



Interim Report
January to September 2008

- Group turnover increases to EUR 10.8 billion (+ 49%)
- Operating income rises to EUR 1.6 billion (+ 15.6%)
- Realisation of synergies from the Hanson integration is proceeding as planned
- Immediate cost-saving measures complement the "Fitness 2009" program
- Turnover and result forecast confirmed, while risks arising from strongly fluctuating exchange rates, volatile energy costs and the potential for further economic weakening still exists

Overview January - September 2008	July - September		January - September	
EURm	2007	2008	2007	2008
Turnover	3,092	3,881	7,254	10,809
Operating income before depreciation (OIBD)	867	865	1,721	2,141
Operating income	716	664	1,343	1,552
Additional ordinary result	83	16	912	40
Results from participations	37	17	143	51
Earnings before interest and income taxes (EBIT)	836	698	2,398	1,643
Profit before tax	690	513	2,133	1,092
Net income from continuing operations	500	359	1,762	818
Net income from discontinued operations	59	-10	140	1,261
Profit for the financial year	559	349	1,901	2,079
Group share of profit	526	310	1,829	1,985
Investments	8,790	274	12,405	799

Change in consolidation scope

Besides the companies included in the consolidation scope for the first time, the inclusion of Hanson had a particularly significant impact in the first nine months of 2008. Net income from discontinued operations includes the profit from the sale of maxit Group on 13 March 2008.

Letter to the shareholders

Ladies and Gentlemen,

With the situation on the financial markets heading towards crisis point, the general economic environment has weakened significantly in the past few weeks. In the industrial countries in particular, the effects of the financial crisis are increasingly reflected in the real economy. In the emerging countries, which are continuing to provide essential support to the global economy with their high level of growth, the dynamics have also decreased.

Slowdown in global growth

In the first nine months of 2008, the cement and clinker sales volumes of HeidelbergCement rose by 4.6% to 68.5 million tonnes (previous year: 65.5). Excluding consolidation effects, a slight increase of 0.3% was recorded. While our cement deliveries in the Europe and Asia-Australia-Africa Group areas increased both operationally and as a result of consolidation, we suffered considerable decreases in sales volumes in North America because of the financial market crisis and the weak general economic environment in all market regions, with the exception of Canada. Cement sales volumes significantly declined also in the United Kingdom. Deliveries of aggregates more than doubled, reaching 229.4 million tonnes (previous year: 98.4). Ready-mixed concrete sales volumes grew by 58.8% to 33.7 million m³ (previous year: 21.2).

In the first nine months, Group turnover increased by 49.0% to EUR 10,809 million (previous year: 7,254). This was due to the inclusion of Hanson, in particular, but the countries of Eastern Europe as well as the Benelux countries, Scandinavia, Germany, Indonesia, China, and Turkey also contributed to this growth. Excluding exchange rate and consolidation effects, the increase in turnover amounted to 6.3%. Operating income rose by 15.6% to EUR 1,552 million (previous year: 1,343).

The additional ordinary result amounted to EUR 39.6 million (previous year: 911.9). This includes e.g. income from the sale of a property in Malmö, Sweden, and the closure of the Hanson headquarters in London; expenses reflect restructuring costs in the US and UK. The previous year's value was characterised by the profit from the sale of the French participation Vicat in the amount of EUR 805 million.

Results from participations amounted to EUR 51.0 million (previous year: 143.0). They include among others contributions from Cement Australia, Midland Quarry Products, United Kingdom, and Südbayerisches Portland-Zementwerk Gebr. Wiesböck, Germany. The deviation from the previous year results essentially from changes in the investment portfolio. The change of EUR -285.8 million in financial results to EUR -550.9 million (previous year: -265.1) is largely due to the financing of the Hanson acquisition in August 2007.

The increase in financing costs and the decline in the additional ordinary result and results from participations were not compensated for by the improvement in operating income; as a result, the profit before tax from continuing operations decreased to EUR 1,091.6 million (previous year: 2,132.6). The decline results mainly from one-off effects in the previous year. These include in particular the EUR 805 million profit from the sale of Vicat, the pro rata result of the Vicat participation and the at-equity result of Hanson. Taxes on income fell accordingly by EUR 97.8 million to EUR 273.2 million (previous year: 371.0). The optimisation of the Group structure also contributes to reducing the tax rate on a comparable basis. Net income from continuing operations amounted to EUR 818.4 million (previous year: 1,761.6).

In August 2007, HeidelbergCement had reached an agreement with the French building materials manufacturer Saint Gobain regarding the sale of maxit Group. The transaction, with a value of EUR 2,125 million, was completed on 13 March 2008 with the approval of the competition authorities. The book profit of EUR 1,276.9 million is shown in the net income from discontinued operations.

Overall, the profit for the financial year increased to EUR 2,079.2 million (previous year: 1,901.2). Consequently, the Group share of profit rose to EUR 1,984.7 million (previous year: 1,828.7).

In the first nine months of 2008, the balance sheet total fell by EUR 533.2 million to EUR 28.7 billion. As a result of seasonal factors, the trade receivables increased by EUR 0.6 billion to EUR 2.3 billion. The shareholders' equity grew to EUR 9.5 billion (previous year: 7.5). The primary factors were the profit for the financial year of EUR 2.1 billion and the cash capital increase of EUR 0.5 billion. The development of exchange rates, particularly of the US dollar and the British pound, had a negative effect of EUR 0.3 billion. Financial liabilities were reduced by EUR 2.2 billion.

Realisation of synergies proceeding as planned

The cornerstones of the process of integrating the Hanson Group were completed by the middle of the year. Far-reaching changes were consistently implemented starting with the restructuring of our organisations in North America and the United Kingdom. Despite the considerable adverse effects of the market development in the US and United Kingdom, the realisation of synergies is proceeding as planned. In particular, progress was achieved in bringing together all purchasing activities, standardising IT and optimising production structures. A contribution of around EUR 135 million for the whole year only partially compensates for the decline in results caused by market-related factors.

Number of employees reduced

At the end of September 2008, the number of employees in HeidelbergCement's continuing operations was 64,638 (previous year: 68,783). The decrease of 4,145 employees results essentially from the location optimisations and capacity adjustments in North America and the United Kingdom, which were linked with job cuts.

Cut back on investments

In the first nine months, cash flow investments in continuing operations amounted to EUR 799 million (previous year: 12,405). Investments in tangible fixed assets accounted for EUR 697 million (previous year: 579) of this total. They primarily relate to maintenance and optimisation measures in our cement plants, but also expansion projects in Russia, Kazakhstan, China, Tanzania and Turkey. Investments in financial fixed assets amounted to EUR 102 million (previous year: 11,826). A significant portion of this is related to the acquisition of further shares in the Indian company Indorama Cement Limited and the rounding out of participating interests through smaller share acquisitions. The previous year was essentially characterised by the acquisition of 100% of the Hanson shares,

HeidelbergCement makes additional savings

We have already responded to the weak global growth at an early stage with the "Fitness 2009" program. The anticipated further optimisation and efficiency increase in all business lines and the reduction of the administrative costs are expected to generate savings of EUR 250 million per year.

Turnover by business lines January to September 2008

Europe	2007	2008
EURm		
Cement	2,414	2,709
Aggregates and concrete	1,465	2,691
Building products	203	539
Intra Group eliminations	-225	-330
Total	3,858	5,610

In addition, we have addressed the considerable deterioration of the international economy in the past few weeks by introducing further cost-saving measures that will take effect immediately.

Despite this, we have already adjusted at an early stage our structures in the US and United Kingdom to the significantly lower market level in 2008/2009 because of the massive declines on the property markets. The resulting cost reductions will partially take effect this year; their full impact will come in 2009.

Credit ratings for HeidelbergCement lowered

At the end of October 2007, the rating agencies Moody's Investors Service, Standard & Poor's and Fitch Ratings downgraded HeidelbergCement's credit ratings to sub-investment grade (from Baa3/BBB-/BBB- to Ba1/BB+/BB+). The rating agencies' decision is based on the persistently weaker development in North America and the United Kingdom, lack of further disposals as well as increasingly difficult refinancing conditions.

This downgrading and the continuing strained situation on the financial markets restrict the Group's refinancing possibilities. We have a sufficient volume of undrawn committed confirmed credit lines available.

Noticeable growth in turnover and results in Europe

Economic development has now levelled off, not only in the United Kingdom but also in other European countries. In Central and Eastern Europe, most markets are still in solid shape.

Despite a significant market decline in the United Kingdom, our cement business line experienced positive development overall in the first nine months. For the most part, we recorded solid volume increases in the majority of our markets. Our plants in Russia, the Czech Republic and Estonia achieved the highest increases in sales volumes. Our subsidiaries in Scandinavia and the Benelux countries continued to benefit from the lively construction activity in their domestic markets. The sales volumes of the German plants have risen noticeably, thanks to positive development in non-residential construction and increased exports, to Poland and Russia among others. In contrast, cement deliveries in the United Kingdom were considerably below the previous year's level as a result of the continuing decline in residential construction. Overall, our cement and clinker sales volumes in Europe rose by 6.3% to 33.5 million tonnes (previous year: 31.5). Adjusted for consolidation effects – primarily Hanson's blast furnace slag activities in the United Kingdom – the increase amounted to 1.8%.

Deliveries of aggregates grew by 71.9% to 95.3 million tonnes (previous year: 55.4); excluding the Hanson activities and other consolidation effects, the sales volumes decreased by 1.3%. Our plants in Germany, the Benelux countries and Eastern Europe achieved high double-digit growth rates. In the United Kingdom and particularly in Spain, the slump in construction activity led to a considerable decline in demand for aggregates. The sales volumes of the asphalt operating line were slightly above the previous year's level. Deliveries of ready-mixed concrete increased by 62.4% to 18.4 million m³ (previous year: 11.3); excluding Hanson and other consolidation effects, they increased by 6.5%.

North America		
EURm	2007	2008
Cement	1,008	864
Aggregates and concrete	1,107	1,586
Building products	128	687
Intra Group eliminations	-153	-137
Total	2,090	3,000

Asia-Australia-Africa		
EURm	2007	2008
Cement	1,110	1,296
Aggregates and concrete	174	799
Building products	9	48
Intra Group eliminations	-26	-35
Total	1,266	2,109

The continued weakness of the British market is reflected particularly strongly in the building products business line, which primarily includes Hanson's building products in the United Kingdom and offers a range that is mainly used in residential construction. We are responding to the significant decline in demand in all operating lines with capacity adjustments and location optimisations.

The turnover of the Europe Group area rose by 45.4% to EUR 5,610 million (previous year: 3,858); the operational growth amounted to 6.0%.

North America heavily affected by market decline

In North America, HeidelbergCement is represented in the US and Canada.

In the US, the decline in construction activity continued as a result of the sustained financial market crisis. In the first nine months, new residential construction decreased by 31% in comparison with the same period of the previous year; the south and west of the country are affected to an above-average degree by the slump in residential construction. The tightening of credit conditions and the sustained weakness of the economy as a whole are also adversely affecting commercial construction and public construction investments.

In Canada, where HeidelbergCement has a strong market position in the western provinces, the economy is weakening considerably, particularly in the east of the country. While the number of new residential constructions declined by 5.7% in the first nine months, non-residential construction remained solid.

The cement sales volumes of our North American plants fell by 4.2% overall to 10.7 million tonnes (previous year: 11.2) in the first nine months. Excluding Hanson's cement activities in California, deliveries remained 11.9% below the previous year's level. While we recorded a moderate increase in cement deliveries in Canada, sales volumes in the US decreased significantly in all market regions. In order to ensure that our plants are utilised to a high degree, we have reduced low-margin imports considerably.

The aggregates and concrete business line also suffered significant decreases in sales volumes as a result of the market decline. Deliveries of aggregates, including the quantities delivered by Hanson, rose to 105.8 million tonnes (previous year: 38.9). The sales volumes of the asphalt plants declined noticeably. Ready-mixed concrete sales volumes were at the previous year's level, amounting to 7.2 million m³.

In the building products business line, which is largely dependent on residential construction, all operating lines recorded significant declines in sales volumes and turnover. Demand for roof tiles, in particular, declined heavily as a result of the continuing weakness of residential construction. We are responding to the negative market development with intensified cost reduction and optimisation measures as well as location mergers and capacity adjustments.

The total turnover in North America rose by 43.5% to EUR 3,000 million (previous year: 2,090) as a result of consolidation. Excluding Hanson and exchange rate effects, turnover fell by 12.2%.

Considerable operational growth in Asia-Australia-Africa

Despite the weakening dynamics resulting from the financial crisis and the massive downturn in the industrialised countries, the emerging countries of the Asia-Australia-Africa Group area are continuing to record solid economic growth. The strongest impetus is still coming from China. In Australia, the rate of growth slowed down.

In the first nine months, the cement and clinker sales volumes of the Asia-Australia-Africa Group area rose by 6.5% overall to 24.4 million tonnes (previous year: 22.9). In Indonesia, our subsidiary Indocement benefited from the strong increase in residential construction and the area of infrastructure. In order to meet the high level of domestic demand, Indocement has reduced its exports considerably. Despite a weakening of the residential construction market, we achieved significant growth in sales volumes in China; in the central Chinese province of Shaanxi, where the new Jingyang plant was commissioned last year, our cement deliveries have more than doubled. A noticeable increase of 22.2% was recorded in the sales volumes, including exports, of our Turkish joint venture Akçansa.

In Africa, where we achieved considerable growth, particularly in Ghana, our main market, as well as in Sierra Leone and Togo, our cement deliveries rose by 2.9% overall; excluding the activities in Nigeria and Niger, which were de-consolidated at the end of February 2008, the increase amounted to 11.5%.

Deliveries of aggregates increased to 28.4 million tonnes (previous year: 4.1) as a result of the inclusion of the Hanson activities in Australia and Malaysia. The sales volumes of the asphalt operating line improved slightly. Ready-mixed concrete sales volumes trebled to 8.1 million m³ (previous year: 2.7); excluding Hanson, deliveries rose by 13.2%.

The turnover of the Asia-Australia-Africa Group area was 66.5% above the previous year at EUR 2,109 million (previous year: 1,266); the operational increase amounted to 28.4%.

Group Services

The trade volume of our subsidiary HC Trading decreased by 10.5% to 7.9 million tonnes (previous year: 8.8) in the first nine months; this was caused, on the one hand, by the freight rates, which were still extremely high in the first half of the year and, on the other hand, by the dramatically reduced level of cement imports in traditional import countries such as the US and Spain. Increases in clinker and dry mortar were not able to offset the decline in the cement trade volume.

As a result of the significant increase in turnover achieved by our subsidiary HC Fuels, which is responsible for purchasing fossil fuels, the total turnover of the Group Services business unit rose by 5.8% to EUR 548 million (previous year: 517).

Prospects

The current situation is further characterised by uncertainties on the financial markets and the increasing burdens on the real economy. The forecasts for general economic development have therefore been reduced worldwide. Decisive parameters such as exchange rates and energy prices are more volatile than ever. In this now more difficult environment, HeidelbergCement has fully achieved its internal efficiency improvement and cost reduction goals of the Hanson integration. In addition, in the US and United Kingdom, the adjustment of capacities and optimisation of locations are being implemented quickly and are therefore already having a positive impact on costs this year.

As a result of the increasingly deteriorating market situation, we have decided to introduce further cost-saving measures that will take effect immediately, in addition to the "Fitness 2009" program with annual savings of EUR 250 million. We will continue to pursue our policies consistently and with a high degree of discipline. We are using free cash flow to reduce our liabilities.

For the whole of 2008, we expect a noticeable improvement in Group turnover despite the significant decline in the US and United Kingdom. The increase is attributable to positive contributions from Europe and the emerging countries as well as consolidation-related growth.

According to our present prospects, we will be able to meet our results target. Risks in this context stem from strongly fluctuating exchange rates, volatile energy costs and the potential for further economic weakening.

Heidelberg, 5 November 2008

Yours sincerely,



Dr. Bernd Scheifele
Chairman of the Managing Board

Group profit and loss accounts

Group profit and loss accounts EUR '000s	July - September 2007		January- September 2008	
	2007	2008	2007	2008
Turnover	3,092,423	3,881,411	7,254,115	10,809,158
Change in stock and work in progress	-3,801	10,844	11,683	17,440
Own work capitalised	-45	1,280	606	2,477
Operating revenue	3,088,577	3,893,535	7,266,404	10,829,075
Other operating income	60,061	49,024	143,039	164,742
Material costs	-1,100,217	-1,575,531	-2,762,467	-4,282,627²⁾
Employee and personnel costs	-429,614	-579,111	-1,071,863	-1,762,955
Other operating expenses	-751,841	-923,137	-1,854,204	-2,807,020
Operating income before depreciation (OIBD)	866,966	864,780	1,720,909	2,141,215
Depreciation of tangible fixed assets	-147,766	-193,558	-369,942	-570,617
Amortisation of intangible assets	-3,597	-6,993	-8,181	-18,644²⁾
Operating income	715,603	664,229	1,342,786	1,551,954
Additional ordinary income	115,351	52,049	983,751*	128,399
Additional ordinary expense	-32,610	-36,182	-71,808	-88,800
Additional ordinary result	82,741	15,867	911,943	39,599
Result from associated companies ¹⁾	38,100	15,714	141,475**	44,623
Results from other participations	-638	1,728	1,495	6,337
Earnings before interest and income taxes (EBIT)	835,806	697,538	2,397,699	1,642,513
Interest and similar income	30,789	19,289	61,317	48,917
Interest and similar expenses	-172,804	-202,544	-314,592	-604,476
Foreign exchange gains and losses	-1,019	-219	-4,972	7,206
Financial result of puttable minorities	-2,614	-1,250	-6,852	-2,560
Profit before tax	690,158	512,814	2,132,600	1,091,600
Taxes on income	-190,298	-154,175	-370,955	-273,176²⁾
Net income from continuing operations	499,860	358,639	1,761,645	818,424²⁾
Net income from discontinued operations	59,386	-10,005	139,577	1,260,781
Profit for the financial year	559,246	348,634	1,901,222	2,079,205²⁾
Thereof minority interests	-33,230	-38,224	-72,522	-94,461
Thereof Group share of profit	526,016	310,410	1,828,700	1,984,744²⁾
Earnings per share in EUR (IAS 33)				
Earnings per share attributable to the parent entity	4.36	2.46	15.56	16.00
Earnings per share - continuing operations	4.14	2.58	14.98	5.84
Earnings per share - discontinued operations	0.50	-0.12	1.19	10.16

¹⁾ Net result from associated companies

33,962 14,322 124,009 38,507

²⁾ The retrospective adjustments due to the application of IFRS 3.62 decreased material costs by EUR '000s 4,300, increased amortisation of intangible assets by EUR '000s 840 and taxes on income by EUR '000s 1,038. Total adjustments increased net income from continuing operations, profit for the financial year and Group share of profit by EUR '000s 2,422.

* Thereof gain from the sale of Vicat: EUR 805 million

** Thereof income from Vicat: EUR 60 million

Group cash flow statement

Group cash flow statement EUR '000s	January - September	
	2007	2008
Net income from continuing operations	1,761,645	818,424
Taxes on income	370,955	273,176
Interest income/expense	253,275	555,559
Dividends received	22,912	32,648
Interest paid	-305,727	-532,120
Taxes paid	-246,180	-254,740
Elimination of non-cash items	-538,217	603,481
Cash flow	1,318,663	1,496,428
Changes in operating assets	-265,943	-821,929
Changes in operating liabilities	-120,466	-138,555
Cash flow from operating activities – continuing operations	932,254	535,944
Cash flow from operating activities – discontinued operations	80,227	-30,434
Cash flow from operating activities	1,012,481	505,510
Intangible fixed assets	-37,063	-15,804
Tangible fixed assets	-541,728	-680,528
Financial fixed assets	-11,825,463	-102,341
Investments (cash outflow)	-12,404,254	-798,673
Proceeds from fixed asset disposals	1,549,902	2,248,685
Cash from changes in consolidation scope	484,201	24,955
Cash flow from investing activities – continuing operations	-10,370,151	1,474,967
Cash flow from investing activities – discontinued operations	-10,406	-24,519
Cash flow from investing activities	-10,380,557	1,450,448
Capital increase	527,053	512,500
Dividend payments – HeidelbergCement AG	-144,508	-162,500
Dividend payments – minority shareholders	-26,317	-26,042
Proceeds from bond issuance and loans	11,603,292	2,880,671
Repayment of bonds and loans	-1,839,939	-4,985,496
Cash flow from financing activities – continuing operations	10,119,581	-1,780,867
Cash flow from financing activities – discontinued operations	-61,582	40,802
Cash flow from financing activities	10,057,999	-1,740,065
Net change in cash and cash equivalents – continuing operations	681,684	230,044
Net change in cash and cash equivalents – discontinued operations	8,239	-14,151
Net change in cash and cash equivalents	689,923	215,893
Effect of exchange rate changes	-15,542	-23,777
Cash and cash equivalents at 1 January	218,839	831,585
Reclassification of cash and cash equivalents from discontinued operations	-23,018	
Cash and cash equivalents at 30 September	870,202	1,023,701

Group balance sheet

Assets		
EUR '000s	31 Dec. 2007	30 Sept. 2008
Long-term assets		
Intangible assets	10,943,310	10,770,944¹⁾
Tangible fixed assets		
Land and buildings	4,962,660	4,905,984
Plant and machinery	4,481,000	4,392,089
Fixtures, fittings, tools and equipment	219,237	250,432¹⁾
Payment on account and assets under construction	771,804	953,786
	<u>10,434,701</u>	<u>10,502,291</u>
Financial fixed assets		
Investments in associates	761,864	739,623¹⁾
Financial investments	152,609	104,541
Loans to participations	79,770	50,966¹⁾
Other loans and derivative financial instruments	25,993	25,788
	<u>1,020,236</u>	<u>920,918</u>
Fixed assets	<u>22,398,247</u>	<u>22,194,153</u>
Deferred taxes	157,408	144,341
Other long-term receivables	353,991	355,691
Long-term tax assets	19,781	18,310
	<u>22,929,427</u>	<u>22,712,495</u>
Short-term assets		
Stock		
Raw materials and consumables	663,131	801,380
Work in progress	145,247	153,372
Finished goods and goods for resale	741,381	771,189
Payments on account	21,135	57,960
	<u>1,570,894</u>	<u>1,783,901</u>
Receivables and other assets		
Short-term financial receivables	189,114	146,555
Trade receivables	1,746,691	2,319,109
Other short-term operating receivables	429,072	465,285
Current tax assets	138,261	252,255
	<u>2,503,138</u>	<u>3,183,204</u>
Financial investments and derivative financial instruments	40,968	45,797
Cash at bank and in hand	831,585	1,023,701
	<u>4,946,585</u>	<u>6,036,603</u>
Assets held for sale and discontinued operations	1,406,300	
Balance sheet total	<u>29,282,312</u>	<u>28,749,098</u>

¹⁾ The retrospective adjustments due to the application of IFRS 3.62 reduced intangible assets by EUR '000s 44,864; fixtures, fittings, tools and equipment by EUR '000s 8,865; investments in associates by EUR '000s 5,600; loans to participations by EUR '000s 1,200, other long-term provisions by EUR '000s 117,880 and increased deferred tax liabilities by EUR '000s 34,929; long-term tax liabilities by EUR '000s 20,000 and profit and loss reserve by EUR '000s 2,422.

Liabilities	31 Dec. 2007	30 Sept. 2008
EUR '000s		
Shareholders' equity and minority interests		
Subscribed share capital	360,000	375,000
Share premium	2,973,392	3,470,892
Profit and loss reserve	4,761,976	6,575,410 ¹⁾
Currency translation	-1,098,404	-1,464,730
Equity attributable to shareholders	6,996,964	8,956,572
Minority interests	521,861	568,641
	7,518,825	9,525,213
Long-term provisions and liabilities		
Provisions		
Provisions for pensions	648,360	651,939
Deferred taxes	1,103,934	1,062,407 ¹⁾
Other long-term provisions	1,199,235	1,125,776 ¹⁾
	2,951,529	2,840,122
Liabilities		
Debenture loans	2,312,166	3,054,680
Bank loans	10,547,677	7,546,800
Other long-term financial liabilities	389,312	335,204 ²⁾
	13,249,155	10,936,684
Other long-term operating liabilities	140,328	166,860
Long-term tax liabilities	287,533	277,662 ¹⁾
	13,677,016	11,381,206
	16,628,545	14,221,328
Short-term provisions and liabilities		
Provisions	280,358	243,307
Liabilities		
Debenture loans (current portion)	30,140	300,682
Bank loans (current portion)	1,365,933	1,129,805
Other short-term financial liabilities	921,335	1,034,569 ²⁾
	2,317,408	2,465,056
Trade payables	1,010,724	1,034,640
Current income taxes payables	188,548	338,300
Other short-term operating liabilities	979,262	921,254
	4,495,942	4,759,250
	4,776,300	5,002,557
Provisions and liabilities associated with assets held for sale and discontinued operations	358,642	
Balance sheet total	29,282,312	28,749,098

²⁾ Includes puttable minorities with an amount of EUR '000s 40,196 (previous year: 85,977).

Statement of recognised income and expense

Statement of recognised income and expense	January - September	
EUR '000s	2007	2008
IAS 39 Financial Instruments: Recognition and Measurement	-47,101	-13,178
IAS 19 Employee Benefits	-2,391	5,888
Currency translation	-383,707	-347,972
Other consolidation adjustments	-1,687	-1,475
Income and expense directly recognised in equity	-434,886	-356,737
Profit for the financial year	1,901,222	2,079,205
Total earnings for the period	1,466,336	1,722,468
Relating to minority interests	55,135	112,860
Relating to HeidelbergCement AG shareholders	1,411,201	1,609,608

Reconciliation of changes in total equity/Notes

Reconciliation of changes in total equity	Subscribed share capital	Share premium	Profit and loss reserve	Currency translation	Treasury shares	Equity attributable to shareholders	Minority interests	Total equity
EUR '000s								
1 January 2007	346,974	2,462,144	2,845,682	-303,455	-2,934	5,348,411	479,511	5,827,922
Profit for the financial year			1,828,700			1,828,700	72,522	1,901,222
Capital increase								
from issuance of new shares	13,181	514,027				527,208		527,208
Withdrawal of company shares	-155				2,934	2,779		2,779
Dividends			-144,508			-144,508	-28,830	-173,338
Changes without effects on results								
Consolidation adjustments			-1,687			-1,687	27,327	25,640
IAS 19 Employee Benefits			-2,391			-2,391		-2,391
IAS 39 Financial instruments: Recognition and Measurement			-47,934			-47,934	833	-47,101
Exchange rate				-365,487		-365,487	-18,220	-383,707
30 September 2007	360,000	2,976,171	4,477,862	-668,942		7,145,091	533,143	7,678,234
1 January 2008	360,000	2,973,392	4,761,976	-1,098,404		6,996,964	521,861	7,518,825
Profit for the financial year			1,984,744 ¹⁾			1,984,744	94,461	2,079,205
Capital increase								
from issuance of new shares	15,000	497,500				512,500		512,500
Dividends			-162,500			-162,500	-26,042	-188,542
Changes without effects on results								
Consolidation adjustments			-1,151			-1,151	-40,362	-41,513
IAS 19 Employee Benefits			5,888			5,888		5,888
IAS 39 Financial instruments: Recognition and Measurement			-13,547			-13,547	369	-13,178
Exchange rate				-366,326		-366,326	18,354	-347,972
30 September 2008	375,000	3,470,892	6,575,410	-1,464,730		8,956,572	568,641	9,525,213

¹⁾ The effects of adopting IFRS 3.62 increased the profit for the financial year subsequently by EUR '000s 2.422.

Segment reporting / Notes

Group areas January - September 2008 (primary reporting format under IAS 14 No. 50 ff.)				
EURm	Europe		North America	
	2007	2008	2007	2008
External turnover	3,793	5,564	2,090	3,000
Inter-Group areas turnover	65	46		
Turnover	3,858	5,610	2,090	3,000
Change to previous year in %		45.4 %		43.5 %
Operating income before depreciation (OIBD)	960	1,194	470	472
in % of turnover	24.9 %	21.3 %	22.5 %	15.7 %
Depreciation	-222	-301	-88	-186
Operating income	738	893	382	286
in % of turnover	19.1 %	15.9 %	18.3 %	9.5 %
Results from participations	94	28	29	2
Additional ordinary result				
Earnings before interest and income taxes (EBIT)	833	921	411	288
Capital expenditures ¹⁾	252	374	165	136
Number of employees as at 30 September 2008	31,663	28,873	19,835	17,970
Average number of employees	23,560	28,524	7,594	18,164

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

Asia-Australia-Africa		Group Services		Reconciliation		Continuing Operations		Discontinued Operations	
2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
1,203	2,054	168	192			7,254	10,809	1,020	176
63	54	349	356	-477	-456			0	
1,266	2,109	517	548	-477	-456	7,254	10,809	1,020	176
	66.5%		5.8%				49.0%		-82.8%
282	461	8	15			1,721	2,141	194	14
22.3%	21.9%	1.6%	2.7%			23.7%	19.8%	19.0%	8.0%
-68	-102	-1	0			-378	-589	-28	-10
215	359	8	14			1,343	1,552	166	4
16.9%	17.0%	1.5%	2.6%			18.5%	14.4%	16.3%	2.5%
19	21					143	51	2	0
				912	40	912	40	2	
234	380	8	14	912	40	2,398	1,643	169	4
162	187			11,826	102	12,405	799	44	
17,228	17,739	56	56			68,783	64,638	5,277	
13,161	17,743	56	56			44,371	64,487	5,192	

Notes to the interim report

Accounting and consolidation principles

The Group's unaudited interim accounts of 30 September 2008 were prepared according to the International Financial Reporting Standards (IFRS) for interim reporting as applicable in the European Union. The same accounting and valuation methods were applied as in the preparation of the Group annual accounts as of 31 December 2007, as well as IAS 34 "Interim Financial Reporting".

Seasonal nature of the business

Regional weather conditions are reflected in HeidelbergCement's production and sales position.

Changes in the consolidation scope

Additions

Additions to the consolidation scope in comparison with 31 December 2007 occurred in the Europe and Asia-Australia-Africa Group areas and are shown in the following table.

Country / Company	Domicile	%	Acquisition costs EURm	Preliminary goodwill EURm	Included since
Additions of fully consolidated companies					
Belgium					
Amix SA	Villers-le-Bouillet	100.0	6.5	4.6	1 Jan.
Georgia					
Kartuli Tsementi LLC	Tbilisi	51.0	2.2	2.0	1 Jan.
Kazakhstan					
Baykaz Beton LLP	Almaty	75.0	1.5		1 Jan.
Bektaz Group LLP	Almaty	75.0	4.7	3.7	1 Jan.
CaspiCement LLP	Shetpe	91.9	10.4	11.0	1 Jan.
Russia					
TulaCement LLC	Novogurovsky	100.0	3.9		1 Jan.
Kaliningrad Cement OOO	Kaliningrad	74.9	1.3		1 Jan.
Ukraine					
LLC KSL	Bushevo	100.0	5.2	5.4	1 Jan.
LLC Kryvas Beton	Kyiv	100.0	7.2	2.0	1 Jan.

In accordance with IFRS 3.61 ff., the acquired assets and liabilities of the companies consolidated for the first time are included in the Group annual accounts of HeidelbergCement AG on the basis of provisional information. The goodwill comprises market shares purchased that cannot be assigned to any other determinable and separable intangible fixed assets.

The assets and liabilities at the acquisition date and the subsequently earned turnover and profits of companies acquired and included for the first time in the Group annual accounts (Business Combinations) are as follows, in accordance with IFRS 3.67 ff:

Assets and liabilities contributed by companies consolidated for the first time at acquisition date	Carrying Value	Fair Value
EUR '000s		
Long-term assets		
Intangible assets	20,998	20,998
Tangible fixed assets	23,653	23,653
Financial fixed assets	7,423	7,423
Fixed assets	52,074	52,074
Deferred taxes	18	18
Other long-term receivables	475	475
	52,567	52,567
Short-term assets		
Stocks	7,610	7,610
Receivables and other assets	7,191	7,191
Cash at bank and in hand	4,053	4,053
	18,854	18,854
Total Assets	71,421	71,421
Long-term provisions and liabilities		
Provisions	531	531
Liabilities	26,901	26,901
	27,432	27,432
Short-term provisions and liabilities		
Liabilities	31,730	31,730
	31,730	31,730
Total Liabilities	59,162	59,162

Turnover and profit contributed by the companies consolidated for the first time since acquisition date	
EUR '000s	
Turnover	17,669
Profit for the financial year	1,750
Minority interests	-2,232
Group share of profit	-482

For reasons of materiality, we refrained from individual disclosures (IFRS 3.68).

The purchase price allocation from the acquisition of the Hanson Group on 24 August 2007 was completed in the third quarter of 2008. The adjustments to the preliminary purchase price allocation led to a EUR 1.4 million decrease in assets, a EUR 64.0 million decrease in liabilities and a reduction of goodwill by EUR 62.6 million.

Disposals

On 7 August 2007, HeidelbergCement had reached agreement with the French building materials manufacturer Saint Gobain regarding the sale of maxit Group. The sale was completed on 13 March 2008 with the approval of the competition authorities. Besides the sale price for the participation, the transaction price of EUR 2,125 million also includes the refinancing of short- and long-term debts. The income and expenses of maxit Group and the earnings from its sale are shown in the profit and loss account in the net income from discontinued operations.

The following table shows the composition of the results from discontinued operations.

Profit or loss of discontinued operations EUR '000s	January - September	
	2007	2008
Revenue	1,048,751	188,308
Expenses	-886,870	-203,958
Income tax expense	-22,304	-471
Post-tax profit	139,577	-16,121
Gain from the disposal of discontinued operations		1,276,902
Post-tax profit from discontinued operations	139,577	1,260,781

On 26 January 2008, HeidelbergCement sold its shares in the joint venture United Marine Holdings Limited/United Kingdom to the joint venture partner Tarmac Limited, a subsidiary of Anglo American PLC, for a price of GBP 54 million.

On 26 March 2008, HeidelbergCement sold the subsidiaries Cement Company of Northern Nigeria/Nigeria and Société Nigérienne de Cimenterie/Niger for USD 29 million, and on 8 September 2008 Scandinavian Cement Holding Limited/Gibraltar and its subsidiary Edo Cement Company Ltd./Nigeria for USD 1 million, to the private Nigerian company Damnaz Cement Company Limited. On 2 September 2008, the associated Nigerian company DangoteBail Limited was sold to Dangote Industries Limited and the associated Nigerian company Bulkcem S.A. to Liberty Worldwide Holdings S.A. Sales prices totalled EUR 24 million.

On 1 July 2008, HeidelbergCement sold the Australian subsidiary Hanson Building Products Pty Ltd to Adelaide Brighton Limited/Australia for a sale price of AUD 81 million.

Turnover development by Group areas and business lines January to September 2008

EURm	Cement		Aggregates and concrete		Building products		Intra Group eliminations		Total	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Europe	2,414	2,709	1,465	2,691	203	539	-225	-330	3,858	5,610
North America	1,008	864	1,107	1,586	128	687	-153	-137	2,090	3,000
Asia-Australia-Africa	1,110	1,296	174	799	9	48	-26	-35	1,266	2,109
Total	4,532	4,869	2,746	5,077	340	1,273	-404	-501	7,214	10,718
Group Services									517	548
Inter-Group area turnover									-477	-456
Continuing operations									7,254	10,809

Exchange rates		Exchange rates at reporting day		Average exchange rates	
		31 Dec. 2007	30 Sept. 2008	01-09/2007	01-09/2008
	Country	EUR	EUR	EUR	EUR
USD	US	1.4589	1.4121	1.3445	1.5219
AUD	Australia	1.6660	1.7780	1.6364	1.6684
CAD	Canada	1.4536	1.5013	1.4860	1.5500
CNY	China	10.6552	9.6631	10.3052	10.6358
GBP	Great Britain	0.7351	0.7919	0.6766	0.7816
GEL	Georgia	2.3182	1.9772	2.2594	2.2288
HRK	Croatia	7.3310	7.0940	7.3408	7.2457
IDR	Indonesia	13,741.38	13,242.67	12,260.03	14,032.60
INR	India	57.4515	66.0863	56.1864	63.4100
KZT	Kazakhstan	176.0601	169.2543	165.5302	183.1331
NOK	Norway	7.9287	8.2677	8.0644	7.9966
PLN	Poland	3.5976	3.3914	3.8251	3.4301
RON	Romania	3.6063	3.7400	3.2974	3.6401
SEK	Sweden	9.4277	9.7371	9.2338	9.4178
SKK	Slovak Republic	33.5707	30.1836	33.8777	31.6081
CZK	Czech Republic	26.5053	24.4985	28.0627	24.8287
HUF	Hungary	252.1417	241.4832	250.6954	247.5584
TRY	Turkey	1.7003	1.7999	1.8056	1.8651

Related parties disclosures

On 14 February 2008, the Managing Board of HeidelbergCement AG decided on the conditions for carrying out the capital increase for cash from authorised capital, with the consent of the Supervisory Board, following its resolution of 15 January 2008. VEM Vermögensverwaltung GmbH, Dresden, which belongs to the Merckle Group, has subscribed for 5 million new shares at the near-market subscription price of EUR 102.50 per share. The Group received EUR 512.5 million on 19 February from the capital increase. Otherwise, no reportable transactions with related companies or persons took place in the reporting period beyond normal business relations.

Other disclosures

On 17 January 2008 (settlement on 25 January 2008), HeidelbergCement issued a four-year Eurobond with a volume of EUR 1 billion via the EUR 10 billion European Medium Term Note (EMTN) programme.

Financial calendar

First financial highlights for the 2008 financial year	January 2009
Press and analysts' conference on annual accounts	19 March 2009
Interim Report January to March 2009	7 May 2009
Annual General Meeting 2009	7 May 2009

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