

Ercros acquires Derivados Forestales

In accordance with the provisions of Article 82 of the Stock Market Law, and further to the relevant fact published on 14 March 2006 Ercros, S.A., today announces that on this date, the acquisition of Derivados Forestales Group XXI, S.A. was formalised.

The acquisition took place by way of an increase in capital by Ercros consisting of 133.97 million new shares, shares which were exchanged for 100 per cent of shares in Derivados Forestales. The new shares were subscribed in full, with Bansabadell Inversió Desenvolupament, S.A (Bidsa), a subsidiary of Banco de Sabadell, S.A., subscribing 45% of the shares. The remaining 55% was subscribed by Cellex Chemie, A.G. (Cellex).

As a result of the operation, Cellex has become the leading shareholder in Ercros, with 73.68 million shares and 10.25% of its share capital, followed by Bidsa, with 60.29 million shares and 8.39% of share capital.

The nominal value of the increase in capital was 48.23 million euros, while the issue premium raised was 61.63 million euros, giving the operation a total value of 109.86 million euros for 133.97 million Ercros shares issued. Following this increase in capital, Ercros' share capital consists of 718.74 million shares with a nominal value of 0.36 euros each, giving the Company a total nominal value of 258.75 million euros.

The admission of the new shares for trading on the Barcelona, Madrid, Bilbao and Valencia stock exchanges and the Spanish Stock Exchange Interconnection System (Continuous Market) is initially scheduled to take place on 26 May 2006, or as close to this date as possible.

Derivados Forestales is the head company of a holding group of companies that produce chemicals, in particular formaldehyde and formaldehyde derivatives. In 2005, it recorded turnover of 193.78 million euros and gross operating profit (ebitda) of 14.25 million euros. Last year, the average size of workforce was 439. It has factories in Sant Celoni and Cerdanyola (Barcelona), Tortosa (Tarragona) and Almussafes (Valencia).

Based on corresponding pro-forma results for 2005 revised by Ernst & Young, the integration of Derivados Forestales will result in an increase of 45% in Ercros' turnover to 615.39 million euros, and an increase in its ebitda of 17% to 110.60 million euros. The new group has 2,311 employees and 18 production centres.

Ercros Share Capital

	Shares	Nominal (euros)
Value at 31-12-2005	584,764,845	210,515,344.20
Capital increase at 19-05-2006	133,971,417	48,229,710.12
Final value	718,736,262	258,745,054.32

Significant Shareholders at 19-05-06

	Shares	Stake (%)
Cellex Chemie, AG	73,684,279	10.25
Bansabadell Inversió Desenvolupament, S.A	60,287,138	8.39
Grupo Torras, S.A.	29,134,582	4.05

Pro-forma Balance Sheet at 31-12-2005

Million euros

	Ercros	Derivados Forestales	Adjustments	Pro-forma
Non-current assets	513.84	112.85	33.51	660.20
Current assets	247.97	71.22	-1.13	318.06
Total assets	761.81	184.07	32.38	978.26
Shareholders' equity	253.87	108.26	8.21	370.34
Non-current liabilities	290.51	14.60	21.89	327.00
Current liabilities	217.43	61.21	2.28	280.92
Total liabilities	761.81	184.07	32.38	978.26

Po-forma Profit and Loss Account for 2005

Million euros

	Ercros	Derivados Forestales	Adjustments	Pro-forma
Turnover	432.80	193.78	-11.19	615.39
Ebitda	86.46	14.25	9.89	110.60
Ebit	58.87	3.79	9.89	72.55
Ordinary profit	38.75	1.60	9.89	50.24
Income for the year	38.25	0.21	9.89	48.35

Barcelona, 19 May 2006