

**Accumulated RESULTS at the end
of THIRD QUARTER 2010**

(January – September)

Madrid, 29 October 2010

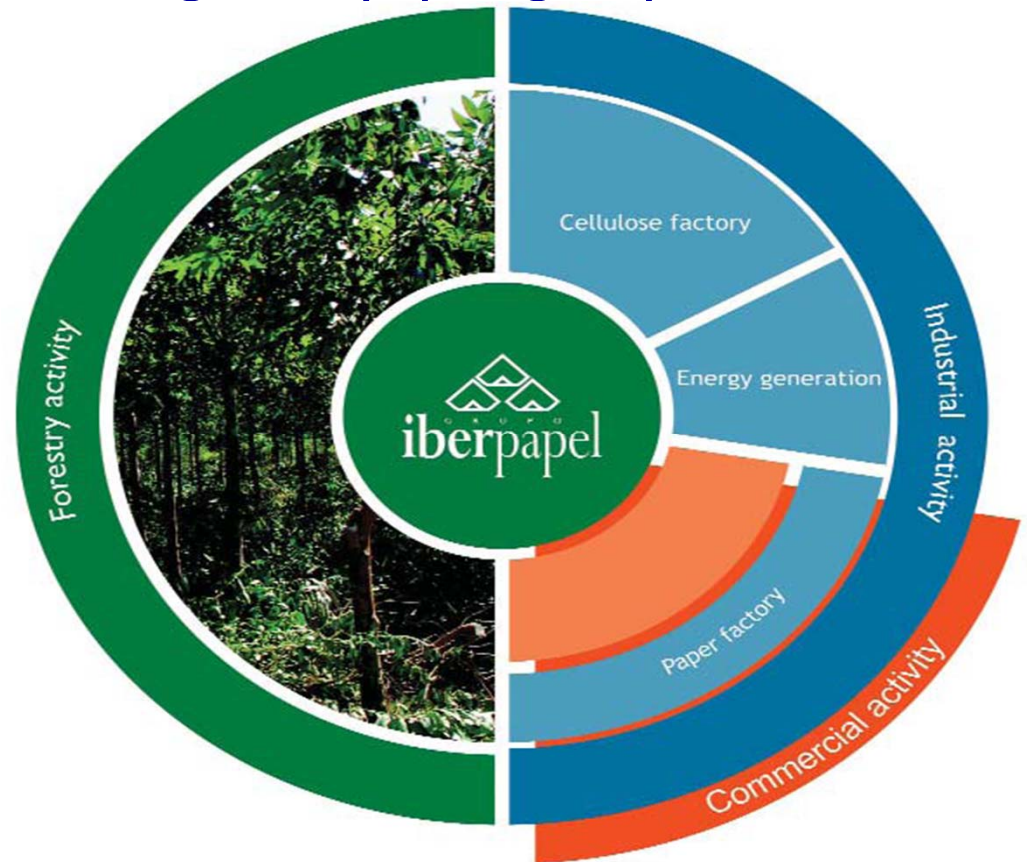




Iberpapel



An integrated paper group with an international drive



Has posted a net profit of €16.5 million (compared with €4.7 million in 3Q09).

Sound financial position (internal financing 73.4%).

Results for 3Q2010



INCOME STATEMENT	30/09/2010	30/09/2009	Var. %
Thousand euro			
Net turnover	156,710	140,972	11.2%
Other income	4,730	4,396	7.6%
TOTAL INCOME	161,440	145,368	11.1%
Total operating expenses	-130,572	-129,278	1%
EBITDA	30,868	16,090	91.8%
Depreciation charge	-9,642	-9,141	5.5%
Impairment and results of fixed asset disposals.	1,518		
EBIT	22,744	6,949	227.3%
Financial income/ expense	-492	-862	-42.9%
Profit before tax	22,252	6,087	265.6%
Tax	-5,710	-1,387	311.7%
NET PROFIT	16,542	4,700	252.0%

⚡ Marked rise in net profit driven by the increase in operating margins.

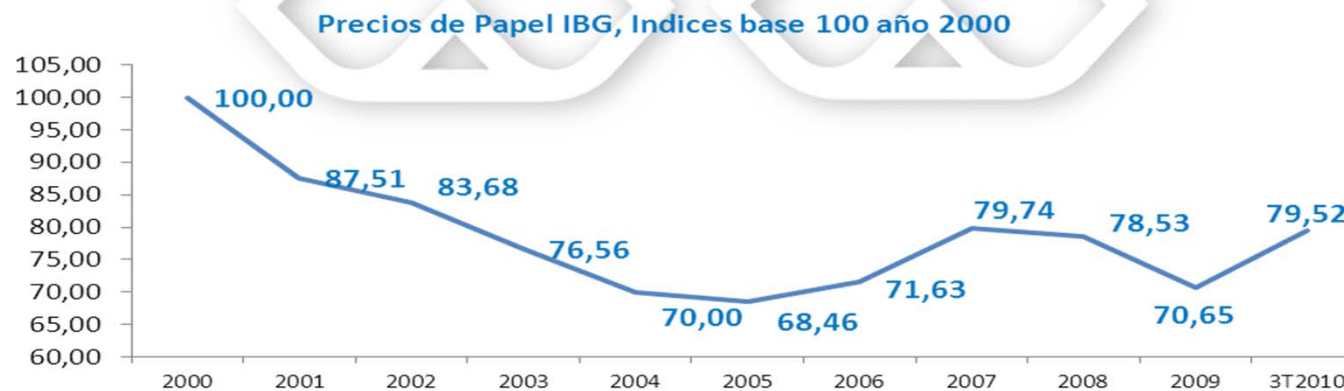
Performance (I)



⚡ Paper sales have grown markedly and driven turnover .

Thousand euro	30/09/2010	30/09/2009	Var. %
Net turnover	156,710	140,972	11.2%
Paper sales	126,571	111,423	13.6%
Timber sales	2,809	2,756	1.9%
Electricity sales	27,330	26,793	2.0%

⚡ The growth in paper sales is attributable to the increase in prices and physical units sold.



Performance (II)



- ⚡ EBITDA has increased thanks to the rise in paper prices and the cost control plan.

Thousand euro	30/09/2010	30/09/2009	Var. %
INCOME (including variation in inventories)	158,979	136,982	16.1%
Raw materials and consumables	-59,864	-54,334	10.2%
Staff costs	-13,193	-12,996	1.5%
Other	-55,054	-53,562	2.8%
TOTAL EXPENSES	-128,111	-120,892	6.0%
EBITDA	30,868	16,090	91.8%

- ⚡ Costs of raw materials and consumables have risen due to increased paper production and the growth in long fibre and timber consumption.
- ⚡ “Other expenses” reflect the fall in gas prices in 3Q10 as compared with 3Q09, and the increase in consumption of electricity at similar prices.

Performance (III)



Net profit boosted by higher operating margins.

Thousand euro	30/09/2010	30/09/2009	Var. %
EBITDA	30,868	16,090	91.8%
Depreciation charge	-9,642	-9,141	5.5%
Impairment and results of fixed assets disposals	1,518		
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Profit before tax	22,252	6,087	265.6%
Tax	-5,710	-1,387	311.7%
NET PROFIT	16,542	4,700	252.0%
EBITDA / Income	19.4%	11.7%	
Net profit / Income	10.4%	3.4%	

Balance sheet



Thousand euro	30/09/2010	31/12/2009
Non-current assets	192,981	196,884
Current assets	68,131	66,978
TOTAL ASSETS	261,112	263,862
Equity	191,607	172,853
Non –current liabilities	25,044	45,346
Current liabilities	44,461	45,663
TOTAL EQUITY/ LIABILITIES	261,112	263,862

⚡ Improved financial structure.

Sound financial position (I)



Thousand euro	30/09/2010	31/12/2009	30/09/2009
Short and long-term bank borrowings	5,856	29,983	36,417
Less: Cash and cash equivalents	-6,118	-3,618	-4,743
NET DEBT	-262	26,365	31,674
Equity	191,601	172,853	169,498
LEVERAGE RATIO	-	15.3%	18.7%

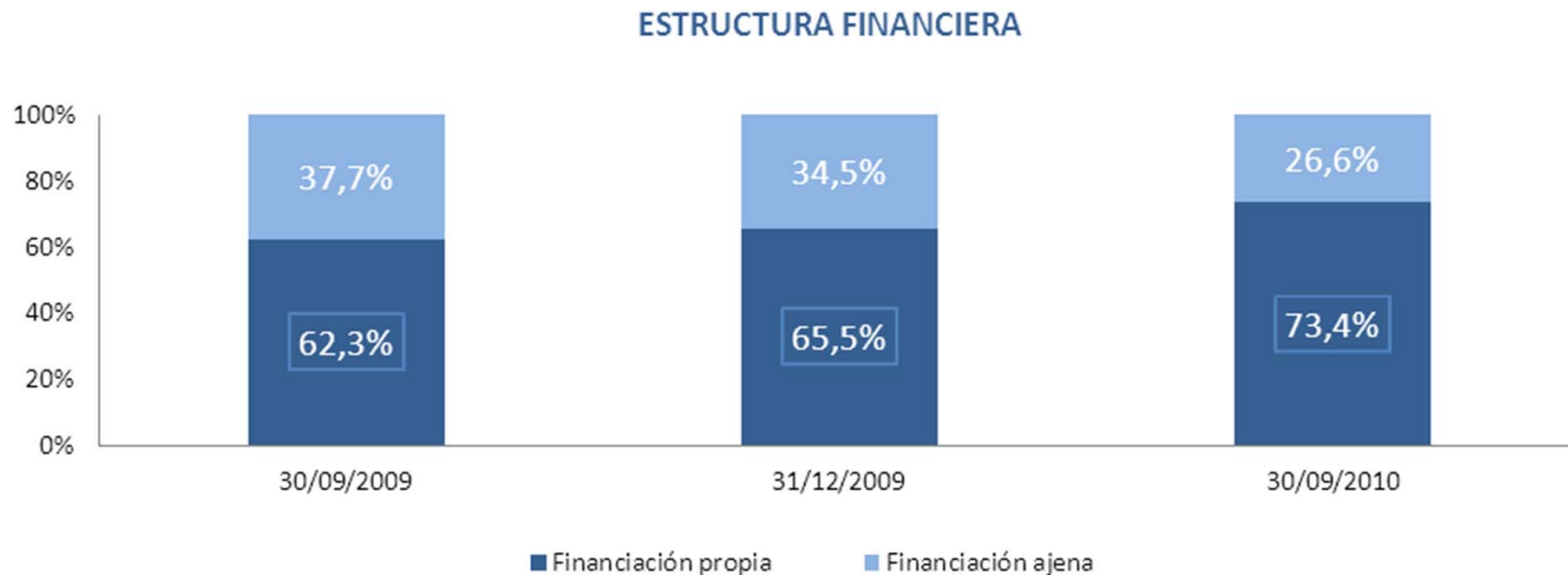
⚡ Bank borrowings fell by €24.1 million in the first nine months of 2010 (-80.5%).



Sound financial position (II)



Significant improvement in the financial structure.



Own financing accounts for 73% of liabilities.



Conclusions



- ⚡ Moderate improvement in demand and prices as from March, continuing throughout 2Q2010.
- ⚡ Sharp rise in EBITDA thanks to the cost control plan and higher sales.
- ⚡ Increase in own cellulose production, avoiding its purchase on the market at very high prices.
- ⚡ Fall in borrowings. Short and long-term borrowings have fallen by 80.5%, to €5.8 million



Outlook



- ⚡ On-going implementation of cost control and operational efficiency plan.
- ⚡ Optimisation of forest management and timber procurement.
- ⚡ Flexible commercial management.
- ⚡ Examining new short to medium -term investment programmes.
- ⚡ Excellence in compliance with international sustainability and environmental management standards => European Business Environment Award 2009-2010 Sustainable Development Management.

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