

Press release

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Xella: Sale to Lone Star successfully closed

- **Xella striving for further growth under new owner and based on strong operations**
- **CEO Fabritius: “Xella is well-equipped for the future. Now we will resolutely advance our growth path with the digital transformation of our business and selected M&A activities”**

Duisburg, April 11, 2017. **The sale of the Xella Group to Lone Star, announced on December 1, 2016, was closed today. The parties agreed not to disclose details of the transaction.**

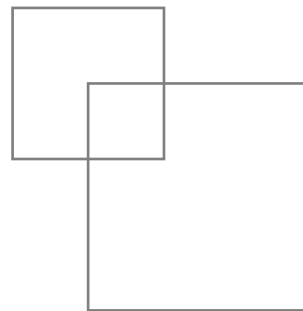
In Lone Star, Xella gains a strong owner that opens up new growth opportunities for the company. “Xella and its management deliver an impressive performance. We look forward to working closely with the management, and to jointly continuing the company’s development,” says Donald Quintin, Senior Managing Director at Lone Star.

After a strategic realignment and the successful completion of its cost reduction program “X-celerate”, Xella has embarked on a very positive growth trajectory in terms of volume and profitability. The company already significantly increased its revenues and earnings in 2016.

Xella had a good start to the 2017 financial year. In January, the company refinanced itself at attractive terms. The new financing gives Xella a high degree of flexibility to systematically exploit future growth opportunities.

For 2017, Xella expects further revenues and earnings growth. “Xella is on a growth path. Our strategic initiatives are taking effect,” says Dr. Jochen Fabritius, CEO of the Xella Group. “Xella has become even more customer-focused. We sustainably optimized our production, abandoned our focus on volume, and have pushed through price increases in nearly all countries. We want to continue to grow on this strong operating basis and further strengthen Xella through selected M&A activities,” adds Fabritius.

Another top priority is the company’s digital transformation. “Construction is largely driven by information. This is why the construction industry, too, must become more digital,” says Fabritius. “Xella will resolutely push forward its digital transformation with four targeted initiatives. We want to create more streamlined processes and even better solutions for our customers.”



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About Xella

Xella Group is a leading, internationally operating solution provider of building materials and related industries, with sales of 1.33 billion euros (2016) and over 5,900 employees. Xella is one of the most profitable companies in the industry with earnings (EBITDA) of around 280 million euros (2016) and an EBITDA margin of some 21 percent (2016).

Xella is headquartered in Duisburg/Germany, with 95 plants in 20 countries and sales organizations in more than 30 countries. In many of its markets Xella holds leading positions.

The success of Xella is based on strong brands in the premium segment (e.g., Ytong or Fermacell), a superior service portfolio, a solid business model, and systematically expanded cost leadership.

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

Xella is led by an experienced management team consisting of Dr. Jochen Fabritius (CEO) and Hans-Jürgen Wiecha (CFO). Since 2017, private equity company Lone Star has been the group's indirect owner.

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

About Lone Star

Lone Star is a leading private equity firm that invests globally in real estate, equity, credit and other financial assets. Since the establishment of its first fund in 1995, Lone Star has organized seventeen private equity funds (the "Funds") with aggregate capital commitments totaling over \$70 billion. The limited partners of the Funds include corporate and public pension funds, sovereign wealth funds, university endowments, foundations, fund of funds and high net worth individuals.

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