



**URALITA's BUSINESSES PERFORMANCE
IN THE THIRD QUARTER OF 2014**

In a still weak environment in Europe, the Group continued to improve its EBITDA by reducing its cost base

- *Uralita achieved total sales of EUR 419.6 million until September, a 1.6% less than the same period in 2013. Comparison with 2013 was affected by the devaluation of the Russian rouble and the divestment of the Turkish insulation business at the end 2013. Excluding both effects, on a like-for-like basis, sales increased by 2.2%.*

- *Despite the apathy in the markets where it operates, Uralita managed to increase its sales by 1.3% both in Western and Central Europe and in Spain, while in Eastern Europe and Russia sales reduced by 8.8%, primarily due to the aforementioned effects. On the other hand, export to other regions slowed down due to lower sales to Brazil, not compensated by the progress in other markets.*

- *Despite lower sales, the group accumulated EBITDA improved by 30.1% to EUR 39.0 million, mainly thanks to improvements in both fixed and personnel costs.*

- *Finally, the attributable net loss was EUR 46.9 million compared to EUR 29.8 million in 2013, mainly affected by financial expenses (EUR 39.1 million) resulting from 2013 refinancing agreements.*

<i>Total consolidated figures (in million euros)</i>	9M 2014	9M 2013	Difference
Sales	419.6	426.6	-1.6%
EBITDA	39.0	30.0	30.1%
<i>EBITDA margin on sales</i>	9.3%	7.0%	2.3 pp
Attributable Net Profit	-46.9	-29.8	-57.8%

Comments on sales and EBITDA

- Accumulated sales during the first nine months of 2014 reached EUR 419.6 million, with a decrease of 1.6% in relation to the same period of 2013 (2.2% increase at constant perimeter and exchange rate).
- In a macroeconomic environment that backed a weak demand, activity differed by geographic area:
 - In Western and Central Europe, Uralita's main market accounting for 48% of total sales, sales increased by 1.3% mainly due to the progress in France, UK, Italy and Belgium.
 - In Eastern Europe (25% of total sales), accumulated sales decreased by 8.8%. On a like-for-like basis -excluding sales in Turkey in 2013 and at a constant exchange rate (average devaluation of the Russian rouble vs Euro has been 16%)-, the region increased its sales by 5.6%
 - In Spain (23% of total sales), turnover increased 1.3% with a better performance of the building segment which offset the weak start of the year in the water civil works industry.
 - Finally, sales outside Europe reduced by 5.8% affected by the decrease of exports to Brazil, one of our main markets.
- By business units, Interior Solutions (Insulation and Gypsum) accumulated sales of EUR 354.7 million, a 2.2% reduction vs. 2013 (2.6% growth considering the aforementioned effects). Roof Tiles business increased its sales 8.2% to EUR 26.4 million mainly due to the good performance in exports. Finally, Piping business reached sales of EUR 38.1 million (2.6% reduction), affected by the slowing down of certain civil work projects at the beginning of the year but showing a slight recovery during third quarter.
- Year-to-date EBITDA reached EUR 39.0 million, with an increase of EUR 9.0 million compared to 2013, and thus improving the EBITDA margin to 9.3%. This improvement was mainly due to reduction of fixed and personnel costs, which decreased by EUR 7.4 million. By business units, Interior Solutions increased its EBITDA by EUR 5.3 million while the rest of businesses did it by EUR 3.7 million.