Half-Year Financial Report
January to June 2019

HEIDELBERGCEMENT

Good result for HeidelbergCement in the first half of 2019

- **Revenue improved by 7 % to €9.2 billion like-for-like [1]**
- **Result from current operations before depreciation and amortisation increases by 6 % like-for-like [1]**
- **Profit for the period and Group share impaired by non-recurring effect; adjusted Group share rises by 38 %**
- **Progress in portfolio management**
- **Outlook for 2019 unchanged: moderate growth in revenue, result, and profit for the financial year [1]**

1) Revenue and result from current operations before exchange rate and consolidation effects as well as adjustments from IFRS 16 Leases; profit for the financial year before non-recurring effects

Overview January to June 2019	January - June	
€m	2018 [1]	**2019**
Revenue	8,432	**9,212**
Result from equity accounted investments (REI)	95	**126**
Result from current operations before depreciation and amortisation (RCOBD)	1,195	**1,446**
RCOBD margin in %	14.2 %	**15.7 %**
Result from current operations	654	**762**
Additional ordinary result	128	**-128**
Earnings before interest and income taxes (EBIT)	782	**634**
Financial result	-154	**-184**
Profit before tax	628	**450**
Net income from continuing operations	440	**300**
Net loss from discontinued operations	-5	**-9**
Profit for the period	435	**291**
Group share of profit	375	**212**
Investments	974	**501**

1) Amounts were restated

Due to rounding, numbers presented in the Half-Year Financial Report may not add up precisely to the totals provided.

Interim Group management report

Business trend January to June 2019

Economic environment
Despite various political and economic uncertainties, global economic growth is continuing, but the downside risks have increased significantly. The national economies of Asia and the African countries south of the Sahara remain on a growth trajectory. In Europe, the economic recovery is progressing, albeit in a subdued manner. The US economy lost momentum in the second quarter, but the outlook continues to be positive.

Development of sales volumes in the first half of the year
The generally positive market dynamics in many of HeidelbergCement's markets weakened slightly in the second quarter as a result of uncertainties regarding future economic development and weather-related disruption in Eastern Europe and North America.

The Group's cement and clinker sales volumes decreased by 1.4 % to 61.0 million tonnes (previous year: 61.9). Excluding consolidation effects from the sale of the Maddaloni and Spoleto cement plants in Italy, business activities in Ukraine, and the white cement business in the USA and Egypt, sales volumes were down on the previous year's level by just 0.1 %. On a comparable basis, deliveries in the Western and Southern Europe, North America, and Africa-Eastern Mediterranean Basin Group areas increased slightly.

Deliveries of aggregates rose by 0.3 % to 145.6 million tonnes (previous year: 145.2). Declining sales volumes in the Northern and Eastern Europe-Central Asia, Asia-Pacific, and Africa-Eastern Mediterranean Basin Group areas were offset by growth in North America and particularly in Western and Southern Europe. Excluding consolidation effects, sales volumes decreased by 0.7 %.

Sales volumes of ready-mixed concrete increased by 6.3 % to 24.4 million cubic metres (previous year: 22.9). With the exception of Northern and Eastern Europe-Central Asia, where deliveries were at the previous year's level, all Group areas recorded growth in volumes. Excluding consolidation effects, the increase amounted to 3.8 %. Asphalt deliveries rose by 7.4 % to 4.8 million tonnes (previous year: 4.5). Adjusted for consolidation effects, deliveries fell by 2.6 %.

Changes in reporting
The new IFRS 16 Leases accounting standard has been applied since 1 January 2019. The application of IFRS 16, which provides new regulations for the accounting of leases, has effects on the presentation of the financial position and performance of the Group. Information on the effects of the initial application of IFRS 16 can be found in the Notes on page 20 f. For the initial application, HeidelbergCement applied the modified retrospective method. The previous year's figures are not adjusted.

To improve the presentation in the income statement, HeidelbergCement has shown the result from associates together with the result from joint ventures in the item "Result from equity accounted investments (REI)" since 1 January 2019. The result from other participations is shown in the financial result. The previous year's values have been adjusted accordingly.

Development of revenue and results
Group revenue in the period from January to June 2019 rose by 9.2 % in comparison with the previous year to €9,212 million (previous year: 8,432). Excluding consolidation and exchange rate effects, Group revenue grew by 7.1 %. Changes to the scope of consolidation of €33 million and exchange rate effects of €149 million had a positive impact on revenue.

In the reporting period, material costs rose by 10.9 % to €3,875 million (previous year: 3,493). Excluding consolidation and exchange rate effects, material costs exceed the previous year's level by 8.3 %. This rise predominantly related to the costs of goods purchased for resale, energy, and raw materials. The material cost ratio climbed from 41.4 % to 42.1 %. The balance of other operating expenses and income was 2.9 % above the previous year's level at € -2,384 million (previous year: -2,316). On a comparable basis, adjusted for the initial application of IFRS 16 Leases and excluding exchange rate and consolidation effects, the increase amounted to 7.8 %, which was essentially due to the rise in freight costs. Personnel costs grew by 6.6 % to €1,591 million (previous year: 1,492). The personnel cost ratio fell slightly to 17.3 % (previous year: 17.7). The result from equity accounted investments (REI) rose

Sales volumes	April - June			January - June		
	2018	2019	Change	2018	2019	Change
Cement and clinker (Mt)	33.7	**32.4**	-3.8 %	61.9	**61.0**	-1.4 %
Aggregates (Mt)	85.7	**82.7**	-3.5 %	145.2	**145.6**	0.3 %
Ready-mixed concrete (Mm³)	12.7	**13.1**	2.7 %	22.9	**24.4**	6.3 %
Asphalt (Mt)	2.9	**3.0**	3.8 %	4.5	**4.8**	7.4 %

by 32.1 % to €126 million (previous year: 95); this increase is primarily due to the positive development of results in China.

The result from current operations before depreciation and amortisation grew by 21.0 % to €1,446 million (previous year: 1,195). This is due to the growth in sales volumes, successful price increases that more than offset the rise in costs, and the initial application of IFRS 16 Leases accounting standard. In accordance with IFRS 16, the right-of-use assets are accounted for in the fixed assets together with a corresponding lease liability. In the income statement, the expenses are divided between amortisation of right-of-use assets and interest expenses. At €151 million, the application of IFRS 16 had a positive impact on the development of the result from current operations before depreciation and amortisation. On a comparable basis, this corresponds to an increase of 5.7 %. The result from current operations rose by 16.5 % to €762 million (previous year: 654). Exchange rate effects of €13 million and changes to the scope of consolidation of €2 million improved the result from current operations. The application of IFRS 16 contributed around €17 million to the improvement.

The additional ordinary result of €-128 million (previous year: 128) essentially relates to expenses from the disposal of subsidiaries and other non-recurring expenses and income. In particular, expenses from the disposal of subsidiaries in Ukraine had a negative impact on the result.

The financial result fell by €30 million to €-184 million (previous year: -154). Besides the reduction of €16 million in other financial result, this figure was negatively affected by foreign exchange losses of €15 million and the application of IFRS 16 in an amount of €22 million in comparison with the previous year. In contrast, reduced interest expenses had a positive impact on the financial result.

Profit before tax from continuing operations dropped by €178 million to €450 million (previous year: 628), primarily due to the decline in additional ordinary result. At €150 million (previous year: 188), the expenses for income taxes were 20.0 % below the previous year's level. Net income from continuing operations fell by €140 million to €300 million (previous year: 440).

Net loss from discontinued operations amounts to €-9 million (previous year: -5) and is attributable to operations of the Hanson Group that were discontinued in previous years.

Overall, the profit for the period totals €291 million (previous year: 435). The profit attributable to non-controlling interests rose by €18 million to €79 million (previous year: 60); this is particularly attributable to the good development of results at Indocement. The Group share of profit therefore amounts to €212 million (previous year: 375). Excluding non-recurring effects from the disposal of our business activities in Ukraine, the Group share rose by 37.9 %.

Earnings per share – Group share – in accordance with IAS 33 fell by €0.82 to €1.07 (previous year: 1.89).

The statement of comprehensive income and the derivation of the earnings per share are shown in detail in the Notes.

Statement of cash flows

In the first half of 2019, operating activities from continuing operations generated a cash outflow totalling €11 million (previous year: 227). The operating cash outflow was €216 million lower compared with the same period of the previous year; this is partly due to a change in the presentation of lease payments in the statement of cash flows as a result of IFRS 16 Leases. In accordance with IFRS 16, the reduction of lease payments is shown in the cash flow from financing activities. Only the interest payments attributable to the leases continue to remain in the cash flow from operating activities. In the first half of 2019, the repayment of lease liabilities amounted to €129 million and interest payments to €22 million. In the first half of 2018, payments resulting from operating leases completely impaired the cash flow from operating activities.

Dividends received exceeded the previous year's level at €121 million (previous year: 108) and mainly include payouts received from joint ventures and associates. Interest received increased slightly by €4 million to €56 million (previous year: 52) in comparison with the same period of the previous year. Interest payments declined by a further €48 million to €311 million (previous year: 358) thanks to significantly more favourable refinancing conditions. At €142 million (previous year: 143), income taxes paid are almost at the level of the same period of the previous year. In the reporting period, provisions of €186 million (previous year: 155) were utilised through payments. The increase in working capital of €918 million (previous year: € 854) had a negative impact on the cash flow from operating activities.

Net cash used in investing activities of continuing operations declined by €305 million to €349 million (previous year: 654). Cash-relevant investments decreased by €474 million to €501 million (previous year: 974), primarily as a result of lower cash outflows for the acquisition of subsidiaries and other business units. In the reporting period, payments for business combinations amounting to €62 million related mainly to acquisitions in France and North America, whereas in the same period of the previous year, €534 million was primarily invested in the acquisition of subsidiaries and other business units in Italy, Australia, and North America. Further details can be found in the Portfolio optimisation section and in the Business combinations in the reporting period section of the Notes on page 22 f.

With regard to the cash-relevant divestments of €154 million (previous year: 294), €59 million (previous year: 247) related to cash inflows from the disposal of subsidiaries and other business units, which particularly relates to divestments in Egypt, Germany, Italy, and Ukraine as part of the portfolio optimisation. Further details can be found in the Divestments in the reporting period section of the Notes on page 24 f. Proceeds in the same period of the previous year mainly related to the sale of the sand-lime brick business in Germany and the sale of Lehigh White Cement in the USA. Proceeds from the sale of other fixed assets essentially resulted from the sale of intangible assets and property, plant and equipment, the disposal of financial assets, joint ventures, and associates, and the repayment of loans. Changes to the scope of consolidation generated a cash outflow of €3 million (previous year: cash inflow of 26) in the reporting period.

Financing activities of continuing operations generated a cash outflow of €392 million (previous year: cash inflow of 370) in the reporting period. The cash inflow arising from the net proceeds from and repayment of bonds and loans of €74 million (previous year: 879) included in this figure covers the change in long-term and short-term interest-bearing liabilities and mainly comprises cash inflows of €750 million from the issue of commercial papers, the repayment of a €500 million bond, as well as the repayment of lease liabilities amounting to €129 million. This item also includes the borrowings and payments relating to bank loans as well as changes to other short-term interest-bearing liabilities with a high turnover rate. In the previous year, a bond amounting to €750 million and commercial papers of €750 million were issued, and two bonds with a total value of €980 million were repaid. The proceeds of €136 million from the decrease in ownership interests in subsidiaries result from the disposal of 7.8 % of the share capital in the subsidiary Ciments du Maroc. The payments of €89 million (previous year: 18) made to increase ownership interests in subsidiaries are mainly related to the acquisition of the remaining shares in the Nordic Precast Group. Dividend payments led to an overall cash outflow of €513 million (previous year: 491), with HeidelbergCement AG dividend payments making up €417 million (previous year: 377) of this figure.

Portfolio optimisation

In the first half of 2019, HeidelbergCement made further progress in optimising its portfolio with the conclusion of several important transactions. These include increases in its shareholdings to 100 %, from 50 % and 60 % respectively, in California Commercial Asphalt in the USA and Nordic Precast Group in Northern Europe and the purchase of the aggregates and ready-mixed concrete activities of Cemex in central France. The disposals include the sale of 7.8 % of the share capital in Ciments du Maroc, the divestment of the El Minya white cement plant in Egypt, of the Spoleto cement plant in Italy, of Baustoffwerke Dresden, and of the business activities in Ukraine. Overall, cash-relevant investments in maintenance and expansion including the increase in ownership interests in subsidiaries fell to €590 million (previous year: 992) in the first half of the year. Cash-relevant disposals including the decrease in ownership interests in subsidiaries amounted to €290 million (previous year: 294).

HeidelbergCement is consistently pursuing its action plan to accelerate the optimisation of its portfolio and is on track to reach its target of €500 million of disposals in the 2019 financial year. Already on 1 July 2019, the sale of the Testi cement plant and of two grinding plants in Italy was completed.

Balance sheet

As at 30 June 2019, the balance sheet total rose by €1,216 million to €36,999 million (previous year: 35,783) in comparison with 31 December 2018. This was mainly influenced by the recognition of right-of-use assets on the assets side and lease liabilities on the equity and liabilities side resulting from the initial application of IFRS 16 Leases.

Non-current assets increased by €1,423 million to €29,715 million (previous year: 28,292). Adjusted for negative exchange rate effects of €245 million, the rise amounted to €1,178 million and predominantly related to intangible assets of €68 million and property, plant and equipment of €1,100 million. Of the increase in intangible assets, €43 million related to goodwill from new acquisitions.

The increase in property, plant and equipment was primarily due to capitalised right-of-use assets amounting to €1,308 million and exchange rate effects of €-170 million.

Financial assets rose slightly by €17 million to €2,124 million (previous year: 2,107). Adjusted for negative currency effects of €10 million, the increase amounted to €7 million and is mainly related to the change in investments in joint ventures and the derivative financial instruments.

Current assets decreased by €162 million to €7,250 million (previous year: 7,412). As a result of seasonal factors, trade receivables grew by €378 million to €2,187 million (previous year: 1,809). Other current operating receivables increased by €54 million to €795 million (previous year: 741) and inventories also rose slightly by €66 million to €2,101 (previous year: 2,035), whereas cash and cash equivalents declined by €713 million to €1,873 (previous year: 2,586). The changes are explained in the Statement of cash flows section.

On the equity and liabilities side, equity rose by €202 million to €17,024 million (previous year: 16,822). This increase is attributable to the total comprehensive income of €615 million, which is composed of the profit for the period amounting to €291 million and other comprehensive income of €324 million. The change in ownership interests in subsidiaries amounting to €128 million also contributed to the rise. By contrast, equity was reduced by approved dividends of €566 million, of which €513 million have already been paid.

Other comprehensive income is predominantly composed of the currency translation of €403 million, the actuarial losses of €62 million, and the change in fair value of the investments in equity instruments of €-13.9 million.

Interest-bearing liabilities grew by €1,411 million to €12,391 million (previous year: 10,981). The €1,325 million for lease liabilities shown in the opening balance as at 1 January 2019, of which €1,312 million are attributable to the initial application of IFRS 16, decreased by €58 million to €1,267 million as at 30 June 2019. Furthermore, a bond amounting to €500 million was repaid in the first quarter of 2019. For this purpose, mainly cash and cash equivalents were used and commercial papers were issued.

The increase in net debt (interest-bearing liabilities less cash and cash equivalents) of €2,116 million to €10,843 million (previous year: 8,367) is due to the initial recognition of lease liabilities from operating leases, the financing of the seasonal and revenue-related rise in receivables, the cash flow from investments, and the dividends paid.

Total provisions decreased by €7 million to €2,500 million (previous year: 2,507); pension provisions increased by €52 million, whereas other provisions decreased by €58 million.

The reduction of €382 million in operating liabilities to €4,358 million (previous year: 4,740), adjusted for currency effects of €46 million, relates primarily to the decline of €91 million in trade payables to €2,514 million (previous year: 2,605) in addition to the decrease of €327 million in other current operating liabilities to €1,239 million (previous year: 1,566).

Financing

On 19 June 2019, HeidelbergCement placed a Eurobond of €750 million under its €10 billion EMTN programme. The issue date was 1 July 2019. The 8.5 year bond with maturity date of 1 December 2027 bears a fixed coupon of 1.125 % p.a. The issue price was at 99.127 %, resulting in a yield to maturity of 1.235 %. With this issue, HeidelbergCement used the historically favourable interest rate environment and secured the lowest long-term financing costs in the history of the company. The proceeds will be used for general corporate purposes and the refinancing of upcoming maturities.

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 €3,492 million and the consolidated interest expense of €388 million are calculated on a pro forma basis in accordance with the terms and conditions of the bonds. As at 30 June 2019, the consolidated coverage ratio amounted to 8.99.

As at the end of the first half of 2019, net debt amounted to €10.5 billion. The increase of €2.1 billion in comparison with the end of 2018 (€8.4 billion) is attributable, on the one hand, to the seasonal rise in working capital as well as to the dividend payments in the second quarter, and, on the other, to the initial application of the new IFRS 16 Leases accounting standard. Net debt rose by around €1.3 billion due to the accounting treatment of lease liabilities. In comparison with the end of the first half of 2018 (€10.0 billion), net debt thus grew by around €0.5 billion. However, on a comparable basis – that is to say, adjusted for the accounting of the lease liabilities – there was a significant fall of around €0.8 billion.

Western and Southern Europe

Economy is expected to have significantly weakened in the second quarter in the countries of the Western and Southern Europe Group area. Global trade tensions affect especially the industry – in particular in Germany. Due to declining unemployment, robust domestic demand, however, leads to growth impulses. In the UK, economy suffers under the continuing Brexit uncertainties.

In the first half of 2019, the Western and Southern Europe Group area's cement and clinker sales volumes remained stable at 15.1 million tonnes (previous year: 15.1). Excluding consolidation effects, our deliveries increased slightly by 1.7 %. While Germany, Belgium/Netherlands, the United Kingdom, and France achieved moderate growth in sales volumes, Spain recorded a significant decrease in volumes resulting from lower export deliveries. In Italy, our deliveries remained stable at a comparable level, i.e. after adjustment for consolidation effects.

As part of our action plan to accelerate the portfolio optimisation, we agreed to sell cement plants in the north and centre of Italy to Buzzi Unicem and Colacem. The disposal of the Spoleto cement plant in Umbria to Colacem was already completed on 1 April 2019.The sale of the Testi cement plant in Tuscany and two grinding plants in Piedmont to Buzzi Unicem followed on 1 July 2019.

In the first half of the year, the aggregates sales volumes of the Group area rose by 7.6 % to 42.3 million tonnes (previous year: 39.3). Excluding consolidation effects, the rise amounted to 4.0 %. In Germany, our deliveries did not quite reach the very high level of the previous year. France and the United Kingdom recorded moderate increases and Belgium/Netherlands, Italy, and Spain significant increases in volumes.

Deliveries of ready-mixed concrete improved by 9.1 % to 9.2 million cubic metres (previous year: 8.4). Adjusted for consolidation effects, the increase amounted to 7.8 %.While we achieved substantial volume growth in Germany, Belgium/Netherlands, Italy, and Spain and a moderate increase in sales volumes in France, our deliveries fell in the United Kingdom. With a growth of 0.4 %, the sales volumes of the asphalt operating line in the United Kingdom were slightly above the previous year.

On 28 June 2019, we acquired the aggregates and ready-mixed concrete activities of Cemex in central France to strengthen our vertically integrated market position in the Paris region. The acquisition comprises 7 aggregates quarries und 28 ready-mixed concrete plants.

Furthermore, as part of the portfolio optimisation, we sold our 51 % share in Baustoffwerke Dresden, which operates a sand-lime brick plant in Dresden, on 29 April 2019.

Revenue of the Western and Southern Europe Group area rose by 7.4 % to €2,566 million (previous year: 2,390). Excluding consolidation and exchange rate effects, growth amounted to 7.0 %.

Northern and Eastern Europe-Central Asia

While the economic development and construction activity slowed down in Sweden, Norway recorded an increase in economic growth and construction activity. In Poland and Czechia, the recovery in the economy and construction activity is continuing, albeit at a slower pace. The Romanian economy also remains on a course for growth. Economic development of the Russian economy significantly slowed down compared to the previous year.

The cement and clinker sales volumes of the Northern and Eastern Europe-Central Asia Group area fell by 2.7 % to 11.2 million tonnes (previous year: 11.5) in the first half of 2019. The decrease in volumes is largely attributable to the deconsolidation of our business activities in Ukraine. In addition, our deliveries in large parts of Eastern Europe were adversely affected by heavy rainfall in May. Excluding consolidation effects, sales volumes remained slightly below the previous year's level, with a minus of 0.5 %. With the exception of the Baltic States, deliveries in the Nordic countries declined, in particular due to delays in infrastructure projects and lower export volumes. In Eastern Europe-Central Asia, the deliveries of the individual countries presented a mixed picture. While our sales volumes in Bulgaria and Poland weakened, Czechia, Russia, Kazakhstan, and Greece achieved pleasing growth and Romania significant growth. As a whole, Eastern Europe-Central Asia recorded a moderate increase in sales volumes, excluding the Ukraine effect.

Our deliveries in the aggregates business line also fell by 5.3 % to 21.8 million tonnes (previous year: 23.0). Adjusted for the effects of the deconsolidation of our activities in Ukraine, the decline amounted to 3.9 %. In Northern Europe, the development of sales volumes was adversely affected by delays in building projects in the Stockholm area, subdued demand in the western part of Norway, and the volume decreases of the Mibau Group. In Eastern Europe-Central Asia, growth in Poland, Romania, and Greece stood in contrast to the decrease in sales volumes in Czechia, Kazakhstan, Slovakia, and Russia.

At 3.2 million cubic metres (previous year: 3.2), deliveries of ready-mixed concrete remained at the previous year's level. Excluding the deconsolidation of our activities in Ukraine, deliveries rose by 0.5 %. Overall, the Northern European countries registered a slight decrease in sales volumes. In Eastern Europe-Central Asia, Poland, Czechia, and Greece in particular contributed to a slight increase in volumes.

As part of the portfolio optimisation, we sold our business activities in Ukraine in the cement, aggregates, and ready-mixed concrete sectors on 25 April 2019.

With effect from 2 January 2019, we increased our shareholding in the Nordic Precast Group, which manufactures concrete products in Sweden, Norway, Denmark, Germany, Poland, and Estonia, from 60 % to 100 %.

Revenue of the Northern and Eastern Europe-Central Asia Group area improved by 2.1 % to €1,373 million (previous year: 1,344); excluding consolidation and exchange rate effects, the growth amounted to 5.6 %.

North America

In the North America Group area, HeidelbergCement is represented in the USA and Canada. In the USA, economic growth slowed down in the second quarter of 2019. Gross domestic product grew by 2.1 % according to a preliminary estimate. Growth was driven by consumer spending and public spending. Investments in residential and non-residential construction declined slightly. The labour market remains in robust shape.

Despite adverse effects relating to the weather in the first half of the year, all business lines achieved increased sales volumes. While the weather in the North sales region was significantly better compared with the previous year, building materials deliveries in the West region suffered as a result of heavy rainfall in the first half of the year. In the Canada region, the harsh winter on the west coast and rain in the Prairie provinces in the second quarter hampered construction activity.

The cement deliveries of our North American plants recorded a slight increase of 0.5 % to 7.5 million tonnes (previous year: 7.4) in the first six months. Excluding consolidation effects from the sale of the white cement business in the previous year, growth amounted to 2.5 %. In the Canada region, our deliveries remained slightly below the previous year's level due to weather conditions. Lively construction activity in British Columbia mitigated the decrease in volumes. In the West region, our deliveries in California were hampered by severe rainfall until May. Deliveries in the North region benefited from significantly better weather conditions than in the previous year and high order volumes. The South region achieved a significant growth in sales volumes thanks to the good market development. Sales prices were increased in all regions.

In the aggregates business line, weather-related decreases in volumes in the West region were more than offset by increases in sales volumes in the other regions. Deliveries rose considerably in the northeast and southeast of the USA in particular. Overall, aggregates sales volumes grew in the first half of the year by 3.9 % to 57.5 million tonnes (previous year: 55.3). Excluding consolidation effects in the Canada region, the rise amounted to 3.3 %. All regions recorded positive price development.

In the ready-mixed concrete operating line, the deliveries of the West region declined slightly due to weather conditions. In contrast, the North region achieved slight and the Canada and South regions significant increases in volumes, with total ready-mixed concrete sales volumes growing by 8.7 % to 3.6 million cubic metres (previous year: 3.3). Excluding consolidation effects in the South and Canada regions, the rise amounted to 5.9 %. All regions recorded positive price development.

Asphalt deliveries grew by 24.5 % to 1.9 million tonnes (previous year: 1.5) as a result of consolidation and thanks to pleasing volume increases in the Canada and North regions. Excluding consolidation effects in the Canada and West regions, sales volumes were slightly down on the previous year's level, with a decline of 0.4 %, despite the weather-related decrease in volumes on the west coast at the beginning of the year.

To strengthen our market position in southern California, we increased our shareholding in California Commercial Asphalt (CCA) from 50 % to 100 % with effect from 4 January 2019. CCA operates four asphalt plants in the San Diego area.

In the service-joint ventures-other business line, the cement sales volumes of our joint venture Texas Lehigh Cement remained at the previous year's level.

Total revenue in North America rose by 13.6 % to €2,127 million (previous year: 1,873); excluding consolidation and exchange rate effects, revenue increased by 5.7 %.

Asia-Pacific

Despite the restructuring and slowdown of the Chinese economy, the emerging countries of Asia remain on course for growth. The Chinese economy weakened slightly as expected in the second quarter, with a growth in gross domestic product of 6.2 %. In India and Indonesia, a stable economic growth is expected in the current year. Australia is showing a robust economic development despite a slight slowdown.

During the first half of the year, cement and clinker deliveries of the Asia-Pacific Group area declined by 2.6 % to 17.1 million tonnes (previous year: 17.5).

In the first six months, domestic cement consumption in Indonesia decreased by 2.3 % in comparison with the previous year. The reasons for the decline were the completion of numerous building projects at the end of 2018 and delays in new projects due to the elections in April 2019. The cement and clinker sales volumes of our subsidiary Indocement rose by 0.7 % in the first half of the year. Marked price increases, a decline in energy prices, and strict cost management led to a positive development of results and significantly improved margins.

In India, the cement and clinker deliveries of our central and southern Indian plants remained below the previous year's level in the first half of the year. The decline in sales volumes was mainly due to the elections in April. However, price increases contributed to a significant improvement in results.

The political uncertainty associated with the elections in Thailand also led to a slowdown in the cement market. The deliveries of our plants increased slightly in the first half of the year. The rise in export deliveries also contributed to this. Price increases had a positive effect on margins. In Bangladesh, our cement deliveries almost reached the previous year's level.

In the aggregates business line, our deliveries fell by 10.8 % to 19.7 million tonnes (previous year: 22.0). Our sales volumes in Australia remained below the high level of the previous year due to weakening construction activity. The previously strong demand from residential construction has considerably slowed down and many large infrastructure projects have been partially postponed by up to a year. Our deliveries in Indonesia and Thailand also declined, whereas Malaysia achieved a slight growth in sales volumes.

Deliveries of ready-mixed concrete increased by 6.6 % to 5.6 million cubic metres (previous year: 5.3). Consolidation effects in Australia and Malaysia and the strong demand in Thailand in particular contributed to this development. Excluding consolidation effects, sales volumes fell slightly by 0.8 %.

To expand our market position in Malaysia, we acquired the ready-mixed concrete company Cemix on 1 March 2019. Cemix operates five ready-mixed concrete plants and holds a strategic position in the capital Kuala Lumpur.

The sales volumes of the asphalt operating line rose by 1.5 % on account of consolidation effects in Australia. Excluding consolidation effects, sales volumes fell by 5.3 % as a result of the weak demand in Malaysia.

In China, the cement deliveries of our joint ventures in the provinces of Guangdong and Shaanxi registered a significant increase. In Australia, our joint venture Cement Australia achieved a slight growth in sales volumes.

Revenue of the Asia-Pacific Group area rose by 5.6 % to €1,618 million (previous year: 1,532); excluding consolidation and exchange rate effects, revenue increased by 1.7 %.

Africa-Eastern Mediterranean Basin
Overall, the African countries south of the Sahara are experiencing robust economic growth and lively construction activity. Despite risks, stable economic growth is expected for Morocco and Egypt in the current year. In Turkey, economic development suffers from high inflation and weakness of the Lira.

The cement and clinker sales volumes of the Africa-Eastern Mediterranean Basin Group area, which primarily includes the deliveries from our African subsidiaries, remained just below the previous year with a minus of 0.4 % at 9.8 million tonnes (previous year: 9.9). Excluding a consolidation effect in Egypt, sales volumes experienced a slight increase of 0.8 %. In sub-Saharan Africa, our overall deliveries were at the previous year's level. Growth in Togo, Sierra Leone, Benin, Liberia, Gambia, and the Democratic Republic of Congo was offset by decreases in volumes in Ghana, Tanzania, Mozambique, and Burkina Faso. The decline in sales volumes in Ghana results from the additional capacities of competitors and the government's restraint with regard to infrastructure projects; however, a rise in government infrastructure spending is expected in the second half of the year. In Togo, our sales volumes benefited from the strong domestic demand and increased clinker deliveries to our grinding plants in neighbouring countries. In North Africa, our deliveries remained slightly below the previous year like-for-like. Volume growth in Morocco did not fully offset the lower sales volumes in Egypt.

In light of the ongoing good growth prospects, HeidelbergCement is further expanding its cement activities in Africa. In the Democratic Republic of Congo, we are continuing with the expansion of our Cimenterie de Lukala cement plant. The new kiln line at the plant near Kinshasa will be completed by the end of 2019. In February 2019, we commissioned a terminal for the import of cement in Israel to create vertically integrated market positions in cement, aggregates, and ready-mixed concrete.

As part of the portfolio optimisation, we sold 7.8 % of the share capital in our Moroccan subsidiary Ciments du Maroc on 21 February 2019. Following this transaction, HeidelbergCement will retain a majority participation of 54.6 % and continue to fully consolidate the company. In addition, we sold the El Minya white cement plant in Egypt on 6 February 2019.

Aside from minor activities in some African countries south of the Sahara, HeidelbergCement is predominantly active in Israel and Morocco in the aggregates business line. Due to volume losses in both Israel and Morocco, deliveries of aggregates decreased overall by 20.5 % to 4.4 million tonnes (previous year: 5.6). In the ready-mixed concrete operating line, HeidelbergCement is represented in Israel, Egypt, and Morocco. Ready-mixed concrete sales volumes grew by 3.3 % to 2.6 million cubic metres (previous year: 2.5). Asphalt activities in Israel recorded a decrease in volumes of 24.8 % due to unfavourable weather conditions in the first quarter and a lack of projects.

The service-joint ventures-other business line essentially includes the cement, aggregates, and ready-mixed concrete activities of our Turkish joint venture Akçansa. Lower domestic cement deliveries could not quite be offset by the growth in exports. Overall, the cement and clinker sales volumes of Akçansa fell by 4.0 % in the first six months. While deliveries of aggregates remained just below the previous year's level, ready-mixed concrete sales volumes fell significantly.

Revenue of the Africa-Eastern Mediterranean Basin Group area grew by 0.5 % to €837 million (previous year: 833); excluding consolidation and exchange rate effects, revenue declined by 0.7 %.

Group Services
Group Services comprises the activities of our subsidiary HC Trading, one of the largest international trading companies for cement and clinker. The company is also responsible for purchasing and delivering coal and petroleum coke via sea routes to our own locations and to other cement companies around the world. Group Services also includes our cement and ready-mixed concrete activities in Kuwait.

The overall trade volume of HC Trading rose in the first half of the year by 26.7 % to a record value of 18.6 million tonnes (previous year: 14.7). Deliveries of cement, clinker, and other building materials such as lime and dry mortar increased by 14.0 % to 9.9 million tonnes (previous year: 8.7). Trade in coal and petroleum coke recorded strong growth of 45.4 % to 8.7 million tonnes (previous year: 6.0).

Revenue of the Group Services business unit rose by 25.7 % to €1,017 million (previous year: 809); excluding consolidation and exchange rate effects, the increase amounted to 25.3 %.

Employees
At the end of the first half of 2019, the number of employees at HeidelbergCement stood at 57,341 (previous year: 59,642). The decrease of 2,302 employees essentially results from two opposing developments. On the one hand, around 3,200 jobs were cut across the Group as a result of portfolio optimisations, the realisation of synergies, efficiency increases in sales and administration as well as location optimisations. On the other hand, around 900 new employees joined the Group, particularly as a result of first-time consolidations in North America and Australia as well as new hires in some countries in the Western and Southern Europe and Northern and Eastern Europe-Central Asia Group areas.

Changes to the Supervisory Board
With the conclusion of the Annual General Meeting on 9 May 2019, the term of office of the former Supervisory Board came to an end and that of the new Supervisory Board, elected by the Annual General Meeting and the employees respectively,

commenced. Mr. Josef Heumann, Ms. Gabriele Kailing and Mr. Stephan Wehning are no longer employee-representative members of the Supervisory Board. Their successors are Ms. Birgit Jochens, Mr. Peter Riedel as representative of the trade unions and Dr. Ines Ploss as representative of the senior managers. Mr. Luka Mucic, Chief Financial Officer of SAP SE, was elected as a new shareholder representative to the Supervisory Board; he succeeded Dr. Jürgen M. Schneider, who did not stand for reelection after having reached the standard retirement age. As before, Mr. Fritz-Jürgen Heckmann remains Chairman of the Supervisory Board. Mr. Heinz Schmitt was reelected as Deputy Chairman.

Events after the reporting period

Information on the events occurring after the reporting period is provided in the Notes on page 30.

Outlook

In July 2019, the International Monetary Fund (IMF) lowered its forecast of global economic growth for 2019 from 3.7 % to 3.2 %. The main drivers for the adjustment were weaker growth expectations in the emerging countries, especially in South America, North Africa, and the Middle East. Growth expectations in the developed countries remain stable. The forecast for the USA was revised slightly upwards and the forecast for the eurozone slightly downwards.

The IMF acknowledges increased risks with regard to the forecast. These include, in particular, the risk of escalating trade sanctions as well as more restrictive financing conditions as a result of increased government and household debt. Further risks to the economy could arise from the disorderly exit of the United Kingdom from the European Union and a faster slowdown in growth in China.

HeidelbergCement expects that the favourable development of energy costs in comparison with the previous year as well as the solid development in Europe, North America, and Asia, especially in Indonesia, will contribute positively to results.

In view of these expectations, the overall solid economic development, and the good first half of the year, HeidelbergCement confirms its outlook for the whole of 2019. The company anticipates a rise in sales volumes for the core products cement, aggregates, and ready-mixed concrete, and continues to assume that revenue, result from current operations before IFRS 16, exchange rate and consolidation effects, and the profit for the financial year before non-recurring effects will increase moderately (+3 % to +9 %) in 2019.

Additional statements on the outlook

The Managing Board of HeidelbergCement has not seen evidence of developments beyond those mentioned in the previous paragraph that would suggest changes for the business year 2019 regarding the forecasts and other statements made in the 2018 Annual Report in the Outlook chapter on page 67 ff. on the expected development of HeidelbergCement and its business environment.

The expected future development of HeidelbergCement and the business environment over the course of 2019 is described in the outlook. As such, please note that this Half-Year Financial Report contains forward-looking statements based on the information currently available and the current assumptions and forecasts of the Managing Board of HeidelbergCement. Such statements are naturally subject to risks and uncertainties and may therefore deviate significantly from the actual development. HeidelbergCement undertakes no obligation and furthermore has no intention to update the forward-looking statements made in this Half-Year Financial Report.

Risk and opportunity report

HeidelbergCement's risk policy is based on the business strategy, which focuses on safeguarding the Group's existence and sustainably increasing its value. Entrepreneurial activity is always forward-looking and therefore subject to certain risks. Identifying risks, understanding them, as well as assessing and reducing them systematically are the responsibility of the Managing Board and a key task for all managers. HeidelbergCement is subject to various risks that are not fundamentally avoided, but instead accepted, provided they are consistent with the legal and ethical principles of entrepreneurial activity and are well balanced by the opportunities they present. Opportunity and risk management at HeidelbergCement is closely linked by Group-wide planning and monitoring systems. Opportunities are recorded in the annual operational plan and followed up as part of monthly financial reporting. Operational management in each country and the central Group departments are directly responsible for identifying and observing opportunities at an early stage.

In a holistic view of individual risks and the overall risk situation, there are, from today's perspective, no identifiable risks that could threaten the existence of the Group or any other apparent significant risks. Our control and risk management system standardised across the Group ensures that major risks, which, if they occurred, would lead to a considerable deterioration of the Group's economic position, are identified at an early stage.

Risks that may have a significant impact on our financial position and performance in the 2019 financial year and in the foreseeable future as well as the opportunities are described in detail in the 2018 Annual Report in the risk and opportunity report chapter on page 74 ff.

The risks arising from volatile energy and raw material prices as well as from exchange rates remain high. Geopolitical risks result in particular from the political crises and armed conflicts in the Middle East and in eastern Ukraine. Macroeconomic risks include in particular the danger of escalating trade sanctions. Uncertainties still remain with regard to the stability of the global financial system.

Interim consolidated financial statements

Consolidated income statement

	January - June	
€m	2018 [1]	2019
Revenue	8,431.6	**9,211.6**
Change in finished goods and work in progress	-36.9	**-50.5**
Own work capitalised	5.9	**8.8**
Operating revenue	8,400.6	**9,169.9**
Other operating income	175.2	**198.3**
Material costs	-3,492.8	**-3,874.6**
Employee and personnel costs	-1,492.0	**-1,590.7**
Other operating expenses	-2,491.1	**-2,582.4**
Result from equity accounted investments (REI)	95.2	**125.7**
Result from current operations before depreciation and amortisation (RCOBD)	1,195.2	**1,446.0**
Depreciation and amortisation	-541.2	**-684.1**
Result from current operations	654.0	**762.0**
Additional ordinary income	173.0	**90.2**
Additional ordinary expenses	-45.0	**-217.9**
Additional ordinary result	128.0	**-127.7**
Earnings before interest and taxes (EBIT)	782.0	**634.3**
Interest income	24.1	**29.0**
Interest expenses	-158.7	**-161.7**
Foreign exchange gains and losses	9.3	**-5.9**
Result from other participations	1.6	**0.7**
Other financial result	-30.2	**-46.2**
Financial result	-153.9	**-184.2**
Profit before tax from continuing operations	628.1	**450.1**
Income taxes	-187.6	**-150.0**
Net income from continuing operations	440.4	**300.1**
Net loss from discontinued operations	-5.1	**-9.4**
Profit for the period	435.3	**290.7**
Thereof non-controlling interests	60.2	**78.5**
Thereof Group share of profit	375.2	**212.2**
Earnings per share in € (IAS 33)		
Earnings per share attributable to the parent entity	1.89	**1.07**
Earnings per share – continuing operations	1.92	**1.12**
Loss per share – discontinued operations	-0.03	**-0.05**

1) Amounts were restated (see section "Other changes", page 22 and Annual Report 2018, section "Application of new accounting standards and other changes", page 125 f.).

Consolidated statement of comprehensive income

	January - June	
€m	2018 [1]	2019
Profit for the period	435.3	**290.7**
Other comprehensive income		
Items not being reclassified to profit or loss in subsequent periods		
Remeasurement of the defined benefit liability (asset)	146.8	**-91.5**
Income taxes	-43.6	**29.1**
Defined benefit plans	103.2	**-62.4**
Financial investments in equity instruments – change in fair value		**-13.9**
Net gains/losses arising from equity method investments	-2.6	**-1.7**
Total	100.6	**-78.1**
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges – change in fair value	3.7	**1.3**
Reclassification adjustments for gains/losses included in profit or loss	-2.9	**-0.2**
Income taxes	-0.3	**-0.1**
Cash flow hedges	0.5	**1.0**
Currency translation	87.1	**251.4**
Reclassification adjustments for gains/losses included in profit or loss		**151.4**
Income taxes	-5.4	**-3.2**
Currency translation	81.7	**399.6**
Net gains/losses arising from equity method investments	-5.0	**2.0**
Total	77.3	**402.6**
Other comprehensive income	177.9	**324.5**
Total comprehensive income	613.2	**615.3**
Thereof non-controlling interests	38.0	**120.3**
Thereof Group share	575.2	**495.0**

1) Amounts were restated (see Annual Report 2018, section "Application of new accounting standards and other changes", page 125 f.).

Consolidated statement of cash flows

	January - June	
€m	2018 [1]	2019
Net income from continuing operations	440.4	**300.1**
Income taxes	187.6	**150.0**
Interest income/expenses	134.6	**132.7**
Dividends received	108.1	**121.0**
Interest received	51.7	**55.9**
Interest paid	-358.3	**-310.8**
Income taxes paid	-143.1	**-142.0**
Depreciation, amortisation, and impairment	559.2	**683.4**
Elimination of other non-cash items	-198.3	**103.1**
Cash flow	781.9	**1,093.4**
Changes in operating assets	-809.6	**-547.0**
Changes in operating liabilities	-44.3	**-371.2**
Changes in working capital	-854.0	**-918.3**
Decrease in provisions through cash payments	-155.4	**-186.3**
Cash flow from operating activities – continuing operations	-227.4	**-11.1**
Cash flow from operating activities – discontinued operations	-0.5	**-0.3**
Cash flow from operating activities	-227.9	**-11.4**
Intangible assets	-8.2	**-20.0**
Property, plant and equipment	-408.5	**-405.3**
Subsidiaries and other business units	-533.6	**-62.4**
Other financial assets, associates, and joint ventures	-23.8	**-13.0**
Investments (cash outflow)	-974.1	**-500.6**
Subsidiaries and other business units	246.9	**58.5**
Other fixed assets	46.8	**95.6**
Divestments (cash inflow)	293.7	**154.1**
Cash from changes in consolidation scope	26.0	**-2.9**
Cash flow from investing activities – continuing operations	-654.4	**-349.3**
Cash flow from investing activities – discontinued operations		**0.9**
Cash flow from investing activities	-654.4	**-348.4**
Capital decrease – non-controlling interests		**-0.2**
Dividend payments – HeidelbergCement AG	-377.0	**-416.7**
Dividend payments – non-controlling interests	-114.3	**-96.1**
Decrease in ownership interests in subsidiaries		**136.3**
Increase in ownership interests in subsidiaries	-18.3	**-88.9**
Proceeds from bond issuance and loans	935.4	**4.2**
Repayment of bonds, loans, and lease liabilities	-1,004.1	**-654.3**
Changes in short-term interest-bearing liabilities	948.1	**724.2**
Cash flow from financing activities – continuing operations	369.9	**-391.6**
Cash flow from financing activities – discontinued operations		
Cash flow from financing activities	369.9	**-391.6**
Net change in cash and cash equivalents – continuing operations	-511.9	**-752.0**
Net change in cash and cash equivalents – discontinued operations	-0.5	**0.6**
Net change in cash and cash equivalents	-512.4	**-751.4**
Effect of exchange rate changes	-17.1	**36.3**
Cash and cash equivalents at the beginning of period	2,108.8	**2,588.1**
Cash and cash equivalents at period end	1,579.3	**1,873.0**
Reclassification of cash and cash equivalents according to IFRS 5	-2.7	
Cash and cash equivalents presented in the balance sheet at period end	1,576.5	**1,873.0**

1) Amounts were restated (see Annual Report 2018, section “Application of new accounting standards and other changes”, page 125 f.).

Consolidated balance sheet

Assets			
€m	30 June 2018	31 Dec. 2018	30 June 2019
Non-current assets			
Intangible assets			
Goodwill	11,385.3	11,450.2	**11,559.9**
Other intangible assets	378.3	370.3	**385.1**
	11,763.6	11,820.5	**11,945.0**
Property, plant and equipment			
Land and buildings	6,457.0	6,519.2	**7,119.6**
Plant and machinery	4,925.4	4,980.2	**5,101.5**
Other operating equipment	363.0	325.1	**877.1**
Prepayments and assets under construction	1,137.3	1,137.1	**1,133.7**
	12,882.7	12,961.6	**14,231.9**
Financial assets			
Investments in joint ventures	1,311.9	1,200.8	**1,185.5**
Investments in associates	502.2	512.2	**512.9**
Financial investments	259.4	252.5	**240.6**
Loans and derivative financial instruments	95.4	141.4	**185.0**
	2,168.7	2,106.8	**2,124.0**
Fixed assets	26,815.0	26,889.0	**28,300.8**
Deferred taxes	446.4	314.4	**328.8**
Other non-current receivables and assets	978.0	1,026.6	**1,023.2**
Non-current income tax assets	57.0	61.9	**62.3**
Total non-current assets	28,296.3	28,291.8	**29,715.1**
Current assets			
Inventories			
Raw materials and consumables	896.6	920.4	**998.1**
Work in progress	314.0	336.2	**303.8**
Finished goods and goods for resale	696.1	767.9	**783.8**
Prepayments	19.5	10.3	**14.8**
	1,926.2	2,034.8	**2,100.5**
Receivables and other assets			
Current interest-bearing receivables	137.1	122.0	**126.8**
Trade receivables	2,390.4	1,808.8	**2,187.1**
Other current operating receivables and assets	761.9	741.3	**795.0**
Current income tax assets	137.9	92.2	**132.6**
	3,427.3	2,764.3	**3,241.6**
Short-term financial investments	10.1	10.0	**10.0**
Derivative financial instruments	37.8	17.3	**25.1**
Cash and cash equivalents	1,576.5	2,585.9	**1,873.0**
Total current assets	6,977.9	7,412.3	**7,250.1**
Assets held for sale	14.0	79.2	**33.6**
Balance sheet total	35,288.3	35,783.3	**36,998.9**

1) Amounts were restated (see Annual Report 2018, section "Application of new accounting standards and other changes", page 125 f.).

Equity and liabilities			
€m	30 June 2018 [1]	31 Dec. 2018	30 June 2019
Shareholders' equity and non-controlling interests			
Subscribed share capital	595.2	595.2	**595.2**
Share premium	6,225.4	6,225.4	**6,225.4**
Retained earnings	9,470.6	10,256.6	**10,071.2**
Other components of equity	-1,689.5	-1,647.7	**-1,287.7**
Equity attributable to shareholders	14,601.8	15,429.7	**15,604.3**
Non-controlling interests	1,310.9	1,392.0	**1,419.7**
Total equity	15,912.7	16,821.7	**17,024.0**
Non-current liabilities			
Bonds payable	8,568.4	8,805.1	**7,275.8**
Bank loans	634.4	631.3	**620.1**
Other non-current interest-bearing liabilities	47.0	51.4	**1,072.1**
Non-controlling interests with put options	19.7	21.1	**22.3**
	9,269.6	9,508.9	**8,990.3**
Pension provisions	1,115.2	1,100.6	**1,155.9**
Deferred taxes	668.3	722.8	**721.7**
Other non-current provisions	1,131.5	1,053.5	**998.2**
Other non-current operating liabilities	235.0	249.7	**256.6**
Non-current income tax liabilities	177.6	61.3	**65.1**
	3,327.5	3,187.8	**3,197.5**
Total non-current liabilities	12,597.0	12,696.7	**12,187.8**
Current liabilities			
Bonds payable (current portion)	1,064.9	1,134.6	**2,084.5**
Bank loans (current portion)	312.8	115.1	**140.9**
Other current interest-bearing liabilities	900.7	159.8	**1,137.8**
Non-controlling interests with put options	46.9	62.3	**37.8**
	2,325.3	1,471.8	**3,401.0**
Pension provisions (current portion)	81.3	97.7	**94.1**
Other current provisions	253.6	255.2	**252.2**
Trade payables	2,358.2	2,605.3	**2,513.8**
Other current operating liabilities	1,520.0	1,565.5	**1,238.7**
Current income tax liabilities	235.9	258.2	**283.9**
	4,448.9	4,781.9	**4,382.7**
Total current liabilities	6,774.2	6,253.7	**7,783.7**
Liabilities associated with assets held for sale	4.3	11.2	**3.4**
Total liabilities	19,375.5	18,961.6	**19,974.9**
Balance sheet total	35,288.3	35,783.3	**36,998.9**

Consolidated statement of changes in equity

€m	Subscribed share capital	Share premium	Retained earnings	Cash flow hedge reserve
1 January 2018	595.2	6,225.4	9,494.8	4.6
Transfer of AfS reserve due to IFRS 9			-34.0	
Adjustment IFRS 9 and IFRS 15			-9.4	
1 January 2018 adjusted	595.2	6,225.4	9,451.3	4.6
Profit for the period			375.2	
Other comprehensive income [2]			100.6	1.3
Total comprehensive income [2]			475.8	1.3
Changes in consolidation scope				
Changes in ownership interests in subsidiaries			-75.1	
Changes in non-controlling interests with put options			-1.7	
Transfer of asset revaluation reserve			0.5	
Other changes			-3.2	
Dividends			-377.0	
30 June 2018 [2]	595.2	6,225.4	9,470.6	5.8
1 January 2019	595.2	6,225.4	10,256.6	3.4
Profit for the period			212.2	
Other comprehensive income			-78.1	-0.6
Total comprehensive income			134.2	-0.6
Changes in consolidation scope				
Changes in ownership interests in subsidiaries			93.8	
Changes in non-controlling interests with put options			2.2	
Transfer of asset revaluation reserve			0.8	
Other changes			0.2	
Capital increase from contribution in kind				
Repayment of capital				
Dividends			-416.7	
30 June 2019	595.2	6,225.4	10,071.2	2.8

1) The accumulated currency translation differences included in non-controlling interests changed in 2019 by € 50.3 million (previous year: -1.8) to € -217.5 million (previous year: -288.8). The total currency translation differences recognised in equity thus amounts to € -1,533.7 million (previous year: -2,011.0).

2) Amounts were restated (see Annual Report 2018, section "Application of new accounting standards and other changes", page 125 f.).

Other components of equity							
	Available for sale reserve	Asset revaluation reserve	Currency translation	Total other components of equity	Equity attributable to shareholders	Non-controlling interests [1]	**Total equity**
	-34.0	27.5	-1,820.5	-1,822.5	14,493.0	1,494.3	**15,987.4**
	34.0			34.0			
					-9.4		**-9.4**
		27.5	-1,820.5	-1,788.4	14,483.6	1,494.3	**15,977.9**
					375.2	60.2	**435.3**
			98.2	99.5	200.1	-22.2	**177.9**
			98.2	99.5	575.3	38.0	**613.2**
						-19.7	**-19.7**
					-75.1	-39.4	**-114.6**
					-1.7	1.3	**-0.4**
		-0.5		-0.5			
					-3.3	1.2	**-2.1**
					-377.0	-164.7	**-541.7**
		27.0	-1,722.3	-1,689.5	14,601.8	1,310.9	**15,912.7**
		26.5	-1,677.5	-1,647.7	15,429.7	1,392.0	**16,821.7**
					212.2	78.5	**290.7**
			361.4	360.8	282.7	41.8	**324.5**
			361.4	360.8	495.0	120.3	**615.3**
						0.2	**0.2**
					93.8	34.4	**128.2**
					2.2	21.1	**23.3**
		-0.8		-0.8			
					0.2	1.1	**1.3**
						0.3	**0.3**
						-0.2	**-0.2**
					-416.7	-149.3	**-566.0**
		25.6	-1,316.1	-1,287.7	15,604.3	1,419.7	**17,024.0**

Segment reporting / Notes

Group areas January - June	Western and Southern Europe		Northern and Eastern Europe-Central Asia		North America	
€m	2018 [1]	2019	2018 [1]	2019	2018 [1]	2019
External revenue	2,353	**2,545**	1,307	**1,347**	1,873	**2,127**
Inter-Group areas revenue	37	**20**	37	**26**		
Revenue	2,390	**2,566**	1,344	**1,373**	1,873	**2,127**
Change to previous year in %		**7.4 %**		**2.1 %**		**13.6 %**
Result from equity accounted investments (REI)	5	**9**	8	**19**	6	**12**
Result from current operations before depreciation and amortisation (RCOBD)	214	**328**	204	**259**	313	**349**
as % of revenue (operating margin)	8.9 %	**12.8 %**	15.2 %	**18.9 %**	16.7 %	**16.4 %**
Depreciation and amortisation	-166	**-210**	-80	**-101**	-142	**-175**
Result from current operations	47	**118**	123	**158**	171	**175**
as % of revenue	2.0 %	**4.6 %**	9.2 %	**11.5 %**	9.1 %	**8.2 %**
Additional ordinary result						
Earnings before interest and taxes (EBIT)	47	**118**	123	**158**	171	**175**
Capital expenditures [3]	139	**166**	46	**55**	128	**98**
Segment assets [4]	7,590	**8,038**	2,524	**2,784**	8,875	**9,288**
RCOBD as % of segment assets	2.8 %	**4.1 %**	8.1 %	**9.3 %**	3.5 %	**3.8 %**
Number of employees as at 30 June	15,881	**15,784**	12,716	**11,623**	9,742	**10,000**
Average number of employees	15,910	**15,889**	12,566	**12,271**	9,386	**9,591**

1) Amounts were restated (see section "Other changes", page 22).

2) Reconciliation includes:
   a. intra-Group revenues = eliminations of intra-Group relationships between the segments
   b. results from current operations before depreciation and amortisation / depreciation from corporate functions
   c. additional ordinary result and earnings before interest and taxes

3) Capital expenditures = in the segment columns: cash effective investments in property, plant and equipment as well as intangible assets; in the reconciliation column: cash effective investments in non-current financial assets and other business units

4) Segment assets = property, plant and equipment as well as intangible assets

	Asia-Pacific		Africa-Eastern Mediterranean Basin		Group Services		Reconciliation [2]		Continuing operations	
	2018 [1]	2019	2018 [1]	2019	2018 [1]	2019	2018	2019	2018 [1]	2019
	1,528	**1,610**	816	**821**	555	**762**			8,432	**9,212**
	4	**8**	16	**16**	254	**255**	-349	**-326**		
	1,532	**1,618**	833	**837**	809	**1,017**	-349	**-326**	8,432	**9,212**
		5.6 %		**0.5 %**		**25.7 %**				**9.2 %**
	58	**75**	15	**8**	3	**2**			95	**126**
	268	**350**	207	**184**	22	**16**	-32	**-40**	1,195	**1,446**
	17.5 %	**21.6 %**	24.8 %	**22.0 %**	2.8 %	**1.6 %**			14.2 %	**15.7 %**
	-92	**-127**	-47	**-56**	-1	**-2**	-12	**-14**	-541	**-684**
	175	**223**	160	**128**	21	**14**	-44	**-54**	654	**762**
	11.4 %	**13.8 %**	19.2 %	**15.3 %**	2.6 %	**1.4 %**			7.8 %	**8.3 %**
							128	**-128**	128	**-128**
	175	**223**	160	**128**	21	**14**	84	**-182**	782	**634**
	73	**83**	26	**23**	5	**0**	557	**75**	974	**501**
	4,110	**4,449**	1,498	**1,570**	48	**47**			24,646	**26,177**
	6.5 %	**7.9 %**	13.8 %	**11.7 %**	46.1 %	**34.8 %**			4.8 %	**5.5 %**
	14,288	**13,849**	6,553	**5,619**	463	**466**			59,642	**57,341**
	14,293	**13,939**	6,615	**5,888**	421	**467**			59,192	**58,044**

Notes to the interim consolidated financial statements

Accounting and valuation principles

The interim consolidated financial statements of HeidelbergCement AG as at 30 June 2019 were prepared on the basis of IAS 34 (Interim Financial Reporting). All International Financial Reporting Standards (IFRS), including the interpretations of the IFRS Interpretations Committee (IFRS IC), that were binding as at the reporting date and had been adopted into European law by the European Commission were applied.

In accordance with the regulations of IAS 34, a condensed report scope in comparison with the consolidated financial statements as at 31 December 2018, with selected explanatory notes, was chosen. The accounting and valuation principles applied in the preparation of the interim consolidated financial statements correspond in principle to those of the consolidated financial statements as at 31 December 2018. Detailed explanations can be found on page 116 f. in the Notes to the Annual Report 2018, which forms the basis for these interim financial statements.

In accordance with IAS 34, the expenses relating to income taxes in the reporting period were accrued on the basis of the tax rate expected for the whole financial year.

The interim consolidated financial statements were not subject to any audits or reviews.

Application of new accounting standards

The following new or amended IASB standards and interpretations were applicable for the first time in these interim consolidated financial statements.

- **IFRS 16 Leases** provides new regulations for the accounting of leases and replaces IAS 17 (Leases) and related interpretations. For all leases, according to IFRS 16, the lessee has a fundamental obligation to account for rights and obligations arising under leases. In future, lessees will account for the right-of-use asset in the fixed assets as well as a corresponding lease liability. The lease liability is measured at the present value of the lease payments made during the term of the lease. The costs of the right-of-use asset include the initially recognised amount of the lease liability as well as any additional costs connected with the lease. The lease liability is compounded in subsequent periods and reduced by the amount of the lease payments made. The right-of-use asset is amortised on a straight-line basis over the term of the lease contract. Leases with a term of up to 12 months and contracts for low-value assets are exempted from the accounting obligation. For these leases, the lessee has the option of accounting on the basis of the former operating leases.

  The application of IFRS 16 leads to an increase in property, plant and equipment in the balance sheet due to the recognition of right-of-use assets. At the same time, financial liabilities will increase as a result of the recognition of lease liabilities. In the income statement, the expenses are reflected in the depreciation of right-of-use assets and in the interest expenses. In the statement of cash flows, the payments are divided into interest payments and principal payments. While the interest payments are shown in cash flow from operating activities, the principal payments are presented in cash flow from financing activities.

  For the initial application on 1 January 2019, HeidelbergCement applied the modified retrospective method. The previous year’s figures are not adjusted.

  As part of the transition to IFRS 16, payment obligations from existing operating leases will be discounted at the corresponding incremental borrowing rates. The rates were calculated on the basis of the remaining term of the leases. The resulting present values were reported as lease liabilities. The right-of-use assets were capitalised in the amount of the lease liabilities, less the amount of prepaid or accrued lease payments as well as provisions for onerous contracts in connection with leases. Initial direct costs were excluded from the measurement of the right-of-use assets as at 1 January 2019. In determining the lease term, hindsight was used where there were indications that it is reasonably certain that options to extend or terminate the lease will be exercised.

  The existing procedure in accordance with IAS 17 and IFRIC 4 for determining the existence of leases will be retained for existing contracts. HeidelbergCement accounts for leases with a remaining term of less than 12 months as at 1 January 2019 as short-term leases and recognises lease payments as an expense on a straight-line basis. Likewise, lease payments for low-value assets are recognised directly in the income statement. In the case of lease contracts for vehicles and ships containing lease and non-lease components, the components are separated so that only the lease components are accounted for in accordance with the regulations of IFRS 16.

Leases classified as finance leases in accordance with IAS 17 were shown with the carrying amounts of the assets and liabilities as at 31 December 2018.

The adjustments made as at 1 January 2019 in connection with the initial application of IFRS 16 in the consolidated balance sheet are as follows:

Adjustment of the opening balance due to IFRS 16

€m	1 Jan. 2019
Land and buildings	602.4
Plant and machinery	160.5
Other operating equipment	544.6
Other non-financial receivables	-1.9
Total assets	**1,305.7**
Lease liabilities	1,311.9
Other non-financial liabilities	-1.3
Other provisions	-4.9
Total liabilities	**1,305.7**

The following table shows the reconciliation of the obligations from future minimum lease payments under non-cancellable operating leases as at 31 December 2018 with the opening balance sheet value of the lease liabilities as at 1 January 2019.

Reconciliation of opening balance of lease liabilities

€m	1 Jan. 2019
Obligations arising from operating leases as of 31 December 2018	1,599.3
Short-term leases	-67.5
Leases of low-value assets	-1.5
Extension options	5.9
Other	90.9
	1,627.0
Discounting	-315.1
Lease liabilities IFRS 16 as at 1 January 2019	**1,311.9**
Lease liabilities from finance lease IAS 17 as at 31 December 2018	12.7
Lease liabilities as at 1 January 2019	**1,324.6**

The weighted average incremental borrowing rate applied to the lease liabilities as at 1 January 2019 amounted to 3.4 %.

- **IFRIC Interpretation 23 Uncertainty over Income Tax Treatments** clarifies the accounting of current and deferred tax liabilities and assets in accordance with IAS 12, where there is uncertainty over income tax treatments. The initial application had no impact on the financial position and performance of the Group.

- The **amendments to IAS 28: Long-term Interests in Associates and Joint Ventures** clarify that a company is obliged to apply IFRS 9 (Financial Instruments), including its impairment requirements, to long-term interests in associates or joint ventures that form a substantial part of the net investment in this company and are not accounted for using the equity method. The initial application had no impact on the financial position and performance of the Group.

- The **amendments to IAS 19: Plan Amendment, Curtailment or Settlement** clarify that, following the amendment, curtailment, or settlement of a defined benefit pension plan during the year, the current service cost and net interest for the remaining period are to be remeasured. This remeasurement is to be based on the actuarial assumptions valid at the time that the plan was changed. The amendments did not have any impact on the financial position and performance of the Group.

- As part of the **Annual Improvements to IFRS Standards 2015–2017 Cycle**, the IASB made minor amendments to a total of four standards. The amendments did not have any impact on the financial position and performance of the Group.

Other changes

To improve presentation in the income statement, HeidelbergCement has changed the way the result from associates is shown. HeidelbergCement exclusively holds participations in associates that are engaged in the operating activities of the Group. The associates are managed in a similar way as joint ventures in the cash-generating units of the Group. For this reason, the result from associates is now presented together with the result from joint ventures in the item "Result from equity accounted investments (REI)". The result from other participations is shown in the financial result. The previous year's values have been adjusted accordingly.

Seasonal nature of the business

The production and sales of building materials are seasonal due to regional weather patterns. Particularly in our important markets of Europe and North America, business results for the first and fourth quarters are adversely affected by the winter months, whereas the warmer months contribute to higher sales volumes and profits in the second and third quarters.

Exchange rates

The following table contains the key exchange rates used in the translation into euro of the separate financial statements denominated in foreign currencies.

Exchange rates		Exchange rates at reporting date		Average exchange rates	
EUR		31 Dec. 2018	30 June 2019	01-06/ 2018	01-06/ 2019
USD	USA	1.1467	**1.1373**	1.2104	**1.1295**
AUD	Australia	1.6268	**1.6201**	1.5695	**1.5992**
CAD	Canada	1.5636	**1.4890**	1.5462	**1.5060**
EGP	Egypt	20.5498	**18.9794**	21.4541	**19.5512**
GBP	Great Britain	0.8990	**0.8958**	0.8798	**0.8732**
INR	India	79.9970	**78.5440**	79.4976	**79.0963**
IDR	Indonesia	16,605	**16,083**	16,765	**16,024**
MAD	Morocco	10.9579	**10.8918**	11.2466	**10.8467**

Business combinations in the reporting period

On 4 January 2019, HeidelbergCement acquired an additional 50 % of the shares in California Commercial Asphalt LLC, Wilmington, Delaware, USA – previously accounted for at equity – and its subsidiaries, thereby raising its shareholding to 100 %. The company operates four asphalt plants in southern California, USA. The acquisition strengthens our market presence in the region and contributes towards improving efficiency and utilising existing synergy potential, particularly through vertical integration. The purchase price, which is subject to usual post-closing adjustments, is made up of a cash payment of €18.9 million and a pre-existing loan receivable against the company in an amount of €4.2 million. The fair value of the previously held equity interest amounted to €26.2 million as at the acquisition date. The revaluation of the interest resulted in a loss of €0.3 million, which was recognised in the additional ordinary expenses. The provisionally recognised goodwill of €32.6 million is tax-deductible pro rata. The purchase price allocation has not yet been completed, as the valuations are still to be finalised, particularly with regard to intangible assets and property, plant and equipment as well as corresponding deferred taxes.

On 28 June 2019, HeidelbergCement finalised the acquisition of the aggregates and ready-mixed concrete activities of Cemex in central France. By acquiring 100 % of the shares in Unibeton Centre Ouest, Rungis, France, as well as production sites and distribution facilities for aggregates, HeidelbergCement has acquired 28 ready-mixed concrete plants and 7 aggregates quarries and has strengthened its vertically integrated market position in central France. The purchase price of €26.2 million was paid in cash and is subject to a usual adjustment clause. The provisionally recognised goodwill of €3.0 million, which is not expected to be tax-deductible, represents synergy potential. The purchase price allocation is provisional, primarily because the valuation of property, plant and equipment and deferred taxes has not yet been completed.

The following table shows the provisional fair values of the assets and liabilities as at the acquisition date.

Provisional fair values recognised as at the acquisition date

€m	North America	France	Total
Property, plant and equipment	13.3	26.7	**40.0**
Financial fixed assets		1.0	**1.0**
Inventories	1.0	2.7	**3.7**
Trade receivables	15.5	8.6	**24.1**
Cash and cash equivalents	0.8	1.3	**2.1**
Other assets	4.1	0.7	**4.8**
Total assets	34.6	41.1	**75.7**
Deferred taxes		0.7	**0.7**
Provisions		4.9	**4.9**
Non-current liabilities	1.4		**1.4**
Current liabilities	16.5	10.3	**26.8**
Total liabilities	17.8	15.9	**33.7**
Net assets	16.7	25.2	**42.0**

As part of the business combinations, receivables with a fair value of €27.4 million were acquired. These concern trade receivables amounting to €24.1 million and other operating receivables to the amount of €3.2 million. The gross value of the contractual receivables, totalling €27.4 million, is likely to be fully recoverable.

The business combinations have contributed €33.9 million to revenue and €0.9 million to the profit for the period since their acquisition. If the acquisitions had taken place on 1 January 2019, contributions to revenue and the profit for the period would be €26.6 million higher and €0.8 million lower, respectively. The transaction costs of €0.2 million for the business combinations were recognised in the additional ordinary expenses.

Furthermore, HeidelbergCement effected other business combinations during the reporting period that are of minor importance for the presentation of the financial position and performance of the Group.

Business combinations in the same period of the previous year

On 2 January 2018, our subsidiary Italcementi S.p.A. completed its acquisition of a 100 % shareholding in Cementir Italia and its subsidiaries. All conditions for the closing of the transaction have been fulfilled following the approval of the Italian competition authorities. To expand our market position in Italy, we made an agreement, via Italcementi, with Cementir Holding regarding the acquisition of the entire cement and concrete business line of Cementir Italia S.p.A., Rome, including the fully controlled subsidiaries Cementir Sacci S.p.A. and Betontir S.p.A., on 19 September 2017. The purchase price amounted to €316.0 million and was paid in cash. The acquisition comprises five cement and two cement grinding plants as well as a network of terminals and ready-mixed concrete plants. The goodwill of €98.3 million is not tax-deductible and represents synergy potential.

On 31 January 2018, our Australian subsidiary Hanson Holdings Australia Limited, Victoria, (Hanson Australia) acquired 100 % of the shares in Alex Fraser Pty. Ltd. Group, Victoria, one of Australia's leading manufacturers of recycled building materials and asphalt, from Swire Investments (Australia) Ltd. The purchase price amounted to €134.1 million and was paid in cash. The company operates three production sites in Melbourne and two in Brisbane. The Alex Fraser Group also produces asphalt at two plants in Melbourne. The purchase strengthens our market positions in the urban centres of Melbourne and Brisbane. Hanson Australia is also gaining expertise in the production of asphalt and recycled building materials, which ideally complements the existing business and can be leveraged for entry into additional markets. The goodwill of €67.8 million represents synergy potential and is not tax-deductible.

Hanson Australia also acquired 100 % of the shares in the Suncoast Asphalt Pty Ltd Group, Queensland, on 29 March 2018. The company produces asphalt and supplies customers in the private and public sectors in the South East Queensland region. The final purchase price amounted to €19.0 million and was paid in cash. The purchase price allocation has been completed. The finally recognised, non-tax-deductible goodwill of €12.7 million represents synergy potential. In comparison with the values reported as at 31 December 2018, there were no material adjustments.

To strengthen its market position in Canada, HeidelbergCement acquired a cement plant in the province of Quebec on 7 February 2018 as part of an asset deal. The purchase price of €43.1 million was paid in cash. The purchase price allocation has been completed. The tax-deductible goodwill of €38.4 million represents synergy potential.

In addition, HeidelbergCement acquired 100 % of the shares in both Fairburn Ready-Mix, Inc., Tyrone, and Harrell Aggregate Hauling, Inc., Tyrone, on 6 April 2018 via its US subsidiary Sherman Industries LLC, Wilmington. Fairburn Ready-Mix operates five ready-mixed concrete plants in the Atlanta metropolitan area. Harrell Aggregate Hauling provides transport services. This acquisition complements HeidelbergCement's core business and provides a platform for further growth. The purchase price of €20.9 million is made up of a cash payment of €18.7 million and a purchase price liability of €2.2 million, which was reduced by €0.4 million in the 2019 financial year by means of payments. The purchase price allocation has been completed. The tax-deductible goodwill of €11.7 million represents synergy and growth potential.

The following table shows the final fair values of the assets and liabilities as at the acquisition date.

Fair values recognised as at the acquisition date

€m	Italy	Australia	North America	Total
Intangible assets	12.3	10.2	6.6	**29.1**
Property, plant and equipment	166.7	48.7	6.7	**222.1**
Financial fixed assets	0.9			**0.9**
Deferred taxes	15.1	2.5		**17.6**
Inventories	31.0	1.9	5.1	**38.0**
Trade receivables	51.2	17.8	2.4	**71.3**
Cash and cash equivalents	25.9	6.4	0.4	**32.8**
Other assets	15.3	1.4	0.1	**16.7**
Assets held for sale	44.2			**44.2**
Total assets	362.4	89.0	21.3	**472.7**
Deferred taxes	0.5			**0.5**
Provisions	46.3	3.3	6.6	**56.3**
Non-current liabilities	0.0	13.0		**13.0**
Current liabilities	95.9	0.0	0.6	**96.6**
Liabilities associated with disposal groups	2.0			**2.0**
Total liabilities	144.7	16.3	7.3	**168.3**
Net assets	217.7	72.7	14.0	**304.4**

Divestments in the reporting period

As part of its action plan for portfolio optimisation, HeidelbergCement effected a number of divestments during the reporting period, which are described below.

On 21 September 2018, HeidelbergCement announced that its Egyptian subsidiary Helwan Cement Company S.A.E. had entered into an agreement with Emaar Industries to sell its white cement plant in Minya, Egypt. The sale was completed on 6 February 2019. The sales price amounts to €34.5 million, of which a prepayment of €11.9 million was already received during the 2018 financial year. The divestment results in a gain of €23.3 million, which is shown in the additional ordinary income.

On 1 April 2019, HeidelbergCement completed the disposal of the Spoleto cement plant in Umbria, Italy. The sales price of €17.6 million is made up of a cash payment of €2.0 million and a non-current receivable of €15.6 million carried at amortised costs. The sales price is subject to a usual adjustment clause. The loss of €8.4 million resulting from the divestment is shown in the additional ordinary expenses.

HeidelbergCement signed an agreement with Overin Limited, Cyprus, on 19 December 2018 regarding the sale of its participations in Ukraine. The sale was completed on 25 April 2019. The sale comprises the participations in the subsidiaries HeidelbergCement Ukraine Private Joint Stock Company, HeidelbergGranit Ukraine Limited Liability Company, Heidelberg-Beton Ukraine Limited Liability Company, and Rybalsky Quarry Limited Liability Company. The sales price amounts to €13.0 million and was paid in cash. The divestment resulted in a loss of €142.6 million, of which €144.6 million was due to the realisation of currency translation differences recognised in equity, and was recognised in the additional ordinary expenses.

On 29 April 2019, HeidelbergCement sold its 51 % share in Baustoffwerke Dresden GmbH & Co. KG. The sales price of €9.9 million was paid in cash. The profit on disposal of €4.7 million is recognised in the additional ordinary income.

The following table shows the assets and liabilities as at the date of divestiture.

Assets and liabilities as at the date of divestiture

€m	Egypt	Italy	Ukraine	Germany	Total
Intangible assets		2.0		2.7	**4.8**
Property, plant and equipment		19.9		4.7	**24.5**
Inventories		4.9		1.0	**5.8**
Cash and cash equivalents				1.4	**1.4**
Other assets				2.5	**2.5**
Disposal groups held for sale	13.7		23.0		**36.7**
Total assets	13.7	26.8	23.0	12.3	**75.7**
Provisions		0.6		1.1	**1.7**
Liabilities		0.2		5.5	**5.7**
Liabilities associated with disposal groups	1.9		12.0		**13.9**
Total liabilities	1.9	0.8	12.0	6.6	**21.2**
Net assets	11.7	26.0	11.1	5.7	**54.5**

Furthermore, HeidelbergCement effected other divestments that were of minor importance for the presentation of the financial position and performance of the Group.

Incidental disposal costs of €1.9 million arose in connection with the divestments and were recognised in the additional ordinary expenses.

Divestments in the same period of the previous year

On 15 December 2017, HeidelbergCement announced that it had signed an agreement with H+H International A/S and its subsidiary H+H Deutschland GmbH regarding the sale of the sand-lime brick activities. The sale was completed on 28 February 2018. The sale comprises the participations in the indirect subsidiaries Heidelberger Kalksandstein GmbH; KS-QUADRO Bausysteme GmbH, Durmersheim, Germany; and Hunziker Kalksandstein AG, Brugg, Switzerland. Additionally, it includes property belonging to subsidiaries of HeidelbergCement AG. As at 31 December 2017, the divested assets and liabilities were shown as disposal groups in the consolidated balance sheet. The sales price of €109.4 million was paid in cash. The divestment resulted in a gain of €68.6 million, which has been shown in the additional ordinary income.

On 14 February 2018, our US subsidiary Lehigh Cement Company LLC, Wilmington, signed an agreement for the sale of its 51 % participation in Lehigh White Cement Company, Harrisburg, to the non-controlling shareholders Aalborg Cement Company Inc. and Cemex, Inc. The sale was completed on 29 March 2018. The sales price amounted to €117.1 million and was paid in cash. The profit on disposal of €48.1 million was recognised in the additional ordinary income.

On 1 June 2018 and 4 October 2018, our Italian subsidiary Italcementi S.p.A. completed the sale of the cement plant in Maddaloni, Italy, and a terminal in Calabria, Italy, via its subsidiary Cementir Italia S.p.A. With the disposal, HeidelbergCement met a condition imposed by the Italian competition authorities in connection with the acquisition of the Cementir activities in Italy. At the time of Cementir's acquisition, the divested assets and liabilities were shown as disposal groups. The disposal price is made up of a cash payment of €12.5 million and a discounted purchase price receivable of €31.4 million. The profit on disposal amounted to €1.7 million and was recognised in the additional ordinary income. A payment of €7.0 million was received in the 2019 financial year.

The following table shows the assets and liabilities as at the date of divestiture.

Assets and liabilities as at the date of divestiture

€m	Sand-lime brick activities	North America	Italy	Total
Intangible assets		33.6		**33.6**
Property, plant and equipment		27.4		**27.4**
Inventories		28.9		**28.9**
Cash and cash equivalents		2.9		**2.9**
Other assets		19.7		**19.7**
Disposal groups held for sale	51.9		44.3	**96.2**
Total assets	51.9	112.5	44.3	**208.7**
Provisions		0.7		**0.7**
Liabilities		11.7		**11.7**
Liabilities associated with disposal groups	11.1		2.1	**13.2**
Total liabilities	11.1	12.3	2.1	**25.5**
Net assets	40.8	100.2	42.2	**183.2**

Incidental disposal costs of €5.4 million arose in connection with the divestments and were recognised in the additional ordinary expenses.

Furthermore, HeidelbergCement effected other divestments during the same period of the previous year that are of minor importance for the presentation of the financial position and performance of the Group.

Revenue development by Group areas and business lines

January - June	Cement		Aggregates		Ready-mixed concrete-asphalt		Service-other		Intra-Group eliminations		Total	
€m	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**
Western and Southern Europe	1,237	**1,311**	517	**568**	888	**990**	171	**162**	-423	**-465**	2,390	**2,566**
Northern and Eastern Europe-Central Asia	710	**723**	244	**247**	294	**297**	206	**207**	-109	**-101**	1,344	**1,373**
North America	782	**842**	703	**807**	467	**567**	107	**133**	-186	**-222**	1,873	**2,127**
Asia-Pacific	813	**877**	295	**283**	541	**585**	38	**25**	-154	**-153**	1,532	**1,618**
Africa-Eastern Mediterranean Basin	649	**664**	49	**46**	161	**175**	22	**14**	-48	**-62**	833	**837**
Group Services					20	**20**	796	**1,003**	-6	**-5**	809	**1,017**
Inter-Group area revenue within business lines	-29	**-30**	-13	**-14**		**0**	4	**5**			-39	**-39**
Total	4,163	**4,387**	1,794	**1,937**	2,370	**2,633**	1,342	**1,550**	-927	**-1,008**	8,742	**9,498**
Inter-Group area revenue between business lines									-311	**-287**	-311	**-287**
Total									-1,238	**-1,295**	8,432	**9,212**

Earnings per share

Earnings per share	January - June	
€m	2018	2019
Profit for the period	435.3	**290.7**
Non-controlling interests	60.2	**78.5**
Group share of profit	375.2	**212.2**
Number of shares in '000s (weighted average)	198,416	**198,416**
Earnings per share in €	1.89	**1.07**
Net income from continuing operations – attributable to the parent entity	380.3	**221.6**
Earnings per share in € – continuing operations	1.92	**1.12**
Net loss from discontinued operations – attributable to the parent entity	-5.1	**-9.4**
Loss per share in € – discontinued operations	-0.03	**-0.05**

Goodwill
An impairment test on goodwill in accordance with IAS 36 (Impairment of Assets) is generally performed annually within the HeidelbergCement Group, in the fourth quarter once the operational three-year plan has been prepared or if there are indications for impairment. In this impairment test, the carrying amount of a group of cash-generating units (CGUs) to which goodwill is allocated is compared with the recoverable amount of this group of CGUs. On 30 June 2019, the management carried out an impairment review, which indicated that no impairment loss needed to be recognised.

Consolidated statement of changes in equity
Changes in ownership interests in subsidiaries result primarily from the disposal of 7.8 % of the shares in our Moroccan subsidiary Ciments du Maroc S.A.

In the financial year, dividends of €416.7 million (€2.10 per share) were paid to shareholders of HeidelbergCement AG. Dividend payments to non-controlling interests are primarily the result of dividend payments made by our Indonesian subsidiary PT Indocement Tunggal Prakasa Tbk., amounting to €61.9 million, as well as dividends from our Moroccan subsidiaries Ciments du Maroc S.A. and Industrie Sakia El Hamra "Indusaha" S.A., which totalled €53.2 million.

Pension provisions
The actuarial gains and losses, which are recognised directly in equity in other comprehensive income, were determined on the basis of the interest rates for the key countries applicable as at the reporting date. As at 30 June 2019, overall losses arising from the revaluation amounted to €91.5 million. These include actuarial losses relating to the defined benefit obligation of €441.6 million, arising from the decline in the weighted discount rate of approximately 0.7 percentage points, as well as gains from the revaluation of the plan assets amounting to €343.5 million. The effect of the asset ceiling led to gains of €6.7 million.

Disclosures on financial instruments
The following table shows the carrying amounts and fair values for the individual classes of financial instruments as well as the fair value hierarchy for the assets and liabilities that are measured at fair value in the balance sheet.

Carrying amounts and fair values of financial instruments

€m	Category of IFRS 9 [1]	Carrying amount	Fair value	Thereof Level 1	Thereof Level 2	Thereof Level 3
30 June 2019						
Assets						
Financial investments – fair value through other comprehensive income	FVOCI	**152.7**	**152.7**			152.7
Financial investments – fair value through profit or loss	FVTPL	**48.6**	**48.6**	20.4		28.2
Loans and other interest-bearing receivables	AC	**265.1**	**268.6**			
Trade receivables and other operating receivables – amortised cost	AC	**2,137.7**	**2,137.7**			
Trade receivables and other operating receivables – fair value through profit or loss	FVTPL	**455.8**	**455.8**		455.8	
Cash and cash equivalents – amortised cost	AC	**1,450.2**	**1,450.2**			
Cash and cash equivalents – fair value through profit or loss	FVTPL	**422.8**	**422.8**	422.8		
Derivatives – hedge accounting	Hedge	**17.8**	**17.8**		17.8	
Derivatives – held for trading	FVTPL	**54.0**	**54.0**		54.0	
Liabilities						
Bonds payable, bank loans, and miscellaneous financial liabilities	AC	**11,005.4**	**11,499.3**			
Trade payables and miscellaneous operating liabilities	AC	**3,265.6**	**3,265.6**			
Derivatives – hedge accounting	Hedge	**0.5**	**0.5**		0.5	
Derivatives – held for trading	FVTPL	**58.0**	**58.0**		58.0	
Non-controlling interests with put options	AC	**60.1**	**60.1**			
31 December 2018						
Assets						
Financial investments – fair value through other comprehensive income	FVOCI	**165.2**	**165.2**			165.2
Financial investments – fair value through profit or loss	FVTPL	**47.8**	**47.8**	19.6		28.2
Loans and other interest-bearing receivables	AC	**219.2**	**222.8**			
Trade receivables and other operating receivables – amortised cost	AC	**2,043.8**	**2,043.8**			
Trade receivables and other operating receivables – fair value through profit or loss	FVTPL	**218.2**	**218.2**		218.2	
Cash and cash equivalents – amortised cost	AC	**2,363.7**	**2,363.7**			
Cash and cash equivalents – fair value through profit or loss	FVTPL	**222.2**	**222.2**	222.2		
Derivatives – hedge accounting	Hedge	**7.7**	**7.7**		7.7	
Derivatives – held for trading	FVTPL	**53.8**	**53.8**		53.8	
Liabilities						
Bonds payable, bank loans, and miscellaneous financial liabilities	AC	**10,808.7**	**11,002.3**			
Trade payables and miscellaneous operating liabilities	AC	**3,649.6**	**3,649.6**			
Derivatives – hedge accounting	Hedge	**0.9**	**0.9**		0.9	
Derivatives – held for trading	FVTPL	**75.0**	**75.0**		75.0	
Non-controlling interests with put options	AC	**83.4**	**83.4**			

1) AC: Amortised cost, FVTPL: Fair value through profit or loss, FVOCI: Fair value through other comprehensive income, Hedge: Hedge accounting

The financial investments at fair value through other comprehensive income include the fair value of the participation in the Permanente Group of €152.7 million (previous year: 165.2). The change in the fair value of the participation is affected by the development of the voluntary insolvency proceedings currently open in accordance with Chapter 11 of the US Bankruptcy Code, and results primarily from the reassessment of environmental obligations, which are reported at the value of the expected deductible to be paid, taking into account insurance coverage. The other valuation parameters remained unchanged compared to the 2018 consolidated financial statements. With respect to further possible uncertainties regarding the determination of the fair value of this financial investment, we refer to the explanations on page 170 in the Notes to the Annual Report 2018. During the reporting period, there were no significant changes to the explanations provided there.

The financial investments at fair value through profit or loss include participations of €28.2 million (previous year: 28.2) on which HeidelbergCement has no significant influence. These investments were primarily measured using the multiplier method, which determines the proportionate enterprise value based on company-specific variables using EBITDA or revenue multipliers. With respect to possible uncertainties regarding the determination of the fair value of these financial investments, we refer to the explanations on page 170 in the Notes to the Annual Report 2018. During the reporting period, there were no significant changes to the explanations provided there.

The fair values of the other financial assets measured at fair value through profit or loss were primarily determined using the prices of recent transactions.

Derivative financial instruments, both those designated as hedges and those held for trading, are measured at fair value. For these items, the fair value always corresponds to the carrying amount.

The "Trade receivables and other operating receivables" and "Trade payables and miscellaneous operating liabilities" classes cannot be immediately reconciled with the related balance sheet items, as these contain not only financial assets and liabilities but also non-financial assets to the amount of €1,411.9 million (previous year: 1,314.7) as well as non-financial liabilities of €743.6 million (previous year: 770.9). Lease liabilities of €1,267.4 million (previous year: 12.7) should be taken into account for the reconciliation of the "Bonds payable, bank loans, and miscellaneous financial liabilities" class with the related balance sheet items.

Detailed explanations on the procedure regarding the fair value measurement according to IFRS 13 can be found on page 168 f. in the Notes to the Annual Report 2018. The assessment as to whether financial assets and liabilities that are accounted for at fair value are to be transferred between the levels of the fair value hierarchy will take place at the end of each reporting period. No reclassifications were carried out in the reporting period.

Related party disclosures

No reportable transactions with related parties took place in the reporting period beyond normal business relations.

Contingent liabilities

As at the reporting date, contingent liabilities amounted to €37.4 million (previous year: 37.6) and essentially concern tax-related and legal risks. The timing of the possible cash outflows for the contingent liabilities is uncertain because they depend on various external factors that remain outside HeidelbergCement's control. The application of taxation regulations may not yet be determined at the time that tax refund claims and liabilities are calculated. The calculation of tax items is based on the regulations most likely to be applied in each case. Nevertheless, the fiscal authorities may be of a different opinion, which could give rise to additional tax liabilities.

Events after the reporting period

On 1 July 2019, HeidelbergCement issued a Eurobond of €750 million via its €10 billion EMTN programme. The 8.5-year bond with a maturity date of 1 December 2027 bears a fixed coupon of 1.125 % p.a. The issue price was at 99.127 %, resulting in a yield to maturity of 1.235 %. The proceeds from the issue will be used for general corporate financing purposes and for the repayment of upcoming maturities.

As part of its action plan for portfolio optimisation, HeidelbergCement completed the sale of the Testi cement plant in Tuscany, Italy, as well as two grinding plants in Piedmont, Italy, to Buzzi Unicem on 1 July 2019.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Heidelberg, 30 July 2019

HeidelbergCement AG
The Managing Board

The Company has its registered office in Heidelberg, Germany. It is registered with the Commercial Register at the Local Court of Mannheim (Amtsgericht Mannheim) under HRB 330082.

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The Half-Year Financial Report January to June 2019 was published on 30 July 2019.

Financial calendar	
Interim Financial Report January to September 2019	7 November 2019
Annual General Meeting 2020	7 May 2020

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