



## URALITA'S BUSINESS PERFORMANCE FIRST QUARTER 2009

- **Amidst a strong financial and economic crisis affecting the construction activity, Uralita's sales in the first quarter of 2009 reached 180 M€. This figure is 33% lower than that of the same period in 2008, with a limited comparability: milder winter; practically no crisis influence; stronger currencies in Eastern Europe. The lowest sales decrease took place in the business with a higher international presence, insulation, and in those with lesser dependence on new residential construction (Plasterboard and Pipes).**
- **In Q1 2009 Uralita announced the closure of four roof tiles factories as part of the improvement program launched in Q4 2008. The execution of the improvement program will take along the full year 2009.**
- **Operating profitability (EBITDA: 20.3 M€) was affected by the sales reduction. This result does not show a great part of the savings coming from the improvement program being executed, which will become more visible during the second half 2009. The lower Operating Profit affected to Net Profit (1.1 M€) and to Attributable Net Profit, which even given the large fall in sales, was still slightly positive (0.1 M€).**
- **Although currently there is limited visibility on the markets and its sound to wait for the first half results in order to have a better picture of the year, we expect a recovery in the next quarterly comparisons thanks to:**
  - **The seasonality of the business (due to the greater activity with better weather conditions) in Central, North and Eastern Europe.**
  - **The realization of the benefits from the improvement actions executed during Q1 2009.**
  - **The expected activity recovery in some countries in the second half of the year**

Total consolidated values (figures in million euros)	Acum. Q1 2009	Acum. Q1 2008
<b>Sales</b>	<b>180.2</b>	<b>268.5</b>
<b>EBITDA</b>	<b>20.3</b>	<b>48.0</b>
EBITDA margin	11.3%	17.9%
<b>Net Profit</b>	<b>1.1</b>	<b>26.5</b>
<b>Net Profit Attributable to the Controlling Company</b>	<b>0.1</b>	<b>21.0</b>

### Comments on Sales and EBITDA:

- Sales of 180 M€, with a 33% reduction compared to Q1 2008. The comparison with Q1 2008 is demanding given:
  - The stronger winter in 2009 that has resulted in greater difficulties to carry out construction works in many countries
  - The impact of the financial and economic crisis which in Q1 2008 had not begun to show its full effect
  - The depreciation of some currencies respect to the euro that took place mainly in the last quarter of 2008

It is foreseeable that these effects will mitigate over the coming quarters

- The greatest sales decrease took place in Spain (-42%) compared to the international business (-24%). By business, Insulation showed the lowest decrease (-24%) thanks to the resilience of the Western and Central European markets, while Roof Tiles had the greatest (-45%) showing its greater dependence on new residential construction. In the other two businesses, Plasterboard, Pladur®, decreased less than Powdered Gypsum, and in Pipes the strong decrease in residential activity was partially mitigated by the sales in the infrastructures segment.
- EBITDA reached 20.3 million euros, a 58% reduction compared to Q1 2008. Although EBITDA reduction affected all businesses, it was the main two businesses, Insulation and Gypsum that had the lowest reduction and together represented almost 95% of the group's EBITDA in Q1 2009.
- In the last quarter of 2008, Uralita launched an ambitious profitability and cash flow improvement program. Its objectives included adjusting the manufacturing capacity, reducing fixed costs, optimizing maintenance and growth investments and reducing working capital. Although a large number of initiatives have been executed in Q1 2009, the benefits of this program will materialize gradually, with a higher impact in the second half of the year.