

URALITA GROUP

**Consolidated financial statements
for the year ended 31 December 2008**

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 28). In the event of a discrepancy, the Spanish-language version prevails.

URALITA GROUP
CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER

(Thousands of euros)

	2008	2007
NON-CURRENT ASSETS	807,820	688,067
Goodwill on consolidation - (Note 5)	56,478	56,857
Intangible assets - (Note 6)	17,585	7,021
Property, plant and equipment - (Note 7)	582,460	494,933
Deferred tax assets - (Note 22)	133,144	123,255
Non-current financial assets - (Note 9)	18,153	6,001
CURRENT ASSETS	330,075	367,116
Inventories - (Note 10)	104,756	106,788
Trade and other receivables - (Note 11)	61,084	208,814
Other current financial assets - (Note 11)	138,004	29,710
Cash and cash equivalents	25,017	21,118
Other current assets	1,214	686
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE - (Note 8)	9,715	5,997
TOTAL ASSETS	1,147,610	1,061,180
EQUITY - (Note 12)	472,448	553,377
Share capital	142,200	142,200
Share premium	-	43,574
Reserves of the Parent	35,832	38,038
Reserves of consolidated companies	185,224	138,633
Treasury shares	(19,627)	-
Valuation adjustments	(4,392)	(2,720)
Profit for the year attributable to the Parent	40,256	85,424
Translation differences	(25,125)	(8,915)
Equity attributable to shareholders of the Parent	354,368	436,234
Minority interests	118,080	117,143
NON-CURRENT LIABILITIES	251,046	207,498
Non-current bank borrowings and other financial liabilities - (Note 15)	147,358	123,219
Hedging instruments - (Note 15)	6,169	3,885
Provisions - (Note 13)	57,541	47,517
Deferred income - (Note 16)	14,276	12,294
Deferred tax liabilities - (Note 22)	3,589	3,969
Other non-current financial liabilities - (Note 14)	18,798	16,614
Other non-current liabilities - (Note 4.19)	3,315	-
CURRENT LIABILITIES	424,116	300,305
Current bank borrowings and other financial liabilities - (Note 15)	114,326	28,854
Other current financial liabilities - (Note 11)	118,620	26,459
Trade payables - (Note 17)	126,641	168,843
Other current liabilities	64,529	76,149
TOTAL EQUITY AND LIABILITIES	1,147,610	1,061,180

The accompanying Notes 1 to 28 are an integral part of the consolidated balance sheet at 31 December 2008.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 28). In the event of a discrepancy, the Spanish-language version prevails.

URALITA GROUP
CONSOLIDATED INCOME STATEMENTS FOR
(Thousands of euros)

	2008	2007
Revenue	1,007,001	1,094,875
Other operating income	13,204	12,000
Changes in inventories of finished goods and work in progress	(4,477)	10,681
Procurements	(371,127)	(399,254)
Staff costs	(194,005)	(168,656)
Depreciation and amortisation charge	(46,089)	(45,716)
Other operating expenses	(315,288)	(329,133)
PROFIT FROM OPERATIONS	89,219	174,797
Finance costs	(16,407)	(9,410)
Finance income	3,085	3,063
Net exchange differences	(9,723)	134
Result of companies accounted for using the equity method	486	356
Gains on disposal and revaluation of non-current assets	174	1,654
Net impairment losses	(1,152)	182
Other gains or losses	524	(25,741)
PROFIT BEFORE TAX	66,206	145,035
Income tax expense incurred in the year	(4,360)	(36,563)
Prior years' income tax adjustments	(10,112)	(2,932)
PROFIT FOR THE YEAR	51,734	105,540
Attributable to:		
Shareholders of the Parent	40,256	85,424
Minority interests	11,478	20,116
	51,734	105,540
EARNINGS PER SHARE (euros per share)		
Basic and diluted	0.20	0.43

The accompanying Notes 1 to 28 are an integral part of the 2008 consolidated income statement.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 28). In the event of a discrepancy, the Spanish-language version prevails.

URALITA GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Thousands of euros)

	Share capital	Share premium	Reserves of the Parent	Reserves of consolidated companies	Treasury shares	Valuation adjustments	Profit for the year attributable to the Parent	Translation differences	Equity attributable to the Parent	Minority interests	EQUITY
Balances at 31 December 2006	142,200	59,518	38,038	116,995	-	-	47,294	(4,542)	399,503	111,811	511,314
Transfer				2,989		(2,989)					
Distribution of 2006 profit		(15,944)		15,838			(47,294)		(47,400)	(12,376)	(59,776) (*)
Translation of foreign currency financial statements				693				(4,315)	(3,622)		(3,622)
Changes in the scope of consolidation and ownership interests				2,118				(58)	2,060	(2,408)	(348)
Hedging instruments – Transfer to income						(1,154)			(1,154)		(1,154)
Hedging instruments – Changes in fair value						1,423			1,423		1,423
Profit for 2007							85,424		85,424	20,116	105,540
Balances at 31 December 2007	142,200	43,574	38,038	138,633	-	(2,720)	85,424	(8,915)	436,234	117,143	553,377
Distribution of 2007 profit		(43,574)	(2,206)	46,713			(85,424)		(84,491)	(10,540)	(95,031) (*)
Translation of foreign currency financial statements				(69)				(16,210)	(16,279)		(16,279)
Hedging instruments – Transfer to income						126			126		126
Hedging instruments – Changes in fair value						(1,798)			(1,798)		(1,798)
Acquisition of treasury shares					(19,627)				(19,627)		(19,627)
Other				(53)					(53)	(1)	(54)
Profit for 2008							40,256		40,256	11,478	51,734
Balances at 31 December 2008	142,200	-	35,832	185,224	(19,627)	(4,392)	40,256	(25,125)	354,368	118,080	472,448

(*) Dividends distributed by the Parent and dividends distributed by subsidiaries to minority interests.

The accompanying Notes 1 to 28 are an integral part of the consolidated statement of changes in equity for 2008.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 28). In the event of a discrepancy, the Spanish-language version prevails.

URALITA GROUP
CONSOLIDATED CASH FLOW STATEMENTS FOR
(Thousands of euros)

	2008	2007
OPERATING ACTIVITIES		
Profit before tax	66,206	145,035
Adjustments for:		
Depreciation and amortisation of property, plant and equipment and intangible assets	46,089	45,716
Other adjustments	39,609	33,034
Cash from operating activities before changes in working capital	151,904	223,785
Decrease / (Increase) in working capital	(10,978)	(36,236)
Cash generated from operations	140,926	187,549
Other collections / (payments) relating to operating activities	(12,024)	(10,776)
Income tax paid	(36,820)	(39,098)
NET CASH FLOWS FROM OPERATING ACTIVITIES	92,082	137,675
INVESTING ACTIVITIES		
Investments:		
· Property, plant and equipment and intangible assets	(152,664)	(81,295)
· Financial assets	(27,118)	(15,983)
Disposals:		
· Property, plant and equipment and intangible assets	6,083	6,835
· Other non-current assets	742	511
Dividends received	438	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	(172,519)	(89,932)
FINANCING ACTIVITIES		
Dividends paid	(90,723)	(59,776)
Interest paid	(12,355)	(5,691)
Acquisition of treasury shares	(19,627)	-
Funds obtained from bank borrowings	109,473	25,737
Repayment of bank borrowings	-	(20)
Other financial liabilities	97,568	(10,295)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	84,336	(50,045)
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,899	(2,302)
Cash and cash equivalents at beginning of year	21,118	23,420
CASH AND CASH EQUIVALENTS AT END OF YEAR	25,017	21,118

Notes to the consolidated financial statements **for the year ended 31 December 2008**

1. Group activities

The Parent, Uralita, S.A. ("the Company" or "the Parent") is the head of a group of companies the object of which, taken as a whole, is the manufacture and marketing of construction materials.

The Parent was incorporated in Spain on 6 August 1920 in accordance with the Spanish Companies Law. Its registered office is at Paseo de Recoletos, 3, Madrid.

Uralita, S.A. is obliged to prepare, in addition to its own separate financial statements, the Group's consolidated financial statements.

The Group carries on its business through the companies detailed in Appendix 1, with a presence in the following business areas which in turn are the primary reporting segments as provided for in IAS 14:

- Insulation
- Gypsum
- Roof tiles
- Pipes

2. Basis of presentation of the consolidated financial statements and basis of consolidation

2.1. Basis of presentation

The Uralita Group's consolidated financial statements for 2008 were formally prepared by the Parent's directors at its meeting held on 25 March 2009 on the basis of the accounting records kept by the Company and by the other Group companies so that they present fairly the Group's consolidated equity and financial position at 31 December 2008 and 2007 and the results of its operations, the changes in consolidated equity and the consolidated cash flows in the years then ended.

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002, of 19 July, of the European Parliament and of the Council. In Spain, the requirement to present consolidated financial statements in accordance with IFRSs as approved by the European Union was also regulated by Final Provision Eleven of Law 62/2003, of 30 December, on Tax, Administrative, Labour and Social Security Measures. The principal mandatory accounting policies and measurement bases applied, as well as the alternative treatments permitted by the relevant standards in this connection, are summarised in Note 4. No standards were applied early.

The 2008 consolidated financial statements of the Group and the 2008 financial statements of the Group companies have not yet been approved by their shareholders at the respective Annual General Meetings. The Parent's directors consider that the aforementioned financial statements will be approved without any material changes. The Group's consolidated financial statements for 2007 were approved by the shareholders at the Annual General Meeting of Uralita, S.A. on 7 May 2008.

These financial statements are presented in euros, the functional currency of the Parent. Foreign operations are recognised in accordance with the policies established in Note 2.3-c below.

2.2. Adoption of new standards and interpretations issued

Standards and interpretations applicable in 2008

IFRIC 11, IFRS 2 - Group and Treasury Share Transactions and the amendment to IAS 39/IFRS 7- Reclassification of Financial Assets came into force for the first time in 2008. The adoption of these new interpretations and amendments did not have any effect on the Group's consolidated financial statements.

Standards and interpretations issued but not yet in force

At the date of preparation of these consolidated financial statements, the following standards and interpretations had been published by the IASB but had not yet come into force, either because the date on which they will come into force is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union.

Standards and amendments to standards:		Obligatory application in years beginning on or after:
IFRS 8	Operating Segments	1 January 2009
Revision of IAS 23	Borrowing Costs	1 January 2009
Revision of IAS 1	Presentation of Financial Statements	1 January 2009
Revision of IFRS 3 (1)	Business Combinations	1 July 2009
Amendment to IAS 27 (1)	Consolidated and Separate Financial Statements	1 July 2009
Amendment to IFRS 2	Vesting Conditions and Cancellations	1 January 2009
Amendment to IAS 32 and IAS 1	Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
Amendment to IFRS 1 and IAS 27	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
Amendment to IAS 39 (1)	Eligible Hedged Items	1 July 2009
Interpretations:		
IFRIC 12 (1)	Service Concession Arrangements	(3)
IFRIC 13	Customer Loyalty Programmes	1 January 2009 (2)
IFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2009 (2)
IFRIC 15 (1)	Agreements for the Construction of Real Estate	1 January 2009
IFRIC 16 (1)	Hedges of a Net Investment in a Foreign Operation	1 October 2008
IFRIC 17 (1)	Distributions of Non-cash Assets to Owners	1 July 2009

(1) Standards and interpretations not yet adopted by the European Union at the date of preparation of these consolidated financial statements.

(2) Date of obligatory application as approved in the Official Journal of the European Union.

(3) This interpretation has yet to be endorsed. According to the EU Accounting Regulatory Committee (ARC), the interpretation will foreseeably be approved for application in the EU with a new effective date, which would defer obligatory application until 2010 the initial theoretical date established by the IASB for the entry into force of the interpretation was 1 January 2008).

The Parent's directors assessed the impact of the above-mentioned standards and interpretations and concluded that they will not have a material effect on these consolidated financial statements.

2.3. Basis of consolidation

a. Subsidiaries

"Subsidiaries" are defined as companies included in the scope of consolidation over which the Parent, directly or indirectly, exercises effective control by virtue of ownership of the majority of the voting rights in their representation and decision-making bodies and over which the Parent has the capacity to exercise control. In accordance with IAS 27, control is presumed to exist when the Parent, has the power to govern the financial and operating policies of an investee so as to obtain benefits from its activities.

The financial statements of the subsidiaries are fully consolidated. Accordingly, all balances and effects of the transactions between consolidated companies were eliminated on consolidation.

Where necessary, adjustments are made to the financial statements of the subsidiaries to adapt the accounting policies used to those applied by the Group, including most notably the recognition of recoverable tax assets, which are not recognised by the subsidiaries.

The share of third parties of the Group's equity and profit is presented under "Minority Interests" in the consolidated balance sheet and "Profit Attributable to Minority Interests" in the consolidated income statement, respectively.

Where applicable, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statements from the effective date of acquisition or until the effective date of disposal, as appropriate.

Appendix I to these notes to the consolidated financial statements details the subsidiaries and information thereon (including the name, country of incorporation and the percentage of ownership of the Parent).

b. Associates

Associates are companies over which the Parent is in a position to exercise significant influence, but not control or joint control, usually because it holds -directly or indirectly- between 20% and 50% of the voting power of the investee.

The impact of the Group's associates on the consolidated financial statements is not material.

c. Translation differences

On consolidation, the various items in the balance sheets and income statements of the Group companies with a functional currency other than the euro were translated to euros as follows:

- Assets and liabilities were translated using the official exchange rates prevailing at year-end.
- Share capital and reserves were translated using historical exchange rates.
- Income statement items were translated to euros at the average exchange rates for the year.

The exchange differences arising from the use of these criteria were included under "Equity – Translation Differences". These translation differences will be recognised as income or expenses in the period in which the investment that gave rise to the differences is realised or disposed of in full or in part.

d. Changes in the scope of consolidation

On 31 August 2007, Uralita Tejados, S.A. (53% owned by the Group) acquired all the share capital of Cerámica Collado, S.A. and Campos Fábrica Cerámica, S.A.R.L., located in Spain and Portugal, respectively, which represented the roof tile business of the French group Imerys on the Iberian Peninsula. The acquisition cost amounted to EUR 15,680 thousand, of which EUR 12,584 thousand were included under "Goodwill on Consolidation" in the consolidated balance sheets at 31 December 2008 and 2007. The contribution of the acquired companies to the consolidated balance sheet at 31 December 2007 and to the 2007 consolidated income statement was not material.

In July 2008 Yesos Ibéricos S.A. (59.31% owned by the Group) acquired all of the share capital of Escayolas Marín S.L., a company located in Spain which engages in the mining and sale of gypsum. The acquisition cost was EUR 7,469 thousand. The first-time consolidation difference was allocated to the rights to operate the quarries owned by the company acquired (see Note 6).

In September 2008 through the newly-formed company Ursa Isi Yalitim Sanayi Ve Ticaret Anonim Sirketi ("Ursa Isi"), located in Turkey, the Group's Insulation Division acquired the glass wool business of the Turkish company Özpor. This business basically consists of a glass wool manufacturing plant worth approximately EUR 35 million (see Note 7).

The transactions of the new companies were included in the consolidated income statement from the acquisition date. Had the corporate acquisitions taken place at the beginning of the year, the effect on the revenue and profit from operations for the year would have been scanty material.

The detail of the overall contribution of the companies acquired in 2008 to the consolidated balance sheet at 31 December 2008 and the consolidated income statement for 2008 is as follows:

Thousands of euros	
Assets	11,167
Liabilities	5,739
Revenue	3,239
Loss from operations	(1,199)
Loss attributable to the Parent	(8,335)

The loss attributable to the Parent arose mainly as a result of the depreciation of the Turkish lira against the euro.

2.4. Comparative information

To facilitate the comparison between years, the consolidated balance sheet at 31 December 2007 contains the following reclassifications with respect to the consolidated balance sheet presented in the previous year. Consequently, this consolidated balance sheet differs from that included in the 2007 consolidated financial statements, approved by the shareholders at the Annual General Meeting:

	Thousands of euros	
	Charge	Credit
Non-current financial assets	6,001	
Other non-current assets		6,001
Other current financial assets	218	
Other current assets		218
Other non-current financial liabilities	2,698	
Other current liabilities	57,277	
Other current financial liabilities		1,539
Deferred income		3,131
Trade payables		55,305

2.5. Working capital deficiency

The accompanying consolidated balance sheet at 31 December 2008 presents a working capital deficiency of EUR 94,041 thousand, due to financing through short-term credit facilities. The Group's directors consider that this situation does not pose a genuine risk to the Group as a going concern, in view of the steps being taken to replace the current borrowings with long-term borrowings. Also, the business projections of the consolidated Group, which were prepared using conservative assumptions as regards the future performance of the market predict the obtainment of sufficient positive cash flows to alleviate the current working capital deficiency. The main sources of short-term financing used by the Group are credit facilities, a significant number of which are automatically renewable upon maturity, discount lines and securitisation arrangements. The amounts drawn down and undrawn by the Group at 31 December 2008 were as follows:

	Thousands of euros	
	Drawn down	Undrawn
Credit facilities	86,115	32,385
Discount lines	22,211	29,689
Securitisation arrangements	116,390	33,610
Total	224,716	95,684

3. Distribution of profit

The directors of Uralita, S.A. will propose to the shareholders at the Annual General Meeting that the profit of the Parent be distributed as follows:

	Thousands of euros
Dividends	19,750
To unrestricted reserves	19,322
Total profit for 2008 of the Parent	39,072

At its meeting held on 25 March 2009, the Board of Directors of Uralita, S.A. resolved to pay a dividend of EUR 0.1 per share out of 2008 profit. This dividend, amounting to EUR 19,750 thousand, will be paid in April 2009 and is subject to approval by the shareholders at the Annual General Meeting. This amount was not recognised as a liability in the consolidated balance sheet at 31 December 2008.

The liquidity statement, prepared in accordance with legal requirements, reflecting the availability of cash at the date of the resolution and which evidenced the existence of sufficient liquidity, was as follows:

	Thousands of euros
Loans to Group companies	366,560
Drawable against credit accounts	22,598
Available cash	139
TOTAL	389,297

4. Accounting policies

The principal accounting policies used in preparing the Group's consolidated financial statements, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, were as follows:

4.1. Goodwill on consolidation

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or jointly controlled entity at the date of acquisition.

Any excess of the cost of the investments in the consolidated companies over the corresponding underlying carrying amounts acquired, adjusted at the date of first-time consolidation, is allocated as follows:

- If it is attributable to specific assets and liabilities of the companies acquired, increasing the value of the assets (or reducing the value of the liabilities) whose market values were higher (lower) than the carrying amounts at which they had been recognised in their balance sheets and whose accounting treatment was similar to that of the same assets (liabilities) of the Group: amortisation, accrual, etc.
- If it is attributable to specific intangible assets, recognising it explicitly in the consolidated balance sheet provided that the fair value at the date of acquisition can be measured reliably.
- The remaining amount is recognised as goodwill, which is allocated to one or more specific cash-generating units.

Goodwill is only recognised when it has been acquired for consideration and represents, therefore, a payment made by the acquirer in anticipation of future economic benefits from assets of the acquired company that are not capable of being individually identified and separately recognised.

Goodwill is not amortised. Until 1 January 2004, the date of transition to IFRSs, goodwill was amortised systematically and, therefore, the goodwill related to earlier acquisitions was included at its carrying amount at the date of transition. At the end of each reporting period, goodwill is tested for impairment to determine whether it has suffered any permanent loss in value that reduces its recoverable amount to below its carrying amount. If

there is any impairment, the goodwill is written down with a charge to the consolidated income statement. An impairment loss recognised for goodwill must not be reversed in a subsequent period.

To perform the aforementioned impairment test, the goodwill is allocated to one or more cash-generating units. The recoverable amount of each cash-generating unit is determined as the greater of the value in use and the net selling price that would be obtained in a transaction.

4.2. Intangible assets

Intangible assets, which comprise mainly computer software, trademarks and rights to operate quarries, are initially recognised at acquisition or development cost and are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses.

All the intangible assets of the Uralita Group are considered to have finite useful lives and are amortised on a straight-line basis over those useful lives using methods similar to those used to depreciate property, plant and equipment, on the basis of estimated useful lives generally of three to five years, except for rights to operate quarries, the estimated useful life of which is considered to be the shorter of the operating right concession term and the depletion period of the minerals mined.

4.3. Property, plant and equipment

The items included in "Property, Plant and Equipment" are stated at acquisition cost less any accumulated depreciation and any recognised impairment losses. Acquisition cost includes, in some cases, revaluations carried out in the past pursuant to the applicable legislation, including Royal Decree Law 7/1996 (see Note 12.3).

Also, the acquisition cost includes the allocations of the purchase cost of acquired companies. At 31 December 2008 the amount allocated totalled EUR 8,940 thousand (31 December 2007: EUR 9,137 thousand).

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised. Upkeep and maintenance costs are charged to the income statement for the year in which they are incurred.

In-house work on non-current assets is recognised at accumulated cost (external costs, internal costs calculated on the basis of in-house consumption of warehouse materials, and manufacturing costs incurred).

The borrowing costs incurred on specific- or general-purpose financing used for assets whose construction period exceeds one year are included in the cost of the items of property, plant and equipment.

The cost of property, plant and equipment is depreciated on a straight-line basis over the years of estimated useful life, as follows:

	Years of estimated useful life
Buildings	33 / 50
Plant	10 / 20
Machinery	10 / 20
Tools	5 / 8
Furniture and other fixtures	10 / 15
Computer hardware	4
Transport equipment	6 / 7

Land is considered to have an indefinite useful life and, therefore, is not depreciated.

4.4. Non-current assets classified as held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell and depreciation of such assets ceases from the time they are classified as "Non-Current Assets Classified as Held for Sale".

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. The sale should be expected to be completed within one year from the date of classification.

4.5. Impairment of property, plant and equipment and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets might have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset itself does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be lower than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

4.6. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases

When the consolidated companies act as the lessee, they present the cost of the leased assets in the consolidated balance sheet, based on the nature of the leased asset, and, simultaneously, recognise a liability for the same amount (which will be the lower of the fair value of the leased asset and the aggregate present values of the amounts payable to the lessor plus, where applicable, the price of exercising the purchase option). These assets are depreciated using similar criteria to those applied to the items of property, plant and equipment that are owned.

The finance income and charges arising under finance lease agreements are credited and charged, respectively, to the consolidated income statement so as to reflect a constant periodic rate of return over the term of the agreements.

Operating leases

When the consolidated companies act as the lessee, lease costs, including any incentives granted by the lessor, are recognised as an expense on a straight-line basis.

4.7. Inventories

Inventories of raw materials and other products acquired from third parties are stated at the lower of cost price (average price) and market value.

Finished goods and work in progress are measured at the lower of production cost (actual average cost), which includes raw materials, direct labour and production overheads, and market value.

Obsolete, defective or slow-moving inventories have been reduced to realisable value.

4.8. Financial assets and liabilities

Trade receivables

The financial assets held by the Group relate basically to accounts receivable of the consolidated companies recognised in the accompanying consolidated balance sheets under “Trade and Other Receivables”. These assets are recognised at their nominal value (which does not vary substantially from their amortised cost), net of the related allowance for any doubtful debts.

Other financial assets

“Other Financial Assets” include mainly guarantee deposits measured at the present value of the recoverable amount, less any related impairment losses.

Cash and cash equivalents

Cash comprises both cash and demand bank deposits. Cash equivalents are short-term investments with a maturity of less than three months that are not subject to a significant risk of changes in value. Consequently, they are recognised at their nominal value. In 2008 and 2007 these assets earned average annual interest at 4%.

Financial liabilities

- Non-current debt instruments and other marketable securities

Debt instruments and other marketable securities are measured at amortised cost using the effective interest method, net of direct issue costs. The amortised cost is understood to be the initial cost minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount. Any changes between the initial amount and the maturity amount not attributable to principal repayments are allocated to the consolidated income statement for the year.

- Bank loans

Interest-bearing bank loans are recognised at the proceeds received, net of direct issue costs. Borrowing costs, including premiums payable on settlement or redemption and direct issue costs are recognised in the consolidated income statement on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

- Trade and other payables

Trade payables are not interest bearing and are stated at their nominal value, which is equal to their fair value.

Derivative financial instruments and hedge accounting

The Group's activities expose it mainly to the financial risks of changes in foreign exchange rates and interest rates. The Group uses foreign currency swaps and interest rate hedges to hedge these exposures. The Group does not use derivative financial instruments for speculative purposes.

The use of financial derivatives is governed by the Group policies approved by the Parent's directors, which provide written principles on the use of financial derivatives.

At the inception of the hedge, the Group designates and formally documents the hedging relationship and the objective and strategy for undertaking the hedge. Hedge accounting only applies when the hedge is expected to be highly effective at the inception of the hedge and in subsequent years in offsetting the changes in the fair value or cash flows attributable to the hedged risk during the life of the hedge (prospective analysis) and the actual effectiveness of the hedge, which can be reliably calculated, is within a range of 80-125% (retrospective analysis).

The Group does not hedge forecast transactions, but rather only firm financing commitments: if the cash flows of forecast transactions were hedged, the Group would assess whether such transactions were highly probable and whether they were exposed to changes in cash flows that might ultimately affect profit for the year.

If the cash flow hedge of a firm commitment or forecast transaction results in the recognition of a non-financial asset or a non-financial liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. Conversely, for hedges that do not result in recognition of a non-financial asset or a non-financial liability, amounts deferred in equity are recognised in the consolidated income statement in the same period as that in which the hedged item affects net profit or loss.

Changes in the fair value of financial instruments that are designated and effective as fair value hedges are recognised in the consolidated income statement together with the related changes in the fair value of the hedged item attributable to the risk being hedged.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

4.9. Current/Non-current classification

In the accompanying consolidated balance sheet, financial assets and liabilities due to be settled within 12 months are classified as current items and those due to be settled within more than 12 months as non-current items.

4.10. Retirement benefits

Uralita, S.A. and certain of the consolidated Spanish subsidiaries have undertaken to make supplementary retirement payments to certain employee groups, retirees, disabled individuals and other employees.

The Spanish companies have taken out external policies with Spanish non-Group insurance companies to cover the aforementioned obligations. These defined contribution policies guarantee that the related benefits are paid in full at no additional cost for the companies, except, in the case of Uralita, S.A., for the costs arising from changes in the estimates of variables, relating to salaries and social security pensions.

The line item "Provisions" on the liability side of the consolidated balance sheets at 31 December 2008 and 2007 for the consolidated foreign companies includes the amounts considered sufficient to meet the obligations accrued at that date in this connection (see Note 13). The liabilities are estimated using actuarial procedures at each year-end and changes are recognised in the consolidated income statement for the year.

4.11. Termination benefits

Under current legislation, the Group is required to pay termination benefits to employees terminated without just cause. Costs relating to these benefits are recognised in the year in which termination is agreed with the employees in question.

When a restructuring plan is approved by the Parent's directors, made public and communicated to employees, the Group recognises the provisions required to meet any future payments resulting from the application of these plans on the basis of the best cost estimates available based on the related actuarial studies.

At 31 December 2008 and 2007, the liabilities relating to termination plans in progress are recognised under "Provisions" in the accompanying consolidated balance sheet at those dates.

4.12. Provisions

The Group's consolidated financial statements include all the provisions covering present obligations at the balance sheet date arising from past events which could give rise to a loss for the companies that is certain as to its nature but uncertain as to its amount and/or timing. They include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled.

Provisions, which are quantified on the basis of the best information available on the consequences of the event giving rise to them and are reviewed and adjusted at the end of each year, are used to cater for the specific obligations for which they were originally recognised. Provisions are fully or partially reversed when such obligations cease to exist or are reduced.

Litigation and/or claims in process

At the end of 2008 certain litigation and claims were in process against the consolidated companies arising from the ordinary course of their operations. The Group's legal advisers and the Parent's directors consider that the outcome of litigation and claims will not have a material effect not provided for in the financial statements for the years in which they are settled.

Provisions for warranty costs

Provisions for warranty costs are recognised at the date of sale of the relevant products, at the best estimate of the Parent's directors of the expenditure required to settle the Group's liability.

4.13. Deferred income

"Deferred Income" relates mainly to non-refundable grants related to assets which are measured at the amount granted and are allocated to income under "Other Operating Income" in proportion to the period depreciation on the subsidised assets, except in the case of non-depreciable assets, the grants for which are allocated to profit or loss in the year in which the assets are disposed of or derecognised.

4.14. Revenue recognition

Sales of goods are recognised when substantially all the risks and rewards of ownership have been transferred, which usually coincides with delivery of the goods sold.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for the goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's carrying amount.

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

4.15. Income tax; deferred taxes assets and liabilities

The current income tax expense is calculated on the basis of accounting profit before tax, increased or decreased, as appropriate, by the permanent differences from the taxable profit.

The tax benefits resulting from tax loss and tax credit carryforwards are recognised under "Income Tax Expense Incurred in the Year" in the accompanying consolidated income statement.

In addition, "Deferred Tax Assets" and "Deferred Tax Liabilities" in the consolidated balance sheets include the effect of temporary differences measured at the amount expected to be recoverable or payable on differences between the carrying amounts of assets and liabilities and their tax bases. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, unless the temporary difference arises from the initial recognition of goodwill, the amortisation of which is not deductible for tax purposes, or from the initial recognition (except in the case of a business combination) of other assets and liabilities in a transaction that affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for temporary differences to the extent that it is considered probable that the consolidated companies will have sufficient taxable profits in the future against which the deferred tax asset can

be utilised, and the deferred tax assets do not arise from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that affects neither accounting profit nor taxable profit.

The deferred tax assets and liabilities recognised are reassessed at each balance sheet date in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the analyses performed.

Income tax rates were changed in certain foreign countries in 2007. The effect of this change on deferred tax assets and liabilities, estimated at EUR 2,932 thousand, was charged to "Prior Years' Income Tax Adjustments" in the consolidated income statement for 2007.

4.16. Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to the Parent by the weighted average number of ordinary shares outstanding during the year, excluding, where applicable, the average number of shares of the Parent held by the Group companies. Since the Group does not have any dilutive potential ordinary shares, the basic and diluted earnings per share for 2008 and 2007 coincide.

4.17. Foreign currency balances and transactions

Transactions in currencies other than the functional currency of each company are recognised in the functional currency by applying the exchange rates prevailing at the date of the transaction. During the year, the differences that arise between the balances translated at the exchange rate prevailing at the date of the transaction and the balances translated at the exchange rate prevailing at the date of collection or payment are recorded as finance costs or finance income in the consolidated income statement.

Also, balances receivable or payable at 31 December each year denominated in currencies other than the functional currencies in which the financial statements of the consolidated companies are denominated are translated to euros at the year-end exchange rates. Any gains or losses arising on such translation are recognised in the consolidated income statement for the year.

In order to hedge its exposure to certain foreign currency risks, the Group arranges forwards and options on currencies other than the euro (see Note 4.8 for details of the Group's accounting policies in respect of such derivative financial instruments).

4.18. Consolidated cash flow statements

The following terms, with the meanings specified, are used in the consolidated cash flow statements, which were prepared using the indirect method:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities: the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the amount and composition of the equity and borrowings of the Group companies that are not operating activities.

4.19. CO₂ emission rights

The Group recognises CO₂ emission rights as non-amortisable intangible assets. The rights granted at zero cost under the related national allocation plans are measured at the market price prevailing on the date they are received, and an item of deferred income is recognised for the same amount.

This deferred income is transferred to "Other Operating Income" in the income statement as the CO₂ emissions to which it relates are made.

The obligation to deliver emission rights for the CO₂ emissions made during the year is recognised as a provision under "Provisions" in the consolidated balance sheet, and the related cost is recorded under "Other Operating Expenses" in the consolidated income statement. This obligation is measured at the same amount as that at which the CO₂ emission rights to be delivered to cover the obligation are recognised under "Intangible Assets".

In November 2008 the available emission rights were sold to a non-Group company at their market price, which was paid in cash. At the same time as the sale, an agreement was entered into with the purchaser whereby the Group undertook to repurchase the same number of emission rights at a fixed price in December 2012. The account payable at that date, measured at its present value, and the future repurchase right, measured initially at the same amount, were recognised under "Other Non-Current Liabilities" and "Intangible Assets", respectively, in the consolidated balance sheet at 31 December 2008.

At 31 December each year, the Group recognises the appropriate adjustments to write down the carrying amount of the rights if their market value is lower and to reflect the interest cost relating to the account payable indicated in the preceding paragraph.

4.20. Environmental issues

The consolidated companies consider as environmental expenses the remuneration paid to personnel engaged exclusively in environmental functions, the goods consumed and purchases required to conduct any activities in this connection and the removal of waste arising from activities in operation. Other amounts relating to environmental activities are considered as an investment.

Furthermore, the consolidated companies make provisions to meet any liabilities likely to arise and any determinable obligations relating to activities having an impact on the environment.

4.21. Accounting estimates and judgments

The information in these consolidated financial statements is the responsibility of the Parent's directors.

In the consolidated financial statements for 2008 and 2007 estimates were made by the Parent's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The assessment of possible impairment losses on certain assets
- The useful life of the property, plant and equipment and intangible assets
- The distribution of the cost of the business combinations
- The calculation of provisions and the probability of occurrence of and the amount of liabilities which are uncertain as their amount and contingent liabilities
- The assumptions used in measuring the fair value of certain financial instruments
- The assessment of the recoverability of deferred tax assets

These estimates were made on the basis of the best information available at 31 December 2008 and 2007 on the events analysed. However, events that take place in the future might make it necessary to change these estimates. Changes in accounting estimates would be applied prospectively in accordance with the requirements of IAS 8, recognising the effect of the change in estimates in the related consolidated income statements.

4.22. Changes in accounting estimates and policies and correction of fundamental errors

The effect of any change in accounting estimates is recognised under the same income statement line item as that in which the expense or income based on the previous estimate had been recognised.

Corrections of fundamental errors are recognised retrospectively by changing the information.

5. Goodwill on consolidation

The goodwill existing at 31 December 2008 arose from the acquisition of ownership interests in the following subsidiaries:

	Thousands of euros
OAo URSA Chudovo	23,767
URSA Dämmssysteme Austria GmbH	10,296
URSA Salgotarjan Rt.	9,831
Balance at 31 December 2006	43,894
Cerámicas Collado, S.A. and Campos Fábrica Cerámica, S.A.R.L.	12,963
Balance at 31 December 2007	56,857
Definitive allocation relating to Cerámicas Collado, S.A. and Campos Fábrica Cerámica, S.A.R.L.	(379)
Balance at 31 December 2008	56,478

The goodwill relating to Chudovo, Austria and Salgotarjan was acquired prior to 1 January 2004 (see Note 4.1) and was allocated to the various cash-generating units of the Insulation Division (see Note 20). This goodwill was recognised at the carrying amount thereof at that date (see Note 4.1). In 2007 and 2008 no changes occurred under this heading.

The goodwill arising in 2007 relates to the joint acquisition of all of the share capital of Cerámicas Collado, S.A. and Campos Fábrica Cerámica, S.A.R.L. This goodwill relates to the Roof Tile Division. At 31 December 2007, as permitted by IFRS 3, the definitive allocation of this goodwill was not recognised as it is currently being assessed by the Group. In 2008 the measurement of the assets and liabilities of the acquired companies was completed and the impact of the definitive allocation was not material. Consequently, the Company did not restate the comparative information for 2007.

Group management has implemented an annual procedure to identify any possible impairment of the costs of the assets recognised and goodwill with respect to the recoverable amount thereof. The procedure for the so-called "impairment test" is as follows:

- Management of each Business Unit prepares, on an annual basis, a five-year business plan for each cash-generating unit, by market and by activity. The main components of this plan are as follows:
 - Projected profit or loss
 - Projected investment and working capital

The projections are prepared for each business unit on the basis of recent performance and include Group management's best estimates concerning the future changes in the most significant internal and external economic variables.

- The business plans are reviewed and ultimately approved by the Group's Management Committee.
- The main variables affecting the calculation of the aforementioned projections are as follows:
 - The applicable discount rate, taken to be the weighted average cost of capital; the main variables affecting the calculation thereof are the cost of liabilities, the tax rate and the specific risks associated with the assets.
 - The growth rate used to extrapolate the projected cash flows beyond the period covered by budgets or forecasts. The growth rate considered in all the markets in which the Group carries on its activities is zero.

The value in use of each cash-generating unit was calculated as the present value of the cash flows resulting from the financial projections discounted at rates that take into account the assets' specific risks, the average cost of the liabilities and the Group's target financial structure. The discount rates used in 2008 and 2007 for the Eurozone were

between 6% and 7% and between 7% and 8%, respectively. The discount rates applied in 2008 and 2007 to non-Eurozone countries were between 8% and 11%.

On the basis of the findings of the aforementioned analysis, no material adjustments had to be made to the carrying amounts of the goodwill at 31 December 2008 and 2007.

6. Intangible assets

The breakdown of "Intangible Assets" in the consolidated balance sheets at 31 December 2008 and 2007 is as follows:

	Thousands of euros					
	31 December 2008			31 December 2007		
	Cost	Accumulated amortisation	Impairment losses	Cost	Accumulated amortisation	
Development expenditure	801	795		801	795	
Concessions, patents, licences, trademarks and similar items	15,384	5,787		8,085	5,095	
Computer software and other intangible assets	24,618	16,344	292	25,560	21,535	
TOTAL	40,803	22,926	292	34,446	27,425	

The changes in 2008 and 2007 were as follows:

	Thousands of euros	
	2008	2007
BEGINNING BALANCE	7,021	17,667
Changes in the scope of consolidation	6,792	108
Additions	13,624	58
Disposals	(6,292)	(137)
Amortisation charge	(2,460)	(5,611)
Delivery and reduction to market value of CO ₂ emission rights (Nota 4.19)	(292)	(5,594)
Translation differences	(690)	(36)
Other	(118)	566
ENDING BALANCE	17,585	7,021

The increase due to the change in the scope of consolidation in 2008 includes the allocation to quarry operating rights of the first-time consolidation difference arising from the acquisition of Escayolas Marín, S.L. (see Note 2.3-d). This allocation was based on the volume of mineable minerals (determined by an independent Group expert) measured at current prices. The concession is for 30 years, extendible to 90 years, following an application for renewal.

The most significant additions and disposals in 2008 relate to CO₂ emission right transactions (see Note 4.19).

At 31 December 2008 and 2007, no in-house costs had been capitalised to intangible assets.

All the items have finite useful lives and are amortised using the method explained in Note 4.2.

The amount of fully amortised intangible assets in use at 31 December 2008 was not material.

According to the estimates made by the Group, no impairment of intangible assets has taken place that might have reduced their recoverable amount to below the carrying amount recognised at 31 December 2008 and 2007.

The research and development expenditure recognised as an expense in the consolidated income statement for 2008 amounted to EUR 565 thousand (2007: EUR 754 thousand).

7. Property, plant and equipment

The breakdown of "Property, Plant and Equipment" in the consolidated balance sheets at 31 December 2008 and 2007 is as follows:

	Thousands of euros					
	31 December 2008			31 December 2007		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land and buildings	248,201	76,203	171,998	235,010	70,951	164,059
Plant and machinery	708,159	404,637	303,522	654,938	374,701	280,237
Other fixtures, tools and furniture	55,436	38,988	16,448	62,893	49,049	13,844
Advances and property, plant and equipment in the course of construction	91,247	-	91,247	44,079	-	44,079
Other items of property, plant and equipment	29,604	19,536	10,068	22,487	17,545	4,942
	1,132,647	539,364	593,283	1,019,407	512,246	507,161
Impairment losses			(10,823)			(12,228)
Net			582,460			494,933

The changes in the years ended 31 December 2008 and 2007 were as follows:

	Thousands of euros	
	2008	2007
BEGINNING BALANCE	494,933	445,636
Changes in the scope of consolidation	1,764	13,351
Additions	150,827	78,260
Disposals	(1,421)	(3,887)
Depreciation charge	(43,629)	(40,105)
Impairment losses	(5,429)	(41)
Reversal of impairment losses	6,487	772
Translation differences	(15,190)	(1,748)
Transfer to "Non-Current Assets Classified as Held for Sale" (Note 8)	(3,431)	-
Other	(2,451)	2,695
ENDING BALANCE	582,460	494,933

The most noteworthy additions relate to the acquisition of the glass wool business of the Turkish company Özpör for EUR 35 million (see Note 2.3-d) and to the construction of new production plants, to the implementation of new manufacturing technologies and to capacity increases, mainly in the Insulation and Gypsum Divisions.

All the items of property, plant and equipment are for the Group's own use and there are no assets leased out under operating leases.

The borrowing costs capitalised to "Property, Plant and Equipment" at 31 December 2008 amounted to EUR 2,366 thousand and were capitalised in full in 2008.

Fully depreciated property, plant and equipment in use at 31 December 2008 amounted to EUR 235,142 thousand (31 December 2007: EUR 179,685 thousand).

The items temporarily idle and the property, plant and equipment retired from active use at 31 December 2008 amounted to approximately EUR 43 million and relate to the Roof Tile Division. At 31 December 2007 the amount of these items was not material. The following section of this Note on "Impairment Losses" provides a detail of the policies used for the analysis and assessment of impairment in the Roof Tile Division.

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

The carrying amount at 31 December 2008 of the assets held under finance leases was EUR 4,292 thousand (31 December 2007: EUR 4,426 thousand).

At 31 December 2008 and 2007, there were no restrictions on title to the property, plant and equipment.

The property, plant and equipment outside Spain relate in full to the items assigned to the activity of the consolidated foreign subsidiaries. The carrying amount of these items at 31 December 2008 totalled EUR 320,118 thousand (31 December 2007: EUR 262,840 thousand).

At 31 December 2008, "Property, Plant and Equipment in the Course of Construction" included EUR 12,408 thousand for which the Group negotiated delays in the delivery of the assets by suppliers due to the situation of the market in the second half of 2008. The indemnity payments and other costs payable to the suppliers in this connection were not material. The Parent's directors consider that no losses will be incurred as a result of these delays, once the postponed investment plans have recommenced.

At 31 December 2008, there were no other noteworthy contractual commitments for the acquisition of property, plant and equipment.

Impairment losses

In prior years there was a slowdown in the market in certain cash-generating units due mainly to excess capacity which had a significant effect on the cash generation expectations of these units and led to a reorganisation of the production capacity of the related cash-generating units, which is about to be completed.

The Group assessed the impact of this situation by preparing projections and business plans based on criteria similar to those used in testing goodwill on consolidation for impairment, as described in Note 5.

As a result of performance of the markets in 2008, mainly in the Spanish residential market, the Group decided to adapt the capacity of the Roof Tile Division to cater for the new demand situation. In this respect, Group management's plans include the closure of three of this Division's plants in Spain.

Also, the adjusted business projections for 2008 evidenced the recovery of impairment losses from prior years in the Insulation – Western Europe cash-generating unit.

The changes in impairment losses in 2008 and 2007 were as follows:

	Thousands of euros				
	Insulation Western Europe	Insulation Hungary	Roof Tiles	Other	TOTAL
Balance at 31 December 2006	6,317	4,461	-	2,127	12,905
Amounts reversed due to disposals	-	-	-	-	-
Closure of facilities and write-down of assets	-	-	-	-	-
Impairment losses recognised	-	-	-	41	41
Impairment losses reversed	-	-	-	(772)	(772)
Translation differences	-	-	-	54	54
Balance at 31 December 2007	6,317	4,461	-	1,450	12,228
Impairment losses recognised	-	-	4,384	1,045	5,429
Impairment losses reversed	(6,317)	-	-	(170)	(6,487)
Translation differences	-	-	-	(347)	(347)
Balance at 31 December 2008	-	4,461	4,384	1,978	10,823

The impairment losses recognised and reversed were included under "Net Impairment Losses" in the consolidated income statements.

8. Non-current assets classified as held for sale

This item includes mainly the land and buildings not used as part of the business activities and which the Group is currently selling. The changes in 2008 and 2007 were as follows:

	Thousands of euros	
	2008	2007
BEGINNING BALANCE	5,997	10,394
Transfer of property, plant and equipment	3,431	-
Disposals	-	(3,841)
Adjustments to market value	287	(549)
Other	-	(7)
ENDING BALANCE	9,715	5,997

In 2007 the most noteworthy sale related to a plot of land owned by Uralita, S.A., which gave rise to a gain of EUR 2,457 thousand. The total selling price amounted to approximately EUR 6,800 thousand.

9. Non-current financial assets

The detail of "Non-Current Financial Assets" at 31 December 2008 and 2007 is as follows:

	Thousands of euros	
	2008	2007
Investments accounted for using the equity method	1,092	1,044
Other equity investments	179	149
Guarantees given	16,855	2,246
Non-current loans	-	2,500
Other	27	62
TOTAL	18,153	6,001

The changes in 2008 and 2007 were as follows:

	Thousands of euros	
	2008	2007
BEGINNING BALANCE	6,001	3,068
Result of companies accounted for using the equity method	486	356
Dividends received from companies accounted for using the equity method	(438)	-
Additions	15,347	191
Receivable due to non-current asset sales (Note 8)	-	2,500
Write-offs	(735)	(327)
Reclassifications and other	(2,508)	213
ENDING BALANCE	18,153	6,001

The additions in 2008 correspond mainly to two guarantees given in relation to decisions handed down in litigation against Uralita, S.A., which were appealed by the Group. "Provisions" in the accompanying consolidated balance sheet at 31 December 2008 (see Note 13) includes the amount considered necessary to cover any possible losses deriving from the final outcome of these matters.

10. Inventories

The breakdown of "Inventories" at 31 December 2008 and 2007 is as follows:

	Thousands of euros	
	2008	2007
Goods held for resale	5,625	7,651
Raw materials and other supplies	37,522	28,606
Finished goods and work in progress	61,609	70,531
TOTAL	104,756	106,788

11. Trade and other receivables and other current financial assets

At 31 December 2008 and 2007, several consolidated companies had entered into a collection rights assignment agreement with the entity GC Compass Spain 1, Fondo de Titulización de Activos, managed by Gesticaixa and authorised by the Spanish National Securities Market Commission (CNMV). The Group entered into an agreement with the aforementioned entity for the administration of these rights until final settlement thereof by the customers. Under this agreement, the Group companies assign on a monthly basis collection rights to customers who fulfil certain requirements. The collection rights assigned in 2008 and 2007 amounted to EUR 1,021 million and EUR 423 million, respectively, of which EUR 138 million and EUR 29 million, respectively, relate to receivables not yet due at each year-end and are recognised under "Other Current Financial Assets" in the consolidated balance sheets.

The accounts assigned may be settled in cash by the bank except for an amount retained as a guarantee against doubtful debts, dilution and other contingencies. The EUR 116,390 thousand financed at 31 December 2008 (31 December 2007: EUR 24,920 thousand) are recognised under "Other Current Financial Liabilities" in the consolidated balance sheet.

This agreement expired on 31 December 2008 and has been extended until it has been effectively replaced by a new agreement which, at 2008 year-end, the Group was negotiating with the same bank. At the date of preparation of these consolidated financial statements, the new agreement had not yet been authorised by the CNMV although the Parent's directors consider that no problems will arise in relation to this approval and the entry into force of the new agreement.

The average credit period for sales of goods and services in 2008 was approximately 79 days (2007: 78 days). In general, no interest is charged on the receivables. The Group recognised an impairment loss for the amounts considered unrecoverable amounting to EUR 5,873 thousand at 31 December 2008 (31 December 2007: EUR 5,098 thousand). The impairment loss was determined on the basis of historical experience and a case-by-case analysis of the most significant accounts receivable. The accumulated impairment loss at 31 December 2008 amounted to EUR 28,703 thousand (2007: 23,375 thousand).

12. Equity

12.1. Share capital

At 31 December 2008 and 2007 the Parent's share capital amounted to EUR 142,199,861 and was represented by 197,499,807 shares of EUR 0.72 par value each. All the shares are fully subscribed and paid and are listed on the stock exchange.

The only shareholder of the Parent with an ownership interest of more than 10% is Nefinsa, S.A., which had an effective ownership interest of 79.061% in the share capital at 31 December 2008 (31 December 2007: 79.063%).

12.2. Reserves of the Parent

The breakdown of "Reserves of the Parent" in the accompanying consolidated balance sheets at 31 December 2008 and 2007 is as follows:

	Thousands of euros	
	2008	2007
Legal reserve	28,440	28,440
Unrestricted reserves	7,392	9,598
TOTAL	35,832	38,038

Legal reserve

At 31 December 2008, the legal reserve of Uralita, S.A. had reached the minimum level stipulated in the Consolidated Spanish Companies Law (20% of share capital).

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

Unrestricted reserves

In the consolidated financial statements of the Parent, Uralita, S.A., the unrestricted reserves at 31 December 2008 amounted to EUR 36,027 thousand, of which EUR 28,635 thousand (net of the related tax effect) related to the reserve created for the transition to the New Spanish Chart of Accounts, which was eliminated on consolidation as it had no impact on the Group's consolidated financial statements.

12.3. Reserves of consolidated companies

The detail, by company, of the reserves contributed to the equity attributable to the shareholders of the Parent as a result of the consolidation process is as follows:

	Thousands of euros	
	31 December 2008	31 December 2007
Yesos Ibéricos, S.A.	74,304	61,338
OA0 Ursa Chudovo	31,780	29,190
Fibrocementos NT, S.A.	29,882	28,400
OOO Ursa Serpuchow	22,168	16,520
Ursa France S.A.	4,275	1,014
Uralita Holding BV	2,276	2,012
URSA Dämmssysteme Austria GmbH	954	766
Uralita Tejados, S.A.	409	(373)
Ursa Eurasia LLC	(8,160)	(1,267)
Ursa International GmbH	(19,186)	(27,227)
Uralita Sistemas de Tuberías, S.A.	(19,430)	(23,796)
Uralita Iberia, S.L.	(20,525)	(20,486)
Ursa Insulation, S.A.	(36,140)	(2,555)
Cerámicas Sanitarias Reunidas, S.A.	(53,946)	(53,868)
Ursa Salgotarjan, Rt. (*)	-	13,385
Ursa Benelux BVBA (*)	-	1,524
Ursa CZ s.r.o. (*)	-	1,378
Ursa Italia S.R.L. (*)	-	(2,075)
Ursa Ibérica Aislantes, S.A. (*)	-	(50,200)
Other: positive or negative amounts of less than one million euros	-	232
Consolidation adjustments of the Parent	176,563	164,721
TOTAL	185,224	138,633

(*) At 31 December 2008, the reserves contributed by these companies were consolidated in Ursa Insulation, S.A.

Of the total reserves of the subsidiaries at 31 December 2008, EUR 39,504 are restricted reserves, before taking into account consolidation adjustments. EUR 5,396 thousand of this amount relate to the revaluation

reserve arising from Royal Decree-Law 7/1996. From the date on which the tax authorities have reviewed and approved the balance of the aforementioned reserve, or once the three-year review period has expired, this balance can be used, free of tax, to offset accounting losses. From 1 January 2007, the balance of this account can be taken to unrestricted reserves, provided that the monetary surplus has been realised. The surplus will be deemed to have been realised in respect of the portion on which depreciation has been taken for accounting purposes or when the revalued assets have been transferred or derecognised. If the balance of this account were used in a manner other than that provided for in Royal Decree-Law 7/1996, it would be subject to tax.

12.4. Treasury shares

The detail of the treasury shares held by the Company at 2008 year-end was as follows:

No. of shares	Par value (euros)	Average acquisition price (euros)	Total acquisition cost (thousands of euros)
3,845,236	0.72	5.10	19,627

At the date of preparation of these consolidated financial statements, the Parent's directors had not yet taken a decision regarding the ultimate use to which these treasury shares would be put.

12.5. Valuation adjustments

Cash flow hedges

"Valuation Adjustments" includes the amount, net of the related tax effect, of changes in value of the financial derivatives designated as cash flow hedges (see Note 15), the detail being as follows:

	Thousands of euros
Balance at 31 December 2006 (included under "Reserves of Consolidated Companies")	(2,989)
Transfer to income under "Finance Income" (*)	(1,154)
Changes in fair value (*)	1,423
Balance at 31 December 2007	(2,720)
Transfer to income under Finance Costs (*)	126
Changes in fair value (*)	(1,798)
Balance at 31 December 2008	(4,392)

(*) Amounts net of the related tax effect

12.6. Profit for the year attributable to the Parent

The contribution, by company, to the consolidated profit attributable to the Parent in 2008 and 2007 was as follows:

	Thousands of euros	
	2008	2007
Uralita, S.A.	(25,747)	(14,863)
Yesos Ibéricos, S.A.	23,893	25,527
Ursa Insulation, S.A.	9,255	(6,556)
Ursa International GmbH	8,511	8,041
Ursa Dämmssysteme Austria GmbH	7,494	8,137
Ursa France S.A.	7,388	5,961
Fibrocementos NT, S.A.	5,373	1,482
Ursa Eurasia LLC	5,340	18,426
Uralita Sistemas de Tuberías, S.A.	4,920	4,366
OOO Ursa Serpuchow	3,303	5,648
OAD Ursa Chudovo	2,050	2,596
Uralita Iberia, S.L.	(512)	(39)
Uralita Holding BV	(5,366)	265
Uralita Tejados, S.A.	(5,662)	2,949
Ursa Salgotarjan, Rt. (*)	-	14,052
Ursa Benelux BVBA (*)	-	5,322
Ursa Ibérica Aislantes, S.A.(*)	-	3,015
Ursa Italia S.R.L.(*)	-	(33)
Other: positive or negative contributions of less than one million euros	16	1,128
TOTAL	40,256	85,424

(*) In 2008 the results contributed by these companies were consolidated in Ursa Insulation, S.A.

12.7. Translation differences

The translation differences arise in translating to euros the balances and transactions in the functional currencies of the consolidated companies when these functional currencies are currencies other than the euro (see Note 2.3-c).

The detail, by company, of the translation differences is as follows:

	Thousands of euros	
	31 December 2008	31 December 2007
Ursa Isi (Turkey)	(1,045)	-
Ursa Eurasia LLC (Russia)	(1,329)	-
Ursa Salgotarjan, Rt. (Hungary)	(2,104)	(3,711)
Ursa Polska Sp. z.o.o. (Poland)	(2,957)	1,370
OOO Ursa Serpuchow (Russia)	(7,114)	(2,318)
OAD Ursa Chudovo (Russia)	(11,342)	(3,971)
Other: positive or negative amounts of less than one million euros	766	(285)
TOTAL	(25,125)	(8,915)

12.8. Minority interests

The detail, by company, of "Minority Interests" in the consolidated balance sheets at 31 December 2008 and 2007 and of the changes therein in 2008 and 2007 is as follows:

Thousands of euros

	Yesos Ibéricos, S.A.	Uralita Tejados, S.A.	OA0 Ursa Chudovo	TOTAL
Balance at 31 December 2006	63,928	45,475	2,408	111,811
Dividends for 2006	(9,346)	(3,030)	-	(12,376)
Changes in the scope of consolidation and ownership interests	-	-	(2,408)	(2,408)
2007 profit or loss	17,501	2,615	-	20,116
Balance at 31 December 2007	72,083	45,060	-	117,143
Dividends for 2007	(8,619)	(1,922)	-	(10,541)
2008 profit or loss	16,394	(4,916)	-	11,478
Balance at 31 December 2008	79,858	38,222	-	118,080

12.9. Capital management

The Parent's directors manage with the following objectives:

- To guarantee the development of the business according to the strategic plan.
- To undertake the business diversification envisaged in the investment plan.
- To ensure the creation of value for shareholders.

In order to achieve these objectives the directors are assessing the various financing options available on the market to cover the financing requirements not covered by the funds generated by the business.

The Group uses a gearing ratio (financial debt/equity ratio) to control the financial structure and optimise the cost of borrowings, and considers that a ratio of around 140% would be sufficient to achieve the aforementioned objectives. The gearing ratio in 2008 was approximately 50.1% (2007: 23.7%).

13. Provisions

The breakdown of "Provisions" in the accompanying consolidated balance sheets at 31 December 2008 and 2007 is as follows:

Thousands of euros

	31 December 2008	31 December 2007
Taxes	3,857	5,220
Retirement benefits	1,892	2,047
Restructuring	24,287	2,744
CO ₂ emission rights	3,134	9
Other contingencies	24,371	37,497
TOTAL	57,541	47,517

The changes in "Provisions" in 2008 and 2007 were as follows:

	Thousands of euros	
	2008	2007
BEGINNING BALANCE	47,517	27,010
Charge for the year	30,255	28,066
Amounts used	(12,024)	(10,776)
Reversal to income	(8,396)	(342)
Translation differences	(93)	(14)
Changes in the scope of consolidation	7	11
Reclassifications and other	275	3,562
ENDING BALANCE	57,541	47,517

“Other Contingencies” includes mainly provisions that are considered necessary due to proceedings brought against the Group and other obligations assumed in relation to investees disposed of or liquidated. The charge for 2008 relates to the re-estimated amounts of these obligations and forecasts concerning new proceedings arising in the year. “Other Contingencies” includes specifically EUR 10,900 thousand as an estimate of the loss deriving from the decisions appealed against referred to in Note 9.

The provision for retirement benefits includes the amounts deemed sufficient to meet the obligations vested at that date in this connection at certain foreign consolidated companies (see Note 4.10).

The most significant period provisions in 2008 relate to estimated staff restructuring costs deriving from the plans implemented by the Group in order to adjust the resources available to current market demand. Period provisions relating to restructuring were charged to “Staff Costs” and all the other provisions were recognised under “Other Gains or Losses” in the 2008 and 2007 consolidated income statements.

The reversals represent the disappearance or settlement of the contingency that gave rise to the recognition of the related provision. The amount was credited virtually in full to “Other Gains or Losses” in the 2008 consolidated income statement.

14. Other non-current financial liabilities

The detail at 31 December 2008 and 2007 was as follows:

	Thousands of euros	
	31 December 2008	31 December 2007
Loans received from public agencies	14,414	11,971
Obligations under finance leases	4,384	4,643
TOTAL	18,798	16,614

The loans received from public agencies are used to finance research and development projects and do not bear explicit interest. They are stated at their present value taking into consideration the subsidised implicit interest (see Note 16).

The most significant finance lease in force at 31 December 2008 and 2007 related to specialised facilities for supplying oxygen in Germany which had the following characteristics at the aforementioned dates:

Thousands of euros

	31 December 2008	31 December 2007
Amount payable within one year	564	564
Amount payable within one to two years	564	564
Amount payable within three to five years	1,692	2,820
Amount payable in over five years	3,995	3,431
Total lease payments payable	6,815	7,379
Less: future finance charges	(2,469)	(2,363)
Present value of lease obligations	4,346	5,016
Less: amount due for settlement within 12 months (current liability)	(360)	(386)
Amount due for settlement after 12 months	3,986	4,630

The agreement was entered into four years ago for a term of 15 years and the effective interest rate at 31 December 2008 was 7.9% (31 December 2007: 6.3%). All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

15. Bank borrowings and other financial liabilities

The detail of the balances of "Non-Current Bank Borrowings and Other Financial Liabilities" and "Current Bank Borrowings and Other Financial Liabilities" in the consolidated balance sheets at 31 December 2008 and 2007 is as follows:

	31 December 2008			31 December 2007		
	LIMIT	AMOUNT DRAWN DOWN		LIMIT	AMOUNT DRAWN DOWN	
		Non-current	Current		Non-current	Current
2004 private placement of bonds		123,484	-	-	123,484	-
Credit facilities	118,500	-	86,115	55,439	-	27,263
Loans	30,000	24,000	6,000	-	-	-
Unmatured discounted bills	51,900	-	22,211	-	-	1,591
Less: Issue costs		(126)	-	-	(265)	-
TOTAL		147,358	114,326		123,219	28,854

The private bond placement took place in November 2004 for institutional investors on the US market, and was instrumented in two tranches: the first at seven years for a value of USD 129 million, and the second at ten years for a value of USD 23 million (at a fixed interest rate).

The placement was made in US dollars and at fixed US market interest rates (5.11% for the first tranche and 5.53% for the second). The interest rate and currency rate risks associated with the total bond issue were hedged with the appropriate hedging instruments (see Note 4.8), establishing a floating interest rate tied to Euribor and a fixed interest rate for the exchange of the notional amounts at maturity. The aforementioned exchange rate was set at USD 1.231/EUR 1. For information purposes, the official euro/dollar exchange rate established by the European Central Bank at 31 December 2008 was USD 1.3917/EUR 1. Additional interest rate hedges were also arranged to limit Euribor fluctuations.

The bonds were issued by the consolidated subsidiary Uralita BV, located in The Netherlands. The transaction establishes the covenants that are habitual in financing of this kind, including the achievement of certain financial and profitability parameters. The Parent's directors consider that the current and prospective degree of achievement of these parameters will not result in any significant changes to the current terms and conditions of the transaction.

The purpose of the loan of EUR 30,000 thousand obtained in 2008 is to finance the acquisition of the assets purchased in Turkey (see Note 7). It bears interest at a floating rate tied to Euribor and amounts of EUR 3,000 thousand mature on a six-monthly basis until September 2013.

The short-term loans and credit facilities bear interest tied to Euribor. All the consolidated companies' borrowings are unsecured.

The most significant loans and credit facilities are denominated in euros.

Derivative financial instruments

The Group arranges over-the-counter derivative financial instruments with Spanish and international banks with high credit ratings.

The main objective of these derivatives is to reduce the impact of increases in floating interest rates (Euribor) and the euro/dollar exchange rate on the Group's borrowings.

As permitted by IAS 39, the Group opted to classify its derivatives as interest rate cash flow hedges and as fair value hedges.

A hedge is considered to be highly effective when the changes in fair value or in the cash flows of the underlying directly attributable to the hedged risk are offset by the changes in the fair value or cash flows of the hedging instrument with effectiveness in a range of between 80% and 125%.

To measure the fair value of the derivatives, the Company discounts the expected cash flows based on market conditions with respect to the interest rate curve at the measurement date.

The detail of the derivatives arranged by the Group at 31 December 2008 is as follows:

Hedged risk	Instrument	Maturity	Nominal amount (thousands of euros)
USD exchange rate and interest rate – Private placement	Cross-currency swap	11/03/2014	123,483
EUR interest rate – Private placement	Interest rate swap	11/03/2014	123,483
EUR interest rate – Turkey loan	Interest rate swap	09/15/2010	30,000

The Group has hedged the fair value of the fixed-rate private bond placement in USD using a cross-currency swap, which is totally effective.

The purpose of the Group's hedging strategy is to convert fixed-rate flows in USD arising from the private placement into fixed-rate flows in EUR in order to minimise foreign currency and interest rate risks. The cross-currency swap is used to exchange fixed-rate flows in USD for floating-rate flows in EUR. The Group receives a fixed interest rate from the bank in exchange for a floating-rate payment (6-month Euribor) for the same nominal amount.

The euro interest rate is hedged through a euro interest rate swap (IRS). Through IRSs, interest rates are swapped so that the Group receives a floating interest rate (6-month Euribor) from the bank in exchange for a fixed interest rate payment in euros. The IRS was designated as a cash flow hedge.

Also, in October 2008 an IRS was arranged which expires in 2010 in order to limit the interest rate fluctuations on the loan obtained to finance the aforementioned acquisitions of non-current assets in Turkey (see Note 7). This financing is tied to 1-month Euribor plus a spread. Under the terms and conditions of the swap, the Group receives 1-month Euribor and pays a fixed interest rate of 3.975% every 6 months until September 2010. This derivative is effective as a cash flow hedge.

The fair values (before the related tax effect) of the derivatives outstanding at 31 December 2008 and 2007 were as follows:

Thousands of euros

Structure	Fair value		Nominal amount outstanding (year-end)			
	31/12/2008	31/12/2007	2008	2009	2010	Subsequent years
Cross-currency swap – Fair value hedge	(9,359)	(21,600)	123,483	123,483	123,483	18,684
Interest rate swap – Cash flow hedge	(5,423)	(3,885)	123,483	123,483	123,483	18,684
Total private placement	(14,782)	(25,485)	246,966	246,966	246,966	37,368
Interest rate swap (Turkey loan) – Cash flow hedge	(746)	-	30,000	24,000	-	-
TOTAL	(15,527)	(25,485)	276,966	270,966	246,966	37,368

The fair value of the cross-currency swap was recognised in the consolidated balance sheet symmetrically to the hedged item, i.e. against the fair value of the bond issue.

The changes in the fair value of the hedged item (private placement) are deemed to be a finance cost. The changes in the fair value of the cross-currency swap are also included symmetrically under “Finance Costs”.

At 31 December 2008 and 2007, the interest rate swaps were recognised at fair value, except for the accrued settlements, on the liability side of the consolidated balance sheet under “Hedging Instruments” for EUR 6,169 thousand and EUR 3,885 thousand, respectively, and the changes in their value were recognised, net of the related tax effect, as a charge to equity under “Valuation Adjustments” amounting to EUR 4,392 thousand and EUR 2,720 thousand at 31 December 2008 and 2007, respectively.

In 2008 EUR 126 thousand (net of the related tax effect) were deducted from equity and allocated to income as the interest on financial liabilities hedged by the designated hedging relationships was paid. In this same connection, in 2007 EUR 1,154 thousand (net of the related tax effect) were included in equity.

Sensitivity analysis

Following is a detail of the effect on the value of the derivatives of a change of +/- 100 basis points on the EUR and USD interest rate curves. The Group estimates that changes in the interest rate curves of this magnitude is the most likely scenario in 2009. However, in order to simplify this analysis, it was considered that the change in interest rates would take place at 2008 year-end and interest rates would then remain stable in 2009. The changes in the fair value of the derivatives arranged by the Group depend on the change in the USD/EUR exchange rate and on the long-term USD and EUR interest rate curves.

The fair values of the derivatives at 31 December 2008 and 2007 and their exposure to changes of +/- 100 basis points on the long-term interest rate curves were as follows:

Thousands of euros

Euro interest rate	31/12/08	31/12/07
Fair value	(15,527)	(25,485)
+1%	4,252	3,828
-1%	(4,332)	(3,828)

The changes in the euro interest rate give rise to an increase (or decrease) in the finance costs of the hedged item which is offset by the income (or costs) of the derivative instrument. At the date of the analysis, the change in the value of the derivative would be allocated to the hedging reserve. Also, an increase of 100 basis points in the euro interest rate curve would have an impact of approximately EUR 1,530 thousand on finance income in 2009.

Thousands of euros

USD interest rates	31/12/08	31/12/07
Fair value	(15,527)	(25,485)
+1%	(3,651)	(6,648)
-1%	3,835	6,648

The changes in the USD interest rate only affect the cross-currency swap. Any changes in the fair value of the cross-currency swap due to changes in the USD interest rate are offset by opposite-sign changes in the fair value of the private placement. Consequently, all the changes arising from the USD interest rate are offset in profit or loss for the year.

The sensitivity of the derivative instruments to a 10% increase or decrease in the value of the USD is as follows:

Thousands of euros		
EUR/USD exchange rate	31/12/08	31/12/07
Fair value	(15,527)	(25,485)
+10%	8,169	7,814
-10%	(9,433)	(6,820)

The changes in the EUR/USD exchange rate only affect the cross-currency swap. The changes in the fair value of the cross-currency swap arising from the exchange rate are offset by the exchange differences on the private placement. The exchange rate changes are offset in profit or loss for the year.

16. Deferred income

The detail of "Deferred Income" at 31 December 2008 and 2007 is as follows:

Thousands of euros		
	31 December 2008	31 December 2007
Grants related to assets	8,476	5,275
Subsidised interest (Note 14)	3,852	3,131
Other deferred income	1,948	3,888
TOTAL	14,276	12,294

The changes in "Deferred Income" in 2008 and 2007 were as follows:

Thousands of euros		
	2008	2007
BEGINNING BALANCE	12,294	10,936
Additions	6,199	7,451
Amount allocated to income	(4,451)	(3,228)
Translation differences	604	(5)
Changes in the scope of consolidation	79	601
Reclassifications and other	(449)	(3,461)
ENDING BALANCE	14,276	12,294

As indicated in Note 4.13, the Group allocates grants related to assets to income in proportion to the period depreciation on the assets.

17. Trade payables

"Trade Payables" includes mainly the amounts outstanding for trade purchases, services and related costs. The average payment period for trade purchases in 2008 was approximately 82 days (2007: 83 days).

18. Guarantees

At 31 December 2008, the consolidated companies had received bank guarantees totalling EUR 44,056 thousand. Of this amount, EUR 4,156 thousand relate to proceedings filed against Uralita, S.A. and its subsidiaries, for which the required provisions were recognised, and the remainder to the activities of the consolidated companies.

The Parent's directors do not expect any material liabilities additional to those recognised in the accompanying consolidated balance sheet to arise as a result of the transactions described in this Note.

19. Income and expenses

19.1. Revenue

The breakdown of "Revenue" in 2008 and 2007 is as follows:

	Thousands of euros	
	2008	2007
Sales of goods and services	1,013,594	1,101,855
Financial discounts on sales	(6,593)	(7,048)
Other sales	-	68
TOTAL	1,007,001	1,094,875

19.2. Other operating income

The detail of "Other Operating Income" in 2008 and 2007 is as follows:

	Thousands of euros	
	2008	2007
Non-core income	6,047	5,715
Grants related to income	384	351
Asset-related grants transferred to profit or loss (Note 4.13)	1,417	3,329
In-house work on non-current assets	448	155
Income from transactions involving CO ₂ emission rights	4,780	2,107
Other	128	343
TOTAL	13,204	12,000

19.3. Operating expenses

Procurements

The detail of "Procurements" is as follows:

	Thousands of euros	
	2008	2007
Purchases	371,043	399,575
Changes in inventories of goods held for resale, raw materials and other items	(7,650)	(7,635)
Work performed by other companies	7,734	7,314
TOTAL	371,127	399,254

Staff costs

The detail of "Staff Costs" is as follows:

	Thousands of euros	
	2008	2007
Wages and salaries	123,094	119,417
Social security costs	33,264	32,899
Restructuring costs	28,512	6,845
Other employee benefit costs	9,135	9,495
TOTAL	194,005	168,656

The capitalised staff costs relating to work on non-current assets in 2008 and 2007 were not material.

The average number of employees in 2008 and 2007, by professional category, was as follows:

	2008			2007		
	Men	Women	TOTAL	Men	Women	TOTAL
Managers	94	23	117	108	27	135
Graduates, other line personnel and supervisors	624	242	866	472	197	669
Sales personnel	477	92	569	395	157	552
Clerical staff	1,037	142	1,179	162	245	407
Manual workers	1,169	199	1,368	2,085	123	2,208
TOTAL	3,401	698	4,099	3,222	749	3,971

The twelve directors of the Parent (acting on their own behalf or as representatives of shareholders) include two women.

The three non-director members of the Management Committee are men.

Other operating expenses

The detail of "Other Operating Expenses" is as follows:

	Thousands of euros	
	2008	2007
Transport expenses	87,701	92,590
Utilities	81,219	77,580
Repair and upkeep expenses	28,689	35,249
Rent	18,895	15,854
Advertising	17,717	19,159
Communications	4,442	5,818
Taxes other than income tax	5,331	5,177
Insurance premiums	2,833	2,274
Impairment losses recognised for current assets	6,953	8,824
CO ₂ emissions (Note 4.19)	3,659	4,444
Other expenses	57,849	62,164
TOTAL	315,288	329,133

Certain properties used in the business activity were leased from non-Group lessors. Certain of the related leases cannot be terminated before expiry, unless an indemnity payment is made. The approximate amounts at 31 December 2008 and 2007 were as follows:

	Thousands of euros	
	2008	2007
Within one year	9,866	9,857
Between one and five years	6,109	11,399
Over five years	20	128
TOTAL	15,995	21,384

"Other Operating Expenses" includes the fees for audit services provided to the various Group companies by the principal auditor and other entities related to the principal auditor. These fees amounted to EUR 774 thousand in 2008 (2007: EUR 738 thousand).

Additionally, the fees for other professional services provided to the Group companies by the principal auditor and by other entities related to the principal auditor in 2008 amounted to EUR 308 thousand (2007: EUR 690 thousand). The corporate governance statement includes a description of the work of the Audit Committee and an explanation of the manner in which the objectivity and independence of the auditor is guaranteed when the auditor provides non-audit services.

In addition, the fees for financial audit services relating to other auditors participating in the audit of various Group companies in 2008 amounted to EUR 38 thousand (2007: EUR 74 thousand). The fees for other professional services provided by other auditors amounted to EUR 11 thousand in both years.

19.4. Finance costs

The detail of "Finance Costs" is as follows:

	Thousands of euros	
	2008	2007
Interest on loans and debentures	15,316	8,391
Interest on finance leases	366	424
Other finance costs	725	595
TOTAL	16,407	9,410

19.5. Other gains or losses

The detail of "Other Gains or Losses" is as follows:

	Thousands of euros	
	2008	2007
Payments and period provisions for litigation and other contingencies	(4,514)	(20,883)
Reversal of provisions	7,435	216
Other	(2,397)	(5,074)
TOTAL	524	(25,741)

20. Segment reporting

Segment reporting is structured on a primary basis by business segment and on a secondary basis by geographical segment.

Primary segments - business segments

The business lines described below were established on the basis of the Group's organisational structure at 2008 year-end, taking into account, on the one hand, the nature of the goods and services offered and, on the other, the customer segments at which they are targeted.

In 2008 the Group engaged mainly in the following major lines of business:

- Insulation
- Pipes
- Roof tiles
- Gypsum

The business segments are basically defined by the various products with which they operate.

Income and expenses that cannot be specifically attributed to any line of business as they are the result of decisions affecting the Group as a whole or other reasons are attributed to a "Corporate Unit" to which the consolidation adjustments and eliminations required to obtain the Group's consolidated financial statements based on the aggregated Divisions are also allocated.

The Parent's costs deemed to arise from services provided to subsidiaries are charged to the subsidiaries so that they can form part of the results of the various Divisions. The other transactions of the Parent are included in "Corporate Unit".

Secondary segments - geographical segments

The Group carries on its business in:

- Spain
- Other European Union countries
- Other countries

Basis and methodology for segment reporting

The segment reporting below is based on monthly reports prepared by the Divisions which are generated from the accounting and subsidiary records of the companies composing the various Divisions, in a similar way to the information used to prepare the accompanying consolidated financial statements.

The reporting structure is designed as if each Division were an autonomous business resulting from the consolidation or combination of the companies composing it and had its own separate equity.

Segment information about these businesses is presented below:

Thousands
of euros

	INSULATION		PIPES		ROOF TILES		GYPSUM		CORPORATE UNIT		TOTAL GROUP	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
External sales	507,846	542,127	182,374	198,798	85,272	107,184	230,622	246,304	887	462	1,007,001	1,094,875
Inter-segment sales	141	275	26	29	8				(175)	(304)		
NET SALES	507,987	542,402	182,400	198,827	85,280	107,184	230,622	246,304	712	158	1,007,001	1,094,875
Depreciation and amortisation charge	28,740	26,916	4,773	4,567	5,829	5,503	6,257	5,378	490		46,089	45,716
PROFIT (LOSS) FROM OPERATIONS	52,298	101,304	6,527	10,412	(10,182)	9,596	49,903	61,951	(9,327)	(8,466)	89,219	174,797
ORDINARY PROFIT (LOSS)	43,855	102,819	5,262	9,325	(11,035)	10,031	52,554	64,992	(24,462)	(18,227)	66,174	168,940
PROFIT (LOSS) BEFORE TAX	46,715	96,750	6,038	5,382	(17,526)	8,062	53,179	63,074	(22,200)	(28,233)	66,206	145,035
PROFIT (LOSS) FOR THE YEAR	46,305	66,177	10,078	4,357	(10,842)	5,564	40,286	43,011	(34,093)	(13,569)	51,734	105,540
Attributable to:												
The Parent	46,305	66,177	10,078	4,357	(5,928)	2,949	23,894	25,510	(34,093)	(13,569)	40,256	85,424
Minority interests					(4,914)	2,615	16,392	17,501			11,478	20,116
Goodwill	43,894	43,894			12,584	12,963					56,478	56,857
Property, plant and equipment	327,254	265,550	46,546	46,062	77,101	74,576	132,994	105,333	(1,435)	3,412	582,460	494,933
Intangible assets	7,721	5,950	101	60	1,115	96	8,010	803	638	112	17,585	7,021
Other non-current assets	41,331	29,139	14,150	2,531	13,158	5,848	4,486	4,081	87,887	93,654	161,012	132,753
Current assets	114,855	127,963	78,177	87,078	38,832	45,392	95,687	72,863	2,524	33,820	330,075	366,756
ASSETS	535,055	472,496	138,974	135,731	142,790	138,875	241,177	183,080	89,614	130,998	1,147,610	1,058,320
Financing from the Group	71,792	(70,784)	(28,101)	13,251	15,376	10,435	(83,781)	(59,608)	24,714	106,706		
Non-current liabilities	67,361	26,917	6,331	8,392	19,882	5,127	12,376	8,058	145,096	158,571	251,046	207,059
Current liabilities	74,633	91,870	48,412	61,995	17,866	27,443	66,537	57,478	216,668	61,952	424,116	297,884
LIABILITIES	213,786	48,003	26,642	83,638	53,124	43,005	(4,868)	5,928	386,478	327,229	675,162	504,943
TOTAL NET ASSETS	321,269	424,493	112,332	52,093	89,666	95,870	246,045	177,152	(296,864)	(196,231)	472,448	553,377

The inter-segment sales are carried out at prevailing market prices.

Geographical segment reporting

The breakdown of certain of the Group's consolidated balances based on the geographical location of the companies that gave rise to them is as follows:

Thousands of euros

	Revenue		Profit before tax		Total assets	
	2008	2007	2008	2007	2008	2007
Spain	450,926	511,922	19,292	46,070	583,879	626,321
Other EU countries	422,324	440,677	42,479	60,885	425,023	329,711
Other countries	133,751	142,276	4,435	38,080	132,252	105,148
TOTAL	1,007,001	1,094,875	66,206	145,035	1,141,154	1,061,180

21. Risk management policy

Interest rate risk

Interest rate fluctuations change the fair value of assets and liabilities bearing fixed interest rates and the future flows from assets and liabilities tied to floating interest rates.

The objective of interest rate risk management is to achieve a balanced debt structure that makes it possible to minimise borrowing costs over several years whilst maintaining reduced income statement volatility.

Based on the Uralita Group's estimates and debt structure targets, hedging transactions are carried out by arranging derivatives that mitigate these risks.

Foreign currency risk

Foreign currency fluctuations change the fair value of the private placement of USD 152 million. The objective of foreign currency risk management is to minimise the currency risk of debt denominated in foreign currencies through hedging transactions. The Group uses cross-currency swaps through which it exchanges USD and EUR flows.

The Group also reduces income statement volatility arising from other transactions in currencies other than the euro by using foreign currency forwards. However, at 31 December 2008, there were no outstanding forward transactions.

Liquidity risk

The Parent and the Group manage their liquidity risk prudently, maintaining sufficient cash and marketable securities and arranging committed credit facilities for an amount sufficient to cater the projected needs. Most of the credit facilities that matured in 2008 were renewed during the year and the most significant are automatically renewed upon maturity. Note 2.5 provides a detail of the amounts drawn down and undrawn against all the various sources of current financing at 31 December 2008.

Credit risk

Credit risk is the risk that a counterparty to a contract does not meet its contractual obligations, giving rise to a financial loss for the Group. The Group has adopted a policy of only trading with solvent third parties and obtaining sufficient guarantees to mitigate the risk of financial loss in the event of non-compliance. The Group only trades with entities on which it obtains information through independent company valuation agencies, other public sources of financial information or the information it obtains from its own relationships with customers.

Customer receivables relate to a large number of customers spread over different geographical areas. Credit relationships with customers and their solvency are assessed on an ongoing basis and credit guarantee insurance is arranged when it is considered necessary. The Group assesses non-payment risk prior to entering into contracts with customers. This assessment includes both a solvency study and supervision of contractual requirements from a financial and legal guarantee viewpoint. The correct performance of the debt is monitored constantly and the related valuation adjustments are made using accounting criteria.

The Group does not have significant exposure to credit risk with any of its customers or groups of customers with similar characteristics. Similarly, credit risk concentration is not significant. The Company has a securitisation programme, as described in Note 11.

22. Tax matters

22.1. Consolidated tax group

Until 31 December 2007, the consolidated tax group included Uralita, S.A., as the Parent, and the Spanish subsidiaries that met the requirements provided for in Spanish legislation regulating the taxation of the consolidated profits of corporate groups.

With effect from 1 January 2008, the tax group headed by Uralita, S.A. was dissolved as Nefinsa, S.A., the Parent's main shareholder (see Note 12), obtained an ownership interest of over 75% in the Parent, and the companies in the former tax group were included in the consolidated tax group headed by Nefinsa, S.A.

As a result of the foregoing, the tax loss and tax credit carryforwards at 31 December 2007 must be offset individually by the companies that contributed them to the dissolved group. Given the new conditions, in 2008 the tax benefit associated with these tax loss and tax credit carryforwards recognised by Uralita, S.A. was reassessed, on the basis of the expectations of its recoverability. The effect of this reassessment was recognised as an expense in 2008 under "Prior Years' Income Tax Adjustments" in the accompanying 2008 consolidated income statement.

The subsidiaries Ursa International GmbH and Ursa Deutschland GmbH form a tax group in Germany and file consolidated tax returns.

Also, Yesos Ibéricos, S.A. and Algiss, S.A. form a tax group in Spain and file consolidated tax returns.

The Group's other subsidiaries file individual tax returns in accordance with the tax legislation in force in each country.

22.2. Years open for review by the tax authorities

At 31 December 2008, the dissolved consolidated tax group had the years from 2003 to 2008 open for review by the tax authorities for the main taxes applicable to it. In general, the other consolidated companies have the last four years open for review by the tax authorities for the main taxes applicable to them. The Parent's directors do not expect any tax liabilities to arise as a result of a review of the open years.

At 31 December 2008, tax assessments had been issued against certain companies in the consolidated tax group, which were signed on a contested basis and against which the appropriate appeals have been filed. Taking into account the provisions recognised by the Group in this connection (see Note 13), the Parent's directors consider that such liabilities as might arise from the assessments issued would not have a material effect.

22.3. Income tax recognised in the income statement

The detail of the income tax recognised in the consolidated income statement in 2008 and 2007 is as follows:

	Thousands of euros	
	2008	2007
Income tax payable by Spanish companies	15,761	23,049
Income tax payable abroad	11,554	20,710
Net deferred taxes	(22,955)	(7,196)
TOTAL EXPENSE INCURRED IN THE YEAR	4,360	36,563

Spanish income tax for 2008 was calculated at 30% of the estimated taxable profit for the year, net of tax credits and tax relief. Taxes in other jurisdictions are calculated at the rates prevailing in the respective jurisdictions.

22.4. Deferred taxes

Pursuant to the tax legislation in force in the countries in which the consolidated companies are located, at 31 December 2008 the Group recognised tax assets and liabilities arising from the differences which resulted from the different timing of recognition of income and expenses for tax and accounting purposes. Also, tax loss and tax credit carryforwards were recognised, since it is considered that there are reasonable guarantees as to their recoverability.

The detail of the main deferred tax assets and liabilities recognised by the Group at 31 December 2008 and 2007 and of the changes therein during the years then ended is as follows:

	ASSETS					LIABILITIES
	Tax losses and tax credits		Temporary differences		TOTAL	Deferred tax
	Companies in the dissolved consolidated tax group	Other companies	Tax impact of conversion to IFRSs	Other		
Balance at 31 December 2006	72,843	24,195	4,438	12,090	113,566	-
Increases	7,311	42	-	16,595	23,948	3,969
Decreases	-	-	(3,700)	(2,186)	(5,886)	-
Offset of tax losses	-	(5,989)	-	-	(5,989)	-
Change in tax rate (Note 4.15)	-	(2,932)	-	-	(2,932)	-
Other prior years' adjustments	-	561	(13)	-	548	-
Balance at 31 December 2007	80,154	15,877	725	26,499	123,255	3,969
Increases	6,528	1,621	-	20,119	28,268	18
Decreases	-	-	(725)	(6,017)	(6,742)	(398)
Offset of tax losses	-	(2,051)	-	-	(2,051)	-
Re-estimate due to change in the expectations of recoverability (Note 22.1)	(10,112)	-	-	-	(10,112)	-
Other	(21)	547	-	-	526	-
Balance at 31 December 2008	76,549	15,994	-	40,601	133,144	3,589

23. Earnings per share

23.1. Basic earnings per share

Basic earnings per share are calculated by dividing net profit or loss attributable to the Group, in a given year by the weighted average number of shares outstanding during that year, excluding the average number of treasury shares held in the year.

Accordingly:

	2008	2007
Profit for the year attributable to the Parent (thousands of euros)	40,256	85,424
Average number of shares outstanding (thousands)	195,626	197,500
Basic earnings per share (euros)	0.20	0.43

23.2. Diluted earnings per share

Diluted earnings per share are calculated by dividing net profit or loss attributable to ordinary shareholders adjusted by the effect attributable to the dilutive potential ordinary shares by the weighted average number of ordinary shares outstanding during the year, adjusted by the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all the potential ordinary shares into ordinary shares of the Company. For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current period.

In 2008 and 2007 diluted earnings per share coincided with basic earnings per share.

24. Related party transactions

In 2008 the dividends paid to shareholders with an ownership interest of more than 5% in the share capital totalled EUR 76,842 thousand.

At 31 December 2008, Caja de Ahorros de Salamanca y Soria (Cajaduero), a shareholder of the Parent, had granted Uralita, S.A., a short-term credit facility at market rates amounting to EUR 5,000 thousand (against which EUR 4,015 thousand had been drawn down at 2008 year-end) in addition to various guarantees with no set maturity date for a total of EUR 1,825 thousand. The overall borrowing costs incurred on these transactions amounted to EUR 16 thousand.

"Deferred Tax Assets" in the accompanying consolidated balance sheet at 31 December 2008 includes an account receivable from Nefinsa, S.A., the Parent's main shareholder, amounting to EUR 6,352 thousand, arising from the

calculation of the income tax for 2008 in accordance with the procedure established for the distribution of the tax charge for the year among the companies forming the tax group headed by Nefinsa, S.A. (see Notes 4.15 and 22).

25. Remuneration and other disclosures

The detail of the remuneration received in 2008 and 2007 by the directors of Uralita, S.A., is as follows:

	Thousands of euros	
	2008	2007
Fixed remuneration	1,415	1,408
Variable remuneration	233	867
Bylaw-stipulated directors' emoluments	866	696
TOTAL	2,514	2,971

The Group does not have any pension or life insurance obligations to its directors, has not granted any advances or loans to them, and has not provided any guarantees for them.

The remuneration received by the three senior executives (excluding those who are simultaneously directors, whose remuneration is shown above) amounted to EUR 1,206 thousand in 2008 (2007: EUR 1,411 thousand).

In accordance with Law 26/2003, the Parent considers its principal activity to be that described in Note 1.

On the basis of the information received from the directors of Uralita, S.A., none of the situations described in Law 26/2003 relating to the holding of ownership interests by the directors in the share capital of companies engaging in an activity that is identical, similar or complementary to that which constitutes the core business of the Parent were disclosed. Also, they did not perform and are not currently performing any activity, as independent professionals or as employees, that is identical, similar or complementary to the activity that constitutes the core business of the Company.

The detail of the directors of Uralita, S.A. who are directors of other companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the core business of the Company is as follows:

- Javier Serratosa Luján
 - Ursa Ibérica Aislantes, S.A.
 - Ursa International, GmbH
- José Ignacio Olleros Piñero
 - Uralita B.V.
 - Uralita Holding B.V.
 - Chamberi Reinsurance, S.A.
- Alvaro Rodríguez-Solano Romero
 - Uralita B.V.
 - Uralita Holding B.V.
 - Chamberi Reinsurance, S.A.

All the companies are subsidiaries of Uralita, S.A.

The members of the managing bodies of the subsidiaries all represent Uralita, S.A., as the majority shareholder, except for those of certain subsidiaries in the Gypsum and Roof Tile Divisions, whose managing bodies include representatives of the minority shareholder which engages in activities similar to those that constitutes the company object of certain Uralita Group companies. The representatives of the Uralita Group and the minority shareholders on the aforementioned managing bodies do not hold ownership interests in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity constituting the Group's core business, and do not hold positions of responsibility at other non-Group companies that engage in an activity similar to that of the Uralita Group.

26. Contingent liabilities

At 31 December 2008, there were no contingent liabilities that might substantially alter the financial and equity position reflected in the accompanying consolidated financial statements.

27. Information on the environment

Certain consolidated companies are obliged to comply with legislation relating to the prevention of pollution, reduction of emissions, recovery of areas and environmental protection and enhancement, which involve a number of investments and expenses.

The carrying amounts of the systems, equipment and facilities included in property, plant and equipment assigned to the protection and enhancement of the environment amounted to EUR 8,524 thousand at 31 December 2008 (31 December 2007: EUR 8,581 thousand).

The expenses incurred in 2008 in environmental protection and enhancement amounted to EUR 4,193 thousand (2007: EUR 2,581 thousand), all of which were ordinary expenses. They related mainly to remuneration paid to employees engaged in environmental activities, waste collection and treatment, and environmental audits and certifications.

Environmental contingencies are monitored mainly by specialised Group employees, while third parties are responsible for performing environmental audits and waste management and disposal tasks. The assessments carried out did not disclose any possible effects on the companies' equity and profit, and no additional environmental contingencies are expected to arise from their business activities.

Environmental grants received in 2008 amounted to EUR 69 thousand. The Group did not receive any environmental grants in 2007.

28. Explanation added for translation to English

These consolidated financial statements are presented on the basis of IFRSs as adopted by the European Union. Certain accounting practices applied by the Group that conform with IFRSs may not conform with other generally accepted accounting principles.

APPENDIX 1 - SUBSIDIARIES OF THE URALITA GROUP 2008

Thousands
of euros

Companies by line of business	Location	Direct ownership interest	Controlling interest of the group	Carrying amount	Assets	Liabilities	Equity	Profit (loss) for the year	Unrealised gains
INSULATION									
Ursa Insulation, S.A.	Madrid	100.00%	100.00%	4,594	274,977	266,706	8,271	14,873	
Ursa Ibérica Aislantes, S.A.	Madrid	100.00%	100.00%	58,011	92,959	33,184	59,775	7,926	5,994
Ursa Italia S.R.L.	Italy	100.00%	100.00%	1,701	22,110	16,105	6,005	-283	
Ursa France, S.A.S.	France	100.00%	100.00%	59,863	80,552	20,689	59,863	7,324	
Ursa U.K. LTD.	UK	100.00%	100.00%	-	10,456	10,823	-367	-476	
Ursa International GmbH	Germany	100.00%	100.00%	115,431	127,198	27,450	99,748	8,387	
Ursa Eslovenija, d.o.o.	Slovenia	100.00%	100.00%	29,000	40,884	5,710	35,174	8,560	
Ursa Novoterm Sarajevo d.o.o.	Bosnia	100.00%	100.00%	13	33	7	26	4	
Ursa Beograd d.o.o.	Yugoslavia	100.00%	100.00%	15	65	27	38	16	
Ursa Zagreb d.o.o.	Croatia	100.00%	100.00%	140	1,495	1,488	7	125	
Ursa Dämmsysteme Austria GmbH	Austria	100.00%	100.00%	46,249	57,172	12,597	44,575	6,570	10,466
Ursa CZ s.r.o	Czech Republic	100.00%	100.00%	467	2,399	1,932	467	-271	
Ursa SK s.r.o	Slovakia	100.00%	100.00%	-	279	333	-54	-110	
Ursa Benelux BVBA	Belgium	100.00%	100.00%	17,975	34,430	19,626	14,804	-816	
Ursa Deutschland GmbH	Germany	100.00%	100.00%	61,950	97,957	24,260	73,697	11,700	
Ursa Salgótarjáni RT.	Hungary	100.00%	100.00%	19,422	54,529	30,360	24,169	10,976	9,831
OOO Ursa Serpukhov	Russia	100.00%	100.00%	13,409	66,676	33,611	33,065	4,034	
OA O Ursa Chudowo	Russia	100.00%	100.00%	35,853	54,743	7,363	47,380	2,821	23,767
Ursa Isi	Turkey	100.00%	100.00%	59	36,720	36,662	58	-8,200	
Ursa Enterprise	Ukraine	100.00%	100.00%	-	1,851	5,732	-3,881	-4,542	
Ursa Eurasia LLC	Russia	100.00%	100.00%	101	19,468	23,501	-4,033	5,339	
Ursa Polska Sp. z o.o.	Poland	100.00%	100.00%	1,821	33,296	28,738	4,558	3,073	
Ursa Romania SRL	Romania	100.00%	100.00%	-	2,022	2,110	-88	-977	
OÜ Pfeiderer Baltic	Estonia	100.00%	100.00%	-	76	38	38	-4	
Ursa Swiss GmbH	Switzerland	100.00%	100.00%	16	26	1	25	-7	
PIPES									
Uralita Sistemas de Tuberías, S.A.	Madrid	100.00%	100.00%	76,172	168,481	106,309	62,172	10,079	
Epe France, S.A.R.L.	France	100.00%	100.00%	2,263	2,400	137	2,263	315	
ROOF TILES									
Uralita Iberia, S.L.	Madrid	100.00%	100.00%	10,723	15,173	4,450	10,723	9,266	
Uralita Tejados, S.A.	Madrid	53.00%	53.00%	42,897	143,030	62,094	80,936	-10,843	12,584
Cerámica Collado, S.A.	Albacete	100.00%	53.00%	13,641	15,127	14,065	1,062	-2,039	
Campos Fábrica Derámica, S.A.R.L.	Portugal	100.00%	53.00%	-	7,235	9,445	-2,210	-449	
Lusoceram Empreendimentos Cerâmicos, S.A.	Portugal	99.97%	53.00%	11,522	45,780	33,619	12,161	2,543	2,946
GYPSUM									
Yesos Ibéricos, S.A.	Madrid	59.31%	59.31%	25,752	344,333	148,075	196,258	40,286	
Episa, S.L.	Portugal	100.00%	60.94%	2	513	179	334	126	
Algiss Explotaciones Mineras, S.L.	Madrid	100.00%	59.35%	11,000	15,223	3,923	11,300	80	
Escayolas Marín S.L.	Cuenca	100.00%	100.00%	5,279	2,958	4,434	-1,476	-331	
OTHER COMPANIES									
Uralita Holding B.V.	Netherlands	100.00%	100.00%	-	138,566	140,177	-1,611	-5,370	
Uralita B.V.	Netherlands	100.00%	100.00%	1,154	130,249	128,843	1,406	137	
Fibrocementos NT, S.A.	Madrid	100.00%	100.00%	60,573	75,867	5,450	70,417	6,098	
Chamberi Reinsurance, S.A.	Luxembourg	100.00%	100.00%	1,225	6,141	4,916	1,225	-	
Cerámicas Sanitarias Reunidas, S.A.	Madrid	100.00%	100.00%	718	718	0	718	19	