

2010 Results

URALITA CONFIRMS ITS SALES RECOVERY IN THE SECOND HALF OF 2010

Net profit dropped to €0.6 million due to high prices for certain raw materials and poor results in the piping business.

- **Uralita's international expansion (64% of sales outside Spain) and positioning in energy efficiency materials meant that the company ended 2010 with positive results.**
- **Sales recovered gradually over the course of the year and the recovery was particularly significant in markets such as Russia.**
- **Interior Solutions, the group's most important business (80% of sales) that focuses on products that improve energy efficiency in buildings (Insulation, Pladur®), increased its sales by 2% in 2010.**

Madrid, 24 February 2011

Uralita ended 2010 by confirming its ongoing improvement in sales. Sales for the entire year climbed to €683 million, only 3.1% down on 2009. In the second half of 2010, sales reached €346 million, 2% up on the same period in 2009.

The company's international presence, which now accounts for 64% of the group's total sales, and more specifically, its growing business in Eastern Europe and Russia, were key to the positive recovery of sales volumes. 2010 ended with a 4% increase in said markets. In Spain, however, sales continued to drop, albeit at a slower rate of 13% in comparison with 2009.

EBITDA reached €86.8 million in 2010, 15.3% down on 2009. The decrease was mainly the result of limited activity in the Piping business due to cuts in public works and high prices for certain raw materials, particularly polystyrene. Up almost 50% on 2009, the cost of this basic product had a negative effect on the profitability of the Interior Solutions business.

Uralita ended 2010 with a net profit of €0.6 million, 94% down on the previous financial year. The drop in EBITDA, a higher tax rate and a larger portion of the profits from businesses with minority shareholders all led to the decrease in annual results.

Figures in €M	2009	2010	Change
SALES	704.7	683.0	-3.1%
EBITDA	102.5	86.8	-15.3%
EBITDA margin	14.5%	12.7%	-1.8 pp
ATTRIBUTABLE NET PROFIT	10.1	0.6	-94%

Improved Interior Solutions and Tiles sales

The Interior Solutions business is the group's most important. It accounted for 80% of sales and 90% of EBITDA, with 2010 sales up 2% to €548 million. The increase in demand for insulation materials in the Russian market, 20% up on 2009, was fundamental to the growth.

In 2010, Uralita continued to launch new and innovative products in this business area and expanded into other countries with the products it released in 2009 (especially PureOne and Ursa Terra).

For its part, the Tiles business reported a positive trend in sales and margins, especially during the final months of the year. This area ended 2010 with a sales figure of €51 million, only 5% down on 2009. The launch of high quality mixed ceramic tiles helped increase profitability, as did improvements to operations and business.

With regard to the Piping business, sales were down 24% on 2009, falling to €85 million. This was the result of a sharp downturn in public works due to the implementation of austerity plans.

Controlling debt levels

In 2010, Uralita continued its strict control of its cash account and the company managed to end the year with the same level of net financial debt as 2009 (€234 million), resulting in a debt/EBITDA ratio of 2.7.

Uralita is a multinational engaged in producing and marketing advanced and innovative materials for energy efficiency in buildings and efficient water management. The company is a European leader in the insulation business. It also leads the Iberian Peninsula market in products such as plaster, piping and tiles. Uralita has 33 factories in 10 countries and trades on more than 25 markets. It employs 3100 workers.

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