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**FOR IMMEDIATE RELEASE**

## **HEADWATERS PROVIDES UPDATE ON AMERICAN COAL ASH ASSOCIATION'S RECENT FINDINGS ON UTILIZATION OF COAL COMBUSTION PRODUCTS**

**SOUTH JORDAN, UTAH, December 14, 2015 (NYSE: HW) HEADWATERS INCORPORATED** is a building products company dedicated to improving lives through innovative advancements in construction materials, today provided an update on The American Coal Ash Association's recent findings on utilization of coal combustion products.

The American Coal Ash Association ("ACAA") released recent findings on the U.S. production and utilization of coal combustion products ("CCPs"), particularly fly ash. CCPs are a byproduct of coal-fueled electric generation and they include fly ash, bottom ash, and synthetic gypsum.

The ACAA report, which is based on an in-depth analysis by the American Road and Transportation Builders Association, takes into account the economic and political factors that have influenced production and utilization of CCPs over the last 40 years, and predicts the availability and demand for CCPs for the next 20 years. The forward looking projections take into account historic CCP data, projected electric generation from coal-fueled utilities, and the U.S. economy.

CCPs are used as a supplementary cementitious material, and are widely used along with cement in concrete mixtures to enhance the strength and durability of concrete structures. Data shows that using fly ash as a partial replacement for portland cement can almost double the life of a highway system. Demand for ready mixed concrete is a primary driver for fly ash utilization. The ACAA report stated, "The utilization rate of fly ash has grown from 8.4 percent of production in 1974 to 43.7 percent in 2013, when 23.3 million tons were beneficially used." It goes on to say, "Based on ready mixed concrete market projections, fly ash utilization is forecast to increase to 35.7 million tons in 2033 – a 53 percent cumulative increase over the next two decades." Beneficial uses of fly ash include grout, mining applications, structural fill, stabilization of soils and wastes, cement raw feed, and the partial replacement of portland cement in concrete.

The report also predicts a steady supply of CCPs will be available due to anticipated growth in electricity demand. “Coal will continue to account for a significant percentage of U.S. electric generation during the next two decades. As a result, CCP production is expected to remain steady, increasing by 5 percent through 2033. Fly ash production is forecast to reach 54.6 million tons in 2033.”

Along with the ACAA report, the Portland Cement Association (“PCA”) commented earlier this month that it was revising its earlier U.S. cement shipments forecast from an increase of 7 to 8 percent annually, beginning in 2015, to 3.5 percent in 2015, 5 percent in 2016, and 5.7 percent in 2017. The PCA’s Chief Economist, Ed Sullivan, stated that some of the reasons for the revisions were “Uneven regional construction activities, a slowdown in number of starts, and increased use of supplementary cementitious materials in concrete.” The Fixing America’s Surface Transportation (FAST) Act that was recently enacted is projected to increase cement consumption over the next five years, and should also positively impact the use of fly ash.

“We are excited about the demand for fly ash and its increased use in ready mixed concrete to make more durable concrete structures,” said Bill Gehrman, President of Headwaters Construction Materials, “and we agree with the ACAA that the production of high quality fly ash over the next several decades will continue to provide us with a steady supply.”

### ***About Headwaters Incorporated***

*Headwaters Incorporated is improving lives through innovative advancements in construction materials through application, design, and purpose. Headwaters is a diversified growth company providing products, technologies and services to the construction materials and building products markets. Through its coal combustion products, building products, and energy businesses, the Company has been able to improve sustainability by transforming underutilized resources into valuable products. [www.headwaters.com](http://www.headwaters.com)*

### **CAUTIONARY STATEMENTS RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF “SAFE HARBOR” PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995**

*This press release contains forward-looking statements relating to Headwaters’ operations that are based on management’s current expectations, estimates and projections about the industries in which Headwaters operates. Words such as “may,” “should,” “anticipates,” “expects,” “intends,” “plans,” “targets,” “forecasts,” “projects,” “believes,” “seeks,” “schedules,” “estimates,” “budgets,” “goals,” “outlook” and similar expressions are intended to help identify such forward-looking statements. Forward-looking statements include Headwaters’ expectations as to the managing and marketing of coal combustion products, the production and marketing of building products, the sales to oil refineries of residue hydrocracking catalysts, the development, commercialization, and financing of new products and other strategic business opportunities and acquisitions, and other information about Headwaters which are not purely historical by nature, including those statements regarding Headwaters’ future business plans, the operation of facilities, the availability of feedstocks, and the marketability of the coal combustion products, building products and catalysts. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond the Company’s control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Unless legally required, Headwaters undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are: changing feedstock and energy prices; actions of competitors or regulators; technological developments;*

*potential disruption of the Company's production facilities, transportation networks and information technology systems due to war, terrorism, malicious attack, civil accidents, political events, civil unrest or severe weather; potential environmental liability or product liability under existing or future laws and litigation; potential liability resulting from other pending or future litigation; changed accounting rules under generally accepted accounting principles promulgated by rule-setting bodies; and the factors set forth under the heading "Risk Factors" in the Company's Annual Report on Form 10-K, quarterly reports on Form 10-Q and other periodic reports. In addition, such results could be affected by general domestic and international economic and political conditions and other unpredictable or unknown factors not discussed in this press release which could have material adverse effects on forward-looking statements.*