

■ HeidelbergCement

2013 Trading Statement – Slides for analysts call

06 February 2014

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



Union Bridge cement plant, USA

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Group

- Strong operational performance in 2013 overshadowed by significant negative currency impact
- Clear year-over-year increase in like-for-like Revenues and Operating Income
- Higher Operating Income Margin driven by operational improvement in North America, Western Europe and Africa-MB
- Substantial operating leverage driven by superior footprint and efficient operations

Group Overview	Full Year					Q4				
	2012	2013	variance		L-f-L	2012	2013	variance		L-f-L
Volumes										
Cement volume ('000 t)	88,974	91,294	2,319	2.6 %	1.4 %	21,936	23,592	1,655	7.5 %	6.3 %
Aggregates volume ('000 t)	243,049	241,497	-1,552	-0.6 %	-1.3 %	60,152	60,857	705	1.2 %	0.5 %
Ready mix volume ('000 m ³)	39,101	40,310	1,209	3.1 %	3.8 %	10,070	10,518	448	4.5 %	4.6 %
Asphalt volume ('000 t)	8,604	8,627	23	0.3 %	-3.1 %	2,075	2,260	185	8.9 %	4.2 %
Operational result (EURm) (*)(**)										
Revenue	14,020	13,936	-85	-0.6 %	3.4 %	3,495	3,485	-10	-0.3 %	6.9 %
Operating EBITDA (**)	2,477	2,424	-52	-2.1 %	2.0 %	698	661	-37	-5.3 %	1.8 %
<i>in % of revenue (**)</i>	17.7 %	17.4 %				20.0 %	19.0 %			
Operating income	1,604	1,607	3	0.2 %	5.2 %	452	463	11	2.4 %	12.4 %

Revenue (EURm)	2012	2013	variance	
Cement	6,819	6,786	-34	-0.5 %
Aggregates	2,692	2,656	-36	-1.3 %
Building Products	1,233	1,104	-129	-10.5 %

	2012	2013	variance	
	1,694	1,644	-50	-3.0 %
	660	641	-19	-2.9 %
	295	259	-35	-12.0 %

Opr. EBITDA margin (%) (*)(**)	2012	2013
Cement	25.7 %	25.1 %
Aggregates	23.7 %	23.3 %
Building Products	8.7 %	10.7 %

	2012	2013
	30.5 %	28.8 %
	22.6 %	24.7 %
	8.8 %	9.4 %

(*) Includes:

- Gain from exhausted quarry sale: 25m€ (2013); 70m€ (2012); 25m€ (Q4 2013)

- CO₂ gains: 64m€ (2012), 66m€ (Q4 2012)

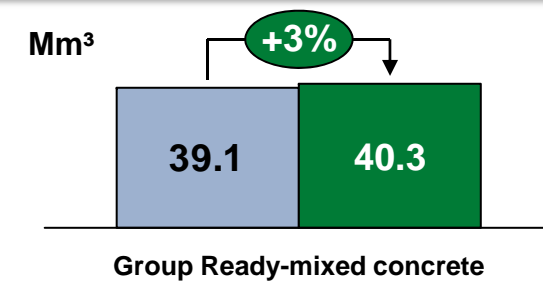
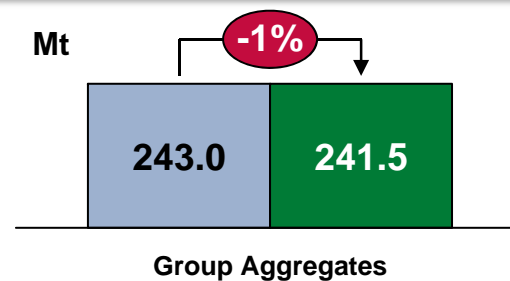
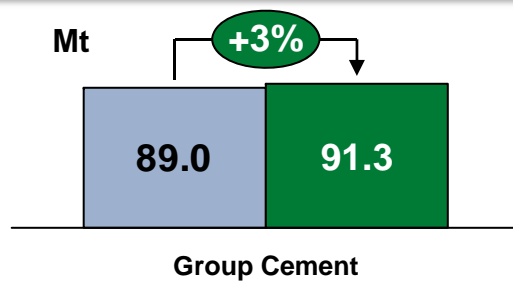
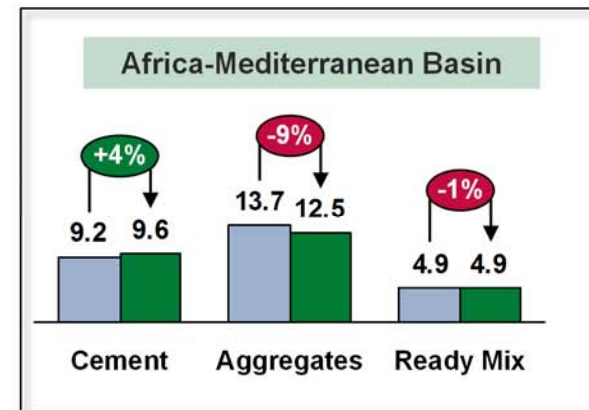
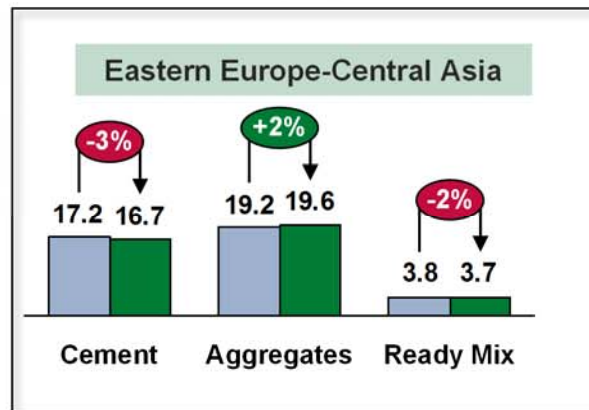
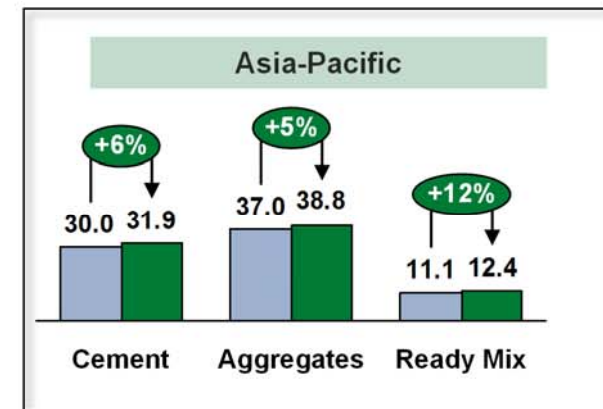
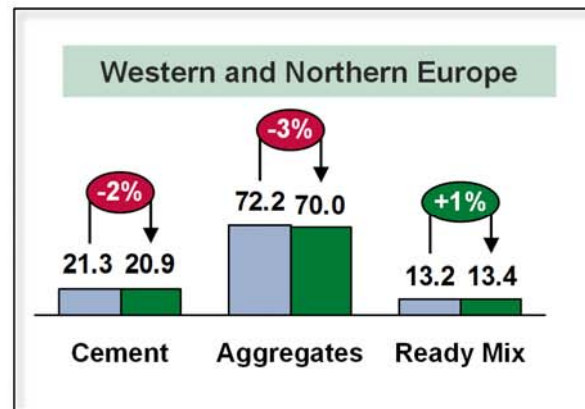
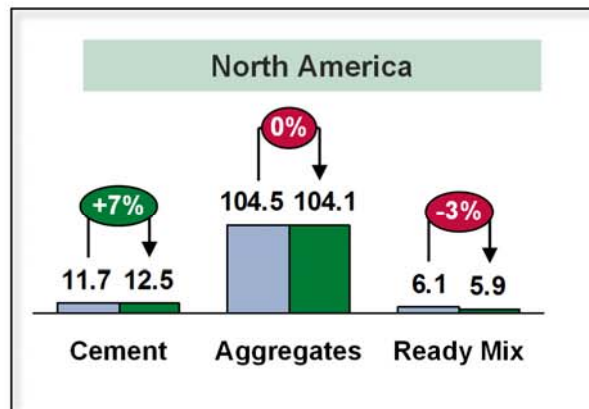
(**) 2012 values are restated due to the change in International Accounting Standards (IAS) 19

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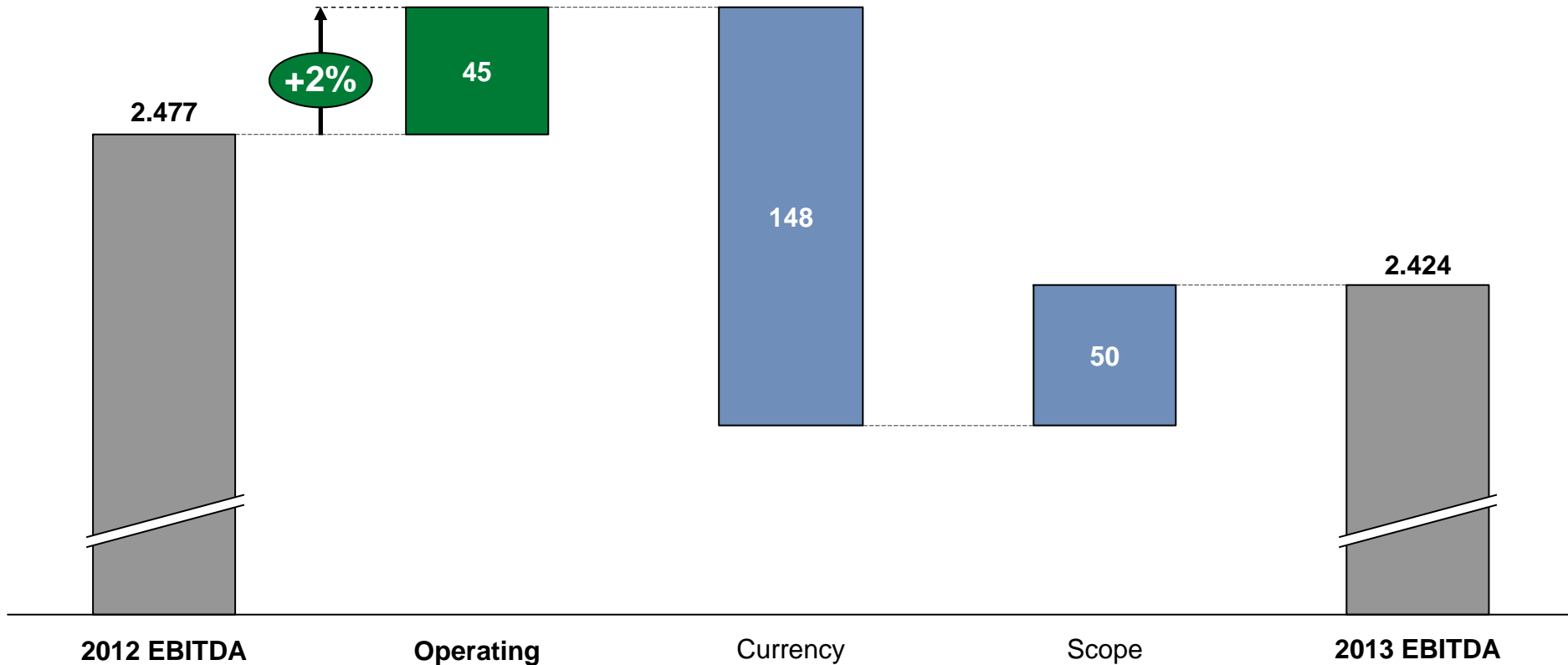
Group Sales Volumes

2012 2013



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Like for like EBITDA development



**Like-for-Like EBITDA up by +2%;
Underlying operational performance is up by +7% (*)**

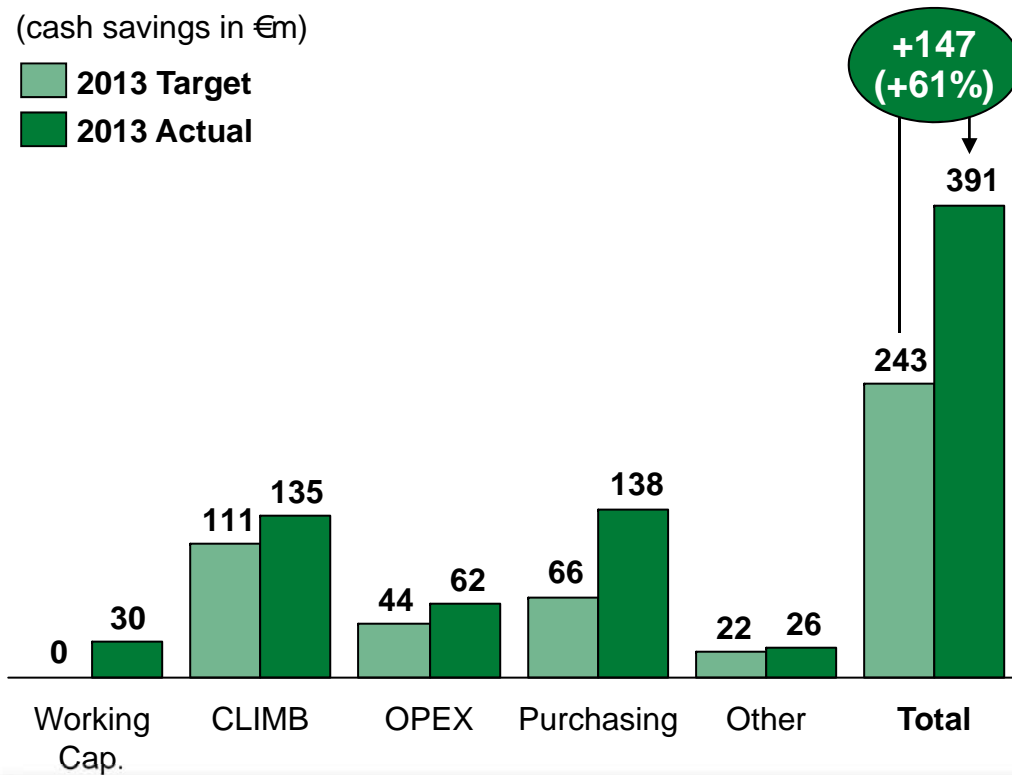
(*) Underlying operational performance excluding:
 - Gain from exhausted quarry sale: 25m€ (2013); 70m€ (2012)
 - CO₂ gains: 64m€ (2012)

FOX 2013 exceeds expectations

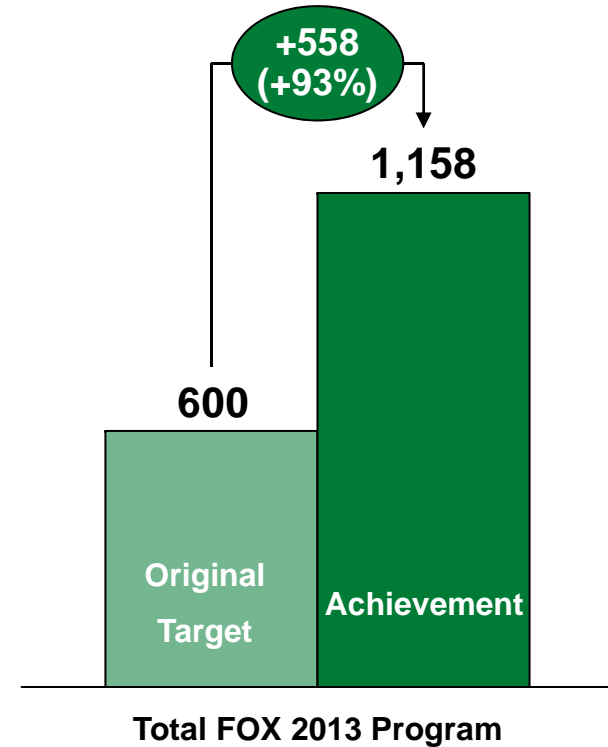
2013 targets overachieved

(cash savings in €m)

■ 2013 Target
■ 2013 Actual

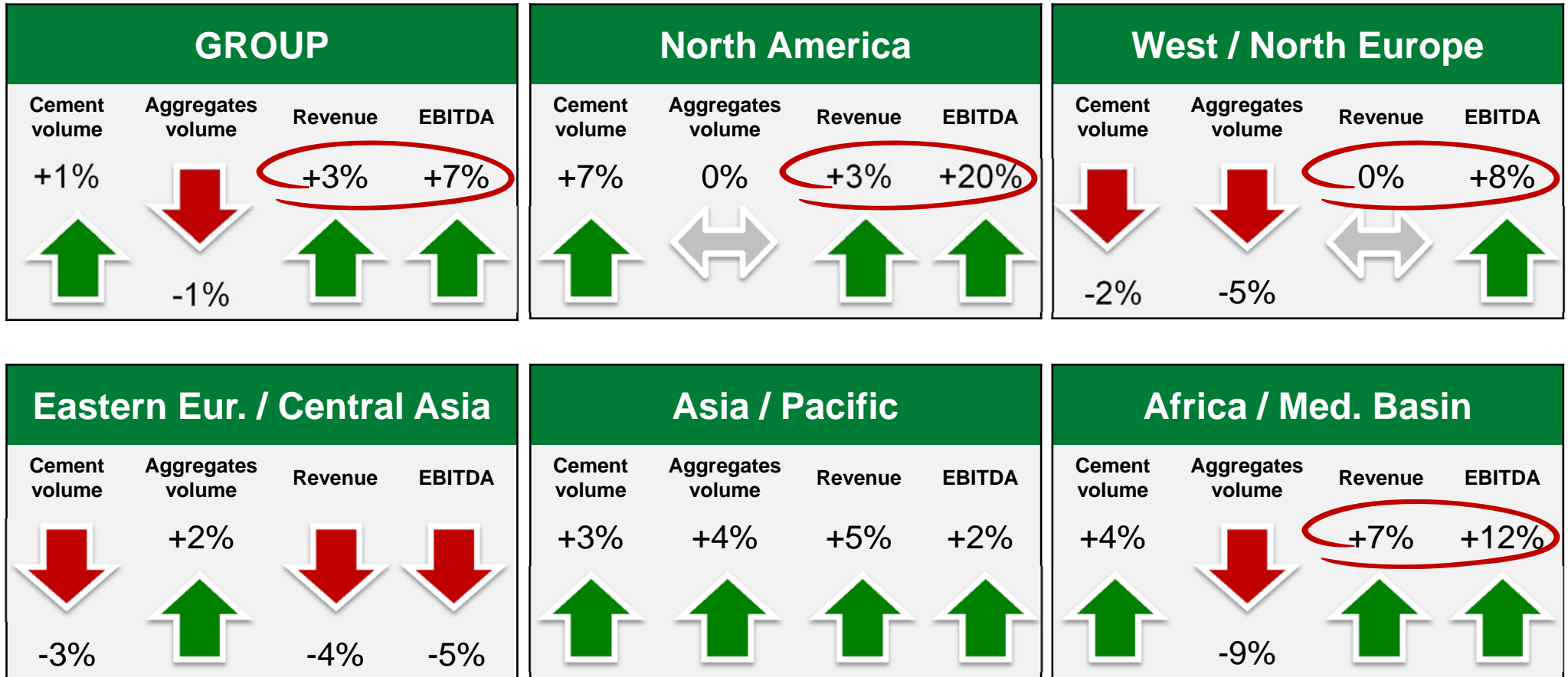


3-year-period: 1,158 m€



**1,158 m€ savings realized in 3 years.
Actual achievement almost double the original target**

Strong operating leverage



Solid performance driven by superior footprint and efficient operations

All values are Like-for-Like; excluding currency and consolidation impacts.
Gain from exhausted quarry sales and CO₂ gains are excluded from the figures.

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Western and Northern Europe

- Full year and Q4 Operating EBITDA clearly above prior year excluding CO₂ certificate sales
- Germany:** Successful price increases and good cost control lead to full year result improvement; strong outlook
- UK:** Full year result up clearly, driven by impressive recovery of residential demand and large infrastructure projects in the London area; strong outlook
- Northern Europe:** Solid demand, particularly driven by infrastructure projects; positive outlook
- Benelux:** Sluggish market demand and price pressure due to declining construction activity and increasing competition countered with successful fixed cost reductions; outlook gradually improving

Western & Northern Eur.	Full Year					Q4				
	2012	2013	variance		L-f-L	2012	2013	variance		L-f-L
Volumes										
Cement volume ('000 t)	21,288	20,901	-387	-1.8 %	-1.8 %	5,218	5,291	72	1.4 %	1.4 %
Aggregates volume ('000 t)	72,207	69,991	-2,216	-3.1 %	-5.0 %	16,918	17,962	1,044	6.2 %	3.9 %
Ready mix volume ('000 m ³)	13,197	13,385	187	1.4 %	1.9 %	3,361	3,510	150	4.4 %	5.0 %
Asphalt volume ('000 t)	2,765	2,900	135	4.9 %	-5.6 %	602	751	149	24.8 %	8.3 %
Operational result (€m) (*)(**)										
Revenue	4,201	4,147	-54	-1.3 %	-0.3 %	1,038	1,053	14	1.4 %	3.0 %
Operating EBITDA	578	578	-1	-0.1 %	0.0 %	200	176	-23	-11.6 %	-11.0 %
<i>in % of revenue</i>	13.8 %	13.9 %				19.2 %	16.7 %			
Operating income	286	319	33	11.5 %	11.4 %	112	111	-1	-1.0 %	0.3 %

Revenue (€m)	2012	2013	variance	
Cement	1,731	1,726	-5	-0.3 %
Aggregates	858	839	-19	-2.2 %
Building Products	484	437	-47	-9.6 %

Q4	2012	2013	variance	
Cement	436	429	-7	-1.7 %
Aggregates	196	206	10	5.4 %
Building Products	113	108	-5	-4.4 %

Opr. EBITDA margin (%) (*)(**)	2012	2013
Cement	22.2 %	20.3 %
Aggregates	15.0 %	17.3 %
Building Products	11.5 %	11.0 %

Q4	2012	2013
Cement	32.2 %	25.9 %
Aggregates	16.8 %	19.0 %
Building Products	13.9 %	11.0 %

(*) 2012 values are restated due to the change in International Accounting Standards (IAS)19; (**) CO₂ gains: 42m€ (2012), 43m€ (Q4 2012)

Like-for-Like: Excluding currency and consolidation impacts. Details are included on slide 13

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North America

■ USA:

- Pricing up significantly in all business lines; 2014 price increases announced
- Good cement volume growth in Q4 and for the full year, particularly in California and Texas
- Successful execution of CLIMB Program improves aggregates EBITDA margin
- Strong outlook

■ Canada:

- Slightly lower activity in Alberta and Saskatchewan is offset by increased demand in British Columbia
- Improved pricing in all business lines
- Strong outlook

North America	Full Year					Q4				
	2012	2013	variance		L-f-L	2012	2013	variance		L-f-L
Volumes										
Cement volume ('000 t)	11,711	12,502	791	6.8 %	6.8 %	2,853	3,082	228	8.0 %	8.0 %
Aggregates volume ('000 t)	104,494	104,148	-346	-0.3 %	-0.3 %	25,945	25,049	-897	-3.5 %	-3.5 %
Ready mix volume ('000 m ³)	6,100	5,899	-201	-3.3 %	0.1 %	1,428	1,421	-7	-0.5 %	-0.5 %
Asphalt volume ('000 t)	3,432	3,049	-383	-11.2 %	-11.2 %	824	783	-41	-5.0 %	-5.0 %
Operational result (€m) (*)(**)										
Revenue	3,441	3,407	-34	-1.0 %	3.4 %	836	800	-35	-4.2 %	0.6 %
Operating EBITDA	572	607	35	6.2 %	9.5 %	123	150	26	21.4 %	28.0 %
<i>in % of revenue</i>	16.6 %	17.8 %				14.8 %	18.7 %			
Operating income	322	378	56	17.4 %	19.9 %	62	95	33	52.9 %	61.8 %

Revenue (€m)	2012	2013	variance	
Cement	1,078	1,134	56	5.2 %
Aggregates	1,032	1,043	11	1.0 %
Building Products	723	639	-84	-11.7 %

Revenue (€m)	2012	2013	variance	
Cement	257	269	12	4.7 %
Aggregates	256	244	-12	-4.6 %
Building Products	176	143	-33	-18.5 %

Opr. EBITDA margin (%) (*)(**)	2012	2013	variance	
Cement	20.1 %	22.0 %		
Aggregates	30.7 %	27.3 %		
Building Products	7.3 %	10.6 %		

Opr. EBITDA margin (%) (*)(**)	2012	2013	variance	
Cement	19.8 %	23.0 %		
Aggregates	25.9 %	31.2 %		
Building Products	5.7 %	8.5 %		

(*) 2012 values are restated due to the change in International Accounting Standards (IAS) 19

(**) Gain from exhausted quarry sale: 25m€ (2013); 70m€ (2012); 25m€ (Q4 2013)

Like-for-Like: Excluding currency and consolidation impacts. Details are included on slide 13

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Eastern Europe-Central Asia

- Mild weather prolongs the construction season and leads to broadly improved Q4 sales volumes and result excluding CO₂ certificate sales
- **Russia:** Market demand continues to be strong; volume growth above market average
- **Kazakhstan:** Positive pricing from PERFORM project leads to improved full year result despite lower volumes
- **Ukraine:** Weak economic environment; restructuring under new management team leads to improved cost structure
- **Poland:** Strong H2 result shows clear turn-around; positive outlook
- **Czech Republic:** Improved trend in H2 vs. H1; bottom has been reached
- **Romania:** Full year volumes decline in all business lines due to continued austerity measures; solid pricing

Eastern Eur. - Cent. Asia	Full Year					Q4				
	2012	2013	variance		L-f-L	2012	2013	variance		L-f-L
Volumes										
Cement volume ('000 t)	17,187	16,682	-506	-2.9 %	-2.9 %	3,778	4,154	376	10.0 %	10.0 %
Aggregates volume ('000 t)	19,168	19,619	451	2.4 %	2.4 %	4,999	5,863	864	17.3 %	17.3 %
Ready mix volume ('000 m ³)	3,778	3,713	-64	-1.7 %	-1.7 %	972	1,040	68	7.0 %	7.0 %
Operational result (€m) (*)(**)										
Revenue	1,435	1,337	-99	-6.9 %	-4.2 %	320	328	9	2.7 %	8.0 %
Operating EBITDA	319	270	-49	-15.3 %	-13.3 %	83	74	-9	-10.7 %	-7.7 %
<i>in % of revenue</i>	22.2 %	20.2 %				25.8 %	22.4 %			
Operating income	193	150	-42	-21.8 %	-20.0 %	41	44	3	8.2 %	12.0 %

Revenue (€m)	2012	2013	variance	
Cement	1,171	1,094	-77	-6.6 %
Aggregates	123	114	-9	-7.1 %

Q4	2012	2013	variance	
Cement	252	261	9	3.5 %
Aggregates	32	33	1	4.5 %

Opr. EBITDA margin (%) (*)(**)	2012	2013
Cement	25.1 %	22.4 %
Aggregates	13.0 %	11.3 %

Q4	2012	2013
Cement	30.2 %	24.6 %
Aggregates	13.6 %	15.3 %

(*) 2012 values are restated due to the change in International Accounting Standards (IAS)19

(**) CO₂ gains: 27m€ (2012), 27m€ (Q4 2012)

Like-for-Like: Excluding currency and consolidation impacts. Details are included on slide 13

Slide 9 - 2013 Trading Statement – Slides for analysts call - 06 February 2014

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Asia-Pacific

- Significantly negative translational currency effect on results due to appreciation of the Euro
- **Indonesia:** Market and operational performance continues to be good; cost inflation and depreciation of IDR put pressure on the margin in H2; further price increases implemented
- **China:** Continuous sales volume improvement since Q2; considerable price increases put through in Q4
- **India:** Sluggish market demand in 2013 due to economic slow-down and low government spending; HC volume growth above market average due to new capacity in Central India; pricing improves in Q4
- **Bangladesh:** General strikes negatively affect volumes; margins improve due to good cost control
- **Australia:** Overall solid market demand and operational performance

Asia - Pacific	Full Year					Q4				
	2012	2013	variance		L-f-L	2012	2013	variance		L-f-L
Volumes										
Cement volume ('000 t)	29,967	31,906	1,939	6.5 %	3.0 %	7,893	8,696	802	10.2 %	6.8 %
Aggregates volume ('000 t)	36,961	38,788	1,827	4.9 %	4.4 %	9,844	10,167	323	3.3 %	3.3 %
Ready mix volume ('000 m ³)	11,092	12,409	1,317	11.9 %	11.9 %	3,105	3,283	177	5.7 %	5.7 %
Asphalt volume ('000 t)	1,863	2,163	300	16.1 %	16.1 %	526	613	87	16.5 %	16.5 %
Operational result (€m)										
Revenue	3,477	3,419	-58	-1.7 %	5.2 %	929	853	-76	-8.2 %	5.9 %
Operating EBITDA	887	845	-43	-4.8 %	2.0 %	260	221	-39	-15.0 %	-3.3 %
<i>in % of revenue</i>	25.5 %	24.7 %				28.0 %	25.9 %			
Operating income	732	686	-46	-6.3 %	0.7 %	220	187	-33	-15.0 %	-3.2 %

Revenue (€m)	2012	2013	variance	L-f-L
Cement	2,029	2,054	26	1.3 %
Aggregates	592	571	-22	-3.7 %
Building Products	26	28	1	5.4 %

Q4	2012	2013	variance	L-f-L
Cement	540	515	-24	-4.5 %
Aggregates	156	136	-20	-12.8 %
Building Products	6	8	2	39.7 %

Opr. EBITDA margin (%)	2012	2013	variance	L-f-L
Cement	33.4 %	32.5 %		
Aggregates	27.9 %	27.8 %		
Building Products	-3.9 %	6.2 %		

Q4	2012	2013	variance	L-f-L
Cement	36.6 %	35.4 %		
Aggregates	28.3 %	25.7 %		
Building Products	0.5 %	3.0 %		

Like-for-Like: Excluding currency and consolidation impacts. Details are included on slide 13

Slide 10 - 2013 Trading Statement – Slides for analysts call - 06 February 2014

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Africa-Mediterranean Basin

- **Ghana:** Positive volume and price development despite unanticipated heavy rainfall across the country
- **Tanzania:** Increased competition from imports but trend is positive; price increases announced in November
- **Togo:** Solid pricing and efficient cost management leads positive operational result despite fierce competition and heavy rain in North
- **DR of Congo:** Good domestic demand driven by several major infrastructure projects; positive pricing
- **Turkey:** Strong domestic demand, good pricing; clear result improvement despite negative currency impact
- **Israel:** Positive price development leads to better result
- **Spain:** Difficult market situation continues; no recovery visible

Africa - Med. Basin	Full Year					Q4				
	2012	2013	variance		L-f-L	2012	2013	variance		L-f-L
Volumes										
Cement volume ('000 t)	9,221	9,619	398	4.3 %	4.3 %	2,306	2,432	125	5.4 %	5.4 %
Aggregates volume ('000 t)	13,721	12,526	-1,195	-8.7 %	-8.7 %	3,187	3,070	-116	-3.6 %	-3.6 %
Ready mix volume ('000 m ³)	4,934	4,904	-30	-0.6 %	-0.6 %	1,204	1,264	61	5.0 %	5.0 %
Asphalt volume ('000 t)	544	514	-30	-5.5 %	-5.5 %	122	112	-10	-8.2 %	-8.2 %
Operational result (€m)										
Revenue	1,135	1,143	8	0.7 %	6.5 %	289	283	-6	-2.2 %	7.8 %
Operating EBITDA	204	212	9	4.4 %	11.9 %	57	51	-6	-10.8 %	-1.2 %
<i>in % of revenue</i>	17.9 %	18.6 %				19.7 %	18.0 %			
Operating income	166	174	8	5.0 %	13.5 %	46	41	-4	-9.8 %	1.0 %

Revenue (€m)	2012	2013	variance	
Cement	825	791	-34	-4.1 %
Aggregates	87	90	3	3.1 %

Q4	2012	2013	variance	
Cement	213	173	-40	-18.6 %
Aggregates	21	22	1	5.5 %

Opr. EBITDA margin (%)	2012	2013
Cement	22.3 %	23.6 %
Aggregates	14.4 %	18.7 %

Q4	2012	2013
Cement	24.8 %	26.1 %
Aggregates	8.9 %	15.3 %

Like-for-Like: Excluding currency and consolidation impacts. Details are included on slide 13

Slide 11 - 2013 Trading Statement – Slides for analysts call - 06 February 2014

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Group Services

- After a 28% increase in 2012, international sales volume increased by another 28% and reached 18.7mio tons in 2013
- Export clinker prices have increased in the Middle East & Asia whereas they remained steady in Europe and the Mediterranean
- Southern European surplus of cement was absorbed by strong demand in Algeria and Libya
- Freight rates have sharply increased in Q4 after being relatively stable for the first 9 months
- Fuel prices remained under pressure due to slower growth of emerging markets

Group Services	Full Year					Q4				
	2012	2013	variance		L-f-L	2012	2013	variance		L-f-L
Operational result (€m)										
Revenue	828	941	113	13.6 %	17.4 %	214	285	72	33.4 %	40.0 %
Operating EBITDA	22	21	-1	-3.2 %	0.0 %	6	5	-1	-21.4 %	-17.7 %
<i>in % of revenue</i>	2.6 %	2.3 %				2.9 %	1.7 %			
Operating income	22	21	-1	-3.2 %	0.0 %	6	5	-1	-21.7 %	-17.9 %

Like-for-Like: Excluding currency and consolidation impacts. Details are included on slide 13

Slide 12 - 2013 Trading Statement – Slides for analysts call - 06 February 2014

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Currency and consolidation impacts

REVENUE €m	December Year to Date			Q4		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	0	-35	-110	0	0	-40
Western / Northern Europe	38	-5	-74	13	-1	-27
Eastern Europe / Central Asia	0	0	-40	0	0	-16
Asia / Pacific	132	0	-352	31	0	-153
Africa / Med. Basin	0	0	-62	0	0	-27
Group Service	0	0	-26	0	0	-10
Total Group	170	-40	-664	44	-1	-273

OPERATING EBITDA €m	December Year to Date			Q4		
	Cons.	Decons.	Curr.	Cons.	Decons.	Curr.
North America	0	1	-18	0	0	-6
Western / Northern Europe	8	0	-8	3	0	-4
Eastern Europe / Central Asia	0	0	-7	0	0	-3
Asia / Pacific	41	0	-99	14	0	-46
Africa / Med. Basin	0	0	-14	0	0	-6
Group Service	0	0	-1	0	0	0
Total Group	49	1	-148	16	0	-65

Full year volume and price development

CEMENT (Gray Domestic)		
2013 vs. 2012	Volume	Price
US	++	++
Canada	++	+
Indonesia	+	++
Bangladesh	--	+
India	++	-
China North	-	--
China South	++	--
Germany	--	++
Belgium	--	-
Netherlands	++	-
United Kingdom	++	-
Norway	+	+
Sweden	--	+
Czech Republic	-	-
Hungary	+	++
Poland	--	-
Romania	--	+
Russia	++	-
Ukraine	-	-
Kazakhstan	--	++
Georgia	+	--
Ghana	+	+
Tanzania	--	--
Turkey	++	++

AGGREGATES		
2013 vs. 2012	Volume	Price
US	-	++
Canada	-	++
Australia	+	+
Hong Kong	++	-
Indonesia	++	++
Malaysia	+	++
United Kingdom	++	-
Germany	--	++
Belgium	--	++
Netherlands	++	++
Norway	--	++
Sweden	--	+
Czech Republic	--	-
Poland	++	--
Israel	-	++
Spain	--	+

++ = Strong
 + = Slightly up
 - = Slightly down
 -- = Negative

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■ Management focus 2014

⊕ **Deleveraging** with clear goal to reach investment grade metrics

⊕ Solid steps in **disposal program**

⊕ **Margin improvement** driven by announced programs

⊕ **Targeted growth** in Africa, Indonesia and Kazakhstan

Contact information and event calendar

Event calendar

19 March 2014	2013 annual results
07 May 2014	2014 first quarter results
07 May 2014	2014 AGM
30 July 2014	2014 half year results
06 November 2014	2014 third quarter results

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