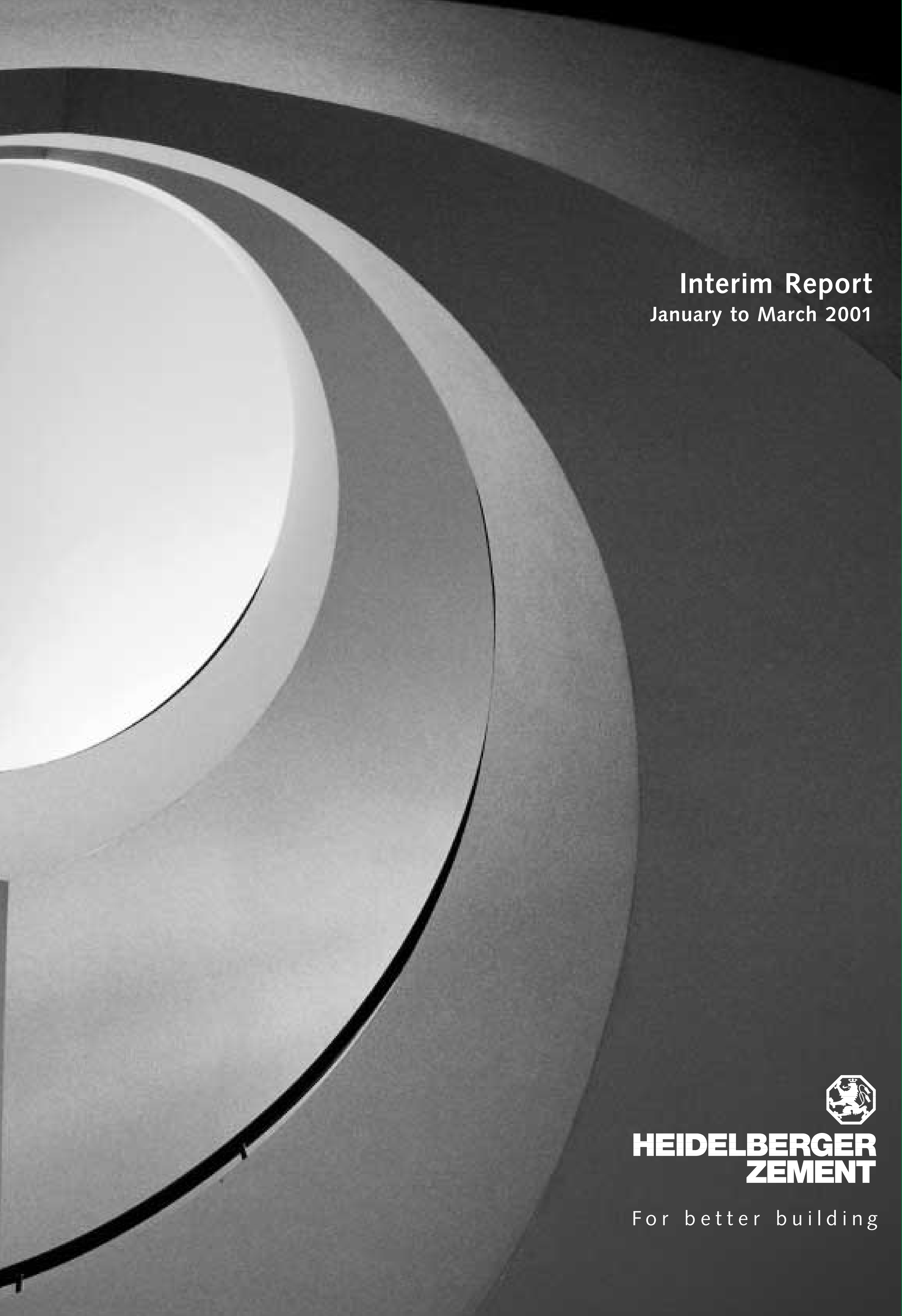

Interim Report
January to March 2001

HEIDELBERGER ZEMENT

For better building

Interim Report January to March 2001

Dear Shareholders and Business Associates,

At the start of 2001, some regions were affected by a slowdown in economic growth coupled with unfavourable weather conditions. The balanced nature of Heidelberger Zement's geographical spread was able to a certain extent to compensate for these effects. Seasonal effects are usually in greater evidence in spring, with the result that the figures for the first quarter only have a limited predictive value. For the year as a whole we continue to expect a stable turnover and operating income before depreciation (OIBD).

Turnover declined in the first quarter by just under 1% to EUR 1,334 (previous year: 1,346) million. Adjusted for exchange rate effects and new consolidations in Central Europe West and East, the result is a drop of 3.9%. The decline of the operating income before depreciation (OIBD) to EUR 120 (previous year: 143) million is essentially accounted for by weaker demand in Central Europe West, seasonal effects in Western Europe, regional price pressures coupled with rising energy costs in North America and earlier winter repairs. Operating income fell to EUR -31 (previous year: 1) million.

The reduced operating income and a slight reduction of the financial results due to higher short-term interest rates mainly led to a decrease of the profit before tax by EUR 44 million to EUR -79 million; this is in accordance with the seasonality of our business. Fixed assets increased by EUR 84 million or 1% to EUR 8,313 million. This was primarily due to the investments exceeding depreciations. Changes in short-term assets and liabilities were mainly caused by higher use of working capital. The seasonal deficit is the reason for the decline of the shareholders' equity.

At the end of April 2001, the acquisition of Indocement, the second-largest cement manufacturer in Indonesia, was successfully concluded after two years of negotiations. Heidelberger Zement now holds, together with its financial partner WestLB, 61.7% of the shares of Indocement. The three modern plants with a total capacity of just under 16 million tonnes are in a position, thanks to their favourable location in Greater Jakarta and in the south of the island of Borneo, to meet the needs of both domestic and export markets at optimal cost. We expect a capacity utilisation of approximately 75% in the current year.

Central Europe West

After construction investments in Germany fell by 2.5% in 2000, there were no signs of an improvement in demand in the first months of the new year. Significant excess capacities in the concrete and building materials business lines will necessitate stricter cost management and various regional adaptation measures.

These weak market conditions were further aggravated by unfavourable weather conditions, resulting in an 11% fall in turnover to EUR 262 (previous year: 295) million. Compared to 2000, the operating income before depreciation (OIBD) fell from EUR 12 million to EUR 5 million. By the end of March, cement and clinker sales at just under 1.1 million tonnes were 15.6% below last year's levels. For the whole of 2001 we expect a decline of about 6%. The concrete and building materials business lines will also fail to achieve the levels of last year.

Western Europe

Overall, activity in the construction industry in Western Europe has weakened slightly, but should nevertheless remain at a satisfactory level for the whole year. The decline in turnover to EUR 251 (previous year: 267) million and operating income before depreciation (OIBD) to EUR 34 (previous year: 44) million are mainly affected by seasonal effects and by delayed start of major construction projects in the Benelux countries. Cement and clinker sales fell by just under 4% to 2.2 million tonnes. While in ready-mixed concrete it was not possible to attain the level of the first quarter of 2000, the aggregates and dry mortar operating lines exceeded the figures for the previous year.

Northern Europe

While turnover in Euro declined due to exchange rate effects by 2.3% to EUR 253 (previous year: 259) million, an increase of almost 4% was recorded in local currency terms. Especially the concrete business line benefited from favourable market conditions. Operating income before depreciation (OIBD) at EUR 24 (previous year: 30) million was below that of the previous year. Against a reversal development of domestic sales and exports, cement and clinker sales rose by a total of 2.6% to 1.2 million tonnes. Domestic sales in Sweden rose sharply, whilst they were lower than in the previous year in Norway and Estonia. Norway achieved a more than 30% increase in exports. All three operating lines of the concrete business line recorded increases. At the beginning of the year, building material activities both in Scandinavia and outside the Nordic countries were affected by poor weather conditions.

Central Europe East

The overall favourable economic trend together with construction activity continued in the countries in the Central Europe-East region except for Poland, although showing signs of tiredness.

Turnover rose more sharply than expected by 27.9% to EUR 78 (previous year: 61) million, with a contribution from the first consolidation of the Romanian cement manufacturer Casial Deva S.A. Operating income before depreciation (OIBD) increased to EUR 7 (previous year: EUR 3) million.

The 12% rise in cement and clinker sales to 1.1 million tonnes was due mainly to the growth of the Hungarian, Czech, and Romanian cement markets. Poland, where sales declined by about 7%, failed to live up to expectations. It was possible to introduce slight price increases in the whole region. Increased sales volumes and turnover in the concrete business line are accounted for by the introduction of further ready-mixed concrete companies in the Czech Republic and Poland.

North America

The USA and Canada have experienced a slowdown in economic activity. Residential construction in America is declining slightly, although it should benefit from the trend towards more favourable interest rates.

In the first three months of the year, cement sales of 2.5 million tonnes were on previous year's level. Sales volumes in ready-mixed concrete and also sand and gravel declined compared to 2000. Electricity shortages in California imposed restrictions on production in both business lines. Increased energy prices had a negative effect on production costs in virtually all regions. Nevertheless, we expect to see improved revenues in the coming months.

The 4.6% increase in total turnover to EUR 386 (previous year: 369) million in this region is due to a strengthening of the exchange rate. Higher winter repairs caused operating income before depreciation (OIBD) to fall by just under 5% to EUR 39 (previous year: 41) million.

Africa-Asia-Turkey

As of the beginning of the year, the performance of the African markets has been uneven. Cement sales of the Heidelberger Zement Group fell by just under 8% to 0.7 million tonnes. Increased competitive pressure had the effect of depressing market revenues particularly in Ghana, Togo and Congo. Trends towards stabilisation can be witnessed in Tanzania, Sierra Leone and Gabon. The Angolan and Nigerian markets continued to grow.

Cement sales doubled in Asia in the first quarter to 0.3 million tonnes, thanks to the consolidation of our joint venture in Bangladesh and our participation in Brunei.

The recovery in construction activities in Turkey following the earthquake was reflected in increased cement and clinker sales by our subsidiaries. In the concrete business line double-digit increases in sales volumes were reached.

Cement and clinker sales volume in the strategic business unit Africa-Asia-Turkey rose by 9.5% to 1.4 million tonnes. Turnover increased by 12% to EUR 103 (previous year: 92 million). Operating income before depreciation (OIBD) at EUR 12 million reached the previous year's level.

Group Services

HC Trading achieved increased trading volumes by 5.3% to 2.5 (previous year: 2.4) million tonnes of cement and clinker. In line with the concentration on core competencies, Heidelberger Zement disposed in March of its 95% participation in the logistics group Kraftverkehr Bayern / Südkraft, which had already been excluded from the Group consolidation scope for the year 2000.

Turnover in the Group Services unit, which also includes the world-wide purchasing of fossil fuels, increased by 12% to EUR 111 (previous year: 99) million). Operating income before depreciation (OIBD) at EUR 0.4 (previous year: 1.4) million was lower than in the previous year.

Investments

There was a planned halving of investments to EUR 206 (previous year: 409) million. Of this total, EUR 164 (previous year: 134) million was accounted for by tangible fixed assets.

Employees

On average, Heidelberger Zement employed approximately 36,037 (previous year: 34,671) employees throughout the Group in the first quarter.

Prospects

In the current year, restrained economic development will permeate in many regions. According to our expectations, Central Europe East alone will display above-average performance. Western and Northern Europe are likely to experience a slight improvement in the second half of the year. North America is taking a break from growth, whilst in Germany construction activity is declining further. The positive effects of wide-ranging technical optimisation of cement plants in Belgium, Eastern Europe and Africa along with the commissioning of Union Bridge in North America will be felt next year. Priority will be given to internal adaptation strategies to reduce costs at Heidelberger Zement in 2001.

The spread of our business activities over 50 countries in four continents means that slow growth in individual countries can be compensated for by better performances in other regions, with the result that we expect a satisfactory overall performance.

Heidelberg, 30 May 2001

Yours faithfully,

THE MANAGING BOARD

Group profit and loss account

EUR '000s	01-03/2000	**01-03/2001**
Turnover	1,346,419	**1,334,460**
Operating income before depreciation (OIBD)	143,336	**120,006**
Depreciation	-142,690	**-151,176**
Operating income	646	**-31,170**
Non-operating result	12,082	**0**
Results from participations	15,519	**19,360**
Earnings before interest and income taxes (EBIT)	28,247	**-11,810**
Financial results	-63,305	**-66,875**
Profit before tax	-35,058	**-78,685**
Taxes on income	-847	**20,588**
Profit for the financial year	-35,905	**-58,097**
Minority interests	2,482	**3,079**
Group share in profit	-33,423	**-55,018**
Earnings per ordinary share in EUR (IAS 33)	-0.55	**-0.87**
Earnings per preference share in EUR (IAS 33)	-0.44	**-0.76**

Group cash flow statement

EUR '000s	January to March 2001
Cash flow	37,206
Changes in operating assets and liabilities	-115,610
Net cash from operating activities	**-78,404**
Intangible fixed assets	-984
Tangible fixed assets	-164,338
Financial fixed assets	-40,395
Investments (cash outflow)	-205,717
Proceeds from fixed assets disposals	64,588
Cash from changes in consolidation scope	12,972
Net cash used in investing activities	**-128,157**
Cash capital increase	-
Dividend payment – HZ AG	-
Dividend payment – minority shareholders	-1,773
Proceeds from bond issuance and loans	145,176
Cash flow from financing activities	**143,403**
Net change in cash and cash equivalents	-63,158
Effect of exchange rate changes	2,960
Cash and cash equivalents at 1 January	491,363
Cash and cash equivalents at 31 March	431,165

Group balance sheet

Assets

EUR '000s	31 Dec. 2000	**31 March 2001**
Long-term assets		
Intangible fixed assets	2,648,597	**2,632,419**
Tangible fixed assets	4,496,291	**4,591,687**
Financial fixed assets	1,084,002	**1,088,866**
Fixed assets	8,228,890	**8,312,972**
Deferred taxes	25,242	**46,479**
Other long-term receivables	206,278	**212,209**
	8,460,410	**8,571,660**
Short-term assets		
Stocks	692,125	**704,798**
Receivables and other assets	1,357,704	**1,438,209**
Short-term investments	183,463	**231,059**
Cash at bank and in hand	307,900	**200,106**
	2,541,192	**2,574,172**
Balance sheet total	11,001,602	**11,145,832**

Liabilities

Shareholders' equity and minority interests		
Capital entitled to shareholders	3,508,892	**3,451,392**
Minority interests	130,153	**159,385**
	3,639,045	**3,610,777**
Long-term provisions and liabilities		
Provisions	1,321,989	**1,278,326**
Liabilities	3,767,069	**3,916,632**
	5,089,058	**5,194,958**
Short-term provisions and liabilities		
Provisions	75,782	**74,468**
Liabilities	2,197,717	**2,265,629**
	2,273,499	**2,340,097**
Balance sheet total	11,001,602	**11,145,832**

Group equity capital grid

EUR '000s		Capital changes			Changes without effects on results		
	1 Jan. 2001	Increase Decrease	Dividends	Profit for the financial year	Exchange rates	Other changes	31 March 2000
Subscribed share capital							
Ordinary shares	147,372	192					147,564
Preference shares	15,488						15,488
	162,860	192					163,052
Capital reserves	1,517,838						1,517,838
Revenue reserves	1,732,820			-55,018		-19,885*	1,657,917
Currency translation	104,572				17,211		121,783
Own shares	-9,198						-9,198
Capital entitled to shareholders	3,508,892	192		-55,018	17,211	-19,885	3,451,392
Minority interests	130,153	33,025	-1,578	-3,079	864		159,385
	3,639,045	**33,217**	**-1,578**	**-58,097**	**18,075**	**-19,885**	**3,610,777**

* First-time application of IAS 39.

Notes to the Interim Report

Accounting and consolidation principles

IAS 39 Financial Instruments were applied in the first quarter 2001 for the first time. Changes in the shareholders' equity in the amount of EUR -20 million resulted from the revaluation of the off-balance-sheet financial instruments. The other accounting and consolidation principles remained unchanged compared to 31 December 2000.

The items - results from associated companies, other participations, and amortisation of financial fixed assets - were combined as results from participations.

Income from loans, other interest receivable and similar income, and interest payable and similar charges were combined as financial results.

Seasonal dependency of the business

As a manufacturer of building materials, in many regions Heidelberger Zement produces and sells fewer products in the winter and spring than in the summer and autumn months. Due to this seasonal variation, the figures for the first quarter of the year are considerably lower than the figures for the following quarters.

Scope of consolidation

The scope of consolidation was changed since 31 December 2000 by the first time consolidation of Casial Deva S.A., Deva, Romania, and the deconsolidation of the clay brick operating line of the Optiroc Group AB, Sollentuna, Sweden.

Segment reporting

Regions January to March 2001 (Primary reporting format under IAS 14 No. 50 ff.)

EURm	**Central Europe West**		**Western Europe**		**Northern Europe**	
	2000	**2001**	2000	**2001**	2000	**2001**
External turnover	294	**260**	267	**251**	244	**235**
Inter-region turnover	1	**2**			15	**18**
Turnover	295	**262**	267	**251**	259	**253**
Change to prior year in %		*-11.2 %*		*-6.0 %*		*-2.3 %*
Operating income before depreciation (OIBD)	12	**5**	44	**34**	30	**24**
in % of turnover	*4.1 %*	*2.1 %*	*16.5 %*	*13.3 %*	*11.6 %*	*9.5 %*
Depreciation	29	**29**	31	**33**	32	**32**
Operating income	-17	**-24**	13	**1**	-2	**-8**
in % of turnover	*-5.8 %*	*-9.0 %*	*4.9 %*	*0.4 %*	*-0.8 %*	*-3.2 %*
Results from participations	12	**15**	2	**3**	2	**1**
Non-operating result						
Earnings before interest and income taxes (EBIT)	-5	**-9**	15	**4**		**-7**
Investments (1)	22	**16**	16	**30**	14	**12**
Employees	7,979	**8,254**	4,417	**4,423**	6,705	**6,900**

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

Turnover development by regions and business lines January to March 2001

EURm	Cement		Concrete		Building materials		Intra Group eliminations		Total	
	2000	**2001**	2000	**2001**	2000	**2001**	2000	**2001**	2000	**2001**
Central Europe West	85	**75**	62	**62**	154	**132**	-6	**-7**	295	**262**
Western Europe	191	**185**	70	**63**	21	**20**	-15	**-17**	267	**251**
Northern Europe	79	**82**	80	**86**	109	**94**	-9	**-9**	259	**253**
Central Europa East	47	**63**	9	**12**	6	**6**	-1	**-3**	61	**78**
North America	224	**236**	172	**177**			-27	**-27**	369	**386**
Africa-Asia-Turkey	90	**98**	4	**6**			-2	**-1**	92	**103**
Total	716	**739**	397	**406**	290	**252**	-60	**-64**	1,343	**1,333**
Group Services									99	**111**
Inter-region turnover									-96	**-110**
Total Group									1,346	**1,334**

Central Europe East		North America		Africa-Asia-Turkey		Group Services		Reconciliation		Group	
2000	**2001**	2000	**2001**	2000	**2001**	2000	**2001**	2000	**2001**	2000	**2001**
58	**74**	369	**386**	83	**99**	31	**29**			1,346	**1.334**
3	**4**			9	**4**	68	**82**	-96	**-110**		
61	**78**	369	**386**	92	**103**	99	**111**	-96	**-110**	1,346	**1.334**
	27.9 %		*4.6 %*		*12.0 %*		*12.1 %*				*-0.9 %*
3	**7**	41	**39**	12	**12**	1				143	**120**
4.9 %	*9.0 %*	*11.1 %*	*10.0 %*	*13.0 %*	*11.7 %*	*1.0 %*				*10.6 %*	*9.0 %*
12	**15**	30	**34**	8	**9**					142	**151**
-9	**-8**	11	**5**	4	**3**	1				1	**-31**
-14.8 %	*-10.3 %*	*3.0 %*	*1.3 %*	*4.3 %*	*2.9 %*	*1.0 %*				*0.1 %*	*-2.3 %*
		-2	**-2**	1	**2**					15	**19**
								12		12	
-9	**-8**	9	**3**	5	**5**	1		12		28	**-12**
16	**11**	54	**88**	12	**8**			275	**41**	409	**206**
6,923	**7,472**	6,485	**6,336**	2.046	**2,539**	116	**113**			34,671	**36,037**

Exchange rates

	Country	Exchange rates on reporting day		Average exchange rates	
		31 Dec. 2000 EUR	**31 March 2001 EUR**	01-03/2000 EUR	**01-03/2001 EUR**
USD	USA	0.9396	**0.8798**	0.9868	**0.9228**
CAD	Canada	1.4097	**1.3880**	1.4341	**1.4092**
GBP	Great Britain	0.6288	**0.6199**	0.6141	**0.6326**
BGL	Bulgaria	1.9561	**1.9468**	1.9503	**1.9522**
HRK	Croatia	7.5926	**7.6704**	7.7422	**7.6809**
NOK	Norway	8.2998	**8.0509**	8.1126	**8.1989**
PLN	Poland	3.8610	**3.5980**	4.0540	**3.7714**
ROL	Romania	24,340	**24,388**	1)	1)
SEK	Sweden	8.8684	**9.1280**	8.4919	**8.9985**
CZK	Czech Republic	35.2710	**34.5900**	35.7753	**34.7919**
HUF	Hungary	265.0800	**266.7000**	256.0977	**265.6988**
TRL	Turkey	623,550	**910,211**	1)	1)

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

Financial calender

Annual General Meeting	19 June 2001
Dividend payment	20 June 2001
Interim report January to June 2001 and analysts' and press conference	
Frankfurt	4 September 2001
London	5 September 2001
Interim report January to September 2001	21 November 2001

Translation of the Interim Report January to March 2001.
The German version in binding.

You find this Interim Report and further information
on Heidelberger Zement on the Internet:

www.hzag.com

Heidelberger Zement Aktiengesellschaft
Berliner Strasse 6
69120 Heidelberg
Germany

Contact:

Corporate Communication
Phone: +49 (0) 62 21/4 81-227
Fax: +49 (0) 62 21/4 81-217
E-Mail: info@hzag.de

Investor Relations
Phone: +49 (0) 62 21/4 81-696
Fax: +49 (0) 62 21/4 81-498
E-Mail: IR-info@hzag.de