QUARTERLY REPORT Q1 2010

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“Growing the forest and growing with the forest”

BUSINESS GROWTH AND MARKET OUTLOOK

The growth for the quarter can be summarised with the following main figures:

✓ **Healthy operating results**

The **EBITDA came to +€33.7M in Q1 2010, driven by the price rises implemented throughout the quarter as a result of the pulp market recovery, and the sustained improvements to the company's cost structure. The new rises announced in April and May**, as well as the time lag - typical of the industry – between the announcement of the rises and their application to the sales volumes, **will show additional margin improvements** in the coming quarters. **The adjusted EBITDA (net of hedging and extraordinary items) reached +€32.4M in the first three months of the year, consolidating the change in the tendency initiated in the second half of 2009.**

✓ **Confirmation of market strength and good outlook for 2010**

The strength of the market was confirmed in the first few months of 2010 with five **consecutive rises on the pulp list price up to $890/t as of 1 May** (20% above the market price average in Q1 2010). The rise **came about as a result of the low inventories** worldwide, as well as pulp **supply restrictions** specifically aggravated by the reduced availability of wood on the international market, the earthquake in Chile **and strikes** in Nordic countries**.** In addition, the **gradual recovery of demand** has continued, supported by Chinese imports that remain at high levels. It is expected that these factors will keep prices strained in the coming quarters. In the long term, as a result of closures of capacity in recent years following the crisis and cancellation or delay in the execution of existing projects for new pulp plants, no significant capacity increases are expected until 2013 along with the corresponding positive impact on prices.

✓ **Consolidated sales growth, particularly in pulp**

Sales in Q1 2010 came to €170.2M, a year-on-year increase of 54.9%. This behaviour is the result of pulp production growth and recovery of demand, which has been reflected in the **higher pulp sales volume (+11.6% compared to Q1 2009 up to 263 metric kt) and** in the **recovery of pulp market prices in euros of 39.4% compared to Q1 2009, having obtained a mean pulp sales price of €464/t. Both improvements led to pulp sales income of €122.2**, which compares positively with that of Q1 2009 (€77.6M) by **+57.5%.**

✓ **Healthy energy sales**

Energy sales rose to €33.6M in Q1 2010, equivalent to a 23.3% increase compared to the same quarter in the previous year, **thanks to greater pulp production, optimised electrical systems in the factories, and a greater proportion of generation with biomass.**

- ✓ **Sustained effort in controlling wood costs**

  The cash-cost is being maintained at a level substantially below that incurred in the first quarter of 2009 with a 19.5% fall in relation to the closing figure for January-March 2009, down to €350/t.

  During the quarter, the company maintained its active policy on management of its supply sources with a view to not consolidating future price rises in domestic wood. In this respect, the use of imports has increased, making it possible to maintain a balanced market and expand the species mix used in the production process in an environment with reduced accessibility to wood due to adverse climatology. This strategy, which is positive in the medium/long term, as it bolsters the competitive position of the company, **has had a negative impact on costs in the quarter resulting from the increased proportion of higher-cost wood imports** and reduced industrial yield due to a change in the mix with the resulting reduced production (reduced dilution of fixed costs and reduced contribution of the electric business per tonne of pulp produced).

  It must be taken into account that **production was also affected by the two-day strike** that took place in February, **as well as the maintenance shutdown at Pontevedra** in March.

- ✓ **Improved plant use ratio in April**

  Following the increased supply restrictions in the first quarter, **capacity utilization in April increased to 89,900 metric tonnes, close to nominal levels**. The month includes the Navia maintenance shutdown, without which production would have reached about 119,900 tonnes, which is 8.4% above the mean value for Q4 2009. Optimised production, along with the most recent price rises being applied in the market, which led to a net average sale price of €524/t in the month (+13% compared to the average in the first quarter of 2010), will serve to support the growth of second quarter results in the year. Although the increase in production will enable greater dilution of fixed costs and generation of energy margins, we must not ignore that production costs could remain at levels similar to the current ones as a consequence of the greater proportion of wood imports, which it is believed will be negatively affected by the expectation of a stronger dollar in the coming quarters.

- ✓ **Reduced indebtedness**

  The successful **capital increase** which took place in March **has helped to bring net debt down to €223.8M**, 34% below the existing net debt at the end of 2009, **in line with the company's target**.

KEY CORPORATE ASPECTS IN Q1 2010

Capital Increase

On 4 March, the company announced the board's approval of a capital increase with a nominal value of €74,801,601, through the issue and circulation of 83,112,890 new common shares with a nominal value of €0.9 each and an issue premium of €0.665 per new share.

The increase was subscribed in full with an actual amount of €130,071,672.85, with the shares admitted for listing as of 1 April 2010. The reference shareholders represented on the board subscribed to 52.66% in line with their stake in the company.

The aim of the capital increase was to reduce indebtedness and strengthen the Company's own resources and financial structure, and develop various investment projects.

Expansion of biomass-based generation plants

At the time of the rights issue, the company presented to the market the projects that are being developed for diversification of the company into biomass-based generation plants and mainly into energy crops. The identified projects will enable the construction of plants up to a total of 210 MW and with self-supply levels above 50%, which will take advantage of the enviable position of the company in the management of forestry resources and reduce the cyclicality of the benefits in the future.

Admission to the RSC index

From 22 March, Ence share forms part of the FTSE 4Good Ibex Index, an environmental and social responsibility index created by the FTSE Group and BME (Bolsas y Mercado Españoles), as it complies with all the requirements established for this index.

MARKET GROWTH

PULP

During Q1 2010, the pulp market maintained a strong recovery trend that started in the last quarter of 2009. The sudden fall in the markets in the previous financial year, especially in the first half, was offset by a sharp adjustment in the market's pulp supply after the succession of capacity closures (5% permanently throughout the world), mainly in Nordic countries, Canada, and the United States.

The coinciding events of adverse climatology hampering cutting by limiting access to wood, the temporary shutdown of the Chilean plants following the earthquake, the maintenance shutdowns in the first part of the year, and the strikes in Sweden, Finland, and Canada have temporarily restricted supply of fibre even more. This has prevented the market from recovering its stocks and production levels. Although the price rises have speed up the reopening of the closed capacities, this has been slower than expected.

In this respect, in March 2010 the stocks of market pulp manufacturers have suffered a fresh downward revision, at 26 days of supply, which is considerably lower than the standard days-based supply level in the industry and is the lowest level reached in the last 10 years, being a decrease of 13 days in relation to the level in March 2009, when it reached 39 days of supply, and with a market in full decline since the 48-day high achieved at the end of 2008.

World pulp demand closed the first quarter of 2010 with a 7% rise (above 20% in the European and North American markets) compared to Q1 2009 from minimum levels (source PPPC) and in line with the recovery started at the end of 2009 except in China, which experienced an extraordinary level of imports in 2009. This situation, in combination with the seasonal upturn in spring, is leading to a rapid pulp price recovery which points to a positive outlook for the year as a whole, given the situation of low inventories worldwide and the scarce availability of fibre.

In this context, cellulose prices have experienced successive rises since the start of the year in all markets; specifically, the eucalyptus pulp list price in Europe reached US$ 840/t in April 2010, with an announced increase to US$ 890/t as of 1 May 2010, which means an 85% recovery up from the US$ 480/t low reached in April 2009. Fibre prices in all other international markets have already experienced similar recoveries. For its part, the upward trend of the dollar will increase the impact of the price rises in euros which, as a whole, will have a positive impact on the Group's results.

WOOD

During the first quarter of the year, the eucalyptus wood market in the Iberian Peninsula has shown some strain already detected in the last quarter of the previous year, due to the increased consumption of wood for pulp derived from the expanded capacities in Portugal and Spain, as well as the recovery of the cellulose market. This, combined with the adverse climatology in the Iberian Peninsula, and the coinciding natural disasters and adverse climatology worldwide, has hindered logistical work and access to wood.

This trend requires an increase in non-European imports to companies in the sector in Spain and Portugal to guarantee supply and prevent market tensions. In addition, the company has increased the number of Eucalyptus species used in the production of pulp, adapting its industrial process with a view to gaining greater flexibility in the management of its supply mix.

Furthermore, the company maintains a long-term investment policy to maximise self-supply by expanding its forestry assets in the Iberian Peninsula, strengthening its R&D&I programmes, and applying advanced silvicultural techniques. Investment in forestry asset management of the company during the first quarter of 2010 came to € 4M, with the plantation of 681 ha and procurement of 293 ha.

In addition, in relation to energy crops, during the first quarter of 2010, 97 ha were planted and an additional 280 were procured for the production of energy crops for the company's biomass power stations, in line with the execution of a strategy for ensuring volumes at competitive and sustainable costs.

In this respect, on 14 October 2009, ENCE entered into a collaboration agreement with the Junta de Andalucía (Autonomous Government of Andalusia) to move forward with a set of institutional and business initiatives in the area of forest management, wood and biomass production, and promotion of renewable energies.

The performance of this agreement will enable the consolidation and expansion of forestry employment in the province by promoting local wood production as a basis for the pulp sector, and increasing local wood and biomass supply for the production of pulp and energy, which reduces dependence on imported wood and strengthens biomass supply for potential energy projects.

COMMENTS Q1 2010

MAIN BALANCE SHEET FIGURES AND RESULTS FOR ENCE GROUP ACCORDING TO N.I.I.F.

Main items of Balance sheet and Results of ENCE Group (000eur)

(Data in thousands of euros) (Quarterly figures not audited)	1Q 2009	2Q 2009	3Q 2009	4Q 2009	YEAR 2009	1Q 2010	VAR in % 1Q10/09
SALES	**109,816**	**116,989**	**134,895**	**173,851**	**535,551**	**170,155**	54.9%
EBITDA sg IAS	**(19,292)**	**(10,287)**	**(2,809)**	**17,543**	**(14,844)**	**33,678**	-274.6%
EBIT sg IAS	**(28,481)**	**(23,449)**	**(18,247)**	**(2,324)**	**(72,501)**	**20,137**	-170.7%
% of sales	-25.9%	-20.0%	-13.5%	-1.3%		11.8%	
% of net assets	-9.1%	-7.6%	-7.0%	-0.9%		6.8%	
Exchange rate differences	(14)	(365)	608	227	456	(104)	641.3%
Other financial results	(12,386)	(5,701)	(3,293)	(23,409)	(44,789)	(8,997)	-27.4%
FINANCIAL RESULT	(12,400)	(6,066)	(2,684)	(23,182)	(44,333)	(9,102)	-26.6%
Income from discontinued activities net of taxes	(65,533)	(9,146)	(2,341)	0	(77,020)	0	-100.0%
TAX	12,546	8,868	7,791	10,078	39,283	(4,325)	-134.5%
NET PROFIT/LOSS AFTER TAX	**(93,869)**	**(29,793)**	**(15,481)**	**(15,428)**	**(154,571)**	**6,711**	-107.1%
% of Shareholder´s Equity	-59.5%	-19.8%	-10.6%	-10.7%		3.8%	
RESULTS PER SHARE (in euros)**	(0.54)	(0.17)	(0.09)	(0.09)	(0.88)	0.03	-104.8%
Dividend paid per share (in euros)**	0.14	0.00	0.00	0.00	0.00	0.00	0.00
INVESTMENT	73,219	54,327	18,912	37,211	183,669		-100.0%

(Data in thousands of euros) (Quarterly figures not audited)	1Q 2009	2Q 2009	3Q 2009	4Q 2009	YEAR 2009	1Q 2010	VAR in % 1Q10/09
FIX ASSETS	882,626	906,023	957,347	980,155	980,155	981,993	11.3%
AVAILABLE CASH	2,897	6,889	9,197	13,045	13,045	144,222	4878.6%
NET ASSETS AVAILABLE FOR SALE	238,219	231,994	32,310	0	0	0	-100.0%
OTHER CURRENT ASSETS	126,977	93,331	49,898	28,359	28,359	54,113	-57.4%
NET ASSETS	1,250,718	1,238,236	1,048,753	1,021,558	1,021,558	1,180,327	-5.6%
SHAREHOLDERS´ EQUITY	630,822	601,116	583,283	576,897	576,897	710,166	12.6%
Nº of shares end of period (in thousands)*	174,900	174,900	174,900	174,900	174,900	258,013	47.5%
SUBSIDIES	10,643	8,491	6,675	7,076	7,076	15,255	43.3%
% Shareholders' Equity+Subsidies on fixed assets	72.7%	67.3%	61.6%	59.6%	59.6%	73.9%	
DEFERRED TAX LIABILITIES	24,999	24,980	29,678	23,467	23,467	23,823	-4.7%
PROVISIONS	23,185	16,699	19,041	20,381	20,381	22,389	-3.4%
LONG TERM DEBT	396,936	377,482	169,901	164,546	164,546	169,901	-57.2%
SHORT TERM DEBT	120,788	165,162	198,113	186,759	186,759	198,113	64.0%
Net financial debt	514,827	535,756	358,816	338,260	338,260	223,791	-56.5%
% Net financial debt/Shareholder's Equity	81.6%	89.1%	61.5%	58.6%	58.6%	31.5%	

Sales by Business Lines

(Data in thousands of euros) (Quarterly figures not audited)	1Q 2009	2Q 2009	3Q 2009	4Q 2009	YEAR 2009	1Q 2010	VAR in % 1Q10/09
Pulp sales	**77,607**	**76,759**	**86,871**	**119,798**	**361,035**	**122,218**	57.5%
Electricity sales	**27,242**	**27,399**	**35,523**	**36,737**	**126,901**	**33,597**	23.3%
Forest sales and others	**4,967**	**12,831**	**12,500**	**17,317**	**47,615**	**14,341**	188.7%
SALES	**109,816**	**116,989**	**134,895**	**173,851**	**535,551**	**170,155**	54.9%
% pulp / total	**70.7%**	**65.6%**	**64.4%**	**68.9%**	**67.4%**	**71.8%**	

Total quarterly sales came to €170.2M in line with those of Q4 2009 and 54.9% higher than the first quarter of 2009 as a result of the price rises and pulp production increase (+33%

compared to Q1 2009). This growth has positively impacted pulp sales and the production and sale of energy linked to the industrial process.

Pulp sales in Q1 2010 came to €122.2M, a year-on-year increase of 57.5%. Sales volumes grew by 11.9% year on year after the capacity increase at Navia. Although the price rises were largely behind the growth, these did not become entirely apparent during the quarter due to the inclusion of volumes committed at prices lower than the market reference as the rises have been applied gradually and consistently since the start of the year.

Energy sales rose to €33.6M in Q1 2010, equivalent to a 23.3% increase compared to the same quarter in the previous year, thanks to greater pulp production, optimised electrical systems in the factories, and a greater proportion of generation with biomass, which helped to offset the decline of pool prices. In this respect, **the three factories have, as a whole, sold nearly 246,572MWh of renewable energy (excluding gas) in Q1 2010, which is 13.7% higher** than the average attained in 2009.

Income from forestry products and services sales rose to €14.3M in Q1 2010, which is a 188.7% year-on-year increase, thanks to stronger sales in forestry consulting and sales of wood to third parties.

With regard to the overheads structure, operating expenses (supplies, personnel, and other operating costs) **rose to €146M in Q1 2010, a 19% year-on-year increase**, based on the Group's greater business activities due to the recovery of demand and completed capacity expansions.

As a result, **the cash-cost level came to about $350/t during the quarter, which is a fall of 19.5% compared to the €435/mt high reached in Q1 2009.** The costs during the quarter were affected by the **reduced dilution of fixed costs derived from the decrease in activity** because of the strike, Pontevedra maintenance shutdown, and specific supply problems resulting from the reduced wood supply. In order to offset the lower availability of domestic wood and prevent price tensions in the Iberian Peninsula, **wood imports were increased**, which were more expensive and less efficient in production because of the change to the eucalyptus species mix.

Consequently, the **EBITDA in Q1 2010 came to +€33.7M, which is 85% higher than** the €17.5M recorded in **Q4 2009.** Excluding hedging and extraordinary items, the **adjusted EBITDA in Q1 2010 came to +€32.4M**, which is above the levels reached in 2007 and 2008 (when the last price high of $840 per tonne of pulp was achieved). This reflects the increased capacity and improved efficiency achieved during the previous year.

Not including amortisations, provisions, financial results, and taxes, the company obtained a **net profit of €6.7M in Q1 2010, compared with losses of €93.9M in Q1 2009, which included €63.6M of losses related to the sale of assets in Uruguay.**

Investments in Q1 2001 have come to €9M, which is 80.9% below those recorded in the same period of 2009, as the latter included the investment in the Navia capacity expansion. For their part, forestry investments rose to €4M as a result of planting 681 ha and procuring 293 ha. In addition, during the first quarter of 2010, 97 ha were planted and an additional 280 were procured for the production of energy crops.

After working capital was reduced by €118M in 2009, **working capital increased by €24.3M** during the quarter **due to the impact of the price rises** on client accounts.

In terms of indebtedness, as at 31 March 2010 and following closure of the capital increase, the **net financial debt fell to €223.8M** in line with the financial leveraging target.

COMMENTS ON BUSINESS ACTIVITIES

Activities Data

(Data in thousands of euros)	1Q 2009	2Q 2009	3Q 2009	4Q 2009	YEAR 2009	1Q 2010	VAR in % 4Q10/09
PULP SOLD (000 t.)	235.42	246.76	263.78	315.53	1,061.49	263.40	11.9%
PULP PRODUCED (000 t.)	191.60	236.56	263.33	307.00	998.49	255.00	33.1%
ELECTRICITY PRODUC. (000 Mwh)	298.6	349.9	351.9	364.4	1,364.9	344.9	15.5%
ELECTRICITY SOLD (000 Mwh)	241.0	294.7	321.5	358.4	1,215.7	332.5	38.0%
% sales / production	80.7%	84.2%	91.4%	98.3%	89.1%	96.4%	
INDUSTRIAL INVESTMENT	35,787	41,831	13,200	30,843	121,661	5,012	-86.0%
INDUSTRIAL EMPLOYEES (YEAR END)	848	848	837	798	3,331	805	-5.1%
WOOD SALES (000 m^3)	729.5	677.7	789.5	808.4	3,005.1	905.4	24.1%
% by Latin American subsidiaries	17.1%	14.9%	11.9%	25.1%	17.4%	36.1%	
BIOMASS SALES (000 t)	48.3	65.9	89.0	79.3	282.5	99.5	106.0%
FORESTED HECTARES (ha)							
- For pulp	3,297	1,306	1,115	1,749	7,467	681	-79.3%
% by Latin American subsidiaries	83.6%	68.5%	73.0%	0.0%	59.8%	0.0%	
- For energy crops	257	240	345	84	926	97	-62.3%
FOREST INVESTMENT	11,630	12,496	5,713	6,367	36,206	4,023	-65.4%
FOREST EMPLOYEES (YEAR END)	983	882	862	694	3,421	767	-22.0%

In relation to **pulp production and marketing**, the sales achieved in Q1 2010 were higher than the same period of 2009 by 27,000 tonnes. Production came to **255,000 tonnes** of pulp, which represents a 33.1% increase on 2009 thanks to the increased capacity at the Navia factory. Production was affected by the reduced accessibility to the wood and greater dependency on imported wood, which led to lower productivity. As a result, finished product stocks fell by 8,431 tonnes during the quarter:

- ✓ At the **Huelva factory, production came to 77,648 tonnes**, 17% lower than Q1 2009. Production in the next quarter will also be affected by the scheduled maintenance shutdown in May.
- ✓ At the **Pontevedra factory, production came to 76,727 tonnes**, which is the equivalent of a 5.6% fall compared to Q1 2009, due to the strike and maintenance shutdown in March.
- ✓ Production at the **Navia factory came to 100,566 tonnes,** which is a 495% increase compared to the equivalent production figure for Q1 2009, reflecting the long shutdown in that quarter to carry out the capacity increase. The maintenance shutdown took place in April, after which it is expected that the plant will reach production levels near its maximum capacity.

In relation to the **energy business, 344,944 MWh were produced in Q1 2010**, which corresponds to a 15.5% increase on Q1 2009. Energy sales growth was at 38.9%, reaching 332,412 MWh, with the percentage of electricity sold to the grid at 96% compared to 80.7% in Q1 2009 due to the improved energy system in Huelva.

In relation to **forestry business**, in the first nine months of 2009, 905,400 m^3 of wood was marketed, nearly 91% of which was supplied to the pulp plants. During the same period, 681 ha were planted and 293 ha were procured for the pulp business. In addition, during the first quarter of 2010, 97 ha were planted and an additional 280 ha were procured for the production of energy crops. Furthermore, 99,500 tonnes of forest biomass have been marketed mostly for the supply of the group's energy production.

ANNEX 1

CONSOLIDATED FINANCIAL STATEMENTS ACCORDING TO N.I.I.F.

BALANCE SHEETS AND PROFIT AND LOSS STATEMENTS

ASSETS (thousands of euros)	**31/03/2010**	**31/12/2009**
I Tangible Fixed Assets	**732,570**	**737,807**
Land and Buildings	303,271	301,825
Plant and Machinery	941,666	940,470
Other Fixed Assets	26,943	26,821
Advances and Tangible Fixed Assets in Progress	101,184	98,407
Provisions and Depreciation	(640,494)	(629,716)
II Property Investments	**3,386**	**3,413**
III Issue Rights	**9,475**	**1,053**
IV Intangible Assets	**3,900**	**3,919**
Intangible Rights and Goods	25,576	25,274
Provisions and Amortizations	(21,676)	(21,355)
V Non-current Financial Assets	**5,810**	**5,494**
Long-Term Portfolio	1,036	1,036
Other Long-Term Credits	5,407	5,091
Provisions	(633)	(633)
Derivative Financial Instruments	0	0
Long-Term Hedging	0	0
VI Biological Assets	**157,249**	**155,238**
Forest Cover	232,024	227,412
Forest Reserve Depletion	(74,774)	(72,173)
VII Deferred Tax Assets	**69,603**	**73,230**
VIII Other Non-Current Assets	**0**	**0**
NON-CURRENT ASSETS	**981,993**	**980,155**
I Stocks	**97,145**	**88,844**
II Trade Debtors and other Accounts Receivable	**116,313**	**102,805**
Clients by Sales and Services	92,460	81,289
Other Debtors	26,565	24,355
Provisions	(2,712)	(2,839)
III Financial Investments by Short-Term Hedging	**0**	**0**
IV Assets from Tax on Current Earnings	**0**	**0**
V Other Current Assets	**3,119**	**1,377**
VI Temporary Financial Investments	**3,769**	**1,913**
VII Cash and Banks	**178,453**	**49,132**
Sub-total Current Assets	**398,798**	**244,071**
Non-Current Assets Classified as Kept for Sale and Discontinued Activities	**0**	**0**
CURRENT ASSETS	**398,798**	**244,071**
T O T A L A S S E T S	**1,380,791**	**1,224,226**

LIABILITIES (thousands of euros)	31/03/2010	31/12/2009
I Subscribed Capital	232,212	157,410
II Share Premium	254,328	199,058
III Other Reserves	227,491	230,070
Distributable Reserves	149,094	152,352
Non-distributable Reserves	30,809	30,270
Adjustments to net worth by valuation (hedging and floors)	47,588	47,448
IV Reserves Calculated by Global or Proportional Method	121,538	149,131
V Results of Previous Years Pending Distribution	(131,155)	(3,766)
VI Consolidated Profit and Losses	6,711	(154,571)
VII Interim Dividend	0	0
VIII Conversion Differences	0	0
IX Own Shares	(958)	(435)
NET WORTH ALLOCATED TO PARENT COMPANY NET WORTH INSTRUMENT SHAREHOLDERS	**710,166**	**576,897**
X Minority Interest	0	0
NET WORTH	**710,166**	**576,897**
I Bond and Other Issues	0	0
II Debts to Credit Entities	151,454	155,755
III Financial Instruments for Long-Term Hedging	43,710	42,952
IV Other Financial Liabilities	8,629	8,791
V Deferred Tax Liabilities	23,823	23,467
VI Provisions for risks and expenses	22,389	20,381
VII Income to be distributed over several years	15,255	7,076
VIII Other non-Current Liabilities	0	0
NON-CURRENT LIABILITIES	**265,259**	**258,421**
I Bond and other Issues	0	0
II Debts to Credit Entities	204,902	186,240
III Trade Creditors	174,181	168,535
IV Other non-Trade Debts	20,072	26,431
V Financial Instruments for Short-Term Hedging	781	(0)
VI Short-Term Provisions	4,454	4,468
VII Liabilities for Taxes on Current Earnings	1,787	2,809
VIII Other Current Liabilities	(811)	424
Subtotal Current Liabilities	**405,365**	**388,908**
IX Liabilities classed as kept for sale and discontinued activities		**0**
CURRENT LIABILITIES	**405,365**	**388,908**
TOTAL LIABILITIES	**1,380,791**	**1,224,226**

PROFIT AND LOSS STATEMENT (Thousands of euros)	**31/03/2010**	**31/12/2009**
REVENUE		
Total Net Turnover	170,155	535,551
Increase in Stocks of Finished Products	1,159	(17,422)
Works Performed by the Group on Fixed Assets	5,351	34,438
Other Operating Revenue	1,119	3,006
Earnings from Hedge Transactions	0	3,808
Capital Subsidies Transf. To Result for the Year	106	474
Capital Subsidies Transf. To Result for the Year - Emission Rights	1,838	7,764
GASTOS		
Supplies	(79,880)	(348,163)
Payroll Costs	(18,389)	(88,730)
Depreciation of Fixed Assets	(14,077)	(46,812)
Change in Trading Provisions	(90)	(763)
Other Operating Expenses	(45,873)	(138,614)
Other Operating Expenses - Emissions Rights	(1,818)	(6,194)
Change in Provisions for Fixed Assets	535	(10,845)
I. OPERATING RESULT	**20,137**	**(72,501)**
Revenue from Equity Interest	0	0
Other Financial Revenue	97	3,875
Financial Expenses	(9,095)	(48,664)
Exchange Rate Differences (net)	(104)	456
II. FINANCIAL RESULTS	**(9,102)**	**(44,333)**
Income from non-current assets kept for sale		
III. PRE-TAX RESULTS FROM CONTINUING ACTIVITIES	**11,036**	**(116,834)**
Corporation Tax	(4,325)	39,283
IV. RESULT FOR THE FINANCIAL YEAR FROM CONTINUING ACTIVITIES	**6,711**	**(77,551)**
Result of Valuation of non-Current Assets Classified as kept for Sale not included in Discontinued Activities (net)		(77,020)
V. RESULT FOR THE YEAR	**6,711**	**(154,571)**
Result Attributable to External Partners		
VI. RESULT ALLOCATED TO SHAREHOLDERS OF THE PARENT COMPANY OF THE CONTINUED ACTIVITIES	**6,711**	**(154,571)**

ANNEX 2

MAIN RELEVANT FACTS FROM THE FINANCIAL YEAR

30/03/2010

- ✓ New shares issued for capital increase admitted for negotiation.

18/03/2010

- ✓ The Company announces that the reference shareholders have issued an instruction to subscribe to the new shares at 52.66% of the amount of the capital increase, as part of this increase.

05/03/2010

- ✓ The Company submits its presentation on the capital increase.

04/03/2010

- ✓ The Company announces that the Board of Directors has agreed to increase the share capital by 74,801,601 euros through the issue of 83,112,890 new shares.

End of ENCE Quarterly Report Q1 2010