

The Ercros' Extraordinary General Meeting approves all items on the agenda

The Shareholders' Extraordinary General Meeting of Ercros, which was held today in Barcelona in response to the request made by a group of shareholders that owns 3.28% of the share capital of the company, has approved all the proposed resolutions contained in the agenda. These proposals refer to the revocation of the delegation to the Board of Directors of the powers to increase capital and to issue securities, with the possibility of excluding the preferential subscription right of the shareholders.

Addressing to the Meeting, Antonio Zabalza, recalled that, since he is president of Ercros, the Board, which has recommended voting in favour of these proposals, has never made use of these delegations, except in the case of capital increases carried out between 2012 and 2014 as part of an agreement with an American fund. These capital increases were made in the context of a severe global economic crisis that began in 2008, which had a significant impact on demand and financial situation of the company. In this context, the president said that "These capital increases were set up as a financial and management instruments and were extremely useful to the Company, without whose assistance would have been much more difficult to successfully navigate the global economic crisis".

Apart from those operations, the president has insisted that when the Council has considered to make a capital increase, it has always been covered by an explicit agreement of the Shareholders' Meeting "which is the form that I think we should use in the future if the convenience of carrying out an operation of this type should be deemed again".

Faced with identical content proposals that were the subject of a previous Extraordinary Meeting, to which the Board recommended voting against. Zabalza explained that the change in the Board's view is motivated by the radical improvement of the economic situation of the company: "it is obvious that the general economic context has nothing to do with what we had during the years of the crisis and the economic and financial situation of Ercros is radically different from then. On the one hand, the activity of the company has entered a solid recovery phase and, on the other, the results are reaping the benefits of restructuring and efficiency improvements carried out during the years of the crisis".

The president has also highlighted that the market is positively evaluating the strategy and the actions carried out, which is reflected in a significant appreciation of the share price. From 70 million euros that the company was worth earlier this year "today the value of Ercros in the stock market is around 200 million euros, which means that the market believes in the future of our company".

In response to shareholders who claim the dividend payment, Antonio Zabalza has confirmed that "when the reiteration of current positive results confirm the consolidation of the recovery of the company, and when the implementation of the essential actions of the strategic plan is resolved, we will not wait a second longer than necessary to distribute a dividend. For the Board there would be no greater satisfaction than to compensate the trust that during this long and difficult crisis shareholders have placed in Ercros, with the payment of a dividend".

9,947 shareholders have attended to the meeting holding 81,623,176 shares, representing 71.5% of share capital with voting rights, of which 13.2% was present, and 58,4% was represented.

Barcelona, September 29, 2016