positive development continued in Q1 2013

6. Outlook for 2013: continued growth in revenue and results
Comparison with competitors: HeidelbergCement further expands its cement positions

Solid growth in revenue underlines our business model focusing on stability, solidity, and sustainability

Cement volumes (mt)

Revenue (€m)

Source: Q4 reports of comparable competitors
HeidelbergCement continuously improves operating income

Margin recovery is still to come due to product mix

Operating EBITDA in €m

<table>
<thead>
<tr>
<th>Year</th>
<th>HEIDELBERGCEMENT</th>
<th>Competitor 1</th>
<th>Competitor 2</th>
<th>Competitor 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2,235</td>
<td>3,486</td>
<td>4,504</td>
<td>2,307</td>
</tr>
<tr>
<td>2011</td>
<td>2,321</td>
<td>3,217</td>
<td>3,958</td>
<td>2,372</td>
</tr>
<tr>
<td>2012</td>
<td>2,477</td>
<td>3,450</td>
<td>3,984</td>
<td>2,615</td>
</tr>
</tbody>
</table>

Operating EBITDA margin in %

<table>
<thead>
<tr>
<th>Year</th>
<th>HEIDELBERGCEMENT</th>
<th>Competitor 1</th>
<th>Competitor 2</th>
<th>Competitor 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>19.0</td>
<td>23.5</td>
<td>20.8</td>
<td>16.4</td>
</tr>
<tr>
<td>2011</td>
<td>18.0</td>
<td>21.0</td>
<td>19.1</td>
<td>15.6</td>
</tr>
<tr>
<td>2012</td>
<td>17.7</td>
<td>21.8</td>
<td>18.5</td>
<td>17.5</td>
</tr>
</tbody>
</table>

Source: Q4 reports of comparable competitors
HeidelbergCement has most sustainable strategy for debt reduction

Source: Q4 reports of comparable competitors
1. HeidelbergCement reached its targets for 2012

2. HeidelbergCement performed well when compared with its competitors

3. The performance of HeidelbergCement is reflected by a positive development on capital markets

4. HeidelbergCement is well prepared for the future

5. The positive development continued in Q1 2013

6. Outlook for 2013: continued growth in revenue and results
Capital market honors results with rising share price

Index (Base: 31 December 2011 = 100)

- Share price development 2012:
  - HeidelbergCement: +40%
  - MSCI World CM: +31%
  - DAX: +29%

Significant increase in share price also compared to DAX and MSCI World Construction Materials Index

As of 2 May 2013
HeidelbergCement: strongest shares in the DAX since beginning of the year

Index (Base: 1 January 2013 = 100)

Since 1 Jan. 2013:
HeidelbergCement: +25%
DAX: +8%
MSCI World CM: +5%

As of 7 May 2013; 1 p.m.
HC-share developed better than competitors in the mid-term

Index (Base: 1 March 2009 = 100)

As of 2 May 2013
Shareholder structure of HeidelbergCement

Geographical distribution of shareholders (as of Dec. 2012)

- 32% Germany
- 27% North America
- 16% UK + Republic of Ireland
- 14% Rest of the world, retail investors
- 11% Europe (excl. UK + Germany)

Shareholder structure (latest notification)

- 25.11% Ludwig Merckle
- 5.12% Arnhold and S. Bleichroeder Holdings, Inc., New York/USA (via First Eagle Investment Management, LLC, New York/USA)
- 4.998% BlackRock, Inc., New York/USA
- 4.59% Artisan Partners Limited Partnership, Milwaukee/USA

Shareholder structure significantly enlarged
High interest from Anglo-American investors
IR work and recommendations by financial analysts

Focus & success of investor relations work

- Geographically enlarged shareholder structure:
  - new investors in the USA attracted

- Reduction of share price volatility:
  - share of long-term investors increased

- Institutional Investor Magazine: according to a survey among 825 investors, HeidelbergCement’s IR work is the best in the European building sector

Average recommendation by analysts (as of 6 May 2013)

Source: Bloomberg
Contents

1. HeidelbergCement reached its targets for 2012
2. HeidelbergCement performed well when compared with its competitors
3. The performance of HeidelbergCement is reflected by a positive development on capital markets
4. HeidelbergCement is well prepared for the future
5. The positive development continued in Q1 2013
6. Outlook for 2013: continued growth in revenue and results
Megatrends support growth of building materials industry

The fundamental drivers for cement consumption are attractive

**Growth of population**
(Word's population in bn\(^1\))

- 2010: 6.90
- 2020: 7.66
- 2030: 8.32
- 2040: 8.87
- 2050: 9.31

+35%

**Urbanisation**
(Urban population in %\(^1\))

- 2010: 52%
- 2020: 56%
- 2030: 60%
- 2040: 64%
- 2050: 67%

+19 Pp

**Growing middle-class**
(GDP of emerging countries in US\(^2\))

- 2003: 3,663
- 2008: 5,679
- 2013: 7,415
- 2018: 10,292

+7%

Need for housing and infrastructure

Further expansion of urban centres

Rise in living space per capita

Cement-based products are key for industrialisation and development of prosperity

1) UN (as of 2011)
2) IMF April 2013, economic parity in US$
Excellent positioning in attractive micro markets

- **Strong market position in urban centres** (Frankfurt, Munich, London, San Francisco, Los Angeles, Jakarta, Kuala Lumpur, Hong Kong, Sydney…)
- **Proximity to important raw material markets** (Western Canada, Texas, Norway, Ghana, Tanzania, Australia)
Cement and aggregates form the base of our dual raw materials strategy

**Cement**
- Focus on growth markets
- 122 mt capacity worldwide
- 63% of capacity in emerging markets

Capacity by Group areas:
- Western and Northern Europe: 29%
- North America: 11%
- Eastern Europe-Central Asia: 25%
- Asia-Pacific: 26%
- Africa-Mediterranean Basin: 9%

**Aggregates**
- Focus on mature markets and industrialisation
- 19 bnt reserves
- 87% of all reserves in mature markets

Reserves by Group areas:
- Western and Northern Europe: 69%
- North America: 18%
- Eastern Europe-Central Asia: 7%
- Asia-Pacific: 5%
- Africa-Mediterranean Basin: 2%
Innovative products for the markets of tomorrow

Innovation means for us to react quickly to new trends with products and processes by offering sustainable, resource-saving building materials.

基础设施热潮

继续城市化增加对创新解决方案的基础建设的需求。

Example: ShotCrete®

用于快速隧道建设

替代能源

新能量源的发展才刚刚开始。

Example: ThermoCem®

用于地热能生产

CO₂和NOₓ减排

CO₂和NOₓ排放到大气中必须减少到最低水平。

Example: TioCem®

用于减少排放

水泥是一种多用途且无处不在的建筑材料。创新意味着我们必须迅速应对新趋势，通过提供可持续的、资源节约的建筑材料来应对产品和过程。
<table>
<thead>
<tr>
<th>Year</th>
<th>Project</th>
<th>Key points</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>“win Europe”</td>
<td>- Reorganisation and standardisation</td>
<td>88 €m</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>170%✓</td>
</tr>
<tr>
<td>2007-</td>
<td>Hanson integration</td>
<td>- Synergy effects</td>
<td>506 €m</td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td>145%✓</td>
</tr>
<tr>
<td>2009</td>
<td>Fitness programme</td>
<td>- Capacity reduction</td>
<td>550 €m</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Operational optimisation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Adjustment and streamlining of organisation</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>Fitness Plus programme</td>
<td>- Further improvement of cost structure</td>
<td>323 €m</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Optimisation of production and processes</td>
<td>108%✓</td>
</tr>
<tr>
<td>2011-</td>
<td>“FOX 2013”</td>
<td>- OPEX (cement operational excellence)</td>
<td>384 €m</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td>- CLIMB (aggregates quarry optimisation)</td>
<td>92%✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Working Capital optimisation</td>
<td>1,010 €m</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- LEO (optimisation of logistics chain)</td>
<td>500 €m</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- PERFORM (sales excellence cement and RMC)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- CLIMB Commercial (sales excel. aggregates)</td>
<td></td>
</tr>
</tbody>
</table>

Management processes designed for continuous improvement
**Long-term commitment for sustainability**

- The HeidelbergCement Sustainability Ambitions 2020 define 6 key action areas and respective goals
- Further important action areas result from the responsible dealings with our stakeholders: business partners, employees, and local communities
Biodiversity: deeper commitment for species protection

- **Quarry Life Award**
  International competition for new ideas for conserving and promoting species diversity in quarries
  - Target group: students, researchers, NGOs, pupils
  - Over 300 project proposals in 18 countries
  - Top 5 projects of each country did field project research in quarries

- **International award ceremony in Heidelberg**
  - € 60,000 price money for projects in the Czech Republic, Ghana, and the UK
  - Guest speaker was world-famous primate researcher Jane Goodall, who has been in a cooperation with HeidelbergCement for two years in Tanzania and Germany
Diversity: ambitious target for promotion of women

Share of women in management compared to share of female staff in DAX companies

Actual 2012

Target 2020

Median: 0.47

Median: 0.71
1. HeidelbergCement reached its targets for 2012

2. HeidelbergCement performed well when compared with its competitors

3. The performance of HeidelbergCement is reflected by a positive development on capital markets

4. HeidelbergCement is well prepared for the future

5. The positive development continued in Q1 2013

6. Outlook for 2013: continued growth in revenue and results
Market and financial overview Q1 2013

- Strong operational performance despite long, cold and wet winter
  - Increased cement sales volumes in North America, Asia, and Africa compensate for weakness in Europe
  - Revenue stable at €bn 2.8
  - Operating EBITDA up 3% due to price increases and lower energy costs

- Programmes to increase margins well on track
  - Operating EBITDA margins in cement and aggregates business lines further improved
  - Successful start of price increases
  - Cost structure well managed and further optimised
  - Lower than market average energy costs driven by strict energy management and purchase strategy

- Growth in attractive markets
  - 2.9 mt new cement capacity commissioned in India
  - Low-risk and value adding bolt-on acquisitions in Australia (Q1), Russia, and the UK (both April) will increase earnings per share

- Outlook for 2013 confirmed
Sales volumes in Europe affected by strong winter in March and less working days

Temperatures in °C

2012 | 2013
---|---
**January**

Western and Northern Europa

<table>
<thead>
<tr>
<th>Year</th>
<th>CEM</th>
<th>AGG</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1.2</td>
<td>1.0</td>
</tr>
<tr>
<td>2013</td>
<td>4.1</td>
<td>3.1</td>
</tr>
</tbody>
</table>

Eastern Europe-Central Asia

<table>
<thead>
<tr>
<th>Year</th>
<th>CEM</th>
<th>AGG</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1.1</td>
<td>1.4</td>
</tr>
<tr>
<td>2013</td>
<td>4.2</td>
<td>4.3</td>
</tr>
</tbody>
</table>

**February**

Western and Northern Europa

<table>
<thead>
<tr>
<th>Year</th>
<th>CEM</th>
<th>AGG</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1.2</td>
<td>1.0</td>
</tr>
<tr>
<td>2013</td>
<td>4.1</td>
<td>3.1</td>
</tr>
</tbody>
</table>

Eastern Europe-Central Asia

<table>
<thead>
<tr>
<th>Year</th>
<th>CEM</th>
<th>AGG</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1.1</td>
<td>1.4</td>
</tr>
<tr>
<td>2013</td>
<td>4.2</td>
<td>4.3</td>
</tr>
</tbody>
</table>

**March**

Western and Northern Europa

<table>
<thead>
<tr>
<th>Year</th>
<th>CEM</th>
<th>AGG</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2.0</td>
<td>1.5</td>
</tr>
<tr>
<td>2013</td>
<td>7.0</td>
<td>4.9</td>
</tr>
</tbody>
</table>

Eastern Europe-Central Asia

<table>
<thead>
<tr>
<th>Year</th>
<th>CEM</th>
<th>AGG</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1.1</td>
<td>1.0</td>
</tr>
<tr>
<td>2013</td>
<td>1.2</td>
<td>0.8</td>
</tr>
</tbody>
</table>

**Stable volumes in the first two months**

**Q1 affected by harsh winter in March**

Source: www.wetteronline.de; deviation from long-term average
Q1 2013 sales volumes

Cement (mt)

- 2010: 15
- 2011: 17
- 2012: 18
- 2013: 18

Aggregates (mt)

- 2010: 40
- 2011: 46
- 2012: 47
- 2013: 42

Ready-mixed concrete (mm³)

- 2010: 7
- 2011: 8
- 2012: 8
- 2013: 8

Asphalt (mt)

- 2010: 1,4
- 2011: 1,6
- 2012: 1,4
- 2013: 1,3

Sales volumes in Europe & North America affected by long spell of cold weather
# Key financial figures in Q1 2013

<table>
<thead>
<tr>
<th>Key financial figures</th>
<th>January - March</th>
<th>Variance</th>
<th>like for like ¹</th>
<th>in %</th>
<th>in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td>2012*</td>
<td>2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Consolidated income statement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>2.799</td>
<td>2.761</td>
<td>-1 %</td>
<td>-1%</td>
<td></td>
</tr>
<tr>
<td>Operating EBITDA</td>
<td>212</td>
<td>219</td>
<td>3 %</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>as % of revenue</td>
<td>7,6%</td>
<td>7,9%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>12</td>
<td>16</td>
<td>35 %</td>
<td>104%</td>
<td></td>
</tr>
<tr>
<td>Loss for the period</td>
<td>-159</td>
<td>-184</td>
<td>-16 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group share of loss</td>
<td>-208</td>
<td>-235</td>
<td>-16 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Earnings per share in € ²)</strong></td>
<td>-1,11</td>
<td>-1,25</td>
<td>-13 %</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>January - March</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td>2012*</td>
<td>2013</td>
</tr>
<tr>
<td><strong>Consolidated statement of cash flows</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>-434</td>
<td>-371</td>
</tr>
<tr>
<td>Total investments</td>
<td>-164</td>
<td>-418</td>
</tr>
</tbody>
</table>

| Consolidated balance sheet | | |
| Net debt ³) | 8.386 | 7.788 | -598 |
| Gearing     | 63,5% | 58,2% | |

* 2012 figures were adjusted to IAS 19R and IFRIC 20
1) At constant consolidation scope and exchange rates
2) Attributable to the parent entity
3) Excluding non-controlling interests with put options
Continuous debt reduction year-on-year

21 consecutive quarters of net debt reduction (quarter over quarter)

Comment: 2012 figures were adjusted to IAS 19R and IFRIC 20
Expansion of cement capacity in Central India

- Damoh district (Madhya Pradesh)
  - Expansion of clinker capacity at the Narsingarh clinker plant from 1.2 mt to 3.1 mt
  - Increase in cement grinding capacity at the Imlai grinding plant from 1 mt to 2 mt

- Jhansi (Uttar Pradesh)
  - Expansion of cement grinding capacity at the Jhansi grinding plant from 0.8 mt to 2.7 mt
  - Clinker for both cement grinding plants is supplied by Narsingarh

- Cement demand in India has been growing consistently at 6% to 8% for the past years

- Indian government to invest US$ 1 trillion in infrastructure projects over the next 5 years

HeidelbergCement increases cement capacity in India by 2.9 mt to 6.2 mt
HeidelbergCement increases holding in Cement Australia

- Holding increased from 25% to 50% in March; 50:50 joint venture with Holcim
- Biggest cement producer in Australia
  - Cement Australia operates two cement plants and a grinding plant in the East and Southeast of Australia and in Tasmania; total cement capacity: 4.2 mt
  - Commissioning of a new 1.1 mt grinding plant in Port Kembla in 2013
  - Revenue of approximately AUD 1 billion in 2012
  - More than 1,000 employees
- Makes sense from an economic standpoint
  - Cement Australia is a profitable company
  - All our investment criteria are fulfilled
- Makes sense from a strategic standpoint
  - Australia is a stable growth market (population and mining industry)
  - Improvement of vertical integration
Low risk bolt-on acquisitions

- **Midland Quarry Products (MQP) in the UK**
  - Full ownership: acquisition of the remaining 50% in MQP
  - One of the biggest suppliers of aggregates and asphalt in the UK
  - MQP operates one quarry and five asphalt plants

- **CJSC “Construction Materials” in the Russian republic of Bashkortostan**
  - Holding increased from 51% to 100%
  - Cement plant in Sterlitamak with a cement capacity of 1.8 mt
  - Bashkortostan is one of the richest Russian republics with mineral oil reserves

Increasing Group share of profit by consistently rising the stake in joint ventures
Contents

1. HeidelbergCement reached its targets for 2012

2. HeidelbergCement performed well when compared with its competitors

3. The performance of HeidelbergCement is reflected by a positive development on capital markets

4. HeidelbergCement is well prepared for the future

5. The positive development continued in Q1 2013

6. Outlook for 2013: continued growth in revenue and results
Worldwide economic outlook stable to slightly positive

- Europe continues to be threatened by recession – HeidelbergCement countries less affected
- USA on growth path
- Asia and Africa continue to grow strongly
- Stable energy prices expected – compared to previous year
  - Shale gas production in the USA relaxes price situation for gas and oil
- Main risks remain the conflicts in the Middle East and North Africa (Syria, Israel/Iran, Egypt)

IMF expects worldwide economic growth of 3.3% in 2013
Europe threatened by recession – USA on growth path

Europe
- Key problem Southern Europe
- HeidelbergCement countries only slightly affected by recession
- Import pressure from Southern Europe

USA
- High operating leverage
- Highest margins in sector: HC already optimised cost base during downturn
- Leader: California and Texas

Example: cement market Spain

Utilisation (%) & Consumption (mt)

- 79%
- -31
- 34%

Example: housing starts

Thousand units

- 560
- 581
- 526
- 697
- 1,036

1) Source: Morgan Stanley Research, November 2012
2) US Department of Housing and Urban Development
Asia and Africa continue to grow strongly

Asia

- High GDP growth
- Extensive investments in infrastructure
- Consolidated markets; e.g. Indonesia top 3: 90% market share

Group op. EBITDA

<table>
<thead>
<tr>
<th></th>
<th>Asia</th>
<th>Africa</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>36%</td>
<td>6%</td>
<td>58%</td>
</tr>
</tbody>
</table>

Example: investments in Indonesia

<table>
<thead>
<tr>
<th>Capacity (mt)</th>
<th>Project Type</th>
<th>Location</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.9</td>
<td>Grinding mill</td>
<td>Central Java</td>
<td>2013</td>
</tr>
<tr>
<td>4.4</td>
<td>Cement kiln</td>
<td>Central Java</td>
<td>2015</td>
</tr>
<tr>
<td>2-2.5</td>
<td>Cement plant</td>
<td>Central Java</td>
<td>2015-17</td>
</tr>
<tr>
<td>2-2.5</td>
<td>Cement plant</td>
<td>Java</td>
<td>2015-17</td>
</tr>
</tbody>
</table>

Example: raw material reserves

- Gold
- Diamonds
- Other minerals
- Oil or gas

Sub-Saharan Africa has significant growth potential

Attractive raw material reserves drive economic growth
Expansion of cement capacity by 5% per year

Focus on growth markets: doubling of capacity in 10 years

Continuous extension of cement portfolio
also in difficult times
(cement capacity in mt)

Medium growth
(2001-2013)

Medium investment budget

€bn 1 per year

Investments in growth

Optimisation of short- and long-term shareholder return by balanced capital allocation in selected micro markets
Focus on a balanced investment strategy

Short-term increase in results and long-term optimisation of market position

Management chooses selectively from project pipeline

- **Prio 1**
  - **Brownfield**
    - Growth strategy with short-term return
    - Optimisation of existing market position
    - Covering growing market demand

- **Prio 2**
  - **Greenfield**
    - Long-term-oriented strategy
    - Entering new markets
    - Securing raw materials

- **Prio 3**
  - **Purchase**
    - Opportunity-oriented strategy
    - Short-term optimisation of portfolio with simultaneous improvement of EPS

Clear criteria for all investments

- ROCE 19-20%
- ROIC higher than WACC
- Keep group net debt / operating EBITDA below 2.8x
- Improvement of EPS

Clear criteria for all investments:

- ROCE 19-20%
- ROIC higher than WACC
- Keep group net debt / operating EBITDA below 2.8x
- Improvement of EPS
15 mt cement capacity in project pipeline

Market chances for future returns

Investments in new cement capacities\(^1\) of about €m 330 on an annual average

(investment costs in €m by year of commissioning)

Continuous extension of cement capacity

(new capacity in mt by year of commissioning)

---

**Brownfield**

- **2013**
  - India 2.9 mt
  - Indonesia 1.9 mt
  - Liberia 0.5 mt

- **2014**
  - Ghana 0.8 mt
  - Tanzania 0.7 mt

- **2015**
  - Indonesia 4.4 mt

**Greenfield**

- **2011**
  - Australia 0.6 mt

- **2012**
  - Togo 1.5 mt
  - Kazakhstan 0.8 mt
  - Burkina Faso 0.65 mt

- **2013**
  - Togo 0.2 mt
  - Indonesia 4-5 mt (2015-2017)

- **2014**
  - Indonesia 1.9 mt

- **2015**
  - Indonesia 4.4 mt

**Purchase**

- Cement Australia 1.1 mt
- CMC Sterlitamak

---

1) greenfield and brownfield projects only
Management priorities in 2013

1. Increase in revenue and result through sales excellence
   - “PERFORM”: margin improvement in cement
   - “CLIMB Commercial”: margin improvement in aggregates

2. Operational Excellence
   - “FOX 2013”: €m 240m cash savings in 2013
   - “LEO”: Cost savings in and optimisation of transport management

3. Deleveraging with clear goal to reach investment grade metrics

4. Targeted growth in emerging markets

5. Noticeable improvement of earnings per share
Outlook 2013

- Continued strong recovery in the USA
- Growing demand in Asia and Africa
- Weakness of European markets with the exception of Germany, Scandinavia, and Russia
- Worldwide price increases supported by “PERFORM” and “CLIMB Commercial” programmes
- Target: keep energy costs flat; slight to moderate increase in the costs for raw materials and staff

- Volume growth in cement
- Increase in revenue, operating income, and profit before tax
- Reduction of financing costs (potential of €m 200 over 3 years)
- Further reduction of net debt
- Significant increase in earnings per share
Next Annual General Meeting on 7 May 2014