

Banco Sabadell and Cellex acquire a stake in Ercros via Derivados Forestales

Ercros, S.A. (Ercros) signed a contract today with Bansabadell Inversió Desenvolupament, S.A (Bidsa), a subsidiary of Banco de Sabadell, S.A., and Cellex Chemie, A.G. (Cellex) to acquire 100% of the share capital of Derivados Forestales Group, XXI. S.L. (Derivados Forestales), thereby giving them a stake in Ercros' share capital.

The operation is to be carried out by exchanging Cellex and Bidsa's shares in Derivados Forestales for Ercros shares deriving from an increase in the latter's share capital. The Ercros Board will put this increase, excluding preferential subscription rights, to the Annual General Meeting for its approval in order for it to be subscribed and paid up in its entirety by Cellex and Bidsa by means of their shareholdings in Derivados Forestales.

The contract, which was approved by the Ercros Board of Directors at its meeting yesterday, Monday 13 March 2006, and by Cellex and Bidsa in accordance with their internal procedures, is conditional on (i) the satisfactory completion of a due diligence procedure to be carried out prior to the holding of the AGM; (ii) obtaining the mandatory authorisations; (iii) approval of the increase in capital by the Ercros AGM; and (iv) verification by the Spanish Securities and Investments Board of the listing of the new shares on the Stock Exchange, as well as compliance with all the other relevant legal requirements in relation to the proposed exchange operation.

Ercros is planning to call a General Meeting of Shareholders in the next few days, once it has obtained the mandatory report from the auditor who has already been designated by the Trade Register for the purposes of article 159 of the Spanish Limited Liability Companies Act (*Ley de Sociedades Anónimas*). Once the General Meeting has been held, the agreement and the consequent swap will be formalised as soon as the above-mentioned conditions and requirements have been satisfied.

The shares to be brought into Ercros by Cellex and Bidsa have been valued at 109.86 million euros on the basis of their consolidated financial accounts at 31 December 2005 in accordance with the usual valuation methods in this type of operations (cash flow discounts, book value, customer and product portfolio, latent goodwill, etc.). To this effect, the Company intends to request as soon as possible the appointment of an independent expert as required by article 38 of the Spanish Limited Liability Companies Act in respect of non-monetary contributions. The number of Ercros shares to be exchanged for the Derivados Forestales shares is 133,971,417, which puts the unit share value at 0.82 euros. This value has been determined on the basis of the average share price on 9 March, the day before the exchange equation was agreed, and the average price during the 45 calendar days prior to that date.

The agreed swap ratio is therefore one Derivados Forestales share for every 1,339.71417 Ercros shares.

Once this increase in capital has been completed in the anticipated terms, Cellex's and Bidsa's holding in Ercros' resulting share capital will be 10.25% and 8.39% respectively. The agreement entitles Cellex to propose a representative to sit on the Ercros Board of Directors.

The parties to the agreement believe that the possession of a stable holding by Cellex and Bidsa in Ercros's share capital is in their respective interests in that it financially strengthens the company's business project.

Derivados Forestales is a holding company dedicated to the manufacture of chemicals, particularly formaldehyde and its derivatives. It has a turnover of around 200 million euros and employs more than 400 workers. It has factories in Sant Celoni and Cerdanyola (in the province of Barcelona), Tortosa (in the province of Tarragona) and Almussafes (in the province of Valencia).

The most important figures from the Derivados Forestales financial accounts for financial years 2004 and 2005 are given below in accordance with Spanish accountancy norms:

BALANCE SHEET

Millions of euros

	2005¹	2004
Fixed assets	111	135
Goodwill	4	5
Current assets	84	80
Total assets	199	220
Equity	108	136
Long-term liabilities	17	11
Short-term liabilities	74	73
Total liabilities	199	220

¹Not audited.

PROFIT AND LOSS ACCOUNT

Millions of euros

	2005 ¹	2004
Net sales	212	214
Gross operating profit	12	15
Net operating profit	2	5
Attributed profit	-	2

¹Not audited.

The estimated impact that the swap operation described above would have on the earnings per Ercros share in 2005 is as follows:

	Prior to swap	After swap
Outstanding shares	584,764,845	718,736,262
Attributed profit 2005 ¹	38,250,000	-
Pro-forma attributed profit ^{1,2}	-	48,250,000
EPS (earnings per share)¹	0.0654	0.0671

¹Euros.

²Ercros pro-forma consolidated profit in 2005 obtained by aggregating the consolidated profits of Ercros and Derivados Forestales in 2005 (not audited) and making the appropriate consolidation adjustments in accordance with the International Financial Information Standards (IFIS) on the basis of the company's available preliminary information. These estimates have not been audited or verified by an independent expert. The increase of 10 million euros is due to a negative estimated consolidation difference.

Barcelona, 14 March 2006