

# **URALITA GROUP**

## **GENERAL SHAREHOLDERS' MEETING**

**Madrid, May 17, 2007**

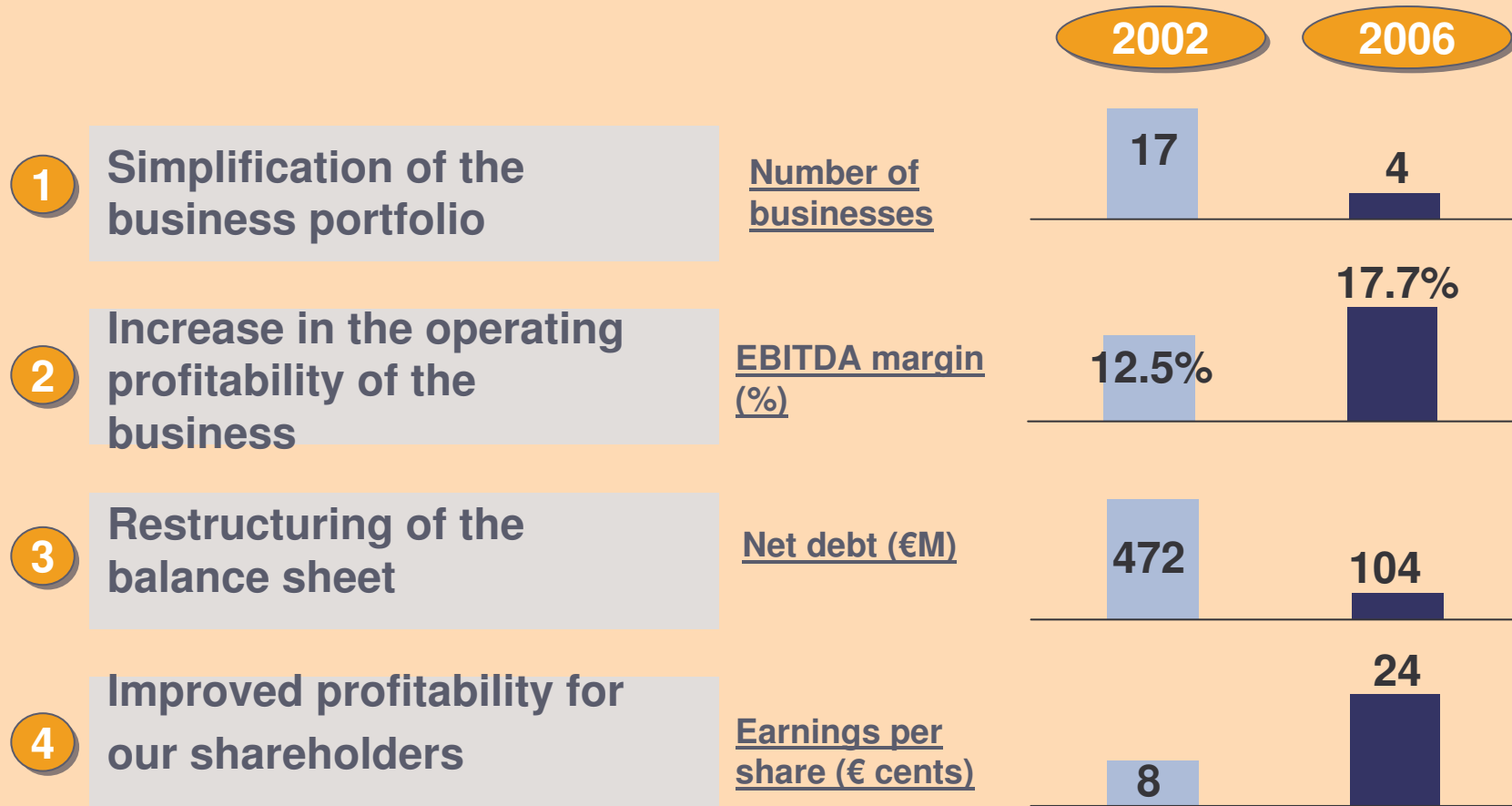
# AGENDA

- **The Uralita Group in 2006**
  
- **Outlook for 2007**

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- **The Uralita Group in 2006**
  - **Uralita Group Today**
  - **Actions Undertaken in 2006**
  - **Business Performance in 2006**
  - **Shareholder Return**
  
- **Outlook for 2007**

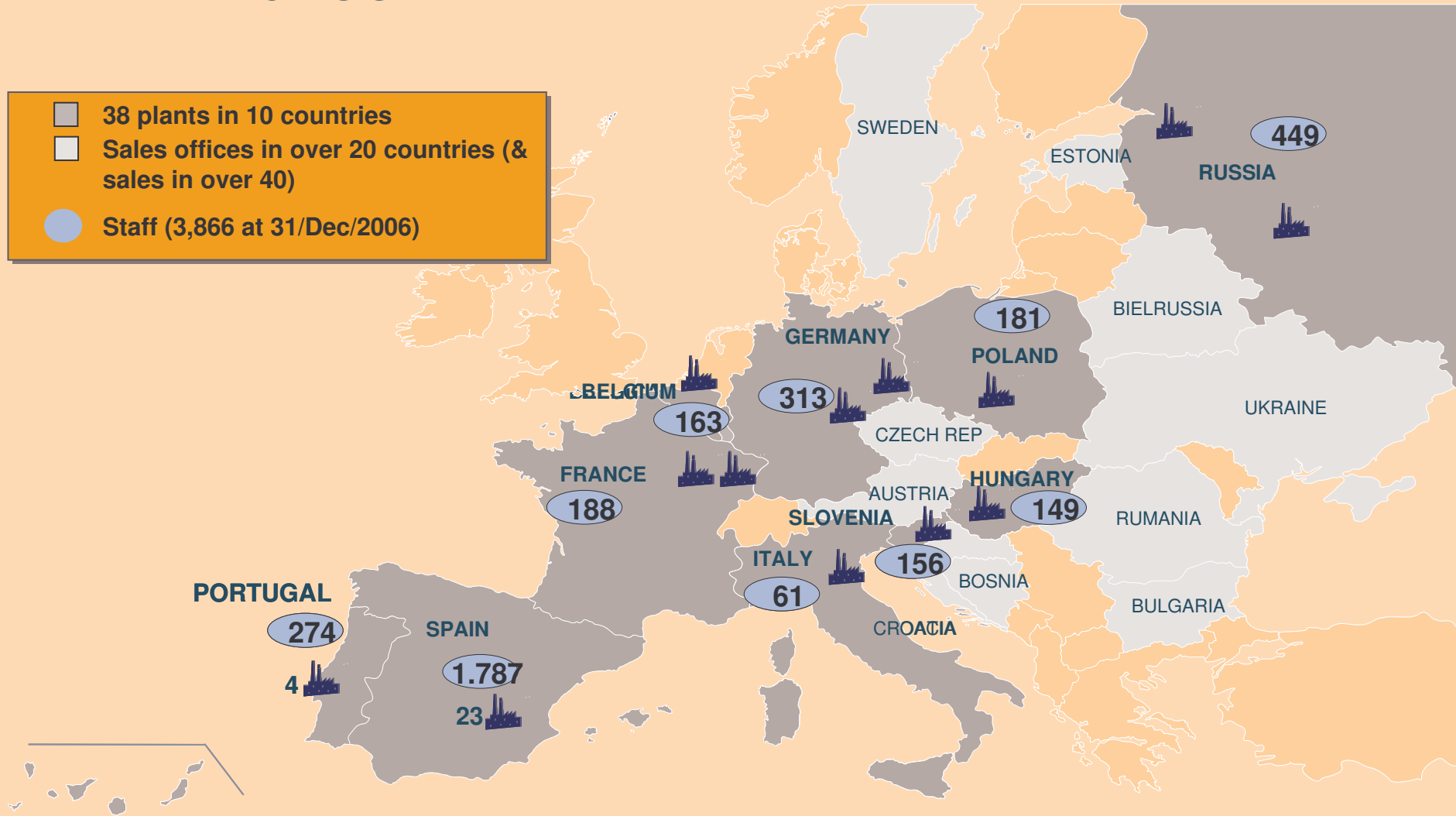
# MAJOR CHANGES IN THE GROUP OVER THE PAST 4 YEARS





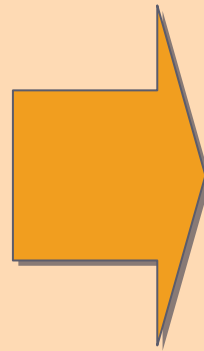
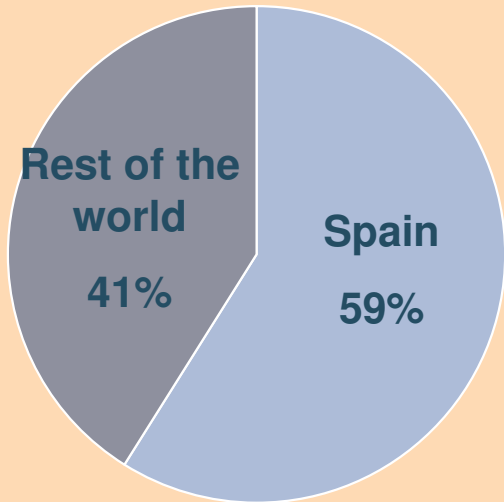
# URALITA TODAY IS A FULLY MULTINATIONAL GROUP...

- 38 plants in 10 countries
- Sales offices in over 20 countries (& sales in over 40)
- Staff (3,866 at 31/Dec/2006)

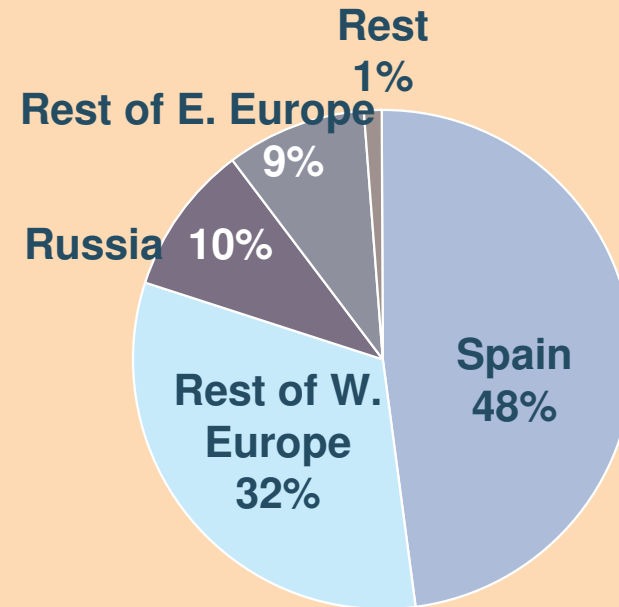


# ...WITH INCREASING GROWTH IN INTERNATIONAL SALES

2002\*



2006



\* Includes construction materials only

# THE GROUP'S 4 BUSINESSES ARE LEADERS IN THEIR RESPECTIVE SECTORS

	Competitive position in Spain and Portugal	Competitive position in Europe
INSULATION	<ul style="list-style-type: none"> <li>• 2nd</li> <li>• 1st</li> </ul>	<ul style="list-style-type: none"> <li>• 2nd</li> <li>• 2nd</li> </ul>
GYPSUM	<ul style="list-style-type: none"> <li>• 1st</li> <li>• 2nd</li> </ul>	
ROOF TILES	<ul style="list-style-type: none"> <li>• 1st</li> </ul>	
PIPES	<ul style="list-style-type: none"> <li>• 1st</li> </ul>	

INSULATION



- Glass Wool
- XPS

GYPSUM



- Plasterboard



- Powdered gypsum

ROOF TILES



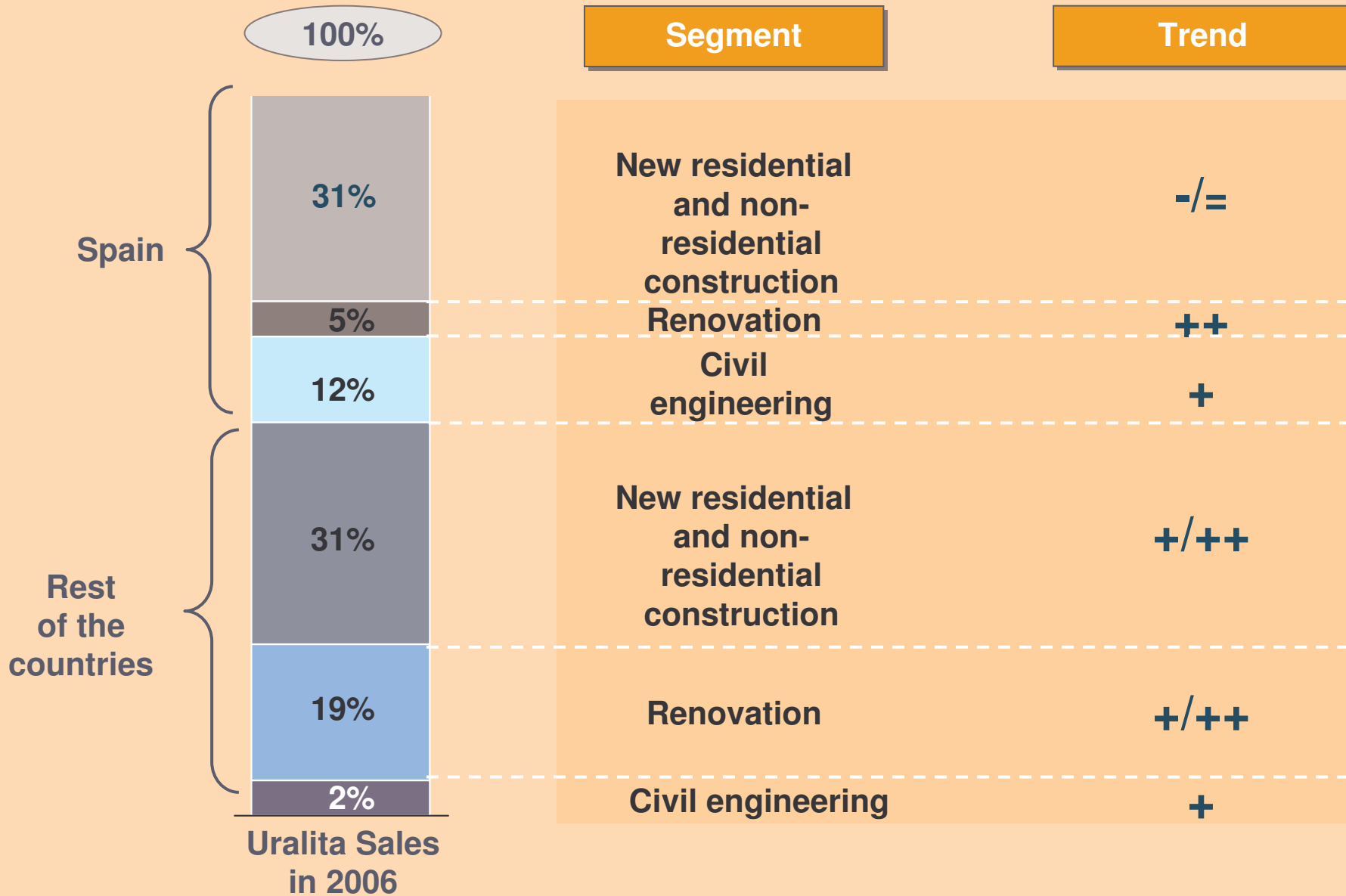
- Ceramic and concrete tiles

PIPES



- Pipes and plastic pieces

# URALITA IS WELL-POSITIONED IN ITS BUSINESS SEGMENTS...



# ... WITH PRODUCTS THAT WILL GROW IN THE FUTURE

## Market trends

## Positioning of Uralita products



• Energy savings



• Easy to install (saves time)



• Higher standards of quality



• Optimisation of water treatment



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## THE URALITA GROUP'S LINES OF ACTION IN 2006



## IN 2006, THE GROUP CONTINUED TO WORK TOWARD INCREASING THE EFFICIENCY OF ITS BUSINESSES...

### Sales Initiatives

- Review and streamlining of sales models used by the businesses
- Boost in products with higher value-added

### Industrial and Cost-Efficiency Initiatives

- Increase in efficiency of plants
- Reduction in logistics costs
- Control of overhead costs
- Identification of synergies between Iberian Peninsula businesses

### Implementation of the New Organisation

- Simplification of the Group's Corporate Centre
- Relocation of the Insulation offices from Frankfurt to Madrid
- Effective implementation of the new Directorate General of Uralita Iberia (Gypsum, Roofing and Pipes)

## ... AND TO ENSURE PROFITABILITY IN THE FUTURE



### Initiatives for Growth

- **New Strategic Plan 2007-2009: Growing profitably**
- **Approval of new plants (Powdered gypsum in Andalusia) and launch of those already approved (Pladur® in Zaragoza)**
- **Approval of capacity increases in order to follow market growth: 4 insulation plants**
- **Introduction of new products (ex. solar roof panels)**
- **Analysis of opportunities in new categories and new markets**

# URALITA CONTINUED TO MOVE FORWARD IN IMPLEMENTING CORPORATE SOCIAL RESPONSIBILITY

## Examples of actions undertaken in 2006

### Responsibility to Create Economic Value Creation

- Increase in the operating profitability of the 4 businesses
- Achievement of the Group's highest Net Profit in its history
- Laying the groundwork for profitable growth in the future

### Responsibility to the Environment

- 12% reduction in CO<sup>2</sup> emissions at the main plants subject to the Kyoto Protocol (Roofing)
- Environmental investments: electric filters and gas treatment for the Insulation business; elimination of fuel tanks, water purifiers for the Roofing business; etc.

### Responsibility to Society – Groups of Interest

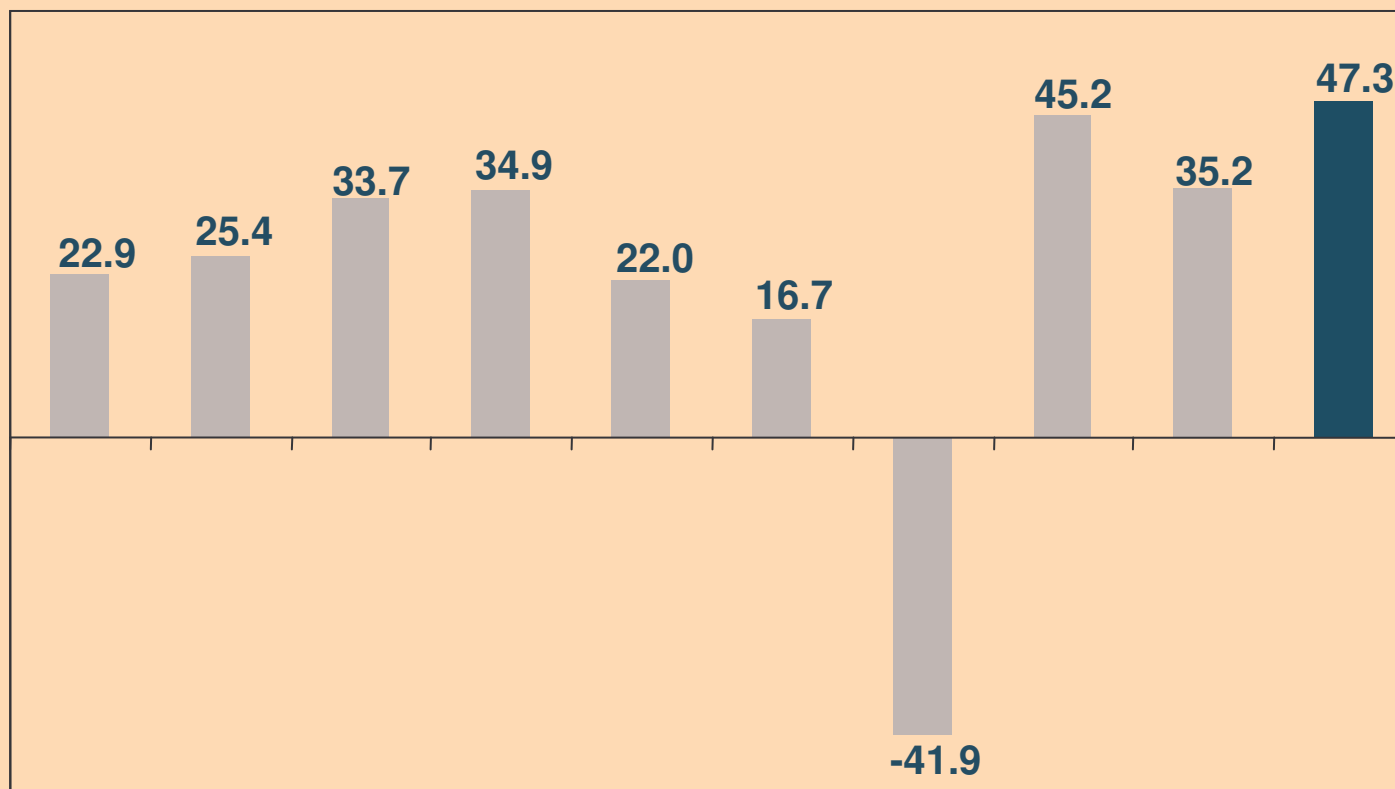
- Shareholders/Corporate Government. Increase in transparency: new webpage, involvement at forums with analysts and investors
- Employees
  - Increased stability: from 60% to 90% in permanent contracts
  - Evaluation and skill development plans
- Construction materials sector
  - Awards for Pladur® innovation at Universities
  - Training programmes with prescribers, visitors and customers

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## RECORD PROFIT IN 2006: €47.3 MN

### Net Profit Attributable to the Controlling Company (€ mn)



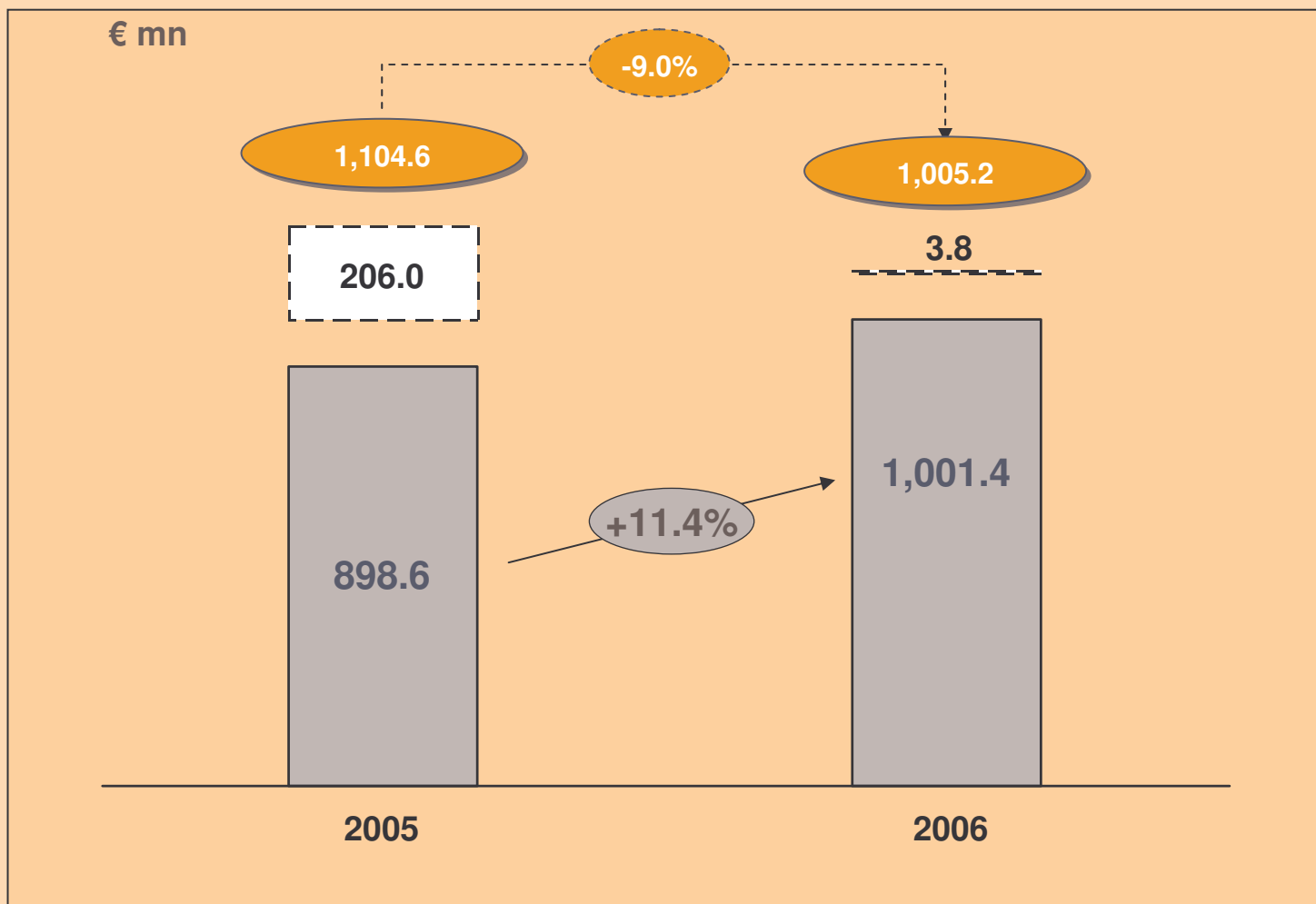
Net profit margin

Year	Net Profit Margin
1997	5.0%
1998	5.0%
1999	5.4%
2000	5.0%
2001	3.1%
2002	2.7%
2003	-2.0%
2004	4.5%
2005	4.9%
2006	7.0%

**Note:** Net Profit (before minorities) is used to calculate the EBITDA margin as it is consistent with total sales

# CONSOLIDATED SALES OF €1.005 BILLION

## 11.4% Growth in the strategic businesses



■ Core businesses

▤ Non-core businesses

● Consolidated sales

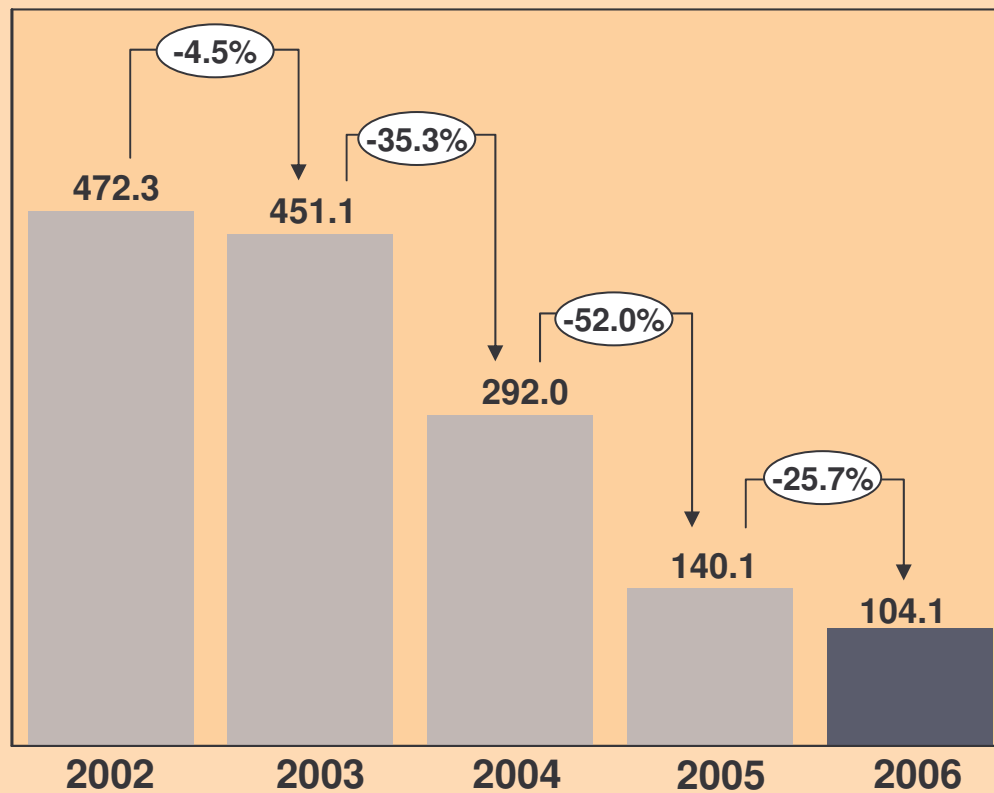
## EBITDA AT €178 MN: HIGHEST PROFITABILITY IN ALL BUSINESSES

	EBITDA 2006 (€ mn)	EBITDA 2005 (€ mn)	CHANGE 05/ 06
<b>INSULATION</b>	<b>87.4</b>	55.4	<b>+57.8%</b>
EBITDA margin	17.6%	12.6%	+5.0 p.p.
<b>GYPSUM</b>	<b>69.1</b>	58.5	<b>+18.1%</b>
EBITDA margin	29.5%	29.3%	+0.2 p.p.
<b>ROOF TILES</b>	<b>17.0</b>	15.5	<b>+9.7%</b>
EBITDA margin	16.5%	14.7%	+ 1.8 p.p.
<b>PIPES</b>	<b>11.0</b>	3.7	<b>+198.9%</b>
EBITDA margin	6.5%	2.4%	+ 4.1 p.p.
<b>CORE TOTAL <sup>(1)</sup></b>	<b>178.6</b>	127.9	<b>+39.6%</b>
EBITDA margin	17.8%	14.2%	+3.6 p.p.
<b>NON-CORE</b>	-0.4	22.6	-103.5%
<b>URALITA GROUP TOTAL</b>	<b>178.2</b>	150.5	<b>+18.4%</b>
EBITDA margin	17.7%	13.6%	+4.1 p.p.

<sup>(1)</sup> Includes consolidation adjustments and non-distributable corporate costs (-€5.5 and -€5.9 mn in 2005 and 2006 respectively)

## DEBT REDUCTION OF €36 MN

Net debt for Uralita Group (€ mn)



**Debt /  
EBITDA**

3.3x

2.8x

1.5x

0.9x

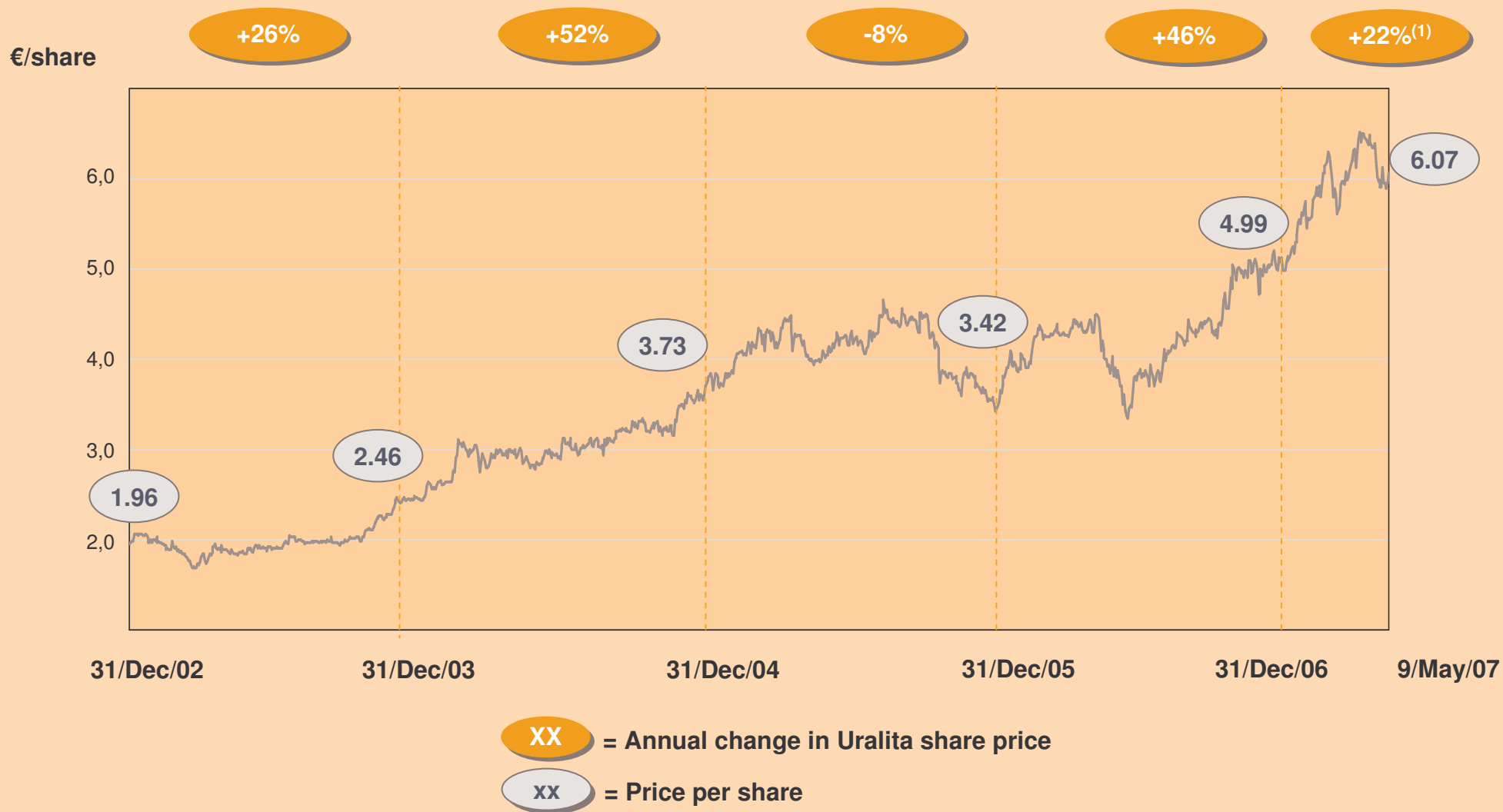
0.6x

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  - Advances in Corporate Social Responsibility
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# 46% INCREASE IN THE SHARE PRICE IN 2006

Average price for the year: €4.28/share



<sup>(1)</sup> Change in share price from 31/Dec/2006 to 9/May/07 (at the time of report preparation)

## PROPOSED DIVIDEND PAYMENT CHARGED TO 2006 RESULTS

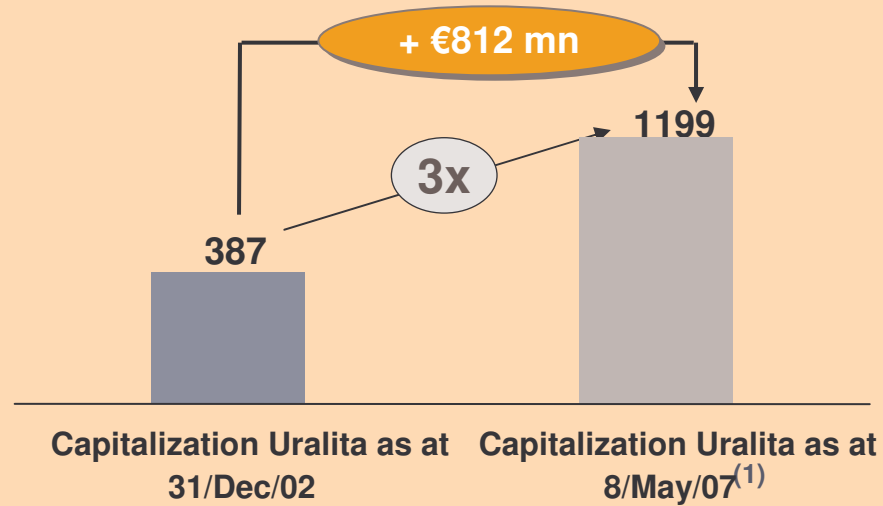
Net Profit Attributable	€47.3 mn
Profit per share	€0.24
Dividend / share	€0.24
Pay-out	100%
Payment date	2 July 2007

**“Uralita 100x100”  
(100 % pay-out for  
its 100th  
anniversary)**

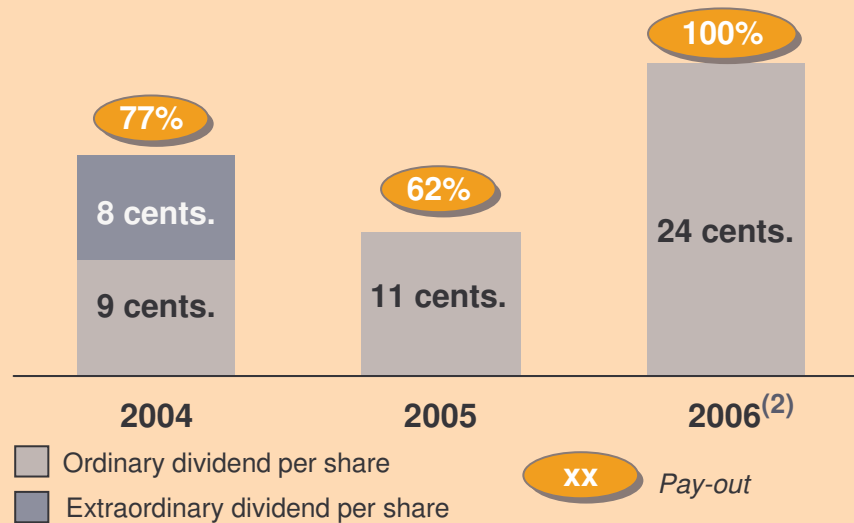
**Dividend profitability of 5.6% based on average  
share price in 2006**

# WE HAVE INCREASED THE GROUP'S VALUE AND REMUNERATED OUR SHAREHOLDERS SINCE 2003

The value of the company has multiplied three-fold



We paid out over €102 mn in dividends during 2004-2006



(1) Share price =€ 6.07/share

(2) Proposal to be approved by the General Shareholders' Meeting

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# OUTLOOK FOR 2007

## Outlook for 2007

## Comparison with 2006

### Changes in Demand

- Spain: slight decline in new construction offset by reform and civil engineering
- Moderate growth in Central Europe
- High rates of growth in the East
- No significant changes in Portugal



### Status of Supply

- Greater competitive pressure with capacity increases: Insulation in Europe and Board in Spain
- Decreased volume growth potential due to our plants' high utilisation levels at present



### Cost of Energy and Raw Materials

- Maintenance of high prices for energy and raw materials
- Lower sales activity capabilities



### Internal Cost Base

- Efficient cost base at present
- Launch of new improvement plans in 2007



Despite less favourable conditions in 2007, Uralita aims to exceed exceed the high level of activity and profitability seen in the excellent year of 2006

## LINES OF ACTION

**1. Continue to improve the efficiency of our businesses**

- Increase industrial and logistics efficiency
- Improve sales efficiency
- Streamline overhead costs


**2. Promote organic growth**

- New Pladur® plant in Zaragoza
- New URSA® plant in the Ukraine
- New Algíss® plant in Andalucía
- Increase capacity of the Insulation business in Europe

**3. Analyse profitable opportunities for growth through acquisitions**

- Market consolidation
- Positioning in new geographical locations

## OBJECTIVES FOR 2007

€ mn	Real 2006		2007 Target:	% 07/06
<b>Sales</b>	1.005		1.055	+5%
<b>EBITDA</b>	178		190	+7%
<b>Attributable net profit</b>	47		54	+15%

**Note:** These figures do not include Sales, EBITDA and Net Profit from potential acquisitions

## IN SUMMARY

- **The sweeping changes undergone in recent years have enabled Uralita to become a multinational Group that is profitable and focused on growth products.**
- **Uralita posted record sales (€1.005 bn) in 2006 and operating profitability (EBITDA €178 mn) in building materials. As a result, its growth in net attributable profit reached an all-time high of €47.3 mn, up 34.4% from 2005.**
- **In addition, the groundwork was laid in 2006 for future growth across the board. Despite a foreseeable more complex external scenario, Uralita aims to exceed 2006's high net profit by 15% in 2007.**
- **The results achieved in 2006, combined with our solid financial standing, make it possible to proposal a dividend of €0.24 per share (100% pay-out) in our centenary year.**



Thank you for your attention