

Ercros ebitda, 7 times higher in first quarter

Ercros recorded ebitda of 11.43 million euros for first quarter 2006, nearly seven times higher than the 1.73 million euros of the same period 2005.

The improvement stems from the acquisition of Grupo Aragonesas on 2 June 2006 and its subsequent inclusion into Ercros' consolidation, as well as the ongoing strong performance of the business driven by a significant increase in prices and volumes across nearly all of the Company's products.

Net turnover for the first three months of the year totalled 148.18 million euros, two and a half times higher than the 58.19 million euros recorded in first quarter 2005. This improvement was especially significant in the Basic Chemicals Division, which recorded sales of 72.32 million euros (+107%) driven by the ongoing strong demand in the caustic soda market; Pharmaceuticals, with sales of 11.69 million euros (+13%) helped by an upturn in exports; and Animal Feed, which recorded a 38% increase in sales to 9.18 million euros, based on the recovery in the phosphates market. Nevertheless, the Plastics, Water Treatment and Emulsions divisions did not reach this performance as a result of higher input costs and reduced business volumes due to the seasonality of their respective markets during the winter period.

Depreciation to March was 8.07 million euros and ebit rose to 3.36 million euros compared to the 2.16 million euros loss one year earlier. The increase in net financial expenses from 1.11 million euros in first quarter 2005 to 2.84 million euros in first quarter 2006 is attributable to the syndicated loan arranged by Ercros to finance the Aragonesas acquisition.

Ercros' consolidated income from ordinary activities for the first quarter was 0.52 million euros and after taxes and minority interests totalled 0.15 million euros, which should be compared to the 3.27 million euros loss in first quarter 2005.

Abridged Profit and Loss Account

	Q1 2006 Million euros	Q1 2005 Million euros	Variation %
Turnover	148.18	58.19	154.65
Gross operating profit (ebitda)	11.43	1.73	560.69
Depreciation	-8.07	-3.89	107.46
Net operating profit (ebit)	3.36	-2.16	-
Financial income	-2.84	-1.11	155.86
Ordinary income	0.52	-3.27	-
Taxes and minority interests	-0.37	0.00	-
Income for the year	0.15	-3.27	-

Turnover by Divisions

	Q1 2006 Million euros	Q1 2005 Million euros	Variation %
Basic Chemicals	72.32	34.98	106.7
Plastics	43.29	-	-
Pharmaceuticals	11.69	10.37	12.7
Animal Feed	9.18	6.66	37.8
Water Treatment	6.12	-	-
Emulsions	5.59	6.18	-9.5
Ercros	148.19	58.19	154.7

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