

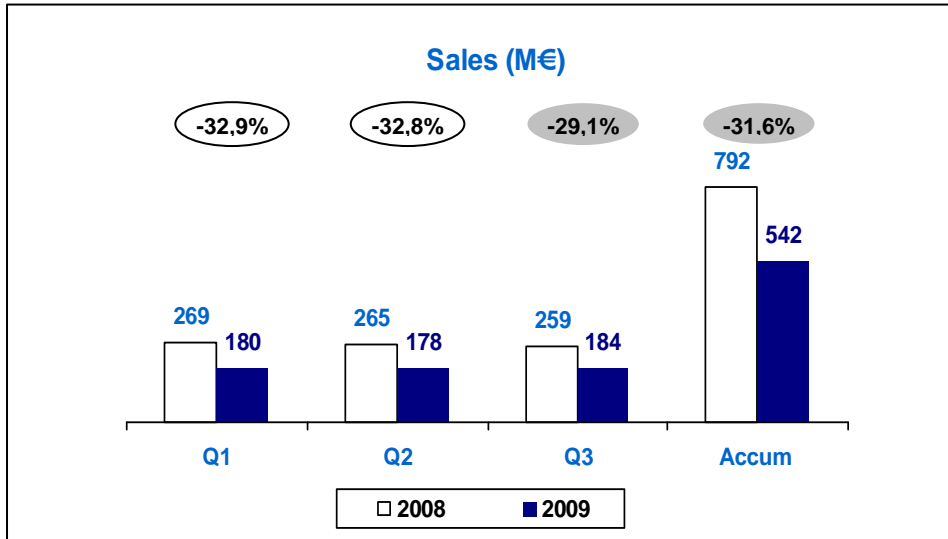


## **URALITA'S BUSINESS PERFORMANCE**

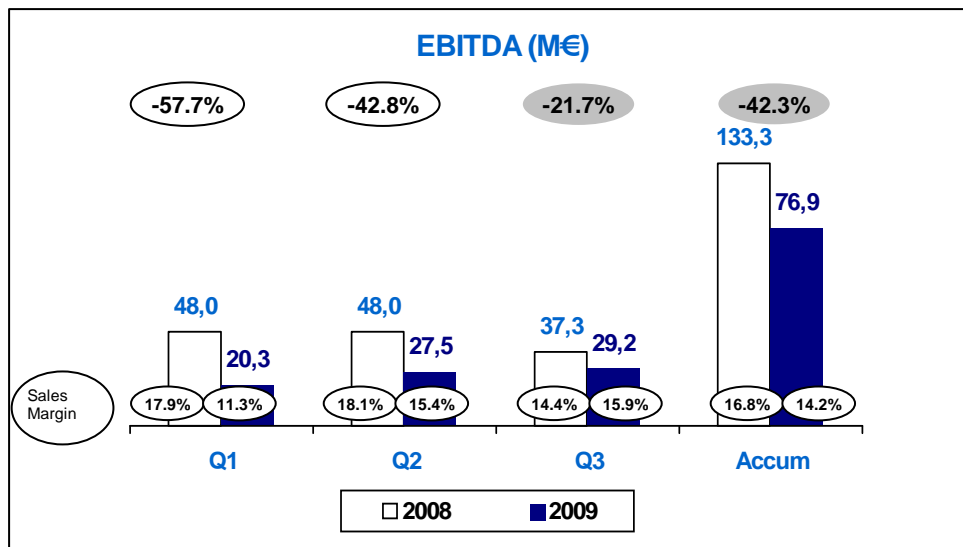
### **THIRD QUARTER 2009**

- **Improvement of Sales during Q3 2009: 29% reduction vs. Q3 2008 compared to a 33% cumulative fall in the first half.**
- **Progressive recovery of profitability through operational margins management and impact of cost improvement plan: despite sales drop, EBITDA fell only by 22% vs Q3 2008, reaching 77M€ in the accumulated of the year. Q3 2009 EBITDA margin almost reaches 16%.**
- **Generation of 5,4 M€ Attributable Net Profit in Q3 2009 (-61% vs 3Q 2008). Accumulated profit of the year amounts to 8 M€ (-86% vs. accumulated 2008).**
- **Positive impact of cash optimization actions: 24M€ debt reduction in the last quarter. Debt remains under control and, despite the fall in EBITDA, debt/EBITDA ratio holds at 2.3x**
- **Outlook for the whole of 2009:**
  - **Maintaining sales differential with respect to 2008**
  - **Reaching an EBITDA of at least 100M€, recovering profitability in the last quarter compared to 2008**
  - **Achieving at least 10M€ Attributable Net Profit for the year**
  - **Maintaining the current levels of debt**

**Comments on Sales and EBITDA:**



- Sales of 184 M€, with a 29% reduction compared to Q3 2008. The main reasons for the drop in sales were the lower level of activity in the construction sector resulting from the economic and financial crisis and the devaluation of most Eastern European currencies against the euro.
- By business, the greater drop of sales took place in Spain (-39%) compared to the international business (-25%).
- The Insulation business had the lowest decrease year to date (-24%) thanks to its geographical diversification, although there were differences among regions: Western European markets had a better performance, and although with a slight downward trend, level of activity held thanks to governments' economic stimulus measures and legislation promoting the use of insulation. In turn, Eastern European countries experienced a greater impact of the financial crisis.
- Falls in sales between 36% and 41% in businesses with a greater presence in the Iberian Peninsula: the Tiles business was affected by its greater dependence on new residential construction; in the Gypsum business the sales of Pladur® could not compensate the activity drop in Plasters. Finally, in the Piping business, fall in residential activity was partly compensated by sales in the infrastructures segment.



- Q3 2009 EBITDA reached 29.2M€, with a reduction of 21.7% compared to Q3 2008. In spite of the low sales volume in the third quarter (including August, month of low activity), the quarterly EBITDA was the highest of the year, reaching a sales margin of near 16%, exceeding by 1.5 percentage points that of Q3 2008.
- This recovery of profitability was the result of improved operating margins (through an active management of prices and sales in markets/products with higher profitability) and cost reduction thanks to the ambitious improvement plan launched in late 2008, focused on adapting the industrial capacity and reducing support activities and fixed costs.
- The improvement plan has also focused on optimizing cash generation through management of investments and working capital. This plan, combined with the businesses cash flow generation, has enabled to contain financial debt which, at the end of September, amounted to 248 M€ (2.3 times EBITDA of the last 12 months) with a 24M€ reduction in the last quarter.
- As a result, the debt at the 30<sup>th</sup> of September is roughly in line with that at the beginning of 2009, despite payment of pending investments and restructuring cost, both concepts amounting to 71 M€ in the first 9 months.