

Begira

 **ULMA**

July 2003
Nr. 3

General Policies and Strategies

A glance at the future for a Group in movement



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historical best-seller

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July 2003
Publication: Grupo ULMA
Design: AZK Taldea
Printing: ELKAR S. Coop.

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Economic Balance and Social Balance

A year has passed since we presented this BEGIRA magazine, whose important mission in the ULMA Group is to become one of the communication and cohesion tools of the Group.

First of all, and after this first annual cycle, it seems that our magazine fulfills part of the objectives, but we have to improve it and that is why we launch a questionnaire together with this issue in order to know the opinion of our collective objective of this magazine, so that we can improve it. That is why we encourage you to participate.

Another fact is that, after the round of General Assemblies that have already been celebrated, the year 2002 is now history and in general terms we have passed it very good and with satisfaction, bearing in mind the uncertainty during the exercise.

In this issue we present a small balance of the year 2002, both in economic and social aspects. Thanks to our historical development through the Assemblies or the information meetings, we are familiar with the annual economic balance in which the annual evolution, the problems that appear, trends, etc. are made public.

**José Luis
Madinagoitia**

Chairman of the
ULMA Group



After the economic chapter, which is a basic and priority aspect in any business model, we have the social chapter, whose balance has to be penetrated progressively and our achievements and evolution to be analyzed.

There are many aspects of the Social Balance we cannot forget, as they constitute our cooperative essence as a company of people. Aspects like:

- Quality and continuity of the generated employment
- Safety and Health at work
- Training and Internal Promotion
- Participation of the people in the management decisions
- The integration of women
- Sanitary cover
- The salary relationships
- Taking care of the environment
- The ethical proceedings of an organization
- The collaboration with the surrounding world

and many others that serve as elements for a profound reflection to see if we carry out what we say in our MISSION:

"We pursue a business project of a Group based on people and their complete development, that through the continuous satisfaction of our customers, personnel

of the Group, collaborators and our social environment, makes it possible to..."

and in the VALUES of the Group, in which we can find back the Social Compromise for which we are committed to:

"...contribute to the economic, social and cultural development of the society, ...making it possible to develop a more free, fair and joint society."

All the above has to move us to analyze our evolution, to question ourselves permanently and to plan improvement actions in order to achieve at the end the compromise we acquired.

For the exercise 2003 we have committed ourselves, among other aspects, to develop and start-up a Systematic Management of People Satisfaction Evaluation and soon we will meet to present you the reasons of this project, the methodology we will use and the individual collaboration in the questionnaire we will apply. We encourage you to participate as it will be the base for improvement as "the things you don't know you can't measure and the things you don't measure you can't improve".

ULMA Agrícola has developed a new automatism for the Climatic Control of Crops in Greenhouses.



■ Paying attention to the market demand and with the objective to achieve the most complete automation of all the elements that interact in the climatic control of a agricultural production plant, ULMA has designed a new automatism and therefore has developed both the hardware of the electronic card and the programs of the climatic control. This electronic card has been design-

ned to control all the elements of the greenhouse (air heating, thermal screen, forced convection air heater,...) besides of the air conducts (top and laterals) and a complete weather station (air speed indicator, weather vane, pluviometer, luxometer, pyranometer) with the possibility to establish a supervision system through a Personal Computer.



ULMA Construcción and ULMA Polymer Concrete participate in the Construmat '03 fair.

At the end of May a new edition in Barcelona was organized of the reference fair for the Spanish construction sector: Construmat. As always, ULMA Construcción and ULMA Polymer Concrete attended the invitation with stands of 421 and 108 square meters respectively. ULMA Construcción unfolded a strong image through the exposition of its shuttering and scaffolds while ULMA Polymer Concrete showed the quality of its pre-fabricated products for Canalizations and Buildings. Construmat gathers every two years all the agents and participants in construction and is a meeting point for all the companies of the sector that want to present their novelties regarding products, systems and services.

ULMA Handling Systems obtains the **ISO 9001:2000 certificate**, authorized by **LRQA**.



ULMA Handling Systems has obtained a certificate of Quality Management ISO 9001:2000, authorized by the company LLOYD'S REGISTER QUALITY ASSURANCE (LRQA). This recognition guarantees that the quality management system implemented by ULMA and based on the continuous improvement of its products and processes is according to the requisites demanded by the ISO.

The certificate was obtained in March and strengthens the orientation of ULMA Handling Systems to satisfy the needs of each of its clients. By doing so, ULMA Handling Systems strengthens its international prestige and consolidates its competitive position in a every time more demanding market.

The orientation of the company towards the client, the continuous improvement and an organization based on processes are the three fundamental characteristics the companies have to fulfill to obtain the ISO 9001:2000 standard. In order to fulfill these exigencies ULMA Handling Systems has brought together the efforts of all the people and thanks to them this recognition has been achieved.



The new headquarters of the ULMA Packaging branch in the United States inaugurated. In the month of March the new offices and warehouses of the Packaging branch in Atlanta were inaugurated. To the ceremony assisted the Business Manager, Mikel Zabala, various of its directives as well as the Chairman and the General Director of the ULMA Group, José Luis Madinagotia and Txomin García respectively, who were accompanied all the time by the Branch Directors Bill Chastain and Harvey Fine. On the picture you can see a view of the building and the protocolary moment of cutting the band.



CIMABOX bets for ULMA Forklift Trucks.

The company of Barcelona Cimabox, specialized in the design, manufacturing and commercialization of offimatic products has trusted in the logistic assessment of ULMA Forklift Trucks. Cimabox has recently bought an equipment totally adapted to its storage and product manipulation needs after the personalized study conducted by the commercial and product department of ULMA Forklift Trucks. The special combi type rider seated Hi Racker lift truck for the preparation of orders of the German company Dambach, has a lift-up capacity of about 5 meters and allows a considerable space reduction because it only needs corridors with minimum dimensions for its optimal use. In this case the dimensions of the corridors passed from 3 meters to 1.7 meters. Besides the space reduction, you have to add the ergonomics, the reduction of maintenance costs and the better use of energy with the consequent increase of profitability and efficiency.



New Machine Finishing Center for ULMA Forging

ULMA Forging has put in practice an integral line for the machine finishing and manipulation of Flanges up to a maximum external diameter of 482 mm, composed out of an input conveyor belt with a flange storage that has a 10-20 minutes autonomy, where the piece is prepositioned for the load head, a turning unit to machine the first part of the flange with an inverted head (upper) of the Pick-up type and a claw ring with a diameter of 510

mm and a motor of 30 Kw. The new center has a vertical turning unit for the second machining operation, a drilling unit and another for the pick-up and unloading of the flange. This unit leaves the flange in the sealing unit, a turning and friction device that allows to engrave all the specifications that are compulsory by the Flange Standards. This working center also has an automatic installation for painting through inversion of the flange.



ULMA Agrícola has realized an installation in the Chiapas forest in Mexico

■ The installation realized by ULMA Agrícola is made up by 4 Multichappel greenhouse modules of 2,000 square meters each and will be dedicated to the production of Anturios. This is a tropical plant which needs a control of the solar radiation during its production and that is why the greenhouse has been equipped with an aluminium thermal screen system. The first

campaign saw a considerable increase of the production with 300% and a better quality of the flower compared to the production in the open air of the area.

Chiapas Flowers is a company dedicated to the production of tropical plants and is situated in the mountains of the Chiapas Forest, Mexico, at 2,100 meters above the sea level.



May; month of the Assemblies.

During the month of May, as in previous years, the assemblies of our cooperative societies were celebrated. The first one was the assembly of ULMA Polymer Concrete in the Cultural House, next one was the assembly of ULMA Manutención in the Institute, followed by the assemblies of ULMA C y E in the Pelota Court of the Oñati Sports Center and finally the assembly of ULMA Forging, also in the Cultural House. On June 27th the General Assembly of the ULMA Group will be held. On the picture, a moment of the assembly of ULMA C y E.



ULMA Packaging at Hispack. ULMA Packaging presented last March at Hispack 2003, the International Packaging Fair, its complete range of packaging solutions with surprising novelties for the Packaging sector in all its businesses. On the picture the impressive aspect of the more than 400 meters stand that ULMA Packaging presented during the fair in Barcelona.

ULMA Polymer Concrete canalizes the new runways of the Madrid-Barajas Airport

■ ULMA Polymer Concrete has achieved the adjudication of the canalizing works for the two new runways of the Barajas Airport and the adjacent Platforms within the so-called Barajas General Plan.

The actuation of ULMA will be focused on supplying canals to collect rain water and comb and outlet boxes for the electric traffic guidance installations of the new runways. In total more than 60,000 meters will be placed for drainage and electric installations.

The supply will be in phases and the execution of the work will be carried for about 80% during 2003. The amount of the operation for ULMA Polymer Concrete will reach 8.5 million euros.

The quality of the ULMA product together with a specific design for airports and a previous work of prescription during the last years has made it possible for AENA to choose the ULMA bid. On the picture you can see the placement of the canals in the Madrid-Barajas Airport.



José Antonio Sánchez
Delegate

> "The continuity of the actions that we started some years ago with the first negotiations in the aeronautic industry – resulting in the adjudication in 1998 of the 3rd runway of the Barajas Airport- and the investments foreseen for the coming years made us think about the convenience to foster this market segment. From this moment we bet for a more personalized attention, we collaborate in their projects, we analyse their needs and we even design new products that differentiate us from our competitors. All this has led us to an advantageous competitive position with respect to other manufacturers when it comes to attack the final and decisive phase: the adjudication. Hence, we have to congratulate ourselves for this important success of ULMA Polymer Concrete. Best wishes to everybody".



ULMA Construcción participates in the Seminars on Safety in Working at Heights, organized by the Ministry of Work and Social Affairs.

Promoted by the Ministry of Social Affairs, in May some working seminars on "Safety in Working at Heights" were organized in San Sebastian. The people who attended the seminars were Labor Inspectors of all the provinces and communities and different courses and talks regarding safety, standards, ergonomics, etc. were imparted.

ULMA Construcción imparted a presentation on SAFETY DURING THE ASSEMBLY OF SCAFFOLDS, by Silvia Staffolani. The participants together with the organizers, José Subirats of the Provincial Inspection for Work and Social Security of Las Palmas and Manuel López Carniago of the company NECSO, moved to Oñati to assist on the spot to an assembly of scaffolds and to visit afterwards our production plant. Also a tourist visit to our Village was realized, showing them the most relevant monuments. During the visit comments were made on the organization, not only of the event but also of the preventive measures taken for the group visits and their register. This shows the consciousness of ULMA regarding safety at work. On the picture, a moment of the visit to the university.

ULMA Packaging implements a tool to improve the relationships with the client

■ Since the beginning of last year ULMA Packaging is implementing a CRM (Customer Relationship Management) to manage the relationships with the clients. A business strategy based on the application of new technologies whose only objective is the client. This new CRM strategy is helping us to manage effectively all the aspects of the sales cycle. It standardizes the main sales functions by automating activities such as account and offer management, the automatic generation of budgets, the quick and guided configuration of products, the management of sales forecasts and the elaboration of reports.

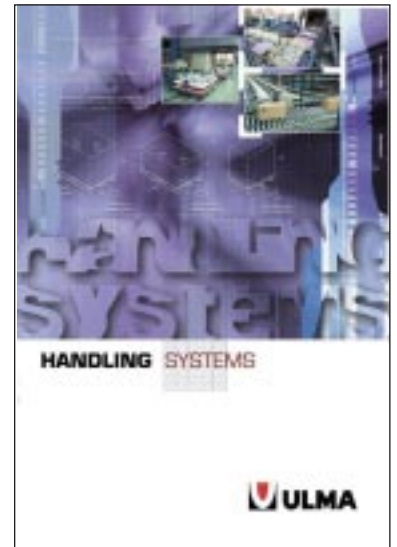


The total web integration and a remote synchronization make that the sales team is always connected and well informed, whether they are in the office or in the house of the client.

ULMA Packaging started the operational implementation in March in two pilot delegations: North and Catalonia. During this year, advances will be made progressively until all the delegations and personnel of the Company are connected to attend both the national and the international market. Gradually, the implementation will be conducted abroad until all our branches of the company are connected.



New Home Access to the Web pages of Businesses and new web site address for the ULMA Group. Last May the new homepage was presented to provide an easier access to all the web pages of the Businesses of the ULMA Group. We want to indicate that the new internet address of this homepage is www.ulma.com (property of the ULMA Group since May), in substitution of the old www.ulma.es.



New catalogue of ULMA Handling Systems focused on sectors of activity

■ The new installations' catalogue elaborated by ULMA Handling Systems groups the different installations that were implemented in its FA (Fabrication Automation) and DA (Distribution Automation) projects over the last years. From the Agro food sector to Automotion, the catalogue is divided in 10 big chapters that correspond to the different sectors in which ULMA Handling Systems operates.

Each of the projects described in the catalogue has a short description of the logistic solution by ULMA for each installation together with technical data of the machines that were used to solve the problem. The catalogue has more than hundred pages and pretends to be a useful guide for those companies that have a need to find an efficient solution for their logistic problems at the same time that it allows them to get a general vision of the work that ULMA carries out in logistic solutions.

ULMA Construcción develops a software application for the development of solutions for construction.

The technical area of ULMA Construcción, in collaboration with IKERLAN, has been working for two years in a project to develop a software application that allows to apply construction solutions to its products. More specifically, the application tries to obtain the necessary assembly plans and materials budgets to solve a problem on the construction site quickly and easy.

The application technician receives an order to carry out a study with the plans of the client. These plans are the data entry we need for the program to define the geometry to

be solved: a slab, a lattice forging, a wall or any other element that can be solved with our systems.

From this geometry and the technical solutions defined in the program for each product, the user calculates an automatic solution with the program. You can also calculate the list of materials needed to assembly the solution, as well as the views of the plans.

The program has a series of utilities that help the user to carry out the study and decide what is the best solution in each case.

The program is now available for the products ORMA, MEGAFORM,



RAPID with PUNTAL, JACENA ONA and BTM with PUNTAL. Besides of the mentioned products the following will be added during the period 2003-2004: circling shuttering BIRA, vertical shuttering COMAIN and in horizontal shuttering the product RECUB (with pillar and scaffolding) and the product RAPID with scaffolding. In a parallel way, an analysis on the working methodology in the over-bridge studies is carried out with the product Articulated Riostra. The objective is to determine the possibility to introduce the product in the program with its typology of solutions.

ULMA Forklift Trucks will present soon the new AC electric forklift trucks on four wheels of Mitsubishi

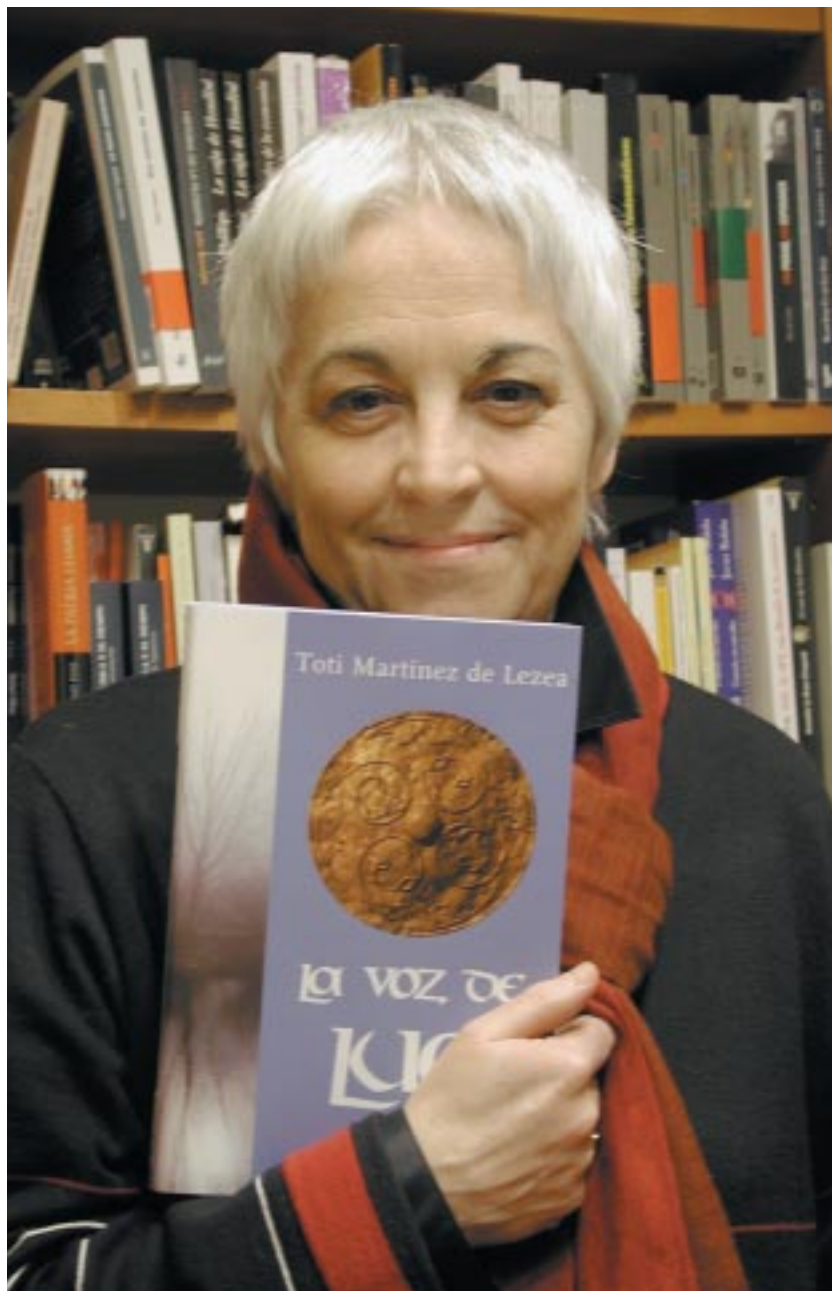
■ These new electric forklift trucks with four wheels of Mitsubishi with a loading capacity of 2 to 3.5 tons have the advantages provided by the AC current technology: a smooth and efficient functioning and above all: mayor power.

According to the tests carried out by ULMA, the lift-up and travel speed are about 25% faster than its predecessor with DC current. Besides, its efficiency and reaction on slopes is considerably better. A motor on AC current gives the forklift truck more control when it comes to handling and driving. The energy consumption of the battery has been reduced in 10%, depending on the configuration and application of the forklift truck. On the other hand,

the forklift truck can be used in hostile environments, both inside and outside, as the motor has a protection cover. The reliability of the com-

ponents is better, allowing to widen the service interval to 500 hours and to reduce the maintenance costs.





Toti Martínez de Lezea

Toti Martínez de Lezea was born in Vitoria and nowadays lives in the Biscayne village of Larrabetzu. Since she started writing at the beginning of the nineties, nowadays she is a reference author with respect to the Basque historical novel.

"La Calle de la Judería", "La Abadesa", "La Herbolera", "El Señor de la Guerra", and more recently "La Voz de Lug" are some of her most known and recognized books.

Toti Martínez de Lezea talks in this interview, among other things, about Oñati and our cooperative environment.

"You can always discover something new in Oñati"

Recently you have been in Oñati giving some talks and conferences, as you were invited by different associations. I suppose that you know well the area? I know the village since "ever", I mean that I have visited the area many times ever since I was a child, the environment is very beautiful,

my husband works in Arrasate, we have many friends here and besides, who doesn't like such an important, old and historical village as Oñati?.

Oñati still has a certain "medieval taste"... What would be the best picture of Oñati during the Middle Ages? Its streets and man-

sions, the University, the monastery... Every time you go to Oñati you can discover something new, but for me the best medieval picture is without any doubt the Gebara Tower, a living souvenir of an age in which the jauntxos did what they wanted while they controlled our land.

If you could choose between the role of the women reflected in your books of the Middle Ages and nowadays, which role do you choose? Of course I choose the role of the women nowadays since I am one of them, but we have to recognize the important role of our predecessors. They were hard-working women in a hostile world who maintained and transmitted the memory, the language, the Basque traditions and beliefs.

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The best picture of the medieval Oñati would be the Gebara Tower

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More than 10 years have passed since you published Basque Legends until your last publication. Asking you to choose which book, and why, gives you the most satisfaction, is like asking to a mother which child she loves more... Exactly, I work months to write each novel, I live the persons and I am each and one of them, so I can't choose. Each history that I have written has unique moments and all these moments have provoked different feelings in me.

The years are converting Toti Martínez de Lezea in a well-known and recognized writer. The fame is starting to be a burden? It starts to be a burden when someone starts flattering and when I accept situations that are not mine or when I go to places acting as a "decoration". It is also true that I am obliged to move myself a little bit

more and I get tired. But it isn't a burden when I observe the love of my readers and I share with them our passion for the historical novel, the literature and the history. Than the burden converts itself in a real pleasure.

For different reasons you know quite well our cooperative environment. What do you think of this experience? I think it would be the most perfect experience in the labor world if the cooperative practice would be exactly the same as the theory, but I am afraid that the human factor, the search for power is not an exception in the cooperative world. Nevertheless, for me it is the best way of working.

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In autumn a new novel will be published that will a surprise due to its thematic background

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By the way, we have read some articles of Toti regarding Mobbing at Work. I suppose it also happens in the cooperative societies. I can imagine it as the human factor also is present here. All types of oppression are bad, but the labour harassment, the humiliation of some people by others is especially brittle as we are dealing with the means of living of a family.

To finish the interview, what are the immediate projects of Toti Martínez de Lezea? In autumn I will publish some new novels. One short novel about the witches of Zugarramurdi and a long novel whose content I can't reveal, but it will be a surprise for some readers due to its thematic background.

If you want to say something to the readers... It has been a great pleasure for me to be able to share some hours with the friends and readers of Oñati who came to the lecture. I am still surprised that there are so many people interested in the same matter and I hope that I can repeat it some day.



Good exercise for the ULMA Group, despite of the difficulties

Economic Balance 2002

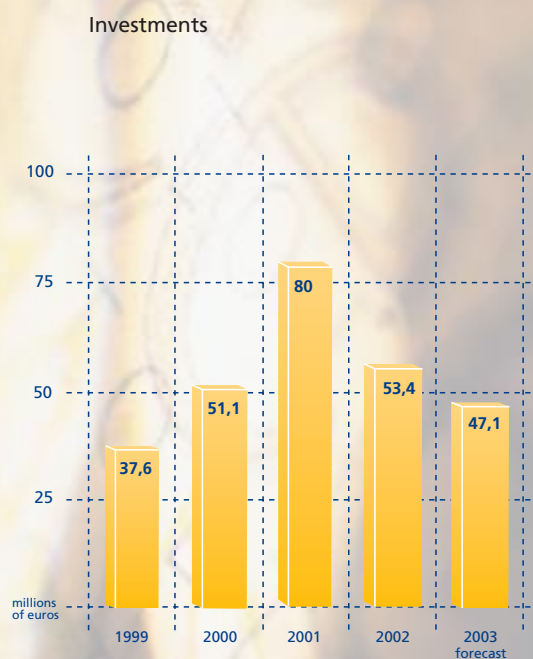
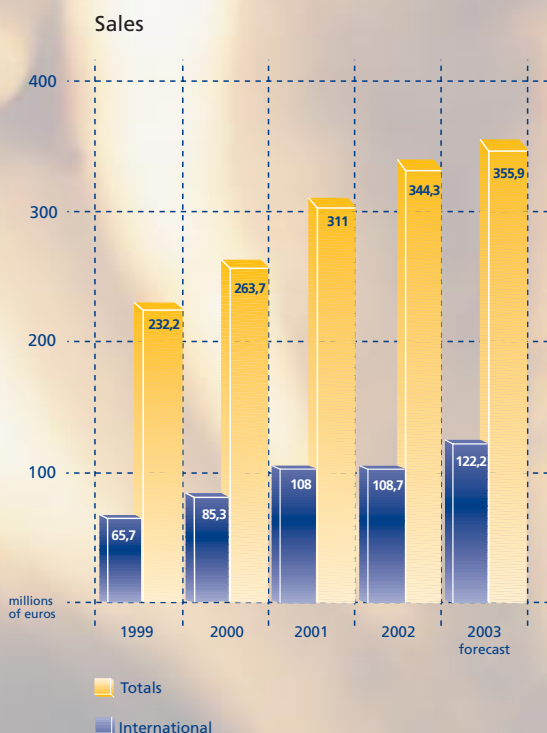
Although the parameters of the world economy for the exercise 2002 have reflected a generalized deceleration and the increase of the GDP at national level has passed from 2.8 in the year 2001 to 1.9 in the year 2002, we can state that our Group, and despite all the above, has achieved the most important objectives for the year 2002.

The total consolidated turnover has reached 344 million euros, with an increase of 10.8% with respect to 2001 and above the prediction in the General Plan. On the contrary, the International Sales have been 109 million euros, repeating the same as in the year 2001, and hence we didn't reach the forecasted increments.

The gross consolidated results (before taxes and interests of the contributions) have reached 23 million euros, with an increment of 2 million euros in absolute value with respect to 2001 but maintaining the percentage over sales at 6.7%.

The investments reached almost 56 million euros. This figure is 24 million lower than in the year 2001, but 21 million euros higher than foreseen. The generated cash-flow has been 57 million euros.

The estimations of the Group for the year 2003 are relatively optimistic, as we are fulfilling the initial forecasts although with an unequal behavior by Businesses.

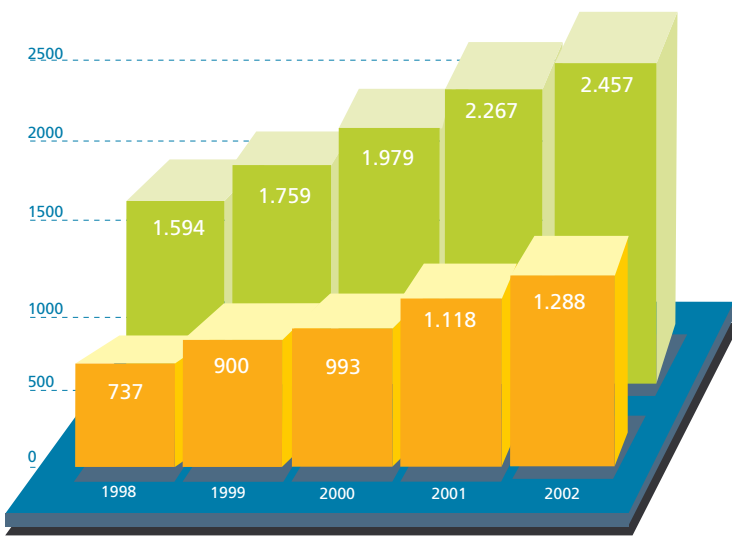


We keep advancing

Social Balance 2002 ULMA Group

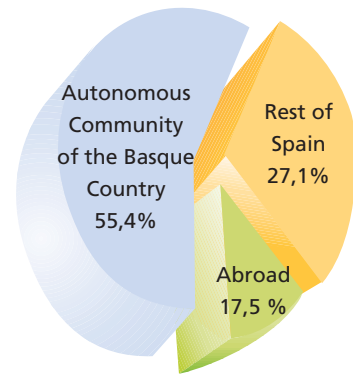
The year 2002 was a good exercise, despite the economic cycle, for the creation of employment in our Group. There have been increases similar to the trend in the past years. The Average Employment is 2.457 people. The evolution graphic shows the increase registered in the last five years, both in the parent company as in the national and international delegations.

Evolution of the average employment in the ULMA Group.



■ Number of members
 ■ Annual evolution of Average Employment (including subsidiaries)

Geographical Distribution of the Employment. Year 2002. ULMA Group.



Social implications in the year 2002

During the exercise 2002, the ULMA Group assigned approximately 1,000,000 euros to support different projects in the field of Education and Research and Social, Cultural and Care Promotion.

To the area of Education and Research: 524,000 euros.

To the project Social, Cultural and Care Promotion: 460,000 euros.



The ULMA Group; General Policies for All!



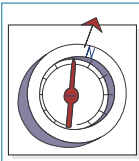
Txomin García. General Director

**General Policies
will mark out the
way ahead for
our Group**

"General Policies will mark out the course of action we must take in strategically important areas in order to ensure that Grupo ULMA continues to develop. ULMA's General Policies are designed to respond to the contents of the Mission Statement through the application of the Group's strategic directives. They represent, therefore, our response to the challenges of the future. There is little doubt that they will help strengthen our business culture. They will define how we act, how we address the problems and opportunities that present themselves to us, helping us to evolve and adapt to the changes taking place in the areas we compete in.

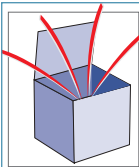
In short, the General Policies will guide us as we chart the course of the Group towards the future. We are confident, therefore, that these policies will respond not only to the Group's needs and opportunities but will also become a reference point for all the people who make up Grupo ULMA."

The Group's General Policies and Strategies are listed below along with some of their key components.



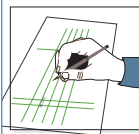
Management Strategy

All of the Divisions at Grupo ULMA will develop their own Management Strategy based on the Total Quality Principles (Customer Orientation, Continuous Improvement and Total Participation). This strategy will help make the Group a unified organisation and, because of its standards of excellence, a reference point in Business Management. The Management System will be monitored on a regular basis by the EFQM (European Foundation for Quality Management) Excellence Model.



Promotion Policy

Grupo ULMA will play a proactive part in promoting the development of business opportunities with the potential to become new cooperatives and/or activities within the ambit of existing Divisions. The aim here is to build up a Divisions Portfolio that safeguards the continued development of the Group in the future. The resources and infrastructures needed to achieve these goals will be created.



Training and Internal Development Policy

The setting up of contexts enabling the interaction and joint development of knowledge and training will be actively managed. These contexts will form the basis of the competitive dynamics of the Group with partnership networks being promoted and supported at all levels, both within the Group and in its business, cultural and institutional surroundings.



Financial Policy

As an integral part of Strategic Planning, Financial Policy will encompass specific risk and debt directives, etc. with objectives and ratios adapted to the characteristics of each Division being set up within the Group Reference Framework. Financial instruments forming part of finance programmes aiding the development of the Divisions will be created and administered as part of an approach aimed at optimising resources and making funds available for promotion projects and joint activities.



Personnel Policy

The Group will seek to foster the development and consolidation of a Business Culture characterised by internal and external relationships that are coherent with the Group's Values and Code of Conduct. Participation in decision-making processes will be encouraged and promoted along with training programmes and professional and human development plans directed at all the Group's employees. A comprehensive, uniform and motivational Personnel Management System will be created and coordinated to respond to the various requirements and features of each Division.

Communication and Image Policy



To promote and strengthen the image that our Group wishes to project through coordinated management of the ULMA brand/logo and to set up the internal and external communication mechanisms needed to link actions together and to convey and develop the right image.



Safety, Occupational Health and Environmental Policy

The design and development of the strategies and action plans required to promote the health and safety of our employees and partners by improving working conditions and also incorporating Risk Prevention policies in the management of the Group and its Divisions. Environmental Policies will also be fostered at all of our cooperatives.



ULMA Forklift Trucks; business on wheels

From Oiñakar to ULMA Forklift Trucks

In 1984 the cooperative society Oiñakar was founded as result of the promotion of the Business Division of Caja Laboral. Its first manager and founder of the cooperative society was José M^a Loiti, the real promoter of what is nowadays the Forklift Truck Business.

The signing of the collaboration agreement with the Japanese company MITSUBISHI was the start sign to initiate the activity and start-up the company. One decided to settle the company in Oñati so that the disappearance of Chocolates Loyola was compensated.

In 1987 Oiñakar is integrated in the Group called OÑALAN, afterwards ULMA, and the cooperative society broadens its Business with the collaboration agreements with the Japanese firm Daifuku to commercialize Automatic Warehouses.

Later, and within the framework of the Cooperative Identity Project of the ULMA Group, the cooperative society changes its name to ULMA Manutención with two clearly differentiated Business activity: Forklift Trucks and Handling Systems.

As you all know, ULMA Forklift Trucks is based in Oñati and together with ULMA Handling Systems it constitutes the cooperative society ULMA Manutención. It has a professional staff of more than 100 people and its mission statement is that the client reaches maximum efficiency in the storage, manipulation and total yield of any type of merchandise.

Nowadays the company counts with the collaboration and technological support of different brands that are leader in the materials handling sector, like Mitsubishi, Nichiyu, Dambach or Carer and thanks to the production and innovation capacity of these brands, the company has a wide range of forklift trucks designed according to the specific customer needs.

ULMA Forklift Trucks has delegations in Barcelona, Madrid, Vizcaya and Guipúzcoa and besides it has a wide distribution network all over Spain. It has a Client Service Department which is a fundamental part of the company's culture. It also has a Product-Service department that responds to the client needs from both the Delegations and the Official Distributors and Services. Thousands of forklift trucks are operating in Spain and ULMA Forklift Trucks offers a great experienced and knowledge-based technical service with a technical and operatio-

nal capacity of around 50 teams that render high quality services to all the clients.

ULMA offers to its users a quick and professional service in any place of Spain, a wide catalogue of original spare parts, a spare parts service of 24 hours, integral tailor-made maintenance services and preventive maintenance programs. Finally, we want to say that ULMA Forklift Trucks has launched recently its Spare Parts Business that it wants to introduce in a potential market worth more than 25 billion Pesetas and with mayor profit margins than the traditional Sales and Renting of forklift trucks. There is less offer available for this market, which values aspects like availability and delivery promises. It is a stable market not subject to economic cycles but to the active fleet of operating forklift trucks.

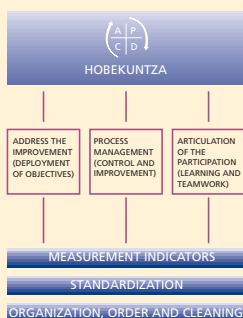
Commercialized Fork lift truck

- > Thermal counterweights,
- > Interior Electricity,
 - Retractable,
 - Pallet truck,
 - Stacking machines,
 - Order trucks,
 - Multi-directional and
 - Tower pallet trucks.

Hobekuntza at ULMA Forklift Trucks: a model to be followed

The Management Strategy –Hobekuntza- was set up at ULMA Forklift Trucks in September 1999 within the framework of a new Business Strategy and organizational architecture from the Strategic Process called HELDU. The first objective of Hobekuntza was to prop up the Management of Mini-companies that surged from the new organizational design so that the Improvement Support Committees, the Delegations (basic motors of Hobekuntza from its beginning until today) and the hobetaldes –specially created multi-functional teams to find solutions for specific problems or to develop on time different projects- got a relevant protagonism.

Within this framework where the communication, the participation and teamwork are key success factors, during 2001 an important OOL project (5S) was developed in the factory (New and Reconditioned) and in the warehouse. Nowadays the project is also implemented in the Used Mini-companies (Madrid) and the Catalanian Delegation. After designing the Value Chain, we started to experiment with the Processes Management methodology, applying it to the key process of Order Management. Nowadays we are redesigning the After Sales Service and Renting processes. Finally, the last actions within the framework of the Management Strategy have been the first auto-evaluation EFQM (February 2003) and the selection of a new ERP that substitutes Geminix (May 2003). The design of a Quality Management System according to the ISO 9001:2000 standard, including the previous auditing by AENOR, will be carried out in June.



Luis Ugarte - Chairman

"People are the most important asset"

"I would like that the Business is perceived as an attractive and exciting Project, that the people identify themselves with it, that they are committed and motivated. We are convinced that the people are the most attractive asset of an organization and that is why we work to promote organizational systems that foster the participation and we hope to create a suitable environment so that people can develop their individual capacities in benefit of themselves and the others. Possibly it is due to the young aged staff – during the last 4 years there has been an increase of 60%- but I understand that we have a deficit of cooperative culture that has to be compensated by intensifying the reception of new people and training. Another important challenge, in which we are working already, is bringing the delegations "closer" to the cooperative reality: participation in management and the results, identification, compromise, etc."



Ángel Sánchez - Manager

"We want to be leaders in After Sales Service"

"During the last four years the evolution of the Forklift Trucks business has become a competitive offer in the market, both for frontal and interior lift trucks, for the segment of the medium and big sized companies, without forgetting that we have an important presence in the world of the small enterprise. This has meant an improvement and expansion of our product range, fundamentally for interiors: Pallet truck, Stacking machines and retractables and electric lift trucks with 3 or 4 wheels, as well as a mayor contracting and professionalism of the technicians for the After Sales Service.

At medium term we hope that the market differentiate us for the quality of our After Sales Service. In other words, we want to become market leaders in this field, as we know that winning over the client is done by rendering a good service, under the best safety and hygienic circumstances for our personnel. We also want to increase our presence in big industrial or distribution and logistics parks, as a previous step to increase our market share.

For the horizon 2006 we have to talk about the Reference Model of our business, in which we have been working year by year and which makes that the activities with the biggest margin: Spare parts, After Sales Service and Renting count for more than 50% of our global turnover with respect to the other 50% formed by sales of new and second hand machines, which allows the stability of the property of our business. Finally, I would like to comment the important challenge in the Spare Parts with the creation of the SR 2002, in order to consolidate an attractive offer in a market with such a big potential as the multi-brand spare parts and with the objective, with the support of the Group, to deepen in our activities of material handling.



STRATEGIC PROFILE

- > To foster the growth of the spare parts and service market.
- > Development of internal markets.
- > Internationalization of the used and spare parts activity.
- > Growth of hiring and the electric counter-weight market.
- > To promote the creative capacities of the people of the organization.
- > To consolidate a management and direction style based on communication and customer satisfaction.
- > Development of the Management Strategy based on Total Quality and the Organizational Model.
- > To complete the actual product range with the launch of a new product for the material handling market.



Our branch in Venezuela.

As we told in the previous issue of Begira, our branches are every time more important. We also told that already more than 425 people, 17.5% of our total staff, work abroad. In this

occasion, and continuing with the presentations of the Group's branches, we are going to present you the branch that ULMA Forging has in Venezuela.



ULMA Venezolana, C.A. Industries

In July 1993 the company "INDUSTRIAS ULMA VENEZOLANA, C.A." was founded in Caracas, with the majority of the capital belonging to ULMA Forging and with complementary shareholder HIDROCOLOIDES, C.A., a Venezuelan family company, chaired by David Elezgaray, who passes as Executive Chairman of the new company, whose Chairman is José Miguel Aguriondo (Commercial Director of ULMA Forging).

The social objective of the new company is "to exercise commercial representations, to manufacture, buy, sell, export and import, to charge and commercialize any kind of goods and objects related to the manipulation of fluids, to packaging, to industrial construction systems and to material handling". The initial capital was 69,300 \$USA and its assets at December, 31st 2002 were already 775,000 \$USA. In 2001 "INDUSTRIAS ULMA VENEZOLANA, C.A." built its own office in Moron, Carabobo State, close to the main harbour of the country in terms of loading: Puerto Cabello. The office counts with 7,305.20 m² of soil for future enlargements.

Another basic aspect of our project philosophy is the total back support to our more than 100 distributors all over the country. ULMA is a business reality in Venezuela, a branch of a manufacturer specialized in forged accessories for pipes, flanges and fittings for the oil and energy industry. Quality, research, creativity and meeting the characteristics of the ASTM, ASME-ANSI and MSS-SP44 standards together with the service rendered to the user and the distributor have made that at this moment is the most sold and preferred brand of the Venelozan oil users.



David Elezgaray
Director of
ULMA Venezolan Industries

**"Despite of
the political disorder,
Venezuela has a future"**

> "Despite of the political disorder that reigns in the country, one can see that there is a future, thanks to the improvement programs for the oil extraction indicators, passing from 2.8 million barrels/day to 6.0 million barrels/day and also improving the characteristics of the current refineries, together with the enlargement and creation of new technologies. We now have successful prototypes for the improvement of the refinery indicators, especially for heavy and semi-heavy oils of the Orinoco Band, estimated in 330,000 million barrels, a new and important oil field discovered at the south bank of the Maracaibo Lake and the beginning of exploitation of gas wells in the East of the country, which makes it necessary to realize massive investments for the extraction, transport and refinery of oil".

The visual fatigue

Let's take care of our eyes!

By visual fatigue one understands the reversible reducing of a person's capacity to visualize objects. This is translated into blurred vision, itches and burning in the eyes and Headache.

These symptoms normally disappear after an adequate rest period

To minimize or avoid these discomforts, we recommend,

- To work with good light.
- To avoid reflections and blinding.
- To change the activity approximately every two hours or to realize eye exercises.

The visual fatigue is normally produced when you look for a long time to the same object, moreover when you are dealing with small details or if the light is not sufficient. The virtual fatigue occurs many times in people that work with computer monitors. That is why you should pay attention to the computer monitor. A good monitor, with an adequate size and a good contrast without blinking is one of the elements we should pay attention to. The blinking of the monitor, which normally you don't notice, is one of the elements that produces more visual fatigue. You don't notice it when the monitor has a suitable refreshing (in case of a 14 inch monitor it has to be 67 Hz).

If the visual fatigue persists you should pay a visit to the ophthalmologist because you could need a visual correction of your eyes. From the age of 40 we recommend to realize periodical visits to your ophthalmologist.



The doctor's advice:

The visual fatigue

To avoid visual fatigue we recommend to carry out a series of eye exercises like removing the look and fixing it with intensity to an object that is far away. Without moving the head look to your right and then to your left. Repeat this movement 10 times. Realize the same movement with your eyes looking up and then looking down.



Jon Azpiazu, responsible for Occupational Health of the ULMA Group

Eusebi Aldanondo

"The good atmosphere, the affection and the fellowship are my best memories"

Eusebi Aldanondo was the first woman that got retired at ULMA. She entered to work for the ENARA cooperative society (nowadays ULMA Forging) in 1966 and she left the company in 1989. Eusebi is now 78 years old and she tells us about her memories of that time and how is going on her life now, dedicated to her family.

"The necessity to take care

of my family

gave me the strength to work

at home and outside"

First of all, and after some years of being retired, was it better before or on the contrary... After getting retired, one can say that my life is calmer and more relaxed than before, because I don't have to clock in and I don't have to get up early to take care of the children and the house and to get on time to work. Nevertheless, I am getting older and I don't have the strengths nor the appetite I used to have. Although I still enjoy my life, my family and the small details that occur.

How is Eusebi's life nowadays? The life I am living is that of a working woman, retired after 24 years of working in and outside my home, fulltime dedicated to my family, especially my grandchildren and children, seeing how they grow and get older and remembering other times. Some are good moments and other are illusions that couldn't come true because destiny didn't want them to happen.

What kind of work did you carry out at ULMA Forging? During all these years I worked in the warehouse and in machine finishing. I used to work with the sealing-machine, phosphate addition and painting, but also in other jobs that could arise.

I suppose that a woman in an environment with only men...? How do you remember the beginning at ULMA Forging? At that time it was quite a strange situation, not for being a woman, but for being a widow who started working at a company with only men. 40 years ago this was something unusual. Nevertheless I have always felt accepted and integrated and I still have a very good relationship with the people.

Working at the company, taking care of the house and the children, etc. What was the formula?

It hasn't been easy for me to take care of my family, to work at home and besides working, sometimes in shifts, for the company. I don't know if there is any secret, but in my case it was the necessity to take care of my family that gave me the strength to continue.

What has been the best and the worst memory at ULMA Forging?

My best memory is the working atmosphere with all the people, but in particular with my colleagues and friends of the warehouse and machine finishing. When I arrived at the company they received me with affection and that friendship has been maintained until today. The worst memory for me were the periods of crisis, when we didn't get paid our salary, and some delicate situations, but I suppose that happens in all the companies.

What do you think of ULMA Forging nowadays and the rest of the ULMA Group?

ULMA Forging nowadays has nothing to see with the company I entered to start working. The working conditions have changed and also new technologies are

being applied. Also the fact that the company belongs to a bigger group now gives more security in crisis situations. That didn't exist when I worked at ULMA Forging.

As usual, do you want to remember someone special during your period in the company?

When you work so many years in a company you always have special memories. In my case I would like to remember my two friends, Elena Bengoa and Pakita Osa, with whom I have shared many joyful moments, but also sad ones. I also want to remember Ángel Bengoa, who was my boss and my friend in the warehouse.

To finish, Eusebi, do you have a special message for the women that work for the ULMA Group?

The women that work nowadays for the ULMA Group are in a completely different situation than 40 years ago, when we started working for the cooperative societies. We had to overcome many obstacles and difficulties to start working. I would like to tell them that thanks to this, and also the fact that they are better trained than before, they now have the same possibilities as men to access to jobs of responsibility.

what do you think of?

What do you think of our telephone service? In which aspects do you think we can do better?



Marilo Unzurrunzaga
ULMA Agrícola - Construcción

I think that others should give their opinion about our telephone service in general, but with respect to the internal service I have to say that there are many external telephone calls without answering because nobody knows where the people they ask for are. I also have to say that there are many calls asking for the rest of the businesses as they don't know the telephone numbers or because they don't know in which business the people work. This is especially true for ULMA Polymer Concrete and Packaging. That is why I think our service is not good enough. We should try to solve this problem because for me it is the biggest problem we have at this moment.



Eli Galdos
ULMA Forklift Trucks -
Handling Systems

The switchboard operator is the first contact of the company. It is the first impression of the company's supplier or client. A good first impression not only depends on the switchboard operator, it depends on everybody. It depends on the personal factors of the operator (training, motivation, integration), but also on the technical means to attend the call, as well as on the final receiver of the call (permitting a faster management of the call). From my point of view, the operators try to realize a faster, sympathetic and effective management of each call. It is also important that everybody feels integrated and identified with the company, that they are part of a common project, because it is a solitary and sometimes difficult job.



Jaione Uriarte
ULMA Polymer Concrete

We know that the telephone service is an important aspect for the image a company wants to transmit. That is why I think that this matter is dealt in the whole ULMA Group and with respect to ULMA Polymer Concrete I can say that the telephone service is an important issue. A data gathering was carried out with clients, suppliers and the Commercial Network to know the incidences and suggestions to improve the service. The necessary measures to have the best telephone service have been taken.

A Hobetalde was created with the objective to "make that all incoming call are correctly attended" and in this team the incidences and suggestions mentioned above were studied. After studying all data, the team decided to change the attendant's set for another with better performances and with the possibility to incorporate more telephone numbers. There is a main number in the attendant's set and another one with direct dialing-in, used by the commercial network so that they can contact directly with the extension. Now that the attendant's set has been installed, the hobetalde is know in its final stage, studying the proceedings and analyzing how to optimize the new performances.



Garbiñe Arregi
ULMA Packaging

In ULMA Packaging the telephone service is not so bad, but it can be improved. Due to the many incoming calls it is impossible to attend them in a satisfactory way. Hence, we have received complaints of people that had to wait a long time before they were attended by telephone. And this is what we want to avoid, if we want to render a quality service.

In my opinion we should use more the direct numbers so that the attendant's set does not get saturated that much. Despite of having direct numbers, people don't use them. We should inform our agents, commercials, mechanics, suppliers, ... that these direct lines exist and that they should use them. Another aspect that has to be improved is the communication. The operators don't know who is and who isn't in the company, who is in a meeting and they loose many time trying to find the people to the detriment of the quality of service. Another aspect that I consider important is the fact that a colleague could answer the phone of somebody who is not at his desk, avoiding like that the saturation of the attendant's set and improving the service. Not many people do that nowadays. The majority of people lets the telephone ring until it stops.



40 years together



Otadui 3 halfway through the decade of the sixties. On the photographs you can see a view of the area. You can also observe the present building of ULMA in Otadui 40 years ago and a curious picture of the parking with car models of the time.

agenda and suggestions

RETIREMENTS:

Pensioners of the ULMA Group from 1/05/2003 to 30/08/2003



JAVIER LARREA



JUANA ALTUBE

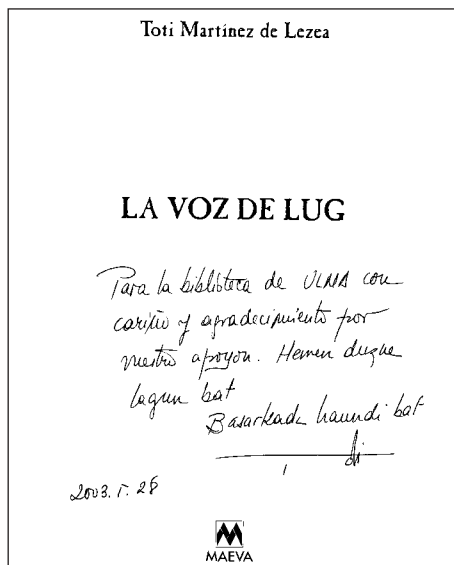


ARTURO MAREQUE

Thank you to everybody and enjoy! Congratulations!



*Edurne Pasaban
sent us
greetings from Lhotse*



Dedication signed by Toti Martínez de Lezea for the ULMA Group in the book "La voz de Lug".



SUGGESTION BOX

This time we only received 4 suggestions. We encourage you to send us your opinions and suggestions to:

By mail:

ULMA Group
Central Departments
Ps. Otadui, 3 – Post Office
Box 13
20560 OÑATI (Spain)
Ref; BEGIRA

By e-mail:

begira@ulma.es

Among all the suggestions that we receive we'll raffle the book "**LA VOZ DE LUG**" from Toti Martínez de Lezea with a special dedication to ULMA.

The lucky winner of the book **Hire Himalaya** of the Iñurrategi brothers has been **Antonio Gomes**, Delegate in Portugal of ULMA Polymer Concrete.



On the picture, Arantxa Anduaga hands over the book.