



Elementia Reports 2015 second quarter results

Vallejo, Mexico D.F., July 22, 2015 - Elementia, S.A.B. de C.V. (BMV: ELEMENT*) (the Company, or Elementia) today announced its financial and operative results for the second quarter 2015. The figures of this report have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Figures are in Mexican pesos and all comparisons are made against the same period of the prior year, unless otherwise specified.

SECOND QUARTER AND FIRST HALF 2015 FINANCIAL AND OPERATING HIGHLIGHTS

- In line with management expectations, and despite macroeconomic conditions, the Company achieved double digit growth both in the consolidated figures as well as in per Division.
 - Revenues increased 16% and 14% for 2Q15 and 1H15 to reach \$4.4 and \$8.5 billion respectively
 - EBITDA grew 11 and 13% for 2Q15 and 1H15 to reach \$782 million and \$1.5 billion respectively
- Strong Cash Flow generation of \$636 million at June-end.

SUMMARY

Consolidated 2Q15 results (millions of Mexican pesos)				Accumulated Consolidated (millions of Mexican pesos)		
2Q15	2Q14	%Var.		Jun-15	Jun-14	%Var.
4,380	3,764	16%	Net sales	8,450	7,403	14%
512	466	10%	Operating income	946	830	14%
782	705	11%	EBITDA	1,489	1,314	13%
12%	12%		Operating margin	11%	11%	
18%	19%		EBITDA margin	18%	18%	

CONFERENCE CALL

Elementia will hold a conference call to discuss its 2Q15 results on July 23, 2015 at 13:00 hours (Mexico) / 14:00 hours (ET). Dial-in for the conference call are: Mexico: 001-855-817-7630; EUA: 1-866-652-5200; International: 1-412-317-6060. Participants are requested to dial 15 minutes prior to the start time and ask for Elementia conference call. The call will also be available through an audio-only webcast at <http://services.choruscall.com/links/elementia150723.html>, a reply will be available at www.elementia.com

PERFORMANCE AND OUTLOOK

Second Quarter Consolidated (millions of Mexican pesos)				Accumulated Consolidated (millions de pesos)		
2T15	2T14	%Var.		Jun-15	Jun-14	%Var.
4,380	3,764	16%	Net sales	8,450	7,403	14%
512	466	17%	Operating income	946	830	14%
85	177	-52%	Net income	144	355	-60%
782	705	11%	EBITDA	1,489	1,314	13%
965	82	1,077%	Cash Flow before CAPEX	1,406	1,099	28%
123%	12%		% of EBITDA	94%	84%	
319	(209)	NA	Free Cash Flow	636	391	63%

2015 has been a year of global macroeconomic instability; in addition to the currency fluctuation showed by the Latin America currencies vs US dollar, Greece has brought new volatility to the Euro-zone and China situation increased global tensions.

Overcoming this environment, Elementia managed double digit growth for consolidated figures supported by the growth in each of the Divisions; Revenue growth by Division was:

- Cement Division 37%
- Metal Products Division 12%
- Buildingsystems Division 19%

The **Cement Division** was the one that contributed the most to consolidated growth due to the continuous increase in the installed capacity utilization rate which lead to higher volume sold, as well as the average selling price recovery, but also due to the operational efficiency initiatives and the reduction of electricity for the three facilities thus EBITDA for the Division grew 101%

For the second half of 2015 we will continue to benefit from the increased capacity utilization rate in comparison with 2014, and the cost optimization in both Cement and Ready-Mix.

Metal Products Division showed volume increase mainly high value pipe for the Brazilian market as well as the galvanized steel sheet, and in the construction sector with higher value added products; as a result, the Division managed an average price increase despite the downward trend of the international price of Copper (US\$2.72/pound in 2Q15 vs US\$3.17/pound in 2Q14).

For the rest of the year we will continue benefiting from the operational efficiency and improvement in the use of the metal initiatives that will help expand margins.

In the **Building Systems Division** we continue with the aggressive market penetration in the US from the operations in the Country as well as from the synergies with all the operations in the Division. This has been possible because the added value we deliver to our customers through customer service, quality and reliability of our products as well as the strength of the distribution network. This together with the process and costs optimization initiatives like the robotization, offset the lower performance of the Central America region during the quarter. For the following quarters, we think that the startup of new homes in the US will be one of the main busters for the growth of the Division.

During the quarter, we generated a strong cash flow before CAPEX mainly due to the optimization of working capital.

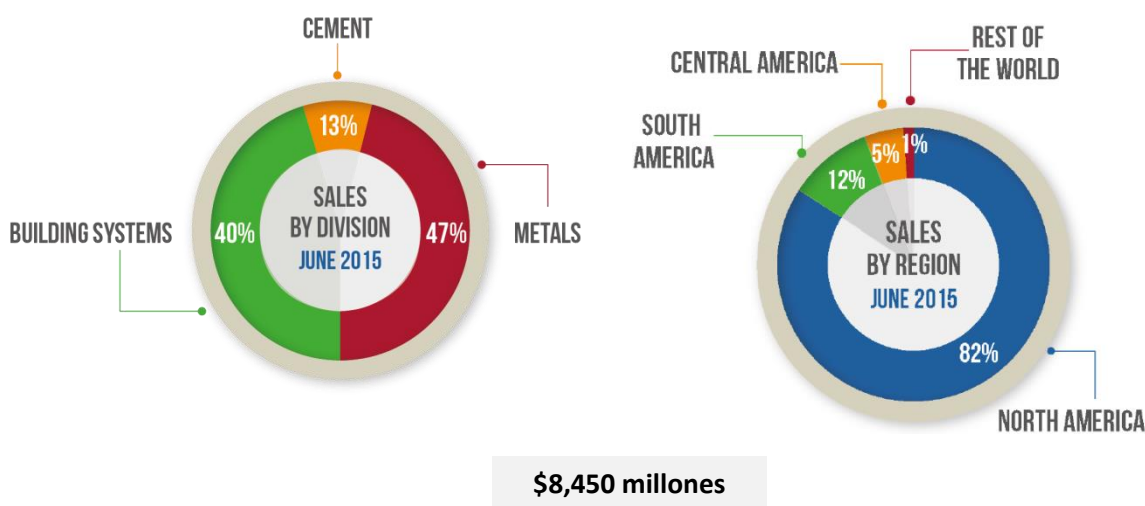
P&L

Second Quarter			Consolidated Statements of Profit and Loss millions of Mexican pesos	Periods ended June 30,		
2Q15	2Q14	% Var.		2015	2014	% Var.
			ELEMENTIA			
4,380	3,764	16%	Net sales	8,450	7,403	14%
3,212	2,813	14%	Cost of sales	6,285	5,622	12%
1,168	951	23%	Gross profit	2,165	1,781	22%
656	485	35%	Operating expenses	1,219	951	28%
512	466	10%	Operating income	946	830	14%
(378)	(134)	181%	Financial result, net	(715)	(236)	204%
134	332	-60%	Income before income taxes	231	595	-61%
55	102	-46%	Income tax expense	85	178	-52%
6	(53)	-112%	Loss from discontinued operations, net	(2)	(62)	-97%
85	177	-52%	Net income consolidated	144	355	-60%
782	705	11%	Consolidated EBITDA	1,489	1,314	13%

REVENUES

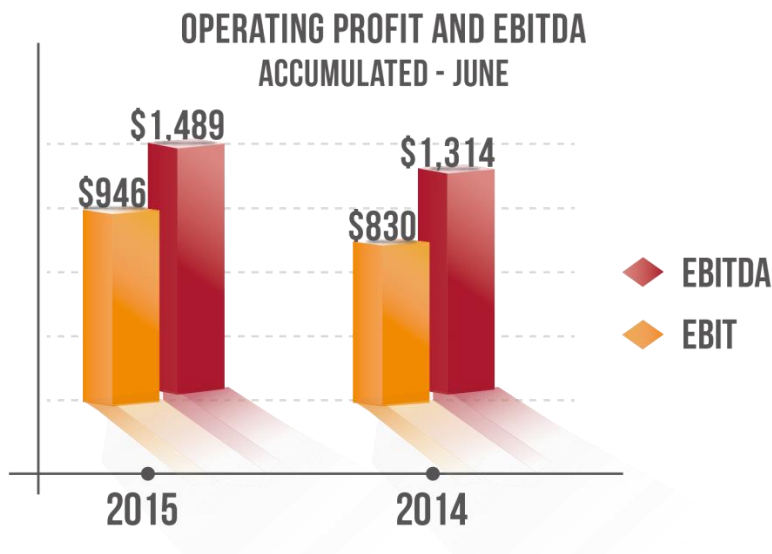
Consolidated Revenues for the second quarter 2015 reached \$4.4 billion, an increase of 16% over the \$3.8 billion reported in 2Q14, mainly due to incremental volume sold in the three divisions: Cement, Buildingsystems and Metal Products.

Cumulative consolidated revenues to June 30, 2015 were \$8.5 billion showing a 14% increase over the \$7.4 billion of the first half of 2014. The increase is mainly due to increased volume sold mainly in the Cement Division which showed 31% increase



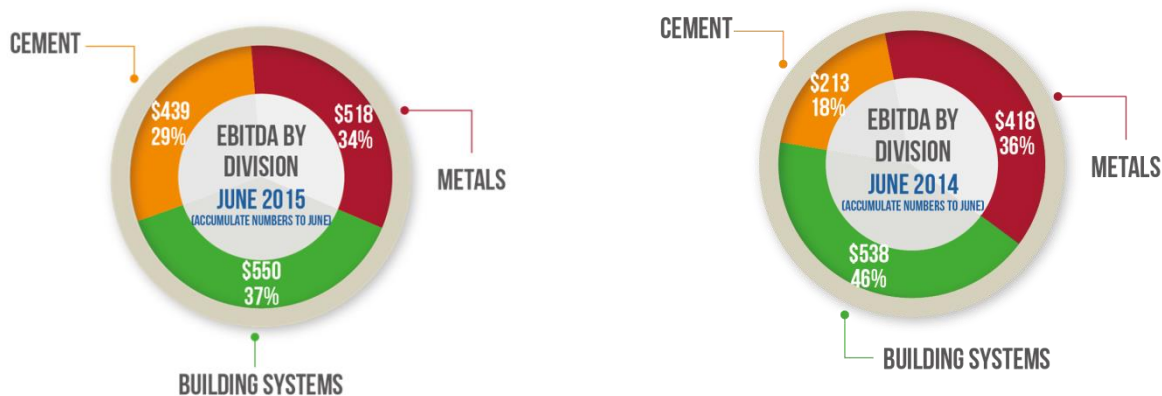
OPERATING INCOME

Cumulative operating income to June 30th, 2015 was \$946 million posting a 14% increase over the \$830 million reported in the same period of last year. In addition to the incremental revenues, operating profit increased due to the energy and operating efficiency initiatives that has deliver cost reductions across all Divisions.



EBITDA

Cumulative EBITDA at the end of the first half of the year showed a 13% increase going from \$1.3 billion in 2014 to \$1.5 billion in 2015. EBITDA margin was 18% for both years.



FINANCIAL RESULT

Net financial cost for the first half of 2015 was \$715 million, an increase of \$481 million vs the figures of 2014. This is mainly due to:

- \$390 million exchange rate net loss to June 30th, 2015 compared to a net loss of \$2 million in the same period of 2014. This loss is mainly due to Mexican peso devaluation vs US dollar in the net passive position at quarter-end.
- Increase in interest paid due to the senior unsecured notes issued on November 2014

	Periods ended June 30,		
	2015	2014	% Var.
	(millions of Mexican pesos)		
Interest income	(81)	(35)	130%
Interest expense	381	235	62%
Bank commissions	25	34	-26%
Net Exchange loss (profit)	390	2	19083%
Total financial cost – net	715	236	204%

INCOME TAX

Income and deferred tax was \$85 million in 2Q15, \$93 million lower than the \$178 million reported in the same period of 2014 mainly due to higher interest expenses.

NET INCOME

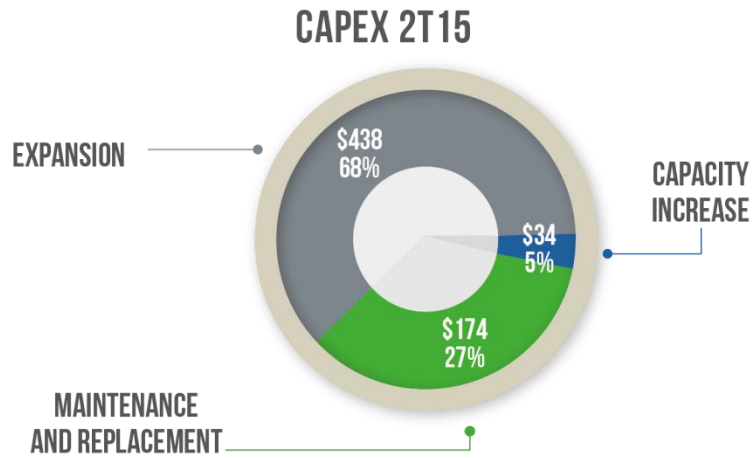
Cumulative net income to the second quarter-end reached \$144 million, showing a \$211 million decrease when compared with the \$355 million reported in 2014 mainly due to the exchange rate impact on the debt position in US dollars.

CASH FLOW

Cash Flow cumulative In millions pesos	Second quarter	
	2015	2014
EBITDA	1,489	1,314
Cash taxes	(30)	(58)
Interest, net	(300)	(200)
Bank commissions	(26)	(34)
Change in Working Capital	272	76
Cash flow before CAPEX	1,406	1,099
Organic CAPEX	(251)	(379)
Growth CAPEX Tula plant	(438)	-
Other growth CAPEX	(81)	(329)
Free cash flow	636	391

Free cash flow before CAPEX reached \$1.4 million or 94% of the generated EBITDA in the first half of the year. The \$272 million of cash flow generation from working capital is mainly due to extended payment terms.

Conversion cycle at the second quarter-end is 36 days, while at second quarter-end 2014 was 50 days, this is mainly due to extended payment terms.



BALANCE SHEET

Balance Sheet		
At June 30, 2015 and December 31, 2014		
In million pesos	Jun-2015	Dec-2014
Cash and cash equivalents	3,636	3,193
Receivables, net	2,705	2,144
Inventories, net	2,567	2,471
Other currents assets	1,463	1,184
Current assets	10,371	8,992
Other receivables, net	120	54
Investment in subsidiaries	10	10
Property, plant and equipment, net	16,035	15,711
Intangible assets, net	2,774	3,108
Other assets	435	404
Fixed assets	19,374	19,287
Total assets	29,745	28,279
Short term debt	3,056	3,102
Payables	3,410	2,482
Other current liabilities	2,202	1,971
Current liabilities	8,668	7,555
Long term debt	7,645	7,282
Deferred taxes	1,876	1,834
Other long term liabilities	1	1
Long term liabilities	9,522	9,117
Total liabilities	18,190	16,672
Shareholders' Equity	11,865	11,607

Cash and cash equivalents

Cash and cash equivalents to June 30th 2015 reached \$3.6 billion showing a 14% or \$443 million increase over the figures at year-end 2014.

Debt position

Gross debt to June 30th 2015 was \$10.7 billion, an increase of \$317 million over the \$10.4 registered at year-end 2014 due to the impact of the exchange rate on the senior unsecured notes for \$425 million dollars.

Net debt to EBITDA ratio (considering LTM to June 2015 EBITDA) was 2.48 times and interest coverage was 4.4 times within the covenants set by the financial institutions. Is worth mentioning that 71% of gross debt is long term.

	Jun-15	Dic-14 (in million pesos)	% Var.
Short term	3,056	3,102	0%
Long term	7,645	7,282	4%
Gross debt	10,701	10,384	3%
Cash and cash equivalents	3,636	3,193	14%
Net Debt	7,065	7,191	-2%
EBITDA LTM	2,850	2,675	7%
Net debt / EBITDA	2.48x	2.69x	(0.21)x

Shareholder's Equity

Consolidated Equity at June 30th 2015 was \$11.9 billion showing the net income of the period and currency Exchange rate impact from foreign operations. Equity at year-end 2014 was \$11.6 billion.

OPERATING RESULTS BY DIVISION

CEMENT DIVISIÓN

Second Quarter				Accumulated		
(in million pesos)				(in million pesos)		
2Q15	2Q14	%Var.		Jun-15	Jun-14	%Var.
563	411	37%	Net sales	1,072	816	31%
163	51	220%	Operating incomer	291	76	283%
237	118	101%	EBITDA	439	213	106%
29%	12%		Operating margin	27%	9%	
42%	29%		EBITDA margin	41%	26%	
25%			% Var. in sales volume	21%		
9%			% Var. in average prices	9%		

According to management expectations, cumulative revenues to June 2015 were \$1.1 billion, a 31% increase over the \$816 million reported in the first half of 2014. This is mainly due to price and volume increase of 9% and 21% respectively in comparison to 2014 figures.

2Q15 revenues were \$563 million, an increase of 37% over the \$411 million reported in 2Q14, mainly due to a 25% volume increase, in line with a better capacity utilization rate, and 9% price increase.

Cumulative EBITDA at June-end 2015 was \$439 million, an increase of \$226 million or 106% over the figures of 2014 mainly driven by volume and price increase as well as improvements in production costs and electricity. EBITDA margin was increased in 15 percentage points to reach 41% in the first half and 42% in the second quarter 2015.

METAL PRODUCT DIVISION

Second Quarter				Accumulated		
(in million pesos)				(in million pesos)		
2Q15	2Q14	%Var.		Jun-15	Jun-14	%Var.
1,977	1,772	12%	Net sales	3,913	3,531	11%
145	61	138%	Operating incomer	281	200	41%
265	199	33%	EBITDA	518	418	24%
7%	3%		Operating margin	7%	6%	
13%	11%		EBITDA margin	13%	12%	
10%			% Var. in sales volume	11%		
2%			% Var. in average prices	0%		

The Division reported cumulative revenues of \$3.9 billion, 11% higher of those reported in the first half of 2014. A better product mix following the focus to higher value products, the higher volume sold and the impact of currency exchange offset the lower reference price for metals, mainly copper which international average price for January to June 2015 was US\$2.72/pound while in the same time frame of 2014 was US\$3.17/pound, a 14% reduction.

Revenues of 2Q15 reached \$2.0 billion showing 12% increase driven mainly by volume and average price increase – related to product mix of higher value – over 2Q14.

Cumulative EBITDA for the first half of 2015 reached \$518 million, a 24% increase over the \$418 million reported in 1H14. Incremental volume of higher value products and a better cost position given the cost optimization initiatives and better metal yields were the main drivers for this growth. EBITDA margin increased 100 bps to reach 13%.

BUILDINGSYSTEMS DIVISIÓN

Second Quarter				Accumulated		
(in million pesos)				(in million pesos)		
2Q15	2Q14	%Var.		Jun-15	Jun-14	%Var.
1,749	1,470	19%	Net sales	3,296	2,908	13%
227	232	-2%	Operating incomer	402	421	-5%
297	290	2%	EBITDA	550	538	2%
13%	16%		Operating margin	12%	14%	
17%	20%		EBITDA margin	17%	19%	
13%			% Var. in sales volume	7%		
6%			% Var. in average prices	6%		

Cumulative revenues for the first half of 2015 of the Buildingsystems Division were \$3.3 billion showing a 13% increase over the \$2.9 billion reported in the same period of 2014. The incremental volume sold in the US as well as the 6% average price increase partially offset the decline in Central America.

Revenues for 2Q15 were \$1.7 billion, \$279 million or 19% higher than the \$1.5 billion reported in 2Q14, mainly driven by higher volume sold.

EBITDA for the first half of 2015 was \$550 million, 2% higher than that of the 1H14. Even that the increase in US volume partially offset the decrease in Central America, the operating margin in the US is lower than other regions and in consequence the EBITDA margin was 17% for 1H15 while in 1H14 was 19%. US EBITDA margin is its way for recovery coming from underperforming figures.

ADITION INFORMATION

Cash Flow		
At quarter end June 30, 2015 and December 31, 2014		
In millions pesos	Jun-2015	Jun-2014
Net income before income taxes	231	595
Non cash figures	1,543	187
Working capital, net	(254)	(50)
Operating cash flow	1,520	732
Property, plant and equipment acquisitions, net	(770)	(379)
Business acquisitions	-	(329)
Other CAPEX	133	57
Total CAPEX	(637)	(651)
Financial cost, net	(96)	96
Other financing activity	(381)	(235)
Total financing cost	(477)	(139)
Increase in cash and cash equivalents	406	(58)
Exchange rate effect	36	(142)
Cash and cash equivalents at quarter's beginning	3,193	1,973
Cash and equivalents at quarter's end	3,636	1,773

RELEVANT EVENTS

- In May 2015, the Company released the expansion plan for its Tula Cement facility in 1.5 million tons per year to reach a total installed capacity for the Cement Division of 3.5 million tons per year. Total investment will be \$250 million dollars and the Company expects the startup of operations for mid-2017.
- On July 10th, 2015, Elementia completed its 100% primary IPO in the Bolsa Mexicana de Valores (Mexican Stock Exchange: BMV) with the ticker ELEMENT* issuing 231.15 million shares (including the overallotment option for 30.15 million shares) at a price of \$17 per share. Total proceeds amounted \$3.9 billion, the use of the proceeds are the Cement capacity expansion and the final payment to Lafarge for the 47% stake they had in Cementos Fortaleza. The IPO was done in Mexico via the Bolsa Mexicana de Valores, in the United States via Reg. 144A, and in other countries via Reg S.
- The Company also released that as a result of the IPO, a certain control shareholders agreement became effective. This agreement rules: (i) exemption rights; (ii) potential assignment of rights to subscribe shares between affiliates or third parties; (iii) a reciprocal purchase of shares option between current major shareholders, in the case of disposals of shares for blocks at or above 5%; and (iv) joint vote for a) the designation of the number of board directors corresponding to each of the blocks of the controlling shareholders, and b) for certain relevant matters, among which are capital increases or reductions, reform of bylaws, mergers, dividend payments, and relevant investments and divestments.
- Elementia released that based on the successful placement of its shares and the price performance in the secondary market, the underwriters had exercised in full the offered overallotment option, and therefore 30.15 million additional shares had been acquired at the same price of the global offering on July 10th.
- Since 2Q15, the Company will report its figures in three Divisions: Cement, Metal Products, and Buildingsystems. Buildingsystems include the previous Buildingsystems plus Plastics.
- Consistent with the audited financial statements reflected in the Prospectus, the Company re-expressed the figures reported to the BMV for the first and second quarter of 2014 in order to be comparable.

ABOUT ELEMENTIA

Elementia is the leading building materials company in the Region. The Company has grown organically and through mergers and acquisitions to constitute today a company with a comprehensive product portfolio of market leading building materials within the construction sector, supplying up to 75% of the materials used to build a typical house. With an extensive distribution network across main construction segments Elementia is the #1 producer of fibrocement in Latin America and #2 in the U.S., one of the top 5 producer of copper brass mill products in the world, and first entrant into the Mexican cement market in 65 years. For more information go to www.elementia.com

The main brands of the Company are: Fortaleza ® / Nacobre ® / Mexalit ® / Eureka ® / Plycem ® / Eternit ® / Duralit ® / Fibraforte ® / Frigocel ® / Allura ® / Maxitile ®

FORWARD-LOOKING STATEMENTS

This press release includes declarations relating to, and is subject to, current expectations as factors, including, without limitation, global economic and market conditions, the costs of raw materials and energy, expenses, revenues and earnings of Elementia and its Divisions and that of the relevant markets where its companies operate. These expectations are based on certain preliminary information, internal estimates, expectations and assumptions of management. All of these things are subject to a series of risks and uncertainties in the projection of future conditions, regulations in the relevant market, products and fields of industry issued by the respective authorities, as well as events and results. Real results could differ significantly from the expectations expressed in prospective declarations. Elementia may choose to update these prospects, but specifically rejects any responsibility to do so, except as required by law.