



*participation
innovation
cooperation
competitiveness*

Round Table: Our Values



face to face

José Antonio Ajuria
President of Lagun-Aro
"The Spanish pension system will suffer if corrective measures are not adopted"



portraits and stories of our people

Xabier Rezabal
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> *Let's talk about...*

The General Assemblies of the cooperatives, also of the Group, have already ended and with the data in its entirety having been analysed, we can confirm that the 2005 business year has been a very satisfactory business year for the ULMA Group, in which important steps have been achieved in its development from the business point of view and, likewise, a step of great scope in the consolidation of the Group with the approval of the changes proposed in the Organizational Project of the ULMA Group (POGU III).

In the business field the growth of the consolidated Business Volume continues meteoric, which at 508 Million Euros for the first time surpasses the mythic sum

project. Our project is one in which we present-day participants should leave for the following ones, some consolidated businesses, in continuous renovation, where the important thing is that within 10, 20 and 40 years our business group be recognized for its constant dynamicism and good doing.

The results have also been in line with recorded evolution. The ULMA Group altogether has increased results by 18% over the previous business year.

One more year, on these dates we are also doing our Social Balance, which we exhibit in this number and which in its main indicators have been recently approved in our Assemblies.

estimate that it has been an important step towards the cohesion of the Group, and that in the future, it will greatly contribute to the awareness and consolidation of our Group. We are a regional Group with its advantages and inconveniences. We have to and we should fight for and worry ourselves about the future of our Business, but we cannot forget that we are in a joint Group project which requires its levels of solidarity and commitment; of sharing some aspects, but of concentrating ourselves on keeping our business going. We are conscious of the fact that it entails working at a difficult equilibrium; but nevertheless, we count on this route that until now has been very productive.



Positive global balance sheet

JOSÉ LUIS MADINAGOITIA. President of the ULMA Group.

of 500 million. International expansion continues to be the fundamental base of this growth; aided by excellent work and performance of the internal market which, far from entering into a recession, is maintaining itself vigorous in the majority of the industries.

Looking back, and even though we were slightly remiss in the start-up of the Internationalisation process of our business, I believe that we have caught this train in time, and we have known how to accelerate and position ourselves in the path to globalisation that, want it or not, like it or not, will mark our future. We are conscious that we still have a long journey ahead of us, but if we advance down this path, we can find ourselves with hard to resolve future revenues.

This is an investment path in which one must capture status and must endure and, very probably, suffer during some phases, but one must focus on the distance. Our business project cannot be nor should it be a short-term benefits

The global evolution of work shows us some inevitable indicators. If during the previous business year average employment was 2,865 job vacancies, this year we have reached the figure 3,094; which implies an average increase in employment of 229 job vacancies. The payroll on December 31, 2005 reached 3,150 people. We have also taken an important step in cooperative work growth, as the number of members of the cooperatives has experienced a growth of 106 people. Nevertheless, and despite the difficulties that arise during these growth periods, in order to reach our internal objectives of generating membership growth, which has been made difficult when the growth of this employment is in the foreign subsidiary companies. We have to continue carrying out an effort to reach our objectives.

In this review of the 2005 business year, I would not want to overlook the significant step that the approval of the New Organizational Project of the ULMA Group has meant (known internally as POGU III). I

“We have known how to position ourselves on the path to globalisation that, like it or not, will mark our future”

ULMA Polymer Concrete launches onto the market the first duct with a built-in gradient of 2.5%



ULMA Polymer Concrete has presented the first channel which has a built-in gradient of 2.5%, developed under the most demanding quality standards as required by the industry such as the UNE-EN 1433 Standard. The ULMA Engineering Department, which provides consulting from the initial concept of the project through its final execution on site, has been who has developed this new solution. In this concrete case, the search would be necessary for an answer to the problems of dirt and canalization and drainage maintenance. Following analysis, it was identified that the solution could consist in a channel with greater hydraulic capability incorporating a gradient of 2.5%. With this new channel with a built-in gradient, a considerable savings is achieved in the maintenance costs of the facilities; making human intervention almost unnecessary. The same water that flows through the channels is the same that directly drags the elements that might have been deposited in the base. The most outstanding advantages that this new channel offers are its large hydraulic capacity, the self-cleaning effect due to the built-in gradient, and its reduced maintenance. In the picture this new channel with gradient that has been used in Montjuïc 2 Fairgrounds in Barcelona.



INAUGURATED THE MURCIA DELEGATION OF ULMA CONSTRUCCIÓN.

On last June 15th the new ULMA Construcción facilities of the Murcia Region were officially inaugurated in the La Serreta Industrial park in Molina de Segura. The act consisted in the uncovering of a commemorative plaque of the event, a speech of appreciation and trajectory to the team, on the part of Ernesto Maestre, member of the Board of Governors, to whom Pilar Arévalo thanked his presence on behalf of herself and the rest of her team. The new facilities have an office space and a 3,000 m² warehouse, 640 m² of which is covered.

ULMA Agrícola has developed a GSM system (Global System for Mobile Communications) for the control of greenhouses

ULMA Agrícola has completed its line of Microclimatic System automated machines with the GSM system called CERES, which has been developed entirely in its R&D department. With this new product, ULMA adds to its line of climatic control regulators for greenhouses an element of vigilance, control and supervision. This system has a list of mobile telephones, which are fully configurable by the user, from which consultations and manoeuvres can be carried out, and warnings can be received about any incident that might be happening in the facility, through a simple SMS (Short Message Service) message. A characteristic which is very valued by ULMA clients with regards to the climatic regulation equipment is that of personalization of these kinds of equipment to the particular needs of each greenhouse, thus satisfying the highest levels of requirements. Thanks to CERES the state of the facility can be known at any time and, most importantly, from anywhere.



ULMA Forging

ULMA Forging signs an important contract with PdV-SA (Venezuelan state-owned petroleum company)

ULMA Forging, through its subsidiary in Venezuela, has recently signed a contract in the amount of 2.1 million Euros with PdVSA (Petróleos de Venezuela S.A. - Venezuelan State-Owned Petroleum Company), for the supply of flanges to all of the refineries in Venezuela; one of the largest producers of petroleum in the world. This implies an important milestone for the Venezuelan subsidiary, as to date partial orders had been achieved for the supply of one of the refineries pertaining to said state-owned company. But the fact of establishing a yearly supply agreement for all of the plants proves the confidence in the well-doing of the subsidiary, as well as the quality of the ULMA product. Highlighting the excellent performance of the subsidiary in the past two years, reaching last year

a record figure of 3.6 million Euros in revenue and estimating for 2006 an increase of 20%, in order to reach the figure of 4.3 million Euros. In the photo, members of the subsidiary staff, Pablo Elexgaray (Manager), and Isgreñic La Rosa and Iana Brigante.



ULMA Handling Systems



IK LOG; A FLEXIBLE AND MODULAR SOLUTION TO ULMA HANDLING SYSTEMS. The Supply Chain Software (SCS) division at ULMA Handling Systems has developed a software specifically for the management of logistics systems. It is a system specifically of information baptized with the name IK LOG, designed to offer a flexible solution and to modulate Pick to Light solutions, radio frequency solutions, complete management solutions for warehouses, and solutions for localization and identification, amongst others. This novel logistics chain information system was introduced at the SIL 2006 ULMA Handling Systems fair.

ULMA Forklift Trucks

ULMA Forklift Trucks presented the best solution for the handling of long loads at Veteco

ULMA Forklift Trucks exhibited in the Veteco Fair in Madrid, International Salon of the Window and crystallized closure, the solution to manipulation of difficult loads due to size or fragility, through the range of HUBTEX lateral load forklifts. The HUBTEX lateral load forklifts offer the best option when increasing the capacity of the space of the store up to 50% compared to conventional counterweighted forklifts, as an extra turning area is not required; thus being able to operate in corridors only a small fraction wider than the forklift itself. Due to the wide versatility of the HUBTEX, they adapt to industries as diverse as the wood industry, aluminium, metal or plastic, PVC or steel sections. Visitors to the ULMA stand had the opportunity to test the manageability and efficiency of the 3050 Tri-cycle Four routes Lateral Load Series with traction on the three wheels, the Side Alternating Current Load Multi-directional Forklift Truck and the Alternating Current Multi-directional Stacker.



ULMA Packaging

ULMA PACKAGING ALONG WITH 7 OTHER COMPANIES HAS WON THE 2005 DUTCH AWARD FOR PACKAGING SUPPLY CHAIN. The award called (Nederlandse Verpakkingsketen Prijs) was accomplished with a 500g flow wrap packaging for fresh endive that has attained a 20% increase in sales. Presented during the Dutch Packaging Awards ceremony in Rotterdam, the award recognises the cooperation that had the greatest success among different companies in the sector in the release of a "new" concept in the Dutch market. The judges made up of Editors in Chief from five specialised Dutch publications conjointly selected Amcor Flexibles, Quality Growers Holland, The Greenery, Dekamarkt, Visser Media Producties, Creative Formula, Ulma Packaging and Espera Nederland as the winners for their participation in the revitalisation of the endive market. Produced by Amcor Flexibles Ledbury in the United Kingdom, the winning flow wrap design of OPP of 25 microns, printed in flexography and treated in Amcor P-Plus, ensuring a correct modified atmosphere to maximise the packaging duration. A demisting system highlighted the endive's visibility at the point of sale. The judges recognised that the sale of endive had been on a decline the past years and the close cooperation between these companies made it possible to acquire a new endive packaging format that has been accepted very well by consumers and has achieved a considerable sales increase in just a few short months after its release.



Alex Hofstee from ULMA Packaging Holland, in the centre of the photo.

DID YOU KNOW...

ULMA Forging, faithful to its policy of commercial expansion, has recently obtained its first order from Kazakhstan. After long and complicated negotiations for the adjudication of the order, they had managed to arrive at a good agreement, with the hope that the relationship is kept in the future. Kazakhstan, a country of 15 million residents, surrounded by Russia, China, Turkmenistan, Uzbekistan, Kyrgyzstan and the Caspian sea, has important petrolific and gaseous resources; industries in which ULMA Forging products find their use. With this new country, there are already 38 countries where ULMA Forging are found; exporting more than 95% of its production; which clearly reflects the exporting nature of the business.

ULMA Polymer Concrete

"Art" on Ventilated Façades; limitless possibilities

ULMA Polymer Concrete presents a new Innovative Ventilated Façade design showing the flexibility and unlimited possibilities that the material as well as the system offers. In the Madrid location of San Sebastián de los Reyes, the covering of the façade of the Municipal Training Centre was carried out. The uniqueness of this work is achieved thanks to the voluminous cubes that have been placed over the main building structure, starting from an auxiliary structure which serves as a support device for the plates and which seeks a flight of between 15 to 20 cm; depending upon the position of the cube. *"The idea of placing some cubes over the façade arose from the teamwork developed by the architect Alberto Martín de Lucio and the sculptor and painter Luis Feito, founder of the El Paso Group and a key figure in contemporary Spanish art."* The Municipal Training Centre is intended primarily for young people with social integration problems where it deals with reorienting them towards professional outlets. It is a project which relies upon the San Sebastián de los Reyes City Council and where the Madrid Community has participated.



ULMA Forklift Trucks



ULMA Forklift Trucks exhibited at SIL two stands loaded with logistical solutions

In a recently held edition of SIL 2006 in Barcelona, ULMA Forklift Trucks presented its most complete line of forklift trucks, both Mitsubishi as well as HUBTEX, for the convenient, efficient and profitable manipulation of loads using equipment which covers all work and applications which make up the receiving, transport and shipping processes of merchandise, stacking, storage or preparation of orders. In its desire to respond to market needs, ULMA displayed two stands to present different logistical solutions. At one of the stands, ULMA presented a wide range of Mitsubishi reach trucks, stackers, order pickers, pedestrian power pallet trucks and diesel and electric counterbalances for both inside as well as outside use. Amongst the novelties that ULMA presented were highlighted the PBV20-25NH Pedestrian Power Pallet Platform Truck with a load capacity of 2 and 2.5 tons and the new M Series of alternate current Electric Counterbalances with three and four wheels; novelties which sparked the interest of various visits to the booth. The stand aimed at the exhibition of side load forklifts of the prestigious German brand HUBTEX, was visited by representatives of businesses dedicated to wood, metal, aluminium or plastic, whose point in common is the manipulation of a kind of special load due to its wide dimensions and the need for a maximum warehouse use. The HUBTEX range is made up of bi-directional models, multi-way, and multi-directional reach trucks and stackers and alternate current electric or thermal engines, as well as reach trucks and stackers. This year through its two stands, ULMA Forklift Trucks displayed clearly the wide fan of logistical solutions destined to satisfy the needs raised by the most diverse sectors, settings, applications or load units.

ULMA Handling Systems

ULMA HANDLING SYSTEMS; THE DISPLAY WINDOW OF LOGISTICAL INNOVATION AT SIL 2006.

Innovation, Experience, and Technology summarize ULMA Handling Systems in the current edition of SIL 2006. Solutions in automatic classification systems, automatic storage, order preparation and Information systems for the logistics chain have been the most significant novelties presented this year by logistical engineering. The automatic storage system designed for the manipulation and storage of all kind of load dimensions has been the main attraction of the ULMA Handling Systems stand in this edition. It is a new system which has unique characteristics with regards to speed and movement capacity which make this system a great solution for Automatic Manufacturing and Distribution settings. Likewise, ULMA Handling Systems introduced its new supply chain information system baptized with the IK LOG brand. The already known Automatic Classification system developed by ULMA as well as the applications of its Pick to Light technology were also present in this great display window of logistical innovation.



ULMA participates in the construction of the third largest commercial centre in Europe

The Nevada Business Park, located in Armilla (Granada), will be the third largest business centre in Europe; and ULMA collaborates in its construction. This past month of April a visit to the job site was held and was attended on behalf of ULMA Construcción by Antonio Pérez (Southern Regional Director), heads of assembly, heads of order supply, technicians in logistics application and operation of the Southern Region, as well as staff of Guillermo García Muñoz, a representative of ULMA Construcción in Jaén. The job is comprised of 205,000 m² of slabs, divided in the following way: 120,000 m² lightened cubed slab of 4m in height and 85,000 m² of lightened stone slab in heights varying between 4.9 and 5.8 m. For the execution of the job, 11,000 m² of RECUB N-14 recoverable formwork were ordered strutted with SP Struts and 8,500m² of VR tables with ALUPROP struts and bracing. The Emasa company is the promoter and builder of the job, while Reina Maria Structures and Tuyser are the ones responsible for the completion. Without a doubt, the Nevada Business Park is an important job for ULMA



Construcción upon being considered the third largest Commercial Centre in Europe.



ULMA FORGING IN THE TUBE AND WIRE FAIR IN DUSSELDORF. ULMA Forging, a world leader in the manufacturing of flanges and carbon steel forged accessories for the petrochemical industry, was present at the TUBE & WIRE fair carried out in Dusseldorf from the 24 to 28 of April. In addition to strengthening commercial relationships with its clients, the fair was a display window in order to present clients and collaborators with the latest investments undertaken by ULMA Forging. In this picture, the ULMA stand at the Tube fair.

The ULMA Packaging Single Multipack Wrappings for chicken breasts achieved great acceptance at the Food Marketing Institute 2006 fair

The use in question is about the Coleman Natural Foods Multipack line, Golden in Colorado with regards to the single wrapped chicken breasts. Of an aleatory weight, the resealable package has six parts of between 4 to 6 ounces, vacuum-wrapped in individual portions; each one with a usage code or frozen by date. The exterior bag is extruded and converted into a zipper. The stickers are printed using pressure sensitivity and are printed in six colours. The interior individual wrappings are filled and vacuum-sealed at a speed

of 30 packs/min on a ULMA Packaging machine. The refrigerated products, ready-to-prepare, allow consumers to freeze them at home, according to Rob Siegal, Director of New Products Marketing, "This format keeps the product from freezer burn and from having to wrap the portions."



ULMA Polymer Concrete



ULMA POLYMER CONCRETE OBTAINS ITS FIRST EXPORT ORDER TO CHILE FOR BUILDING PARTS.

In June of this year, an important milestone was created for the Polymer Concrete business which was the close of the first pre-manufactured parts order for building, concretely, for an important luxury Residential Project in Santiago de Chile. It is Edificio Boticelli, promoted and constructed by the builder ALMAGRO. ULMA Polymer Concrete started its first exports in 1997. In the beginning all international orders were centred around draining channels; mainly to countries like Portugal, Chile and Chipre. The efforts that are being carried out for the start of international sales of the Building line are significant and are producing results. Last year talks were carried out in Santiago de Chile to a group of close to 170 architects, informing about the material properties, as well as the advantages of the pre-manufactured products for Building. Recently, it was communicated to ULMA about the desire to organize some seminars at the school of Architecture at the University of the same country. Lastly, it should be pointed out that right now ULMA is negotiating a first order of draining channels for the Persian Gulf (Qatar).

ULMA Forklift Trucks

ULMA Forklift Trucks receives a certificate from EUSKALIT



ULMA Forklift Trucks was one of the businesses honoured by Euskalit through the delivery of the Diploma of Commitment of Advancement towards Total Quality/Excellence. This diploma is given to those organisations that have carried out as a minimum two self-evaluations of the EFQM Model of Management Excellence and pass an external contrast carried out by three evaluators pertaining to the "Euskalit Club of Evaluators". The group of evaluators diagnosed during the period of two days at the ULMA Forklift Trucks facilities in Oñati, the gains and the grade of application of Total Quality/Excellence Principals through management practices. The Total Quality Principals are founded upon "results oriented", "client oriented", "leadership and coherence", "Process and event Management", "development and complicity of people", "continued learning, Innovation and Improvement", "alliance development", and "social responsibility". The delivery of diplomas took place in the Euskalduna Palace in Bilbao and was presided over by Fran Aspiazu, General Secretary of CEDEK (The Association of Basque Businessmen) and Miguel Laspiur, president of CONFEBASK and vice-president of EUSKALIT.

DID YOU KNOW...

The ULMA Group has launched, for the first time, its new corporate communication supports in Euskera. Since last June versions have been available in Euskera of the new corporate catalogue and video.





ULMA Agrícola has carried out a facility of 22.5 Hectares in the south of Italy

This past June finalized the assembly of this facility which was started to supply in the beginning of 2005. In total there are 22.5 hectares of greenhouses, of which close to 22 hectares are dedicated to the cultivation of roses and the rest as auxiliary facilities for the storage and centralization of climate and watering control systems. The facility is made up of gothic naves of 9.6 metres in width and 85 metres in length, with 4 metres of under duct height. The perimetral covering is of PVC, the roof of double plastic with an inflatable chamber (one of the plastic covers with anti-sulfur treatment for the production of roses). In this project the cooling system is also included to incorporate humidity into

the greenhouse, as well as the affixing of exterior shading mesh. The facilities dedicated to the cultivation of roses are divided into 5 different modules of approximately 4 Hectares each one which, in turn, are sub-divided into various climatic areas for the correct control of the various climatological variables (temperature, humidity, etc.). All of the modules are communicated using a central hallway which goes across length-wise all of the surface, in which automatic doors have been installed with a buzzer and a photocell. This one in the South of Italy is one of the largest facilities finalized by ULMA Agrícola to date; in dimensions as well as the control equipments installed in the same.

DID YOU KNOW...

The ULMA Group has participated in the celebration acts of the 10th anniversary of the Cluster of Knowledge. Concretely, within the celebratory acts of the 10th Anniversary which were held on June 15 in the Bilbao Exhibition Centre in Baracaldo, the ULMA Group participated in the Exposition titled "*Business Management in Euskadi: 10 years of providing network innovations*". Through this show which could be visited throughout the entire day of the 15th, ULMA showed its capacity for innovation in management, to all of the members of the Group of Knowledge as well as the other non-member organizations that attended the event.

ULMA Polymer Concrete

ULMA Polymer Concrete counts on the Catalan market in its policy of client satisfaction

Catalan is a market in constant change which is acquiring every more importance for the ULMA Polymer Concrete business due, mainly, to three factors: It is a market in which sustained and constant growth is observed, furthermore it is an innovator market where the greatest % of novelties and new product development requests (for example we have the first duct with a 2.5% gradient carried out in polymer concrete, and lastly, it is a market which stands out for the realization of sites with great ripple effects such has been the Culture Forum and most recently the expansion of the Fair in Barcelona in the Montjuïc Area. In the desire to satisfy market needs and committed to approaching its clients, ULMA Polymer Concrete has just launched the version

in Catalan of the Technical Specifications for Channelling Systems. For all of this, and because it is always thinking about offering better service and keeping its attitude close and accessible towards clients, ULMA Polymer Concrete will continue in this line of adapting its communication supports in those markets whose demand so requires.



ULMA Construcción

The ULMA Construcción Subsidiary in Brazil completes 10 years



The first contacts for the creation of what would later be the ULMA Construcción subsidiary in Brazil began in the month of October in 1994 between Elcio Almeida and Cristóbal Álvarez. In September of 1995 the first visit of ULMA Construcción management to Brazil already took place. On this date the letter of intent was signed to build a group business between Access, the company of Elcio Almeida and Luiz Correa, and the company ULMA C y E. S. Coop. It was in November of 1996 when the partnership agreement was signed for the new company which had its first business address at the Elcio's private residence. From that moment everything changed greatly. Today ULMA Construcción in Brazil is the leader in the Building Market in the São Paulo region where it operates with its own facilities of 20,000 m² of surface area. It has offices in the cities of Porto Alegre (in the south of the country) and in Brasília, federal capital, in addition to representatives in the cities of Rio de Janeiro, Salvador, Florianopolis, Curitiba and Goiania. ULMA continues in Brazil the vocation of the headquarters to be a leader, for which it has an ambitious Management Plan with which it hopes to achieve growth of 46% in revenue. ULMA Construcción in Brazil has a young staff, of great potential which, without a doubt, will help to reach the market

share that it wants to achieve always maintaining its clients satisfied. The Engineer Elcio José de Almeida, Chief Executive Officer of ULMA Construcción in Brazil, wants to along these lines congratulate and thank his entire team and all of those that have helped to make the ULMA project in Brazil - Fôrmas e Escoramentos Ltda a reality. In the attached picture, from left to right we can see Cristóbal Álvarez, Luís Correa, Hólvio Valença, José Luis Madinagoitia, Elcio Almeida and Carmelo Bilbao on the first visit of management to Brazil in 1995.



ULMA Forklift Trucks



"THE TOUR" OF ULMA FORKLIFT TRUCKS. This is the sixth consecutive year that the sports fans of ULMA Forklift Trucks organize the bike climb from Oñati to Aloña. The 25 people that gathered this year enjoyed the climb thanks to their physical conditioning despite the heat which was the main character of the day. Following the sports feat the cyclists and walkers from ULMA Forklift Trucks were rewarded for their efforts with the food that they enjoyed in the lovely Aloña environment. As in previous years, one of the assistants was named Txapeldun being Iñigo Aranburu the person to whom homage is paid this year by his colleagues.

Frioriz points towards logistics innovation at -25°C with an automatic warehouse developed by ULMA Handling Systems

The logistics company Frioriz from Galicia breaks from the uses of the frozen fish distribution industry through the incorporation of an automated storage system developed by ULMA Handling Systems. Frioriz is a newly created company dedicated to the internal and external logistical support of businesses from the frozen food industry. Its main object is to achieve closing a whole logistical circuit which allows for offering clients definitive and coordinated solutions from a common setting for the movement and storage of food products. The reasons for which Frioriz decided to entrust the logistical automation to ULMA Handling Systems were numerous. Firstly, in the process of storage system defining, their people in charge had the opportunity to visit similar latest generation facilities, such that they were able to witness the high levels of productivity achieved by the most modern of computerized systems. "In the industry - confirms Manuel Casal, a company executive, they have worked very hard to improve the automated systems and to be able to reduce some of the great handicaps (length, complexity and frequency of maintenance, level of stops, breakdowns) that said facilities have". Once the property opted for the automated system, a consulting process was embarked upon with ULMA Handling

Systems in which the objective was to define matters such as layout, the kinds of equipment to be included, the speed of work or the identification of the bottlenecks that could be produced. Furthermore, in collaboration with ULMA Handling Systems multiple visits were carried out to various kinds of computerized facilities which allowed to draw definitive conclusions about the final configuration of the facility adapted to the objectives proposed by Frioriz (agility, reliability, cost). The Frioriz logistical facilities contrast with the traditional mode of organizing the internal logistics of frozen products in the market, in that the maximum usage of volume was always sought out. The result was a decrease in the speed of merchandise management and an increase in the movements to be carried out for the picking of a product, which translated into a service to the deficient middle client (the transporter). The warehouse has a storage volume per ton ostensibly greater than the average in Galicia, due to the greater accessibility of pallets in the storage systems. This space proposal will allow Frioriz to decrease the average internal process time and, consequently, the wait time, loading and unloading of trucks, in a ratio that is forecasted to be around 55% with regards to market actuals.



DID YOU KNOW THAT...

The ULMA Group sponsors, in collaboration with the Summer Courses of the Basque Country University, the course *Football Training: Teaching to Learn*; which will be given from July 19 to 21 and will be directed at those people who in the future will have to carry out football teaching jobs to youngsters. The help of ULMA specifies 90 scholarships to be able to attend the course and with it the Group seeks to develop in its closest activity setting its Corporate Social Responsibility.

ULMA Packaging

ULMA Packaging participates in the Seafood 2006 Fair in Brussels

ULMA Packaging participated in the Seafood 2006 Fair, which was held in Brussels from May 9 to 11. A reference fair for the fish industry where more than 200 exhibitors from more than 22 countries annually exhibit their novelties. On this occasion ULMA Packaging presented, amongst other things, its Scorpius 400 thermosealer and the Supra Skin termoformer. The Scorpius 400 is a first step to the industrialisation of the packaging process, with a maximum sealing area of 300 x 420, it allows for the packaging of any kind of product placed in stable trays, to then seal them with a prior changing of environment if necessary. The Supra Skin applies the skin technology (vacuum packed in which the product is placed on a firm film base, and the lid film takes the form of the product and remains stuck to the base around the entire surface where there is no product); until now this technology was restricted to large machines that used to required large investments. ULMA wanted to approximate this technology to a wider market, applying it to models with a much reduced level of investment.



ULMA Agrícola



ULMA AGRÍCOLA: BRINGING SOLUTIONS TO CLIENTS. Viveros Bermejo (Bermejo Nursery) is located in Totana, a province of Murcia, and is dedicated to the production and commercialisation of seasonal plants and flowers. The new facilities that ULMA Agrícola has built in Hornico natural park farm in Hornico is made up of 1.5 Hectares of G9 greenhouses (22G9x77.5 m) of 4.5 m b/c, with supercénit windows in all of the naves. The entire perimeter of the green house has guillotine windows of 2m in height, entutorado each one 2.5 m, a condensation duct throughout the greenhouse, and closed with transparent polycarbonate. At the same time it is internally divided into various sections; depending upon light and temperature needs of the variety of plants that are being cultivated, using a double thermal screen/shade system on the roof and sides; all of it automated and automatically controlled. On the other side, structurally linked to the greenhouse the 3,000 m nave is found for storage and preparation of the merchandise, which was designed with multiple hoods 5M9x70m with a free height of 6 m b/c and stands every 10 m, facilitating the transit of vehicles inside it.



“The Spanish pension system will suffer if correction measures are not adopted”

Over a year and a half ago, on January 1st, 2005, the integration of general health and pharmacy coverage of Lagun-Aro was introduced into the public health system. How has the process in general gone? The process went well, conforming to what was foreseen. The initial typical maladjustments (delays and errors in certain health cards...) derived from the integration of such a high number of collective beneficiaries, were adequately managed. With regards to general medical coverage, the change has been positive for the many mutual insurance companies and beneficiaries that were already using the general medicine public system network, among other things because they no longer have to pay any copay for the use of said services. The change has been somewhat greater

for the beneficiaries that were assigned to a Retainer that now have to go to the primary care physician designated by Osakidetza. However, the integration of the Retainer doctors in Osakidetza has allow that in many cases the beneficiaries have been able to keep the same primary care physician that they were assigned to them in the Retainer.

Next year, the autonomous administration of specialised care and hospital management will disappear; can you tell us what the status is of the commitments assumed by Lagun-Aro to pose some alternative course of action with regards to this? Just as it was commented upon at the last General Assembly, Lagun-Aro's Advisory Council has initiated a reflection process

with regards to alternative benefits in this future context without collaboration (starting on January, 2008), a process that at this moment is rather advanced, in which in short the alternatives with the Delegated Commissions and Cooperatives will be hired. In any case, the Advisory Council has indicated that Lagun-Aro will continue to maintain in any event the figure of Special Beneficiaries that grants the right to voluntary health coverage, complementary to the public system, in exchange for a monthly fee.

Last year, 2005, breaking with the dynamic growth that in the last years had experienced the work absenteeism rate was achieved, to what do you attribute this achievement? What role do prevention campaigns play? The

Changes in the demographic pyramid will produce, in the not too distant future, grave maladjustments in the public pension system. José Antonio Ajuria explains to us some of the keys of what might happen, as well as the specific characteristics of Lagun-Aro social welfare system.

absenteeism rate that in 2003 and 2004 was situated around 5.5% was reduced in 2005 to 5.28%. As it happens sometimes in these matters, there isn't a single factor that can explain this evolution, since there are numerous causes that influence absenteeism. But it appears to be clear that the awakening about the negative evolution of this variable, on which much emphasis was given in the Lagun-Aro 2005-2008 Strategic Plan, has played an important role in this change of tendency. In harmony with what was approved in said Strategic Plan, Lagun-Aro is supporting the cooperatives in the implementation of procedures and management tools and absenteeism tracking, and at the same time has reinforced its medical inspection services. But, for the change in tendency to consolidate, it will necessitate the active involvement of all the cooperatives, not only from the standpoint of work risk prevention, but from the actual internal management of absenteeism, an aspect for which we have some good references from cooperatives that in years past had their absenteeism rate below the average and that should be examples for others that also recurrently surpass said rate averages.

There has been talk that in the more or less near future, a pension reform will come about; how is said possible reform seen from Lagun-Aro and what measures can our mutual insurance companies shall anticipate solutions? Everybody is talking about the reform of the public pension system, especially if we take into consideration the movement in this sphere that is taking place in all the countries of the European Union. Spain

has an advantageous situation short-term due to the important employment growth registered in the last years and because of its own demographical curve, but analysts forecast that it is one of the countries that will suffer the most in the future if opportune corrective measurements are not taken. One of the more commented measures, besides the extension of the work life, is the consideration of the entire contribution period for calculating the regulated pension base, instead of the 15 years presently taken into consideration. However, the agreement just reached by the government and the social interlocutors for social security reform has avoided this question, keeping the pension calculation formula as it is presently. At Lagun-Aro we have, in its time, proportioned the pension calculation to the average index of the best 360 contribution months (30 years).

It is being said that for calendar year 2020, close to 35% of Spain's population will be more than 60 years-old, How is this data seen from Lagun-Aro? Is private coverage being considered as a complementary solution? As previously indicated, it is foreseeable that the public system will suffer important pressures starting on the cited year, when the contribution ratio of the pensioner is considerably reduced, which is what marks the equilibrium in an apportionment pension system, such as the public one, in which pensions are paid with the contributions of active workers. Lagun-Aro finances its pensions with the funds accumulated during the active life of the workers (capitalisation system), so that the system's equilibrium does not depend on

whether there are more or less pensioners for each active worker. It does however affect another demographical variable that is the evolution of life expectancy, since the longer we live, the greater the required capital needed to finance one's own pension. The system has demonstrated capacity to withstand the evolution of this variable, as it is shown by the fact that its total adaptation to the new PER-2000 mortality tables. As with regards to individual complementary coverage, it is a valid and flexible option that allows each person to better adjust to his/her individual needs and preferences (anticipated pension, pension level improvement, etc.). In our system we count on one instrument, Arogestión, which allows channelling this complimentary saving.



***“The integration of
Lagun-Aro coverages
into the public health system
has been carried
out in optimum form”***

Cooperative Values, a call to debate

At a time when Values and Cooperative Principles are being questioned, we have wanted to gather, in a round table setting, the Presidents of the various Companies at ULMA Group, to tap into their opinions about this current debate and to know their opinions about how we conduct ourselves at ULMA.



José Luis Madinagoitia
(J.L.M.)
President of
ULMA Construcción and
of the ULMA Group



Martín Etxaniz
(M.E.)
President of
ULMA Handling Systems

If we ask our partners what is our Mission and which are our Values... Would they know what to tell us? In that sense, do you believe that our Mission and Values are known and are internalised in our group?

>> **M.E.:** In structured form, in an explicit form they are not known. Another thing is that lots of our partners do possess that spirit, due to culture, history, etc, but to say this is ULMA's mission and these are its values, I believe I would not know... and I believe that it is the responsibility of all to have it be like so.

>> **J.L.M.:** I agree that if we were to ask an open-ended question in a blank piece of paper to all our partners, then hardly would they know how to say something... Therefore, I believe that we have not memorised neither the

mission nor the values. In any case, generally, I do believe that they could have formed an idea with regards to what each of them has experienced in the cooperative. Internalised, well, not too much, I believe. It is a challenge to all to work at it more.

>> **K.A.:** If we make an exam question of what the values are, I believe that no one would know how to define them. In any case, although they are unknown, I believe that there is a daily practice of them. Just the same, it is the actual daily application that generates the Values.

>> **JULU:** I agree. They are not known. In fact, we at ULMA Polymer Concrete, this year, at each relevant meeting, we have dedicated the last minutes of it to analyse if anything has been done

for or against the values. Now the people know something more about the values and these are assimilated more because the level of unawareness was quite high.

>> **N.V.:** I believe the people do not know what the values are, but at the same time they do know which persons can identify more with these issues, that is why I believe that people identify them more with persons. In any case, I believe there is an interpretation problem, when you start discussing values, there is a tendency to have dispersion...In general, they are unknown and I don't know if there is much interest in knowing them.

>> **A.G.:** Internalised, I don't believe so, although they are communicated. In order for them to be internalised we should work them more, in a deeper sense, and

be more coherent. To the extent that we become more coherent, they will be able to be internalised more and it will be easier to know what our values are.

Do you believe that the actions we have developed are sufficient to transmit said Values? Do you think that it is the responsibility of the entities to influence its diffusion and promotion?



“ People are tired of theories; is time to speak about coherence ”

society have changed. The young people that come into the cooperative come with other values, there has been an evolution as with the issue of cooperative values, that more than a change, what has transpired has been a better definition. I believe that lots of people think that a cooperative is a place to work and earn a pay check, not a place where values are practiced. The error in the values issue with the ULMA



Alazne Guridi
(A.G.)
President of
ULMA Forklift Trucks



Nerea Villar
(N.V.)
Ex President of
ULMA Forging



Juan Luis Murguzur
(JULU)
President of
ULMA Polymer Concrete



Karmelo Arregi
(K.A.)
President of
ULMA Packaging

>> **A.G.:** Without a doubt, the entities have to be the driving force followed by the rest of the company's components. But first the entities should have the issue internalised and be coherent with it. I believe that we do not do enough or at least I have not perceived it. We could improve, for example, the communicative processes of the meaning of the values.

>> **N.V.:** I believe that the entities should be persons in which it is seen that they are in line with the cooperative. At the present time, we have in the decision-making bodies people that have not assumed these functions; therefore, it would be important to train the entities. I think that we don't do much to have people imbued with our values. I believe that we have to convey hope; people are tired of theories and now is the time to speak about coherence. I believe that the

method of communicating these things should be changed.

>> **JULU:** The entities have to drive and help these values be known, lived and applied coherently. The older people, without saying anything, are the ones who most convey the values, perhaps because there have been needs, they have it more internalised. In other, more difficult times, the values have been applied without having had theories of any kind.

>> **N.V.:** People think that many things that we are presently living are like that just because, and in truth, I would like to see some performances when things don't go as they do now...

>> **K.A.:** To propose that it be the entities who should convey... I believe they do convey. One should not forget that values in

Group has been that we have always talked of a sustained development but only from an entrepreneurial standpoint, and we have not done so from an employment standpoint. When we have already surpassed the employment peak, we then have realised the error and now we are trying to recoil, we are trying to convey values to the people when with the employment evolution we have had, we have not been able to do it...

>> **J.L.M.:** Clearly, we don't do enough. We have made much doctrine but without



“ Experienced people have more capacity to convey values almost without them knowing it ”

> Round table



debate. We should work on them. Before each very relevant decision, we should reflect about if and how it influences over against our values. We should reflect on how to convey the values. We, the entities, have the obligation to work with these issues and do whatever possible to get the people interested in them, although I would ask of all, a bit of receptivity. I believe, in short, that in the cooperative exist lots of people that still look for the general good before the particular good.

>> M.E.: Yes, it is the responsibility of the entities to convey the values, the problem is how to do it. Nowadays, conveying a favourable environment to cooperative values is quite difficult. We should stimulate critique in round tables, etc.

>> A.G.: I see a certain danger in that being very insistent about values could be tiresome if later on they are not really met, it is important that they be known but more important still is that they be fulfilled. It would be necessary that in the entities there would be someone who would propel the entities themselves to propagate these issues..

>> J.L.M.: It would not be bad that we carry out a debate about what it is that we are doing well and what it is that we are doing poorly on these issues.

Do you believe that at Group ULMA we act in consequence of our Mission and Values? Do you believe we have the necessary tools so that compliance thereof be correct and adequate? In that sense, in what way can we improve?

>> M.E.: From the entities there is an attempt to act in consequence in order to make those values accepted and internalised, perhaps we are not doing much. As ULMA Group we have all the tools that we want to utilise, now we have to know very well what we want to do...

>> J.L.M.: In general, I would say that yes, we do act in conscience, although not 100%. I believe that we have the right intentions but the habits, etc... Social control is a good tool that we have in the cooperatives. We could improve by starting to work through the head entities.

>> K.A.: In social council, for example, it is a reflection of the cooperative work we have. There is an important unawareness. It will be costly for us to return to the

philosophy of years gone by of the common good, nowadays, partners look more for personal gain.

>> JULU: If we look 20 years ago, the ULMA Group went from invoicing 3,000 million to invoicing close to 90,000 million. It has generated more than 3,000 jobs. A wealth has been generated in the environment, there is practically no stoppage. None of this would have been possible if we would have acted with our backs turned towards values... Values are fulfilled and things get done with criteria. What will happen henceforth... it is an unknown to me.

>> J.L.M.: Things are being accomplished effectively. In wealth distribution, we are one of the entities that has the best distribution of its wealth in Europe. We have a number of people that in their respective areas are quite committed.

>> N.V.: We flagellate ourselves quite a bit. In general, we are consistent. I don't believe we have done anything against values. The best tool is practice. What is clear is that organisations are not carried out fully by the collective, at times, it is in the hands of a few persons. I believe that this is moving forward because a few persons are highly committed although it is true that thereafter there aren't a lot of people exercising opposition, they let themselves be carried along.



“ Much doctrine is made and little debate ”



“ We flagellate ourselves quite a bit, in general yes; we are quite consistent with our values ”

>> **M.E.:** Lots of people may think that in a cooperative everything is assembleable, and it is not like that. To assemble is everyone's right but that assembly is delegated in a few entities that are the ones who are the driving force.

>> **A.G.:** There are more things correctly done than not. I also believe that we should be more critical in order to improve. As far as the tools, I believe that the cooperative's own normative is the best tool and its correct implementation.

Just like with other corporate management issues: Do you believe it is necessary to handle indicators that measure the achievement of our values?

>> **A.G.:** Yes, all goals have to have indicators. We do so in many processes; why not here? The problem is how.

>> **N.V.:** I don't know if much progress can be obtained just for the sake of meeting the objective if there is no faith in it.

>> **JULU:** Having an indicator is always helpful, although I believe that values should be something that each person internalises.

>> **K.A.:** The satisfaction survey is a good indicator. Why do values function more in our environment, because we are more

united in one direction. But there are people who work in a cooperative that convey a feeling indifference towards cooperatised work. Certain postulations that are heard are food for thought; it appears that other paradigms are being sought.

>> **J.L.M.:** Yes, we do have some indicators; we have periodically a personnel satisfaction survey, a societal satisfaction survey, etc. At the cooperative level, taking the indicator from 80% to 85% is on the table. In other aspects, it is more complicated when issues such as democratic organisation comes to us established by law. Then, there are styles, the various ways of interrelating, etc, which are hard to measure.

>> **M.E.:** If we believe that we have to push values and our mission, we do have to measure, how...well, that is the challenge. Are indicators necessary, I would say yes. Society's perception of the companies comes conditioned by these surveys. We bombard people with welcoming plans where the information given in half an hour is so much that they are incapable of assimilating it.

>> **K.A.:** At the ULMA Group level we should do something, the level of business unawareness is big, even among the companies themselves, and we are all only 500 metres from one another.

>> **N.V.:** In this life, in order to live one has to work. What is indeed clear is that up until now, you don't decide where to work but rather work where available. People want to work, period; the issue of cooperativism is secondary to many.

To conclude; what do you believe, in the area of Values and Cooperative Principles, the true challenge in order to continue to develop this project conjointly?

>> **M.E.:** I believe that the true challenge is precisely that it be a joint effort. We should imbue the people with Values. Society has evolve and values are not the same as they used to be, thus, people entering the labour force bring other values with them. It has been 14 years since the last great crisis, which means that we have lots of people that have not known anything other than "good times". What values do these people know? We have more people in the Group and, curiously, the majority of them have been working less than 10 years, which presupposes the incorporation of fewer values.

>> **J.L.M.:** Society's values are evolving, however, from the standpoint of cooperative principles, they continue to be valid; quite another thing are the variances in the application field. 15 years ago, our market practically was Oñati and Alto Deba, nowadays it is the world. Therefore, there will be a need to analyse how will cooperation with these people be henceforth, because otherwise we run the risk of turning into a multinational cooperative. There are people in our subsidiaries who are fully convinced of cooperative values.

>> **JULU:** For me, values are valid, I am fully convinced that the true challenge will be in the people.

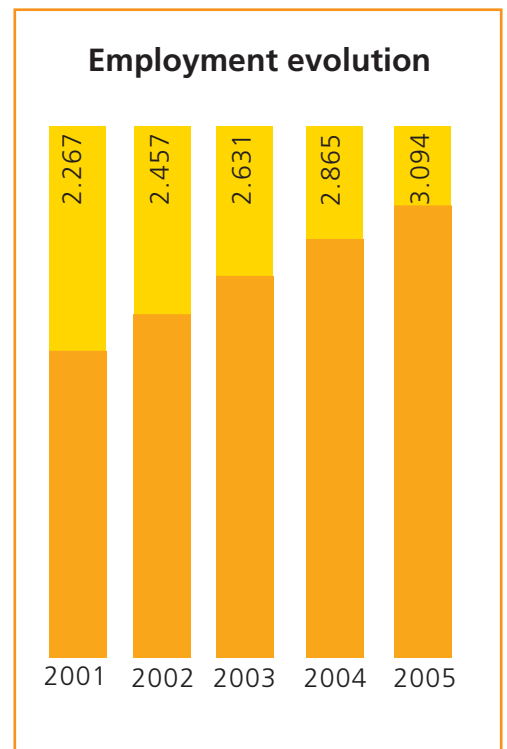
>> **K.A.:** Our values are basic values, I don't believe there is anything utopic.; although there is a clear clash of principles between our subsidiaries and ourselves. They themselves realise that we are geared to another type of relations. When we are talking about the ULMA Group, we are talking that even though I work in a business, we are all on the same ship. Meaning, I have to do everything possible to enable another person from one of the other businesses of the Group to live just as well or better than I, it is about living in a well-balance business environment. By Group I understand that; solidarity.

The ULMA Group creat

Loyal to our yearly commitment, 2005 has once again signified an employment-generating business year; in that an average employment of 3,094 job positions was reached, with a yearly increase of 229 job positions, and a substantial partnership growth in the main companies in which the number of partners has increased to 106 people.

ULMA GROUP MISSION

“We develop a Group business partner project based on People and their complete development, which through continued client satisfaction of the Group personnel, of external workers and our social environment, allows for profitable growth and sustainable creation of wealth and employment in a cooperative framework with communication and active participation.”



ULMA FOUNDATION: INVESTING IN SOLIDARITY

As an important innovation to be mentioned is the construction and start-up of ULMA Fundazioa (ULMA Foundation), with the following objectives as a Foundation:

1. The promotion and support of the social economy within its geographical field of business.
2. The support of education and partner-cooperative and professional training, as well as the training and education of working partners and workers of the cooperatives or of any other beneficiaries, in the main cooperatives and in their values or in work-related matters and additional cooperative activities, and the diffusion of the characteristics of cooperativism within its geographical field.
3. To support education and training, both required and non-formal, of any grade, within its geographical field of business.
4. To support and foster the fulfilment of activities of a cultural, social, beneficiary or assistance-related nature on behalf of associations, groups and organizations.

5. The drive of relationships, solidarity and intercooperation between socio enterprise entities, and of the same with individuals or corporate bodies that might become beneficiaries of the Foundation, or to assist in the carrying out of foundation-related objectives.
6. The development of research and development, supporting initiatives which imply the promoting of new activities as well as the support of special business or strategic interest developed in its region of business.
7. Develop the creation and maintenance of job positions, supporting in particular activities which tend to promote or guarantee employment stability; especially in the district in which the Foundation is domiciled.

The ULMA Foundation will manage the economic resources resulting from the annual application of the Education Funds and Cooperative Promotion resulting from the Group cooperatives.

ed 229 new jobs in 2005

INSTITUTIONAL SOLIDARITY

Since January 2005 the ULMA Group has participated in the MCC Corporation as its own Division, and within this project we attend to our acquired solidarity commitment which make that in this last business year we have allocated in our distribution of results the following amounts, which come to be managed by the Corporation:

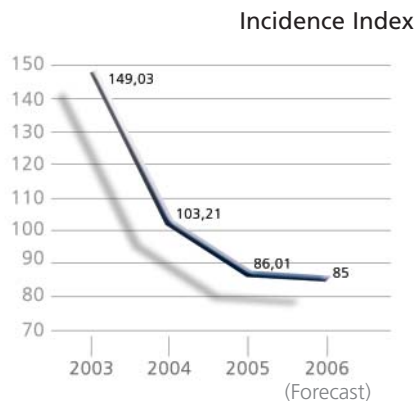
- The amount of 2,692,662 Euros has been allocated as an addition to capital to the Main Intercooperation Fund, equivalent to 10% of the obtained results. This Fund allocates its aid to shares capture in strategic projects, to the promotion of new activities, to the financing of cooperatives that have exceeded their borrowing power, to loss compensation and the support for restructuring projects.
- The amount of 308,290 Euros has been allocated to the Education and Inter-Cooperative Promotion Fund, equivalent to 20% of the FEPC (Education and Cooperative Promotion Fund), which attends to socio-cooperative and professional training projects and to research and development projects of the Cooperative Group.
- To the Mondragón Unibertsitatea Project, a non-recoverable fund, the amount of 154,145 Euros has been allocated; equivalent to 10% of the FEPC.
- And the amount of 538,532 Euros has been allocated to the Corporative Solidarity Fund, a non-recoverable fund that equals 2% of the obtained results; which allows providing the MCC Foundation with resources to compensate the 50% of cooperative losses of the MCC Industrial Group.

WORK HEALTH AND SAFETY

The 2005 business year has been one in which the clarity of the results from the efforts carried out in preceding years has

started to be seen, with regards to the implementation of the Work-Related Risks Prevention Management Systems in ULMA Group businesses.

If the 2003 Incidence Index indicator at the Group level marked for us a worrying figure of 149.03, 2004 reduced the same to 103.21 and in 2005 we have managed to position ourselves clearly under 100, with 86.05, having established for the 2006 business year the objective of reducing this indicator to under 85.



OUR COMMITMENT TO SOCIETY

As the cooperative project that we are, our commitment to social translation continues in place and we continue with the policy established by the Group in allocating the FEPC (Education and Cooperative Promotion Funds) in a stabilised manner to the various needs that arise. Deductions from the FEPC's generated the amounts allocated to FEPI and the extraordinary help to Mondragón Unibertsitatea, which has been mentioned in the Institutional Solidarity section, the amount of 1,337,964 Euros has been allocated to various subsections:

- To Cooperative Promotion (new projects): 361.250 €.
- To Training Projects: 214.074 €.
- To Intercooperation Projects: 173.935 €.
- To support Education, Research and Development Entities: 267.593 €.
- To various socio-cultural promotion projects: 321.111 €.

ASSISTANCE AND COLLABORATIONS GRANTED IN 2005

- The Mondragón Unibertsitatea Project.
- Sponsorship of the KIROLGI Foundation for promotion of the sport.
- Collaboration with various NGO's, highlighting the MUNDUKIDE Project, a cooperation and solidarity project in which the Cooperative Movement of the Basque Country works with developing town.
- Collaboration with the Aloña-Mendi Sports Club in Oñati.
- Sponsorship of the Cycling Tour and Castilla and León Gran Prix.
- Sponsorship of the Basque Country Tour.
- Various projects relating to the culture and normalisation of Euskera (Music schools, Orfeón Donostiarra – Basque Chorus, KONTSEILUA (The Euskara Council of Social Institutions), ELHUYAR Foundation, GOIENA, DIVERGENTS Project (from innovative art), world pastor congress, dance groups, theatre, etc.
- Collaboration with various assistance organizations (MATIA Foundation, SAN MARTÍN Residence, BIDEBARRI Employment Centre for people with deficiencies, etc.).
- Local education projects and Summer Courses.
- Support of various socio-cultural projects of NGO's of entities near our offices.



Health program- school of ergonomics

The promotion of healthy life habits that contribute to the well-being of an individual constitutes, in our time, one of the basic and most important themes in relation to health and labour activity. The School of Ergonomics comes to respond to the premises previously cited. Basically, it seeks to be an additional tool, integrated in the department of labour health, whose chief end is the care and individual and collective health improvement of the workers. The school of Ergonomics starts from a proactive perspective, where information, training, awakening and integration constitutes its basic methodological pillars. Among the objectives it is worthy to note that injuries and musculoskeletal disorders occupy a privileged place. Also the school of Ergonomics sustains and promotes the health promotion sphere, stimulating the active participation of the workers themselves as protagonists in their own health, it foments healthy lifestyles and propels the creation of healthy environments at work.

GOALS OF THE HEALTH PROGRAM OF ACTIVE ERGONOMICS

- > To create the habit of doing preventive exercises during the work day.
- > To help the participant in becoming conscientious about self-care of his spinal cord.
- > To analyse and improve daily life habits, including work habits.
- > To create a positive environment between the program's participants that will invite the improvement of personal relationships.
- > To improve the person's basic physical condition.

WORK SCHEME PROPOSED AT ULMA GROUP



a) SELECTION OF PERSONS

b) PERSONAL INTERVIEWS

- Once the participants have been selected, a personal interview will be conducted where the following aspects will be made known:
- > Presentation of the health program team: Doctor and coach
 - > Program's objectives.
 - > Maximise involvement and motivate the participants.
 - > Make an appointment for medical check-up.
 - > Propose and encourage feedback.

c) VISUALISATION OF WORKPLACE

A fundamental process within a health program in relation to postural hygiene will be the visualisation of different workplaces. It will be geared towards the following aspects:

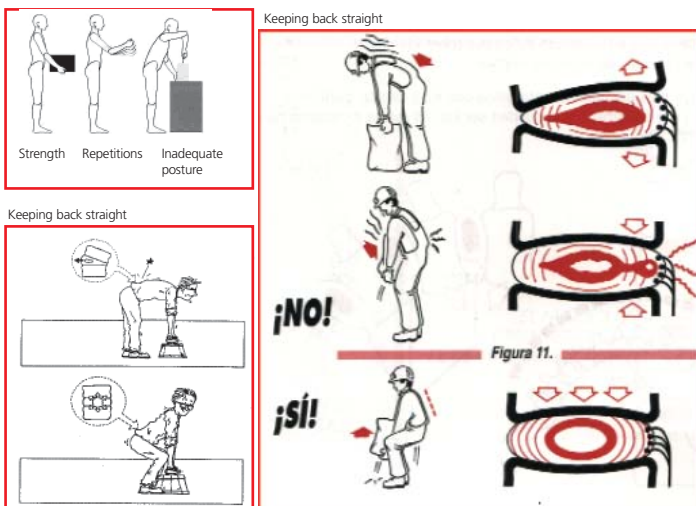
- A. Help to discover and be conscious of incorrect postures that are usually adopted and that cause or keep injuries short-medium and long term.
 - B. Teach different techniques and methodologies that will be useful for the workers to mitigate and prevent injuries. (Auto protection)
- The methodology that will be used to obtain a better response from the program participants will be:
1. On-site knowledge of the workplace.
 2. Film recording of the different stages of the work place.
 3. Proposal of activities and exercises to mitigate and prevent pain episodes.

d) HEALTH EXAM.

e) TRAINING (20 HOURS)

- a. Group Activities
- b. Individual Activity
- c. Complementary Activities

f) FINAL EVALUATION/ RESULTS PRESENTATION



Pictures and stories of our people

Xabier Rezabal, partner of ULMA Polymer Concrete tells us about his experience of more than two months living among the Gypsy Community in Madrid. Xabier, made up his photojournalism studies in Madrid with the completion of various photographic reporting jobs, amongst which, a photographic report about the Gypsy Community in Madrid.

"The time that the photographic report lasted were intense months with the gypsy community in Madrid. In the beginning, and as a presentation, I attended their meeting without any kind of camera. The idea consisted of allowing them to get to know me, little by little, in order for me to gain their trust; trying not to invade their privacy. One must remember that it is not easy to get into a gypsy community without having previously carried out a first contact (nobody likes for people to come into his/her house and take photos without his/her permission). After fifteen days I arrived with the camera hung around my neck and took the first photos of the women and children, as the majority of the men had not yet arrived from doing their daily chores (street vending, scrap iron, trickery, etc.) until late in the afternoon. In order for me to continue gaining their trust, I gave them some defective copies along with some other good quality ones. And so I gained their trust and went a little deeper into their lives such that some days I had the opportunity to share priceless moments with all of them, around the bonfires that they made in the evenings-nights. What really caught my attention was the fact that the gypsies lived in shacks made by themselves and that they even had in mind Ruiz Gallardón's electoral promise of constructing in this area housing with official protection for its rehousing. Taking advantage of said idea, I made it the reason for my carrying out of this report. In this type of photographic report, 95% of the work consists of contacting and gaining the confidence of the people that you are going to portray, and the remaining 5%, framing, measuring of light, choosing the objective, film and appropriate filters, and making the most of instant photos. This is one of those trips on which half of it is gaining the confidence and respect of the people portrayed. The simple fact of them having invited me inside their shacks and being able to photograph their kitchen, rooms and personal belongings, meant that my photographic journey was on the right path".



In the pictures, Xabier Rezabal, together with a group of gypsy children on the outskirts of Madrid.

The ULMA Group supports the

The Mundukide Foundation came onto the scene in 1999 from the drive of various MCC cooperatives; the ULMA Group is one of the 49 businesses and organizations committed to the work of this Foundation. Mundukide parts from the premise that the cooperative is, for developing countries, the most socially-committed formula, most motivating for the participants, and most effective from a business point of view, as the sole capital upon which the impoverished countries count is that of their own work. Parting from this philosophy, the Mundukide Foundation works exclusively on long-term productive projects, committed to the sustainable development, and of an endogenous and self-managing nature; or rather, it is about letting ideas and projects arise in the same place where they are going to be developed. The cooperatives that are created, furthermore, acquire the vocation of converting themselves into multiplying embryos and, in this manner, weaving a network of businesses that support each other.



A picture of the work that Mundukide is carrying out in Mozambique, inside the Marrupa project.

"For the first time the Cooperative Group companies have surpassed the 600,000 Euros mark of contributions to Mundukide. This was in 2005 and entails 56% of total income of the Foundation. Among the remaining contributions other NGO's are highlighted and grants from the Basque Government. The increase in contributions of the cooperatives basically obeys the good performance of the results of the save, which in turn increase the funds destined for social purposes. This contribution of our cooperatives has meant a good drive for the financing of the growing proposals of Mundukide, where the area of Intercooperation continuously undertakes new and larger projects. We hope that the increase curve grows even more to be able to respond with the necessary endorsement to the thrilling task of cooperating in the endogenous development of impoverished people."



JOSE Mª SARASUA

Mundukide Foundation

e Mundukide Foundation



mundukide
f u n d a z i o a

Mundukide drives cooperativism as a means of development

In the **Complete Local Development** chapter, Mundukide extends its activity, divided into various lines of business, in various impoverished areas around the world. In mentioning some of its most important projects, the Complete Local Development project in the area of Marrupa in Mozambique. It is one of most genuine parts of developmental processes driven by Mundukide. It was designed in 2001 with a duration of ten years and puts an emphasis on the creation of sources of richness and access to the same through the promoting of new business activities of a cooperative nature, and a more profitable family agriculture.

The **Intercooperation Chapter** is the second line of work for Mundukide and has two sections: community business development and exchanging of experiences. Within the first section, Mundukide has promoted the cooperative of commercialization of COPAC agricultural products in San Clemente, Colombia, the CAIA cooperative in Rukullakta, Ecuador, the TOITA group of businesses

in Hararae, Zimbabwe, the CIPA cooperative in Evinanyong, Equatorial Guinea, the Jequetepeque project in Peru, in Cuba and in Brazil, along with the MST (Landless Rural Workers Movement). Also, within the Intercooperation section, an exchange and mutual knowledge of cooperative experience was fostered through the Ttuke and Practicum Hegoa programs. These types of programs have been carried out, primarily, with South American communities.

< >

“ Throughout the 2005 business year, Mundukide destined to its various programs a total of 1,096,412 Euros ”



MUNDUKIDE MISSION:

“The Mundukide Foundation contributes from the cooperative perspective for our joint commitment to becoming a reality also in the setting of the countries of the South. From the same cooperative vision, integrating our strategies and actions into the attainment of objectives of the millennium should be a priority, as we are convinced that a cooperative organizational formula improves people’s lives, raising their economic conditions and promoting social integration and empowerment of the communities”.

How do you see the degree of fulfilment of our values at ULMA? How could it be improved?

To improve this section we propose that you send us the issues or questions that you would like to pose in this post; begira@ulma.es



PILI KORTABARRIA
ULMA Forklift Trucks

“Social issues are not given the importance they have”

We should first analyse if we really know what those values are. In that regard we all have to contribute our grain of sand for we know that the values are there but, in our daily routine, we are not conscious of its application. “The person”, who is the most important figure within the cooperative framework, does not feel recognised in many instances. There is a lot of competitiveness that is good because it helps us to get better, but there is also a lot of individualism. I believe there is a need for personal involvement by each of us, but also more involvement on the part of the entities (directors, principals...), to convey the sense of those values and foment collective workers’ participation. I believe that in a general sense or at least in the collective part, that the social issues are not given the importance they have.



GORKA MENDIGUREN
ULMA Agrícola

“In innovation and competitiveness we are the envy of the industry”

In general, I believe that our values are carried out satisfactorily, although to a lesser or greater degree depending on the value to which we are referring. Hence, if we are referring to the degree of participation, I believe that through advisory boards, ordinary and extraordinary assemblies, informational chats and departmental and interdepartmental committees, that degree of desired fulfilment is met. Improvable? of course. More frequent advisory boards of no more than 15 minutes and systematisation of committees with already established protocols. Competitiveness and innovation: Here I can affirm that we are envied by other companies in our industry. Each time more products, improvements and new markets are being introduced. Investment in R&D are carried out systematically every year. Improvement here would be possibly dedicating more human and financial capital with the surplus generated in times of economic bonanza. Finally, with regards to Cooperation, I would say that thanks to our image at ULMA Group, in turn belonging to MCC Corporation, strength and financial weight has been obtained. This is the fruit of that cooperation between cooperatives and therefore between the workers that conform them. I believe the degree of fulfilment is notorious and that the best improvement is never to lose this philosophy, since this is the way to follow.



JOSU IGARTUA
ULMA Construcción

“Sometimes we forget that the company is a sum of persons”

Keeping in mind that our values implicitly bear the knowledge of being a singular organisation, I don’t know to what degree we are so special. To my understanding, some values (customer service, internationalisation...) are carried out correctly. In other types of values, I have my doubts as to whether they are so deeply rooted. Perhaps, the growth that we have had in the last years has made us feel as separate persons and company. In any case, I feel that it is important to set firm values so that all of us can channel them to the same mission. A few possible improvement avenues: I think that it would be good for us ULMA members to feel what people should do for the company, but at the same time, what the company should do for the people. Many times we forget that the company is a sum of persons and we would prefer to think that we work for the people rather than the company. If we would give values more importance and we had more training about those values, the level of satisfaction would increase. Sometimes it seems that the mission, vision and values, serve only to be placed in the bulletin board and that should not be so.



JOSÉ Mª BENGOA
ULMA Forging

“As consumerism rises, values decrease”

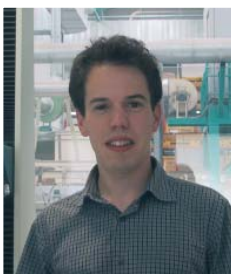
The degree of fulfilment in values has greatly declined. I would say that with the generational changes, as we have improved in our personal values we have also decline in cooperative values. I explain: We are turning even more individualist, egoist and less participative. In short, less responsible with the business itself (Cooperative). For example: *“it is not my job, it is not my jurisdiction, it is not my assignment, it is not my job description, I, I, I.”* Starting with the principals and cascading to the entire collective. The executive has to feel the cooperative more and look less at his personal gain; money, disregard for promises, etc. There is a great lack of professionalism, maturity and responsibility at all levels. I believe that in order to convey all these values we should count more on experienced people. Putting young people, without much experience, in key positions is a risk, likewise giving them all the responsibility regardless of how alluring or promising these might be.



AINARA AZKOITIA
ULMA Handling Systems

“Participation and compromise are the values I appreciate most”

My perception is that the values that ULMA preaches are being fulfilled and in general the cooperativist environment, although I am conscious that they are not fulfilled 100%. In my close circle, participation and compromise by the staff are the values that I appreciate the most. In this regard, the staff’s readiness to give service to our clients is a value that is experienced every day and that I believe is not sufficiently valued, or at least not valued as much as it should be. I do not believe in magic formulas that will increase the degree of fulfilment of values. My opinion is that it is a personal decision that each one should develop values in their work, just like it is necessary that the degree of fulfilment of those values be appreciated. The more our work efforts are appreciated, the greater the involvement of each worker will be, and vice versa.



FERNAN SANTAMARÍA
ULMA Polymer Concrete

“The expectations I had with regards to values have been fulfilled”

As a worker and cooperativist for the past two years at ULMA Polymer Concrete, I cannot make an assessment of the present situation with cooperative values against past ones. However, I can say that since the beginning I had expectations about values and fundamental pillars of the cooperative which have been fulfilled. Of course we can, from time to time, deviate from those values; neither systems nor people are perfect, but we do have the necessary channels to rectify and improve. Innovation is a value that we not only promote organisationally, but internal pressure situations and competition that is become stronger all the time, demands that we thrive and enliven. In this case, external pressure plays as a stimulating factor. However, other values such as participation and cooperation suffer a negative influence from a society in which we tend to lean towards individualism, comfort and rapid results. This can sidetrack us weakening principal values that make us strong and benefit us both as a group and individually. In order to propel those cooperative values, I believe that it is essential to try to be honest and demanding with ourselves whenever the time comes to make an internal evaluation of them, avoiding falling into complacency; self-criticism will strengthen our cooperative values. With this as our goal, we at ULMA Polymer Concrete are already reflecting on the fulfilment of values and we should take advantage of the opportunity. At the same time, I am of the opinion that cooperative values are values with a very deep social and humane base, but that are perhaps easier to retain in smaller groups. As an avenue to propel cooperative values, I think that we should defend and be respectful of them from our usual work groups, regardless of how small they might happen to be. The moral authority that we acquire on each front will strengthen the propagation of cooperative values throughout the entire organisation.



IÑIGO GARAI
ULMA Packaging

“We should demonstrate that there are alternatives based on the collective”

To speak about the cooperative values is to speak of a way of doing things close to fellowship and solidarity ideals. It is about helping one another, lending a hand and share in the results of the joint effort. The truth is that in a globalised world such as we have today, where individualism and personal success are prioritised, working in a cooperative implies showing people that there are company alternatives based on the collective being above the individual. And even knowing that there is much room for improvement in the cooperative, I believe that it is still a much more solidary system than the alternatives we see in the marketplace. The truth is that I believe that we are not really conscious of the great wealth and work security that we have been given; it comes from our previous generations where cooperative values had a lot of strength, where there was a high level of sacrifice and true it is that to this day all one has to do is look at the results. Without going too far, at ULMA, when you speak to senior staff, you can see a sense of pride and satisfaction about what they have accomplished with lots of sweat, effort and above all lending a hand, all together, since they had to overcome difficult periods that if they would not have been cooperative would not have been overcome and become the ULMA that all of us enjoy today. They have left us a good example to follow and I believe that if each one of us is responsible at work and serves as an example in fulfilling those values, surely we will be able to improve in this sense.



Mining roads of Katabera

In search of Amabirginarrie



The Katabera mines were run in the same Aizkorri mountain range slopes, from which calamine and blende were extracted to make zinc. Let us tour the natural roads that start from the calcination ovens where the mineral was transformed.

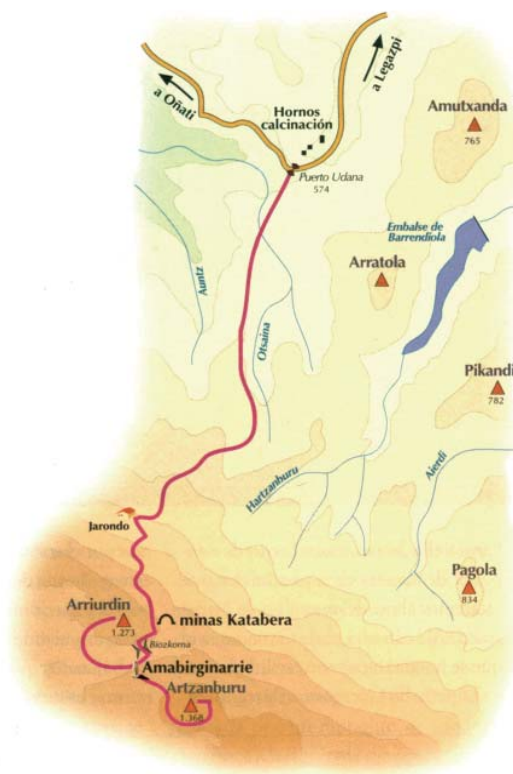
At the foot of the Biozkorna saddle dam, right in the middle of the Aloña-Aizkorri mountain range, the Katabera mines were run in the open air, which were the property since the XIX century of the Real Compañía Asturiana de Minas.

We will begin the trek at Udana point, following between the two trails that start in the dock in front of the engineer's house, the closest to Oñati. A beacons road with the GRs red and white signals starts there and these marks will help us find the road. We will go by a support to follow a trail between firs and pines, disregarding, should there be any, other

adjacent trails. After a while we will exit to a portion of the trail with gravel pavement that comes from the Barrendiola reservoir, also a possible access to get to Katabera. On the hill is the txabolas abandoned sheepfold of Jarondo and beyond them the mines can be seen. In front, a well-marked trail but steep slope takes us towards them, doing zigzags around the rest of the mining constructions.

Here the engineer's house, there the telephone tower's bases, on the other extreme the slagheaps. In the middle a fast moving trail advances, following a sharp diagonal towards Biozkorna hill that divides the Aizkorri crest.

Biozkorna is on a great prairie sprinkled with rocks, between Arriurdin and Artzanburu peaks. One of those chair-shaped rocks is the Amabirginarrie. It is said that it was used by the Arantzazu virgin to rest when she was going to Urbia.



TOUR GUIDE

Access: Port of Udana, located between the town of Oñati and Legazpi.

Time: 1 hour to Katabera, one way. 30 minutes more to Biozkorna hill.

Advice: As an alternative, it is possible to get to Katabera from the bank of the Barrendiola reservoir, following a trail that starts from the west side.

Information: www.lenbur.com.

THE VISIT; Mirandaola Foundry

At the foot of the Port of Udana, in Legazpi, is the Mirandaola grouping, an exemplary iron exploitation, whose foundry puts its hammer in motion each Sunday (the first Sunday of each month between November and March). In the same valley, the so called Camino de Hierro (Iron Road) allows one to get to know another foundry and the Brinkola mill grouping.

> **the profile**



Carmelo Bilbao

On this occasion we wanted to be with Carmelo Bilbao, until recently the Manager of ULMA Construcción, for him to tell us about the feelings and emotions caused in his recent farewell to ULMA.

Carmelo, a phase has come to an end... along general lines, how do you value your time spent in the Construcción business from your start as the head of Marketing? Very positively. It has been like working in numerous different companies, both in size and complexity. Memorable.

The step to Business Management was a real personal challenge...Have all of the expectations and wishes of that project been fulfilled, do you believe that anything has failed to get a mention? Yes, they have been fulfilled and with manifold. People that left have failed to receive a mention, for one reason or another, but the valiant ones we fulfil expectations.

Today ULMA Construcción is a fully consolidated Business in the Spanish market, with a first-rate International vocation. We suppose that this would not have been possible if you hadn't have counted on idoneous people... Businesses, brands, organizations, are entities about which there is nothing to be said. People are the ones that talk, listen and put all of the mean on the grill. The illusion that I have seen in people from this groups is, along general lines, indescribable.

Tell us, upon what new project are you embarking? A group of iron and steel transformer companies, whose name is BANDAS DE ACERO. It is like managing a regional Group whose common element is steel, but with auto-

nomous businesses and companies.

In closing, Carmelo, How do you see, with the current knowledge that you have about the Business, the medium and long-term future of ULMA Construcción? Me, knowledge, very little. Ideas of change and illusion to give and give away and those that remain can inform you better than I can. I am now just one more inactive member.

Lastly, and how in all of farewells there are always people to thank for something, who would you like to remember at this time? To my family, my wife Jaione and my children Xabi, Josu and Itsaso, who have suffered greatly with my trips and absence.

GIVE US YOUR OPINION! SURVEY

As you know, as of the previous number 11 we have incorporated new sections and new themes in the magazine that gave rise to the introduction of small changes in style and a few retouches in design.

As it is our intent to improve the magazine daily, you will shortly receive a small survey via e-mail in which we will request your rating of the magazine in general as well as its new sections and styles.

Collaborate with us in improving the magazine by completing the survey and sending it to the e-mail.

Those of you that do not have e-mail, will receive a hard-copy of the survey in the magazine, and will be able to send it in the attached pre-paid envelope to:

Grupo ULMA
Departamentos Centrales
Ps. Otadui, 3 - Apdo 13.
20560 OÑATI
Ref.: Begira
Email: begira@ulma.es

Thanks to all and enjoy! Congratulations

RETIREMENT: Retirement from the ULMA Group from May 1st to August 31, 2006



Felix Cortabarría



Jose M. Igartua



Agustín Etxezarreta



Enrique Zubia



Esteban Barandiarán



Javier Agirrebalzategi



Dario Lozano

Also, and as always, we continue to maintain our Suggestions Box where we hope to receive your contributions: **begira@ulma.es**

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Send us your best pictures:

Mountains and Nature !!

The Begira magazine continues to encourage you to send in your best photographs about Nature and Mountains. We invite you to participate again, to send us all those images you might have about the section of Nature and Mountains. As you know, with the choice of all of the images, a 2007 corporate calendar will be created. In addition, various gifts will be raffled off from the photographs received. Mailings may be carried out until September 27 of 2006 by e-mail to the address: begira@ulma.es or by regular mail to:

ULMA – Departamentos Centrales

Ref. Begira

Pº Otadui, 3

Aptdo. 13

20560 OÑATI

To date more than 60 pictures have been received. These images are available on the ULMA Group Intranet in the Begira section.

REQUIREMENTS:

- Black and White or Colour Photographs.
- Photograph. Digital: JPG format, high resolution (300 ppp), actual size.
- Paper size: minimum 13 x 18 cm. and maximum 40 x 30 cm.



get Involved and
send in your photo

These are
some
photographs
sent by your
ULMA
colleagues

