

### **Ercros has achieved profits of 11 million euros till June**

The second quarter of 2006 has been marked by a significant improvement in activity in the majority of the company's business lines. As a consequence, the consolidated turnover of Ercros up to the month of June grew to 327.35 million euros, an increase of 11% over the figure achieved during the first six months of the previous financial year.

This improvement has contributed to the earnings for the half-year reaching a level of 10.86 million euros when combined with the impact of the loss on consolidation deriving from the purchase of the Derivados Forestales Group.

By divisions, Basic chemicals invoiced 144.84 million euros, giving an increase of 1%; Plastics, 87.15 million euros, an increase of 7%; Pharmaceuticals, 22.49 million euros, an increase of 13%; Animal feed, 19.55 million euros, an increase of 13%; Water treatment, 14.05 million euros, a fall of 23%; and Emulsions, 13.20 million euros, a fall of 3%. Further, the Intermediate chemicals Division, which was the business of the Derivados Forestales Group acquired by Ercros, invoiced 26.07 million euros during the period between the acquisition (19/05/2006) and the close of the half-year (30/06/2006).

The gross operating profit (EBITDA) measured in accordance with the International Financial Reporting Standards (IFRS) amounted to 35.73 million euros.

It should be noted that, in line with these new accounting standards, this figure for EBITDA includes non-recurrent items to the value of 8.67 million euros, including charging the loss on consolidation associated with the acquisition of the Derivados Forestales Group mentioned above. This non-recurrent EBITDA is significantly lower than that posted for the same period of the preceding year, which was 17.28 million euros, because in that year the figure included the 21.20 million euros relating to the loss on consolidation of the Aragonesas Group, acquired by Ercros on 2 June 2005.

The strength shown by the business activity of the Company during the first half of the year was reflected in the EBITDA linked to the ordinary business of the Company, which amounted to 27.06 million euros, an increase of 5% in comparison with the ordinary EBITDA achieved for the same period of the year before.

After the depreciation charge of 18.32 million euros and financial earnings of -6.06 million euros, and taking into account the tax and earnings attributable to minorities to the value of -0.49 million euros, the consolidated earnings of Ercros for the first half year of 2006 stood at 10.86 million euros.

The prospects for the second half of the financial year suggest an improvement in the trend observed in this first half-year. This forecast is supported by the strength shown by the company's principal products, in particular caustic soda, and by the synergies which are progressively being felt as a result of the two company acquisitions mentioned above, in particular that obtained by restructuring the workforce, which is due to affect some 100 employees in the course of 2006 and 2007.

### Net Turnover<sup>1</sup>

	<b>2Q 2006</b>	<b>2Q 2005</b>	<b>Variation</b>
	<b>Million</b>	<b>Million</b>	<b>%</b>
	<b>euros</b>	<b>euros</b>	
Basic chemicals	144.84	143.96	0.6
Intermediate chemicals <sup>2</sup>	26.07	-	-
Plastics	87.15	81.79	6.6
Pharmaceuticals	22.49	19.98	12.6
Animal Feed	19.55	17.27	13.2
Water Treatment	14.05	18.33	-23.3
Emulsions	13.20	13.63	-3.2
<b>Ercros</b>	<b>327.35</b>	<b>294.96</b>	<b>11.0</b>

### Consolidated Results<sup>1</sup>

	<b>1S 06</b>	<b>1S 05</b>	<b>Variation</b>
	<b>Million</b>	<b>Million</b>	<b>%</b>
	<b>euros</b>	<b>euros</b>	
<b>Turnover</b>	<b>327.35</b>	<b>294.96</b>	<b>11.0</b>
Ordinary EBITDA	27.06	25.87	4.6
Non-recurrent EBITDA	8.67	17.28	-49.8
<b>EBITDA</b>	<b>35.73</b>	<b>43.15</b>	<b>-17.2</b>
Depreciation	-18.32	-16.17	13.3
<b>EBIT</b>	<b>17.41</b>	<b>26.98</b>	<b>-35.5</b>
<b>Financial income</b>	<b>-6.06</b>	<b>-5.07</b>	<b>19.5</b>
<b>Ordinary income</b>	<b>11.35</b>	<b>21.91</b>	<b>-48.2</b>
Taxes and minority interests	-0.49	-0.69	-29.0
<b>Income for the year</b>	<b>10.86</b>	<b>21.22</b>	<b>-48.8</b>

<sup>1</sup> Data corresponding to year 2005 include Grupo Aragonesas since 1-01-2005.

<sup>2</sup> Intermediate chemicals Division corresponds to the activity contributed by Derivados Forestales, included on the consolidation perimeter of Ercros since 19-05-2006.