

■ HeidelbergCement

Annual General Meeting 2006

HEIDELBERGCEMENT

■ Overview

- **Financial year 2005**
- **Current topics**
- **Outlook 2006**

■ 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 volumes exceed 68 million
tonnes**
- **Profit for the financial year increases up to EUR 471
million**
- **Shareholders' equity base strengthened**
- **Spohn Cement incl. persons acting in concert with it and
their subsidiaries hold a 77.95 % stake**

„win“ project for optimisation and efficiency increase

- **Standardized organisation, streamlining of hierarchy levels and reporting system**
- **Closing of the headquarters in Singapore und Malmö and transfer of important Group functions to Heidelberg**
- **Bundling of services at one location in each country**
- **Definition of Group-wide key performance indicators for the business lines cement, ready-mixed concrete and sand and gravel**
- **Reorganisation and regionalisation of Heidelberg Technology Center (HTC)**
- **Implementation of a Group Purchasing organisation with lead buyer concept for important purchasing categories**

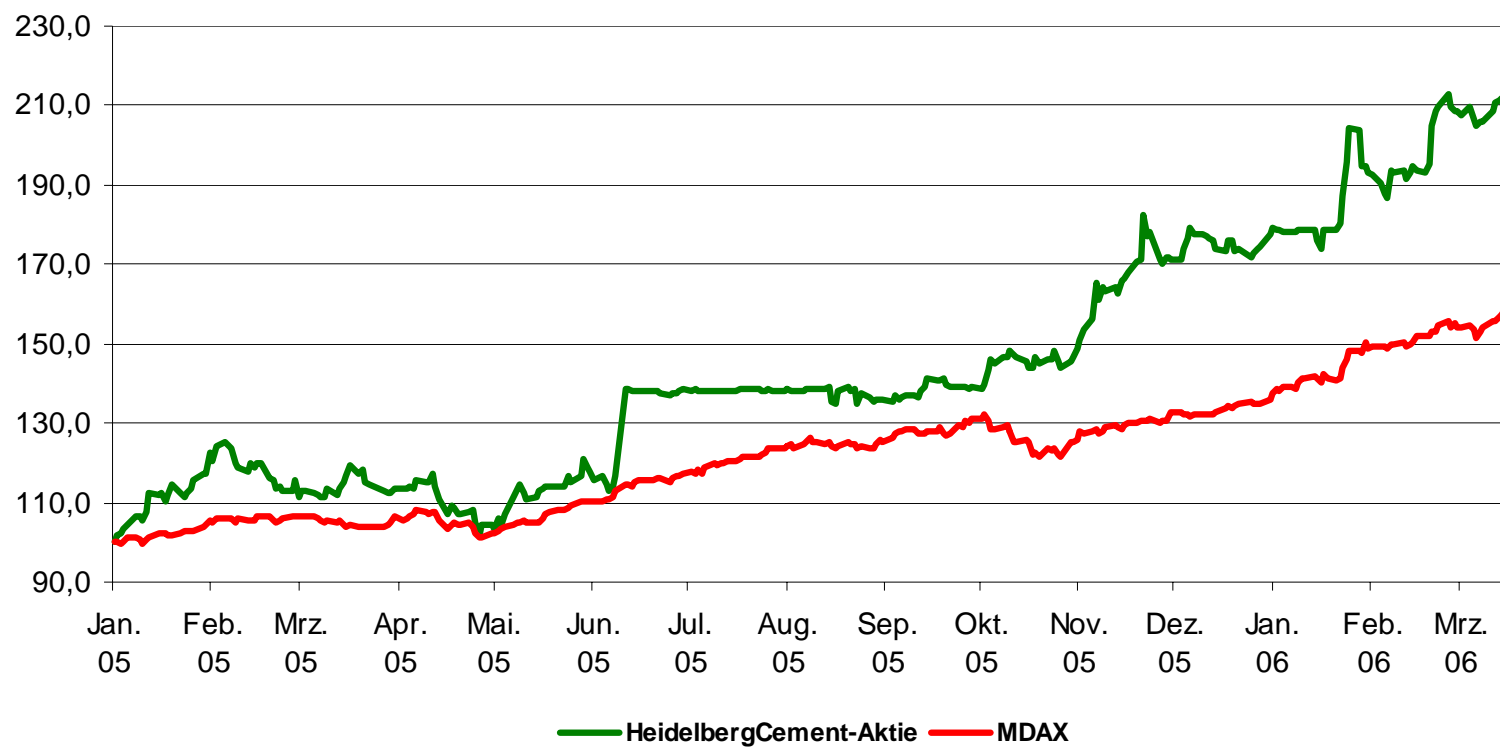
New management focus at HeidelbergCement

- **The strategic target is long-term performance-oriented growth**
- **Focus on efficiency increase and cost leadership**
- **Consistent benchmarking and worldwide adoption of best practice solutions are key factors of success**
- **Orientation towards clients and closeness to operating business**
- **Standardized management culture as a result of Group-wide leadership principles**
- **Vital contribution for a new distinct orientation towards performance and focus on employees**

Development of the HeidelbergCement share

January 2005 to March 2006

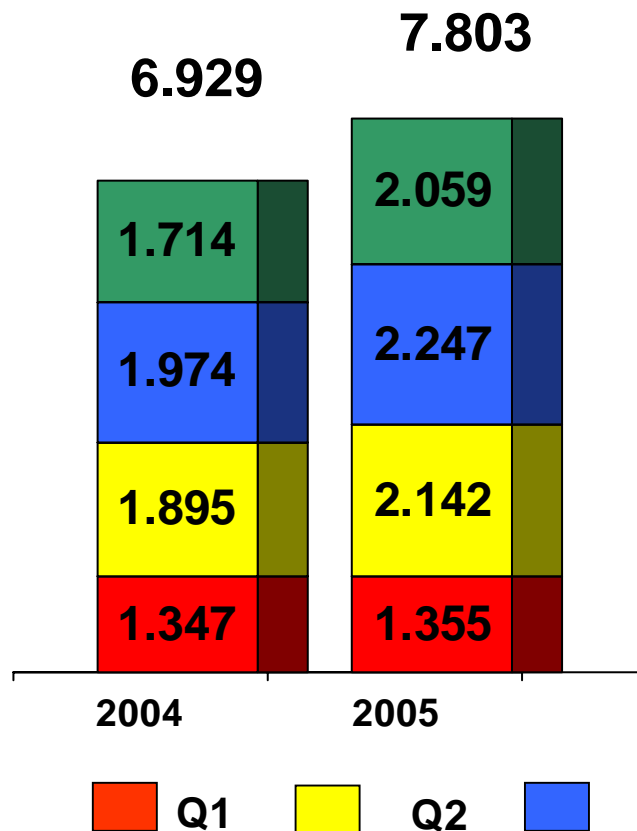
Index (base: 3 January 2005 = 100)



Key figures – turnover and OIBD

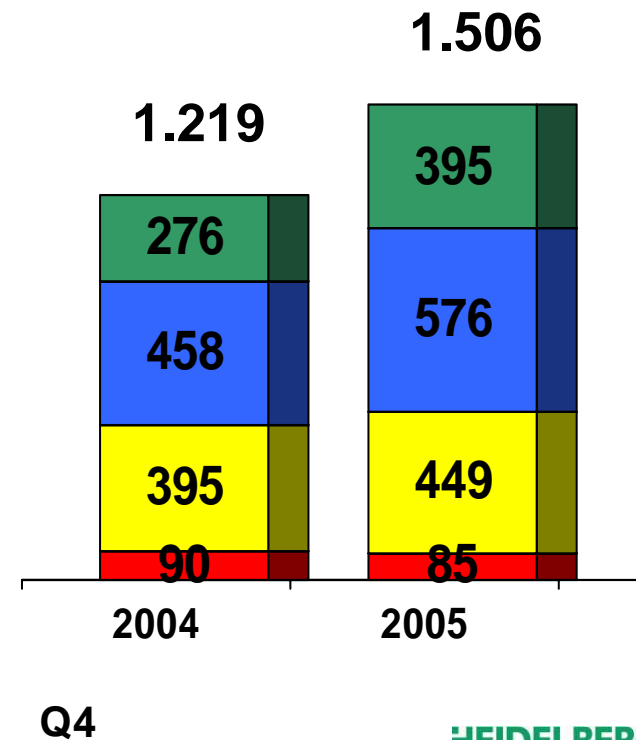
Turnover (+12.6%)

- EURm -

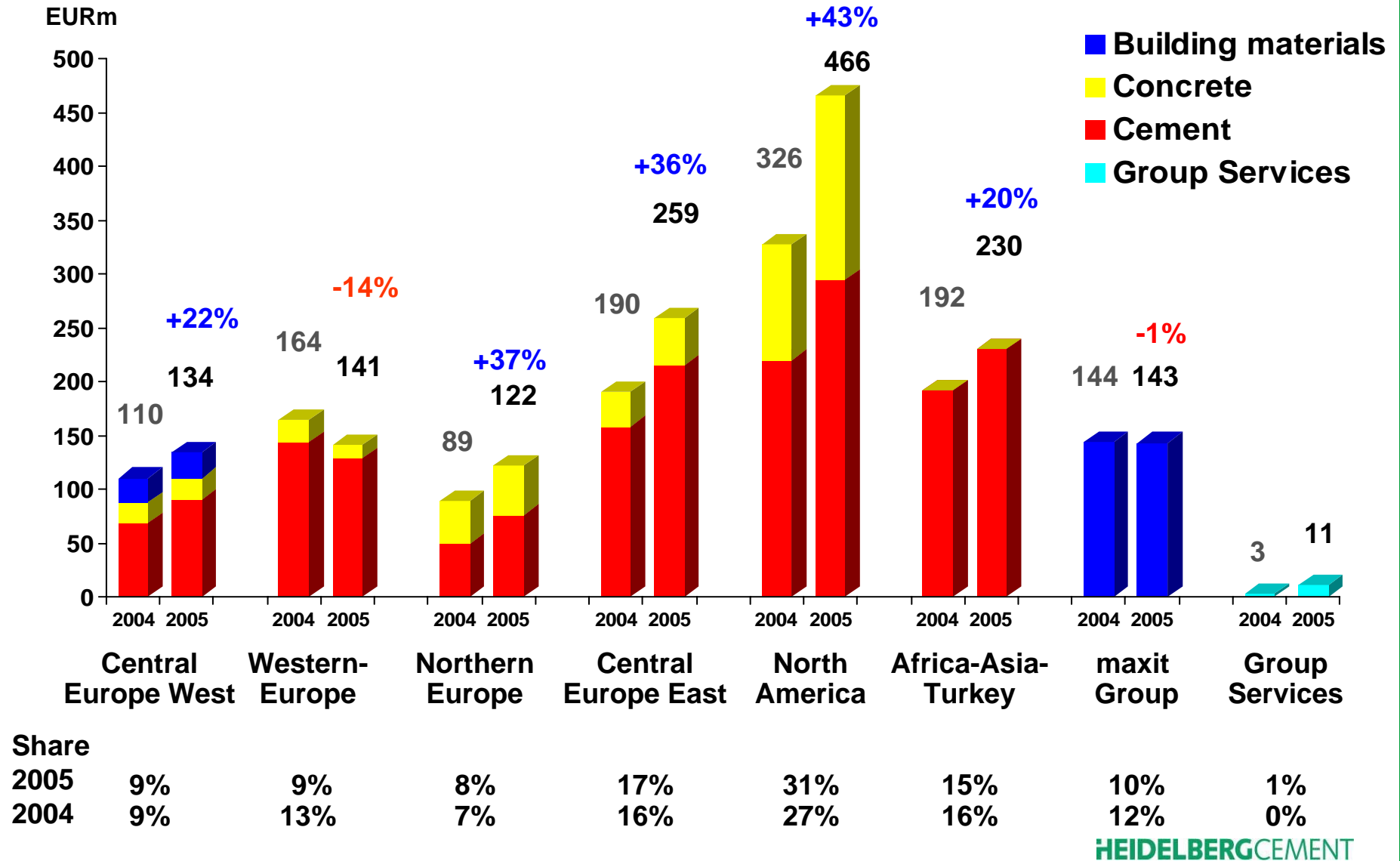


OIBD (+23.5%)

- EURm -



OIBD per region 2005



■ Optimisation of business portfolio - US

- **Takeover of 100% of the Glens Falls cement plant in New York state**
- **Acquisition of the remaining 50% of Campell Concrete & Materials, the leading producer of ready-mixed concrete and aggregates in Southern Texas**



■ Optimisation of business portfolio - Denmark, Ukraine, Kazakhstan

- **Denmark: cement import terminal with 200,000 tonnes sales volume;**
- **22 ready-mixed concrete plants**
- **Ukraine: extension of the market leadership with the acquisition of Doncement**
- **Kazakhstan: market entry with the purchase of the Buchtarma cement plant and its trading company Vostok Cement**



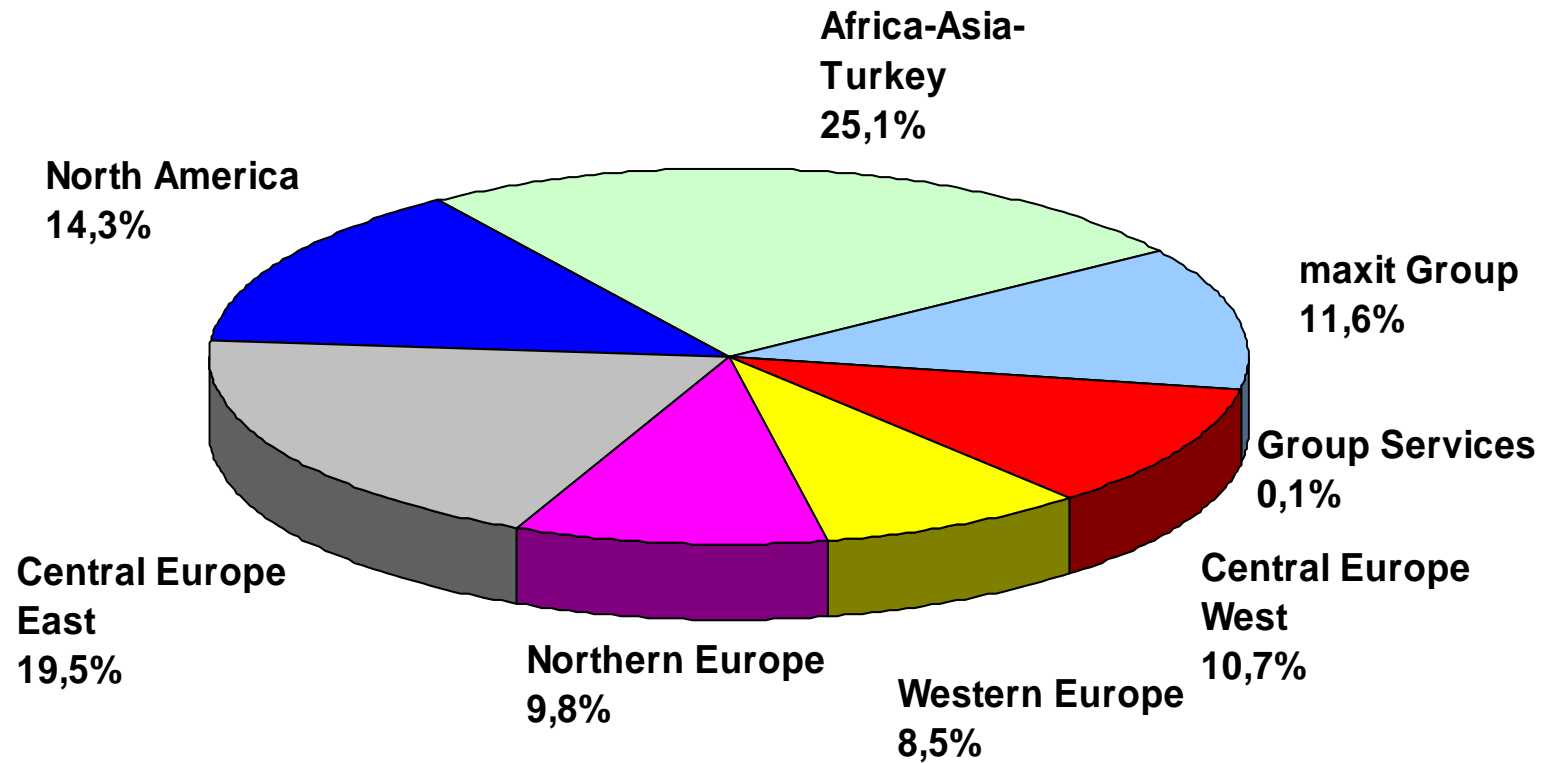
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■ Optimisation of business portfolio - China

- Commissioning of the new cement plant in Guangzhou
- Joint venture with Tangshan Jidong Cement in the province of Shaanxi: Fufeng cement plant with 2.1 million tonnes of cement
- Cement plant Jingyang under construction



■ **Employees 2005: 41,260 (2004: 42,062)**

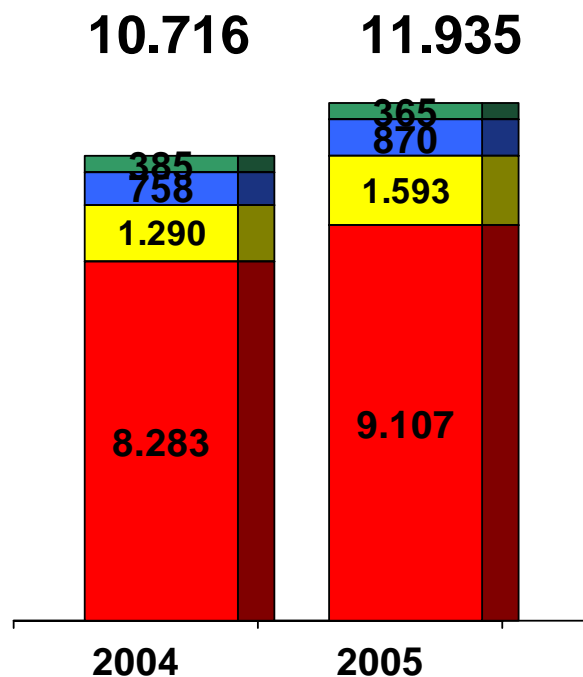


Group profit and loss accounts 2005

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	

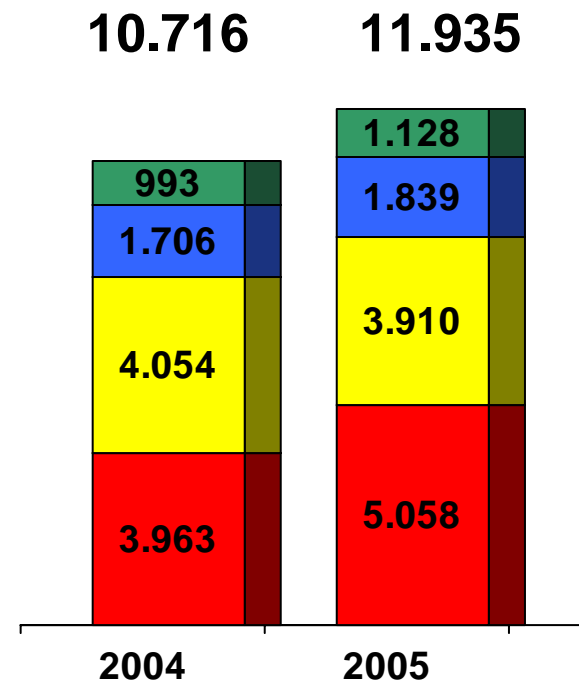
Group balance sheet as of 31 December 2005

Assets (EURm)



- Cash at bank and in hand
- Stocks
- Receivables + deferred taxes
- Fixed assets

Liabilities (EURm)



- Operating liabilities
- Provisions + deferred taxes
- Financial liabilities
- Shareholders' equity

Current topics

- **Capital measures and acquisition of company shares**
- **Remuneration of the Supervisory Board**
- **Reduction of the size of the Supervisory Board**
- **Control and profit transfer agreement with the German holding company of maxit Group**
- **Changes in the German stock corporation law (UMAG)**

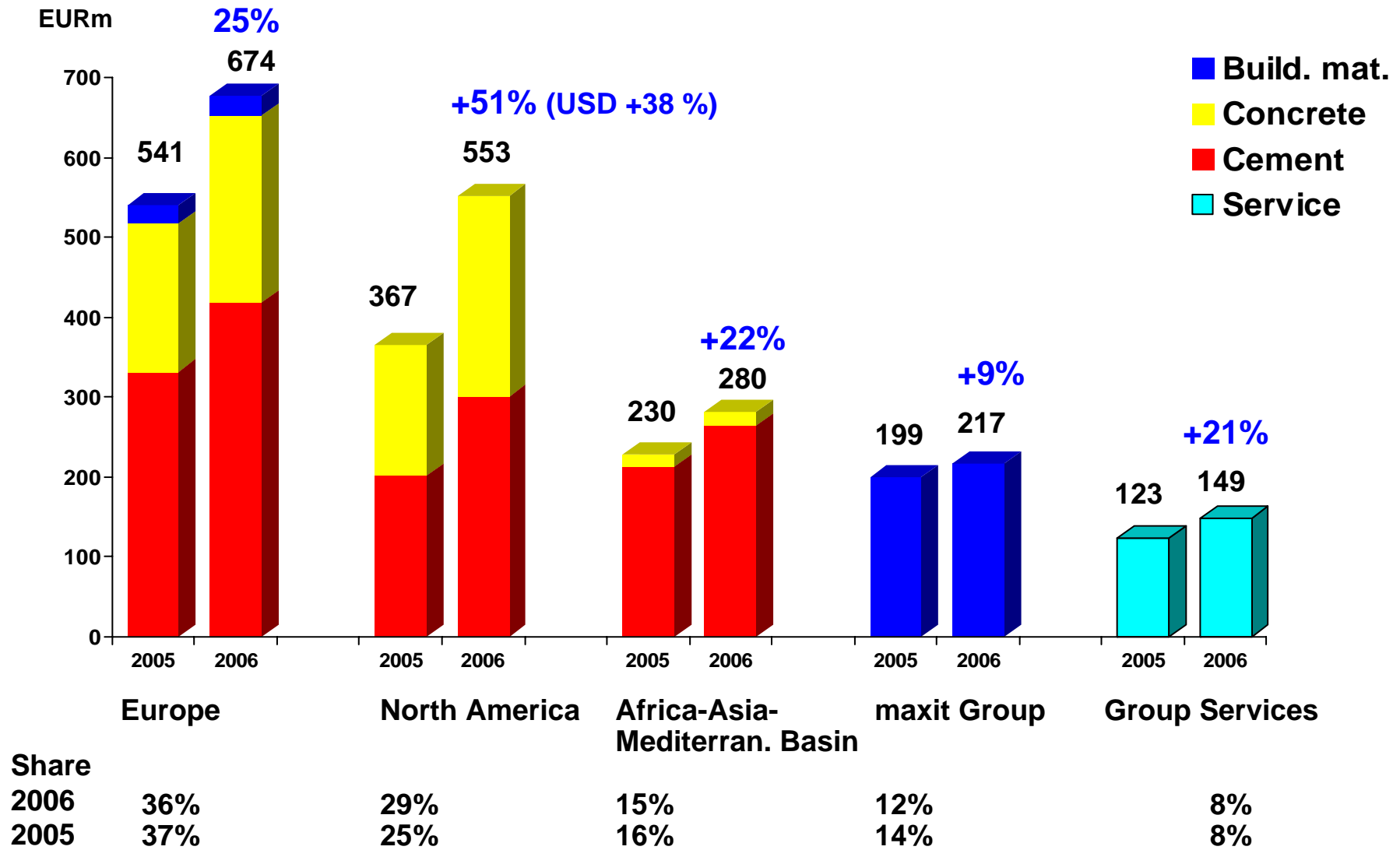
HeidelbergCement – Group areas



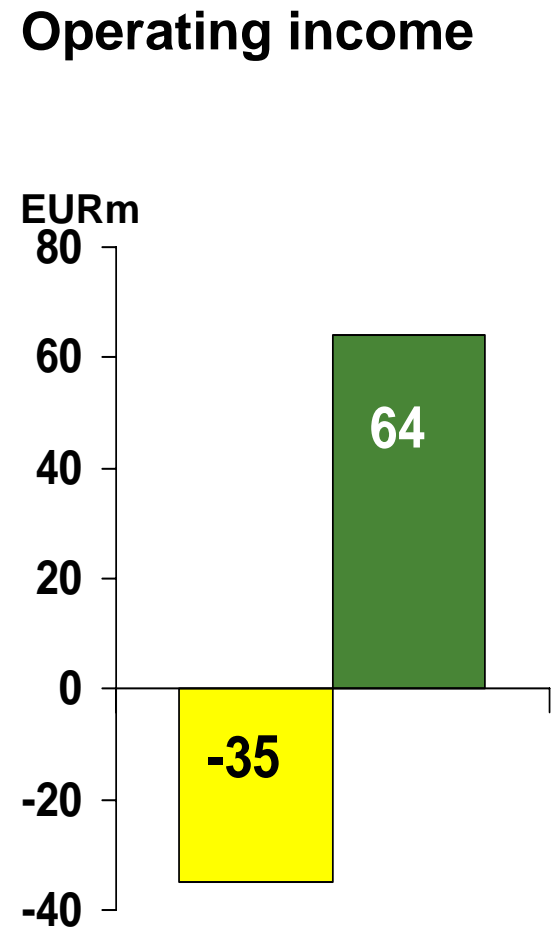
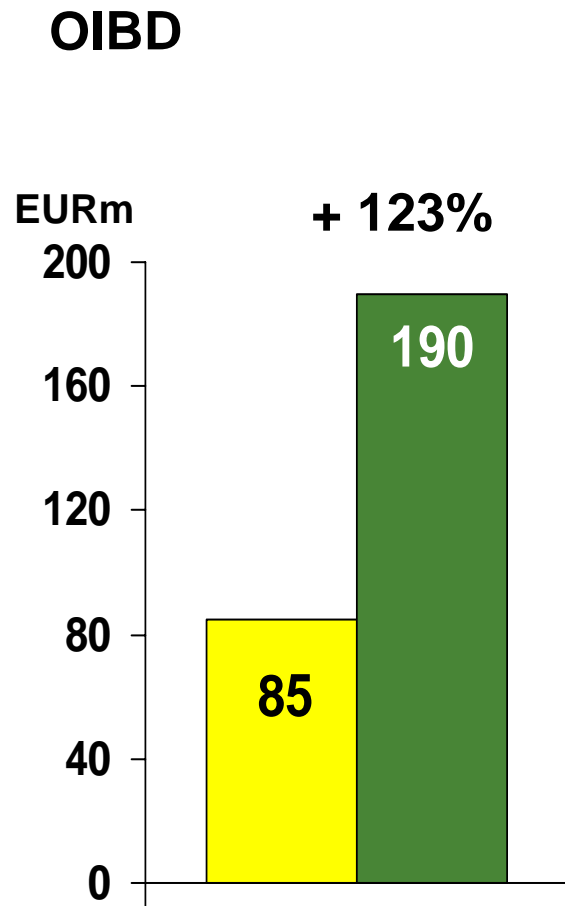
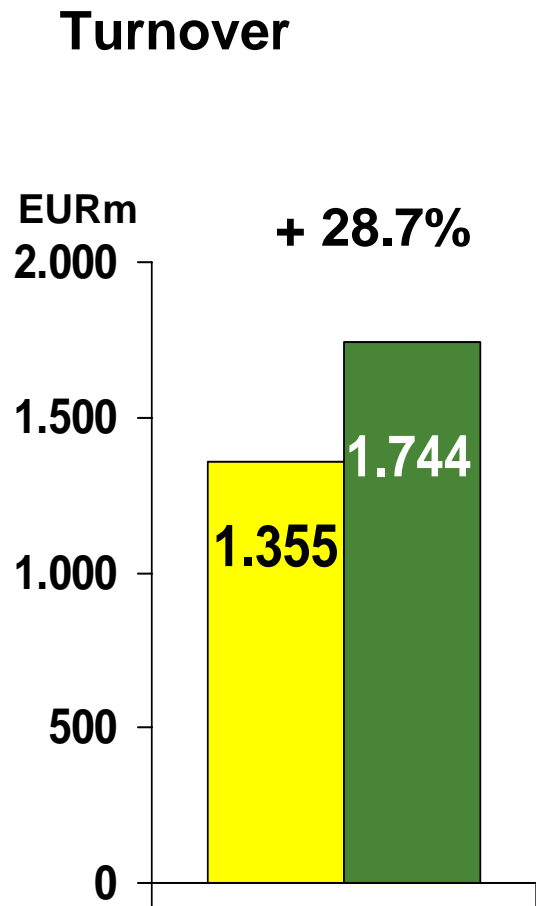
Cement and clinker sales volumes January to March 2006

million tonnes	January - March			
	2005	2006	%	like for like
Europe	5,070	6,250	23,3%	15,1%
North America	2,807	3,363	19,8%	19,8%
Africa-Asia-Mediterran. Basin	4,774	5,167	8,2%	4,0%
Total	12,651	14,780	16,8%	12,0%

Turnover per Group area January to March 2006



HeidelbergCement January to March 2006



■ 2005 ■ 2006

Market entry in India

- Conclusion of a 50:50 joint venture with Indorama Cement in Mumbai
- Cement grinding plant located on the West coast of India with a capacity of 750,000 tonnes
- Entrance into a promising market, where we intend to expand step by step
- Procedure for planning permission under way for construction of a new plant in the federal state of Gujarat



Market entry in Georgia

- **Acquisition of 51% of the grinding plant Kartuli Tsementi (100,000 tonnes)**
- **Extension to an integrated cement plant with a cement capacity of 500,000 tonnes by early 2008**
- **Cement market in the Caucasian states Georgia and Azerbaijan strongly undersupplied**
- **Both countries benefit from the oil and gas fields in Azerbaijan**
- **Georgia is an important transit country between Black Sea and Caspian See**
- **Large investments in the extension of infrastructure**

HeidelbergCement outlook 2006

- **First quarter confirms estimation for double-digit growth of turnover and results in 2006**
- **Continuing strong impetus from North America but also from mature European markets**
- **Measures for efficiency increase and cost reductions are being continued consistently**
- **Strengthened earnings power offers stable base for long-term growth strategy**
- **Risks arising from uncertain development of US dollar exchange rate**