URALITA'S BUSINESS PERFORMANCE
FIRST QUARTER 2011

Return to growth in sales (+10%) and EBITDA (+16%) as a result of international diversification (64% of sales) and product positioning in the energy savings market (80% of sales from Insulation and Pladur®)

- ***Confirmation of the trend which began in the final months of 2010: the international markets where Uralita operates reported two-figure growth rates (+15%), mainly due to the strength of the insulation business. Special mention must be made of progress in Eastern Europe and Russia, a region experiencing significant growth and where Uralita is a market leader.***

- ***For the quarter as a whole, Uralita achieved total sales of €166 million, up 10% on Q1 2010.***

- ***Due to increasing sales and the positive effects of the improvement programmes implemented over the last two years, Uralita was able to compensate for rising raw material prices and increased EBITDA to €19.9 million (up 16% on Q1 2010), improving the margin by 0.7 p.p.***

- ***Lastly, attributable net profit for the quarter was -€1 million, compared to €0.4 million for Q1 2010 (which included extraordinary benefits and a positive impact of foreign exchange). However, in view of the seasonal nature of the business, first quarter results are not significant for the year as a whole.***

Consolidated totals (in million euros)	Q1 2011	Q1 2010	Difference
Sales	**166.1**	**151.4**	**+9.8%**
EBITDA	**19.9**	**17.1**	**+15.9%**
EBITDA margin (over sales)	*12.0%*	*11.3%*	*+0.7 pp*
Attributable Net Profit	**-1.0**	**0.4**	**n/a**

Comments on sales figures and EBITDA:

- Sales of €166.1 million in Q1 2011, up 9.8% on the same period of 2010. The significant improvement was the result of increased activity, mainly in international markets, and the fact that Q1 2010, which experienced adverse weather conditions, was a less challenging point of comparison.

- By geographical area, a significant recovery for sales in international markets: sales in Eastern Europe and Russia were up 21%, whereas sales in Western and Central Europe (excluding Spain) increased 13%. Finally, sales in Spain stabilised, up slightly (1%) on Q1 2010.

- By business unit, sales improved in Interior Solutions (Gypsum and Insulation), an area with total sales of €133.6 million in Q1 2011, up 9% on 2010. In spite of the reduction of the activity in the gypsum business, the sales of the unit improved due to the insulation business, where demand is growing significantly, thanks to the revitalised construction industry and the fact that some countries have moved the implementation of energy efficiency standards forward.

- For its part, the Piping Systems business experienced a major improvement in sales (up 18% on Q1 2010) owing to an increase in market share and contracts being awarded for certain important infrastructure projects. Finally, activity also increased for the Roof Tiles business (+5%) due to sales of higher quality tiles.

- Cumulative EBITDA reached €19.9 million, up 15.9% on Q1 2010. The EBITDA margin also improved by 0.7 p.p., to 12%. In an environment with significant increases in the price of many of the raw materials used by Uralita for production, the group improved its EBITDA thanks to higher sales, together with a stable and optimised fixed-cost structure (the result of improvement actions implemented in 2009 and 2010). The Interior Solutions business remains the most important for the group, generating more than 95% of total EBITDA in Q1 2011.

Financial situation

The consolidated balance sheet as at December 31st, 2010 presented a loss in working capital caused, primarily, by the maturity of 147 million Euros of financial debt in November 2011. (See Notes 2.5, 15 and 21 of the 2010 Consolidated Annual Financial Statements Report).

Since the close date, and until the presentation of this note in May 2011, the Group has complied with all its payment commitments (including debt interests and amortization) and, considering the current liquidity available and cash flows being generated by current operations, the payment of financial commitments and operations are considered until November 2011 to be secured.

In order to resolve the loss of financial resources that would arise on that date, the Group initiated an action plan in 2010; as a result several alternatives for generating additional liquidity were analyzed and initiated negotiations with potential financial backers, including the current ones.

Based on the expectations of this plan and negotiations maintained, it is estimated that as at this date it will be possible to obtain the necessary financial resources to face all commitments of the Group.