

Press release

Xella sells Business Unit Fermacell

Duisburg, November 8, 2017. **Xella International S.A. today announced the sale of its Fermacell business unit to James Hardie. Fermacell is the European market leader in the production and distribution of high-quality gypsum fiberboards and cement-bonded boards. The closing of the transaction is expected in the first quarter 2018.**

"Fermacell is a strong company and has contributed significantly to the success of the Xella Group in recent years. After careful consideration, however, we came to the conclusion that its sale to James Hardie is the best solution for the further development of the Xella Group, as well as for the further growth of Fermacell itself," says Xella Group CEO Dr. Jochen Fabritius.

Strategic M&A activities are an important part of the Xella Group's growth strategy. Following the acquisition of the insulation materials company Ursa and the sale of the Fels business unit, the sale of Fermacell is Xella's third major transformational transaction in 2017.

"These transactions are fundamental to further increasing Xella's value by providing the foundation for further profitable and sustainable growth. Both Fermacell and Fels showed an excellent development as part of the Xella Group and will continue to tap their growth potential under their new respective ownerships," adds Fabritius. "With our core business units Building Materials and the recently acquired insulation business Ursa we follow our mission of being a leader in the continuous improvement of the most critical components for energy efficient and sustainable housebuilding in Europe, accompanied by our strategic initiatives in the area of digitalization. The profitable and cash generating growth of our new group portfolio will also enable us to further invest in innovation and additional bolt-on acquisitions to complement our portfolio and regional leadership positions."

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About Xella*

Xella Group is a leading, internationally operating solution provider of building materials and related industries, with sales of 1.5 billion euros and 6,700 employees (status: 2016). Xella is one of the pioneers in digitally supported building processes and will consistently follow the chosen profitable growth path.

Xella is headquartered in Duisburg/Germany, with 97 plants in 20 countries and sales organizations in more than 30 countries. In many of its market segments Xella holds a leading position.

The success of Xella is based on strong brands in the premium segment, a superior service portfolio, a solid business model, and systematically expanded cost leadership.

Xella's products are sustainable both in manufacturing and use. Therefore, they make an important contribution to the construction of long-lasting, energy-efficient, and high-quality buildings, and thus to environmental protection and the conservation of resources.

Xella is led by an experienced management team including Dr. Jochen Fabritius (CEO) and Dr. Jens Kimmig (CFO).

Further information on Xella Group can be found on the internet at: www.xella.com

*(Figures for Ursa pro forma included, Figures for Fels pro forma excluded.)

About James Hardie

James Hardie is a world leader in the manufacture of fiber cement siding and backerboard. Its products are used in a number of markets, including new residential construction (single and multi-family housing), manufactured housing, repair and remodeling and a variety of commercial and industrial applications.

James Hardie manufacture numerous types of fiber cement products with a variety of patterned profiles and surface finishes for a range of applications, including external siding and trim and soffit lining, internal linings, facades and floor and tile underlay.

James Hardie's current primary geographic markets include the United States of America, Canada, Australia, New Zealand, the Philippines and Europe. James Hardie is a "public limited company," incorporated and existing under the laws of Ireland.