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URALITA ACQUIRES PFLEIDERER AG'S INSULATION MATERIALS BUSINESS (PDT) FOR €203 MM to become the third largest European insulation company, adding key technologies and broadening Uralita's geographic footprint

Uralita S.A. announces the signing of an agreement on the acquisition of Pfeleiderer AG's insulation materials division. The transaction is subject to regulatory approvals in various jurisdictions and is expected to be completed by the end of November 2002.

The consideration for the German assets and the share capital of the operating subsidiaries outside Germany is €203 mm in cash. The financing of the transaction through newly committed debt facilities has been fully underwritten by ABN Amro.

PDT is the third largest mineral wool insulation materials producer in Europe. For the year ended December 31, 2001, PDT reported sales of €197.8 mm.

This acquisition is part of Uralita's strategy to expand its pan-European position and develop its exposure to growth markets as well as focus its business portfolio on the growing insulation sector. The combination of the two companies will position Uralita as the second largest European glass-wool producer with a leading position in XPS, creating the third largest player in the overall European market.

PDT's management team will join the enlarged group and contribute valuable expertise about local market conditions to the combined entity.

The acquisition is expected to be earnings enhancing from the beginning.

Mr. Masnou, Uralita's Chief Executive Officer, said "this acquisition is an important step in Uralita's strategy of building an international presence and becoming a true contender in the insulation industry at European level. Moreover, this transaction provides Uralita with access to high-growth markets such as Russia while strengthening our position in key markets such as Germany and France. With the transaction, we will acquire a terrific management team as well as outstanding technological expertise. The transaction will generate substantial value for our shareholders".

Mr. Wojtalewicz, PDT's Chief Executive Officer stated, "PDT's employees and management are delighted to become part of Uralita's successful insulation business. We will contribute our very best to continue the profitable growth of the past and to reinforce our leading position in the European markets."

Strategic rationale

The acquisition of PDT consolidates Uralita's strong positions in Western Europe and provides significant exposure and market leadership in Eastern European growth markets (No.1 positions in Russia, Hungary and Slovenia). The transaction will provide Uralita with enhanced scale and will create an outstanding platform for strong organic growth and future industry consolidation.

The combined insulation business of Uralita and PDT will have total sales of around €400 million and will cover one of the broadest geographic areas of any European player. Uralita will become a European player with one of the most complete ranges of products thanks to its leading positions in both Glasswool and XPS.

PDT's market leading technology and distribution power will significantly strengthen the insulation materials business of the enlarged group.

Uralita has identified considerable cost synergy potential estimated at €9.3 mm (pre-tax) annually.

Furthermore, Uralita expects to achieve revenue synergies from cross-selling opportunities (mainly XPS), and cost reductions from logistics and sharing of know-how and best practices among both companies.

Required Approvals

The transaction is conditional upon, among other things, customary regulatory approvals. The companies expect to close the transaction by the end of November.

Advisors

JPMorgan Chase and Acxit Capital Management acted as financial advisors to Uralita. White & Case, Feddersen acted as legal advisor.

Uralita Profile

The Uralita Group ("Uralita", "the group") was founded in 1910. Currently, the group has around 60 group

companies, and is organized into seven divisions. Uralita is the leader in the Spanish construction materials industry, with branches in Europe and Latin America.

Uralita produces materials for general construction, building construction and civil works, with a portfolio of well-recognized and prestigious brand names and leading market share positions.

The group distributes its construction products and systems through a network of industrial and storage centers located throughout Spain

Uralita reported 2001 consolidated sales of €1,120 million (of which international sales amounted to €425 million), with a net profit of €22 million. The group employs around 5,500 people.

Pfleiderer Dämmstofftechnik (PDT) profile

PDT is the wholly owned insulation materials division of Pfleiderer AG. The division has been organized along regional dimensions: BU Central covering Germany, Denmark and Switzerland, BU East comprising Russia, Poland, the Czech Republic, Hungary, Slovenia, Romania, Ukraine and Sweden, and BU West covering France and the Benelux region.

PDT produces a range of high-quality insulation products for different applications in the building construction industry as well as for a variety of industrial users. The building construction products are designed to reduce energy consumption and are sold mainly to building materials wholesal-

ers, DIY stores and pre-fabricated house manufacturers.

The geographical distribution of PDT's production facilities allows it to serve both Western and Eastern European markets. Production plants are located in Germany (Delitzsch and Wesel), Belgium (Desselgem), Slovenia (Novo Mesto), Hungary (Salgotarjan), Poland (Dabrowa Gornicza) and Russia (Tchudovo and Serpuchov).

PDT reported consolidated sales of €197.8 mm. PDT currently employs around 1,500 people.

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