

URALITA: STRATEGIC TRANSFORMATION TO SET FOUNDATIONS FOR GROWTH

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Said information is based on a series of assumptions which could ultimately prove incorrect, and are subject to financial, commercial, market, regulatory or general economic risk factors, about which only estimates may be made.

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AGENDA

- **Uralita Group description**
- Divisions key data
- Financial highlights

URALITA GROUP: A MULTINATIONAL COMPANY

- **Founded in 1907 and listed on the Spanish Stock Exchange**
- **Sales 2004: EUR 1.3 Billion (Building materials: EUR 1.0 Billion)**
 - **~50% outside Spain**
- **Leader in Building Materials in Iberia and third insulation producer in Europe**
- **Strategic partnerships with leading companies (i.e. Lafarge)**
- **Nefinsa is the main shareholder (43%) since December 2002**

STRONG EXECUTION CULTURE

***“MULTINATIONAL COMPANY,
IN THE BUILDING MATERIALS INDUSTRY, FOCUSED IN EUROPE,
WITH A LEADING POSITION IN IBERIA”***
Core Businesses: Insulation, Gypsum, Roof Tiles, Pipes

2003

DEEP RESTRUCTURING (COMPLETED)

- Financing
- 2004-2006 Strategic Plan
- Organizational Model
- Restructuring Plan

2004-2006

PROFITABILITY POTENTIAL MAXIMIZATION

- Operational efficiency
- Portfolio rationalization
- Integration Insulation

2007-

**GROWTH IN CURRENT / NEW
BUILDING MATERIALS BUSINESSES**

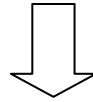
- Acquisitions / Alliances
- New Categories

NON-STRATEGIC BUSINESS DIVESTMENTS

• Sanitary Ware	✓	01/03	
• Insulation EPS			
- Barberá del Vallés	✓	11/03	
- Alcalá de Guadaíra	✓	12/03	
- Tapolca (Hungria)	✓	12/03	
• Insulation Stone Wool	✓	12/03	
• Flat Ceramic	✓	12/03	
• Promat	✓	03/04	Passive fire protection
• Cerámicas Estructurales	✓	01/05	Thermo-clay
• Lusofane	✓	04/05	Plastic pipes (Portugal)
• Brazil business	✓	05/05	Roof tiles
• Uraçan	✓	05/05	Plastic pipes (Canary I.)
• Aragonesas	✓	06/05	Chemical
• Teczone	✓	11/05	Metal profiles
• Coverings	✓	02/06	Fiber cement

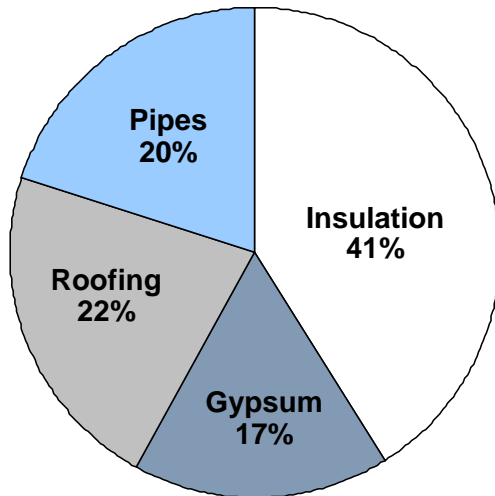
FOCUS ON BUILDING MATERIALS AND EUROPE

TOTAL SALES 2004: EUR 1.3 BILLION

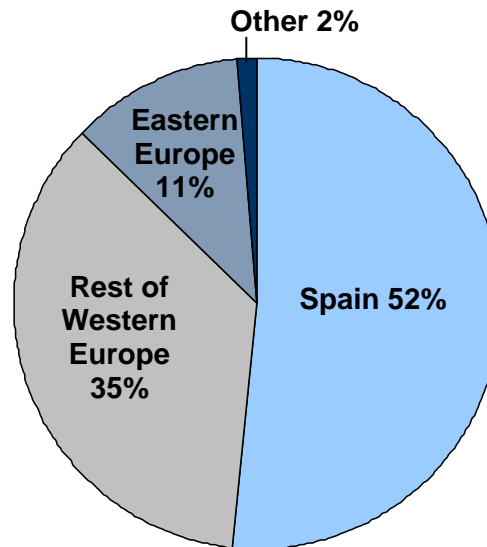


Building Materials Sales 2004: EUR 1.0 Billion

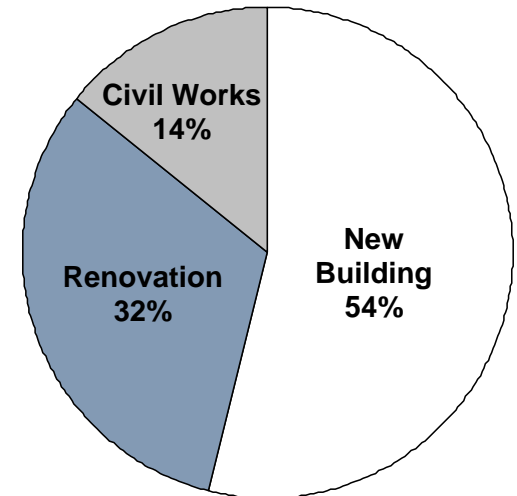
SALES BY DIVISION



SALES BY COUNTRY



SALES BY APPLICATION



38 PRODUCTION FACILITIES IN 10 COUNTRIES



BUSINESS PORTFOLIO WITH LEADING POSITIONS

	MAIN PRODUCTS		POSITION IN IBERIA (1)		SALES (2)	EBITDA MARGIN (1)																
INSULATION	• Glass Wool		• Second	<div style="border: 1px solid red; padding: 2px;"> # 2 in Europe # 2 in Europe </div>	435.3	17.0%																
	• XPS		• Leader				GYPSUM	• Plasterboard		• Leader	182.2	28.6%	• Plasters		• Second	ROOFING	• Roof Tiles		• Leader	126.6	17.1%	PIPES
GYPSUM	• Plasterboard		• Leader	182.2	28.6%																	
	• Plasters					• Second	ROOFING	• Roof Tiles		• Leader	126.6	17.1%	PIPES	• PVC Pipes		• Leader	212.9	1.0%				
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PIPES	• PVC Pipes		• Leader	212.9	1.0%																	

(1) Iberia includes Spain and Portugal

(2) 2004

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- **Divisions key data**
 - **Insulation**
- Financial highlights

KEY DATA

- **SALES (2004):** **EUR 435.3 MILLION
(89.6% OUTSIDE SPAIN)**
- **MAIN PRODUCTS:** **GLASS WOOL, XPS**
- **PRODUCTION FACILITIES:** **12 (10 OUTSIDE SPAIN)**
- **HEADCOUNT (DEC. 2004):** **2,239 PERSONS**

PRODUCT PORTFOLIO

% SALES (1)

POSITION

ALTERNATIVE
PRODUCTS

MAIN
COMPETITORS

Iberia(2) Europe

GLASS WOOL

71.5%

#2

#2

Stone Wool



- Isover
- Rockwool
- Paroc
- Knauf
- Heraklith

XPS

25.3%

#1

#2

EPS, PUR



- Dow
- Basf
- GEFINEX
- JACKON
- Knauf
- Edictec

OTHERS:

3.2%

(1) 2004

(2) Iberia includes Spain and Portugal

KEY FINANCIAL DATA

Data in EUR M

	2002	2003	2004
SALES	258.4	434.5	435.3
EBITDA	27.1	72.1	74.2
% Sales	10.5%	16.6%	17.0%
INVESTMENTS	14.1	36.0	43.9
HEADCOUNT	2,275	2,239	2,239

AGENDA

- Uralita Group description
- **Divisions key data**
 - **Gypsum**
- Financial highlights

KEY DATA

- **SALES (2004):** EUR 182.2 MILLION
(8.7% OUTSIDE SPAIN)
- **MAIN PRODUCTS:** PLASTERBOARD,
PLASTER
- **PRODUCTION FACILITIES:** 5
- **HEADCOUNT (DEC. 2004):** 509 PERSONS
- **STRATEGIC PARTNERSHIP WITH LAFARGE (41%)**

PRODUCT PORTFOLIO

	% SALES (1)	POSITION IBERIA (2)	ALTERNATIVE PRODUCTS	MAIN COMPETITORS
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PLASTERBOARD

64.8%

#1



- Traditional wall partitions

- BPB
- Knauf
- Fibroplac



PLASTER

32.3%

#2



- Dry wall partitions
- Mortars

- BPB
- 30 Small producers

OTHERS

2.9%

N/A

N/A

- N/A

(1) 2004

(2) Iberia includes Spain and Portugal

KEY FINANCIAL DATA

Data in EUR M

	2002	2003	2004
SALES	146.5	164.7	182.2
EBITDA	35.8	45.6	52.2
% Sales	24.5%	27.7%	28.6%
INVESTMENTS	20.8	7.1	11.0
HEADCOUNT	525	531	509

AGENDA

- Uralita Group description
- **Divisions key data**
 - **Roof Tiles**
- Financial highlights

KEY DATA

- **SALES (2004):** EUR 126.6 MILLION
(36.6% OUTSIDE SPAIN)
- **MAIN PRODUCTS:** CERAMIC AND
CONCRETE ROOF TILES
- **PRODUCTION FACILITIES⁽¹⁾:** 14 (4 OUTSIDE SPAIN)
- **HEADCOUNT (DEC. 2004):** 1,087 PERSONS
- **STRATEGIC PARTNERSHIP WITH LAFARGE (47%)**

⁽¹⁾ Once divested businesses in Brazil (May 2005)

PRODUCT PORTFOLIO

% SALES (1) **POSITION IBERIA (2)** **ALTERNATIVE PRODUCTS** **MAIN COMPETITORS**



**CERAMIC
ROOF TILES
AND BRICKS**

59.6%

#1

Concrete Roof Tiles,
Sheet Metal



- FRB
- La Escandella
- La Oliva
- Verea
- HDR
- Mazarrón
- Collado
- Coelho Da Silva
- Margón



**CONCRETE
ROOF TILES**

40.4%

#1

Ceramic Roof Tiles,
Sheet Metal



- Tejas Madrid

(1) 2004

(2) Iberia includes Spain and Portugal

KEY FINANCIAL DATA

DATA IN EUR M

	2002	2003	2004
SALES	137.4	136.9	126.6
EBITDA	32.4	27.4	19.3
% Sales	23.6%	20.0%	15.2%
INVESTMENTS	15.7	8.0	5.3
HEADCOUNT	1,164	1,192	1,087

AGENDA

- Uralita Group description
- **Divisions key data**
 - **Pipes**
- Financial highlights

KEY DATA

- **SALES (2004):** EUR 212.9 MILLION
(19.7% OUTSIDE SPAIN)
- **MAIN PRODUCTS:** PVC PIPES,
POLYESTER PIPES,
FITTINGS
- **PRODUCTION FACILITIES:** 6⁽¹⁾
- **HEADCOUNT (DEC. 2004):** 793 PERSONS

⁽¹⁾ Once divested Lusofane (Portugal) and Uraçan (Canary Islands)

PRODUCT PORTFOLIO

% SALES ⁽¹⁾

**POSITION
IBERIA ⁽²⁾**

**ALTERNATIVE
PRODUCTS**

**MAIN
COMPETITORS**



PVC PIPES

53.7%

#1

Polyethylene,
Polyester
Concrete,
Steel Pipes

- Ferro Tuyper
- Plomiplast
- Uponor
- Pipelife
- Fersil
- Politejo

OTHERS:

- FITTINGS 12.9%
- POLYETHYLENE PIPES 10.4%
- POLYESTER PIPES 6.3%
- REST 16.7%

(1) 2003

(2) Iberia includes Spain and Portugal

KEY FINANCIAL DATA

DATA IN EUR M

	2002	2003	2004
SALES	214.5	227.6	212.9
EBITDA	21.4	7.4	2.2
% Sales	10.0%	3.2%	1.0%
INVESTMENTS	4.8	6.7	7.3
HEADCOUNT	849	970	793

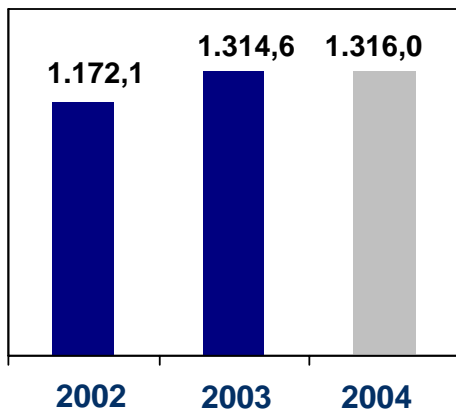
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- **Financial highlights**

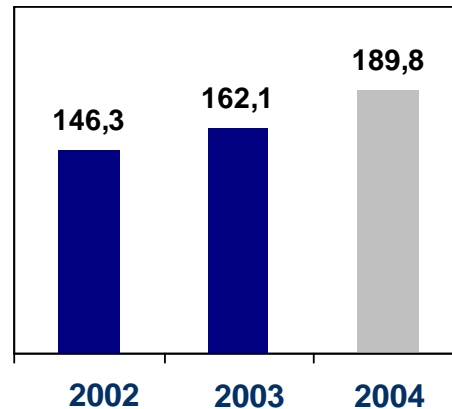
EUR 180 M NET DEBT REDUCTION IN THREE YEARS

Figures in EUR M

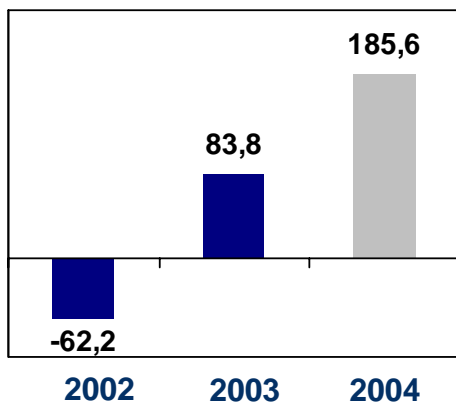
SALES



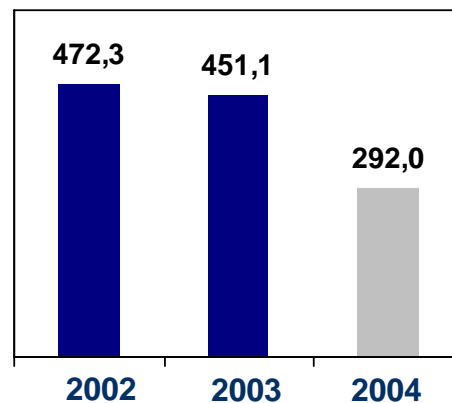
EBITDA



FREE CASH FLOW



NET DEBT



RESULTS UP TO 2005 Q3

- Group's perimeter, size and profitability have changed after divestments

- 2005 performance adversely affected by temporary negative situations

- Standstill on Central Europe Construction activity
- Increase of energy prices and oil derived products

- Reduction of debt through Free Cash Flow

	Q3 2005 (cumulative) (EUR M)	Q3 2004 (cumulative) (EUR M)	Variation 05 / 04
<u>SALES</u>	868.9	983.7	-11.7%
<u>EBITDA</u>	118.7	144.1	-17.6%
% Sales	13.7%	14.7%	
<u>NET INCOME</u>	41.8	45.2	-7.5%
<u>ATT. NET INCOME</u>	27.1	32.4	-16.4%
<u>NET DEBT</u>	155.3	273.7	-43.3%

LOOKING FORWARD

Focus on
current
businesses
profitabilty...

- **Insulation:**
 - Sizing industrial network to forecasted demand
 - Optimizing cost structure
- **Gypsum:**
 - Pushing plasterboard's penetration in Iberia
 - Developing high value added plasters
- **Roofing:**
 - Preparing industrial network for forecasted demand
 - Implementing upgraded technologies
- **Pipes:**
 - Restructuring industrial network
 - Rethinking commercial model
- **Corporate:**
 - Adjusting Corporate Center size to simpler Group structure

...while
preparing
the growth...

- Strategic businesses already prepared to be growth platforms
- Enough financial muscle to proceed with acquisitions
- New organizational chart structure designed for growth

...and always
with shareholders'
interest in
mind

- Dividends pay-out policy will be adjusted depending on 2005 results and Free Cash Flow to assure an attractive yield to shareholders