Interim Financial Report

January to March 2010

HEIDELBERGCEMENT

- **Double-digit increases in cement sales volumes in Asia-Pacific and Africa–Mediterranean Basin**
- **Turnover and results in Europe and North America strongly affected by long-lasting winter – increased construction activity in March**
- **Consistent cost management successfully continued with "FitnessPlus 2010" programme**
- **Operating income despite long winter only slightly below previous year**
- **Long-term financing secured**
- **Outlook unchanged: continuation of positive trend in Asia–Pacific, Africa–Mediterranean Basin and North America in Q 2 expected**
- **Preparation for future growth: cement capacity expansion programme 2012 expanded to 20 Mt**

Overview January to March 2010	January - March	
EURm	2009	**2010**
Turnover	2,359	**2,180**
Operating income before depreciation (OIBD) in % of turnover	202 8.5 %	**171** **7.9 %**
Operating income	11	**-18**
Additional ordinary result	3	**-15**
Result from participations	-6	**-2**
Earnings before interest and income taxes (EBIT)	8	**-35**
Loss before tax	-195	**-218**
Net loss from continuing operations	-39	**-157**
Net loss from discontinued operations	-7	**-5**
Loss for the financial year	-46	**-162**
Group share of loss	-63	**-199**
Investments	149	**123**

Interim Financial Report January to March 2010

Interim Group management report

Business trend January to March 2010

Economic environment

The global economy develops better than expected, but the recovery from the financial and economic crisis proceeds very unevenly. While the emerging markets in Asia, particularly China and India, already enjoy high growth rates again, the economy in the industrial countries, and with it the development of the construction sector, still remains restrained.

Considerable adverse impacts of economic and weather-related factors

HeidelbergCement's development in the first quarter of 2010 was not only affected by economic influences, but also to a considerable degree by seasonal factors. Long-lasting wintery conditions were experienced both in large parts of North America and in Europe and had a further negative impact on sales development. To which extent the sales volumes decline is caused by the bad weather conditions or the economic development can not be judged reliably.

In the cement business line, the increasing demand in the growth regions of Asia-Pacific and Africa-Mediterranean Basin could partly make up for the downturn recorded in the other Group areas. In total, the HeidelbergCement Group's cement and clinker sales volumes decreased by 5.4 % to 15.2 million tonnes (previous year: 16.0). Deliveries of aggregates reported a decrease of 9.5 % with 40.3 million tonnes (previous year: 44.5). The sales volumes of ready-mixed concrete fell by 8.8 % to 6.9 million cubic metres (previous year: 7.6). Asphalt deliveries decreased by 21.7 % to 1.4 million tonnes (previous year: 1.8).

Turnover and results

Group turnover fell by 7.6 % to EUR 2,180 million (previous year: 2,359) in the first quarter. Excluding exchange rate and consolidation effects, turnover decreased by 9.9 %. Double-digit gains in turnover in Asia-Pacific were offset by losses in the Group areas of Western and Northern Europe, Eastern Europe-Central Asia, and North America. In the Africa-Mediterranean Basin Group area, turnover reached the previous year's level. The operating income before depreciation (OIBD) decreased by 15.0 % to EUR 171 million (previous year: 202). Operating income declined to EUR -18 million (previous year: 11). In connection with the "FitnessPlus 2010" programme, savings of EUR 63 million were achieved in the first quarter.

Financial results improved by EUR 19.4 million to EUR -183.2 million (previous year: -202.6). This is mostly due to a year-on-year reduction in currency devaluations in the amount of EUR 27.0 million.

The loss before tax from continuing operations amounts to EUR -217.8 million (previous year: -195.0). Results from taxes on income declined by EUR 95.2 million to EUR 60.7 million (previous year: 155.9). This change is primarily the result of a provision for tax risks in Australia that was released in the previous year. The loss after tax from continuing operations thus totals EUR -157.1 million (previous year: -39.0).

Overall, the loss for the reporting period amounts to EUR -161.9 million (previous year: -45.9). The increase in profit attributable to minority interests by EUR 20 million to EUR 37.0 million (previous year: 17.0) is largely a consequence of the improvement in results and the changed participation in Indocement. The Group share therefore amounts to EUR -198.9 million (previous year: -63.0).

Balance sheet

In the first quarter of 2010, the balance sheet total rose by EUR 1.0 billion to EUR 26.5 billion (previous year: 25.5). The increase in fixed assets by EUR 0.8 billion to EUR 21.6 billion (previous year: 20.8) is mainly due to exchange rate effects. Trade receivables rose by EUR 0.2 billion to EUR 1.5 billion (previous year: 1.3). The changes on the liabilities side of the Group balance sheet with regard to equity are mainly caused by exchange rate changes amounting to EUR 0.8 billion and the loss of EUR 0.3 billion for the period under review. A particular impact on liabilities was exerted by the increase in interest-bearing liabilities by EUR 0.4 billion to EUR 9.8 billion (previous year: 9.4) as well as the rise in provisions for pensions by EUR 0.2 billion to EUR 1.1 billion (previous year: 0.9).

Long-term financing secured

On 19 January 2010, we issued two Eurobonds to national and foreign institutional investors with a total issue volume of EUR 1.4 billion: one bond of EUR 650 million with a term of 5 years and a second of EUR 750 million with a term of 10 years. The bonds have fixed interest rates of 6.5 % p.a. for the 5-year term and 7.5 % p.a. for the 10-year term. The issue prices were 98.8561 % and 98.2192 %, giving yields to maturity of 6.75 % and 7.75 % respectively. The bonds are unsecured and rank pari passu with all other capital market debts. The proceeds from the issue were exclusively used for the repayment of the syndicated loan from June 2009.

According to the terms and conditions of the aforementioned bonds and of the three Eurobonds issued on 21 October 2009 with a total issue volume of EUR 2.5 billion 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 HeidelbergCement Group is below 2. The consolidated EBITDA of EUR 2,062 million and the consolidated interest expense of EUR 836 million are calculated in accordance with the terms and conditions of the bonds. As of 31 March 2010, the consolidated coverage ratio amounted to 2.47.

On 27 April 2010, HeidelbergCement signed a new, self-arranged EUR 3 billion syndicated credit facility with a group of 17 banks for the long-term securing of our liquidity. The new credit facility has been used for repaying bank debt remaining under the old credit facility that had been agreed with 60 banks in June 2009 with a maturity in December 2011. The new credit facility is mainly intended as liquidity back-up and has a maturity date of 31 December 2013. HeidelbergCement thereby strengthens its financial and operational flexibility. At the same time, the security package granted to the creditors could be reduced significantly compared with the old credit facility.

Investments cut back

In the first quarter, cash flow investments were reduced to EUR 123 million (previous year: 149). Investments in tangible fixed assets, which primarily related to optimisation and environmental protection measures at our production sites, accounted for EUR 119 million (previous year: 139) of this total. Investments in financial fixed assets reached EUR 4 million (previous year 10); these relate to smaller acquisitions of participations to round off our activities.

Change in the reporting structure

With effect from the beginning of the 2010 financial year, HeidelbergCement has reorganised its reporting structure. It is now geographically divided into six Group areas: Western and Northern Europe, Eastern Europe-Central Asia, North America, Asia-Pacific, Africa-Mediterranean Basin, and Group Services. The Western and Northern Europe area includes the Benelux countries, Denmark, Germany, the United Kingdom, Norway, Sweden, and the Baltic States. Bosnia-Herzegovina, Georgia, Kazakhstan, Croatia, Poland, Romania, Russia, the Czech Republic, Slovakia, the Ukraine, and Hungary are part of the Eastern Europe-Central Asia Group area. North America remains unchanged and is made up of the United States and Canada. Asia-Pacific consists of Bangladesh, Brunei, China, India, Indonesia, Malaysia, Singapore, as well as Australia, and the Africa-Mediterranean Basin Group area comprises our activities in Africa, Israel, Spain, and Turkey. As in the past, our trading activities are bundled within the Group Services unit.

Our main activities, cement and aggregates, are reflected separately in the reporting segments. The building products business line remains unchanged, and in the Concrete, Service and Other business line we mainly report on downstream activities, such as ready-mixed concrete and asphalt.

Western and Northern Europe

The pace of the general economic recovery in the euro zone is slower than in many other regions of the world. In Germany, the United Kingdom and Northern Europe the construction industry was severely hit by the harsh winter in the first quarter.

In the cement business line, our deliveries declined in all countries, generally to a considerable extent. The greatest losses were recorded in Denmark, the Baltic States, and Norway. In Sweden, however, the previous year's levels were nearly maintained, as lower domestic shipments were largely offset by increased clinker exports. Sales volumes of our plants in Germany and the Benelux countries also suffered from weak domestic demand. While the decrease in cement shipments in the United Kingdom remained limited, a significant drop was recorded in blast furnace slag deliveries. Overall, our cement and clinker sales volumes in Western and Northern Europe fell by 19.5 % to 3.6 million tonnes (previous year: 4.4).

Aggregates deliveries clearly declined in all countries except the United Kingdom, where they remained at the previous year's level. Altogether, sales volumes decreased in the first quarter by 12.4 % to 12.1 million tonnes (previous year: 13.8).

Sales volumes for ready-mixed concrete reported a minus of 16.0 % with 2.2 million cubic metres (previous year: 2.6). The asphalt operating line experienced a rise in sales volumes by 2.8 % thanks to the British Government's economic stimulus programme and the repair of winter-related road damage.

In the building products business line, that mainly comprises Hanson's building products in the United Kingdom, sales volumes of all operating lines declined, with the exception of lightweight blocks. Nevertheless, a significant increase in results was achieved due to the capacity adjustments and cost-cutting measures initiated at an early stage.

Turnover of the Western and Northern Europe Group area dropped by 13.8 % to EUR 715 million (previous year: 830); excluding currency effects, the decline amounted to 16.0 %.

Eastern Europe-Central Asia

The national economies in the Eastern Europe-Central Asia Group area are only slowly moving towards recovery. In this Group area, as well, very adverse weather conditions negatively impacted on construction activity.

In the cement business line, sales volumes declined in almost all countries, for the most part to a considerable extent; only Kazakhstan and Georgia recorded moderate growth. A slight tendency towards improvement was discernible in the month of March; in Russia and Kazakhstan, it was even possible to achieve a noticeable increase in volumes. Overall, cement and clinker sales volumes in the first quarter were 34.6 % below the previous year at 1.7 million tonnes (previous year: 2.6). Excluding consolidation effects, the decline amounted to 30.7 %.

Deliveries of aggregates decreased by 26.4 % to 1.7 million tonnes (previous year: 2.3); excluding consolidation effects, they declined by 28.3 %. Ready-mixed concrete sales volumes fell by 18.2 % to 0.5 million cubic metres (previous year: 0.6); excluding consolidation effects, the decrease totalled 11.5 %.

Turnover of the Eastern Europe-Central Asia Group area dropped by 32.1 % to EUR 139 million (previous year: 205); excluding consolidation and exchange rate effects, the decline amounted to 32.5 %.

North America

In North America, HeidelbergCement is represented in the US and Canada. In the US, the figures for the month of March point to a continuation of the economic recovery: the number of employees increased by 162,000 in the course of March, while the unemployment rate remained constant at 9.7 %. In comparison with the previous month, residential construction displayed a stronger rise in the number of construction starts and planning permissions than expected, with an increase of 1.6 % and 7.5 %, respectively. In Canada, the economy is benefiting from the strong demand in raw materials and the recovery of the construction industry.

Cement sales volumes of our North American plants fell by 14.6 % to 1.8 million tonnes (previous year: 2.1) in the first quarter. Apart from the weak demand caused by economic factors, the strong winter particularly in the north-eastern part as well as heavy rain fall in the western part of the US affected the sales development. In the Canadian market region, our cement deliveries clearly increased as a result of infrastructural projects and intensified activities of the petroleum industry.

Deliveries of aggregates decreased by 5.1 % to 15.9 million tonnes (previous year: 16.8). Here, as well, the down-swing was particularly strong in the north-east of the United States due to adverse weather conditions, whereas Canada recorded an increase. Ready-mixed concrete sales volumes declined by 17.1 % to 1.1 million cubic metres (previous years: 1.3). Asphalt sales volumes also saw a significant decrease. In March, deliveries of aggregates and ready-mixed concrete exceeded the previous year's level.

In the building products business line, which is highly dependent on residential construction, first signs of a positive development can be observed for bricks and roof tiles, where sales volumes even exceeded last year's levels. By contrast, deliveries in the other operating lines, such as pipes, precast concrete parts, and concrete paving blocks, continued their downward trend.

Total turnover in North America decreased by 19.9 % to EUR 497 million (previous year: 621). Excluding currency effects, the decline amounted to 15.1 %.

Asia-Pacific

The emerging markets in Asia show a brisk recovery: Driven by the massive government economic stimulus programmes, the Chinese economy grew by 11.9 % in the first quarter of 2010. The general economic conditions are also gaining momentum in Indonesia, India, and Bangladesh. The Australian economy benefits from the strong demand for raw materials from China and the robust level of domestic demand.

During the first quarter, cement and clinker deliveries of the Asia-Pacific Group area grew by a total of 17.2 % to 6.1 million tonnes (previous year: 5.2). Excluding consolidation effects, sales volumes increased by 12.5 %. In Indonesia, our subsidiary Indocement profited from a clear upward trend in construction activity. As a result of the strong domestic demand, Indocement considerably reduced its export deliveries; all in all, cement and clinker sales volumes rose by 17.9 %. At the Cirebon plant, two new cement mills with a total grinding capacity of 1.5 million tonnes were installed; they will be commissioned in the course of the second quarter of 2010. Indocement will then have a cement capacity of 18.6 million tonnes. In China, our joint ventures in the provinces of Guangdong and Shaanxi were able to expand sales volumes by 8.3 % due to strong demand. Deliveries of our cement plants in India almost matched the previous year's level; there was a marked improvement in results. In Bangladesh, both the sales volumes and the results increased satisfactorily. Since the takeover of Hanson in 2007, we hold a 25 %- participation in the Australian cement company Cement Australia.

Aggregates sales volumes dropped by 9.1 % to 7.3 million tonnes (previous year: 8.0). The asphalt business also showed decline. Deliveries of ready-mixed concrete nearly reached the previous year's levels with 2.0 million cubic metres (previous year: 2.0).

Turnover of the Asia-Pacific Group area improved by 19.1 % to EUR 568 million (previous year: 477); excluding consolidation and exchange rate effects, the growth amounted to 2.7 %.

Africa-Mediterranean Basin

The majority of African countries are experiencing an acceleration of economic development and lively construction activity. While the Turkish economy once again exhibited strong growth in the first quarter, Spain has still not overcome the crisis.

In Africa, our cement sales volumes showed an encouraging overall growth by 7.8 %. This was in particular attributable to Ghana, Togo, Sierra Leone, as well as Tanzania. In Turkey, cement and clinker sales volumes of our joint venture Akçansa grew by 50.8 % due to higher domestic demand and increased exports. Overall, the cement and clinker sales volumes of the Africa-Mediterranean Basin Group area increased by 19.7 % to 2.0 million tonnes (previous year: 1.6).

Aggregates sales volumes dropped by 9.2 % to 3.3 million tonnes (previous year: 3.6). The asphalt business also showed decline. By contrast, ready-mixed concrete deliveries rose by 9.7 % to approximately 1.2 million cubic metres (previous year: 1.0).

The turnover of the Africa-Mediterranean Basin Group area nearly reached the previous year's level, at EUR 216 million (previous year: 217); in operational terms, this represents a slight growth of 1.0 %.

Group Services

The trade volume of our subsidiary HC Trading rose by 26.9 % in the first quarter to 2.3 million tonnes (previous year: 1.8). This was due both to a slight increase in cement deliveries and a substantial growth in clinker trade volume.

The Group Services business line also comprises our subsidiary HC Fuels, which is responsible for the purchase of fossil fuels. Overall, turnover of Group Services increased by 20.5 % to EUR 143 million (previous year: 119); excluding currency effects, the improvement amounted to 26.3 %.

Employees

At the end of the first quarter of 2010, the number of employees at HeidelbergCement was 52,770 (previous year: 58,851). This decrease by 6,081 employees results essentially from the location optimisations and capacity adjustments, particularly in North America and the United Kingdom, which were linked with job cuts.

Personnel changes in the Supervisory Board

In January 2010, following an application of the company, the Local Court (Amtsgericht) of Mannheim/Germany supplemented the Supervisory Board of HeidelbergCement AG and appointed Dr.-Ing. Herbert Lütkestratkötter and Alan Murray as members of the Supervisory Board to represent the shareholders. They replace the former Supervisory Board members Eduard Schleicher and Gerhard Hirth, who resigned from their positions at the end of 2009 in response to the changes in the shareholder structure of HeidelbergCement. Their terms of appointment will expire on occasion of the by-election held at the next Annual General Meeting of HeidelbergCement AG on 6 May 2010.

Related parties disclosures

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

Prospects

The global economy is still expected – according to forecasts from OECD and IMF – to recover this year. Development dynamics clearly differ from region to region. Accelerated growth is again anticipated in Asia. As expected, the return to economic growth in Europe and North America proceeds rather slowly and was adversely affected by the severe and long winter in the months of January and February. The noticeable economic upturn in March can be seen as a first positive signal regarding the further development. Nevertheless, there are still considerable forecast-uncertainties as regards the strength and timescale of the economic recovery. Early cutbacks to the economic stimulus programmes, cost-saving measures by some governments on account of the high level of debt, and persistently high unemployment may slow down the impending economic recovery.

HeidelbergCement continues to expect a noticeable positive business development in the Asia-Pacific and Africa-Mediterranean Basin Group areas. For North America and Europe, HeidelbergCement anticipates overall declines in sales volumes in the first half of the year, partly because of the weak first quarter. After a significant increase in promotional funding for road construction in the US in the month of March, a continued recovery of the business development is expected in the second quarter of 2010. The extent and rate will depend on the further development in the residential construction sector, the spending behaviour in the US states, as well as on the still pending decisions of the US Congress on future funding for road construction. In Europe, HeidelbergCement expects a stabilisation of residential construction, a noticeable decline in the commercial construction sector, and positive development in infrastructure for the rest of 2010.

Due to the currently still prevailing weak economic situation in the industrial countries, HeidelbergCement consistently proceeds with its "FitnessPlus 2010" cost-saving programme and steadfastly pursues its goal of EUR 300 million in savings in 2010. At the same time, targeted investments are being made concerning projects in Asia, Africa, and Eastern Europe to lay the foundation for future growth. In the first quarter of 2010, HeidelbergCement increased the cement capacity expansion programme 2012 to 20 million tonnes. With its improved cost structures, its high operational strength, and world-wide leading market positions, HeidelbergCement believes it is well-equipped to benefit above average from an economic upturn in the course of this year and the next year.

Additional statements on the prospects

The Managing Board of HeidelbergCement has not seen evidence of developments that would suggest changes for the business year 2010 regarding the forecasts and other statements made in the 2009 Annual Report on the expected development of HeidelbergCement and its business environment.

The expected future development of HeidelbergCement and the business environment over the course of 2010 is described in the prospects. 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

Business activities are always future-oriented and therefore involve risks. HeidelbergCement is likewise subject to various risks in its business activities that are not fundamentally avoided, but instead accepted, provided they are well balanced by the opportunities they present. Identifying risks, understanding them and reducing them systematically is the responsibility of the Managing Board and a key task for all managers. 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 internal control and risk management system, standardised across the Group, comprises several components that are carefully co-ordinated 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.

After evaluation of the overall risk situation, there are, from today's perspective, deemed to be no identifiable risks, either at present or for the foreseeable future, that could threaten the existence of the Group or other significant risks whose occurrence would lead to a considerable deterioration of the Group's economic position.

Risks that may have a significant impact on our assets, financial and earnings position in the 2010 financial year and in the foreseeable future are described in detail in the 2009 Annual Report. For remarks on the syndicated credit agreement of 16 June 2009, which matures in December 2011, in the context of financial risks, see the information included in this interim Group management report under the section "Long-term financing secured". With the new syndicated credit line established on 27 April 2010, the remaining liabilities under the credit agreement entered into in June 2009 were replaced. The risks arising from volatile energy and raw material prices as well as from exchange rate effects continue to be high. The development of the global economy is better than expected, but the recovery is still laden with risk. In the industrial countries, the most challenging aspect will be the consolidation of the state finances.

HeidelbergCement interim accounts

Group profit and loss accounts

Group profit and loss accounts	January - March	
EUR '000s	2009	**2010**
Turnover	2,359,396	**2,179,653**
Change in stock and work in progress	-45,869	**19,416**
Own work capitalised	1,656	**1,513**
Operating revenue	2,315,183	**2,200,582**
Other operating income	63,696	**67,215**
Material costs	-985,530	**-953,241**
Employee and personnel costs	-516,857	**-486,184**
Other operating expenses	-674,874	**-656,968**
Operating income before depreciation (OIBD)	201,618	**171,404**
Depreciation of tangible fixed assets	-183,743	**-182,942**
Amortisation of intangible assets	-6,598	**-6,625**
Operating income	11,277	**-18,163**
Additional ordinary income	21,730	**4,104**
Additional ordinary expenses	-19,485	**-18,674**
Additional ordinary result	2,245	**-14,570**
Result from associated companies [1]	-5,716	**-922**
Result from other participations	-150	**-914**
Earnings before interest and taxes (EBIT)	7,656	**-34,569**
Interest income	11,123	**25,514**
Interest expenses	-147,892	**-170,080**
Foreign exchange losses	-29,683	**-2,723**
Other financial result	-36,175	**-35,899**
Financial result	-202,627	**-183,188**
Loss before tax from continuing operations	-194,971	**-217,757**
Taxes on income	155,925	**60,701**
Net loss from continuing operations	-39,046	**-157,056**
Net loss from discontinued operations	-6,871	**-4,855**
Loss for the financial year	-45,917	**-161,911**
Thereof minority interests	17,046	**36,965**
Thereof Group share of loss	-62,963	**-198,876**
Earnings per share in EUR (IAS 33)		
Loss per share attributable to the parent entity	-0.50	**-1.06**
Loss per share - continuing operations	-0.45	**-1.03**
Loss per share - discontinued operations	-0.05	**-0.03**

[1] Net result from associated companies -4,897 -201

Group statement of comprehensive income

Group statement of comprehensive income	January - March		January - March	
EUR '000s	2009	2009	**2010**	**2010**
Loss for the financial year		-45,917		**-161,911**
IAS 19 Actuarial gains and losses	41,680		**-162,900**	
Income taxes	-12,479		**46,918**	
		29,201		**-115,982**
IAS 39 Cash flow hedges	-9,002		**1,685**	
Income taxes	2,440		**-421**	
		-6,562		**1,264**
IAS 39 Available for sale assets	-2,830		**1,108**	
Income taxes	1,247		**225**	
		-1,583		**1,333**
IFRS 3 Business combinations	7,944		**-1,438**	
Income taxes	-2,700			
		5,244		**-1,438**
Other	-512		**1,428**	
Income taxes	630			
		118		**1,428**
Currency translation	356,997		**795,566**	
Income taxes			**6,576**	
		356,997		**802,142**
Other comprehensive income		383,415		**688,747**
Total comprehensive income		337,498		**526,836**
Relating to minority interests		6,895		**83,076**
Relating to HeidelbergCement AG shareholders		330,603		**443,760**

Group cash flow statement

Group cash flow statement EUR '000s	January - March 2009	**2010**
Net loss from continuing operations	-39,046	**-157,056**
Taxes on income	-155,925	**-60,701**
Interest income/expenses	136,769	**144,566**
Dividends received	2,887	**2,192**
Interest paid	-197,395	**-269,415**
Taxes paid/received	-45,271	**40,111**
Elimination of non-cash items	338,121	**331,179**
Cash flow	40,140	**30,876**
Changes in operating assets	28,678	**-189,089**
Changes in operating liabilities	-198,681	**-177,489**
Changes in working capital	-170,003	**-366,578**
Decrease in provisions through cash payments	-66,304	**-63,972**
Cash flow from operating activities - continuing operations	-196,167	**-399,674**
Intangible assets	-6,242	**-1,373**
Tangible fixed assets	-132,809	**-117,369**
Financial fixed assets	-9,907	**-3,763**
Investments (cash outflow)	-148,958	**-122,505**
Proceeds from fixed asset disposals	8,104	**29,869**
Cash from changes in consolidation scope	789	
Cash flow from investing activities - continuing operations	-140,065	**-92,636**
Dividend payments - minority shareholders	-2,451	**-3,128**
Proceeds from bond issuance and loans	1,528,921	**1,770,624**
Repayment of bonds and loans	-61,832	**-1,415,006**
Cash flow from financing activities - continuing operations	1,464,638	**352,490**
Net change in cash and cash equivalents - continuing operations	1,128,406	**-139,820**
Effect of exchange rate changes	13,431	**47,506**
Cash and cash equivalents at 1 January	843,646	**854,368**
Cash and cash equivalents at 31 March	1,985,483	**762,054**
Reclassification of cash and cash equivalents according to IFRS 5	-3,348	
Cash and cash equivalents presented in the balance sheet at 31 March	1,982,135	**762,054**

Group balance sheet

Assets EUR '000s	31 Dec. 2009	**31 Mar. 2010**
Non-current assets		
Intangible assets		
Goodwill	9,804,195	**10,196,024**
Other intangible assets	264,627	**278,990**
	10,068,822	**10,475,014**
Tangible fixed assets		
Land and buildings	4,904,125	**5,079,836**
Plant and machinery	4,412,359	**4,536,603**
Fixtures, fittings, tools and equipment	236,280	**241,629**
Payments on account and assets under construction	667,271	**731,247**
	10,220,035	**10,589,315**
Financial fixed assets		
Investments in associates	349,361	**359,437**
Financial investments	79,346	**71,266**
Loans to participations	19,020	**19,649**
Other loans and derivative financial instruments	45,781	**93,907**
	493,508	**544,259**
Fixed assets	20,782,365	**21,608,588**
Deferred taxes	268,771	**333,913**
Other long-term receivables	183,262	**190,236**
Long-term tax assets	16,570	**16,574**
Total non-current assets	21,250,968	**22,149,311**
Current assets		
Stock		
Raw materials and consumables	595,331	**617,358**
Work in progress	147,254	**171,122**
Finished goods and goods for resale	601,002	**632,686**
Payments on account	12,499	**18,654**
	1,356,086	**1,439,820**
Receivables and other assets		
Short-term financial receivables	99,671	**100,432**
Trade receivables	1,298,770	**1,464,681**
Other short-term operating receivables	361,928	**433,417**
Current tax assets	238,380	**103,187**
	1,998,749	**2,101,717**
Financial investments and derivative financial instruments	47,914	**58,331**
Cash and cash equivalents	854,368	**762,054**
Total current assets	4,257,117	**4,361,922**
Balance sheet total	25,508,085	**26,511,233**

Liabilities EUR '000s	31 Dec. 2009	**31 Mar. 2010**
Shareholders' equity and minority interests		
Subscribed share capital	562,500	**562,500**
Share premium	5,539,377	**5,539,377**
Retained earnings	6,166,476	**5,853,046**
Other components of equity	-1,867,366	**-1,110,176**
Equity attributable to shareholders	10,400,987	**10,844,747**
Minority interests	602,029	**687,522**
Total equity	11,003,016	**11,532,269**
Non-current liabilities		
Debenture loans	4,898,865	**6,373,372**
Bank loans	2,981,880	**1,980,756**
Other long-term financial liabilities	300,317	**308,500** [1]
	8,181,062	**8,662,628**
Provisions for pensions	756,712	**937,470**
Deferred taxes	892,367	**841,133**
Other long-term provisions	1,023,818	**1,065,912**
Other long-term operating liabilities	204,388	**224,420**
Long-term tax liabilities	79,798	**83,037**
	2,957,083	**3,151,972**
Total non-current liabilities	11,138,145	**11,814,600**
Current liabilities		
Debenture loans (current portion)	699,467	**671,347**
Bank loans (current portion)	196,220	**186,230**
Other short-term financial liabilities	285,629	**299,423** [1]
	1,181,316	**1,157,000**
Provisions for pensions (current portion)	115,139	**115,433**
Other short-term provisions	176,331	**188,060**
Trade payables	931,560	**795,412**
Other short-term operating liabilities	763,112	**780,484**
Current income taxes payables	199,466	**127,975**
	2,185,608	**2,007,364**
Total current liabilities	3,366,924	**3,164,364**
Total liabilities	14,505,069	**14,978,964**
Balance sheet total	25,508,085	**26,511,233**

[1] Includes puttable minorities with an amount of EUR '000s 34,899 (previous year: 36,938)

Group statement of changes in equity

Group statement of changes in equity EUR '000s	Subscribed share capital	Share premium	Retained earnings	Cash flow hedge reserve
1 January 2009	375,000	3,470,892	6,316,964	-14,234
Loss for the financial year			-62,963	
Other comprehensive income			29,319	-6,317
Total comprehensive income			-33,644	-6,317
Changes in consolidation scope				
Dividends				
31 March 2009	375,000	3,470,892	6,283,320	-20,551
1 January 2010	562,500	5,539,377	6,166,476	-13,339
Loss for the financial year			-198,876	
Other comprehensive income			-114,554	1,264
Total comprehensive income			-313,430	1,264
Changes in consolidation scope				
Dividends				
31 March 2010	562,500	5,539,377	5,853,046	-12,075

Other components of equity						
Available for sale reserve	Asset revaluation reserve	Currency translation	Total other components of equity	Equity attributable to shareholders	Minority interests	**Total equity**
9,166	4,901	-2,442,548	-2,442,715	7,720,141	540,703	**8,260,844**
				-62,963	17,046	**-45,917**
-1,583	5,244	366,903	364,247	393,566	-10,151	**383,415**
-1,583	5,244	366,903	364,247	330,603	6,895	**337,498**
					-669	**-669**
					-2,451	**-2,451**
7,583	10,145	-2,075,645	-2,078,468	8,050,744	544,478	**8,595,222**
12,929	39,585	-1,906,541	-1,867,366	10,400,987	602,029	**11,003,016**
				-198,876	36,965	**-161,911**
1,333	-1,438	756,031	757,190	642,636	46,111	**688,747**
1,333	-1,438	756,031	757,190	443,760	83,076	**526,836**
					5,545	**5,545**
					-3,128	**-3,128**
14,262	38,147	-1,150,510	-1,110,176	10,844,747	687,522	**11,532,269**

Segment reporting / Notes

Group areas January - March 2010 EURm	Western-Northern Europe 2009	**2010**	Eastern Europe-Central Asia 2009	**2010**
External turnover	815	**703**	204	**139**
Inter-Group areas turnover	15	**12**	1	**0**
Turnover	830	**715**	205	**139**
Change to previous year in %		-13.8 %		-32.1 %
Operating income before depreciation (OIBD)	52	**8**	8	**-7**
as % of turnover	6.3 %	1.1 %	3.8 %	-5.3 %
Depreciation	-61	**-65**	-23	**-23**
Operating income	-9	**-58**	-15	**-30**
as % of turnover	-1.1 %	-8.1 %	-7.3 %	-21.8 %
Results from participations	-3	**-1**	-3	**0**
Additional ordinary result				
Earnings before interest and taxes (EBIT)	-12	**-58**	-18	**-31**
Capital expenditures [1]	38	**23**	57	**42**
Segment assets [2]	6,726	**6,795**	1,682	**1,919**
OIBD as % of segment assets	0.8 %	0.1 %	0.5 %	-0.4 %
Number of employees as at 31 March	15,464	**14,061**	10,811	**9,344**
Average number of employees	15,507	**14,123**	10,775	**9,291**

[1] Capital expenditures = in the segment columns: tangible fixed assets and intangible assets investments; in the reconciliation column: financial fixed assets investments

[2] Segments assets = tangible fixed assets and intangible assets

North America		Asia-Pacific		Africa-Med. Basin		Group Services		Reconciliation Overhead-Other		Continuing operations	
2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**
621	**497**	473	**566**	210	**206**	36	**68**			2,359	**2,180**
0	**0**	4	**3**	6	**10**	83	**75**	-109	**-100**	0	**0**
621	**497**	477	**568**	217	**216**	119	**143**	-109	**-100**	2,359	**2,180**
	-19.9 %		19.1 %		-0.3 %		20.5 %				-7.6 %
-2	**-12**	112	**161**	37	**37**	18	**4**	-23	**-18**	202	**171**
-0.4 %	-2.4 %	23.5 %	28.3 %	17.0 %	17.2 %	15.2 %	2.7 %	21.0 %	18.5 %	8.5 %	7.9 %
-67	**-60**	-26	**-31**	-8	**-8**	0	**0**	-5	**-2**	-190	**-190**
-70	**-72**	86	**130**	29	**29**	18	**4**	-28	**-20**	11	**-18**
-11.2 %	-14.5 %	18.0 %	22.8 %	13.5 %	13.4 %	15.1 %	2.6 %	25.4 %	20.4 %	0.5 %	-0.8 %
-2	**-2**	2	**1**	0	**0**	0	**0**			-6	**-2**
								3	**-15**	3	**-15**
-72	**-74**	88	**131**	29	**29**	18	**3**	3	**-15**	8	**-35**
24	**30**	16	**22**	5	**2**			10	**4**	149	**123**
8,673	**8,180**	2,681	**3,475**	709	**658**	34	**37**			20,505	**21,064**
0.0 %	-0.1 %	4.2 %	4.6 %	5.2 %	5.6 %	52.6 %	10.1 %			1.0 %	0.8 %
15,293	**13,261**	14,668	**13,605**	2,564	**2,449**	51	**50**			58,851	**52,770**
15,293	**13,914**	14,682	**13,616**	2,572	**2,449**	51	**50**			58,879	**53,444**

Notes to the interim Group accounts

Accounting and consolidation principles

The interim Group accounts for HeidelbergCement AG as of 31 March 2010 were prepared according to the International Financial Reporting Standards (IFRS) for interim reporting as applicable in the European Union. The same accounting and valuation methods were principally applied as in the preparation of the Group annual accounts as of 31 December 2009, as well as IAS 34 "Interim Financial Reporting".

None of the following IASB pronouncements or amendments to such pronouncements that are applicable in the 2010 financial year for the first time had any material impact on the financial position and performance of the Group.

- Amendments to IFRS 2 (Group Cash-settled Share-based Payment Transactions)
- Revised IFRS 3 (Business Combinations)
- Amendments to IAS 27 (Consolidated and Separate Financial Statements)
- Amendments to IFRIC 9 and IAS 39 (Embedded Derivatives)
- IFRIC 18 (Transfer of Assets from Customers)
- 2009 Annual Improvement Process.

The interim Group accounts as of 31 March 2010 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.

Segment reporting

With effect from the beginning of the 2010 financial year, HeidelbergCement has reorganised its reporting structure. It is now geographically divided into six Group areas: Western and Northern Europe, Eastern Europe-Central Asia, North America, Asia-Pacific, Africa-Mediterranean Basin, and Group Services. The Western and Northern Europe area includes the Benelux countries, Denmark, Germany, the United Kingdom, Norway, Sweden, and the Baltic States. Bosnia-Herzegovina, Georgia, Kazakhstan, Croatia, Poland, Romania, Russia, the Czech Republic, Slovakia, the Ukraine, and Hungary are part of the Eastern Europe-Central Asia Group area. North America remains unchanged and is made up of the United States and Canada. Asia-Pacific consists of Bangladesh, Brunei, China, India, Indonesia, Malaysia, Singapore, as well as Australia, and the Africa-Mediterranean Basin Group area comprises our activities in Africa, Israel, Spain, and Turkey. As in the past, our trading activities are bundled within the Group Services unit.

Our main activities, cement and aggregates, are reflected separately in the reporting segments. The building products business line remains unchanged, and in the Concrete, Service and Other business line we mainly report on downstream activities, such as ready-mixed concrete and asphalt. The previous year's values have been restated accordingly.

Goodwill

An impairment test on goodwill is performed annually within the HeidelbergCement Group in the fourth quarter once the operating three-year plan has been prepared, or if there are reasons to suspect impairment. On 31 March 2010, management conducted sensitivity analyses with respect to the discount rates for those units that, as already indicated in the 2009 Annual Report, exhibit a less extensive scope for assessment.

Changes in the consolidation scope

There were no major changes in the consolidation scope in the current financial year.

Turnover development by Group areas and business lines January to March 2010	Cement		Aggregates		Building products		Concrete Service Other		Intra Group eliminations		Total	
EURm	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**
Western-Northern Europe	323	**295**	151	**146**	115	**85**	348	**308**	-107	**-119**	830	**715**
Eastern Europe-Central Asia	167	**108**	13	**10**	0	**0**	40	**34**	-15	**-13**	205	**139**
North America	190	**158**	148	**135**	178	**131**	159	**126**	-53	**-52**	621	**497**
Asia-Pacific	245	**344**	78	**91**	8	**6**	187	**190**	-41	**-62**	477	**568**
Africa-Med. Basin	147	**150**	22	**19**	0	**0**	63	**62**	-16	**-16**	217	**216**
Total	1,072	**1,055**	412	**401**	300	**222**	797	**720**	-232	**-262**	2,350	**2,136**
Group Services											119	**143**
Inter-area turnover											-109	**-100**
Continuing operations											2,359	**2,180**

Exchange rates		Exchange rates at reporting day		Average exchange rates	
EUR		31 Dec. 2009	**31 Mar. 2010**	01-03/2009	**01-03/2010**
USD	US	1.4316	**1.3510**	1.3059	**1.3836**
AUD	Australia	1.5956	**1.4739**	1.9642	**1.5300**
CAD	Canada	1.5058	**1.3715**	1.6247	**1.4391**
CNY	China	9.7720	**9.2217**	8.9266	**9.4464**
GBP	Great Britain	0.8862	**0.8899**	0.9091	**0.8872**
GEL	Georgia	2.3846	**2.3591**	2.1739	**2.3728**
GHC	Ghana	2.0674	**1.9364**	1.7280	**1.9902**
HKD	Hong Kong	11.0995	**10.4892**	10.1256	**10.7415**
IDR	Indonesia	13,457.04	**12,314.37**	15,196.36	**12,828.68**
INR	India	66.4262	**60.5248**	64.8495	**63.4210**
KZT	Kazakhstan	212.5497	**198.5970**	181.9962	**204.2801**
MYR	Malaysia	4.8989	**4.4029**	4.7319	**4.6593**
NOK	Norway	8.2938	**8.0209**	8.9637	**8.1041**
PLN	Poland	4.0955	**3.8509**	4.4968	**3.9816**
RON	Romania	4.2327	**4.0860**	4.2625	**4.1122**
RUB	Russia	43.3932	**39.7626**	44.3699	**41.2958**
SEK	Sweden	10.2505	**9.7241**	10.9492	**9.9422**
CZK	Czech Republic	26.3085	**25.4015**	27.5829	**25.8371**
HUF	Hungary	269.0835	**265.0257**	293.5042	**268.2658**
TZS	Tanzania	1,899.49	**1,817.62**	1,711.73	**1,851.14**
TRY	Turkey	2.1402	**2.0512**	2.1660	**2.0859**

Financing

On 19 January 2010, HeidelbergCement issued two Eurobonds to national and foreign institutional investors with a total issue volume of EUR 1.4 billion: one bond of EUR 650 million with a term of 5 years and a second of EUR 750 million with a term of 10 years. The bonds have fixed interest rates of 6.5 % p.a. for the 5-year term and 7.5% p.a. for the 10-year term. The issue prices were 98.8561% and 98.2192%, giving yields to maturity of 6.75% and 7.75% respectively. The bonds are unsecured and rank pari passu with all other capital market debts. The proceeds from the issue were exclusively used for the repayment of the syndicated loan from June 2009.

Changes in estimations in pension provisions

The actuarial gains and losses were adjusted for the material countries based on the discount rates applicable as at the closing date.

Related parties disclosures

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

Contingent liabilities

At the reporting date, there are contingent liabilities of EUR 525.0 million (31 December 2009: 366.4). These include obligations of EUR 454.2 million (31 December 2009: 330.7) for which the probability of outflow is remote.

Events after the balance sheet date

On 27 April 2010, HeidelbergCement signed a new, self-arranged EUR 3 billion syndicated credit facility with a group of 17 banks. The new credit facility has been used for repaying bank debt remaining under the old credit facility that had been agreed with 60 banks in June 2009 with a maturity in December 2011. The new credit facility is mainly intended as liquidity back-up and has a maturity date of 31 December 2013. HeidelbergCement thereby strengthens its financial and operational flexibility. At the same time, the security package granted to the creditors could be reduced significantly compared with the old credit facility. The syndicated credit facility can be used for cash drawdowns as well as for letters of credit and guarantees. For cash drawdowns, the initial credit margin amounts to 3.0% and is clearly lower than for the existing syndicated credit facility and would improve further with a declining ratio of net debt to EBITDA. For letter of credits and guarantees, the margin is at 75% of the applicable margin for cash drawdowns. The commitment fee is 35% of the applicable margin. The upfront fee amounts to 100 basis points. Accrued transaction costs from the 2009 credit facility amounting to EUR 57.8 million will be recognised in profit or loss in the second quarter of 2010.

Heidelberg, 6 May 2010

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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Financial calendar	
Half-Year Financial Report January to June 2010	30 July 2010
Interim Financial Report January to September 2010	4 November 2010
Annual General Meeting 2011	5 May 2011

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