

HEIDELBERGCEMENT FINANCE B.V.

ANNUAL REPORT 2010

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REPORT OF THE MANAGEMENT BOARD

The Management Board of HeidelbergCement Finance B.V. (hereinafter "the Company") submits the annual report and the financial statements of the Company for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Activities

The principal activities of the Company consist of the financing of group entities. These activities were continued in 2010.

In 1996 the Company entered into a EUR 3 billion HeidelbergCement Euro Medium Term Note ("EMTN") Programme. With a supplement on September 27, 2007 the Euro Medium Term Note Programme was increased to EUR 10 billion. In 2010 this Programme was updated once again.

On January 18, 2010 the Company made a partial prepayment of EUR 22 million on the syndicated loan facility from 2009.

On January 19, 2010 HeidelbergCement AG issued two Bonds. From the proceeds from the issue the Company made a partial prepayment on the syndicated loan of EUR 1.2 billion. At the same time group companies made similar partial prepayments on loans granted by the Company.

On May 4, 2010 the syndicated loan facility agreement from 2009 was replaced by a new syndicated multi-currency revolving credit facility agreement. The Company repaid the remainder of EUR 616 million out of the syndicated loan facility from 2009. At the same time group companies also repaid the remainder of the loans provided by the Company for an amount of EUR 616 million.

On March 22, 2010, the loan of EUR 1.4 billion from a group company was unwind as a result of which a loan to another group company was unwind.

On July 1, 2010 the Company issued a bond of EUR 650 million. The proceeds of this long term liability have been on lent to a group company.

On July 8, 2010 HeidelbergCement AG was substituted by the Company as debtor of the three bonds issued in October 2009 for a total amount of EUR 2.5 billion and the two bonds issued in January 2010 for a total amount of EUR 1.4 billion. At the same time the loans provided by HeidelbergCement AG to another group company out of the proceeds of the issues were sold and assigned to the Company for a total amount of EUR 3.9 billion.

On December 21, 2010 the external Interest Rate Swaps related to the EUR 1 billion bond maturing October 2014 and EUR 1 billion bond maturing January 2017 were also sold and transferred by HeidelbergCement AG to the Company converting the fixed interest payment to monthly floating

interest payments. At the same time the interest condition of the loans granted to the group company out of the proceeds of these bond issues were converted from fixed to floating interest payments.

Both transactions were carried out at fair value, resulting in additional compensation payments received and paid by the Company.

During the second half of 2010 the Company took on several short term loans from HeidelbergCement AG. Balance of the loans received from HeidelbergCement AG amounted to a total of EUR 191 million at year end.

Results

During the year ended 31 December 2010, the Company recorded a loss of EUR 55.000 after taxation. Revenues consist mainly of interest income. Decrease is due to a lower outstanding loan volume during the year.

Future Outlook

For the current year we expect financing activities on a lower level than in 2010. Considering repayments of maturing Euro Medium Term Notes the loan volume will be comparable to the previous year figure. Interest income is expected to be higher than the 2010 level due to a higher outstanding loan volume during the year.

Financial risks and liquidity

The Company is a wholly owned subsidiary of HeidelbergCement AG. The structure and organisation of the Company are such that risks to the Company are limited. Proceeds of all bonds and notes issued and loans taken up are on-lent to the group companies in the same amount, currency and interest periods. Interest rate risk therefore only exists with respect to the fair value of derivatives. Currency risk on assets and liabilities denominated in other currencies are limited to the interest margins earned on the loans granted.

The Company's liquidity is generated by the cash flows from a fixed spread on the loans granted. The cash inflows coincide because the maturity dates and currencies of the loans outstanding and the bonds and notes issued, loans taken up and interest rate swaps entered into are matched, as are the due dates of the interest coupons receivable and payable. The Company is therefore not exposed to a liquidity risk and no immediate financing needs exist.

The lending of the Company is entirely to group companies. As such, a credit risk exists in respect of lending to these companies. The bonds and notes issued and loans taken up by the Company are unconditionally and irrevocably guaranteed by HeidelbergCement AG.

Management Board

It was resolved to honourably discharge Dr. L. Näger and Mr. H. Böttcher from their position as Managing Director effective 1 June 2010 and to appoint Mr. C. Leclercq and Mrs. I.M. Westerhof-Zweverink as Managing Director, effective 1 June 2010.

Statement by Management Board

The Management Board has declared that to the best of their knowledge:

1. the financial statements give a true and fair view of the assets, the liabilities, the financial position and the results of the Company and
2. the management report gives a true and fair view of the Company's situation as at the balance sheet date, the events that occurred during the year and the risks to which the Company is exposed

Audit Committee

The Company is not required to establish an Audit Committee under Article 3a Royal Decree dated July 26, 2008. Supervision over the financial reporting process, the statutory audit of the annual report and the risk management system of the Company is carried out by treasury and consolidation department of HeidelbergCement AG including its audit committee.

's-Hertogenbosch, 26 April 2011

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WJB

The Management Board

Mr. C. Leclercq

Mr. M.C.M. Cremers

Mrs. W.J.M. Baten

Mr. I.G.C. Pleijers

Mrs. I.M. Westerhof-Zweverink

BALANCE SHEET AS AT 31 DECEMBER 2010

(Before appropriation of result)

(x EUR 1.000)

	2010	2009
<u>ASSETS</u>		
FINANCIAL FIXED ASSETS		
Loans to shareholder	39.696	612.738
Loans to group entities	6.619.812	3.450.968
Deferred taxes	373	0
	<u>6.659.881</u>	<u>4.063.706</u>
CURRENT ASSETS		
Loans to shareholder	43.377	0
Loans to group entities	50.000	1.490.276
Other amounts due from third parties	32.348	0
Other amounts due from shareholder	933	3.060
Other amounts due from group entities	417.085	387.951
Taxation	37	299
Cash at bank	7	0
	<u>543.787</u>	<u>1.881.586</u>
	<u>7.203.668</u>	<u>5.945.292</u>
<u>SHAREHOLDER'S EQUITY AND LIABILITIES</u>		
CAPITAL AND RESERVES		
Issued share capital	18	18
Share premium reserve	1.316	1.316
General reserve	708	734
Net income	-55	1.874
	<u>1.987</u>	<u>3.942</u>
LONG TERM LIABILITIES		
Bonds and notes	5.965.094	1.627.417
Loans from third parties	647.778	2.442.712
Other financial liabilities	57.368	0
	<u>6.670.240</u>	<u>4.070.129</u>
SHORT TERM LIABILITIES		
Bonds and notes	93.377	0
Loans from shareholder	190.724	240.685
Loans from group entities	0	1.490.276
Interest due to third parties	191.528	107.597
Interest due to shareholder	714	158
Interest due to group entities	0	4.900
Other financial liabilities shareholder	55.038	27.254
Other creditors	60	351
	<u>531.441</u>	<u>1.871.221</u>
	<u>7.203.668</u>	<u>5.945.292</u>

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

(x EUR 1.000)	2010	2009
Interest and other financial income shareholder	33.121	41.359
Interest and other financial income group companies	380.700	546.701
Interest and other financial income third parties	4.042	25
Turnover	417.863	588.085
Interest and other financial expenses shareholder	-42.820	-23.346
Interest and other financial expenses group companies	-21.711	-74.474
Interest and other financial expenses third parties	-353.028	-487.318
Cost of Turnover	-417.560	-585.138
Gross Profit	303	2.947
General and Administrative expenses	-337	366
RESULT BEFORE TAXATION	-34	2.581
Taxation	-21	-707
RESULT AFTER TAXATION	-55	1.874

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

(x EUR 1.000)	2010	2009
Net income	-4	1.874
Taxes on income	-30	707
Interest income/expense	-14.770	-5.908
Interest received	695.009	528.259
Interest paid	-376.353	-402.103
Taxes paid	-132	-1.767
Non- cash items (i.e. amortization of deferred result)	5.594	2.952
Cashflow	309.314	124.014
Changes in working capital	-290	291
Cash flow from operating activities	309.024	124.305
Investments (cash outflow)	-650.000	-5.580.560
Proceeds from fixed asset disposals	1.635.881	9.764.167
Cash flow from investing activities	-2.914.119	4.183.607
Dividend payments	-1.900	-3.000
Proceeds from bond issuance and loans	650.000	5.580.560
Repayment of bonds and loans	-1.942.998	-9.885.477
Cash flow from financing activities	2.605.102	-4.307.917
Changes in cash and cash equivalents	7	-5
Cash and cash equivalents at the beginning of the year	0	5
Cash and cash equivalents at the end of the year	7	0

NOTES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

GENERAL

Group affiliation and principal activities

HeidelbergCement Finance B.V. ("the Company"), a corporation with limited liability, having its statutory seat in 's-Hertogenbosch, The Netherlands, was incorporated under the laws of The Netherlands on 11 October 1991. The Company considers HeidelbergCement AG, Germany, to be its ultimate parent company.

ACCOUNTING POLICIES

Basis of presentation

The accompanying annual accounts have been prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in the Netherlands.

Financial assets and liabilities

Financial assets and liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition the financial assets and liabilities are measured at amortised cost using the straight line method. The financial assets are not quoted in an active market. The interest rate swaps used for hedging risks on borrowings and lending associated with interest rate fluctuations are accounted for at fair value. Gains and losses arising from changes in the fair value of the derivatives are recognised in the profit and loss account.

Other Balance sheet items

Other items in balance sheet (e.g. interest receivables or payables) are valued at their nominal value.

Taxation

Corporate income taxes consist of current taxes and deferred taxes. Current taxes are calculated against effective tax rate of 25,5%. The Company has entered into an Advance Pricing Agreement with the Dutch tax authorities. As far as the Company's result is lower than required under above-mentioned APA non deductible expenses has been accounted for.

Besides these non-deductible expenses the effective tax rate has been influenced by taking into account temporary differences.

Foreign currency translation

Assets and liabilities denominated in other currencies are translated into euros at the rates of exchange prevailing on the balance sheet date. Transactions in foreign currencies have been translated at the rates of exchange prevailing on the date of the transactions. Exchange results are reflected in the profit and loss account.

Recognition of income and expenses

All revenues and expenses are accounted for under the accrual method. Premiums, discounts and issue expenses arising from the issue of long term loans are accounted for in the balance sheet as long term liability or financial fixed assets. These premiums, discounts and expenses are recognized as interest and similar income or interest and similar expenses in proportion to the remaining term.

Cash flow statement

The cash flow statement is prepared according the indirect method. The cash items disclosed in the cash flow statement are comprised of cash and cash equivalent. Interest paid and received and income taxes are included in cash flows from operating activities. Dividends paid are recognised as cash used in financing activities.

NOTES ON SPECIFIC ITEMS OF THE BALANCE SHEET

FIXED ASSETS

Financial fixed assets

The movements in the financial fixed assets are as follows:

(x EUR 1.000)	Loans to shareholder	Loans to group entities
Balance at December 31, 2009	612.738	3.450.968
New loans – nominal amount	0	4.550.000
Deferred income re. new loans	0	(137.769)
Compensation changing fixed to float	0	56.151
Movement to current assets - loans	(39.267)	(50.000)
Movement to current assets – deferred income	65	0
Repayment loans	(533.950)	(1.280.365)
Amortization deferred income	110	31.103
Amortization compensation	0	(276)
Balance as at December 31, 2010	<u>39.696</u>	<u>6.619.812</u>

The compensation related to the conversion of the interest condition from fixed to floating of two loans has been deferred and is amortised over the period of the related financial liability, using the straight-line method.

Loans to shareholder represents the following item:

Original loan amount	Interest condition	Maturity date	Loan amount
Currency Amount			(x EUR 1.000)
(x 1.000)			
EUR 40.000	3m Euribor + 1,9542%	18 April 2013	40.000
Total nominal amount loans to shareholder			40.000
Total deferred income			(304)
Total loans to shareholder			39.696

Loans to group entities represent the following items:

Original loan amount		Interest condition	Maturity date	Loan amount (x EUR 1.000)
Currency	Amount (x 1.000)			
EUR	6.000	6m Euribor + 0,2625%	20 January 2012	6.000
EUR	50.000	3m Euribor + 0,3712%	23 January 2012	50.000
EUR	1.000.000	Fixed 8,0661%	25 January 2012	1.000.000
EUR	82.000	3m Euribor + 2,3911%	7 May 2012	82.000
EUR	33.500	Fixed 6,8011%	7 May 2012	33.500
EUR	200.000	Fixed 6,1511%	16 October 2012	200.000
EUR	100.000	3m Euribor + 2,5411%	5 May 2013	100.000
EUR	50.000	6m Euribor + 2,4911%	10 June 2013	50.000
EUR	18.000	3m Euribor + 2,5911%	7 May 2014	18.000
EUR	25.000	Fixed 7,0111%	7 May 2014	25.000
EUR	100.000	Fixed 6,4411%	16 October 2014	100.000
EUR	1.000.000	1m Euribor + 6,3759%	31 October 2014	1.000.000
EUR	30.000	3m Euribor + 1,5042%	9 June 2015	30.000
EUR	650.000	Fixed 6,900%	3 August 2015	650.000
EUR	650.000	Tranche A 550.000: 1m Euribor + 5,3161%	15 December 2015	650.000
		Tranche B 100.000: 1m Euribor + 5,3211%		
EUR	1.000.000	1m Euribor + 6,47025%	31 January 2017	1.000.000
EUR	451.025	Fixed 6,9792%	22 October 2018	451.025
EUR	500.000	Fixed 8,900%	31 October 2019	500.000
EUR	750.000	Fixed 7,900%	3 April 2020	750.000
Total nominal amount loans to group entities				6.695.525
Total deferred income				(131.588)
Total compensation				55.875
Total loans to group entities				6.619.812

Deferred taxes

This item mainly relates to the differences caused by the movement in the valuation of the interest rate swaps, which are not taken into account for tax purposes. For deferred taxes a nominal rate of 25% has been used as this equals the statutory tax rate as of January 1, 2011.

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CURRENT ASSETS

Loans to shareholder

This item comprises the following loans:

Original loan amount		Interest condition	Maturity date	Loan amount (x EUR 1.000)
Currency	Amount (x 1.000)			
EUR	10.000	6m Euribor + 2,5542%	20 May 2011	10.000
SEK	150.000	Fixed 4,4542%	7 November 2011	16.697
SEK	150.000	3m Stibor + 0,4542%	7 November 2011	16.697
Total nominal amount loans to shareholder				43.394
Total deferred income				(17)
Total loans to shareholder				43.377

Loans to group entities

This item comprises the following loan:

Original loan amount		Interest condition	Maturity date	Loan amount (x EUR 1.000)
Currency	Amount (x 1.000)			
EUR	50.000	3m Euribor + 3,3542%	8 April 2011	50.000
Total loans to group entities				50.000

Other amounts due from third parties

This item comprises interest out of the interest rate swaps with banks. The conditions of the SWAPs are explained under the 'other financial liabilities'.

Other amounts due from shareholder

This item comprises interest-bearing current accounts between HeidelbergCement AG and the Company as well as interest receivable on loans and interest out of an interest rate swap.

Other amounts due from group entities

This item comprises interest receivable on group loans.

Cash at bank

Cash is at the free disposal of the Company.

CAPITAL AND RESERVES

Issued share capital

The authorised share capital of the Company consists of 910 shares of EUR 100 each, of which 182 shares have been issued and fully paid up.

Movements in capital and reserves

(x EUR 1.000)	Issued share capital	Share Premium Reserve	General reserve	Net income	Total
Balance as at 31 December 2009	18	1.316	734	1.874	3.942
Result for the year 2010				(55)	(55)
Dividend 2009			(26)	(1.874)	(1.900)
Balance as at 31 December 2010	18	1.316	708	(55)	1.987

LONG TERM LIABILITIES

The following bonds and Euro Medium Term Notes are outstanding:

Issue date	Nominal amount (x 1.000)		Interest rate	Maturity date	Amount (x EUR 1.000)
20 January 2005	EUR	6.000	6m Euribor + 0,20%	20 January 2012	6.000
23 January 2007	EUR	50.000	3m Euribor + 0,20%	23 January 2012	50.000
25 January 2008	EUR	1.000.000	Fixed 7,625%	25 January 2012	1.000.000
21 October 2009	EUR	1.000.000	Fixed 7,50%	31 October 2014	1.000.000
9 June 2005	EUR	30.000	3m Euribor + 1,45%	9 June 2015	30.000
19 January 2010	EUR	650.000	Fixed 6,50%	3 August 2015	650.000
1 July 2010	EUR	650.000	Fixed 6,75%	15 December 2015	650.000
21 October 2009	EUR	1.000.000	Fixed 8,00%	31 January 2017	1.000.000
22 October 2007	EUR	480.000	Fixed 5,625%	4 January 2018	480.000
21 October 2009	EUR	500.000	Fixed 8,50%	31 October 2019	500.000
19 January 2010	EUR	750.000	Fixed 7,50%	3 April 2020	750.000
Total nominal amount Bonds and Notes					6.116.000
Total deferred expenses					(150.906)
Total Bonds and Notes					5.965.094

HeidelbergCement AG unconditionally and irrevocably guarantees all issues.

Loans from third parties

This item represents the following loans:

Issue date	Nominal amount (x 1.000)		Interest rate	Maturity date	Amount (x EUR 1.000)
7 May 2008	EUR	82.000	3m Euribor + 1,95%	7 May 2012	82.000
7 May 2008	EUR	33.500	Fixed 6,36%	7 May 2012	33.500
16 October 2007	EUR	200.000	Fixed 5,71%	16 October 2012	200.000
18 April 2008	EUR	40.000	3m Euribor + 1,90%	18 April 2013	40.000
5 May 2008	EUR	100.000	3m Euribor + 2,10%	5 May 2013	100.000
9 June 2008	EUR	50.000	6m Euribor + 2,05%	10 June 2013	50.000
7 May 2008	EUR	18.000	3m Euribor + 2,15%	7 May 2014	18.000
7 May 2008	EUR	25.000	Fixed 6,57%	7 May 2014	25.000
16 October 2007	EUR	100.000	Fixed 6,00%	16 October 2014	100.000
Total nominal amount Loans from third parties					648.500
Total deferred expenses					(722)
Total Loans from third parties					647.778

The upfront expenses related to issuance of bonds and notes and taking up of loans from third parties have been deferred and are amortised over the period of the related financial liability, using the straight-line method.

Other financial liabilities

This item comprises the fair value of the interest rate swaps converting the fixed rate payment to floating rate payments of two bonds of EUR 1 billion each and one bond of EUR 650 million.

The fair value is determined using available market information from "Bloomberg using swap vs 6m EURIBOR curve (1M EURIBOR forward curve)".

The following interest rate swap was entered into with HeidelbergCement AG on July 1, 2010:

Notional amount		Maturity	Interest conditions		Mutation	Fair value
Currency	Amount	Date	Fixed	Floating rate		31-12-2010
	(x 1.000)		rate			(x 1.000)
EUR	100.000	15 December 2015	6,75%	1m Euribor + 4,880%	(8.875)	(8.875)
EUR	550.000	15 December 2015	6,75%	1m Euribor + 4,875%	(1.638)	(1.638)
					(10.513)	(10.513)

The following external interest rate swaps were transferred from HeidelbergCement AG to the Company on 21 December 2010:

Currency	Notional amount	Maturity Date	Interest conditions		Market value	Mutation	Fair value
	Amount (x 1.000)		Fixed rate	Floating rate	21-12-2010 (x 1.000)		31-12-2010 (x 1.000)
EUR	500.000	31 October 2014	7,50%	1m Euribor + 5,975%	(9.483)	2.437	(7.046)
EUR	300.000	31 October 2014	7,50%	1m Euribor + 5,980%	(5.794)	1.504	(4.290)
EUR	200.000	31 October 2014	7,50%	1m Euribor + 5,972%	(3.928)	1.133	(2.795)
EUR	500.000	31 January 2017	8,00%	1m Euribor + 6,0725%	(18.301)	1.966	(16.335)
EUR	450.000	31 January 2017	8,00%	1m Euribor + 6,065%	(16.711)	2.019	(14.692)
EUR	50.000	31 January 2017	8,00%	1m Euribor + 6,095%	(1.934)	237	(1.697)
					(56.151)	9.296	(46.855)
Total other financial liabilities							(57.368)

SHORT TERM LIABILITIES

Bonds and notes

The Company has the following bond and Euro Medium Term Notes outstanding:

Issue date	Nominal amount (x 1.000)		Interest rate	Maturity date	Amount (x EUR 1.000)
8 April 2004	EUR	50.000	3m Euribor + 2,90%	8 April 2011	50.000
26 March 2004	EUR	10.000	6m Euribor + 2,50%	20 May 2011	10.000
7 November 2006	SEK	150.000	Fixed 4,40%	7 November 2011	16.697
7 November 2006	SEK	150.000	3m Stibor + 0,40%	7 November 2011	16.697
Total nominal amount Bonds and Notes					93.394
Total deferred expenses					(17)
Total Bonds and Notes					93.377

Loans from shareholder

This item represents the following loans:

Issue date	Nominal amount (x 1.000)		Interest rate	Maturity date	Amount (x EUR 1.000)
23 December 2010	EUR	108.008	Euribor + 2.50%	24 January 2011	108.008
2 August 2010	EUR	5.133	Eur-libor + 2.4589%	31 January 2011	5.133
3 August 2010	EUR	3.115	Eur-libor + 2.4589%	3 February 2011	3.115
16 August 2010	EUR	4.854	Euribor + 2.50%	15 February 2011	4.854
15 September 2010	EUR	3.230	Euribor + 2.50%	15 March 2011	3.230
4 October 2010	EUR	13.990	Eur-libor + 2.4589%	4 April 2011	13.990
15 October 2010	EUR	3.214	Euribor + 2.50%	15 April 2011	3.214
1 November 2010	EUR	24.578	Eur-libor + 2.4589%	2 May 2011	24.578
1 November 2010	EUR	13.844	Eur-libor + 2.4589%	2 May 2011	13.844
15 November 2010	EUR	3.406	Euribor + 2.50%	16 May 2011	3.406
15 December 2010	EUR	3.342	Euribor + 2.50%	15 June 2011	3.342
31 December 2010	EUR	2.018	Eur-libor + 2.4589%	30 June 2011	2.018
31 December 2010	EUR	1.992	Eur-libor + 2.4589%	30 June 2011	1.992
Total Loans from shareholder					190.724

Interest due to third parties

This item comprises payable interest out of bonds and notes and loans from third parties.

Interest due to shareholder

This item comprises payable interest on loans from HeidelbergCement AG and an interest rate swap with HeidelbergCement AG.

Other financial liabilities shareholder

This item comprises interest-bearing current accounts between HeidelbergCement AG and the Company.

NOTES ON SPECIFIC ITEMS OF THE PROFIT AND LOSS ACCOUNT

Interest and other financial expenses third parties

This item comprises the following items:

(x EUR 1.000)	2010	2009
Interest expenses	317.518	316.236
Amortization upfront fees and discounts	34.161	171.123
Mutation fair value interest rate swaps	1.217	0
Other financial expenses	132	-41
Total	353.028	487.318

Changes in interest-rates have had negative effect on the fair values of the derivatives. Increases in short-term interest will have further negative effects on the fair value of these derivatives. Interest rate changes have no further effect due to a fixed spread on all loans.

Information regarding the fair value of financial instruments not recorded for at fair value

The fair value of the bonds and notes listed and traded on the Luxembourg Stock Exchange is as follows:

Issue date	Nominal amount (x 1.000)	Maturity date	Price 31-12-2010	Fair value (x EUR 1.000)
25 January 2008	EUR 1.000.000	25 January 2012	104,7%	1.047.000
21 October 2009	EUR 1.000.000	31 October 2014	108,4%	1.084.000
19 January 2010	EUR 650.000	3 August 2015	104,5%	679.250
1 July 2010	EUR 650.000	15 December 2015	105,6%	686.400
21 October 2009	EUR 1.000.000	31 January 2017	106,9%	1.069.000
22 October 2007	EUR 480.000	4 January 2018	98,75%	474.000
21 October 2009	EUR 500.000	31 October 2019	109,85%	549.250
19 January 2010	EUR 750.000	3 April 2020	103,35%	775.125
Total Nominal amount	6.030.000		Total Fair value	6.364.025

No fair value for loans from third parties and loans to group companies is available mainly because the individual credit spread of the group companies is unknown.

Related Parties

Given the setting of the Company, several financing transactions are taken during the year. All financing for the HeidelbergCement Group is done externally and is transferred internally to group entities with a fixed spread.

General and administrative expenses

This item comprises the following items:

(x EUR 1.000)	2010	2009
Management and administrative expenses	256	306
Audit fees	75	44
Other expenses	6	16
Total	337	366

Directors

The Management Board consists of five members, who received no remuneration during the year (2009: EUR 0).

Employees

The Company does not directly employ any staff, but related costs of EUR 256.000 are charged to HeidelbergCement Finance BV by another group company (2009: EUR 306.000).

Auditors

The figures are prepared in accordance with article 2:382a of Dutch Civil Code.

Services provided by Ernst & Young Accountants Netherlands consisted of the following:

(x EUR 1.000)	2010	2009
Audit year end closing	45	44
Audit regarding update EMTN programme	17	0
Other non-audit services	13	0
Total	75	44

Taxation

(x EUR 1.000)	2010	2009
Result before taxation	(34)	2.581
Non deductible expenses	205	193
Tax exempt items (temporary)	1.493	0
Taxable result	1.664	2.774
Corporate income tax (25,5%)	424	707
Corporate income tax prior year	(30)	0
Deferred taxes on temp.diff. (25%)	(373)	0
Taxation	21	707

The effective tax-rate amounts to negative 61%

's-Hertogenbosch, 26 April 2011

The Management Board

Mr. C. Leclercq

Mr. M.C.M. Cremers

Mrs. W.J.M. Baten

Mr. I.G.C. Pleijers

Mrs. I.M. Westerhof-Zweverink

OTHER INFORMATION

Statutory provisions concerning the appropriation of results

In accordance with the Articles of Association the result for the year is at the disposal of the General Meeting of Shareholders. No profit may be distributed to the shareholders as long as the Company has no free reserves available.

Proposed appropriation of result

The Management Board proposes to transfer the loss to the General Reserve.

Post balance sheet events

No post balance sheet events occurred.



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Independent auditor's report

To: HeidelbergCement Finance BV

Report on the financial statements

We have audited the accompanying financial statements 2010 of HeidelbergCement Finance BV, 's-Hertogenbosch, which comprise the balance sheet as at December 31, 2010, the profit and loss account for the year then ended and the notes, comprising the cash flow statement, a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of HeidelbergCement Finance BV as at December 31, 2010 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Eindhoven, April 26, 2011

Ernst & Young Accountants LLP

Signed by N.A.J. Silverentand RA