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**EANS-General Meeting: HeidelbergCement AG / Announcement convening the general meeting**

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HeidelbergCement AG

Heidelberg

ISIN DE0006047004 / WKN 604700

Invitation to the Annual General Meeting

We hereby invite our shareholders to attend the Annual General Meeting on Thursday, 6 May 2010, at 10.00 a.m. in our Company's Festival Hall at Festhallenstraße 1, 69181 Leimen, Germany.

**Agenda**

1. Submission of the adopted annual accounts, the approved Group annual accounts, as well as the combined report to the shareholders for HeidelbergCement AG and the Group, the explanatory report on the statements according to sec. 289(4) and (5), sec. 315(4) German Commercial Code for the 2009 financial year, and the report of the Supervisory Board

The above documents and the Managing Board's proposal for the appropriation of the profit may be viewed on the Internet at [www.heidelbergcement.com](http://www.heidelbergcement.com) on the Investor Relations/Annual General Meeting page. The documents will also be made available and will be explained during the Annual General Meeting. In accordance with the statutory provisions, no resolution will be passed on agenda item 1, since the Supervisory Board has already approved the annual accounts and Group annual accounts and the annual accounts have thereby been adopted.

2. Resolution on the appropriation of the balance sheet profit

The balance sheet profit for the 2009 financial year of HeidelbergCement AG amounts to EUR 63,920,304.85. The Managing Board and Supervisory Board propose:

- a) that a dividend in the amount of EUR 0.12 be paid out of the balance sheet profit for each share carrying dividend rights. If this proposal is accepted, dividends in the total amount of EUR 22,500,000 would be paid for the 187,500,000 no-par value shares carrying dividend rights for the 2009 financial year; and
- b) that EUR 25,000,000 of the remaining balance sheet profit of EUR 41,420,304.85 be transferred to the other revenue reserves and that the remaining EUR 16,420,304.85 be carried forward.

The dividends are payable on 7 May 2010.

3. Resolution on the approval of the Managing Board's actions for the 2009 financial year

The Managing Board and Supervisory Board propose that the actions of the members of the Managing Board for the 2009 financial year be approved.

It is intended that the Annual General Meeting will resolve on the approval of the actions of the members of the Managing Board by way of separate votes.

4. Resolution on the approval of the Supervisory Board's actions for the 2009 financial year

The Managing Board and Supervisory Board propose that the actions of the members of the Supervisory Board for the 2009 financial year be approved.

It is intended that the Annual General Meeting will resolve on the approval of the actions of the members of the Supervisory Board by way of separate votes.

5. Resolution on the appointment of the auditor for the 2010 financial year

The Supervisory Board proposes, based on the recommendation of its audit committee, that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Germany, be appointed as the auditor of the annual accounts and the Group annual accounts for the 2010 financial year as well as to review the abbreviated accounts and the interim management report for the first six months of the 2010 financial year, insofar as these are subject to a review by an auditor.

6. Resolution on the creation of a new Authorised Capital I and the corresponding amendment of the Articles of Association

The Company does not currently have any authorised capital that can be used to issue shares against contributions in cash. By means of the proposed authorisation, the Managing Board and Supervisory Board are to obtain authorised capital in an appropriate and customary amount to strengthen the equity capital of the Company.

The Managing Board and Supervisory Board propose that the following resolution be adopted:

- a) The Managing Board is authorised, subject to the approval of the Supervisory Board, to increase the share capital of the Company once or several times until 5 May 2015 by up to a total of EUR 225,000,000 by issuing new no-par value bearer shares against contributions in cash (Authorised Capital I). The shareholders are to be granted a subscription right in this regard. The Managing Board is however authorised, subject to the approval of the Supervisory Board,

- to exclude fractional amounts from the shareholders' subscription right and

- to exclude the subscription right in whole or in part for a partial amount of up to 10% of the share capital available when the authorisation is exercised, in order to issue new shares at an issue price that is not significantly below the stock exchange price of the old shares; shares that have otherwise been issued or sold during the term of this authorisation by applying sec. 186(3) sentence 4 German Stock Corporation Act must be counted towards this 10%. New shares issued or to be issued to cover subscription rights arising from option or conversion rights or obligations arising from bonds are also to be counted towards the aforesaid 10% limit. Moreover, treasury shares that are sold subject to the exclusion of the subscription right on the basis of an authorisation pursuant to sections 71(1) no. 8, 186(3) sentence 4 German Stock Corporation Act must also be counted towards this.

The Managing Board is authorised, subject to the approval of the Supervisory Board, to lay down the further details of the capital increase and its implementation, in particular the content of the rights attached to the shares and the conditions for the issuance of the shares.

- b) Article 4(2) of the Articles of Association is to be restated as follows:

"(2) The Managing Board shall be authorised, subject to the approval of the Supervisory Board, to increase the share capital of the Company once or several times until 5 May 2015 by up to a total of EUR 225,000,000 against contributions in cash by issuing new no-par value bearer shares (Authorised Capital I). The shareholders shall be granted a subscription right in this regard. The Managing Board shall however be authorised

- to exclude the shareholders' subscription right in respect of any fractional amounts, and

- to exclude the subscription right in whole or in part for a partial amount of up to 10% of the share capital available when the authorisation is exercised, in order to issue new shares at an issue price that is not significantly below the stock exchange price of the old shares; shares that have otherwise been issued or sold during the term of this authorisation by applying sec. 186(3) sentence 4 German Stock Corporation Act must be counted towards this 10%. New shares issued or to be issued to cover subscription rights arising from option or conversion rights or obligations arising from bonds shall also be counted towards the aforesaid 10% limit. Moreover, treasury shares that are sold subject to the exclusion of the subscription right on the basis of an authorisation pursuant to sections 71(1) no. 8, 186(3) sentence 4 German Stock Corporation Act shall also be counted towards this.

The Managing Board shall be authorised, subject to the approval of the Supervisory Board, to lay down the further details of the capital increase and its implementation, in particular the content of the rights attached to the shares and the conditions for the issuance of the shares."

- c) The Supervisory Board is authorised to amend the wording of Article 4(1) and (2) of the Articles of Association following complete or partial implementation of the share capital increase taking account of the respective utilisation of Authorised

Capital I, and, if Authorised Capital I has not been used or not been completely used by 5 May 2015, after the expiry of the period of authorisation.

7. Resolution on the creation of a new Authorised Capital II and the corresponding amendment of the Articles of Association

The Company does not currently have any authorised capital that can be used to issue shares against contributions in kind. By means of the proposed authorisation, the Managing Board and Supervisory Board are to obtain authorised capital in an appropriate and customary amount to strengthen the equity capital of the Company, in the form of contributions in kind.

The Managing Board and Supervisory Board propose that the following resolution be adopted:

- a) The Managing Board is authorised, subject to the approval of the Supervisory Board, to increase the share capital of the Company once or several times until 5 May 2015 by up to a total of EUR 56,100,000 through the issue of new no-par value bearer shares against contributions in kind (Authorised Capital II). Further, the Managing Board is authorised, subject to the approval of the Supervisory Board, to exclude the subscription right where the capital increase against contributions in kind is carried out for the purpose of acquiring companies or parts thereof, or of participations in companies or other assets. Additionally, the Managing Board is authorised, subject to the approval of the Supervisory Board, to exclude the shareholders' subscription right to such extent as may be required in order to grant to holders of warrants and convertible bonds issued by the Company or its subsidiaries a subscription right for new shares in the amount to which they would be entitled after having exercised the option or conversion right and/or after fulfilment of the option or conversion obligation, respectively. The Managing Board is authorised, subject to the approval of the Supervisory Board, to lay down the further details of the capital increase and its implementation, in particular the content of the rights attached to the shares and the conditions for the issuance of the shares.
- b) Article 4(3) of the Articles of Association is to be restated as follows:

"(3) The Managing Board shall be authorised, subject to the approval of the Supervisory Board, to increase the share capital of the Company once or several times until 5 May 2015 by up to a total of EUR 56,100,000 through the issuance of new no-par value bearer shares against contributions in kind (Authorised Capital II). Further, the Managing Board shall be authorised, subject to the approval of the Supervisory Board, to exclude the subscription right where the capital increase against contributions in kind is carried out for the purpose of acquiring companies or parts thereof, or of participations in companies or other assets. Additionally, the Managing Board shall be authorised, subject to the approval of the Supervisory Board, to exclude the shareholders' subscription right to such extent as may be required in order to grant to holders of warrants and convertible bonds issued by the Company or its subsidiaries a subscription right for new shares in the amount to which they would be entitled after having exercised the option or conversion right and/or after fulfilment of the option or conversion obligation, respectively. The Managing Board shall be authorised, subject to the approval of the

Supervisory Board, to lay down the further details of the capital increase and its implementation, in particular the content of the rights attached to the shares and the conditions for the issuance of the shares."

- c) The Supervisory Board is authorised to amend the wording of Article 4(1) and (3) of the Articles of Association following complete or partial implementation of the share capital increase taking account of the respective utilisation of Authorised Capital II, and, if Authorised Capital II has not been used or not been completely used by 5 May 2015, after the expiry of the period of authorisation.

- 8. Revocation of the existing and granting of a new authorisation to issue warrant bonds or convertible bonds, profit participation rights or participating bonds and to exclude the subscription right in respect of such warrant bonds or convertible bonds, profit participation rights or participating bonds, as well as the revocation of the Conditional Capital 2009 and the creation of a new conditional capital and the corresponding amendment of the Articles of Association

The authorisation to issue warrant bonds or convertible bonds, profit participation rights or participating bonds resolved at the Annual General Meeting of 7 May 2009 contains rules for determining the conversion or option price, which rules were laid down in view of case law and leave little room for manoeuvre when it comes to the basic form of the bonds. Since the legislator has now given companies more room for manoeuvre, the authorisation resolved by the Annual General Meeting on 7 May 2009 is to be replaced by a new authorisation to issue warrant bonds or convertible bonds, profit participation rights or participating bonds which is more in line with the new legal provisions and which allows the Company greater flexibility. Since no use has been made of the authorisation granted by the Annual General Meeting on 7 May 2009, the Conditional Capital 2009 provided for in Article 4(4) of the Articles of Association is no longer needed in this form and is to be replaced by new Conditional Capital 2010 adjusted in line with the amended authorisation.

- A. Authorisation to issue warrant bonds or convertible bonds, profit participation rights or participating bonds and to exclude the subscription right in respect of such warrant bonds or convertible bonds, profit participation rights or participating bonds

The Managing Board and Supervisory Board propose that the following resolution be adopted:

The authorisation to issue warrant bonds or convertible bonds, profit participation rights or participating bonds granted on 7 May 2009 is revoked and the Managing Board is authorised, subject to the approval of the Supervisory Board, to issue, until 5 May 2015, once or several times, warrant bonds or convertible bonds, profit participation rights or participating bonds, made out to bearer, or a combination of these instruments (collectively the "Bonds") up to a total nominal amount of EUR 3,000,000,000, and to grant option rights to or impose obligations on the holders of the warrant bonds or participation rights or option rights under the participating bonds, and/or conversion rights to or obligations on the holders of convertible bonds or convertible participation rights or convertible participating bonds, relating to bearer shares in the Company representing an aggregate pro rata amount in the share capital of up to EUR 168,750,000, subject to the terms and conditions of the warrant or convertible bonds. In addition to euros, the Bonds may also be issued in the valid currency of an OECD country, up to an

amount corresponding to the euro value of the aforesaid total nominal amount.

The Bonds may also be issued by a Group company of the Company within the meaning of sec. 18 German Stock Corporation Act, in which the Company directly or indirectly holds an interest of at least 90%. In such case, the Managing Board is authorised, subject to the approval of the Supervisory Board, to assume a guarantee on behalf of the Company for such Bonds, and to grant to, or to impose upon, the holders of warrant and/or convertible bonds, option and/or convertible participation rights and option and/or convertible participating bonds, as the case may be, option and conversion rights or obligations, in each case relating to bearer shares in the Company. The Bonds may also be issued against contribution of claims (under loans or bonds) held by the contributing person against the Company or any of its aforementioned Group companies.

To the extent that the shareholders are not allowed to directly subscribe for the Bonds, the shareholders shall be granted the statutory subscription right such that the Bonds shall be offered by a credit institution or a syndicate of credit institutions subject to the obligation to offer the Bonds to the shareholders for subscription. If Bonds are issued by a Group company of the Company within the meaning of sec. 18 German Stock Corporation Act, in which the Company holds a direct or indirect interest of at least 90%, the Company shall ensure its shareholders are granted the statutory subscription right in accordance with the preceding sentence.

However, the Managing Board is authorised, subject to the approval of the Supervisory Board, to exclude from the shareholders' subscription right any fractional amounts resulting from the subscription ratio and to also exclude the subscription right to such extent as may be necessary in order to be able to grant to the holders of option or conversion rights or obligations already issued, at an earlier point in time, subscription rights on a scale to which they would be entitled after exercising their conversion or option rights or after performance of their conversion obligations.

The Managing Board is further authorised, subject to the approval of the Supervisory Board, to completely exclude the subscription right of the shareholders regarding Bonds with option and/or conversion rights or obligations issued against cash payment, if the Managing Board, upon due review, determines that the issue price of the Bonds is not significantly below the theoretical market value of the bond, as determined in accordance with generally accepted - in particular, financial - calculation methods. The authorisation to exclude the subscription right applies to Bonds issued with option and/or conversion rights or obligations relating to shares representing an aggregate pro rata share in the share capital of no more than 10%, whether at the time of coming into effect or - if such value is lower - at the time of exercise of the present authorisation. New shares issued from an authorised capital subject to the exclusion of the subscription right pursuant to sec. 186(3) sentence 4 German Stock Corporation Act during the term of this authorisation until the issue of Bonds with option and/or conversion rights or obligations without the subscription right pursuant to sec. 186(3) sentence 4 German Stock Corporation Act are also to be counted towards the aforesaid 10% limit. Moreover, treasury shares that are sold subject to the exclusion of the subscription right on the basis of an authorisation pursuant to sections 71(1) no. 8, 186(3) sentence 4 German Stock Corporation Act and following the adoption of a resolution on the present authorisation must also be counted

towards this limit. In addition, the Managing Board is authorised, subject to the approval of the Supervisory Board, to exclude the subscription rights of shareholders in respect of Bonds issued against contribution in kind, if and to the extent that the Bonds are issued against contribution of claims (under loans or bonds) held by the relevant contributing person against the Company or any of its Group companies.

To the extent that profit participation rights or participating bonds are issued without conversion rights/obligations or option rights/obligations, the Managing Board is authorised, subject to the approval of the Supervisory Board, to exclude the subscription right of the shareholders as a whole, if such profit participation rights or participating bonds have obligation-like features, i.e. if no membership rights in the Company and no share in the liquidation proceeds are granted thereunder and if the payable interest is not calculated by reference to the annual net profit, the balance sheet profit or the dividend. Furthermore, in such case, the interest and the issue price of the profit participation rights or the participating bonds must accord with the market conditions prevailing at the time of issue.

Where warrant bonds are issued, one or more warrants shall be attached to each partial bond granting to the holder the right to subscribe for no-par value bearer shares of the Company subject to the warrant bonds terms and conditions to be determined by the Managing Board. The terms and conditions of warrant bonds issued by the Company may provide that the option price can also be paid by transfer of partial bonds and, if applicable, additional cash payment. The pro rata amount of the share capital represented by the shares to be subscribed for under each partial bond must not exceed the nominal amount of the partial bonds. To the extent that fractions of shares arise it may be provided that these fractions be consolidated into full shares for subscription pursuant to the terms and conditions of the options and/or bonds, if applicable, against additional payment. The same applies accordingly if warrants are attached to a profit participation right or a participating bond.

Where convertible bonds are issued, the holders are granted the irrevocable right to convert their bonds into no-par value bearer shares of the Company pursuant to the terms and conditions of the convertible bonds to be determined by the Managing Board. The conversion ratio is determined by dividing the nominal amount - or the issue price below the nominal amount - of the partial bond by the conversion price determined for one share in the Company, and may be rounded up or down; furthermore, an additional payment in cash and a consolidation of, or a compensation for, any non-convertible fractions may be determined. The same applies accordingly if the conversion right relates to a profit participation right or a participating bond.

Where Bonds are issued which provide for an option or conversion right or an option or conversion obligation, the relevant option or conversion price to be determined for a share, even given a variable exchange/conversion rate, must equal 80% of the volume-weighted average price of the shares of the Company in XETRA (or a corresponding successor system) on the Frankfurt stock exchange

- on the last 3 days of stock exchange trading prior to the resolution by the Managing Board on the issuance of the bond, or
- where shareholders are entitled to subscription rights to the

bond, in the closing auction during the days on which subscription rights to the bond are traded in XETRA (or a corresponding successor system) on the Frankfurt stock exchange, with the exception of the last two days of subscription rights trading.

Notwithstanding the provisions in sec. 9(1) German Stock Corporation Act, the option or conversion price in respect of Bonds with option or conversion rights or obligations may be adjusted in a value-preserving manner (wertwahrend) in case of economic dilution of the value of the option or conversion rights or obligations, as provided in the relevant terms of the respective Bonds, unless such adjustment is already regulated under applicable law. The terms and conditions of the Bonds may provide for further adjustments of the option and/or conversion rights or obligations, or of the option and/or conversion price, in case of a capital reduction or other extraordinary measures or events (e.g. acquisition of control by third parties).

The terms and conditions of the Bonds may provide that, in case of conversion or exercise of the option, the Company is entitled, instead of granting new shares, to pay an amount in cash equivalent to the volume-weighted average price of the amount of shares of the Company otherwise to be delivered, as such price is quoted in XETRA (or in a corresponding successor system) on the Frankfurt Stock Exchange during the 10 trading days following the notice of conversion or exercise of the option. In the event that the Company announces its decision to exercise the right to payment of an amount in cash upon conversion or exercise of the option, the aforementioned period of 10 trading days shall not start until 3 trading days after the announcement of the cash payment of the Company. The terms and conditions of the bonds may also provide that the warrant bonds and/or convertible bonds may, instead of being converted into new shares out of conditional capital, be converted, at the option of the Company, into already existing shares of the Company or shares of another listed company, or that the option right or the option obligation may be satisfied by delivery of such shares.

The terms and conditions of the Bonds may also provide for (i) a conversion obligation or an option obligation as of the maturity date (or as of any other point in time) or for (ii) the right of the Company, upon maturity of Bonds with conversion or option rights (including maturity due to termination), to grant to the holders of the Bonds shares in the Company or in another listed company in lieu of payment of the amount due (or parts thereof). In such cases the option or conversion price shall equal at least the volume-weighted average price of the share of the Company or another company listed in XETRA (or a corresponding successor system) on the Frankfurt stock exchange during a reference period of 10 to 20 days prior to the maturity date or any other specified point in time, as defined in the terms and conditions of the Bonds, even if such average price is below the above minimum price (80%). The pro rata amount of the share capital represented by the shares to be issued upon conversion and/or exercise of the option must not exceed the nominal amount of the Bonds. Sec. 9(1) in conjunction with sec. 199(2) German Stock Corporation Act are to be observed.

The Managing Board is authorised, subject to the approval of the Supervisory Board, to determine all further details regarding the issuance and the features of the Bonds, including without limitation, interest rates, issue price, term to maturity and denomination, anti-dilution provisions and the applicable option and



conversion periods, and/or where applicable, to determine such details in consultation with the relevant bodies of the Group company of the Company issuing the warrant bonds or convertible bonds.

- B. Creation of a Conditional Capital 2010, revocation of the existing authorisation to issue warrant bonds or convertible bonds, profit participation rights or participating bonds and the Conditional Capital 2009 as well as the corresponding amendment of the Articles of Association

The Managing Board and Supervisory Board propose that the following resolution be adopted:

- a) Creation of a new conditional capital

The share capital is conditionally increased by an additional amount of up to EUR 168,750,000, divided into up to 56,250,000 new no-par value bearer shares (Conditional Capital 2010). The conditional capital increase serves the purpose of granting no-par value bearer shares upon the exercise of conversion or option rights (or upon fulfilment of corresponding option/conversion obligations), or upon exercise of the Company's right to grant, in lieu of payment of the amount in cash due (or parts thereof), shares of the Company to the holders of convertible bonds or warrant bonds, profit participation rights or participating bonds (or combinations of these instruments) issued on the basis of the authorisation resolved by the Annual General Meeting of 6 May 2010 under item 8 A. until 5 May 2015 by the Company or by a Group company of the Company within the meaning of sec. 18 German Stock Corporation Act in which the Company directly or indirectly holds an interest of at least 90%. The new shares are issued at the option or conversion price, as the case may be, which corresponds to the specifications of this authorisation.

The conditional capital increase is only to be implemented to the extent that option or conversion rights are exercised, or holders of bonds subject to the obligation to convert their bonds or exercise the option comply with such obligation, or to the extent that the Company exercises its right to grant shares of the Company in lieu of payment of the amount in cash due (or parts thereof), and unless cash settlement has been accepted or own shares or shares of another listed company are used for performance purposes. The new shares issued are entitled to dividends as of the beginning of the financial year in which they are created.

The Managing Board is authorised, subject to the approval of the Supervisory Board, to determine all further details regarding the implementation of the conditional capital increase.

- b) Revocation of the existing authorisation to issue warrant bonds or convertible bonds, profit participation rights or participating bonds and the Conditional Capital 2009 as well as the amendment of the Articles of Association

The authorisation to issue warrant bonds or convertible bonds, profit participation rights or participating bonds resolved by the Annual General Meeting of 7 May 2009 under item 7 A. and B. and the Conditional Capital 2009 governed by Article 4(4) of the Articles of Association are to be revoked upon taking effect of

the new Conditional Capital 2010, and Article 4(4) of the Articles of Association is to be restated as follows:

"(4) The share capital shall be conditionally increased by an additional amount of up to EUR 168,750,000, divided into up to 56,250,000 new no-par value bearer shares (Conditional Capital 2010). The conditional capital increase shall only be implemented to the extent that the holders of option or conversion rights, and/or the holders subject to the obligation to convert their bonds or to exercise the options, under warrant bonds or convertible bonds, profit participation rights or participating bonds issued or guaranteed by the Company or a Group company of the Company within the meaning of sec. 18 German Stock Corporation Act, in which the Company holds an interest of at least 90%, on the basis of the authorisation resolved by the Annual General Meeting of 6 May 2010 under item 8 A., exercise such rights and/or comply with such obligations, or to the extent that the Company exercises its right to grant shares of the Company in lieu of payment of the amount in cash due (or parts thereof), and unless cash settlement has been accepted or own shares or shares of another listed company are used for performance purposes. The new shares shall be issued at the option or conversion price, as the case may be, which corresponds to the specifications of this authorisation.

The new shares shall be entitled to dividends as of the beginning of the financial year in which they are created. The Managing Board shall be authorised, subject to the approval of the Supervisory Board, to determine all further details regarding the implementation of the conditional capital increase."

c) Authorisation to amend the Articles of Association

The Supervisory Board is authorised to amend Article 4(1) and (4) of the Articles of Association in accordance with the relevant issuance of the new shares and to effect all amendments to the Articles of Association in connection therewith relating only to the wording. The same applies accordingly in case the authorisation to issue warrant bonds or convertible bonds, profit participation rights or participating bonds is not used upon or prior to the expiry of the term of the authorisation, as well as where the conditional capital is not used after expiry of the term for the exercise of the option or conversion rights or for the fulfilment of conversion or option obligations, respectively.

9. Resolution on the approval of the remuneration system for Managing Board members ("Say on Pay")

Pursuant to the German Act on the Adequacy of Management Board Remuneration of 31 July 2009 the Annual General Meeting may resolve on the approval of the remuneration system for Managing Board members. This right is to be exercised.

The resolution proposed under this item refers to the remuneration system for Managing Board members currently in place at the Company, the details of which are provided in the Remuneration Report published as part of the Corporate Governance Report in the 2009 Annual Report, available for download from [www.heidelbergcement.com](http://www.heidelbergcement.com) on the Investor Relations/Annual General Meeting page of the website.

The Managing Board and Supervisory Board propose that the remuneration system for Managing Board members be approved.

#### 10. Special election of Supervisory Board members

In accordance with sections 96(1) and 101(1) German Stock Corporation Act and sec. 7(1) no. 1 German Co-Determination Act, in conjunction with Article 8(1) and (2) of the Company's Articles of Association, six members of the Supervisory Board are to be elected by the Annual General Meeting and another six members of the Supervisory Board are to be elected by the employees. Election nominations are not binding upon the Annual General Meeting.

Eduard Schleicher and Gerhard Hirth left the Supervisory Board with effect from 31 December 2009. Pursuant to sec. 104 German Stock Corporation Act, and based on its ruling of 13 January 2010 - served on 21 and 23 January 2010, respectively - Mannheim Local Court appointed Alan Murray and Dr.-Ing. Herbert Lütkestratkötter to the Supervisory Board at the request of the Managing Board. This appointment is limited in time until a special election is held at the next Annual General Meeting. Alan Murray and Dr.-Ing. Herbert Lütkestratkötter are to be put to the Annual General Meeting as candidates for the election.

The Supervisory Board proposes that the following persons be elected as shareholder representatives to the Supervisory Board, whereby with regard to Alan Murray adopting the proposal of the same wording of 8 March 2010 and of 12 March 2010 by shareholders Spohn Cement GmbH and Goldman Sachs Investment Partners Master Fund LP, who hold more than 25% of voting rights in the Company. The candidates shall be elected for the remaining term of the current Supervisory Board, i.e. such term will run until the close of the Annual General Meeting resolving on the formal approval of the acts of the Supervisory Board for the 2014 financial year:

Alan Murray, Naples, Florida/USA  
former Chief Executive of Hanson plc and former Managing Board member of HeidelbergCement AG

other mandates held:

b) International Power plc (Non Executive Director)

Dr.-Ing. Herbert Lütkestratkötter, Essen  
Chairman of the Executive Board of HOCHTIEF Aktiengesellschaft

other mandates held:

a) HOCHTIEF Concessions AG (Chairman)  
HOCHTIEF Construction AG (Chairman)  
HOCHTIEF Facility Management GmbH  
TÜV Rheinland Holding AG

b) The Turner Corporation  
Leighton Holdings Limited

The above categories of other mandates have the following meaning:

a) member of other supervisory boards required by law for companies in Germany

- b) member of comparable controlling bodies of commercial enterprises located in Germany or abroad

Notice to shareholders:

The members of the Supervisory Board will be elected individually.

11. Resolution on the amendment of provisions of the Articles of Association relating to the Managing Board

Articles 9(2) and 12 of the Articles of Association, the wording of which is reproduced below, are to be amended or restated. In Article 9(2), the Supervisory Board's nomination committee, which was incorporated by the Supervisory Board in its rules of procedure on a recommendation of the German Corporate Governance Code, is now to be incorporated in the Articles of Association. In Article 12 the Supervisory Board's remuneration provisions are on the one hand to implement the German Corporate Governance Code's recommendation of providing for a variable remuneration component along with the fixed remuneration component, and on the other remuneration is to be increased to appropriately reflect the increased quality standards to be met by the members of the Supervisory Board, the tightening of the Supervisory Board's statutory liability and the Company's broadened national and international shareholder base, to continue to be able to find professional and qualified candidates for the Supervisory Board in future. The current remuneration provisions largely provide for fixed remuneration depending on work and function within the Supervisory Board or its committees as well as an attendance fee. Compared with other German listed companies, in particular those included in the DAX 30 index, current remuneration levels for the Company's Supervisory Board members are well below the average of peer companies. The amendment is aimed at eliminating this disadvantage. The amendment will double the current fixed remuneration and the variable remuneration based on the Group earnings per share, while maintaining the current attendance fee. Linking the work on the Supervisory Board to the Group earnings and providing for a competitive base amount ensures that the Supervisory Board will only receive variable remuneration where there is measureable success of the Company and on the other creates a quantifiable incentive for the Supervisory Board to focus on Company matters. A cap on remuneration also means that variable remuneration does not exceed the amount of fixed remuneration. For reasons of transparency, the current provisions of Articles 9(2) and 12 of the Articles of Association are reproduced below before presenting the proposed resolutions for their amendment.

Article 9(2) of the Articles of Association currently reads as follows:

"Immediately following the election pursuant to paragraph 1 sentence 2, the Supervisory Board shall elect from amongst its members a Personnel Committee, an Audit Committee as well as an Arbitration Committee to perform the duties set forth in sec. 31(3) sentence 1 German Co-Determination Act."

Article 12 of the Articles of Association currently reads as follows:

"(1) Each member of the Supervisory Board shall receive annual remuneration of EUR 21,000. The chairman shall receive two times this amount, his deputy 1.5 times this sum.

(2) The members of the Audit Committee shall additionally receive EUR 7,000 p.a. and the members of the Personnel Committee shall additionally receive EUR 3,500 p.a. The chairman of the committee shall receive two times these respective amounts.

(3) Moreover, the members of the Supervisory Board shall receive an attendance fee of EUR 1,500 for each meeting of the Supervisory Board and its committees they personally attend at which such personal attendance is required. An attendance fee shall only be paid once where several meetings are held on the same day or consecutive days.

(4) Supervisory Board remuneration shall be paid at the end of a year.

(5) The provisions of paragraphs 1, 3 and 4 shall apply with effect from 2007.

(6) The Company may, in its own interest and at its own expense, take out appropriate D&O liability insurance for the members of the Supervisory Board. An appropriate deductible shall be provided for.

(7) The members of the Supervisory Board shall be reimbursed for their expenses and the cost of any value-added tax incurred by the Supervisory Board members in performance of their duties."

a) Amendment of Article 9(2) of the Articles of Association

The Managing Board and Supervisory Board propose that the following resolution be adopted:

In Article 9(2) of the Articles of Association, a comma and the words "a Nomination Committee" shall be inserted after the words "Audit Committee", so that Article 9(2) of the Articles of Association is restated as follows:

"Immediately following the election pursuant to paragraph 1 sentence 2, the Supervisory Board shall elect from amongst its members a Personnel Committee, an Audit Committee, a Nomination Committee as well as an Arbitration Committee to perform the duties set forth in sec. 31(3) sentence 1 German Co-Determination Act."

b) Amendment of Article 12 of the Articles of Association

The Managing Board and Supervisory Board propose that the following resolution be adopted:

Article 12 of the Articles of Association is to be restated as follows.

"(1) Each member of the Supervisory Board shall receive a fixed and a variable remuneration component. Fixed remuneration for each member shall be EUR 40,000 p.a. The chairman shall receive 2.5 times, his deputy 1.5 times this amount.

(2) The members of the Audit Committee shall additionally receive fixed remuneration of EUR 15,000 p.a., and the members of the Personnel Committee shall additionally receive fixed remuneration of EUR 3,500 p.a. The chairman of the committee shall receive two times these respective amounts.

(3) Moreover, the members of the Supervisory Board shall receive an attendance fee of EUR 1,500 for each meeting of the Supervisory Board and its committees they personally attend at which such personal attendance is required. An attendance fee shall only be

paid once where several meetings are held on the same day or consecutive days.

(4) The variable remuneration component for each member shall be EUR 58 for each EUR 0.01 earnings per share exceeding the base amount of EUR 2.50 earnings per share. What is decisive are the earnings per share determined in accordance with the International Financial Reporting Standards and reported in the Group annual accounts for the financial year in which the remuneration is paid. The chairman of the Supervisory Board shall receive 2.5 times, his deputy 1.5 times this amount. The variable thus determined shall be limited to the amount of fixed remuneration as defined in paragraph 1 sentences 2 and 3. The variable remuneration granted to all Supervisory Board members may not exceed the overall balance sheet profit of the Company, less 4 percent of contributions paid toward the lowest issue amount of the shares.

(5) Payment of the Supervisory Board's fixed remuneration and attendance fees shall be made at the end of a year, whereas payment of the Supervisory Board's variable remuneration shall be made at the end of the month in which the annual accounts for the previous year are approved.

(6) The provisions of paragraphs 1 and 5 shall apply with effect from 2010 and shall replace the existing remuneration provisions.

(7) The Company may, in its own interest and at its own expense, take out appropriate D&O liability insurance for the members of the Supervisory Board. An appropriate deductible shall be provided for.

(8) The members of the Supervisory Board shall be reimbursed for their expenses and the cost of any value-added tax incurred by the Supervisory Board members in performance of their duties."

12. Resolution on amendments to the German Act Implementing the Shareholders' Rights Directive as well as the deletion of Article 11 (2) of the Articles of Association

Changes implemented by the German Act Implementing the Shareholders' Rights Directive include those made to the time limits set out in the German Stock Corporation Act regarding registration for the annual general meeting and the provision of proof of the right to attend such meeting. The German Act Implementing the Shareholders' Rights Directive also allows for shareholder rights to be exercised by means of electronic media (online participation) and provides for the possibility of absentee voting. Articles 16 and 18 of the Articles of Association are to be brought in line with the amended provisions of the German Stock Corporation Act. In addition Article 11(2) of the Articles of Association is to be deleted, as the Supervisory Board's Rules of Procedure already feature a provision to the same effect.

a) Amendment of Article 16(1) sentence 3 of the Articles of Association

Article 16(1) sentence 3 of the Articles of Association, the wording of which is printed below, is to be adapted to the changes in legislation:

Article 16(1) sentence 3 of the Articles of Association currently reads as follows:

"Registration and proof of shareholding must be sent to the

address specified in the notice of convocation and received by the Company no later than on the seventh day prior to the date of the Annual General Meeting."

The Managing Board and Supervisory Board propose to resolve that Article 16(1) sentence 3 of the Articles of Association be restated as follows:

"Registration and proof of shareholding must be sent to the address specified in the notice of convocation and received by the Company six days prior to the date of the Annual General Meeting at the latest."

- b) New paragraphs 3 and 4 to be added to Article 16 of the Articles of Association

The Managing Board and Supervisory Board propose to resolve that the options for exercising shareholder rights by means of electronic media (online participation) and for absentee voting be incorporated in the Articles of Association, and therefore propose to resolve that the following new paragraphs 3 and 4 be included in Article 16 of the Articles of Association:

"(3) The Managing Board shall be authorised to stipulate in the notice of convocation that shareholders may participate in the Annual General Meeting without being physically present and without appointing a proxy and may exercise any or all of their rights using electronic means of communication (online participation). In doing so it may specify further details of the scope and method of online participation."

"(4) The Managing Board shall be authorised to stipulate in the notice of convocation that shareholders may cast their votes in writing or by using electronic means of communication without attending the Annual General Meeting (absentee voting). In doing so it may specify further details of the absentee voting process."

- c) New paragraph 3 to be added to Article 18 of the Articles of Association

The Managing Board and Supervisory Board propose to resolve that a new paragraph 3 be added to Article 18 of the Articles of Association:

"(3) The chair of the meeting shall be authorised to permit audio-visual transmission of the Annual General Meeting, either in whole or in part, in a form to be specified by the chair."

- d) Article 11(2) of the Articles of Association to be deleted

The Managing Board and Supervisory Board propose that the following resolution be adopted:

Article 11(2) of the Articles of Association shall be deleted and shall in future read as follows:

"(2) - deleted - "

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sec. 123(3) sentence 3 German Stock Corporation Act and its meaning)

In accordance with Article 16(1) of the Company's Articles of Association, shareholders must have registered for the Annual General Meeting and have provided the Company with proof of their shareholding as of the start of the 21st day before the Annual General Meeting, i.e. as of 15 April 2010, 0000 hrs (so-called record date), in order to attend and exercise their voting rights at the Annual General Meeting. The proof must be provided in the form of a certificate of shareholding issued in text form by the depositary institution.

The registration and proof of shareholding must reach the Company by the seventh day before the Annual General Meeting at the latest, i.e. by 29 April 2010, 2400 hrs at the following address:

HeidelbergCement AG c/o Commerzbank AG WASHV dwpbank AG Wildunger Strasse 14 60487 Frankfurt am Main, Germany Fax: +49 (0) 69-5099-1110 E-mail: hv-eintrittskarten@dwpbank.de

For shares, which on the relevant date are not held in a deposit facility administered at a credit institution, the above-described certificate of proof of the shareholding may also be issued by the Company, a notary, a securities depositary bank, a credit institution within the European Union or one of the Company's locations at its stock exchange centres in Germany and abroad.

The Company shall be entitled to request appropriate further proof in the event of any doubt concerning the accuracy or authenticity of the proof.

In relation to the Company, only those persons who have furnished such proof shall be considered shareholders for the purpose of attending the Annual General Meeting or exercising the voting rights. The right to attend and the extent of the voting rights shall be determined solely in accordance with the proof of shareholding of the shareholder as at the record date. Upon registration for the Annual General Meeting, the shares will not be blocked from trading; for this reason shareholders can continue to freely dispose of their shares, also starting from the record date and even after having registered for the Annual General Meeting. Also in the case of the full or partial sale of the shareholding after the record date, only the shareholding of the shareholder as at the record date shall be decisive for the attendance and the extent of the voting rights; i.e. sales of shares after the record date do not have any effect on the right to attend or on the extent of the voting rights. The same shall apply to purchases and additional purchases of shares after the record date. Persons who do not own any shares as at the record date and only become shareholders afterward, shall not be entitled to attend and vote. The record date shall not have any relevance for the entitlement to dividends.

After the Company has received the registration and the proof of their shareholding at the above-mentioned address, the shareholders will be sent admission tickets for the Annual General Meeting. In order to ensure that the admission tickets are received on time, we ask the shareholders to send the registration and proof of their shareholding to the Company sufficiently in advance. No further action is required of shareholders who have requested, in a timely manner, from their depositary institution an admission ticket for attending the Annual General Meeting. In such cases, the depositary institution will handle the registration and proof of shareholding.

#### Voting by proxies

Shareholders may also appoint a proxy, such as a credit institution or shareholders' association, to vote on their behalf in the Annual General Meeting. In this case, too, shareholders, proxies, credit institutions or shareholders' associations must notify the Company by the stated date of their intention to attend the Annual General Meeting and must provide proof of shareholding. If the shareholder authorises more than one person, the Company can reject one or several of these persons.

If the proxy authorisation is not granted to a credit institution, a shareholders' association or another person or institution legally equated with these pursuant to the regulations of the German Stock Corporation Act, the granting of the power of attorney, its revocation and the proof of authorisation vis-à-vis the Company must be in writing in order to be valid. For granting power of attorney, shareholders may use the power-of-attorney form on the back of the admission ticket, which they received after registration. However, it is also possible to issue a separate power of attorney in writing. The proof of the authorisation and the revocation of powers of attorney must be sent to us at our address: HeidelbergCement AG, Abt. GL, Berliner Strasse 6, 69120 Heidelberg, Germany, or by fax: + 49 (0) 6221-481-705 or via e-mail to the e-mail address: agm@heidelbergcement.com.

In the case of powers of attorney granted to credit institutions, institutions or companies of equal status (sections 135(10) and 125(5) German Stock Corporation Act) or shareholders' associations and other individuals within the meaning of sec. 135(8) German Stock Corporation Act, it shall suffice if the proxy has the declaration of power of attorney on his or her person so that it can be verified. Moreover, in these cases the declaration of power of attorney must be complete and may only contain declarations related to the exercise of voting rights. Credit



institutions and shareholders' associations as well as persons or institutions legally equated with these pursuant to sec. 135 German Stock Corporation Act can stipulate deviating regulations for their own authorisation; therefore, please agree on the form of the power of attorney in advance, should you wish to authorise such parties. In such cases, the power of attorney may only be granted to a particular proxy. However, a breach of the above-mentioned and of certain additional requirements for the authorisation of the parties named in this paragraph that are specified in sec. 135 German Stock Corporation Act shall not impair the validity of the voting pursuant to sec. 135(7) German Stock Corporation Act.

Employees of the Company may also serve as proxies. The following applies to the proxies nominated by the Company: The Company additionally offers its shareholders the option of being represented at the Annual General Meeting in accordance with their instructions by proxies nominated by the Company. In this case, the authorisation can be granted in writing. A power-of-attorney and instruction form to authorise an employee of the Company as a proxy is available on the Internet at [www.heidelbergcement.com](http://www.heidelbergcement.com) on the Investor Relations/Annual General Meeting page. If employees of the Company are granted authorisation to act as proxies, instructions for exercising the voting right must be issued in each case. The employees of the Company are obliged to vote in accordance with the instructions. Please note that proxies will not accept instructions to speak, lodge appeals against Annual General Meeting resolutions, ask questions or propose motions. Powers of attorney for the proxies giving explicit instructions, and using the forms designated for this purpose, must be received by the Company, at the latest, on 4 May 2010, 2400 hrs at our address: HeidelbergCement AG, Abt. GL, Berliner Strasse 6, 69120 Heidelberg, Germany, or by fax: + 49 (0) 6221-481-705 or by the end of the general debate in the Annual General Meeting by e-mail to the e-mail address: [agm@heidelbergcement.com](mailto:agm@heidelbergcement.com). Powers of attorney and instructions that are given to the proxies of the Company can be amended or revoked, at the latest, by 4 May 2010, 2400 hrs in writing or by fax to the above-described address/fax number or by the end of the general debate in the Annual General Meeting by e-mail to the above-described e-mail address. In all cases, the date of receipt by the Company shall be decisive.

Rights of the shareholders pursuant to sec. 122(2), sec. 126(1), sections 127, 131(1) German Stock Corporation Act

Motions and election proposals of shareholders pursuant to sections 126(1), 127 German Stock Corporation Act

In accordance with sec. 126 German Stock Corporation Act, all motions by shareholders regarding agenda items, including the reasons in support thereof, or proposals by shareholders for the election of Supervisory Board members or auditors in accordance with sec. 127 German Stock Corporation Act, received by us at our address: HeidelbergCement AG, Abt. GL, Berliner Strasse 6, 69120 Heidelberg, Germany, or faxed to us at +49 (0) 6221 481-705 at least 14 days before the Annual General Meeting, whereby the day of receipt shall not be counted, i.e. by 2400 hrs on 21 April 2009, and required to be disclosed will be published without undue delay after receipt at [www.heidelbergcement.com](http://www.heidelbergcement.com) on the Investor Relations/Annual General Meeting page. Any responses from the management will likewise be published at the aforementioned Internet address. Further details as to the requirements for exercise of the rights and their limits are to be found there under the heading "Information pursuant to sec. 121(3), sentence 3 no. 3 German Stock Corporation Act regarding shareholders' rights".

Amendment to the agenda pursuant to sec. 122(2) German Stock Corporation Act

Under sec. 122(2) German Stock Corporation Act shareholders whose shares together make up a part of the share capital equal to EUR 500,000 - i.e. 166,667 shares - can request that items be added to the agenda and announced. Each new item must be accompanied by grounds or a proposal. The request must reach us at our address: HeidelbergCement AG, Abt. GL, Berliner Strasse 6, 69120 Heidelberg, Germany, or by fax at + 49 (0) 6221-481-705 no later than 30 days before the meeting, not counting the date of delivery. The last possible date for delivery is therefore 5 April 2010, 2400 hrs. Further details

as to the requirements for exercise of said right and its limits are to be found at [www.heidelbergcement.com](http://www.heidelbergcement.com) on the page entitled "Investor Relations/Annual General Meeting under the heading "Information pursuant to

sec. 121(3), sentence 3, no. 3 German Stock Corporation Act regarding shareholders' rights".

Shareholders' rights to information pursuant to sec. 131(1) German Stock Corporation Act

To the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda, each shareholder shall upon request be provided with information at the Annual General Meeting by the Managing Board regarding the Company's affairs, including legal and business relations with affiliated companies and the situation of the Group and the companies that are included in the Group annual accounts. Requests for information at the Annual General Meeting are as a general principle to be made verbally during the general debate.

The information provided shall comply with the principles of proper and genuine accountability. The Managing Board may refuse to provide information if the conditions set forth in sec. 131(3) German Stock Corporation Act are met.

Under Article 18(2), sentence 3 of the Articles of Association, the chair of the meeting may restrict as he sees fit the time allotted to participants to speak, to ask questions, or for both together, either for the entire duration of the Annual General Meeting, for individual items on the agenda, or for individual speakers, either at the beginning of or during the course of the Annual General Meeting, and, if necessary to ensure the due and proper conduct of the meeting, order the end of the debate.

Further details as to the requirements for exercise of the right and its limits are to be found at [www.heidelbergcement.com](http://www.heidelbergcement.com) on the page entitled "Investor Relations/Annual General Meeting under the heading "Information pursuant to sec. 121(3), sentence 3, no. 3 German Stock Corporation Act regarding shareholders' rights".

Information on the Company's website

The announcements and explanations specified in sec. 124a German Stock Corporation Act are to be found at [www.heidelbergcement.com](http://www.heidelbergcement.com) on the page headed Investor Relations/Annual General Meeting

Notice of the aggregate number of shares and voting rights

At the time of the convening of the Annual General Meeting, 187,500,000 no-par value shares of the total of 187,500,000 no-par value shares issued entitle to attend and vote. Each share entitled to attend shall carry one vote at the Annual General Meeting. The Company does not hold any treasury shares. There are no different classes of shares.

The reports of the Managing Board on items 6, 7 and 8 on the agenda are reproduced immediately following this invitation.

Heidelberg, March 2010

HeidelbergCement AG The Managing Board

Reports of the Managing Board of HeidelbergCement AG to the Annual General Meeting pursuant to sec. 203(2) and sec. 221(4), sentence 2 German Stock Corporation Act, each in conjunction with sec. 186(4), sentence 2 German Stock Corporation Act in respect of agenda items 6 to 8

In accordance with sec. 203(2), sec. 186(4), sentence 2 German Stock Corporation Act, the Managing Board has prepared a report in respect of items 6, 7 and 8 of the agenda expanding on the reasons for the authorisation to exclude the subscription right of the shareholders. The entire report is available for inspection by the shareholders at the offices of the Company as from the day of the calling of the Annual General Meeting. Upon request, the report will be sent without undue delay to each shareholder free of charge. The report is being published as follows:

Report of the Managing Board to the Annual General Meeting in respect of item 6 of the agenda in accordance with sec. 203(2), sec. 186(4), sentence 2 German Stock Corporation Act:

Where the Authorised Capital I is used, our shareholders will in principle be entitled to a subscription right. Insofar as the shareholders are not able to directly subscribe the new shares, the Managing Board may avail itself of the possibility of issuing the new shares to a credit institution or a syndicate of credit institutions and instructing them to offer the shareholders the new shares in proportion to their subscription right (indirect subscription right within the meaning of sec. 186(5) German Stock Corporation Act).

The authorisation to exclude the subscription right for fractional amounts is intended to ensure that, for a given amount of the respective capital increase, the resulting subscription ratio is actually practicable. Absent the exclusion of the subscription right in respect of fractional amounts, the technical side of the implementation of the capital increase and the exercise of the subscription right would be rendered considerably more difficult, in particular, in case of capital increases by full amounts. The fractional new shares, which as such are excluded from the subscription right of the shareholders, will either be sold via the stock exchange or otherwise disposed of to the benefit of the Company.

Pursuant to sec. 186(3), sentence 4 German Stock Corporation Act the Managing Board will be given the authorisation to completely exclude the shareholders' subscription rights, with the Supervisory Board's consent, if the new shares are to be issued at a price that is not materially below the stock exchange price. This enables the

Company to quickly seize favourable market opportunities on a short-term basis and, by determining the conditions in accordance with prevailing market terms, to achieve a highest possible market price. Sec. 186 (3) sentence 4 German Stock Corporation Act provides that the issue price must not be materially lower than the current quoted price. This provision is intended to prevent a significant economic dilution of the value of the shares. The content of the resolution exhausts the threshold stipulated as regards the exclusion of subscription rights, namely 10% of the share capital. Hence, the volume may not exceed 10% of the share capital existing at the time the authorisation to exclude subscription rights pursuant to sec. 186(3), sentence 4 German Stock Corporation Act comes into force. The resolution on the authorisation contains a corresponding provision to also ensure that, even in the case of a capital reduction, the limit of 10% of the share capital is not exceeded, since the authorisation to exclude the subscription right expressly prescribes that the 10% limit must not be exceeded whether at the time of coming into effect or - if such value is lower - at the time of exercise of the present authorisation. New shares issued from an authorised capital subject to the exclusion of the subscription right pursuant to sec. 186(3) sentence 4 German Stock Corporation Act during the term of this authorisation shall be factored into calculations for the purpose of determining the 10% threshold. New shares issued or to be issued to cover subscription rights arising from option or conversion rights or obligations arising from bonds are also to be counted towards the aforesaid 10% limit. Moreover, treasury shares that are sold subject to the exclusion of the subscription right on the basis of an authorisation pursuant to sections 71(1) no. 8, 186(3) sentence 4 German Stock Corporation Act must also be counted towards this.

Furthermore, the shareholders may maintain their proportionate share in the share capital of the Company at all times by means of additional purchases of shares through the stock exchange. On the other hand, the authorisation to exclude subscription rights enables the Company to determine the conditions in accordance with prevailing market terms, and to obtain the highest possible degree of certainty that the new shares can be placed with third parties and that favourable short-term market opportunities can be seized.

Report of the Managing Board to the Annual General Meeting in respect of item 7 of the agenda in accordance with sec. 203(2), sec. 186(4), sentence 2 German Stock Corporation Act:

The authorisation to grant an Authorised Capital II provides for exclusion of the subscription right in connection with certain capital increases against contributions in kind. Such exclusion is intended to facilitate the acquisition of companies or parts thereof or of participations in companies or of other assets against the granting of shares. Where the acquisition by way of a capital increase against contributions in kind results in a tax saving on the part of the seller, or where the seller prefers the acquisition of shares in the Company to receipt of a cash payment for any other reasons, this authorisation will strengthen the Company's position in negotiations. In individual cases, specific interests of the Company may also require that the seller be offered new shares as consideration. The Authorised Capital II enables the Company to react more quickly and flexibly to opportunities as they arise, in order to acquire, in appropriate individual cases, companies, parts of companies or participations therein or other assets against the issuance of new shares. The requested authorisation facilitates in each individual case the optimal financing of the acquisition against the issuance of new shares, thereby strengthening the equity basis of HeidelbergCement AG. Other assets to be acquired may include claims (under loans or bonds) against the Company or Group companies. Where these are contributed into the Company by way of a contribution in kind, the liability will cease to exist and the Company's equity basis will be strengthened. In any case, the management intends to use the option of a capital increase out of the Authorised Capital II against contributions in kind involving an exclusion of the subscription rights only, provided that the value of the new shares is in an appropriate proportion to the value of the consideration of the company or the part thereof to be acquired, of the participation to be acquired therein, or of other assets to be acquired. In this context, the issue price of the new shares to be issued is generally to be based on the quoted share price. Any economic disadvantage for the shareholders whose subscription rights are excluded will thus be avoided. Considering all these facts and circumstances, the authorisation to exclude the subscription rights within the described scope is deemed necessary, expedient and appropriate and required in the interest of the Company.

The authorisation to exclude subscription rights in favour of the holders of warrants or convertible debt securities serves the purpose that, in case the authorisation is used, the option and/or conversion price, respectively, need not be reduced in accordance with the so-called anti-dilution provisions under the terms and conditions of the options or convertible bonds, as applicable, and that subscription rights may also be granted to the holders of warrants or convertible bonds in such amount as they would be entitled to after exercise of the option or conversion right and/or fulfilment of the option or conversion obligation, respectively. The authorisation enables the Managing Board, with the approval of the Supervisory Board, to choose between both alternatives carefully considering all related aspects when using the Authorised Capital II.

Report of the Managing Board to the Annual General Meeting in respect of item 8 of the agenda in accordance with sections 221(4) sentence 2, 186(4) sentence 2 German Stock Corporation Act:

The proposed authorisation to issue warrant bonds or convertible bonds, profit participation rights or participating bonds or a combination thereof ("Bonds") in the total nominal amount of up to EUR 3,000,000,000 and to create the Conditional Capital 2010 in the nominal amount of up to EUR 168,750,000 is intended to enhance the options of the Company for financing its activities, as described in detail below, and to enable the Managing Board, with the approval of the Supervisory Board, to seize flexible and short-term financing opportunities in the interest of the Company, in particular in case of favourable capital market conditions.

Shareholders will generally be entitled to the statutory subscription rights in respect of Bonds with option or conversion rights or obligations attached (sec. 221(4) in conjunction with sec. 186(1) German Stock Corporation Act). To the extent that the shareholders are not allowed to directly subscribe for the Bonds, the Managing Board may, at its option, offer the Bonds to a credit institution or a syndicate of credit institutions subject to the obligation to offer the Bonds to the shareholders for subscription in accordance with their subscription rights (indirect subscription right within the meaning of sec. 186(5) German Stock Corporation Act).

The authorisation to exclude the subscription right in respect of fractional amounts enables the use of the requested authorisation through full amounts and facilitates the settlement of the subscription rights of the shareholders. The advantage of the authorisation to exclude the subscription right in favour of the holders of already issued conversion and option rights or obligations lies in the fact that the conversion or option price for already issued conversion or option rights or obligations need not be reduced, thereby enabling an altogether higher cash inflow. Thus, both cases of exclusion of the subscription right are in the best interest of the Company and its shareholders.

The Managing Board is further authorised, with the approval of the Supervisory Board, to completely exclude the shareholders' subscription right if Bonds with option or conversion rights or obligations are issued at an issue price which is not materially lower than the market value of such Bonds. This enables the Company to quickly seize favourable market opportunities on a short-term basis and, by determining the conditions in accordance with prevailing market terms, to achieve better terms regarding interest rates and issue price of the Bond. If the subscription rights were not excluded, any such market-oriented determination of the conditions and a smooth placement would not be possible. While sec. 186(2) German Stock Corporation Act permits disclosure of the subscription price (and thus of the terms and conditions of such Bonds) until three days prior to the end of the subscription period, considering the frequently observed volatility on the stock markets, the market risk will still be immanent for a number of days, which results in safety margins to be deducted in the determination of the terms and conditions of the Bond, and, eventually, in conditions which are not based on market terms. Also, the existence of a subscription right could jeopardise any successful placement with third parties, or result in additional expenses, due to the uncertainty of the exercise thereof (subscription behaviour). Finally, the granting of a subscription right would hinder the Company's ability to respond to favourable or adverse market conditions on a short-term basis due to the length of the subscription period, and the Company would instead be subject to declining stock prices during such period, which, in turn, could deteriorate the Company's options for the raising of capital.

In this case, sec. 186(3) sentence 4 German Stock Corporation Act shall apply accordingly pursuant to sec. 221(4) sentence 2 German Stock Corporation Act. This provision prescribes a limit of 10% of the share capital in respect of excluded subscription rights which is to be observed according to the resolution. The amount of conditional capital, which in this case may only be made available for the purpose of securing option or conversion rights or obligations, must not exceed 10% of the share capital existing at the time the authorisation to exclude the subscription right pursuant to sec. 186(3) sentence 4 German Stock Corporation Act comes into force. The resolution on the authorisation contains a corresponding provision to also ensure that, even in the case of a capital reduction, the limit of 10% of the share capital is not exceeded, since the authorisation to exclude the subscription right expressly prescribes that the 10% limit must not be exceeded whether at the time of coming into effect or - if such value is lower - at the time of exercise of the present authorisation. New shares issued from an authorised capital subject to the exclusion of the subscription right pursuant to sec. 186(3) sentence 4 German Stock Corporation Act during the term of this authorisation until the issuance of Bonds with option and/or conversion rights or obligations without the subscription right pursuant to sec. 186(3) sentence 4 German Stock Corporation Act are also to be counted towards the aforesaid 10% limit. Moreover, treasury shares that are sold subject to the exclusion of the subscription right on the basis of an authorisation pursuant to sections 71(1) no. 8, 186(3) sentence 4 German Stock Corporation Act and following the adoption of a resolution on the present authorisation must also be counted towards this limit.

Sec. 186 (3) sentence 4 German Stock Corporation Act further provides that the issue price must not be materially lower than the quoted price. This provision is intended to prevent a significant economic dilution of the value of the shares. Whether or not such dilutive effect will occur in connection with the issuance of Bonds with option or conversion rights or obligations under exclusion of subscription rights can be determined by calculating the notional market value of the Bond in accordance with recognised calculation methods, in particular, methods

Furthermore, the shareholders may maintain their proportionate share in the share capital of the Company even after exercise of conversion or option rights, or after the option or conversion obligations have taken effect, at any time by additional purchases of shares through the stock exchange. On the other hand, the authorisation to exclude subscription rights enables the Company to determine the conditions in accordance with prevailing market terms, and to obtain the highest possible degree of certainty that the Bonds can be placed with third parties and that favourable short-term market opportunities can be seized.

To the extent that profit participation rights or participating bonds are to be issued without option rights/obligations or conversion rights/obligations, the Managing Board shall be authorised, with the approval of the Supervisory Board, to exclude the subscription right of the shareholders as a whole, if such profit participation rights or participating bonds have obligation-like features, i.e. if no membership rights in the Company and no share in the liquidation proceeds are granted thereunder and further provided that the payable interest is not calculated by reference to the annual net profit, the balance sheet profit or the dividend. Furthermore, the interest and the issue price of the profit participation rights and the participating bonds must accord with the current market conditions prevailing at the time of issue. Where the aforesaid conditions are fulfilled, the shareholders will not suffer any disadvantages from the exclusion of the subscription right, because the profit participation rights or participating bonds grant no membership rights in the Company and no share in the liquidation proceeds or in the profits of the Company.

HeidelbergCement AG The Managing Board

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Prime All Share  
Börsen: Frankfurt / regulated dealing/prime standard  
Berlin / free trade  
Hamburg / free trade  
Hannover / free trade  
Stuttgart / regulated dealing  
Düsseldorf / regulated dealing  
München / regulated dealing

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