

Press Release

Half-Year Results: January – June 2015

Brussels, 28 August 2015 – **Slightly higher sales and profit with a lower rebitda in a persistently challenging environment.**

Results in line with expectations

Etex posted sales of 1.522 billion euro in the first half-year of 2015. This is 0.1% higher than last year on a like-for-like basis and 2.2% on an actual basis. As expected, rebitda ended lower than last year – which saw an exceptionally mild winter – reaching 197 million euro. This equals a decrease of 9.7% on a like-for-like basis and 6.4% on an actual basis.

Halfway through the year, the net financial debt was reduced by 17 million euro, compared to June 2014.

Profit after tax for the half-year increased slightly. At the end of June 2015, it was at 63 million euro, compared to 61 million euro in the same period last year. Margins were affected by price pressure in specific markets, partially counterbalanced by a solid UK performance.

Mixed results in European markets and businesses

In Europe, the building market clearly has not yet recovered from the economic crisis. Siniat's strong performance in the UK was offset by lower sales in France.

Looking at Etex's roofing products, corrugated sheets sales dropped as a result of a halt in agricultural investments. Clay tiles faced a challenging market in Germany because of structural overcapacity.

Promat's lower sales performance for the technical market (tunnels, fire protection) contrast with better results in the industrial market (marine, renewable energy,...).

Etex again booked solid growth in its fibre cement cladding business.

Same image outside of Europe

Businesses in the emerging markets show the same mixed results. Latin America experienced both political and economic uncertainty, with high inflation in Argentina and devaluation in Colombia. Exchange rates, on the other hand, were more favourable than last year. Plasterboard and fibre cement board sales were lower in Chile, yet significantly higher in Colombia and Peru.

In Asia, the Chinese markets face depression, while Indonesia reported flat sales. Meanwhile, the business environment in Africa remains difficult.

Outlook 2015

Looking ahead, the challenging economic and political conditions seem to persist. Both for Europe and the rest of the world, economic growth has been predicted, but is not yet visible for Etex's businesses. In this business climate, Etex will continue its commercial and operational action plan and expects the rest of 2015 to remain challenging.

"The results for the first six months of 2015 confirm our expectations," comments CEO Paul Van Oyen. *"This strengthens our conviction to further hone our strategic development and to continue our operational improvement programme and further streamline our portfolio."* He continues: *"Selling Eternit Flachdach and Cerámica San Lorenzo Mexico fits in that approach. And so does the acquisition of Lafarge Gypsum South Africa, enabling us to*

grow in southern Africa.” “Meanwhile,” Paul Van Oyen concludes, “thanks to our new greenfield plants for plasterboards and fibre cement boards, we can expand our dry construction offering in the respective markets.”

As communicated at the time, the cartel case between German subsidiary Creaton AG and the German Competition Authority, the Bundeskartellamt, was settled in June.

Key Figures June 2015

In million euro	June 2014	June 2015	Variation %	Variation % same scope	Variation % same scope & same rates
Revenue	1,490	1,522	2.2%	3.5%	0.1%
Recurring operating cash flow (rebitda)	210	197	-6.4%	-6.1%	-9.7%
% of revenue	14,1%	12,9%			
Recurring operating income (rebit)	129	113	-12.0%	-12.0%	-16.1%
% of revenue	8.6%	7.4%			
Non-recurring items	-1	8			
Operating income (ebit)	128	122	-4.8%		
% revenue	8.6%	8.0%			
Profit for the year	61	63	2.7%		
Group share	59	62	5.5%		
Non-controlling interests	2	1			
Capital expenditure	65	81			
Net financial debt	1,044	1,027			
Working capital	414	425			

The results were approved by the Board of Directors on 28 August 2015. They have not been audited.

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 production sites and two R&D centres.

With over 17,000 employees working at 118 production sites in 42 countries, and with an annual turnover of around 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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