

Interim Report January to March 2005



Interim Report January to March 2005

- Turnover at the previous year's level
- Strong adverse seasonal effects in Europe
- Double-digit growth in North America
- Cartel Office authorises acquisition of Teutonia
- Moderate increase in sales volumes and slight rise in turnover expected for 2005
- Improvement of equity ratio to approx. 40 % after successful capital increase

Overview January - March

EURm	2004	2005
Turnover	1,347	1,355
Operating income before depreciation (OIBD)	90	85
Operating income	-33	-35
Additional ordinary result	18	-21
Results from participations	2	11
Earnings before interest and income taxes (EBIT)	-13	-44
Result before tax	-83	-99
Loss for the financial year	-60	-96
Group share	-58	-105
Investments	84	140

Letter to the shareholders

Ladies and Gentlemen,

The international economic growth has weakened slightly in recent months. However, the US and China continue to provide the strongest impetus. In the EU countries, the considerable slowdown in the economic dynamics was partly caused by the heavy increase in raw material prices. The severe winter impaired major parts of Europe in the first quarter. In Germany the growth forecast was lowered significantly as a result of the continuously weak domestic economy and the strong euro.

In the first quarter, turnover increased slightly in comparison with the previous year by 0.6 % to EUR 1,355 million (previous year: 1,347). Welcome growth in turnover was achieved in Northern Europe, Central Europe East and North America. In North America, turnover in US dollars increased by around 17 %. Excluding currency and consolidation effects, Group turnover rose by a total of 0.8 % in comparison with the previous year.

At EUR 85 million (previous year: 90), operating income before depreciation (OIBD) was 5.4 % below the previous year's value. In the first quarter, operating income decreased by 6.6 % to EUR -35 million (previous year: -33). The positive contribution to results made by North America and Africa-Asia-Turkey was counterbalanced by the effects of unfavourable weather conditions in Europe. The additional ordinary result of EUR -21 million (previous year: 18) essentially results from taking into account the prepayment penalty for the redemption of 35 % of our high yield bond. The financing costs will decrease in the following years accordingly. Our participation Vicat exerted a considerable influence on the results from participations, which amounted to EUR 11 million (previous year: 2).

The financial results improved by EUR 16 million to EUR -54 million (previous year: -70). This was primarily due to the fact that unlike in the previous year Indocement incurred no foreign exchange losses.

Loss before tax amounts to EUR -99 million (previous year: -83). In accordance with the revised German tax laws, no tax assets resulting from losses were recognised. Consequently, in the first quarter of 2005, the tax income decreased by EUR 21 million to EUR 2 million (previous year: 23). As a result of the positive development of Indocement's profit for the financial year, the minority interests total EUR 8 million (previous year: -1). The Group share amounts to EUR -105 million (previous year: -58).

Acquisition of Teutonia successfully completed

Following the conclusion of the public tender offer for Teutonia Zementwerk AG, Hanover, HeidelbergCement now holds 131,164 ordinary shares and 68,541 preference shares. This corresponds to around 99 % of the voting rights and 92 % of the share capital. The Cartel Office's authorisation for the acquisition of Teutonia was issued on 28 April 2005.

Change in the Supervisory Board

On 6 April 2005, Mr. Gerhard Hirth was appointed member of the Supervisory Board, as a shareholder representative, by resolution of the Local Court (Amtsgericht) in Heidelberg. He succeeds Dr. Bernd Scheifele, who was appointed Chairman of the Managing Board of HeidelbergCement effective 1 February 2005.

Further development of the corporate and management structure

In line with the personnel changes in the Managing Board, some of the responsibilities within the Managing Board were also redistributed. In addition to Central Europe West and Central Europe East, Andreas Kern is now also responsible for the United Kingdom and Northern Europe. Furthermore, Dr. Lorenz Näger was assigned responsibility for maxit Group.

We have appointed the management consultancy firm Boston Consulting to examine the organisational structure for Europe and to develop a transparent and efficient structure for the European regions.

In addition, the decision has been made to move the Group departments Strategy & Development, Internal Audit and Finance & Treasury from Brussels and Malmö respectively to Heidelberg. The administrative locations in Malmö and Singapore are to close. The responsibilities assigned to Singapore will, in future, be handled directly by our operating units in Asia. A decision will be made regarding the administrative location in Brussels following the conclusion of a detailed investigation.

Cement and clinker sales volumes

In the first quarter of 2005, cement and clinker sales volumes decreased by 2 % to 12.7 million tonnes (previous year: 12.9). In most regions, sales volumes were adversely affected by the severe winter. We were able to achieve increases in sales volumes in North America, Northern Europe and Africa-Asia-Turkey. Excluding consolidation effects, the decline amounted to 3.7 %.

Cement and clinker sales volumes January - March

1,000 tonnes	2004	2005
Central Europe West	1,302	964
Western Europe	2,068	1,792
Northern Europe	1,059	1,119
Central Europe East	1,262	1,208
North America	2,726	2,807
Africa-Asia-Turkey	4,535	4,774
Total	12,952	12,664

Employees

In the first three months, HeidelbergCement employed 41,602 people (previous year: 42,453) across the Group. In almost all regions, restructuring measures were carried out.

Investments

In the first quarter, cash relevant investments rose by 68 % in comparison with the previous year to EUR 140 million (previous year: 84). Of this figure, EUR 93 million (previous year: 72) was invested in tangible fixed assets and EUR 47 million (previous year: 12) in financial fixed assets. Disinvestments of EUR 26 million (previous year: 43) and changes in the consolidation scope amounting to EUR 9 million (previous year: 63) led to a total cash flow from investing activities totalling EUR -105 million (previous year: 23).

Prospects

Despite a weak first quarter, we expect moderate increases in sales volumes and turnover in the current financial year. Once again, North America and the growth markets will provide strong impetus. Germany, where construction sector capital spending is continuously decreasing, will undoubtedly remain weak.

We will focus on increasing efficiency and reducing costs in all areas, not just in the plants but also in the central functions. We will also reduce costs in the finance area.

We will continue to participate in the process of consolidation that is taking place in the international cement sector, directing our attention towards small or medium-sized acquisitions. Our aim is to further improve our existing market positions.

Heidelberg, 4 May 2005

Yours sincerely,



Dr. Bernd Scheifele
Chairman of the Managing Board

HeidelbergCement on the market

Central Europe West

Construction activity decreased further during the first quarter. The cement and clinker sales volumes of our plants fell by 26 % in the first quarter to just under 1.0 million tonnes (previous year: 1.3). The main cause for this was the severe winter. Demand did not noticeably increase until temperatures became milder in the second half of March. With increased prices, turnover from cement did not decrease as heavily as the sales volumes. Compared with the previous year, we have come a long way towards achieving adequate price levels once again. In the first three months, deliveries of ready-mixed concrete and aggregates fell to a similar extent to cement sales volumes, as a result of adverse weather conditions.

Turnover in the Central Europe West region decreased in the first three months by 15.7 % to EUR 121 million (previous year: 144).

Western Europe

The cold winter weather had a considerable adverse impact on the cement and clinker sales volumes of our cement plants in Western Europe, which fell by a total of 13.3 % to 1.8 million tonnes (previous year: 2.1). In Belgium and the Netherlands, which are still suffering from the effects of the price war on the German market, we are taking measures to reduce costs and increase productivity, in order to win back customers and market shares. We are currently restructuring our operations in both countries. One of the aims is to reduce clinker capacities in Maastricht. Our plants in the United Kingdom also recorded decreases of 13.1 % in sales volumes. Besides the severe winter, this was caused by the decline in deliveries to a major customer, who now meets his demand for cement through his own new production site. Sales volumes of ready-mixed concrete and aggregates in the region also declined in the first quarter.

The total turnover in Western Europe fell by 13.3 % in the first three months, to EUR 184 million (previous year: 213).

Turnover development by business lines January - March

Central Europe West

EURm	2004	2005
Cement	68	58
Concrete	57	47
Building materials	29	25
Intra-Group eliminations	-10	-9
Total turnover	144	121

Western Europe

EURm	2004	2005
Cement	159	140
Concrete	62	54
Building materials	-	-
Intra-Group eliminations	-8	-10
Total turnover	213	184

Northern Europe

Construction activity in the countries of the Northern Europe region once again developed positively in the first quarter of 2005. The domestic sales volumes of our Scandinavian cement plants achieved a substantial increase of 10.3 % in comparison with the same period last year. Our Norwegian Brevik plant was fully available again after its conversion to allow increased use of alternative fuels. Exports increased slightly, by 2 %. The domestic sales volumes of the Kunda plant in Estonia and the Cesla plant near Saint Petersburg exceeded the previous year's level by 11.5 %. Clinker exports from Kunda had to be discontinued in order to supply the Cesla plant. In Cesla, clinker production is expected to restart in June, following the modernisation and capacity increase of the cement kiln. In total, the cement and clinker sales volumes of the Northern Europe region increased by 5.7 % to 1.1 million tonnes (previous year: 1.1). While deliveries of ready-mixed concrete increased significantly, primarily as a result of consolidation, sales volumes of aggregates remained below the previous year.

Turnover in the Northern Europe region increased by 10.5 % to EUR 147 million (previous year: 133).

Central Europe East

In some countries of the Central Europe East region, economic growth is significantly higher than the EU average. However, construction activity, and therefore cement consumption, was adversely affected to a large extent in the first quarter by the unfavourable weather conditions. In our main market Poland, we recorded a decline of approximately 30 % in sales volumes. In almost all other countries, the bad weather caused decreases in quantities, which in some cases were substantial. In the Ukraine, on the other hand, we were able to increase cement sales volumes by 23 %. The cement sales volumes of the Central Europe East region remained 4.2 % below the previous year's level, at 1.2 million tonnes (previous year: 1.3). While deliveries of aggregates declined slightly, the ready-mixed concrete operating line achieved increases in quantities.

Boosted by positive exchange rate effects, turnover rose by 10.7 % to EUR 92 million (previous year: 83).

Northern Europe

EURm	2004	2005
Cement	77	84
Concrete	63	70
Building materials	-	-
Intra-Group eliminations	-7	-7
Total turnover	133	147

Central Europe East

EURm	2004	2005
Cement	67	73
Concrete	21	28
Building materials	-	-
Intra-Group eliminations	-5	-9
Total turnover	83	92

North America

In the first three months of 2005, the rate of growth, experienced last year, weakened only slightly. The construction sector, particularly commercial and public construction, remains at a high level. In Canada, the economic situation remains positive, especially in the western provinces.

With increased prices, the sales volumes in almost all our market regions showed significant improvement once again. The increase differs regionally and is mainly weather-related. Clear trends are not yet recognizable, although we expect a renewed slight increase for 2005. In the first quarter, the total cement and clinker sales volumes were 3 % above the previous year, at 2.8 million tonnes (previous year: 2.7). In the ready-mixed concrete operating line, sales volumes increased by 1.4 %, while quantities of aggregates decreased by 2.5 % as a result of poor weather conditions.

Turnover increased by 11 % in the first three months to EUR 367 million (previous year: 330). In the national currency, turnover rose by around 17 % compared with the previous year.

Africa-Asia-Turkey

Total cement and clinker sales volumes in the Africa-Asia-Turkey region increased by 5.3 % to 4.8 million tonnes (previous year: 4.5).

At the beginning of 2005, our African cement operations once again recorded a positive development in demand. We were able to achieve noticeable increases in sales volumes, particularly in Benin, Tanzania, Togo and the Republic of the Congo. Likewise, in our main market Ghana, our cement deliveries were slightly above the previous year's level.

In Asia, our cement and clinker sales volumes increased by 8.7 % to 3.5 million tonnes (previous year: 3.2). Despite the continuing competitive pressure on the Indonesian domestic market, our subsidiary Indocement was able to increase its sales volumes, including exports, by 9.4 % to 2.8 million tonnes (previous year: 2.6). Competition also intensified in the Chinese province of Guangdong as a result of newly created production capacities. Nevertheless, our joint venture China Century Cement achieved an increase of 7.1 % in sales volumes, bringing the figure to 0.78 million tonnes (consolidated: 0.39 million tonnes). At the beginning of April 2005, the kiln in the new Guangzhou plant was put into operation; we plan to fully commission the new location in the third quarter.

Turnover development by business lines January - March

North America

EURm	2004	2005
Cement	196	217
Concrete	161	178
Building materials	-	-
Intra-Group eliminations	-27	-29
Total turnover	330	367

Africa-Asia-Turkey

EURm	2004	2005
Cement	208	218
Concrete	16	17
Building materials	-	-
Intra-Group eliminations	-5	-5
Total turnover	220	230

While the domestic sales volumes of our Turkish participation Akçansa remained stable, export deliveries had to be cut back markedly as a result of kiln repairs at the Çanakkale plant.

Turnover in the Africa-Asia-Turkey region increased by 4.4 % to EUR 230 million (previous year: 220).

maxit Group

The main cause of the decline in turnover was the severe winter in the maxit Group's major markets and especially in Germany. We were only able to achieve a slight increase in Spain, Turkey, Scandinavia and the Baltic region, as well as in the plant engineering business.

The two newly constructed dry mortar facilities in China and Russia will start production in the course of the year. In China, our subsidiary m-tec commissioned a new assembly production for plant engineering. In Spain, we acquired a dry mortar plant, which will be consolidated as of 1 May.

In the first quarter, the turnover of the maxit Group was 6.5 % below the previous year, with a total of EUR 199 million (previous year: 212).

Group Services

The total trade volume of HC Trading decreased by 2.5 % in the first three months to 2.7 million tonnes (previous year: 2.8). Increased deliveries of dry mortar and related materials could not compensate for the slightly smaller quantities of cement and 20 % lower clinker volumes.

Turnover in the Group Services unit, which also includes trading in fossil fuels, increased by 12.3 % to EUR 123 million (previous year: 110) as a result of significantly higher freight rates.

maxit Group

EURm	2004	2005
Cement	-	-
Concrete	-	-
Building materials	212	199
Intra-Group eliminations	-	-
Total turnover	212	199

Group profit and loss accounts

January - March

EUR '000s	2004	2005
Turnover	1,346,625	1,355,358
Change in stocks and work in progress	1,082	34,115
Own work capitalised	442	170
Operating revenues	1,348,149	1,389,643
Other operating income	51,661	42,082
Material costs	-566,006	-586,715
Employees and personnel costs	-329,804	-339,973
Other operating expenses	-413,942	-419,816
Operating income before depreciation (OIBD)	90,058	85,221
Depreciation and amortisation of tangible fixed assets	-116,880	-117,517
Depreciation and amortisation of intangible assets	-5,718	-2,396
Operating income	-32,540	-34,692
Additional ordinary result	17,689	-21,084
Results from associated companies	3,020	9,259
Results from other participations	-698	2,081
Earnings before interest and income taxes (EBIT)	-12,529	-44,436
Interest income and expense	-58,270	-55,945
Foreign currency exchange gains and losses	-11,815	1,699
Result before tax	-82,614	-98,682
Taxes on income	23,153	2,196
Loss for the financial year	-59,461	-96,486
Minority interests	1,252	-8,292
Group share	-58,209	-104,778
Earnings per share in EUR (IAS 33)	-0.58	-1.02

Group cash flow statement

January - March

EUR '000s	2004	2005
Operating income before depreciation (OIBD)	90,058	85,221
Additional ordinary result before depreciation	18,331	-21,312
Dividends received	-1,248	4,279
Interest paid	-60,855	-105,906
Taxes paid	-670	-28,086
Elimination of non-cash items	17,501	59,868
Cash flow	63,117	-5,936
Changes in operating assets	-170,052	-101,051
Changes in operating liabilities	-1,997	-100,291
Cash flow from operating activities	-108,932	-207,278
Intangible assets	-1,330	-839
Tangible fixed assets	-70,087	-91,869
Financial fixed assets	-12,239	-47,433
Investments (cash outflow)	-83,656	-140,141
Proceeds from fixed asset disposals	43,201	25,745
Cash from changes in consolidation scope	63,403	9,011
Cash flow from investing activities	22,948	-105,385
Capital increase		271,539
Dividend payments - minority shareholders	-1,611	-3,606
Proceeds from bond issuance and loans	99,248	218,853
Repayment of bonds and loans	-184,736	-215,238
Cash flow from financing activities	-87,099	271,548
Net change in cash and cash equivalents	-173,083	-41,115
Effect of exchange rate changes	196	7,958
Cash and cash equivalents at 1 January	524,961	305,009
Cash and cash equivalents at 31 March*	352,074	271,852

* In the balance sheet, the item "Short-term investments and similar rights" also lists the market value of hedging transactions and the "available for sale financial assets" amounting to EUR 73.1 million (previous year: 87.5).

Group balance sheet

Assets

EUR '000s	31 Dec. 2004	31 Mar. 2005
Long-term assets		
Intangible assets	2,297,697	2,298,396
Tangible fixed assets		
Land and buildings	1,872,849	1,941,503
Plant and machinery	2,684,415	2,725,560
Fixtures, fittings, tools and equipment	171,124	172,398
Payment on account and assets under construction	330,302	396,187
	<u>5,058,690</u>	<u>5,235,648</u>
Financial fixed assets		
Shares in associated companies	655,987	675,788
Shares in other participations	205,455	213,617
Loans to participations	12,792	14,274
Other loans	51,843	47,041
	<u>926,077</u>	<u>950,720</u>
Fixed assets	<u>8,282,464</u>	<u>8,484,764</u>
Deferred taxes	168,271	186,686
Other long-term receivables	48,884	54,999
	<u>8,499,619</u>	<u>8,726,449</u>
Short-term assets		
Stocks		
Raw materials and consumables	413,496	430,315
Work in progress	79,916	103,352
Finished goods and goods for resale	244,207	274,077
Payments on account	20,847	22,045
	<u>758,466</u>	<u>829,789</u>
Receivables and other assets		
Short-term financial receivables	138,486	158,282
Trade receivables	738,207	786,851
Other short-term operating receivables	157,339	197,561
Current income tax assets	38,640	46,177
	<u>1,072,672</u>	<u>1,188,871</u>
Short-term investments and similar rights	117,436	105,085
Cash at bank and in hand	267,714	239,834
	<u>2,216,288</u>	<u>2,363,579</u>
Balance sheet total	<u>10,715,907</u>	<u>11,090,028</u>

Liabilities

EUR '000s	31 Dec. 2004	31 Mar. 2005
Shareholders' equity and minority interests		
Subscribed share capital	258,421	278,289
Capital reserves	1,930,491	2,182,162
Revenue reserves	1,720,735	1,625,189
Currency translation	-372,498	-285,242
Company shares	-2,936	-2,936
Capital entitled to shareholders	3,534,213	3,797,462
Minority interests	429,110	553,480
	3,963,323	4,350,942
Long-term provisions and liabilities		
Provisions		
Provisions for pensions	576,547	585,987
Deferred taxes	470,436	468,507
Other long-term provisions	549,061	556,835
	1,596,044	1,611,329
Liabilities		
Debenture loans	1,949,188	1,793,891
Bank loans	1,025,294	1,133,183
Other long-term financial liabilities	524,505	511,703
	3,498,987	3,438,777
Other long-term operating liabilities	7,138	8,342
	3,506,125	3,447,119
	5,102,169	5,058,448
Short-term provisions and liabilities		
Provisions	110,013	126,408
Liabilities		
Bank loans (current portion)	219,697	198,639
Other short-term financial liabilities	334,831	438,524
	554,528	637,163
Trade payables	488,934	427,632
Current income taxes payables	55,280	55,357
Other short-term operating liabilities	441,660	434,078
	1,540,402	1,554,230
	1,650,415	1,680,638
Balance sheet total	10,715,907	11,090,028

Group equity capital grid

EUR '000s

	Subscribed share capital	Capital reserves	Revenue reserves	Currency translation	Company shares	Capital entitled to share- holders	Minority interests	Total
1 January 2004	255,104	1,888,454	2,237,338	-342,286	-7,465	4,031,145	153,902	4,185,047
Effect of adopting IAS 19 (Amendment Dec. 2004)			-105,627			-105,627		-105,627
1 January 2004 (restated)	255,104	1,888,454	2,131,711	-342,286	-7,465	3,925,518	153,902	4,079,420
Profit for the financial year			-58,209			-58,209	-1,252	-59,461
Capital increase								
from issuance of new shares	3,317	42,037				45,354		45,354
Dividends							-1,494	-1,494
Changes without effects on results								
Consolidation adjustments			-368			-368	342,430	342,062
IFRS 3.81 Offsetting of negative goodwill			22,794			22,794		22,794
Financial instruments IAS 39			2,825			2,825		2,825
Exchange rate			-2,130 ¹⁾	11,293		9,163	-3,315	5,848
31 March 2004	258,421	1,930,491	2,096,623	-330,993	-7,465	3,947,077	490,271	4,437,348
1 January 2005	258,421	1,930,491	1,720,735	-372,498	-2,936	3,534,213	429,110	3,963,323
Effect of adopting IAS 28			12,213			12,213		12,213
Effect of adopting IFRS 2			-1,159			-1,159		-1,159
1 January 2005 (restated)	258,421	1,930,491	1,731,789	-372,498	-2,936	3,545,267	429,110	3,974,377
Profit for the financial year			-104,778			-104,778	8,292	-96,486
Capital increase								
from issuance of new shares	19,868	251,671				271,539		271,539
Dividends							-3,606	-3,606
Changes without effects on results								
Consolidation adjustments			-776			-776	154,339	153,563
Financial instruments IAS 39			-1,046			-1,046		-1,046
Exchange rate				87,256		87,256	-34,655	52,601
31 March 2005	278,289	2,182,162	1,625,189	-285,242	-2,936	3,797,462	553,480	4,350,942

¹⁾ Realised currency translation adjustments

Notes to the interim accounts

■ Accounting and consolidation principles

HeidelbergCement has adopted for the quarterly closing the International Financial Reporting Standards (IFRS) with the standards applicable at the balance sheet date.

Material changes in comparison to the accounting and valuation principles at 31 December 2004, result from the first time adoption of IFRS 2 (Share-based Payment) and the revised version of IAS 28 (Accounting for Investments in Associates).

Investments in associated companies shall be accounted for using the equity method on the basis of uniform accounting policies (IAS 28.13 and 26). The adjustment to uniform accounting and valuation principles was applied, provided that the financial statements according to IFRS were available at the balance sheet date.

IFRS 2 (Share-based Payment) governs in details the accounting of share-based payment transactions in the financial statements. The standard especially deals with share options for the management staff. According to the transitional provisions of IFRS 2, the entity shall apply this standard to grants of shares, share options or other equity instruments that were granted after 7 November 2002 and had not yet vested at the effective date of this standard (IFRS 2.53). Therefore, IFRS 2 was not applied to the plans 2000/2006, 2001/2007, 2002/2008, as those plans were granted before the cut-off date and had not yet exercised.

The results from other participations include the revenues from other participations as well the depreciation of financial fixed assets.

■ Seasonal nature of the business

The cold weather, which lasted until well into March, had a negative effect on the production and sales position of HeidelbergCement.

■ Scope of consolidation

We detail below the regional changes in the scope of consolidation since 31 December 2004. All newly included companies were fully consolidated in the Group accounts. The percentage of shares owned by the Group in each case is given in brackets.

Central Europe West

On 1 January 2005, Heidelberger Beton GmbH & Co. Bremen KG, Bremen (100 %), and TBG Transportbeton Zwickau GmbH & Co. KG, Zwickau (60.0 %), were included in the scope of consolidation for the first time.

Central Europe East

The Romanian company Carpatcemtrans S.R.L., Bucharest (98.87 %), entered the scope of consolidation for the first time in 2005.

maxit Group

The Hungarian company Deitermann Hungaria Kereskedelmi Kft., Budapest (100 %), was included in the consolidation scope of the maxit Group for the first time.

The following statements present the opening balance sheet and first quarter results for the newly consolidated companies, as prescribed by IFRS 3.67 ff. (Business Combinations):

Assets

EUR '000s	Total
Long-term assets	
Intangible assets	89
Tangible fixed assets	5,266
Financial fixed assets	835
	6,190
Short-term assets	
Stocks	220
Receivables and other assets	1,055
Cash at bank and in hand	1,221
	2,496
Balance sheet total	8,686

Liabilities

EUR '000s	Total
Shareholders' equity and minority interests	
Capital entitled to shareholders	6,251
	6,251
Long-term provisions and liabilities	
Liabilities	132
	132
Short-term provisions and liabilities	
Provisions	62
Liabilities	2,241
	2,303
Balance sheet total	8,686

Results for the companies consolidated for the first time in the first quarter 2005

EUR '000s	Total
Loss for the financial year	-292
Minority interests	106
Group share	-186

Turnover development by regions and business lines January to March 2005

EURm	Cement		Concrete		Building materials		Intra Group Eliminations		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Central Europe West	68	58	57	47	29	25	-10	-9	144	121
Western Europe	159	140	62	54			-8	-10	213	184
Northern Europe	77	84	63	70			-7	-7	133	147
Central Europe East	67	73	21	28			-5	-9	83	92
North America	196	217	161	178			-27	-29	330	367
Africa-Asia-Turkey	208	218	16	17			-5	-5	220	230
maxit Group					212	199			212	199
Total	776	791	379	394	242	224	-61	-69	1,335	1,339
Group Services									110	123
Inter-region turnover									-98	-107
Total Group									1,347	1,355

Exchange rates

		Exchange rates at		Average exchange rates	
		31 Dec. 2004	31 Mar. 2005	01-03/2004	01-03/2005
Country		EUR	EUR	EUR	EUR
USD	US	1.3558	1.2961	1.2465	1.3113
CAD	Canada	1.6308	1.5671	1.6435	1.6067
GBP	Great Britain	0.7067	0.6860	0.6787	0.6932
HRK	Croatia	7.6318	7.4084	7.5777	7.4990
IDR	Indonesia	12,595.38	12,287.03	10,584.55	12,197.20
NOK	Norway	8.2378	8.2102	8.6154	8.2377
PLN	Poland	4.0810	4.0808	4.7632	4.0228
ROL	Romania	39,313	36,633	¹⁾	37,033
SEK	Sweden	9.0191	9.1577	9.1880	9.0740
CZK	Czech Republic	30.3903	30.0203	32.8494	29.9863
HUF	Hungary	244.9253	246.9459	258.6954	244.6877
TRY	Turkey	1,823,551	1.7504 ²⁾	¹⁾	¹⁾

¹⁾ In accordance with IAS 21.42 (a) all amounts are translated using the closing rate at the date of the most recent balance sheet.

²⁾ On 1 January 2005, the Turkish Lira was renamed to Turkish New Lira and it was redenominated by cutting six zeros.

Segment reporting

Regions January to March 2005 (Primary reporting format under IAS 14 No. 50 ff.)

EURm	Central Europe West		Western Europe		Northern Europe		Central Europe East	
	2004	2005	2004	2005	2004	2005	2004	2005
External turnover	142	119	207	180	122	134	81	89
Inter-region turnover	2	2	6	4	11	13	2	3
Turnover	144	121	213	184	133	147	83	92
Change to prior year in %		-15.7%		-13.3%		10.5%		10.7%
Operating income before depreciation (OIBD)	-10	-19	15	15	4	8	4	-1
in % of turnover	-6.7%	-15.3%	7.0%	8.2%	2.7%	5.3%	5.1%	-1.3%
Depreciation	18	15	20	19	14	14	13	17
Operating income	-28	-34	-5	-4	-10	-6	-9	-18
in % of turnover	-19.5%	-27.9%	-2.5%	-2.2%	-7.7%	-4.3%	-10.6%	-19.9%
Results from participations	3	13	0	-4	0	1	-2	0
Additional ordinary result								
Earnings before interest and income taxes (EBIT)	-25	-21	-6	-8	-10	-6	-11	-19
Investments⁽¹⁾	9	10	8	15	8	6	11	15
Employees	4,438	4,169	3,736	3,524	4,066	4,072	8,369	8,546

⁽¹⁾ Investments = in the segment columns: tangible and intangible fixed asset investments; in the reconciliation column: financial fixed asset investments

North America		Africa-Asia-Turkey		maxit Group		Group Services		Reconciliation		Group	
2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
330	367	206	216	212	198	47	53			1,347	1,355
		14	14	0	0	63	70	-98	-107		
330	367	220	230	212	199	110	123	-98	-107	1,347	1,355
	11.0%		4.4%		-6.5%		12.3%				0.6%
19	36	39	38	15	6	4	2			90	85
5.8%	9.9%	17.8%	16.6%	6.9%	2.9%	3.4%	1.5%			6.7%	6.3%
24	23	19	17	15	14	0	0			123	120
-4	13	21	21	0	-8	4	2			-33	-35
-1.3%	3.6%	9.3%	9.0%	0.1%	-4.0%	3.3%	1.4%			-2.4%	-2.6%
-2	-1	2	3	1	0			18	-21	2	11
										18	-21
-6	12	23	24	1	-7	4	2	18	-21	-13	-44
20	24	7	14	9	9			12	47	84	140
5,693	5,746	11,200	10,628	4,901	4,863	50	54			42,453	41,602

Financial calendar

Interim Report January to June 2005 and press and analysts' conference	9 August 2005
Interim Report January to September 2005	8 November 2005
First overview of the financial year 2005	February 2006
Press and analysts' conference on annual accounts	March 2006
Interim Report January to March 2006	4 May 2006
Annual General Meeting 2006	4 May 2006

HeidelbergCement AG

Berliner Strasse 6

69120 Heidelberg, Germany

www.heidelbergcement.com