

Pursuant to article 228 of Royal Decree 4/2015 of October 23, approving the consolidated text of the Securities Market Law, Ercros, S.A. (hereinafter "Ercros" or "the Company"), and in relation to the relevant event no. 244,657 of November 11, 2016 and No. 250,058 of March 28, 2017, hereby announces the following:

## **RELEVANT EVENT**

At its meeting held on July 17, 2017, the board of directors of Ercros has agreed to execute the reduction of the share capital by means of the amortization of own shares, approved in the second item of the ordinary general shareholders' meeting held on June 23, 2017.

Following this transaction, the capital stock of Ercros will be reduced by EUR 932,058, through the repayment of 3,106,860 shares held by the Company in treasury shares, each with a par value of EUR 0.30 representing the 2,723% of the share capital. As a result, the share capital will be fixed at EUR 33,293,883.30 and will be represented by 110,979,611 ordinary shares.

The shares to be redeemed were acquired by the Company under the shareholder remuneration program, which was approved by the board of directors on November 10, 2016. By means of the redemption of the shares held by Ercros in treasury shares, shareholders will automatically increase their percentage of participation in the share capital.

The capital reduction will be made from unrestricted reserves, with the corresponding provisioning of a reserve for amortized capital equal to the nominal value of the treasury shares depreciated, which will only be available in compliance with the requirements set forth in article 335 c) of the Law on Corporations. According to the aforementioned article, the creditors of Ercros will not have the right of opposition foreseen in article 334 of the aforementioned law.

Also, since the shares to be redeemed are owned by the Company, the reduction of capital does not imply the refund of contributions.

The mandatory notices of reduction of capital are published today in the Official Gazette of the Mercantile Registry (Boletín Oficial del Registro Mercantil "Borme") and on the corporate website of Ercros ([www.ercros.es](http://www.ercros.es)). Subsequently, the corresponding public deed of reduction of capital and modification of the bylaws and its registration in the Mercantile Register of Barcelona, will be granted, which will be object of the corresponding communication of relevant information.

Barcelona, July 18, 2017