URALITA'S BUSINESS PERFORMANCE IN 2008

- ***The domestic and international economy deteriorated in the second half of 2008. The global financial crisis has reduced growth expectations affecting particularly the construction sector.***

- ***In the building materials sector where Uralita operates, the expected activity reduction in Spain was faster and deeper than originally envisaged; in Western Europe the activity levels remained stable, while in Eastern Europe the financial crisis led to a contraction of the activity.***

- ***In this adverse environment, Uralita reached sales and EBITDA of 1,007.0 and 162.4 million euros respectively, below the figures of the exceptional 2007, but in line with those of previous years.***

- ***The Ordinary Attributable Net Profit in 2008 was 60.0 million euros. However, Uralita decided to assign provisions to prepare the Group face a more complex context, which combined with the negative foreign exchange differences produced by the devaluation of several currencies in the fourth quarter, reduced the profit by 20.0 million euros, leading to a final value for the Attributable Net Profit of 40.3 million euros.***

- ***Given the uncertainties 2009 presents, Uralita will continue with the implementation of an ambitious cost reduction and cash flow generation program that will enable the Group maintain the profitability levels despite the expected volume decrease.***

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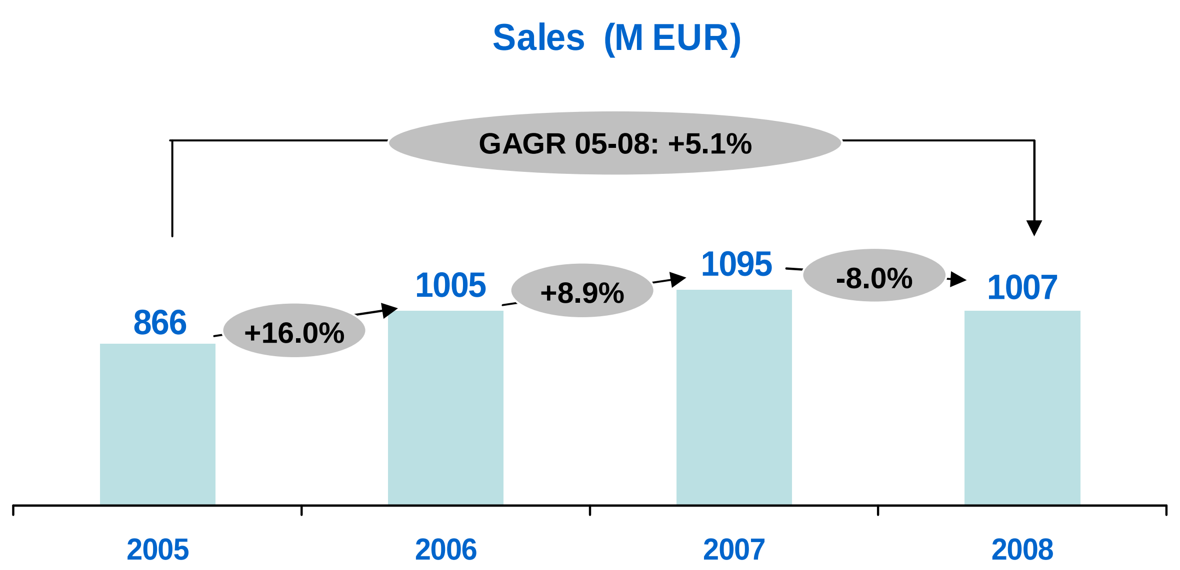
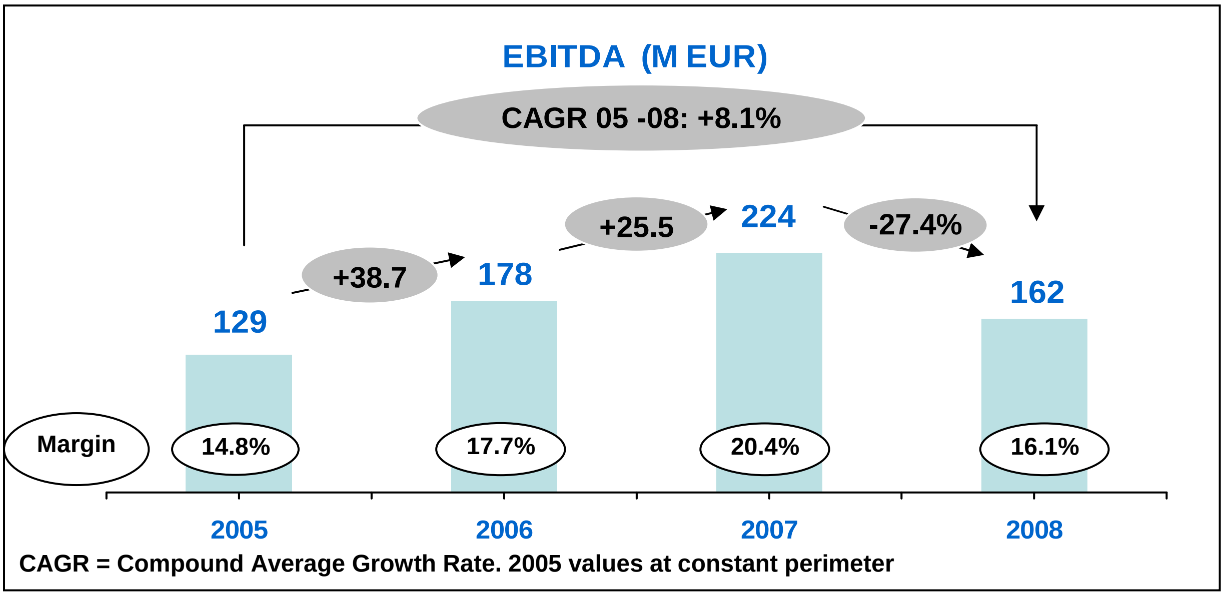
1. URALITA'S CONSOLIDATED RESULTS



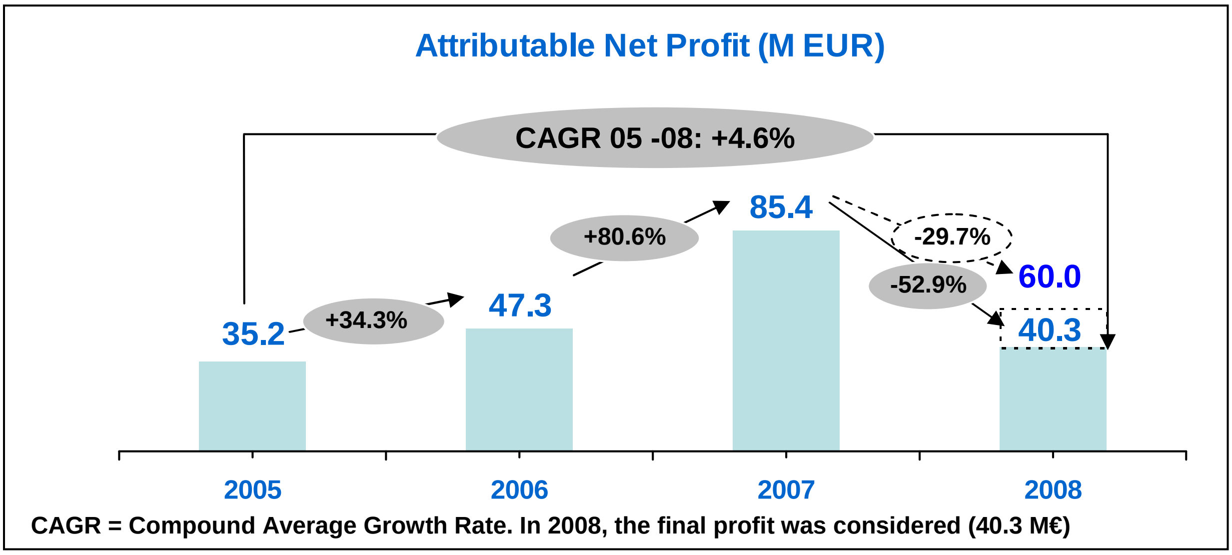
CAGR = Compound Average Growth Rate. 2005 values at constant perimeter

The total turnover in 2008 was 1,007.0 million euros. This figure was 8% lower than that of 2007, which was an exceptional period driven by strong demand and high prices, especially in the insulation business in Eastern Europe. In the past four years the compound annual growth has been 5.1%

In an environment of decreasing demand, 2008 sales decreased in all Uralitas' businesses compared to 2007, although the decrease in Roof Tiles was more pronounced due to its greater exposure to the new residential construction segment. The decrease in sales was lower for the other two businesses where sales predominantly take place in Spain, Gypsum and Pipes, due to the strength of our products. Finally, the insulation business sales were affected by price adjustments in Eastern Europe compared to an extraordinary 2007, and by the depreciation of currencies in some countries where Uralita operates like the United Kingdom, Turkey, Russia or Poland.



In this context, Uralita's EBITDA reached 162.4 million euros (-27.4% vs. 2007), with an EBITDA margin of 16.1%. The main causes of this reduction were the raw materials price increases that could not be transferred to the end user, the lower demand in businesses with high fixed costs and the already mentioned currency depreciation effect in key markets. Despite the reduction of EBITDA experienced in 2008, the compound growth rate over the last four years was 8.1%.



The Ordinary Net Attributable Profit was 60.0 million euros. Following prudence principles, Uralita assigned provisions to undertake the factories restructuring and the optimization of support functions. These provisions, combined with the negative foreign exchange differences, reduced the Attributable Net Profit to 40.3 million euros. Even with the provisions assigned, the Attributable Net Profit was similar to those achieved between 2004 and 2006.

Finally, Uralita's net debt at the end of 2008 was 243.9 million euros, which represents approximately 1.5 times the EBITDA of the last twelve months. The control of the debt levels has been achieved even after considering the long term strategic growth investments, the high dividend paid in 2008 or the payment of non-recurring extraordinary items like the anti-trust fine imposed by the European Commission to Uralita's former chemical business.

With the objective of preserving the business profitability and adapting to the new market conditions, an ambitious improvement plan was initiated in 2008 which will continue being implemented in 2009, whose main initiatives are the following:

- Industrial restructuring to adapt capacities to demand
- Reduction of support staff and fixed costs
- Revision of growth investments, adapting the project implementation to the expected evolution of demand
- Optimization of mandatory investments
- Active management of working capital

2. RESULTS BY BUSINESS

Business	Accumulated Sales				Accumulated EBITDA			
	2005	**2006**	**2007**	**2008**	**2005**	**2006**	**2007**	**2008**
Insulation	440.0	495.9	542.4	508.0	55.4	87.4	130.4	88.6
% previous year		*12.7%*	*9.4%*	*-6.3%*		*57.7%*	*48.8%*	*-32.1%*
EBITDA margin					12.6%	17.6%	24.0%	17.4%
Gypsum	199.6	234.4	246.3	230.6	58.5	69.1	67.4	57.4
% previous year		*17.4%*	*5.1%*	*-6.4%*		*18.1%*	*-2.4%*	*-14.9%*
EBITDA margin					29.3%	29.5%	27.4%	24.9%
Roof tiles	105.2	102.9	107.2	85.3	16.1	17.0	16.7	9.2
% previous year		*-2.2%*	*4.2%*	*-20.4 %*		*5.8%*	*-1.7%*	*-44.8%*
EBITDA margin					15.3%	16.5%	15.6%	10.8%
Pipes	147.2	168.6	198.8	182.4	3.7	11.0	15.9	12.5
% previous year		*14.5%*	*17.9%*	*-8.3%*		*201.3%*	*44.5%*	*-21.6%*
EBITDA margin					2.5%	6.5%	8.0%	6.8%
Others and adjustments(1)	-25.6	3.4	-0.1	0.7	-5.1	-6.3	-6.5	-5.3
TOTAL	**866.4**	**1,005.2**	**1,094.7**	**1,007.0**	**128.5**	**178.2**	**224.0**	**162.4**

Includes Corporate Sales and EBITDA and consolidation adjustments
Note: 2005 figures at constant perimeter (excluding divested businesses)

Insulation: URSA®. Sales decrease compared to an extraordinary 2007 in a complex environment

The insulation business sales reached 508.0 million euros, 6.3% lower than in 2007, when URSA® reported its highest sales ever. This figure was achieved in a context of lower construction activity, caused by a more restrictive access to financing across Europe (especially in Eastern European countries like Russia and Ukraine), and by the reduction of some construction markets (like in the United Kingdom, Spain or the Baltic Republics). Furthermore, the strength of the euro compared to other currencies had a negative impact on Ursa's results, particularly in the fourth quarter.

EBITDA reached 88.6 million euros, 32% lower than the exceptional 2007. This reduction was mainly due to lower activity levels – impacting mostly on volumes, although some markets also experienced lower pricing levels compared to the previous year –, to greater production costs because of energy price increases and to the greater weight of XPS in the product mix that has historically had lower margins than glass wool.

In 2008, URSA® focused in two lines of action: On the one hand, it continued developing markets with growth potential like Turkey, where it acquired the glass wool business from the company Özpor, which brings in not only a factory in Ankara, but a growth platform for the Turkish market and the Middle East. On the other hand, in order to ensure the profitability of the business in the short term, URSA® launched an ambitious cost cutting program and cash flow maximization plan focusing in the reduction of growth and mandatory projects and lowering the working capital requirements.

Gypsum: Slight activity reduction in Pladur®, which is more pronounced for powdered gypsum

The gypsum business sales reached 230.6 million euros, with a 6.4% reduction compared to 2007; this decrease was smaller than the average one of Spanish construction sector. The level of sales was attained thanks to the strength of the Pladur® brand that held its activity levels and grew slightly in the export market, while the powdered gypsum business Algíss® faced lower demand and greater competition.

In this context, EBITDA was reduced 14.9%, because of the energy price increases and greater competition in the powdered gypsum business.

In this business, actions are being undertaken to adapt the powdered gypsum business capacity to lower demand and to improve the operational efficiency.

Roof tiles: Cobert®. Reduction of sales and profitability due to the Spanish market fall

The Roof tiles business sales decreased 20.4% compared to 2007 as a consequence of the strong contraction of the residential construction business in Spain in the second half of 2008. On the other hand, sales levels in Portugal remained stable.

The reduction of volumes in a high fixed costs business also affected EBITDA, which decreased 44.8% compared to 2007. The business keeps working to increase its profitability, both in the short term, through the adjustment of capacity levels to demand and cost reduction initiatives, and in the long term, through the positioning in the high quality tiles segment.

Pipes: Adequa®. Sales reduction due to the lower activity of the residential sector

Adequa®'s sales in 2008 reached 182.4 million euros, representing an 8.3% decrease compared to 2007. The business activity was affected by the contraction of the residential sector that could not be compensated by a better performance of the infrastructure segment and the French market.

EBITDA fell 21.6% compared to 2007. This was mainly due to the lower residential construction activity, and to the higher percentage of sales in France with higher transportation costs.

In this context, the business is implementing measures oriented to increase the industrial and commercial efficiency and to reduce the fixed costs base.

3. IMPORTANT FACTS AND IMPACT IN 2008 SECOND HALF

The key events taking place in the second half of 2008 and their estimated impact were:

1. Deceleration of the construction markets, mainly in Spain, the United Kingdom and some Eastern European countries, whose impact is implicit in the sales evolution.
2. Devaluation of the euro relative to other currencies, among them the Russian Ruble, the Pound Sterling, the Turkish Lira and the Polish Zloty with an estimated negative impact of 9.6 million in 2008 FX account.
3. Acquisition of the Turkish glass wool business from Özpor with a capacity of 15,000 tons per year

4. MAIN RISKS AND UNCERTAINTIES FOR 2009

1. Depth and speed of the construction activity deceleration in Spain and other markets in a less favorable economic context.
2. Evolution of our products end prices and of the competition intensity.
3. Evolution of the raw material costs, especially energy, since it may be difficult to transfer to the end price
4. Increase of accounts receivable bad debts in Spain.
5. Foreign exchange trends in relevant markets for Uralita (United Kingdom, Turkey, Eastern Europe and Russia)