

■ HEIDELBERGCEMENT

Results

January - September 2004

Heidelberg, 9 November 2004

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■ **Results January – September 2004**

- **Turnover increased by 6% adjusted for currency and consolidation effects**
- **Volume growth in Central Europe East (+11%), North America (+7%) and Indocement (+11%)**
- **Favourable price development in Germany lead to further improvemt of operating results**
- **Goodwill amortisation discontinued (126 EURm)**
- **Planned conversion of Dutch cement plant in Maastricht into grinding plant announced**
- **Dr. Lorenz Näger new CFO**
- **Squeeze out for Anneliese Zement on the way**

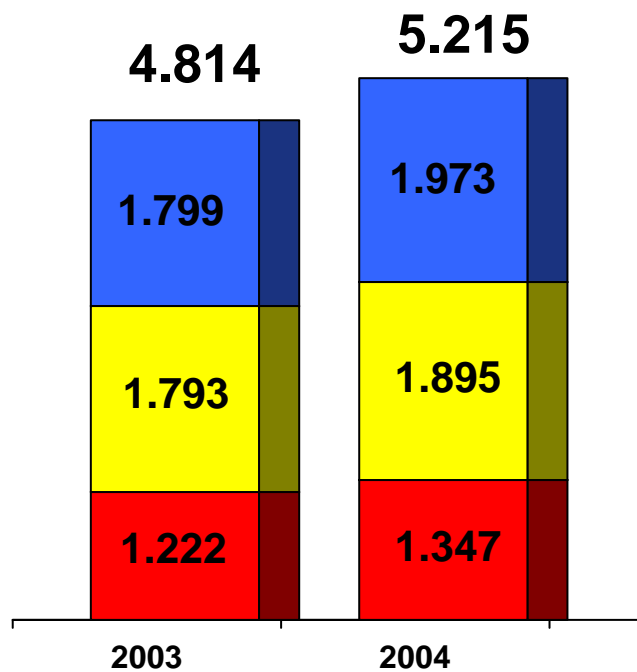
Cement & clinker sales volume January – September 2004

million tonnes	July - September			January - September		
	2003	2004	%	2003	2004	%
Central Europe West	2,226	2,062	-7,4%	5,831	5,488	-5,9%
Western Europe	2,234	2,182	-2,3%	6,674	6,518	-2,3%
Northern Europe	1,562	1,469	-6,0%	4,146	3,989	-3,8%
Central Europe East	3,282	3,331	1,5%	7,460	7,621	2,2%
North America	3,577	3,711	3,7%	9,366	10,051	7,3%
Africa-Asia-Turkey	2,025	5,983	195,5%	5,191	15,776	203,9%
Total	14,906	18,738	25,7%	38,668	49,443	27,9%

Key figures - turnover & OIBD

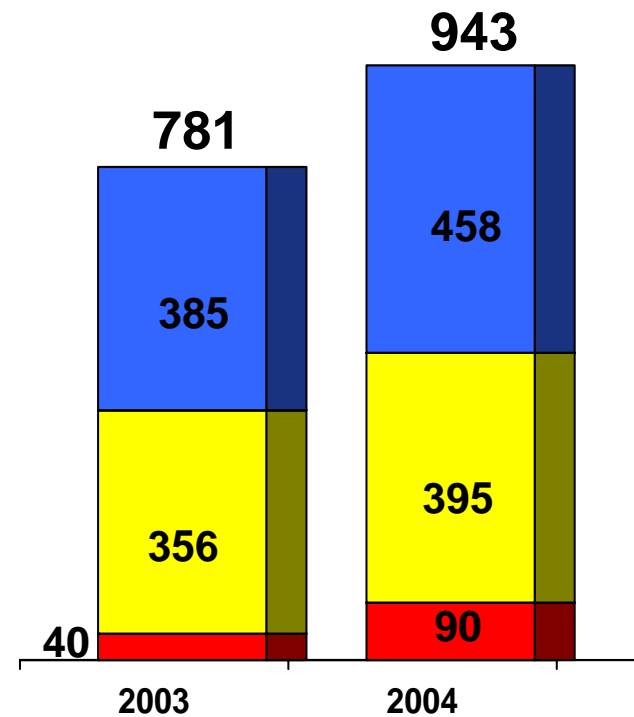
Turnover (+8,3%)

- in EURm -



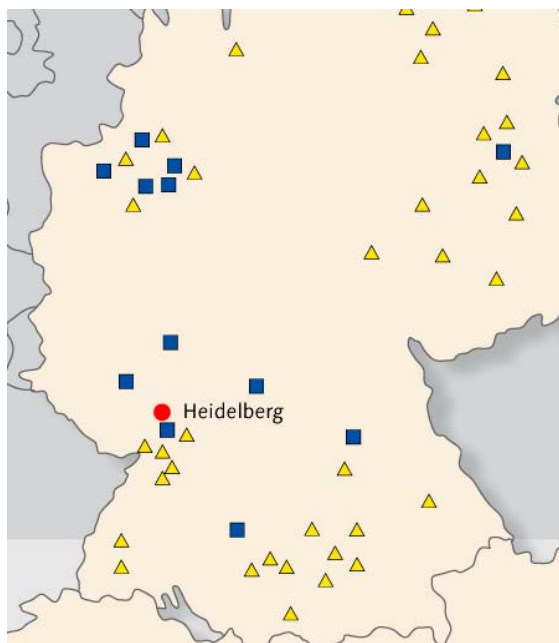
OIBD (+20.7%)

- in EURm -



■ Q1
 ■ Q2
 ■ Q3

Central Europe West



- Cement and clinker shipments decreased by 6% to 5.5 mt and by 13% before consolidation effects
- Increase in OIBD due to positive price development and cost reduction efforts
- Operating income back to profit
- Further price increases necessary

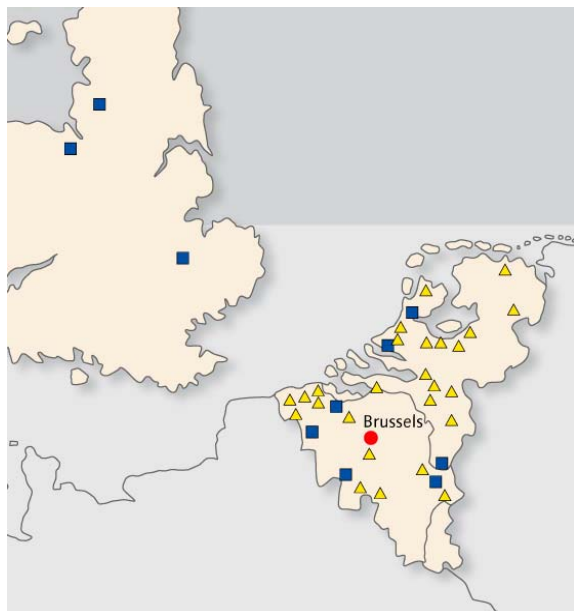
EURm	July - September		January - September		variance	Op.	GW	Cons.	Curr.
	2003	2004	2003	2004					
Turnover	216	251	580	638	59	10,1%	17	42	
OIBD	36	49	40	82	43		38	5	
<i>in % of turnover</i>	16%	20%	7%	13%					
Operating income	12	36	-28	32	60	216,2%	43	13	3
Employees			4.645	4.498	-147	-3,2%	-274	127	
Shipments									
Cement/clinker (mt)	2,23	2,06	5,83	5,49	-5,9%				
Rmc (m cbm)*	3,17	2,57	6,59	6,35	-3,7%				
Aggregates (mt)*	6,60	8,39	16,47	18,98	15,3%				

* incl. non-consolidated volumes

GW = Effect of cancelled
goodwill amortization (IFRS 3)

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Western Europe



- Cement shipments in UK stable
- Belgium and the Netherlands affected by imports from Germany, stabilization in Q3 realised
- Restructuring program for cement activities in Belgium and the Netherlands has moved on
- Planned conversion of Dutch cement plant in Maastricht into grinding plant announced

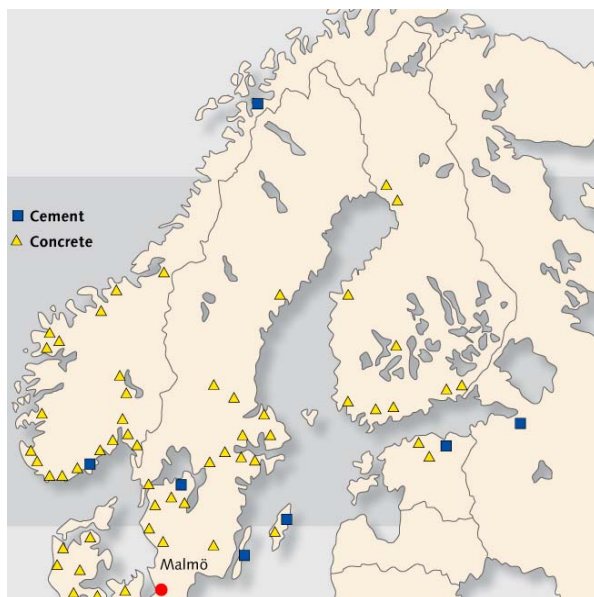
EURm	July - September		January - September		variance	Op.	GW	Cons.	Curr.
	2003	2004	2003	2004					
Turnover	234	231	729	699	-30	-4,1%	-36		6
OIBD	40	56	135	126	-9	-6,3%	-10		1
<i>in % of turnover</i>	17%	24%	19%	18%					
Operating income	8	37	39	66	27	68,2%	-7	33	1
Employees			3.857	3.656	-201	-5,2%	-201		
Shipments									
Cement/clinker (mt)	2,23	2,18	6,67	6,52	-2,3%				
Rmc (m cbm)*	-0,02	-0,02	2,19	2,07	-5,5%				
Aggregates (mt)*	4,12	3,80	12,15	11,24	-7,5%				

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Northern Europe



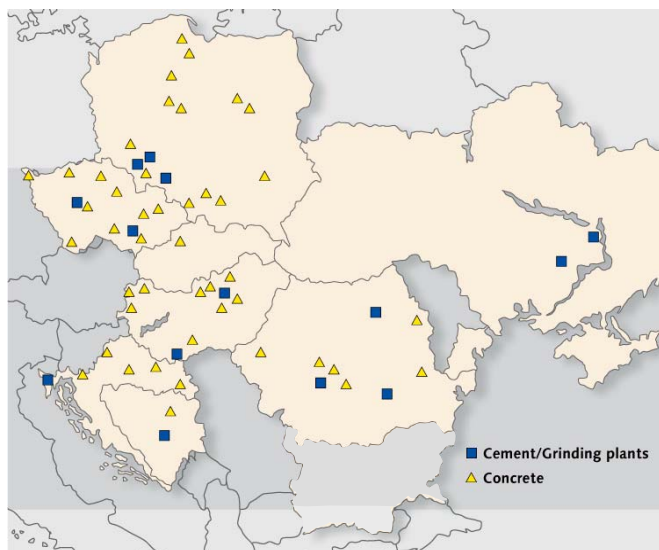
- Increased domestic shipments in Sweden and Norway (+8%), strong increase in Estonia and Russia (+28%)
- Kiln line reconstruction in Norway finished, substantial increase of secondary fuels and cost improvements
- Positive markets in ready-mixed concrete and aggregates

EURm	July - September		January - September		variance	Op.	GW	Cons.	Curr.
	2003	2004	2003	2004					
Turnover	199	189	556	512	-44	-8,0%	23	-70	3
OIBD	36	30	73	61	-12	-16,2%	-7	-5	0
<i>in % of turnover</i>	18%	16%	13%	12%					
Operating income	16	17	12	20	8	-70,0%	-6	16	0
Employees			4.814	4.150	-664	-13,8%	-68	-596	
Shipments									
Cement/clinker (mt)	1,56	1,47	4,15	3,99	-3,8%				
<i>Export (mt)</i>	0,58	0,39	1,73	1,28	-25,8%				
Cem/Cl. export ratio	37%	26%	42%	32%					
Rmc (m cbm)	0,32	0,44	0,81	1,15	41,5%				
Aggregates (mt)	2,78	3,03	7,17	7,90	10,2%				

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Central Europe East



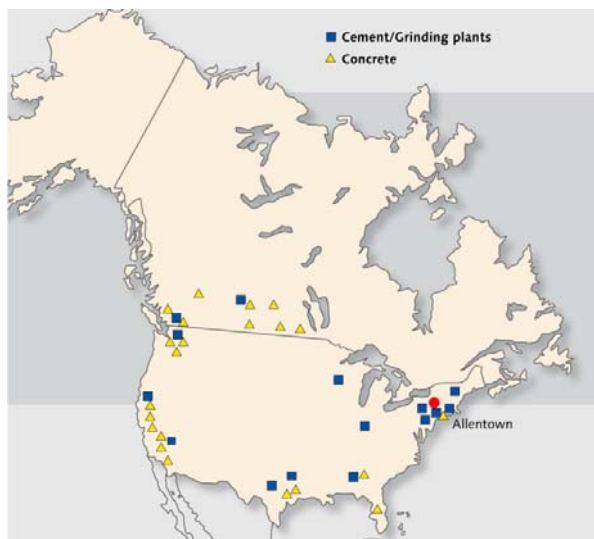
- Cement and clinker shipments increased by 11% before deconsolidation of Bulgaria
- Romania and Poland enjoy 19% and 16% higher volumes
- Higher prices in Romania and Ukraine lead to additional results
- Further headcount reduction achieved

EURm	July - September		January - September		variance	Op.	GW	Cons.	Curr.
	2003	2004	2003	2004					
Turnover	211	217	480	498	18	3,7%	53	-22	-14
OIBD	81	80	134	159	25	18,6%	33	-5	-3
<i>in % of turnover</i>	38%	37%	28%	32%					
Operating income	63	67	79	120	41	52,0%	32	14	-3
Employees			9.873	8.349	-1.524	-15,4%	-1.000		-524
Shipments									
Cement/clinker (mt)	3,28	3,33	7,46	7,62	2,2%				
Rmc (m cbm)*	1,15	1,24	2,73	2,90	6,4%				
Aggregates (mt)*	5,17	5,32	10,50	11,70	11,4%				

* incl. non-consolidated volumes

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North America



- Cement and clinker shipments increased by 7.3 %
- Operating income before goodwill amortization increased in Q3 by 25% in USD terms
- Strong improvement due to positive price development and cost cutting after finalization of extensive repairs
- Further price increases announced

EURm	July - September		January - September		variance	Op.	GW	Cons.	Curr.
	2003	2004	2003	2004					
Turnover	492	512	1.283	1.289	7	0,5%	119		-113
OIBD	115	129	227	240	13	5,5%	34		-21
<i>in % of turnover</i>	23%	25%	18%	19%					
Operating income	82	105	129	167	38	29,5%	31	19	-12
Employees			6.105	5.914	-191	-3,1%	-191		
Shipments									
Cement/clinker (mt)	3,58	3,71	9,37	10,05	7,3%				
Rmc (m cbm)	2,02	2,05	5,33	5,43	1,8%				
Aggregates (mt)	8,56	8,10	19,81	18,99	-4,1%				

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Africa-Asia-Turkey

- Volume increases by 11% in Indonesia
- Currency loss from debt in USD and Yen at Indocement decreased to 25 mEUR from 40 mEUR at H1 closing
- Increase of cement shipments in Africa by 12% before consolidation effects
- Strong increase of operating income in Turkey due to higher prices and better cost structure

EURm	July - September		January - September		variance	Op.	GW	Cons.	Curr.
	2003	2004	2003	2004					
Turnover	150	275	380	739	359 94,6%	75		317	-33
OIBD	23	62	55	152	97 177,4%	14		88	-5
<i>in % of turnover</i>	16%	22%	14%	21%					
Africa	32	28	40	37	-4	0			-4
Asia	7	72	8	99	91	4		88	-1
Turkey	6	14	7	16	9	10			-1
Operating income	10	44	21	99	78	13	12	56	-2
Employees			4.403	11.067	6.664 151,4%	-402		7.066	
Shipments									
Cement/clinker (mt)	2,03	5,98	5,19	15,78	203,9%				
Rmc (million cbm)	0,55	0,71	1,25	1,90	51,7%				

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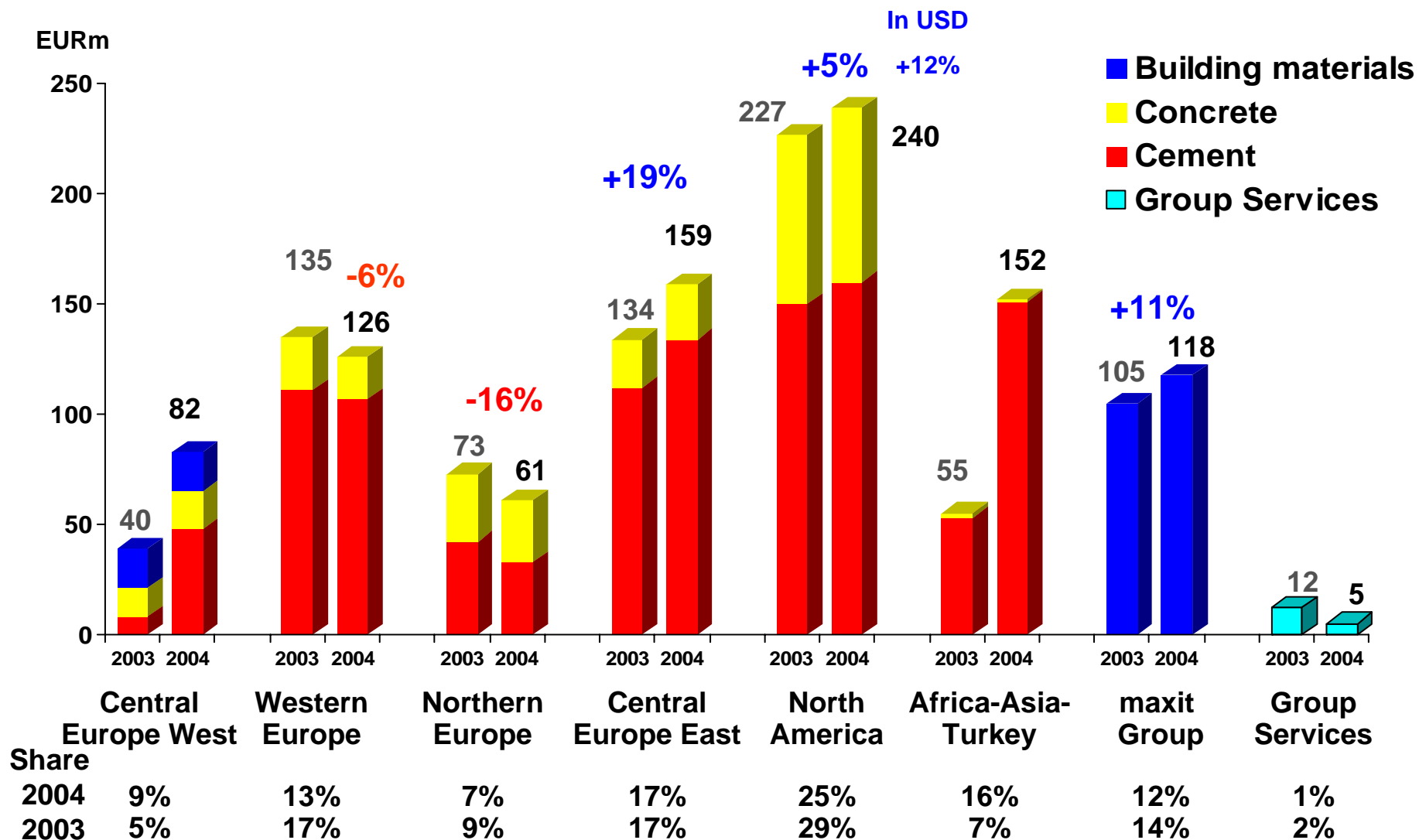
maxit Group

- Growth on all markets with the exception of Germany and Benelux. Especially good development in Switzerland, Russia, Spain, France, Baltic, Norway and m-tec.
- Favourable development of cross sales project. (Utilising our whole product on all markets)
- Weak construction market and strong price pressure in Germany

<i>EURm</i>	July - September		January - September		variance	Op.	GW	Cons.	Curr.
	2003	2004	2003	2004					
Turnover	296	297	785	814	30 3,8%	21		9	
OIBD	50	49	105	118	12 11,4%	14		-2	
<i>in % of turnover</i>	17%	17%	13%	14%					
Operating income	30	36	44	76	32 72,6%	16	18	-2	
Employees			4.958	4.908	-50 -1,0%	-91		41	

GW = Effect of cancelled
goodwill amortization (IFRS 3)

OIBD per region January – September 2004



Financial key figures January – September 2004

EURm	July - September				January - September			
	2003	2004	variance		2003	2004	variance	
Turnover	1.800	1.974	174	9,7%	4.814	5.215	401	8,3%
OIBD <i>in % of turnover</i>	385 21,4%	458 23,2%	73	18,9%	781 16,2%	943 18,1%	162	20,7%
Operating income	225	344	119	52,7%	306	584	278	90,8%
Group share in profit	116	171	56	48,2%	113	268	155	
EPS in EUR (IAS 33)	1,51	1,71	0,20		1,47	2,67	1,20	
Investing activities								
Fixed assets	74	113	39		230	282	52	22,6%
Financial assets	50	1	-49		136	19	-117	-86,0%
Disinvestments	-64	-13	51		-181	-142	39	21,5%
Total net investments	60	101	41		185	159	-26	-14,1%

Financial key figures – variance analysis

EURm	January - September				variance analysis				
	2003	2004	variance		Op.	GW*	Cons.	Curr.	
Turnover	4.814	5.215	401	8,3%	275	5,7%	277	-151	
OIBD <i>in % of turnover</i>	781 16,2%	943 18,1%	162	20,7%	109	14,2%	80	-27	
Operating income	306	584	278	90,8%	116	38,0%	126	51	-16

*GW = Effect of cancelation of goodwill amortisation (IFRS 3)

Group profit & loss accounts January – September 2004

EURm	January - September		
	2003	2004	%
Turnover	4.814	5.215	8,3%
Operating income before depreciation (OIBD)	781	943	20,7%
Depreciation	-475 *	-359	
Operating income	306	584	90,8%
Additional ordinary result	38	-26	
Result from participations	69	70	
Earnings before interest and income taxes (EBIT)	413	627	51,8%
Financial results	-156	-197	
Profit before tax	257	431	67,3%
Taxes on income	-129	-131	
Profit for the financial year	129	300	
Group share in profit	113	268	

* Including goodwill amortisation of 126 EURm

Group cash flow statement January – September 2004

EURm	January - September	
	2003	2004
Cashflow	609	772
Changes in working capital	-314	-281
Net cash from operating activities	295	492
Intangible fixed assets	-5	-22
Tangible fixed assets	-225	-260
Financial fixed assets	-136	-19
Investments	-366	-301
Other proceeds	181	142
Net cash used in investing activities	-185	-159
Capital increase	404	0
Dividend payments	-10	-123
Proceeds from bonds issuance and loans	-432	-291
Cash flow from financing activities	-38	-414
Cash & cash equivalents on 30 September	452	439

Group balance sheet on 30 September 2004

EURm	Sep 2003	Dec 2003	Sep 2004	Var. Dec '03
Assets				
Intangible fixed assets	2.581	2.505	2.639	134
Tangible assets	4.636	4.543	5.235	692
Financial assets	1.205	1.178	991	-186
Total	8.422	8.226	8.865	639
Deferred taxes	190	168	217	49
Receivables	1.480	1.145	1.485	340
Stocks	678	667	735	68
Cash & cash eq.	673	687	525	-163
Balance sheet total	11.443	10.893	11.827	934
Liabilities				
Capital entitled to sharehc	4.144	4.031	4.306	274
Minority interests	159	154	473	320
Equity	4.303	4.185	4.779	594
Provisions	905	904	972	68
Deferred taxes	524	519	542	24
Operating liabilities	1.095	995	1.080	85
Financial liabilities	4.615	4.290	4.454	164
Balance sheet total	11.443	10.893	11.827	934
Net debt	3.942	3.603	3.930	326
Gearing	91,6%	86,1%	82,2%	

Net debt September 2004

Net debt	Sep 03 EURm	Dec 03 EURm	Sep 04 EURm
Financial liabilities	4.615	4.290	4.454
Cash & cash equivalents	483	555	452
IAS 39 valuation adjustment	190	132	72
Total net debt	3.942	3.603	3.930 *

Net debt maturity structure	Sep 03 EURm	Dec 03 EURm	Sep 04 EURm
1 year	541	207	163
2 years	152	160	299
3 years	199	216	1.243
4 years	1.165	1.087	538
5 years	423	391	415
> 5 years	1.462	1.542	1.272
Total net debt	3.942	3.603	3.930 *

* Thereof Indocement 343 EURm; net debt without Indocement 3.587 EURm

■ HeidelbergCement outlook

- Global economy to expand further at a reduced speed
- Further growth in Central Europe East and Africa–Asia–Turkey
- Restructuring in Germany brings positive effects
- Ongoing favourable outlook for North America
- Restructuring in Belgium/Netherlands will lead to further costs in Q4
- Improvement of credit metrics to be continued
 - Ongoing portfolio optimization
 - Modest capital expenditure program
- Substantial improvement of earnings