Press Release

2013 Consolidated Results

Brussels, 28 March 2014 – Mature European markets generate sound cash flows while emerging markets maintain their growth

In 2013, building materials group Etex posted 3,046 million euro sales, which represented a 1.6% growth compared to the previous year on a like-for-like basis. The harsh winter in the first year-half and the general weak market conditions impacted the European business. The business in Latin America, Africa and Asia maintained its steady growth, although this is not fully reflected in the results because of the adverse exchange rate differences and the disposal of certain assets.

Sound cash flow despite difficult conditions in Europe

Last winter was one of the coldest of the past 100 years leading to a prolonged work stoppage on construction sites. In combination with the difficult economic situation in Europe, this impacted sales of traditional building materials in the cladding and building boards and roofing segments. The fire protection and insulation segment was less affected and finished the year with strong results.

Despite the difficult market circumstances, Etex generally managed to keep its margins and market shares in the European markets, resulting in sound cash flows. It allowed Etex to continue its ambitious investment programme which focuses on growth markets.

Fons Peeters, CEO of Etex, says '*Our diversified presence and portfolio once again paid off. The cash flow generated by our business in mature European markets enables us to continue to invest in the growing emerging countries.*'

Continued investments to increase capacity in strong growing emerging markets

Etex leveraged its leading position to take advantage of the growth in emerging markets. Sales continue to increase significantly in most Latin American, Asian and African countries with a double-digit growth for the entire Latin American division. The results did not fully reflect this vigorous trend due to the unfavourable exchange rate differences and the divestment of Vinilit. The group continues to invest and increase capacity in several key emerging markets. Last year for instance, Etex invested in a new fibre cement factory in Colombia and in upgrading production facilities in Argentina and Nigeria. Currently, Etex is building new green field factories for plasterboard in Brazil and Peru and for fibre cement in Indonesia and Chile.

Significant debt reduction

Etex managed to reduce its debt from 1,137 to 977 million euro. This amount includes the put option for the remaining 20% of Siniat. This significant debt reduction was realised by diminishing the value of the put option, as well as through a clear working capital approach and divestments of non-core assets, such as the floor screed business, and unused land. '*Etex ended the year with a Net financial debt/rebitda ratio of 2.4, down from 2.6 last year,'* comments Fons Peeters. '*This is a great result two years after one of the biggest acquisitions in Etex's history and taking into account the difficult market conditions. This positive result* *certainly played a major role in our successful refinancing beginning of 2014*.' Indeed, Etex successfully refinanced its syndicated facility up to 900 million euro in January 2014. Through the new facility, Etex managed to finance its operations at better conditions and to extend the group facility for a new period of five years until 31 January 2019.

Strengthening the group's long term position in dry construction
At the end of 2013, Etex strengthened its position in the dry construction market in Europe and Latin America by reaching an agreement to acquire Lafarge's 20% stake in Siniat. The successful integration of the Siniat business resulted in the roll-out of Dryco Systems in several European countries, a commercial approach for lightweight dry construction. Siniat's gypsum products and Eternit's fibre cement products are integrated in a unique, sustainable solution for external through walls. This initiative fits with Etex's dry construction strategy and allows Etex to meet future market demands.

Key Figures in 2013

In million euro	2012	2013	% var	% var like-for-like
Revenue	3,168	3,046	- 3.9%	1.6%
Recurring operating cash flow (REBITDA)	439	404	- 7.9%	- 2.8%
% revenue	*13.9%*	*13.3%*		
Recurring operating income (REBIT)	269	234	- 12.8%	- 6.1%
% revenue	*8.5%*	*7.7%*		
Operating income (EBIT)	290	237	- 18.4%	
% revenue	*9.2%*	*7.8%*		
Profit for the year	152	129		
Group share	*146*	*124*		
Non controlling interests	*6*	*5*		
Property Plant and Equipment	1,770	1,728		
Intangible assets	487	473		
Working capital	294	284		
Capital employed	2,574	2,507		
Equity	742	934		
Net financial debt	1,137	977	- 14.07%	
Capital expenditure	204	212	4.1%	

The board proposed to keep the dividend stable. As such, a dividend of 0.36 euro per share will be presented at the Shareholders' Meeting on 28 May 2014.

The consolidated financial statements for the year 2013 were approved by the Board of Directors on 28 March 2014 and will be presented for approval at the Shareholders' Meeting.

The statutory auditor issued an unqualified audit opinion on the consolidated financial accounts.

The annual report will be presented at the Shareholders' Meeting and will be available on Etex's website (www.etexgroup.com).

About Etex

Etex is a Belgian industrial group manufacturing and selling building materials. Its four core businesses are: cladding and building boards in fibre cement and plaster, roofing materials, passive fire protection and high performance insulation, and ceramic floor and wall tiles. In Belgium, apart from its headquarters, Etex has three productions sites and two R&D centres.

With over 17,000 employees working on 119 production sites in 45 countries and with an annual turnover of more than 3 billion euro, Etex is an international player in sustainable building solutions. For more information, please visit our website: www.etexgroup.com.

More information

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