

■ HEIDELBERGCEMENT

Results 2005

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Heidelberg, 23 March 2006

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- **Overview**
- Financial key figures
- Results per region
- Financial report
- Outlook

■ HeidelbergCement 2005 - back on a clear growth path

- **Turnover rose by 12.6 % to EUR 7.8 billion – like for like increase: + 8.5 %**
- **Cement and clinker sales volumen exceeds 68 million tonnes**
- **Profit for the financial year increases up to EUR 471 million**
- **Shareholders' equity basis strengthened**
- **Implementation of „win“ measures for increase of efficiency and cost reduction launched**
- **Spohn Cement incl. persons acting in concert with it and their subsidiaries hold a 77.95 % stake**

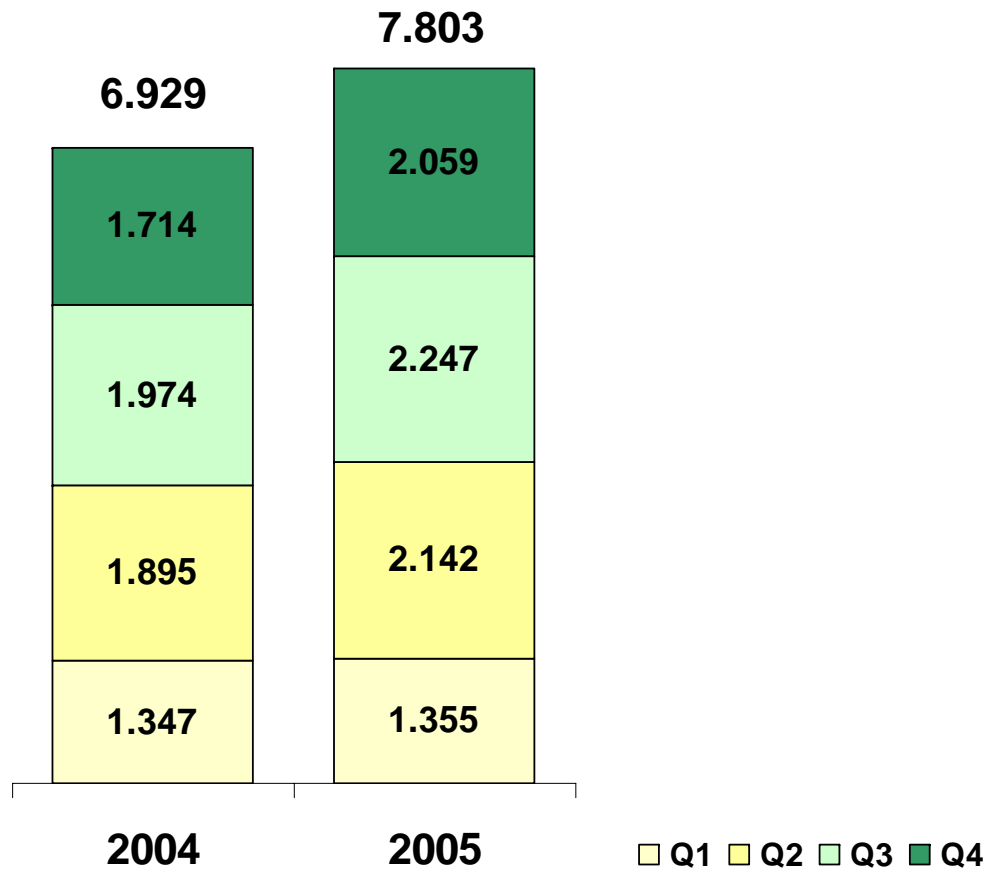
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Key figures - turnover and OIBD

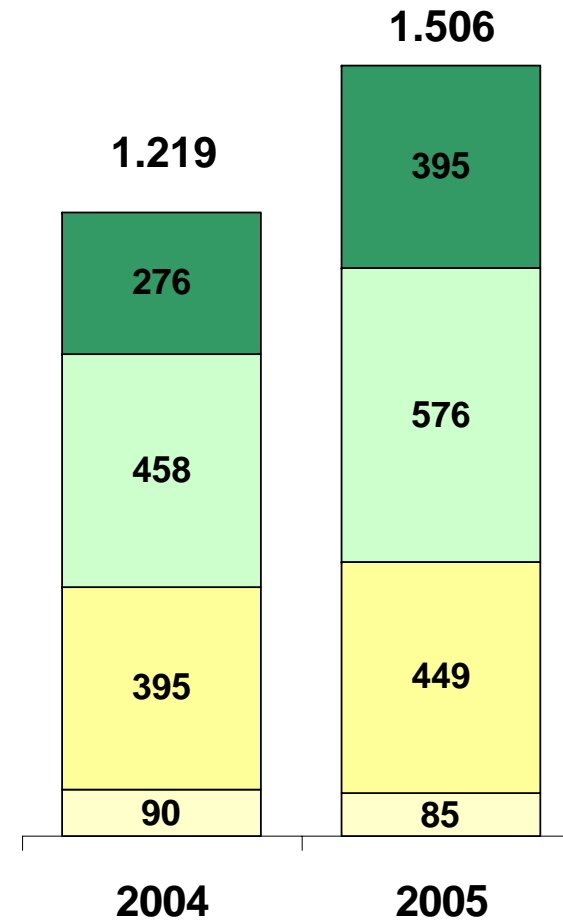
Turnover (+ 12.6%)

- in EURm -



OIBD (+ 23.5%)

- in EURm -

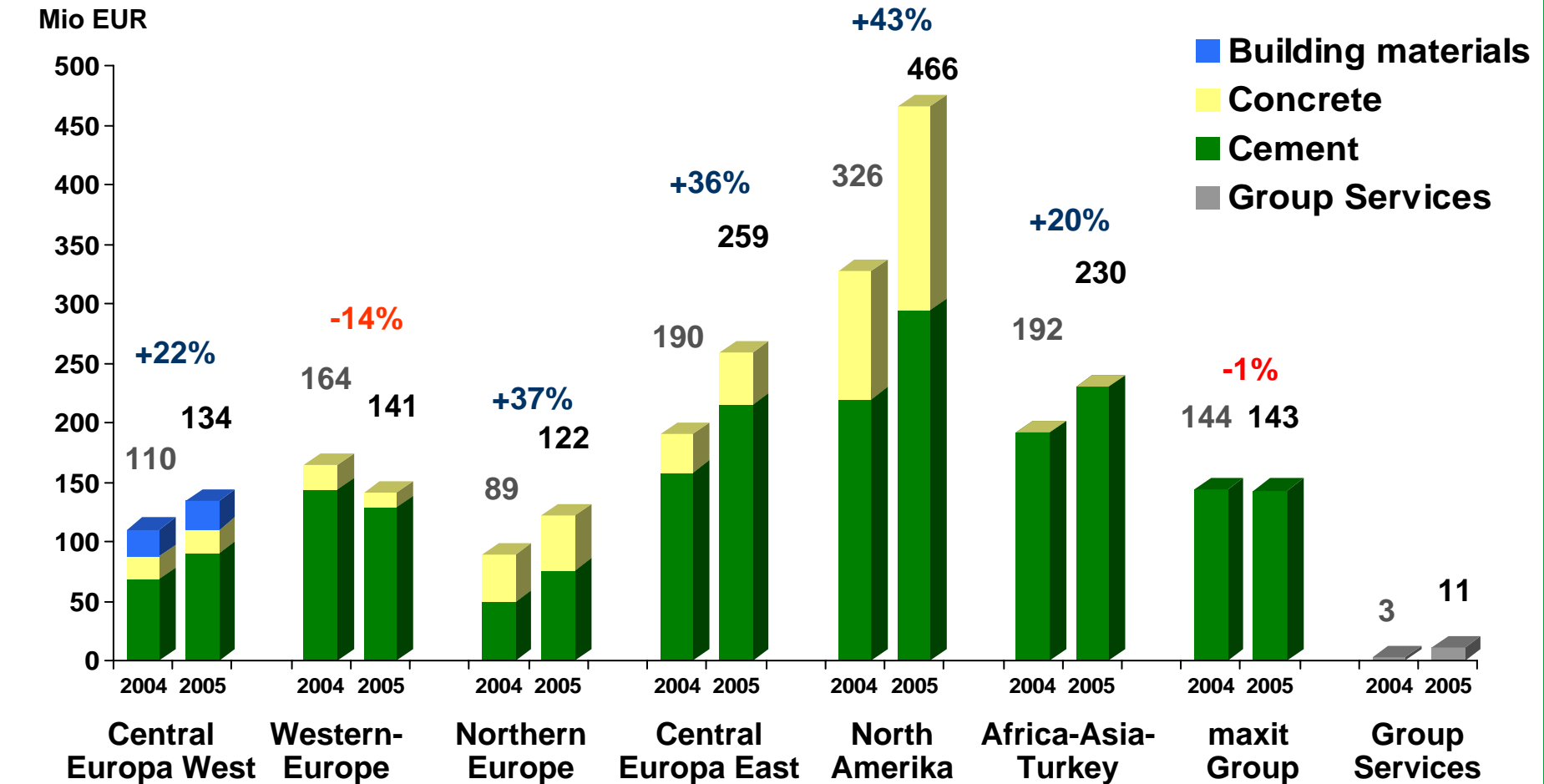


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Financial key figures – variance analysis

EURm	2004	2005	variance		Variance analysis			
					Op.		Cons.	Curr.
Turnover	6,929	7,803	874	12.6%	587	8.5%	262	25
OIBD <i>in % of turnover</i>	1,219 17,6%	1,506 19,3%	287	23.5%	226	18.3%	53	8
Operating income <i>in % of turnover</i>	735 10.6%	1,010 12.9%	275	37.4%	235	31.5%	33	6

OIBD per region 2005



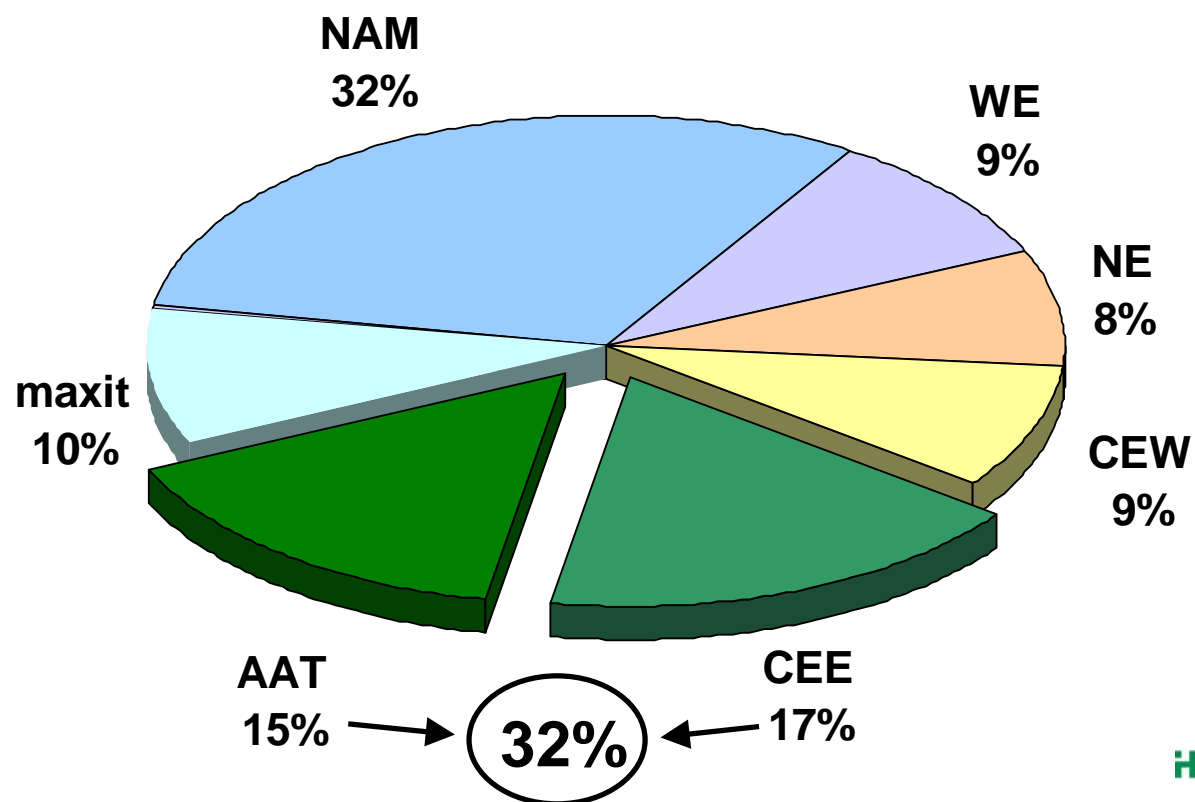
Anteil

2005	9%	9%	8%	17%	31%	15%	10%	1%
2004	9%	13%	7%	16%	27%	16%	12%	0%

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OIBD – regional split

		2000	2001	2002	2003	2004	2005
OIBD	<i>Mio EUR</i>	1,263	1,185	1,147	1,024	1,219	1,506
Growth markets	<i>in %</i>	12%	16%	18%	23%	32%	32%
Mature markets	<i>in %</i>	88%	84%	82%	77%	68%	68%



Excl. Group Services

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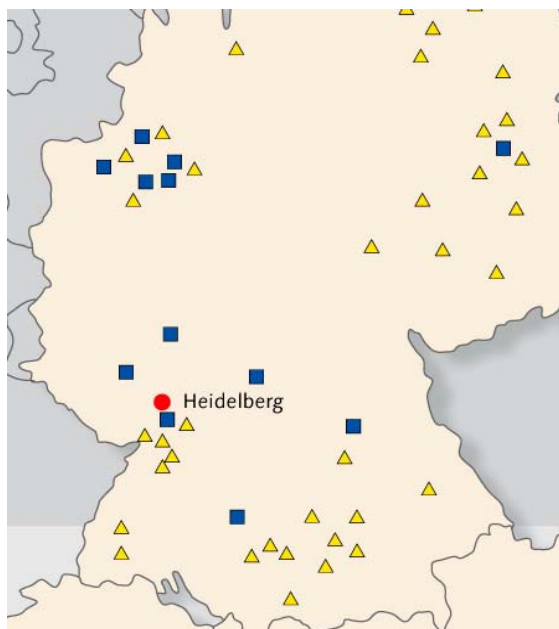
Cement and clinker sales volume 2005

1,000 tonnes	2004	2005	%	like for like
Central Europe West	7,138	7,638	7,0%	-1,9%
Western Europe	8,649	8,399	-2,9%	-2,9%
Northern Europe	5,359	5,735	7,0%	7,0%
Central Europe East	9,804	11,475	17,0%	3,9%
North America	13,414	14,688	9,5%	6,2%
Africa-Asia-Turkey	20,822	20,465	-1,7%	-1,7%
total	65,186	68,400	4,9%	1,3%

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Central Europe West

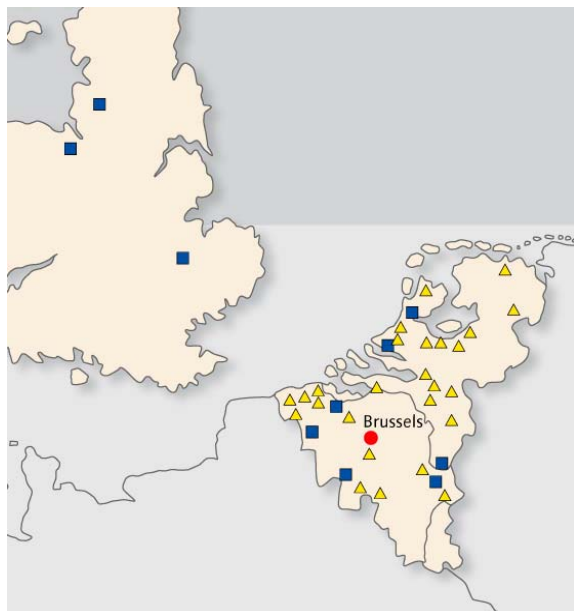


- Leading market position defended – increase in cement sales volumes by 7%
- Total ready-mixed concrete sales volumes declined, but regional market positions improved
- Structural adjustments characterized the concrete product and ready-mixed concrete activities
- Shared service company established in January 2006

EURm	2004	2005	variance		Op.	Cons.	Curr.
Turnover	846	920	74	8,7%	-25	98	
OIBD	110	134	24	21,7%	16	8	
<i>in % of turnover</i>	13%	15%					
Operating income	43	67	24	54,6%	22	1	
Shipments							
Cement/clinker (mt)	7,14	7,64	7,0%				
Rmc (m cbm)*	8,37	7,95	-5,0%				
Aggregates (mt)*	24,48	23,53	-3,9%				

* incl. non-consolidated volumes

Western Europe



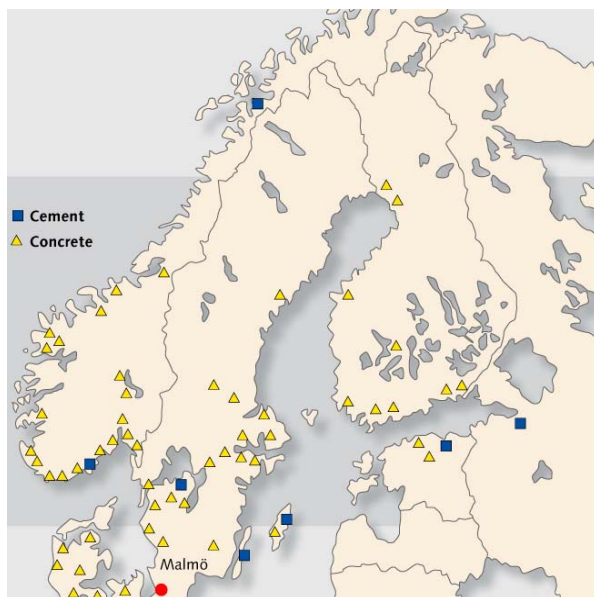
- Domestic sales volumes rose in Belgium and the Netherlands, UK and exports decreasing
- Start of restructuring measures in the cement business line
- New kiln in Padeswood/UK allows increased use of alternative fuels
- Ready-mixed concrete activities in Belgium and the Netherlands expanded

EURm	2004	2005	variance		Op.	Cons.	Curr.
Turnover	929	900	-29	-3,1%	-27		-3
OIBD	164	141	-23	-14,0%	-22		-1
<i>in % of turnover</i>	18%	16%					
Operating income	83	65	-18	-21,7%	-18		0
Shipments							
Cement/clinker (mt)	8,65	8,40	-2,9%				
Rmc (m cbm)	2,73	3,01	10,2%				
Aggregates (mt)*	15,27	15,26	-0,1%				

* incl. non-consolidated volumes

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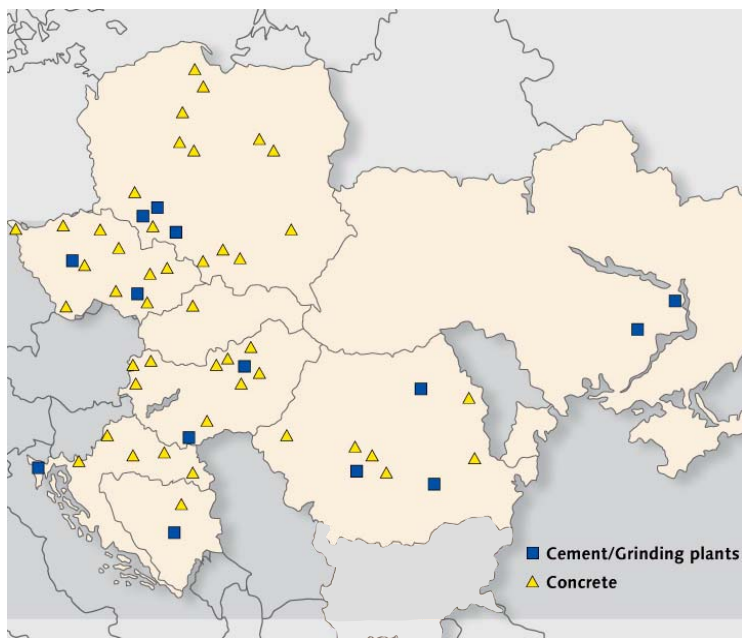
Northern Europe



- Significant increase in cement sales volumes, especially in domestic markets
- Despite capacity increase, Russian cement plant Cesla needs additional clinker imports
- Ready-mixed concrete activities expanded with the acquisition of one of the leading manufacturers in Denmark

EURm	2004	2005	variance	Op.	Cons.	Curr.
Turnover	716	799	83 11,6%	97	-1	-13
OIBD	89	122	33 37,2%	35	0	-2
<i>in % of turnover</i>	12%	15%				
Operating income	34	66	32	32	0	-1
Shipments						
Cement/clinker (mt)	5,36	5,74	7,0%			
<i>Export (mt)</i>	1,77	1,46	-17,6%			
Cem/Cl. export ratio	33%	25%				
Rmc (m cbm)	1,60	1,77	11,0%			
Aggregates (mt)	10,69	11,66	9,1%			

Central Europe East



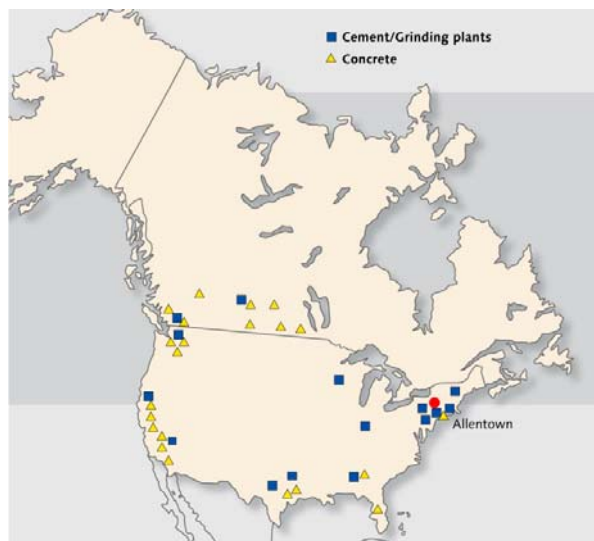
- Infrastructure projects support cement consumption, especially in the Czech Republic, Romania and Ukraine
- Market position in Ukraine expanded with the acquisition of Doncement
- Market entry in Kazakhstan with the acquisition of Buchtarma Cement
- Vertical integration strengthened

EURm	2004	2005	variance		Op.	Cons.	Curr.
Turnover	657	849	192	29,2%	52	95	45
OIBD	190	259	68	36,1%	30	27	11
<i>in % of turnover</i>	29%	30%					
Operating income	135	188	53	39,1%	26	19	8
Shipments							
Cement/clinker (mt)	9,80	11,48	17,0%				
Rmc (m cbm)*	3,99	4,66	16,8%				
Aggregates (mt)*	16,70	18,03	8,0%				

* incl. non-consolidated volumes

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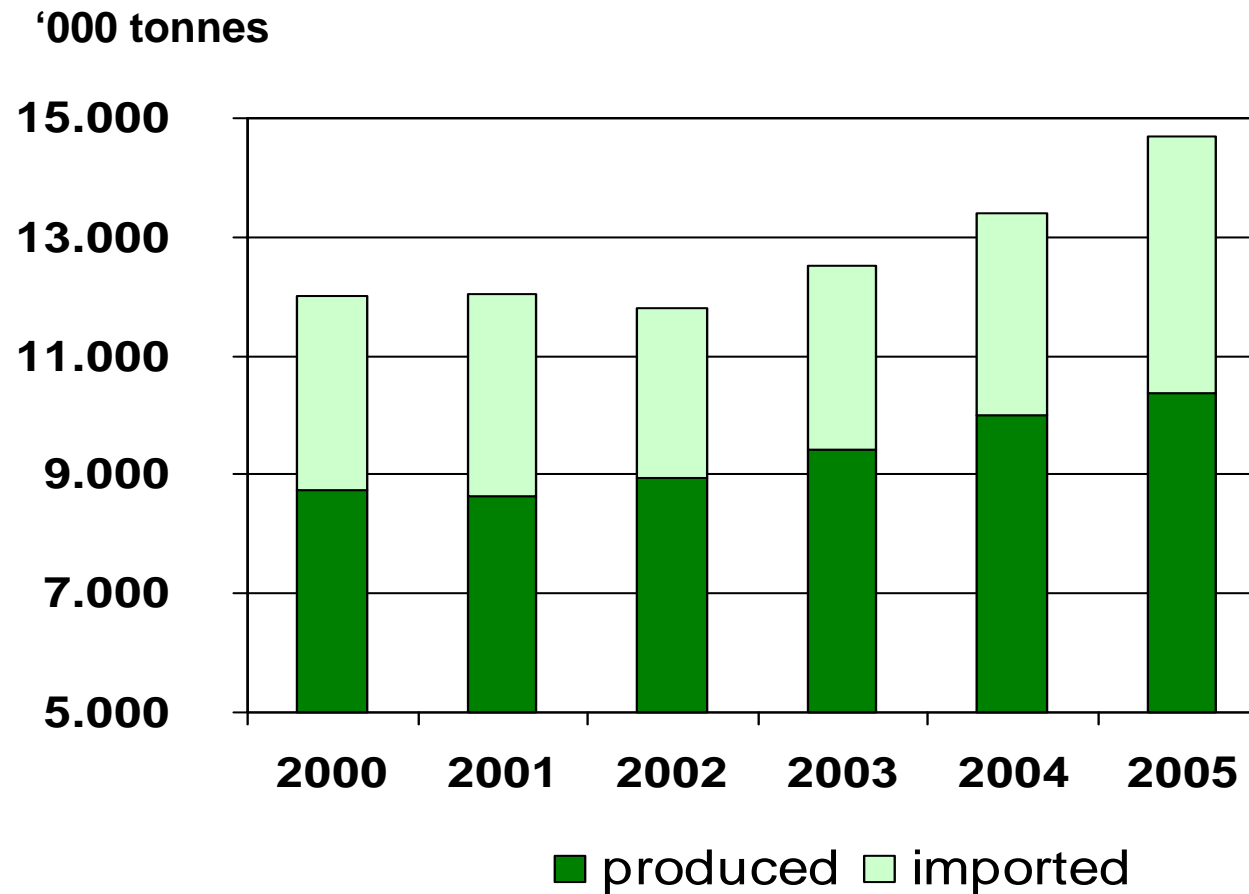
North America



- Construction boom led to record cement sales volumes of 14.7 million tonnes (imports: 29%)
- Record figures for turnover and results
- Strengthened position on the East Coast cement market and expansion of the market position in ready-mixed concrete in Texas

<i>EURm</i>	2004	2005	variance		Op.	Cons.	Curr.
Turnover	1.699	2.142	444	26,1%	355	91	-3
OIBD	326	466	140	42,8%	128	12	-1
<i>in % of turnover</i>	19%	22%					
Operating income	230	369	139	60,3%	131	8	0
Shipments							
Cement/clinker (mt)	13,41	14,69	9,5%				
Rmc (m cbm)	7,14	8,49	18,8%				
Aggregates (mt)	25,58	29,14	15,1%				

North America: Cement sales volumes on record level



Africa – Asia – Turkey

- Domestic sales volumes rose in nearly all countries
- Stake in Indocement was increased to 65.1%
- Commissioning of a new plant in China and foundation of another joint venture in the north of the country
- Market position in Africa maintained; focus on cost management
- Capacity expansion in Turkey

<i>EURm</i>	2004	2005	variance		Op.	Cons.	Curr.
Turnover	1.007	1.057	50	4,9%	85	-34	-2
OIBD	192	230	38	19,5%	33	5	0
<i>in % of turnover</i>	<i>19%</i>	<i>22%</i>					
Africa	38	55	17	44,2%	17		0
Asia	131	143	12	9,3%	12		0
Turkey	23	32	9	36,8%	9		0
Operating income	119	158	38	32,1%	33	5	0
Shipments							
Cement/clinker (mt)	20,82	20,46	-1,7%				
Rmc (million cbm)	2,54	2,51	-1,4%				

maxit Group

- Growth in all markets, except Germany; Northern Europe recorded strongest growth
- Start of restructuring program in Germany
- Commissioning of new dry mortar plants in Russia and China
- Successful launch of a new generation of floor products

<i>EURm</i>	2004	2005	variance		Op.	Cons.	Curr.
Turnover	1.053	1.118	65	6,1%	53	12	
OIBD	144	143	-1	-0,8%	-2	0	
<i>in % of turnover</i>	14%	13%					
Operating income	88	88	0	0,4%	1	0	

Group Services

- Leading position in global cement and clinker trading
- Two new trading offices in Shanghai and Malta as a result of changes in the trading flow
- HC Fuels manages worldwide procurement of fossil fuels

<i>EURm</i>	2004	2005	variance	Op.	Cons.	Curr.
Turnover	505	578	73 14,5%	73		
OIBD	3	11	8 252,8%	8		
<i>in % of turnover</i>	1%	2%				
Operating income	2	10	8 312,9%	8		
Traded volume						
Cement (mt)	6,7	6,6	-2,7%			
Clinker (mt)	4,2	3,7	-9,9%			
Others	0,7	1,3	86,8%			
Total trading vol (mt)	12,1	11,6	-3,9%			

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Group profit and loss account 2005

EURm	2004	2005	%
Turnover	6.929	7.803	12,6%
Operating income before depreciation (OIBD)	1.219	1.506	23,5%
Depreciation	-484	-496	2,5%
Operating income	735	1.010	37,4%
Additional ordinary result	-674	-117	-82,7%
Results from participations	67	139	108,7%
Earnings before interest and income taxes (EBIT)	128	1.033	706,4%
Financial results	-280	-261	-6,7%
Profit before tax	-152	772	
Taxes on income	-181	-300	65,8%
Profit/loss for the financial year	-333	471	
Group share	-366	415	

Additional ordinary result 2005

EURm	2004	2005
Non- recurring income and expenses	-228.1	-44.3
Impairments	-445.8	-72.5
Additional ordinary result	-673.9	-116.8

Explanations:

Impairment on goodwill and assets	-72,5
Restructuring provision	-83,3
Release of provisions	22,8
Gains from asset disposals	52,1
Other	-35,9
	-116,8

Results from participations 2005

EURm	2004	2005
Results from associated undertakings	97,6	149,5
Income from other participations	11,2	13,9
Write-offs of other participations	-9,3	-18,2
Write-offs of loans	-16,3	-1,7
Amortisation of securities	-16,4	-4,1
Results from participations	66,8	139,4

Financial results 2005

EURm	2004	2005
Income from loans	5,1	2,9
Other interest receivable and similar income	31,5	22,1
Interest payable and similar charges	-266,1	-294,9
Foreign exchange gains/losses	-50,2	8,9
Financial results	-279,7	-261,0

Taxes 2005

Taxes on income

EURm	2004	2005
Current taxes	195,2	271,4
Deferred taxes	-14,0	29,0
	181,2	300,4

Reconciliation

EURm	2004	2005
Profit before tax	-151,7	771,5
Impairment of goodwill	345,3	19,4
Profit before tax and impairment of goodwill	193,6	790,9
Theoretical tax expense at 28,9% (i.V.: 26,5%) ¹⁾	51,3	228,3
Changes to the theoretical tax expense due to:		
tax-free earnings (-) and non deductible expenses (+) ²⁾	136,3	94,0
tax increase (+), reduction (-) for prior years	-2,8	-21,2
changes in tax rate	-3,6	-0,7
Taxes on income	181,2	300,4

1) weighted average tax rate

2) Including write-down of deferred tax assets set up in prior years and not recognized deferred tax assets for the current year.

Group balance sheet as of 31 December 2005

EURm	31.12.2004	31.12.2005	Diff.
Tangible and intangible fixed assets	7.357	7.949	592
Financial fixed assets	926	1.158	232
Other long-term assets	217	248	31
Short-term assets	2.216	2.580	364
Sharholder's equity and minority interests	3.963	5.058	1095
Long-term provisions and liabilities	5.102	4.476	-626
Short-term provisions and liabilities	1.651	2.401	750
Balance sheet total	10.716	11.935	1219
Net debt	3.668	3.545	-124
Gearing	92.6%	70.1%	

Group cash flow statement 2005

EURm

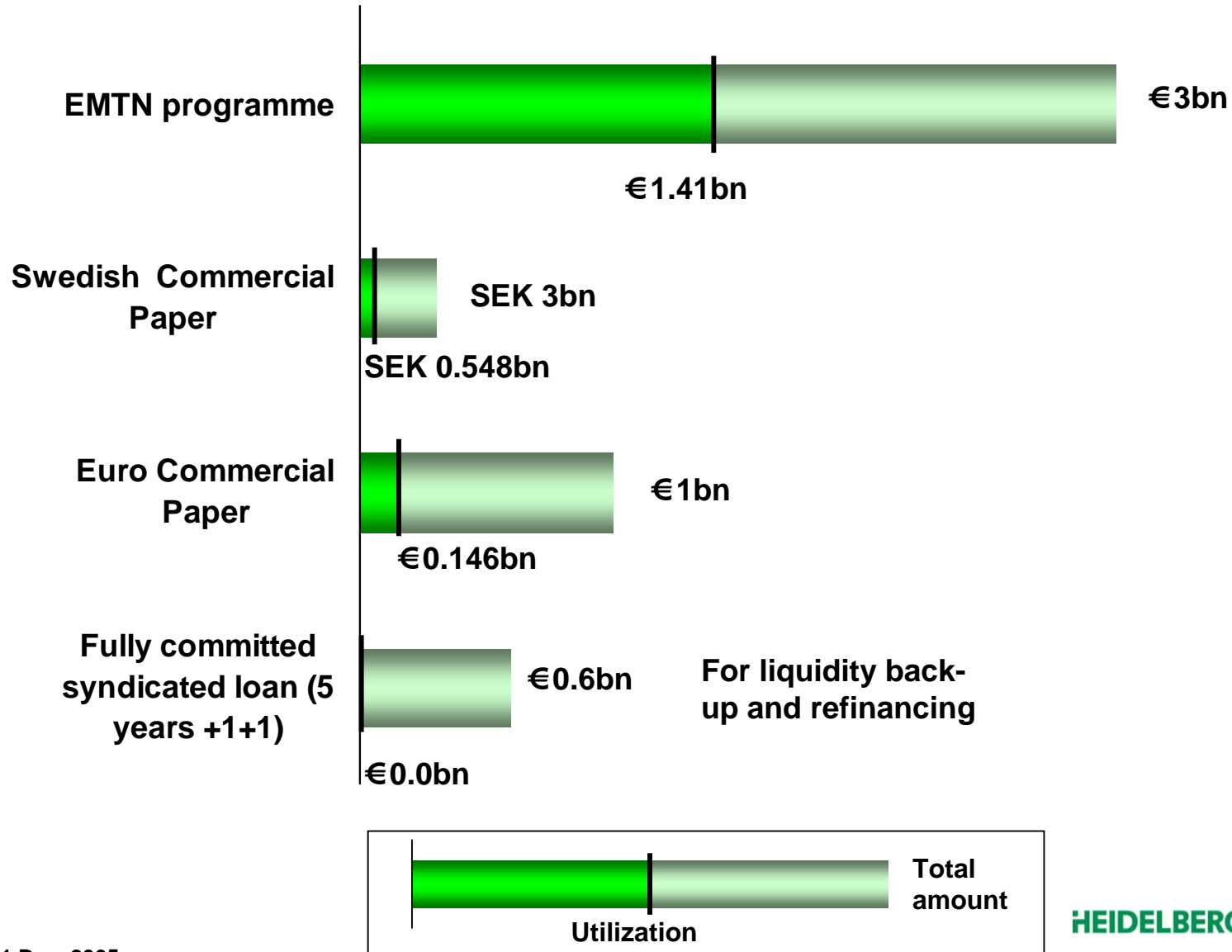
	2004	2005
Cashflow	1.009	1.047
Changes in working capital	-72	-252
Net cash from operating activities	937	795
Investments (cash outflow)	-511	-934
Other inflows of cash and cash equivalents	202	187
Net cash used in investing activities	-309	-747
Capital increase	0	292
Dividend payments	-125	-90
Long-term borrowings	-704	-290
Net cash from financing activities	-829	-88
Changes in cash and cash equivalents	-220	12

Net debt maturity structure 2005

Net debt	Dec 04	Dec 05
	EURm	EURm
Financial liabilities	4.054	3.910
Cash & cash equivalents	319	327
IAS 39 valuation adjustment	66	38
Total net debt	3.668	3.545

Maturity structure	Dec 04	Dec 05
(Net debt)	EURm	EURm
1 year	169	810
2 years	259	869
3 years	1.100	458
4 years	477	395
5 years	392	624
> 5 years	1.271	389
Total net debt	3.668	3.545

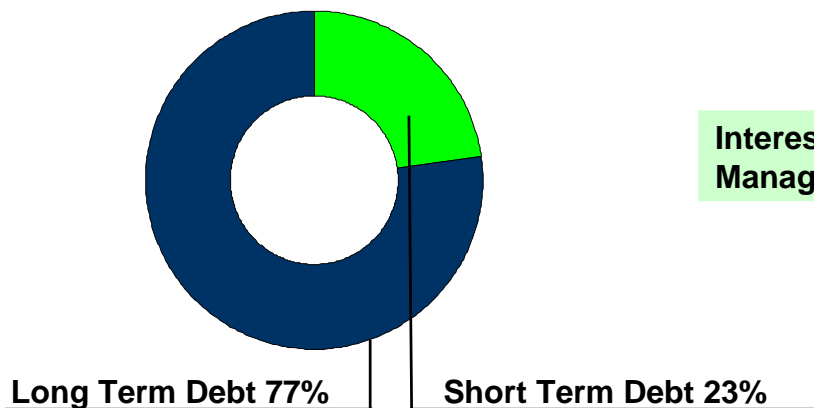
Flexible Funding Structure



as per 31 Dec. 2005

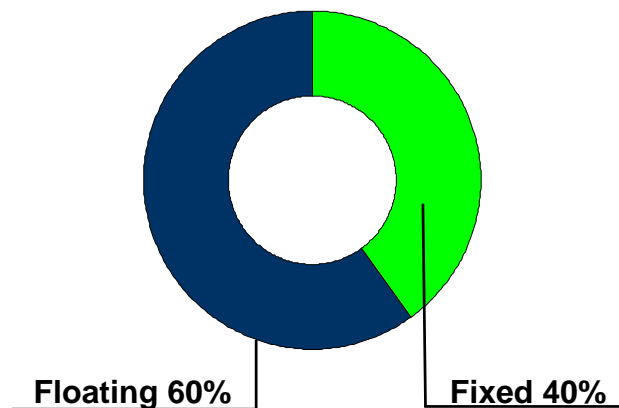
Net Debt Composition

Financial Term Structure

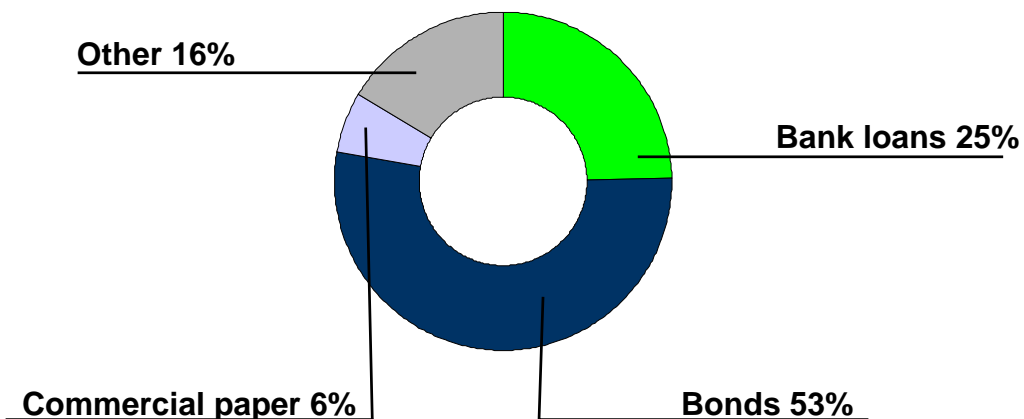


Interest Rate Management

Interest Rate Exposure

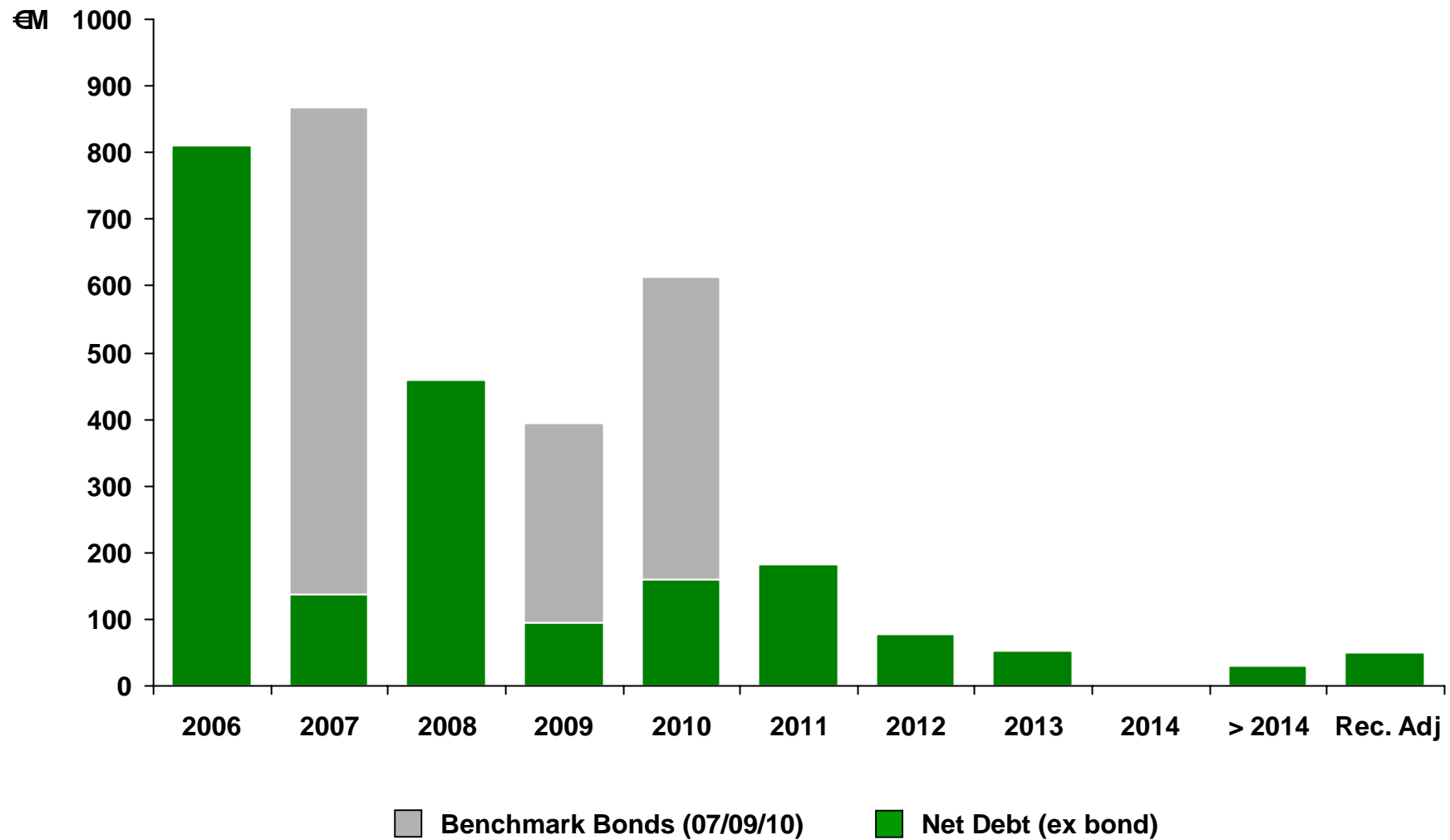


Net Debt Composition



as per 31 Dec. 2005

Maturity Profile – Net Debt



as per 31 Dec. 2005

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■ HeidelbergCement – Outlook 2006

- **Positive economic environment with continuing risk arising from the development of energy prices**
- **Increase of efficiency remains one of the main tasks**
- **Noticeable rise in sales volumes and turnover expected**
- **Restructuring measures will have positive influence on results**
- **HeidelbergCement will play active part in the worldwide consolidation process, especially in growth markets**

HeidelbergCement enters India

- Conclusion of a 50:50 joint venture with Indorama Cement Ltd. in Mumbai
- Cement grinding plant located on the West coast of India with a capacity of 750,000 tonnes per year
- Entrance into a promising market, where we intend to expand step by step
- Markets: Mumbai 100 km, 17m residents
Pune 200 km, 5m residents



Cement grinding plant Indorama

- **Plant (built in 2000) is in very good technical condition**
- **Location next to the steel plant of the Ispat Group (led by members of the Mittal family) with supply contract for blast furnace slag**
- **Only producer of high quality slag cement in the region**
- **Company operates a terminal near the Mumbai harbour**
- **Authorization procedure for the construction of a clinker plant in the neighbouring federal state of Gujarat is under way**