SA						
Liberia Cement Corporation Ltd.	Монровия, Либерия		81.67	2016 г.	20.1	4.8
Mauritano-Francaise des Ciments S.A. 5)	Нуакшот, Мавритания		56.96	2016 г.	9.0	-0.9
Pioneer Beton Muva Umachzavot Ltd	Рамат Ган, Израел		99.98	2016 г.	0.2	0.0
Procimar S.A.	Казабланка, Мароко		100.00	2016 г.	61.8	10.7
Scantogo Mines SA	Ломе, Того		89.90	2016 г.	1.2	3.3
Sierra Leone Cement Corp. Ltd.	Фрийтаун, Сиера Леоне		50.00	2016 г.	9.6	2.1
Suez Bags Company S.A.E. 1)	Кайро, Египет		28.91	2016 г.	5.0	-0.9
Suez Cement Company S.A.E.	Кайро, Египет		50.88	2016 г.	281.3	-19.4
Suez for Transportation & Trade S.A.E. 1)	Кайро, Египет		49.60	2016 г.	1.0	0.5
Tadir Readymix Concrete (1965) Ltd	Рамат Ган, Израел		100.00	2016 г.	0.0	-
Teracem Limited	Акра, Гана		100.00	2016 г.	5.3	-0.2
Tourah Portland Cement Company S.A.E. 1)	Кайро, Египет		39.45	2016 г.	16.9	-13.6
TPCC Tanzania Portland Cement Company Ltd.	Дар Ес Салаам, Танзания		69.25	2016 г.	83.4	16.0
Union Cement Norcem C.o. (LLC) 1)	Рас ал Кайман, ОАЕ		40.00	2016 г.	-	5,4
Universal Company for Ready Mix Concrete Production S.A.E. 1)	Кайро, Египет		26.46	2016 г.	16.2	3.6
West Africa Quarries Limited	Акра, Гана		83.79	2016 г.	0.1	-0.1

Съвместни дейности						
Западна и Южна Европа						
Atlantica de Graneles y Moliendas S.A.	Биская, Испания		49.97	2016 г.	-21,2	-0.5
Les Quatre Termes S.a.s.	Салон дьо Прованс, Франция		50.00	2016 г.	0.0	0.0
Les Sables de Mezieres S.a.s	Сен-Пиер-де-Кор, Франция		50.00	2016 г.	0.0	0.0
Sas des Gresillons (S.a.s.)	Кламар, Франция		35.00	2016 г.	0.3	0.0
SCI du Colombier	Рунжис, Франция		63.00	2016 г.	0.0	0.0
Societe d'Extraction et d'amenagement de la Plaine de Marolles SEAPM S.a.s.	Авон, Франция		56.40	2016 г.	0.9	0.1
Societe Fonciere de la Petite Seine S.a.s.	Saint-Sauveur-les-Bray, Франция		42.25	2016 г.	0.0	0.1

Съвместни дейности						
Северна Америка						
Terrell Materials LLC	Остин, САЩ		50.00	2016 г.	6.7	1.5
Two Rivers Cement LLC	Доувър, САЩ		50.00	2016 г.	8.9	-0.7

Съвместни дейности						
Азиатско-тихоокеанския регион						
Lytton Unincorporated Joint Venture	Куинсланд, Австралия		50.00	2016 г.	0.0	0.0

Съвместни предприятия						
Западна и Южна Европа						
ABE Deponie GmbH	Дамсдорф, Германия		50.00	2016 г.	2.1	0.3
bihek GmbH	Брайзах ам Рейн, Германия		40.00	2016 г.	0.2	0.1
Carrieres Bresse Bourgogne S.A.	Еперван, Франция		33.26	2016 г.	7.4	0.5
CaucasusCement Holding B.V.	Хертогенбош, Холандия		45.00	2016 г.	95.5	0.0
Dragages et Carrieres S.A.	Еперван, Франция		50.00	2016 г.	3.6	0.6
Fraimbois Granulats S.a r.l.	Монсел-ле-Люневил, Франция		50.00	2016 г.	0.1	0.0
GAM Greifswalder Asphaltmischwerke GmbH & Co. KG	Грайфсвалд, Германия		30.00	2016 г.	0.2	0,0
H.H. & D.E. Drew Limited	Ню Милтън, Великобритания		49.00	2017 г.	14.7	1.0
Hanse-Asphalt Gesellschaft mbH	Рощок, Германия		30.00	2016 г.	1.0	-0,2
Heidelberger Beton Aschaffenburg GmbH & Co. KG 2)	Ашафенбург, Германия		70.95	2016 г.	0.3	0.1
Heidelberger Beton Aue-Schwarzenberg GmbH & Co. KG 2)	Шварценберг, Германия		90.00	2016 г.	0.2	0.0
Heidelberger Beton Donau-Iller GmbH & Co. KG 2)	Елхинген, Германия		80.48	2016 г.	0.8	0.1
Heidelberger Beton Elster-Spree GmbH & Co. KG 2)	Котбус, Германия		60.00	2016 г.	0.6	0.1
Heidelberger Beton Franken GmbH & Co. KG 2)	Фурт, Германия		90.00	2016 г.	0.5	0.9
Heidelberger Beton Kurpfalz GmbH & Co. KG 2)	Епелхайм, Германия		51.11	2016 г.	3.7	0.3
Heidelberger Betonpumpen	Убщат-Вайер,		57.37	2016 г.	2.5	0.6

Simonis GmbH & Co. KG 2)	Германия					
Humber Sand and Gravel Limited	Егам, Великобритания		50.00	2016 г.	-0.9	0,0
Joyce Green Aggregates Limited	Дартфорд, Великобритания		50.00	2017 г.	0.0	0.0
Les Calcaires Girondins S.a.s.	Сенон, Франция		50.00	2016 г.	0.9	-0.2
Les Graves de l'Estuaire S.a.s	Льо Авър, Франция		50.00	2016 г.	1.7	-0.3
Mantuana Inerti S.r.l.	Мантова, Италия		50.00	2016 г.	2.3	0.1
Mendip Rail Limited	Маркфийлд, Великобритания		50.00	2016 г.	0.5	0.0
North Tyne Roadstone Limited	Билминтам, Великобритания		50.00	2016 г.	-0.4	-0.3
Padyear Limited	Мейдънхед, Великобритания		50.00	2016 г.	-0.2	0.0
Rewinn B.V.	Амстердам, Холандия		50.00	2016 г.	1.3	-0.3
SCL S.A.	Ейкур, Франция		50.00	2016 г.	-0.3	-0.2
Smiths Concrete Limited	Оксфорд, Великобритания		49.00	2016 г.	11.5	0.3
Societe des Calcaires de Souppes-sur-Loing - SCSL S.N.C.	Суп-Сюр-Луан, Франция		50.00	2016 г.	3.2	0.5
Sodramaris S.N.C.	Ла Рошел, Франция		50.00	2016 г.	12.0	-4.0
SPS S.a.s.	Пон-де-л'Арш, Франция		50.00	2016 г.	6.3	0.1
TBG Ilm-Beton GmbH & Co. KG 2)	Арнщат, Германия		55.00	2016 г.	0.7	0.0
TBG Transportbeton GmbH & Co. KG Naabbeton	Набург, Германия		50.00	2016 г.	1.1	1.6
TBG Transportbeton Oder-Spree GmbH & Co. KG	Wriezen, Германия		50.00	2016г.	1.5	0.5
Trapobet Transportbeton GmbH Kaiserslautern Kommanditgesellschaft	Кайзерслаутерн, Германия		50.00	2016 г.	1.0	1.0
Valoise S.a.s. 2)	Пиерле, Франция		60.00	2016 г.	-0.3	0.0
WIKING Baustoff- und Transport GmbH & Co. Kommanditgesellschaft	Гезеке, Германия		50.00	2016 г.	0.5	0.1

Съвместни предприятия						
Северна и Източна Европа – Централна Азия						
Betong Ost AS	Конгсвингер, Норвегия		50.00	2016 г.	4.7	4.7
BT Topbeton Sp. z o.o.	Гожов Велкополски, Полша		49.92	2016 г.	6.5	0.9
CEMET S.A.	Варшава, Полша		42.84	2016 г.	15.3	2.8
Closed Joint Stock Company "Mineral Resources Company"	Ишимбай, Русия		50.00	2016 г.	12.3	0.3

Duna-Drava Cement Kft.	Вац, Унгария		50.00	2016 г.	187.4	12.3
PISKOVNY MORAVA spol. s r.o.	Немчички, Чехия		50.00	2016 г.	1.6	0.2
Pražske betonpumpy a doprava s.r.o.	Прага, Чехия		50.00	2016 г.	1.7	0.1
TBG METROSTAV s.r.o.	Прага, Чехия		50.00	2016 г.	14.5	0.7
TBG Plzeň Transportbeton s.r.o. 2)	Бероун, Чехия		50.10	2016 г.	1.5	0.3
TBG SWIETELSKY s.r.o. 2)	Ческе Будейовице, Чехия		51.00	2016 г.	0.7	0.1
Vltavske štěrkopisky, s.r.o.	Клумин /Chlumin/, Чехия		50.00	2016 г.	3.6	0.4

Съвместни предприятия						
Северна Америка						
Allied Cement Company, d/b/a CPC Terminals (Limited Partnership Interest) 5)	Сакраменто, САЩ		50.00	-	-	-
American Stone Company 5)	Роли, САЩ		50.00	2016 г.	2.6	0.5
BP General Partner Ltd. 5)	Уинипег, Канада		50.00	-	-	-
Building Products & Concrete Supply Limited Partnership	Уинипег, Канада		50.00	2016 г.	14.1	1.6
California Commercial Asphalt, LLC	Уилмингтън, САЩ		50.00	2016 г.	34.3	3.3
China Century Cement Ltd.	Хамилтън, Бермудски острови		50.00	2016 г.	40.8	6.5
CPC Terminals, Inc 5)	Сакраменто, САЩ		50.00	-	-	-
Groupe Ciment Qiebec Inc.	Сен Базил, Канада		50.00	2016 г.	161,9	8.5
Red Bluff Sand & Gravel, L.L.C. 5)	Монтгомъри, САЩ		50.00	2016 г.	6.3	0.4
Texas Lehigh Cement Company LP	Остин, САЩ		50.00	2016 г.	43.6	36.6
Upland Ready Mix Ltd.	Кембъл Ривър, Канада		50.00	2016 г.	0.0	0.0

Съвместни предприятия						
Азиатско-тихоокеанския регион						
Alliance Construction Materials Ltd	Хонг Конг, Хонг Конг		50.00	2016 г.	32.9	31.2
Cement Australia Holdings Pty Ltd	Нов Южен Уелс, Австралия		50.00	2016 г.	330.4	20.0
Cement Australia	Нов Южен Уелс,		50.00	2016 г.	107.7	102.6

Partnership	Австралия					
Cement Australia Pty Limited	Виктория, Австралия		50.00	2016 г.	0.0	0.0
Easy Point Industrial Ltd.	Хонг Конг, Хонг Конг		50.00	2016 г.	-0.5	0.0
Jidong Heidelberg (Fufeng) Cement Company Limited	Байоджи, Китай		48.11	2016 г.	88.8	20.3
Jidong Heidelberg (Jingyang) Cement Company Limited	Ксианянг Сити /Xianyang City/, Китай		50.00	2016 г.	77.6	13.7
M&H Quarries Partnership	Виктория, Австралия		50.00	2016 г.	-2.0	-0.3
Metromix Pty Limited	Нов Южен Уелс, Австралия		50.00	2016 г.	25.0	8.8
Penrith Lakes Development Corporation Limited	Нов Южен Уелс, Австралия		20.00	2017 г.	-126.6	2.8
Squareal Cement Ltd	Хонг Конг, Хонг Конг		50.00	2016 г.	29.2	-5.2
Technically Designed Concrete Partnership	Западна Австралия, Австралия		50.00	2017 г.	2.2	-0.1
Western Suburbs Concrete Partnership	Нов Южен Уелс, Австралия		50.00	2017 г.	4.3	6.3

Съвместни предприятия						
Африка-Източен Средиземноморски басейн						
Akcansa Cimento Sanayi ve Ticaret A.S.	Истанбул, Турция	39.72	39.72	2016 г.	233.6	83.5

Асоциирани предприятия						
Западна и Южна Европа						
Beton Controle des Abers S.a.s.	Ланилис, Франция		34.00	2016 г.	4.8	0.3
Betonmortel Grevelingen B.V.	Зиерикзее, Холандия		50.00	2016 г.	0.6	0.1
Betonmortelcentrale De Mark B.V.	Oud- en Nieuw Gastel, Холандия		28.57	-	-	-
Betonmortelfabriek Tilburg Bemoti B.V.	Тилбург, Холандия		38.67	2016 г.	0.5	0.0
Betonpumpen-Service Niedersachsen GmbH & Co. KG	Хановер, Германия		50.00	2016 г.	0.2	0.2
Betotech GmbH, Baustofftechnisches Labor 2)	Епелхайм, Германия		59.98	2016 г.	0.2	0.1
Betotech GmbH, Baustofftechnisches Labor 2)	Набург, Германия		70.74	2016 г.	0.2	0.0
Betuwe Beton Holding B.V.	Тиел, Холандия		50.00	2016 г.	5.4	0.7

C.V. Projectbureau Grensmaas	Борн, Холандия		8.22	2016 г.	4.1	2.6
Cementi della Lucania - F.lli Marroccoli fu Michele S.p.A.	Потенца, Италия		30.00	2016 г.	0.1	-0.2
Cugla B.V.	Бреда, Холандия		50.00	2016 г.	5.1	3.1
Demula N.V.	Ларне, Белгия		50.00	2016 г.	0.7	0.8
Dijon Beton S.A.	Сен-Аполинер, Франция		15.00	2016 г.	8.1	-1.9
Donau Kies GmbH & Co. KG 2)	Фюрстензел /Furstenzell/, Германия		75.00	2016 г.	5.4	0.0
DONAU MORTEL - GmbH & Co. KG	Нойбург ам Ин, Германия		50.00	2016 г.	0.3	0.1
Ernst Marschall GmbH & Co. KG Kies- und Schotterwerke	Кресброн, Германия		19.96	2016 г.	4.0	1.0
Fase 3 B.V.	Маасгоу, Холандия		16.48	2016 г.	0.1	0.0
Fertigbeton (FBU) GmbH & Co. Kommanditgesellschaft Unterwittbach 2) 5)	Унтервитбах, Германия		57.14	-	-	-
GENAMO Gesellschaft zur Entwicklung des Naherholungsgebietes Misburg-Ost mbH	Хановер, Германия	50.00	50.00	2016г.	0.1	0.0
Generalcave S.r.l. - in liquidazione 4)	Фиумичино, Италия		50.00	2016 г.	0.0	0.0
Hafenbetriebsgesellschaft mbH & Co KG Stade	Щаде, Германия		50.00	2016 г.	0.5	0.2
Heidelberger Beton Gersdorf GmbH & Co KG	Герсдорф, Германия		50.00	2016 г.	0.1	0.1
Heidelberger Beton GmbH & Co Stuttgart KG	Ремзек-ам-Некар, Германия		50.00	2016 г.	0.6	0.2
Heidelberger Beton Grenzland GmbH & Co. KG	Марктредвиц, Германия		50.00	2016 г.	0.9	1.3
Heidelberger Beton Inntal GmbH & Co. KG 2)	Алтьотинг, Германия		68.39	2016 г.	0.6	1.5
Heidelberger Beton Karlsruhe GmbH &Co. KG	Карлсруе, Германия		44.44	2016 г.	0.3	0.0
Heidelberger Beton Personal-Service GmbH	Хайделберг, Германия		100.00	2016 г.	0.1	0.0
Heidelberger Fliesestrich Sudwest GmbH 2)	Епелхайм, Германия		64.17	2016 г.	0.5	0.3
Hessisches Bausteinwerk Dr. Blasberg GmbH & Co. KG 5)	Мьорфелден-Валдорф, Германия		47.08	-	-	-
ISAR-DONAU MORTEL-GmbH & Co. KG	Пасау, Германия		33.33	2016 г.	0.5	0.1
KANN Beton GmbH & Co KG	Бендорф, Германия		50.00	2016 г.	0.9	-0.1
Kieswerke Flemmingen	Пениг, Германия		54.00	2016 г.	2.5	0.2

GmbH 2)						
Kieswerke Kieser GmbH & Co. KG 2)	Гота, Германия		51.00	2016 г.	0.4	0.0
Kronimus Aktiengesellschaft	Ифецхайм, Германия	24.90	24.90	2016 г.	23.9	1.5
Kronimus SAS	Мец, Франция		43.60	2016 г.	4.1	0.0
KVB Kies- Vertrieb GmbH & Co. KG	Карлсдорф-Нойтард, Германия		24.46	2016 г.	0.1	0.0
Maasgrind B.V.	Рьормонд, Холандия		16.48	2016 г.	0.2	0.3
Materiaux de Boran S.A.	Boran-sur-Oise, Франция		99.80	2016 г.	0.1	0.0
Materiaux Traites du Hainaut S.A.	Антоинг, Белгия		50.00	2016 г.	0.5	-0.2
MERMANS BETON N.V.	Арендонк, Белгия		50.00	2016 г.	0.1	0.0
Misburger Hafengesellschaft mit beschrankter Haftung	Хановер, Германия	39.66	39.66	2016 г.	0.6	0.3
Mittelschwabische Transport- und Frischbeton-Gesellschaft mit beschrankter Haftung & Co. Kommanditgesellschaft	Танхаузен, Германия		34.21	2016 г.	0.6	0.3
Muenchner Moertel GmbH & Co. KG	Мюнхен, Германия		20.00	2016 г.	0.1	0.0
NCD Nederlandse Cement Deelnemingsmaatschappij B.V. 4)	Нювегейн, Холандия	36.88	36.88	2016 г.	1.1	0.5
Nederlands Cement Transport Cetra B.V.	Уитхорн /Uithoorn/, Холандия		50.00	2016 г.	2.3	0.3
Panheel (Maatschappij tot Exploitatie van het Ontgrondingsproject Panheel) B.V.	Хийл, Холандия		16.48	2016 г.	0.3	0.0
Peene Kies GmbH	Ярмен, Германия		24.90	2016 г.	3.5	0.5
Raunheimer Quarzsand GmbH & Co. KG	Раунхайм, Германия		50.00	2016 г.	1.6	0.4
Raunheimer Sand- und Kiesgewinnung Blasberg GmbH & Co. KG	Раунхайм, Германия		23.53	2016 г.	0.5	0.5
RECIBETON S.A.	Лиеж, Белгия		50.00	2016 г.	0.1	0.0
Recybel S.A.	Брюксел,Белгия		25.50	2016 г.	-0.2	-0.3
Recyfuel S.A.	Брен-ЛАлюид,Белгия		50.00	2016 г.	14.6	0.8
S.A.F.R.A. S.r.l. - in liquidazione 4) 5)	Болоня, Италия		33.33	-	-	-
San Francesco S.c.a.r.l. - in liquidazione 4)	Перуджа, Италия		45.71	2016 г.	0.7	0.0
Schwaben Mortel GmbH u. Co. KG	Щутгарт, Германия		30.00	2016 г.	0.5	0.0
Stinkal S.a.s.	Ферк, Франция		35.00	2016 г.	-8.9	-1.5
Sudbayerisches Portland-	Рордорф, Германия	23.90	23.90	2016 г.	403.0	38.7

Zementwerk Gebr. Wiesbock & Co. GmbH						
TBG Bayerwald Transportbeton GmbH & Co. KG	Фюрстенцел /Furstenzell/, Германия		50.00	2016 г.	0.1	0.1
TBG Deggendorfer Transportbeton GmbH	Дегендорф, Германия		33.33	2016 г.	1.2	0.7
TBG Pegnitz-Beton GmbH & Co. KG	Херсбрук, Германия		28.00	2016 г.	0.1	0.0
TBG Transportbeton Caprano GmbH & Co. KG	Хайделберг, Германия		50.00	2016 г.	0.3	0.1
TBG Transportbeton GmbH & Co. KG Hohenlohe	Швебиш Хол, Германия		25.00	2016 г.	0.3	0.2
TBG Transportbeton GmbH & Co. KG Betonpumpendienst 2)	Набург, Германия		52.54	2016 г.	0.6	0.6
TBG Transportbeton GmbH & Co.KG Lohr-Beton	Лор ам Майн, Германия		50.00	2016 г.	0.2	0.1
TBG Transportbeton Reichenbach GmbH & Co.KG 2)	Райхенбах, Германия		70.00	2016 г.	0.8	-0.1
TBG Transportbeton Rhein-Donau-Raum GmbH & Co.KG	Зинген, Германия		36.90	2016 г.	0.3	0.0
TBG Transportbeton Selb GmbH & Co. KG	Зелб, Германия		50.00	2016 г.	0.3	0.1
TBG Transportbeton Werner GmbH & Co. KG	Дитфурт-ан-дер-Алтмюл, Германия		40.83	2016 г.	0.1	0.3
TBM Zusam-Beton GmbH & Co. KG	Динкелшербен, Германия		37.20	2016 г.	0.7	0.3
TBM Transportbeton-Gesellschaft mbH Marienfeld & Co. KG 2)	Мариенфелд, Германия		85.94	2016 г.	0.1	0.1
Transbeton Gesellschaft mit beschrankter Haftung & Co Kommanditgesellschaft	Льоне, Германия		27.23	2016 г.	1.9	1.2
Transportbeton Johann Braun GmbH & Co. KG	Трьостау, Германия		37.75	2016 г.	0.2	0.3
Transportbeton Meschede GmbH & Co. KG	Мешеде, Германия		44.81	2016 г.	0.1	0.1
V.o.F. Betoncentrale West-Brabant 5)	Oud-Gastel, Холандия		50.00	-	-	-
Van Zanten Holding B.V.	Леек, Холандия		25.00	2016 г.	2.7	1.0
Vlissingse Transportbeton Onderneming B.V.	Влисинген, Холандия		50.00	2016 г.	1.7	0.3
Zement- und Kalkwerke Otterbein GmbH & Co. KG	Мус, Германия	38.10	38.10	2016 г.	2.0	0.9

Асоциирани предприятия						
Северна и Източна Европа – Централна Азия						
BETONIKA plus s.r.o.	Лужеч над Влтаву /Lužec nad Vltavou/, Чехия		33.33	2016 г.	3.1	0.2
Centrum Technologiczne Betotech Sp. z o.o. 2)	Домброва Гурнича, Полша		99.84	2016 г.	0.3	0.1
Devnya Finance AD	Девня, България		49.96	2016 г.	2.5	0.0
LOMY MOŘINA spol. s r.o.	Морина, Чехия		48.95	2016 г.	13.1	0.8
PREFA Grygov a.s. 2)	Григов, Чехия		54.00	2016 г.	2.8	0.0
Ribe Betong AS	Кристиансанд, Норвегия		40.00	-	-	-
Sola Betong AS	Танангер, Норвегия		33.33	2016 г.	1.3	0.6
SP Bohemia, k.s. 2)	Кралув Двур, Чехия		75.00	2016 г.	7.8	0.5
Tangen Eiendom AS	Бревик, Норвегия		50.00	2016 г.	3.0	0.1
TBG Louny s.r.o.	Лоуни, Чехия		33.33	2016 г.	0.9	0.2
TBG PKS a.s.	Ждяр над Сазавоу, Чехия		29.70	2016 г.	2.3	0.4
Vassiliko Cement Works Ltd.	Никозия, Кипър		25.97	2016 г.	234.0	20.4

Асоциирани предприятия						
Северна Америка						
Cemstone Products Company	Сейнт Пол, САЩ		49.45	2016 г.	44.8	5.4
Cemstone Ready-Mix, Inc.	Мадисън, САЩ		44.01	2016 г.	9.5	0.8
Chandler Concrete/Piedmont, Inc.	Ралей, САЩ		33.33	2016 г.	19.7	1.0
Chaney Enterprises 2 LLC 6)	Балгимор, САЩ		25.00	-	-	-
Chaney Enterprises Limited Partnership	Олимпия, САЩ		25.00	2016 г.	76.7	13.5
Innocon Inc.	Ричмънд Хил, Канада		45.00	2016 г.	22.8	2.0
Innocon Partnership	Ричмънд Хил, Канада		45.00	2016 г.	-39.1	-4.8
RF Properties East, LLC	Балтимор, САЩ		25.00	2016 г.	0.0	-0.1
RF Properties, LLC	Балтимор, САЩ		25.00	2016 г.	1.2	-0.3
Southstar Limited Partnership	Анаполис, САЩ		25.00	2016 г.	73.9	3.7
Sustainable Land Use, LLC	Балтимор, САЩ		25.00	2016 г.	1.8	0.8
Twin City Concrete Products Co. 5)	Сейнт Пол, САЩ		33.63	2016 г.	55.9	5.4

Асоциирани предприятия						
Азиатско-тихоокеанския регион						
PT Bhakti Sari Perkasa Bersama	Джакарта, Индонезия		15.30	2016 г.	0.1	0.0
PT Cibinong Center Industrial Estate	Богор, Индонезия		25.50	2016 г.	5.9	1.3
PT Makmur Lestari Indonesia	Джакарта, Индонезия		24.91	2016 г.	0.4	0.0
PT Pama Indo Mining	Джакарта, Индонезия		20.39	2016 г.	4.7	1.0

Асоциирани предприятия						
Африка-Източен Средиземноморски басейн						
Asment Temara S.A.	Темара, Мароко		37.01	2016 г.	83.4	31.3
Fortia Cement S.A.	Ломе, Того		50.00	2016 г.	10.4	0.3
Osho Cement (Pty) Ltd 5).	Йоханесбург, ЮАР		40.00	-	-	-
Tecno Gravel Egypt S.A.E.	Кайро, Египет		22.89	2016 г.	1.9	0.6

Следните дъщерни предприятия са отразени в консолидирания финансов отчет по цена на придобиване (налични за продажба по цена на придобиване) поради своята нематериалност.

Нематериални дъщерни предприятия						
Западна и Южна Европа						
Azienda Agricola Lodoletta S.r.l.	Бергамо, Италия		75.00	2016 г.	0.6	0.1
Betotech Baustofflabor GmbH	Хайделберг, Германия	100.00	100.00	2016 г.	0.3	0.0
CSPS Trustees Limited 6)	Мейдънхед, ОК		100.00	-	-	-
Donau Kies Verwaltungs GmbH	Фюрстенцел, Германия		75.00	2016 г.	0.0	0.0
Ecoinerti S.r.l. - in liquidazione 4)	Мачерата, Италия		100.00	2016 г.	0.0	0.0
ENAS Research B.V. 6)	Маастрихт, Холандия		100.00	-	-	-
Entreprise Lorraine d'Agriculture - ELDA S.a r.l.	Ейкур, Франция		100.00	2016 г.	0.1	0.0
Etablissement F.S. Bivois SARL	Страсбург, Франция		60.00	2016 г.	0.1	0.0
Greystone Ambient & Style GmbH & Co. KG	Лингенфелд, Германия		60.00	2016 г.	0.1	0.0
Greystone Ambient & Style Verwaltungsgesellschaft mbH	Лингенфелд, Германия		60.00	2016 г.	0.0	0.0
Hanson (ER-No.3) Limited 5)	Лондон, ОК		100.00	-	-	-
Hanson Aggregates Verwaltungs-GmbH	Лайнатал, Германия		100.00	2016 г.	0.1	0.0

HeidelbergCement Construction Materials Italia S.r.l.	Бергамо, Италия		100.00	2016 г.	0.0	0.0
HeidelbergCement Grundstucksverwaltungsgesellschaft mbH	Хайделберг, Германия	100.00	100.00	2016 г.	0.1	0.0
HeidelbergCement Logistik Verwaltungs GmbH	Полх, Германия	70.00	100.00	2016 г.	0.1	0.0
HeidelbergCement Shared Services GmbH	Лаймен, Германия	100.00	100.00	2016 г.	1.3	-0.3
HeidelbergCement Technology Center GmbH	Хайделберг, Германия		100.00	2016 г.	0.0	0.0
HeidelbergCement, Funk & Kapphan Grundstucksverwaltungsgesellschaft mbH	Хайделберг, Германия	80.00	80.00	2016 г.	0.0	0.0
Heidelberger Beton Aschaffenburg Verwaltungs-GmbH	Ашафенбург, Германия		70.74	2016 г.	0.0	0.0
Heidelberger Beton Aue-Schwarzenberg Verwaltungs-GmbH	Шварценберг, Германия		100.00	2016 г.	0.0	0.0
Heidelberger Beton Donau-Naab Verwaltungsgesellschaft mbH	Бургленгенфелд, Германия		81.67	2016 г.	0.0	0.0
Heidelberger Beton Inntal Verwaltungs-GmbH	Алтьотинг, Германия		68.39	2016 г.	0.0	0.0
Heidelberger Betonelemente Verwaltungs-GmbH	Кемниц, Германия		83.00	2016 г.	0.1	0.0
Heidelberger Betonpumpen Rhein-Main-Nahe Verwaltungs-GmbH	Бад Кройцнах, Германия		93.74	2016 г.	0.0	0.0
Heidelberger Kalksandstein Grundstucks- und Beteiligungs-Verwaltungs-GmbH	Дурмерсхайм, Германия		100.00	2016 г.	0.1	0.0
Heidelberger KS Beteiligungen Deutschland Verwaltungsgesellschaft mbH	Хайделберг, Германия		100.00	2016 г.	0.0	0.0
I.T.S. Toogood SPRL	Брен-ЛАлюид, Белгия		100.00	2016 г.	0.0	0.1
Kalko B.V.	Хертогенбош, Холандия		100.00	2016 г.	0.0	0.0
Kieswerke Kieser Verwaltungs-GmbH	Гота, Германия		51.00	2016 г.	0.0	0.0
KS-QUADRO Bausysteme GmbH	Дурмерсхайм, Германия		100.00	2016 г.	0.1	0.0
Lindustries (D) Limited 5)	Лондон, Великобритания		100.00	-	-	-
Lithonplus Verwaltungs-GmbH	Лингенфелд, Германия		60.00	2016 г.	0.0	0.0
Lombarda Calcestruzzi S.r.l. 5)	Милано, Италия		100.00	-	-	-
MS "Wesertrans" Binnenschiffsreederei GmbH & Co. KG 5)	Айсфлет, Германия		68.75	-	-	-
MS "Wesertrans"	Айсфлет, Германия		75.00	-	-	-

Verwaltungsgesellschaft mbH 5)						
NOHA Norddeutsche Hafenumschlagsgesellschaft mbH	Канденберг, Германия		60.00	2016 г.	0.1	0.0
Paderborner Transport-Beton-Gesellschaft mit beschrankter Haftung	Падерборн, Германия		75.00	2016 г.	0.0	0.0
Rederij Cement-Tankvaart B.V.	Амстердам, Холандия		66.18	2016 г.	5.5	0.8
SCI Bicowal	Страсбург, Франция		60.00	2016 г.	0.0	0.0
SCI de Balloy	Авон, Франция		100.00	2016 г.	0.0	0.0
SMW Sand und Mortelwerk Verwaltungs-GmbH	Кьонигс Вустерхаузен, Германия		100.00	2016 г.	0.0	0.0
Societe Civile d'Exploitation Agricole de l'Avesnois	Жервил, Франция		80.00	2016 г.	0.0	0.0
SPRL Ferme de Wisempierre	Сен-Мор-Epe /Saint-Maur-Ere/, Белгия		100.00	2016 г.	1.7	0.0
TBG Ilm-Beton Verwaltungs-GmbH	Арнщат, Германия		55.00	2016 г.	0.0	0.0
TBG Transportbeton Reichenbach Verwaltungs-GmbH	Райхенбах, Германия		70.00	2016 г.	0.0	0.0
TBM Transportbeton-Gesellschaft mit beschrankter Haftung Marienfeld	Харсевинкел, Германия		85.94	2016 г.	0.0	0.0
Verwaltungsgesellschaft Baustoffwerke Dresden mbH	Дрезден, Германия		51.00	2016 г.	0.2	0.0
WIKA Sand und Kies Verwaltungs-GmbH	Щаде, Германия		100.00	2016 г.	0.0	0.0

Нематериални дъщерни предприятия						
Северна и Източна Европа– Централна Азия						
8 Vershin LLP	Алмата, Казахстан		100.00	2016 г.	0.2	0.0
Agromir Sp. z o.o. 5)	Корула /Chorula/, Полша		99.84	2016 г.	0.0	0.0
Agrowelt Sp. z o.o.	Корула /Chorula/, Полша		99.84	2016 г.	0.7	0.0
Azer-E.S. Limited Liability Company	Баку, Азербайджан	100.00	100.00	2016 г.	-3.1	-0.6
Bukhtarma TeploEnergo LLP	с. Октябрьский, Казахстан		100.00	2016 г.	-1.1	0.0
Bukhtarma Vodokanal LLP	с. Октябрьский, Казахстан		100.00	2016 г.	-0.2	0.0
Center Cement Plus Limited Liability Partnership	Астана, Казахстан		100.00	2016 г.	1.2	0.0
Donau Kies Bohemia Verwaltungs, s.r.o.	Пилзен, Чехия		75.00	2016 г.	0.0	0.0

Eurotech Cement S.h.p.k.	Дуръс, Албания		92.43	2016 г.	0.1	0.1
Fastighets AB Lovholmen 1	Стокхом, Швеция		100.00	2016 г.	0.0	0.0
Fastighets AB Lovholmen 10	Стокхом, Швеция		100.00	2016 г.	0.0	0.0
Fastighets AB Lovholmen 11	Стокхом, Швеция		100.00	2016 г.	0.0	0.0
Fastighets AB Lovholmen 2	Стокхом, Швеция		100.00	2016 г.	0.0	0.0
Fastighets AB Lovholmen 3	Стокхом, Швеция		100.00	2016 г.	0.0	0.0
Fastighets AB Lovholmen 4	Стокхом, Швеция		100.00	2016 г.	0.0	0.0
Fastighets AB Lovholmen 5	Стокхом, Швеция		100.00	2016 г.	0.0	0.0
Fastighets AB Lovholmen 6	Стокхом, Швеция		100.00	2016 г.	0.0	0.0
Fastighets AB Lovholmen 7	Стокхом, Швеция		100.00	2016 г.	0.0	0.0
Fastighets AB Lovholmen 8	Стокхом, Швеция		100.00	2016 г.	0.0	0.0
Fastighets AB Lovholmen 9	Стокхом, Швеция		100.00	2016 г.	0.0	0.0
Fastighets Soder om Kalkbrottet 1 AB	Малмьо, Швеция		100.00	2016 г.	0.0	0.0
Fastighets Soder om Kalkbrottet 2 AB	Малмьо, Швеция		100.00	2016 г.	0.0	0.0
Fastighets Soder om Kalkbrottet 3 AB	Малмьо, Швеция		100.00	2016 г.	0.0	0.0
Fastighets Soder om Kalkbrottet 4 AB	Малмьо, Швеция		100.00	2016 г.	0.0	0.0
Fastighets Soder om Kalkbrottet Holding AB	Малмьо, Швеция		100.00	2016 г.	0.0	0.0
Geo Nieruchomości Sp. z o.o.	Корула /Chorula/, Полша		99.84	2016 г.	0.0	0.0
Global IT Center, s.r.o. 6)	Брно, Чехия		100.00	-	-	-
Heidelberg Vostok-Cement LLP	Алмата, Казахстан		100.00	2016 г.	0.6	0.0
MIXT Sp. z o.o.	Корула /Chorula/, Полша		99.84	2016 г.	0.8	0.1
OOO HC Yug	Стрелица, Русия		100.00	2016 г.	0.6	-0.3
Podgrodzie Sp. z o.o.	Вроцлав, Полша		100.00	2016 г.	3.2	-0.1
Polgrunt Sp. z o.o.	Корула /Chorula/, Полша		99.84	2016 г.	0.0	0.0
SABIA spol. s r.o.	Бохушовице над Охри /Bohusovice nad Ori/, Чехия		60.00	2016 г.	0.2	0.0
Shqiperia Cement	Тирана, Албания		100.00	2016 г.	0.7	0.0

Company Shpk 5)						
TRANS-SERVIS,spol. s r.o.	Кралув Двур, Чехия		100.00	2016 г.	2.5	0.2
VAPIS stavebni hmoty s.r.o.	Прага, Чехия		51.00	2016 г.	0.2	0.0

Нематериални дъщерни предприятия						
Северна Америка						
Carroll Canyon Property LLC	Уилмингтън, САЩ		100.00	2016 г.	0.0	0.0
Cementi Meridionali Ltd. 5)	Тортола, Британски вирджински острови		100.00	-	-	-
EPC VA 121, LLC 5)	Ричмънд, САЩ		100.00	-	-	-
Hanson (ER-No 16) Inc. 5)	Уилмингтън, САЩ		100.00	-	-	-
Hanson Aggregates Contracting, Inc. 5)	Сакраменто, САЩ		100.00	-	-	-
Hanson Aggregates Properties TX, LLC 5)	Остин, САЩ		100.00	-	-	-
HP&P SE Properties VA LLC 5)	Ричмънд, САЩ		100.00	-	-	-
HSC Cocoa Property Reserve, LLC 5)	Талахаси, САЩ		100.00	-	-	-
HSPP Properties Ohio LLC 5)	Колумбус, САЩ		100.00	-	-	-
Industrial Del Fresno SA 5)	Мексико Сити, Мексико		76.00	-	-	-
Kidde Industries, Inc. 5)	Уилмингтън, САЩ		100.00	-	-	-
Lehigh Northeast Cement Company 5)	Олбани, САЩ		100.00	-	-	-
Lehigh Portland New York LLC 5)	Олбани, САЩ		100.00	-	-	-
Lucas Coal Company, Inc 5)	Харисбърг, САЩ		100.00	-	-	-
Magnum Minerals, Inc. 5)	Харисбърг, САЩ		100.00	-	-	-
Mediterranean Carriers, Inc. 5)	Панама Сити, Панама		100.00	2016 г.	-2.8	0.0
Piedras y Arenas Baja SA de CV 5)	Тихуана, Мексико		100.00	-	-	-
PUSH NA Holdings, Inc. 5)	Уилмингтън, САЩ		100.00	-	-	-
Sherman-Abetong, Inc. 5)	Монтгомъри, САЩ		100.00	-	-	-
South Coast Materials Company 5)	Сакраменто, САЩ		100.00	-	-	-
SunCrete Rooftile, Inc. 5)	Сакраменто, САЩ		100.00	-	-	-
Total Limited 5)	Уилмингтън, САЩ		100.00	-	-	-

Нематериални дъщерни предприятия						
Азиатско-тихоокеанския регион						
Hanson Holdings Australia Pty Ltd.	Виктория, Австралия		100.00	2016 г.	0.0	0.0
Vesprapat Holding Co., Ltd. 1) 4) 5)	Банкок, Тайланд		49.00	-	-	-

Нематериални дъщерни предприятия						
Африка-Източен Средиземноморски басейн						
Agadir Atlantique S.a r.l.	Казабланка, Мароко		62.29	2016 г.	0.0	0.0
C.N.A. - Cimentos Nacionais de Angola S.A. 5)	Луанда, Ангола		56.00	-	-	-
Cimento de Bissau, Limitada 5)	Бисау, Гвинея		99.00	-	-	-
Intercom Libya F.Z.C. 5)	Мисрата, Либия		100.00	-	-	-
Suez for Import & Export Co S.A.E. 1)	Кайро, Египет		49.60	2016 г.	0.0	0.0
Terra Cimentos LDA 5)	Мапуто, Мозамбик		100.00	-	-	-

Следните съвместни предприятия и асоциирани предприятия са отчетени по цена на придобиване (налични за продажба по цена на придобиване) поради своята нематериалност.

Нематериални съвместни и дъщерни предприятия						
Западна и Южна Европа						
Alzagri NV	Брюге, Белгия		50.00	2016 г.	0.4	-0.4
Baustoff- und Umschlags-GmbH	Мосбах, Германия		38.23	2016 г.	0.2	0.0
Beton Controle de l'Elorn S.a r.l.	Ландерно, Франция		21.76	2016 г.	1.7	0.1
Betonpumpen-Service Niedersachsen Verwaltungs-GmbH	Хановер, Германия		50.00	2016 г.	0.0	0.0
C. & G. Concrete Limited 4) 5)	Лийдс, Великобритания		23.48	-	-	-
Calcaires de la Rive Gauche I SPRL	Обърг /Obourg/, Белгия		35.00	2016 г.	5.1	-0.3
Cava delle Capannelle S.r.l.	Бергамо, Италия		49.00	2016 г.	0.7	0.1
DONAU MORTEL-Verwaltungs-GmbH	Пасау, Германия		50.00	2016 г.	0.0	0.0
Eurocalizas S.L. 5)	Сантандер, Испания		33.31	-	-	-
Fertigbeton (FBU) GmbH 5)	Унтервитбах, Германия		57.14	-	-	-
GAM Greifswalder Asphaltmischwerke Verwalrungs GmbH	Грайфсвалд, Германия		30.00	2016 г.	0.0	0.0
GIE des Terres de Mayocq	Льо Кротоа, Франция		32.50	2016 г.	0.0	0.0
GIE GM 2)	Гервил, Франция		63.00	2016 г.	0.0	0.0
GIE Manche Est	Rouxmesnil Bouteilles, Франция		20.00	2016 г.	0.0	0.0
GIE Sud Atlantique	Ла Рошел, Франция		25.00	2016 г.	0.0	0.0
Granulats Marins de Normandie GIE	Льо Авър, Франция		32.50	2016 г.	0.0	0.0
Hafen- und Lagergesellschaft Greifswald mbH	Грайфсвалд, Германия		30.00	2016 г.	0.2	0.0
Hafenbetriebs- und Beteiligungs-GmbH, Stade	Щаде, Германия		50.00	2016 г.	0.1	0.0
Haitz Betonwerk GmbH & Co. KG 4) 5)	Ау ам Рейн, Германия		21.05	-	-	-
Haitz Betonwerk Verwaltungs-GmbH 4) 5)	Ау ам Рейн, Германия		21.08	-	-	-
Heidelberger Beton Donau-Iller Verwaltungs-GmbH 2)	Унтерелхинген, Германия		80.65	2016 г.	0.1	0.0
Heidelberger Beton Elster-Spree Verwaltungs-GmbH 2)	Котбус, Германия		60.00	2016 г.	0.0	0.0
Heidelberger Beton Franken	Фюрт, Германия		90.00	2016 г.	0.0	0.0

Geschaftsfuhrungs-GmbH 2)						
Heidelberger Beton Gersdorf Verwaltungs- und Beteiligungs-GmbH	Герсдорф, Германия		50.00	2016 г.	0.0	0.0
Heidelberger Beton Grenzland Verwaltungs-GmbH	Маркредвиц, Германия		50.00	2016 г.	0.0	0.0
Heidelberger Beton Karlsruhe Verwaltungs-GmbH	Карлсруе, Германия		44.44	2016 г.	0.0	-
Heidelberger Beton Kurpfalz Verwaltungs-GmbH 2)	Епелхайм, Германия		51.11	2016 г.	0.0	0.0
Heidelberger Beton Verwaltungs GmbH Stuttgart	Ремзек-ам-Некар, Германия		50.00	2016 г.	0.0	0.0
Heidelberger Betonpumpen Simonis Verwaltungs-GmbH 2)	Убщат-Вайер, Германия		57.32	2016 г.	0.0	0.0
Hormigones Mecanizados, S.A.	Палма де Майорка, Испания		33.33	2016 г.	0.2	0.0
Hormigones Olatzi S.A 5)	Олазагутия, Испания		24.99	-	-	-
Hormigones Txingudi S.A.	Сан Себастиан, Испания		33.31	-	-	-
ISAR-DONAU MORTEL-Verwaltungs-GmbH	Платлинг, Германия		33.33	2016 г.	0.0	0.0
Kalksandstein-Service Rhein-Main-Neckar GmbH 2) 5)	Лудвигсхафен, Германия		59.30	-	-	-
Kalksandsteinwerk Amberg GmbH & Co. KG 2)	Ебермансдорф, Германия		50.10	2016 г.	1.6	0.1
Kalksandsteinwerk Amberg Verwaltungs-GmbH 2)	Ебермансдорф, Германия		50.10	2016 г.	0.1	0.0
KANN Beton Verwaltungsgesellschaft mbH	Бендорф, Германия		50.00	2016 г.	0.1	0.0
Kieswerk Langsdorf GmbH 2)	Лангсдорф, Германия		62.45	2016 г.	1.2	0.1
KVB Verwaltungs- und Beteiligungs-GmbH	Карлсдорф-Нойтард, Германия		24.41	2016 г.	0.0	0.0
Les Calcaires Sud Charentes SCI	Шерве-Ричмонт /Cherves-Richemont/, Франция		34.00	2016 г.	-	0.0
Lippe-Kies GmbH & Co. KG	Делбрюк, Германия		50.00	2016 г.	0.2	0.0
Lippe-Kies Verwaltungs GmbH	Делбрюк, Германия		50.00	2016 г.	0.0	0.0
Maritime Logistics Agency S.r.l. 5)	Милано, Италия		25.00	-	-	-
Medcem S.r.l.	Неапол, Италия		50.00	2016 г.	3.2	-1.7
Mittelschwabische	Танхаузен, Германия		35.96	2016 г.	0.0	0.0

Transport- und Frischbeton Gesellschaft mit beschrankter Haftung						
MTB Maritime Trading & Brokerage S.r.l. 5)	Дженова, Италия		33.33	-	-	-
Munchner Mortel Verwaltungsges. mbH	Мюнхен, Германия		20.00	2016 г.	0.0	0.0
MWK Kies Verwaltungs-GmbH	Кресброн, Германия		19.98	2016 г.	0.0	0.0
Neuciclaje S.A.	Билбао, Испания		33.31	2016 г.	1.5	0.0
Nordhafen Stade-Butzfleth Verwaltungsgesellschaft mbH	Щаде, Германия		20.00	2016 г.	0.0	0.0
Novhorvi S.A. 5)	Виктория, Испания		24.99	2016 г.	0.5	-0.1
Otterbein Gesellschaft mit beschrankter Haftung	Гросенлюдер, Германия	20.00	20.00	2016 г.	0.0	0.0
Raunheimer Quarzsand Verwaltungsgesellschaft mbH	Раунхайм, Германия		50.00	2016 г.	0.0	0.0
Schwaben-Mortel Beteiligungs GmbH	Щутгарт, Германия		30.00	2016 г.	0.0	0.0
SCI de Barbeau	Грей-сюр-Сен, Франция		49.00	2016 г.	0.0	0.0
SCI des Granets	Кайе-сюр-Мер, Франция		33.33	2016 г.	0.0	0.0
SCI Les Calcaires de Taponnat	Шерве-Ричмонт /Cherves-Richemont/, Франция		50.00	2016 г.	-	0.0
SCRL du Port Autonome du Centre et de l'Ouest	Лувиер, Белгия		2.39	2016 г.	24.7	0.0
Societe Civile Bachant le Grand Bonval 2)	Жервил, Франция		80.00	2016 г.	0.0	0.0
TBG Bayerwald Verwaltungs-GmbH	Фюрстенцел, Германия		50.00	2016 г.	0.0	0.0
TBG Pegnitz-Beton Verwaltungsgesellschaft mbH	Херсбрук, Германия		28.00	2016 г.	0.0	0.0
TBG Pinzl GmbH & Co. KG	Симбах ам Ин, Германия		34.20	2016 г.	0.2	0.4
TBG Pinzl Verwaltung GmbH	Симбах ам Ин, Германия		34.20	2016 г.	0.0	0.0
TBG Transportbeton Caprano Verwaltungs-GmbH	Хайделберг, Германия		50.00	2016 г.	0.0	0.0
TBG Transportbeton Gesellschaft mit beschrankter Haftung	Швебиш Хал, Германия		25.00	2016 г.	0.0	0.0
TBG Transportbeton Lohr Verwaltungsgesellschaft	Лор-ам-Майн, Германия		50.00	2016 г.	0.0	-

mbH						
TBG Transportbeton Oder-Spree Verwaltungs-GmbH	Wriezen, Германия		50.00	2016 г.	0.0	0.0
TBG Transportbeton Rhein-Donau-Raum Verwaltungs-GmbH	Зинген, Германия		36.90	2016 г.	0.0	0.0
TBG Transportbeton Selb Verwaltungsgesellschaft mbH	Зелб, Германия		50.00	2016 г.	0.0	0.0
TBG Transportbeton Verwaltungsgesellschaft mbH	Набург, Германия		50.00	2016 г.	0.0	0.0
TBG Transportbeton Werner Verwaltungsgesellschaft mbH	Дитфурт-ан-дер Алтмюл, Германия		40.83	2016 г.	0.0	0.0
TBG Transportbeton Westpfalz GmbH & Co. KG	Пирмазенс, Германия		50.00	2016 г.	0.3	0.1
TBG Transportbeton Westpfalz Verwaltungs GmbH	Пирмазенс, Германия		50.00	2016 г.	0.0	0.0
Tournai Ternaire S.A.	Турне, Белгия		50.00	2016 г.	-0.4	-0.4
Transbeton Gesellschaft mit beschrankter Haftung	Льоне, Германия		27.23	2016 г.	0.0	0.0
Transportbeton Johann Braun Geschaftsfuhrungs GmbH	Тростау, Германия		37.75	2016 г.	0.0	0.0
Transportbeton Meschede Gesellschaft mit beschrankter Haftung	Мешеде, Германия		44.81	2016 г.	0.0	0.0
Urzeit Weide GbR	Шелкинген, Германия	50.00	50.00	2016 г.	0.0	0.0
Verwaltungsgesellschaft mit beschrankter Haftung TRAPOBET Transportbeton Kaiserslautern	Кайзерслаутерн, Германия		50.00	2016 г.	0.0	0.0
WIKING Baustoff- und Transport Gesellschaft mit beschrankter Haftung	Зост, Германия		50.00	-	-	-

Нематериални съвместни и дъщерни предприятия						
Северна и Източна Европа – Централна Азия						
AB Akmenės Cementas	Науйойи-Акмяне, Литва		8.65	2016 г.	58.5	-7.0
Bukhtarma Teplo Tranzit LLP	с. Нова Бухтарма, Казахстан		20.00	2016 г.	-0.1	-
Dobrotitsa BSK AD	Добрич, България		26.38	2016 г.	-0.8	-0.4
Kalkkaia AS 5)	Вердал, Норвегия		50.00	-	-	-
Velkolom Čertovy schody, akciova společnost	Тман, Чехия		50.00	2016 г.	6.5	0.1

Нематериални съвместни и дъщерни предприятия						
Северна Америка						
KHB Venture LLC 5)	Бостън, САЩ		33.33	-	-	-
Newbury Development Associates, LP 5)	Бриджвил, САЩ		35.00	-	-	-
Newbury Development Management, LLC 5)	Бриджвил, САЩ		35.00	-	-	-

Нематериални съвместни и дъщерни предприятия						
Азиатско-тихоокеанския регион						
Diversified Function Sdn Bhd	Куала Лумпур, Малайзия		50.00	2016 г.	0.00	0.00
Pomphen Prathan Company Limited 4)	Банкок, Тайланд		49.70	2016 г.	0.00	0.00
Sanggul Suria Sdn Bhd	Куала Лумпур, Малайзия		45.00	2016 г.	0.00	0.00

Нематериални съвместни и дъщерни предприятия						
Африка-Източен Средиземноморски басейн						
Ceval GIE	Казабланка, Мароко		24.84	2016 г.	0.00	0.00
Italcementi for Cement Manufacturing – Libyan J.S.C. 5)	Триполи, Либия		50.00	-	-	-
Maestro Drymix S.A.	Казабланка, Мароко		31.16	2016 г.	0.4	-0.4
Suez Lime S.A.E.	Кайро, Египет		25.32	2016 г.	0.3	0.3

1) Контролиращо влияние чрез договорни споразумения и/или законови разпоредби

2) Липса на контролиращо влияние чрез договорни споразумения и/или законови разпоредби

3) Дружеството се възползва от освобождаването от задължения за оповестяване съгласно § 264 б от Търговския кодекс на Германия (HGB).

4) В ликвидация

5) Информацията за собствения капитал и печалбата се пропуска съгласно раздел 286, алинея 3, изречение 1, № 1 от HGB, ако тази информация е от незначително значение за правилното представяне на финансовото състояние, паричните потоци и рентабилността на ХайделбергЦимент.

6) Дружеството е учредено през 2017 г. Следователно, все още няма годишни финансови отчети.

7) Последната финансова година, за която има финансови отчети.

8) Преведени със заключителната стойност за финансовата година, за която има налични финансови отчети.

9) Преведени със средната стойност за финансовата година, за която има налични финансови отчети.

Хайделберг, 21 март 2018 г.

ХайделбергЦимент АГ

Управителен съвет

Независим одиторски доклад

До ХайделбергЦимент АГ

Доклад за одита на консолидирания финансов отчет и на доклада за управлението на Групата

Становища

Одитирахме консолидирания финансов отчет на ХайделбергЦимент АГ, Хайделберг, и неговите дъщерни дружества (Групата), който обхваща консолидирания отчет за доходите и консолидирания отчет за всеобхватния доход, консолидирания отчет за паричните потоци за финансовата година от 1 януари до 31 декември 2017 г., консолидирания баланс към 31 декември 2017 г., консолидирания отчет за промените в собствения капитал за финансовата година от 1 януари до 31 декември 2017 г., както и бележки към консолидирания финансов отчет, включително обобщение на съществените счетоводни политики. Освен това, проверихме доклада на Групата за управление на ХайделбергЦимент Груп, който беше комбиниран с доклада за управление на ХайделбергЦимент АГ, за финансовата година от 1 януари до 31 декември 2017 г. Съгласно законовите изисквания в Германия, не сме проверявали съдържанието на декларацията за корпоративно управление, включена в раздел Корпоративно управление в доклада за управление на Групата. По наше мнение, въз основа на получената при одита информация:

- приложеният консолидиран финансов отчет съответства във всяко отношение на МСФО, приети от ЕС и допълнителните изисквания на германското търговско законодателство съгласно раздел 315e (1) на Търговския закон на Германия (HGB) и в съответствие с тези изисквания той дава достоверна и справедлива представа за активите, пасивите и финансовото състояние на Групата към 31 декември 2017 г. и на нейните финансови резултати за финансовата година от 1 януари до 31 декември 2017 г.; и
- приложеният доклад за управление на Групата като цяло предоставя адекватна представа за състоянието на Групата. Във всички съществени аспекти този комбиниран доклад за управлението е в съответствие с консолидирания финансов отчет, изпълнява германските законови изисквания и адекватно представя възможностите и рисковете във връзка с бъдещо развитие. Становището ни по доклада за управление на

Групата не засяга съдържанието на декларацията за корпоративно управление, включена в раздел Корпоративно управление.

Съгласно Раздел 322 (3), изр.1 от Търговския закон на Германия, декларираме, че одитът ни не доведе до резерви във връзка с законовото съответствие на консолидирания финансов отчет и на доклада за управление на Групата.

База за становищата

Извършихме нашия одит на консолидирания финансов отчет и на доклада за управление на Групата в съответствие с раздел 317 от Търговския закон на Германия и Регламента на ЕС за одита (№ 537/2014, по-нататък наричан „Регламента на ЕС за одита") и при спазване на немските общоприети стандарти за одит на финансовите отчети, обнародвани от Institut der Wirtschaftsprüfer (Институт на публичните одитори в Германия) (IDW). Нашата отговорност по силата на тези изисквания и принципи са описани по-подробно в раздел „Отговорности на одитора за проверката на консолидирания финансов отчет и на доклада за управление на Групата" на одиторския ни доклад. Ние сме независими от груповите юридически лица съгласно изискванията на Европейските закони и германските търговски и професионални закони, като сме изпълнили другите си германски професионални отговорности съгласно тези изисквания. Също така, в съответствие с Чл.10 (2) f) на Регламента на ЕС за одита декларираме, че не сме извършили неодиторски услуги, забранени по силата на Чл.5 (1) на Регламента на ЕС за одита. Убедени сме, че одиторските доказателства, които получихме са достатъчни и уместни да формират базата за нашите становища по консолидирания финансов отчет и доклада за управление на Групата.

Основни одиторски въпроси при одита на консолидирания финансов отчет

Основните одиторски въпроси са тези, които по нашата професионална преценка са били от най-голямо значение при одита ни на консолидирания финансов отчет за финансовата година от 1 януари до 31 декември 2017 г. На тези въпроси беше обърнато внимание в контекста на нашия одит на консолидирания финансов отчет като цяло и при формиране на становището ни по него; ние не даваме отделно становище по тези въпроси. По-долу описваме кои са считаните от нас основни одиторски въпроси:

1. Тест за обезценка на репутацията

Причини, поради които даден въпрос е бил определен за основен одиторски въпрос

Ежегодно извършваният от Управителния съвет тест за обезценка на репутацията използва сложен модел за оценяване, който изисква специфична информация за

капиталовия пазар. Нещо повече, прогнозите, които изпълнителните директори трябва да правят за бъдещите нетни парични потоци подлежат на преценка. Входните данни, използвани при изчисляването също са частично базирани върху прогнозни пазарни очаквания. В тази светлина тестът за обезценка на репутацията беше основен одиторски въпрос.

Отговор на одитора

По отношение на теста за обезценка на репутацията разгледахме процесите и контрола в ХайделбергЦимент Груп. Включихме и вътрешни оценители да проверят математическите изчисления и да дадат мнението си за модела за оценяване и използваните входящи данни при изчислението. Оценихме прогнозите на изпълнителните директори за бъдещите нетни парични потоци чрез анализиране на бизнес прогнозите, одобрени от Управителния съвет на избирателна база във връзка с бъдещото развитие, съгласуваност с информацията от вътрешните отчети и очакванията на анализатори и индустриални сдружения за общото икономическо и специфичното за пазара развитие. Освен това, бизнес прогнозите бяха съпоставени за съгласуваност с другите очаквания на Управителния съвет, като информацията за прогнозите в доклада за управлението. Също така бизнес прогнозите, направени в предходни периоди с реалните резултати, за да анализираме точността на прогнозите. За четвъртата и петата прогнозна година, както и за крайната стойност сравнихме изчислението на пренесените напред стойности от прогнозните години едно към три и на избирателна база свободните парични потоци, изчислени с реалните резултати и планираните крайни стойности в миналото, както и прогнозите за общото икономическо развитие.

Анализирахме и предположенията, направени въз основа на бъдещите пазарни очаквания, както се изисква. Прегледахме изчислението на използваните входни данни, особено приложения дисконтов процент, за точност по същество и аритметична точност и ги сравнихме с външните пазарни очаквания. Направихме анализи на чувствителността, за да оценим потенциалното въздействие на промените в използваните входни данни върху възстановимата сума. Освен това, съпоставихме оповестяванията в бележките на консолидирания финансов отчет спрямо основните предположения и проверихме дали са били правилно представени.

Процедурите ни за одит не доведоха до резерви във връзка с теста за обезценка на репутацията.

Препратка към свързани оповестявания

Дружеството е предоставило информация за теста за обезценка на репутацията в раздел Принципи на счетоводно отчитане и оценяване и в бележка 32 от бележките към консолидирания финансов отчет.

2. Признаване и оценяване на отложените данъци

Причини, поради които въпросът е бил определен за основен одиторски въпрос

Признаването и оценяването на отложените данъчни позиции изисква на нивото на данъчното лице пълното определяне на всички разлики между признаването и оценяването на активите и пасивите съгласно съответните местни данъчни разпоредби и финансовото отчитане в съответствие с МСФО, както и изчисляването на данъчните загуби за пренасяне. Това изисква значителни изчисления заради различните местни данъчни наредби, повечето от които са сложни. Ефектът на прокараната в САЩ данъчна реформа през декември 2017 г. трябваше да бъде оценена конкретно в този контекст. Този ефект и оценяването на отложените данъчни активи и пасиви изискват подробни познания за приложимото данъчно законодателство.

Оценката на възможността за използване на отложените данъчни активи се базира на очакванията на изпълнителните директори за икономическото развитие на дружеството, което се влияе от текущата пазарна среда и оценката на бъдещото пазарно развитие и така изисква използването на правна преценка.

В тази светлина признаването и оценяването на отложените данъци беше основен одиторски въпрос.

Отговор на одитора

При даване на становището си за признаването и оценяването на отложените данъци за групите от дружества, наред с останалите процедури анализираме основните процеси за пълното идентифициране и оценяване на отложените данъци и разгледахме контрола, осъществяван за предотвратяване или откриване и коригиране на грешки. Използвахме вътрешни данъчни специалисти от отделните региони на Групата, особено от САЩ, поради необходимите познания за съответните данъчни наредби. Разгледахме на избирателна база идентифицирането и оценяването на разликите между признаването и оценяването на активите и пасивите съгласно данъчните наредби и финансовото отчитане по МСФО.

Изчислихме отново отложените данъци, проверявайки дали е приложена правилната данъчна ставка. Сравнихме данъчните планове с бюджета на дружеството на избирателна база по отношение на възстановимостта на отложените данъчни активи от временните разлики и от загубите за пренасяне.

Прегледахме данъчните планове дали хоризонта за планиране, установен за Групата като цяло е използван при преценката на възможността за оползотворяване на данъчните загуби за пренасяне и дали са спазени съответните местни данъчни наредби за това.

Процедурите ни за одит не доведоха до резерви във връзка с признаването и оценяването на отложените данъци.

Препратка към свързани оповестявания

Дружеството е предоставило информация за признаването и оценяването на отложените данъци в раздел Принципи на счетоводно отчитане и оценяване и в бележка 11 от бележките към консолидирания финансов отчет.

3. Пълнота и оценяване на провизиите с използване на правно становище

Причини, поради които въпросът е бил определен за основен одиторски въпрос

Направените от изпълнителните директори прогнози за съществуването на задължение, както и прогнозата за бъдещи изходящи парични потоци във връзка с това задължение влияе пряко върху признаването и оценяването на провизиите. По-конкретно, предположенията трябва да се направят за бъдещото развитие на входящите данни за изчисление, като приложения дисконтов процент, тенденциите при заплатите и очакваната продължителност на живота. Изпълнителните директори използват преценката си за други провизии, засягащи сумите, използвани за вреди и задължения за опазване на околната среда и за съдебни спорове.

На тази база пълнотата и оценяването на горепосочените провизии беше основен одиторски въпрос.

Отговор на одитора

Прегледахме процесите и контрола, създадени за предотвратяване или откриване и коригиране на грешки, свързани с пълното признаване и оценяване на провизиите чрез преценка. Външни експерти бяха ангажирани да определят размера на провизиите за пенсии. Оценихме компетентността, способностите и обективността на експертите, запознахме се с тяхната работа и пригодността на резултатите като одиторски доказателства за съответните твърдения. Разгледахме данните, които експертите имаха за пълнота и точност и опознахме процеса за определяне на входните данни за изчисление. Сравнихме използваните входни данни за изчисление, включващи дисконтовия процент, темпа на инфлация, тенденциите в заплащането и използваните графики на смъртност, с вътрешни и външни данни и прогнози. Направените от

изпълнителните директори прогнози за правдоподобността на иск и използваните входни данни за изчисление бяха проучени в контекста на други провизии, по-конкретно за вреди и задължения за опазване на околната среда и за съдебни спорове. За отделните региони на Групата прогнозите на изпълнителните директори бяха сравнени с опита, развитието на входните данни с времето, както и наличните външни прогнози. Освен това, проверихме съгласуваността с отчитането вътре в Групата и с отчетите от техническите отдели. За да се оценят рисковете от съдебно преследване, бяха взети справки от централния правен отдел и от съответния външен юрисконсулт и сравнени със счетоводното третиране.

Одиторските ни процедури не породиха резерви по отношение на пълнотата и оценяването на гореспоменатите провизии чрез използване на преценка.

Препратка към свързани оповестявания

Дружеството е предоставило информация за провизиите за пенсии в раздел Принципи на счетоводно отчитане и оценяване и в бележки 44 и 45 от бележките към консолидирания финансов отчет.

4. Разпределяне на цената на закупуване за придобиването на Италчементи

Причини, поради които въпросът е бил определен за основен одиторски въпрос

ХайделбергЦимент Груп придоби 100% от акциите в Италчементи Груп през втората половина на 2016 г. и отчете придобиването като бизнес комбинация в сила от 1 юли 2016 г. В резултат от мащаба и сложността на сделката разпределянето на покупната цена беше все още предварително към 31 декември 2016 г. Разпределянето на покупната цена беше завършено към 30 юни 2017 г. Като част от разпределянето на покупната цена, справедливите стойности на активите и пасивите бяха определени с актуални оценки. Справедливата стойност беше определена с различни модели на оценяване, които бяха приложени според оценяваните активи и пасиви. Оценяването на правата за разработване на кариера беше основано на сложен модел за оценка, изискващ специфична информация за капиталовия пазар. Освен това, предположенията, необходими за годишните кариерни количества се правят на базата на бюджети, бъдещото пазарно развитие и съществуващите кариерни резерви. Използва се преценка за оценяване на имоти, машини и съоръжения, особено по отношение на избора на метода за оценяване, който ще се използва и входните данни, които ще се вземат предвид, зависещи от текущата пазарна среда и прогнозата за бъдещото пазарно развитие. Изпълнителните директори използват преценка за оценяване на непредвидени пасиви във връзка с очаквания размер на иска от съдебни спорове,

особено текущи антитръстови случаи. В тази връзка разпределянето на покупната цена за придобиването на Италчементи беше основен одиторски въпрос.

Отговор на одитора

Външни експерти бяха ангажирани да оценяват правата за разработване на кариера и имоти, машини и съоръжения. Оценихме компетентността, способностите и обективността на експертите, запознахме се с тяхната работа и пригодността на резултатите като одиторски доказателства за съответните твърдения. Разгледахме и данните, предоставени на експертите за пълнота и точност. Проверихме изчисляването на използваните входни данни за оценяване на правата за разработване на мини, особено приложения дисконтов процент, за точност по същество и аритметична точност и ги сравнихме с външните пазарни данни. Оценихме избора на моделите за оценяване, използвани за оценка на имоти, машини и съоръжения по отношение на тяхната приложимост. Сравнихме използваните входни данни и предположения с вътрешните данни в дружеството и външните данни, прогнози и пазарни очаквания. При оценяване на признаването и оценяването на непредвидените пасиви прегледахме основния процес за цялостното идентифициране и оценяване на непредвидените пасиви. Прогнозата на изпълнителните директори за вероятността и размера на евентуалните искове беше преценена с цел оценка на непредвидените пасиви.

Одиторските ни процедури не породиха резерви по отношение на разпределянето на покупната цена за придобиването на Италчементи.

Препратка към свързани оповестявания

Дружеството е предоставило информация за приключване на разпределянето на покупната цена в раздел Обхват на консолидиране от бележките към консолидирания финансов отчет.

Друга информация

Надзорният съвет отговаря за Доклада на Надзорния съвет. Във всяко друго отношение изпълнителните директори отговарят за другата информация. Последната обхваща декларацията за корпоративно управление, съдържаща се в раздел Корпоративно управление на доклада за управление на Групата. Становищата ни по консолидирания финансов отчет и доклада за управление на Групата не се отнасят до другата информация и следователно ние не изразяваме мнение или каквато и да е друга форма на гарантиращ извод по нея. Във връзка с нашия одит отговорността ни е да прочетем другата информация и докато го правим, да преценим дали тя

- Е в съществено противоречие с консолидирания финансов отчет, с доклада за управление на Групата или получените от одита данни; или
- По друг начин се оказва съществено невярна.

Ако въз основа на извършената от нас работа направим извода, че тази друга информация е невярно декларирана, от нас се изисква да докладваме този факт. Нямаме нищо за докладване в тази връзка.

Отговорности на изпълнителните директори и Надзорния съвет за консолидирания финансов отчет и доклада за управление на Групата

Изпълнителните директори носят отговорност за изготвянето на консолидирания финансов отчет, който във всички съществени аспекти спазва МСФО, приети от ЕС и допълнителните изисквания на германското търговско законодателство съгласно Раздел 315e (1) от Германския търговски закон, и че в съответствие с тези изисквания консолидираният финансов отчет дава достоверна и справедлива представа за активите, пасивите, финансовото състояние и финансовите резултати на Групата. Освен това, изпълнителните директори отговарят за създаването на вътрешен контрол, какъвто считат за необходим за изготвянето на консолидиран финансов отчет без съществени неверни данни, независимо дали се дължат на измама или грешка. При изготвяне на консолидирания финансов отчет изпълнителните директори отговарят за оценяване на способността на Групата да продължи като действащо предприятие. Те имат отговорност и за оповестяване, според случая, на въпроси, свързани с действащото предприятие. Също така те са отговорни за финансовото отчитане на базата на счетоводство на действащо предприятие, освен ако е налице намерение за ликвидиране на Групата или прекратяване на дейностите или не съществува реалистична алтернатива на това да го направят. Освен това изпълнителните директори отговарят за изготвянето на доклада за управление на Групата, който като цяло предоставя адекватна представа за състоянието на Групата и във всички съществени аспекти е съгласуван с консолидирания финансов отчет, отговаря на германските законови изисквания и адекватно представя възможностите и рисковете за бъдещо развитие. В допълнение изпълнителните директори носят отговорност за организацията и мерките (системите), които считат за необходими за изготвянето на доклад за управление на Групата, който съответства на действащите в Германия законови изисквания и за да могат да предоставят достатъчно подходящи доказателства за твърденията в доклада за управление на Групата. Надзорният съвет отговаря за надзора на процеса за финансово отчитане на Групата за изготвянето на консолидирания финансов отчет и на доклада за управление на Групата.

Отговорности на одитора за одита на консолидирания финансов отчет и доклада за управление на Групата

Целта ни е да получим разумна гаранция за това, че в консолидирания финансов отчет като цяло няма съществени неверни данни, независимо дали поради измама или грешка, и дали докладът за управление на Групата като цяло дава адекватна представа за състоянието на Групата и във всички съществени аспекти е съгласуван с консолидирания финансов отчет, а получената при одита информация отговаря на германските законови изисквания и адекватно представя възможностите и рисковете за бъдещо развитие, както и да изготвим одиторски доклад, който включва становищата ни по консолидирания финансов отчет и доклада за управление на Групата.

Разумната гаранция е гаранция на високо ниво, но не е гаранция, че одитът, проведен съгласно раздел 317 от Германския търговски закон и Регламента на ЕС за одита и в съответствие с немските общоприети стандарти за одит на финансовите отчети, обнародвани от Institut der Wirtschaftsprüfer (Институт на публичните одитори в Германия) (IDW), винаги ще открие съществени неверни данни. Заявяването на невярна информация може да възникне поради измама или грешка и се счита за съществено, ако уместно би могло да се очаква поотделно или съвкупно да повлияе на икономическите решения на потребителите въз основа на този консолидиран финансов отчет и този доклад за управление на Групата.

Ние правим професионална преценка и поддържаме професионален скептицизъм по време на одита. Също така:

- Идентифицираме и оценяваме рисковете от съществено заявяване на неверни данни в консолидирания финансов отчет, независимо дали поради измама или грешка, създаваме и изпълняваме одитни процедури, отговарящи на тези рискове и получаваме доказателства от одита, достатъчни и адекватни за създаване на база за становищата ни. Рискът от неоткриване на съществено невярно заявление в резултат на измама е по-висок отколкото този в резултат на грешка, тъй като измамата може да включва заговор, фалшификация, умишлени пропуски, неверни изявления или пренебрегване на вътрешния контрол.
- Опознаваме вътрешния контрол, свързан с одита на доклада за управление на Групата, за да създадем одитни процедури, подходящи при дадени обстоятелства, но не с цел изразяване на мнение за ефективността на тези системи.

- Оценяваме уместността на счетоводните политики, използвани от изпълнителните директори и адекватността на направените от тях прогнози и свързани оповестявания.
- Правим заключение доколко е подходящо изпълнителните директори да използват счетоводство на базата на действащо предприятие и въз основа на получените при одита доказателства, дали съществува съществена несигурност, свързана със събития или условия, които могат да хвърлят значителни съмнения върху способността на Групата да продължи като действащо предприятие. Ако стигнем до извода, че е налице съществена несигурност, от нас се изисква в одиторския доклад да привлечем вниманието върху свързаните оповестявания в консолидирания финансов отчет и в доклада за управлението на Групата или, ако тези оповестявания са неадекватни, да променим съответните си становища. Становищата ни се базират върху получените от одита доказателства до датата на одиторския ни доклад. Бъдещи събития или условия могат да доведат до невъзможност за Групата да продължи като действащо предприятие.
- Оценяваме цялостното представяне, структура и съдържание на консолидирания финансов отчет, включително оповестяванията, и дали консолидираният финансов отчет дава достоверна и справедлива представа за активите, пасивите, финансовото състояние и финансовите резултати на Групата в съответствие с МСФО, приети от ЕС и допълнителните изисквания на германското търговско законодателство съгласно Раздел 315e (1) от Германския търговски закон.
- Получаваме достатъчно подходящи доказателства от одита за финансовата информация на юридическите лица или бизнес дейностите в Групата, за да изразем становищата си по консолидирания финансов отчет и по доклада за управление на Групата. Ние носим отговорност за насоката, надзора и резултатите от груповия одит. Наша изключителна отговорност са одиторските ни становища.
- Оценяваме съгласуваността на доклада за управление на Групата с консолидирания финансов отчет, неговото съответствие с германското законодателство и представата, която дава за състоянието на Групата.
- Извършваме одитни процедури на перспективната информация, представена от изпълнителните директори в доклада за управление на Групата. Въз основа на достатъчно подходящи доказателства от одита оценяваме по-конкретно съществените предположения, използвани от изпълнителните директори като основа за перспективната информация и оценяваме уместността на произтичането на тази перспективна информация от споменатите предположения. Не изразяваме отделно мнение за перспективната информация и за използваните като база

предположения. Налице е значителен неизбежен риск, че бъдещите събития ще се различават сериозно от перспективната информация.

Ние поддържаме връзка с лицата, отговорни за управлението относно, наред с други въпроси, планирания обхват и време на одита и съществените резултати от одита, включително съществен недостиг на вътрешен контрол, установен от нас по време на одита.

Също така предоставяме на лицата, отговорни за управлението декларация, че сме спазили съответните изисквания за независимост и обсъждаме с тях всички отношения и други въпроси, които уместно може да се счита, че влияят на нашата независимост и, когато е приложимо, гаранциите в тази връзка.

От въпросите, обсъждани с лицата, отговорни за управлението, определяме тези въпроси, които са от най-голямо значение при одита на консолидирания финансов отчет за текущия период и следователно са основните въпроси за одита. Описваме тези въпроси в одиторския си доклад, освен ако закон или наредба изключват публичното оповестяване на въпроса.

Други законови и регулаторни изисквания

Допълнителна информация съгласно Чл.10 от Регламента на ЕС за одита

Бяхме избрани за одитор на Групата от Годишното общо събрание на 10 май 2017 г. Бяхме ангажирани от Надзорния съвет на 19 юни 2017 г. Ние сме групов одитор на ХайделбергЦимент АГ без прекъсване от финансовата 1948 г.

Декларираме, че изразените в този одиторски доклад становища не противоречат на допълнителния доклад за Одитната комисия съгласно Чл.11 от Регламента на ЕС за одита (одитен доклад в дълга форма).

В допълнение към одита на финансовия отчет сме предоставили на юридическите лица от Групата следните услуги, които не са оповестени в консолидирания финансов отчет или в доклада за управление на Групата:

- Изпращане на гаранционно писмо до ХайделбергЦимент АГ, свързано с актуализацията на програмата за Европейски средносрочни облигации за 10 млрд. €;
- Договорени процедури във връзка със сертификата за съответствие на ХайделбергЦимент АГ;
- Доклади във връзка с EEG (Германския закон за енергия от възобновяеми източници), VerpackV (Германската наредба за опаковките) или членството на ХайделбергЦимент АГ или юридически лица от неговата Група в индустриални сдружения;

- Доброволни одити или прегледи на годишни финансови отчети;
- Непрекъснати данъчни консултантски услуги;
- Данъчни консултантски услуги, свързани с командировки на служителите;
- Разследване на съмнителни случаи и случаи на вреди или загуба.

Германски публичен одитор, отговорен за ангажимента

Германският публичен одитор, отговорен за ангажимента е Хелге-Томас Гратвол.

Щутгарт, 21 март 2018 г.

„Ърнст и Янг" ГмбХ /Ernst & Young GmbH/

Wirtschaftsprüfungsgesellschaft

Зомес	Гратвол
Wirtschaftsprüferin	Wirtschaftsprüfer
[Германски публичен одитор]	[Германски публичен одитор]

Декларация за отговорност

Доколкото ни е известно и в съответствие с приложимите принципи на отчитане, консолидираният финансов отчет дава вярна и точна представа за активите, пасивите, финансовото състояние, печалбата или загубата на Групата, а докладът за управлението на Групата, който е комбиниран с доклада за управлението на ХайделбергЦимент АГ включва точен преглед на развитието и резултатите на бизнеса и състоянието на Групата, заедно с описание на основните възможности и рискове, свързани с очакваното развитие на Групата.

Хайделберг, 21 март 2018 г.

ХайделбергЦимент АГ

Управителен съвет

/положен нечетлив подпис/ /положен нечетлив подпис/ /положен нечетлив подпис/

Д-р Бернд Шайфеле

/положен нечетлив подпис/
Хакан Гурдал

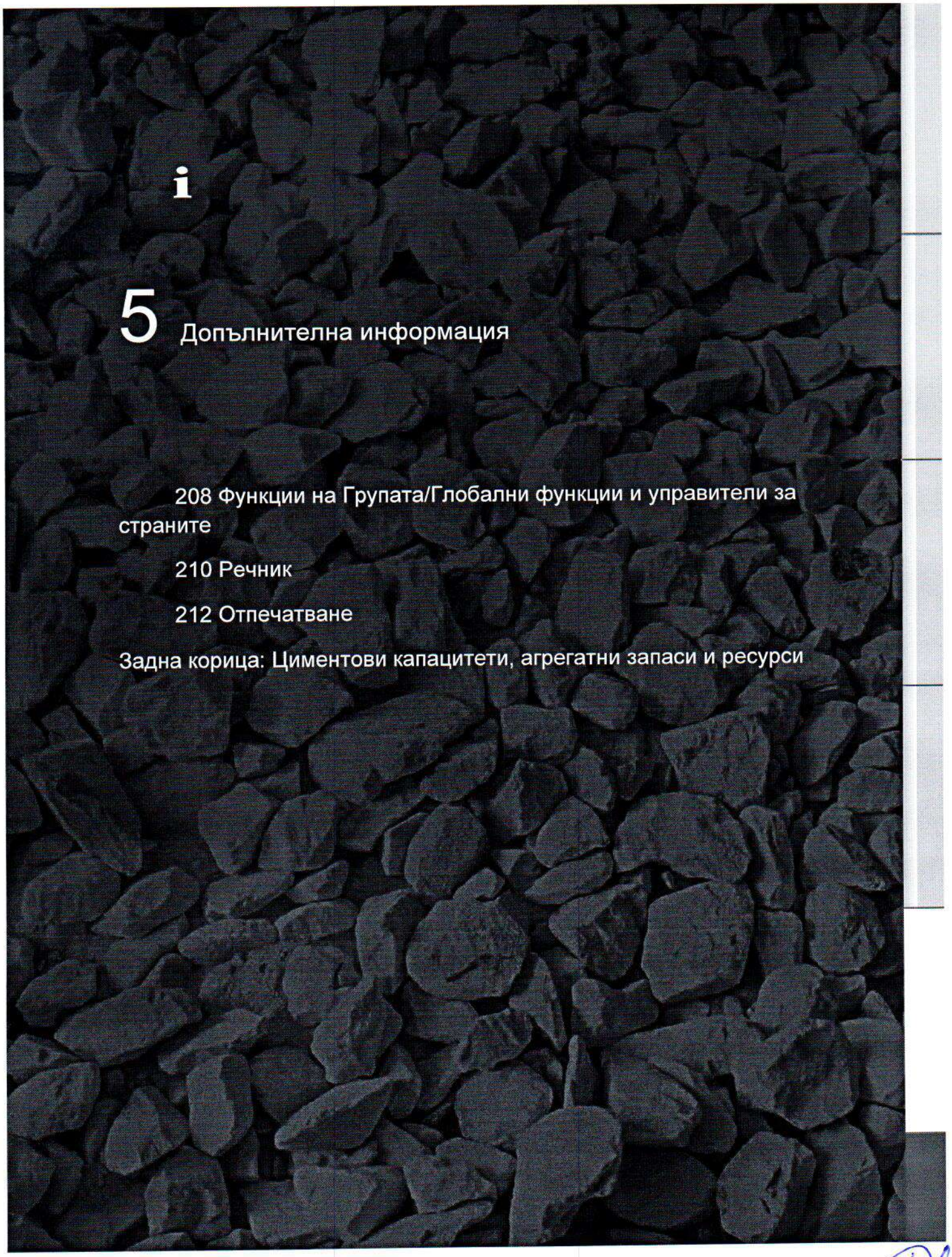
/положен нечетлив подпис/
Д-р Алберт Шойер

Д-р Доминик фон Ахтен

/положен нечетлив подпис/
Джон Мориш

Кевин Глъски

/положен нечетлив подпис/
Д-р Лоренц Негер



5 Допълнителна информация

208 Функции на Групата/Глобални функции и управители за страните

210 Речник

212 Отпечатване

Задна корица: Циментови капацитети, агрегатни запаси и ресурси

Функции на Групата/ Глобални функции и управители за страните

Функции на Групата/в глобален план

Функции на Групата	
Козелка, Ролф	Директор Данъчен отдел на Групата
Ленц, Денис	Директор Информационни технологии на Групата
Плос, Д-р Инес	Директор Покупки на Групата
Розаниго, Матео	Директор Стратегия и развитие на Групата и циментови материали
Сауерланд, Д-р Карстен	Директор Отчитане, контрол и консолидация на Групата
Шалер, Андреас	Директор Комуникация и връзки с инвеститорите на Групата
Шнур, Андреас	Директор Човешки ресурси и съответствие на Групата
Швинд, Клаус	Директор Център за споделени услуги на Групата
Щер, Роланд	Директор Правен отдел на Групата
Суканто, Тю Лие	Директор Вътрешен одит на Групата
Тоборек, Анна	Директор Корпоративни финанси на Групата
Вандерберг, Марк	Директор Застраховане и управление на корпоративните рискове на Групата
Вайг, Северин	Директор Финансов отдел на Групата

Глобален технологичен център на Хайделберг (ТЦХ)	
Гупта, Акилеш	Директор Глобален ТЦХ
Бертола, Арналдо	Президент ТЦХ Северна Америка
Брейър, Робърт	Директор ТЦХ Северна и Източна Европа-Централна Азия
Клауси, Антонио	Директор ТЦХ Африка-Източен Средиземноморски басейн
Конрадс, Аксел	Директор ТЦХ Западна и Южна Европа
Дефалке, Хуан-Франсиско	Директор ТЦХ Азиатско-тихоокеанския регион

Глобални научни изследвания и развитие	
Диенман, Д-р Волфганг	Директор Глобални научни изследвания и развитие

Глобални продуктови иновации	
Боргарело, Енрико	Директор Глобални продуктови иновации

Глобален център за компетентност Материали (ЦКМ)	
Пач, Д-р Оливър	Директор Глобален център за компетентност Материали

Глобален център за компетентност Бетонов център (ЦКБЦ)	
Пиърсън, Тони	Директор Глобален център за компетентност Бетонов център

Глобална екологична устойчивост	
Лукас, Питър	Директор Глобална екологична устойчивост

Глобална логистика	
Мидъндорф, Кей	Директор Глобална логистика

Глобално проучване на пазара и продажби	
Хоган, Дейвид	Директор Глобално проучване на пазара и продажби

Глобален продуктов маркетинг	
Зафарони, Фортунато	Директор Глобален продуктов маркетинг

ХЦ Търговски отдел	
Адигузел, Емир	Главен изпълнителен директор Международна търговия (ХЦ Търговски отдел)

Мениджъри по държави

Западна и Южна Европа		
Белгия / Холандия	Щрайхер, Кристоф	Генерален мениджър Белгия / Холандия
Франция / Белгия / Холандия	Юнон, Жан-Марк	Генерален мениджър Франция / Белгия / Холандия
Германия	Кнел, Кристиян	Генерален мениджър Германия
Италия	Калиери, Роберто	Генерален мениджър Италия
Испания	Ортиз, Хесус	Генерален мениджър Испания
Обединеното кралство	Купър, Даниел	Главен изпълнителен директор Обединеното кралство

Северна и Източна Европа - Централна Азия		
Дания / Естония / Исландия / Латвия / Литва / Норвегия / Швеция	Брантенберг, Гив	Генерален мениджър Северна Европа
Босна и Херцеговина / Хърватия	Муиджа, Бранимир	Генерален мениджър Босна и Херцеговина / Хърватия
България / Гърция / Албания	Коста, Стефано	Генерален мениджър България / Гърция / Албания
Чехия	Чудеж, Карел	Генерален мениджър Чехия
Грузия	Хемпъл, Майкъл	Генерален мениджър Грузия
Унгария	Сарканди, Янош	Генерален мениджър Унгария
Казахстан	Кемпе, Роман	Генерален мениджър Казахстан
Полша	Джелито, Ърнест	Генерален мениджър Полша
Румъния	Алдеа, Д-р Флориан	Генерален мениджър Румъния
Русия	Полендаков, Михаил	Генерален мениджър Русия
Украйна	Тиеде, Силвио	Генерален мениджър Украйна

Северна Америка	
Долан, Денис	Регионален президент Север
Хелър, Глен	Регионален президент Юг
Фриц, Даниел	Регионален президент Запад
Уорд, Крис	Регионален президент Канада

Азиатско-тихоокеанския регион		
Австралия	Шахт, Фил	Главен изпълнителен директор Австралия
Бангладеш / Бруней	Угарте, Марчелино	Генерален мениджър Бангладеш & Бруней
Китай	Джамар, Жан-Клод	Главен изпълнителен директор Китай
Индия	Купър, Джамшед	Главен изпълнителен директор и Управителен директор Индия
Индонезия	Картуиджая, Крисчън	Главен изпълнителен директор Индонезия
Малайзия	Торнтън, Джон	Генерален мениджър Малайзия
Тайланд	Деалберти, Клаудио	Генерален мениджър Тайланд

Африка-Източен Средиземноморски басейн		
Бенин / Буркина Фасо / Того	Гулинак, Ерик	Генерален мениджър Бенин / Буркина Фасо / Того
ДР Конго / Мозамбик / Южна Африка / Танзания	Велез, Алфонсо	Генерален мениджър ДР Конго / Мозамбик / Южна Африка / Танзания
Египет	Магрина, Хосе Мария	Генерален мениджър Египет
Гамбия / Гана / Либерия / Сиера Леоне	Гейд, Мортен	Генерален мениджър Гамбия / Гана / Либерия / Сиера Леоне
Израел	Приел, Елиезер	Генерален мениджър Израел

Мароко / Мавритания	N.N	Генерален мениджър Мароко / Мавритания
Турция	Сариер, Шахап	Генерален мениджър Турция

Речник

Агрегати
Агрегати под формата на пясък, чакъл и трошен камък се използват главно за производството на бетон или за строителство и поддръжка на пътища.

Алтернативни горива
Възпламеними вещества и материали, използвани вместо изкопаеми горива в процеса на горене на клинкер.

Алтернативни суровини
Вторични или отпадъчни продукти от други индустрии, чиито химически компоненти ги правят подходящи заместители на природните суровини. Алтернативните суровини се използват както в производството на клинкер – най-важният междинен продукт при производството на цимент, така и като добавки при смилането на цимента, за да се опазят природните суровинни ресурси и да се намали дела на енергоемкия клинкер в цимента – крайния продукт.

Асфалт
Асфалтът се произвежда от смес от фракционирани агрегати, пясък, пълнител и битум. Използва се предимно за строителство и поддръжка на пътища.

Биоразнообразие
Биоразнообразието или биологичното разнообразие е генетичното разнообразие в рамките на вида, разнообразието между видовете и разнообразието на екосистемите.

Доменна шлака
Фино смлян, стъкловиден вторичен продукт от производството на стомана. Добавка за цимент.

Цимент
Цементът е хидравлично свързващо вещество, т.е. фино смлян неорганичен материал, който се утаява и втвърдява при химическо взаимодействие с вода и има тези свойства и под вода. Цементът се използва главно за производство на бетон. Той свързва пясъка и чакъла в здрава маса.

Мелница за цимент
Смилането на цимента е последният етап от процеса на производство на цимент. В мелниците за цимент клинкерът се смила на цимент като се добавят гипс и анхидрит, както и други добавки като варовик, доменна шлака или летлива пепел в зависимост от вида на цимента.

Инициатива за устойчиво развитие на циментопроизводството
ХайделбергЦимент е учредител на Инициативата за устойчиво развитие на циментопроизводството – сдружение на 25 водещи производители на цимент в света за рекламиране на устойчивото развитие под егидата на Световния бизнес съвет за устойчиво развитие.

Клинкер (циментов клинкер)
Междинен продукт в процеса за производство на цимент, който се получава чрез нагряване на фино смляна суровинна смес до около 1450 °C в циментовата пещ. За производството на цимент сивкаво-черните гранули се смилат изключително фино. Клинкерът е основната съставка на повечето видове цимент.

Търговски книжа
Ценни книги на предявител, издадени от дружества в рамките на Програма за търговски книжа за задоволяване на краткосрочни финансови нужди.

Композитен цимент
При композитните цименти част от клинкера се заменя от алтернативни суровини, обикновено вторични продукти от други индустрии, като доменна шлака или летлива пепел. Намаляването на дела на енергоемкия клинкер в цимента е от изключителна важност за намаляване на потреблението на електроенергия и емисиите на CO_2, както и за съхраняване на природните суровини.

Бетон
Строителен материал, който се произвежда чрез смесване на цимент, агрегати (чакъл, пясък или трошен камък) и вода.

Динамично съотношение между собствен и зает капитал
Съотношение на нетния дълг в резултат от текущи операции преди амортизация (RCOBD).

Програма за средносрочни ценни книжа в €
Програмата за средносрочни ценни книжа в € представлява рамков договор между дружеството и банките, определени за дилъри. ХайделбергЦимент има опцията да емитира дългови облигации на стойност до 10 млрд. € по Програмата за средносрочни ценни книжа в €.

Летлива пепел
Твърд, възпламеним остатък на частици от ТЕЦ. Добавка за цимент.

Инсталация за смилане
Инсталацията за смилане е съоръжение в производството на цимент без процес на горене на

клинкера. Доставеният клинкер и избраните добавки според вида на цимента се смилат на цимент. Инсталациите за смилане работят на места, където няма удобни залежи на суровини за циментовото производство.

Нетен дълг
Сумата на всички нетекущи и текущи финансови пасиви минус пари и парични еквиваленти и краткосрочни деривативи.

Рейтинг (кредитен риск)
Класификация на кредитната позиция на дълговите инструменти и техните емитенти. С8пециализирани агенции като Moody's Investors Service, Fitch Ratings и S&P Global Rating извършват тези рейтинги. Рейтингите варират от AAA или Aaa като най-високата кредитна позиция, до C или D- като най-ниската.

Готова бетонна смес
Бетонът, който се произвежда в съоръжения за готова бетонна смес и се транспортира до строителните обекти с бетоновози за готова смес.

Резултат от текущи операции преди/след амортизация
Резултатът от текущи операции преди амортизация (RCOBD) и резултатът от текущи операции (RCO) съответстват на оперативния приход преди амортизация (OIBD) и оперативния приход (OI), отчетен през предходните години. Промяната на наименованието става поради прилагането на Директивата за Европейския орган за ценни книжа и пазари.

Устойчивост
Устойчивото развитие означава развитие, което отговаря на икономическите, екологичните и социалните нужди на хората, които живеят днес, без да се застрашава възможността на бъдещите поколения да отговарят на техните собствени нужди.

Синдикиран заем
Заем с голям размер, който е разпределен („синдикиран") между няколко кредитодателя с цел разпределяне на риска.

Отпечатване

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ХайделбергЦимент АГ
Берлинер Щрасе 6
69120 Хайделберг, Германия

Концепция и реализация
Комуникация в Групата и връзки с инвеститорите ХайделбергЦимент
ServiceDesign Werbeagentur GmbH, Хайделберг, Германия
Target Languages GmbH, Досенхайм, Германия
abcdruck GmbH, Хайделберг, Германия

Снимки

Матиас Мюлер, Ilvesheim, **Германия, стр. 3, 8, и 14/15**

Превод на годишния доклад за 2017 г. Версията на немски език е с по-голяма стойност.

Копия от финансовите отчети на ХайделбергЦимент АГ за 2017 г. и допълнителна информация са налични при поискване. Можете да намерете този Годишен отчет и допълнителна информация за ХайделбергЦимент в интернет: www.heidelbergcement.com.

Контакти:
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Годишният доклад за 2017 г. е публикуван на 22 март 2018 г.

Финансов календар 2018 г.	
Междинен финансов отчет от януари до март 2018 г.	9 май 2018 г.
Годишно Общо събрание	9 май 2018 г.
Шестмесечен финансов отчет от януари до юни 2018 г.	31 юли 2018 г.
Междинен финансов отчет от януари до септември 2018 г.	8 ноември 2018 г.

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ХайделбергЦимент по света – циментови капацитети и агрегатни запаси и ресурси

Циментови капацитети	**Милиони тона**
Западна и Южна Европа	
Белгия	4.0
Франция	7.7
Германия	11.0
Италия	11.1
Холандия	4.4
Испания	2.6
Обединеното кралство	6.3
	47.1
Северна и Източна Европа - Централна Азия	
България	2.2
Чехия	2.6
Естония	1.2
Гърция	0.8
Казахстан	4.0
Норвегия	1.8
Полша	5.4
Румъния	6.4
Русия	5.4

Швеция	3.2
Украйна	4.2
	37.2
Северна Америка	
Канада	3.8
САЩ	13.4
	17.2
Азиатско-Тихоокеански регион	
Бангладеш	2.5
Бруней	0.4
Индия	12.4
Индонезия	24.9
Тайланд	5.9
	46.1
Африка-Източен Средиземноморски басейн	
Бенин	0.6
Буркина Фасо	0.8
ДР Конго	0.8
Египет	11.5
Гана	4.4
Либерия	0.5
Мавритания	0.3
Мароко	4.8
Мозамбик	0.4
Сиера Леоне	0.6
Танзания	2.1
Того	1.1
	27.9
Общо ХайделбергЦимент	**175.5**

1) Оперативен капацитет, базиран на 80% използване на календарния период

Циментови капацитети на съвместните предприятия [2)]	**Милиони тона**
Австралия	2.7
Босна и Херцеговина	0.4
Китай	8.0
Грузия	2.1
Унгария	1.7
Турция	3.8
САЩ (Тексас)	0.6
Общо за съвместните предприятия	19.3

ХайделбергЦимент вкл. съвместните предприятия	**194.8**

2) Циментови капацитети според нашето участие

Агрегатни запаси и ресурси [3)]			
Милиарди тонове	Запаси	Ресурси	**Общо**
Западна и Южна Европа	1.7	1.9	**3.5**
Северна и Източна € Европа - Централна Азия	0.8	0.6	**1.4**
Северна Америка	4.1	8.0	**12.1**
Азиатско-тихоокеанския регион	1.2	1.5	**2.8**
Африка-Източен Средиземноморски басейн	0.03	0.07	**0.1**
Общо за ХайделбергЦимент	7.8	12.1	**19.9**

[1)] Определени в стандарт за отчитане на PERC (Паневропейския комитет за отчитане на резерви и ресурси) за минерални резерви и ресурси, виж страница 80 f. в Доклада за рисковете.

ХайделбергЦимент АГ

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Подписаната Мария Пламенова Русева, удостоверявам единствено верността на извършения от мен превод от английски език на български език на приложения документ: Годишен доклад за 2017г. на ХайделбергЦимент без да удостоверявам верността на приложения тук оригинал. Преводът се състои от 343 страници.

Преводач: Мария Пламенова Русева

НА 29-06-2018 Валентина Ангелова
НОТАРИУС В РАЙОН София РС
РЕГ. № 055 НА НОТАРИАЛНАТА КАМАРА, УДОСТОВЕРЯВА,
ПОДПИСИТЕ ПОД ТОЗИ ДОКУМЕНТ ПОПОЖЕНИЯТ
Мария Пламенова Русева
С ВЪЗВЕЖИТЕЛСТВО № 1124 София
Рег. № 1124 СЪБРАНА ТАКСА 6,00 лв.
29-06-2018 НОТАРИУС

НОТАРИУС ВАЛЕНТИНА АНГЕЛОВА № 055 РАЙОН НА ОКРЪЖЕН СЪД РЕПУБЛИКА БЪЛГАРИЯ

ANNUAL REPORT



HEIDELBERGCEMENT

Financial highlights

Figures in €m	2011	2012	2013	2014	2015	2016*	2017
Number of employees as at 31 December	52,526	51,966	45,169	44,909	45,453	60,424	**59,054**
Sales volumes							
Cement and clinker (million tonnes)	87.8	89	78.1	81.8	81.1	102.8	**125.7**
Aggregates (million tonnes)	254.1	243	230.6	243.6	249.2	272.0	**305.3**
Ready-mixed concrete (million cubic metres)	39.1	39.1	34.9	36.6	36.7	42.5	**47.2**
Asphalt (million tonnes)	9.5	8.6	8.4	9.3	9.1	9.4	**9.6**
Income statement							
Total Group revenue	12,902	14,020	12,128	12,614	13,465	15,166	**17,266**
Result from current operations before depreciation and amortisation (RCOBD[1])	2,321	2,477	2,224	2,288	2,613	2,887	**3,297**
Result from current operations (RCO[2])	1,474	1,604	1,519	1,595	1,846	1,928	**2,188**
Profit for the financial year	534	529	933	687	983	831	**1,058**
Group share of profit	348	285	736	486	800	657	**918**
Dividend per share in €	0.35	0.47	0.6	0.75	1.30	1.60	**1.90**[3]
Earnings per share in €	1.86	1.52	3.93	2.59	4.26	3.40	**4.62**
Investments							
Investments in intangible assets and PP&E	874	831	861	941	908	1,040	**1,035**
Investments in financial assets	85	35	379	184	94	2,999	**243**
Total investments	959	866	1,240	1,125	1,002	4,039	**1,278**
Depreciation and amortisation	847	873	704	693	767	959	**1,109**
Free cash flow							
Cash flow from operating activities	1,332	1,513	1,167	1,480	1,449	1,874	**2,038**
Cash flow from investing activities	-758	-582	-1,037	-973	493	-2,321	**-837**
Balance sheet							
Equity (incl. non-controlling interests)	13,569	13,708	12,514	14,245	15,976	17,792	**16,052**
Balance sheet total	29,020	28,008	26,276	28,133	28,374	37,120	**34,558**
Net debt	7,868	7,092	7,352	6,957	5,286	8,999	**8,695**
Ratios							
RCOBD[1] margin	18.0 %	17.7 %	18.3 %	18.1 %	19.4 %	19.0 %	**19.1 %**
RCO[2] margin	11.4 %	11.4 %	12.5 %	12.6 %	13.7 %	12.7 %	**12.7 %**
Net debt / equity (gearing)	58.0 %	51.7 %	58.7 %	48.8 %	33.1 %	50.6 %	**54.2 %**
Net debt / RCOBD	3.39x	2.86x	3.31x	3.04x	2.02x	3,12x	**2,64x**

* Amounts were restated, see the Notes on page 124 f.

1) RCOBD = Result from current operations before depreciation and amortisation

2) RCO = Result from current operations

3) The Managing Board and Supervisory Board will propose to the Annual General Meeting on 9 May 2018 the distribution of a cash dividend of €1.90.

Overview of Group areas

Figures in €m	2016	2017
Western and Southern Europe		
Revenue	3,928	**4,701**
Result from current operations before depreciation and amortisation[1)]	526	**613**
Investments in property, plant, and equipment	297	**327**
Employees as at 31 December	15,781	**15,497**
Northern and Eastern Europe-Central Asia		
Revenue	2,425	**2,836**
Result from current operations before depreciation and amortisation	445	**539**
Investments in property, plant, and equipment	124	**144**
Employees as at 31 December	13,107	**13,531**
North America		
Revenue	4,027	**4,345**
Result from current operations before depreciation and amortisation[1)]	978	**1160**
Investments in property, plant, and equipment	301	**274**
Employees as at 31 December	8,444	**8,726**
Asia-Pacific		
Revenue	2,907	**3,155**
Result from current operations before depreciation and amortisation[1)]	705	**652**
Investments in property, plant, and equipment	215	**209**
Employees as at 31 December	14,956	**14,039**
Africa-Eastern Mediterranean Basin		
Revenue	1,314	**1,586**
Result from current operations before depreciation and amortisation[1)]	327	**367**
Investments in property, plant, and equipment	102	**81**
Employees as at 31 December	7,602	**6,856**
Group Services		
Revenue	1,078	**1,301**
Result from current operations before depreciation and amortisation[1)]	24	**31**
Investments in property, plant, and equipment		
Employees as at 31 December	534	**405**

1) 2016 amount was restated

Financial highlights | Overview of Group areas →

1 – To our shareholders

3 Letter to the shareholders
8 Report of the Supervisory Board
14 Managing Board
16 HeidelbergCement in the capital market

2 – Combined management report of HeidelbergCement Group and HeidelbergCement AG

20 Fundamentals of the Group
28 2017 economic report
50 Additional statements
53 Non-financial statement
54 Employees and society
59 Environmental responsibility
63 Compliance
65 Procurement
66 Outlook
73 Risk and opportunity report

3 – Corporate Governance[1)]

86 Corporate Governance statement
89 Remuneration report
98 Supervisory Board and Managing Board

4 – Consolidated financial statements

103 Consolidated income statement
104 Consolidated statement of comprehensive income
105 Consolidated statement of cash flows
106 Consolidated balance sheet
108 Consolidated statement of changes in equity
110 Segment reporting/part of the Notes
112 Notes to the 2017 consolidated financial statements
200 Independent auditor's report
206 Responsibility statement

5 – Additional information

208 Group/Global functions and Country Managers
210 Glossary
212 Imprint
Back Cover: Cement capacities as well as aggregates reserves and resources

1) Part of the combined management report of HeidelbergCement Group and HeidelbergCement AG

1 To our shareholders

3 Letter to the shareholders

8 Report of the Supervisory Board

14 Managing Board

16 HeidelbergCement in the capital market
16 Overview
16 Development of the HeidelbergCement share
17 Earnings per share
17 Dividend
17 Shareholder structure and trading volume
18 Bonds and credit ratings
18 Investor Relations



Dr. Bernd Scheifele, Chairman of the Managing Board

Dear Shareholders, Dear Employees and Friends of HeidelbergCement,

In 2017, HeidelbergCement once again delivered what it had promised at the start of the financial year:

- Sales volumes, revenue, and result from current operations improved in comparison with the previous year and reached historic highs despite significantly negative exchange rate effects.
- Earnings per share rose disproportionately by 36 % in spite of a substantial negative non-recurring effect connected with the US tax reform.
- We reduced net debt considerably and improved the key financial ratios.
- Once again, we earned a premium on our cost of capital.

We are particularly satisfied with our achievements in 2017 because the external conditions were challenging.

Worldwide, our operating units faced a rapid and significant rise in energy prices. We responded quickly and consistently to this challenge by optimising the fuel mix in our plants and by successfully implementing additional price increases in many countries.

In our most important market, the USA, the extreme weather conditions in some regions posed a particularly tough challenge. The two hurricanes Harvey and Irma as well as extremely wet weather on the west coast of the USA affected our business activities considerably.

In Europe, the uncertainty surrounding the continuing Brexit discussions had a negative impact, especially in our core market of London, and led to a significant decline in income for our British subsidiary.

In our Asian core markets of Indonesia, Thailand, and Malaysia, we encountered sustained competitive pressure.

Finally, the surprising strength of the euro resulted in considerable exchange rate losses.

For the capital markets, 2017 was a successful year. The HeidelbergCement share performed positively, and at €90.25 at the end of December 2017 was €1.62 (+1.8 %) higher than the closing price of 2016. Although this figure was below the development of the German benchmark index DAX (+12.5 %) in the last year, over the last four years we significantly exceeded both the DAX (+31 %) and the MSCI World Construction Materials Index (+22 %) with an increase of 49 % in our share.

2017 – new record figures

In its history stretching back over 140 years, HeidelbergCement has never sold more cement, concrete, gravel, and sand than in 2017. New record figures were also achieved in revenue and result from current operations.

In 2017, Group revenue increased to €17.3 billion, corresponding to a rise of 14 %. After adjustment for exchange rate effects and changes in the scope of consolidation, revenue was 2 % higher than in the previous year. Result from current operations rose by €261 million (+14 %) to €2,188 million; on a comparable basis, the increase amounted to 10 %. The additional ordinary result improved by €191 million in comparison with the previous year. This primarily reflects the fact that the restructuring costs for the integration of Italcementi were lower than originally planned.

The financial result improved by €102 million to €-391 million. This improvement was largely due to lower interest expenses and the elimination of charges in the other financial result.

The tax expense increased by €292 million in comparison with the previous year to €606 million, particularly as a result of non-recurring, non-cash charges connected with the US tax reform. We expect to benefit from the US tax reform from the 2019 financial year.

The profit for the financial year rose by €227 million to €1.1 billion. The development of the earnings per share was particularly pleasing; it improved from €3.40 to €4.62. At 36 %, the increase in earnings per share was significantly higher than the revenue growth. This sends a clear message: we have fulfilled the promise we made when we announced the Italcementi acquisition, which was to build shareholder values!

Net debt was reduced by €304 million to €8,695 million. The strength of the euro had a negative impact of approximately €381 million on net debt. At 2.6x, the dynamic gearing ratio is close to the target of 2.5x that was communicated to the capital market. On the basis of these strong operating figures and our disciplined financial management, we have once again earned a premium on our cost of capital.

In view of the positive development of our business and the considerable growth in profit for the financial year, the Managing Board and Supervisory Board will propose to the Annual General Meeting on 9 May 2018 an increase in the dividend from €1.60 per share to €1.90 per share, corresponding to a rise of 18.8 %. By proposing the eighth consecutive increase, we are continuing our progressive dividend policy. The proposed dividend represents a new record figure in the history of HeidelbergCement. Furthermore, we reaffirm the target we communicated to the capital market of achieving a payout ratio of 40 % to 45 % for the 2019 financial year.

Italcementi integration successfully completed

In 2017, we successfully completed the ambitious task of integrating the global activities of Italcementi to a large extent. The following figures illustrate this clearly: When the transaction was concluded in 2015, we originally anticipated that synergies of around €175 million would be realised by the 2018 financial year. In 2016, we increased our synergy target to €470 million by the end of 2018. We have now exceeded this target in two ways: at the end of the 2017 financial year we had realised €513 million of synergies – and this was a year earlier than planned! This makes two things clear: Without the synergies from the Italcementi integration, the increase in income during this financial year would not have been possible. The growth of 36 % in the earnings per share clearly illustrates that the very

successful and rapid integration of Italcementi contributed significant added value for our shareholders. This value creation is also reflected in the non-recurring costs for integration and restructuring of approximately €345 million, which are lower than for similar transactions.

Continuing portfolio optimisation
In 2017, we pressed ahead consistently with our global portfolio optimisation. We sold several activities that did not meet our return requirements or did not form part of our core business. This includes the sale of our sand-lime brick business in Germany, the disposal of our activities in Saudi Arabia, the sale of the white cement business in Belgium, and the deconsolidation of our Georgia activities. In addition, we initiated the sale of our white cement production facilities in the USA and Egypt.

At the same time, we further expanded our market positions in key countries thanks to a series of acquisitions. With the successful takeover of Cementir Italia, Italcementi has continued to strengthen its market leadership in Italy. We assume that this acquisition will bring considerable synergy effects over the next few years. In the USA, we expanded our market position by acquiring the activities of our Mexican competitor Cemex in the Seattle/Portland area. Furthermore, in the US state of New York, we acquired one of the leading aggregates and ready-mixed concrete companies in the region, Saunders Companies.

Sustainability – an integral part of the Group strategy
Sustainable business is an integral part of our Group strategy. In 2017, we introduced our Sustainability Commitments 2030, which define the key topics and principles for HeidelbergCement's future sustainability strategy. These focus on the following six areas:

- Economic strength and innovation
- Occupational health and safety
- Ecological footprint
- Circular economy
- Relationships with our neighbours
- Compliance with legal standards and transparency

We have made a commitment to accept our share of the global responsibility to limit the worldwide rise in temperature to below 2° C.

In operational terms, we have made significant progress in occupational safety and environmental protection. We have reduced the accident frequency rate in our core business by 21 % and decreased specific net CO_2 emissions. We are working continuously to minimise the risks for our employees, contractors, and third parties and to achieve our goal of "zero harm", which we also set out in our Sustainability Commitments 2030. Furthermore, we are continuing to invest in reducing our emissions, for example in connection with the Germany Cement Master Plan.

Change and digitisation
Being sustainably successful also means not shying away from the change in society and technology but playing an active role in shaping it. Digitisation is increasingly changing the way in which we communicate with our customers and manage and optimise our processes. HeidelbergCement is on track to actively shape this change. In 2017, we modernised our IT structures and also repositioned ourselves for the future topics of digital transformation and digital disruption, regarding our organisation and personnel. We develop digital solutions for all steps along our value chain, from purchasing through production and logistics to sales and finance. In addition, we are currently developing an online portal for our customers and aim to start introducing it worldwide in the second half of the year. We place particularly high value on involving managers and employees in these change processes from the outset and preparing them adequately for the new challenges.

Thanks to our employees

Our employees worldwide had to face many new and unexpected challenges in 2017. Their strong personal dedication and unconditional loyalty to our Group are major strengths of HeidelbergCement. On behalf of myself and all my colleagues on the Managing Board, I would like to express our sincere gratitude and appreciation. Special thanks also go to the employee representatives, who in line with the HeidelbergCement philosophy cooperated very closely, openly, and trustingly with the Managing Board for the benefit of our Group.

Strategic priorities remain unchanged

The strategic priorities defined in 2015 still apply:

- Shareholder returns
- Continuous growth

To achieve these goals, we rely on strict investment discipline, a solid investment grade, a progressive dividend policy, and operational excellence in our day-to-day activities. To implement these goals, we concentrate on three areas:

- Increasing free cash flow
- Achieving adequate growth in selected markets
- Generating an attractive rate of return for our shareholders

Sustainability in our activities is important to us: for our shareholders, customers, employees, suppliers, and business partners, for society, and for preserving the environment. Consequently, we integrate economic, ecological, and social goals into our business strategy.

In the last few years, HeidelbergCement has impressively demonstrated that by consistently implementing these strategic priorities, we create long-term value for our shareholders. For the period from 2014 to 2017, we achieved a compound annual growth rate (CAGR) of 21 % in the earnings per share. At the same time, we raised the dividend by 36 % per year on average, thus offering our shareholders a disproportionately high share in our success.

Outlook for 2018

We are confident about 2018. The outlook for the global economy is positive. Nevertheless, major macroeconomic and particularly geopolitical risks still exist. An escalation of the conflicts in the Middle East, Ukraine, or with North Korea could have a rapid and substantial negative impact on the business environment. An accelerated interest rate rise in the USA could lead to significant devaluations of the currencies in emerging countries.

HeidelbergCement will benefit from the good and stable economic development in the industrial countries, above all in the USA, Canada, Germany, the countries of Northern Europe, and Australia. The continued economic upturn, particularly in the countries of Eastern Europe, as well as in France, Spain, and – somewhat less pronounced – in Italy, will also be to our advantage. These markets generate over 75 % of our revenue. In the growth countries such as Egypt, Indonesia, Thailand, India, and Morocco, as well as in Western and Eastern Africa, we anticipate an ongoing economic recovery.

We expect increasing sales volumes of our core products cement, aggregates, and ready-mixed concrete.

In terms of costs, we anticipate a further rise in the prices of energy and raw materials; in contrast, the personnel costs within the Group will only increase moderately.

Our global programmes to optimise costs and processes as well as increase margins will be consistently pursued in 2018. These include the Continuous Improvement programmes for the aggregates ("Aggregates CI"), cement ("CIP"), and concrete ("CCR") business lines, as well as "FOX" for purchasing. As in previous years, we expect these programmes to contribute significantly to further improving our efficiency and result.

On the basis of these assumptions, the Managing Board has set the goal of moderately increasing revenue and result from current operations before exchange rate and consolidation effects. We anticipate a noticeable rise in earnings per share. HeidelbergCement is globally well positioned for sustainable and profitable growth. Our strategy is clear: to achieve continuous growth, create long-term value for our shareholders, and safeguard high-quality jobs. We are on track!

Yours sincerely,



Dr. Bernd Scheifele
Chairman of the Managing Board

Heidelberg, 22 March 2018



Fritz-Jürgen Heckmann, Chairman of the Supervisory Board

Report of the Supervisory Board

Ladies and Gentlemen,

The 2017 financial year developed very positively. HeidelbergCement benefited from the strong economic development in various countries and achieved pleasing levels of results, particularly in North America, Germany, Northern and Eastern Europe, Morocco, and Australia. The countries of Southern Europe showed clear signs of a recovery. Although economic environment in the emerging countries of Africa and Asia remained difficult, a reversal of the trend has also recently become apparent here. HeidelbergCement has successfully continued to work on consistent cost management and operational efficiency and has responded to market changes on a timely basis. In particular, a prompt adjustment of the energy mix limited the impact of the rise in energy prices. The successful integration of Italcementi and the synergy effects achieved during this process also contributed to the positive development of results. Following the upgrading of HeidelbergCement's credit quality by the rating agencies S&P Global Ratings, Moody's, and Fitch to the premium standard investment grade at the start of November 2016, the company was able to refinance numerous liabilities on significantly better terms, leading to a considerable improvement in HeidelbergCement's financial result. On a comparable pro forma basis, i.e. taking into account the contributions of Italcementi since the beginning of 2016 and without taking into account consolidation and exchange rate effects, the result from current operations increased as forecast. In the 2017 financial year, the earnings per share rose by 36 % to €4.62.

Consultation and monitoring

The Supervisory Board firmly supported the aforementioned development and discussed it with the Managing Board at the ordinary and extraordinary meetings of the plenary session and its committees as well as through contact outside the scheduled meetings. Additionally, it received regular and detailed reports, both in writing and verbally, about the intended business policy, fundamental issues regarding financial, investment, and personnel planning, the progress of business, and the profitability of the Group. All deviations of the actual business development from the plans were explained in detail by the Managing Board. In particular, the Managing Board agreed the Group's strategy with the Supervisory Board. The Supervisory Board was directly involved in all decisions of fundamental importance to the Group. Investment projects and financing matters requiring authorisation were presented by the Managing Board and discussed before decisions were made. The Supervisory Board is satisfied that the Managing Board has installed an effective risk management system capable of recognising at an early stage any developments that could jeopardise the survival of the Group. The Supervisory Board has also had this certified by the auditor. Furthermore, it is satisfied as to the effectiveness of the compliance programme, which guarantees Group-wide compliance with the law and with internal

guidelines. In the relevant meetings, the responsible line managers of the Group below Managing Board level were available together with members of the Managing Board to provide information to the Audit Committee and to answer questions. Outside the scheduled meetings and without the participation of the Managing Board, the Chairman of the Supervisory Board and the Chairman of the Audit Committee discussed topics relating to the audit in detail with the auditor. The Chairman of the Supervisory Board was also in regular contact with the Chairman of the Managing Board outside the scheduled meetings. In summary, it is evident that the Supervisory Board has duly fulfilled the duties incumbent upon it under the law, the Articles of Association, the Rules of Procedure, and the German Corporate Governance Code.

Topics of discussion in the meetings of the Supervisory Board and its committees

The plenary session of the Supervisory Board convened at five ordinary meetings and one extraordinary meeting during the reporting year. The Audit Committee and the Personnel Committee both met twice. The Arbitration Committee, formed in accordance with section 27(3) of the German Codetermination Law, did not need to meet. In addition, the Audit Committee held three conference calls during the reporting year to discuss the relevant quarterly reports in detail prior to their publication. The results of the committees' meetings were reported at the subsequent plenary sessions. Members of the Supervisory Board and its committees are listed in the Corporate Governance chapter on ↗ page 98 f.

There was a pleasing attendance rate of 100% at the plenary sessions and the committees' meetings. This once again exceeds the very high attendance rate of the Supervisory Board members at the previous year's meetings. The sessions in the first half of 2017 dealt, amongst other things, with the adoption of the 2016 annual financial statements and consolidated financial statements, the approval of the 2017 operating plan, and preparations for the 2017 Annual General Meeting, in addition to regular reporting on the business trends and status of net debt, as well as resolutions on Corporate Governance issues, including decisions on the variable elements of the Managing Board remuneration.

The Supervisory Board has received ongoing, detailed reports on the progress made in the integration of the Italcementi activities and the achievement of the synergy goals connected with this process. In the opinion of the Supervisory Board, the fact that synergy targets were exceeded is clear evidence of the integration capabilities and business potential of HeidelbergCement.

Both the Supervisory Board and its Audit Committee once again addressed financing decisions during the reporting year. These included the conclusion of a loan agreement with the European Investment Bank for the provision of funds to modernise the cement plant in Schelklingen as part of the Germany Cement Masterplan mentioned in the last report of the Supervisory Board, as well as for research into and development of innovative products and production processes. In the next few years, considerable investments will be made in Schelklingen for the purposes of modernisation, efficiency improvement, and environmental protection. The Supervisory Board approved the extension of the €3 billion syndicated loan provided by various banks on improved terms. In addition, the Supervisory Board approved the issue of three bonds under the Euro Medium Term Note programme created in the mid-1990s, which allows the company to issue bonds to the capital market. The three bonds amount to €750 million with a term of four years, €1 billion with a term of nine years, and €500 million with a term of ten years. In 2017, the prospectus that underpins Euro Medium Term Note programme was comprehensively amended due to the acquisition of Italcementi in November 2016 and updated on the basis of the 2016 Annual Report.

The company is therefore ideally prepared to secure financing for its business transactions in the short, medium, and long term. The Supervisory Board welcomes and encourages the request of the Managing Board to refinance expiring financial instruments at current favourable interest conditions, thereby continuing to improve the financial result.

The Supervisory Board acknowledged that the maturity profile of the liabilities shows its usual balanced structure and that the company also earned a premium on invested capital (ROIC) immediately after the Italcementi acquisition. It encouraged the Managing Board in its efforts to keep the dynamic gearing ratio in the investment grade target range and steadily reduce it in the future. HeidelbergCement's long-term strategy was also a regular subject of the discussions of the Supervisory Board. At all its meetings, the Supervisory Board discussed with the Managing Board the major investments, divestments, and portfolio optimisations affecting the strategic goals of profitable growth of HeidelbergCement and a

further improvement of the balance sheet structure. The programmes introduced by the Managing Board for continuous improvement of the company's operational excellence along the value chain were also a topic of the Supervisory Board discussions. In 2017, the Supervisory Board focused in particular on the issue of digitisation and its impact on the business of our company. In its extraordinary strategy meeting in September 2017, the Supervisory Board dealt intensively with the strategic challenges for HeidelbergCement in connection with the digitisation of the industry (HeidelbergCement 4.0) as well as additional strategic requirements following the acquisition of Italcementi. In the future, digitisation will impact every stage of the value chain. The Supervisory Board supports the Managing Board in developing and implementing suitable strategies to prepare HeidelbergCement for these challenges. In November 2017, the Supervisory Board members collectively took part in a workshop on the topic of sustainability, which remains an important strategic goal of HeidelbergCement.

In its meetings, the Audit Committee dealt with the 2016 annual financial statements and consolidated financial statements as well as the points of focus for the audit, the status quo reports regarding internal audit, risk management, and compliance, the quarterly and half-yearly reports for the 2017 financial year, the preparation of the Supervisory Board's proposal to the 2017 Annual General Meeting for the appointment of the auditor and Group auditor, and – after the Annual General Meeting followed this proposal – the award of the contract to the audit firm Ernst & Young for the auditing of the annual financial statements and consolidated financial statements for the 2017 financial year. In this context, it defined the points of focus for the audit. The auditors responsible for the consolidated financial statements are Helge-Thomas Grathwol and Karen Somes.

The Audit Committee also monitored the development of the non-audit services by the company's auditor and received reports from the Managing Board on the nature and scope of the non-audit services performed by the auditor in 2017.

The meetings of the Personnel Committee covered, amongst other things, the preliminary discussion and recommendation to the Supervisory Board regarding the determination of the variable Managing Board remuneration for the 2016 financial year, as well as the definition of parameters for the variable Managing Board remuneration in the year 2017 and in the years 2017 to 2019, respectively. Finally, the Personnel Committee assured itself that all members of the Managing Board have carried out the required individual investment in HeidelbergCement shares as part of the Managing Board remuneration system.

In its meeting on 18 July 2017, the Nomination Committee proposed that Mrs Margret Suckale be added to the Supervisory Board as a successor to Mr Alan Murray, who was a member of the Supervisory Board as shareholder representative until 30 June 2017, and that the judicial appointment of Mrs Suckale as a member of the Supervisory Board until the 2018 Annual General Meeting be requested. The Supervisory Board would then be able to propose to the 2018 Annual General Meeting that Mrs Suckale be elected to the Supervisory Board for the remaining period of office of the other members of the Supervisory Board, i.e. until the conclusion of the 2019 Annual General Meeting. The competent Local Court (Amtsgericht) of Mannheim granted the request of the Managing Board and appointed Mrs Suckale as a member of the Supervisory Board, as shareholder representative, with effect from 25 August 2017 until the by-election of a new member of the Supervisory Board by the 2018 Annual General Meeting. In its meeting on 11 September 2017, the Supervisory Board elected Mrs Margret Suckale to the Personnel Committee, succeeding Mr Alan Murray.

During the reporting year, there were no conflicts of interest of any Supervisory Board member when dealing with topics within the Supervisory Board. Once again, there were no consulting or other contracts for services or work between any member of the Supervisory Board and the Group in the 2017 reporting year.

Corporate Governance

The statement of compliance in the reporting year was submitted by the Managing Board on 13 February 2017 and by the Supervisory Board on 14 February 2017. The statement of compliance for the current year was submitted by the Managing Board on 19 February 2018 and by the Supervisory Board on 20 February 2018. The complete text can be found in the section Statement of compliance in accordance with section 161 of the German Stock Company Act in the Corporate Governance chapter on ↗ page 86. The statements are made permanently available to the shareholders on the Group's website.

In the reporting year, the Supervisory Board examined the legal requirements for its composition and ascertained that its members and those of its Audit Committee are all familiar with the sector in which the company operates.

With regard to its composition and that of the Managing Board, the Supervisory Board thoroughly complies with the guidelines of the German Corporate Governance Code regarding the principles of diversity when appointing committees and leadership positions within the Group and of section 289f. (2)(6) of the German Commercial Code (Handelsgesetzbuch – HGB) (diversity concept). Regarding its own composition, it implements the diversity goals stated in the Code by means of the specific objectives below and the competence profile for the Supervisory Board agreed on 11 September 2017.

The composition of the Supervisory Board is an appropriate reflection of the national and international alignment of HeidelbergCement as a leading building materials manufacturer. It is the target of the Supervisory Board that it is composed of at least nine members who are independent in line with point 5.4.2 of the Code, of which at least four are representatives of the shareholders. Employee representatives are not considered as dependent just because they are employees of the company. At least 30 % of the Supervisory Board's members are women and at least 30 % men. The standard retirement age for members of the Supervisory Board is 75 years; at this age ends also the regular limit of length of membership of the Supervisory Board.

The competence profile shall ensure that the skills and areas of knowledge or technical experience listed below are all held by at least one member of the Supervisory Board, so that as a body the Supervisory Board covers all of the necessary competence areas, as listed below:

- Competence in industry, leadership, and committees (in particular, familiarity with the building materials industry or closely related industries, leadership activities within companies, membership and leadership of boards/committees)
- Personnel competence (in particular, putting together managing bodies, processes for identifying candidates for suitable positions, contractual arrangements with managers)
- Regulatory competence (in particular, in the areas of compliance structures and concepts, legal frameworks, corporate governance)
- Accounting competence (in particular, financial reporting and auditing)

In the Supervisory Board, the competences listed above should be represented as broadly and in as balanced a way as possible. In addition, the in-depth competences in individual fields held by the individual members of the Supervisory Board should ideally be complemented by the members' personal, national, and/or international backgrounds. In addition, the combination of competences from a diversity perspective should be considered, as well as the availability of the Supervisory Board members.

With these goals and the competence profile, the Supervisory Board aims to make a wide range of expertise available to the Group and to have the broadest possible pool of candidates at its disposal for the election of future Supervisory Board members.

In its meeting on 15 March 2017, the Supervisory Board resolved, after reconsideration, to maintain the current proportion of women in the Managing Board and to set the target figure for the proportion of women in the Managing Board by 30 June 2020 to 0 % again, although this specification explicitly states that the Supervisory Board is committed, as was previously the case, to take diversity into account when making personnel decisions. The reason for this resolution is that so far no women could be identified in the company who could fulfill the high requirements of filling a Managing Board position in this period of time. The requirements include, among others, long-time international experience in a leading position at HeidelbergCement in the operational area at plant or country level or in the finance sector. With the targeted use of training programmes for future executives, HeidelbergCement is working at creating a pool of qualified female candidates. When filling Managing Board positions, the Supervisory Board makes no distinction on the basis of gender, origin, or any other characteristics. It makes its decisions regarding appointments to leadership positions within the company solely on the basis of objective criteria such as professional qualifications (international leadership experience, industry knowledge) and the personal suitability of the relevant person for the actual task. In particular, the Supervisory Board strives to achieve a Managing Board composition that is internationally balanced and complementary. The diversity concept mentioned above is taken into account in the composition of the Managing Board.

The Supervisory Board welcomes and supports the Managing Board's goal of further increasing the proportion of women in management positions in the first and second leadership levels below the Managing Board. As at 30 June 2017, the first self-defined target date, the proportion of women in leadership positions in Germany at the first level below the Managing Board was 12 %, and 9 % at the second level. The aim is to increase the proportion of women in Germany in each of the two leadership levels below the Managing Board to 15 % by the end of June 2022. We have continued to use the proportion of women in the total workforce in Germany as a point of reference for the targets. The average proportion of women in the total workforce in Germany in the years 2014 to 2017 was 15 %.

In its meeting in November 2017, the Supervisory Board examined intensively the form and content of the non-financial statement to be issued for the 2017 financial year and decided that the non-financial statement should form a special section in the management report where references are made to non-financial specifications included in other parts of the management report.

As regards the remuneration structure for the members of the Managing Board for the 2017 financial year, details on remuneration of the Managing Board are included in the Corporate Governance Report on ↗ page 89 f. to avoid repetition. A description of the Managing Board remuneration system that came into force on 1 January 2011 and was adjusted on 1 January 2014 can also be found here. The Supervisory Board considers the remuneration appropriate if it reflects adequately the management performance and value creation for the company and for the owners of the company. The basis for appropriate remuneration is a well-structured and transparent remuneration system. HeidelbergCement's remuneration system was developed by taking into account the interests of the company itself and of its owners and by consulting external remuneration experts. In the view of the Supervisory Board, it guarantees appropriate remuneration of the Managing Board. In addition, according to the recommendations of the German Corporate Governance Code, a payment cap was introduced in 2011. For the management component 2015–2017, targets of earnings before interest and taxes (EBIT) and return on invested capital (ROIC) were significantly surpassed. The cap for the calculation of the variable remuneration became effective for the annual bonus for the Group share of profit parameter as well as for the ROIC parameter of the management component of the long-term bonus. Regarding the capital market component, the development of the price of the HeidelbergCement share clearly beat the DAX and MSCI World Construction Materials Index performance over the four-year period of the long-term bonus plan 2014–2016/17. The cap also applies to the achievement in relation to the above indices. Adjusted for dividend payments and changes to the capital, the HeidelbergCement share price increased more than 60 % over the four-year period but stayed below the defined cap.

The Supervisory Board last conducted the regular efficiency review of its activities, as required by the German Corporate Governance Code, in November 2017. Following a further recommendation of the Code, an internal training event was organised as in the past for the Supervisory Board in November 2017. At this event, the members of the Supervisory Board were informed in detail about the Sustainability Commitments 2030 and the EU Emissions Trading System as well as the company's approach to this system. Additional regular training sessions are planned.

With the measures listed above, the Supervisory Board has reaffirmed its commitment to effective Corporate Governance in the Group.

Auditing and approval of annual financial statements, consolidated financial statements, and non-financial statement

Before the contract for the auditing of the annual financial statements of the Company and the consolidated financial statements of the Group was awarded, the points of focus for the audit, the content of the audit, and the costs were discussed in detail with the auditors, Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Stuttgart. In February 2018, the Managing Board informed the Supervisory Board about the preliminary, unaudited key figures for the 2017 financial year and provided a status report on the financial statements work. The annual financial statements of HeidelbergCement AG, the consolidated financial statements as of 31 December 2017, and the combined management report for the Company and the Group, as prepared by the Managing Board, were examined by the independent auditors. The financial statements together with the reading copies of the auditors' reports were sent in advance to the members of the Supervisory Board. At first, the Audit Committee dealt intensively with the financial statements documents in the presence of the auditors. The auditors reported on the main results of their audit. Then, the Supervisory Board discussed the financial statements documents

in detail, once again in the presence of the auditors. The Supervisory Board approved the audit results. It examined the annual financial statements and consolidated financial statements, the combined management report, and the Managing Board's proposal for the use of the balance sheet profit. The results of the pre-audit conducted by the Audit Committee and the results of its own audit correspond fully to the results of the official auditor. The Supervisory Board raised no objections to the final results of this examination. Subsequently, the auditors issued an unqualified audit opinion on the annual financial statements of HeidelbergCement AG and the consolidated financial statements of HeidelbergCement Group as of 31 December 2017 as well as the combined management report of HeidelbergCement AG and HeidelbergCement Group. The Supervisory Board has therefore approved the annual financial statements and the consolidated financial statements. The annual financial statements have thus been adopted.

The combined management report presented to the Supervisory Board also includes the non-financial statement in accordance with sections 289b and 315b of the HGB. The Supervisory Board discussed this statement in detail with the Managing Board and verified its fitness for purpose and accuracy. In particular, the Supervisory Board checked the plausibility of the non-financial statement and discussed it with the Managing Board. The Supervisory Board's examination did not lead to any objections being raised against the non-financial statement.

The Supervisory Board approved the Managing Board's proposal for the use of net profit, including the payout of a dividend of €1.90 per share (previous year: 1.60).

Personnel matters and a note of thanks

In the 2017 reporting year, there was one change to the personnel in the Supervisory Board. Mr Alan Murray left the Supervisory Board with effect from 30 June 2017. Mrs Margret Suckale succeeded Mr Murray as a member of the Supervisory Board as of 25 August 2017. Since 11 September 2017, Mrs Suckale has also continued Mr Murray's membership in the Personnel Committee.

Mr Frank-Dirk Steininger stepped down from his role as member of the Supervisory Board (employee representative nominated by the trade union) of HeidelbergCement with effect from 31 January 2018. The company requested the Local Court (Amtsgericht) of Mannheim to appoint Mrs Barbara Breuninger, nominated by the relevant trade union, as his successor and as a new member of the Supervisory Board.

The Supervisory Board is especially grateful to Mr Murray and Mr Steininger for their many years of very committed membership in the Supervisory Board.

In conclusion, the Supervisory Board would like to thank all employees of the Group once again for their high level of commitment and their performance for the Group in the 2017 financial year.

Heidelberg, 21 March 2018

For the Supervisory Board

Yours sincerely,



Fritz-Jürgen Heckmann
Chairman

Managing Board



DR. BERND SCHEIFELE
Born in Freiburg (Germany), aged 59 years. Studies in law at the universities of Freiburg, Dijon (France), and the University of Illinois (USA). Since 2005, Chairman of the Managing Board; in charge of Strategy & Development, Communication & Investor Relations, Human Resources, Legal, Compliance, and Internal Audit.

DR. DOMINIK VON ACHTEN
Born in Munich (Germany), aged 52 years. Studies in law and economics at the German universities of Freiburg and Munich. Member of the Managing Board since 2007 and Deputy Chairman of the Managing Board since 1 February 2015; in charge of the Western and Southern Europe Group area and the Competence Center Materials, Chief Digital Officer (Digital Transformation & Disruption HeidelbergCement).

KEVIN GLUSKIE
Born in Hobart (Australia), aged 50 years. Studies in civil engineering at the University of Tasmania (Australia) and MBA of the University of Sydney. He joined Pioneer (acquired by Hanson in 2000) in 1990. Member of the Managing Board since 2016 and in charge of the Asia-Pacific Group area, the Competence Center Readymix, Market Intelligence & Sales Processes, as well as Product Marketing.

HAKAN GURDAL
Born in Istanbul (Turkey), aged 50 years. Studies in mechanical engineering at the Yildiz Technical University in Istanbul and MBA International Management of the University of Istanbul. He joined Çanakkale Çimento (today part of the joint venture Akçansa) in 1992. Member of the Managing Board since 2016; in charge of the Africa-Eastern Mediterranean Basin Group area and Purchasing.



From left:
Dr. Albert Scheuer
Dr. Dominik von Achten
Hakan Gurdal
Dr. Bernd Scheifele
Kevin Gluskie
Dr. Lorenz Näger
Jon Morrish

JON MORRISH
Born in Shrewsbury (United Kingdom), aged 47 years. Studies in biochemistry at the University of Leeds (UK) and MBA of the Cranfield School of Management. He joined Hanson in 1999. Member of the Managing Board since 2016; in charge of the North America Group area and the Group-wide coordination of secondary cementitious materials.

DR. LORENZ NÄGER
Born in Ravensburg (Germany), aged 57 years. Studies in business administration at the German universities of Regensburg and Mannheim and in Swansea (United Kingdom). Since 2004, member of the Managing Board; in charge of Finance, Accounting, Controlling, Taxes, Treasury, Insurance & Risk Management, IT, Shared Service Center, and Logistics.

DR. ALBERT SCHEUER
Born in Alsfeld (Germany), aged 60 years. Studies in mechanical engineering/process technology at the Clausthal University of Technology (Germany). Since 1992 at HeidelbergCement. Member of the Managing Board since 2007; in charge of the Northern and Eastern Europe-Central Asia Group area, the worldwide coordination of the Heidelberg Technology Center, Research & Development/Product Innovation, as well as Environmental Sustainability.

HeidelbergCement in the capital market

Overview

In Germany, the HeidelbergCement share is listed for trading on the Prime Standard segment of the Frankfurt Stock Exchange and on the Regulated Market of the Stuttgart, Düsseldorf, and Munich stock exchanges. The HeidelbergCement share is listed in the German benchmark index DAX, making HeidelbergCement the only company in the construction and building materials industry to be recognised as one of the 30 largest listed companies in Germany.

Our share ranks among the most important building materials shares in Europe. Besides the DAX, it is also included in other indices, such as the FTSEurofirst 300 Economic Sector Index, the S&P Global 1200 Index, and the Dow Jones Construction & Materials Titans 30 Index, which comprises the 30 largest construction shares and second-tier construction shares in the world.

Development of the HeidelbergCement share

After closing at €88.63 at the end of 2016, the HeidelbergCement share recorded a slight downward trend in the first eight months and reached its annual low of €77.62 on 29 August 2017. The reasons for this included the sustained competitive pressure in emerging countries and weak sales volumes in the USA due to adverse weather conditions, which caused results to develop more slowly than expected in the first half of the year. In addition, delays in the economic measures announced during the US election campaign, such as tax reform and infrastructural programmes, dampened expectations.

After the end of August, the price of the HeidelbergCement share recovered, reaching its annual high of €92.97 on 20 November. The share price was boosted by the accelerated development of sales volumes in the emerging countries, North America, and Europe, as well as by the strong result in the third quarter.

The HeidelbergCement share closed at €90.25 at the end of the year, corresponding to a rise of 1.8 % in 2017. The MSCI World Construction Materials Index, denominated in US dollars, rose by 7.7 % during the same period. However, the US dollar depreciated considerably over this timeframe. The DAX recorded a significantly higher increase than our share, at 12.5 %.

At the end of 2017, HeidelbergCement's market capitalisation amounted to €17.9 billion (previous year: 17.6 billion).

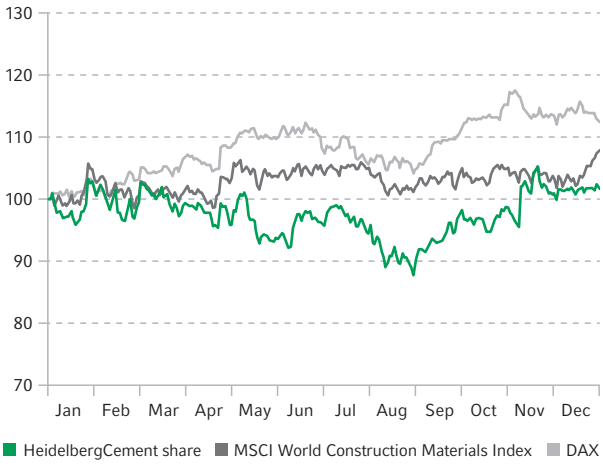
Development of the HeidelbergCement share
(ISIN DE0006047004, WKN 604700)

€	2017
Year-end share price 2016	88.63
Highest share price (20 Nov. 2017)	92.97
Lowest share price (29 Aug. 2017)	77.62
Year-end share price 2017	90.25
Equity per share on 31 Dec. 2017	80.90
Market value on 31 Dec. 2017 (€ '000s)	17,907,087
Change compared with 31 Dec. 2016	
HeidelbergCement share	+1.8 %
DAX	+12.5 %
MSCI World Construction Materials Index	+7.7 %

Performance of the HeidelbergCement share in 2017 based on daily closing prices



Development of the HeidelbergCement share compared to MSCI World Construction Materials Index and DAX in 2017
Index (Base: 31 December 2016 = 100)



Earnings per share

Earnings per share in accordance with IAS 33 for the 2017 financial year were €4.62 (previous year: 3.40). For continuing operations, earnings per share amount to €4.88 (previous year: 3.42).

The calculation of the earnings per share in accordance with IAS 33 is shown in the following table. To determine the average number of shares, additions are weighted in proportion to time.

Earnings per share according to IAS 33

	2016[1]	2017
Group share of profit in €m	657.0	**917.7**
Number of shares in '000s (weighted average)	193,023	**198,416**
Earnings per share in €	3.40	**4.62**
Net income from continuing operations in €m – attributable to the parent entity	660.2	**968.4**
Earnings per share in € – continuing operations	3.42	**4.88**
Net income/loss from discontinued operations in €m – attributable to the parent entity	-3.2	**-50.8**
Loss per share in € – discontinued operations	-0.02	**-0.26**

1) Amounts were restated

Dividend

In view of the overall positive business development, the Managing Board and Supervisory Board will propose to the Annual General Meeting on 9 May 2018 the distribution of a dividend of €1.90 per HeidelbergCement share.

Dividend key figures

	2013	2014	2015	2016	2017
Dividend per share in €	0.60	0.75	1.30	1.60	**1.90**[1]
Dividend yield[2] in %	1.0	1.0	1.7	1.8	**2.1**
Group share of profit in €m[3]	736.0	485.7	800.1	657.0	**917.7**
Total dividend amount in €m	112.5	140.9	244.3	317.5	**377.0**
Payout ratio in %[3]	15.3	29.0	30.5	48.3	**41.1**

1) To be proposed to the Annual General Meeting on 9 May 2018
2) Dividend per share/share price on the day of the Annual General Meeting; for the 2017 financial year: dividend per share/share price at the end of the financial year
3) 2016 amount was restated

Shareholder structure and trading volume

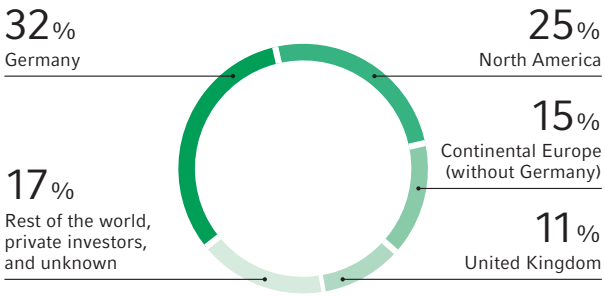
A study conducted in December 2017 showed a further stabilisation of the shareholder structure of HeidelbergCement in comparison with the previous year. We increased the proportion of institutional investors in a number of countries, such as the United Kingdom, France, Germany, Ireland, and Canada. In contrast, the proportion of investors from the USA decreased. The study also revealed a rise in the proportion of growth-focused investors.

In December 2017, investors from Germany formed the largest investor group at 32 %, followed by investors from North America at 25 %, continental Europe excluding Germany at 15 %, and the United Kingdom at 11 %.

As at 31 December 2017, the free float amounted to 74.48 %. According to notifications available to us, Ludwig Merckle holds 25.52 % of the voting rights in the company via Vemos 2 Holding GmbH, a company under his control.

On average, around 619,000 HeidelbergCement shares were traded per day in Xetra trading on the Frankfurt Stock Exchange in 2017. In the Equity Indices Ranking published by Deutsche Börse, our share was in place 25 at the end of 2017 for the market capitalisation criterion and in place 24 for order book turnover.

Geographical distribution of shareholders (as of December 2017)



Shareholder structure

	31 Dec. 2017
Vemos 2 Holding GmbH, Zossen/Germany[1] (30 September 2016). Vemos 2 Holding GmbH is controlled by Ludwig Merckle.	**25.52 %**
Stephen A. Schwarzman/USA[1] and Maximilian Management LLC, Wilmington, Delaware/USA[1] (via First Eagle Investment Management, LLC, New York/USA[1]) (1 December 2015)	**7.34 %**[2]
BlackRock, Inc., Wilmington, Delaware/USA (2 November 2016), (thereof 4.49 % pursuant to sec. 22 WpHG and 0.50 % pursuant to sec. 25 (1)(1) and (2) WpHG)	**4.995 %**
Société Générale S.A., Paris/France (13 August 2015), (thereof 3.77 % pursuant to sec. 25a WpHG and 0.07 % pursuant to sec. 25 WpHG)	**3.84 %**[2]

1) Attribution in accordance with section 22 of the German Securities Trading Law (Wertpapierhandelsgesetz - WpHG)
2) Percentage figures are based on the total number of voting rights of 187,916,477 valid prior to the capital increase on 7 July 2016. The shares of the other companies are based on the current number of total voting rights of 198,416,477.
In brackets: date on which percentage exceeded or fell below a reporting threshold

HeidelbergCement AG share capital

	Share capital € '000s	Number of shares
1 January 2017	595,249	198,416,477
31 December 2017	**595,249**	**198,416,477**

Bonds and credit ratings

Details of our corporate bonds issued during the 2017 financial year and HeidelbergCement's credit rating by the rating agencies can be found in the Group financial management section on ↗ page 45 f.

Investor Relations

In 2017, our investor relations work mainly focused on fostering existing investor relations, as well as attracting new, long-term investors. For this purpose, we conducted an Investor Targeting study in cooperation with an external service provider. This helped us to identify institutional investors with investment strategies that align with our strategic goals for growth, dividends, and credit rating. The results of the study laid an essential foundation for targeting institutional investors.

In 2017, we met investors and analysts at conferences, roadshows, company visits, and other events, and informed them about our strategy, the development of the market and our results, as well as the company's financial management. The presentations shown during these events are available on the internet, provided they contain significant changes compared with previous presentations. The Investor Relations team supported reporting on HeidelbergCement by regular discussions with analysts. The number of analysts regularly reporting on HeidelbergCement has fallen slightly to 35 since the publication of the last Annual Report.

The Investor Relations team consistently gathered and evaluated feedback from investors following visits and conferences in order to continually improve the quality and effectiveness of our investor relations work. The results were incorporated into the ongoing development of our investor relations work, with the aim of successfully continuing open dialogue and transparent communication with the capital market and further strengthening trust in our Group and our share.

2 Combined management report of HeidelbergCement Group and HeidelbergCement AG

20 Fundamentals of the Group
20 Business model
21 Targets and strategy
23 Internal management control system and indicators
24 Research and technology

28 2017 economic report
28 Economic environment
29 Relevant changes in reporting
29 Development of sales volumes
30 Earnings position
31 Business trend in the Group areas
42 Discontinued operations
42 Statement of cash flows
43 Investments
44 Consolidated balance sheet
45 Group financial management
47 Statements on HeidelbergCement AG
48 Evaluation of the economic situation by Group management
49 Comparison of the business trend with the previous year's outlook

50 Additional statements

53 Non-financial statement

54 Employees and society

59 Environmental responsibility

63 Compliance

65 Procurement

66 Outlook

73 Risk and opportunity report

85 Corporate Governance

Due to rounding, numbers presented in the Annual Report may not add up precisely to the totals provided.

Fundamentals of the Group

Business model

HeidelbergCement is one of the world's largest building materials companies and operates on five continents. Our products are used for the construction of houses, infrastructure, and commercial and industrial facilities, thus meeting the demands of a growing world population for housing, mobility, and economic development.

Our core activities include the production and distribution of cement, aggregates, ready-mixed concrete, and asphalt. Furthermore, HeidelbergCement offers services such as worldwide trading in cement and coal by sea.

Products
Our core products aggregates (sand, gravel, and crushed rock), cement, ready-mixed concrete, and asphalt are homogeneous bulk goods. Their product characteristics are mostly standardised in order to ensure the required stability, reliability, and processability in the application.

Cements are classified according to their early and final strength as well as their composition. In addition to cements that consist of 100% clinker, there are so-called composite cements, in which a portion of the clinker is replaced by alternative raw materials, such as fly ash, ground slag, or limestone. Cement is used as a binder mainly in concrete production.

Aggregates are classified according to their particle size and consistency. They are the main component in the production of concrete and asphalt, but are also used as base courses in the construction of infrastructure, such as roads.

Concrete is a mixture of aggregates (about 80 %), cement (about 12 %), and water. After water, concrete is the most commonly used substance on our planet. Concrete is usually delivered to the building site by ready-mix trucks and is poured locally into forms. Moreover, concrete is also used for the production of precast concrete parts, such as stairs, ceiling elements, or structural components.

Asphalt is a mixture of aggregates (about 95 %) and bitumen, and is generally used as a top layer in road construction.

In 2017, HeidelbergCement sold 125.7 million tonnes (previous year: 102.8) of cement, 305.3 million tonnes (previous year: 272.0) of aggregates, 47.2 million cubic metres (previous year: 42.5) of ready-mixed concrete, and 9.6 million tonnes (previous year: 9.4) of asphalt.

Locations and sales markets
Due to the heavy weight of cement, aggregates, and ready-mixed concrete in proportion to their price, production is usually located in close proximity to the sales markets. The cement transportation radius by road normally does not exceed 200 km. The delivery radius for aggregates, ready-mixed concrete, and asphalt by road is less than 100 km. Consequently, we have local production sites in the around 60 countries in which we offer building materials.

We currently operate 136 cement plants (plus 21 as part of joint ventures), around 600 quarries and aggregate pits, and over 1,470 ready-mixed concrete production sites worldwide. In total, the Group employs 59,054 people at around 2,700 locations on five continents. There are additionally almost 360 production sites belonging to joint ventures.

Organisational structure of the Group areas and business lines

HEIDELBERGCEMENT

Western and Southern Europe	Northern and Eastern Europe-Central Asia	North America	Asia-Pacific	Africa-Eastern Mediterranean Basin	Group Services
Belgium, France, Germany, Italy, Netherlands, Spain, United Kingdom	Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Czechia, Denmark, Estonia, Georgia, Greece, Hungary, Iceland, Kazakhstan, Latvia, Lithuania, Norway, Poland, Romania, Russia, Sweden, Slovakia, Ukraine	Canada, USA	Bangladesh, Brunei, China, India, Indonesia, Malaysia, Singapore, Sri Lanka, Thailand, Australia	Benin, Burkina Faso, DR Congo, Egypt, Gambia, Ghana, Liberia, Mauritania, Morocco, Mozambique, Sierra Leone, Tanzania, Togo, Israel, Palestine, Turkey	
– Cement – Aggregates – Ready-mixed concrete-asphalt – Service-joint ventures-other	– Cement – Aggregates – Ready-mixed concrete-asphalt – Service-joint ventures-other	– Cement – Aggregates – Ready-mixed concrete-asphalt – Service-joint ventures-other	– Cement – Aggregates – Ready-mixed concrete-asphalt – Service-joint ventures-other	– Cement – Aggregates – Ready-mixed concrete-asphalt – Service-joint ventures-other	

Organisational structure
The Group is divided into five geographical Group areas: Western and Southern Europe, Northern and Eastern Europe-Central Asia, North America, Asia-Pacific, and Africa-Eastern Mediterranean Basin (see organisation chart for breakdown of countries). Our global trading activities, especially the trading of cement, clinker, and fuels, are pooled together in the sixth Group area Group Services.

Within the geographical Group areas, we have divided our activities into four business lines. In the business lines of cement and aggregates we report on the essential raw materials that are required for the manufacture of downstream ready-mixed concrete and asphalt activities, which are combined in the third business line. The fourth business line, service-joint ventures-other, primarily covers the activities of our joint ventures. It also includes the building products that are still manufactured in a few countries.

Business processes
HeidelbergCement operates as a fully integrated building materials company. Key business processes include the extraction of raw materials, the production of building materials, as well as their marketing and distribution to the customers. Operating activities are supported by central competence centers for technology as well as by shared service centers in individual countries and regions. Operating business processes include the geological exploration of raw material deposits, the purchase or lease of the land where the deposits are located, obtaining mining concessions and environmental certifications, the construction of manufacturing facilities in cooperation with external service providers, as well as the actual production of building materials, including the extraction of raw materials and the maintenance of facilities.

Impact of the business model on non-financial aspects
HeidelbergCement is a manufacturing company. The extraction of raw materials and the production of cement and aggregates in itself harbour various dangers, for example with regard to the transportation of raw materials and finished products, working at great heights, with high voltage currents, using heavy technical equipment or regarding rotating parts of kilns, mills, or conveyor belts as well as hot temperatures around the cement kilns. Occupational health and safety is therefore our highest priority. We use targeted measures to improve the technical and organisational safety standards and raise awareness of safe working practices. This is aimed not just at our own employees but also at the employees of external companies and third parties.

The raw materials needed for producing our building materials – limestone for cement production as well as sand, gravel, and hard rock – are generally extracted from our own quarrying sites. The quarrying of raw materials requires us to temporarily encroach upon the water supply, soil, and flora and fauna. At the same time, our extensive land use creates areas of retreat for endangered animal and plant species. We cannot balance out our interventions in the short term, but we aim to do so in the medium to long term. We make every effort to ensure that the subsequent use adds value to our quarrying sites and conserves nature.

The production of cement generates a large amount of CO_2 due to the chemical processes involved in burning clinker and the high temperatures that are required. Therefore, we use alternative raw materials and fuels to reduce CO_2 emissions. In addition, we continuously optimise our production processes to increase energy efficiency.

HeidelbergCement is represented in over 60 countries at around 3,000 production sites worldwide. As we generally produce locally, we also create local jobs in rural areas and make a contribution as a corporate citizen in the communities to which our locations belong. In countries with low labour and social standards or an increased risk of corruption, we place greater emphasis on the application of our own high internal standards and regularly verify compliance with them.

External factors of influence
The most significant external factors influencing the economic development of the HeidelbergCement Group are weather conditions, economic and population growth, as well as the development of the regulatory environment and the competition in the markets in which we operate.

Targets and strategy

HeidelbergCement's core target is to increase the value of the Group in the long term through sustainable and result-oriented growth. Earning the costs of capital is the necessary prerequisite to guarantee the permanent entrepreneurial ability to act and thereby guarantee the existence of the company. Without sufficient financial performance, a company cannot invest continuously in innovation and growth, as well as the development of its personnel and the company. Thanks to our more than 140 years of tradition in raw material mining and processing, we know that, in addition to financial performance, we have to provide a recognisable benefit to the development of society. In this respect, we are mainly oriented towards the expectations and requirements of the people and organisations we are in close contact with:
- customers,
- shareholders,
- employees,
- suppliers and other business partners, as well as
- nature, environment, society, and general public.

In addition to the financial targets, covered in the following section Internal management control system and indicators on ↗ page 23 f., also non-financial targets derive from this

knowledge. They are described in this annual report in the chapters Employees and society on ↗ page 54 f. and Environmental responsibility on ↗ page 59 f.

In order to reach these targets, the Managing Board defines the business strategy of the company and discusses it with the Supervisory Board. For this purpose, a joint strategy meeting of Supervisory Board and Managing Board is held once a year. The four pillars of our business strategy are as follows:

1. Operational excellence
In a market with largely standardised products, we differentiate ourselves through our high level of customer focus and service quality in order to realise the full value of our products and services. Moreover, we ensure a competitive cost structure in all areas. A key objective is to make sure that the productivity enhancement in input factors such as working time, capital, and energy at least offsets inflation-related cost increases. For hyperinflation countries, this is valid to the extent as we cannot compensate inflation by increased sales prices in the market. The basis and prerequisite for operational excellence is a culture of continuous improvement. We engage in intensive benchmarking both internally and in relation to competitors, in order to identify optimisation potential. Our goal is a stable position in the top quartile for all operational benchmarks: efficiency and cost structure, productivity, margin, growth, and value creation.

2. Sustainability
For us, sustainability means integrating economic, ecological, and social goals into our business strategy. In this context, we published our Sustainability Commitments 2030 in October 2017, where we have defined the fundamental principles of our sustainability strategy. Health and safety of our employees is of crucial importance. Our overall goal is to completely prevent accidents and damage to health (zero harm). We offer our employees performance-related, competitive salaries, and we are committed to fair employment conditions and compliance with applicable labour and employment laws. This means, in particular, that we do not tolerate any form of discrimination, harassment, or infringement of laws and regulations. With respect to environmental protection, we are committed to continuously reducing our ecological footprint. We accept our share of the global responsibility to limit the worldwide rise in temperature to below 2° C. We comply with environmental standards and are bringing our pollutant emissions to below the cement industry average. We also protect natural raw material reserves by increasingly replacing them with alternative raw materials. We support the social and economic development of our neighbouring communities and ensure transparent communication with all stakeholders. Compliance with applicable laws and regulations is a matter of course for us. Our overall goal is to create adequate added value for all of our stakeholders: for our customers, employees, shareholders, the communities to which our locations belong, and the general public.

3. Growth and vertical integration
The creation, development, and maintenance of vertically integrated market positions in the cement, aggregates, ready-mixed concrete, and asphalt business lines is the core of the growth strategy of HeidelbergCement. Vertical integration not only refers to the merging of production sites of different business lines at a local level, but also includes the cross-functional control of business processes using integrated IT systems and the comprehensive management of business activities – for example, through common sales structures and the provision of complete, cross-business-line solutions and additional services. Our goal is to create strong and defendable market positions in markets with long-term potential. To achieve this, we avoid markets with unjustifiable high political, economic, or compliance risks. We retain key market positions regardless of economic cycles. As a whole, they are not subject to active portfolio management. We are also driving forward the digitisation of our value chain, from raw material mining through production and logistics processes to the interface with the customer.

4. Financial performance
Our stated goal is to earn a premium on the cost of capital. To this end, we aim to achieve a balance between short-term profitability and long-term value creation. This means using our capital in a responsible and disciplined manner. Before investment decisions are taken, they are carefully reviewed in terms of their market, strategic, financial, and technical attractiveness and with regard to clearly defined investment criteria. Last but not least, we ensure that our geographically diversified portfolio gives us direct access to the cash flow from our ongoing business activity. For further information on our financial management and the associated targets and policies, please refer to the section Group financial management on ↗ page 45 f.

Performance culture and local responsibility
An excellent management team and dedicated, qualified employees are the source of our business success. As a company with a focus on performance and results, we greatly value the competence of our employees and management. The focus is on comprehensive efficiency and clear customer-orientation. HeidelbergCement pursues an integrated management approach, the success of which is based on a balance between local operational responsibility, Group-wide standards, and global leadership. Our local operations are key for the success of our business. Local management bears full responsibility for production, market, and management development, with the aim of market and cost leadership. They are supported by nationwide shared service centers, which handle administration for all business lines on the basis of a standardised IT infrastructure. In order to ensure transparency, efficiency, and rapid implementation of measures throughout the Group, HeidelbergCement has standardised all important management processes. Group-wide, uniform

key performance indicators (KPIs) facilitate direct comparability and provide a foundation for continuous benchmarking.

Shareholder returns
In spring 2015, HeidelbergCement defined value creation for shareholders and disciplined growth as the strategic priorities for its capital allocation. To improve the results for shareholders, HeidelbergCement will pursue a progressive dividend policy over the next few years. The payout ratio is expected to amount to between 40 % and 45 % for the 2019 financial year. Moreover, the option was introduced for any available cash to be returned to shareholders in the form of share buybacks.

Internal management control system and indicators

Components and functionality of the control system
The internal management control system at HeidelbergCement is based primarily on annual operational planning, ongoing management accounting and control, quarterly management meetings, central coordination of investment processes, as well as regular Managing Board meetings and reporting to the Supervisory Board.

Annual planning takes the form of top-down/bottom-up planning, under which the Managing Board first defines a top-down budget on the basis of macroeconomic analyses, its assessment of market conditions and cost targets. From this, specific targets are derived for individual operating units, which are used as the basis of detailed planning for the individual units and setting of targets with local management. The individual operational plans created by the operating units are then consolidated centrally to create the Group-wide plan.

Ongoing management accounting and control of the company is carried out using a comprehensive system of standardised reports on the Group's net assets, financial performance, and results of operations. The indicators used for this purpose are determined and presented uniformly throughout the Group. Reports on financial status, selected sales volumes and production overviews are prepared weekly. Reports on results of operations and a detailed cash flow report are prepared monthly in order to monitor cash flow. Detailed reports on the financial situation are submitted at the end of each quarter. Internal quarterly reporting includes a detailed tax reporting. At the quarterly management meetings, the Managing Board and country managers discuss business developments, including target achievement, along with the outlook for the relevant year and any measures that need to be taken.

Central departments in the areas of strategy, finance, and technology follow a formalised process to review and assess all major investments and acquisitions. This ensures comparability between different projects and consistent high quality in investment decision making. Investments in expansion are assessed using a discounted cash flow (DCF) model.

The standard is that investment projects must generate at least enough income to cover their weighted average cost of capital (WACC). This long-term approach to investment returns is supported by simulated calculations that show the impact of an investment on the consolidated income statement, statement of cash flows, balance sheet, and taxes over a period of five years.

The financial analysis is complemented by a strategic analysis of the planned investments. Here, the strategic value of an investment is determined taking into account the expected market position, growth potential, synergies with other Group units, and the risk structure. The overall result of these analyses is the criterion by which the Managing Board makes its investment decisions.

Financial targets and management indicators

Earnings, capital expenditure, and return on capital
The most important short-term indicator of the company's earnings strength is result from current operations, which is determined in detail and analysed for all operating units. The decisive indicators at Group level are earnings before interest and taxes (EBIT) and Group share of profit. The financial and assets positions of the operating units are monitored short-term primarily via the amount of working capital and investment. Fixed targets are agreed with all operating units for each indicator.

Strategic management and capital allocation are based on return on invested capital (ROIC). ROIC is defined as the ratio of the total of result from current operations and result from participations minus income taxes paid to the average invested capital of the past four quarters. (Invested capital is calculated as total of equity and net debt minus liabilities from puttable minorities.) You will find the calculation of ROIC on ↗ page 45.

At operating level, the company uses return on capital employed (ROCE) for capital allocation. ROCE is calculated as the ratio of EBIT to invested capital. Taxes and goodwill are not taken into account for calculation. These are strategic-level indicators, and are therefore taken into account for determination of ROIC.

Adjusted free cash flow has been introduced as an additional target figure for the country management as from 2018. It is defined as the sum of free cash flow and all investments and divestments. Intra-Group payments are neutralised in the calculation.

General target is generation of ROIC at least equivalent to weighted average cost of capital (WACC). HeidelbergCement's WACC totalled 6.6 % in the average of the reporting year. HeidelbergCement has set the medium-term target of increasing ROIC to over 10 % by 2019. Please see ↗ page 45 for more information on capital efficiency.

Financing structure

HeidelbergCement's objective is to maintain a stable investment grade credit rating to ensure that we retain our high financial stability as a company that is sensitive to business cycles. Furthermore, investment grade rating facilitates access to attractive and cost-effective funding opportunities and makes our share more attractive for an even broader circle of investors. To achieve this goal, we are focussing on the financial indicators most watched by rating agencies. An important indicator is the dynamic gearing ratio, i.e. the ratio of net debt to result from current operations before depreciation and amortisation. At the end of 2017, we achieved a ratio of 2.6x, compared with 2.8x at the end of 2016. The previous year's figure was calculated on a pro forma basis, i.e. taking into account Italcementi's contribution also to the results of the first half of 2016 in the amount of € 256 million. This decrease is a result of the disciplined financial management and reduction in net debt compared with the previous year. Our objective is a ratio in the area between 2.5x and 1.5x.

Non-financial targets and sustainable key-performance indicators

Operational health and safety generally plays a major role in the production of building materials and, in addition, emissions in cement production especially. Therefore, essential key-performance indicators include parameters, such as accident frequency rate, accident severity rate, and fatality rate, as well as CO_2 emissions and the use of alternative fuels. Information on these non-financial key-performance indicators is available in the chapters Employees and society on ↗ page 54 f. and Environmental responsibility on ↗ page 59 f.

Lead indicators

HeidelbergCement's core business is in standardised mass products that are generally ordered at short notice. For the most part, suppliers of such products are interchangeable from a customer standpoint. Moreover, the volume of construction activity – and thus sales volumes of building materials – are dependent on local weather conditions in the respective markets. Given this market constellation, no reliable lead indicators are definable for business forecasting. However, selected statistical data and industry association forecasts can be utilised to gauge the business outlook at country level. In mature markets, for instance, figures on building permits or infrastructure budgets serve as important sources of information. In emerging markets, data on population growth and GDP growth forecasts are frequently used indicators.

Research and technology

The target of HeidelbergCement's research and development activities (R&D) is to generate added value for customers and the Group through innovative products as well as through process improvements and new formulations, whilst minimising the use of energy, CO_2 emissions, and hence costs.

Our research and development activities

The innovation work at HeidelbergCement can essentially be divided into five areas of focus:

- Products and applications: Our research and development activities are geared strongly towards the market and our customers. The main priority is the development and improvement of binders and concretes with optimised properties and innovative functionalities. However, our work does not end with the product; it also includes providing our customers with competent, professional technical service on the application and optimisation of their products.

- Cement production: In 2017, the focus was on integrating the former Italcementi plants into the HeidelbergCement Group. The top priority was to achieve synergy effects, and the two programmes "Maintenance Improvement" (MIP) and "Operational Excellence" (OPEX), which were the biggest contributors in this regard during the integration, were successfully introduced in the newly added plants. All the other cement plants provided their contributions via the "Continuous Improvement Program" (CIP), which is now almost fully implemented worldwide.

- Aggregates: Since 2011, we have been driving continuous improvement (CI) at our locations, targeting uptime, throughput, and more efficient use of labour and energy. Our efforts have matured from capturing low-hanging fruit to basic process changes, and have now turned to digitisation. The integration of operational, commercial, and financial data in one management system allows for greater transparency and the simplified coordination of production, sales, and quality control. CI goes hand in hand with our training programme, which targets all levels from management to the workers at the plants. The entire CI process is driven by highly committed regional and local line managers and supported by local CI managers. In 2017, we launched a similar improvement programme in our asphalt operating line, which has already had a positive impact on the result.

- Optimisations across all business lines: Vertical integration, especially in urban centers, has been a strong focus of HeidelbergCement. Sustainable financial improvements can be achieved through a tightly coordinated optimisation of product portfolio, production processes, and logistics across the aggregates, ready-mixed concrete, and cement

business lines. By utilising our entire raw material portfolio in one market region, we can optimise the material mix in our ready-mixed concrete plants so that our raw material deposits are most efficiently used and the costs in all aforementioned business lines are reduced. At the same time, we guarantee high concrete quality for our customers.

– Development of cements and concretes with improved CO_2 balance: A major area of focus is to further develop composite cements with less clinker – even beyond the limits of today's existing standards. Reducing the proportion of clinker is the most important lever when it comes to minimising energy consumption and CO_2 emissions, and in preserving natural raw materials. Finally, we are also developing entirely new kinds of binders that dispense with the use of conventional clinker altogether. These innovative alternative products are still in the stage of development and it will take some more years until they are ready for the market and for wide deployment.

Organisation and fields of activities in the area of R&D and innovation

Our global competence centers Heidelberg Technology Center (HTC), Competence Center Materials (CCM), Competence Center Readymix (CCR), and teams from the two centers for R&D and product innovation – Global R&D (GRD) and Global Product Innovation (GPI) – pool the knowledge in our Group and make it rapidly and comprehensively available to all operating units. Numerous international experts work in all of our competence centers, covering a broad range of expertise in the areas of cement, concrete, and aggregates.

The Group-wide activities in the area of research and technology are divided into the following tasks:

Central R&D and innovation

We have concentrated the Group-wide R&D and innovation activities in the cement, ready-mixed concrete, and aggregates business lines in our two research centers in Leimen, Germany (GRD), and Bergamo, Italy (GPI). While the R&D team in Leimen focuses on the reduction of CO_2 emissions, resource efficiency, and a decrease in production costs, product innovation in Bergamo concentrates on the development of high-end concrete applications and new market opportunities. Individual projects are defined and implemented by the two teams in close coordination with the operating companies. This close collaboration from the very start of the project facilitates the efficient implementation of the development results and a quick market launch. The activities of the Global Environmental Sustainability (GES) department in forward technologies regarding CO_2 capture are also taken into account in the field of Central R&D and innovation.

Technology and innovation

Technical centers support our national companies in each Group area. In the cement business line, these are the Heidelberg Technology Centers (HTC) with three area organisations located in Germany, supporting Europe, the Mediterranean Basin, Africa, and Central Asia, one location in North America, and one in Asia with offices in China, India, and Indonesia. They support our cement plants on all technical issues, from securing raw materials and operational optimisations to process control and quality assurance. With investment projects, HTC locations are involved in project management until a new installation or plant is commissioned or optimisation measures have been completed. Similarly, the Competence Center Materials (CCM) supports the aggregates and asphalt business areas Group-wide. Same set up for the ready-mixed concrete business line with the Competence Center Readymix (CCR), which focuses on continuous improvement of the entire ready-mixed concrete business but with primary focus on the Group-wide optimisation of raw materials and logistics costs.

Customer-related development and technical service

Our close proximity to the market requires intensive customer-oriented development and technical service, which is also reflected in our high financial commitment (see the following table). The relevant departments and employees, which are integrated directly into the organisation of the respective national companies, develop and optimise the cements, aggregates, and concretes that are tailored to the local needs, often in close cooperation with the customers.

Expenditure for research and technology

Total expenditure for research and technology amounted to €141.0 million in the reporting year (previous year: 116.6), corresponding to 0.8 % of revenue. Personnel costs accounted for around three quarters of the total expenses. The following table shows a breakdown of expenses for the last five years for each of the three fields of activities mentioned above.

Expenditure for research and technology

€m	2013	2014	2015	2016	2017
Central R&D and innovation [1) 2)]	7.8	8.5	8.9	13.6	**21.9**
Technology and innovation	49.3	48.3	52.6	55.6	**61.7**
Customer-related development and technical service	46.8	42.8	46.2	47.4	**57.4**
Total	103.9	99.6	107.8	116.6	**141.0**

1) Including capitalised expenses
2) Since 2017, the Global Environmental Sustainability (GES) department has been included in the figures.

The structure of the expenditure for research and technology corresponds to the organisational breakdown: Expenses for the development of basic technologies are allocated to the

Central R&D and innovation section. Expenses for process innovations can be found in the Technology and innovation section, while the third section of the table contains the expenses for the optimisation of products and applications according to the wishes of our customers.

The development projects that were capitalised as investments include, amongst others, our innovative products CemFlow® and TernoCem® as well as new composite cements. In 2017, capitalised development costs totalled €1.9 million, which corresponds to around 1.3 % of total expenditure for research and technology. Because this figure is low, we have not presented it separately or shown further key figures.

Employees in research and technology

In the 2017 financial year, a total of 1,136 people (previous year: 1,063) were employed in research and technology. The personnel breakdown and development over the last five years is shown in the following table.

Employees in research and technology

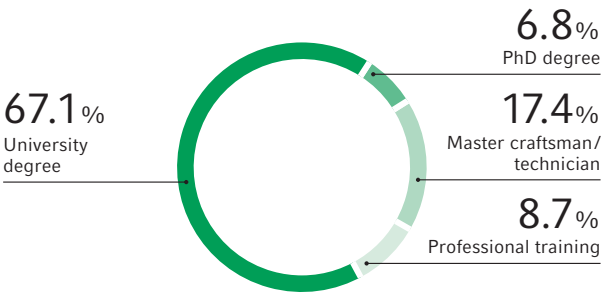
	2013	2014	2015	2016	2017
Central R&D and innovation[1)]	56	60	59	97	**127**
Technology and innovation	329	325	333	358	**348**
Customer-related development and technical service	550	491	531	608	**661**
Total	935	876	924	1,063	**1,136**

1) Since 2017, the Global Environmental Sustainability (GES) department has been included in the figures.

The high importance of customer-related development and technical service as well as technology and innovation is reflected not only in the costs but also in the number of employees.

Our employees' high level of expertise in research and technology is a key competitive factor and the qualification requirements are correspondingly high. 67.1 % of the employees in our technical competence centers have a university degree and 6.8 % have a PhD (see the following graph). Intensive on-going training and a systematic exchange of knowledge in expert networks across the Group ensure a high level of qualification.

Qualification profile of our employees in research and technology



Research cooperation

Close cooperation with institutes and universities at both a local and global level complement our own R&D and innovation activities. At a global level, we refer in particular to our participation in Nanocem, the world's most important research network in the cement sector. The network includes cement and admixture companies as well as 25 leading universities in Europe, who all work together to carry out fundamental research, which is supported by public funding.

In terms of product development, we prefer bilateral cooperation with individual universities in order to complement our own expertise in a targeted way. In some cases, cooperative projects with universities are supported by government funding. Compared with total expenditure, the funding ratio is marginal; therefore, we do not record it centrally. Total expenditure for contract research is less than €1 million for the year and is, therefore, not shown separately; these expenses are included in the Central R&D and innovation section in the table on ↗ page 25. Aside from research cooperation mentioned above, we did not acquire any research and development expertise in 2017.

Major projects and research and development results

Improving cost efficiency and tied-up capital

Following a successful pilot phase in spring 2014, the Managing Board resolved to implement the new "Continuous Improvement Program" (CIP) in the cement business line. CIP is the consistent continuation of the programmes we have already completed – "Operational Excellence" (OPEX), "Maintenance Improvement", and "Group Spare Parts" – and focuses on the ongoing exploitation of improvement potential and the anchoring of a new management approach within the Group. While we continued to roll out CIP at the "old" HeidelbergCement plants during the 2017 reporting year, with numerous locations having already achieved steady-state phase, we also began this process at the newly added Italcementi plants. Increasing our production with Industry 4.0 is another initiative that was launched at the end of 2017. Various digitisation projects have been started, including big data analytics.

Our three-year "Aggregates CI" programme in the aggregates business line started in 2016 and is expected to increase the result by more than the originally planned €120 million by the end of 2018. To date, all continuous improvement programmes have been very effective and always exceeded their objectives. In 2017, we outperformed our goals by more than 70 %. The increase in cost efficiency and results is even more significant because all the measures taken are sustainable and represent a major competitive advantage in the long term. These programmes, along with precisely tailored training courses, also offer our employees globally good opportunities for further development. The continuous improvement approach of HeidelbergCement is mature and embedded across the Group and will continue to drive results for the years to come.

The newly created Competence Center Readymix (CCR) has the ambitious goal of achieving ongoing savings of more than €120 million over three years. This will be achieved through a structured improvement programme examining all parts of the ready-mixed concrete business starting from the ground up delivering efficiencies in materials, logistics, production, products, assets, and concrete pumps. Already more than €30 million of savings have been achieved despite the programme still being in ramp up phase.

Ideas for improvement come from a wide variety of areas and often include best practice methods, which are applied across the Group and shared between the individual countries. This typically results in increased internal efficiency as well as benefits for the customers in the form of improved products and services. Simple examples of improvements include better use of concrete admixtures, tighter production control, raw material sourcing processes, and innovative logistics solutions, all of which deliver benefits to our customers.

Cements with lower proportions of clinker

We have made further progress in the development of cements with less clinker, thereby achieving a reduction in both CO_2 emissions and costs. In several countries, the proportion of blast furnace slag, fly ash, and limestone in cement has been increased, thereby reducing the clinker content.

In parallel, we are focusing on the identification and development of alternative cement components. In Africa, for example, we use ground rock from local quarries as an additional component in cement production, thereby replacing imported clinker. The use of biofuel ash obtained from sugar production, for example, may open up further possibilities. In the Netherlands, Germany, and France, we are investigating whether the fines from concrete recycling can be used as a cement ingredient in order to fully close the loop in concrete recycling.

Development of alternative clinker

With the discovery of a new reactive clinker phase, we have established the basis for an alternative clinker technology (Ternocem®). Based on an altered chemical composition and low burning temperatures, CO_2 output is 30 % lower in comparison with conventional clinker and energy consumption is reduced by around 15 %. The basic technology is protected by various patents. A multi-year research programme was launched in 2015 to develop the technology to market maturity. This programme is substantially supported by the EU-funded ECO-BINDER project. With this, we intend to prepare the ground for future product standardisation.

Preservation of resources, recycling, and CO_2 capture

Following the conclusion of a large-scale feasibility study in 2016, the carbon capture project at the Brevik cement plant in Norway entered its next phase with the start of the concept study in April 2017. The Norwegian government's CCS (Carbon Capture and Storage) project was undertaken in three different sectors of industry, among ohers, at our Brevik cement plant. The captured CO_2 emissions will be transported to an underground storage in 2023, according to the planned schedule.

To further develop the oxyfuel technology, HeidelbergCement participates in the CEMCAP project, which aims to drive forward technologies for the capture of CO_2 in the cement industry and is funded by the Horizon 2020 EU development programme. In the oxyfuel process, the rotary kiln is supplied with pure oxygen instead of ambient air, which facilitates the capture of CO_2. In 2017, we installed a test cooler at our plant in Hanover, Germany, in order to investigate the possibility of cooling clinker with CO_2 only and without compromising process efficiency. Although we faced a number of challenges in incorporating the test cooler into the plant's ongoing clinker production, the overall result was very positive: a clinker cooler running only on CO_2 is much more efficient than an air-operated unit. The new technology will not have any adverse impact on efficiency. The unit is also smaller than a traditional air cooler.

As a member of the European Cement Research Academy (ECRA), HeidelbergCement is also engaged in another community project to further develop oxyfuel technology. In this project, a cement plant will be converted to oxyfuel technology on an industrial scale and operated using this technology for several months. HeidelbergCement put its Colleferro plant in Italy forward for this task, which was selected by ECRA as the demonstration plant for oxyfuel technology. The ECRA team is currently applying for funding from the EU and its member states.

The EU-funded LEILAC project, in which HeidelbergCement is one of the main strategic partners, started in January 2016. This project aims to demonstrate the technical and economic feasibility of a process technology for the capture of the released CO_2 in its purest form during the heating of the raw material. In 2017, the construction plans for the calciner were completed, and work began on procuring the individual components for constructing the 60-metre-high demonstration calciner at our Lixhe cement plant in Belgium. The knowledge gathered to date was disseminated at the International Conference on Innovation in Industrial Carbon Capture, which took place at the start of February 2018 in Liège, near our Lixhe cement plant.

In June 2017, HeidelbergCement launched the CO2MIN project in collaboration with RWTH Aachen University and the Institute for Advanced Sustainability Studies (IASS) in Potsdam, Germany. This project aims to investigate the potential of natural minerals for absorbing CO_2 and the possibility of using them to produce marketable building materials. Besides natural minerals like olivine and basalt, industrial waste products such as blast furnace slag or fines made from recycled concrete are also being tested. We expect the first preliminary results to be available by the end of 2018.

The three-year research and development programme received €3 million in funding from the German Federal Ministry of Education and Research.

In addition, HeidelbergCement is also researching the use of microalgae in CO_2 recycling for the manufacture of fish food and other animal feed. Our research and development projects in Sweden, Turkey, and France are very encouraging and make an important contribution to our strategy of making CO_2 useable. In this context, we are developing a large scale demonstration project to produce algae for fish food in Morocco. We intend to invest more than €1 million in an algae farm covering one hectare at our Safi cement plant. The required production facilities are scheduled to be built in 2018.

Innovative concretes

Our team for product innovation (GPI) in Bergamo, Italy, has developed concrete-based solutions for thermal, noise, and acoustic insulation, as well as materials with photocatalytic properties. Insulating lightweight concretes for the precast concrete parts sector are being developed by our research center (GRD) in Leimen, Germany. There have also been innovations in Germany (gradient concrete) and the Netherlands (warm concrete) for application directly on site in the ready-mixed concrete business line.

Particular focus is being placed on the development of innovative 3D printing techniques using concrete. These include cementitious formulations that have been tested in special projects undertaken with selected partners in Italy and Germany.

We have introduced a number of other innovative concrete solutions in many mature markets, including ultra-high-performance concrete with very high strength (e.g. in the Netherlands and the USA), super-fast-setting concrete for repairing runways (e.g. in Germany and Australia), or Powercrete® with high thermal conductivity for embedding power cables (e.g. in the United Kingdom, the USA, and Germany).

In the context of unconventional applications for cementitious materials, the EU-funded project COBRA, which develops formulations for car brake pads, has demonstrated the suitability of cement-based brake pads in pilot tests.

2017 economic report

Economic environment

General economic conditions

In 2017, global economic growth accelerated more rapidly than originally expected. This was attributable to various factors: growth in Europe was significantly stronger than forecast, particularly in Germany, France, and Italy. While economic growth improved as anticipated in the USA, Canada exceeded expectations considerably. Growth in China and the economic momentum throughout Asia were slightly above the previous year's level. Russia and the emerging countries in South America came out of recession. Gross domestic product in Germany rose by 2.2 % and was slightly below the level of the eurozone. Together with population growth and gross domestic product per capita, economic growth is one of the most important indicators for measuring the development of construction activity and the demand for building materials. The increase in demand for cement in the emerging countries is roughly in line with economic growth. During infrastructure expansion phases, however, it can also be several times higher.

In the USA, the US Federal Reserve continued to increase base rates as expected. The European Central Bank is likely to discontinue its expansionary policy, and monthly purchases of bonds were halved from January 2018. Contrary to assumptions, the euro did not fall against the US dollar, but in fact strengthened considerably. In the United Kingdom, the uncertainties connected with the Brexit referendum led to an economic cooldown. Following the devaluation of the British pound, inflation rose significantly, resulting in the Bank of England increasing interest rates at the end of the year. According to the IMF, the global economy grew by 3.7 % in 2017 compared with 3.2 % in the previous year.

As a consequence of agreements within OPEC and economic growth exceeding expectations, the oil price increased further in the course of 2017. Average annual energy prices were markedly above the previous year's level.

Industry-specific conditions

Besides the country-specific investment climate for residential, commercial, and infrastructure construction, industry-specific conditions also include local weather conditions, developments in the competitive situation, and the regulatory environment. As the production and marketing of building materials is very localised and global trade in building materials only represents a small percentage of the total volume, we focus on our relevant regions and countries instead of considering a global view of the demand trend. Details of the development in the individual countries can be found in the section Business trend in the Group areas on ↗ page 31 f.

Real GDP growth rate in major Group countries		
in %	2016	2017 [1]
Western and Southern Europe		
Belgium	1.5	**1.7**
France	1.2	**1.8**
Germany	1.9	**2.2**
Italy	0.9	**1.5**
Netherlands	2.2	**3.1**
Spain	3.3	**3.1**
United Kingdom	1.9	**1.7**
Northern and Eastern Europe-Central Asia		
Czechia	2.6	**4.3**
Hungary	2.2	**4.0**
Kazakhstan	1.0	**4.0**
Norway	1.1	**1.8**
Poland	2.9	**4.6**
Romania	4.8	**6.7**
Russia	-0.2	**1.5**
Sweden	3.2	**2.4**
North America		
Canada	1.4	**3.0**
USA	1.5	**2.3**
Asia-Pacific		
Australia	2.5	**2.3**
China	6.7	**6.9**
India	7.1	**6.7**
Indonesia	5.0	**5.2**
Malaysia	4.2	**5.4**
Thailand	3.2	**3.7**
Africa-Eastern Mediterranean Basin		
Egypt	3.5	**4.2**
Ghana	3.5	**5.9**
Morocco	1.2	**4.0**
Tanzania	7.0	**6.5**
Togo	5.0	**5.0**
Israel	4.0	**3.1**
Turkey	3.2	**5.1**

1) 2017 values are based on estimations and forecasts.

Sources: International Monetary Fund (IMF), European Commission, Eurostat, and national statistical offices

The positive demand in recent years has increased the level of global competition in 2017, particularly in the emerging countries of Africa and Asia. Local and regional companies have commissioned new cement capacities. Furthermore, increasing imports put pressure on local prices in some cases.

Weather conditions also play a major role, as construction activities are considerably restricted or even suspended altogether when temperatures fall well below freezing, during snow, or heavy rainfall. In 2017, sales volumes of building materials in the USA and Canada were adversely impacted by a very wet spring and hurricanes.

The EU Emissions Trading System (ETS) is just one of the regulatory conditions that exercise an influence on the results of building materials producers. Owing to the still weak economic development in parts of Europe, the price of emission rights remained well below €10 per tonne of CO_2. As in 2016, HeidelbergCement decided not to sell its surplus emission rights on account of the low price, but has kept them for future use.

Relevant changes in reporting

Following the conclusion of the purchase price allocation for Italcementi on 30 June 2017, the final fair values of the assets and liabilities as at the acquisition date were established on the basis of external and internal valuations and adjusted for 2016. Further adjustments were also made by increasing the shareholding in the Mibau Group, which has been fully consolidated since 1 October 2016. However, the purchase price allocation was not concluded until 30 September 2017. Tables outlining the adjustments can be found in the Notes on ↗ page 125 f. Throughout the Annual Report, footnotes refer to the restated amounts for 2016.

In several chapters of the Annual Report – mainly Development of sales volumes (see below) and Business trend in the Group areas on ↗ page 31 f. – certain pro forma values for sales volumes and revenue are reported alongside the figures prepared in accordance with IFRS and reflect the actual operational development in the individual Group areas or countries.

Whereas the data prepared in accordance with IFRS only includes the activities of the Italcementi Group – acquired on 1 July 2016 – for the second half-year, our pro forma analysis incorporates the whole of 2016.

Unless expressly indicated otherwise, all statements and figures in this Annual Report refer to the continuing operations of HeidelbergCement.

Development of sales volumes

Following the integration of Italcementi since 1 July 2016, sales volumes in the reporting year grew substantially in all business lines. Considering the figures on a pro forma basis, i.e. including the Italcementi activities in the first half of 2016, sales volumes, with the exception of ready-mixed concrete, were slightly above the previous year's level.

In 2017, cement and clinker sales volumes rose by 22.3 % to 125.7 million tonnes (previous year: 102.8). This includes the sales volumes of the markets added in the second half of 2016 in Italy, France, Spain, Greece, Bulgaria, Kazakhstan, India, Thailand, Egypt, Morocco, Mauritania, Gambia, and North America as well as in the newly developed market of Mozambique. In the 2017 reporting year, we sold half of

our business in Georgia. On a pro forma basis and excluding changes to the scope of consolidation in 2017, cement sales volumes were 1.0 % above the previous year. With the exception of the Africa-Eastern Mediterranean Basin Group area, which fell slightly below the previous year's level, all other areas recorded modest growth rates.

In 2017, aggregates sales volumes rose by 12.2 % to 305.3 million tonnes (previous year: 272.0). The high growth rate was largely due to the new markets in France, Italy, Spain, Greece, Morocco, Thailand, and North America, which were added from 1 July 2016, as well as to the full consolidation of the Mibau Group. On a pro forma basis and excluding the consolidation effects resulting from the expansion of our activities in North America and the full consolidation of Mibau in 2017, aggregates sales volumes were slightly above the previous year's level with an increase of 1.1 %.

Development in individual Group areas was rather mixed. The most substantial increase in deliveries was recorded in the Africa-Eastern Mediterranean Basin and Asia-Pacific Group areas and, to a lesser extent, in the Northern and Eastern Europe-Central Asia area. While sales volumes in North America almost reached the previous year's level, they fell slightly in Western and Southern Europe.

In 2017, ready-mixed concrete sales volumes were up by 11.0 % year on year to 47.2 million cubic metres (previous year: 42.5). This figure includes the sales volumes of our new markets in France, Italy, Spain, Greece, Kazakhstan, Thailand, Egypt, Mauritania, Morocco, and North America. On a pro forma basis and excluding consolidation effects from the acquisition of new ready-mixed concrete activities in North America in 2017, ready-mixed concrete sales volumes were slightly below the previous year's level, with a decrease of 2.8 %.

Development of the individual Group areas also varied in this business line. The declines in the Western and Southern Europe, North America, and Asia-Pacific Group areas were not offset by rising demand in the Africa-Eastern Mediterranean Basin and Northern and Eastern Europe-Central Asia Group areas.

In 2017, asphalt deliveries rose by 2.8 % to 9.6 million tonnes (previous year: 9.4). No new markets were added to this operating line following the acquisition of Italcementi, but we expanded our activities in North America in 2017 by means of another acquisition. Excluding this consolidation effect, asphalt sales volumes were slightly above those of the previous year, with an increase of 0.7 %. With the exception of Asia-Pacific and North America, deliveries in the Group areas rose in comparison with the previous year.

For a detailed description of the development of sales volumes in the individual Group areas, we refer to the section Business trend in the Group areas on ↗ page 31 f.

Sales volumes

	2016	2017	Change	On a pro forma basis[1]
Cement and clinker (million tonnes)	102.8	**125.7**	22.3 %	1.0 %
Aggregates (million tonnes)	272.0	**305.3**	12.2 %	1.1 %
Ready-mixed concrete (million cubic metres)	42.5	**47.2**	11.0 %	-2.8 %
Asphalt (million tonnes)	9.4	**9.6**	2.8 %	0.7 %

1) Inclusion of the sales volumes of the former Italcementi plants in the first half of 2016 and excluding consolidation effects

Earnings position

Group revenue rose by 13.8 % in comparison with the previous year to €17,266 million (previous year: 15,166). Changes to the scope of consolidation of €2,074 million, primarily owing to the first-time consolidation of the Italcementi Group, had a positive impact on revenue.

In the reporting year, material costs rose by 15.5 % to €6,782 million (previous year: 5,874). This increase is essentially due to the first-time consolidation of Italcementi. Excluding consolidation and exchange rate effects, material costs exceed the previous year's level by 3.5 %. This rise predominantly related to energy costs, raw materials, and goods purchased for resale. The material cost ratio increased from 38.7 % to 39.3 %. The balance of other operating expenses and income was 13.9 % above the previous year's level at €-4,450 million (previous year: -3,905), primarily owing to the first-time consolidation of the Italcementi Group. Freight, rental, and leasing expenses, as well as expenses for third-party repairs and services, rose after exclusion of currency and consolidation effects. Personnel costs grew by 11.8 % to €2,990 million (previous year: 2,674), largely as a result of the increase in the number of employees. The personnel cost ratio declined from 17.6 % to 17.3 %, reflecting the realisation of synergies through the integration of the Italcementi Group. The result from joint ventures fell by 3.5 % to €204 million (previous year: 212).

The result from current operations before depreciation and amortisation improved substantially by 14.2 % to €3,297 million (previous year: 2,887). The increase of €411 million is due to an operational improvement of €108 million, changes to the scope of consolidation amounting to €373 million, and a negative currency effect of €71 million. The result from current operations rose by 13.5 % to €2,188 million (previous year: 1,928).

The additional ordinary result of €-133 million (previous year: -324) primarily relates to restructuring and integration expenses, income and expenses from the disposal of subsidiaries, impairment of assets, as well as other non-recurring expenses and income. Further comments can be found in the Notes on ↗ page 138 f.

Results from participations rose by €13 million to €51 million (previous year: 38); earnings before interest and taxes (EBIT) grew by €465 million to €2,107 million (previous year: 1,642).

The financial result improved by €102 million to €-391 million (previous year: -493). Besides the reduction of €89 million in interest expenses, the financial result was positively affected by the improvement of €18 million in the other financial result.

Profit before tax from continuing operations rose by €567 million to €1,715 million (previous year: 1,148) due to operational improvement and reduced non-recurring expenses in the additional ordinary result. The expenses for income taxes significantly exceeded the previous year's level at €606 million (previous year: 314). The increase was mainly owing, on the one hand, to the US tax reform due to the revaluation of the deferred tax item amounting to €285 million and, on the other hand, to the first-time consolidation of the Italcementi Group. As a result, net income from continuing operations rose by €275 million to €1,109 million (previous year: 834).

Net loss from discontinued operations amounts to €-51 million (previous year: -3). This change reflects expenses for operations of the Hanson Group discontinued in previous years.

Overall, a profit of €1,058 million (previous year: 831) was recorded for the financial year. The profit attributable to non-controlling interests fell by €33 million to €141 million (previous year: 174). The Group share of profit therefore amounts to €918 million (previous year: 657).

Earnings per share – Group share – in accordance with IAS 33 improved by €1.22 to €4.62 (previous year: 3.40). Excluding the additional ordinary result amounting to €133 million and the non-recurring effect of €285 million arising from the US tax reform, the earnings per share rose to €6.73 (previous year: 5.08). For continuing operations, earnings per share increased to €4.88 (previous year: 3.42).

In view of the overall positive business development, the Managing Board and Supervisory Board will propose to the Annual General Meeting on 9 May 2018 the distribution of a dividend of €1.90 (previous year: 1.60) per share.

Consolidated income statement (short form)

€m	2016[1]	2017	Change
Revenue	15,166	**17,266**	14 %
Result from current operations before depreciation and amortisation	2,887	**3,297**	14 %
Depreciation and amortisation	-959	**-1,109**	16 %
Result from current operations	1,928	**2,188**	14 %
Additional ordinary result	-324	**-133**	-59 %
Result from participations	38	**51**	34 %
Earnings before interest and taxes (EBIT)	1,642	**2,107**	28 %
Financial result	-493	**-391**	-21 %
Profit before tax from continuing operations	1,148	**1,715**	49 %
Income taxes	-314	**-606**	93 %
Net income from continuing operations	834	**1,109**	33 %
Net loss from discontinued operations	-3	**-51**	1,494 %
Profit for the financial year	831	**1,058**	27 %
Group share of profit	657	**918**	40 %

1) Amounts were restated

Business trend in the Group areas

Western and Southern Europe

HeidelbergCement operates production sites in seven countries in the Western and Southern Europe Group area. In these mature markets, we manufacture cement, aggregates, ready-mixed concrete, asphalt, and various building products as a fully integrated building materials company. We are among the market leaders in the cement business in almost all of these countries. We also maintain a dense network of quarries for aggregates and production facilities for ready-mixed concrete. The United Kingdom, France, and Germany are the three largest market regions in Western and Southern Europe.

According to provisional statistical data, the economic recovery continued in the countries of the Western and Southern Europe Group area in the reporting year. Once again, the Spanish economy recorded the strongest growth among the major national economies, with 3.1 %. In Germany, the gross domestic product increased by 2.2 %, driven by the good state of the domestic economy and the strong labour market as well as the recovery in global trade. The economic recovery is also continuing in France, with a rise of 1.8 % in the gross domestic product. Belgium and the Netherlands recorded rises in the gross domestic product of 1.7 % and 3.1 %, respectively, while Italy achieved the lowest growth in the eurozone, with 1.5 %. In the United Kingdom, the economy cooled significantly following the Brexit vote, with a growth of 1.7 % in 2017.

Acoording to the November 2017 forecast of Euroconstruct, construction activity in the countries of the Group area underwent largely positive development in the reporting year. In Germany and the Netherlands, construction investments increased by 2.6 % and 5.4 %, respectively in comparison with the previous year, thanks to strong demand from residential construction. Construction activity in Belgium also experienced pleasing growth of 2.5 %, primarily driven by new infrastructure projects. France registered an estimated rise of 3.6 %, which was supported by both residential and non-residential construction. In Italy, the construction sector continued to suffer from weak economic development, with expected growth of 1.0 %. A modest increase is particularly evident in non-residential/commercial construction. In the United Kingdom, construction activity is expected to increase by 2.7 % in the reporting year. The decline in some construction sectors over the course of the year reflects the uncertainty following the Brexit referendum. Construction activity in Spain grew by 4.1 % boosted by the positive development in residential and non-residential construction. Infrastructure construction remained at a low level, as public building projects continued to be affected by the national budgetary restrictions and low infrastructure expenditure in 2017.

Cement business line

Cement consumption is expected to increase significantly by 6.5 % and 3.5 %, respectively in the Netherlands and in France in 2017, but is estimated to be below the previous year's level in the United Kingdom. In both Belgium and Italy, a slight increase in cement consumption is anticipated. In Germany, a further significant rise of 5.5 % is expected for 2017. In Spain, cement consumption is showing signs of recovery for the first time since 2008, with double-digit growth.

In 2017, the Western and Southern Europe Group area's cement and clinker sales volumes rose by 29.2 % to 28.9 million tonnes (previous year: 22.4). The strong growth is essentially due to the inclusion of the former Italcementi activities in Italy, France, and Spain since 1 July 2016. On a pro forma basis, i.e. including these activities in the first half of 2016, the Group area's increase in sales volumes amounted to 1.0 %.

Our plants in Germany recorded a rise in sales volumes, boosted by the strong development of demand, primarily in residential construction. In Belgium/Netherlands, cement and clinker deliveries were at the previous year's high level. In the United Kingdom, we recorded a slight decrease in volumes in comparison with the previous year. In Italy, France, and Spain, sales volumes increased substantially as a result of consolidation. On a pro forma basis, sales volumes decreased slightly in France and grew marginally in Italy and Spain. Revenue of the cement business line rose by 28.8 % to €2,348 million (previous year: 1,823).

The Germany Cement Master Plan, an ambitious investment programme for the modernisation and efficiency improvement of our cement plants and environmental protection that commenced in Germany in 2014, achieved further progress in 2017. Construction work for the new kilns in Burglengenfeld and Schelklingen is on schedule. The commissioning of the new kiln in Burglengenfeld will take place in the first quarter of 2018. The new kiln line in Schelklingen is set to commence operation at the end of 2018/start of 2019.

Various investments were also made in technical improvements and environmental protection at several plants in the other countries of the Group area, in order to achieve further reductions in dust, nitrogen oxide, and sulphur oxide emissions. In Belgium, we invested in the further development of our business processes and IT systems within the framework of our "LEO" logistics project. In the United Kingdom and Italy, modernisations were carried out in order to make energy savings.

Aggregates business line

The Group area's deliveries of aggregates increased by 16.6 % to 78.5 million tonnes (previous year: 67.4). This was mainly due to the newly included aggregates activities of Italcementi, particularly in France, from 1 July 2016. Considering these activities on a pro forma basis for the first half of 2016, sales volumes decreased marginally by 1.4 %.

While sales volumes grew slightly in Germany, they considerably decreased in Belgium/Netherlands. In the United Kingdom, they fell just short of the previous year's level. Sales volumes increased significantly in Italy, France, and Spain as a result of consolidation. Even on a pro forma basis, volumes rose considerably in all three countries. Revenue of the aggregates business line rose by 14.3 % to €1,004 million (previous year: 878).

In aggregates, we continually expand our leading market position, primarily by acquiring smaller local companies, expanding capacities in existing production lines, and procuring new raw material reserves.

Ready-mixed concrete-asphalt business line

This business line covers the ready-mixed concrete and asphalt activities. While we have an extensive network of ready-mixed concrete plants in many parts of the Group area, asphalt activities are limited to the United Kingdom.

Ready-mixed concrete sales volumes grew by 15.6 % to 17.3 million cubic metres (previous year: 15.0) in the reporting year. On a pro forma basis, i.e. including the former Italcementi activities in France, Italy, and Spain for the first half of 2016, ready-mixed concrete sales volumes fell by 4.3 %.

While we achieved substantial increases in volumes in Germany, ready-mixed concrete deliveries in Belgium/Netherlands and the United Kingdom remained below the previous year. Our locations in France, Italy, and Spain recorded strong growth in volumes as a result of consolidation. On a pro forma basis, deliveries were at the previous year's level in France and decreased in Italy and Spain.

At 3.3 million tonnes (previous year: 3.0), sales volumes of the asphalt operating line in the United Kingdom exceeded the previous year by 7.3 %.

Revenue of the ready-mixed concrete-asphalt business line grew by 12.8 % to €1,779 million (previous year: 1,577).

We are also expanding our network of production facilities in the ready-mixed concrete segment by acquiring or constructing new ready-mixed concrete plants.

Service-joint ventures-other business line

Until now, the sand-lime brick, precast concrete parts, and concrete products operating lines in Germany have been allocated to the service-joint ventures-other business line.

In December 2017, our sand-lime brick activities in Germany were sold to the Danish company H+H International A/S, Copenhagen. Closing of the transaction took place at the end of February 2018.

At €399 million (previous year: 387), revenue of the business line was 2.9 % above the previous year.

Revenue and results

Revenue of the Western and Southern Europe Group area rose by 19.7 % to €4,701 million (previous year: 3,928). On a pro forma basis, i.e. including the former Italcementi activities for the first half of 2016, and excluding exchange rate effects, revenue increased slightly by 0.4 %.

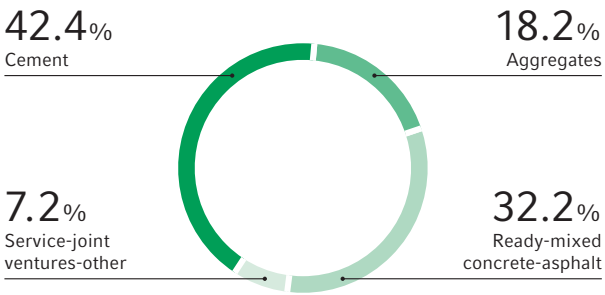
At €613 million (previous year: 526), the result from current operations before depreciation and amortisation was 16.6 % above the level of the previous year. The result from current operations rose by 7.3 % to €294 million (previous year: 274).

Key data Western and Southern Europe

€m	2016	2017	Change
Revenue	3,928	**4,701**	19.7 %
Result from current operations[1)]	274	**294**	7.3 %
Cement and clinker sales volumes (Mt)	22.4	**28.9**	29.2 %
Aggregates sales volumes (Mt)	67.4	**78.5**	16.6 %
Ready-mixed concrete sales volumes (Mm^3)	15.0	**17.3**	15.6 %
Asphalt sales volumes (Mt)	3.0	**3.3**	7.3 %
Employees as at 31 December	15,781	**15,497**	-1.8 %

1) 2016 amount was restated

Revenue Western and Southern Europe 2017: €4,701 million



Northern and Eastern Europe-Central Asia

HeidelbergCement is active in 21 countries in the Northern and Eastern Europe-Central Asia Group area. In many of these countries, we manufacture cement, aggregates, and ready-mixed concrete as a fully integrated building materials company. We hold leading market positions in the cement business in Sweden, Norway, Estonia, Poland, Czechia, Romania, Hungary, Bulgaria, Russia, Kazakhstan, and Georgia. With the full consolidation of the Mibau Group in the fourth quarter of 2016 in the aggregates business line, we have further strengthened our activities in this area.

Overall, the countries in the Group area recorded positive economic development in 2017. Sweden recorded a robust economic growth of 2.4 %. In Norway, gross domestic product rose by 1.8 %, due to the recovery of oil and gas production. Strong economic growth reached Poland, Czechia, and Hungary, with increases of 4.6 %, 4.3 %, and 4.0 %, respectively. For Romania, a record rise in gross domestic product of 6.7 % is forecast for 2017. The economy in Kazakhstan is recovering from the crisis triggered by the fall in the oil price, with an estimated growth of 4.0 %. The conflict in Ukraine is continuing to severely impair the domestic economy, but gross domestic product rose by 2.2 % in 2017 despite the crisis. For Greece and Russia, moderate economic growth of 1.6 % and 1.5 %, respectively, is expected.

In 2017, construction activity in the countries in the Northern and Eastern Europe-Central Asia Group area presented a mixed picture: the Swedish construction sector experienced a boom with an increase of 9.9 %. New residential building recorded a 25-year high (+23.8 %). Strong growth is also expected for investments in non-residential construction. The construction industry in Norway also saw significant growth (+6.8 %), driven by infrastructure projects. In Poland, residential construction developed most positively in 2017 – as in the previous year. In addition, several large EU-sponsored infrastructure projects also entered the implementation phase. Total construction activity rose by 8.7 %. The Hungarian construction industry is booming (+25.5 %) thanks to strong residential construction and EU-sponsored infrastructure projects. Only slight

growth was recorded in the Czech construction sector. The main driver was residential construction, while infrastructure construction declined. Construction activity slowed down in Romania, primarily because of the change of government and the delay in approving the national budget, which resulted in a lack of large construction projects. Contrary to expectations, the Russian construction industry developed negatively in all sectors. In the area of infrastructure, preparations for the 2018 FIFA World Cup have largely come to an end.

Cement business line

In the reporting year, cement and clinker shipments in the Northern and Eastern Europe-Central Asia Group area rose by 7.1 % to 25.9 million tonnes (previous year: 24.2). On a pro forma basis, i.e. including the former Italcementi plants in Bulgaria, Greece, and Kazakhstan in the first half of 2016, the increase amounted to 2.2 %.

We achieved substantial volume growth in Poland, our largest market in this Group area, and to a lesser extent in Norway and Romania. In Denmark, the Baltic States, and Iceland, sales volumes also improved considerably. While Sweden recorded a pleasing increase in domestic cement sales volumes thanks to the healthy level of construction activity, a decline in cement and clinker exports led to a slight fall in total cement and clinker sales volumes. Deliveries fell in Russia, Czechia, and Ukraine. In Bulgaria, Greece, and Kazakhstan, we achieved high growth rates as a result of consolidation. On a pro forma basis, sales volumes increased in Bulgaria and Kazakhstan, but declined in Greece. Revenue of the cement business line rose by 12.6 % to €1,558 million (previous year: 1,383).

In 2017, we once again invested to improve sustainability and environmental protection throughout the Group area – for instance, by installing new filters, increasing the use of alternative fuels, or exploring new, more cost-effective alternative fuels.

In Georgia, we continued with the modernisation of the Kaspi cement plant. Our main investments in 2017 included a new limestone crusher, as well as infrastructure measures to improve transport links between the plant and the quarry. In November 2017, HeidelbergCement sold 50 % of the shares with voting rights in its Georgian business.

Aggregates business line

The main markets of the Northern and Eastern Europe-Central Asia Group area in the aggregates business line are in Northern Europe, which has been further strengthened by the full consolidation of the Mibau Group since the fourth quarter of 2016, as well as in Czechia and Poland. However, we are also active in the aggregates business in all other countries of the Group area, with the exception of Denmark and Bulgaria. In 2017, aggregates sales volumes in the Group area exceeded the previous year by 41.1 % with 52.3 million tonnes (previous year: 37.0). On a pro forma basis, i.e. including the former Italcementi plants in Greece and Kazakhstan in the first half of 2016, and excluding consolidation effects in Norway, Sweden, and in connection with the Mibau Group, the increase in sales volumes amounted to 3.5 %. Revenue of the aggregates business line grew by 77.3 % to €503 million (previous year: 284).

In 2017, development in the aggregates business line varied significantly across the countries of the Group area. Deliveries in Romania and Slovakia decreased in the reporting year. A consolidation-related decline in sales volumes was also recorded in Norway and Sweden: in order to tap into synergy potential, we transferred two quarries in Norway to Mibau in 2016 as part of the full consolidation of the Mibau Group. We also sold aggregates activities in Sweden. In contrast, we achieved growth in 2017 in Poland, the Baltic States, Iceland, Georgia, Kazakhstan, Russia, Czechia, and Ukraine. The reported sales volumes of the Mibau Group, which was fully consolidated for the whole year in 2017 – compared with just one quarter of the previous year – quadrupled accordingly. The Mibau Group is continuously strengthening its leading market position in the countries of Western and Northern Europe.

Ready-mixed concrete-asphalt business line

We are not active in the asphalt business in the Northern and Eastern Europe-Central Asia Group area, but maintain a dense network of ready-mixed concrete plants in most countries, excluding Russia and Bulgaria. Ready-mixed concrete deliveries in the Group area rose by 10.6 % to 6.9 million cubic metres (previous year: 6.2) in 2017. On a pro forma basis and excluding consolidation effects, the growth in sales volumes amounted to 5.3 %.

Excluding Denmark, Norway, Kazakhstan, and Georgia, sales volumes increased in all countries. Particularly strong growth was recorded in our two key markets, Poland and Czechia.

In Lithuania, we commissioned two new ready-mixed concrete plants. Two additional plants are currently under construction.

Service-joint ventures-other business line

This business line includes in Northern and Eastern Europe-Central Asia our joint ventures and the concrete products of Nordic Precast Group, which is active in Norway, Sweden, Denmark, Germany, Poland, and Latvia.

In November 2017, HeidelbergCement sold 50 % of the shares with voting rights in its Georgian business to the investment company Cement Invest, Amsterdam, Netherlands, which belongs to the Georgian Co-Investment Fund (GCF), Tbilisi, and Hunnewell Partners (Hunnewell), Tbilisi/London, Georgia/United Kingdom, and is operated jointly by the two companies. HeidelbergCement and Cement Invest will thus have joint control of the business, and the partnership will allow this new Georgian joint venture to benefit from the project experience of GCF and Hunnewell in Georgia. The

sale of the shares is part of the review and optimisation of our portfolio, with the aim of generating additional cash flow to support our disciplined growth and increasing shareholder returns.

Other major joint ventures are located in Hungary and Bosnia-Herzegovina. Our joint venture Duna-Dráva Cement Kft. is the leading building materials manufacturer in Hungary. During the reporting year, the company almost doubled its ready-mixed concrete activities in Hungary with the purchase of Readymix Hungaria Kft., Budapest, from the German Rohrdorfer Group and also expanded its aggregates business.

In Bosnia-Herzegovina, we operate one cement plant and several ready-mixed concrete plants. Both in Bosnia-Herzegovina and in Hungary, cement sales volumes rose compared with the previous year.

We also operate other joint ventures – particularly in the ready-mixed concrete business – in Norway, Croatia, Czechia, Poland, and Slovakia.

Revenue of the service-joint ventures-other business line fell by 2.7 % to €399 million (previous year: 410).

Revenue and results

Revenue of the Northern and Eastern Europe-Central Asia Group area grew by 16.9 % to €2,836 million (previous year: 2,425). On a pro forma basis, i.e. including the former Italcementi activities for the first half of 2016, and excluding consolidation and exchange rate effects, revenue rose by 5.2 %.

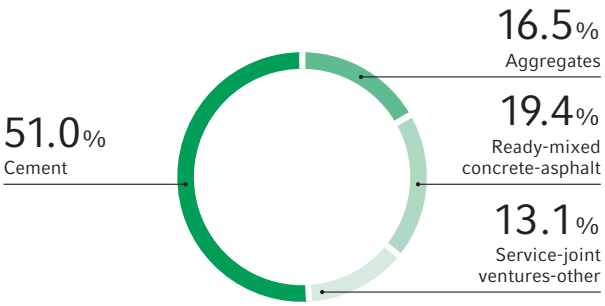
At €539 million (previous year: 445), the result from current operations before depreciation and amortisation was 21.3 % above the level of the previous year. The result from current operations rose by 26.7 % to €365 million (previous year: 288).

Key data Northern and Eastern Europe-Central Asia

€m	2016	2017	Change
Revenue	2,425	**2,836**	16.9 %
Result from current operations[1)]	288	**365**	26.7 %
Cement and clinker sales volumes (Mt)	24.2	**25.9**	7.1 %
Aggregates sales volumes (Mt)	37.0	**52.3**	41.1 %
Ready-mixed concrete sales volumes (Mm^3)	6.2	**6.9**	10.6 %
Employees as at 31 December	13,107	**13,531**	3.2 %

1) 2016 amount was restated

Revenue Northern and Eastern Europe-Central Asia 2017: €2,836 million



North America

The United States of America and Canada form the North America Group area. In its largest market region, HeidelbergCement is one of the leading manufacturers of cement, aggregates, and ready-mixed concrete. Additionally, concrete pipes are produced in Canada, and asphalt in the United States.

In the reporting year, we expanded our market presence through acquisitions. On 1 July, we acquired the building materials business of Cemex in Oregon and Washington. Its business activities comprise seven aggregates quarries, five ready-mixed concrete plants, and three asphalt plants. To strengthen our market position in the US state of New York, we acquired the assets of the Saunders Companies on 1 August. The purchase includes nine aggregates plants and 15 ready-mixed concrete plants. These two acquisitions support our strategic goal of broadening vertical integration in the USA.

Despite the impacts of strong rains and flooding along the west coast during the first quarter of the reporting year and the effects of Hurricanes Irma and Harvey in Florida and Texas during the second half of the year, the economic upturn in the USA continued unabated. Gross domestic product rose by 2.3 % versus 1.5 % in the previous year. The labour market situation also improved further. By the end of 2017, the unemployment rate fell to 4.1 %, compared with 4.7 % in the previous year. This was the lowest figure for 17 years. Construction activity increased by 0.7 % overall in 2017. The strongest growth of 5.6 % was recorded in residential construction, primarily driven by the construction of single-family houses and renovations. Non-residential construction largely remained at the previous year's level. While industrial construction declined significantly, commercial construction showed strong growth. As a result of government spending cuts, public construction fell by 3.2 %. Appropriations from the current highway programme, combined with increasing tax income, will likely revitalise activity in the infrastructure sector.

The Canadian economy developed very positively in 2017 growing by 3.0 % versus 1.4 % in the previous year. The unemployment rate stood at 5.7 %, its lowest level for over 40 years.

Cement business line

Cement consumption in the USA rose by 2.4 % to 96.6 million tonnes in 2017. The Cement Association of Canada (CAC) reported cement consumption rose by 5.2 % in comparison with the previous year based on September year-to-date figures.

Cement and clinker sales volumes of our plants, excluding our joint venture Texas Lehigh Cement, reached 16.4 million tonnes (previous year: 14.6), an increase of 12.8 %. The integration of the Essroc plants into the North region since 1 July 2016 contributed the majority of this growth. Considering the figures on a pro forma basis, i.e. including the Essroc plants for the whole of 2016, and excluding smaller consolidation effects, the rise in sales volumes amounted to 2.2 %.

The strongest increase in demand was recorded along the west coast, from southern California to British Columbia, although the sales volumes of both the West and Canada regions showed pleasing growth overall. The same applies to our two white cement plants. In contrast, we suffered losses in the South region due to Hurricane Harvey. Sales volumes in the North region significantly exceeded the previous year as a result of the consolidation of the Essroc plants. We were able to successfully implement price increases in all key markets (with the exception of oil well cement) in both the USA and Canada. Revenue of the cement business line rose by 14.1 % in 2017 to €1,861 million (previous year: 1,631).

In 2017, we put three major investments into operation: in California, we increased the grinding capacity of the Tehachapi cement plant, which supplies the Los Angeles market, by adding an additional cement mill. We also commissioned the new greenfield quarry of our Union Bridge plant in the US state of Maryland, as well as a new, highly efficient cement mill at our cement plant in Edmonton, Canada, which increases the plant's grinding capacity by 40 %.

Aggregates business line

In the USA and Western Canada, HeidelbergCement has a strong network of production sites for sand, gravel, and hard rock, which was expanded in the reporting year with the two abovementioned acquisitions in the Pacific Northwest and the US state of New York. Total sales volumes exceeded the previous year by 1.7 % with 120.8 million tonnes (previous year: 118.8). On a pro forma basis and excluding the newly acquired production sites in 2017, the sales volumes were marginally below the previous year's level.

With the exception of the North region, we recorded increases in volumes in all regions. Demand grew most quickly in Canada and in the West region. Price increases were successfully implemented in all market regions of the USA and Canada. Revenue of the aggregates business line rose by 4.0 % to €1,591 million (previous year: 1,531).

Ready-mixed concrete-asphalt business line

Our extensive network of ready-mixed concrete plants, which spans the entire Group area, was also expanded during the reporting year with the two abovementioned acquisitions. As a result of these additions, our asphalt production, which until now has been mainly concentrated on the states of New York, Pennsylvania, and California, was extended to the Pacific Northwest.

Ready-mixed concrete shipments increased by 6.5 % to 6.8 million cubic metres (previous year: 6.3) in 2017. On a pro forma basis and excluding the consolidation effects arising from the acquisitions in 2017, deliveries fell slightly by 1.9 %. While both the Canada and North regions benefited from the inclusion of the Essroc plants and the new consolidations during the reporting year, demand in the West region remained at the previous year's level. In the South region, on the other hand, our business suffered from the effects of Hurricane Harvey, particularly in the Houston area.

Asphalt sales volumes increased slightly by 1.1 % to 4.0 million tonnes (previous year: 4.0) in 2017. Excluding the new consolidation, however, sales volumes decreased by 3.8 %. While demand rose in our West market region, it fell in the Northeast as a result of delays to road-building projects.

Total revenue of the ready-mixed concrete-asphalt business line rose by 4.2 % to €1,054 million (previous year: 1,012).

Service-joint ventures-other business line

Our joint venture Texas Lehigh Cement Company LP, headquartered in Austin, Texas, is included in this business line. The company, in which we hold a 50 % stake, operates a cement plant in Buda, Texas. Despite the adverse impact of Hurricane Harvey, the company improved its sales volumes by 3.0 % in comparison with the previous year and increased its prices and result.

Revenue of the business line, which includes the concrete pipes operating line in Canada and other associated activities, rose by 9.5 % to €259 million (previous year: 236).

Revenue and results

After conversion to euro, total revenue in the North America Group area increased by 7.9 % to €4,345 million (previous year: 4,027). On a pro forma basis, i.e. including the Essroc activities for the first half of 2016, and excluding consolidation and exchange rate effects, revenue was around 3 % up on the previous year.

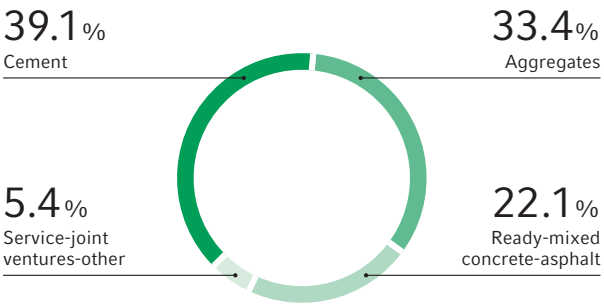
The result from current operations before depreciation and amortisation increased by 18.6 % to €1,160 million (previous year: 978). The result from current operations rose by 24.1 % to €863 million (previous year: 696).

Key data North America

€m	2016	2017	Change
Revenue	4,027	**4,345**	7.9 %
Result from current operations[1)]	696	**863**	24.1 %
Cement and clinker sales volumes (Mt)	14.6	**16.4**	12.8 %
Aggregates sales volumes (Mt)	118.8	**120.8**	1.7 %
Ready-mixed concrete sales volumes (Mm^3)	6.3	**6.8**	6.5 %
Asphalt sales volumes (Mt)	4.0	**4.0**	1.1 %
Employees as at 31 December	8,444	**8,726**	3.3 %

1) 2016 amount was restated

Revenue North America 2017: €4,345 million



Asia-Pacific

The Asia-Pacific Group area comprises operations across ten countries. Although our business focuses on cement production, HeidelbergCement also holds strong market positions in aggregates and ready-mixed concrete in Australia, Malaysia, Hong Kong, Indonesia, and Thailand.

According to the October forecast of the International Monetary Fund (IMF), economic growth in the Asia and Pacific region in 2017 was 5.6 % higher than in the previous year. In China, the increase in the gross domestic product amounted to 6.9 %, reflecting the recovery of worldwide trade, significant expenditure on infrastructure, and a robust property sector. For India, the IMF forecasts a weaker growth of the gross domestic product of 6.7 % in the 2017/18 fiscal year, because of the adverse effects of the cash reform carried out in November 2016 and the subsequent tax reforms. Solid economic growth of 5.2 % is forecast for Indonesia, with inflation well under control, and an increase of 3.7 % for Thailand. Australian gross domestic grew by 2.3 %. While infrastructure and commercial construction increased as a result of greater public and private investment, residential construction slowed down due to the looming oversupply on the east coast.

Cement business line

In the cement business line, HeidelbergCement is represented in Indonesia, India, Thailand, Bangladesh, Brunei, and Sri Lanka. In 2017, total cement and clinker deliveries of the Asia-Pacific Group area rose by 20.6 % to 34.7 million tonnes (previous year: 28.7). On a pro forma basis, i.e. including the former Italcementi plants in India and Thailand in the first half of 2016, sales volumes grew by 0.8 %. Via our joint ventures, we also hold strong cement market positions in China and Australia.

Following the downward trend of recent years, sales volumes increased once more in the Indonesian cement market – our largest market in Asia – in 2017. This was due to the strong recovery of demand on Java and the government restrictions on cement imports. The cement and clinker sales volumes of our plants also benefited from this development and grew by 5.5 % in the reporting year. However, because of excess capacities in the cement industry, the average prices fell in comparison with the previous year. Nevertheless, thanks to a disciplined pricing policy and our cost leadership, we limited the decline in our margins.

After the official opening of the kiln for the new integrated P14 production line at the Citeureup location at the end of October 2016, the new cement mills were commissioned in 2017. Thanks to this state-of-the-art production line with a cement capacity of 4.4 million tonnes, we have gained a significant competitive cost advantage in our key markets of Jakarta and West Java.

The cement and clinker shipments of our Indian plants were affected by subdued demand, which was caused partly by the cash reform introduced in November 2016 and the goods and services tax reform in the second half of 2017. Construction activity was also negatively affected by the shortage of sand and aggregates in our core markets as well as a lack of labour. Deliveries from our plants increased by 36.2 % in the reporting year. This increase is due to the first-time inclusion of the former cement activities of Italcementi in

southern India. However, on a pro forma basis, there was a slight decline in deliveries. The improved sales volumes in central India did not offset the decline in sales volumes in southern India, which was caused by strong competitive pressure. In December 2017, HeidelbergCement India signed an agreement to acquire the 49 % share of its joint venture partner in the energy company Sitapuram Power Limited, Sitapuram, in order to reduce energy costs.

In Thailand, domestic cement consumption decreased in comparison with the previous year. The same applies to the cement and clinker sales volumes of our plants on a pro forma basis. Large infrastructure projects planned in the area of transport and public services started slowly, but should ramp up in 2018. The immigration reform and resulting labour shortage led to stagnation in the private sector. Over the course of the year, the weak level of demand contributed to increased price pressure.

While cement sales volumes in Bangladesh declined slightly during the reporting year, shipments increased considerably in the Sultanate of Brunei.

Revenue of the cement business line rose by 10.9 % to €1,739 million (previous year: 1,568).

Aggregates business line

In the aggregates business line, HeidelbergCement is represented in Australia, Malaysia, Indonesia, and Thailand. In 2017, our aggregates deliveries increased by 5.7 % to 41.5 million tonnes (previous year: 39.2). On a pro forma basis, the sales volumes grew by 4.2 %. Through our joint venture, we are also the largest aggregates supplier in Hong Kong.

In Australia, our largest aggregates market in this Group area, sales volumes increased once again in 2017, which also allowed us to raise prices. Growth in demand focused on the east coast and was in line with the overall development of the construction industry. In 2017, we commenced a major upgrade of our Bass Point aggregates plant to more than double its annual production capacity, in order to further strengthen our position in the key market of Sydney.

In Malaysia, our deliveries of aggregates remained below the previous year's level as a result of weaker activities in residential construction. Excess capacities led to a decline in prices and margins. While our aggregates sales volumes in Indonesia fell by 4.2 % due to the weak demand in commercial construction in the greater Jakarta area, they increased considerably in Thailand.

Supported by the positive development in Australia, the revenue of our aggregates business line rose by 5.8 % to €622 million (previous year: 587).

Ready-mixed concrete-asphalt business line

In the ready-mixed concrete business, HeidelbergCement is represented in Australia, Indonesia, Malaysia, and Thailand, as well as in Hong Kong via two joint ventures.

We also have significant asphalt activities in Malaysia and operate one asphalt plant in Australia.

Sales volumes of ready-mixed concrete fell by 3.3 % in 2017 to 10.6 million cubic metres (previous year: 11.0). On a pro forma basis, sales volumes decreased by 7.0 %. Increased volumes in Thailand did not compensate for reduced shipments in Malaysia as well as in Indonesia, owing to the significant decline in demand in the greater Jakarta area. Sales volumes in Australia were at the level of the previous year. While prices rose modestly in Australia, they fell in Indonesia, Malaysia, and Thailand. Total asphalt sales volumes dropped by 4.2 % to 1.8 million tonnes (previous year: 1.8).

Revenue of the ready-mixed concrete-asphalt business line grew by 1.7 % to €1,089 million (previous year: 1,071).

Service-joint ventures-other business line

The service-joint ventures-other business line comprises the cement, aggregates, and ready-mixed concrete activities of our joint ventures in the Chinese provinces of Guangdong and Shaanxi as well as in Hong Kong and our Australian joint venture, Cement Australia. We also operate two precast concrete plants in Australia in the Sydney metropolitan area, as well as activities for road construction in Malaysia.

In China, we are represented in the cement business with the two joint ventures China Century Cement and Jidong Heidelberg Cement Company in the Guangdong and Shaanxi provinces. Sales volumes of the two companies rose by 11.3 % in 2017 as a result of the continuing strength of infrastructure and residential construction in our markets. Cement prices also increased considerably in both provinces. While aggregates sales volumes in Hong Kong improved significantly, deliveries of ready-mixed concrete decreased due to strong competitive pressure.

In Australia, our joint venture Cement Australia achieved an increase in sales volumes thanks to the continued strong demand on the east coast.

Revenue of the business line, which only includes the two Australian precast concrete plants and the road construction activities in Malaysia, fell by 12.3 % to €38 million (previous year: 43).

Revenue and results

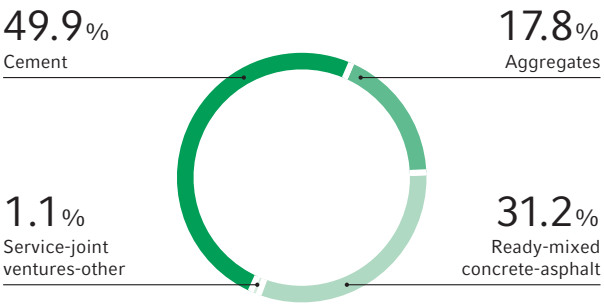
Revenue of the Asia-Pacific Group area grew by 8.5 % to €3,155 million (previous year: 2,907). On a pro forma basis and excluding exchange rate effects, revenue decreased slightly by 0.4 %.

The result from current operations before depreciation and amortisation declined by 7.5 % to €652 million (previous year: 705) compared with the previous year. The result from current operations dropped by 15.7 % to €459 million (previous year: 544).

Key data Asia-Pacific			
€m	2016	**2017**	Change
Revenue	2,907	**3,155**	8.5 %
Result from current operations[1)]	544	**459**	-15.7 %
Cement and clinker sales volumes (Mt)	28.7	**34.7**	20.6 %
Aggregates sales volumes (Mt)	39.2	**41.5**	5.7 %
Ready-mixed concrete sales volumes (Mm^3)	11.0	**10.6**	-3.3 %
Asphalt sales volumes (Mt)	1.8	**1.8**	-4.2 %
Employees as at 31 December	14,956	**14,039**	-6.1 %

1) 2016 amount was restated

Revenue Asia-Pacific 2017: €3,155 million



Africa-Eastern Mediterranean Basin

HeidelbergCement operates currently in 16 countries in the Africa-Eastern Mediterranean Basin Group area. With the successful integration of the former business units of Italcementi in Egypt, Morocco, Gambia, and Mauritania, we considerably strengthened our market position in Africa, thus becoming a major player on the continent, both in the northern part and the sub-Saharan countries.

Egypt and Morocco, where we hold leading market positions in the cement business, are among the biggest markets in the Group area. In both countries we also produce ready-mixed concrete and are active in the aggregates business in Morocco.

We run own production sites in nine countries south of the Sahara, where we mainly manufacture cement; in most of these countries, we are the market leader. In this respect, to ensure that we can continue to serve the growing demand, we commissioned two new plants in Togo and Benin during the financial year. In Togo, the new cement grinding plant near Kara in the north of the country commenced operation in August, with an annual capacity of 450,000 tonnes of cement and an export potential to neighbouring countries. With this investment, we are strengthening our competitive position in the north of Togo while also reducing transportation costs, as the cement is now being produced locally. In Benin, we made a similar expansion investment that almost doubled our existing production capacity in the urban area around the capital Cotonou, in order to benefit as much as possible from the government's planned investment programme and export potentials. The new grinding plant has been in operation since April.

In the eastern Mediterranean Basin, we have operations in Israel and Turkey. While we mainly produce aggregates and ready-mixed concrete in Israel, our joint venture Akçansa in Turkey is one of the country's leading cement manufacturers and also runs ready-mixed concrete and aggregates operations. Since establishing an independent subsidiary in Palestine in 2016, we have also operated a cement import business to Gaza and the West Bank and are committed to setting up a local building materials production site for aggregates in order to support the development of the region's infrastructure.

Demand for building materials in Africa – particularly south of the Sahara – developed positively in 2017. The market environment is overall characterised by robust local economic development combined with increasing construction activity. Solid economic growth, a young and rapidly growing population, and steadily progressing immigration to cities and urban areas are the main drivers of increasing construction activity and demand for cement in these countries. A key indicator is the per capita consumption of cement, which is still significantly lower in the sub-Saharan countries than in more developed or industrialised countries.

According to the January 2018 forecast of the International Monetary Fund (IMF), economic growth in sub-Saharan Africa improved in 2017, at an estimated 2.7 %, compared with the previous year's figure of 1.4 %.

The expectations outlined of the IMF for fast-growing countries such as Tanzania, Togo, Burkina Faso, and Ghana were particularly positive, with an estimated rise of more than 5 % in the gross domestic product in 2017. HeidelbergCement's largest production sites south of the Sahara are located in these countries.

For North Africa, macroeconomic indicators point to solid growth for 2017. Morocco's gross domestic product improved by 4.0 %, which is considerably higher than in the previous year. In contrast, growth of the construction industry was very low at only 0.4 %. In fiscal year 2016/17, Egypt recorded robust economic growth of 4.2 despite the volatile economic situation connected with the high level of devaluation of the local currency. However, there was a decline in the overall market demand for cement of more than 5 %.

In Turkey, the devaluation pressure on the domestic currency continued. Nevertheless, economic output increased, particularly in the second half of 2017, and the IMF estimates economic growth of 5.1 % for the full year. Domestic demand for cement was boosted by major ongoing projects (Istanbul Metro, Istanbul Airport).

Israel is recording consistently positive economic growth, with an estimated rise of 3.1 % for 2017, combined with a stable price level. The construction sector grew by an estimated 10.5 %. Public infrastructure projects in the Tel Aviv metropolitan area made a significant contribution to the strong demand for aggregates and ready-mixed concrete.

Cement business line

The cement and clinker sales volumes of the Africa-Eastern Mediterranean Basin Group area rose by 50.4 % to 19.0 million tonnes (previous year: 12.7). On a pro forma basis, i.e. including the former Italcementi business units in the first half of 2016, sales volumes fell slightly by 0.6 %, mainly due to decreasing cement demand in Egypt.

At national level, there are clear differences in the development of sales volumes. The significant increase in volumes in the West African countries was supported by generally positive macroeconomic conditions and lively construction activity in the metropolitan areas, which are optimally supplied by our plants. Thanks to the expansion of our production capacity in Benin, we are also able to cover the rise in domestic and export demand, which is expected in the future. In contrast, there was a decline in shipments in Sierra Leone and the Democratic Republic of Congo. The decrease in Sierra Leone results primarily from rising imports and the market entry of a competitor.

In our North Africa region, which includes Egypt, Morocco, Mauritania, and Gambia, sales volumes increased by 91.1 % in the reporting year to 11.7 million tonnes (previous year: 6.1), thereby contributing significantly to the Group area's total sales volumes. This rise is related to the first full-year consolidation of the former Italcementi operations. On a pro forma basis, however, these countries recorded a decline of 6.1 %. This is a result of the reduced demand in Egypt, particularly in residential construction, and the sustained high level of excess production capacities. In contrast, sales volumes developed positively in Mauritania, and Gambia.

Revenue of the cement business line rose by 19.9 % to €1,216 million (previous year: 1,014).

The continuous build-up of capacities in Africa demonstrates the continent's central importance in HeidelbergCement's long-term growth strategy. For example, in December 2017, the contract was awarded for the expansion of our production capacity in Burkina Faso; we will double the capacity to reach around 2 million tonnes in order to fulfil the growing demand for cement in the country.

Another step towards expansion is the planned market entry in South Africa; we are also investigating expansion options in other African countries as well as in the eastern Mediterranean Basin.

Aggregates business line

HeidelbergCement is predominantly active in Israel and Morocco in the aggregates business line. Significant increases in sales volumes were achieved in Israel. For Morocco, this business line constitutes the basis for a stronger vertical integration with the cement and ready-mixed concrete business lines. Total aggregates deliveries of the Group area rose in the reporting year by 22.9 % to 12.4 million tonnes (previous year: 10.1); on a pro forma basis, volumes increased by a pleasing 12.4 %. Revenue of the aggregates business line rose by 24.8 % to €112 million (previous year: 90).

The sustained positive development illustrates the growing importance of the aggregates business line for the whole Group area; organic growth and acquisitions will therefore remain a key management focus.

Ready-mixed concrete-asphalt business line

Besides the cement business, the acquisition of Italcementi in 2016 primarily expanded our ready-mixed concrete activities in North Africa. Our market presence in this Group area now extends to Egypt, Morocco, and Israel. Deliveries of ready-mixed concrete rose by 37.4 % to 5.1 million cubic metres (previous year: 3.7) in 2017; on a pro forma basis, they were up 2.8 % in comparison with the previous year. In the asphalt operating line, our only activities are in Israel. In 2017, we continued the positive development seen in recent years, increasing sales volumes substantially in Israel by 15.3 % to 0.6 million tonnes (previous year: 0.5). Total revenue of the ready-mixed concrete-asphalt business line rose by 26.2 % to €327 million (previous year: 259).

Service-joint ventures-other business line

The service-joint ventures-other business line essentially includes the cement, aggregates, and ready-mixed concrete activities of our Turkish joint venture Akçansa. In the reporting year, the domestic cement sales volumes of Akçansa again slightly exceeded the previous year, thereby achieving another record level. While clinker exports rose substantially, cement exports decreased. In total, Akçansa's cement and clinker sales volumes grew by 1.4 % in a challenging market environment characterised by growing excess capacities.

Deliveries of both aggregates and ready-mixed concrete decreased in comparison with the previous year. The decline was due to large projects reaching their conclusion, such as the construction of the third Bosphorus Bridge, for which Akçansa was the major supplier. The decline in sales volumes was partially offset by price increases.

In this business line, revenue of €30 million (previous year: 33) was realised in 2017 with other non-core activities. These include transport and other services divisions in Israel, which remained 7.2 % below the level of the previous year.

Revenue and results
Revenue of the Africa-Eastern Mediterranean Basin Group area increased by 20.7 % to €1,586 million (previous year: 1,314). On a pro forma basis, i.e. including the former Italcementi activities for the first half of 2016 and excluding consolidation and exchange rate effects, revenue rose by 5.1 %.

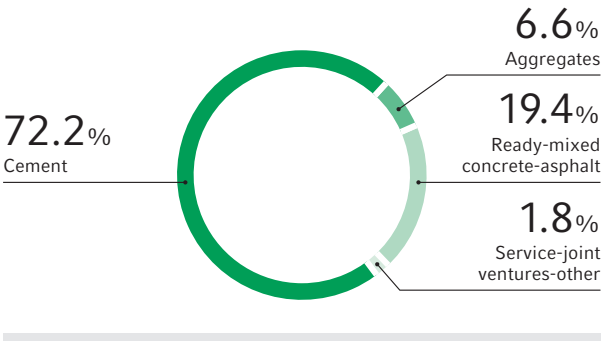
At €367 million (previous year: 327), the result from current operations before depreciation and amortisation was 12.3 % above the level of the previous year. The result from current operations rose by 10.9 % to €273 million (previous year: 246).

Key data Africa-Eastern Mediterranean Basin

€m	2016	2017	Change
Revenue	1,314	**1,586**	20.7 %
Result from current operations[1)]	246	**273**	10.9 %
Cement and clinker sales volumes (Mt)	12.7	**19.0**	50.4 %
Aggregates sales volumes (Mt)	10.1	**12.4**	22.9 %
Ready-mixed concrete sales volumes (Mm³)	3.7	**5.1**	37.4 %
Asphalt sales volumes (Mt)	0.5	**0.6**	15.3 %
Employees as at 31 December	7,602	**6,856**	-9.8 %

1) 2016 amount was restated

Revenue Africa-Eastern Mediterranean Basin 2017: €1,586 million



Group Services

Group Services largely comprises the activities of our subsidiary HC Trading, one of the largest trading companies worldwide for cement, clinker, solid fuels, and other building materials.

HC Trading is responsible for optimising the utilisation of our cement plants by balancing global supply and demand for cement and clinker. HC Trading also conducts overseas purchase activities of the Group companies for coal, petroleum coke, and other cementitious materials. In addition, the company serves other cement companies, delivering the highest standards of quality and service.

With employees from 29 countries, the trade network of HC Trading consists of 15 locations at key strategic sites worldwide. This network was significantly expanded following the integration of Interbulk Trading, Italcementi's former trading company. Thanks to its stronger market presence, HC Trading is now able to further optimise the capacity utilisation of our cement plants and offer even greater flexibility to its customer/supplier portfolio around the globe.

HC Trading increased its trade volume in the reporting year by 5.3 % to 25.3 million tonnes (previous year: 24.0). The majority of the deliveries went to Africa and Asia, as well as North America. The key supplier countries were Spain, Turkey, Vietnam, and China.

International trading in coal and petroleum coke increased in the reporting year by 7.6 %. Besides Group-owned cement plants, HC Trading also supplied the cement industry in Asia, the Middle East, Europe, and Africa.

In 2017, more than 1,200 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. Thanks to the high level of expertise of its in-house shipping department in enhancing logistical capabilities, HC Trading is able to respond quickly to customer requirements even in changing market conditions.

Group Services also comprises several activities in Kuwait. We have six plants in Kuwait, making us one of the major players in the ready-mixed concrete industry in the country. We also operate two cement import terminals there.

Revenue and results
Revenue of Group Services was 20.6 % above the previous year at €1,301 million (previous year: 1,078).

At €31 million (previous year: 24), the result from current operations before depreciation and amortisation was 31.3 % above the level of the previous year. The result from current operations rose by 28.0 % to €27 million (previous year: 21).

Key data Group Services			
€m	2016	2017	Change
Revenue	1,078	**1,301**	20.6 %
Result from current operations[1)]	21	**27**	28.0 %
Cement and clinker sales volumes (Mt)	0.2	**0.7**	229.0 %
Ready-mixed concrete sales volumes (Mm^3)	0.3	**0.6**	89.5 %
Employees as at 31 December	534	**405**	-24.2 %

1) 2016 amount was restated

Discontinued operations

The result from discontinued operations of €-51 million includes expenses totalling €50 million in connection with damages and environmental obligations for US subsidiaries of the Hanson Group, which was taken over in 2007. Additionally, there are expenses amounting to €1 million from the business activities of Italcementi in Belgium and North America, which were sold as part of the Italcementi acquisition on 25 October 2016 and 30 November 2016, respectively, following the decisions of the competition authorities.

Statement of cash flows

In the 2017 financial year, cash inflow from operating activities increased significantly again and financial debt was reduced as planned.

The cash inflow from operating activities of continuing operations rose by €139 million to €2,042 million (previous year: 1,902). The main reason was the rise of €263 million in the cash flow before interest and tax payments to €3,168 million (previous year: 2,905), which is attributable to the improved operational performance and the systematic continuation of the Group-wide programmes for reducing costs and improving efficiency.

The decline of €22 million in interest received to €117 million (previous year: 139) is particularly due to special items arising from the settlement of interest rate swaps in the previous year. Interest paid rose slightly by €24 million to €553 million (previous year: 530) as a result of the interest payments for bonds taken over from Italcementi, which fell due in the first and second quarters of 2017. Income tax payments increased by €36 million to €362 million (previous year: 326). In contrast, cash outflows from the utilisation of provisions fell by €48 million to €335 million (previous year: 383). The higher utilisation in the previous year was essentially due to the endowment of a Group contractual trust agreement (CTA) of €51 million for the insolvency protection of pension entitlements. At €7 million (previous year: 97), the cash-relevant decline in working capital once again positively impacted the change in cash and cash equivalents.

Cash outflow from investing activities of continuing operations declined by €2,375 million to €847 million (previous year: 3,222). Cash-relevant investments fell by €2,760 million to €1,278 million (previous year: 4,039). The figure in the previous year was largely influenced by the purchase price payment of €2,873 million for the acquisition of shares in Italcementi S.p.A. Investments for sustaining and optimising our capacities amounted to €644 million (previous year: 630) and €634 million related to capacity expansions (previous year: 3,409 - including the purchase price payment for Italcementi S.p.A.). Further details can be found in the Investments section on ↗ page 43 and in the Business combinations in the reporting year section of the Notes on ↗ page 123 f. With regard to the cash-relevant divestments of €434 million (previous year: 184), cash inflows from the disposal of subsidiaries and other business units accounted for €43 million (previous year: 5). Further details can be found in the Divestments in the reporting year section of the Notes on ↗ page 129 f. Proceeds from the disposal of other fixed assets amounting to €391 million (previous year: 180) relate with €253 million (previous year: 107) to cash inflow from the sale of intangible assets and property, plant, and equipment. The increase in comparison with the previous year results essentially from the sale of assets that are not part of the core business. The remaining payments received of €138 million (previous year: 73) apply to the disposal of financial assets, associates, and joint ventures as well as to the repayment of capital from joint ventures and the repayment of loans. The change to the scope of consolidation resulted in a cash outflow of €3 million in the financial year. The corresponding cash inflow of €632 million in the previous year essentially concerned the cash and cash equivalents of the Italcementi Group at the time of acquisition.

Financing activities of continuing operations generated a cash outflow of €922 million in 2017 (previous year: cash inflow of 1,056). The cash outflow arising from the net proceeds from and repayment of bonds and loans of €302 million (previous year: 1,381) included in this figure covers the change in non-current and current financial liabilities, mainly comprising the issue of three bonds with a total value of €2.25 billion, the repayment of three bonds totalling €1,622 million, and the early repayment of debt certificates amounting to €285 million. This item also includes the repayment of the utilised syndicated credit line, borrowings and payments relating to bank loans and debt certificates, as well as changes to other current financial liabilities with high turnover rate. In the previous year, three bonds with a total value of €2.75 billion were issued and two bonds of €971 million were repaid, as were commercial papers of €385 million.

Dividend payments led to a cash outflow of €529 million (previous year: 335), with dividend payments of HeidelbergCement AG making up €317 million (previous year: 244) of this figure.

As in the previous year, cash inflows and outflows from discontinued operations relate to the Belgian Italcementi activities as well as to some locations of Italcementi in North America, which were resold in the previous year to meet the conditions of the competition authorities.

In the 2017 financial year, HeidelbergCement was able to meet its payment obligations at all times.

Consolidated statement of cash flows (short form)			
€m	2016[1)]	2017	Difference
Cash flow	2,188	**2,370**	181
Changes in working capital	97	**7**	-90
Decrease in provisions through cash payments	-383	**-335**	48
Cash flow from operating activities – continuing operations	1,902	**2,042**	139
Cash flow from operating activities – discontinued operations	-28	**-4**	25
Cash flow from operating activities	1,874	**2,038**	164
Investments (cash outflow)	-4,039	**-1,278**	2,760
Other inflows of cash and cash equivalents	816	**431**	-386
Cash flow from investing activities – continuing operations	-3,222	**-847**	2,375
Cash flow from investing activities – discontinued operations	901	**10**	-891
Cash flow from investing activities	-2,321	**-837**	1,484
Capital decrease – non-controlling shareholders	-2	**0**	2
Dividend payments	-335	**-529**	-194
Changes in ownership interests in subsidiaries	12	**-91**	-103
Net proceeds from/repayment of bonds and loans	1,381	**-302**	-1,683
Cash flow from financing activities – continuing operations	1,056	**-922**	-1,978
Cash flow from financing activities – discontinued operations	0		0
Cash flow from financing activities	1,056	**-922**	-1,978
Effect of exchange rate changes	13	**-142**	-155
Change in cash and cash equivalents	622	**137**	-485

1) Amounts were restated

Investments

Strict spending discipline regarding investments continued to form a significant cornerstone of our rigid and consistent cash management in the 2017 financial year. Cash-relevant investments, which in the previous year primarily related to the acquisition of the Italcementi Group, declined to €1,278 million in the reporting year (previous year: 4,039). As a result, our investments remained significantly short of the originally planned amount of €1.4 billion. However, the investment goal of €1.2 billion, which was reduced in connection with the decreased investments in expansion, was not fully achieved. €1,035 million (previous year: 1,040) was attributed to investments in property, plant, and equipment (including intangible assets). Investments in financial assets and other business units fell to €243 million (previous year: 2,999).

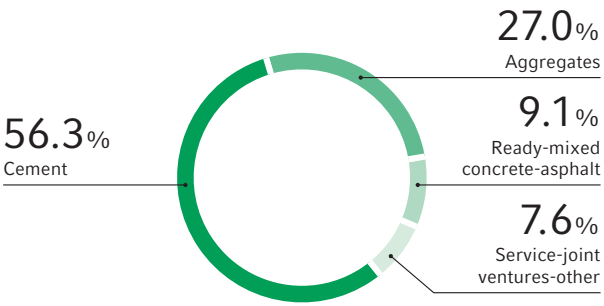
Investments in property, plant, and equipment related partly to maintenance, optimisation, and environmental protection measures at our production sites in all Group areas. One point of focus regarding optimisation and environmental protection is on the projects of the Germany Cement Master Plan for modernisation and efficiency improvements as well as environmental protection in our German cement plants. This includes major projects such as the modernisation of the Burglengenfeld and Schelklingen plants, where completely new preheater kilns are being constructed. Larger items of capital spending were also connected with the construction of a coal mill in the Helwan plant near Cairo, Egypt, as well as the development of a new quarry for our Union Bridge cement plant in the USA. In Georgia, the modernisation of the Kaspi cement plant continued. The upgrading of the Bass Point location in New South Wales, Australia, represents an important project in the aggregates business line.

In 2017, we also made targeted investments in the growth markets of Africa as well as in North America. In Benin, we commissioned a new cement mill at the Cotonou grinding plant in April 2017. In August, a new cement grinding plant commenced production in Togo. In addition, we further expanded our cement capacities in the North America Group area. The newly constructed cement grinding installation at the Tehachapi cement plant in California has been in operation since June 2017. At the end of the year, an additional cement mill started production at the cement plant in Edmonton, Canada. At the production site in Citeureup, Indonesia, we commissioned the new cement mills of the P14 production line, which was officially opened in the previous year.

The investments in financial assets and other business units essentially relate to the acquisition of the building materials business line of Cemex in the northwest of the USA and the purchase of the operating assets of the Saunders Companies in the US state of New York, as well as smaller bolt-on acquisitions of shareholdings.

Investments			
€m	2016	2017	Change
Western and Southern Europe	297	**327**	10.3 %
Northern and Eastern Europe-Central Asia	124	**144**	15.6 %
North America	301	**274**	-8.8 %
Asia-Pacific	215	**209**	-2.7 %
Africa-Eastern Mediterranean Basin	102	**81**	-20.8 %
Financial assets and other business units	2,999	**243**	-91.9 %
Total	4,039	**1,278**	-68.4 %

Investments in property, plant, and equipment by business lines in 2017



Consolidated balance sheet

The balance sheet total declined by €2,562 million to €34,558 million (previous year: 37,120) as at 31 December 2017. This decrease largely results from exchange rate effects of €-2,452 million.

Non-current assets fell by €2,572 million to €27,865 million (previous year: 30,437). After adjustment for exchange rate effects amounting to €-2,012 million, the changes mainly related to intangible assets and property, plant, and equipment of -272 million as well as investments in associates of €45 million and financial investments amounting to €-98 million. The decline in intangible assets and property, plant, and equipment is essentially attributable to additional depreciation and amortisation of €150 million and impairments of €68 million as well as to disposals of €122 million, while changes to the scope of consolidation amounting to €75 million had an offsetting effect. The rise in investments in associates resulted mainly from profit for the financial year of €52 million. The decline in financial investments can largely be attributed to disposals of €87 million.

Current assets decreased by €80 million to €6,593 million (previous year: 6,673). Inventories fell by €174 million to €1,881 million (previous year: 2,054). Adjusted for currency effects of €152 million, inventories decreased only slightly by €22 million. Receivables and other assets saw marginal growth of €16 million to €2,584 million (previous year: 2,567). Cash and cash equivalents increased by €136 million to €2,109 million (previous year: 1,972), mainly as a result of the issue of new bonds amounting to €2,250 million. This was counteracted by the repayment of three bonds totalling €1,622 million, debt certificates amounting to €285 million, and bank loans of €467 million. The change in cash and cash equivalents is explained in more detail in the Statement of cash flows section on ↗ page 42 f.

On the equity and liabilities side, equity decreased by €1,739 million to €16,052 million (previous year: 17,792). The drop is primarily attributable to changes to the total comprehensive income of €-1,135 million, dividend payments of €529 million, and the fall in changes in ownership interests in subsidiaries of €92 million. The total comprehensive income is composed of the €1,058 million profit for the financial year and particularly currency translation differences of €-2,107 million recognised in other comprehensive income as well as actuarial gains of €18 million.

The decline of €227 million in interest-bearing liabilities to €10,824 million (previous year: 11,051) is mainly due to the repayment and issue of new bonds as well as to the repayment of debt certificates and bank loans. Provisions decreased by €473 million to €2,636 million (previous year: 3,109). Operating liabilities fell by €143 million to €4,383 million (previous year: 4,526).

In the 2017 financial year, the net debt/equity ratio (gearing) increased slightly by 3.6 percentage points to 54.2 % (previous year: 50.6 %).

Consolidated balance sheet (short form)

€m	31 Dec. 2016[1]	31 Dec. 2017	Part of balance sheet total 2017
Intangible assets and property, plant, and equipment	26,325	**24,285**	70 %
Financial assets	2,383	**2,181**	6 %
Other non-current assets	1,728	**1,399**	4 %
Current assets	6,673	**6,593**	19 %
Assets held for sale	9	**100**	0 %
Shareholders' equity and non-controlling interests	17,792	**16,052**	46 %
Non-current liabilities	12,326	**12,210**	35 %
Current liabilities	7,002	**6,283**	18 %
Liabilities associated with assets held for sale		**13**	0 %
Balance sheet total	37,120	**34,558**	100 %

1) Amounts were restated

Key financial ratios

	2015	2016[1]	2017
Assets and capital structure			
Equity/balance sheet total	56.3 %	47.9 %	**46.5 %**
Net debt/balance sheet total	18.6 %	24.2 %	**25.2 %**
Equity + non-current liabilities/fixed assets	106.2 %	104.9 %	**106.8 %**
Gearing (net debt/equity)	33.1 %	50.6 %	**54.2 %**
Earnings per share			
Earnings per share (€)	4.26	3.40	**4.62**
Profitability			
Return on total assets before taxes[2]	6.3 %	4.3 %	**6.0 %**
Return on equity[3]	6.4 %	4.7 %	**6.9 %**
Return on revenue[4]	7.6 %	5.5 %	**6.4 %**

1) Amounts were restated
2) Result before tax from continuing operations + interest expenses / balance sheet total
3) Net income from continuing operations / equity
4) Net income from continuing operations / revenue

Capital efficiency

Target of HeidelbergCement is to achieve a ROIC (Return On Invested Capital) equivalent to at least the weighted average cost of capital (WACC). HeidelbergCement defines the WACC as weighted average of the country specific cost of capital. The weighting is based on the invested capital. The company specific risk and the capital structure of HeidelbergCement as well as the various country risks are taken into account when determining the cost of capital. The weighted average (mean value) of the past four quarters is used for the calculation of the WACC.

According to HeidelbergCement, weighted average cost of capital relevant for evaluating capital efficiency amounted to 6.6 % in 2017 (previous year: 7.0 %). The reasons for the decline in the WACC are, on the one hand, the consolidation of Italcementi with a higher share of industrial countries in the portfolio and, on the other hand, the overall decrease in relevant interest rates. ROIC of HeidelbergCement was 7.2 % for 2017 (previous year: 7.0 %). The detailed calculation is shown in the following table. The previous year's figure was adjusted from 7.2 % to 7.0 % subsequent to the conclusion of the purchase price allocation for Italcementi. Thanks to operational improvement compared with the previous year, HeidelbergCement increased its ROIC and also earned a considerable premium on its cost of capital in 2017.

Return on Invested Capital (ROIC)		
€m	2016[1)]	2017
Result from current operations	1,927.8	**2,188.3**
Result from participations	38.2	**51.3**
Income taxes paid	-325.9	**-362.0**
Total	1,640.1	**1,877.6**
Equity (incl. non-controlling interests)	17,791.6	**16,052.4**
Net debt	8,999.0	**8,695.6**
Liabilities for puttable minorities	-73.8	**-66.2**
Invested capital	26,716.8	**24,681.8**
Average invested capital (of the past four quarters)	23,594.7	**26,063.9**
Return on Invested Capital (ROIC)	7.0 %	**7.2 %**

1) Amounts were restated

Group financial management

Financial principles and targets

The objective of external financing and safeguarding of liquidity is to ensure sufficient liquidity for the Group at all times. The crisis in the international capital markets has emphasised how important it is to focus on liquidity.

Our external financial flexibility is primarily assured by capital markets and a group of major international banks. Within the Group the principle of internal financing applies, i.e. financing requirements of subsidiaries are – where possible – covered by internal loan relationships. In 2017, our subsidiaries were financed according to this principle primarily by our finance company HeidelbergCement Finance Luxembourg S.A. (HC Finance Luxembourg S.A.) based in Luxembourg and by HeidelbergCement AG. This central financing principle ensures a uniform presence in the capital markets and also in relation to rating agencies, it eliminates structural benefits for individual creditor groups, and strengthens our negotiating position with credit institutions and other market participants. Furthermore, it enables us to allocate liquidity in the most efficient way and to monitor and eliminate the financial risk positions (currencies and interest) across the Group on the basis of net positions.

The Group companies use either liquidity surpluses from other subsidiaries in cash pools or are provided with intra-Group loans from HC Finance Luxembourg S.A. or HeidelbergCement AG. In some cases, the Group Treasury department also arranges credit lines for subsidiaries with local banks in order to accommodate legal, tax, or other conditions. Local financing is mainly used for particularly small volumes.

Financing measures

2017 was characterised by three successful bond issues. We raised capital on the capital market at very favourable conditions by issuing three bonds under the €10 billion EMTN programme. The first issue was launched on 18 January with a €750 million bond and a four-year term ending on 18 January 2021. The bond bears a fixed coupon of 0.5 % p.a. The issue price was at 99.822 %, resulting in a yield to maturity of 0.545 %. The second bond issue followed on 4 April with an issue volume of €1 billion and an nine-year term ending on 7 April 2026. This bond bears a fixed coupon of 1.625 % p.a. The issue price was at 99.626 %, resulting in a yield to maturity of 1.67 %. The third bond issue took place on 14 June with an issue volume of €500 million and an ten-year term ending on 14 June 2027. The bond has a fixed coupon of 1.5 % p.a. The issue price was at 98.891 %, resulting in a yield to maturity of 1.621 %.

The issue proceeds from the Eurobonds were used for general corporate financing purposes and the refinancing of maturities.

Furthermore, in June 2017, we invoked our right to terminate ahead of schedule the debt certificates issued on 14 January and 4 February 2016, respectively. As a result, on 20 July 2017 we redeemed at par the tranches of €284.5 million with floating interest rates and an original term ending on 20 January 2022.

On 4 December 2017, we signed a loan agreement with the European Investment Bank with a volume of €180 million and a five-year term. The funds were received on 4 January 2018.

As at 31 December 2017, only €269.6 million had been drawn upon the syndicated credit facility which acts as HeidelbergCement's liquidity back-up. The free credit line amounted to €2,730.4 million at year-end 2017 (see following table). Overall, it is thereby ensured that all Group companies have sufficient headroom for cash drawdowns as well as for letters of credit and guarantees to enable them to successfully finance operational business and new investments.

Credit line	
€m	31 Dec. 2017
Syndicated Credit Facility (SFA)	3,000.0
Utilisation (cash)	0.2
Utilisation (guarantee)	269.3
Free credit line	2,730.4

According to the terms and conditions of the bonds issued in 2009 and 2010, there is a limitation on incurring additional debt if the consolidated coverage ratio (i.e. the ratio of the aggregate amount of the consolidated EBITDA to the aggregate amount of the consolidated interest expense) of the HeidelbergCement Group is below 2. This covenant is suspended for the other bonds and debt certificates due to the investment grade rating. The consolidated EBITDA of €3,434 million and the consolidated interest expense of €451 million are calculated on a pro forma basis in accordance with the terms and conditions of the bonds. At the end of 2017, the consolidated coverage ratio amounted to 7.61. In the reporting year, net debt fell by €0.3 billion and amounted to €8.7 (previous year: 9.0) billion as at 31 December 2017. The dynamic gearing ratio amounted to 2.6x (previous year: 3.1x).

The following table shows the new issues and repayments of HeidelbergCement Group in 2017.

New issues and repayments of HeidelbergCement Group					
Transaction	Offering date	Duration	Maturity date	Nominal volume	Yield
New issue	2017-01-18	4 years	2021-01-18	€m 750	0.50 %
New issue	2017-04-04	9 years	2026-04-07	€m 1,000	1.63 %
New issue	2017-06-14	10 years	2027-06-14	€m 500	1.50 %
Early redemption	2016-01-20	6 years	2017-07-20	€m 264.5	variable
Early redemption	2016-02-10	6 years	2017-07-20	€m 20	variable
Amortisation	2016-06-24	7 years	2023-06-30	€m 9.6	1.29 %
Repayment	2011-11-14	6 years	2017-11-14	CHFm 150	7.25 %
Repayment	2009-10-21	7 years	2017-01-31	€m 1,000	8.00 %
Repayment	2007-04-04	10 years	2017-04-04	€m 500	4.75 %

The following tables show the financial liabilities of HeidelbergCement Group as at 31 December 2017.

Bonds payable						
Issuer (€m)	Nominal volume	Book value	Coupon rate in %	Offering date	Maturity date	ISIN
HC Finance Luxembourg S.A.	480.0	506.6	5.625	2007-10-22	2018-01-04	DE000A0TKUU3
Italcementi Finance S.A.	500.0	529.9	6.125	2013-02-21	2018-02-21	XS0893201433
HC Finance Luxembourg S.A.	500.0	503.3	9.500	2011-10-05	2018-12-15	XS0686703736
HC Finance Luxembourg S.A.	500.0	510.5	2.250	2014-03-12	2019-03-12	XS1044496203
HC Finance Luxembourg S.A.	500.0	502.6	8.500	2009-10-21	2019-10-31	XS0458685913
Italcementi Finance S.A.	750.0	861.2	5.375	2010-03-19	2020-03-19	XS0496716282
HC Finance Luxembourg S.A.	750.0	758.4	7.500	2010-01-19	2020-04-03	XS0478803355
HC Finance Luxembourg S.A.	300.0	309.1	3.250	2013-10-24	2020-10-21	XS0985874543
HC Finance Luxembourg S.A.	750.0	751.0	0.500	2017-01-18	2021-01-18	XS1549372420
HC Finance Luxembourg S.A.	500.0	517.4	3.250	2013-12-12	2021-10-21	XS1002933072
HeidelbergCement AG	1,000.0	1,010.4	2.250	2016-03-30	2023-03-30	XS1387174375
HeidelbergCement AG	750.0	750.6	2.250	2016-06-03	2024-06-03	XS1425274484
HeidelbergCement AG	1,000.0	1,000.1	1.500	2016-12-07	2025-02-07	XS1529515584
HC Finance Luxembourg S.A.	1,000.0	1,006.0	1.625	2017-04-04	2026-04-07	XS1589806907
HC Finance Luxembourg S.A.	500.0	497.2	1.500	2017-06-14	2027-06-14	XS1629387462
Total		**10,014.3**				

Bank loans					
Issuer (€m)	Nominal volume	Book value	Coupon rate in %	Offering date	Maturity date
Debt certificates					
HeidelbergCement AG	360.5	365.3	1.850	2016-01-20	2022-01-20
Syndicated facility					
HeidelbergCement AG	0.2	-3.9		2014-02-25	2019-02-25
Others					
Other Group companies		214.1			
Total		**575.5**			

Other interest-bearing liabilities	
Issuer (€m)	Book value
Other Group companies	168.1
Total	**168.1**

Non-controlling interests with put options	
€m	Book value
Non-controlling interests with put options	66.2
Total	**66.2**

The following table shows the main liquidity instruments as at 31 December 2017.

Liquidity instruments	
€m	31 Dec. 2017
Cash and cash equivalents	**2,108.6**
Liquidable financial investments and derivative financial instruments	**20.0**
Free credit line	**2,730.4**
Free liquidity	**4,859.0**

Rating

In the 2017 financial year, the company's credit rating by the rating agencies Moody's Investors Service and Fitch Ratings remained stable at Baa3 and BBB-, respectively. The outlook for our credit rating is assessed as stable.

We were able to successfully continue issuance activity in the money market during 2017 and issued a total volume of €3.6 billion via our €1.5 billion Euro Commercial Paper Programme over the course of 2017. At the end of the year, issuance activity under the Commercial Paper Programme was gradually reduced in order to limit excess liquidity at the end of the year. As at 31 December 2017, none of the commercial papers issued by HeidelbergCement AG remained outstanding. The €3 billion syndicated credit facility thereby serves as a backup line.

Ratings as at 31 December 2017			
Rating agency	Long-term rating	Outlook	Short-term rating
Moody's Investors Service	Baa3	stable	P-3
Fitch Ratings	BBB-	stable	F3
S&P Global Ratings	BBB-	stable	A-3

Statements on HeidelbergCement AG

In addition to the Group management reporting, the parent company's development is described below. In contrast to the consolidated financial statements, the annual financial statements of HeidelbergCement AG are prepared in accordance with German commercial law. HeidelbergCement AG's management report is combined with that of the HeidelbergCement Group in accordance with section 315(5) of the German Commercial Code (Handelsgesetzbuch, HGB), as the business trend, economic position, and future opportunities and risks of the parent company are closely linked with the Group on account of their common activity in the building materials business.

As the controlling company, HeidelbergCement AG plays the leading role in the HeidelbergCement Group. It is also operationally active in Germany in the cement business line with eleven cement and grinding plants. The results of HeidelbergCement AG are significantly influenced by its directly and indirectly held subsidiaries and participations. The business development of HeidelbergCement AG is subject to the same risks and opportunities as the business development of the Group. Regarding financing, HeidelbergCement AG plays the key role within the Group. Due to the links between HeidelbergCement AG and its subsidiaries as well as its importance in the Group, the outlook for the Group also reflects the expectations for HeidelbergCement AG to a large extent. Therefore, the statements in the Combined management report apply equally to the Group and HeidelbergCement AG.

Revenue of the cement business line rose by 7.3 % to €560 million (previous year: 522). This increase is primarily due to the very strong development of construction activity in Germany during the financial year, as well as the expanded product portfolio following the integration of Italcementi. Total revenue of HeidelbergCement AG grew by €66 million to €693 million (previous year: 627). A substantial increase was also recorded in proceeds from services provided, which amounted to €133 million (previous year: 105) in the now larger HeidelbergCement Group.

Expenses for raw materials, consumables, and supplies rose by €23 million compared with the previous year. This was due to the higher cement and clinker production, as well as the general market development of raw materials and energy prices.

Other operating income decreased by €30 million to €11 million (previous year: 41). Because of the enhanced requirements connected with its leading role within the Group, the number of employees of HeidelbergCement AG increased. Consequently, personnel costs rose by €4 million to €222 million (previous year: 218). Other operating expenses rose by €7 million to €251 million (previous year: 244). Earnings before interest and taxes (EBIT) decreased by €6 million to €-56 million (previous year: -50). This decline results mainly from the significant increase in expenses incurred in connection with HeidelbergCement AG's leading role as the controlling company in the HeidelbergCement Group.

Results from participations fell by €1,705 million to €-35 million (previous year: 1,670), primarily in connection with the non-recurrence of the reversal of impairment loss carried out at HeidelbergCement S.à.r.l, Luxembourg, in the previous year, which was included in the results from participations because of a profit transfer agreement with HeidelbergCement International Holding GmbH.

Income from loans declined by €5 million to €44 million (previous year: 49). Other interest and similar income increased by €88 million to €319 million (previous year: 231). Interest and similar expenses rose by €56 million to €305 million (previous year: 249). The change in other interest and similar income as well as interest and similar expenses is primarily attributable to increased in-house banking activities.

Through the in-house banking activities, the financing measures of the subsidiaries lead to currency positions that are hedged by means of external foreign exchange transactions, which are appropriate in terms of maturities and amounts. As these hedging transactions do not, as a rule, relate to any valuation units, currency and interest gains or losses may arise. In accordance with the imparity principle, provisions for risks arising from hedging transactions were recognised at the end of the year to the extent of the negative market values. Positive market values are not recognised as assets. The currency results amounted to €17 million (previous year: 4) in the financial year.

Neither reversal of impairment losses nor depreciation or amortisation were necessary in the 2017 financial year. The income tax expense of €65 million (previous year: 37) results from taxes for the reporting year. In addition, adjustments needed to be made for previous years, which related in particular to a company audit for the assessment period of the tax years 2005–2011. Net loss for the 2017 financial year amounted to €-82 million (previous year: profit of 1,617), while balance profit was €408 million (previous year: 858).

The balance sheet total decreased slightly compared with the previous year by €0.8 billion to €25.4 billion (previous year: 26.2). This is largely attributable to an increase of €0.5 billion in fixed assets and the decrease of €1.5 billion in receivables from affiliated companies and of €0.5 billion in bank loans.

On the assets side, there was only a minimal change in shares in affiliated companies.

Loans to affiliated companies rose to €1.1 billion (previous year: 1.0) as a result of payments less scheduled repayments. In connection with intra-Group restructuring, 39.72 % of the shares in the Turkish joint venture Akçansa Cimento Sanayi ve Ticaret A.S. were acquired by HeidelbergCement Mediterranean Basin Holdings S.L.U., Spain. Financial assets increased to a total of €18.7 billion. Total fixed assets rose to €19.2 billion. Inventories grew by €11 million to €63 million (previous year: 52). This was primarily due to the acquisition of CO_2 emission rights. Trade receivables were slightly above the previous year's level at €7.7 million. Receivables and other assets fell to €5.6 billion (previous year: 7.2); this is due in particular to the decline in receivables from affiliated companies to €5.6 billion (previous year: 7.1), connected with financing measures within the Group. Cash and cash equivalents increased by €271 million to €530 million (previous year: 259).

On the equity and liabilities side, equity fell to €13.3 billion (previous year: 13.7) because of the net loss for the financial year and the dividend distribution. Provisions increased only slightly in comparison with the previous year to €0.52 billion (previous year: 0.51). Liabilities decreased by €0.5 billion to €11.5 billion (previous year: 12.0).

Evaluation of the economic situation by Group management

In 2017, HeidelbergCement continued its accelerated growth with the successful integration of Italcementi. In a very challenging economic environment with energy costs rising around the world, competitive pressure in emerging countries, the influence of negative weather conditions on our business activity in our largest individual market – the USA – and weak demand in the United Kingdom as a consequence of uncertainties over Brexit, we nevertheless increased our result as forecasted. We are therefore well on the way to implementing our medium-term strategic priorities of value creation for our shareholders and accelerated growth.

As a leading building materials producer, we benefited from the positive development of demand in many markets. Economic recovery continued in North America and led to an increase in demand for building materials, driven by commercial and residential construction. In Germany and Northern Europe, the dynamic development in residential and infrastructure construction was maintained. In Southern Europe, there are initial signs of recovery. The development of sales volumes of cement and ready-mixed concrete was very positive in Eastern Europe thanks to lively residential construction. In the emerging countries of Asia and Africa, the demand situation improved during the course of the year. However, competition has increased significantly due to the installation of new capacities in recent years. In Indonesia, delayed infrastructure projects have now begun, leading to a moderate rise in the demand for building materials after

years of stagnation. Nevertheless, price pressure persisted due to the continued existence of excess capacities.

The consolidation of Italcementi since 1 July 2016 led to a significant increase in revenue and result from current operations. Alongside our programmes targeting improvements in efficiency and margins, the realisation of considerably greater synergies than originally expected as well as the successful management of the fuel mix and energy purchasing in the face of substantially higher energy costs have also contributed towards the positive development of results. In contrast, the strengthening of the euro against numerous other currencies had a negative impact on revenue and results. Thanks to the refinancing of maturities under favourable conditions, we were able to significantly improve the financial result compared with the previous year, as anticipated. As a whole, we clearly achieved our objective of substantially increasing the profit for the financial year before non-recurring effects. We were also able to improve ROIC accordingly and to earn a premium on our cost of capital again.

The cash inflow from operating activities of continuing operations grew moderately in comparison with the previous year. Among the decisive factors were, in particular, the improved operational performance and the systematic continuation of the above-mentioned Group-wide programmes to increase efficiency and margins. Strict expenditure discipline regarding investments was a significant cornerstone of our tight cash management also in 2017. Despite distinctly negative currency effects due to the devaluation of the US dollar against the euro, we were able to noticeably reduce net debt from almost €9 billion at the end of 2016 to under €8.7 billion at the end of 2017. The dynamic gearing ratio on a pro forma basis, i.e. taking into consideration Italcementi's contribution to the result from current operations before depreciation and amortisation in the first half of 2016, correspondingly declined from a factor of 2.8x at the end of 2016 to 2.6x at the end of 2017. Our stated target is to bring the dynamic gearing ratio back down to the target range of 1.5x to 2.5x. At the end of 2017, the available liquidity amounted to €4.9 billion. HeidelbergCement is in a solid position to face the challenges of 2018 and successfully complete the integration of the business activities of Italcementi.

Comparison of the business trend with the previous year's outlook

Revenue outlook

In the 2016 Annual Report, the Managing Board projected a moderate increase in revenue for 2017, adjusted for exchange rate and consolidation effects and on a pro forma basis, i.e. taking into account the contributions of Italcementi for the first half of 2016. The outlook was based on the assumption that sales volumes of cement and aggregates would rise moderately. Furthermore, price increases were to take on a high priority. Cement sales volumes rose only slightly in 2017, while a moderate improvement was seen in aggregates sales volumes. In North America and Western and Southern Europe, cement sales volumes increased only slightly. This was due to the poor weather conditions, particularly in the west and south of the USA, and to a decline in deliveries in the United Kingdom, partly because of the uncertainty connected with the Brexit referendum. In Asia, demand rose in Indonesia but, as a result of reduced quantities in India and Thailand, only a slight overall increase was recorded in cement sales volumes. In Africa, the improved sales volumes in the countries south of the Sahara did not fully compensate for the decline in Egypt caused by the weak economy. Moreover, we increased our prices for cement and aggregates in key markets such as North America, but had to accept price decreases in emerging countries – especially in Indonesia – as a result of intensified competition. On a pro forma basis, i.e. taking into account the contribution to revenue of Italcementi of €1,918 million in the first half of 2016, revenue increased by 1 %. Excluding exchange rate and consolidation effects, the figure rose by 2 % and was thus weaker than forecast.

Expenditure outlook

As with revenue, all estimates in the expenditure forecast were made on a pro forma basis. In the 2016 Annual Report, a significant rise in the cost base for energy was initially anticipated for 2017. In the course of the reporting year, however, we reduced the forecast to a moderate increase on account of our successful management of the fuel mix and energy purchasing. For raw materials and personnel, we anticipated a slight to moderate increase. On a pro forma basis, energy costs fell by 0.5 %. As a percentage of revenue, this represents a reduction from 9.9 % in 2016 to 9.7 % in 2017. On a comparable basis, the increase in energy costs amounted to 5.4 %.

In 2017, personnel costs for HeidelbergCement on a pro forma basis were around the previous year's level. As a percentage of revenue, they decreased from 17.5% in 2016 to 17.3% in 2017. The successful realisation of synergies in the integration of Italcementi, which led to more than 3,000 job cuts worldwide by the end of 2017, played a decisive role in the stable absolute development and the decline in the percentage of revenue. On a comparable basis, we recorded a slight increase of 1.0% in personnel costs. The strengthening of the euro against numerous currencies, especially the US dollar and British pound, as well as some currencies from emerging countries such as Indonesia, Ghana, and Egypt, lowered the increase in material and personnel costs. As anticipated, interest costs fell significantly in comparison with the previous year. In particular, the refinancing of maturities under favourable terms contributed to this decline. Consequently, the financial result improved considerably.

Profit outlook

On the basis of the expected development of revenue and expenditure, we predicted a moderate rise in the result from current operations before consolidation and exchange rate effects and in earnings before interest and taxes (EBIT) before non-recurring effects, as well as a significant increase in the profit for the financial year before non-recurring effects, in the 2016 Annual Report. On a comparable basis, the result

from current operations rose considerably – by 10.3% – and even slightly exceeded the forecast, despite the weaker than anticipated development of revenue. The lower increase in energy costs and the stronger-than-expected realisation of synergies contributed to this positive development. EBIT before non-recurring effects increased by 8.7%. As a consequence of the robust operational performance and thanks to the improved financial result, profit for the financial year rose significantly by 27.7%, without taking into consideration the additional ordinary result of €-324 million in 2016 and of €-133 million in 2017, and also excluding non-recurring effects from the revaluation of deferred taxes in connection with the US tax reform of €-285 million. ROIC improved from 7.0% to 7.2% and was thus above the weighted average cost of capital, which amounted to 6.6%. The development of the result and of ROIC were therefore in line with the original outlook.

Comparison of the business trend with the outlook in the 2016 Annual Report

€m	Outlook 2016 Annual Report	Actual 2016	Actual 2017	Change [1]
Revenue [2]	Moderate increase	17,084	17,266	+1.1 % (+2.1 %)
Energy costs [2]	Significant increase (updated to "moderate increase" in July 2017)	1,687	1,678	-0.5 % (+5.4 %)
Personnel costs [2]	Sligth do moderate increase	2,996	2,900	-0.2 % (+1 %)
Financing costs (financial result) [3]	Significant decline	-493	-391	-20.7 %
Result from current operations [2] [3]	Moderate increase before exchange rate and consolidation effects	2,017	2,188	+8.5 % (+10 %)
EBIT [2] [3]	Moderate increase before non-recurring effects	2,061	2,240	+8.7 %
Profit for the financial year [3]	Significant increase before non-recurring effects	1,155	1,476	+27.7 %
ROIC [3]	Improvement	7.0 %	7.2 %	+0.2 percentage point

1) Figures in brackets: adjusted for exchange rate and consolidation effects
2) On a pro forma basis: including the contribution of Italcementi in the first half of 2016
3) 2016 amount was restated

Additional statements

Statements in accordance with sections 289a(1) and 315a(1) of the German Commercial Code (HGB)

On 31 December 2017, the share capital of HeidelbergCement AG amounted to €595,249,431. It is divided into 198,416,477 no-par value bearer shares, each with a pro rata amount of €3, which corresponds to a proportionate amount of the subscribed share capital. Each share carries one vote at the Annual General Meeting. All shares carry the same rights and obligations; there are no different classes of shares. The Managing Board knows of no restrictions concerning voting rights or the transfer of shares.

Mr Ludwig Merckle, Ulm, Germany, holds via VEMOS 2 Holding GmbH, Zossen, Germany, a company under his control, 25.52 % of the voting rights in the company, according to the notifications available to the company as at 31 December 2017 in accordance with the German Securities Trading Law (Wertpapierhandelsgesetz) and Market Abuse Regulation Article 19. No holder of shares has been granted special rights giving power of control.

The company's Managing Board is appointed and discharged by the Supervisory Board. The Articles of Association may be amended by the Annual General Meeting with a simple majority of the share capital represented at the time of voting, except where a greater majority is required by law. Amendments affecting only the wording of the Articles of Association may be made by the Supervisory Board.

As at 31 December 2017, there were two authorised capitals: namely, authorisation of the Managing Board and Supervisory Board to increase the capital by issuing new shares in return for cash contributions (Authorised Capital I), and authorisation of the Managing Board and Supervisory Board to increase the capital by issuing new shares in return for contributions in kind (Authorised Capital II). The Authorised Capitals are summarised as below. The complete text of the authorisations can be found in the Articles of Association, which are published on our website **www. heidelbergcement.com under "Company/Corporate Governance/ Articles of Association"**.

Authorised Capital I
The Managing Board is authorised to increase, with the consent of the Supervisory Board, the company's share capital by a total amount of up to €225,000,000 by issuing new no-par value bearer shares in return for cash contributions on one or more occasions until 6 May 2020 (Authorised Capital I). The shareholders must be granted subscription rights. However, the Managing Board is authorised, in certain cases described in more detail in the authorisation, to exclude the subscription rights of shareholders in order to realise residual amounts, to service option or conversion

rights, or to issue shares totalling up to 10 % of the share capital at a near-market price. As at 31 December 2017, the Authorised Capital I had not been used.

Authorised Capital II

The Managing Board is also authorised to increase, with the consent of the Supervisory Board, the company's share capital by a total amount of up to €24,874,941 by issuing new no-par value bearer shares in return for contributions in kind on one or more occasions until 6 May 2020 (Authorised Capital II). The subscription right of shareholders is generally excluded in the case of capital increases in return for contributions in kind. The authorisation governs, in particular, the possibility of excluding the subscription right insofar as the capital increase in return for contributions in kind is performed for the purposes of acquisition of companies, to service option or conversion rights, or in the context of implementing a dividend in kind/dividend option. In 2016, the Authorised Capital II was utilised through the issue of 10,500,000 new no-par value shares in connection with the Italcementi acquisition, which led to a reduction of the share capital from €56,374,941 to €24,874,941. Between 1 January 2017 and 31 December 2017, the Authorised Capital II was not further utilized.

Conditional Share Capital

In addition, the Conditional Share Capital described below existed as at 31 December 2017. The share capital was conditionally increased by a further amount of up to €168,000,000, divided into up to 56,000,000 new no-par value bearer shares (Conditional Share Capital 2013). The conditional capital increase serves to back the issuance of option or conversion rights, or option or conversion obligations on HeidelbergCement shares. The conditional capital increase is only carried out insofar as the Managing Board issues warrant or convertible bonds until 7 May 2018 under the authorisation of the Annual General Meeting from 8 May 2013 and the bearers of option or conversion rights make use of their rights. Warrant or convertible bonds may also be issued with option or conversion obligations.

The shareholders generally have a subscription right to newly issued warrant or convertible bonds. The authorisation governs specific cases in which the Managing Board may exclude the subscription right of shareholders to warrant or convertible bonds. The complete text of the Conditional Share Capital can also be found in the Articles of Association, which are published on our website **www.heidelbergcement.com under "Company/Corporate Governance/Articles of Association"**. As at 31 December 2017, the authorisation to issue warrant or convertible bonds forming the basis of the Conditional Share Capital 2013 had not been used.

A corresponding volume limit as well as the deduction clauses ensure that the sum of all exclusions of subscription rights in the two existing Authorised Capitals and the Conditional Share Capital 2013 will not exceed a limit of 20 % of the share capital existing at the time the authorisation to exclude the subscription right comes into force.

Acquisition of own shares

Furthermore, the authorisation to acquire own shares described below existed as at 31 December 2017. The company is authorised to acquire own shares up to 3 May 2021 once or several times, in whole or in partial amounts, up to a total of 10 % of the share capital on 4 May 2016 for any permissible purpose within the scope of the legal restrictions. The authorisation may not be used for the purpose of trading in own shares. At no time may more than 10 % of the respective share capital be attributable to the acquired own shares combined with other shares which the company has already acquired and still possesses. The shares may be acquired via the stock exchange or by way of a public purchase offer or by means of a public call for the submission of offers to sell or by issuing rights to sell shares to the shareholders. The own shares acquired on the basis of the authorisation will be used by selling them via the stock exchange or in another suitable manner while ensuring the equal treatment of the shareholders, or for any other purposes permitted by law. Shareholders' subscription rights can be excluded in certain cases. The complete text of the authorisation can be found under item 6 of the agenda of the Annual General Meeting 2016, which is published on our website **www.heidelbergcement.com under "Investor Relations/Annual General Meeting/Annual General Meeting 2016"**. The company has not used the authorisation to date and has no own shares as at 31 December 2017.

A list of the company's significant agreements contingent on a change of control resulting from a takeover bid, and a summary of the effects thereof, is provided in the following in accordance with sections 289a(1) sentence 1 no. 8 and 315a(1) sentence 1 no. 8 of the German Commercial Code (HGB).

Please note that we are disregarding agreements whose potential consequences for the company fall below the thresholds of €50 million in a singular instance or €100 million in the case of several similar agreements, as they will not normally affect the decision of a potential bidder. These change of control clauses are standard for this industry and type of transaction and have not been agreed with the intention of hindering any takeover bids.

As at 31 December 2017, the following significant agreements of HeidelbergCement AG were contingent on a change of control within HeidelbergCement AG resulting from a takeover bid.

Name of agreement/date	Type of contract	Nominal amount €m	Repayment	Type of clause
Syndicated credit and aval agreements and bilateral credit lines				
Syndicated credit line and aval credit facility of 25 February 2014	Credit and aval credit facility	3,000 [1]	to the extent outstanding by 25 February 2019	(1)
Loan agreement of 17 June 2016	Credit facility	115.2	to the extent outstanding by 30 June 2023	(1)
Loan agreement of 4 December 2017	Credit facility	180	to the extent outstanding by 4 January 2023	(1)
Bonds issued by HeidelbergCement AG				
2.25 % bond 2016/2023	Debenture bond	1,000	to the extent outstanding by 30 March 2023	(3)
2.25 % bond 2016/2024	Debenture bond	750	to the extent outstanding by 3 June 2024	(3)
1.5 % bond 2016/2025	Debenture bond	1,000	to the extent outstanding by 7 February 2025	(3)
Bonds issued by HeidelbergCement Finance Luxembourg S.A., guaranteed by HeidelbergCement AG				
5.625 % bond 2007/2018	Debenture bond	480	to the extent outstanding by 4 January 2018	(2)
9.5 % bond 2011/2018	Debenture bond	500	to the extent outstanding by 15 December 2018	(3)
2.25 % bond 2014/2019	Debenture bond	500	to the extent outstanding by 12 March 2019	(3)
8.5 % bond 2009/2019	Debenture bond	500	to the extent outstanding by 31 October 2019	(3)
7.5 % bond 2010/2020	Debenture bond	750	to the extent outstanding by 3 April 2020	(3)
3.25 % bond 2013/2020	Debenture bond	300	to the extent outstanding by 21 October 2020	(3)
3.25 % bond 2013/2021	Debenture bond	500	to the extent outstanding by 21 October 2021	(3)
0.5 % bond 2017/2021	Debenture bond	750	to the extent outstanding by 18 Januar 2021	(3)
1.625 % bond 2017/2026	Debenture bond	1,000	to the extent outstanding by 7 April 2026	(3)
1.5 % bond 2017/2027	Debenture bond	500	to the extent outstanding by 14 Juni 2027	(3)
Bonds issued by Italcementi Finance S.A., guaranteed by HeidelbergCement AG				
5.375 % bond 2010/2020	Debenture bond	750	to the extent outstanding by 19 March 2020	(4)
Debt certificates issued by HeidelbergCement AG				
of 20 January/10 February 2016	Debt certificate	645	to the extent outstanding by 20 January 2022	(3)

1) Of this figure, €269.6 million was outstanding as at 31 December 2017

The relevant change of control clauses give the contractual partner or bearer of the bonds or debt certificates the right to immediately accelerate and to demand repayment of the agreement or outstanding loans, debenture bonds, or debt certificates in the event of a change in the company's shareholder structure as defined variously below.

The syndicated credit line and aval credit facility agreement dated 25 February 2014 and the loan agreements dated 17 June 2016 and 4 December 2017, all three marked (1) in the type of clause column, give each creditor the right, in the event of a change of control, to accelerate the loan amount it provided (plus any accrued interest) and to demand repayment accordingly.

A change of control is deemed to occur when a person or a group of people acting jointly in the sense of section 2(5) of the German Securities Acquisition and Takeover Act (WpÜG) has acquired more than 30 % of the shares in the company.

The bonds marked (2) in the type of clause column give each bearer of the debenture bond the right of early termination in the event of changes in the shareholder structure that lead to a change in the control of the company.

A change of control is deemed to occur when more than 50 % of the subscribed capital or more than 50 % of the voting rights are controlled contractually or by other means. In connection with a concept of "registered partner", a change of control to (a) SC Vermögensverwaltung GmbH, Zossen, Germany, (formerly Spohn Cement GmbH) or (b) any partner of SC Vermögensverwaltung GmbH including successors and legatees of partners of SC Vermögensverwaltung GmbH and persons who are beneficial owners of shares in SC Vermögensverwaltung GmbH or (c) any legal person or foundation or comparable institution managed by such persons to whom shares in HeidelbergCement AG were transferred by persons mentioned under (a) to (c) is exempted from the change of control provision and thus from the regulation regarding a right of early termination.

The bonds and debt certificates marked (3) in the type of clause column give each bearer of the debenture bond or debt certificate the right, in the event of a change of control as described below, to demand full or partial repayment from the company or, in the case of debenture bonds issued up to and including 2011, at the company's option, alternatively, the full or partial purchase of his debenture bonds by the company (or, at the company's request, by a third party) at the "early repayment amount". The early repayment amount means, in the case of the debt certificate, 100 % of the nominal amount or, in the case of debenture bonds, 101 % of the nominal amount plus accrued and unpaid interest up to (but not including) the repayment date defined in the bond terms.

A change of control is deemed to occur when one of the following events takes place:
- the company becomes aware that a person or group of persons acting in concert in the sense of section 2(5) of the German Securities Acquisition and Takeover Act (WpÜG) has become the legal or beneficial owner of more than 30 % of the company's voting rights, or
- the merger of the company with or into a third person or the merger of a third person with or into the company, or the sale of all or substantially all assets (consolidated) of the company to a third person, except in connection with legal transactions, as a result of which (a) in the event of a merger the holders of 100 % of the company's voting rights hold at least the majority of the voting rights in the surviving legal entity immediately after such a merger and (b) in the event of the sale of all or substantially all assets, the acquiring legal entity is or becomes a subsidiary of the company and becomes the guarantor for the debenture bonds.

The bond marked (4) in the type of clause column includes a provision, whereby not only the direct but also the indirect acquisition of the majority of the voting rights in Italcementi S.p.A. or any other dominant influence that leads to control according to Article 93 of Italian Decree 58/1998 represents a change of control. A change of control grants the holders of these bonds a put option at nominal value plus interest against Italcementi Finance S.A., if the rating of the bonds is downgraded, as specified in the terms of the bonds, by certain rating agencies, in connection with this change of control.

Agreements also exist on pension schemes in the United Kingdom, which stipulate that a change of control (not contractually specified) at HeidelbergCement AG must be communicated to the trustees of these pension schemes. If, according to the corresponding regulatory guidelines, a change of control poses a considerable risk to the fulfilment of the pension obligations (Type A Event), the trustees can request negotiations on the suitability of the safeguarding of the pension cover and these can be verified by means of a clearance procedure before the supervisory authority, which may lead to the adjustment of the securities.

With the introduction of the new Managing Board remuneration system in November 2010, the HeidelbergCement AG Supervisory Board has decided, in the event of new contracts and the extension of Managing Board contracts in accordance with the German Corporate Governance Code (point 4.2.3, section 5), to agree that a possible redundancy payment in the case of early termination of membership of the Managing Board following a change of control be limited to 150 % of the redundancy pay cap.

The other details required in accordance with section 289a(1) and section 315a(1) of the German Commercial Code (HGB) relate to circumstances that do not exist at HeidelbergCement AG.

Regional branches

HeidelbergCement has no regional branches either domestically or internationally.

Events occurring after the close of the 2017 financial year

Information on the events occurring after the close of the 2017 financial year is provided in the Notes on ↗ page 176 f.

Non-financial statement

According to sections 289b and 315b of the German Commercial Code (HGB), HeidelbergCement is obliged to prepare a non-financial statement. For this Annual Report, HeidelbergCement has decided to integrate it into the combined management report.

In drawing up the non-financial declaration, the GRI standards of the Global Reporting Initiative were taken as a framework. In the context of compiling data on the key topics and presenting management concepts and performance indicators, we make reference to these standards.

Information on HeidelbergCement's business model and the impact of this business model on non-financial aspects can be found in chapter Fundamentals of the Group on ↗ page 20 f.

In order to determine the topics that are relevant for HeidelbergCement, we have compared the sustainability topics identified in the past with the topic series of the GRI standards as well as other frameworks and industry requirements. The resulting topics were structured and consolidated to pave the way for the next step: drawing up an analysis from a stakeholder perspective and determining the impact and business relevance. The list comprised 17 topics together with their definition and allocation to the GRI topic areas.

The relevance of sustainability topics to the non-financial statement result from their materiality in terms of business relevance and their impact on the environment and society.

The topics that are relevant to HeidelbergCement structured according to the legally defined non-financial aspects are:
- Environmental protection: climate and emissions protection,
- Treatment of employees: occupational health and safety,
- Social responsibility,
- Respect of human rights, anti-corruption and bribery as well as compliance with competition legislation: compliance.

HeidelbergCement's risk structure is diversified because of the decentralised structure of the Group, with over 3,000 locations in more than 60 countries, and the largely local supplier structure. Significant risks arising from the Group's

own business activity or from business relationships, products, and services have been identified in connection with only two of the topics mentioned above: climate protection and competition legislation.

In the area of climate protection, regulatory risks exist in connection with emissions trading systems. There are also legal risks in relation to compliance with competition legislation. Details of these risks and the way in which they are managed can be found in the Risk and opportunity report on ↗ page 73 f.

The non-financial aspects mentioned above are covered in the following chapters: Employees and society (see below), Environmental responsibility on ↗ page 59 f., and Compliance on ↗ page 63 f.

Employees and society

Employee development

Employees worldwide

At the end of 2017, the number of employees at HeidelbergCement came to 59,054 (previous year: 60,424). The decrease of 1,370 employees essentially results from two opposing developments. On the one hand, around 2,600 jobs were cut across the Group – firstly as part of the realisation of synergies in former Italcementi subsidiaries, particularly in Egypt, and secondly in connection with efficiency increases in sales and administration as well as location optimisations, especially in Indonesia, but also in Russia, India, and Africa south of the Sahara. On the other hand, the number of employees grew by around 700 as a result of consolidation effects, including those due to the acquisition of building materials activities from Cemex in the northwest of the USA and the business operations of the Saunders Companies in the US state of New York. Furthermore, there was an increase of almost 500 employees in some countries in the Western and Southern Europe and Northern and Eastern Europe-Central Asia Group areas, and in particular in Australia, owing to the solid market development and the insourcing of truck drivers.

Employees by Group areas

31 December	2016	2017	Change
Western and Southern Europe	15,781	**15,497**	-1.8 %
Northern and Eastern Europe-Central Asia	13,107	**13,531**	3.2 %
North America	8,444	**8,726**	3.3 %
Asia-Pacific	14,956	**14,039**	-6.1 %
Africa-Eastern Mediterranean Basin	7,602	**6,856**	-9.8 %
Group Services	534	**405**	-24.2 %
Total	60,424	**59,054**	-2.3 %

Personnel costs and social benefits

Expenditure on wages and salaries, social security costs, costs of retirement benefits, and other personnel costs rose by 11.8 % in comparison with the previous year to 2,990 million (previous year: 2,674). This corresponds to a share in revenue of 17.3 % (previous year: 17.6 %). The increase in personnel costs results predominantly from the acquisition of Italcementi on 1 July 2016 and effects from additional changes to the scope of consolidation.

Personnel costs

€m	2016	2017	Change
Wages, salaries, social security costs	2,504.0	**2,801.8**	11.9 %
Costs of retirement benefits	138.3	**153.3**	10.8 %
Other personnel costs	31.2	**34.6**	10.5 %
Total	2,673.5	**2,989.7**	11.8 %

Development dialogue

Qualified and motivated employees are an important prerequisite for the sustainable success of HeidelbergCement. Identifying our employees' talents, developing them, and – in competition with other companies – retaining those employees within the Group are therefore at the core of the Group-wide personnel policy. This is supported by the HeidelbergCement competence model, which defines the essential professional and personal capabilities and skills that are critical for the success of our business. It enables the respective superiors to perform systematic, Group-wide assessments of performance and potential in accordance with standardised regulations and serves as a basis for strategic development of managers and successor planning. Superiors and employees discuss development opportunities and prospects within the framework of structured appraisal interviews. The dialogue is primarily targeted at upper and middle management, those in specialist roles, and future executives. We aim to achieve the following three goals:

- to internally fill key positions with top-class candidates worldwide,
- to develop top talent at HeidelbergCement in a targeted way, and
- to retain employees in the Group for the long term by means of personalised development planning.

Integration of Italcementi

Since the acquisition of Italcementi on 1 July 2016, the focus has been the integration of the new employees. We have taken the differences between the corporate cultures as an opportunity to learn from each other, combine our respective strengths, and work together on a joint corporate culture.

In 2017, we continued to make use of employee surveys, called "pulse checks", to assess how the employees involved perceive the integration process. More than 1,000 responses from all the countries in which the Group operates showed an overall very positive perception of the integration process and the results so far.