HeidelbergCement

2014 Results and 2015 Outlook

19 March 2015

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

Scantogo Clinker Plant, Togo

Contents

HEIDELBERGCEMENT

Market & financial overview 2014; Outlook 2015

- **Key operational and financial targets achieved**
  - Solid volume increases in all business lines
  - On LfL basis: revenue up 8%; operating EBITDA up 9%; operating income up 13% (*)
  - Strong cash flow generation; Net debt significantly reduced
- **Disposal of building products successfully completed; €bn 1.2 cash received in March 2015**
- **Proposed dividend increased by 25% to € 0.75 per share**
- **Total 5.6mt new capacity commissioned in Africa, Indonesia and Kazakhstan**

- **Outlook 2015**
  - Volume growth in all regions
  - Double digit percentage increase in revenue, operating income and net income
  - Net debt / EBITDA below 2.8x
  - Earn our cost of capital in 2015
  - New strategic targets to be presented during CMD in June
- **Solid start in 2015 confirms our outlook**

(*) LfL: Before currency and scope changes.

Key financials

€m	Full Year				Q4			
	2013 [1)]	2014	Variance	L-f-L	2013 [2)]	2014	Variance	L-f-L
Volumes								
Cement (Mt)	78,146	**81,847**	5 %	5%	20,079	**20,597**	3 %	3 %
Aggregates (Mt)	230,615	**243,604**	6 %	5%	58,279	**62,849**	8 %	7 %
Ready-Mix Concrete (Mm3)	34,927	**36,591**	5 %	4%	9,088	**9,546**	5 %	2 %
Asphalt (Mt)	8,353	**9,309**	11 %	7%	2,253	**2,360**	5 %	5 %
Income statement								
Revenue	12,128	**12,614**	4 %	8%	3,111	**3,309**	6 %	4 %
Operating EBITDA	2,224	**2,288**	3 %	9%	614	**625**	2 %	1 %
in % of revenue	*18.3%*	***18.1%***			*19.7%*	***18.9%***		
Operating income	1,519	**1,595**	5 %	13%	441	**441**	0 %	0 %
Profit for the period	933	**687**	-26 %		31	**88**	180 %	
Earnings per share in € (IAS 33) [3)]	3.93	**2.59**	-34 %		-0.05	**0.17**	N/A	
Dividend per share in € [4)]	0.60	**0.75**	25 %					
Statement of cash flows								
Cash flow from operating activities	1,167	**1,480**	313		785	**828**	43	
Total investments	-1,240	**-1,125**	116		-357	**-422**	-65	
Balance sheet								
Net debt [5)]	7,307	**6,929**	-378					
Gearing	58.3%	**48.6%**						

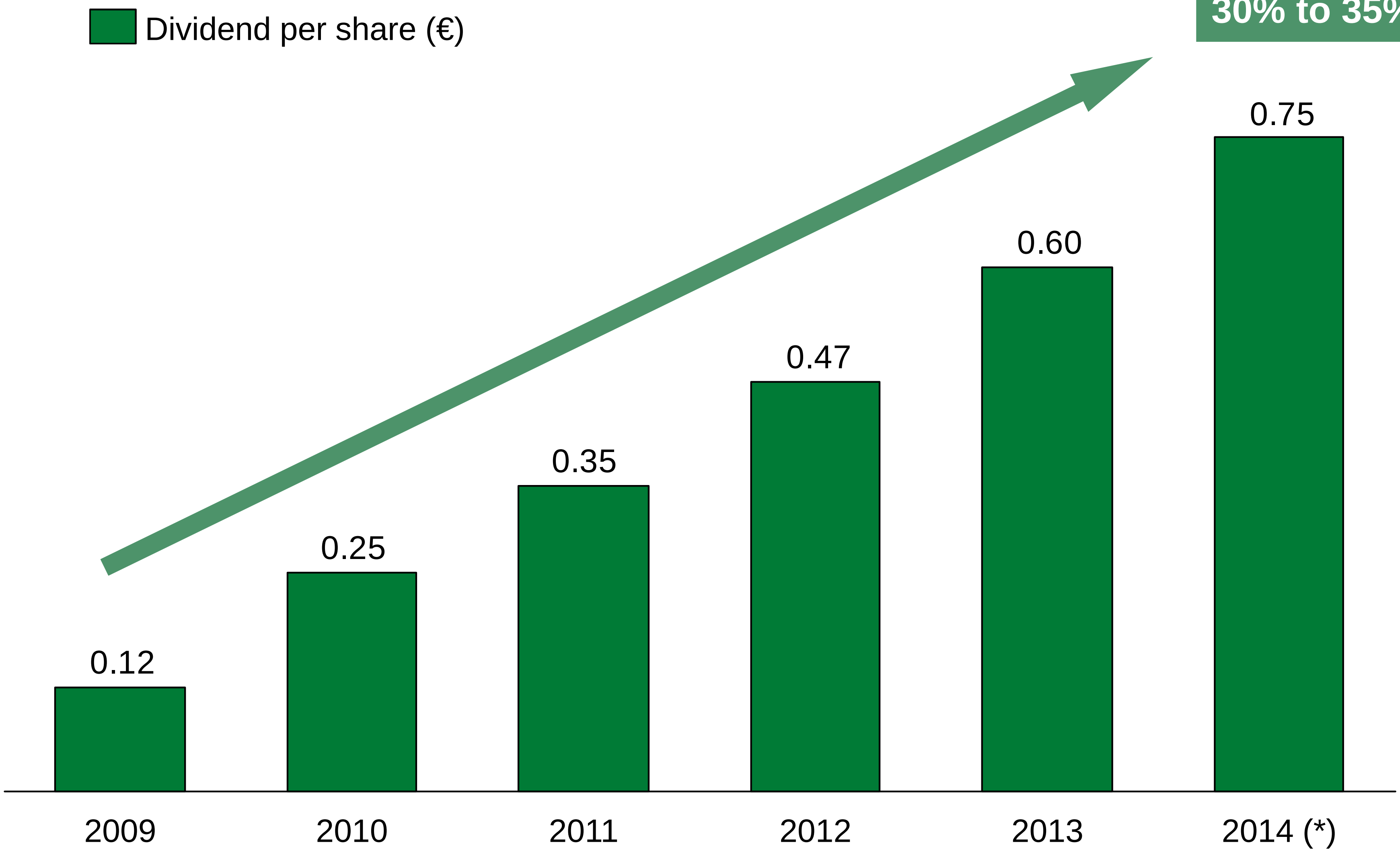
1) Amounts restated (IFRS 10, IFRS 11 incl. CEMAUS, discontinued operations, IAS 7.16, pensions UK)
2) Amounts restated (IFRS 10, IFRS 11 incl. CEMAUS, pro-forma discontinued operations, IAS 7.16, pensions UK)
3) Attributable to the parent entity 4) Proposal of Managing Board and Supervisory Board to Annual General Meeting 5)Excluding puttable minorities

HEIDELBERGCEMENT

HeidelbergCement continues to improve shareholder return

Target is to reach

30% to 35% payout ratio



(*) Proposal of Managing Board and Supervisory Board to Annual General Meeting

Disposal of building products successfully completed

Disposal process announced beginning of the year....	... and finalized within the targeted time frame and value.

Disposal of building products

Geographical Presence

(Combined revenue >US$1 bn)

US

Canada

UK

Key products include

Bricks

Pipe & precast

Pressure Pipe

Structural Precast

Aircrete Blocks

Various disposal options are being considered and evaluated

- Preparation of carve-out financial statements (started already in January)
- Nomination of Investment Banks (July)
- Filing of form S-1 with SEC (September)
- Active sales process (start in September)
- Negotiations & finalization (December)
- Deal close and cash in (March 2015)

- **Total value above €bn 1.2**
- **Huge step towards investment grade**
- **Brings “Net debt/EBITDA” below 2.8x**

HEIDELBERGCEMENT

Net debt and leverage below strategic targets

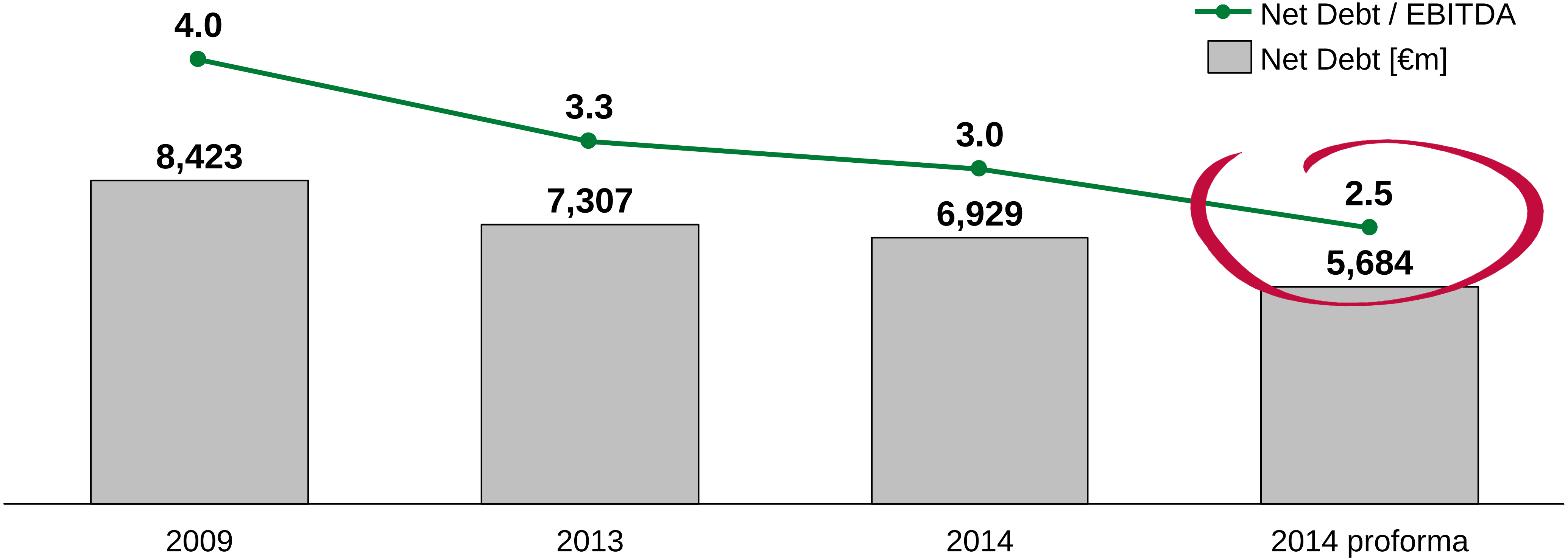
Target defined in 2009:

"Mid-cycle leverage target 2.8x"

Target re-defined in 2013:

"Leverage target below 2.8x"

"Net debt below €bn 6.5"

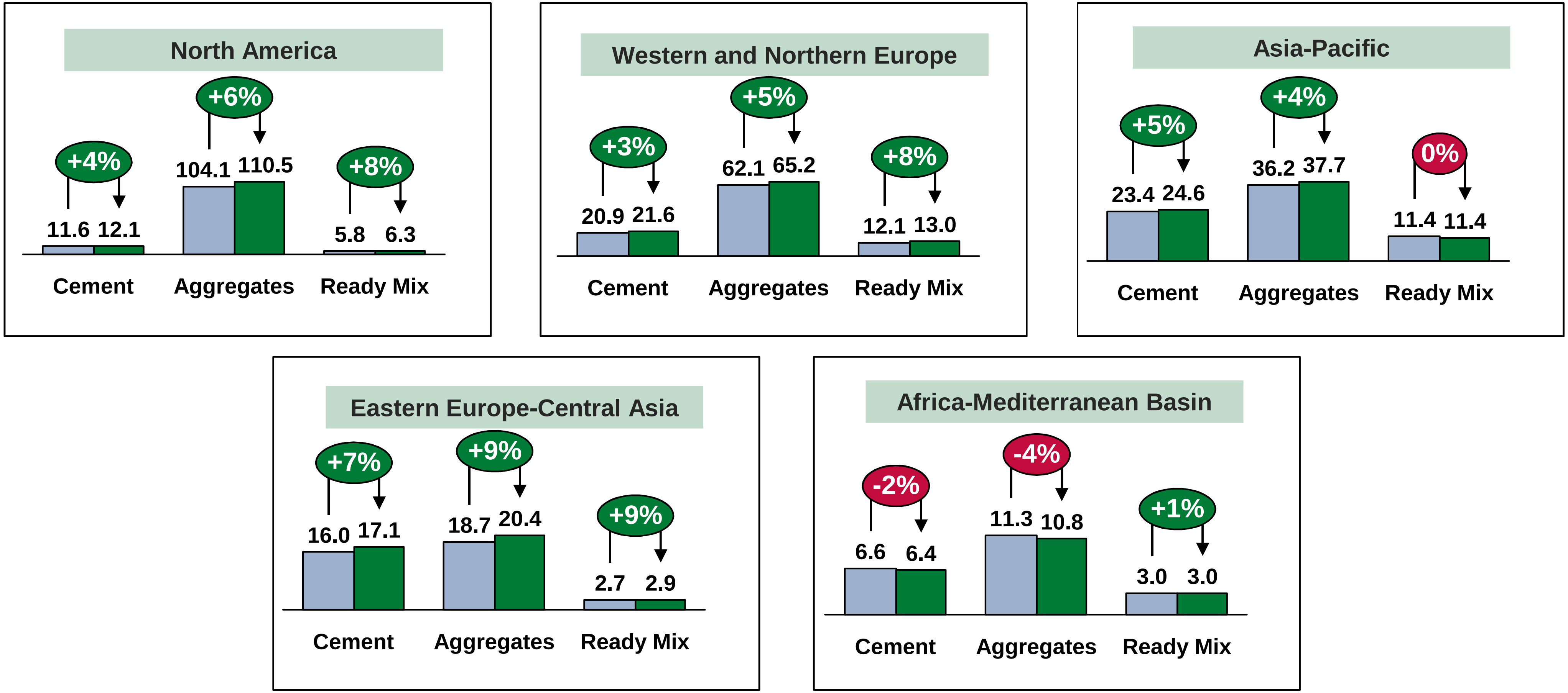


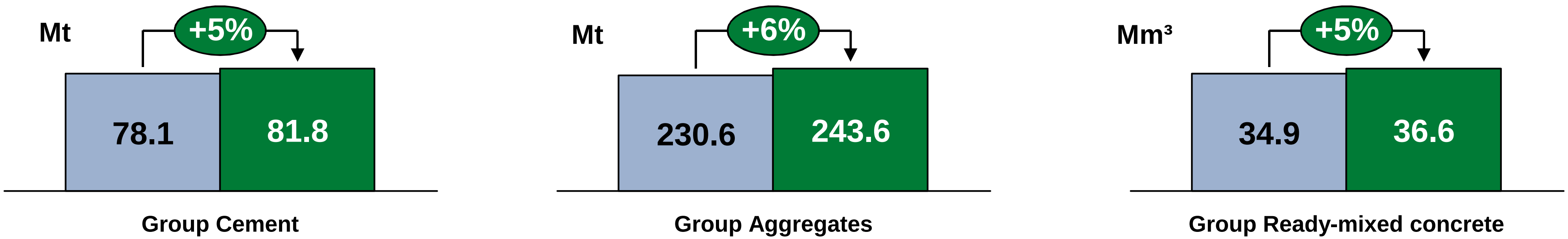
We promised, we delivered. Reaching investment grade is still a priority.

HEIDELBERGCEMENT

Group sales volumes full year

2013 2014

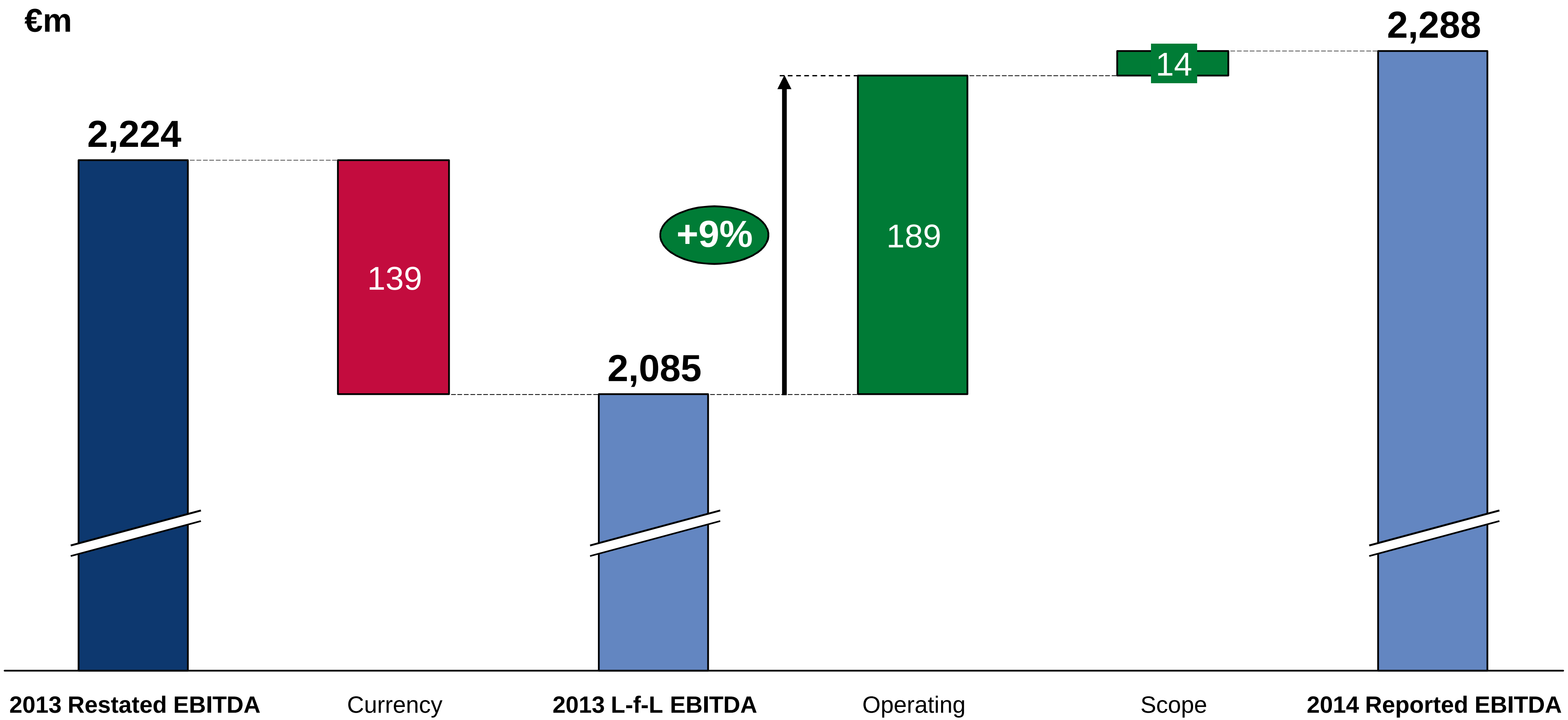




2013 values are restated due to the first-time application of IFRS 10 and 11.

HEIDELBERGCEMENT

Strong organic growth driven by solid operational performance



EBITDA continued to improve despite significant negative currency impact and IFRS driven reclassifications

2013 values are restated due to the first-time application of IFRS 10 and 11. 2013 reported and restated figures include €m 25 gain from exhausted quarry sale

HEIDELBERGCEMENT

Contents

HEIDELBERGCEMENT

North America

- Market recovery continues; prices above prior year in all business lines and regions
- Full year cement margin affected by operating challenges; aggregates margin further improved (excluding quarry sales gain in 2013)
- **USA:**
  - Solid full year cement volume growth, especially strong in the South
  - Acceleration of aggregates volume growth in H2
  - Prices up in all business lines
- **Canada:** Volume growth and strong pricing in all business lines; no signs of a slowdown

North America	Full Year					Q4				
	2013	2014	variance		L-f-L	2013	2014	variance		L-f-L
Volumes										
Cement volume ('000 t)	11,607	12,081	474	4.1 %	4.1 %	2,865	2,891	26	0.9 %	0.9 %
Aggregates volume ('000 t)	104,148	110,492	6,343	6.1 %	6.1 %	25,049	28,352	3,303	13.2 %	13.1 %
Ready mix volume ('000 m³)	5,774	6,263	489	8.5 %	7.3 %	1,379	1,500	122	8.8 %	6.3 %
Asphalt volume ('000 t)	3,049	3,551	501	16.4 %	16.4 %	783	891	108	13.7 %	13.7 %
Operational result (€m)										
Revenue	2,766	3,049	283	10.2 %	11.9 %	685	800	115	16.8 %	8.5 %
Operating EBITDA	555	610	55	9.9 %	12.5 %	138	161	23	16.8 %	10.8 %
in % of revenue	*20.1 %*	*20.0 %*			*+11 bps*	*20.1 %*	*20.1 %*			*+41 bps*
Operating income	362	412	51	14.1 %	17.6 %	91	107	17	18.2 %	13.5 %

Revenue (€m)	2013	2014	variance		Q4 2013	Q4 2014	variance	
Cement	1,054	1,115	61	5.8 %	250	284	34	13.6 %
Aggregates	1,043	1,150	107	10.2 %	244	311	67	27.3 %
RMC + Asphalt	794	874	81	10.2 %	190	230	40	21.0 %

Opr. EBITDA margin (%)	2013	2014	Q4 2013	Q4 2014
Cement	21.0 %	19.6 %	21.8 %	21.6 %
Aggregates	27.4 %	26.5 %	31.2 %	26.8 %
RMC + Asphalt	1.5 %	4.6 %	0.5 %	4.6 %

Full year and Q4 2013 figures include gain from exhausted quarry sale of 25 million EUR.

2013 values are restated due to the first-time application of IFRS 10 and 11 and reclassification of Building Products in accordance with IFRS 5.

LfL: Organic development excluding currency and change in scope. Details are included in appendix

HEIDELBERGCEMENT

Western and Northern Europe

- Overall, solid market demand; volumes above prior year in all business lines for both the full year and Q4
- **UK:** Recovery continues, driven by increasing residential demand and large infrastructure projects in the London area; substantial full year result improvement; prices up in all business lines
- **Germany:** Volumes and pricing up in all business lines for the full year
- **Benelux:** Full year result in line with prior year; gradual market recovery expected in 2015
- **Northern Europe**: Slightly softer markets in 2014 vs. 2013 despite good cement demand in the Baltic States; result impacted by price pressure from increasing competition and higher distribution costs

Western & Northern Eur.	Full Year					Q4				
	2013	2014	variance		L-f-L	2013	2014	variance		L-f-L
Volumes										
Cement volume ('000 t)	20,901	21,608	706	3.4 %	3.2 %	5,291	5,330	39	0.7 %	0.2 %
Aggregates volume ('000 t)	62,139	65,217	3,078	5.0 %	-0.7 %	16,259	16,373	115	0.7 %	-5.2 %
Ready mix volume ('000 m³)	12,071	12,999	927	7.7 %	6.4 %	3,179	3,435	256	8.0 %	-0.7 %
Asphalt volume ('000 t)	2,626	3,096	470	17.9 %	5.0 %	744	783	38	5.1 %	5.1 %
Operational result (€m)										
Revenue	3,779	4,012	233	6.2 %	4.0 %	1,003	1,021	18	1.8 %	-3.3 %
Operating EBITDA	524	562	38	7.2 %	5.2 %	169	157	-12	-7.3 %	-9.6 %
in % of revenue	*13.9 %*	*14.0 %*			*+15 bps*	*16.8 %*	*15.3 %*			*-107 bps*
Operating income	290	329	39	13.6 %	12.4 %	109	96	-13	-12.0 %	-13.7 %
Revenue (€m)										
Cement	1,726	1,780	54	3.1 %		429	431	2	0.5 %	
Aggregates	761	843	82	10.8 %		189	214	25	13.1 %	
RMC + Asphalt	1,380	1,539	159	11.5 %		366	413	47	12.8 %	
Opr. EBITDA margin (%)										
Cement	20.3 %	19.9 %				25.8 %	24.3 %			
Aggregates	17.1 %	17.5 %				19.3 %	17.2 %			
RMC + Asphalt	0.9 %	2.3 %				4.6 %	3.9 %			

2013 values are restated due to the first-time application of IFRS 10 and 11 and reclassification of Building Products in accordance with IFRS 5.
LfL: Organic development excluding currency and change in scope. Details are included in appendix

HEIDELBERGCEMENT

Eastern Europe-Central Asia

- **Poland**: Market recovery in 2014; good market outlook
- **Czech Republic:** Full year cement and aggregates volume growth; solid result development
- **Romania**: EBITDA margin improvement in 2014 due to cost control; low level of public infrastructure investments impedes more significant market recovery
- **Russia:** Cement volumes above prior year driven by public investments; result negatively impacted by depreciation of the ruble, particularly in Q4
- **Ukraine:** Decline in volumes and result due to unstable environment in the east
- **Kazakhstan**: Strong volume development as a result of our new Shetpe plant; result negatively affected by price pressure from imports, plant start up costs and one-off effects

Eastern Eur. - Cent. Asia	Full Year					Q4				
	2013	2014	variance		L-f-L	2013	2014	variance		L-f-L
Volumes										
Cement volume ('000 t)	15,955	17,113	1,158	7.3 %	7.3 %	3,990	3,865	-124	-3.1 %	-3.1 %
Aggregates volume ('000 t)	18,740	20,403	1,663	8.9 %	12.0 %	5,664	5,763	99	1.7 %	4.1 %
Ready mix volume ('000 m³)	2,698	2,945	247	9.2 %	9.2 %	760	840	80	10.6 %	10.6 %
Asphalt volume ('000 t)	0	0	0	N/A	N/A	0	0	0	N/A	N/A
Operational result (€m)										
Revenue	1,243	1,182	-61	-4.9 %	7.2 %	306	264	-42	-13.6 %	-0.8 %
Operating EBITDA	259	230	-29	-11.1 %	-2.3 %	72	41	-31	-43.3 %	-37.6 %
in % of revenue	*20.8 %*	*19.5 %*			*-188 bps*	*23.5 %*	*15.4 %*			*-912 bps*
Operating income	151	129	-21	-14.0 %	-6.3 %	45	16	-29	-65.0 %	-62.3 %

Revenue (€m)	FY 2013	FY 2014	variance		Q4 2013	Q4 2014	variance	
Cement	1,043	987	-56	-5.4 %	249	209	-41	-16.3 %
Aggregates	110	104	-6	-5.4 %	32	29	-3	-9.9 %
RMC + Asphalt	162	163		0.5 %	44	47		5.4 %

Opr. EBITDA margin (%)	FY 2013	FY 2014	Q4 2013	Q4 2014
Cement	22.4 %	21.1 %	25.0 %	18.6 %
Aggregates	11.8 %	13.0 %	15.8 %	10.7 %
RMC + Asphalt	4.7 %	2.4 %	7.3 %	1.3 %

2013 values are restated due to the first-time application of IFRS 10 and 11.

LfL: Organic development excluding currency and change in scope. Details are included in appendix

Asia-Pacific

- **Indonesia:** Pick up in demand in Q4; Operating EBITDA margin further improved sequentially; price increases executed in Q4; slowdown of cost inflation in recent months; target is to keep 2015 margins stable despite recent price cuts
- **India:** Increased profitability as a result of positive volume and price development
- **Bangladesh:** Strong demand growth, especially in Q4, but lower prices due to increased competition
- **Australia:** Volume growth in all business lines for the full year and in Q4; strong markets in metropolitan areas Sydney and Perth
- **China:** Strong volumes in the North, but lower pricing; higher prices in the South offset by lower volumes

Asia - Pacific	Full Year					Q4				
	2013	2014	variance		L-f-L	2013	2014	variance		L-f-L
Volumes										
Cement volume ('000 t)	23,435	24,615	1,180	5.0 %	7.0 %	6,351	6,854	502	7.9 %	9.4 %
Aggregates volume ('000 t)	36,178	37,687	1,509	4.2 %	5.9 %	9,382	9,823	441	4.7 %	7.7 %
Ready mix volume ('000 m³)	11,415	11,379	-36	-0.3 %	-0.3 %	3,002	3,031	29	1.0 %	1.0 %
Asphalt volume ('000 t)	2,163	2,265	102	4.7 %	4.7 %	613	602	-11	-1.8 %	-1.8 %
Operational result (€m)										
Revenue	2,877	2,818	-60	-2.1 %	7.3 %	707	785	78	11.0 %	7.3 %
Operating EBITDA	778	743	-35	-4.6 %	5.0 %	200	221	20	10.0 %	6.5 %
in % of revenue	*27.0 %*	*26.4 %*			*-60 bps*	*28.4 %*	*28.1 %*			*-20 bps*
Operating income	651	623	-29	-4.4 %	5.1 %	172	189	17	10.1 %	6.8 %

Revenue (€m)	FY 2013	FY 2014	variance		Q4 2013	Q4 2014	variance	
Cement	1,510	1,481	-29	-1.9 %	371	430	59	15.9 %
Aggregates	547	530	-17	-3.1 %	129	139	10	7.7 %
RMC + Asphalt	1,107	1,103	-4	-0.3 %	274	297	24	8.6 %

Opr. EBITDA margin (%)	FY 2013	FY 2014	Q4 2013	Q4 2014
Cement	35.3 %	32.5 %	36.2 %	34.1 %
Aggregates	28.2 %	27.3 %	26.5 %	26.4 %
RMC + Asphalt	0.1 %	1.9 %	0.1 %	2.9 %

2013 values are restated due to the first-time application of IFRS 10 and 11.
LfL: Organic development excluding currency and change in scope. Details are included in appendix

HEIDELBERGCEMENT

Africa-Mediterranean Basin

- **Turkey:** Good market demand with significantly improved pricing led to improved 2014 result
- **Ghana:** Full year volume above prior year; result impacted by depreciation of local currency; several price increases implemented
- **Tanzania:** Good result development driven by higher sales volumes and lower production costs
- **Togo:** Good domestic demand; higher volumes due to smooth start up of new plant led to improved result
- **Israel:** Slight decline in full year result due to lower aggregates and asphalt volumes; revenue and result are still at a historically very high level
- **Spain:** Difficult market situation persists

Africa - Med. Basin	Full Year					Q4				
	2013	2014	variance		L-f-L	2013	2014	variance		L-f-L
Volumes										
Cement volume ('000 t)	6,564	6,441	-123	-1.9 %	0.3 %	1,646	1,644	-2	-0.1 %	2.4 %
Aggregates volume ('000 t)	11,323	10,843	-480	-4.2 %	-0.5 %	2,739	2,677	-62	-2.2 %	2.3 %
Ready mix volume ('000 m³)	2,969	3,005	36	1.2 %	1.2 %	769	739	-30	-3.9 %	-3.9 %
Asphalt volume ('000 t)	514	397	-117	-22.8 %	-22.8 %	112	84	-28	-25.2 %	-25.2 %
Operational result (€m)										
Revenue	949	910	-39	-4.1 %	11.4 %	235	231	-3	-1.5 %	11.1 %
Operating EBITDA	195	213	18	9.0 %	28.1 %	46	55	9	18.8 %	39.2 %
in % of revenue	*20.5 %*	*23.4 %*			*+306 bps*	*19.7 %*	*23.8 %*			*+492 bps*
Operating income	166	184	17	10.4 %	31.7 %	39	46	7	18.8 %	42.2 %

Revenue (€m)	2013	2014	variance		Q4 2013	Q4 2014	variance	
Cement	651	622	-30	-4.6 %	138	161	23	16.8 %
Aggregates	86	86	0	0.1 %	21	21	0	0.8 %
RMC + Asphalt	208	207		-0.7 %	54	49		-8.6 %

Opr. EBITDA margin (%)	2013	2014	Q4 2013	Q4 2014
Cement	22.4 %	25.2 %	25.8 %	28.0 %
Aggregates	19.1 %	19.6 %	15.5 %	13.1 %
RMC + Asphalt	2.0 %	1.2 %	2.2 %	-0.1 %

2013 values are restated due to the first-time application of IFRS 10 and 11.

LfL: Organic development excluding currency and change in scope. Details are included in appendix

HEIDELBERGCEMENT

Group Services

International Sales – HC Trading

- Despite the effects of Ebola and political turmoil in Libya, Syria, and Russia/Ukraine, sales volumes were 9% above Q4 2013 thanks to increased fuel sales to the cement industry in India & China; full year international sales volumes increased 15% in 2014
- Q4 EBITDA increased due to higher revenues and strong trading margins; strong full year operating EBITDA mainly due to good margins in trading to Africa and South America
- Significant sea-bound raw material availability and historically low transport costs are expected to continue to contribute to competitive import costs and increased profitability of HC grinding units worldwide and especially in Africa
- Cement and clinker volumes traded externally increased by 18% to 7.4m tons due to strong sales in East Africa, Egypt and South America

Group Services	Full Year					Q4				
	2013	2014	variance		L-f-L	2013	2014	variance		L-f-L
Operational result (€m)										
Revenue	941	1,077	137	14.5 %	14.5 %	285	314	28	9.9 %	3.2 %
Operating EBITDA	21	27	6	27.8 %	27.8 %	5	6	1	30.6 %	19.2 %
in % of revenue	*2.3 %*	*2.5 %*			*+26 bps*	*1.7 %*	*2.0 %*			*+27 bps*
Operating income	21	27	6	27.9 %	27.9 %	5	6	1	30.8 %	19.4 %

LfL: Organic development excluding currency and change in scope. Details are included in appendix

Contents

Restatement of figures based on tentative IFRIC agenda decision and IFRS 5 for Building Products

Full Year (€m)	2013 reported	JV accounting	2013 restated	BP disposal	Cement Australia	2013 restated	2014 reported
Notes :	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Revenues	**13,936**	-797	**13,138**	-754	-256	**12,128**	**12,614**
Operating EBITDA	**2,424**	-89	**2,335**	-78	-33	**2,224**	**2,288**
Operating Income	**1,607**	-36	**1,571**	-34	-18	**1,519**	**1,595**

Q4 (€m)	Q4 2013 reported	JV accounting	Q4 2013 restated	BP disposal	Cement Australia	Q4 2013 restated	Q4 2014 reported
Notes :	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Revenues	**3,485**	-209	**3,276**	-104	-62	**3,111**	**3,309**
Operating EBITDA	**661**	-23	**638**	-12	-11	**614**	**625**
Operating Income	**463**	-12	**451**	-2	-8	**441**	**442**

(1) Values reported as in Annual Report 2013.
(2) Restatement of Joint Venture result due to the first-time application of IFRS 10 and 11.
(3) Restated values as of January 1st based on IFRS 10 and 11 application.
(4) Reclassification of disposed part of Building Products in accordance with IFRS 5.
(5) Reclassification of Cement Australia due to a new interpretation of IFRS 11 based on tentative IFRIC agenda decision in November 2014.
(6) Restated figures as of December 31st , to be included in 2014 Annual Report.
(7) Reported 2014 figures reflecting all the accounting changes and reclassifications.

HEIDELBERGCEMENT

Key financial messages 2014

Good development of profit masked by high non-recurring effects in 2014 and 2013

- Reduced interest paid and net interest expenses are compensated by foreign exchange losses and decreasing other financial result
- Successful tax strategy: current taxes reduced by €m -35 to €m -330 (PY: €m -365) and taxes paid down to €m -315 (PY: €m -386)

Strong increase in operating cashflow – net debt clearly reduced

- Significant increase in operating cash flow to €m 1,480 (2013: €m 1,167)
- Further reduction of working capital

→ **Net debt down to €bn 6.9 – proceeds from disposal of Hanson Building Products (~ €bn 1.2) will further reduce debt and leverage**

HC's pension strategy pays off

- Declining interest rates and variations in discount rates are compensated by a strongly increasing value of plan assets; actual return of plan assets 18%

Strong liquidity headroom and a well balanced debt maturity profile ensure financial flexibility

HEIDELBERGCEMENT

Income Statement 2014

€m	December Year to Date			Q4		
	2013 (*)	2014	Variance	2013 (**)	2014	Variance
Revenue	12,128	**12,614**	4 %	3,111	**3,309**	6 %
Result from joint ventures	144	**171**	18 %	45	**42**	-6 %
Operating EBITDA	2,224	**2,288**	3 %	614	**625**	2 %
in % of revenue	18.3%	**18.1%**		19.7%	**18.9%**	
Depreciation and amortisation	-704	**-693**	2 %	-173	**-183**	-6 %
Operating income	1,519	**1,595**	5 %	441	**441**	0 %
Additional ordinary result	13	**-63**	N/A	-218	**-70**	68 %
Result from participations	26	**28**	7 %	8	**11**	31 %
Earnings before interest and income taxes (EBIT)	1,559	**1,560**	0 %	232	**383**	65 %
Financial result	-537	**-629**	-17 %	-133	**-174**	-31 %
Profit before tax	1,022	**931**	-9 %	99	**208**	111 %
Income taxes	-212	**-65**	70 %	-69	**129**	N/A
Net result from discontinued operations	123	**-179**	N/A	1	**-249**	N/A
Profit for the financial year	933	**687**	-26 %	31	**88**	180 %
Minorities	-197	**-202**	-3 %	-41	**-57**	-39 %
Group share of profit	736	**486**	-34 %	-9	**31**	N/A

Good development of profit masked by high non-recurring effects in 2014 and previous year

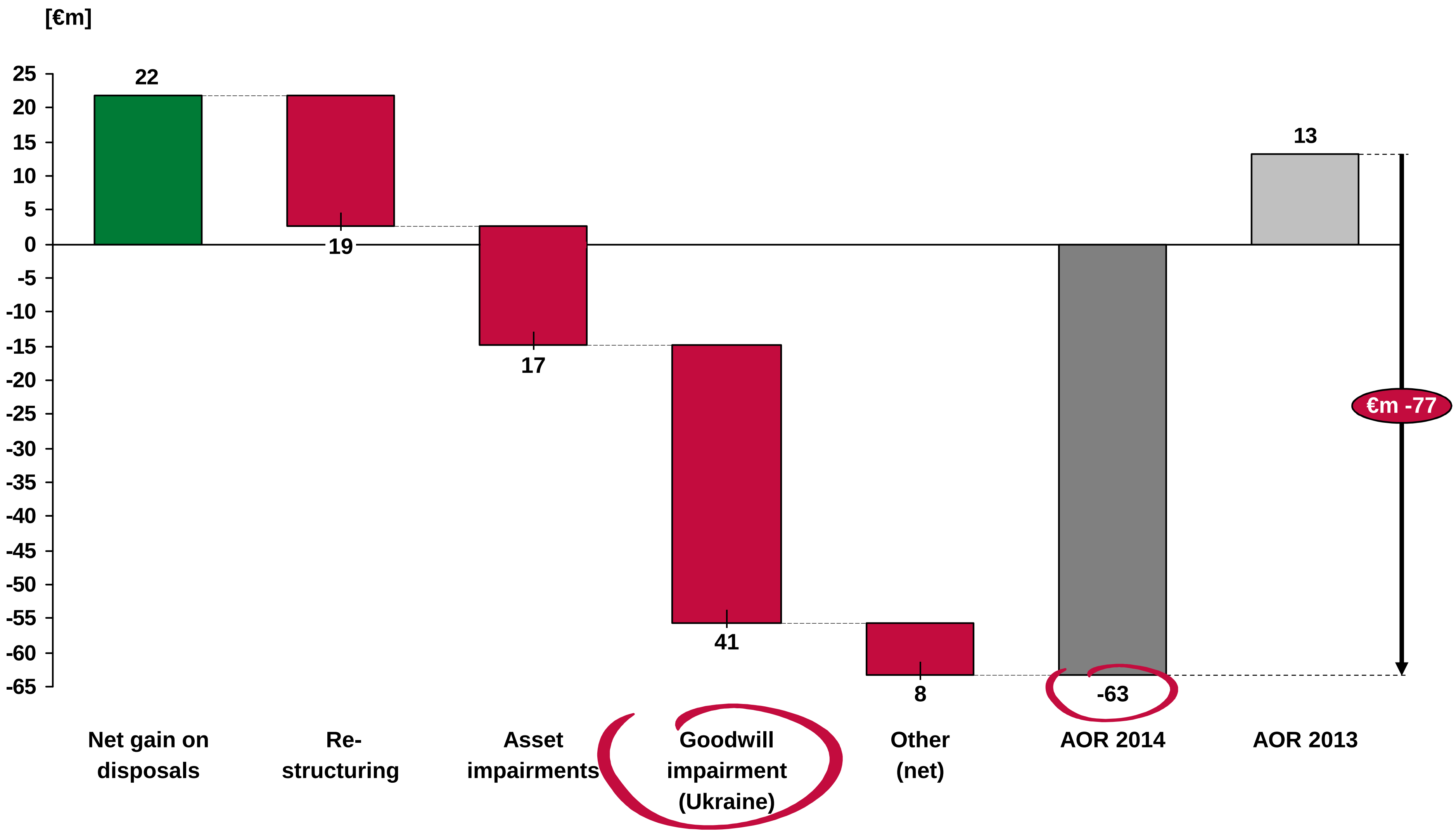
(*) Amounts restated (IFRS 10, IFRS 11 incl. CEMAUS, discontinued operations). Same applies to following slides.

(**) Amounts restated (IFRS 10, IFRS 11 incl. CEMAUS, pro-forma discontinued operations)

HEIDELBERGCEMENT

Additional ordinary result 2014

Additional ordinary result €m -77 below PY



AOR mainly driven by goodwill impairment of €m -41 in the Ukraine in Q4 2014

HEIDELBERGCEMENT

Financial result 2014

Financial result		
m€	2013	**2014**
Net interest expenses (excl. fees and write-off old SFA)	-481.1	**-442.1**
Foreign exchange gains and losses	-6.3	**-43.4**
Discounting of provisions (change in discount rate)	12.2	**-35.7**
Other financial result (incl. fees and write-off old SFA etc.)	-62.1	**-108.0**
Financial result	-537.3	**-629.1**

Interest paid (Statement of cashflow)		
m€	2013	**2014**
Interest paid (net)	-515.9	**-440.9**

Reduced interest paid and net interest expenses are compensated by foreign exchange losses and decreasing other financial result

Taxes on income 2014

Current taxes and taxes paid reduced by €m -35 and €m -71 respectively

Income taxes from continuing operations		
m€	2013	**2014**
Current taxes	-364.6	**-330.0**
Deferred taxes (mainly recognition DTA on loss carry-forwards in the US)	152.8	**265.4**
	-211.7	**-64.5**

Taxes paid (Statement of cashflow)		
m€	2013	**2014**
Taxes paid	-386.5	**-315.0**

Improved market and business outlook leads to a significant tax benefit from the recognition of deferred taxes on loss carry-forwards in the US

HEIDELBERGCEMENT

Result from discontinued operations 2014

Non-recurring transaction loss reduces earnings by €m -236 in 2014

Net income / loss from discontinued operations	Discontinued operations Hanson Building Products		Hanson Group discontinued in previous years	
m€	2013	**2014**	2013	**2014**
Income	753.8	**900.6**	200.0	
Expenses	-738.3	**-792.6**	-37.1	**-36.8**
Income taxes	9.2	**-19.1**	-65.0	**5.5**
Loss on measurement before/after taxes[1)]		**-236.5**		
Net profit from discontinued operations	24.8	**-147.6**	97.9	**-31.3**

[1)] Includes goodwill impairment in an overall amount of €m -170, pension-related charges of €m -36 as well as transaction costs (consultant and bank fees etc.) in a total amount of €m -30 in connection with the disposal of Hanson Building Products

Result from discontinued operations largely driven by the successful disposal of "Hanson Building Products" in December 2014

HEIDELBERGCEMENT

Summary: Analysis of non-recurring items 2013 & 2014

Total non-recurring items amount to €m -12 in 2014 (2013: €m 420)

Non-recurring items (Profit for the financial year)		
m€	2013	**2014**
Unwinding obsolete corporate structure in UK [Additional ordinary result]	264	**0**
Impairment of goodwill [Additional ordinary result]	-115	**-41**
Change in deferred tax position [Income taxes]	153	**265**
Reduction risk position from Asbestos claim liabilities NAM (net) [discontinued operations]	119	**0**
Non-recurring transaction loss Hanson Building Products [discontinued operations]	0	**-236**
Total	420	**-12**

Cash flow statement Group 2014

Strong increase in operating cash flow to €m 1,480 (+27% vs. 2013)

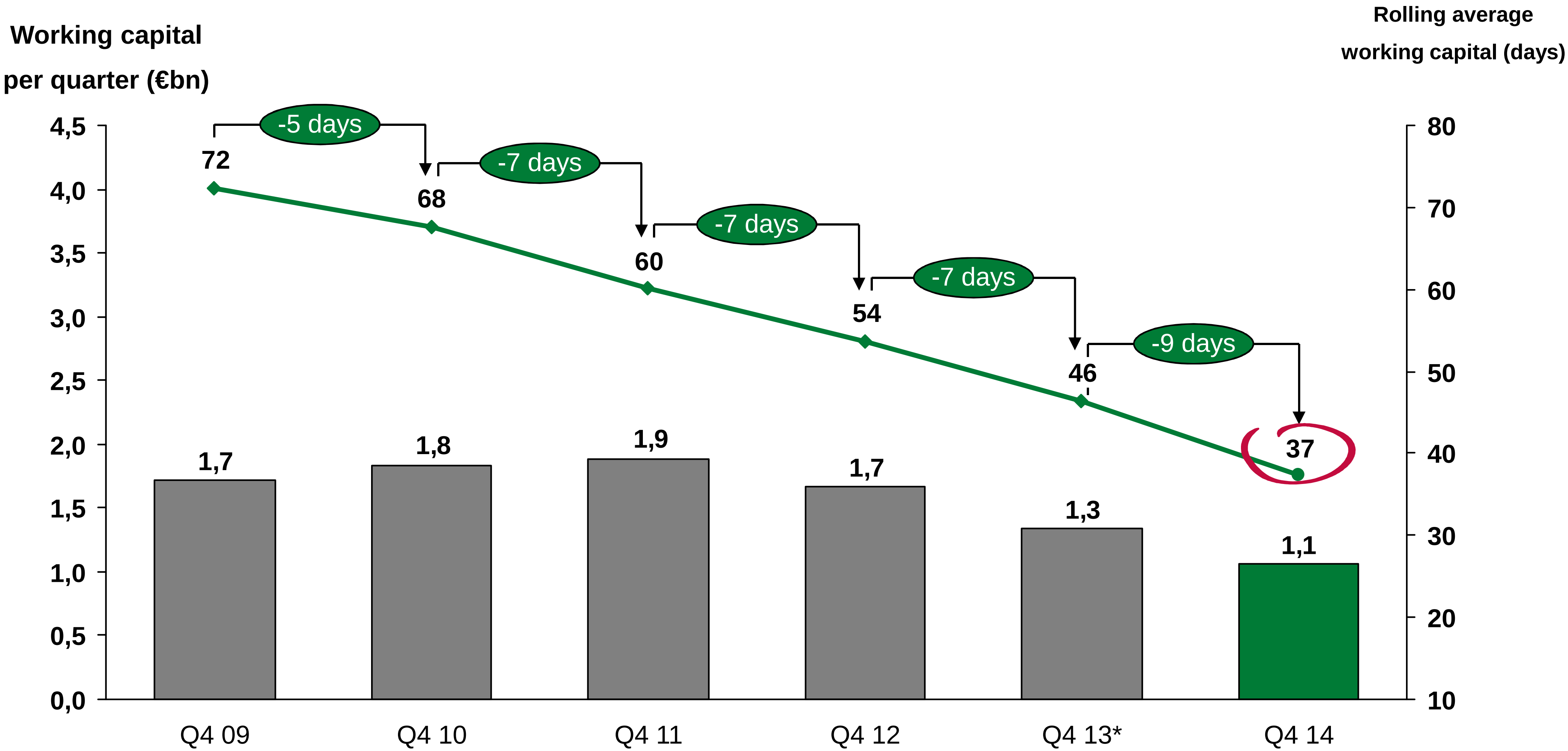
€m	December Year to Date			Q4		
	2013 (*)	2014	Variance	2013 (**)	2014	Variance
Cash flow	1,284	**1,624**	340	320	**430**	110
Changes in working capital	186	**-27**	-213	506	**419**	-88
Decrease in provisions through cash payments	-365	**-223**	143	-51	**-66**	-15
Cash flow from operating activities - discontinued operations	62	**106**	44	9	**45**	36
Cash flow from operating activities	1,167	**1,480**	313	785	**828**	43
Total investments	-1,240	**-1,125**	116	-357	**-422**	-65
Proceeds from fixed asset disposals/consolidation	207	**165**	-41	76	**67**	-9
Cash flow from investing activities - discontinued operations	-3	**-14**	-10	-3	**-14**	-11
Cash flow from investing activities	-1,037	**-973**	64	-283	**-370**	-86
Free cash flow	130	**507**	377	501	**458**	-43
Capital increase - non-controlling shareholders	3	**1**	-2	0	**1**	0
Dividend payments	-180	**-278**	-99	-8	**-6**	2
Transactions between shareholders	-110	**-17**	93	-3	**-8**	-5
Net change in bonds and loans	370	**-422**	-792	-175	**-410**	-235
Cash flow from financing activities - discontinued operations	0	**-1**	-1	0	**-2**	-1
Cash flow from financing activities	83	**-718**	-801	-186	**-425**	-239
Net change in cash and cash equivalents	213	**-211**	-424	315	**33**	-282
Effect of exchange rate changes	-228	**88**	316	-66	**28**	94
Change in cash and cash equivalents	-15	**-123**	-108	249	**61**	-188

(*) Amounts restated (IFRS 10, IFRS 11 incl. CEMAUS, discontinued operations)
(**) Amounts restated (IFRS 10, IFRS 11 incl. CEMAUS, pro-forma discontinued operations)

HEIDELBERGCEMENT

Strong cash flow generation supported by strict WCap mgmt.

Reduction of working capital continues in 2014

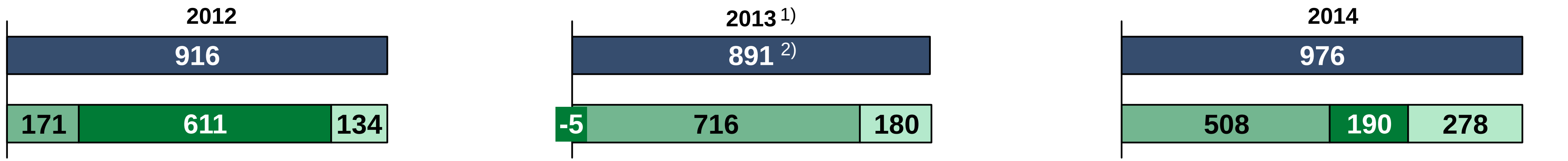


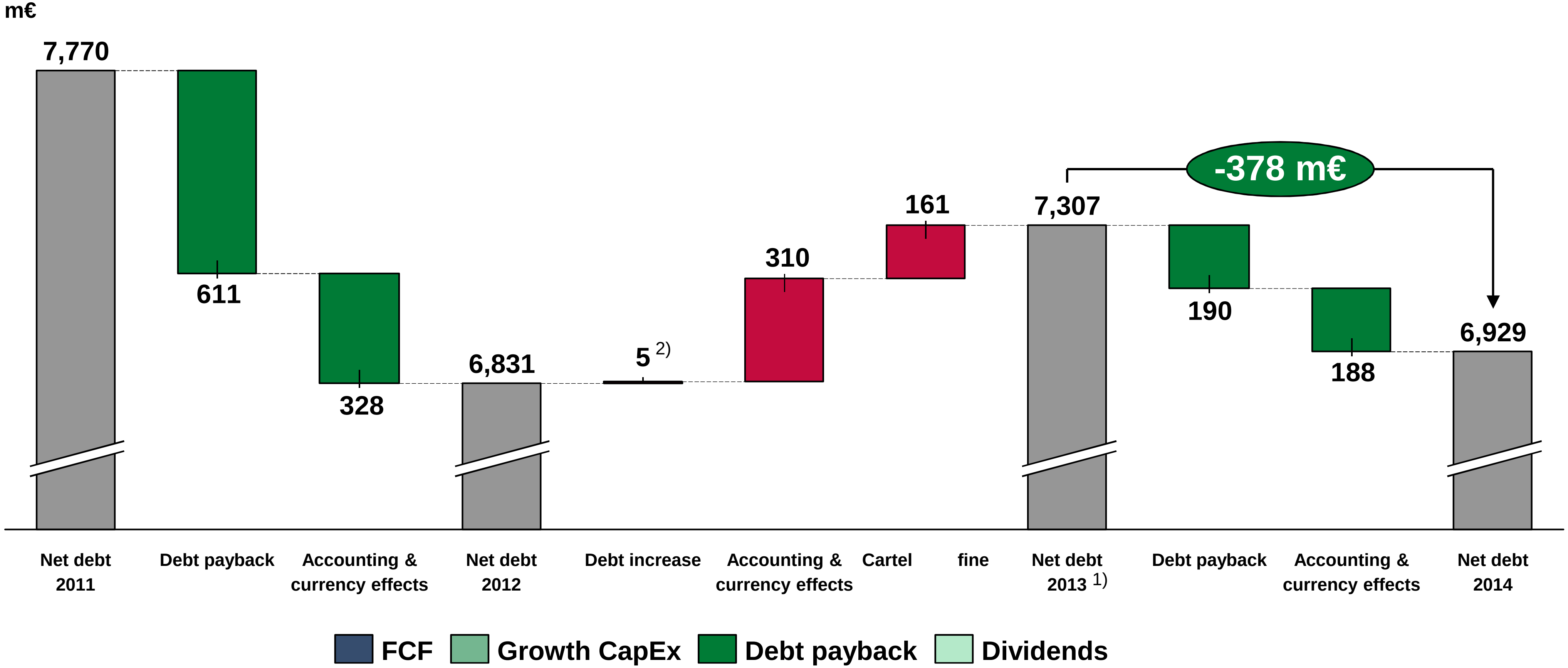
Reduction of working capital releases liquidity of > €m 700 compared to our project kick-off in 2010

* as reported

Usage of free cash flow

Net debt reduced by €m -378 in 2014





1) 2013 values restated (IFRS 10, IFRS 11, discontinued operations)
2) Before cartel fine payment.

HEIDELBERGCEMENT

Group balance sheet

Stable picture – capital structure strengthened

€m			Variance Dec 14/Dec13	
	Dec 2013 (*)	Dec 2014	€m	%
Assets				
Intangible assets	9,648	**9,864**	216	2 %
Property, plant, and equipment	9,494	**9,493**	0	0 %
Financial assets	1,776	**1,832**	56	3 %
Fixed assets	20,917	**21,190**	272	1 %
Deferred taxes	396	**688**	292	74 %
Receivables	2,144	**2,213**	69	3 %
Inventories	1,411	**1,397**	-14	-1 %
Cash and short-term derivatives	1,377	**1,265**	-112	-8 %
Assets held for sale and discontinued operations	31	**1,380**	1,349	4414 %
Balance sheet total	26,276	**28,133**	1,856	7 %
Equity and liabilities				
Equity attributable to shareholders	11,576	**13,150**	1,575	14 %
Non-controlling interests	938	**1,095**	157	17 %
Equity	12,514	**14,245**	1,731	14 %
Debt [1)]	8,729	**8,222**	-507	-6 %
Provisions	2,098	**2,445**	348	17 %
Deferred taxes	499	**442**	-57	-12 %
Operating liabilities	2,428	**2,557**	128	5 %
Liabilities associated with assets held for sale and discontinued operations	8	**222**	214	2794 %
Balance sheet total	26,276	**28,133**	1,856	7 %
Net Debt (excl. puttable minorities)	7,307	**6,929**	-378	-5 %
Gearing	58.3 %	**48.6 %**		

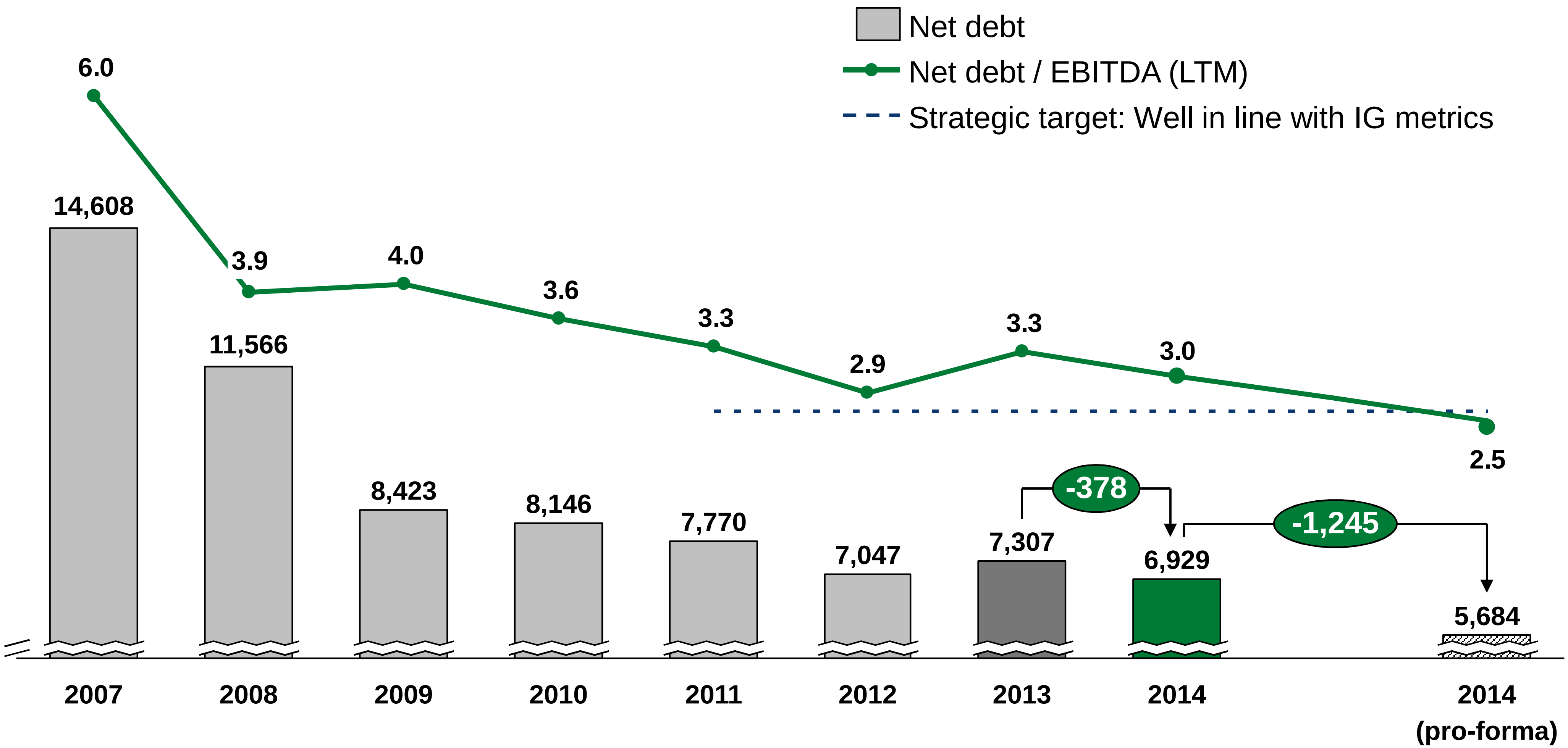
(*) Amounts restated (IFRS 10, IFRS 11 incl. CEMAUS, pensions UK)

(1) Includes non-controlling interests with put options in the amount of €m 45 (Dec 2013), €m 28 (Dec 2014).

HEIDELBERGCEMENT

Net debt development

Net debt reduced by €m -378 in 2014

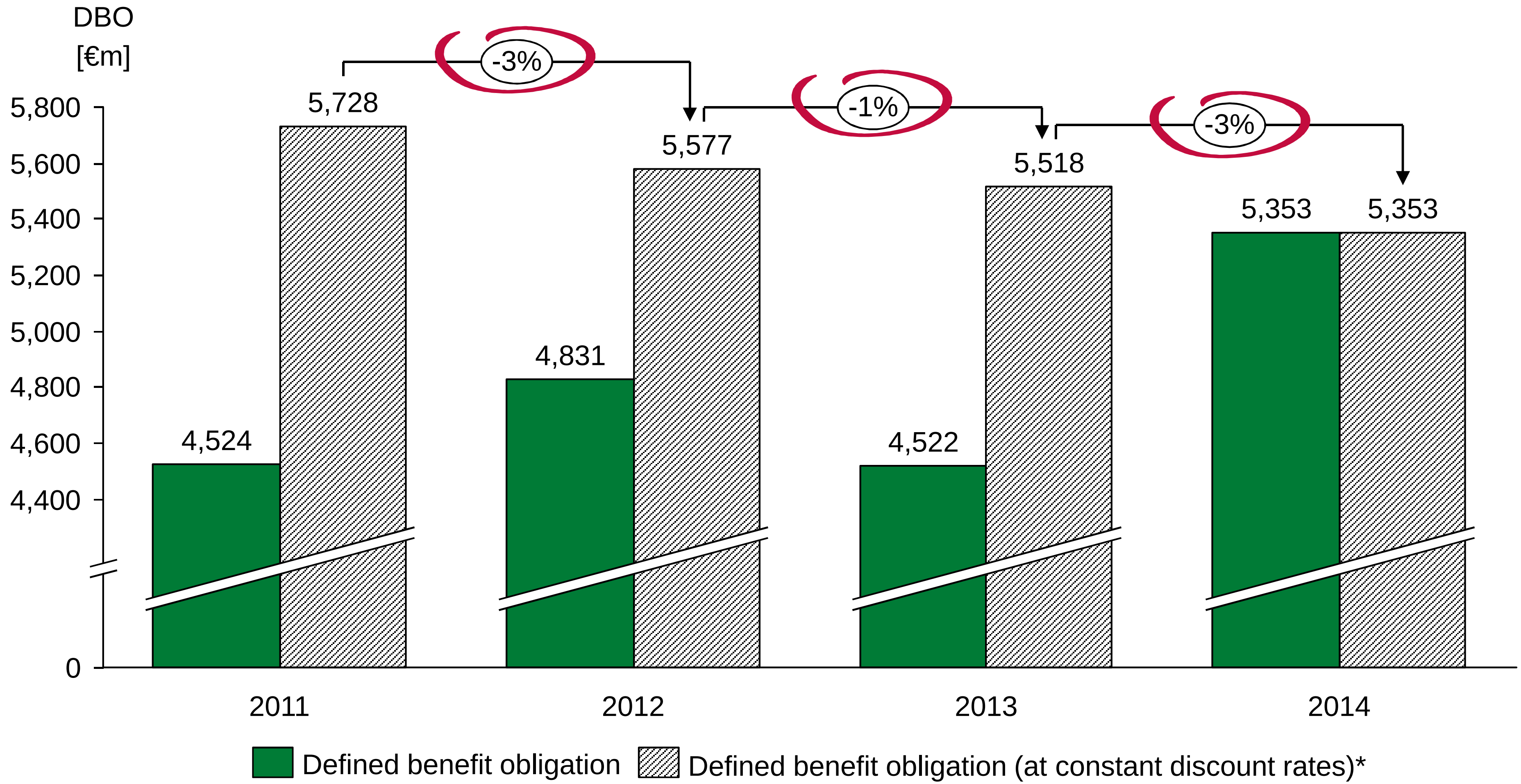


Net debt down to €bn 6.9 as a result of strong increase in operating cash flow

* Note: 1 EUR = 1.06 USD (11.03.2015)

Pension obligations

Declining discount rates as interest rates were historically low in 2014



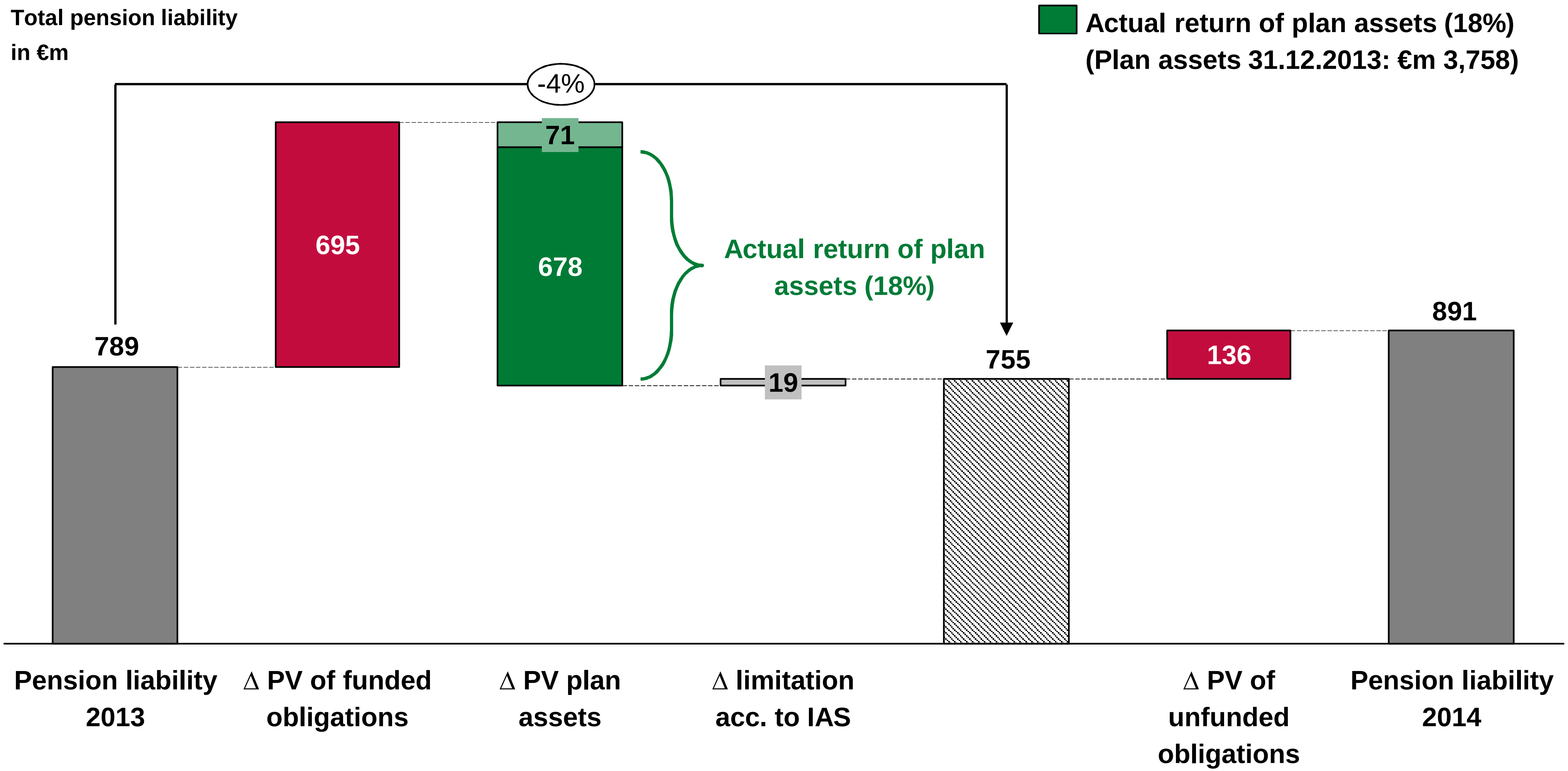
At constant discount rates, continuous decrease of Defined Benefit Obligation (DBO)

*) Source: Mercer calculations (02.02.2015)

HEIDELBERGCEMENT

Our pension strategy pays off

In line with our strategy, declining interest rates and variations in discount rates are compensated by a strongly increasing value of plan assets

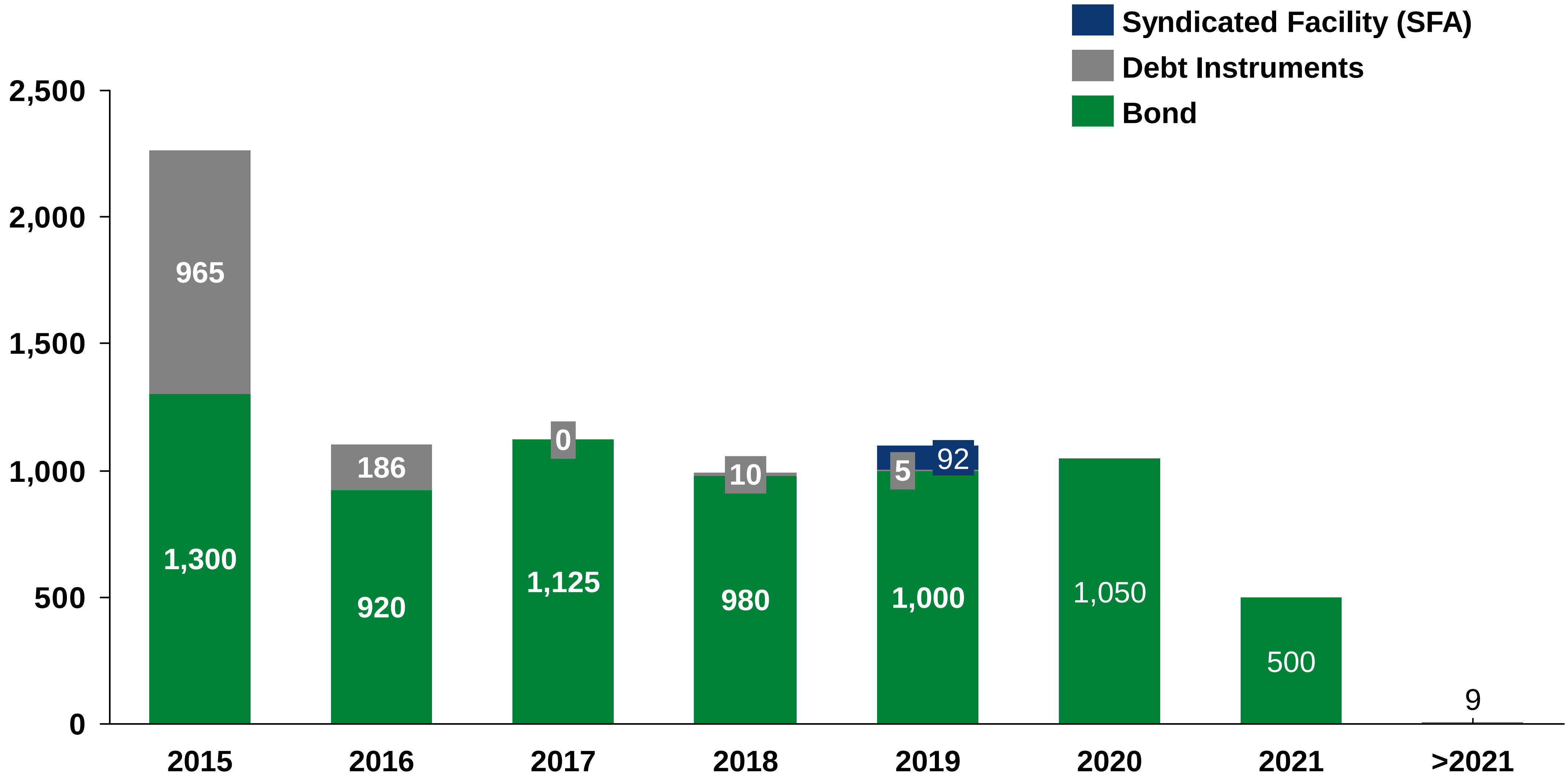


The technical increase in pension obligations is offset by an increase in the market value of the fund assets of €m 749

HEIDELBERGCEMENT

Debt maturity profile

as per 31 December 2014 in €m

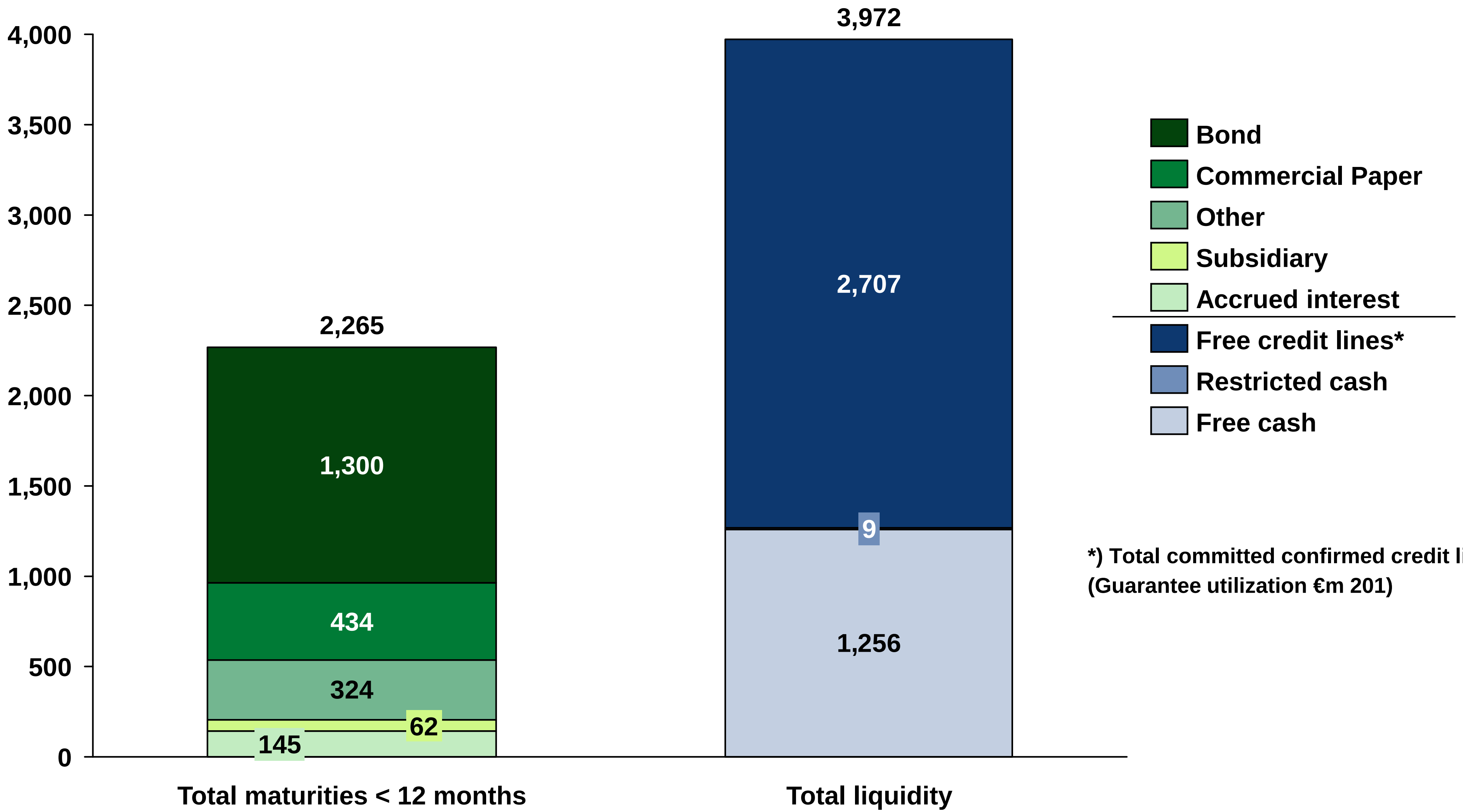


-Excluding reconciliation adjustments of liabilities of €m 10.4 (accrued transaction costs, issue prices and fair value adjustments) as well as derivative liabilities of €m 42.4
Excluding also puttable minorities with a total amount of €m 27.7.

HEIDELBERGCEMENT

Short-term liquidity headroom

as per 31 December 2014 in €m



*) Total committed confirmed credit line €m 3,000 (Guarantee utilization €m 201)

-Excluding reconciliation adjustments of liabilities of €m -0.6 (accrued transaction costs, issue prices and fair value adjustments) as well as derivative liabilities of €m 34.2 .
Excluding also puttable minorities with a total amount of €m 22.3 .

HEIDELBERGCEMENT

Contents

HEIDELBERGCEMENT

Outlook 2015

- **Solid growth in our key markets**
  - Further growth driven by volume and price increases in US
  - Recovery and ongoing demand growth in UK
  - Solid market conditions in Germany and Australia
  - Increase in volume demand in Indonesia and India, supported by additional capacity
  - Solid growth driven by strong demand and increased capacity in Africa
- **Huge tail-winds in 2015**
  - Sharp fall in oil prices will have positive impact on the cost base
  - Positive currency impact driven by weak EUR
- **Lower tax and interest payments**
- **Additional result from new capacities in Indonesia and Africa**

IMPROVED OPERATIONAL & FINANCIAL RESULTS
➢ Volume growth in all Group Areas
➢ Double digit percentage increase in revenue, operating income and net income
➢ Earn cost of capital in 2015
➢ Further decrease in financial costs

First two months results confirm our outlook!

Targets 2015

	2015 Target
CapEx*	**€bn 1.2**
Maintenance **	**€m 600**
Expansion	**€m 600**
Energy cost per tonne of cement produced	**Flat to slightly lower**
Current tax rate	**25 %**
Cost of gross debt	**6.2 %**
Net debt / EBITDA	**Below 2.8x**

* Before any currency impacts
** Including improvement CapEx

HEIDELBERGCEMENT

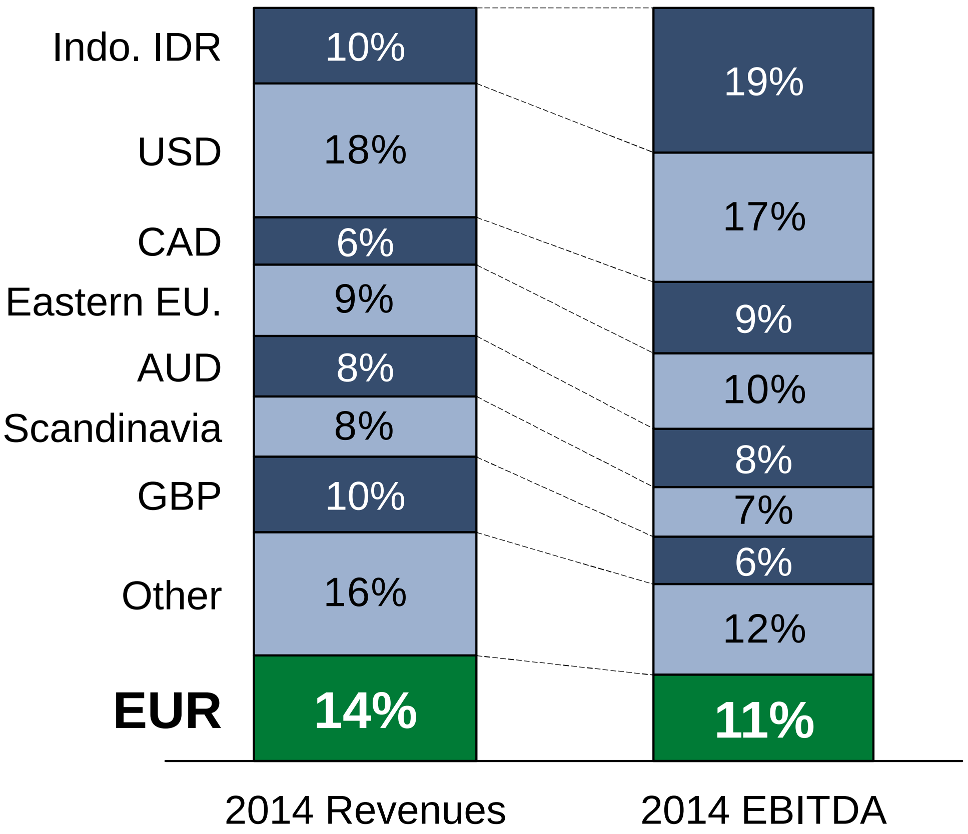
HeidelbergCement will clearly benefit from drop in oil price

Positive impact on costs and market demand for HeidelbergCement	Limited negative impact on business in oil producing regions
• **HeidelbergCement generates 86% of group EBITDA** in net oil importing countries. For most of these countries, oil price decline means better GDP growth and higher infrastructure spending.	• **Canada:** We can shift to gray cement (already sold out) and use own production instead of importing from Washington (significant reduction in transportation costs).
• **Significant cost reduction potential** in 2015. Total oil and diesel bill of HeidelbergCement is more than €m 250 per year.	• **Texas:** Gray cement market is sold out. We can shift from oil well cement to gray cement. Only 15% of state GDP depends on mining.
• **Further savings to be realized in distribution expenses.** Total distribution cost is €bn 1.5, of which 30% directly/indirectly linked with diesel.	• **Russia:** No significant impacts expected in our core market Moscow. Infrastructure projects and residential market still strong.

Oil price decline creates additional tailwind for HeidelbergCement in 2015

Euro weakness; positive currency impact potential in 2015

HeidelbergCement generates 86% of revenues and 89% of EBITDA outside Euro zone



10 % depreciation of Euro would lead to:

- **9% increase in EBITDA**
- **3% decrease in net debt**
- **0.3x decrease in leverage**

HEIDELBERGCEMENT

Contents

HEIDELBERGCEMENT

Impacts from currency and change in consolidation scope

REVENUE €m	December Year to Date			Q4		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	15	0	-54	9	0	44
Western / Northern Europe	72	0	7	27	16	8
Eastern Europe / Central Asia	0	-10	-131	0	-2	-37
Asia / Pacific	1	-24	-229	1	-5	29
Africa / Med. Basin	1	-23	-110	1	-7	-20
Group Service	0	0	0	0	0	18
Total Group	**89**	**-56**	**-517**	**37**	**1**	**41**

OPERATING EBITDA €m	December Year to Date			Q4		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	3	0	-16	2	0	6
Western / Northern Europe	14	0	-3	5	-1	0
Eastern Europe / Central Asia	0	-2	-22	0	0	-6
Asia / Pacific	0	-3	-68	0	-1	7
Africa / Med. Basin	-1	2	-30	-1	2	-8
Group Service	0	0	0	0	0	0
Total Group	**17**	**-2**	**-139**	**6**	**0**	**-1**

HEIDELBERGCEMENT

Volume and price development

++ Strong **+** Slightly up **-** Slightly down **- -** Negative

CEMENT (Gray Domestic)		
2014 vs. 2013	**Volume**	**Price**
US	++	++
Canada	++	+
Indonesia	++	++
Bangladesh	++	- -
Australia	++	- - (*)
India	++	++
Germany	++	+
Belgium	++	- -
Netherlands	- -	-
United Kingdom	++	+
Norway	- -	-
Sweden	- -	- -
Czech Republic	++	-
Poland	++	- -
Romania	++	+
Russia	++	++
Ukraine	- -	+
Kazakhstan	++	- -
Georgia	++	-
Ghana	++	++
Tanzania	++	-

AGGREGATES		
2014 vs. 2013	**Volume**	**Price**
US	++	++
Canada	-	++
Australia	++	- -
Indonesia	++	- -
Malaysia	- -	++
United Kingdom	++	++
Germany	- -	+
Belgium	- -	++
Netherlands	-	- -
Norway	- -	++
Sweden	++	-
Czech Republic	++	++
Poland	++	- -
Israel	- -	++
Spain	++	+

READY MIX		
2014 vs. 2013	**Volume**	**Price**
US	++	++
Canada	++	++
Australia	++	-
Indonesia	- -	++
Malaysia	- -	++
Germany	++	+
Belgium	++	-
Netherlands	- -	- -
United Kingdom	++	++
Norway	- -	++
Sweden	++	+
Czech Republic	-	- -
Poland	+	- -
Israel	+	-
Spain	-	++

(*) Effected by product mix.

HEIDELBERGCEMENT

Contact information and event calendar

Event calendar

07 May 2015	2015 first quarter results
07 May 2015	2015 AGM
29 July 2015	2015 half year results
05 Nov 2015	2015 third quarter results

Contact information

Investor Relations

Mr. Ozan Kacar

Phone: +49 (0) 6221 481 13925

Fax: +49 (0) 6221 481 13217

Mr. Steffen Schebesta, CFA

Phone: +49 (0) 6221 481 39568

Fax: +49 (0) 6221 481 13217

ir-info@heidelbergcement.com

www.heidelbergcement.com

Corporate Communications

Mr. Andreas Schaller

Phone: +49 (0) 6221 481 13249

Fax: +49 (0) 6221 481 13217

info@heidelbergcement.com

HEIDELBERGCEMENT

Disclaimer

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.

By their very nature, forward-looking statements and information are subject to certain risks and uncertainties. A variety of factors, many of which are beyond HeidelbergCement's control, could cause actual results to defer materially from those that may be expressed or implied by such forward-looking statement or information. For HeidelbergCement particular uncertainties arise, among others, from changes in general economic and business conditions in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets; the possibility that prices will decline as result of continued adverse market conditions to a greater extent than currently anticipated by HeidelbergCement's management; developments in the financial markets, including fluctuations in interest and exchange rates, commodity and equity prices, debt prices (credit spreads) and financial assets generally; continued volatility and a further deterioration of capital markets; a worsening in the conditions of the credit business and, in particular, additional uncertainties arising out of the subprime, financial market and liquidity crises; the outcome of pending investigations and legal proceedings and actions resulting from the findings of these investigations; as well as various other factors. More detailed information about certain of the risk factors affecting HeidelbergCement is contained throughout this presentation and in HeidelbergCement's financial reports, which are available on the HeidelbergCement website, www.heidelbergcement.com. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement or information as expected, anticipated, intended, planned, believed, sought, estimated or projected.

In 2014 HeidelbergCement applied the new IFRS standards 10 and 11 for the first time. According to the new rules the proportionate consolidation is abolished. Instead, joint ventures are to be accounted for using the equity method. Assets and liabilities as well as income and expenses of joint ventures will no longer be shown proportionately in the relevant balance sheet or income statement items, but will only be mentioned in a separate line using the equity method: the carrying amount in the balance sheet and the result from joint ventures in the income statement. Among the joint ventures of HeidelbergCement are important operations in Turkey, Australia, China, Hungary, Bosnia and the USA (Texas), which have contributed significant results to the operating income in the past. In order to continue with a comprehensive presentation of the operational performance, HeidelbergCement will include the result from joint ventures in operating income before depreciation.

On 24 December 2014, HeidelbergCement signed an agreement for the sale of the Building Products business in North America and United Kingdom with Lone Star Fund. The building products business is summarized separately in the profit and loss accounts, in the cash flow statement, in the Group balance sheet and in the segment reporting as a discontinued operation in accordance with IFRS 5.