



Xella International Nails Record Profits in Declining Building Products Market

ATLANTA – January 15, 2009 – The parent company of Xella Aircrete North America, building materials manufacturer Xella International, increased sales by 9.5% to \$1.8 billion for fiscal year 2008. All three of its business segments – Building Materials, Dry Lining Systems and Raw Materials – contributed positively to the sales increase.

Brands including Hebel, Ytong and Silka make Germany-based Xella the worldwide leading manufacturer of aerated concrete and calcium silicate blocks. In fact, 70 percent of the Xella group's total external sales were achieved outside of Germany. The Building Materials business segment, including Hebel and Ytong aerated concrete, Silka calcium silicate blocks and Ytong Multipor mineral insulating boards, increased its sales from \$1.2 billion to more than \$1.3 billion.

A key driver of financial growth included the trend toward thermal-insulation in the wake of increased demand for environmentally-friendly and energy-saving building products worldwide. The quality requirements for building materials, particularly regarding insulating performance, are becoming ever more stringent. For example, thermal insulation is central to the new EnEV building regulations, which go into effect in Germany in 2009. Regulatory standardization across the European Union means that similar legislation is also being enacted in Southern and Eastern European countries, and similar legislation is likely to enter the United States soon. As a result, conventional materials, such as clay tiles and concrete blocks, will increasingly be replaced by more energy-efficient alternatives like Hebel.

“At the moment it is hard to tell how 2009 will turn out,” said Jan Buck-Emden – CEO, Xella International. “But regardless of the trends in different markets, we expect our business to develop better than that of our competitors. With Hebel aerated concrete, we fully serve the trend for improved thermal insulation in building.”

About Xella Aircrete

Xella is the world-market leader in the autoclaved aerated concrete (AAC) industry. With its North American headquarters in Atlanta, Ga., Xella provides state-of-the-art building material solutions for fast-track construction projects nationwide through energy-efficient, eco-friendly, easy-to-install building blocks and panels. Utilized throughout Europe for more than 60 years, Xella's Hebel brand has proven its worth in the international market for safe, innovative and sustainable building solutions.

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