



Facts and Figures 2017

HEIDELBERGCEMENT

Preface



Dr. Bernd Scheifele, Chairman of the Managing Board

Dear readers,

2016 was a special year for HeidelbergCement for two reasons: With the takeover of Italcementi we significantly strengthened our market positions in North America, Europe, Asia, and Africa. In our core business lines aggregates, cement, and ready-mixed concrete, we are number one, two and three globally. The compelling logic of this acquisition and the positive development of HeidelbergCement in recent years have convinced the rating agencies which awarded HeidelbergCement an investment grade rating. Thanks to this rating, our financing conditions on the capital market have improved considerably.

- Revenue rises by 13 % to €15.2 billion
- Earnings per share, adjusted for non-recurring effects, increases by 23 % to €5.34
- Dividend was increased substantially by 23 % to €1.60 per share.

The strategic priorities remain unchanged: continuous growth and value creation for our shareholders. We focus on five areas: increasing customer satisfaction, high operating leverage, cost leadership, vertical integration, and an optimised geographical positioning.

We are cautiously optimistic concerning 2017. Areas of focus in 2017 will be the conclusion of the integration of Italcementi and reduction of net debt. From a global perspective, we are well positioned to achieve our strategic goals – continuous growth and sustainable value creation for our shareholders.

Yours sincerely,



Dr. Bernd Scheifele,
Chairman of the Managing Board

Competence and quality

In around 60 countries across the world, HeidelbergCement stands for competence and quality.

Over the more than 140 years since its founding in 1873, HeidelbergCement has grown from a regional cement manufacturer, with one plant in Heidelberg, to one of the world's leading building materials groups. With the takeover of the Italian cement producer Italcementi, HeidelbergCement has become the number 1 in aggregates production, number 2 in cement, and number 3 in ready-mixed concrete worldwide. The two companies complement one another ideally, given the close similarities in product areas and organisational structures, but also because of their different geographical footprints, without any major overlaps. In the significantly expanded HeidelbergCement Group, 60,000 employees work at more than 3,000 production sites in around 60 countries on five continents.

The core activities of HeidelbergCement include the production and distribution of cement and aggregates, the two essential raw materials for concrete. Our downstream activities include mainly the production of ready-mixed concrete, but also of asphalt and other building products in some countries. With the acquisition of Italcementi, we have significantly expanded our maritime trading activities.

History and development

1873	Founding
1977	Lehigh, USA
1989	Central and Eastern Europe
1993	Acquisition of CBR
1995/96	China/Turkey
1999	Acquisition of Scancem
2001	Acquisition of Indocement, Indonesia
2002/03	Market leader in Romania, Ukraine, and Germany
2005/06	Involvement in Kazakhstan, India, and Georgia
2007	Acquisition of Hanson
2010	Democratic Republic of the Congo
2015	Disposal of building products business in North America and the United Kingdom
2016	Acquisition of Italcementi

Heidelberg Technology Center, Leimen, Germany



HeidelbergCement in the world





Western and Southern Europe





Western and Southern Europe

Belgium, France, Germany, Italy, Netherlands, Spain, United Kingdom

Following the acquisition of Italcementi, the new Western and Southern Europe Group area consists of seven countries. This includes the addition of France and Italy, two extremely strong market regions.

As a fully integrated building materials company, we manufacture cement, aggregates, and ready-mixed concrete in all these mature markets, as well as various building products in some countries and asphalt in the United Kingdom. In most countries, we are the market leader in the cement business. We also have a dense network of production facilities for ready-mixed concrete and quarries for the extraction of aggregates.

Matera cement plant, Italy



Cement capacity as well as aggregates reserves and resources

Cement capacity	47.1 mt
Aggregates reserves and resources	3.6 bnt

Sales volumes

Cement and clinker	22 mt
Aggregates	67 mt
Ready-mixed concrete	15 mm ³
Asphalt	3 mt

Revenue by business lines (€m)

Cement	1,823
Aggregates	878
Ready-mixed-concrete-asphalt	1,577
Service-joint ventures-other	387
Intra-Group eliminations	-737
Total revenue	3,928

Number of plants ¹⁾

Cement plants	33
Grinding plants	16
Blast furnace slag	3
Cement terminals	18
Aggregates	201
Aggregates terminals	92
Ready-mixed concrete	773
Asphalt	42
Concrete products	23
Sand-lime bricks	14

1) Including joint ventures

Northern and Eastern Europe-Central Asia





Northern and Eastern Europe-Central Asia

Denmark, Estonia, Iceland, Latvia, Lithuania, Norway, Sweden; Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Czechia, Georgia, Greece, Hungary, Kazakhstan, Poland, Romania, Russia, Slovakia, Ukraine

Including the activities of Italcementi, HeidelbergCement is active in 21 countries in the Northern and Eastern Europe-Central Asia Group area. Important market positions in Bulgaria and Greece have been added.

In many of these countries we manufacture cement, aggregates, and ready-mixed concrete as a fully integrated building materials company. We are either the market leader or hold leading positions in the countries in which we produce cement.



Devnya cement plant, Bulgaria

Cement capacity as well as aggregates reserves and resources ¹⁾

Cement capacity	41.4 mt
Aggregates reserves and resources	1.4 bnt

Sales volumes

Cement and clinker	24 mt
Aggregates	37 mt
Ready-mixed concrete	6 mm ³

Revenue by business lines (€m)

Cement	1,383
Aggregates	284
Ready-mixed-concrete-asphalt	542
Service-joint ventures-other	410
Intra-Group eliminations	-195
Total revenue	2,425

Number of plants ¹⁾

Cement plants	28
Grinding plants	4
Cement terminals	79
Aggregates	98
Aggregates terminals	19
Ready-mixed concrete	320
Concrete products	20

1) Including joint ventures

North America

A close-up photograph of a worker's hands using a wrench to tighten a bolt on a large, dark metal structure. The worker is wearing a white long-sleeved shirt, a high-visibility safety vest with orange and yellow reflective stripes, and a red hard hat. The background is a blurred view of the industrial structure.



North America

Canada, USA

The USA and Canada form the North America Group area. In our largest market area, we are one of the leading manufacturers of cement, aggregates, and ready-mixed concrete. Asphalt is also manufactured in a few US states, and concrete pipes are produced in Western Canada. With the acquisition of Italcementi, we have considerably expanded our footprint in the Northeast and Midwest of the USA, as well as in the eastern part of Canada.

HeidelbergCement has production sites across the continent with a focus on the eastern half of the USA, Texas, the Gulf Coast, the Pacific Coast, as well as Western Canada and Quebec.

Logansport cement plant, USA



Cement capacity as well as aggregates reserves and resources ¹⁾

Cement capacity	17.4 mt
Aggregates reserves and resources	12.2 bnt

Sales volumes

Cement and clinker	15 mt
Aggregates	119 mt
Ready-mixed concrete	6 mm ³
Asphalt	4 mt

Revenue by business lines (€m)

Cement	1,631
Aggregates	1,531
Ready-mixed-concrete-asphalt	1,012
Service-joint ventures-other	236
Intra-Group eliminations	-383
Total revenue	4,027

Number of plants ¹⁾

Cement plants	19
Grinding plants	2
Blast furnace slag	3
Cement terminals	69
Aggregates	189
Aggregates terminals	17
Ready-mixed concrete	174
Asphalt	51
Concrete products	3

1) Including joint ventures

Asia-Pacific



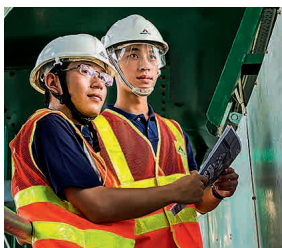


Asia-Pacific

Bangladesh, Brunei, China, India, Indonesia, Malaysia, Singapore, Sri Lanka, Thailand; Australia

Taking into account the activities of Italcementi, the Asia-Pacific Group area includes ten countries. In most of the growth countries of Asia, the focus is on cement production. Through the addition of Italcementi, HeidelbergCement has considerably expanded its market presence in the Indian cement market and gained a key position in Thailand. In Malaysia, Thailand, Hong Kong, and Indonesia, we maintain strong market positions in ready-mixed concrete. In some countries, particularly Malaysia, we also produce aggregates.

In Australia, we have significant market positions in ready-mixed concrete and aggregates, with a dense network of production sites. Moreover, we hold a 50% stake in Cement Australia, the largest cement company in Australia.



Citeureup cement plant, Indonesia



Cement capacity as well as aggregates reserves and resources ¹⁾

Cement capacity	56.8 mt
Aggregates reserves and resources	2.8 bnt

Sales volumes

Cement and clinker	29 mt
Aggregates	39 mt
Ready-mixed concrete	11 mm ³
Asphalt	2 mt

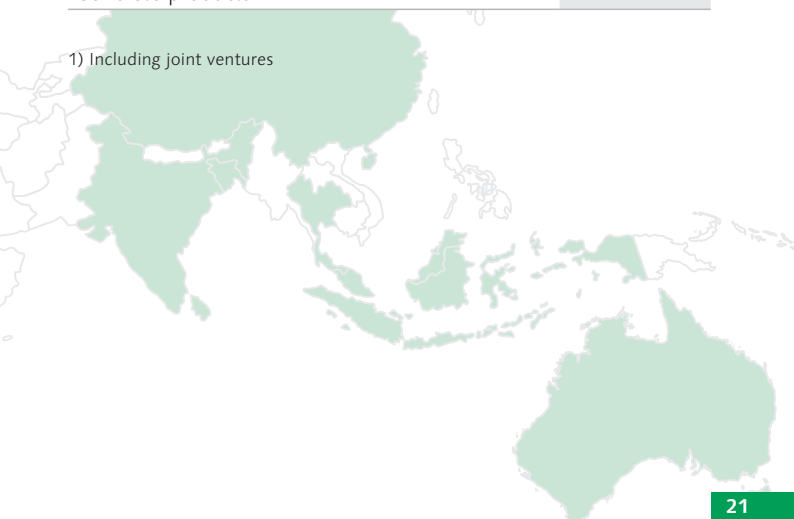
Revenue by business lines (€m)

Cement	1,568
Aggregates	587
Ready-mixed-concrete-asphalt	1,071
Service-joint ventures-other	43
Intra-Group eliminations	-363
Total revenue	2,907

Number of plants ¹⁾

Cement plants	16
Grinding plants	9
Cement terminals	17
Aggregates	99
Ready-mixed concrete	336
Asphalt	20
Concrete products	2

1) Including joint ventures



Africa-Eastern Mediterranean Basin



Africa-Eastern Mediterranean Basin

Benin, Burkina Faso, DR Congo, Egypt, Gambia, Ghana, Liberia, Mauritania, Morocco, Mozambique, Sierra Leone, Tanzania, Togo; Israel, Palestine, Turkey

The recently added countries of Italcementi have expanded the Africa-Eastern Mediterranean Basin Group area to include 16 countries. We are one of the market leaders in Egypt and Morocco in particular. We also produce ready-mixed concrete in both countries and aggregates in Morocco. HeidelbergCement mainly manufactures cement in the African countries south of the Sahara – and in most of them we are the market leader. Based on the good growth prospects, we have significantly expanded our production capacities in several countries over the last few years. In 2016, HeidelbergCement also entered the market in Mozambique.

In the Eastern Mediterranean Basin, the joint venture Akçansa is one of Turkey's leading cement manufacturers. It also has a dense network of ready-mixed concrete plants and manufactures aggregates. In Israel, we produce ready-mixed concrete, aggregates, and asphalt. In Palestine we want to establish a local building materials business.

Aït Baha cement plant, Morocco



Cement capacity as well as aggregates reserves and resources ¹⁾

Cement capacity	30.8 mt
Aggregates reserves and resources	0.1 bnt

Sales volumes

Cement and clinker	14 mt
Aggregates	10 mt
Ready-mixed concrete	4 mm ³
Asphalt	1 mt

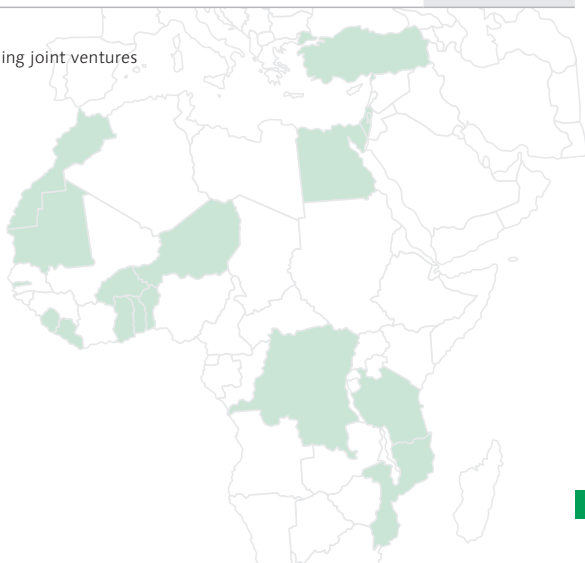
Revenue by business lines (€m)

Cement	1,014
Aggregates	90
Ready-mixed-concrete-asphalt	259
Service-joint ventures-other	33
Intra-Group eliminations	-82
Total revenue	1,314

Number of plants ¹⁾

Cement plants	15
Grinding plants	12
Cement terminals	10
Aggregates	8
Aggregates terminals	4
Ready-mixed concrete	120
Asphalt	2

1) Including joint ventures



Group Services



Group Services

Group Services comprises the international trading activities of HeidelbergCement. Our subsidiary HC Trading is one of the largest international trading companies for cement and clinker. It is also responsible for purchasing and delivering coal and petroleum coke via sea routes to our own locations and to other cement companies around the world.

With the acquisition of Italcementi, we have expanded our network by integrating Interbulk Trading – which also trades globally with cement and clinker, as well as with solid fuels via sea routes.

In 2016, more than 1,100 shipments were conducted via the main sea routes of Asia, the Mediterranean Basin, and Continental Europe to their destinations in Africa, Southeast Asia, and North America. Revenue in the Group Services unit amounted to €1,078 million in 2016.



Sustainability





Building on sustainability

HeidelbergCement is committed to sustainability and builds on the three pillars of economy, ecology, and social responsibility.

Our sustainable corporate governance places the primary focus on customers, employees, shareholders, and local partners at all locations. In our Sustainability Ambitions programme, we have documented the core topics of our commitment and defined long-term targets.

As a company that makes intensive use of raw materials, we regard climate protection and the securing of resources as the basis for our future development. We are constantly reducing our CO₂ emissions through efficient production processes and the use of alternative fuels and raw materials. Occupational health and safety are our utmost priority and an integral part of all our business activities. We supply sustainable building materials that benefit society. After activities have ceased, the quarries and sand and aggregate pits from which we extract our raw materials are returned to a natural state or put to agricultural use. We are increasingly opting for renaturation, thus helping to preserve biodiversity.

In order to increase knowledge about the biological value of the quarrying sites, we concluded the third edition of the Quarry Life Award education and research competition in 2016. Overall, 94 projects were carried out in the 21 participating countries. The international Grand Prize was awarded to a project in Spain.



HeidelbergCement is member of:



World Business Council for Sustainable Development

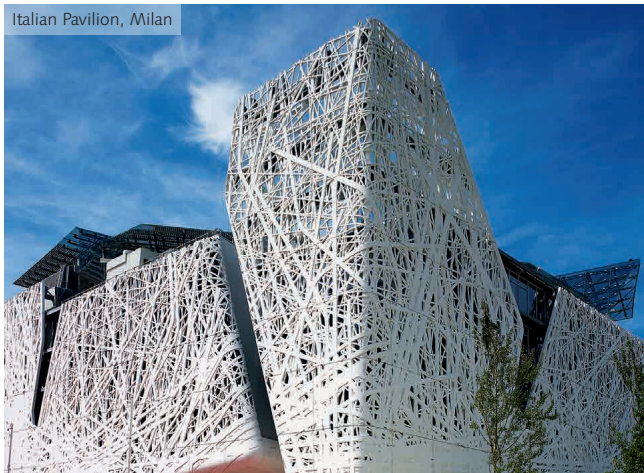
econsense
Forum Nachhaltige Entwicklung

BIO DIVERSITY
IN GOOD
COMPANY
BUSINESS AND ENVIRONMENT PARTNERSHIP

Financial highlights

€m	2015	2016
Group revenue	13,465	15,166
Result from current operations before depreciation and amortisation	2,613	2,939
Result from current operations	1,846	1,984
Profit for the financial year	983	896
Cement and clinker sales volumes (mt)	81	104
Aggregates sales volumes (mt)	249	272
Ready-mixed concrete sales volumes (mm ³)	37	43
Asphalt sales volumes (mt)	9	9
Number of employees	45,453	60,424

Italian Pavilion, Milan



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Photographs

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Unless otherwise indicated, all figures refer to the financial year of 2016.
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