

HeidelbergCement Finance Luxembourg S.A.

Société anonyme

43, avenue J.F. Kennedy

L-1855 Luxembourg

R.C.S. Luxembourg B 40 962

Annual accounts as at 31 December 2019

and Independent auditor's report

HeidelbergCement Finance Luxembourg S.A.

Index to the Annual accounts

For the year ending 31 December 2019

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Annual accounts

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MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of HeidelbergCement Finance Luxembourg S.A. (hereinafter "the Company") submits the annual report and the financial statements of the Company for the year ended 31 December 2019.

Principal Activities and Business Review

The principal activities of the Company consist of financing group entities within the HeidelbergCement Group. These activities were continued in 2019.

In April 2012 the Company was incorporated as an additional issuer under the HeidelbergCement € 10bn Euro Medium Term Note ("EMTN") Programme. Notes issued under the Programme are listed on the Luxembourg Stock Exchange and are traded on the Regulated Market "Bourse de Luxembourg" of the Luxembourg Stock Exchange. In April 2019 this Programme was updated.

On 12 March 2019 a 500 million EUR 2.25% Fixed Rate Note of 2014 became due and was repaid with the redemption monies of a corresponding loan to HeidelbergCement AG.

On 1 July 2019 the Company issued a 750 million EUR Fixed Coupon Note maturing 2027 at 1.125%. In order to convert the annual Bond fixed coupon into a variable rate the Company concluded an interest rate swap with 6 months Euribor plus a margin of 1.0615%. With the conclusion of a cross currency swap the Company was able to provide the borrower Lehigh Hanson Inc., US, a wholly owned subsidiary of the HeidelbergCement Group, with the requested USD variable long term financing at current market conditions.

On 31 July 2019 the Company received the repayments on the maturing loan tranches of the Credit Facility with HeidelbergCement France S.A.S. in an amount of 237 million EUR.

On 31 October 2019 a 500 million EUR 8.5% Fixed Rate Note issued in year 2009 became due and was repaid with the redemption monies of a corresponding loan to HeidelbergCement UK Holding Limited.

On 12 December 2019 the Company received further repayments of the loan tranches of the Credit Facility with HeidelbergCement France S.A.S. in an amount of 650 million EUR.

On 12 December 2019 the Company received the repayments from HeidelbergCement Holding S.à r.l. on their outstanding loan and interest liabilities to the Company in an amount of 738 million EUR.

HeidelbergCement Finance Luxembourg S.A.

On 12 December 2019 the Company repaid 2,087 million EUR of the Long Term Loan Facility with HeidelbergCement Holding S.à r.l. and thereby reduced the drawing on the Long Term Loan Facility to an amount of 1,941 million EUR as per end of year 2019.

The outstanding loan at the beginning of the year 2019 of 2,000 million Czech Koruna (CZK) which was granted to Českomoravský cement a.s. under the 3,300 million CZK long term credit facility until 8 July 2022 was repaid by the borrower in an amount of 200 million CZK in April 2019 and prolonged thereafter with the borrower in an amount of 1,800 million CZK quarterly during the year 2019. All CZK loan and interest receivable positions were fully hedged against currency risks against EUR with fx swaps and fx forward contracts with HeidelbergCement AG.

On 11 December 2019 the Company paid an Interim Dividend in cash out of the result as of 30 November 2019 to its sole shareholder HeidelbergCement Holding S.à r.l. in an aggregate amount of 91.5 million EUR.

At year end 2019 the deposit of the Company in the cash pool account with HeidelbergCement AG amounted to 300 million EUR. The amount is foreseen for a further refinancing of the already existing borrower of the Company, Lehigh Hanson Inc., US, a wholly owned subsidiary of the HeidelbergCement Group, during the year 2020.

Results

During the year ended 31 December 2019 the Company recorded a profit of 88 million EUR. Revenues of the Company consist almost exclusively of financial income.

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 usually loaned to group companies in the same amount, currency and interest periods. Currency risks on assets denominated in other currencies are fully hedged inclusive the interest earned on these loans.

The Company's liquidity is generated by the cash flows from a fixed spread on the loans granted. The cash inflows coincide with cash outflows because the maturity dates and currencies of the loans outstanding and the bonds and notes issued, loans taken up and fx forward contracts and currency 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.

HeidelbergCement Finance Luxembourg S.A.

The lending business of the Company is entirely to group companies. As according internal HeidelbergCement guidelines each group company is bound for maintaining adequate liquidity to cover financial obligations in full as they fall due and all borrowers have access to the group's centralized treasury and cash pool facilities at all times, therefore, as far as a credit risk exists in respect of lending to these companies, the credit rating of the (listed) HeidelbergCement Group is the one that should be considered. The notes issued and loans taken up by the Company are unconditionally and irrevocably guaranteed by HeidelbergCement AG.

Future Outlook

For the year 2020 the financing activities are expected at the same level as of per 31 December 2019.

Corporate Governance

The Company complies in all material respects with the Luxembourg Corporate Governance Code (www.bourse.lu/corporate-governance).

The Company's ambition for operational excellence is based on a solid foundation of commitment to lawful and ethical conduct. The HeidelbergCement Group's Code of Business Conduct describes the high ethical and legal standards for which all HeidelbergCement employees must comply (www.heidelbergcement.com/sites/default/files/assets/document/cd/d3/code_of_conduct_en_2012.pdf).

Organisation and Management

The Board of the Company is composed of four Directors, two of them non-executive. The daily business is under the responsibility of the Managing Director who reports to the Board of Directors.

As at 31 December 2019, the Company has one part-time employee (70% time) and one full-time employee.

Audit Committee, Internal Control, Risk Management and Financial Reporting Process

Following the entry into force of the Luxembourg Act of 23 July 2016 on the audit profession transposing European Directive 2014/56/EU and implementing European Regulation No. 537/2014, the Company created and established an audit committee (the "Audit Committee") to assist the Board in discharging its responsibilities in the areas of financial reporting, internal controls and risk management. The Audit Committee is comprised at any time of two directors, all of whom are non-executive directors. The Company has implemented an internal control system. The effectiveness and reliability of the internal control system is continuously and periodically evaluated by the management of the company. The Company is included in the centralized risk management system of the Group which is documented in the HeidelbergCement Risk Management Guideline. The financial reporting process and the statutory financial statement are audited annually by an external auditor.

HeidelbergCement Finance Luxembourg S.A.

To the best of my knowledge, the financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and that the management report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

HeidelbergCement Finance Luxembourg S.A.



Bernhard Heidrich, Managing Director

Independent auditor's report

To the Shareholders of
HeidelbergCement Finance Luxembourg S.A.
43, Avenue J.F. Kennedy
L-1855 Luxembourg

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HeidelbergCement Finance Luxembourg S.A. (the "Company") which comprise the balance sheet as at 31 December 2019, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluation of Recoverability of Financial Assets and Amounts owed by Affiliated Undertakings	
Matter	Response
<p>As of 31 December 2019, the Financial Assets and Amounts owed by Affiliated Undertakings amounted to EUR 8,092,871,728.23, which represents 99,58 % of the Company's total assets. As detailed in Note 2 of the annual accounts, the Financial Assets and Amounts owed by Affiliated Undertakings are valued at nominal value including the expenses incidental thereto and value adjustments are made in case of a durable depreciation in value. As of yearend management is performing an assessment of the existence of any indicators of potential impairment. In case such indicators exist, a solvency analysis is performed by the Management in order to assess whether a durable depreciation exists on any of the Financial Assets or Amounts owed by Affiliated Undertakings.</p> <p>Given the significance of Financial Assets and Amounts owed by Affiliated Undertakings and the important judgment involved regarding the assessment of the collectability of these receivables, the evaluation of the recoverability of Financial Assets and Amounts owed by Affiliated Undertakings is a key audit matter.</p>	<p>We have performed the following audit procedures over the evaluation of the recoverability of the Financial Assets and Amounts owed by Affiliated Undertakings:</p> <ul style="list-style-type: none"> - Comparing the nominal value of the Financial Assets and Amounts owed by Affiliated Undertakings reported in the annual accounts to the intercompany reconciliation performed by the Company and to the loan agreements - Inspecting the assessment of the existence of impairment indicators - Inspecting the solvency analysis prepared by the Management - Analysing the methods and assumptions retained by Management in the solvency analysis - Assessing the adequacy of the Company's disclosures in respect of the accounting policies on the Financial Assets and Amounts owed by Affiliated Undertakings as disclosed in Note 2 of the annual accounts.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report and the corporate governance statement but does not include the financial statements and our report of “réviseur d’entreprises agréé” thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and of those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Responsibilities of the “réviseur d’entreprises agréé” for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 19 April 2019 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is eight years.

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The corporate governance statement, as published on the Company's website http://heidelbergcement.com/sites/default/files/assets/document/cd/d3/code_of_conduct_en_2012.pdf, is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent, at the date of this report, with the financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Other matter

The corporate governance statement includes, when applicable, the information required by article 68ter paragraph (1) points a), b), e), f) and g) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Jeannot Weyer

Luxembourg, 10 March 2020

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr. : B40962

Matricule : 2012 2204 589

eCDF entry date :

BALANCE SHEET

Financial year from ⁰¹ 01/01/2019 **to** ⁰² 31/12/2019 (in ⁰³ EUR)

HeidelbergCement Finance Luxembourg S.A.
 43, Avenue J.F. Kennedy
 L-1855 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____	109 <u>6.419.927.842,24</u>	110 <u>8.077.924.334,73</u>
I. Intangible assets	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B40962

Matricule : 2012 2204 589

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131 _____	131 _____	132 _____
4. Payments on account and tangible assets in the course of construction	1133 _____	133 _____	134 _____
III. Financial assets	1135 _____ 3	135 6.419.927.842,24	136 8.077.924.334,73
1. Shares in affiliated undertakings	1137 _____	137 _____	138 _____
2. Loans to affiliated undertakings	1139 _____	139 _____	140 _____
3. Participating interests	1141 _____	141 _____	142 _____
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143 _____	143 _____	144 _____
5. Investments held as fixed assets	1145 _____	145 _____	146 _____
6. Other loans	1147 _____	147 6.419.927.842,24	148 8.077.924.334,73
D. Current assets	1151 _____	151 1.672.961.263,96	152 2.350.128.775,35
I. Stocks	1153 _____	153 _____	154 _____
1. Raw materials and consumables	1155 _____	155 _____	156 _____
2. Work in progress	1157 _____	157 _____	158 _____
3. Finished goods and goods for resale	1159 _____	159 _____	160 _____
4. Payments on account	1161 _____	161 _____	162 _____
II. Debtors	1163 _____ 4	163 1.672.955.794,51	164 2.350.125.255,00
1. Trade debtors	1165 _____	165 _____	166 _____
a) becoming due and payable within one year	1167 _____	167 _____	168 _____
b) becoming due and payable after more than one year	1169 _____	169 _____	170 _____
2. Amounts owed by affiliated undertakings	1171 _____	171 1.672.943.885,99	172 2.350.107.971,90
a) becoming due and payable within one year	1173 _____	173 1.672.943.885,99	174 2.350.107.971,90
b) becoming due and payable after more than one year	1175 _____	175 _____	176 _____
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 _____	177 _____	178 _____
a) becoming due and payable within one year	1179 _____	179 _____	180 _____
b) becoming due and payable after more than one year	1181 _____	181 _____	182 _____
4. Other debtors	1183 _____	183 11.908,52	184 17.283,10
a) becoming due and payable within one year	1185 _____	185 11.908,52	186 17.283,10
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B40962

Matricule : 2012 2204 589

	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>5.469,45</u>	198 <u>3.520,35</u>
E. Prepayments	1199 <u>5</u>	199 <u>34.037.633,36</u>	200 <u>36.830.521,75</u>
TOTAL (ASSETS)		201 <u>8.126.926.739,56</u>	202 <u>10.464.883.631,83</u>

RC SL Nr. : B40962

Matricule : 2012 2204 589

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves	1301 <u>6</u>	301 <u>34.465.691,67</u>	302 <u>37.749.145,03</u>
I. Subscribed capital	1303 _____	303 <u>26.635.550,00</u>	304 <u>26.635.550,00</u>
II. Share premium account	1305 _____	305 _____	306 _____
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>2.688.584,76</u>	310 <u>2.688.584,76</u>
1. Legal reserve	1311 _____	311 <u>2.683.559,61</u>	312 <u>2.683.559,61</u>
2. Reserve for own shares	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves, including the fair value reserve	1429 _____	429 <u>5.025,15</u>	430 <u>5.025,15</u>
a) other available reserves	1431 _____	431 <u>5.025,15</u>	432 <u>5.025,15</u>
b) other non available reserves	1433 _____	433 _____	434 _____
V. Profit or loss brought forward	1319 _____	319 <u>8.425.010,27</u>	320 <u>9.053.892,05</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>88.216.546,64</u>	322 <u>109.071.118,22</u>
VII. Interim dividends	1323 _____	323 <u>-91.500.000,00</u>	324 <u>-109.700.000,00</u>
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
B. Provisions	1331 <u>7</u>	331 <u>446.550,00</u>	332 <u>509.342,31</u>
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 <u>380.635,00</u>	336 <u>445.650,00</u>
3. Other provisions	1337 _____	337 <u>65.915,00</u>	338 <u>63.692,31</u>
C. Creditors	1435 <u>8</u>	435 <u>8.057.977.934,85</u>	436 <u>10.389.796.227,94</u>
1. Debenture loans	1437 _____	437 <u>6.050.000.000,00</u>	438 <u>6.300.000.000,00</u>
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 _____	445 <u>6.050.000.000,00</u>	446 <u>6.300.000.000,00</u>
i) becoming due and payable within one year	1447 _____	447 <u>1.050.000.000,00</u>	448 <u>1.000.000.000,00</u>
ii) becoming due and payable after more than one year	1449 _____	449 <u>5.000.000.000,00</u>	450 <u>5.300.000.000,00</u>
2. Amounts owed to credit institutions	1355 _____	355 _____	356 _____
a) becoming due and payable within one year	1357 _____	357 _____	358 _____
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B40962

Matricule : 2012 2204 589

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361	362
a) becoming due and payable within one year	1363	363	364
b) becoming due and payable after more than one year	1365	365	366
4. Trade creditors	1367	18.073,51	16.107,52
a) becoming due and payable within one year	1369	18.073,51	16.107,52
b) becoming due and payable after more than one year	1371	371	372
5. Bills of exchange payable	1373	373	374
a) becoming due and payable within one year	1375	375	376
b) becoming due and payable after more than one year	1377	377	378
6. Amounts owed to affiliated undertakings	1379	1.960.703.851,21	4.026.475.809,32
a) becoming due and payable within one year	1381	19.691.776,26	17.984.441,21
b) becoming due and payable after more than one year	1383	1.941.012.074,95	4.008.491.368,11
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385	386
a) becoming due and payable within one year	1387	387	388
b) becoming due and payable after more than one year	1389	389	390
8. Other creditors	1451	47.256.010,13	63.304.311,10
a) Tax authorities	1393	393	394
b) Social security authorities	1395	4.359,29	5.404,26
c) Other creditors	1397	47.251.650,84	63.298.906,84
i) becoming due and payable within one year	1399	47.251.650,84	63.298.906,84
ii) becoming due and payable after more than one year	1401	401	402
D. Deferred income	1403	34.036.563,04	36.828.916,55
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405	8.126.926.739,56	10.464.883.631,83

The notes in the annex form an integral part of the annual accounts

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr. : B40962

Matricule : 2012 2204 589

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from 01 01/01/2019 **to** 02 31/12/2019 (in 03 EUR)

HeidelbergCement Finance Luxembourg S.A.
 43, Avenue J.F. Kennedy
 L-1855 Luxembourg

PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 <u>49.174,79</u>	702 <u>47.478,27</u>
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____ 10	713 <u>11.244.776,16</u>	714 <u>9.631.666,73</u>
5. Raw materials and consumables and other external expenses	1671 _____ 11	671 <u>-11.470.741,14</u>	672 <u>-9.960.835,85</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____	603 <u>-11.470.741,14</u>	604 <u>-9.960.835,85</u>
6. Staff costs	1605 _____ 12	605 <u>-232.208,43</u>	606 <u>-236.065,21</u>
a) Wages and salaries	1607 _____	607 <u>-154.281,60</u>	608 <u>-157.075,43</u>
b) Social security costs	1609 _____	609 <u>-26.021,59</u>	610 <u>-32.078,38</u>
i) relating to pensions	1653 _____	653 <u>-23.108,48</u>	654 <u>-24.562,97</u>
ii) other social security costs	1655 _____	655 <u>-2.913,11</u>	656 <u>-7.515,41</u>
c) Other staff costs	1613 _____	613 <u>-51.905,24</u>	614 <u>-46.911,40</u>
7. Value adjustments	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 _____	621 _____	622 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B40962

Matricule : 2012 2204 589

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
10. Income from other investments and loans forming part of the fixed assets	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
11. Other interest receivable and similar income	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731	732
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663	664
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	665	666
14. Interest payable and similar expenses	1627	627	628
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631	631	632
15. Tax on profit or loss	1635	635	636
16. Profit or loss after taxation	1667	667	668
17. Other taxes not shown under items 1 to 16	1637	637	638
18. Profit or loss for the financial year	1669	669	670

The notes in the annex form an integral part of the annual accounts

HeidelbergCement Finance Luxembourg S.A.
Annual accounts
For the year ending 31 December 2019

CASH FLOW STATEMENT

For the year ending 31 December 2019

	31 December 2019	31 December 2018
	(EUR)	(EUR)
Cash flows from operating activities		
Net result	88.216.547	109.071.118
Non-cash adjustments to reconcile result for the financial year to net cash flows:		
<i>Prepayments</i>	2.792.888	-7.930.420
<i>Receivables</i>	497.456.338	573.597.933
<i>Trade creditors</i>	1.966	-8.691
<i>Payables</i>	-2.081.820.259	-1.345.225.037
<i>Provisions</i>	-62.792	207.600
<i>Deferred income</i>	-2.792.354	7.965.433
Net cash flows from operating activities	-1.496.207.666	-662.322.063
Investing activities		
Loans granted to group companies	-750.000.000	-1.500.000.000
Cash receipts from group companies	2.587.709.615	1.752.025.000
Net cash flows used in investing activities	1.837.709.615	252.025.000
Financing activities		
Repayment Loan Notes	-1.000.000.000	-980.000.000
Proceeds from issue of Loan Notes	750.000.000	1.500.000.000
Proceeds from capital increase	-	-
Dividend payments	-91.500.000	-109.700.000
Net cash flows from financing activities	-341.500.000	410.300.000
Net increase in cash and cash equivalents		
Cash and cash equivalents as at 1 January	3.520	584
Net changes in cash and cash equivalents	1.949	2.937
Cash and cash equivalents as at 31 December	5.469	3.520

1 General information

HeidelbergCement Finance Luxembourg S.A. (hereafter the "Company") was incorporated on 24 July 1992 and organised under the laws of Luxembourg as a Société anonyme (public limited liability company). On 20 March 2012, the name of the Company has been changed from St. Yvette S.à r.l. to HeidelbergCement Finance Luxembourg S.A.

The sole shareholder of the Company is HeidelbergCement Holding S.à r.l..

With effective date 1 May 2017, the Company changed its registered address from 13, rue Edward Steichen, L-2540 Luxembourg, to its current address at 43, avenue J.F. Kennedy, L-1855 Luxembourg. The Company number with the Registre de Commerce is B 40 962. The financial year of the Company starts on 1 January and ends on 31 December.

The Company's objects and purposes are:

a) the acquisition of participations, in Luxembourg or abroad, in any company or enterprise in any form whatsoever, and the management of those participations as well as the supervision of the businesses of the participations. The Company may in particular acquire, by subscription, purchase and exchange or in any other manner, any stock, shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and, more generally, any securities and financial instruments issued by any public or private entity. It may participate in the creation, development, management and control of any company or enterprise. Further, it may invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin.

b) to borrow in any form whatsoever. It may issue notes, bonds and any kind of debt and equity securities. It may raise and lend funds, including, without limitation, the proceeds of any borrowings, to its subsidiaries, affiliated companies and any other companies and finance businesses and companies. It may also give guarantees and pledge, transfer, encumber or otherwise create and grant security over some or all of its assets to guarantee its own obligations, the obligations of any affiliated group companies or those of any other company in which it has a direct or indirect interest. The Company may enter into agreements in connection with the aforementioned activities.

c) to use any techniques, legal means and instruments to manage its investments efficiently and protect itself against credit risks, currency exchange exposure, interest rate risks and other risks.

d) to carry out any commercial, financial or industrial operation and any transaction with respect to real estate or movable property, which directly or indirectly, favours or relates to its corporate object at the exclusion of any banking activity and any other regulated financial activity.

For the avoidance of doubt, the Company may not carry out any regulated financial sector activities without having obtained the requisite authorisation.

On the basis of Article 1711-5 set out by Luxembourg Company law, the Company is exempted from the obligation to draw up consolidated accounts and a consolidated management report for the year ending 31 December 2019. Therefore, in accordance with the legal provisions, these annual accounts are presented on a non-consolidated basis to be approved by the shareholder during the annual general meeting.

The Company is included in the consolidated accounts of HeidelbergCement AG. The registered office of that company is located at 6 Berliner Strasse, 69120 Heidelberg, Germany. The consolidated accounts are published in the Group's website (<https://www.heidelbergcement.com/en/reports-and-presentations>) and in German Federal Gazette (Bundesanzeiger, <https://www.bundesanzeiger.de/ebanzwww/wexsservlet>).

2 Summary of significant accounting policies

Basis of preparation

The annual accounts of the Company are prepared in accordance with Luxembourg legal and regulatory requirements.

Accounting policies and valuation rules follow the historical cost convention and are, besides the ones laid down by the law, determined and applied by the Board of Directors.

The layout of the balance sheet and profit and loss account are complying with the law of 10 December 2010 (the 'Law of 2010').

Financial assets

Loans to affiliated undertakings are valued at nominal value including the expenses incidental thereto.

In case of a durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Prepayments and accrued income

This asset item includes expenditure incurred during the financial year but relating to a subsequent financial year.

Provisions

Provisions are intended to cover losses or debts of which the nature is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created in order to cover charges which have their origin in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Cash and deposits, creditors and other liabilities

Cash and deposits, creditors and other liabilities are valued at their nominal value.

Value adjustments

Value adjustments are deducted directly from the related assets.

Foreign currency translation

The Company maintains its accounts in Euro ("EUR"). Transactions expressed in currencies other than EUR (or other currency) are translated into EUR at the exchange rate effective at the time of the transaction.

Formation expenses and fixed assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

HeidelbergCement Finance Luxembourg S.A.
Notes to the Annual accounts
For the year beginning 1 January 2019 and ending 31 December 2019
(expressed in Euro)

Cash at bank and all items subject to fair value valuation are translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The realised exchange gains are recorded in the profit and loss account at the moment of their realisation. Consequently, only realised exchange gains and losses and unrealised exchange losses are reflected in the profit and loss account.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and only the net unrealised loss is recorded in the profit and loss account.

3 Financial fixed assets

Financial fixed assets held at cost less impairment - movements	Gross book value	Additions	Reimbursements	Transfers	Gross book value 31
gross book value	1 Jan 2019				Dec 2019
Other loans	8.077.924.334,73	750.000.000,00	(1.357.996.492,49)	(1.050.000.000,00)	6.419.927.842,24
Total	8.077.924.334,73	750.000.000,00	(1.357.996.492,49)	(1.050.000.000,00)	6.419.927.842,24

The transfers amounting to EUR 1.050.000.000,00 represent the reclassification of four loans from long term to short term. Please refer to schedule below as well as Note 4, section "Amounts owned by affiliated undertakings - becoming due and payable within one year".

Financial fixed assets held at cost less impairment - movements	Gross book value	Additions	Reimbursements	Transfers	Gross book value 31
gross book value	1 Jan 2018				Dec 2018
Other loans	8.590.479.771,37	1.537.063.732,53	(812.339.169,17)	(1.237.280.000,00)	8.077.924.334,73
Total	8.590.479.771,37	1.537.063.732,53	(812.339.169,17)	(1.237.280.000,00)	8.077.924.334,73

Other loans	Counterparty	Currency	Nominal Amount	Interest rate	Maturity date	2019		2018	
						Amount (EUR)	2019	Amount (EUR)	2018
	Ceskomoravsky Cement	CZK	1.800.000.000,00	3M Pribor + 2,5%	8 July 2022	69.927.842,24		77.494.719,91	
	HeidelbergCement AG	EUR	300.000.000,00	3,31%	21 October 2020	reclassified short term		300.000.000,00	
	HeidelbergCement AG	EUR	500.000.000,00	3,31%	21 October 2021	500.000.000,00		500.000.000,00	
	HeidelbergCement AG	EUR	250.000.000,00	1,848%	24 April 2028	250.000.000,00		250.000.000,00	
	HeidelbergCement Holding S.à r.l.	EUR	-	5,80%	18 August 2021	-		655.765.321,54	
	HeidelbergCement Holding S.à r.l.	EUR	-	3M Euribor + 2,5%	Indefinite	-		44.664.293,28	
	HeidelbergCement UK Holdings Ltd.	EUR	750.000.000,00	7,90%	3 April 2020	reclassified short term		750.000.000,00	
	HeidelbergCement UK Holdings Ltd.	EUR	750.000.000,00	0,957%	18 January 2021	750.000.000,00		750.000.000,00	
	HeidelbergCement UK Holdings Ltd.	EUR	500.000.000,00	2,082%	7 April 2026	500.000.000,00		500.000.000,00	
	HeidelbergCement UK Holdings Ltd.	EUR	500.000.000,00	1,957%	14 June 2027	500.000.000,00		500.000.000,00	
	HeidelbergCement UK Holdings Ltd.	EUR	500.000.000,00	2,248%	24 April 2028	500.000.000,00		500.000.000,00	
	HeidelbergCement France S.A.S -tranche 1	EUR	1.000.000.000,00	12M Euribor +3%	1 July 2026	1.000.000.000,00		1.000.000.000,00	
	HeidelbergCement France S.A.S -tranche 2*	EUR	500.000.000,00	12M Euribor +2,8%	15 September 2023	350.000.000,00		500.000.000,00	
	HeidelbergCement France S.A.S -tranche 3*	EUR	500.000.000,00	12M Euribor +2,5%	15 September 2021	-		500.000.000,00	
	Ciments Français S.a.s	EUR	500.000.000,00	2,082%	7 April 2026	500.000.000,00		500.000.000,00	
	Lehigh Hanson Inc.	USD	868.621.125,00	6M Libor + 98.864bp	9 August 2022	750.000.000,00		750.000.000,00	
	Lehigh Hanson Inc.	USD	852.750.000,00	6M Libor + 197.32bp	1 December 2027	750.000.000,00		-	
Total						6.419.927.842,24		8.077.924.334,73	

* On 12 December 2019, the Company received prepayments on the tranche 2 and the tranche 3 of the Euro Credit Facility with HeidelbergCement France S.A.S. in an amount of 150 million EUR and 500 million EUR respectively.

4 Debtors

Debtors by category	becoming due and payable within one year		
	2019	2019	2018
Amounts owed by affiliated undertakings	1.672.943.885,99	1.672.943.885,99	2.350.107.971,90
Other debtors	11.908,52	11.908,52	17.283,10
Total	1.672.955.794,51	1.672.955.794,51	2.350.125.255,00

Amounts owed by affiliated undertakings

becoming due and payable within one year

Counterparty	Currency	Nominal Amount	Interest rate	Maturity date	Currency	Amount as at
						31 Dec 2019
HeidelbergCement UK Holdings Ltd.	EUR	750.000.000,00	7,9000%	3 April 2020	EUR	750.000.000,00
HeidelbergCement UK Holdings Ltd. Susp.Int.	EUR	113.602.118,64	3M Euribor +2,5411%	23 March 2020	EUR	113.602.118,64
HeidelbergCement UK Holdings Ltd. Susp.Int.	EUR	49.347.237,60	6M Euribor +2,5%	3 April 2020	EUR	49.347.237,60
HeidelbergCement UK Holdings Ltd. Susp.Int.	EUR	48.902.525,19	6M Euribor +2,5%	3 February 2020	EUR	48.902.525,19
HeidelbergCement UK Holdings Ltd. Susp.Int.	EUR	7.177.500,00	0,9830%	20 January 2020	EUR	7.177.500,00
HeidelbergCement UK Holdings Ltd. Susp.Int.	EUR	10.496.750,00	0,7980%	7 April 2020	EUR	10.496.750,00
HeidelbergCement UK Holdings Ltd. Susp.Int.	EUR	9.785.000,00	0,8070%	15 June 2020	EUR	9.785.000,00
HeidelbergCement Holding S.à r.l.	EUR	120.015,96	N/A	N/A	EUR	120.015,96
HeidelbergCement AG	EUR	300.000.000,00	3,3148%	21 October 2020	EUR	300.000.000,00
HeidelbergCement AG (cash pool account)	EUR	300.325.504,78	0,0000%	N/A	EUR	300.325.504,78
Subtotal						1.589.756.652,17
Interest accruals affiliated undertakings						83.187.233,82
Total						1.672.943.885,99

HeidelbergCement Finance Luxembourg S.A.
Notes to the Annual accounts
For the year beginning 1 January 2019 and ending 31 December 2019
(expressed in Euro)
Amounts owed by affiliated undertakings

becoming due and payable within one year

Counterparty	Currency	Nominal Amount	Interest rate	Maturity date	Currency	Amount as at 31 Dec 2018
HeidelbergCement AG	EUR	500.000.000,00	2,3100%	12 March 2019	EUR	500.000.000,00
HeidelbergCement UK Holdings Ltd.	EUR	500.000.000,00	8,9000%	30 October 2019	EUR	500.000.000,00
HeidelbergCement France S.A.S -tranche 4*	EUR	200.000.000,00	12M Euribor +2%	31 July 2019	EUR	200.000.000,00
HeidelbergCement France S.A.S -tranche 5*	EUR	750.000.000,00	12M Euribor +2%	31 July 2019	EUR	37.280.000,00
HeidelbergCement UK Holdings Ltd. Susp.Int.	EUR	113.602.118,64	3M Euribor +2,5411%	25 March 2019	EUR	113.602.118,64
HeidelbergCement UK Holdings Ltd. Susp.Int.	EUR	49.347.237,60	6M Euribor +2,5%	3 April 2019	EUR	49.347.237,60
HeidelbergCement UK Holdings Ltd. Susp.Int.	EUR	48.902.525,19	6M Euribor +2,5%	4 February 2019	EUR	48.902.525,19
HeidelbergCement UK Holdings Ltd. Susp.Int.	EUR	7.177.500,00	0,4920%	18 January 2019	EUR	7.177.500,00
HeidelbergCement UK Holdings Ltd. Susp.Int.	EUR	10.496.750,00	0,5170%	9 April 2019	EUR	10.496.750,00
HeidelbergCement UK Holdings Ltd. Susp.Int.	EUR	9.785.000,00	0,4870%	14 June 2019	EUR	9.785.000,00
HeidelbergCement Holding S.à r.l.	EUR	92.314,63	N/A	N/A	EUR	92.314,63
HeidelbergCement AG (cash pool account)	EUR	765.588.126,64	0,0000%	N/A	EUR	765.588.126,64
Subtotal						2.242.271.572,70
Interest accruals affiliated undertakings						107.836.399,20
Total						2.350.107.971,90

Other debtors becoming due and payable within one year and amounting EUR 11.908,52 (2018: 17.283,10) is composed of VAT recoverable from the Luxembourg VAT authorities.

5 Prepayments

Prepayments	2019	2018
Deferred expenses	34.036.563,36	36.828.916,75
Tax advances	1.070,00	1.605,00
Total	34.037.633,36	36.830.521,75

Deferred expenses represent upfront costs and discounts on bonds issued by the Company that are amortized until the bonds are becoming due for repayment.

6 Capital and reserves

Movements in capital and reserves	Balance as at beginning 2019	Allocation of previous year result	Other movements	Net result for the current year	Balance as at the end of 2019
Subscribed capital	26.635.550,00	-	-	-	26.635.550,00
Reserves	2.688.584,76	-	-	-	2.688.584,76
Profit or loss brought forward	9.053.892,05	(628.881,78)	-	-	8.425.010,27
Profit or loss for the financial year	109.071.118,22	(109.071.118,22)	-	88.216.546,64	88.216.546,64
Interim dividends	(109.700.000,00)	109.700.000,00	(91.500.000,00)	-	(91.500.000,00)
Total	37.749.145,03	-	(91.500.000,00)	88.216.546,64	34.465.691,67
Reserves				2019	2018
Legal reserve				2.683.559,61	2.683.559,61
Other reserves, including the fair value reserve					
Other available reserves				5.025,15	5.025,15
<i>of which reserve for net wealth tax</i>				5.025,15	5.025,15
Total				2.688.584,76	2.688.584,76

Subscribed capital

The subscribed capital of the Company amounts to EUR 26.635.550,00 and is divided into 2.663.555 shares with a nominal value of EUR 10,00 each, issued and fully paid up as at 31 December 2019.

Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

Other reserves

As from the financial year 2003, the Company reduced the net wealth tax liability in accordance with paragraph 8a of the Net wealth tax law. In order to comply with the law, the Company decided to allocate to the non-distributable Reserve for net wealth tax (under "Other reserves") an amount that corresponds to five times the amount of reduction of the net wealth tax. This reserve is non-distributable for a period of five years following the one during which the net wealth tax was reduced.

Interim dividends

The Company declared and paid an interim dividend on 11 December 2019 amounting to EUR 91.500.000,00 on the basis of interim accounts as at 30 November 2019.

7 Provisions

Provisions	2019	2018
Provisions for taxation	380.635,00	445.650,00
Other provisions (for tax advisory and compliance fees)	65.915,00	63.692,31
Total	446.550,00	509.342,31

8 Creditors

Creditors by category	becoming due and payable within one year	becoming due and payable between one and five years	becoming due and payable after more than five years	2019	2018
Non-convertible loans	1.050.000.000,00	2.000.000.000,00	3.000.000.000,00	6.050.000.000,00	6.300.000.000,00
Trade creditors	18.073,51	-	-	18.073,51	16.107,52
Amounts owed to affiliated undertakings	19.691.776,26	-	1.941.012.074,95	1.960.703.851,21	4.026.475.809,32
Other creditors	47.256.010,13	-	-	47.256.010,13	63.304.311,10
Total	1.116.965.859,90	2.000.000.000,00	4.941.012.074,95	8.057.977.934,85	10.389.796.227,94

Non-convertible loans

becoming due and payable within one year

Description	Original currency	Nominal Amount	Interest rate	Maturity date	2019	2018
					Amount (EUR)	Amount (EUR)
Bond	EUR	500.000.000,00	2,250%	12 March 2019	-	500.000.000,00
Bond	EUR	500.000.000,00	8,500%	31 October 2019	-	500.000.000,00
Bond	EUR	750.000.000,00	7,500%	3 April 2020	750.000.000,00	-
Bond	EUR	300.000.000,00	3,250%	21 October 2020	300.000.000,00	-
Total					1.050.000.000,00	1.000.000.000,00

becoming due and payable after more than one year

Description	Original currency	Nominal Amount	Interest rate	Maturity date	2019	2018
					Amount (EUR)	Amount (EUR)
Bond	EUR	750.000.000,00	7,500%	3 April 2020	-	750.000.000,00
Bond	EUR	300.000.000,00	3,250%	21 October 2020	-	300.000.000,00
Bond	EUR	500.000.000,00	3,250%	21 October 2021	500.000.000,00	500.000.000,00
Bond	EUR	750.000.000,00	0,500%	18 January 2021	750.000.000,00	750.000.000,00
Bond	EUR	1.000.000.000,00	1,625%	7 April 2026	1.000.000.000,00	1.000.000.000,00
Bond	EUR	500.000.000,00	1,500%	14 June 2027	500.000.000,00	500.000.000,00
Bond	EUR	750.000.000,00	1,750%	24 April 2028	750.000.000,00	750.000.000,00
Bond	EUR	750.000.000,00	0,500%	9 August 2022	750.000.000,00	750.000.000,00
Bond	EUR	750.000.000,00	1,125%	1 December 2027	750.000.000,00	-
Total					5.000.000.000,00	5.300.000.000,00

Amounts owed to affiliated undertakings

becoming due and payable within one year

	Opening Balance 1 Jan 2019			Closing Balance 31 Dec 2019	
		Additions	Repayments		
HeidelbergCement AG	17.984.441,21	19.691.776,26	(17.984.441,21)	19.691.776,26	
Total	17.984.441,21	19.691.776,26	(17.984.441,21)	19.691.776,26	

becoming due and payable after more than one year

	Opening Balance 1 Jan 2019			Closing Balance 31 Dec 2019	
		Additions	Repayments		
HeidelbergCement Holding S.à r.l. (long term loan note)	4.008.491.368,11	19.520.706,84	(2.087.000.000,00)	1.941.012.074,95	
Total	4.008.491.368,11	19.520.706,84	(2.087.000.000,00)	1.941.012.074,95	

Other creditors

becoming due and payable within one year

Description	Original currency	Nominal Amount	Interest rate	Reporting currency	Total amount as at 31 Dec 2019	Total amount as at 31 Dec 2018
Accrued interest on bond	EUR	750.000.000,00	7,500%	EUR	13.593.750,00	13.593.750,00
Accrued interest on bond	EUR	500.000.000,00	8,500%	EUR	-	7.083.333,33
Accrued interest on bond	EUR	500.000.000,00	3,250%	EUR	3.114.583,33	3.114.583,33
Accrued interest on bond	EUR	300.000.000,00	3,250%	EUR	1.868.750,00	1.868.750,00
Accrued interest on bond	EUR	500.000.000,00	2,250%	EUR	-	9.000.000,00
Accrued interest on bond	EUR	750.000.000,00	0,500%	EUR	3.562.500,00	3.562.500,00
Accrued interest on bond	EUR	1.000.000.000,00	1,625%	EUR	11.898.907,10	11.931.506,85
Accrued interest on bond	EUR	500.000.000,00	1,500%	EUR	4.083.333,33	4.083.333,33
Accrued interest on bond	EUR	750.000.000,00	1,750%	EUR	8.968.750,00	8.968.750,00
Accrued interest on bond	EUR	750.000.000,00	-0,0902%	EUR	(270.600,00)	92.400,00
Accrued interest on bond	EUR	750.000.000,00	0,7145%	EUR	431.677,08	-
Social security	EUR	4.359,29	0,000%	EUR	4.359,29	5.404,26
Total					47.256.010,13	63.304.311,10

9 Deferred income

	2019	2018
Deferred income	34.036.563,04	36.828.916,55
Total	34.036.563,04	36.828.916,55

Deferred income represents upfront costs and premiums on loans granted by the Company as well as loans transferred that are amortized until the loans are becoming due for repayment.

10 Other operating income

Other operating income represents amortization income during the year for the upfront costs and premiums on loans. The amounts not amortized as at 31 December 2019 are presented in Note 9 above.

11 Raw materials and consumables and other external expenses

Other external expenses	2019	2018
Amortization upfront costs and discount on bonds*	11.244.776,04	9.663.039,08
Office supplies	596,38	595,09
Rent for real property buildings	40.311,37	45.845,12
Bank account charges	1.485,87	1.619,47
Fees related to bonds and EMIR	46.645,21	25.600,00
Auditing costs (note 18)	81.165,05	89.826,88
Legal fees	3.400,00	14.599,91
Accounting & administration fees	1.029,56	64,86
Tax consulting and compliance fees	26.692,30	17.546,89
Other professional fees	-	324,89
Travel costs	1.312,11	2.176,53
Telephone and other telecommunication costs	1.516,26	3.321,13
Contributions to professional organisations	350,00	350,00
Other miscellaneous operating charges	1.977,49	948,34
Non deductible VAT	19.483,50	94.977,66
Total	11.470.741,14	9.960.835,85

*This item represents amortization expenses during the year for the upfront costs and discounts on bonds. The amounts not amortized as of 31 December 2019 are presented in Note 5 above.

12 Staff

As at 31 December 2019, the Company has one part-time employee (70% time) and one full-time employee.

13 Off balance sheet commitments and transactions

The are no off balance sheet commitments.

14 Related party transactions

There were no direct nor indirect transactions with main shareholders and members of its administrative, management and supervisory bodies that would be material and not concluded under normal market conditions.

15 Advances and loans granted to the members of the managing and supervisory bodies

There were no advances, loans or commitments given on their behalf by way of guarantee of any kind granted to the members of the management and supervisory bodies during the financial year (2018: nil).

16 Taxation

The other taxes not shown under items 1 to 16 of the Profit and Loss Account refer to a net wealth tax expense for the current year of EUR 188.745,00 and to a reversal of an excess of accrual for the net wealth tax of prior year of EUR 135.130,00 .

17 Derivative Financial instruments

Interest rate and foreign currency risks are hedged through the use of derivative financial instruments. As far as the legal requirements are met, these are shown as a valuation unit.

The freezing method is used to reflect the opposing changes in value resulting from a valuation unit.

1. Interest rate swaps

The Company uses interest rate swaps to hedge against interest rate risks.
As of the balance sheet date, the following interest rate swaps exist:

Type	Nominal value	terms from...	terms to...	MtM
IRS	750.000.000 €	09/08/2018	09/08/2022	10.764.000 €
IRS	750.000.000 €	01/07/2019	01/12/2027	-1.405.000 €

2. Foreign currency hedges

The Company uses cross currency swaps / - forwards to hedge against foreign currency risks.
As of the balance sheet date, the following currency swaps / - forwards swaps exist:

Type	Nominal value	currency	terms from...	terms to...	MtM
CCS	-868.621.125 USD	750.000.000 €	09/08/2018	09/08/2022	-32.926.000 €
CCS	-852.750.000 USD	750.000.000 €	01/07/2019	01/12/2027	-29.852.000 €
FX-SWAP	-1.800.000.000 CZK	69.927.842 €	09/10/2019	09/01/2020	-888.115 €
FX-FWD	-21.436.000 CZK	826.743 €	09/10/2019	09/01/2020	-16.596 €

18 External audit fees

As of 31 December 2019 and 31 December 2018 audit fees are related to the following services:

Auditing costs	2019	2018
Audit fees *	65.940,05	55.671,31
Audit related fees **	15.225,00	34.155,57
Total	81.165,05	89.826,88

* Audit fees are related to audit of the Statutory Annual Accounts.

** Audit related fees are related to interim dividend distribution and EMTN comfort letter issuance.

19 Subsequent events

There are no subsequent events to report after the balance sheet date.