HEIDELBERGCEMENT

Interim Report January to June 2005

- **Adjusted Group turnover rises by 7.0%**
- **North America makes the strongest contribution to growth**
- **Improved results due to volume and price increases in almost all regions**
- **Germany cyclically below planned levels**
- **China under increasing competitive pressure**
- **Takeover bid by Spohn Cement GmbH at EUR 60 per share**
- **Spohn Cement together with persons acting in concert with them held a 66.8 % stake on 26 July 2005**

Overview January – June 2005

	April - June		**January - June**	
EURm	2004	**2005**	2004	**2005**
Turnover	1.895	**2.142**	3.241	**3.498**
Operating income before depreciation (OIBD)	395	**449**	485	**534**
Operating income	273	**325**	240	**291**
Additional ordinary result	-18	**36**	-1	**15**
Results from participations	30	**42**	32	**53**
Earnings before interest and income taxes (EBIT)	284	**403**	272	**359**
Profit before tax	204	**342**	121	**244**
Profit for the financial year	159	**235**	99	**138**
Group share in profit	155	**218**	96	**113**
Investments	103	**281**	187	**421**

Letter to the shareholders

Ladies and Gentlemen,

The economic development in the western developed countries, and particularly in Europe, has weakened as a result of the dramatic rise in oil prices. In the US, the stable economic growth continued. The upturn continues to be strongest in the emerging countries of East and South-East Asia. In Germany, domestic demand is extremely weak this year. A decline is expected once again for the construction industry. While improvement is expected in international economic development, there is no clear sign of a trend reversal in Germany, despite the improvement in several indicators.

In the first half of the year, Group turnover increased by 7.9% to EUR 3,498 million (previous year: 3,241). Adjusted for currency and consolidation effects, the increase amounts to 7.0%. Once again, North America recorded the strongest growth, but a welcome improvement in turnover was also achieved in Northern Europe and Africa-Asia-Turkey; price increases contributed to this to a varying extent in different regions.

At EUR 534 million (previous year: 485), operating income before depreciation (OIBD) was 10.2% above the previous year's level. North America made the strongest contribution to growth in both OIBD and operating income. The US dollar, which rose again recently, supported this development. However, the other regions were also able to at least partially compensate for the shortfalls of the first few months, which were due to adverse weather conditions. The additional ordinary result of EUR 15.2 million (previous year: -0.7) essentially results from the sale of parts of our concrete products business in the US. Our French participation Vicat considerably influenced the results from participations, which amounted to EUR 41.7 million (previous year: 29.8) in the second quarter.

The financial results increased by EUR 35 million to EUR -115 million (previous year: -150). This was primarily due to the fact that no foreign exchange loss was incurred at Indocement, as it was in the previous year.

Profit before tax amounts to EUR 244 million (previous year: 121). As a result of the welcome increase in results and revised German tax laws, taxes on income rose in the first half of 2005 by EUR 84 million to EUR 106 million (previous year: 22). As a result of the positive development of Indocement's profit for the financial year, the minority interests total EUR 25 million (previous year: 3). The Group share in profit amounts to EUR 113 million (previous year: 96).

Takeover bid by Spohn Cement GmbH

On 28 June 2005, Spohn Cement GmbH submitted a takeover bid to the shareholders of HeidelbergCement AG. In a detailed statement published on 11 July 2005, the Managing Board welcomes the takeover bid and indicates that the bid price of 60 EUR per share is adequate. The Managing Board feels strengthened and supported in its strategy by the aims of Spohn Cement as expressed in the bid document. In a separate statement, the Supervisory Board agreed with this assessment of the takeover bid.

Spohn Cement GmbH is owned by members of the Merckle family, who have held shares in HeidelbergCement for decades and are also represented in our Supervisory Board.

As of the end of the acceptance period on 26 July, the offer had been accepted for a total of 40,788,797 shares. This brings the total number of HeidelbergCement shares for which the offer has been accepted, plus the shares already held by Spohn Cement together with persons acting in concert with them and their subsidiaries, according to the German Securities Acquisition and Takeover Act, to 76,982,656 shares, which corresponds to 66.8% of the share capital and voting rights of HeidelbergCement AG. The additional respite for accepting the takeover bid began on 30 July and ends on 12 August 2005.

Cement and clinker sales volumes

The heavy losses of the first quarter, resulting from adverse weather conditions, were not yet completely compensated by the end of June. Overall, cement and clinker sales volumes rose by 2.7% to 31.5 million tonnes (previous year: 30.7) in the first half of the year, as a result of continuing increases in North America, Northern

Europe and Africa-Asia-Turkey. Excluding consolidation effects, the total sales volumes were still slightly below the previous year's level after six months.

Cement and clinker sales volumes January – June

1,000 t	2004	2005
Central Europe West	3.426	3.314
Western Europe	4.336	4.171
Northern Europe	2.520	2.693
Central Europe East	4.290	4.608
North America	6.341	6.788
Africa - Asia - Turkey	9.793	9.965
Total	30.706	31.539

Employees
In the first half of the year, HeidelbergCement employed 42,055 people (previous year: 42,698) across the Group. The decrease of 650 employees results from restructuring measures in almost all regions.

Investments
In the first half of the year, cash relevant investments increased by EUR 234 million in comparison with the previous year to EUR 421 million (previous year: 187). Of this figure, EUR 208 million (previous year: 169) was invested in tangible fixed assets and EUR 213 million (previous year: 18) in financial fixed assets. Net cash from disinvestments amounted to EUR 100 million (previous year: 65).

Prospects
Despite the weakening of the global economic environment, we again anticipate a moderate increase in sales volumes and turnover for the whole of 2005. The construction industry in the US, the new EU countries and Asia remains solid. In Germany, growth is expected to recover next year; on the other hand, a decline is forecast once again for construction activity.

Due to the positive international economic development, we expect a noticeable increase in operating activities for the full year. However, heavily increasing energy costs are affecting the level of improvement in results this year. In Europe and the US, electricity prices are significantly higher than in the previous year. We are striving to offset increased fuel costs through the increased use of alternative raw materials.

Our project "win" with the aim to reduce costs and increase efficiency will not have a significant effect until next year. Our objective is to become cost leader. Therefore we work very hard to markedly reduce complexity within the organisation and to standardise core processes world-wide. These are prerequisites for benchmarking and the Group-wide application of best practices. With these measures, we strengthen the international competitiveness of HeidelbergCement and form the basis for further profitable growth.

Heidelberg, 9 August 2005

Yours sincerely,
Dr. Bernd Scheifele
Chairman of the Managing Board

HeidelbergCement on the market

Central Europe West

Construction activity in Germany decreased further during the first six months of the year. In this period, the cement sales volumes of the German cement industry dropped by 11% in comparison with the previous year, falling to their lowest level since the fifties. The cement and clinker sales volumes of our plants decreased by 3.3% to 3.3 million tonnes (previous year: 3.4) by the end of June. Excluding the first-time consolidation of our subsidiary Teutonia Zementwerk AG, sales volumes would have fallen by 8.3%. The decline in cement demand was cyclically heavier than expected and therefore we could not compensate in the second quarter for the large losses in quantities caused by adverse weather conditions during the winter months. We will continue to economically increase the prices consistently step by step, which remain considerably lower than the level of our neighbouring countries in the EU. As part of the streamlining of leadership structures in Northern Germany, we began merging Anneliese Zementwerke AG into the parent company HeidelbergCement AG. Deliveries of ready-mixed concrete and aggregates also declined during the first half of the year. The heavy losses of the first three months were only partially compensated in these business lines.

Turnover in the Central Europe West region decreased slightly in the first sixth months by 0.5% to EUR 385 million (previous year: 387).

Western Europe

After the cold winter months, construction activity in Belgium and the Netherlands increased more strongly again in the second quarter. This allowed us to offset the heavy volume losses of the first few months. Both countries are continuing to suffer from the effects of the low price level on the German market. The restructuring of our Belgian and Dutch cement activities, with the aim to reduce costs and increase productivity, is continuing. In the United Kingdom, sales volumes are still lower than the previous year’s level, due to the entry of a new competitor onto the market. We expect a significant increase in sales volumes for the second half of the year. Overall, the cement and clinker sales volumes of our plants in Western Europe decreased by 3.8% to 4.2 million tonnes (previous year: 4.3). Sales volumes of ready-mixed concrete exceeded the previous year’s level due to new consolidations, while deliveries of aggregates declined slightly.

Overall, turnover in Western Europe fell by 4.2% to EUR 449 million (previous year: 468) by the end of June.

Northern Europe

Construction activity in the countries of the Northern Europe region continued to develop favourably. The domestic sales volumes of our Scandinavian cement plants achieved a significant growth, primarily due to the increase in new residential building in Sweden and Norway and the intensified level of civil engineering activities in Sweden. While export deliveries from the Norwegian plants rose slightly, exports from Sweden remained below the previous year’s level. The Kunda plant in Estonia and the Cesla plant near Saint Petersburg also recorded a welcome increase in domestic sales volumes. Kunda had to dispense with other clinker exports altogether in order to support the Cesla plant. After the modernisation and capacity increase of the cement kiln, clinker production restarted in Cesla at the end of July. In total, the cement and clinker sales volumes of the Northern Europe region increased by 6.9% in comparison with the previous year to 2.7 million tonnes (previous year: 2.5). Ready-mixed concrete and aggregates deliveries also achieved noticeable increases of 18.0% and 4.9%, respectively.

Turnover in the Northern Europe region rose by 13.8% to EUR 368 million (previous year: 323).

Central Europe East

In the first half of 2005, the countries of our Central Europe East region recorded solid economic growth. For the full year, growth rates are forecast to be partly significantly higher than the EU average. By the end of June, our subsidiaries had been able to partially compensate for the declines in sales volumes in the first quarter due to adverse weather conditions. In our main market, Poland, as well as in Hungary, deliveries once again remained significantly below the level of the same period last year. In Ukraine, we markedly increased sales volumes despite price increases. In total, cement and clinker sales volumes in the Central Europe East region grew by 7.4% to 4.6 million tonnes (previous year: 4.3) due to new consolidations. The Hungarian participation Duna-Dráva Cement, previously proportionately consolidated as a joint venture, and its subsidiary Tvornica Cementa Kakanj in Bosnia-Herzegovina, have been fully included in the consolidation scope since the beginning of the year. Deliveries of aggregates and, in particular, ready-mixed concrete developed positively.

Also due to positive exchange rate effects, turnover increased by just under 22% to EUR 343 million (previous year: 281).

North America

In the first half of 2005, the strong growth rate of the previous year continued in the US, weakening only slightly. The continuing increase in cement consumption combined with the shortage of shipping space for imported cement led to supply bottlenecks in some regions.

Sales volumes also rose in the second quarter, with increased prices in almost all market regions. We recorded the strongest growth in sales volumes in the Canadian Prairie Provinces of our Lehigh Inland market region, with an increase of around 17%. In the Lehigh South region, we have so far only been able to reach a level just below that of the previous year, due to the extensive winter repairs in the cement plant in Leeds, Alabama, as well as supply bottlenecks for imported cement. Overall, the cement and clinker sales volumes in the first half of the year were 7.0% above the previous year, with 6.8 million tonnes (previous year: 6.3). Excluding the full consolidation of Glens Falls, the increase would be 3.8%. In the ready-mixed concrete operating line, sales volumes rose by 9.3%; quantities of aggregates increased by 9.8%.

In the first six months, turnover rose by 17.3% to EUR 912 million (previous year: 777); in the national currency, the turnover increased by as much as 23.2% in comparison with the previous year.

Africa-Asia-Turkey

The cement and clinker sales volumes of the Africa-Asia-Turkey region increased slightly by 1.8% to 10.0 million tonnes (previous year: 9.8).

In our African markets, the positive development in demand continued in the second quarter of 2005. In particular, our participations in Benin, Tanzania, Niger, Togo and the Republic of Congo recorded significant increases in sales volumes. We were also able to slightly exceed the previous year's high level once again in our main market, Ghana. Cement deliveries decreased considerably in Nigeria as a result of repair measures.

In Asia, our cement and clinker sales volumes rose by 3.0% to 7.2 million tonnes (previous year: 7.0). In June, we increased our share in Indocement to 65.1%. Despite intense competition on the Indonesian cement market, our subsidiary was able to increase its domestic sales volumes by 12%; including exports, the sales volumes were 2.5% above the previous year, with 5.8 million tonnes (previous year: 5.7). Our Chinese joint venture China Century Cement increased its sales volumes by 8.6% to 1.6 million tonnes (consolidated: 0.8 million tonnes) despite new government measures to stem the property and construction boom. As scheduled, the commissioning of the new plant in Guangzhou with an annual capacity of 2.3 million tonnes was in July. The result in China suffered from intensive competition in the cement and ready-mixed concrete area as well as from the commissioning of the new kiln.

In Turkey, the domestic sales volumes of our participation Akçansa increased considerably, boosted by lively residential construction activity. Due to the unexpectedly healthy situation on the domestic market, exports were cut back significantly.

Turnover in the Africa-Asia-Turkey region increased overall by 7.0% to EUR 496 million (previous year: 464).

maxit Group

The maxit Group's major markets in Europe recovered in the course of the second quarter. Sales volumes benefited from this in nearly all product lines. Demand remained weak in Germany and the Benelux countries.

The two newly constructed dry mortar plants in China and Russia will start production in August and September, respectively. In China, in view of the Olympic Games in 2008, we are focusing on establishing ourselves as a strong player on the Beijing market.

In the first half of the year, the maxit Group's turnover was 2.2% above the previous year with a total of EUR 529 million (previous year: 518).

Group Services

HC Trading's total trade volume decreased by 3.9% in the first half of the year to 5.9 million tonnes (previous year: 6.1). Increased deliveries of dry mortar and related materials could not compensate for the smaller quantities of cement and clinker.

Turnover of the Group Services business unit, which also includes worldwide trading in fossil fuels, increased by 12.6% to EUR 280 million (previous year: 249) as a result of significantly higher freight rates.

Group profit and loss accounts

EUR '000s	April - June		January - June	
	2004	**2005**	2004	**2005**
Turnover	1.894.627	**2.142.279**	3.241.252	**3.497.637**
Change in stocks and work in progress	-17.604	-14.565	-16.522	19.550
Own work capitalised	306	284	748	454
Operating revenues	1.877.329	**2.127.998**	3.225.478	**3.517.641**
Other operating income	50.190	50.173	101.851	92.255
Material costs	-700.205	-796.033	-1.266.211	-1.382.748
Employees and personnel costs	-338.846	-371.762	-668.650	-711.735
Other operating expenses	-493.543	-561.337	-907.485	-981.153
Operating income before depreciation (OIBD)	394.925	**449.039**	484.983	**534.260**
Depreciation and amortisation of tangible fixed assets	-116.817	-121.097	-233.697	-238.614
Depreciation and amortisation of intangible assets	-5.531	-2.447	-11.249	-4.843
Operating income	272.577	**325.495**	240.037	**290.803**
Additional ordinary result	-18.368	36.284	-679	15.200
Results from associated companies	37.367	37.316	40.387	46.575
Results from other participations	-7.534	4.401	-8.232	6.482
Earnings before interest and income taxes (EBIT)	284.042	**403.496**	271.513	**359.060**
Interest income and expense	-53.150	-59.325	-111.420	-115.270
Exchange rate gains and losses	-27.241	-1.675	-39.056	24
Profit before tax	203.651	**342.496**	121.037	**243.814**
Taxes on income	-44.884	-107.990	-21.731	-105.794
Profit for the financial year	158.767	**234.506**	99.306	**138.020**
Minority interests	-4.115	-16.698	-2.863	-24.990
Group share in profit	154.652	**217.808**	96.443	**113.030**
Earnings per share in EUR (IAS 33)	1,54	2,09	0,96	1,07

Group cash flow statement

	January -June	
EUR '000s	**2004**	**2005**
Operating income before depreciation (OIBD)	484.983	**534.260**
Additional ordinary result before depreciation	10.827	**14.494**
Dividends received	6.167	**16.906**
Interest paid	-108.783	**-168.250**
Taxes paid	-32.846	**-65.789**
Elimination of non-cash items	27.606	**17.121**
Cash flow	387.954	**348.742**
Changes in operating assets	-294.998	**-397.190**
Changes in operating liabilities	46.543	**42.161**
Cash flow from operating activities	139.499	**-6.287**
Intangible assets	-2.058	**-3.479**
Tangible fixed assets	-166.538	**-205.065**
Financial fixed assets	-17.905	**-212.606**
Investments (cash outflow)	-186.501	**-421.150**
Proceeds from fixed asset disposals	64.883	**99.597**
Cash from changes in consolidation scope	63.615	**19.999**
Cash flow from investing activities	-58.003	**-301.554**
Capital increase		**271.512**
Dividend payments - HeidelbergCement AG	-114.446	**-55.491**
Dividend payments - minority shareholders	-4.977	**-20.448**
Proceeds from bond issuance and loans	256.621	**580.008**
Repayment of bonds and loans	-302.170	**-391.003**
Cash flow from financing activities	-164.972	**384.578**
Net change in cash and cash equivalents	-83.476	**76.737**
Effect of exchange rate changes	-3.811	**-28.959**
Cash and cash equivalents at 1 January	524.961	**305.009**
Cash and cash equivalents at 30 June*	437.674	**352.787**

*In the balance sheet, the item "Short-term investments and similar rights" also lists the market value of hedging transactions and the "available for sale financial assets" amounting to EUR 70,1 million (previous year : 81,2).

Group balance sheet

Assets

EUR '000s	31 Dec..2004	30 June 2005
Long-term assets		
Intangible assets	2.297.697	**2.383.775**
Tangible fixed assets		
Land and buildings	1.872.849	**2.005.206**
Plant and machinery	2.684.415	**2.816.264**
Fixtures, fittings, tools and equipment	171.124	**176.110**
Payment on account and assets under construction	330.302	**450.388**
	5.058.690	**5.447.968**
Financial fixed assets		
Shares in associated companies	655.987	**708.690**
Shares in other participations	205.455	**236.540**
Loans to participations	12.792	**13.995**
Other loans	51.843	**49.636**
	926.077	**1.008.861**
Fixed assets	8.282.464	**8.840.604**
Deferred taxes	168.271	**191.979**
Other long-term receivables	48.884	**63.105**
	8.499.619	**9.095.688**
Short-term assets		
Stocks		
Raw materials and consumables	413.496	**458.997**
Work in progress	79.916	**97.555**
Finished goods and goods for resale	244.207	**283.465**
Payments on account	20.847	**22.653**
	758.466	**862.670**
Receivables and other assets		
Short-term financial receivables	138.486	**206.724**
Trade receivables	738.207	**1.112.860**
Other short-term operating receivables	157.339	**204.186**
Current income tax assets	38.640	**46.396**
	1.072.672	**1.570.166**
Short-term investments and similar rights	117.436	**86.917**
Cash at bank and in hand	267.714	**336.011**
	2.216.288	**2.855.764**
Balance sheet total	10.715.907	**11.951.452**

Liabilities

EUR '000s	31 Dec..2004	30 June 2005
Shareholders' equity and minority interests		
Subscribed share capital	258.421	**295.004**
Capital reserves	1.930.491	**2.475.042**
Revenue reserves	1.720.735	**1.803.790**
Currency translation	-372.498	**-237.809**
Company shares	-2.936	**-2.936**
Capital entitled to shareholders	3.534.213	**4.333.091**
Minority interests	429.110	**436.020**
	3.963.323	**4.769.111**
Long-term provisions and liabilities		
Provisions		
Provisions for pensions	576.547	**612.488**
Deferred taxes	470.436	**505.970**
Other long-term provisions	549.061	**466.781**
	1.596.044	**1.585.239**
Liabilities		
Debenture loans	1.949.188	**1.468.227**
Bank loans	1.025.294	**1.400.571**
Other long-term financial liabilities	524.505	**541.015**
	3.498.987	**3.409.813**
Other long-term operating liabilities	7.138	**8.523**
	3.506.125	**3.418.336**
	5.102.169	**5.003.575**
Short-term provisions and liabilities		
Provisions	110.013	**115.649**
Liabilities		
Bank loans (current portion)	219.697	**495.698**
Other short-term financial liabilities	334.831	**407.469**
	554.528	**903.167**
Trade payables	488.934	**518.529**
Current income taxes payables	55.280	**106.281**
Other short-term operating liabilities	441.660	**535.140**
	1.540.402	**2.063.117**
	1.650.415	**2.178.766**
Balance sheet total	10.715.907	**11.951.452**

Group equity capital grid

EUR '000s	Subscribed share capital	Capital reserves	Revenue reserves	Currency translation	Company shares	Capital entitled to shareholders	Minority interests	Total
1 January 2004	**255.104**	**1.888.454**	**2.237.338**	**-342.286**	**-7.465**	**4.031.145**	**153.902**	**4.185.047**
Effect of adopting								
IAS 19 (Amendment Dec. 2004)			-105.627			-105.627		-105.627
IAS 28 Shares in associated companies			16.155			16.155		16.155
1 January 2004 (restated)	**255.104**	**1.888.454**	**2.147.866**	**-342.286**	**-7.465**	**3.941.673**	**153.902**	**4.095.575**
Profit for the financial year			96.443			96.443	2.863	99.306
Capital increase								
from issuance of new shares	3.317	42.037				45.354		45.354
Dividends			-114.446			-114.446	-4.977	-119.423
Changes without effects on results								
Consolidation adjustments			-581			-581	326.557	325.976
IFRS 3.81 Offsetting of negative goodwill			22.794			22.794		22.794
IAS 28 Shares in associated companies			1.178			1.178		1.178
Financial instruments IAS 39			557			557		557
Exchange rate			-2.104 1)	15.212		13.108	-33.656	-20.548
30 June 2004	**258.421**	**1.930.491**	**2.151.707**	**-327.074**	**-7.465**	**4.006.080**	**444.689**	**4.450.769**
1 January 2005	**258.421**	**1.930.491**	**1.720.735**	**-372.498**	**-2.936**	**3.534.213**	**429.110**	**3.963.323**
Effect of adopting								
IAS 28 Shares in associated companies			19.077			19.077		19.077
IFRS 2 Share-based payment			-1.160			-1.160		-1.160
1 January 2005 (restated)	**258.421**	**1.930.491**	**1.738.652**	**-372.498**	**-2.936**	**3.552.130**	**429.110**	**3.981.240**
Profit for the financial year			113.030			113.030	24.990	138.020
Capital increase								
from issuance of new shares	36.583	544.551				581.134		581.134
Dividends			-55.491			-55.491	-20.448	-75.939
Changes without effects on results								
Consolidation adjustments			-270			-270	25.201	24.931
Financial instruments IAS 39			7.869			7.869		7.869
Exchange rate				134.689		134.689	-22.833	111.856
30 June 2005	**295.004**	**2.475.042**	**1.803.790**	**-237.809**	**-2.936**	**4.333.091**	**436.020**	**4.769.111**

1) Realised currency translation adjustments

Notes to the interim accounts

Accounting and consolidation principles

For the quarterly closing, HeidelbergCement has adopted the International Financial Reporting Standards (IFRS) with the standards applicable at the balance sheet date.
Material changes in comparison to the accounting and valuation principles at 31 December 2004 result from the first-time adoption of IFRS 2 (Share-based Payment), IFRS 4 (Insurance Contracts), IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) and the revised version of IAS 28 (Accounting for Investments in Associates).

Since 1 January 2005, investments in associated companies have been accounted for in the Group financial statements using the equity method on the basis of uniform accounting policies (IAS 28.26). The adjustment to Group-wide uniform accounting and valuation principles was applied by 30 June 2005, provided that the financial statements according to IFRS were available at the balance sheet date.

IFRS 2 (Share-based Payment) governs in detail the accounting of share-based payment transactions in the financial statements. In particular, the standard deals with share options for the management staff. For share-based equity-settled payment transactions, this IFRS must be applied to shares, share options and other equity instruments which were granted after 7 November 2002 and which were not yet exercisable at the time this IFRS came into force (IFRS 2.53). Consequently, IFRS 2 has not been applied to the real 2001/2007 share option plan, as this was issued before this cut-off date and was previously not exercisable. For the virtual share option plans 2000/2006, 2002/2008 and 2003/2009, the share options have been valued at their attributable current value.

IFRS 4 (Insurance Contracts) is to regulate the accounting method for insurance contracts. In particular, the standard requires details concerning the identification and explanation of the amounts originating from insurance contracts in an insurer's financial statements. The introduction of the standard did not have any impact within the Group.

IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) defines the requirements for classification, valuation and presentation of long-term assets held for sale. No circumstances currently exist within the Group that justify the application of IFRS 5.

The goodwill resulting from the first-time inclusion of TEUTONIA Zementwerk AG, Hanover, amounted to EUR 44.1 million. The purchase price of this transaction amounted to EUR 103.0 million. Goodwill of EUR 53.0 million resulted from the purchase of the remaining shares (49.67%) in Heidelberger Zement South-East Asia GmbH (HZSEA), Heidelberg, which in turn has a participation of 65.14% in PT Indocement Tunggal Prakarsa Tbk., Jakarta/Indonesia. The goodwill comprises market shares purchased that cannot be assigned to any other determinable and separable intangible fixed assets. The acquisition of HZSEA took place in exchange for issuing new HeidelbergCement shares to a total of EUR 309.6 million. The increase in the shareholding in Glens Falls Lehigh Cement Company, New York, and in Campbell Concrete & Materials L.P., Texas, amounted to a total of EUR 86.9 million.

The results from other participations include the revenues from other participations as well as the depreciation of financial fixed assets.

Seasonal nature of the business

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

Scope of consolidation

We detail below the regional changes in the scope of consolidation since 31 December 2004. All newly included companies were fully consolidated in the Group accounts. The percentage of shares owned by the Group in each case is given in brackets.

Central Europe West

The companies Heidelberger Beton GmbH & Co. Bremen KG, Bremen (100%), and TBG Transportbeton Zwickau GmbH & Co. KG, Zwickau (60.0 %), were included in the scope of consolidation for the first time on 1 January 2005, while TEUTONIA Zementwerk AG, Hanover (91.7%), Hannoversche Portland Cementfabrik AG, Hanover (86.9%), and Germania GdR, Hanover (89.3%), were included for the first time on 1 May 2005.

Central Europe East

The Romanian company Carpatcemtrans S.R.L., Bucharest (98.9%), entered the scope of consolidation for the first time in 2005.

North America

The previously proportionately consolidated companies Glens Falls Lehigh Cement Company, New York, and Campbell Concrete & Materials L.P., Texas, are now fully consolidated after the share was increased to 100%.

maxit Group

The Hungarian company Deitermann Hungaria Kereskedelmi Kft., Budapest (100%), was included in the consolidation scope of the maxit Group for the first time as of 1 January 2005 and m-tec machinery technology Co. Ltd., Shanghai (100%), was included as of 1 April 2005.

The following statements present the opening balance sheet and results of the first half of 2005 for the newly consolidated companies, as prescribed by IFRS 3.67 ff. (Business Combinations):

Assets

EUR '000s	30 June 2005
Long-term assets	
Intangible assets	**131**
Tangible fixed assets	**75.418**
Financial fixed assets	**14.383**
Fixed assets	**89.932**
Other long-term receivables	**674**
	90.606
Short-term assets	
Stocks	**7.228**
Receivables and other assets	**7.967**
Short-term investments	**8.859**
Cash at bank and in hand	**3.671**
	27.725
Balance sheet total	**118.331**

Liabilities

EUR '000s	30 June 2005
Shareholders' equity and minority interests	
Capital entitled to shareholders	**75.702**
	75.702
Long-term provisions and liabilities	
Provisions	**34.049**
Liabilities	**536**
	34.585
Short-term provisions and liabilities	
Provisions	**294**
Liabilities	**7.750**
	8.044
Balance sheet total	**118.331**

Results for the companies consolidated for the first time in the first half of 2005

EUR '000s	2005
Profit for the financial year	**612**
Minority interests	-12
Group share in profit	**600**

Segment reporting

Regions January to June 2005 (Primary reporting format under IAS 14 No. 50 ff.)

EURm	Central Europe West		Western Europe		Northern Europe		Central Europe East		North America		Africa-Asia-Turkey		maxit Group		Group Services		Reconciliation		Group	
	2004	**2005**	2004	**2005**	2004	**2005**	2004	**2005**	2004	**2005**	2004	**2005**	2004	**2005**	2004	**2005**	2004	**2005**	2004	**2005**
External turnover	381	**377**	459	**441**	297	**341**	277	**338**	777	**912**	432	**467**	517	**528**	101	**94**			3.241	**3.498**
Inter-region turnover	7	**8**	9	**8**	27	**27**	4	**5**			31	**29**	1	**1**	147	**186**	-226	**-263**		
Turnover	387	**385**	468	**449**	323	**368**	281	**343**	777	**912**	464	**496**	518	**529**	249	**280**	-226	**-263**	3.241	**3.498**
Change to previous year in %		*-0,5%*		*-4,2%*		*13,8%*		*21,8%*		*17,3%*		*7,0%*		*2,2%*		*12,6%*				*7,9%*
Operating income before depreciation (OIBD)	33	**34**	70	**71**	31	**43**	79	**87**	110	**154**	90	**81**	68	**59**	3	**5**			485	**534**
in % of turnover	*8,6%*	*8,9%*	*14,9%*	*15,8%*	*9,5%*	*11,8%*	*28,2%*	*25,3%*	*14,2%*	*16,9%*	*19,5%*	*16,3%*	*13,2%*	*11,3%*	*1,2%*	*1,7%*			*15,0%*	*15,3%*
Depreciation	37	**32**	41	**39**	28	**28**	26	**35**	49	**47**	35	**35**	29	**27**	0	**0**			245	**243**
Operating income	-4	**2**	29	**32**	3	**15**	53	**52**	62	**107**	55	**46**	40	**32**	3	**5**			240	**291**
in % of turnover	*-1,0%*	*0,6%*	*6,3%*	*7,2%*	*0,8%*	*4,1%*	*18,8%*	*15,2%*	*7,9%*	*11,7%*	*11,9%*	*9,2%*	*7,6%*	*6,1%*	*1,1%*	*1,6%*			*7,4%*	*8,3%*
Results from participations	28	**42**	4	**-3**	1	**1**	-1	**1**	0	**-1**	-1	**12**	1	**1**		**0**			32	**53**
Total additional ordinary result																	-1	**15**	-1	**15**
Earnings before interest and income taxes (EBIT)	24	**44**	34	**29**	3	**17**	52	**53**	61	**106**	54	**57**	41	**34**	3	**5**	-1	**15**	272	**359**
Investments[1]	18	**24**	22	**30**	17	**16**	26	**37**	41	**56**	26	**24**	19	**21**			18	**213**	187	**421**
Employees	4.456	**4.363**	3.711	**3.590**	4.101	**4.018**	8.332	**8.437**	5.912	**6.022**	11.232	**10.607**	4.903	**4.961**	51	**57**			42.698	**42.055**

(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 June 2005

	Cement		Concrete		Building materials		Intra Group Eliminations		Total	
EURm	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Central Europe West	180	189	166	158	65	62	-24	-24	387	385
Western Europe	346	333	141	142			-18	-26	468	449
Northern Europe	180	202	161	187			-18	-21	323	368
Central Europe East	223	270	74	98			-16	-26	281	343
North America	469	540	379	442			-70	-71	777	912
Africa-Asia-Turkey	438	470	34	39			-9	-13	464	496
maxit Group					518	529			518	529
Total	**1.837**	**2.004**	**954**	**1.067**	**582**	**591**	**-155**	**-181**	**3.218**	**3.481**
Group Services									249	280
Inter-region turnover									-226	-263
Total Group									**3.241**	**3.498**

Exchange rates

		Exchange rates at		Average exchange rates	
		31 Dec. 2004	**30 June 2005**	01-06/2004	**01-06/2005**
	Country	EUR	**EUR**	EUR	**EUR**
USD	US	1,3558	**1,2100**	1,2231	**1,2850**
CAD	Canada	1,6308	**1,4823**	1,6404	**1,5862**
GBP	Great Britain	0,7067	**0,6755**	0,6719	**0,6857**
HRK	Croatia	7,6318	**7,3154**	7,4969	**7,4228**
IDR	Indonesia	12.595,38	**11.752,73**	10.755,18	**12.140,08**
NOK	Norway	8,2378	**7,8992**	8,4175	**8,1436**
PLN	Poland	4,0810	**4,0557**	4,7168	**4,0730**
ROL	Romania	39.313	**36.017**	1)	**36.615**
SEK	Sweden	9,0191	**9,4454**	9,1639	**9,1460**
CZK	Czech Republic	30,3903	**30,0564**	32,3878	**30,0486**
HUF	Hungary	244,9253	**246,7553**	254,6171	**247,0403**
TRY	Turkey	1.823.551	**1,6069** 2)	1)	1)

1) In accordance with IAS 21.42 (a) all amounts are translated using the closing rate at the date of the most recent balance sheet.

2) On 1 January 2005, the Turkish Lira was renamed to Turkish New Lira and it was redenominated by cutting six zeros.

Financial calendar

Interim Report January to September 2005	8 November 2005
First overview of the financial year 2005	February 2006
Press and analysts' conference	March 2006
Annual General Meeting 2006	4 May 2006