



**RESULTS for the  
FIRST QUARTER  
2010**

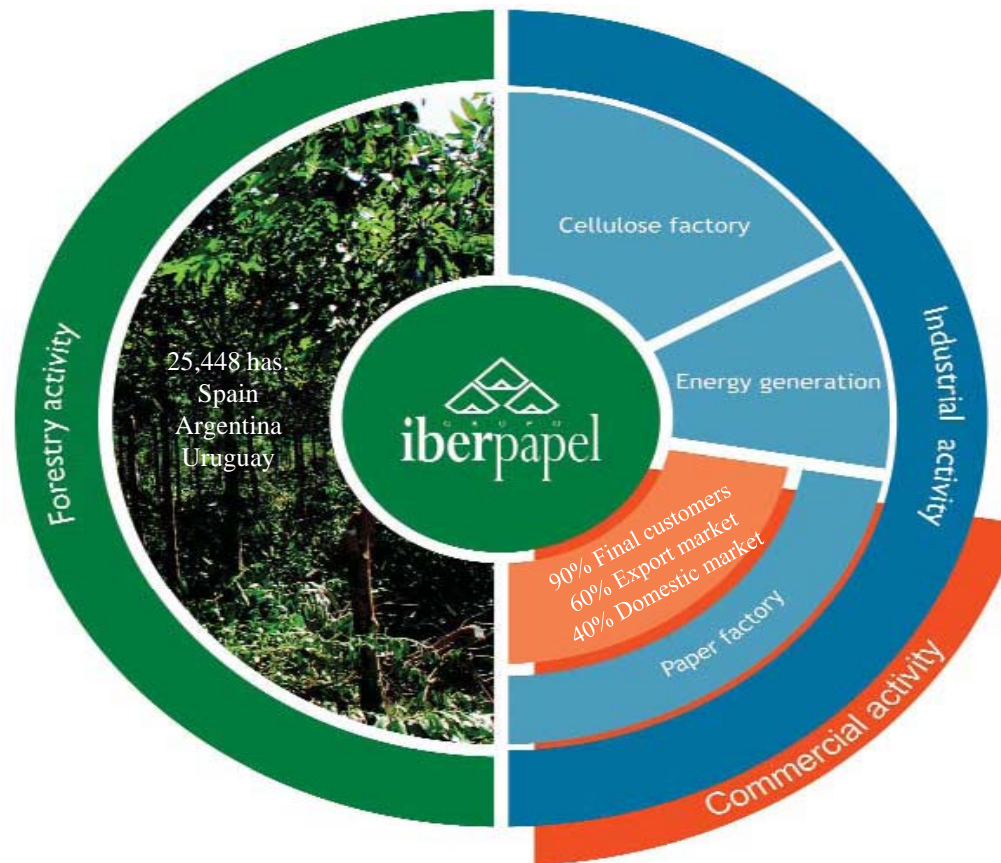
**(January – March)**

**Madrid, 12 May 2010**



# Iberpapel

An integrated paper group with an international role



Obtains a net profit of 1.9 Mn€ (vs. 0.3 Mn€ in 1Q09)

Reduces its financial leverage to 13.4%

# Results for IQ2010



## PROFIT AND LOSS ACCOUNT

Thousand euros

	31/03/2010	31/03/2009	Var. %
<b>Net turnover</b>	<b>51,858</b>	<b>53,438</b>	<b>-2.9%</b>
Other income	1,510	2,241	32.6%
<b>TOTAL INCOME</b>	<b>53,368</b>	<b>55,679</b>	<b>-4.2%</b>
Total operating charges	-47,480	-51,577	-7.9%
<b>EBITDA</b>	<b>5,888</b>	<b>4,102</b>	<b>43.5%</b>
Depreciation charges	-3,208	-3,043	5.4%
<b>EBIT</b>	<b>2,680</b>	<b>1,059</b>	<b>153.1%</b>
Financial income/expense	-161	-435	-63.0%
<b>Profit before taxes</b>	<b>2,519</b>	<b>624</b>	<b>303.7%</b>
Taxes	-645	-309	108.7%
<b>NET PROFIT/(LOSS)</b>	<b>1,874</b>	<b>315</b>	<b>494.9%</b>

▲ Increase in net profit due mainly to higher operating margins

# Profit and loss variations (I)

Group net turnover benefits from the energetic diversification

	31/03/2010	31/03/2009	Var. %
<b>Net turnover</b>	<b>51,858</b>	<b>53,438</b>	<b>-3.0%</b>
Paper sales	42,349	44,152	-4.1%
Wood sales	574	953	-39.8%
Electricity sales	8,935	8,333	7.2%

Paper sales mainly affected by lower prices in the first quarter when compared to 1Q09. Physical units increase by approximately 3%



# Profit and loss variations (II)

EBITDA grows thanks to the cost control plan

	31/03/2010	31/03/2009	Var. %
<b>INCOME</b>	<b>53,368</b>	<b>55,679</b>	<b>-4.2%</b>
Raw materials and consumables	-19,703	-20,490	-3.8%
Staff costs	-4,289	-4,300	-0.3%
Other expenses	-23,488	-26,787	-12.3%
<b>TOTAL expenses</b>	<b>-47,480</b>	<b>-51,577</b>	<b>-7.9%</b>
<b>EBITDA</b>	<b>5,888</b>	<b>4,102</b>	<b>43.5%</b>

- Raw materials and consumables benefit from an increase in the own production of cellulose
- “Other expenses” benefit from lower gas prices compared to 1Q09

# Profit and loss variations (III)



Profit before tax boosted mainly by higher margins

	31/03/2010	31/03/2009	Var. %
<b>EBITDA</b>	<b>5,888</b>	<b>4,102</b>	<b>43.5%</b>
Depreciation charge	-3,208	-3,043	5.4%
EBIT	2,680	1,059	153.1%
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<b>Profit before taxes</b>	<b>2,519</b>	<b>624</b>	<b>303.7%</b>
Taxes	-645	-309	108.7%
<b>NET PROFIT / (LOSS)</b>	<b>1,874</b>	<b>315</b>	<b>494.9%</b>
<b>EBITDA / Income</b>	<b>11.0%</b>	<b>7.4%</b>	
<b>Net Profit / Income</b>	<b>3.5%</b>	<b>0.6%</b>	



# Balance sheet

Thousand Euros	31/03/2010	31/12/2009
Non-current assets	196,142	196,884
Current assets	67,928	66,978
<b>TOTAL ASSETS</b>	<b>264,070</b>	<b>263,862</b>
Capital and reserves	175,194	172,853
Non-current liabilities	46,506	45,346
Current liabilities	42,370	45,663
<b>TOTAL NET WORTH/LIABILITIES</b>	<b>264,070</b>	<b>263,862</b>

Improved financial structure : Decrease in borrowing

# Sound financial position (I)

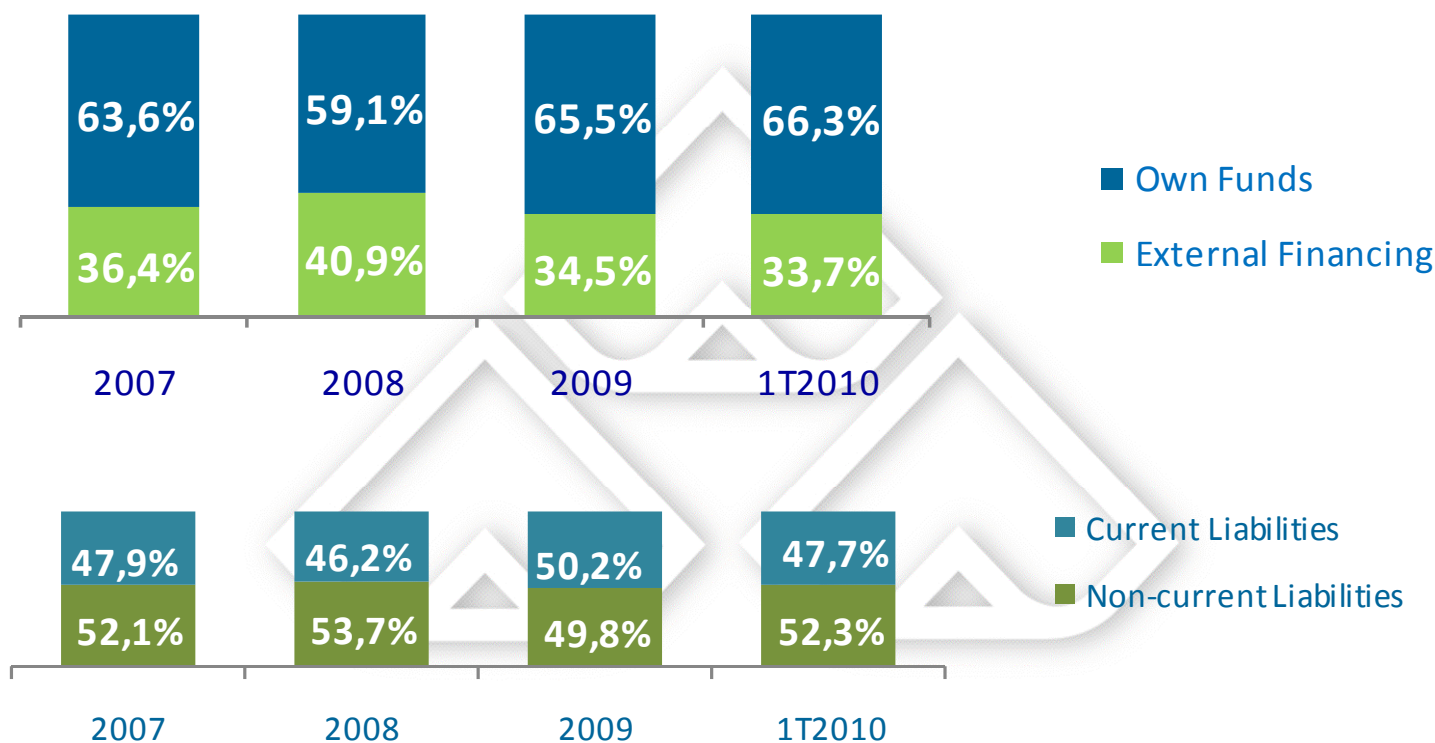
Thousand Euros	31/03/2010	31/12/2009	Var. %
Short and long term bank loans	26,954	29,983	-10.1%
Less: Cash and cash equivalents	-3,556	-3,618	-1.7%
<b>NET DEBT</b>	<b>23,398</b>	<b>26,366</b>	<b>-11.3%</b>
Net worth	175,194	172,853	1.4%
<b>LEVERAGE INDEX</b>	<b>13.4%</b>	<b>15.3%</b>	

- ⚡ Bank loans decrease by € 3.0 million
- ⚡ Net financial debt stands at € 23.4 million
- ⚡ Reduced leverage index of 13.4%



# Sound financial position (II)

Significant improvement in the financial structure



Decrease in the weight of external financing

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# Conclusions

- ⚡ Significant improvement in demand and prices in the month of March
- ⚡ Iberpapel benefits from :
  - its flexible sales policy
  - its integrated business model allows Iberpapel not to have exposure to higher pulp prices in the market
  - its cost control plan
- ⚡ to improve its operating margins
- ⚡ significantly reduce its borrowing

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# Outlook

- ▶ Clear signs of price increases due to the sharp increase in the price of wood pulp
- ▶ Pending the stabilisation of demand levels
- ▶ Maintenance of the cost control plan and operating efficiency
- ▶ Increase in product specialisation and diversification
- ▶ Optimisation of forest management
- ▶ Excellence in compliance with international sustainability and environmental management standards → European Business Environment Award 2009-2010 for Sustainable Development

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