HeidelbergCement

2011 First Quarter Results

05 May 2011

Dr. Bernd Scheifele, CEO and Dr. Lorenz Näger, CFO

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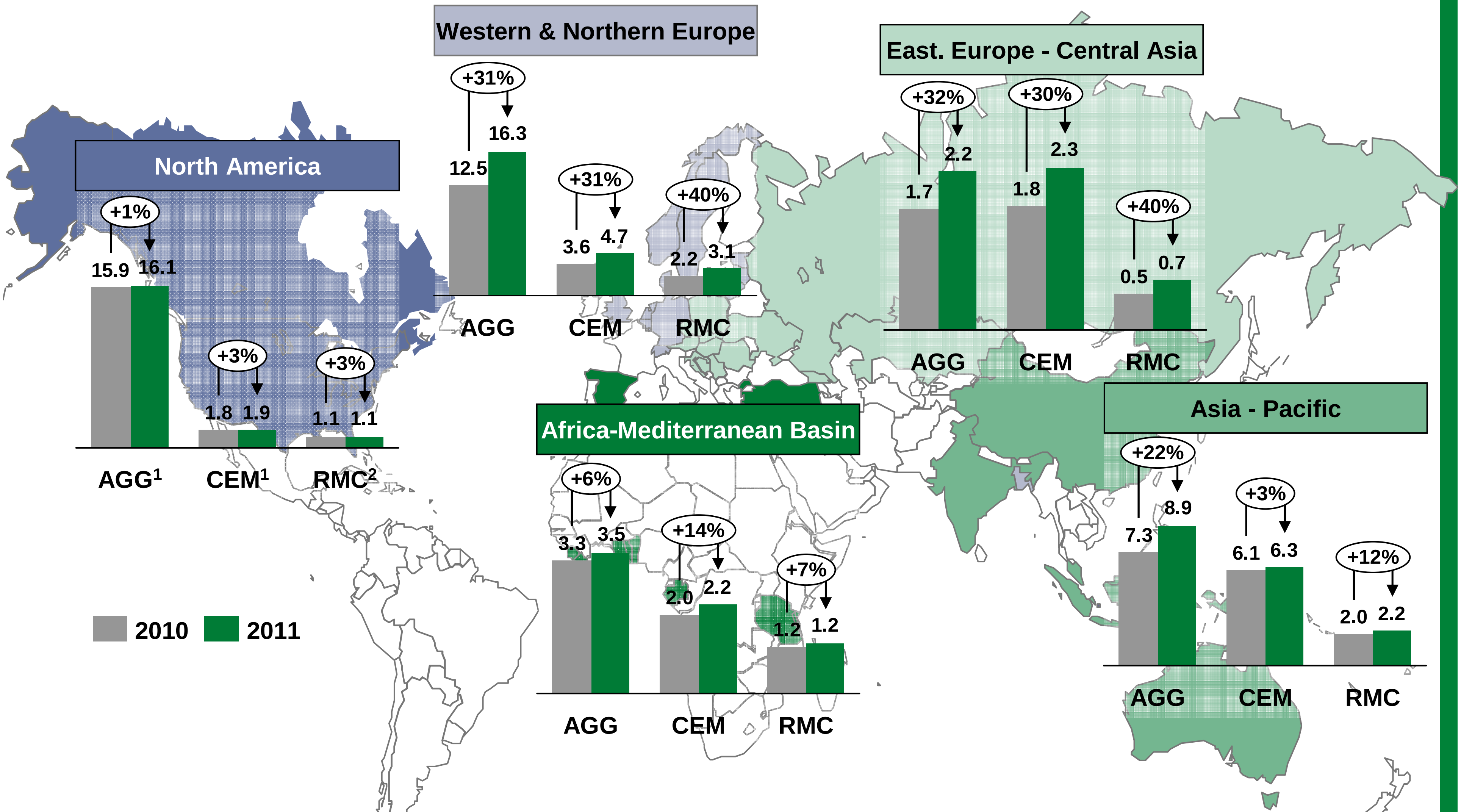
Market and financial overview Q1 2011

- **Double digit sales growth for all business lines due to mild winter and stronger than expected economic recovery in Northern-Western Europe as well as in Eastern Europe-Central Asia**
- **Q1 results significantly improved from last year**
  - Turnover increased by 19% to EURm 2,602 (previous year: EURm 2,180)
  - Operating EBITDA improved by 48% to EURm 253 (Q1 2010: EURm 171)
  - Operating EBITDA margin improved to 9.7% (Q1 2010: 7.9%)
- **Net debt reduced by EURm 330 year-on-year to EURm 8,634 (End of Q1 2010: EURm 8,964)**
- **Cement Capacity expansion projects on track**
  - Kiln modernization in Gorazdze (Poland) finalized on time. Commissioning started, adding 2,500 t per day clinker capacity with low Capex value for the highly attractive Polish market
- **HeidelbergCement's portfolio is not negatively affected by crisis in PIIGS, MENA and Japan**

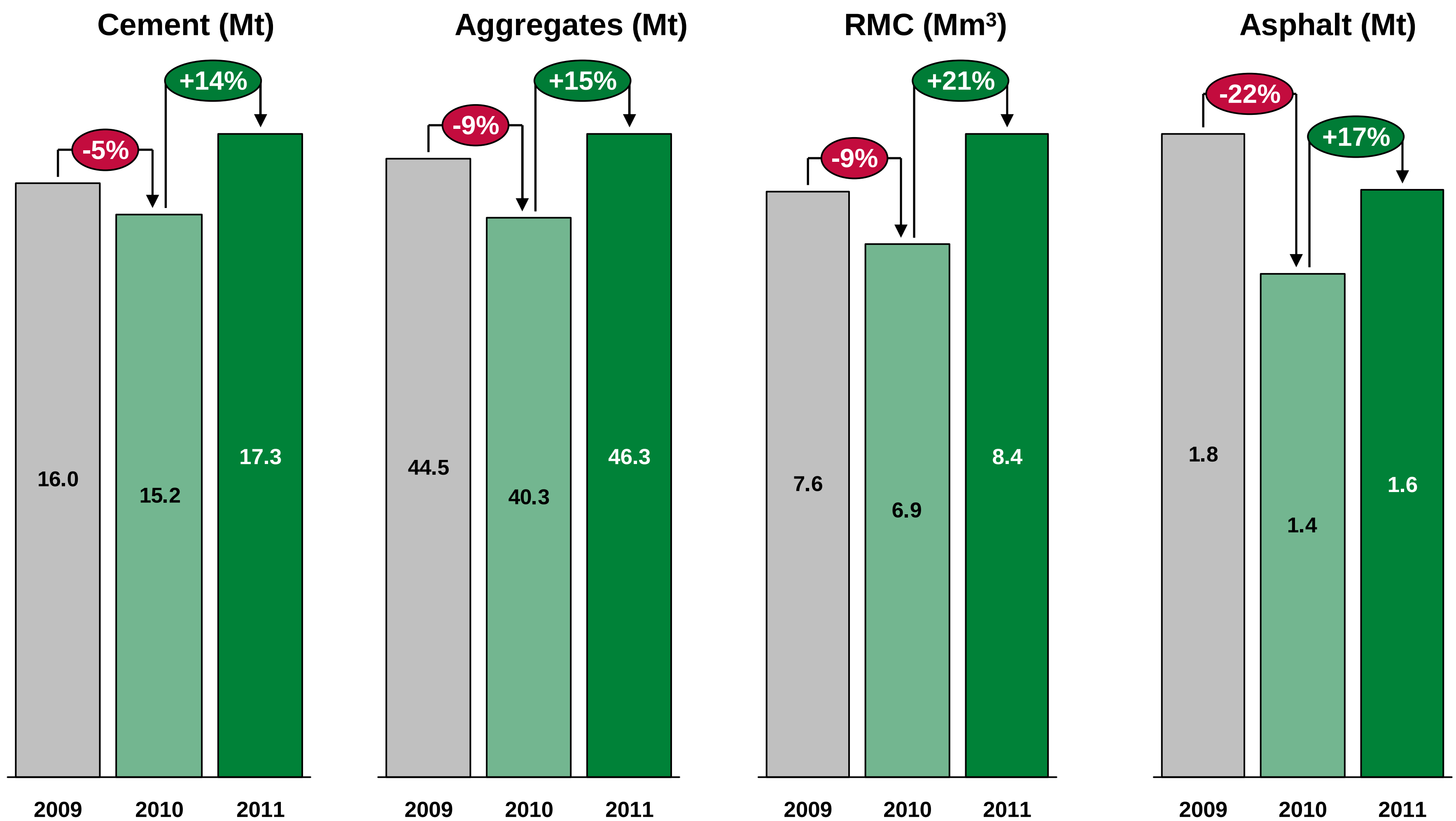
Sales volumes by Group areas (*)



(*) Before elimination of intercompany sales.

1) AGG = Aggregates and CEM = Cement: in million tones
2) RMC = Ready-mixed concrete: in million cubic meters

Strong volume increases in all business lines



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Key figures

EURm	January-March 2010	2011	Variance	Variance LfL
Volumes				
Cement	15,153	**17,342**	14%	12%
Aggregates	40,292	**46,311**	15%	15%
Ready mix	6,941	**8,368**	21%	20%
Asphalt	1,381	**1,611**	17%	16%
Profit and loss accounts				
Turnover	2,180	**2,602**	19%	14%
Operating EBITDA	171	**253**	48%	37%
in % of turnover	*7.9%*	***9.7%***		
Operating income	-18	**60**	N/A	N/A
Profit / Loss for the period	-162	**-120**	26%	
Earnings per share (IAS 33) 1)	-1.06	**-0.86**	19%	
Cash flow statement				
Cash flow from operating activities	-400	**-474**	-18%	
Total investments	-123	**-171**	40%	
Balance sheet				
Net debt 2)	8,964	**8,634**	-330	
Gearing	77.7%	**71.0%**		

1) Attributable to the parent entity.
2) Excluding puttable minorities.

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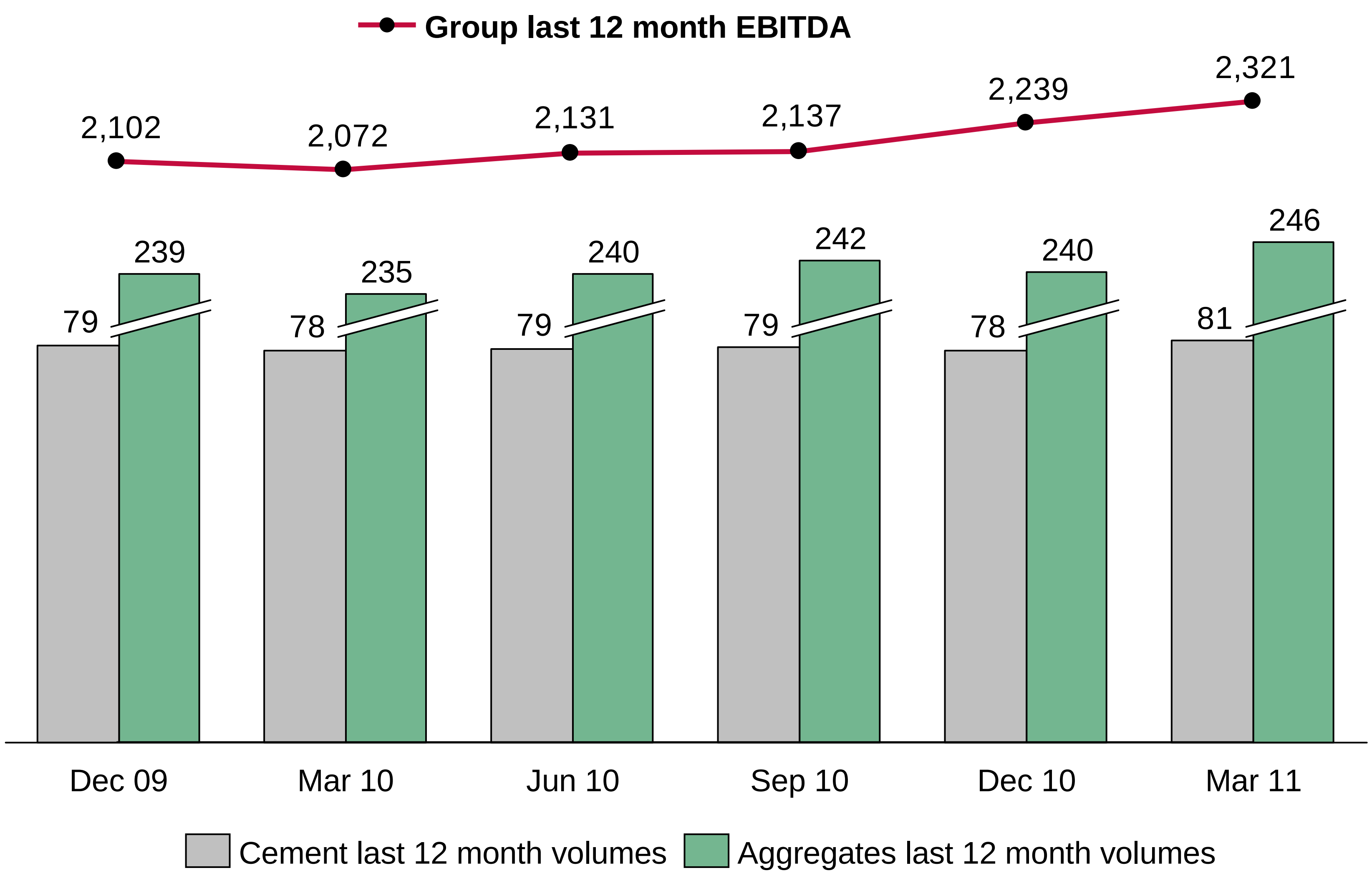
Operational performance continues to improve



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Fox 2013 saving program on track

Quarry Optimization

- Site review teams across all HC Areas up und running
- Improvement potentials identified during pilot site visits confirmed saving targets (120m€ by 2013)

OPEX (Operational Excellence)

- Pilot audits conducted in numerous cement plants world wide
- Results monitored in action lists and opportunity logs
- The results are fully in the range with expectations

Working capital optimization

- Levers have been identified
- Monthly numerical tracking with tight Management
- ~30 m€ already secured

600 m€ cash savings by the end of 2013

(>200 m€ in 2011)

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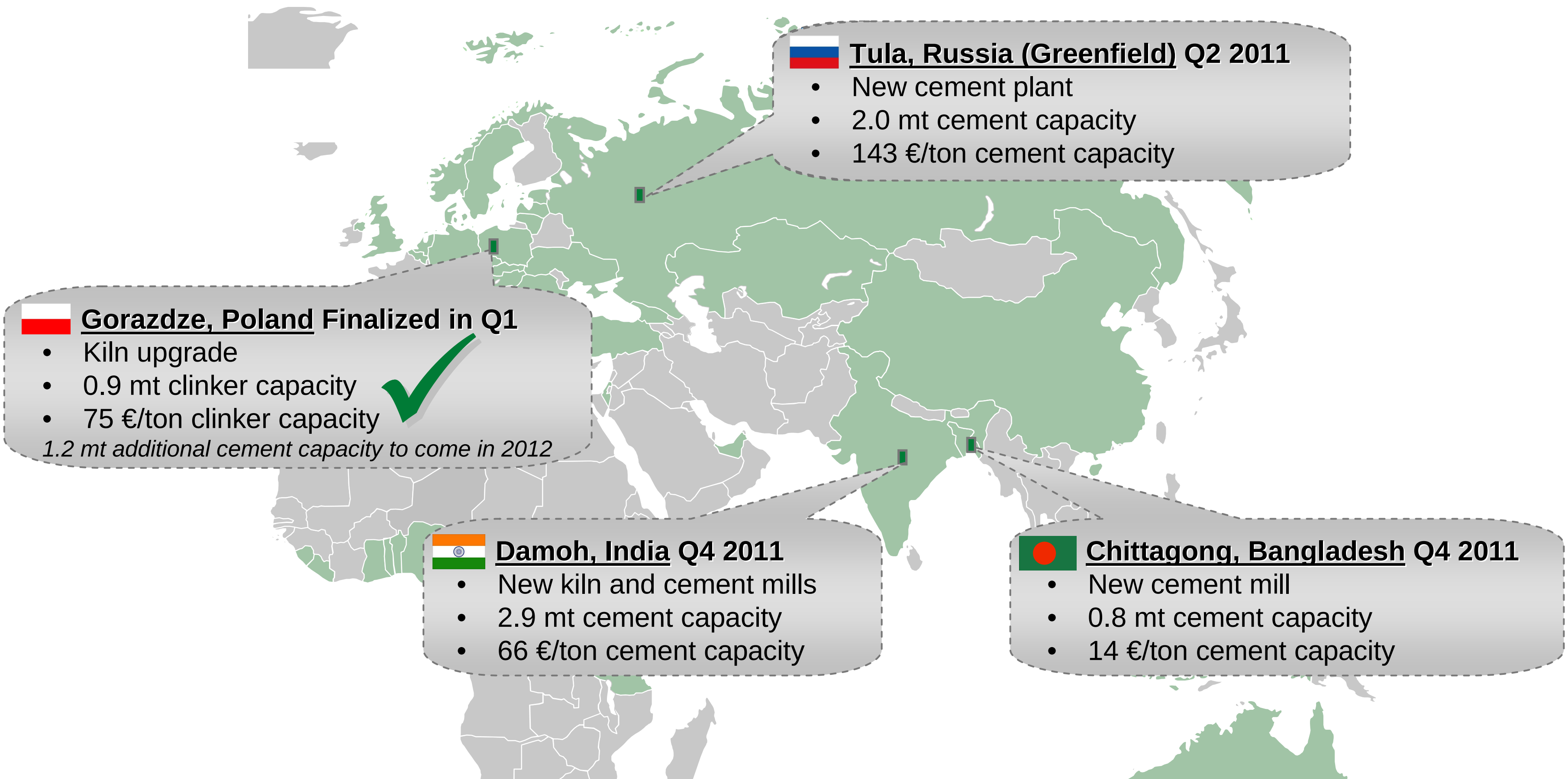
Cement expansion plan on track: 6Mt new capacity 2011



Growth in attractive markets continue with low Capex values

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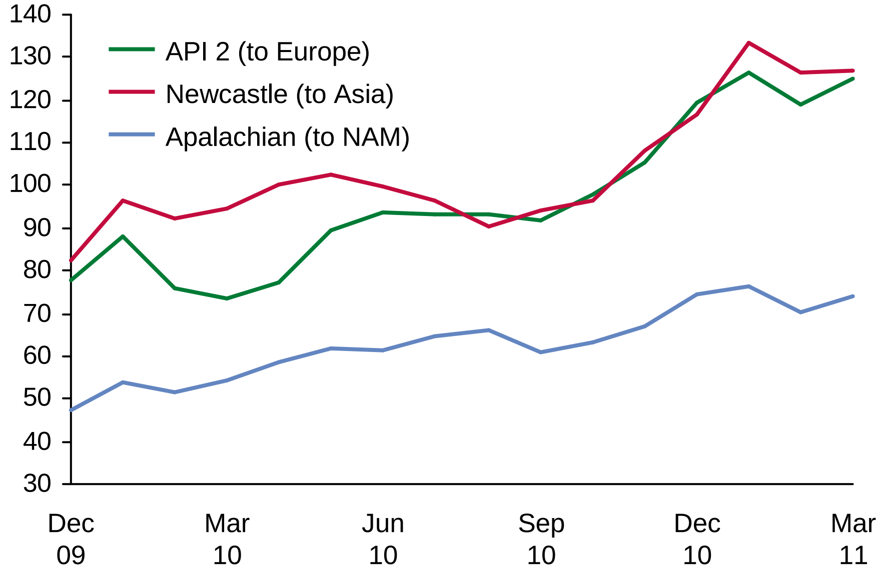
Strict energy management on all levels

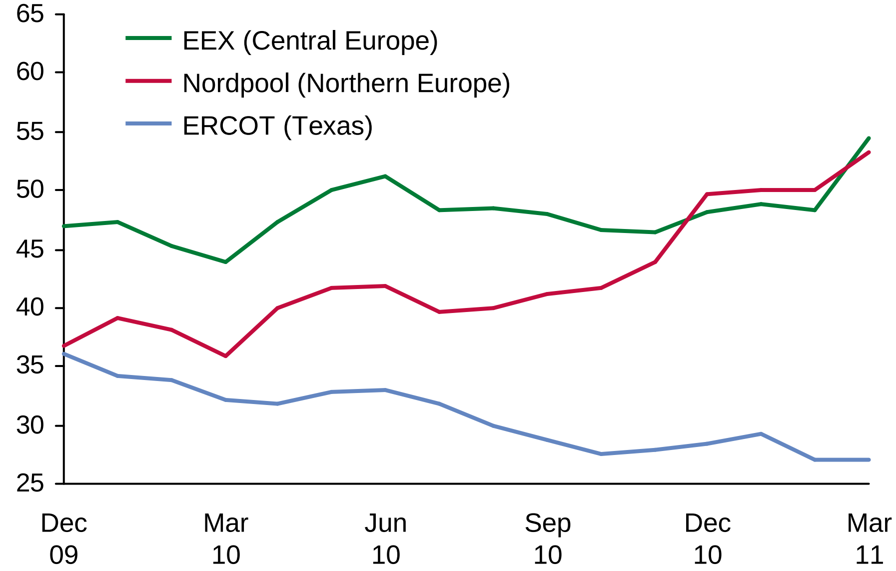
Coal: relevant indexes (USD/mt)

based on monthly average prompt prices (delivery next month)



Electricity price: selective indexes (€/MWh)

based on monthly average values - Q3/2011 forwards



- Total coal consumption per year = ~7mt
  Of which ~75% is already covered
- Total electricity consumption per year = ~9TWh
  Of which ~80% is already covered

- **Purchasing strategies are defined per commodity and country**
- **Energy surcharges to be introduced on a micro market per micro market basis in case of excessive commodity price increases**

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Western and Northern Europe

- Northern Europe: Very strong domestic markets in Norway and Sweden; robust recovery in Denmark and Baltics.
- UK: Benefit from good weather and several major construction projects
- Germany: Substantial volume growth in all business lines
- Benelux: Demand better than expected; Turnover & Op. EBITDA improve
- Price increases: Successful execution across all business lines in the UK and Northern Europe; energy surcharge planned on a market per market basis

Western & Northern Eur.	January - March								Organic
	2010	2011	variance		Opr.	Cons.	Decons.	Curr.	Growth
Volumes									
Cement volume ('000 t)	3,605	4,735	1,129	31.3 %	1,129	0	0		31.3 %
Aggregates volume ('000 t)	12,463	16,309	3,846	30.9 %	3,846	0	0		30.9 %
Operational result (EURm)									
Turnover	715	947	232	32.4 %	211	0	-2	22	28.7 %
Operating EBITDA	8	79	71	932.7 %	70	0	0	1	807.2 %
in % of turnover	*1.1 %*	*8.3 %*							
Operating income	-58	18	76	N/A	76	0	0	-1	N/A
Turnover (EURm)									
Cement	296	389	92	31.2 %					
Aggregates	146	188	42	29.0 %					
Building Products	85	104	19	22.2 %					
Opr. EBITDA margin (%)									
Cement	3.3 %	12.9 %							
Aggregates	8.1 %	13.5 %							
Building Products	4.5 %	6.4 %							

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Eastern Europe–Central Asia

- Poland: Record RMC sales in March; successful commissioning of kiln
- Romania & Hungary: Market environment continues to be weak
- Czech Republic: Positive volume development, competitive pricing
- Central Asia: Strong volume recovery; input costs increase
- Price increases: Implemented in Poland, Russia, Ukraine, Georgia and Kazakhstan

Eastern Eur. - Cent. Asia	January - March								Organic
	2010	2011	variance		Opr.	Cons.	Decons.	Curr.	Growth
Volumes									
Cement volume ('000 t)	1,751	2,275	524	29.9 %	333	191	0		19.0 %
Aggregates volume ('000 t)	1,693	2,229	536	31.7 %	536	0	0		31.7 %
Operational result (EURm)									
Turnover	139	187	47	34.0 %	34	11	0	2	24.2 %
Operating EBITDA	-7	-2	5	70.1 %	4	2	0	0	-52.0 %
in % of turnover	*-5.3 %*	*-1.2 %*							
Operating income	-30	-26	4	12.8 %	5	-1	0	-1	-17.4 %
Turnover (EURm)									
Cement	108	143	35	32.3 %					
Aggregates	10	14	3	31.1 %					
Opr. EBITDA margin (%)									
Cement	1.3 %	2.4 %							
Aggregates	-61.6 %	-40.4 %							

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North America

- US: Q1 cement result negatively impacted by timing effect of price increases and higher maintenance & repair costs; Price increases executed as of 1st April with positive development. Slow market recovery.
- Canada: Significant negative impact from harsh winter weather in the Prairie provinces; order book for full year in good shape; price increases executed in January
- Building products result continues to improve following the restructuring measures in 2010

North America	January - March								Organic
	2010	2011	variance		Opr.	Cons.	Decons.	Curr.	Growth
Volumes									
Cement volume ('000 t)	1,808	1,856	48	2.7 %	48	0	0		2.7 %
Aggregates volume ('000 t)	15,937	16,076	139	0.9 %	139	0	0		0.9 %
Operational result (EURm)									
Turnover	497	523	26	5.2 %	21	0	0	5	4.1 %
Operating EBITDA	-12	-11	1	12.0 %	2	0	0	0	12.9 %
in % of turnover	*-2.4 %*	*-2.0 %*							
Operating income	-72	-72	0	0.3 %	1	0	0	-1	1.3 %
Turnover (EURm)									
Cement	158	159	1	0.8 %					
Aggregates	135	143	8	5.9 %					
Building Products	131	144	13	9.9 %					
Opr. EBITDA margin (%)									
Cement	15.7 %	7.7 %							
Aggregates	-3.9 %	-2.1 %							
Building Products	-8.4 %	1.6 %							

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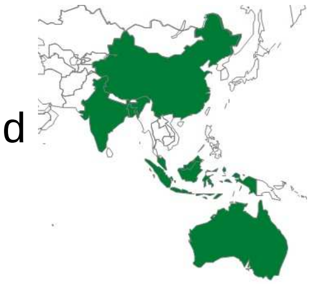
Asia–Pacific



- Indonesia: Strong sales increase; margins affected by higher input costs and reduced operational leverage
- China: Quarry accident in North leads to volume loss and increased clinker purchases
- India: Volume and pricing better than expected, particularly in the South
- Australia: Solid development despite negative impact from rain and floods; significant price increase successfully executed in April
- Continued growth; higher coal and electricity costs put pressure on margins

Asia - Pacific	January - March								Organic
	2010	2011	variance		Opr.	Cons.	Decons.	Curr.	Growth
Volumes									
Cement volume ('000 t)	6,101	6,294	194	3.2 %	194	0	0		3.2 %
Aggregates volume ('000 t)	7,287	8,891	1,605	22.0 %	1,484	121	0		20.4 %
Operational result (EURm)									
Turnover	568	656	88	15.5 %	39	4	0	44	6.4 %
Operating EBITDA	161	161	0	-0.1 %	-11	0	0	11	-6.2 %
in % of turnover	*28.3 %*	*24.5 %*							
Operating income	130	125	-4	-3.2 %	-12	0	0	8	-8.6 %
Turnover (EURm)									
Cement	344	386	42	12.1 %					
Aggregates	91	118	28	30.6 %					
Building Products	6	11	6	101.4 %					
Opr. EBITDA margin (%)									
Cement	36.6 %	32.2 %							
Aggregates	29.8 %	29.3 %							
Building Products	-4.8 %	2.7 %							

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Africa–Mediterranean Basin

- Africa: Strong volume growth led by Ghana
- Turkey: Strong domestic market; domestic and export prices are increasing
- Israel: Good demand development in all business lines
- Spain: Market continues to be weak; no recovery expected in 2011

Africa - Med. Basin	January - March								Organic
	2010	2011	variance		Opr.	Cons.	Decons.	Curr.	Growth
Volumes									
Cement volume ('000 t)	1,963	2,236	273	13.9 %	161	112	0		8.2 %
Aggregates volume ('000 t)	3,302	3,502	200	6.1 %	200	0	0		6.1 %
Operational result (EURm)									
Turnover	216	250	34	15.8 %	21	15	0	-2	9.8 %
Operating EBITDA	37	42	5	13.1 %	3	4	0	-2	7.2 %
in % of turnover	*17.2 %*	*16.8 %*							
Operating income	29	33	4	14.2 %	3	3	0	-2	10.0 %
Turnover (EURm)									
Cement	150	179	29	19.3 %					
Aggregates	19	21	2	11.3 %					
Opr. EBITDA margin (%)									
Cement	22.0 %	21.9 %							
Aggregates	16.3 %	16.1 %							

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Group Services

- Political instability in Middle East and Mediterranean regions has caused a lower domestic demand and reduced traded volume
- World-wide supply and demand for traded cement & clinker are well balanced; local market demand absorbed lower import demand
- FOB cement prices in Asian sources are increasing as a result of appreciated local currencies, rising energy costs and expected shortages due to Japan
- CFR prices to Africa is expected to remain steady because of the softening freight rates
- Coal prices have been increasing in US dollars but remain less effected in Euro terms

Group Services	January - March								Organic
	2010	2011	variance		Opr.	Cons.	Decons.	Curr.	Growth
Operational result (EURm)									
Turnover	143	143	0	-0.3 %	-2	0	0	1	-1.3 %
Operating EBITDA	4	3	-1	-19.5 %	-1	0	0	0	-20.4 %
in % of turnover	*2.7 %*	*2.1 %*							
Operating income	4	3	-1	-20.0 %	-1	0	0	0	-20.9 %

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Profit and loss accounts

EURm	January-March		Variance
	2010	2011	YtD
Turnover	2,180	**2,602**	19 %
Operating EBITDA	171	**253**	48 %
in % of turnover	7.9%	**9.7%**	
Amortisation and depreciation of intangible assets and tangible fixed assets	-190	**-193**	2 %
Operating income	-18	**60**	N/A
Additional ordinary result	-15	**-2**	-87 %
Result from participations	-2	**-4**	142 %
Earnings before interest and income taxes (EBIT)	-35	**54**	N/A
Financial result	-183	**-140**	-23 %
Loss before tax	-218	**-87**	-60 %
Taxes on income	61	**-29**	N/A
Net loss from continuing operations	-157	**-116**	-26 %
Net loss from discontinued operations	-5	**-4**	-9 %
Loss for the period	-162	**-120**	-26 %
Group share of loss	-199	**-161**	-19 %

Cash flow statement

EURm	January-March	
	2010	2011
Cash flow	31	**-38**
Changes in working capital	-367	**-386**
Decrease of provisions through cash payments	-64	**-49**
Cash flow from operating activities	-400	**-474**
Total investments	-123	**-171**
Proceeds from fixed asset disposals/consolidation	30	**26**
Cash flow from investing activities	-93	**-145**
Free cash flow	-493	**-619**
Dividend payments	-3	**-2**
Net proceeds from bonds and loans	356	**593**
Cash flow from financing activities	353	**591**
Net change in cash and cash equivalents	-140	**-28**

Balance sheet

EURm	31 Mar. 2010	31 Dec. 2010	31 Mar. 2011	Variance Mar 11/Dec 10
Assets				
Intangible assets	10,475	10,913	**10,547**	-366
Tangible fixed assets	10,589	10,924	**10,538**	-386
Financial fixed assets	545	520	**497**	-23
Fixed assets	21,609	22,357	**21,581**	-776
Deferred taxes	334	356	**337**	-19
Receivables	2,308	2,269	**2,490**	221
Stock	1,440	1,486	**1,492**	6
Cash and short-term investments	820	906	**836**	-70
Disposal groups held for sale		3		-3
Balance sheet total	26,511	27,377	**26,737**	-640
Liabilities				
Equity attributable to shareholders	10,845	12,061	**11,251**	-810
Minority interests	687	823	**839**	16
Equity	11,532	12,884	**12,090**	-794
Financial liabilities [1)]	9,820	9,147	**9,564**	417
Provisions	2,307	2,200	**2,094**	-106
Deferred taxes	841	824	**782**	-42
Operating liabilities	2,011	2,318	**2,207**	-111
Liabilities in disposal groups		4		-4
Balance sheet total	26,511	27,377	**26,737**	-640
Net Debt (excl. puttable minorities)	8,964	8,146	**8,634**	488
Gearing	77.7%	62.9%	**71.0%**	

[1)] Includes puttable minorities in the amount of EUR 35 million (Mar 2010), EUR 96 million (Dec 2010), EUR 94 million (Mar 2011).

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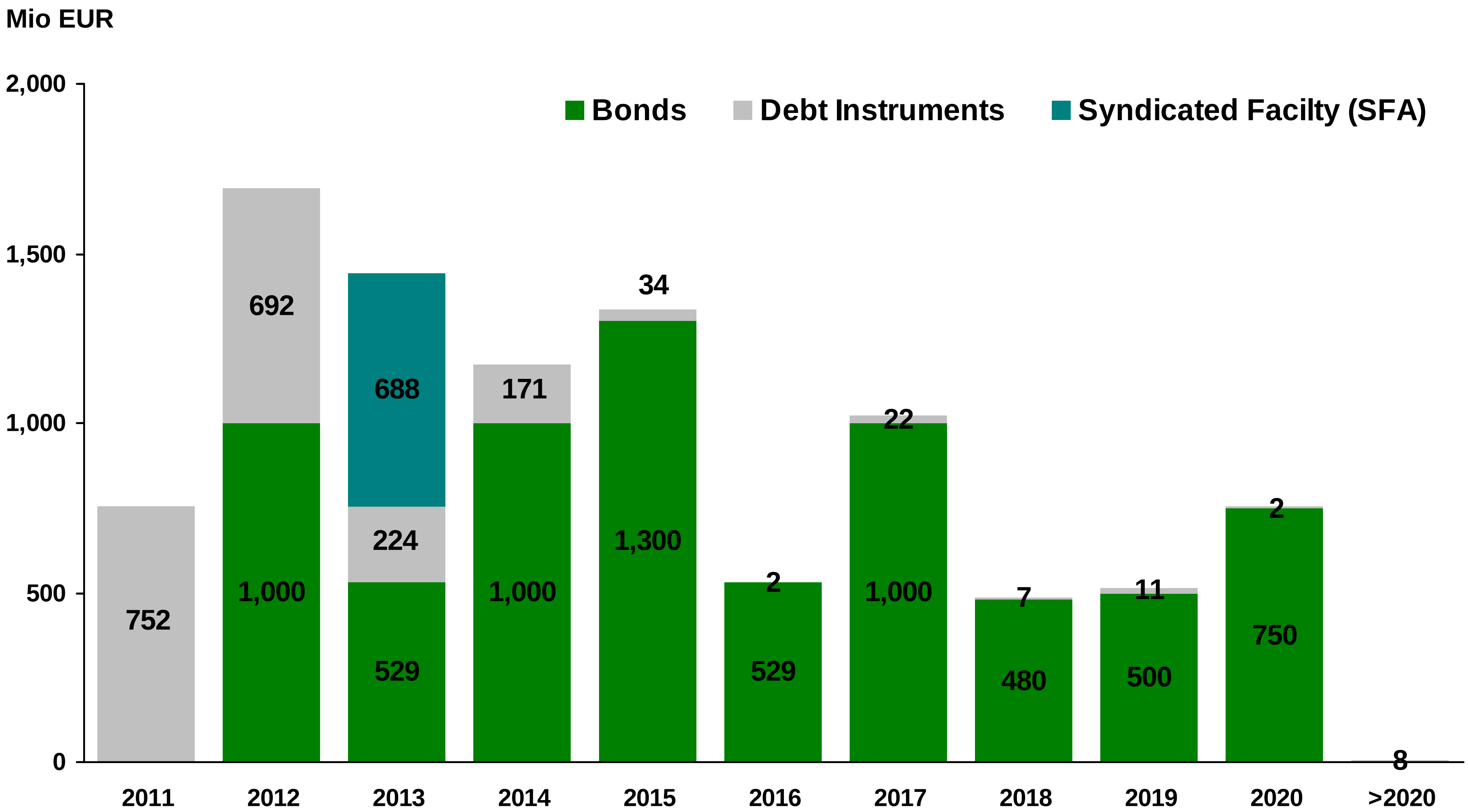
Debt maturity profile

as per 31 March 2011



Excluding reconciliation adjustments with a total amount of EUR -139 Mio EUR
(transaction costs to be amortized over the term of the SFA, issue prices and fair value adjustments)

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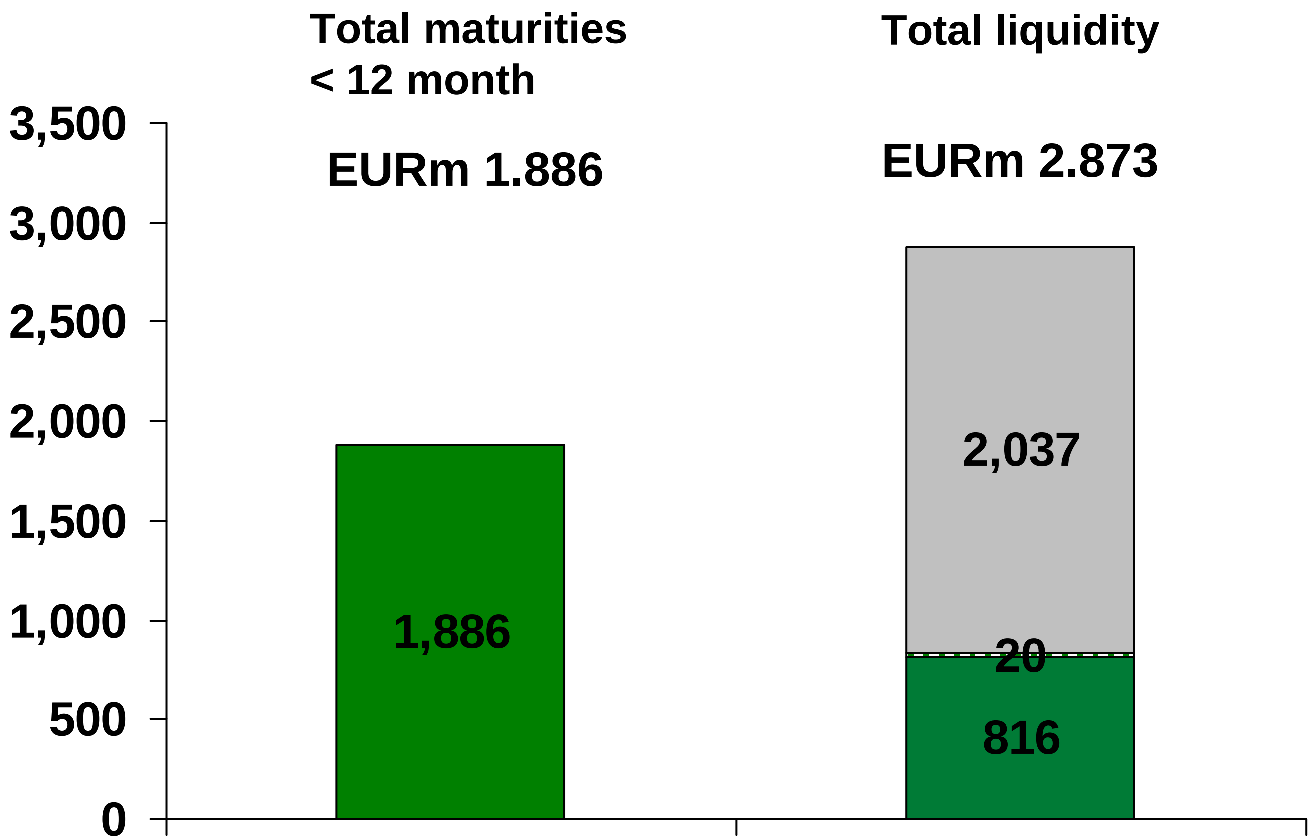
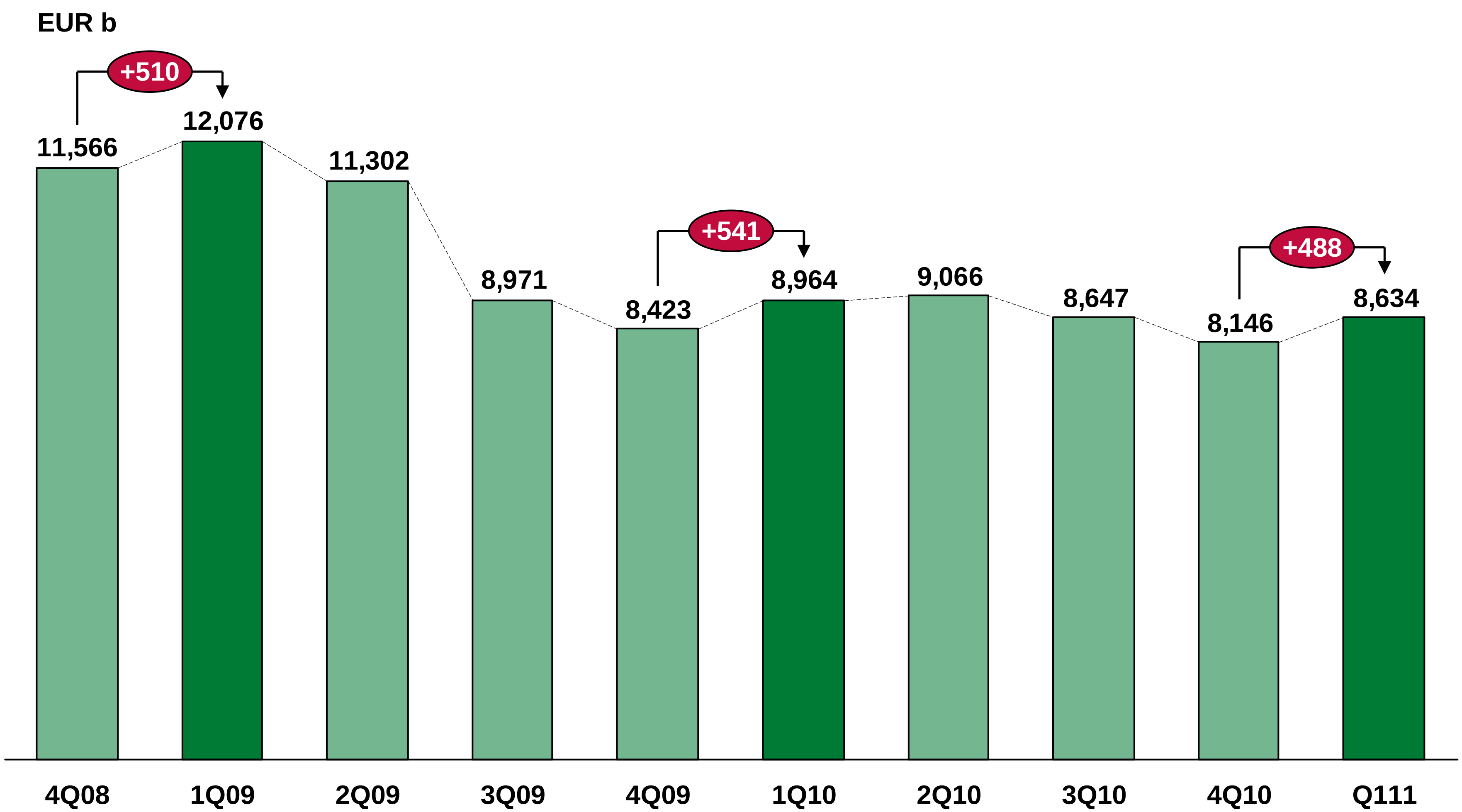
Significant short-term liquidity headroom

as per 31 March 2011



- Free credit lines (Total committed confirmed credit line EURm 3.000 restricted for guarantees EURm 274)
- Restricted cash
- Free cash

Net debt development per quarter (closing balance)



Seasonal increase in Net Debt position

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Market Outlook 2011

- Worldwide economic recovery expected to continue in 2011 but at a slower pace. Emerging economies continue to lead over mature markets in growth.

- Pick up of inflation based on rising costs for energy and raw materials expected; personnel costs in mature markets set to increase

- **Asia:** Continued strong growth in China, Indonesia and Bangladesh; Australia expected stable with strong price levels; India growing with lower margins
- **Africa:** Above average growth in our core markets Tanzania, Ghana and Congo expected; strong pricing prevails
- **North America:**
  - **Canada:** Demand in Alberta, Saskatchewan and Manitoba driven by commodity industry; pricing robust
  - **USA:** Volume recovery expected to slowly continue. HC to benefit from presence in attractive regional markets (Northeast, Texas). Price increases launched in order to offset price erosion in core markets in 2010, rising input costs and NESHAP Capex

Note: Comments refer to year-on-year trends

Market Outlook 2011

- **<u>Western and Northern Europe:</u>**
  - **UK:** Stable volume development despite austerity measures as major transportation projects are continued; pricing recovery in cement and concrete
  - **Germany and Northern Europe:** Clear recovery led by sound economic development in Germany; positive volume and price trend for 2011
  - **Benelux:** Slightly declining volume trend in Belgium and weak Dutch construction market lead to price pressure
- **<u>Eastern Europe:</u>**
  - **Poland:** Regaining momentum to pre-crisis growth
  - **Czech Republic:** Turning positive in the second half 2011, pulled by German economy
  - **Hungary, Romania:** Still weak, no trend change visible
- **<u>Central Asia:</u>** Cement volumes coming back in Russia, Ukraine, Georgia and Kazakhstan, price recovery starting

Note: Comments refer to year-on-year trends

2011 targets

Cost / Cash savings	**Cash: EURm 200**
	***of which cost savings*: EURm 35**
CAPEX (*)	**~ EURm 1,050**
Maintenance	**~ EURm 550**
Expansion	**~ EURm 500**
Cost of gross debt	**~6.2 %**
Operational tax rate (**)	**18 % - 20 %**
Mid-cycle targets unchanged:	**Op. EBITDA EURb 3**
	Net Debt / Op. EBITDA < 2.8X

(*) Before any currency impacts.
(**) Excluding US tax assets.

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Management priorities 2011 / 2012

1 Operational excellence and strict cost management

- Aggregates: Quarry improvement project to become the most efficient aggregates company worldwide
- Cement: OpEx programme for global cost reduction in fuel and electricity

2 Continued deleveraging with clear goal to return to investment grade rating

- “FOX 2013” programme targets EUR 600 million cash savings by 2013
- Press ahead with disposals of non-core assets as economic recovery continues

3 Targeted growth in emerging markets

- Implementation of cement capacity expansion programme in emerging markets
- Expansion of capacities in Sub-Saharan Africa
- Focus on synergy driven bolt-on investments with high value creation

Further strengthening of HeidelbergCement’s competitive position in the upturn

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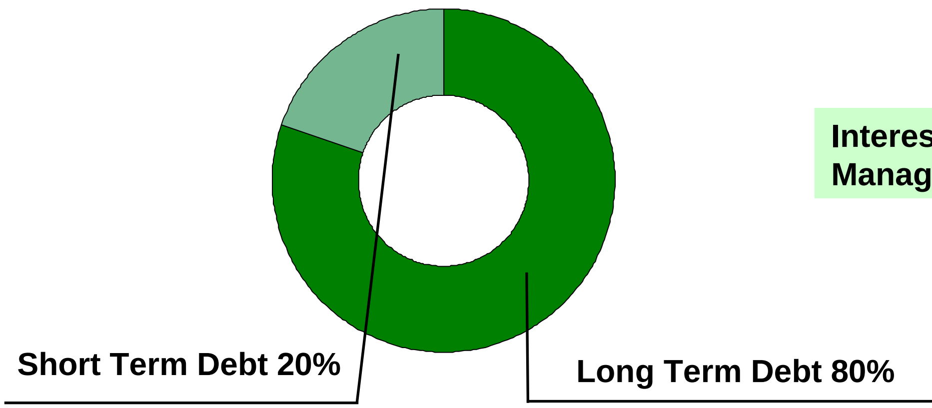
Gross Debt composition

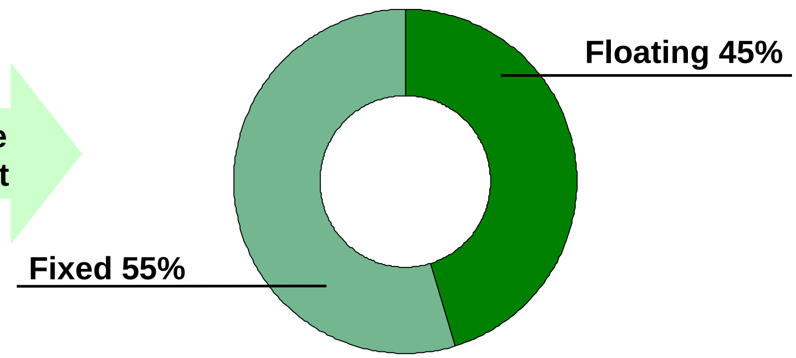
as per 31 March 2011

Financial Term Structure

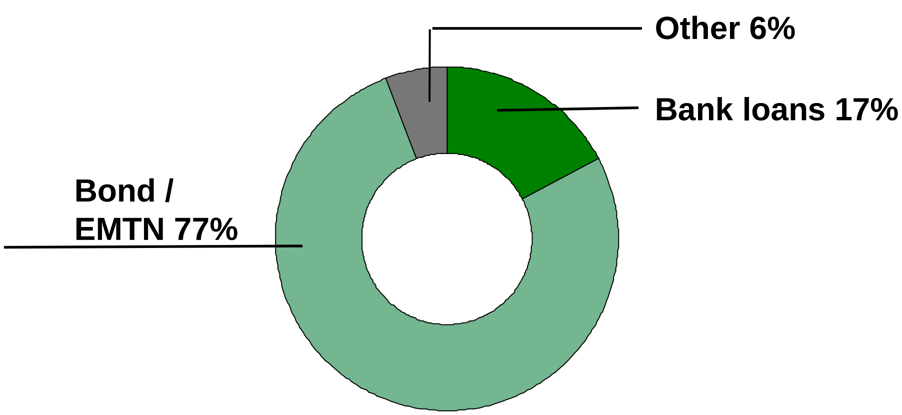


Interest Rate Management

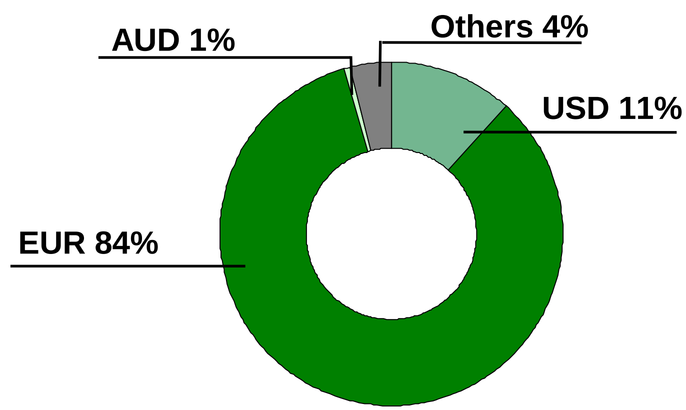
Interest Rate Exposure



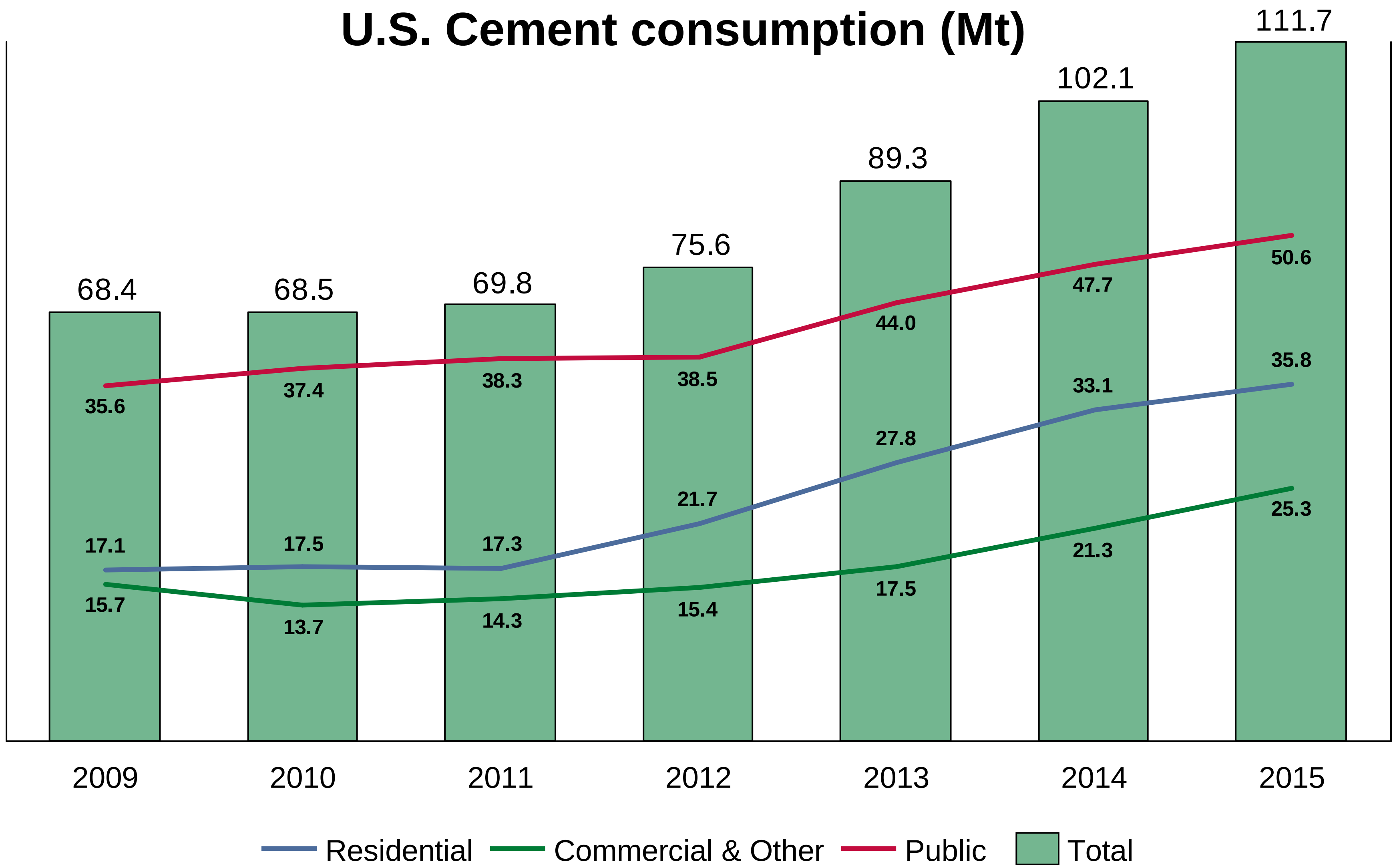
Split by Source



Split by Currency



PCA Spring Forecast



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Contact information and event calendar

Event calendar

July 29, 2011	2011 half year results
November 3, 2011	2011 third quarter results

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Safe Harbour Statement

Unless otherwise indicated, the financial information provided herein has been prepared under International Financial Reporting Standards (IFRS).

This presentation contains forward-looking statements and information. Forward-looking statements and information are statements that are not historical facts, related to future, not past, events. They include statements about our believes and expectations and the assumptions underlying them. These statements and information are based on plans, estimates, projections as they are currently available to the management of HeidelbergCement. Forward-looking statements and information therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

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