



**CORPORACIÓN EMPRESARIAL DE
MATERIALES DE CONSTRUCCIÓN, S.A. AND
SUBSIDIARY COMPANIES**

INTERIM REPORT

First half 2015

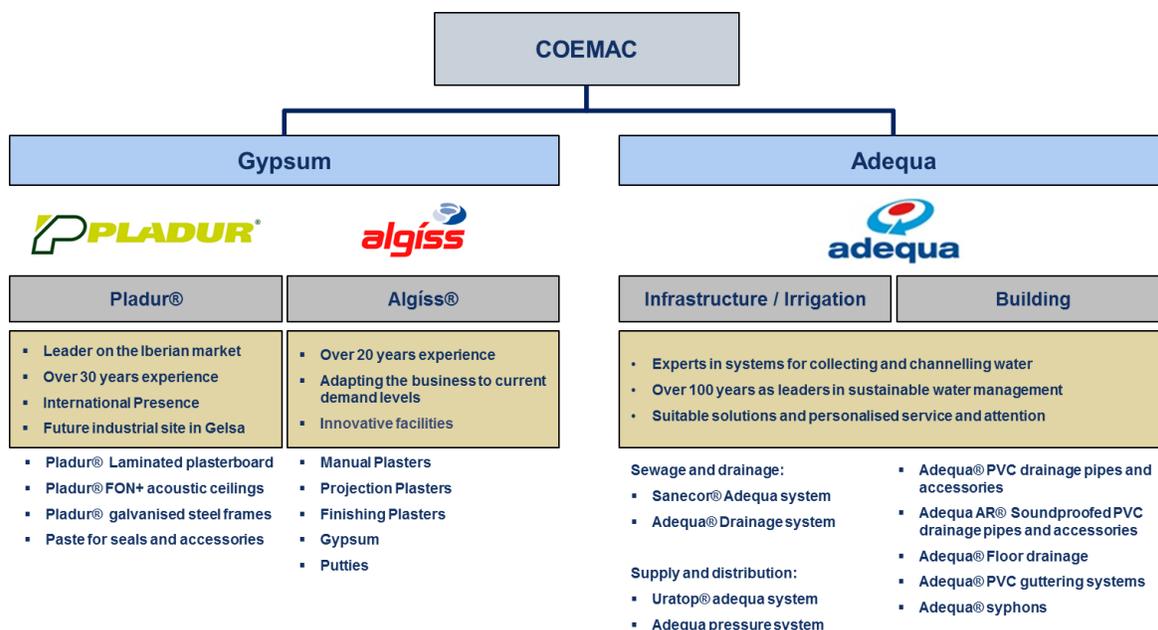
1. Introduction to COEMAC

Corporación Empresarial de Materiales de Construcción, S.A. (hereinafter “COEMAC”), is a corporate group presents in over 20 countries, whose main activity is manufacturing and selling construction materials for use in the building industry and civil engineering.

COEMAC's strategy revolves around three major main principles: (i) having a portfolio of unique products and services, offering a high added value for each participant of their service life, (ii) international business diversification and (iii) efficiency in management operations and procedures.

COEMAC consists of two business divisions¹, **Gypsum** and **Adequa**, of which it holds all or a majority part of the share capital and where each company handles its products through trade names. To be specific:

- **Gypsum**: which uses the trade names of **Pladur®** (construction systems based on laminated plasterboard) and **Algíss®** (Dry plaster powder and gypsum)
- **Adequa**: who trades under the name of **Adequa®** (Plastic Pipes and fittings for collecting and distributing water)



¹ For more information on the businesses of Gypsum and Adequa, please visit www.pladur.com, www.algiss.com, www.adequa-tuberias.com

Preliminary note: Discontinued operations

On 22nd June 2015, the General Shareholders Meeting of COEMAC approved the resolution for the restructuring of financial debt under which the current financial creditors, headed by KKR, will gain control of Ursa Insulation Holding BV, and therefore of the Insulation division trading under the name of URSA, by subscribing a capital increase with COEMAC conserving a 10% holding in that business. At the time of presenting the half-yearly information by the Company Directors, not all of the prior conditions for the implementation and completion of the restructuring agreement had been concluded, although it is expected to be final during the second half of 2015.

According to the generally accepted accounting principles, the half-yearly financial statements of COEMAC corresponding to the first half-year of 2015 show the assets, liabilities and activities of the Insulation business under a single heading of “Assets/ Liabilities held for sale” and “Result from discontinued operations”. In order to facilitate comparison, the same criteria is applied to the information corresponding to the 2014 financial period, which is presented in the half-yearly financial information.

Lastly, we would highlight that at the end of 2014, COEMAC reached an agreement for selling the Roof-tile business to the minority shareholder Braas Monier. That sale took place in January 2015.

2. Consolidated financial statements

The upturn of the market in Spain and the export activity of our businesses have enabled COEMAC to increase its half-yearly sales by 10% and improve its EBITDA by 87% with greater operational efficiency in its business

Total figures for COEMAC (in million euros)	1H 2015	1H 2014	Variation 2015/2014
Sales	68.2	62.0	+10.0%
EBITDA	3.7	2.0	+86.5%
EBITDA margin over sales	5.4%	3.2%	+2.2 p.p.
Results from continuing operations	-9.5	-11.6	+18.1%
Results from discontinued operations	-26.9	-21.8	-23.7%
Results attributable to parent company	-37.7	-33.7	-12.1%

In the first half of 2015, COEMAC obtained sales of 68.2 million euros (+10.0% compared to the same period in 2014), motivated both by the increase in the construction market in Spain and by the evolution of business on the international markets. Growth occurred in both quarters, although more significantly in the second quarter where sales went up by 16.5%.

On a geographic level, sales in Spain went up by 11.3% while on the international markets they increased by 6.2%, establishing a significant presence in France and Portugal, as well as exports to different countries in Africa, the Middle East and America.

By business unit, 60% of the total sales come from the Gypsum division, and 40% from Adequa, as for the previous year.

As a whole, the EBITDA obtained by COEMAC in the same period was 3.7 million euros, 86.5% higher than in 2014, due to both the increased sales in businesses and to better industrial operational efficiency.

The first half result for 2015 reached by the continuing operations of COEMAC stood at -9.5 million euros, which is 1.1 million euros better than the result for the same period in 2014. At the same time, the discontinued operations showed a net loss of -26.9 million, bringing the result attributed to the parent company down to -37.7 million euros.

In its new structure, COEMAC is maintaining a position of positive net cash position of 4.3 million euros at 30 June 2015.

For additional financial information, please refer to the “Supplementary notes to the selected financial information”.

3. Evolution of business in the first half

ECONOMIC ENVIRONMENT

The recovery of the Spanish economy, which began halfway through 2013, was more pronounced in early 2015, showing a good GDP performance during the first two quarters, with growth of 0.9% and 1.0% (provisional). Amongst the external factors behind this growth are, particularly, contained oil prices, more European demand, and the more expansive monetary policy of the ECB, which above all has made itself felt through the depreciation of the exchange rate which favours exports.

In this context, construction in the Spanish market continued with the improvement that already began in mid-2014, building up growth in all of its sectors. According to data published by the Ministry of Public Works and Transport up until May 2015, building permits for new residential construction went up by 28%, the area of new non-residential construction grew by 58%, renovation and refurbishment of buildings increased by 10% and tenders for hydraulic engineering works by 3%.

With regard to the performance of construction in our main international markets, building permits for new residential construction remained stable in France while in Portugal grew by 14%.

GYP SUM (PLADUR® AND ALGISS®)

The Gypsum business closed the half-year with sales of 41.9 million euros, 9.1% up on the sales figure for the first half-year of 2014, backed by an increased volume of activity both on the domestic market and in exports. Growth accelerated in the second quarter, advancing well in both markets, with progress of 14% being recorded.

By product lines, Pladur® increased its sales compared to the previous year following the growth of the market on the Iberian Peninsula and its development abroad, especially in the French market, although exports to certain Middle Eastern countries were affected by the geopolitical tensions in the area. Meanwhile, Algíss® total sales went down slightly due to the specific orders

placed in 2014 which did not occur in 2015. Without this effect, Algíss® sales grew by 6.6% with a good performance in the Iberian market, mainly, and progress in exports.

The cumulative EBITDA in June amounted to 4.9 M Eur, which was an increase of +15.4% as against the same period in 2014 due to higher sales and industrial improvement developed.

Consolidated figures for Plasters (in million euros)	1H 2015	1H 2014	Variation 2015/2014
Sales	41.9	38.4	+9.1%
EBITDA	4.9	4.3	+15.4%
EBITDA margin over sales	11.8%	11.1%	+0.7 p.p.

ADEQUA®

For its part, the plastic pipe and fitting systems (Adequa) reached sales of 27.9 million euros (+10,1%) evolving well in the markets for civil engineering and building in Spain, especially during the second quarter. Exports as a whole went down slightly (-3%), although there were some large operations which enabled us to extend our presence in new markets.

Although the price of PVC resin went up considerably during the half-year period, the business obtained an EBITDA for the period of 1.2 million euros, improving the operating balance achieved last year by 1.3 million.

Adequa continued implementing its business strategy, increasing sales of its higher value-added products and improving its operating efficiency through the optimisation of its industrial processes and cost control.

Consolidated figures for Adequa (in million euros)	1H 2015	1H 2014	Variation 2015/2014
Sales	27.9	25.4	+10.1%
EBITDA	1.2	-0.1	n.a.
EBITDA margin over sales	4.2%	-0.3%	+4.5 p.p.

4. Events subsequent to the close of the first six months

Subsequent to the close of the half-year, the Board of Directors of COEMAC concluded and approved the Strategic Plan for the coming years 2015 to 2018 which sets out the bases for entering a phase of profitable growth in its businesses.

In addition, and with a view to the Insulating division leaving the scope of COEMAC in the future, adjustments are being made to adapt the corporate structure to the new size and needs of the group. These adjustments will entail a reduction in costs which will be reflected in the second half-year period of 2015.

5. Outlook

A slowdown in economic growth is foreseen from the third quarter due to the gradual exhaustion of the factors which are temporarily supporting the improved Spanish economy, such as lower oil prices and the depreciation of the euro. The IMF and other research firms establish the GDP forecasts for 2015 with a 3.0% growth and a 2.7% growth for 2016.

In this context, the property market is already showing signs of recovery (more property sales, end of the drop in property prices) although construction activity in Spain is still lagging behind somewhat due to the high stock in empty housing units still to be sold. Nevertheless, 2015 is predicted to conclude with over 40,000 building permits for new residential construction, as opposed to the 35,000 on 2014.

As regards the group, as already stated in the recent General Shareholders Meeting, COEMAC aims to finish the year 2015 with sales of around 135 million euros and 10 million euros of EBITDA.

6. Stock market information

During the first half of 2015 a total of 63,498,312 shares were negotiated on the stock markets (32.2% of the total shares admitted to trading), with a daily average of 507,986 securities and a stock market appreciation of +47.4% in the half-year period.

At 30 June 2015, COEMAC had 10,114,216 own shares.

Summary of the main indicators of the half-yearly stock market evolution.

Evolution of the share price (Euros)					
Initial 12/31/2014	Final 6/30/2015	Maximum	Minimum	Half-yearly revaluation of COEMAC	Half-yearly revaluation of IBEX-35
0.38	0.56	0.835	0.380	+47.4%	+4.8%

Volume traded		
Nº of traded securities	Average securities traded daily	Daily effective average
63,498,312	507,986	327,968

Market capitalisation (thousands of euros)		
at 12/31/14	at 06/30/2015	Var. %
75,050	110,600	+47.4%