

# HEIDELBERGCEMENT

## Interim report



January to March 2003

- Sales volumes largely stable in the first quarter
- Turnover weighed down by negative exchange rate effects
- Seasonal influences impair above average the development of turnover and results
- Consolidation course is continued with subdued prospects

#### Financial highlights January to March

| EURm   | 2002  | 2003  |
|--|-------|-------|
| Turnover   | 1,354 | 1,222 |
| Operating income before depreciation (OIBD)      | 98    | 40    |
| Operating income                                 | -64   | -112  |
| Non-operating result                             | 6     | 13    |
| Results from participations                      | 13    | -4    |
| Earnings before interest and income taxes (EBIT) | -45   | -103  |
| Profit before tax                                | -102  | -163  |
| Profit for the financial year                    | -79   | -144  |
| Group share in profit                            | -78   | -140  |
| Investments                                      | 126   | 142   |

# Letter to the shareholders

## Ladies and Gentlemen,

The assessment of the international economic environment remains subdued. At the beginning of the year, the economic phenomena were appreciably eclipsed in most regions of HeidelbergCement by seasonal effects.

The growth in turnover was considerably impaired in the first quarter by the continued ruinous competition on the German cement market, by the depreciation of the US dollar and also by the particularly long-lasting wintry weather. Group turnover in the first quarter 2003 was 9.8% below the previous year at EUR 1,222 million (previous year: 1,354). Adjusted for currency and consolidation effects, the decline amounted to 4.0%. Reductions in the operating income before depreciation (OIBD) at EUR 40 million (previous year: 98) or in the operating income at EUR -112 million (previous year: -64) are primarily attributable to market weakness in Germany, but also to seasonal influences from Western Europe and Central Europe East.

The non-operating result of EUR 13 million (previous year: 6) mainly results from sales of participations and creation of provisions. The results from participations at EUR -4 million (previous year: 13) also reflect market and seasonal factors. In relation to the profit before tax amounting to EUR -163 million (previous year: -102), the proceeds for income taxes decreased to EUR 19 million (previous year: 23) due to charges from prior year tax audits and unused tax losses for which no deferred tax assets are recognized.

Disinvestments are planned for 2003 with a volume of at least EUR 300 million under our programme for the reduction of debt. In March, the majority participation in the Philippine grinding facility Limay Grinding Mill Corporation as well as the 24.9% participation in Ciments Luxembourgeois were sold. Additional measures are nearing completion.

HeidelbergCement received a penalty notice for EUR 251.5 million from the Federal Cartel Office in the cartel proceedings against the German cement industry. The central accusation

amounts to participation for many years in quota agreements in South Germany. HeidelbergCement disputes the substantial part of the charges and immediately lodged an appeal. The competent court is unfettered in the assessment and appraisal of the circumstances and in no way committed to the allegations of the Federal Cartel Office. The company has created provisions that also represent an appropriate provision for contingencies in the judgment of its auditor and the cartel lawyers involved. There are no obligations to pay until the final legal decision on the charges.

### ■ Cement and clinker sales volumes

Cement and clinker sales volumes have increased across the Group by 2.4% to 9.3 million tonnes (previous year: 9.1). Without taking into consideration the new consolidations in Central Europe West and Central Europe East, sales volumes fell in this period by 1.6% compared with the previous year.

Cement and clinker sales volumes January - March

| 1,000 tonnes        | 2002  | 2003  |
|---------------------|-------|-------|
| Central Europe West | 890   | 996   |
| Western Europe      | 2,102 | 2,073 |
| Northern Europe     | 1,183 | 1,214 |
| Central Europe East | 1,183 | 1,104 |
| North America       | 2,484 | 2,436 |
| Africa-Asia-Turkey  | 1,280 | 1,515 |
| Total               | 9,122 | 9,338 |

### ■ Employees

In the first three months, HeidelbergCement employed 36,256 employees (previous year: 36,665) across the Group. Thus, the number of staff fell by 409 compared with the previous year. New consolidations - particularly in Central Europe East - with approximately 2,000 employees in total were more than compensated by restructuring measures in all regions.

## ■ Investments

Total investments rose by 13% to EUR 142 million (previous year: 126) compared to the previous year. We consistently reduced the tangible fixed asset investments according to plan. They fell by 29% to EUR 83 million (previous year: 116). The financial fixed asset investments mainly include the acquisition of the blast furnace cement grinding plant Königs Wusterhausen, southeast of Berlin, as well as the cement grinding plant in Katowice, South Poland, both from the Klösters Beteiligungsgesellschaft.

## ■ Prospects

The prospects for world economic development in 2003 continue to be rated as restrained. Significant improvements are expected for 2004 at the earliest. Therefore, Heidelberg-Cement is continuing its consolidation course. In spite of a difficult economic environment which continues to characterize the basic conditions, we improved our key financial ratios in the previous year according to plan. A further reduction in liabilities is planned for the current year. We therefore consider the downgrading of our long-term rating by Moody's unjustified.

We are accomplishing the objective of cost leadership with numerous measures for the adjustment of capacities and for the optimisation of our portfolio, which have been initiated or even completed. We can successfully meet the continuing challenges of the market from this strengthened position.

Heidelberg, 8 May 2003

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Hans Bauer', written in a cursive style.

Hans Bauer  
Chairman of the Managing Board

## HeidelbergCement on the markets

### ■ Central Europe West

The economic environment in the construction industry remains weak in spite of special programmes announced. Ruinous competition, which characterised the cement market in the previous year, has continued in 2003. Severe winter weather also adversely affected the traditionally weak first quarter. The increase in cement and clinker sales volumes by 11.9% to just under 1 million tonnes is solely attributable to the first time included Wetzlar and Königs Wusterhausen cement plants. However, a welcome recovery in demand started in March. Without taking into consideration the new consolidations, sales volumes were slightly higher than in the comparable month of the previous year. The sales volumes of ready-mixed concrete, aggregates and sand-lime bricks were likewise on the decline in the first quarter. However, ready-mixed concrete recorded considerable increases in several German federal states in March. Turnover for the region fell overall by 14.7% to EUR 116 million (previous year: 135) in the first three months.

HeidelbergCement took over the leading position in Germany, Europe's largest construction market, with the increase in its participation in Anneliese Zementwerke AG from 41.5% to more than 90%.

### ■ Western Europe

The contrary performance of the Benelux countries on the one hand and of the United Kingdom on the other also continued in the first months of the year. The cement and clinker sales volumes of the Belgian and Dutch plants fell by 2.2%. Poor weather conditions at the beginning of the year and foreign imports, especially from Germany, adversely affected the cement market of both countries in particular. However, our sales volumes in the United Kingdom remained stable. Overall, the total sales volume of 2.1 million tonnes was just under the previous year's level. Thanks to several major construction projects, demand for ready-mixed concrete also increased satisfactorily in all marketing areas. The sales volumes of aggregates such as sand and gravel also increased slightly. At the

#### Turnover by business lines January - March 2003

| Central Europe West      |      |      | Western Europe           |      |      |
|--------------------------|------|------|--------------------------|------|------|
| EURm                     | 2002 | 2003 | EURm                     | 2002 | 2003 |
| Cement                   | 62   | 52   | Cement                   | 181  | 166  |
| Concrete                 | 58   | 48   | Concrete                 | 65   | 69   |
| Building materials       | 24   | 20   | Building materials       | -    | -    |
| Intra-Group eliminations | -9   | -4   | Intra-Group eliminations | -12  | -11  |
| Total turnover           | 135  | 116  | Total turnover           | 234  | 224  |

beginning of the year, the operations of the Dutch company Paes Bouwtoeleveringen, the third largest aggregates manufacturer in the country, were included in the consolidation scope.

Taking also into account the weaker exchange rate of the pound, the turnover of the region fell overall by 4.1% to EUR 224 million (previous year: 234).

### ■ Northern Europe

The situation in the Northern Europe region is also unchanged. Domestic sales volumes nearly achieved previous year's level. Total sales volumes rose by 2.6% to 1.2 million tonnes due to higher cement and clinker exports from Norway. Ready-mixed concrete and aggregates operations in the concrete business line were impaired due to the weak market performance in Sweden and the cold winter. On the other hand, the prefabricated concrete products operating line recorded a positive development. The 50% participation in the Finnish company Parma Betonila was sold at the end of 2002.

In spite of the reduced scope of consolidation, the turnover for the region fell only by 3.1% to EUR 156 million (previous year: 161) compared with the corresponding period of the previous year.

### ■ Central Europe East

The countries of the Central Europe East region were very heavily impaired in the first quarter of this year due to the weather. In addition, the pressure of imports prevailed in Hungary and in the Czech Republic. Nevertheless, the economic prospects for the current year are still positive. Cement and clinker sales volumes fell in the first three months by 6.7% to 1.1 million tonnes. While the aggregates operating line also suffered under the exceptionally protracted winter, increases could be achieved in ready-mixed concrete.

Turnover fell overall by 17.5% to EUR 77 million (previous year: 93), affected also by the lower valuation of the Polish zloty. Effects from the sale of the Polish lime operations were offset by the inclusion of additional cement activities in Romania, Poland and in the Ukraine.

#### Northern Europe

| EURm                     | 2002 | 2003 |
|--------------------------|------|------|
| Cement                   | 83   | 84   |
| Concrete                 | 79   | 71   |
| Building materials       | 5    | 7    |
| Intra-Group eliminations | -6   | -6   |
| Total turnover           | 161  | 156  |

#### Central Europe East

| EURm                     | 2002 | 2003 |
|--------------------------|------|------|
| Cement                   | 75   | 63   |
| Concrete                 | 16   | 19   |
| Building materials       | 6    | -    |
| Intra-Group eliminations | -4   | -5   |
| Total turnover           | 93   | 77   |

## ■ North America

While Canada's economy continued its robust performance in the first quarter, the US was shaped by a persistently weak economy. However, repercussions on the US construction industry were kept within limits. Latest forecasts even expect a recovery at the end of 2003 and a further upward trend in the construction volume in 2004.

The sales volume situation continues to be satisfactory in virtually all our sales regions. The wintry weather conditions only had a moderating impact on sales volumes on the Northeast and Midwest of the US. Demand in Canada – both in British Columbia as well as in the Prairie Provinces – developed very favourably. Overall cement and clinker sales volumes in the first quarter at 2.4 million tonnes were below the previous year's level by 1.9%. Considerable sales volume increases could be achieved in some cases in the ready-mixed concrete and aggregates operating lines.

Turnover fell in the first three months by 17.6% to EUR 340 million (previous year: 412) due to the weakening of the US dollar against the euro; on the other hand turnover was approximately 1% above the previous year in national currency.

## ■ Africa-Asia-Turkey

The upsurge continued in this region at the beginning of the year. In Africa, demand increased in our important market Ghana in particular, and in Sierra Leone and Niger. Sales volumes markedly increased in Bangladesh as well, where at the beginning of the year we merged our two grinding plants that were hitherto legally independent. We sold our majority participation in the Limay Grinding Mill Corporation grinding facility in the Philippines, as we saw no possibility in the foreseeable future to expand cement activities. Our participation in Turkey, Akçansa, also reports a further increase in sales volumes.

### Turnover by business lines January - March 2003

| North America            |      |      | Africa-Asia-Turkey       |      |      |
|--------------------------|------|------|--------------------------|------|------|
| EURm                     | 2002 | 2003 | EURm                     | 2002 | 2003 |
| Cement                   | 247  | 200  | Cement                   | 92   | 99   |
| Concrete                 | 198  | 169  | Concrete                 | 7    | 7    |
| Building materials       | -    | -    | Building materials       | -    | -    |
| Intra-Group eliminations | -33  | -29  | Intra-Group eliminations | -1   | -1   |
| Total turnover           | 412  | 340  | Total turnover           | 98   | 105  |



Cement and clinker sales volumes rose overall in the Africa-Asia-Turkey region by 18.4% to 1.5 million tonnes. Turnover increased by 7.6% to EUR 105 million (previous year: 98).

Our non-consolidated participation Indocement reached the previous year's level with cement and clinker sales volumes of 2.5 million tonnes. The sales volumes of our Chinese participation China Century Cement increased by 12.5% to just under 0.8 million tonnes.

### ■ Heidelberg Building Materials Europe (HBE)

The cold weather also adversely affected Heidelberg Building Materials Europe, which is operating in 27 European countries. Therefore, the sales volumes of our interior finishing products developed significantly better than the sales volumes of products for the external sector such as façade and masonry mortar. The concentration on high margin products as well as reduced capacities will also continue to contribute to the improvement in results.

The fall in turnover due to the weather could be tempered through the inclusion of Marmoran in Switzerland as well as Maxit Italy at the beginning of the year. Turnover fell overall by 3.3% to EUR 197 million (previous year: 204).

### ■ Group Services

The volume of cement sales by HC Trading showed double-digit growth in the first quarter. Overall, growth by 9.2% to 2.6 million tonnes could be accomplished despite decreasing clinker volumes.

The turnover of the Group Services unit, which also covers the worldwide procurement of fossil fuels in addition to trading activities, fell by 13.5% to EUR 92 million (previous year: 107) due to the weak US-dollar.

#### Heidelberg Building Materials Europe

| EURm                     | 2002 | 2003 |
|--------------------------|------|------|
| Cement                   | -    | -    |
| Concrete                 | -    | -    |
| Building materials       | 204  | 197  |
| Intra-Group eliminations | -    | -    |
| Total turnover           | 204  | 197  |

# HeidelbergCement interim accounts

## Group profit and loss accounts

January - March

| EUR '000s   | 2002      | 2003      |
|---|-----------|-----------|
| Turnover  | 1,354,014 | 1,221,648 |
| <b>Operating income before depreciation (OIBD)</b>      | 98,412    | 40,302    |
| Depreciation and amortisation                           | -162,776  | -152,581  |
| <b>Operating income</b>                                 | -64,364   | -112,279  |
| Non-operating result                                    | 5,860     | 13,228    |
| Results from participations                             | 12,890    | -3,514    |
| <b>Earnings before interest and income taxes (EBIT)</b> | -45,614   | -102,565  |
| Financial results                                       | -56,742   | -60,285   |
| <b>Profit before tax</b>                                | -102,356  | -162,850  |
| Taxes on income   | 23,204    | 19,106    |
| <b>Profit for the financial year</b>                    | -79,152   | -143,744  |
| Minority interests                                      | 1,537     | 3,599     |
| <b>Group share in profit</b>                            | -77,615   | -140,145  |
| Earnings per ordinary share in EUR (IAS 33)             | -1.22     | -2.20     |
| Earnings per preference share in EUR (IAS 33)           | -1.20     |           |

## Group cash flow statement

January - March

| EUR '000s                                    | 2002            | 2003            |
|--|-----------------|-----------------|
| Cash flow                                    | 70,019          | -8,214          |
| Change in operating assets and liabilities   | -198,566        | -158,770        |
| <b>Net cash from operating activities</b>    | <b>-128,547</b> | <b>-166,984</b> |
| Intangible fixed assets                      | -6,379          | -1,331          |
| Tangible fixed assets                        | -109,425        | -81,875         |
| Financial fixed assets                       | -10,412         | -58,509         |
| Investments (cash outflow)                   | -126,216        | -141,715        |
| Proceeds from fixed asset disposals          | 27,336          | 58,564          |
| Cash from changes in consolidation scope     | 12,657          | 4,427           |
| <b>Net cash used in investing activities</b> | <b>-86,223</b>  | <b>-78,724</b>  |
| Dividend payments - minority shareholders    | -4,298          | -2,813          |
| Proceeds from bond issuance and loans        | 49,190          | 145,056         |
| <b>Cash flow from financing activities</b>   | <b>44,892</b>   | <b>142,243</b>  |
| Net change in cash and cash equivalents      | -169,878        | -103,465        |
| Effect of exchange rate changes              | 6,031           | -5,000          |
| Cash and cash equivalents at 1 January       | 567,739         | 399,473         |
| Cash and cash equivalents at 31 March*       | 403,892         | 291,008         |

\* In the balance sheet, the item short-term investments additionally lists the market value of hedging transactions and the "available for sale financial assets" amounting to EUR 252.2 million (previous year: 107.1)

## Group balance sheet

### Assets

| EUR '000s                    | 31 Dec. 2002      | 31 March 2003     |
|------------------------------|-------------------|-------------------|
| <b>Long-term assets</b>      | 2,397,052         | <b>2,490,788</b>  |
| Intangible fixed assets      | 4,665,249         | <b>4,631,007</b>  |
| Tangible fixed assets        | 1,399,225         | <b>1,261,610</b>  |
| Financial fixed assets       | 8,461,526         | <b>8,383,405</b>  |
| Fixed assets                 | 148,250           | <b>172,628</b>    |
| Deferred taxes               | 128,465           | <b>114,000</b>    |
| Other long-term receivables  | 8,738,241         | <b>8,670,033</b>  |
| <b>Short-term assets</b>     |                   |                   |
| Stocks                       | 693,279           | <b>699,435</b>    |
| Receivables and other assets | 1,101,500         | <b>1,230,048</b>  |
| Short-term investments       | 328,298           | <b>318,166</b>    |
| Cash at bank and in hand     | 277,610           | <b>224,993</b>    |
|                              | 2,400,687         | <b>2,472,642</b>  |
| <b>Balance sheet total</b>   | <b>11,138,928</b> | <b>11,142,675</b> |

## Liabilities

| EUR '000s  | 31 Dec. 2002             | 31 March 2003            |
|--|--------------------------|--------------------------|
| <b>Shareholders' equity and minority interests</b> |                          |                          |
| Capital entitled to shareholders                   | 3,692,050                | <b>3,536,655</b>         |
| Minority interests                                 | 153,957                  | <b>148,676</b>           |
|  | <u>3,846,007</u>         | <u><b>3,685,331</b></u>  |
| <b>Long-term provisions and liabilities</b>        |                          |                          |
| Provisions   | 1,302,667                | <b>1,303,288</b>         |
| Liabilities  | 3,872,346                | <b>4,093,443</b>         |
|  | <u>5,175,013</u>         | <u><b>5,396,731</b></u>  |
| <b>Short-term provisions and liabilities</b>       |                          |                          |
| Provisions   | 75,621                   | <b>81,330</b>            |
| Liabilities  | 2,042,287                | <b>1,979,283</b>         |
|  | <u>2,117,908</u>         | <u><b>2,060,613</b></u>  |
| <b>Balance sheet total</b>                         | <u><b>11,138,928</b></u> | <u><b>11,142,675</b></u> |

## Group equity capital grid

| EUR '000s                               |                  | Capital changes      |               |
|---|------------------|----------------------|---------------|
|   | 1 Jan. 2003      | Increase<br>Decrease | Dividends     |
| <b>Subscribed share capital</b>         | 163,468          | 5,000                |               |
| <b>Capital reserves</b>                 | 1,526,016        | 73,125               |               |
| <b>Revenue reserves</b>                 | 2,123,302        |                      |               |
| <b>Currency translation</b>             | -110,613         |                      |               |
| <b>Company shares</b>                   | -10,123          | 2,658                |               |
| <b>Capital entitled to shareholders</b> | 3,692,050        | 80,783               |               |
| <b>Minority interests</b>               | 153,957          | 3,899                | -2,813        |
|   | <b>3,846,007</b> | <b>84,682</b>        | <b>-2,813</b> |

\* Mainly IAS 39

### Changes without effects on results

| Profit for<br>the financial<br>year | Exchange<br>rates | Other<br>changes | 31 March<br>2003 |
|-------------------------------------|-------------------|------------------|------------------|
|                                     |                   |                  | 168,468          |
|                                     |                   |                  | 1,599,141        |
| -140,145                            |                   | -23,751*         | 1,959,406        |
|                                     | -72,282           |                  | -182,895         |
|                                     |                   |                  | -7,465           |
|                                     |                   |                  |                  |
| -140,145                            | -72,282           | -23,751          | 3,536,655        |
| -3,599                              | -2,768            |                  | 148,676          |
| <b>-143,744</b>                     | <b>-75,050</b>    | <b>-23,751</b>   | <b>3,685,331</b> |

## Notes to the interim report

### ■ Accounting and consolidation principles

The accounting and consolidation principles as of 31 March 2003 remained unchanged compared to 31 December 2002.

Results from associated undertakings, revenues from other participations and depreciation of financial fixed assets were combined as results from participations. Income from loans, other interest receivable and similar income, and interest payable as well as similar charges are included in the financial results.

### ■ Seasonal nature of the business

As a manufacturer of building materials, HeidelbergCement is regionally exposed to the poor weather conditions of the first months of the year. Production and sales volumes were especially adversely affected by the higher number of frosty days compared to the previous year that led to a decline in building activities. These seasonal volatilities are mirrored in the figures for the first quarter.



## ■ Scope of consolidation

The main changes in the scope of consolidation against 31 December 2002 were the initial incorporation of the HeidelbergCement Produktionsgesellschaft mbH & Co. KG, Heidelberg, and the Hüttenzement GmbH, Königs Wusterhausen. Additionally included into the scope of consolidation were the companies Rostocker Zement Umschlags-GmbH, Rostock, Splitt Chartering Aps, Aabenraa/Denmark, Stema Shipping Norge A/S, Larvik/Norway, Maxit s.r.l., Zandobbio/Italy, Brnenske Pisky a.s., Nemcicky/Czech Republic, Ekocem sp.z o.o., Katowice/Poland, S.C. Tagrimpex Romcif S.A. Fieni, Fieni/Romania, Kamenivo Slovakia, Bytca/Slovakia, Zlatna Panega Beton, Zlatna Panega/Bulgaria, TBG Plovdiv, Plovdiv/Bulgaria, TBG Vác Kft, Vác/Hungary, TBG Dunabenton Kft, Dunajvaros/Hungary, TBG Debrecen Kft, Debrecen/Hungary. The following companies were removed from the scope of consolidation: Kalksandsteinwerk Saale-Dreieck GmbH & Co. KG, Groß Rosenberg, TBG Fertigbeton Saar GmbH & Co. KG, Saarbrücken, HZN Beteiligungen GmbH & Co. KG, Heidelberg, Círcel Grundstücks- und Vermögensverwaltung AG, Rohrdorf, Argex BVBA, Zwijndrecht/Belgium, Société des Entreprises Rudigoz S.A.S., Meximieux/France, Duna Dráva Mészművek Kft, Vác/Hungary, Ceskomoravské Vapno a.s., Mokrá/Czech Republic, and Limay Grinding Mill Corporation, Makati City/Philippines.

## Segment reporting

Regions January to March 2003 (Primary reporting format under IAS 14 No. 50ff.)

| EURm  | Central Europe West |        | Western Europe |       |
|---|---------------------|--------|----------------|-------|
|   | 2002                | 2003   | 2002           | 2003  |
| External turnover                                       | 134                 | 113    | 231            | 221   |
| Inter-region turnover                                   | 1                   | 3      | 3              | 3     |
| <b>Turnover</b>   | 135                 | 116    | 234            | 224   |
| Change to prior year in %                               |                     | -14.7% |                | -4.1% |
| <b>Operating income before depreciation (OIBD)</b>      | -5                  | -20    | 27             | 15    |
| in % of turnover  | -3.7%               | -17.2% | 11.5%          | 6.7%  |
| Depreciation  | 18                  | 17     | 31             | 31    |
| <b>Operating income</b>                                 | -23                 | -37    | -4             | -16   |
| in % of turnover  | -17.0%              | -31.9% | -1.7%          | -7.1% |
| Results from participations                             | 9                   | -4     | 2              | 1     |
| Non-operating result                                    |                     |        |                |       |
| <b>Earnings before interest and income taxes (EBIT)</b> | -14                 | -41    | -2             | -15   |
| <b>Investments*</b>                                     | 13                  | 8      | 20             | 12    |
| <b>Employees</b>  | 4,452               | 4,316  | 3,970          | 3,851 |

\* Investments = in the segments columns: tangible and intangible fixed asset investments;

## Turnover development

by regions and business lines January to March 2003

| EURm                         | Cement |      |
|------------------------------|--------|------|
|                              | 2002   | 2003 |
| Central Europe West          | 62     | 52   |
| Western Europe               | 181    | 166  |
| Northern Europe              | 83     | 84   |
| Central Europe East          | 75     | 63   |
| North America                | 247    | 200  |
| Africa-Asia-Turkey           | 92     | 99   |
| HBE                          |        |      |
| <b>Total</b>                 | 740    | 664  |
| Group Services               |        |      |
| <b>Inter-region turnover</b> |        |      |
| <b>Total Group</b>           |        |      |

| Northern Europe |       | Central Europe East |        | North America |        | Africa-Asia-Turkey |       |
|-----------------|-------|---------------------|--------|---------------|--------|--------------------|-------|
| 2002            | 2003  | 2002                | 2003   | 2002          | 2003   | 2002               | 2003  |
| 140             | 137   | 90                  | 75     | 412           | 340    | 92                 | 100   |
| 21              | 19    | 3                   | 2      |               |        | 6                  | 5     |
| 161             | 156   | 93                  | 77     | 412           | 340    | 98                 | 105   |
|                 | -3.1% |                     | -17.5% |               | -17.6% |                    | 7.6%  |
| 12              | 6     | 6                   | -4     | 38            | 24     | 9                  | 10    |
| 7.5%            | 3.8%  | 6.5%                | -5.2%  | 9.2 %         | 7.1%   | 9.2%               | 9.5%  |
| 21              | 20    | 19                  | 19     | 41            | 33     | 11                 | 10    |
| -9              | -14   | -13                 | -23    | -3            | -9     | -2                 |       |
| -5.6%           | -9.0% | -14.0%              | -29.9% | -0.7 %        | -2.6%  | -2.0%              |       |
| 1               |       |                     | -2     | 1             | -2     |                    | 2     |
|                 |       |                     |        |               |        |                    |       |
|                 |       |                     |        |               |        |                    |       |
| -8              | -14   | -13                 | -25    | -2            | -11    | -2                 | 2     |
| 7               | 8     | 13                  | 19     | 53            | 23     | 4                  | 7     |
| 5,290           | 4,902 | 9,218               | 10,121 | 6,169         | 5,899  | 2,372              | 2,351 |

in the reconciliation column: financial asset investments

| Concrete |      | Building materials |      | Intra Group eliminations |      | Total |       |
|----------|------|--------------------|------|--------------------------|------|-------|-------|
| 2002     | 2003 | 2002               | 2003 | 2002                     | 2003 | 2002  | 2003  |
| 58       | 48   | 24                 | 20   | -9                       | -4   | 135   | 116   |
| 65       | 69   |                    |      | -12                      | -11  | 234   | 224   |
| 79       | 71   | 5                  | 7    | -6                       | -6   | 161   | 156   |
| 16       | 19   | 6                  |      | -4                       | -5   | 93    | 77    |
| 198      | 169  |                    |      | -33                      | -29  | 412   | 340   |
| 7        | 7    |                    |      | -1                       | -1   | 98    | 105   |
|          |      | 204                | 197  |                          |      | 204   | 197   |
| 423      | 383  | 239                | 224  | -65                      | -56  | 1,337 | 1,215 |
|          |      |                    |      |                          |      | 107   | 92    |
|          |      |                    |      |                          |      | -90   | -85   |
|          |      |                    |      |                          |      | 1,354 | 1,222 |

| HBE   |              | Group Services |           | Reconciliation |            | Group  |               |
|-------|--------------|----------------|-----------|----------------|------------|--------|---------------|
| 2002  | 2003         | 2002           | 2003      | 2002           | 2003       | 2002   | 2003          |
| 202   | <b>196</b>   | 53             | <b>40</b> |                |            | 1,354  | <b>1,222</b>  |
| 2     | <b>1</b>     | 54             | <b>52</b> | -90            | <b>-85</b> |        |               |
| 204   | <b>197</b>   | 107            | <b>92</b> | -90            | <b>-85</b> | 1,354  | <b>1,222</b>  |
|       | -3.3%        |                | -13.5%    |                |            |        | -9.8%         |
| 11    | <b>8</b>     |                | <b>1</b>  |                |            | 98     | <b>40</b>     |
| 5.4%  | 4.1%         |                | 1.1%      |                |            | 7.2%   | 3.3%          |
| 21    | <b>21</b>    |                | <b>1</b>  |                |            | 162    | <b>152</b>    |
| -10   | <b>-13</b>   |                |           |                |            | -64    | <b>-112</b>   |
| -4.9% | -6.6%        |                |           |                |            | -4.7%  | -9.2%         |
|       | <b>1</b>     |                |           |                |            | 13     | <b>-4</b>     |
|       |              |                |           | 6              | <b>13</b>  | 6      | <b>13</b>     |
| -10   | <b>-12</b>   |                |           | 6              | <b>13</b>  | -45    | <b>-103</b>   |
| 6     | <b>6</b>     |                |           | 10             | <b>59</b>  | 126    | <b>142</b>    |
| 5,087 | <b>4,773</b> | 107            | <b>43</b> |                |            | 36,665 | <b>36,256</b> |

## Exchange rates

|         |                | Exchange rates<br>on reporting day |                  | Average<br>exchange rates |                 |
|---------|----------------|------------------------------------|------------------|---------------------------|-----------------|
|         |                | 31 Dec.<br>2002                    | 31 March<br>2003 | 01-03/<br>2002            | 01-03/<br>2003  |
| Country |                | EUR                                | EUR              | EUR                       | EUR             |
| USD     | US             | 1.0492                             | <b>1.0915</b>    | 0.8772                    | <b>1.0734</b>   |
| CAD     | Canada         | 1.6491                             | <b>1.6012</b>    | 1.3982                    | <b>1.6199</b>   |
| GBP     | Great Britain  | 0.6517                             | <b>0.6895</b>    | 0.6147                    | <b>0.6692</b>   |
| BGL     | Bulgaria       | 1.9592                             | <b>1.9627</b>    | 1.9520                    | <b>1.9530</b>   |
| HRK     | Croatia        | 7.5219                             | <b>7.7606</b>    | 7.4002                    | <b>7.5779</b>   |
| NOK     | Norway         | 7.2759                             | <b>7.9349</b>    | 7.8119                    | <b>7.5740</b>   |
| PLN     | Poland         | 4.0177                             | <b>4.4703</b>    | 3.6195                    | <b>4.1878</b>   |
| ROL     | Romania        | 35,132                             | <b>36,268</b>    | <sup>1)</sup>             | <sup>1)</sup>   |
| SEK     | Sweden         | 9.1197                             | <b>9.2236</b>    | 9.1598                    | <b>9.1817</b>   |
| CZK     | Czech Republic | 31.5420                            | <b>32.0520</b>   | 31.7292                   | <b>31.6205</b>  |
| HUF     | Hungary        | 235.3800                           | <b>247.7100</b>  | 243.4550                  | <b>243.7661</b> |
| TRL     | Turkey         | 1,735,900                          | <b>1,871,549</b> | <sup>1)</sup>             | <sup>1)</sup>   |

<sup>1)</sup> In accordance with IAS 21.30 (b) the income and expenses are converted using the exchange rates on the reporting day.

## Financial calendar 2003

Interim report January to June 2003  
as well as analysts' and press conferences

|           |               |
|-----------|---------------|
| Frankfurt | 5 August 2003 |
| London    | 6 August 2003 |

Interim report January to September 2003 6 November 2003

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You find this interim report  
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