

**HEIDELBERGCEMENT FINANCE B.V.**

**INTERIM REPORT FOR THE HALF YEAR  
TO JUNE 30, 2011  
(UNAUDITED)**

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## REPORT OF THE MANAGEMENT BOARD

The Management Board of HeidelbergCement Finance B.V. (hereinafter “the Company”) submits the interim report and the financial statements of the Company for the half year ended 30 June 2011.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

#### Activities

The principal activities of the Company consist of the financing of group entities. These activities were continued in the half year to June 30, 2011. During this period the Company repaid notes for a total amount of EUR 60 million. The company did not issue any new bonds or notes or take up any new loan.

HeidelbergCement AG unconditionally and irrevocably guarantees all issues.

#### Selected Financial Information

The following table sets out selected financial information about the Company for the half year to June 30, 2011.

(x EUR 1.000)	30-06-2011
<b>FIXED ASSETS</b>	
Loans to shareholder	0
Loans to group entities	5.495.724
Balance sheet total	7.296.629
Interest and similar income group companies	261.451
Result after taxation	-3.353

The report for the half year to June 30, 2011 is unaudited

#### Post balance sheet events

In October 2011, the Company issued a bond for an amount of EUR 300 million.

Preparations are made for an additional issue of a bond of CHF 150 million in November.

### 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 half year to June 30, 2011 and the risks to which the Company is exposed

's-Hertogenbosch, 20 October 2011

The Management Board

Mrs. W.J.M. Baten

Mr. M.C.M. Cremers

Mr. C. Leclercq

Mr. I.G.C. Pleijers

Mrs. I.M. Zweverink

**BALANCE SHEET AS AT 30 JUNE 2011 (UNAUDITED)**

(Before appropriation of result)

(x EUR 1.000)	<b>30-06-2011</b>	<b>31-12-2010</b>
<b><u>ASSETS</u></b>		
<b>FIXED ASSETS</b>		
Loans to shareholder	<b>0</b>	39.696
Loans to group entities	<b>5.495.724</b>	6.619.812
Deferred taxes	<b>1.752</b>	373
	<b>5.497.476</b>	6.659.881
<b>CURRENT ASSETS</b>		
Loans to shareholder	<b>32.675</b>	43.377
Loans to group entities	<b>1.170.495</b>	50.000
Other amounts due from third parties	<b>45.833</b>	32.348
Other amounts due from shareholder	<b>6.368</b>	933
Other amounts due from group entities	<b>543.771</b>	417.085
Taxation	<b>0</b>	37
Cash at bank	<b>11</b>	7
	<b>1.799.153</b>	543.787
	<b>7.296.629</b>	7.203.668
<b><u>SHAREHOLDER'S EQUITY AND LIABILITIES</u></b>		
<b>CAPITAL AND RESERVES</b>		
Issued share capital	<b>18</b>	18
Share premium reserve	<b>1.316</b>	1.316
General reserve	<b>653</b>	708
Net income	<b>-3.353</b>	-55
	<b>-1.366</b>	1.987
<b>LONG TERM LIABILITIES</b>		
Bonds and notes	<b>4.923.453</b>	5.965.094
Loans from third parties	<b>532.572</b>	647.778
Other financial liabilities	<b>57.368</b>	57.368
	<b>5.513.393</b>	6.670.240
<b>SHORT TERM LIABILITIES</b>		
Bonds and notes	<b>1.087.768</b>	93.377
Loans from third parties	<b>115.386</b>	0
Loans from shareholder	<b>419.380</b>	190.724
Interest due to third parties	<b>146.270</b>	191.528
Interest due to shareholder	<b>2.886</b>	714
Other financial liabilities shareholder	<b>12.547</b>	55.038
Taxation	<b>190</b>	0
Other creditors	<b>175</b>	60
	<b>1.784.602</b>	531.441
	<b>7.296.629</b>	7.203.668

**PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED 30 JUNE 2011 (UNAUDITED)**

(x EUR 1.000)	30-06-2010	30-06-2009
Interest and similar income shareholder	23.088	9.610
Interest and similar income group companies	261.451	121.916
Interest and similar income third parties	<u>77.500</u>	<u>14</u>
<b>Turnover</b>	<b>362.039</b>	131.540
Interest and similar expenses shareholder	-38.179	-7.815
Interest and similar expenses group companies	-5.513	-21.435
Interest and similar expenses third parties	<u>-322.527</u>	<u>-101.675</u>
<b>Cost of Turnover</b>	<b>-366.219</b>	-130.925
<b>Gross Profit</b>	<b>-4.180</b>	615
<b>General and Administrative expenses</b>	<b>-182</b>	-174
<b>RESULT BEFORE TAXATION</b>	<b>-4.362</b>	441
Corporate income tax	-369	-83
Deferred taxes	<u>1.378</u>	<u>0</u>
<b>Taxation</b>	<b>1.009</b>	-83
<b>RESULT AFTER TAXATION</b>	<b><u>-3.353</u></b>	<b><u>358</u></b>

## **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 semi-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%. The Company has entered into an Advance Pricing Agreement with the Dutch tax authorities..

#### **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.

## 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, 2010	39.696	6.619.812
New loans – nominal amount	0	40.000
Deferred income re. new loans	0	0
Movement to current assets – loans	0	-1.171.500
Movement to current assets – deferred income	0	1.859
Repayment loans	-40.000	0
Exchange effect	0	0
Amortization deferred income	304	11.066
Amortization compensation	0	-5.513
Balance as at June 30, 2011	0	5.495.724

#### 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

During the course of the year the 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 2010	18	1.316	708	-55	1.987
Result for the half year				-3.353	-3.353
Result previous year moved to General reserve			-55	55	0
Balance as at 30 June 2011	18	1.316	653	-3.353	-1.366

## LONG TERM LIABILITIES

The movements in long term liabilities are as follows:

( x EUR 1.000)	Bonds and notes	Loans from third parties
Balance at December 31, 2010	5.965.094	647.778
New loans – nominal amount	0	0
Deferred expenses re. new loans	0	0
Movement to short term liabilities - loans	(1.056.000)	(115.500)
Movement to short term liabilities – deferred expenses	1.750	181
Exchange effect loans	0	0
Amortization deferred expenses	12.609	113
Balance as at June 30, 2011	4.923.453	532.572

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.