

Half-Year Financial Report January to June 2015



HEIDELBERGCEMENT

- **Group revenue up by 11 % to €6.5 billion (previous year: 5.8; like-for-like¹⁾ +1.8 %)**
- **Operating income before depreciation (OIBD) improved by 22 % to €1,052 million (previous year: 860; like-for-like¹⁾ +11 %)**
- **OIBD margin improved to 16.3 %**
- **Reduction in net debt compared with the previous year by €1.6 billion to €6.3 billion**
- **Outlook for 2015 confirmed**
 - Positive outlook for the global economy; geopolitical and macroeconomic risks remain
 - Growth in sales volumes of cement, aggregates, and ready-mixed concrete expected
 - Significant rise in revenue, operating income, and profit for the financial year²⁾
 - Generation of cost of capital
 - HeidelbergCement well positioned to benefit over-proportionally from the continued economic recovery, particularly in the USA and the United Kingdom

1) Adjusted for currency and consolidation effects; 2) Adjusted for non-recurring items

Overview January to June 2015	April - June		January - June	
€m	2014 ¹⁾	2015	2014 ¹⁾	2015
Revenue	3,294	3,635	5,816	6,470
Result from joint ventures	45	50	75	88
Operating income before depreciation (OIBD)	655	752	860	1,052
OIBD margin in %	19.9 %	20.7 %	14.8 %	16.3 %
Operating income	486	557	527	672
Additional ordinary result	0	-5	12	11
Result from participations	9	14	4	8
Earnings before interest and income taxes (EBIT)	495	566	543	691
Profit before tax	351	439	239	406
Net income from continuing operations	263	331	149	264
Net income/loss from discontinued operations	27	-9	34	-22
Profit for the period	290	322	182	242
Group share of profit	233	271	87	148
Investments	171	218	419	406

1) Amounts were restated (see Notes on page 23)

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

Interim Group management report

Business trend January to June 2015

Economic environment

The recovery of the global economy is continuing, albeit at a somewhat subdued manner. The national economies of Asia and the African countries south of the Sahara remain on a growth trajectory. In Europe, the economy benefits from the low oil price. In the USA, economic recovery is continuing after the first-quarter setback caused by the winter.

Sales volumes benefit from market recovery in North America and the United Kingdom as well as growth in Africa

The continued recovery of the construction industry in North America and the United Kingdom contributed to an overall positive development of sales volumes in the first half of the year. In the cement business line, the volume losses of the first quarter were offset in the subsequent months. Sales volumes were increased in all other business lines.

The Group's cement and clinker sales volumes rose by 0.1 % to 38.8 million tonnes (previous year: 38.7) in the first half of the year and thus were at about the same level as in the previous year. Cement sales volumes in Africa increased, in particular in Togo, where a new clinker plant was commissioned at the end of last year. North America continued to benefit from the sustained positive construction activity. The continued recovery of the construction sector in the United Kingdom led to a notable increase in the demand for cement. In the Western and Northern Europe Group area, however, total cement volumes were slightly below the previous year's level. In the Eastern Europe-Central Asia and Asia-Pacific Group areas, cement deliveries also remained under the previous year.

The Group's deliveries of aggregates amounted to 113.4 million tonnes (previous year: 108.6), an increase of 4.4 %. Ready-mixed concrete volumes rose by 1.0 % to 17.4 million cubic metres (previous year: 17.2). Asphalt sales volumes grew by 5.4 % to 4.0 million tonnes (previous year: 3.8).

Sales volumes	April - June			January - June		
	2014 ¹⁾	2015	Change	2014 ¹⁾	2015	Change
Cement and clinker (million tonnes)	21.7	21.9	0.9 %	38.7	38.8	0.1 %
Aggregates (million tonnes)	64.3	67.1	4.4 %	108.6	113.4	4.4 %
Ready-mixed concrete (million cubic metres)	9.5	9.6	0.2 %	17.2	17.4	1.0 %
Asphalt (million tonnes)	2.3	2.5	7.2 %	3.8	4.0	5.4 %

1) Amounts restated

Relevant Changes in Accounting

At the end of December 2014, HeidelbergCement signed an agreement with the financial investor Lone Star Funds on the sale of the building products business line in North America and the United Kingdom. In accordance with IFRS 5, this business line is no longer included in the figures for continuing operations as of the 2014 consolidated financial statements (income statement, statement of cash flows), but shown separately under the heading of discontinued operations. In this respect, we have also made a slight change to the division of the business lines within the geographical Group areas. The business lines of our core activities cement and aggregates remain unchanged. Here we report on the essential raw materials that are required for the manufacture of downstream ready-mixed concrete and asphalt activities, which are combined in the third business line. The fourth business line, service-joint ventures-other, primarily covers the activities of our joint ventures. It also includes the building products that are still manufactured in a few countries. Another change, which was also applied during the preparation of the 2014 consolidated financial statements, relates to the retrospective

reclassification of Cement Australia, which was previously included in the consolidated financial statements as a joint operation but is now included as a joint venture under IFRS 11 (Joint Arrangements). The reclassification takes place on the basis of a tentative agenda decision of the IFRS Interpretations Committee (IFRIC) in November 2014, which was confirmed by the IFRIC in March 2015.

Development of revenue and results

Group revenue for the period of January to June 2015 rose by 11.2% to €6,470 million (previous year: 5,816). Excluding consolidation and exchange rate effects, the increase amounted to 1.8%. This primarily reflects the pleasing development of sales volumes in the aggregates business line. Positive exchange rate effects of €512 million as a result of the weakening of the euro against numerous currencies and changes to the scope of consolidation of €28 million also had a favourable impact on the development of revenue. Changes in inventories improved by €20 million. The increase in revenue and the improved changes in inventories led to a rise of 11.6% in operating revenue.

In the reporting period, material costs rose by 8.7% to €2,722 million (previous year: 2,504). This growth primarily related to raw materials and goods purchased for resale; costs of energy remained almost stable compared with the previous year. Other operating expenses and income were 9.0% above the previous year's level at €-1,648 million (previous year: -1,512), largely due to increased third-party repairs and services and higher selling and administrative expenses. Personnel costs rose by €142 million to €1,137 million (previous year: 995). Result from joint ventures rose by €13 million to €88 million (previous year: 75), essentially owing to a positive business development of Cement Australia.

Operating income before depreciation (OIBD) grew significantly by 22.2% to €1,052 million (previous year: 860). The increase of €191 million included €107 million as a result of the improvement in operational activity and €80 million of currency effects. Operating income rose by €145 million to €672 million (previous year: 527).

The additional ordinary result decreased by €1 million to €11 million (previous year: 12).

The financial result improved by €19 million to €-285 million (previous year: -304). The decrease of €51 million in interest expenses is offset by reduced interest income of €6 million, a decline of €21 million in other financial result, which is primarily attributable to interest rate effects from held-for-trading derivatives, as well as increased foreign exchange losses of €5 million, essentially associated with Eastern European currencies.

Profit before tax from continuing operations rose by €167 million to €406 million (previous year: 239). Expenses relating to taxes on income increased by €52 million to €142 million (previous year: 90). As a result, net income from continuing operations improved to €264 million (previous year: 149).

At €-22 million, the net loss from discontinued operations was heavily characterised by the sale of the Hanson Building Products business line on 13 March 2015.

Overall, the profit for the period amounts to €242 million (previous year: 182). The profit attributable to non-controlling interests declined by €2 million to €94 million (previous year: 96). The Group share therefore amounts to €148 million (previous year: 87).

Earnings per share – Group share – in accordance with IAS 33 improved by €0.33 to €0.79 (previous year: 0.46).

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

Statement of cash flows

In the first half of 2015, operating business activities generated a cash outflow totalling €15 million (previous year: cash inflow of 81). This was essentially due to the revenue-related increase in working capital as well as a negative liquidity contribution from the discontinued operations.

Dividends received exceeded the previous year's level at €105 million (previous year: 84) and mainly include payouts received from joint ventures and associates. The decrease by €31 million in interest received to €52 million (previous year: 83) was more than offset by the decline of €43 million in interest payments to €305 million (previous year: 348). At €236 million (previous year: 179), income taxes paid increased by €57 million in comparison with the same period of the previous year. Changes in working capital decreased by €131 million to €-455 million (previous year: -324), which is largely attributable to the revenue-related rise in trade receivables. In the reporting period, provisions of €110 million (previous year: 88) were utilised through payments.

The sharp rise in cash inflow from investing activities of €880 million (previous year: cash outflow of 347) is largely due to the positive liquidity contribution from discontinued operations of €1,231 million (previous year: 2), which was primarily attributable to the disposal of the building products business in North America and the United Kingdom (Hanson Building Products). Cash outflow from investing activities of continuing operations increased slightly by €6 million to €351 million (previous year: 345). This rise was mainly due to increased investments in property, plant, and equipment and intangible assets amounting to €385 million (previous year: 327), in relation to optimisation and environmental protection measures as well as expansion investments in our production sites. These factors were counteracted by lower investments in subsidiaries. This decline essentially results from the purchase of an additional 62.91 % of the shares in Cimescaut Group, Tournai, Belgium, in the previous year as well as the acquisition of 100 % of the shares in Espabel NV, Ghent, Belgium.

Financing activities generated a cash outflow of €872 million (previous year: cash inflow of 260) in the reporting period. The cumulative cash outflow of proceeds from and repayments of bonds and loans totalling €125 million (previous year: cash inflow of 483) essentially includes repayments as part of the syndicated credit line. The cash inflow of the previous year resulted primarily from the issue of a bond of €500 million. The changes in short-term interest-bearing liabilities relate largely to outflows from the issue of commercial papers. Dividend payments led to an overall cash outflow of €350 million (previous year: 270), with dividend payments of HeidelbergCement AG making up €141 million (previous year: 113) of this figure.

Investments

Cash flow investments decreased slightly in the first half of the year to €406 million (previous year: 419). Investments in property, plant, and equipment, including intangible assets, which primarily related to optimisation and environmental protection measures at our production sites, but also expansion projects in growing markets, accounted for €385 million (previous year: 327) of this total. Investments in financial assets and other business units fell to €21 million (previous year: 92); these related primarily to smaller acquisitions to round off shareholdings.

Sale of building products business in North America and the United Kingdom

On 13 March 2015, HeidelbergCement completed the sale that was announced in December 2014 of its building products business in North America (excluding western Canada) and the United Kingdom – referred to as Hanson Building Products – to a subsidiary of Lone Star Funds. Hanson Building Products is a leading manufacturer of pressure and gravity pipes in North America and one of the largest brick producers in North America and the United Kingdom. The sale of Hanson Building Products took place as part of the decision of HeidelbergCement to focus on its core products cement and aggregates, as well as downstream ready-mixed concrete and asphalt activities. On completion of the transaction, HeidelbergCement received a payment of €1,245 million. An additional payment of up to US\$100 million is conditional on the success of the business in 2015 and payable in 2016.

Balance sheet

The balance sheet total rose by €630 million to €28,763 million (previous year: 28,133) as at 30 June 2015.

Non-current assets increased by €1,150 million to €23,659 million (previous year: 22,509). This increase resulted essentially from exchange rate effects of €1,188 million. The rise of €593 million in goodwill to €10,198 million (previous year: 9,605) almost exclusively related to exchange rate effects. The change of €442 million in property, plant, and equipment to €9,935 million (previous year: 9,493) is largely attributable to exchange rate effects of €458 million. Additions of €375 million to property, plant, and equipment and disposals of €18 million were offset by depreciation and amortisation of €364 million. Financial assets remained almost unchanged at €1,832 million (previous year: 1,832). Additions to participations of €53 million and the increase of €10 million arising from the valuation of financial derivatives essentially offset the reclassification within loans of €64 million to current assets.

The disposal groups held for sale and discontinued operations fell by €1,314 million due to the sale of the building products business in North America and the United Kingdom.

Current assets rose by €784 million to €5,028 million (previous year: 4,244). The increase in trade receivables to €1,534 million (previous year: 1,057) is mainly due to seasonal factors. Cash and cash equivalents increased by €35 million to €1,263 (previous year: 1,228). The changes are explained in the Statement of cash flows section.

On the equity and liabilities side, equity increased by €1,209 million to €15,454 million (previous year: 14,245). This rise is essentially attributable to the total comprehensive income of €1,574 million, which is composed of the €242 million profit for the period, as well as of the considerable currency translation differences of €1,317 million recognised in other comprehensive income and of the profit of €22 million of the companies accounted for using the equity method. In the first six months, dividends totalling €141 million (previous year: 113) were distributed to the shareholders of HeidelbergCement AG and €209 million (previous year: 157) to non-controlling interests.

Interest-bearing liabilities fell by €584 million to €7,638 million (previous year: 8,222). The reduction in net debt (interest-bearing liabilities less cash and cash equivalents) of €624 million to €6,305 million (previous year: 6,929) is originally attributable to the cash inflow of €1,245 million from the sale of the building products business in North America and the United Kingdom (Hanson Building Products) on 13 March 2015 and the simultaneous seasonal financing of the working capital in the first half of the year.

Total provisions increased by €22 million to €2,468 million (previous year: 2,445). The increase in provisions of €139 million as a result of currency translation was offset by cash-relevant reductions in particular.

The rise of €137 million in operating liabilities to €2,694 million (previous year: 2,557) relates primarily to the growth of €142 million in other current operating liabilities to €1,035 million (previous year: 893).

The liabilities associated with disposal groups held for sale and discontinued operations decreased by €199 million due to the sale of the building products business in North America and the United Kingdom.

Financing

According to the terms and conditions of all the bonds issued since 2009 and the debt certificate issued in December 2011, there is a limitation on incurring additional debt if the consolidated coverage ratio (i.e. the ratio of the aggregate amount of the consolidated EBITDA to the aggregate amount of the consolidated interest expense) of the HeidelbergCement Group is below 2. The consolidated EBITDA of €2,396 million and the consolidated interest expense of €533 million are calculated on a pro forma basis in accordance with the terms and conditions of the bonds. As at 30 June 2015, the consolidated coverage ratio amounted to 4.50.

The net debt decreased by €1,587 million in comparison with 30 June 2014, amounting to €6,305 million (previous year: 7,892) as at 30 June 2015. The reduction of €624 million in comparison with the end of 2014 is attributable to the cash inflow of €1,245 from the sale of the building products business in North America and the United Kingdom (Hanson Building Products) on 13 March 2015 and the simultaneous seasonal increase in working capital.

At the end of March 2015, the Moody's Investors Service rating agency raised the outlook for our credit rating (Ba1/Not Prime) from stable to positive. The change in the outlook is based on the pleasing business development and the decline in net debt in the 2014 financial year, the cash inflow from the sale of the building products business, and the anticipation of a positive economic development in our main markets of North America, United Kingdom, Germany, and Indonesia.

The available liquidity from cash and cash equivalents, liquidable financial investments and derivative financial instruments, and unused credit lines amounted to € 4,100 million as at the end of June 2015.

Western and Northern Europe

The economic recovery in the countries of the Western and Northern Europe Group area is continuing. The German economy benefits in particular from the drop in oil prices and the devaluation of the euro. In Belgium and the Netherlands, the economy is gaining momentum; however, construction activity remained weak in the Netherlands in the first half of 2015. While the robust economic development in Sweden benefits construction activity, the economic momentum in Norway weakened due to the fall in oil prices. In the United Kingdom, the economy grew as expected in the second quarter; gross domestic product rose by 0.7 %.

In the cement business line, decreases in volumes in Germany and the Baltic States were not fully offset by increases in sales volumes in the other countries of the Group area. In Germany, the decline in sales volumes reflects the subdued demand from commercial construction and the weather-related weaker development in the first quarter. In Sweden, our cement sales volumes benefited from increasing domestic demand, in particular from residential construction. Deliveries from our Norwegian plants rose slightly due to increased export volumes. In the United Kingdom, we achieved a significant increase in sales volumes due to the positive development in residential construction and large infrastructure projects in the London area. In Benelux, our deliveries remained at the previous year's level. Overall, our cement and clinker sales volumes in the Western and Northern Europe Group area declined slightly by 1.0 % in the first six months to 10.3 million tonnes (previous year: 10.4).

In the aggregates business line, increases in sales volumes in the United Kingdom, Benelux, and the Baltic States compensated for declines in volumes in Germany, Sweden, and Norway. The Group area's overall deliveries of aggregates rose slightly by 1.3 % to 31.4 million tonnes (previous year: 31.1); excluding consolidation effects, they increased marginally by 0.1 %.

At 6.2 million cubic metres (previous year: 6.2), our ready-mixed concrete sales volumes rose by 0.4 %. Excluding consolidation effects, a slight decrease of 0.5 % was recorded. Growth in sales volumes in the United Kingdom, Germany, and Sweden offset the volume losses in the other Group countries. The sales volumes of the asphalt operating line were 8.2 % higher than the previous year.

At the end of 2014, HeidelbergCement concluded an agreement with the financial investor Lone Star Funds on the sale of the building products business line in North America and the United Kingdom. This transaction was completed on 13 March 2015.

Revenue of the Western and Northern Europe Group area rose by 5.8 % to €2,022 million (previous year: 1,911); excluding consolidation and exchange rate effects, the increase amounted to 1.6 %.

Eastern Europe-Central Asia

The economic development of the countries in the Eastern Europe-Central Asia Group area presents a mixed picture. In Poland and the Czech Republic, the economic recovery is continuing and is boosting construction activity. The Romanian economy is also continuing to recover, but the construction industry is being adversely affected by the lack of financing for infrastructure projects. In Kazakhstan, the economy slowed down as a result of the low oil price. The conflict in Ukraine is severely impairing the Ukrainian and Russian economies, especially due to the outflow of capital and currency devaluation in both countries. The intensified economic crisis in Russia owing to the low oil price has not yet had any significant effect on the operating activities of HeidelbergCement in this country.

In the cement business line, the individual Group countries experienced varied development in sales volumes during the first half of 2015. While Poland and Georgia recorded losses in sales volumes and Ukraine a strong volume decline, the Czech Republic achieved a light and Kazakhstan a considerable increase in sales volumes. In Kazakhstan, the ramp up of production at the new CaspiCement plant in the west of the country greatly contributed to the rise in sales volumes. Overall, cement and clinker sales volumes in the Group area decreased by 5.0 % to 7.4 million tonnes (previous year: 7.8) in the first half of the year.

In the aggregates business line, our deliveries in almost all countries benefited from a significant increase in demand. The strongest growth was recorded in Kazakhstan, Romania, and Slovakia. Overall, deliveries of aggregates in the Group area rose by 12.7 % to 9.1 million tonnes (previous year: 8.1). Excluding consolidation effects, the growth amounted to 13.1 %. Deliveries of ready-mixed concrete increased by 17.1 % to 1.4 million cubic metres (previous year: 1.2). While sales volumes in Ukraine decreased, the other Group countries recorded partly sharp increases in volumes.

Revenue of the Eastern Europe-Central Asia Group area declined by 6.5 % to €500 million (previous year: 535); excluding consolidation and exchange rate effects, revenue rose by 1.1 %.

North America

In the North America Group area, HeidelbergCement is represented in the USA and Canada. In the USA, economic recovery is continuing after the first-quarter setback caused by the harsh winter. The unemployment rate decreased by 0.2 percentage points to 5.3 % in June. Residential construction is further recovering: Housing starts in June were at an annual rate of 1,174,000. This is 9.8 % above the previous month rate and is 26.6 % above the June 2014 rate. Building permits were 7.4 % above the May rate and 30.0 % above the June 2014 rate.

While construction activity in the first half of 2014 in North America was significantly hindered by the long, cold winter, particularly in the eastern and northern United States as well as in Canada, the weather conditions in the current year were somewhat better. In the northeastern United States, however, the prolonged snowy winter delayed the start of the construction season, and wet weather impaired construction activity in our important Texas market until May. The cement sales volumes of our North American plants grew by 2.3 % in the first half of the year to 5.5 million tonnes (previous year: 5.5). In the South market region, cement sales volumes were significantly depressed by severe precipitation. The Canada market region recorded an increase in cement shipments, despite the weak demand from the oil sector. The North and West regions benefited from a robust development in sales volumes. Successfully implemented price increases contributed to an improvement in results in both the United States and in Canada.

In the aggregates business line, a marginal decline in sales volumes in the South region was offset by a significant growth in volumes in the North, West, and Canada regions. Overall, the aggregates sales volumes rose by 7.0 % in the first half of the year to 49.7 million tonnes (previous year: 46.4). Furthermore, prices were noticeably above the previous year's level. Ready-mixed concrete sales volumes increased by 4.1 % to 3.0 million cubic metres (previous year: 2.9). Excluding consolidation effects, the increase in volumes amounted to 3.2 %.

The Canada region in particular achieved a significant increase in volumes, while the deliveries of the North region remained slightly below the previous year's level. Asphalt deliveries rose by 13.9 % to 1.2 million tonnes (previous year: 1.1); while the West region experienced a slight increase in volumes, the North region recorded strong growth, particularly in Pennsylvania.

At the end of 2014, HeidelbergCement concluded an agreement with the financial investor Lone Star Funds on the sale of the building products business line in North America and the United Kingdom. This transaction was completed on 13 March 2015. As part of an integrated business, the concrete pipes operating line in Western Canada, which has been assigned to the newly defined service-joint ventures-other business line, was excluded from the sales agreement. The cement sales volumes of our joint venture Texas Lehigh Cement remained significantly below the previous year's level due to decreased demand from the oil industry and the wet weather.

Total revenue in North America rose by 29.9 % to €1,640 million (previous year: 1,262); excluding consolidation and exchange rate effects, revenue rose by 8.4 %.

Asia-Pacific

The emerging countries of Asia remain on course for growth. The Chinese economy has slowed down noticeable compared to the previous year, but the increase of 7.0 % in gross domestic product in the second quarter was higher than expected. After a weak first half of 2015 in Indonesia and India, an improved economic growth is expected, particularly due to the planned infrastructure investments. Despite declining investments in the raw materials sector, Australia is showing robust economic development.

During the first half of the year, cement and clinker deliveries of the Asia-Pacific Group area fell by 3.5 % to 11.6 million tonnes (previous year: 12.0). In Indonesia, domestic cement consumption decreased in the first six months of 2015 by 4.2 % in comparison with the previous year due to the economic slowdown as well as delays to government infrastructure projects. Indocement's domestic sales volumes fell by 8.1 %. The higher decrease in volumes of Indocement in comparison with the market as a whole relates to the margin-oriented price policy of our subsidiary. In the first half of 2015, Indocement's sales prices were higher than those of the previous year on average. As Indocement focuses on domestic demand, low-margin export deliveries remained at a very low level, as in the previous year. Overall, Indocement's cement and clinker sales volumes declined by 7.7 %. Due to the unabated promising growth prospects in Indonesia, Indocement is continuing to increase its cement capacity with the expansion of the Citeureup plant. The construction of a new integrated production line with a cement capacity of 4.4 million tonnes is progressing according to plan; completion is scheduled for the fourth quarter of 2015.

In India, construction activity and cement demand continued to be adversely affected by the weak demand from infrastructure construction and, in some parts of the country, a shortage of building materials due to legal restrictions relating to the extraction of sand. Deliveries of our Indian cement plants rose by 10.2 % in the first half of the year, primarily as a result of the increasing utilisation of our cement capacities in central India. Since we commissioned the new facilities with a capacity of 2.9 million tonnes at our Damoh plant in the state of Madhya Pradesh and at our Jhansi plant in the state of Uttar Pradesh in 2013, production has steadily been ramped up. Sales prices were below the previous year's level, but were partially offset by lower variable costs.

In Bangladesh, our cement deliveries recorded a pleasing increase. Sales prices were at the previous year's level.

In the aggregates business line, the growth in sales volumes in Australia did not fully offset decreases in volumes in Malaysia and Indonesia. Overall, aggregates shipments decreased by 2.5 % to 17.9 million tonnes (previous year: 18.3). Excluding consolidation effects, the decline amounted to 0.8 %. Also in the ready-mixed concrete business line, deliveries in Australia recorded an increase, while our sales volumes in Indonesia and Malaysia fell significantly. Overall, deliveries of ready-mixed concrete dropped by 3.7 % to 5.3 million cubic metres (previous year: 5.5). In the asphalt operating line, weak demand in Malaysia led to a decrease in sales volumes of 5.6 %.

In China, the cement deliveries of our joint ventures in the provinces of Guangdong and Shaanxi remained below the previous year. The growth in sales volumes in Guangdong did not offset the decrease in volumes in Shaanxi. Also in Australia, the sales volumes of our joint venture Cement Australia did not quite reach the previous year's level.

Revenue of the Asia-Pacific Group area rose by 6.3 % to €1,422 million (previous year: 1,337); excluding consolidation and exchange rate effects, revenue declined by 3.2 %.

Africa-Mediterranean Basin

The African countries south of the Sahara are continuing to experience solid economic development and lively construction activity. In Ghana, however, the economic development has slowed down noticeably and the devaluation of the national currency, the cedi, is continuing. The economy in Turkey has cooled off considerably; however, economic growth of 2.3 % in the first quarter was higher than expected. In Spain, the economic recovery has continued, but construction activity is still suffering as a result of the property crisis, the only slowly declining high unemployment, and the government's budget cuts; however, an upswing in construction activity, albeit from a very low level, is expected this year for the first time.

In the first half of the year, the cement and clinker sales volumes of the Africa-Mediterranean Basin Group area, which only includes the deliveries from our African subsidiaries, increased by 18.6 % to 3.9 million tonnes (previous year: 3.2). Excluding consolidation effects from the deconsolidation of our activities in Gabon in the previous year, the growth amounted to 20.1 %. At the end of March 2014, we sold our participation in Cimgabon S.A. in Gabon within the framework of portfolio optimisation. In addition to the good demand conditions in most countries, the new production capacities in Tanzania, Togo, and Burkina Faso made a particular contribution to the significant increase in volumes in Africa. In the third quarter of 2014, we commissioned a new cement mill in Tanzania and, at the end of the year, a clinker plant in Togo and a cement grinding plant in neighbouring Burkina Faso. The Democratic Republic of Congo also recorded a pleasing increase in sales volumes. In Ghana, our deliveries remained below the previous year as a result of a decline in cement consumption and increasing imports.

In light of the good growth prospects, HeidelbergCement is expanding its activities in Africa. In Togo, HeidelbergCement officially opened its first newly constructed clinker plant in Africa at the start of March 2015. The plant, with an annual capacity of 1.5 million tonnes, is located near the town of Tabligbo, around 80 km to the northeast of the capital, Lomé. It started production at the end of 2014 and supplies clinker to HeidelbergCement's cement grinding plants in Togo and the neighbouring countries of Benin, Burkina Faso, and Ghana, reducing the need for expensive clinker imports. Moreover, we are constructing a cement grinding facility with a capacity of around 250,000 tonnes in the north of Togo which is scheduled for completion by 2017. At the beginning of March 2015, the cement grinding plant that was completed in Burkina Faso in the fourth quarter of 2014 was officially opened. This plant, which is located near the capital Ouagadougou, has a capacity of 0.8 million tonnes. In Ghana, a new cement mill with a capacity of 0.8 million tonnes was opened at the Takoradi grinding plant at the end of March 2015. After the successful completion of the test runs, we have a cement grinding capacity of 4.4 million tonnes in Ghana. We are also evaluating options for capacity expansions in other African countries.

In the aggregates business line, deliveries rose in Israel and in Spain. Aggregates sales volumes increased by 5.6 % to 5.7 million tonnes (previous year: 5.4). Excluding consolidation effects, the increase amounted to 7.9 %. In the ready-mixed concrete operating line, an increase in volumes in Israel more than offset volume losses in Spain. Overall, ready-mixed concrete sales volumes rose by 2.1 % to 1.5 million cubic metres (previous year: 1.5). Asphalt sales volumes remained at the previous year's level.

The service-joint ventures-other business line essentially includes the cement, aggregates, and ready-mix activities of our Turkish joint venture Akçansa. In the reporting period, the cement and clinker sales volumes of Akçansa declined by 5.3 % due to adverse weather conditions in the first quarter. Deliveries of aggregates and ready-mixed concrete also fell short of the previous year's level.

Revenue of the Africa-Mediterranean Basin Group rose by 16.7 % to €524 million (previous year: 449); excluding consolidation and exchange rate effects, revenue rose by 17.5 %.

Group Services

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

HC Trading's trading activities in cement, clinker, and other building materials such as lime and dry mortar increased by 5.1 % to 8.0 million tonnes in the first half of the year (previous year: 7.6). Deliveries of coal and petroleum coke rose by 13.2 % to 3.4 million tonnes (previous year: 3.0).

Revenue of the Group Services business unit rose by 7.3 % to €572 million (previous year: 533); excluding exchange rate effects, revenue declined by 12.6 %.

Employees

At the end of the first half of 2015, the number of employees at HeidelbergCement stood at 45,558 (previous year: 45,858). The decrease of 300 employees essentially results from two opposing developments: on the one hand, more than 500 jobs were cut in particular in the Eastern Europe-Central Asia Group area and in Indonesia in connection with efficiency increases in sales and administration as well as location optimisations. On the other hand, around 100 new employees were hired in Africa due to capacity expansions. Before consolidation effects, the workforce in the Western and Northern Europe Group area grew by more than 100 employees as a result of the solid market development.

Events after the balance sheet date: HeidelbergCement acquires 45% of the shares in Italcementi S.p.A.

On 28 July 2015, HeidelbergCement AG has entered into a purchase agreement with Italmobiliare S.p.A., Italy, for its approximately 45 % shareholding in Italcementi S.p.A. (the "Stock Purchase Agreement") listed on the Milan (Italy) stock exchange. The purchase price (subject to contractual purchase price reductions) amounts to €10.60 per Italcementi share and therefore a total of around €1.67 billion. The purchase price will be partially paid by way of issuing to Italmobiliare S.p.A. at least 7.75 million and at most 10.5 million new no-par value shares in HeidelbergCement AG (this corresponds to at least 3.96 % and at most 5.29 % of the new share capital) resulting from a yet to be carried out capital increase against contributions in kind.

The closing of the Stock Purchase Agreement is subject to, inter alia, approval by the competition authorities, particularly in Europe and in the USA, and is expected to take place during 2016. In the event that the Stock Purchase Agreement is consummated, HeidelbergCement AG or one of its subsidiaries will make a mandatory public cash offer under Italian law to all remaining Italcementi shareholders to acquire their shares at the price provided for by applicable law (the "Mandatory Offer") that as of 28 July 2015 is expected to be equal to €10.60. In case certain price adjustment mechanisms under the Stock Purchase Agreement reduce the price per share paid at the closing of the Stock Purchase Agreement, the same per share reduction will be expected to be applied to the price under the Mandatory Offer.

The acquisition will be financed through a bridge financing of €4.4 billion provided by a bank consortium. The bridge financing is to be repaid by issuing bonds, as well as by operational cashflow and proceeds from streamlining the portfolio.

Outlook

In its latest forecast, the International Monetary Fund (IMF) has marginally reduced growth rates for the world economy and now anticipates slightly lower economic growth of 3.3% compared with the previous year. This deceleration is essentially attributable to the lower-than-expected activity in the first quarter, primarily in North America. Nonetheless, the IMF continues to expect an acceleration of economic growth in the industrial countries. Aside from the fiscal policy in North America and the euro zone, the drivers behind this development are lower fuel prices and an improvement in labour market conditions and consumer confidence. In contrast, the growth rate of the emerging countries is expected to stagnate. This is due, on the one hand, to the weakening growth in China, and on the other hand, to the subdued outlook for countries that export raw materials. The risk factors continue to include the volatile development of prices on energy and raw material markets, effects of monetary policy measures – particularly those of the US Federal Reserve – on cash flows and exchange rates in the emerging countries, as well as geopolitical risks related to the political crises and conflicts in the Middle East as well as eastern Ukraine and Russia.

In North America, HeidelbergCement, in conformity with the IMF, expects a continuing economic recovery and consequently a further increase in demand for building materials. Besides new residential building, commercial and infrastructure construction is also making an increasingly strong contribution to this growth. In Eastern Europe, markets should continue to stabilise and the first impetus is expected to stem from the EU's new infrastructure programme. While the crisis in eastern Ukraine is impairing the sales volumes and results of the country, it has not yet had a significant effect on the operating activities in Russia. However, the currencies of both countries have depreciated considerably against the euro since the crisis began. In Western and Northern Europe, positive market development is expected. This is based on the recovery in the United Kingdom, the consistent solid condition of the German economy, and stable economic development in Northern Europe and Benelux. In Asia and Africa, the Group continues to expect sustained growth in demand.

In view of the positive development of demand and the commissioning of new capacities, HeidelbergCement anticipates an increase in the overall sales volumes of the core products cement, aggregates, and ready-mixed concrete.

HeidelbergCement estimates that the cost base for energy will undergo slight to moderate growth in 2015 on account of the forecast growth in sales volumes, the elimination of subsidies for electricity and fuels in Indonesia, and the weakening of the euro. A moderate rise in the cost of raw materials and personnel is also expected, partly because of the devaluation of the euro. The objective is to offset this by means of suitable measures and to further improve the margins in the cement and aggregates business lines. To this end, HeidelbergCement will continue pursuing its two price initiatives – “PERFORM” for the cement business in the USA and Europe as well as “CLIMB Commercial” for the aggregates business. Another area of focus in 2015 will be to not only

safeguard but continuously improve the cost savings and efficiency increases in cement and aggregates that were achieved in the past few years. With this in mind, the Group launched the “Continuous Improvement Program” (CIP) in 2014, which will also establish a culture of continuous improvement of work processes. Process optimisations are expected to achieve a sustainable improvement in results of at least €120 million by the end of 2017. In addition, the optimisation of logistics activities in connection with the “LEO” programme will be pursued with the aim of reducing costs by €150 million over a period of several years.

For 2015, HeidelbergCement anticipates a significant decrease in financing costs because of the noticeable decline in net debt based on cash flow from operating activities and the sale of the building products business.

On the basis of these assumptions, the Managing Board has set the goal of significantly increasing revenue, operating income, and profit for the financial year before non-recurring items in 2015. Furthermore, HeidelbergCement is expected to earn its cost of capital in 2015.

Thanks to the good results of the second quarter, we remain on course to achieve our outlook for 2015. We updated our strategic focus at the beginning of June as part of our Capital Markets Day. From now on, we will focus on accelerated growth and higher earnings for our shareholders. The payout ratio is expected to increase from 29 % in 2014 to between 40 % and 45 % in 2019. Furthermore, we want to reduce leverage to a level that enables a solid investment grade rating.

We are confident about 2015. We will continue to benefit from the positive development in North America, the United Kingdom, Germany, and Northern Europe. These countries generate almost 50 % of our revenue. The considerable drop in the oil price and the weaker euro will provide us with additional tailwind. In view of our strong positioning in raw material reserves, our production sites in attractive locations, our outstanding vertical integration, and our excellent product portfolio, we are well positioned to achieve our goals.

Additional statements on the outlook

The Managing Board of HeidelbergCement has not seen evidence of developments beyond those mentioned in the previous paragraph that would suggest changes for the business year 2015 regarding the forecasts and other statements made in the 2014 Annual Report in the Outlook chapter on page 108 ff. on the expected development of HeidelbergCement and its business environment.

The expected future development of HeidelbergCement and the business environment over the course of 2015 is described in the outlook. As such, please note that this Half-Year 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 Half-Year Financial Report.

Risk and opportunity report

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

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

Risks that may have a significant impact on our financial position and performance in the 2015 financial year and in the foreseeable future as well as the opportunities are described in detail in the 2014 Annual Report in the risk and opportunity report chapter on page 116 ff.

The risks arising from volatile energy and raw material prices as well as from exchange rates still persist. Although the International Monetary Fund (IMF) has only slightly lowered the 2015 growth rate for the global economy to 3.3 % in its latest forecast, ongoing development is subject to uncertainties and risks. Geopolitical risks result in particular from the political crises and armed conflicts in the Middle East and in eastern Ukraine. Challenges in the industrialised countries include the low inflation, the consolidation of state finances, the reform of the financial sector and the fight against unemployment. The emerging countries face slowing growth rates and risks of further capital outflows and currency depreciation. Uncertainties still remain with regard to the stability of the global financial system.

Interim consolidated financial statements

Consolidated income statement

€m	April - June		January - June	
	2014 ¹⁾	2015	2014 ¹⁾	2015
Revenue	3,294.1	3,635.1	5,816.1	6,470.4
Change in finished goods and work in progress	23.7	-4.3	-23.5	-3.9
Own work capitalised	2.0	1.7	3.8	3.5
Operating revenue	3,319.8	3,632.4	5,796.4	6,469.9
Other operating income	63.9	70.7	126.2	156.4
Material costs	-1,373.4	-1,457.5	-2,504.0	-2,722.0
Employee and personnel costs	-521.6	-592.5	-994.7	-1,136.9
Other operating expenses	-878.6	-950.7	-1,638.5	-1,803.9
Result from joint ventures	45.0	49.8	75.0	88.0
Operating income before depreciation (OIBD)	654.9	752.2	860.3	1,051.6
Depreciation and amortisation	-168.8	-194.8	-333.5	-379.3
Operating income	486.1	557.4	526.7	672.3
Additional ordinary income	3.8	0.4	22.0	31.4
Additional ordinary expenses	-3.5	-5.7	-10.5	-20.6
Additional ordinary result	0.3	-5.4	11.6	10.7
Result from associates	8.1	13.3	4.0	7.6
Result from other participations	0.9	1.1	0.3	0.7
Result from participations	9.0	14.4	4.3	8.3
Earnings before interest and taxes (EBIT)	495.5	566.5	542.6	691.3
Interest income	27.2	19.8	50.3	44.0
Interest expenses	-135.5	-118.7	-291.7	-240.9
Foreign exchange losses	-9.3	7.7	-10.7	-15.9
Other financial result	-26.4	-36.1	-51.5	-72.3
Financial result	-144.1	-127.3	-303.7	-285.2
Profit before tax from continuing operations	351.4	439.2	238.9	406.1
Income taxes	-88.3	-108.2	-90.3	-142.4
Net income from continuing operations	263.1	331.0	148.7	263.7
Net income / loss from discontinued operations	26.8	-8.6	33.6	-21.6
Profit for the period	289.9	322.4	182.3	242.1
Thereof non-controlling interests	56.5	50.9	95.5	93.7
Thereof Group share of profit	233.4	271.5	86.8	148.4
Earnings per share in € (IAS 33)				
Earnings per share attributable to the parent entity	1.24	1.44	0.46	0.79
Earnings per share – continuing operations	1.10	1.49	0.28	0.90
Earnings / loss per share – discontinued operations	0.14	-0.05	0.18	-0.12

1) Amounts were restated (see section "Other changes", page 23).

Consolidated statement of comprehensive income

€m	April - June		January - June	
	2014 ¹⁾	2015	2014 ¹⁾	2015
Profit for the period	289.9	322.4	182.3	242.1
Other comprehensive income				
Items not being reclassified to profit or loss in subsequent periods				
Remeasurement of the defined benefit liability (asset)	-59.0	65.7	-95.4	-10.5
Income taxes	17.3	-18.9	29.7	3.5
Defined benefit plans	-41.7	46.8	-65.7	-7.0
Net gains/losses arising from equity method investments	0.3			
Total	-41.4	46.8	-65.7	-7.0
Items that maybe be reclassified subsequently to profit or loss				
Cash flow hedges – change in fair value	1.4	-2.1	-0.5	20.3
Reclassification adjustments for gains/losses included in profit or loss	0.1	-1.1	-1.0	-20.3
Income taxes	-0.7	0.8	0.4	-0.2
Cash flow hedges	0.8	-2.4	-1.1	-0.2
Currency translation	204.2	-442.2	201.5	1,323.9
Income taxes	3.5	2.0	1.4	-6.4
Currency translation	207.7	-440.3	202.8	1,317.5
Net gains/losses arising from equity method investments	17.5	-2.1	26.1	21.9
Total	226.0	-444.8	227.8	1,339.1
Other comprehensive income	184.6	-398.0	162.1	1,332.1
Total comprehensive income	474.4	-75.6	344.4	1,574.2
Relating to non-controlling interests	56.5	-8.4	135.8	112.9
Relating to HeidelbergCement AG shareholders	417.9	-67.2	208.6	1,461.2

1) Amounts were restated (see section "Other changes", page 23).

Consolidated statement of cash flows

€m	April - June		January - March	
	2014 ¹⁾	2015	2014 ¹⁾	2015
Net income from continuing operations	263.1	331.0	148.7	263.7
Income taxes	88.3	108.2	90.3	142.4
Interest income/ expenses	108.3	98.9	241.4	196.9
Dividends received	41.2	73.4	83.7	105.0
Interest received	38.5	24.9	83.2	51.7
Interest paid	-164.4	-141.2	-348.3	-305.0
Income taxes paid	-100.5	-158.7	-179.1	-235.8
Depreciation, amortisation, and impairment	171.3	194.9	337.8	380.1
Elimination of other non-cash items	-16.5	-34.6	24.3	-1.1
Cash flow	429.4	496.7	482.1	597.9
Changes in operating assets	-274.8	-270.3	-382.8	-531.4
Changes in operating liabilities	243.1	192.2	58.9	76.7
Changes in working capital	-31.7	-78.1	-323.9	-454.7
Decrease in provisions through cash payments	-41.3	-58.3	-87.6	-110.4
Cash flow from operating activities - continuing operations	356.4	360.3	70.6	32.8
Cash flow from operating activities - discontinued operations	19.4	-1.8	10.7	-47.4
Cash flow from operating activities	375.8	358.5	81.3	-14.6
Intangible assets	-0.7	-8.1	-1.7	-11.2
Property, plant and equipment	-160.5	-197.3	-325.7	-373.6
Subsidiaries and other business units	-2.7	-10.5	-80.2	-10.9
Other financial assets, associates, and joint ventures	-7.1	-2.5	-11.2	-10.3
Investments (cash outflow)	-171.0	-218.4	-418.9	-406.1
Subsidiaries and other business units		12.2	16.8	12.2
Other fixed assets	15.6	18.0	36.5	42.4
Divestments (cash inflow)	15.6	30.2	53.3	54.6
Cash from changes in consolidation scope	-1.3	0.4	20.5	0.4
Cash flow from investing activities - continuing operations	-156.8	-187.7	-345.1	-351.1
Cash flow from investing activities - discontinued operations	-2.7		-1.5	1,231.3
Cash flow from investing activities	-159.5	-187.7	-346.6	880.1
Capital decrease - non-controlling shareholders		-5.9		-5.9
Dividend payments - HeidelbergCement AG	-112.5	-140.9	-112.5	-140.9
Dividend payments - non-controlling shareholders	-155.2	-206.5	-157.1	-209.0
Increase in ownership interests in subsidiaries	-3.4	-13.6	-9.1	-13.6
Proceeds from bond issuance and loans	31.8	-10.6	533.3	0.3
Repayment of bonds and loans	-40.4	-36.2	-50.4	-125.7
Changes in short-term interest-bearing liabilities	152.7	-8.5	55.3	-371.8
Cash flow from financing activities - continuing operations	-127.0	-422.3	259.6	-866.7
Cash flow from financing activities - discontinued operations	0.0		0.0	-4.8
Cash flow from financing activities	-126.9	-422.3	259.6	-871.5
Net change in cash and cash equivalents - continuing operations	72.6	-249.8	-14.9	-1,185.0
Net change in cash and cash equivalents - discontinued operations	16.7	-1.8	9.2	1,179.0
Net change in cash and cash equivalents	89.3	-251.6	-5.8	-6.0
Effect of exchange rate changes	-27.6	-44.6	3.2	41.4
Cash and cash equivalents at the beginning of period	1,286.9	1,559.7	1,351.1	1,228.1
Cash and cash equivalents at period end	1,348.6	1,263.6	1,348.6	1,263.6
Reclassification of cash and cash equivalents according to IFRS 5		-0.1		-0.1
Cash and cash equivalents presented in the balance sheet at period end	1,348.6	1,263.5	1,348.6	1,263.5

1) Amounts were restated (see section "Other changes", page 23).

Consolidated balance sheet

Assets			
€m	30 June 2014 ¹⁾	31 Dec. 2014	30 June 2015
Non-current assets			
Intangible assets			
Goodwill	9,573.0	9,604.6	10,198.2
Other intangible assets	247.3	259.9	265.5
	9,820.2	9,864.5	10,463.7
Property, plant and equipment			
Land and buildings	4,717.9	4,765.3	5,075.2
Plant and machinery	3,619.6	3,595.3	3,636.4
Other operating equipment	288.5	284.3	305.0
Prepayments and assets under construction	893.0	848.3	918.1
	9,519.1	9,493.2	9,934.7
Financial assets			
Investments in joint ventures	1,376.4	1,362.9	1,400.2
Investments in associates	248.3	273.7	286.0
Financial investments	53.4	66.2	69.1
Loans and derivative financial instruments	189.3	129.3	76.6
	1,867.5	1,832.1	1,831.9
Fixed assets	21,206.8	21,189.8	22,230.3
Deferred taxes	434.1	688.4	810.7
Other non-current receivables	494.9	616.3	601.7
Non-current income tax assets	16.4	14.4	15.7
Total non-current assets	22,152.1	22,508.9	23,658.5
Current assets			
Inventories			
Raw materials and consumables	618.7	614.6	638.4
Work in progress	160.3	179.6	204.8
Finished goods and goods for resale	653.0	574.0	583.3
Prepayments	35.6	28.7	30.2
	1,467.6	1,396.8	1,456.8
Receivables and other assets			
Current interest-bearing receivables	117.5	115.3	175.6
Trade receivables	1,436.0	1,057.2	1,534.2
Other current operating receivables	382.4	353.9	490.2
Current income tax assets	83.8	55.8	64.5
	2,019.7	1,582.2	2,264.6
Derivative financial instruments	53.3	36.9	42.8
Cash and cash equivalents	1,348.6	1,228.1	1,263.5
Total current assets	4,889.2	4,244.1	5,027.6
Assets held for sale and discontinued operations		1,379.7	76.7
Balance sheet total	27,041.3	28,132.6	28,762.8

1) Amounts were restated (see section "Other changes", page 23).

Equity and liabilities			
€m	30 June 2014 ¹⁾	31 Dec. 2014	30 June 2015
Shareholders' equity and non-controlling interests			
Subscribed share capital	563.7	563.7	563.7
Share premium	5,539.4	5,539.4	5,539.4
Retained earnings	7,272.8	7,643.9	7,645.9
Other components of equity	-1,687.3	-596.8	722.7
Equity attributable to shareholders	11,688.6	13,150.3	14,471.8
Non-controlling interests	925.4	1,094.7	981.9
Total equity	12,614.0	14,244.9	15,453.6
Non-current liabilities			
Bonds payable	6,809.9	5,601.2	5,370.7
Bank loans	212.3	267.5	180.6
Other non-current interest-bearing liabilities	19.7	26.5	23.3
	7,041.9	5,895.2	5,574.6
Non-controlling interests with put options		5.4	5.5
	7,041.9	5,900.7	5,580.1
Pension provisions	915.8	1,067.6	1,031.3
Deferred taxes	493.0	442.0	483.6
Other non-current provisions	936.8	1,088.4	1,129.5
Other non-current operating liabilities	66.4	84.3	86.5
Non-current income tax liabilities	55.3	54.8	48.3
	2,467.4	2,737.1	2,779.2
Total non-current liabilities	9,509.2	8,637.7	8,359.3
Current liabilities			
Bonds payable (current portion)	1,129.1	1,434.3	1,718.3
Bank loans (current portion)	285.7	285.5	204.9
Other current interest-bearing liabilities	837.5	579.1	113.4
	2,252.4	2,298.8	2,036.6
Non-controlling interests with put options	20.1	22.3	20.9
	2,272.5	2,321.1	2,057.5
Pension provisions (current portion)	95.7	97.2	100.4
Other current provisions	187.1	192.2	206.4
Trade payables	1,404.6	1,398.5	1,429.7
Other current operating liabilities	886.1	892.6	1,035.4
Current income tax liabilities	72.1	126.4	93.9
	2,645.6	2,706.9	2,865.9
Total current liabilities	4,918.1	5,028.0	4,923.4
Liabilities associated with assets held for sale and discontinued operations		222.0	26.4
Total liabilities	14,427.3	13,887.7	13,309.2
Balance sheet total	27,041.3	28,132.6	28,762.8

Consolidated statement of changes in equity

€m	Subscribed share capital	Share premium	Retained earnings ¹⁾	Cash flow hedge reserve
1 January 2014	562.5	5,539.4	7,357.5	6.5
Adjustment			-9.6	
1 January 2014 (restated)	562.5	5,539.4	7,347.8	6.5
Profit for the period			86.8	
Other comprehensive income			-65.5	-1.5
Total comprehensive income			21.3	-1.5
Changes in consolidation scope				
Changes in ownership interests in subsidiaries			-6.9	
Changes in non-controlling interests with put options				
Transfer of asset revaluation reserve			0.7	
Other changes			0.2	
Capital increase from issuance of new shares	1.2			
Capital increase from loan conversion			22.3	
Dividends			-112.5	
30 June 2014	563.7	5,539.4	7,272.8	5.0
1 January 2015	563.7	5,539.4	7,643.9	3.1
Profit for the period			148.4	
Other comprehensive income			-7.0	1.6
Total comprehensive income			141.4	1.6
Changes in ownership interests in subsidiaries			1.4	
Changes in non-controlling interests with put options			-0.7	
Transfer of asset revaluation reserve			0.4	
Other changes			0.5	
Dividends			-140.9	
30 June 2015	563.7	5,539.4	7,645.9	4.7

1) Amounts were restated (see section "Other changes", page 23).

2) The accumulated currency translation differences included in non-controlling interests increased in the first half year of 2015 by € 34.8 million (previous year: 41.1) to € -119.1 million (previous year: -226.0). The total currency translation differences recognised in equity thus amounts to € 535.7 million (previous year: -1,980.3)

Other components of equity							
	Available for sale reserve	Asset revaluation reserve	Currency translation	Total other components of equity	Equity attributable to shareholders ¹⁾	Non-controlling interests ²⁾	Total equity ¹⁾
	26.4	32.8	-1,939.6	-1,874.0	11,585.3	938.0	12,523.4
					-9.6		-9.6
	26.4	32.8	-1,939.6	-1,874.0	11,575.7	938.0	12,513.7
					86.8	95.5	182.3
	3.6		185.3	187.3	121.8	40.3	162.1
	3.6		185.3	187.3	208.6	135.8	344.4
						10.0	10.0
					-6.9	-2.2	-9.1
						1.0	1.0
		-0.7		-0.7			
					0.2	-0.2	
					1.2	0.1	1.3
					22.3		22.3
					-112.5	-157.1	-269.6
	29.9	32.1	-1,754.3	-1,687.3	11,688.6	925.4	12,614.0
	33.6	31.3	-664.7	-596.8	13,150.3	1,094.7	14,244.9
					148.4	93.7	242.1
	-1.4		1,319.6	1,319.9	1,312.9	19.2	1,332.1
	-1.4		1,319.6	1,319.9	1,461.3	113.0	1,574.2
					1.4	-15.0	-13.6
					-0.7	-2.0	-2.8
		-0.4		-0.4			
					0.5	0.3	0.9
					-140.9	-209.0	-350.0
	32.2	30.9	654.8	722.7	14,471.8	981.9	15,453.6

Segment reporting / Notes

Group areas January - June	Western and Northern Europe		Eastern Europe-Central Asia		North America	
	2014 ¹⁾	2015	2014	2015	2014 ¹⁾	2015
€m						
External revenue	1,875	1,986	535	500	1,262	1,640
Inter-Group areas revenue	35	36				
Revenue	1,911	2,022	535	500	1,262	1,640
Change to previous year in %		5.8 %		-6.5 %		29.9 %
Result from joint ventures	1	5	3	3	14	17
Operating income before depreciation (OIBD)	208	253	75	66	191	290
as % of revenue	10.9 %	12.5 %	14.0 %	13.2 %	15.1 %	17.7 %
Depreciation	-114	-117	-50	-48	-92	-118
Operating income	95	136	25	18	99	173
as % of revenue	5.0 %	6.7 %	4.6 %	3.6 %	7.8 %	10.5 %
Result from associates	3	4	0	0	-1	0
Result from other participations	0	0	0		0	0
Result from participations	2	4	0	0	-1	0
Additional ordinary result						
Earnings before interest and taxes (EBIT)	97	140	24	18	97	172
Capital expenditures ³⁾	65	75	41	41	89	106
Segment assets ⁴⁾	6,368	6,180	1,916	1,757	7,434	8,342
OIBD as % of segment assets	3.3 %	4.1 %	3.9 %	3.8 %	2.6 %	3.5 %
Number of employees as at 30 June	12,250	12,634	8,769	8,272	8,775	8,532
Average number of employees	12,135	12,592	8,684	8,322	8,377	8,242

1) Amounts were restated (see section "Other changes", page 23).

2) Includes corporate functions, eliminations of intra-Group relationships between the segments and additional ordinary result.

3) Capital expenditures = in the segment columns: property, plant and equipment as well as intangible assets investments;
in the reconciliation column: investments in financial fixed assets and other business units.

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

	Asia-Pacific		Africa-Mediterranean Basin		Group Services		Reconciliation ²⁾		Continuing operations	
	2014 ¹⁾	2015	2014	2015	2014	2015	2014 ¹⁾	2015	2014 ¹⁾	2015
	1,334	1,415	453	513	357	416			5,816	6,470
	3	7	-4	10	176	156	-210	-209		
	1,337	1,422	449	524	533	572	-210	-209	5,816	6,470
		6.3 %		16.7 %		7.3 %				11.2 %
	39	43	18	20					75	88
	337	362	102	131	15	13	-68	-64	860	1,052
	25.2 %	25.5 %	22.8 %	24.9 %	2.8 %	2.4 %	32.4 %	30.6 %	14.8 %	16.3 %
	-58	-67	-13	-22	0	0	-6	-6	-334	-379
	279	295	89	108	15	13	-74	-70	527	672
	20.9 %	20.7 %	19.8 %	20.7 %	2.8 %	2.3 %	35.1 %	33.7 %	9.1 %	10.4 %
	3	3	0	0					4	8
	0	0							0	1
	3	4	0	0					4	8
							12	11	12	11
	282	299	89	109	15	13	-62	-60	543	691
	85	143	48	20	0	0	92	21	419	406
	2,940	3,353	645	732	36	36			19,339	20,398
	11.5 %	10.8 %	15.8 %	17.8 %	41.2 %	37.8 %			4.4 %	5.2 %
	13,336	13,270	2,655	2,767	73	83			45,858	45,558
	13,836	13,341	2,705	2,786	67	84			45,804	45,367

Notes to the interim consolidated financial statements

Accounting and valuation principles

The interim consolidated financial statements of HeidelbergCement AG as of 30 June 2015 were prepared on the basis of IAS 34 (Interim Financial Reporting). All International Financial Reporting Standards (IFRS), including the interpretations of the IFRS Interpretations Committee (IFRS IC), that were binding as at the reporting date and had been adopted into European law by the European Commission were applied.

In accordance with the regulations of IAS 34, a condensed report scope in comparison with the consolidated financial statements as at 31 December 2014, with selected explanatory notes, was chosen. The accounting and valuation principles applied in the preparation of the interim consolidated financial statements correspond in principle to those of the consolidated financial statements as at 31 December 2014. Detailed explanations can be found on pages 176 f. in the Notes to the 2014 Annual Report, which forms the basis for these interim financial statements.

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

The interim consolidated financial statements were not subject to any audits or reviews.

Application of new accounting standards

The following new or amended IASB standards and interpretations were applicable for the first time in these interim consolidated financial statements.

First-time application of accounting standards
Title
Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
Improvements to IFRSs 2010-2012 Cycle
Improvements to IFRSs 2011-2013 Cycle

- The **amendments to IAS 19 Defined Benefit Plans: Employee Contributions** clarify the accounting of employee contributions or contributions made by third parties for defined benefit pension plans. Contributions that are independent of the years of service may be deducted from past service costs in the period in which the corresponding service was rendered. However, if the contributions are dependent on the number of years of service, they are to be attributed to the periods of service in the same way as the gross benefits. The amendments did not have any impact on the financial position and performance of the Group.
- As part of the annual improvements projects **Improvements to IFRS 2010–2012 Cycle and 2011–2013 Cycle**, the IASB made minor amendments to a total of nine standards. The amendments did not have any impact on the financial position and performance of the Group.

Other changes

In its meeting of 11 November 2014, the IFRS Interpretations Committee (IFRS IC) made a tentative agenda decision with regard to questions in connection with the introduction of IFRS 11 (Joint Arrangements). The final decision of the IFRS IC was made at the meeting of 24 March 2015. This decision relates in particular to the classification of joint arrangements taking into account other facts and circumstances. In its decision, the IFRS IC clarifies that the other facts and circumstances to be taken into account when reviewing the classification must lead to enforceable rights to the assets and enforceable obligations for the liabilities of the joint arrangement. HeidelbergCement considered the conclusions of the tentative agenda decision when preparing the consolidated financial statements as of 31 December 2014 and retrospectively classified our joint arrangement Cement Australia as a joint venture. The values of the comparison period were adjusted retrospectively as at 30 June 2014 for the interim consolidated financial statements as of 30 June 2015.

The restructuring of the defined benefit pension plans in the United Kingdom for the 2014 financial year revealed that in some cases in the 1990s the adjustment of the retirement age (normalisation of retirement age equalisation) was not carried out due to a legal change. The pension obligations were consequently too low. The adjustment has been performed retrospectively as at 1 January 2013 and 31 December 2013, which led to a decrease of €9.6 million in retained earnings, €12.0 million in other non-current receivables (overfunding of pension schemes), and €2.4 million in deferred tax liabilities.

As of 31 December 2014, to improve transparency in the statement of cash flows, we have disclosed cash flows from rolling currency derivatives, in so far as they serve to hedge financial liabilities, in the changes in short-term interest-bearing liabilities. Prior to this, they were reported under "Elimination of other non-cash items". In the first half year of 2014, this led to a decrease in the elimination of other non-cash items and to an increase in the changes in short-term interest-bearing liabilities of €4.3 million.

The retrospective application of the agenda decision of the IFRS IC with regard to IFRS 11, the correction of the defined benefit pension plans in the United Kingdom, and the amended reporting in the statement of cash flows led to adjustments to the figures of the previous year, which are shown in the "Adjustment" column of the following tables.

Furthermore, the discontinued operation Hanson Building Products was adjusted retrospectively in the income statement and in the statement of cash flows in line with the requirements of IFRS 5. The adjustment is shown in the column "Discontinued operations".

Income statement – Retrospective adjustments April - June 2014

€m	April - June 2014			Adjusted
	Before adjustment	Adjustment ¹⁾	Discontinued operations	
Revenue	3,568.1	-58.2	-215.8	3,294.1
Change in finished goods and work in progress	19.1	2.0	2.6	23.7
Own work capitalised	2.0			2.0
Operating revenue	3,589.2	-56.2	-213.2	3,319.8
Other operating income	70.7	-0.1	-6.7	63.9
Material costs	-1,455.7	3.3	79.0	-1,373.4
Employee and personnel costs	-590.1	10.2	58.3	-521.6
Other operating expenses	-953.6	29.7	45.3	-878.6
Result from joint ventures	38.4	7.6	-1.0	45.0
Operating income before depreciation (OIBD)	698.8	-5.5	-38.4	654.9
Depreciation and amortisation	-183.0	3.9	10.3	-168.8
Operating income	515.8	-1.6	-28.1	486.1
Additional ordinary income	3.8			3.8
Additional ordinary expenses	-2.9	0.2	-0.8	-3.5
Additional ordinary result	0.9	0.2	-0.8	0.3
Result from associates	8.9	-0.8		8.1
Result from other participations	0.9			0.9
Result from participations	9.8	-0.8		9.0
Earnings before interest and taxes (EBIT)	526.6	-2.2	-28.9	495.5
Interest income	26.8	0.5	-0.1	27.2
Interest expenses	-137.0	1.4	0.0	-135.5
Foreign exchange losses	-9.3	0.0		-9.3
Other financial result	-27.1	0.0	0.8	-26.4
Financial result	-146.7	1.9	0.7	-144.1
Profit before tax from continuing operations	379.9	-0.2	-28.3	351.4
Income taxes	-88.4	0.2	-0.1	-88.3
Net income from continuing operations	291.4		-28.4	263.1
Net income from discontinued operations	-1.6		28.4	26.8
Profit for the period	289.9			289.9
Thereof non-controlling interests	56.5			56.5
Thereof Group share of profit	233.4			233.4
Earnings per share in € (IAS 33)				
Earnings per share attributable to the parent entity	1.24			1.24
Earnings per share – continuing operations	1.25		-0.15	1.10
Earnings per share – discontinued operations	-0.01		0.15	0.14

1) See section "Other changes", page 23.

Income statement – Retrospective adjustments January - June 2014

€m	January - June 2014			Adjusted
	Before adjustment	Adjustment ¹⁾	Discontinued operations	
Revenue	6,318.0	-110.8	-391.0	5,816.1
Change in finished goods and work in progress	-21.6	1.8	-3.7	-23.5
Own work capitalised	3.8			3.8
Operating revenue	6,300.2	-109.1	-394.7	5,796.4
Other operating income	138.0	-0.1	-11.7	126.2
Material costs	-2,663.4	9.7	149.7	-2,504.0
Employee and personnel costs	-1,127.5	20.0	112.8	-994.7
Other operating expenses	-1,779.7	53.7	87.4	-1,638.5
Result from joint ventures	60.0	15.5	-0.5	75.0
Operating income before depreciation (OIBD)	927.6	-10.2	-57.1	860.3
Depreciation and amortisation	-361.4	7.3	20.6	-333.5
Operating income	566.2	-2.9	-36.5	526.7
Additional ordinary income	22.0			22.0
Additional ordinary expenses	-9.9	0.2	-0.8	-10.5
Additional ordinary result	12.2	0.2	-0.8	11.6
Result from associates	5.4	-1.4		4.0
Result from other participations	0.3			0.3
Result from participations	5.7	-1.4		4.3
Earnings before interest and taxes (EBIT)	584.0	-4.1	-37.3	542.6
Interest income	49.4	1.0	-0.2	50.3
Interest expenses	-294.1	2.4	0.0	-291.7
Foreign exchange losses	-10.7	0.0	0.0	-10.7
Other financial result	-53.0	0.0	1.5	-51.5
Financial result	-308.4	3.4	1.3	-303.7
Profit before tax from continuing operations	275.6	-0.7	-36.0	238.9
Income taxes	-90.1	0.7	-0.8	-90.3
Net income from continuing operations	185.5		-36.8	148.7
Net income from discontinued operations	-3.2		36.8	33.6
Profit for the period	182.3			182.3
Thereof non-controlling interests	95.5			95.5
Thereof Group share of profit	86.8			86.8
Earnings per share in € (IAS 33)				
Earnings per share attributable to the parent entity	0.46			0.46
Earnings per share – continuing operations	0.48		-0.20	0.28
Earnings per share – discontinued operations	-0.02		0.20	0.18

1) See section "Other changes", page 23.

Statement of cash flows – Retrospective adjustments April - June 2014

€m	April - June 2014			Adjusted
	Before adjustment	Adjustment ¹⁾	Discontinued operations	
Net income from continuing operations	291.4		-28.4	263.1
Income taxes	88.4	-0.2	0.1	88.3
Interest income/ expenses	110.2	-1.9	0.1	108.3
Dividends received	33.9	7.3	0.0	41.2
Interest received	38.1	0.5	-0.1	38.5
Interest paid	-166.1	1.5	0.2	-164.4
Income taxes paid	-106.2	5.2	0.5	-100.5
Depreciation, amortisation, and impairment	185.5	-3.9	-10.3	171.3
Elimination of other non-cash items	10.5	-29.0	2.0	-16.5
Cash flow	485.8	-20.5	-35.9	429.4
Changes in operating assets	-299.8	-2.0	27.0	-274.8
Changes in operating liabilities	250.5	4.8	-12.2	243.1
Changes in working capital	-49.4	2.8	14.9	-31.7
Decrease in provisions through cash payments	-43.2	0.2	1.6	-41.3
Cash flow from operating activities - continuing operations	393.3	-17.5	-19.4	356.4
Cash flow from operating activities - discontinued operations			19.4	19.4
Cash flow from operating activities	393.3	-17.5		375.8
Intangible assets	-0.7	0.0		-0.7
Property, plant and equipment	-169.1	4.4	4.1	-160.5
Subsidiaries and other business units	-2.7			-2.7
Other financial assets, associates, and joint ventures	-7.1			-7.1
Investments (cash outflow)	-179.5	4.4	4.1	-171.0
Subsidiaries and other business units				
Other fixed assets	17.3	-0.3	-1.4	15.6
Divestments (cash inflow)	17.3	-0.3	-1.4	15.6
Cash from changes in consolidation scope	-1.3			-1.3
Cash flow from investing activities - continuing operations	-163.6	4.1	2.7	-156.8
Cash flow from investing activities - discontinued operations			-2.7	-2.7
Cash flow from investing activities	-163.6	4.1		-159.5
Dividend payments - HeidelbergCement AG	-112.5			-112.5
Dividend payments - non-controlling shareholders	-155.2			-155.2
Increase in ownership interests in subsidiaries	-3.4			-3.4
Proceeds from bond issuance and loans	45.4	-13.6		31.8
Repayment of bonds and loans	-45.9	5.5		-40.4
Changes in short-term interest-bearing liabilities	131.3	21.4	0.0	152.7
Cash flow from financing activities - continuing operations	-140.3	13.3	0.0	-127.0
Cash flow from financing activities - discontinued operations			0.0	0.0
Cash flow from financing activities	-140.3	13.3		-126.9
Net change in cash and cash equivalents - continuing operations	89.4	-0.1	-16.7	72.6
Net change in cash and cash equivalents - discontinued operations			16.7	16.7
Net change in cash and cash equivalents	89.4	-0.1		89.3
Effect of exchange rate changes	-27.6	0.0		-27.6
Cash and cash equivalents at the beginning of period	1,287.6	-0.8		1,286.9
Cash and cash equivalents at period end	1,349.5	-0.9		1,348.6

1) See section "Other changes", page 23.

Statement of cash flows – Retrospective adjustments January - June 2014

€m	January - June 2014			Adjusted
	Before adjustment	Adjustment ¹⁾	Discontinued operations	
Net income from continuing operations	185.5		-36.8	148.7
Income taxes	90.1	-0.7	0.8	90.3
Interest income/ expenses	244.7	-3.4	0.2	241.4
Dividends received	65.4	18.6	-0.3	83.7
Interest received	82.3	1.0	-0.2	83.2
Interest paid	-351.2	2.4	0.4	-348.3
Income taxes paid	-186.7	5.7	1.9	-179.1
Depreciation, amortisation, and impairment	365.7	-7.3	-20.6	337.8
Elimination of other non-cash items	43.1	-19.4	0.6	24.3
Cash flow	539.0	-3.0	-53.9	482.1
Changes in operating assets	-431.0	0.5	47.7	-382.8
Changes in operating liabilities	61.0	6.6	-8.6	58.9
Changes in working capital	-370.0	7.1	39.0	-323.9
Decrease in provisions through cash payments	-92.3	0.4	4.2	-87.6
Cash flow from operating activities - continuing operations	76.8	4.5	-10.7	70.6
Cash flow from operating activities - discontinued operations			10.7	10.7
Cash flow from operating activities	76.8	4.5		81.3
Intangible assets	-1.7	0.1		-1.7
Property, plant and equipment	-343.1	10.5	6.9	-325.7
Subsidiaries and other business units	-80.2			-80.2
Other financial assets, associates, and joint ventures	-11.2			-11.2
Investments (cash outflow)	-436.3	10.6	6.9	-418.9
Subsidiaries and other business units	16.8			16.8
Other fixed assets	42.3	-0.5	-5.3	36.5
Divestments (cash inflow)	59.1	-0.5	-5.3	53.3
Cash from changes in consolidation scope	20.5			20.5
Cash flow from investing activities - continuing operations	-356.7	10.1	1.5	-345.1
Cash flow from investing activities - discontinued operations			-1.5	-1.5
Cash flow from investing activities	-356.7	10.1		-346.6
Dividend payments - HeidelbergCement AG	-112.5			-112.5
Dividend payments - non-controlling shareholders	-157.1			-157.1
Increase in ownership interests in subsidiaries	-9.1			-9.1
Proceeds from bond issuance and loans	567.9	-34.6		533.3
Repayment of bonds and loans	-65.6	15.2		-50.4
Changes in short-term interest-bearing liabilities	51.0	4.3	0.0	55.3
Cash flow from financing activities - continuing operations	274.6	-15.0	0.0	259.6
Cash flow from financing activities - discontinued operations			0.0	0.0
Cash flow from financing activities	274.6	-15.0		259.6
Net change in cash and cash equivalents - continuing operations	-5.3	-0.5	-9.2	-14.9
Net change in cash and cash equivalents - discontinued operations			9.2	9.2
Net change in cash and cash equivalents	-5.3	-0.5		-5.8
Effect of exchange rate changes	3.3	0.0		3.2
Cash and cash equivalents at the beginning of period	1,351.5	-0.4		1,351.1
Cash and cash equivalents at period end	1,349.5	-0.9		1,348.6

1) See section "Other changes", page 23.

Balance sheet – Retrospective adjustments

Assets	30 June 2014		Adjusted
	Before adjustment	Adjustment ¹⁾	
€m			
Non-current assets			
Intangible assets			
Goodwill	9,960.8	-387.8	9,573.0
Other intangible assets	249.5	-2.2	247.3
	10,210.3	-390.1	9,820.2
Property, plant and equipment			
Land and buildings	4,801.9	-84.0	4,717.9
Plant and machinery	3,747.2	-127.5	3,619.6
Other operating equipment	300.1	-11.6	288.5
Prepayments and assets under construction	901.0	-8.0	893.0
	9,750.2	-231.1	9,519.1
Financial assets			
Investments in joint ventures	859.6	516.8	1,376.4
Investments in associates	271.2	-22.9	248.3
Financial investments	53.4		53.4
Loans and derivative financial instruments	159.0	30.3	189.3
	1,343.2	524.2	1,867.5
Fixed assets	21,303.7	-96.9	21,206.8
Deferred taxes	434.1		434.1
Other non-current receivables	506.9	-12.0	494.9
Non-current income tax assets	16.4		16.4
Total non-current assets	22,261.1	-109.0	22,152.1
Current assets			
Inventories			
Raw materials and consumables	628.2	-9.6	618.7
Work in progress	165.0	-4.7	160.3
Finished goods and goods for resale	662.5	-9.5	653.0
Prepayments	35.6		35.6
	1,491.3	-23.7	1,467.6
Receivables and other assets			
Current interest-bearing receivables	117.5		117.5
Trade receivables	1,478.2	-42.2	1,436.0
Other current operating receivables	384.5	-2.1	382.4
Current income tax assets	83.8		83.8
	2,064.1	-44.4	2,019.7
Derivative financial instruments	53.3	0.0	53.3
Cash and cash equivalents	1,349.5	-0.9	1,348.6
Total current assets	4,958.1	-68.9	4,889.2
Balance sheet total	27,219.2	-177.9	27,041.3

1) See section "Other changes", page 23.

Equity and liabilities	30 June 2014		Adjusted
	Before adjustment	Adjustment ¹⁾	
€m			
Shareholders' equity and non-controlling interests			
Subscribed share capital	563.7		563.7
Share premium	5,539.4		5,539.4
Retained earnings	7,282.5	-9.6	7,272.8
Other components of equity	-1,687.3		-1,687.3
Equity attributable to shareholders	11,698.3	-9.6	11,688.6
Non-controlling interests	925.4		925.4
Total equity	12,623.6	-9.6	12,614.0
Non-current liabilities			
Bonds payable	6,809.9		6,809.9
Bank loans	281.2	-68.9	212.3
Other non-current interest-bearing liabilities	52.1	-32.4	19.7
	7,143.2	-101.3	7,041.9
Pension provisions	915.8		915.8
Deferred taxes	497.6	-4.5	493.0
Other non-current provisions	943.9	-7.1	936.8
Other non-current operating liabilities	66.4		66.4
Non-current income tax liabilities	55.3		55.3
	2,479.0	-11.7	2,467.4
Total non-current liabilities	9,622.2	-112.9	9,509.2
Current liabilities			
Bonds payable (current portion)	1,129.1		1,129.1
Bank loans (current portion)	303.7	-18.0	285.7
Other current interest-bearing liabilities	844.4	-6.9	837.5
	2,277.3	-24.9	2,252.4
Non-controlling interests with put options	20.1		20.1
	2,297.4	-24.9	2,272.5
Pension provisions (current portion)	95.8	-0.1	95.7
Other current provisions	194.2	-7.1	187.1
Trade payables	1,399.9	4.7	1,404.6
Other current operating liabilities	913.8	-27.7	886.1
Current income tax liabilities	72.4	-0.3	72.1
	2,676.0	-30.4	2,645.6
Total current liabilities	4,973.4	-55.3	4,918.1
Total liabilities	14,595.6	-168.3	14,427.3
Balance sheet total	27,219.2	-177.9	27,041.3

Statement of comprehensive income – Retrospective adjustments

€m	April - June 2014			January - June 2014		
	Before adjustment	Adjustment ¹⁾	Adjusted	Before adjustment	Adjustment ¹⁾	Adjusted
Profit for the period	289,9		289,9	182,3		182,3
Other comprehensive income						
Items not being reclassified to profit or loss in subsequent periods						
Remeasurement of the defined benefit liability (asset)	-58,7	-0,3	-59,0	-95,4		-95,4
Income taxes	17,3		17,3	29,7		29,7
Defined benefit plans	-41,4	-0,3	-41,7	-65,7		-65,7
Net gains/losses arising from equity method investments		0,3	0,3			
Total	-41,4		-41,4	-65,7		-65,7
Items that may be reclassified subsequently to profit or loss						
Cash flow hedges – change in fair value	3,3	-1,9	1,4	-1,7	1,2	-0,5
Reclassification adjustments for gains/losses included in profit or loss	0,1		0,1	-1,0		-1,0
Income taxes	-0,8	0,1	-0,7	0,6	-0,2	0,4
Cash flow hedges	2,6	-1,8	0,8	-2,1	1,0	-1,1
Currency translation	211,5	-7,3	204,2	218,7	-17,2	201,5
Income taxes	3,5		3,5	1,4		1,4
Currency translation	215,0	-7,3	207,7	220,0	-17,2	202,8
Net gains/losses arising from equity method investments	8,5	9,0	17,5	9,9	16,2	26,1
Total	226,0		226,0	227,8		227,8
Other comprehensive income	184,6		184,6	162,1		162,1
Total comprehensive income	474,4		474,4	344,4		344,4
Relating to non-controlling interests	56,5		56,5	135,8		135,8
Relating to HeidelbergCement AG shareholders	417,9		417,9	208,6		208,6

1) See section "Other changes", page 23.

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 of Europe and North America, business figures of the first and fourth quarters are adversely affected by the winter months, whereas the warmer months contribute to higher sales and profit numbers in the second and third quarters.

Exchange rates

The following table contains the key exchange rates used in the conversion of the companies' individual accounts into euro.

Exchange rates		Exchange rates at reporting date		Average exchange rates	
		31 Dec. 2014	30 June 2015	01-06/2014	01-06/2015
EUR					
USD	USA	1.2099	1.1138	1.3710	1.1168
AUD	Australia	1.4809	1.4454	1.4990	1.4276
CAD	Canada	1.4059	1.3929	1.5035	1.3785
GBP	Great Britain	0.7764	0.7094	0.8215	0.7328
IDR	Indonesia	15,051	14,849	16,081	14,528

Discontinued operations

On 23 December 2014, HeidelbergCement signed an agreement with a subsidiary of Lone Star Funds on the sale of its building products business in North America (excluding western Canada) and the United Kingdom (referred to in summary as "Hanson Building Products"). Hanson Building Products is a leading manufacturer of pressure and gravity pipes in North America and one of the largest brick producers in North America and the United Kingdom. By selling Hanson Building Products, HeidelbergCement is consistently pursuing its strategy of focusing on the refinement of raw materials for its core products cement and aggregates, as well as downstream concrete and asphalt activities. The transaction was concluded on 13 March 2015. On completion, HeidelbergCement received a payment of €1,245 million. An additional payment of up to US\$100 million is conditional on the success of the business in 2015 and payable in 2016.

Business combinations in the reporting period

During the reporting period, HeidelbergCement undertook smaller business combinations in the Western and Northern Europe Group area. The total cost of the business combinations amounted to €11.2 million and is made up of cash payments of €10.9 million and the provisional fair value of previously held equity interests of €0.3 million. The provisionally recognised goodwill of €5.6 million is unlikely to be deductible for tax purposes. The purchase price allocations have not yet been completed, as not all measurements have been finalised. Adjustments may be made to intangible assets and property, plant, and equipment, as well as deferred taxes. As part of the business combinations, trade receivables with a fair value of €6.4 million and other operating receivables of €0.8 million were acquired. The gross value of the receivables totals €7.3 million, of which €0.1 million is likely irrecoverable.

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

Preliminary fair values recognised as at the acquisition date	
€m	Total
Intangible assets	0.1
Property, plant and equipment	4.2
Financial fixed assets	0.1
Inventories	1.5
Trade receivables	6.4
Cash and cash equivalents	0.4
Other assets	1.3
Total assets	14.0
Provisions	0.4
Liabilities	7.6
Deferred taxes	0.3
Total liabilities	8.3
Net assets	5.7

The companies have contributed €5.1 million to revenue and €0.1 million to the profit for the financial year since their acquisition. If the acquisitions had taken place on 1 January 2015, contributions to revenue and the profit for the financial year would be higher by €10.8 million and €0.3 million, respectively.

Business combinations in the same period of the previous year

To strengthen the market position in the field of aggregates, HeidelbergCement purchased an additional 62.91 % of shares in the Cimescaut Group, Tournai, Belgium – previously accounted for at equity – on 15 January 2014, thereby raising its shareholding to 96.93 %. The purchase price amounted to €47.9 million and was paid in cash. The fair value of the previously held equity interest amounted to €21.4 million as at the acquisition date. The revaluation of the shareholding resulted in a profit of €5.6 million, which was recognised in the additional ordinary income. The non-controlling interests of €1.3 million were measured on the basis of their proportionate interest in the fair value of the identifiable net assets. The provisionally recognised goodwill of €28.9 million as at 30 June 2014, which is not tax-deductible, represents synergy effects.

On 20 January 2014, HeidelbergCement acquired 100 % of the shares in Espabel NV, Gent, Belgium. Espabel operates a cement grinding plant. With this acquisition, HeidelbergCement aims to enhance its market position in cement activities and realise cost savings in production and sales. The purchase price of €35.6 million is made up of a cash payment of €29.6 million and a liability for a contingent consideration, which was recognised at a fair value of €6.0 million. The provisionally recognised goodwill of €27.9 million as at 30 June 2014, which is not tax-deductible, represents synergy effects.

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

Preliminary fair values recognised as at the acquisition date			
€m	Cimescaut	Espabel	Total
Intangible assets	0.0	1.0	1.1
Property, plant and equipment	11.6	33.1	44.7
Financial fixed assets	10.4	0.0	10.4
Inventories	3.2	2.7	5.8
Trade receivables	6.0	3.3	9.3
Cash and cash equivalents	22.9	0.2	23.1
Other assets	9.9	0.3	10.2
Total assets	63.9	40.7	104.6
Provisions	1.4		1.4
Liabilities	18.8	32.8	51.6
Deferred taxes	2.0	0.3	2.3
Total liabilities	22.2	33.0	55.3
Net assets	41.7	7.7	49.4

Divestments in the same period of the previous year

The agreement dated 5 October 2013 obliges HeidelbergCement to dispose of the grinding facility in Raigad, India. The approval of the local authorities and the transfer of assets and liabilities took place on 3 January 2014. The sales price of €19.6 million is made up of a cash payment of €11.8 million and a receivable of €7.8 million.

On the basis of an agreement dated 23 December 2013, HeidelbergCement is obliged to dispose of its shares in OAO Voronezhskoe Rudoupravlenije, Strelica, Russia. The notarial transfer of the shares to the purchaser occurred after approval was given by the local competition authorities on 3 February 2014. The sales price of €5.5 million was paid in cash.

On 28 March 2014, HeidelbergCement sold its shares in Cimgabon S.A., Libreville, Gabon. The resulting purchase price receivable from the disposal amounted to €1.4 million.

The following table shows the assets and liabilities as at the date of deconsolidation.

Assets and liabilities at date of disposal				
€m	India	Russia	Gabon	Total
Property, plant and equipment			3.7	3.7
Inventories			8.0	8.0
Cash and cash equivalents			1.3	1.3
Other assets			8.6	8.6
Disposal groups held for sale	15.5	10.5		26.0
Total assets	15.5	10.5	21.6	47.6
Provisions			16.6	16.6
Liabilities			15.0	15.0
Liabilities associated with disposal groups	3.6	3.8		7.4
Total liabilities	3.6	3.8	31.6	39.0
Net assets	12.0	6.7	-10.0	8.6

The results from deconsolidation are shown in the additional ordinary result.

Revenue development by Group areas and business lines

January - June	Cement		Aggregates		Ready-mixed concrete-asphalt		Service-joint ventures-other		Intra Group eliminations		Total	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Western and Northern Europe	864	880	400	447	718	788	253	266	-324	-359	1,911	2,022
Eastern Europe-Central Asia	457	411	42	47	66	78			-30	-35	535	500
North America	484	621	466	627	348	450	109	108	-146	-167	1,262	1,640
Asia-Pacific	702	761	252	273	519	542	63	17	-199	-171	1,337	1,422
Africa-Mediterranean Basin	305	365	43	48	105	113	16	29	-20	-32	449	524
Group Services							533	572	0		533	572
Inter-Group area revenue within business lines	-31	-25	0		0	0		-12			-31	-36
Total	2,780	3,014	1,203	1,442	1,756	1,971	975	981	-719	-764	5,995	6,643
Inter-Group area revenue between business lines									-179	-173	-179	-173
Total									-898	-937	5,816	6,470

Result from discontinued operations

The following table shows the composition of the result from discontinued operations.

Net income/loss from discontinued operations	Discontinued operations Hanson Building Products		Discontinued operations of the Hanson Group in previous years	
	2014	2015	2014	2015
€m				
Income	391.0	191.1		
Expenses	-355.0	-169.9	-6.1	-6.7
Income taxes	0.8	-5.6	2.9	
Loss on disposal before / after taxes		-30.5		
Net income / loss from discontinued operations	36.8	-14.9	-3.2	-6.7

The results from the discontinued operation Hanson Building Products includes income and expenses as well as income taxes, arising from the bricks, pressure and gravity pipes, and precast concrete parts business until the date of disposal. The loss on disposal includes the loss from the disposal of assets and liabilities including cash and cash equivalents, additional costs of disposal, and currency effects. The expenses incurred in connection with operations of the Hanson Group discontinued in previous years result essentially from provisions for damages and environmental obligations.

Earnings per share

Earnings per share	January - June	
	2014	2015
€m		
Profit for the period	182.3	242.1
Non-controlling interests	95.5	93.7
Group share of profit	86.8	148.4
Number of shares in '000s (weighted average)	187,818	187,916
Earnings per share in €	0.46	0.79
Net income from continuing operations – attributable to the parent entity	53.2	170.0
Earnings per share in € – continuing operations	0.28	0.90
Net income/loss from discontinued operations – attributable to the parent entity	33.6	-21.6
Earnings/loss per share in € – discontinued operations	0.18	-0.12

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

Goodwill

An impairment test on goodwill in accordance with IAS 36 (Impairment of Assets) is generally performed annually within the HeidelbergCement Group, in the fourth quarter once the operational three-year plan has been prepared, or if there are reasons to suspect impairment. In this impairment test, the carrying amount of a group of cash-generating units (CGUs) to which goodwill is allocated is compared with the recoverable amount of this group of CGUs. On 30 June 2015, the management carried out an impairment review, which indicated that no impairment loss needed to be recognised.

Statement of changes in equity

Changes in ownership interests in subsidiaries result primarily from the acquisition of a further 30 % of shares in La Cimentérie de Lukala S.A.R.L., DR Congo. In the financial year, dividends of €140.9 million (€0.75 per share) were paid to shareholders of HeidelbergCement AG. Dividend payments to non-controlling interests totalling €209.0 million include payments of €167.6 million to the non-controlling interests of our Indonesian subsidiary PT Indocement Tunggal Prakasa Tbk.

Changes in estimates for pension provisions

The actuarial gains and losses, which are recognised directly in equity in other comprehensive income, were determined on the basis of the interest rates for the key countries applicable at the reporting date. As at 30 June 2015, actuarial gains of €63.4 million arose with regard to pension obligations, largely due to the increase of around 0.4 percentage points in the discount rate in the euro zone and the USA. Negative revaluations (losses) of €79.1 million resulted from plan assets. The effect of the asset ceiling led to gains of €5.2 million.

Disclosures on financial instruments

The following table assigns the individual balance sheet items for the financial instruments to classes and measurement categories. In addition, the aggregate carrying amounts for each measurement category and the fair values for each class are depicted.

Carrying amounts, measurement and fair values by measurement categories							
€m	Category of IAS 39 ¹⁾	Amortised cost	Cost	Fair value with P/L effect	Fair value without P/L effect	Carrying amount	Fair value
30 June 2015							
Assets							
Financial investments – available for sale at cost	AfS		69.1			69.1	
Loans and other interest-bearing receivables	LaR	211.1				211.1	213.4
Trade receivables and other operating receivables	LaR	2,200.1				2,200.1	2,200.1
Cash and cash equivalents	LaR	1,263.5				1,263.5	1,263.5
Derivatives – hedge accounting	Hedge				27.5	27.5	27.5
Derivatives – held for trading	HfT			56.4		56.4	56.4
Liabilities							
Bonds payable, bank loans, and miscellaneous financial liabilities	FLAC	7,569.1				7,569.1	8,329.3
Trade payables, liabilities relating to personnel, and miscellaneous operating liabilities	FLAC	2,366.3				2,366.3	2,366.3
Liabilities from finance lease	FLAC	11.4				11.4	11.4
Derivatives – hedge accounting	Hedge				0.8	0.8	0.8
Derivatives – held for trading	HfT			29.9		29.9	29.9
Non-controlling interests with put options	FLAC	26.4				26.4	26.4
31 December 2014							
Assets							
Financial investments – available for sale at cost	AfS		66.2			66.2	
Loans and other interest-bearing receivables	LaR	212.9				212.9	218.3
Trade receivables and other operating receivables	LaR	1,617.7				1,617.7	1,617.7
Cash and cash equivalents	LaR	1,228.1				1,228.1	1,228.1
Derivatives – hedge accounting	Hedge				4.2	4.2	4.2
Derivatives – held for trading	HfT			64.4		64.4	64.4
Liabilities							
Bonds payable, bank loans, and miscellaneous financial liabilities	FLAC	8,140.2				8,140.2	9,086.8
Trade payables, liabilities relating to personnel, and miscellaneous operating liabilities	FLAC	2,248.2				2,248.2	2,248.2
Liabilities from finance lease	FLAC	11.5				11.5	11.5
Derivatives – hedge accounting	Hedge				3.3	3.3	3.3
Derivatives – held for trading	HfT			39.1		39.1	39.1
Non-controlling interests with put options	FLAC	27.7				27.7	27.7

1) AfS: Available for sale, LaR: Loans and receivables, Hedge: Hedge accounting, HfT: Held for trading, FLAC: Financial liabilities at amortised cost

All financial assets and liabilities that are measured at fair value are classified in level 2 of the valuation hierarchy in line with IFRS 13.

Related parties disclosures

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

Contingent liabilities and other financial commitments

As at the reporting date, contingent liabilities amounted to €55.9 million (previous year: 61.3), which are essentially related to tax-related risks. The timing of the possible cash outflows for the contingent liabilities is uncertain because they depend on various external factors that remain outside HeidelbergCement's control. The application of taxation regulations might not yet be determined at the time that tax refund claims and liabilities are calculated. The calculation of tax items is based on the regulations most likely to be applied in each case. Nevertheless, the fiscal authorities may be of a deviating opinion, which may give rise to additional tax liabilities.

The total future minimum lease payments for operating leases as at the reporting date are shown in the following table.

Other financial commitments		
€m	31 Dec. 2014	30 June 2015
Future minimum lease payments under non-cancellable operating leases		
Due within one year	140.3	148.9
Due between one and five years	298.0	322.5
Due after five years	303.6	332.0
	741.9	803.4

Events after the balance sheet date

Reportable events that occurred after the balance sheet date are disclosed in the management report.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Heidelberg, 28 July 2015

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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The Half-Year Financial Report January to June 2015 was published on 28 July 2015.

Financial calendar

Interim Financial Report January to September 2015

5 November 2015

Annual General Meeting 2016

4 May 2016

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