Interim Financial Report

HEIDELBERGCEMENT

# January to September 2012

- **Strong operative development driven by successful cost savings and price increases**
- **Revenue up 9.4% to €10.5 billion**
- **Operating income before depreciation up 6.2% to €1,786 million**
- **Significant net debt reduction by €740 million compared to third quarter of 2011**
- **“FOX 2013” programme already beats annual target after 9 months and generates €241 million cash savings**
- **Pricing initiatives “PERFORM” and “CLIMB Commercial” started in order to improve margin by €350 million until 2015**
- **Sustained growth expected in Asia-Pacific and Africa-Mediterranean Basin as well as continuing recovery in North America; weakening demand in parts of Europe**
- **Targets for 2012 confirmed: increase in revenue and operating income**

| **Overview January to September 2012** | July - September | | January - September | |
|---|---|---|---|---|
| €m | 2011 | **2012** | 2011 | **2012** |
| Revenue | 3,624 | **3,944** | 9,620 | **10,525** |
| Operating income before depreciation (OIBD) | 778 | **874** | 1,682 | **1,786** |
| in % of revenue | 21.5 % | **22.2 %** | 17.5 % | **17.0 %** |
| Operating income | 562 | **649** | 1,063 | **1,158** |
| Additional ordinary result | -30 | **-59** | -28 | **-113** |
| Result from participations | 16 | **17** | 38 | **33** |
| Earnings before interest and income taxes (EBIT) | 548 | **608** | 1,073 | **1,079** |
| Profit before tax | 403 | **427** | 635 | **601** |
| Net income from continuing operations | 321 | **329** | 423 | **416** |
| Net loss from discontinued operations | -5 | **-6** | -19 | **0** |
| Profit for the period | 316 | **323** | 404 | **416** |
| Group share of profit | 268 | **259** | 266 | **239** |
| Investments | 225 | **179** | 582 | **511** |

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

# Interim Group management report

## Business trend January to September 2012

### Economic environment

The global economy is continuing to grow, although the economic dynamics decreased noticeably in the course of the year. The economic development clearly differs from region to region: the national economies of Asia remain on a growth track, albeit at a somewhat weakened pace. The African countries south of the Sahara are continuing to record solid growth rates. In contrast, economic development in many European countries is heavily impaired by budgetary problems and the uncertainties resulting from the euro crisis. In the USA, economic recovery is continuing and the increase in gross domestic product in the third quarter was stronger than expected.

### Cement sales volumes benefit from continued strong demand in North America and Asia

In the first nine months, cement sales volumes benefited from the continued recovery of residential construction in North America as well as the persistently strong demand in HeidelbergCement's markets in Asia. The growth in sales volumes in these Group areas more than compensated for the losses in some European markets, which were due to declining infrastructure expenditure. The Group's cement and clinker sales volumes rose by 2.5% to 67.0 million tonnes (previous year: 65.4). The largest contribution was made by the Asia-Pacific Group area, followed by North America. The sales volumes of the Eastern Europe-Central Asia and Africa-Mediterranean Basin Group areas remained at the previous year's level.

In aggregates, the drop in demand particularly in some European key markets as well as in North America was noticeable. Group-wide deliveries of aggregates declined by 4.3% to 182.9 million tonnes (previous year: 191.1); adjusted for consolidation effects, the decrease amounted to 4.9%. Deliveries of ready-mixed concrete remained almost stable at 29.0 million cubic metres (previous year: 29.2). Asphalt sales volumes fell by 9.3% to 6.5 million tonnes (previous year: 7.2).

| **Sales volumes** | July - September | | | January - September | | |
|---|---|---|---|---|---|---|
| | 2011 | **2012** | Change | 2011 | **2012** | Change |
| Cement and clinker (Mt) | 24.3 | **24.3** | -0.1 % | 65.4 | **67.0** | 2.5 % |
| Aggregates (Mt) | 75.9 | **68.8** | -9.4 % | 191.1 | **182.9** | -4.3 % |
| Asphalt (Mt) | 3.1 | **2.9** | -6.9 % | 7.2 | **6.5** | -9.3 % |
| Ready-mixed concrete ($Mm^3$) | 10.6 | **10.5** | -0.6 % | 29.2 | **29.0** | -0.6 % |

### Development of revenue and results

Group revenue rose considerably from January to September 2012, by 9.4% to €10,525 million (previous year: 9,620). In particular, the Asia-Pacific, Africa-Mediterranean Basin, and North America Group areas recorded double-digit growth rates. While moderate growth was achieved in the Eastern Europe-Central Asia Group area, revenue in the Western and Northern Europe Group area declined slightly. This affected the operating units in the United Kingdom and the Benelux countries in particular. Excluding currency and consolidation effects, Group revenue rose by 4.4% as a result of the growth in sales volumes in the cement business line as well as successfully implemented price increases. Positive exchange rate effects totalling €490 million were recorded primarily in the Asia-Pacific, North America, and Western and Northern Europe Group areas. The effects from changes in the consolidation scope were insignificant.

The other operating income of €334 million (previous year: 229) includes book profits of €70 million from the orderly commercialisation of quarries in Canada whose stocks had been used up and which were no longer being used operationally. In the reporting period, material costs rose by 11.9% to €4,465 million (previous year: 3,992). This is due to the increase in the costs of raw materials and energy in comparison with the previous year as well as the expansion of the trading activities of HC Trading. The rise of 13.4% in personnel costs to €1,753 million (previous year: 1,545) results primarily from the one-off effects of €90.2 million in the previous year in connection with the adjustment of the inflation index for the calculation of defined benefit pension plans in the

United Kingdom and the conversion of defined benefit to defined contribution plans in the Netherlands, as well as the usual wage and salary increases. The other operating expenses increased in proportion to the revenue growth by 9.3% to €2,876 million (previous year: 2,631).

Operating income before depreciation (OIBD) increased by 6.2% to €1,786 million (previous year: 1,682). Amortisation and depreciation of intangible assets and property, plant, and equipment remained almost constant at €591 million (previous year: 573). Operating income improved by 8.9% to €1,158 million (previous year: 1,063).

The additional ordinary result fell by €85 million to €-113 million (previous year: -28), primarily because of the losses from sales of subsidiaries and other business units amounting to €49 million and impairment losses amounting to €26 million on goodwill and property, plant, and equipment in Spain. The results from participations decreased by €5 million to €33 million (previous year: 38).

Financial results fell by €39 million to €-477 million (previous year: -438). The decline resulted from the decrease of €15 million in interest income, which was primarily due to the pre-financing of €17 million of the €1 billion Eurobond repaid in January 2012, as well as from the decline of €40 million in other financial results, which related mainly to the non-cash discounting effects of long-term provisions amounting to €42 million. In contrast, the foreign exchange results improved by €16 million.

The profit before tax from continuing operations fell by €34 million to €601 million (previous year: 635). Expenses relating to taxes on income decreased by €27 million to €185 million (previous year: 212). The disproportionately strong change relates primarily to the release of provisions for taxes for previous years that were no longer required. The effective tax rate changed in comparison with the previous year, from 33.3% to 29.9%. As in the previous year, the figure was primarily characterised by non-capitalised deferred taxes on losses carried forward in North America. Net income from continuing operations amounts to €416 million (previous year: 423).

The change in net loss from discontinued operations of €19 million related primarily to one-off effects in connection with the release of provisions that were no longer required and income from insurance coverage.

Overall, the profit for the period amounts to €416 million (previous year: 404). The profit attributable to non-controlling interests rose by €39 million to €177 million (previous year: 138). The Group share therefore amounts to €239 million (previous year: 266).

Earnings per share – Group share of profit – in accordance with IAS 33 decreased to €1.28 (previous year: 1.42).

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

### "FOX 2013" programme beats 2012 target after 9 months

After nine months of 2012, the three-year programme for financial and operational excellence, "FOX 2013", already surpassed the annual savings target of €200 million and generated cash savings of €241 million. Specifically the reduction of working capital and the savings from purchasing and from the OPEX project exceeded the expectations.

### Pricing initiatives "PERFORM" and "CLIMB Commercial" started in order to improve margin by €350 million – Logistics initiative "LEO" on track

In order to further improve the margin by €350 million until 2015, HeidelbergCement started the pricing initiatives "PERFORM" for cement and "CLIMB Commercial" for aggregates. The project "PERFORM" aims at margin improvements in cement in Europe and North America by optimising internal pricing strategies and sales staff training, accordingly. Project "CLIMB Commercial" focusses on margin improvement through optimisation of product- and customer-mix in aggregates. The logistics initiative "LEO" is on track. First pilots in Europe show savings potential above expectations.

**Statement of cash flows**

The cash flow from operating activities improved from January to September 2012 by a total of €342 million to €587 million (previous year: 245), considerably above the previous year's value. This is due, on one hand, to an increase in operating income before depreciation. On the other hand, further efforts in the area of working capital management led to a significant reduction of €178 million in the changes in working capital to €-452 million (previous year: -630). This was counteracted by an increase of €37 million in net interest payments to €468 million (previous year: 432). The cash outflow from income taxes increased by €16 million to €250 million (previous year: 235). Payments for provisions rose slightly by €6 million to €152 million (previous year: 146).

The cash outflow from investing activities was €123 million below the previous year's level, totalling €351 million (previous year: 474), and relates essentially to investments in property, plant, and equipment.

In the reporting period, the cash outflow from financing activities amounted to €859 million (previous year: inflow of 296), primarily in connection with proceeds from and repayment of bonds and loans. The proceeds from bond issuance and loans include the utilisation of credit lines and the issue of a Eurobond with an issue volume of €300 million. The repayment of bonds and loans is essentially characterised by the repayment of the bond of €1 billion that matured in January 2012. This item also includes the balance from the proceeds and payments for items with a high turnover rate, large amounts, and short terms from financing activities. Payments for dividends led to a cash outflow of €130 million (previous year: 103), with dividend payments to the shareholders of HeidelbergCement AG rising by €19 million to €66 million (previous year: 47).

**Investments**

In the first nine months of 2012, cash flow investments decreased by 12.2% to €511 million (previous year: 582). Investments in property, plant, and equipment, including intangible assets, which primarily related to optimisation and environmental protection measures at our production sites, but also expansion projects in growing markets, accounted for €488 million (previous year: 522) of this total. Investments in financial assets and other business units decreased to €23 million (previous year: 60); these primarily related to smaller acquisitions to round off shareholdings.

**Balance sheet**

The balance sheet total grew by €7 million to €29,027 million (previous year: 29,020) as at 30 September 2012.

The long-term assets rose by €179 million to €23,574 million (previous year: 23,395). The increase of €94 million in fixed assets to €22,792 million (previous year: 22,698) is mainly due to exchange rate effects. Currency exchange fluctuation had an effect of €202 million on goodwill and €177 million on property, plant, and equipment. Additions of €497 million to property, plant, and equipment were offset by depreciation of €591 million. The other long-term receivables increased by €11 million to €305 million (previous year: 294), mainly as a result of the valuation of plan assets from defined benefit pension plans. The increase of €71 million in deferred tax assets results essentially from the rise in actuarial losses for pension provisions.

The short-term assets decreased by €172 million to €5,453 (previous year: 5,625). Despite increased business activities, inventories rose only slightly by €84 million to €1,667 million (previous year: 1,583). As a result of seasonal factors, trade receivables increased by €357 million to €2,006 million (previous year: 1,649). Cash and cash equivalents fell by €648 million to €1,222 (previous year: 1,870). The changes are explained in the Statement of cash flows section.

On the equity and liabilities side, the shareholders' equity rose by €518 million to €14,087 million (previous year: 13,569). This was primarily due to currency exchange fluctuations of €348 million and the profit for the period of €416 million, as well as the changes in non-controlling interests with put options, amounting to €56 million. These factors were counteracted to some extent by actuarial losses of €174 million and dividend payments of €130 million, of which €66 million related to dividend payments to shareholders of HeidelbergCement AG. The consolidated statement of changes in equity is explained in detail in the Notes.

The decline of €760 million in interest-bearing liabilities, which reached €9,041 million (previous year: 9,801), is primarily due to the repayment of bonds. The increase of €49 million in operating liabilities to €2,761 million (previous year: 2,712) relates mainly to trade payables. Provisions grew by €264 million to €2,448 million (previous year: 2,184), of which €225 million relates to provisions for pensions.

**Financing**

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

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

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

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

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

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

According to the terms and conditions of all the bonds issued since 2009 and the debt certificate issued in December 2011, there is a limitation on incurring additional debt if the consolidated coverage ratio (i.e. the ratio of the aggregate amount of the consolidated EBITDA to the aggregate amount of the consolidated interest expense) of the HeidelbergCement Group is below 2. The consolidated EBITDA of €2,532 million and the consolidated interest expense of €691 million are calculated on a pro forma basis in accordance with the terms and conditions of the bonds. As at 30 September 2012, the consolidated coverage ratio amounted to 3.67.

Net debt decreased by €740 million in comparison with 30 September 2011, amounting to €7,759 million (previous year: 8,499) as at 30 September 2012. The decrease of €11 million in comparison with the end of 2011 is primarily due to the reduction in cash outflow from investing activities and the improvement in working capital.

The available liquidity from cash and cash equivalents, liquidable financial investments and derivative financial instruments, and unused credit lines amounted to €3,958 million as at the end of September 2012.

**Western and Northern Europe**

The economic recovery in Germany and the Nordic countries Sweden and Norway is continuing, although the economy has cooled noticeably, particularly in Sweden. In contrast, Norway remains on course for solid growth because of its oil wealth. So far this year, the German economy has proved to be in robust shape despite the ongoing difficulties in the euro zone. However, the downward risks have increased significantly because of the weakening of the global economy. The construction industry, a mainstay of the German economy, is benefiting from the continuing high level of demand from residential construction. In the United Kingdom, economic output grew more substantially than expected in the third quarter, with an increase of 1.0% in comparison with the previous quarter; in contrast, the construction sector shrank by 2.5%.

In the cement business line, the individual Group countries experienced varied development in sales volumes during the first nine months of 2012. The Nordic countries Sweden and Norway, as well as the Baltic States, achieved slight overall increases in quantities in cement and clinker shipments thanks to consistently strong construction activity. In Germany, the generally strong development of construction activity was disrupted by the cold winter weather in February; nevertheless, our domestic deliveries in the second and third quarters slightly exceeded last year's high quantities. Overall, the cement and clinker sales volumes of our German plants were still marginally below the previous year's level at the end of the reporting period. The United Kingdom and the Benelux countries suffered heavy decreases in sales volumes; the Netherlands in particular were adversely affected by weak construction demand. Overall, our cement and clinker sales volumes in Western and Northern Europe fell by 3.7% in the first nine months of 2012 to 16.1 million tonnes (previous year: 16.7).

The development of sales volumes in the aggregates business line also followed two opposing trends. While our aggregates activities in Germany achieved slight increases in sales volumes and almost reached the high level of the previous year in Norway, deliveries of aggregates in the United Kingdom, the Benelux countries, Sweden, and the Baltic States were significantly below the previous year's level. The Group area's aggregates sales volumes decreased by 7.6% overall to 55.3 million tonnes (previous year: 59.8). Excluding consolidation effects, the decline amounted to 9.3%.

We recorded slight increases in quantities in the ready-mixed concrete operating line in Northern Europe and Germany. Deliveries decreased noticeably in the United Kingdom and the Benelux countries. Overall, ready-mixed concrete sales volumes fell by 5.4% to 9.8 million cubic metres (previous year: 10.4). The sales volumes of the asphalt operating line were 23.6% below the previous year's level.

In the building products business line, which essentially comprises the building products of Hanson in the United Kingdom, a decline in sales volumes was recorded in all operating lines, with the exception of precast concrete parts, which remained at the previous year's level.

Revenue of the Western and Northern Europe Group area declined by 3.0% to €3,163 million (previous year: 3,262); excluding consolidation and exchange rate effects, the decrease amounted to 5.0%.

**Eastern Europe-Central Asia**

The cooling of the global economy and falling demand from the euro zone are having a significant impact in the countries of the Eastern Europe-Central Asia Group area, with a noticeable weakening of economic development. In some countries, such as the Czech Republic, Hungary, and Romania, the construction industry is being adversely affected by the lack of financing for infrastructural projects. In Poland and the Ukraine, public construction expenditure has weakened considerably following the completion of numerous infrastructural projects in connection with the European Football Championship. In the first quarter, severe winter weather also hampered construction activity in large parts of the Group area.

In the cement business line, our deliveries in the first nine months remained below the previous year in the majority of countries because of the unfavourable weather conditions in the winter months and the significant weakening of construction activity. In contrast, our sales volumes in Russia increased by more than 60% as a

result of healthy market development as well as deliveries from the new Tula cement plant to the Moscow area. Georgia also achieved a significant increase in volumes. As a whole, the cement and clinker sales volumes of the Group area in the first nine months were just above the previous year's level, with a slight increase of 0.2% at 13.4 million tonnes (previous year: 13.4).

At the end of March 2012, the capacity expansion in the Górazdze cement plant in Poland was completed with the commissioning of a new cement mill. The new mill is HeidelbergCement's largest ball mill in Europe with a capacity of 1.4 million tonnes per year. Its commissioning is the perfect follow-up to the increase in clinker capacity carried out in the past year. This brings our total cement capacity in Poland to 5.6 million tonnes in 2012. The construction of the new Caspi cement plant in western Kazakhstan is progressing according to plan. The plant with a capacity of 0.8 million tonnes will strengthen our nationwide presence and allow us to supply the oil- and gas-rich region on the Caspian Sea more cost-effectively. We aim to produce the first cement there in 2014.

In the aggregates business line, our sales volumes remained considerably below the previous year's level in most countries. However, Russia and the Ukraine achieved substantial increases in volumes. Overall, our aggregates activities in the Group area recorded a 11.6% decline in sales volumes to 14.2 million tonnes (previous year: 16.0). Deliveries of ready-mixed concrete decreased by 17.0% to 2.8 million cubic metres (previous year: 3.4).

Revenue of the Eastern Europe-Central Asia Group area rose by 4.3% to €1,116 million (previous year: 1,070); excluding consolidation and exchange rate effects, the increase amounted to 5.0%.

**North America**

In the North America Group area, HeidelbergCement is represented in the USA and Canada. In the USA, economic recovery is continuing. In the third quarter of 2012, gross domestic product increased at a higher-than-expected rate of 2.0%. The unemployment rate dropped to 7.8% in September, but increased slightly to 7.9% in October. Recovery of residential construction is also continuing: housing investment rose by 14.4% in the third quarter. Housing starts in September were at an annual rate of 872,000. This is 15.0% above the previous month rate and is 34.8% above the September 2011 rate. Building permits were 11.6% above the August rate and were 45.1% above the September 2011 rate. Besides the economic recovery, the North American construction industry – and therefore demand for our building materials – benefited from the mild winter weather at the beginning of the year.

The cement sales volumes of our North American plants grew by 11.7% to 8.9 million tonnes (previous year: 7.9) in the first nine months. The highest increase in quantities was achieved by the North market region, which benefited from strong demand in all major markets. In the South region, deliveries also underwent a double-digit increase, while the West and Canada regions achieved moderate growth in sales volumes. In Canada, the strong demand from the energy and mining sector in the Prairie provinces was offset by the sustained weakness of construction activity in British Columbia.

In the aggregates business line, our deliveries in the third quarter remained below the previous year's level in all regions. The declines are primarily due to the high sales volumes in the same quarter of the previous year as well as a weakening of shale gas activities and reduced investment in road construction. All in all, the aggregates sales volumes experienced a decrease of 1.2% in the first nine months and were slightly below the previous year's level at 78.5 million tonnes (previous year: 79.5). In the ready-mixed concrete operating line, the North, South, and Canada regions achieved double-digit increases in sales volumes, while the West region recorded a slight decline in deliveries. Overall, ready-mixed concrete sales volumes grew by 7.6% to 4.7 million cubic metres (previous year: 4.3). In the asphalt operating line, increases in sales volumes in the North region compensated for the decline in the West region. Asphalt deliveries remained at the previous year's level of 2.6 million tonnes.

In the building products business line, which is heavily dependent on residential construction, the roof tiles, precast concrete parts, paving blocks, and pressure pipes operating lines recorded significant decreases in

quantities. In contrast, sales volumes of concrete pipes were only slightly below the previous year's level, while the bricks operating line achieved a pleasing increase.

Total revenue in North America rose by 15.2% to €2,606 million (previous year: 2,261); excluding consolidation and exchange rate effects, it rose by 4.4%.

**Asia-Pacific**

The emerging countries of Asia remain on course for growth, although the economic dynamics have decreased significantly overall this year. The Chinese economy has slowed down noticeably, with the increase in the gross domestic product falling to 7.4% in the third quarter. However, the latest data for industrial production, retail sales, and fixed asset investment indicate a stabilisation of economic growth. The economic expansion in India has also weakened considerably. In contrast, Indonesia is benefiting from the strong domestic demand and is recording robust general economic growth. The Australian economy is on course for growth, despite recently decreased raw material prices.

During the first nine months, cement and clinker deliveries of the Asia-Pacific Group area grew by 6.6% to 22.1 million tonnes (previous year: 20.7). In Indonesia, our subsidiary Indocement benefited from the extremely lively construction activity, particularly in private residential and high-rise construction. In view of the rapidly growing domestic market, Indocement reduced its lower-margin export deliveries substantially. Overall, Indocement's cement and clinker sales volumes grew by 13.9%. The strong growth in sales volumes and successful price increases led to a significant improvement in results. In order to meet the rising domestic demand for cement, Indocement is currently constructing an additional cement grinding facility at the Citeureup plant with a capacity of 1.9 million tonnes, set to be commissioned in 2013. In addition, we are planning to further expand the Citeureup plant by constructing a new integrated production line with a cement capacity of 4.4 million tonnes, which is set to be completed by 2015.

In China, sales volumes of our joint ventures in the provinces of Guangdong and Shaanxi remained noticeably below the previous year. The decreases in volumes result primarily from declining demand and excess capacities. A positive price development was recorded in Shaanxi because of the continuing market consolidation, while cement prices in Guangdong have fallen significantly with an upward trend since September.

In India, the cement deliveries of our plants benefited from the strong development of residential construction in rural areas. In the third quarter, however, construction activity in central India was impaired by heavy rainfall, particularly in August. The sales volumes of our Indian cement plants increased by 1.7% in the first nine months. The positive price development resulted in a significant improvement in revenue and results. The expansion of our cement capacities in central India by 2.9 million tonnes is almost completed. New facilities in our Damoh and Jhansi plants are set to be commissioned in the fourth quarter of 2012. HeidelbergCement will then have a total capacity of 6 million tonnes in India.

We achieved a significant increase in sales volumes in Bangladesh. Besides the good development of demand, the production start of an additional cement mill with a capacity of 0.8 million tonnes at the Chittagong grinding facility at the start of 2012 contributed to this growth. In Australia, the sales volumes of the proportionately consolidated cement company Cement Australia were adversely affected by wet weather on the East Coast.

In the aggregates business line, the market recovery in Malaysia continued, although the increase in sales volumes achieved there could not fully compensate for the weather-related decreases in quantities in Australia and Indonesia. Overall, sales volumes of aggregates fell by 2.4% to 27.1 million tonnes (previous year: 27.8). In the asphalt operating line, the substantial rise in bitumen prices in Malaysia was reflected in a decrease of 2.4% in volumes. Deliveries of ready-mixed concrete increased by 10.8% to 8.0 million cubic metres (previous year: 7.2); a strong contribution was made by Malaysia and Indonesia in particular, where Indocement achieved a substantial increase in volumes despite the heavy rainfall in the first quarter.

Revenue of the Asia-Pacific Group area rose by 19.5% to €2,548 million (previous year: 2,133); excluding consolidation and exchange rate effects, the increase amounted to 13.4%.

### Africa-Mediterranean Basin

The African countries south of the Sahara are continuing to experience solid economic development and lively construction activity. In Turkey, the general economic dynamics and the growth of the construction industry weakened noticeably in comparison with the previous year. In Spain, the economy is in recession and construction activity is still suffering as a result of the property crisis, high unemployment, and the government's budget cuts, which resulted in a heavy reduction in infrastructure expenditure this year.

In Africa, our cement deliveries recorded a slight increase of 1.6%. This was attributable in particular to our main markets of Ghana and Tanzania. In light of the positive growth prospects, HeidelbergCement is expanding its activities in Africa. A new cement mill with a capacity of 0.5 million tonnes is currently under construction in Liberia and is set to be commissioned during the first quarter of 2013. We are also expanding our cement production capacity in our main market, Ghana, with the construction of a new cement mill at the Tema grinding facility; the commissioning of the mill with a capacity of 1 million tonnes is scheduled for the fourth quarter of 2012. In Togo, we are constructing a new clinker plant with an annual capacity of 1.5 million tonnes near the town of Tabligbo, some 80 km north-east of the capital of Lomé. In addition, we are building a new cement grinding facility with a capacity of 200,000 tonnes in Dapaong, 600 km to the north. Commissioning of the two new plants is scheduled for 2015. At the end of 2014, a greenfield cement grinding plant with a capacity of 650,000 tonnes is set to commence operation in Burkina Faso, close to the capital, Ouagadougou. In Tanzania, the modernisation of cement kiln 3 at our Tanzania Portland Cement plant has been completed and will increase the clinker capacity of the plant by 250,000 tonnes. We are also evaluating options for capacity expansions in other African countries.

In Turkey, cement consumption was impaired by unfavourable weather conditions in the first quarter as well as the cooling of construction activity. The domestic cement sales volumes of our joint venture Akçansa were only just below the previous year's quantity in the third quarter, but remained significantly below the previous year's level at the end of the first nine months of 2012. While cement exports also fell, clinker exports were increased considerably. In total, Akçansa's cement and clinker sales volumes decreased by 3.2%. However, price increases more than offset the decreases in quantities. Overall, the cement and clinker sales volumes of the Africa-Mediterranean Basin Group area reached the previous year's level, totalling 6.9 million tonnes.

In the aggregates business line, the decline in sales volumes in Spain was not fully offset by increases in quantities in Israel and Turkey. As a whole, the Group area's deliveries of aggregates fell by 2.5% to 10.5 million tonnes (previous year: 10.8). The asphalt activities recorded an increase of 9.6% in sales volumes. Ready-mixed concrete deliveries decreased by 3.3% to 3.7 million cubic metres (previous year: 3.9); while Israel achieved pleasing growth in sales volumes and Turkey remained only slightly below the previous year's level, our Spanish ready-mixed concrete activities suffered significant losses in quantities.

Revenue of the Africa-Mediterranean Basin Group area rose by 10.1% to €846 million (previous year: 768); excluding consolidation and exchange rate effects, the growth amounted to 9.1%.

### Group Services

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

HC Trading's trading activities in cement, clinker, and other building materials such as lime and dry mortar increased by 21.1% to 8.0 million tonnes in the first nine months (previous year: 6.6). Deliveries of coal and petroleum coke rose by 53.9% to 2.9 million tonnes (previous year: 1.9).

Revenue of the Group Services business unit rose by 30.8% to €614 million (previous year: 469); excluding exchange rate effects, revenue increased by 19.2%.

### Employees

At the end of September 2012, the number of employees at HeidelbergCement stood at 53,729 (previous year: 54,335). The decrease of 606 employees essentially results from two opposing developments: on one hand, almost 1,300 jobs were cut in the North America Group area, in the United Kingdom, Spain, and some Eastern European countries in connection with efficiency increases in sales and administration, location optimisations, and capacity adjustments. On the other hand, we have hired more than 600 new employees in growing markets such as India and Indonesia.

### Personnel change on the Supervisory Board

Following an application of the company, the Local Court (Amtsgericht) of Mannheim/Germany supplemented the Supervisory Board of HeidelbergCement AG by appointing Prof. Dr. Marion Weissenberger-Eibl as a member in the capacity of shareholder representative. At the beginning of July 2012, she succeeded Dr.-Ing. Herbert Lütkestratkötter, who had resigned from his position for personal reasons. Her term of appointment will expire on the occasion of the by-election held at the next Annual General Meeting of HeidelbergCement AG on 8 May 2013.

### Events after the balance sheet date

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

# Outlook

The global economic situation is still dominated by great political and economic uncertainty. The sustained pressure on countries to reduce their debt suggests that economic growth will remain below the pre-crisis level for some time, particularly in Europe. In its latest forecast, the International Monetary Fund again lowered the growth rates for the world economy and both industrial and emerging markets for 2012 and 2013. GDP growth rates are however expected to increase slightly in 2013 compared with 2012. The debt crisis is still not expected to intensify and no significant decline in economic growth is anticipated in China. The growth rates in the emerging countries of Asia and Africa will remain significantly above those of the mature markets in North America and Europe.

In the Western and Northern Europe Group area, HeidelbergCement continues to expect a slight dip in demand and falling sales volumes for cement and aggregates. This is primarily due to the strong sales volumes of the previous year, the cold spell in Europe in the first quarter of 2012, and a weakening of demand in the United Kingdom and the Netherlands. In the Eastern Europe-Central Asia Group area, HeidelbergCement continues to expect further growth in Russia and Central Asia driven by solid demand and additional capacities, while sales volumes are anticipated to decline in Eastern Europe due to weakened demand especially in Poland and the Czech Republic. Based on the strong development in the first nine months of the year, HeidelbergCement anticipates increasing demand for cement in North America, which will be driven by recovering investment in private residential construction and commercial construction. HeidelbergCement anticipates demand for building materials from the raw materials industry in Canada and the USA to support its sales volumes. In the Asia-Pacific and Africa-Mediterranean Basin Group areas, the Group still expects a consistently positive demand trend.

With regard to costs, HeidelbergCement anticipates a further – albeit significantly weaker compared to the previous year – increase in energy and raw material prices as well as rising personnel costs. HeidelbergCement aims to offset the cost increase and recover some of the margins lost in 2011 by cost reduction measures, operational efficiency, and targeted price increases. The Managing Board sticks to its target of further increasing revenue and operating income in 2012 compared to the previous year.

The achieved margin improvement and net debt reduction in the third quarter underline that we are well on our way to reach our targets for 2012. However, macroeconomic risks remain meaningful. The need for countries to deleverage will likely dampen volume growth in mature markets for the foreseeable future. In addition, we still have not recovered the margin loss from increasing energy costs. As such, we will unabatedly continue our efforts to reduce costs and improve efficiency and will continue to right-size capacities where necessary. On top, we are pushing further margin improvements with two pricing initiatives for cement and aggregates. Deleveraging remains the highest priority for us, in order to regain our investment grade rating. We will also continue our successful strategy of targeted investments to expand cement capacities in the growth markets of Asia, Africa, and Eastern Europe. More than 5 million tonnes of additional cement capacities are expected to be commissioned in emerging markets in 2013. Operating from a strong German base and with excellent positions in attractive growth markets – in both emerging and industrialised countries – HeidelbergCement is very well positioned to benefit over-proportionally from the continued economic growth.

**Additional statements on the outlook**

The Managing Board of HeidelbergCement has not seen evidence of developments beyond those mentioned in the previous paragraph that would suggest changes for the business year 2012 regarding the forecasts and other statements made in the 2011 Annual Report in the Outlook chapter on page 113 ff. on the expected development of HeidelbergCement and its business environment.

The expected future development of HeidelbergCement and the business environment over the course of 2012 is described in the outlook. As such, please note that this Interim Financial Report contains forward-looking statements based on the information currently available and the current assumptions and forecasts of the Managing Board of HeidelbergCement. Such statements are naturally subject to risks and uncertainties and may therefore deviate significantly from the actual development. HeidelbergCement undertakes no obligation and furthermore has no intention to update the forward-looking statements made in this Interim Financial Report.

# Risk report

HeidelbergCement's risk policy is based on the business strategy, which focuses on safeguarding the Group's existence and sustainably increasing its value. Entrepreneurial activity is always forward-looking and therefore subject to certain risks. Identifying risks, understanding them, and reducing them systematically is the responsibility of the Managing Board and a key task for all managers. HeidelbergCement is subject to various risks that are not fundamentally avoided, but instead accepted, provided they are consistent with the legal and ethical principles of entrepreneurial activity and are well balanced by the opportunities they present. Opportunity and risk management at HeidelbergCement is closely linked by Group-wide planning and monitoring systems. Opportunities are recorded in the annual operational plan and followed up as part of monthly financial reporting. Operational management in each country and the central Group departments are directly responsible for identifying and observing opportunities at an early stage.

The Managing Board of HeidelbergCement AG is obliged to set up and supervise an internal control and risk management system. The Managing Board also has overall responsibility for the scope and organisation of the established systems. The Supervisory Board and its Audit Committee also review the effectiveness of the risk management system on a regular basis. HeidelbergCement has installed transparent regulations to govern competences and responsibilities for risk management that are based on the Group's structure. A code of conduct, guidelines, and principles apply across the Group for the implementation of systematic and effective risk management. The internal control and risk management system, standardised across the Group, comprises several components that are carefully coordinated and systematically incorporated into the structure and workflow organisation. It is based on the financial resources, operational planning, and the risk management strategy established by the Managing Board.

In a holistic view of individual risks and the overall risk situation, there are, from today's perspective, no identifiable risks that could threaten the existence of the Group or any other apparent significant risks. Our control and risk management system standardised across the Group ensures that major risks, which, if they occurred, would lead to a considerable deterioration of the Group's economic position, are identified at an early stage.

Risks that may have a significant impact on our financial position and performance in the 2012 financial year and in the foreseeable future are described in detail in the 2011 Annual Report in the Risk report chapter on page 80 f. and in the section Estimates for 2012 and 2013 by Group management – risks and opportunities on page 121 f. in the Outlook chapter.

The risks arising from volatile energy and raw material prices as well as from exchange rates remain high. Although the International Monetary Fund (IMF) has only marginally lowered the growth rates for the global economy in its latest forecast, ongoing development is associated with a high level of uncertainty and risk. In the industrialised countries, the most pressing task is to consolidate state finances, reform the financial sector, and tackle unemployment. Significant uncertainties still remain with regard to the stability of the global financial system.

# Interim consolidated financial statements

## Consolidated income statement

| Consolidated income statement | July - September | | January - September | |
|---|---|---|---|---|
| €m | 2011 | 2012 | 2011 | 2012 |
| **Revenue** | 3,623.6 | **3,944.4** | 9,619.7 | **10,524.8** |
| Change in finished goods and work in progress | -1.3 | **-13.6** | -9.9 | **15.0** |
| Own work capitalised | 3.9 | **1.7** | 10.9 | **5.4** |
| **Operating revenue** | 3,626.2 | **3,932.5** | 9,620.6 | **10,545.2** |
| | | | | |
| Other operating income | 80.2 | **159.7** | 229.0 | **334.4** |
| Material costs | -1,464.3 | **-1,594.7** | -3,991.5 | **-4,465.0** |
| Employee and personnel costs | -506.5 | **-605.7** | -1,545.4 | **-1,752.9** |
| Other operating expenses | -957.9 | **-1,017.4** | -2,630.7 | **-2,875.8** |
| **Operating income before depreciation (OIBD)** | 777.7 | **874.3** | 1,682.0 | **1,785.9** |
| | | | | |
| Depreciation of property, plant, and equipment | -191.3 | **-203.5** | -572.9 | **-590.7** |
| Amortisation of intangible assets | -24.2 | **-21.4** | -45.7 | **-36.7** |
| **Operating income** | 562.2 | **649.4** | 1,063.4 | **1,158.4** |
| | | | | |
| Additional ordinary income | 0.4 | **0.0** | 26.0 | **0.7** |
| Additional ordinary expenses | -30.8 | **-59.0** | -54.2 | **-113.3** |
| **Additional ordinary result** | -30.4 | **-59.0** | -28.2 | **-112.6** |
| Result from associated companies [1] | 15.4 | **16.6** | 34.6 | **29.0** |
| Result from other participations | 0.4 | **0.7** | 3.4 | **3.9** |
| **Earnings before interest and taxes (EBIT)** | 547.5 | **607.8** | 1,073.3 | **1,078.8** |
| | | | | |
| Interest income | 16.9 | **19.9** | 55.3 | **52.9** |
| Interest expenses | -162.0 | **-162.9** | -463.7 | **-476.0** |
| Foreign exchange gains and losses | -0.8 | **8.6** | -1.8 | **13.8** |
| Other financial result | 1.2 | **-45.9** | -27.6 | **-68.0** |
| **Financial result** | -144.7 | **-180.3** | -437.9 | **-477.3** |
| **Profit before tax from continuing operations** | 402.8 | **427.4** | 635.4 | **601.4** |
| | | | | |
| Income taxes | -82.1 | **-98.4** | -212.0 | **-185.0** |
| **Net income from continuing operations** | 320.7 | **329.1** | 423.4 | **416.4** |
| Net loss from discontinued operations | -4.6 | **-6.2** | -19.2 | **-0.2** |
| **Profit for the period** | 316.1 | **322.9** | 404.2 | **416.2** |
| | | | | |
| Thereof non-controlling interests | 48.4 | **64.0** | 137.9 | **177.0** |
| **Thereof Group share of profit** | 267.7 | **258.9** | 266.3 | **239.2** |
| | | | | |
| **Earnings per share in € (IAS 33)** | | | | |
| Earnings per share attributable to the parent entity | 1.43 | **1.38** | 1.42 | **1.28** |
| Earnings per share – continuing operations | 1.45 | **1.41** | 1.52 | **1.28** |
| Loss per share – discontinued operations | -0.02 | **-0.03** | -0.10 | **0.00** |

| | | | | |
|---|---|---|---|---|
| 1) Net result from associated companies | 12.9 | 13.4 | 28.7 | 21.1 |

# Consolidated statement of comprehensive income

| Consolidated statement of comprehensive income | July - September | | January - September | |
|---|---|---|---|---|
| €m | 2011 | 2012 | 2011 | 2012 |
| **Profit for the period** | 316.1 | **322.9** | 404.2 | **416.2** |
| Actuarial gains and losses | -105.5 | **-186.9** | -52.5 | **-242.3** |
| Income taxes | 8.3 | **53.3** | -8.2 | **67.8** |
| | -97.2 | **-133.6** | -60.7 | **-174.4** |
| | | | | |
| Cash flow hedges – change in fair value | 0.7 | **-0.5** | -4.9 | **3.5** |
| Reclassification of gains / losses included in the income statement | -0.5 | **0.7** | -0.1 | **-0.6** |
| Income taxes | 0.2 | **0.3** | -0.7 | **-0.1** |
| | 0.4 | **0.5** | -5.6 | **2.7** |
| | | | | |
| Available for sale assets – change in fair value | -2.3 | **-1.0** | -5.2 | **0.7** |
| Income taxes | 0.1 | **0.1** | 0.3 | **0.0** |
| | -2.2 | **-1.0** | -5.0 | **0.6** |
| | | | | |
| Currency translation | 680.6 | **-53.2** | -281.4 | **358.1** |
| Income taxes | 1.0 | **-4.8** | 1.5 | **-9.8** |
| | 681.6 | **-58.0** | -280.0 | **348.3** |
| | | | | |
| **Other comprehensive income** | 582.6 | **-192.0** | -351.2 | **177.2** |
| **Total comprehensive income** | 898.7 | **130.9** | 53.0 | **593.4** |
| Relating to non-controlling interests | 83.2 | **47.8** | 140.4 | **142.6** |
| Relating to HeidelbergCement AG shareholders | 815.5 | **83.1** | -87.4 | **450.8** |

# Consolidated statement of cash flows

| **Consolidated statement of cash flows** | July - September | | January - September | |
|---|---|---|---|---|
| €m | 2011 | **2012** | 2011 | **2012** |
| Net income from continuing operations | 320.7 | **329.1** | 423.4 | **416.4** |
| Income taxes | 82.1 | **98.4** | 212.0 | **185.0** |
| Interest income/ expenses | 145.1 | **143.0** | 408.4 | **423.1** |
| Dividends received | 7.2 | **7.1** | 20.2 | **21.2** |
| Interest received | 27.1 | **20.8** | 85.8 | **88.5** |
| Interest paid | -133.5 | **-125.4** | -517.5 | **-556.9** |
| Income taxes paid | -60.3 | **-77.1** | -234.6 | **-250.4** |
| Depreciation, amortisation, and impairment | 224.4 | **227.6** | 633.0 | **671.2** |
| Elimination of other non-cash items | 26.0 | **40.9** | -10.0 | **192.6** |
| **Cashflow** | 638.7 | **664.2** | 1,020.6 | **1,190.8** |
| | | | | |
| Changes in operating assets | -118.9 | **-36.8** | -781.6 | **-440.1** |
| Changes in operating liabilities | -63.1 | **-61.8** | 151.5 | **-11.9** |
| **Changes in working capital** | -182.0 | **-98.6** | -630.1 | **-452.1** |
| Decrease in provisions through cash payments | -47.6 | **-49.9** | -146.0 | **-152.2** |
| **Cash flow from operating activities** | 409.1 | **515.7** | 244.5 | **586.6** |
| | | | | |
| Intangible assets | -1.4 | **-2.4** | -7.1 | **-13.4** |
| Property, plant, and equipment | -184.6 | **-160.6** | -515.5 | **-474.5** |
| Subsidiaries and other business units | -34.8 | **-5.2** | -48.8 | **-5.2** |
| Other financial assets | -4.1 | **-10.9** | -10.8 | **-18.1** |
| **Investments (cash outflow)** | -224.9 | **-179.0** | -582.3 | **-511.2** |
| Subsidiaries and other business units | 12.6 | **57.3** | 20.0 | **60.1** |
| Other fixed assets | 26.7 | **42.7** | 88.7 | **100.4** |
| **Divestments (cash inflow)** | 39.3 | **100.0** | 108.7 | **160.5** |
| Cash from changes in consolidation scope | 0.2 | **0.0** | -0.3 | **0.1** |
| **Cash flow from investing activities** | -185.3 | **-79.1** | -473.8 | **-350.6** |
| | | | | |
| Dividend payments - HeidelbergCement AG | | | -46.9 | **-65.6** |
| Dividend payments - non-controlling shareholders | -6.2 | **-8.3** | -55.6 | **-63.9** |
| Increase in ownership interests in subsidiaries | -7.6 | **-0.5** | -7.8 | **-1.0** |
| Proceeds from bond issuance and loans | 1,320.2 | **23.1** | 5,352.7 | **955.4** |
| Repayment of bonds and loans | -1,569.2 | **-489.0** | -4,946.2 | **-1,683.9** |
| **Cash flow from financing activities** | -262.8 | **-474.8** | 296.4 | **-859.1** |
| | | | | |
| Net change in cash and cash equivalents | -39.0 | **-38.1** | 67.1 | **-623.1** |
| Effect of exchange rate changes | 43.0 | **-14.6** | -2.9 | **-24.9** |
| | | | | |
| Cash and cash equivalents at the beginning of period | 930.7 | **1,274.5** | 870.5 | **1,869.8** |
| Cash and cash equivalents at period end | 934.7 | **1,221.8** | 934.7 | **1,221.8** |

# Consolidated balance sheet

| Assets | | | |
|---|---|---|---|
| €m | 30 Sep. 2011 | 31 Dec. 2011 | 30 Sep. 2012 |
| **Non-current assets** | | | |
| **Intangible assets** | | | |
| Goodwill | 10,433.5 | 10,763.3 | **10,914.0** |
| Other intangible assets | 355.1 | 345.9 | **315.0** |
| | 10,788.6 | 11,109.2 | **11,229.0** |
| **Property, plant, and equipment** | | | |
| Land and buildings | 5,140.5 | 5,296.7 | **5,390.8** |
| Plant and machinery | 4,322.9 | 4,380.1 | **4,383.2** |
| Other operating equipment | 251.6 | 297.8 | **341.0** |
| Prepayments and assets under construction | 928.7 | 1,061.4 | **890.8** |
| | 10,643.6 | 11,036.1 | **11,005.8** |
| **Financial assets** | | | |
| Investments in associates | 378.4 | 390.7 | **396.2** |
| Financial investments | 57.5 | 63.9 | **71.9** |
| Loans to participations | 18.5 | 17.0 | **15.1** |
| Other loans and derivative financial instruments | 100.5 | 81.0 | **73.9** |
| | 554.9 | 552.6 | **557.1** |
| **Fixed assets** | 21,987.2 | 22,697.8 | **22,791.8** |
| **Deferred taxes** | 344.4 | 379.2 | **450.5** |
| **Other non-current receivables** | 328.4 | 294.0 | **304.7** |
| **Non-current income tax assets** | 19.9 | 23.9 | **27.5** |
| **Total non-current assets** | 22,679.9 | 23,394.9 | **23,574.4** |
| | | | |
| **Current assets** | | | |
| **Inventories** | | | |
| Raw materials and consumables | 696.0 | 705.8 | **771.1** |
| Work in progress | 148.2 | 171.0 | **175.5** |
| Finished goods and goods for resale | 624.6 | 672.3 | **686.9** |
| Prepayments | 36.6 | 34.0 | **33.7** |
| | 1,505.5 | 1,583.1 | **1,667.2** |
| **Receivables and other assets** | | | |
| Current interest-bearing receivables | 79.6 | 60.5 | **98.4** |
| Trade receivables | 2,063.2 | 1,648.8 | **2,006.0** |
| Other current operating receivables | 421.0 | 359.0 | **397.1** |
| Current income tax assets | 62.0 | 41.1 | **47.1** |
| | 2,625.9 | 2,109.3 | **2,548.6** |
| | | | |
| **Derivative financial instruments** | 64.9 | 63.1 | **14.9** |
| **Cash and cash equivalents** | 934.7 | 1,869.8 | **1,221.8** |
| **Total current assets** | 5,131.0 | 5,625.4 | **5,452.5** |
| | | | |
| **Balance sheet total** | 27,811.0 | 29,020.3 | **29,027.0** |

**Equity and liabilities**

| €m | 30 Sep. 2011 | 31 Dec. 2011 | 30 Sep. 2012 |
|---|---|---|---|
| **Shareholders' equity and non-controlling interests** | | | |
| Subscribed share capital | 562.5 | 562.5 | **562.5** |
| Share premium | 5,539.4 | 5,539.4 | **5,539.4** |
| Retained earnings | 6,645.2 | 6,623.1 | **6,652.5** |
| Other components of equity | -816.2 | -108.0 | **277.0** |
| **Equity attributable to shareholders** | 11,930.8 | 12,617.0 | **13,031.3** |
| **Non-controlling interests** | 901.3 | 951.6 | **1,055.8** |
| **Total equity** | 12,832.1 | 13,568.6 | **14,087.1** |
| | | | |
| **Non-current liabilities** | | | |
| Bonds payable | 6,104.7 | 6,793.6 | **6,523.9** |
| Bank loans | 981.8 | 770.9 | **553.5** |
| Other non-current interest-bearing liabilities | 135.4 | 131.4 | **116.8** |
| | 7,221.9 | 7,695.9 | **7,194.2** |
| Non-controlling interests with put options | 72.8 | 75.0 | **22.9** |
| | 7,294.7 | 7,770.9 | **7,217.1** |
| | | | |
| Pension provisions | 824.1 | 832.6 | **1,056.5** |
| Deferred taxes | 779.2 | 754.3 | **689.9** |
| Other non-current provisions | 1,027.9 | 1,078.7 | **1,116.5** |
| Other non-current operating liabilities | 233.6 | 253.7 | **266.6** |
| Non-current income tax liabilities | 91.5 | 93.0 | **51.3** |
| | 2,956.3 | 3,012.3 | **3,180.8** |
| **Total non-current liabilities** | 10,250.9 | 10,783.2 | **10,397.9** |
| | | | |
| **Current liabilities** | | | |
| Bonds payable (current portion) | 1,189.5 | 1,218.6 | **735.1** |
| Bank loans (current portion) | 430.4 | 539.8 | **695.9** |
| Other current interest-bearing liabilities | 657.0 | 248.9 | **370.9** |
| | 2,276.9 | 2,007.2 | **1,801.9** |
| Non-controlling interests with put options | 16.7 | 22.9 | **22.3** |
| | 2,293.6 | 2,030.1 | **1,824.3** |
| | | | |
| Pension provisions (current portion) | 92.7 | 86.8 | **87.8** |
| Other current provisions | 201.2 | 186.0 | **187.0** |
| Trade payables | 1,171.9 | 1,344.8 | **1,333.8** |
| Other current operating liabilities | 830.6 | 908.3 | **964.5** |
| Current income tax liabilities | 137.8 | 112.5 | **144.6** |
| | 2,434.3 | 2,638.4 | **2,717.7** |
| **Total current liabilities** | 4,727.9 | 4,668.5 | **4,541.9** |
| **Total liabilities** | 14,978.8 | 15,451.7 | **14,939.9** |
| **Balance sheet total** | 27,811.0 | 29,020.3 | **29,027.0** |

# Consolidated statement of changes in equity

| €m | Subscribed share capital | Share premium | Retained earnings | Cash flow hedge reserve | |
|---|---|---|---|---|---|
| **1 January 2011** | 562.5 | 5,539.4 | 6,481.6 | -4.2 | |
| Profit for the period | | | 266.3 | | |
| Other comprehensive income | | | -60.7 | -5.6 | |
| **Total comprehensive income** | | | 205.5 | -5.6 | |
| Changes in non-controlling interests with put options | | | 6.6 | | |
| Changes in ownership interests in subsidiaries and other changes | | | -1.7 | | |
| Dividends | | | -46.9 | | |
| **30 September 2011** | 562.5 | 5,539.4 | 6,645.2 | -9.8 | |
| | | | | | |
| **1 January 2012** | 562.5 | 5,539.4 | 6,623.1 | -8.9 | |
| Profit for the period | | | 239.2 | | |
| Other comprehensive income | | | -174.4 | 2.7 | |
| **Total comprehensive income** | | | 64.8 | 2.7 | |
| Changes in non-controlling interests with put options | | | 29.1 | | |
| Changes in ownership interests in subsidiaries and other changes | | | 1.1 | | |
| Dividends | | | -65.6 | | |
| **30 September 2012** | 562.5 | 5,539.4 | 6,652.5 | -6.2 | |

| | Other components of equity | | | | | | |
|---|---|---|---|---|---|---|---|
| | Available for sale reserve | Asset revaluation reserve | Currency translation | Total other components of equity | Equity attributable to shareholders | Non-controlling interests | **Total equity** |
| | 23.9 | 37.1 | -578.9 | -522.1 | 12,061.4 | 822.8 | **12,884.2** |
| | | | | | 266.3 | 137.9 | **404.2** |
| | -5.0 | | -282.4 | -292.9 | -353.6 | 2.5 | **-351.2** |
| | -5.0 | | -282.4 | -292.9 | -87.4 | 140.4 | **53.0** |
| | | | | | 6.6 | -0.1 | **6.4** |
| | | -1.2 | | -1.2 | -2.9 | -6.2 | **-9.1** |
| | | | | | -46.9 | -55.6 | **-102.5** |
| | 19.0 | 35.9 | -861.4 | -816.2 | 11,930.8 | 901.3 | **12,832.1** |
| | | | | | | | |
| | 19.1 | 35.5 | -153.7 | -108.0 | 12,617.0 | 951.6 | **13,568.6** |
| | | | | | 239.2 | 177.0 | **416.2** |
| | 0.6 | | 382.7 | 386.1 | 211.7 | -34.4 | **177.2** |
| | 0.6 | | 382.7 | 386.1 | 450.8 | 142.6 | **593.4** |
| | | | | | 29.1 | 26.7 | **55.8** |
| | | -1.1 | | -1.1 | -0.1 | -1.2 | **-1.2** |
| | | | | | -65.6 | -63.9 | **-129.5** |
| | 19.7 | 34.4 | 229.0 | 277.0 | 13,031.3 | 1,055.8 | **14,087.1** |

# Segment reporting / Notes

| Group areas January - September 2012 | Western and Northern Europe | | Eastern Europe-Central Asia | | North America | |
|---|---|---|---|---|---|---|
| €m | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 |
| External revenue | 3,220 | **3,111** | 1,070 | **1,116** | 2,261 | **2,606** |
| Inter-Group areas revenue | 42 | **52** | 0 | **0** | 0 | **0** |
| **Revenue** | 3,262 | **3,163** | 1,070 | **1,116** | 2,261 | **2,606** |
| Change to previous year in % | | **-3.0 %** | | **4.3 %** | | **15.2 %** |
| **Operating income before depreciation (OIBD)** | 550 | **382** | 246 | **236** | 313 | **452** |
| as % of revenue | 16.9 % | **12.1 %** | 23.0 % | **21.2 %** | 13.8 % | **17.4 %** |
| Depreciation | -217 | **-205** | -78 | **-84** | -182 | **-188** |
| **Operating income** | 333 | **177** | 168 | **152** | 131 | **264** |
| as % of revenue | 10.2 % | **5.6 %** | 15.7 % | **13.6 %** | 5.8 % | **10.1 %** |
| Results from participations | 31 | **20** | 1 | **1** | -2 | **2** |
| Impairments | -5 | **-6** | | **0** | -3 | **-12** |
| Reversal of impairment | | | | **0** | | |
| Other additional result | | | | | | |
| Additional ordinary result | -5 | **-6** | 0 | **0** | -3 | **-12** |
| **Earnings before interest and taxes (EBIT)** | 359 | **191** | 169 | **153** | 126 | **254** |
| Capital expenditures [1] | 100 | **99** | 165 | **120** | 89 | **87** |
| Segment assets [2] | 6,719 | **6,966** | 2,154 | **2,264** | 8,044 | **8,165** |
| OIBD as % of segment assets | 8.2 % | **5.5 %** | 11.4 % | **10.4 %** | 3.9 % | **5.5 %** |
| **Number of employees as at 30 September** | 13,791 | **13,441** | 9,914 | **9,826** | 13,079 | **12,558** |
| **Average number of employees** | 13,666 | **13,513** | 9,897 | **9,897** | 12,610 | **12,345** |

1) 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

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

| | Asia-Pacific | | Africa-Mediterranean Basin | | Group Services | | Reconciliation | | Continuing operations | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2011 | **2012** | 2011 | **2012** | 2011 | **2012** | 2011 | **2012** | 2011 | **2012** |
| | 2,120 | **2,544** | 746 | **819** | 203 | **330** | | | 9,620 | **10,525** |
| | 13 | **4** | 22 | **27** | 266 | **284** | -344 | **-367** | 0 | **0** |
| | 2,133 | **2,548** | 768 | **846** | 469 | **614** | -344 | **-367** | 9,620 | **10,525** |
| | | **19.5 %** | | **10.1 %** | | **30.8 %** | | | | **9.4 %** |
| | 518 | **627** | 130 | **147** | 9 | **16** | -84 | **-74** | 1,682 | **1,786** |
| | 24.3 % | **24.6 %** | 16.9 % | **17.3 %** | 2.0 % | **2.6 %** | 24.4 % | **20.1 %** | 17.5 % | **17.0 %** |
| | -107 | **-115** | -26 | **-27** | 0 | **0** | -7 | **-8** | -619 | **-627** |
| | 410 | **512** | 103 | **120** | 9 | **16** | -91 | **-82** | 1,063 | **1,158** |
| | 19.2 % | **20.1 %** | 13.4 % | **14.2 %** | 1.9 % | **2.5 %** | 26.6 % | **22.3 %** | 11.1 % | **11.0 %** |
| | 5 | **7** | 3 | **3** | 0 | **0** | | | 38 | **33** |
| | -6 | | 0 | **-26** | | | | | -14 | **-44** |
| | | | | **0** | | | | | 0 | **0** |
| | | | | | | | -14 | **-69** | -14 | **-69** |
| | -6 | **0** | 0 | **-26** | | | -14 | **-69** | -28 | **-113** |
| | 409 | **519** | 107 | **97** | 9 | **16** | -105 | **-151** | 1,073 | **1,079** |
| | 137 | **143** | 31 | **39** | | | 60 | **23** | 582 | **511** |
| | 3,747 | **4,069** | 729 | **731** | 39 | **39** | | | 21,432 | **22,235** |
| | 13.8 % | **15.4 %** | 17.8 % | **20.0 %** | 23.9 % | **40.5 %** | | | 7.8 % | **8.0 %** |
| | 14,009 | **14,464** | 3,491 | **3,384** | 52 | **57** | | | 54,335 | **53,729** |
| | 13,812 | **14,243** | 3,498 | **3,427** | 50 | **56** | | | 53,533 | **53,481** |

# Notes to the interim consolidated financial statements

**Accounting and valuation principles**

The interim consolidated financial statements of HeidelbergCement AG as of 30 September 2012 were prepared on the basis of IAS 34 "Interim Financial Statements". All International Financial Reporting Standards (IFRSs), including the interpretations of the IFRS Interpretations Committee, that were binding as at the reporting date and had been adopted into European law by the European Commission were applied.

In accordance with the regulations of IAS 34, a condensed report scope in comparison with the consolidated financial statements as at 31 December 2011, with selected explanatory notes, was chosen. The accounting and valuation principles applied in the preparation of the interim financial statements correspond in principle to those of the consolidated financial statements as at 31 December 2011. Detailed explanations can be found on page 158 f. in the Notes to the 2011 Annual Report, which forms the basis for these interim financial statements.

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

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

The interim consolidated financial statements as at 30 September 2012 were not subject to any audits or reviews.

**Seasonal nature of the business**

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

**Exchange rates**

The following table contains the key exchange rates used in the translation of the separate financial statements denominated in foreign currencies into euro.

| Exchange rates | | Exchange rates at reporting date | | Average exchange rates | |
|---|---|---|---|---|---|
| EUR | | 31 Dec. 2011 | **30 Sept. 2012** | 01-09/2011 | **01-09/2012** |
| USD | US | 1.2948 | **1.2859** | 1.4076 | **1.2820** |
| AUD | Australia | 1.2654 | **1.2388** | 1.3543 | **1.2392** |
| CAD | Canada | 1.3194 | **1.2654** | 1.3759 | **1.2849** |
| CNY | China | 8.1453 | **8.0794** | 9.1448 | **8.1160** |
| GBP | Great Britain | 0.8331 | **0.7956** | 0.8716 | **0.8124** |
| GEL | Georgia | 2.1626 | **2.1336** | 2.3858 | **2.1129** |
| GHS | Ghana | 2.0747 | **2.4673** | 2.1445 | **2.3297** |
| HKD | Hong Kong | 10.0512 | **9.9706** | 10.9580 | **9.9473** |
| IDR | Indonesia | 11,740.79 | **12,328.73** | 12,231.59 | **11,984.66** |
| INR | India | 68.6090 | **67.9505** | 63.6674 | **68.0283** |
| KZT | Kazakhstan | 192.1600 | **192.7350** | 205.8043 | **190.6025** |
| MYR | Malaysia | 4.1025 | **3.9295** | 4.2613 | **3.9712** |
| NOK | Norway | 7.7411 | **7.3627** | 7.8099 | **7.5142** |
| PLN | Poland | 4.4662 | **4.1160** | 4.0194 | **4.2058** |
| RON | Romania | 4.3239 | **4.5400** | 4.2051 | **4.4350** |
| RUB | Russia | 41.6730 | **40.1060** | 40.5151 | **39.7704** |
| SEK | Sweden | 8.9200 | **8.4425** | 9.0139 | **8.7327** |
| CZK | Czech Republic | 25.5700 | **25.1330** | 24.3431 | **25.1277** |
| HUF | Hungary | 315.1500 | **285.3550** | 271.2609 | **291.0789** |
| TZS | Tanzania | 2,088.73 | **2,074.99** | 2,180.40 | **2,063.43** |
| TRY | Turkey | 2.4438 | **2.3111** | 2.2926 | **2.3109** |

### Business combinations in the reporting period

During the reporting period, HeidelbergCement did not effect any business combinations that had a material impact on the financial position and performance of the Group.

### Business combinations in the previous year

In order to expand its activities in the aggregates business line in the north of the Swedish capital, Stockholm, HeidelbergCement acquired 100% of the shares in Ledinge Fastighets AB, Rimbo, and its subsidiaries on 31 January 2011. The acquired group's area of activity primarily comprises the operation of sand, gravel, and crushed stone pits. The goodwill of €6.1 million arising on the difference between the purchase price of €10.0 million and the net assets of €3.9 million represents growth prospects resulting from the improved market position. The purchase price was paid in cash. The transaction costs of €0.2 million were recognised in the income statement as additional ordinary expenses. The purchase price allocation has been completed. There have been no changes from the values published on 31 December 2011.

To secure the aggregates reserves in the Melbourne metropolitan area, HeidelbergCement acquired 100% of the shares in Galli Quarries Pty Ltd, Bundoora, Australia, and its subsidiaries on 1 August 2011. The purchase price of €25.3 million was paid in cash. Net assets amount to €29.8 million. The difference between the purchase price and the net assets resulted from a bargain purchase and is shown in the additional ordinary income. The acquisition-related costs of €0.2 million were recognised in the additional ordinary expenses. The purchase price allocation has been completed. There have been no changes from the values published on 31 December 2011.

On 6 September 2011, HeidelbergCement acquired the operations of a limestone quarry in Barcelona, Spain, for a cash purchase price of €11.8 million as part of an asset deal to secure raw material reserves. An advance payment of €1.0 million on the purchase price was made in the previous year. The goodwill of €3.6 million

arising on the difference between the purchase price and net assets of €8.2 million represents synergy effects in the ready-mixed concrete business and is deductible for tax purposes. The acquisition-related costs of €0.8 million were recognised in the additional ordinary expenses. The purchase price allocation has been completed. There have been no changes from the values published on 31 December 2011.

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

**Fair values recognised as at the acquisition date**

| €m | Sweden | Australia | Spain | Total |
|---|---|---|---|---|
| Intangible assets | 0.0 | 23.7 | | **23.7** |
| Property, plant and equipment | 7.1 | 5.9 | 8.4 | **21.4** |
| Inventories | 1.2 | 0.2 | | **1.4** |
| Trade receivables | 1.4 | 1.7 | | **3.1** |
| Cash and cash equivalents | 0.4 | 0.1 | | **0.5** |
| Other assets | 0.6 | | | **0.6** |
| **Total assets** | 10.7 | 31.5 | 8.4 | **50.6** |
| Provisions | 0.6 | 0.1 | 0.2 | **0.8** |
| Liabilities | 5.0 | 1.6 | | **6.6** |
| Deferred taxes | 1.2 | 0.0 | | **1.2** |
| **Total liabilities** | 6.8 | 1.7 | 0.2 | **8.7** |
| **Net assets** | 3.9 | 29.8 | 8.2 | **41.9** |

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

### Divestments in the reporting period

On 23 May 2012, HeidelbergCement sold 100% of the shares in Perstrup Beton Industri A/S, Kolind, Denmark. The sales price of €2.8 million was paid 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 amounted to €57.3 million and was paid 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 | 2.3 | 21.4 | **23.7** |
| Property, plant and equipment | 2.2 | 67.8 | **70.0** |
| Inventories | 2.5 | 7.8 | **10.3** |
| Other assets | 0.5 | 4.5 | **5.0** |
| **Total assets** | 7.5 | 101.5 | **109.0** |
| Current liabilities | 2.5 | 0.1 | **2.6** |
| **Total liabilities** | 2.5 | 0.1 | **2.6** |
| **Net assets** | 5.0 | 101.4 | **106.4** |

### Divestments in the previous year

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

On 9 February 2011, HeidelbergCement disposed of its shares in the proportionately consolidated company Heidelberger Betonelemente GmbH & Co. KG, Baden-Baden, for a sales price of €7.0 million, which was paid in cash.

On 5 September 2011, HeidelbergCement sold its shares in Solvent Resource Management Limited (SRM), Maidenhead, United Kingdom. The sales price of €13.2 million is made up of a cash payment of €12.6 million and a receivable of €0.6 million.

The (proportionate) assets and liabilities of the companies at the date of disposal are shown in the following table.

**Assets and liabilities at date of disposal**

| €m | HDBB | MS „Splittnes" | SRM | Total |
|---|---|---|---|---|
| Intangible assets | | | 7.3 | **7.3** |
| Property, plan and equipment | 5.1 | 1.9 | 11.8 | **18.7** |
| Inventories | 1.4 | 0.1 | 1.0 | **2.4** |
| Other assets | 6.7 | 0.8 | 11.2 | **18.7** |
| **Total assets** | 13.2 | 2.8 | 31.3 | **47.1** |
| Provisions | 0.1 | | | |
| Liabilities | 4.4 | 3.8 | 8.4 | **12.2** |
| **Total liabilities** | 4.5 | 3.8 | 8.4 | **12.2** |
| **Net assets** | 8.7 | -1.0 | 22.9 | **35.0** |

### Revenue development by Group areas and business lines

| January to September 2012 | Cement | | Aggregates | | Building products | | Concrete-service-other | | Intra-Group eliminations | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| €m | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 |
| Western and Northern Europe | 1,359 | **1,295** | 664 | **662** | 353 | **371** | 1,383 | **1,333** | -497 | **-498** | 3,262 | **3,163** |
| Eastern Europe-Central Asia | 840 | **919** | 99 | **91** | 0 | **0** | 214 | **177** | -83 | **-71** | 1,070 | **1,116** |
| North America | 655 | **821** | 695 | **776** | 527 | **547** | 621 | **761** | -237 | **-300** | 2,261 | **2,606** |
| Asia-Pacific | 1,238 | **1,489** | 386 | **436** | 30 | **21** | 734 | **883** | -255 | **-280** | 2,133 | **2,548** |
| Africa-Mediterranean Basin | 545 | **612** | 67 | **67** | 0 | **0** | 213 | **225** | -57 | **-58** | 768 | **846** |
| Group Services | | | | | | | 469 | **614** | | | 469 | **614** |
| Inter-Group area revenue within business lines | -7 | **-12** | 0 | **0** | 0 | **0** | 0 | **0** | 0 | **0** | -7 | **-12** |
| **Total** | 4,629 | **5,125** | 1,912 | **2,031** | 910 | **938** | 3,635 | **3,993** | -1,130 | **-1,207** | 9,956 | **10,880** |
| Inter-Group area revenue between business lines | | | | | | | | | -336 | **-355** | -336 | **-355** |
| **Continuing operations** | | | | | | | | | -1,466 | **-1,563** | 9,620 | **10,525** |

## Earnings per share

| Earnings per share | January - September | |
|---|---|---|
| €m | 2011 | 2012 |
| Profit for the period | 404.2 | **416.2** |
| Non-controlling interests | 137.9 | **177.0** |
| Group share of profit | 266.3 | **239.2** |
| Number of shares in '000s (weighted average) | 187,500 | **187,500** |
| Earnings per share in € | 1.42 | **1.28** |
| Net income from continuing operations – attributable to the parent entity | 285.5 | **239.4** |
| Earnings per share in € – continuing operations | 1.52 | **1.28** |
| Net loss from discontinued operations – attributable to the parent entity | -19.2 | **-0.2** |
| Loss per share in € – discontinued operations | -0.10 | **0.00** |

The basic earnings per share are calculated in accordance with IAS 33 (Earnings per Share), by dividing the Group share of profit for the financial year by the weighted average of the number of issued shares. The diluted earnings per share indicator takes into account not only currently issued shares but also shares potentially available through option rights. The earnings per share were not diluted in the reporting period in accordance with IAS 33.30.

### Consolidated statement of comprehensive income

The comprehensive income for the period improved by €540.4 million in comparison with the previous year to €593.4 million (previous year: 53.0). The profit for the period increased by €12.0 million to €416.2 million (previous year: 404.2). Other comprehensive income rose by €528.4 million to €177.2 million (previous year: -351.2). The actuarial losses of €-174.4 million (after income taxes) recognised in other comprehensive income are primarily due to changes in interest rates. In the same period of the previous year, there were losses of €-60.7 million. The positive changes in the cash flow hedge reserve of €2.7 million in the reporting period result primarily from currency swaps and commodities. In the previous year, there was a negative contribution to results of €-5.6 million. The market valuation of assets available for sale resulted in gains of €0.6 million (previous year: losses of -5.0). Foreign currency translation resulted in gains of €348.3 million in the reporting period. The gains are due, in particular, to the depreciation of the euro against the British pound and Australian dollar since 31 December 2011. In the same period of the previous year, the foreign exchange losses amounted to €-280.0 million and resulted primarily from the appreciation of the euro against the Australian dollar and Canadian dollar.

### Consolidated statement of changes in equity

As at 30 September 2012, the subscribed share capital amounts to €562.5 million – unchanged from 31 December 2011 – and is divided into 187,500,000 no-par value bearer shares, each representing a notional amount of €3.00 in the share capital. The share premium of €5,539.4 million (unchanged from 31 December 2011) was essentially created from the premium from capital increases. As at the balance sheet date, the company has no treasury shares.

In the reporting period, the retained earnings of the Group were increased by the comprehensive income of €64.8 million, which is composed of the Group share of profit of €239.2 million and the actuarial losses of €-174.4 million recognised in other comprehensive income. The changes in non-controlling interests with put options increased the retained earnings by €29.1 million. This increase is due, in particular, to the release of the liability from put options against IFC. Dividends in an amount of €65.6 million (€0.35 per share) were paid to the shareholders of HeidelbergCement AG. The other components of equity increased by a total of €386.1 million, of which €382.7 million related to foreign currency translation gains, €2.7 million to positive changes in the fair value of cash flow hedges and €0.6 million to assets available for sale.

The non-controlling interests in the total comprehensive income were increased by the profit attributable to non-controlling interests of €177.0 million. This was largely due to our Indonesian subsidiary PT Indocement. Currency translation differences amounted to €-37.4 million. The changes in non-controlling interests with put options, which primarily resulted from the release of the liability from put options towards IFC, led to a rise of €26.7 million in non-controlling interests. In the reporting period, dividends totalling €63.9 million were paid to non-controlling shareholders. Major payments were made to the non-controlling shareholders of PT Indocement.

### Goodwill

An impairment test on goodwill in accordance with IAS 36 (Impairment of Assets) is generally performed annually within the HeidelbergCement Group in the fourth quarter once the operational three-year plan has been prepared, or if there are indications of impairment. In this impairment test, the carrying amount of a group of cash-generating units (CGUs) to which goodwill is allocated is compared with the recoverable amount of this group of CGUs.

On 30 June 2012, the management carried out an impairment review, which determined that impairment of €25.5 million should be recognised. The impairment relates to the CGU Spain, whose recoverable amount was lower than the allocated carrying amount of the assets. This results from the further significant increase in the credit spreads for the costs of debts in the second quarter of 2012. In accordance with IAS 36, the amount of goodwill allocated to the CGU Spain was initially reduced by €17.9 million. The amount of impairment exceeding the carrying amount of the goodwill, totalling €7.7 million, was allocated to property, plant, and equipment.

The impairment test on 30 September 2012 did not necessitate any further recognition of impairment.

### Changes in estimates for provisions for pensions

The actuarial gains and losses were adjusted on the basis of the interest rates for the key countries applicable at the reporting date. The decline of around 0.5 percentage points in interest rates led to a decrease of €176.4 million in the actuarial gains and losses recognised in equity.

### Related parties disclosures

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

### Contingent liabilities and other financial commitments

A description of the contingent liabilities and other financial commitments of HeidelbergCement Group can be found in the Notes to the 2011 Annual Report on page 216. The total future minimum lease payments for operating leases as at the reporting date are shown in the following table.

**Other financial commitments**

| €m | 31 Dec. 2011 | 30 Sept. 2012 |
|---|---|---|
| Minimum lease payments under operating leases | | |
| Total of all lease payments mature within 1 year | 142.5 | **159.3** |
| Total of all lease payments mature within 1 to 5 years | 313.0 | **352.0** |
| Total of all lease payments mature after 5 years | 412.6 | **419.9** |
| | 868.1 | **931.2** |

There have been no further major changes since 31 December 2011.

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

Heidelberg, 8 November 2012

HeidelbergCement AG

The Managing Board

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

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This Interim Financial Report was published on 8 November 2012.

| Financial calendar | |
|---|---|
| Group annual accounts 2012 | 14 March 2013 |
| Press conference on annual accounts | 14 March 2013 |
| Interim Financial Report January to March 2013 | 8 May 2013 |
| Annual General Meeting 2013 | 8 May 2013 |
| Half-Year Financial Report January to June 2013 | 31 July 2013 |
| Interim Financial Report January to September 2013 | 7 November 2013 |

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