QUARTERLY REPORT 1Q09

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"Make the forest grow and grow with it"

HIGHLIGHTS 1Q09

CORPORATE TRANSACTIONS

- ✓ On May, 17th The Group **reached an agreement with** paper companies Stora Enso Oy y Celulosa Arauco y Constitución S.A. **for the cash sale of its 100% participation in the Uruguayan companies EUFORES, S.A., CELULOSA Y ENERGÍA PUNTA PEREIRA, S.A. and ZONA FRANCA PUNTA PEREIRA, S.A.**

  The agreement implies the transfer by ENCE of around **140,000 forestry hectares** in Uruguay, as well as the **total transfer of the industrial project** consisting on the construction of a pulp mill in Punta Pereira **for an amount of US$340M.**

  The company **will retain the property of around 30,000 hectares** of Eucaliptus located in the Uruguay Atlantic Region, **as well as the chipping mill and wood export located in Peñarol (Montevideo), in order to secure the supply of wood to its Spanish mills**, particularly to the mill factory located in Huelva.

  As a result of the sale agreement**, the Group charged on May 31st an impairment test provision for an amount of €80.2M due to the potential investment devaluation**, being accounted as "Provisions and Depreciation of Tangible fixed assets (€61.7M) and Intangible assets (€18.5M)". Net provision after taxes amounted to €63.3M.

HIGHLIGHTS 1Q09

BUSINESS EVOLUTION

- ✓ The Group has decided to bring forward its technical maintenance shutdowns to 1Q09, with the exception of the Huelva mill, with the aim of reducing wood consumption within the framework of an active price management and cutting down stocks, adapting itself to the current market environment.

- ✓ **Net sales of €112M.** during the period January-March 2009, **32% down on the same period of 2008,** owing to the drop in pulp sales following the technical shutdowns for the expansion and maintenance of the Navia and Pontevedra mills respectively, as well as lower sale prices.

- ✓ **Pulp revenues** of €77.6M. in 1Q09, down by 36.8% compared to 1Q08´s figure, due to the lower tonnage sold (-11.5% to 236k tonnes) following the temporary halt for expansion of the Navia mill and the maintenance shutdown of the Pontevedra facility. This drop in production was combined with the **negative trend of the 1Q09 average sale price, which was 29% down on that posted in 1Q08.**

- ✓ Execution of the Navia expansion, which is running since March. **In April, the mill was operating at 70% of its capacity, planning to reach its nominal production capacity in June**, producing 500,000 tonnes per year of cellulose pulp at costs below €300/tn and 550,000 MWh of energy, which means **doubling the previous energy production**.

- ✓ **Increase in revenues from electricity sales in 1Q09**, which exceeded **€27.2M. between January and March**, 4.4% higher than the figure posted in 1Q08, despite the extraordinary shutdown for the expansion of the Navia mill. With homogeneous shutdowns, the Group energy production would have exceeded 315,000 MWh.

- ✓ **Eliminating the effect of hedging and extraordinary items, 1Q09 EBITDA came to -€5.9M owing to the contraction of the pulp activity in the current economic environment and lower production.**

- ✓ **Net losses** posted this first quarter **amounted to €93.8M**. It has been negatively affected by the charge of a net provision after taxes of €63.3M. due to the estimated impairment losses of the assets involved in the Uruguayan sale process, as well as by some value adjustments in raw material and finished product stocks amounting €8.7M after taxes.

- ✓ In the context of the current market scenario, the company is intensifying its efforts with the objective of reducing the execution periods for the underway expansion projects scheduled for the next two quarters, which aim is to reduce mill consumptions as well as **accelerate the come on stream of new capacities, in particular energy generation.**

  These investments, already committed and fully financed, which will allow to increase the renewable energy production significantly, have been complemented by the **strengthening of cost cutting programmes, particularly for wood, and reinforcing the management of net working capital**, especially for the reduction of purchases and stocks, running since 4Q08 as a response of the change of the cycle.

  In cumulative terms, the adoption of this measures, whose economic impact will be materialised in the coming quarters, will **push the cash cost down in the next three quarters, to reach levels in the range of €280-300/tn in 4Q09.**

MARKET TRENDS

PULP

During the first quarter of 2009 the world paper and board industry has continued operating in an atmosphere of **general economic crisis** following the marked fall in consumption recorded in the last months of 2008. The **reduction in paper production** has been extended to all paper segments, causing a **marked fall in the pulp demand, particularly in mature markets** such as Europe, North America and Japan, regions which account for almost 60% of world pulp production, where demand has fallen by more than 20% during 1Q09.

This situation has been partially offset by the **performance of the pulp demand in China**, which maintained its upward trend in the first three months of the year, with the probable aim of recompose the stocks levels at reduced prices.

In this context, the **world pulp demand has fallen by 7% during the first quarter of the year**, leading to a marked increase in worldwide pulp stocks, despite the reduction in market pulp production during the first months of the year, either through extraordinary shutdowns or by closing of inefficient lines or mills, particularly in Europe and North America.

In this environment, **the eucalyptus pulp market price has continued the fall** initiated in 3Q08, dropping by more than 40% from US$ 840/t reached in August 2008 to US$ 494/t recorded in March 2009. The **average eucalyptus market price** during the first quarter of 2009 fell by 33% in dollars compared to 1Q08. The trend of the exchange rate limited that fall to 23% in euros. Prices have been decelerating at a lower rate since the beginning of the year until mid-April, when it stabilized at US$483/tn. This level is expected to act as a floor **in the coming months, but without expectations of a fast demand recovery or a significant reduction in the net production capacity, as the planned capacity reductions could be compensated with start-ups of underway projects.**

WOOD

The eucalyptus wood market in the Iberian Peninsula continued to show **less strain** in the first quarter of 2009, thus continuing the gradual drop in prices that had begun at the end of 2008. **The slowdown of wood industries**, in particular real-state and sawmills, combined with the drop in consumption due to the paper market weakness and the stocks availability, are pushing down wood prices, a trend which is expected to continue in the following quarters of 2009.

In this context, ENCE is actively managing its supply chain, offering lower prices in this **environment of less market purchases**, having reduced wood stocks of standing timber and wood-yards by more than 100,000m^3. However, during this first quarter the Group has still consumed wood stocks at the higher prices recorded in the second term of 2008 year.

In addition, the company **maintained its long-term investment policy to maximize self-sufficiency** by expanding its forestry assets, strengthening research, development and innovation programmes and applying advanced forestry techniques. **Investments in forestry management during** the first three months of 2009 reached **€11.6M.** This investment has involved the planting of **2,757 ha of forestry, the hiring of 479 ha and the transformation of 540 ha into clonal masses**, with productivity increases around 15%.

Regarding energy crops, during this first quarter have been planted, in addition, almost **257 ha** and a further **180 ha** were contracted, intended for the production of **energy crops in our mills.**

COMMENTS ON 1Q09

KEY FIGURES IN THE BALANCE SHEET AND RESULTS OF THE ENCE GROUP ACCORDING TO I.F.R.S.

ENCE Group Balance Sheet and Profit and Loss Statement (000 euros)

(Figures in thousands of euros) (Unaudited quarterly figures)	IAS 1Q08	IAS 2Q08	IAS 3Q08	IAS 4Q08	YEAR 2008	IAS 1Q09	YEAR 2009	VAR 09/08
SALES	**164,826**	**170,461**	**174,841**	**165,740**	**675,869**	**112,038**	**112,038**	-32.0%
EBITDA according to IAS*	**31,587**	**33,180**	**29,559**	**1,758**	**96,084**	**(97,606)**	**(97,606)**	-409.0%
EBIT according to IAS*	**20,269**	**20,418**	**20,619**	**(5,784)**	**55,521**	**(106,990)**	**(106,990)**	-627.8%
% of sales	12.3%	12.0%	11.8%	-3.5%	8.2%	-95.5%	-95.5%	
% of net assets	7.3%	7.0%	6.6%	-1.8%	17.3%	-33.6%	-33.6%	
Exchange rate differences	(1,722)	2,074	(2,777)	3,659	1,234	(191)	(191)	-88.9%
Other financial	(8,332)	(11,238)	(2,652)	(35,832)	(58,054)	(13,548)	(13,548)	62.6%
FINANCIAL RESULT	(10,054)	(9,164)	(5,428)	(32,174)	(56,820)	(13,739)	(13,739)	36.6%
Income from non-current assets held for sale	6,954	(464)	(239)	178	6,429	0	0	-100.0%
TAXES AND MINORITY INTERESTS	(4,778)	(3,057)	(6,057)	13,503	(389)	26,860	26,860	-662.2%
NET RESULT AFTER TAX	**12,391**	**7,733**	**8,895**	**(24,277)**	**4,742**	**(93,869)**	**(93,869)**	-857.6%
% of Shareholders' Equity	6.6%	4.2%	4.7%	-13.3%	0.6%	-59.5%	-59.5%	
PROFIT PER SHARE (in euros)	0.07	0.01	0.05	(0.14)	0.03	(0.54)	(0.54)	-857.6%
Dividend paid per share (in euros)	0.03	0.11	0.00	0.00	0.14	0.00	0.00	
INVESTMENT	64,678	71,433	73,219	91,338	300,668	47,417	47,417	-26.7%
FIXED ASSETS	956,830	991,523	1,049,060	1,133,590	1,133,590	1,104,356	1,104,356	-2.6%
SHORT-TERM HEDGES	0	0	0	0	0	0	0	0.0%
CASH AND BANK ACCOUNTS	21,561	32,656	22,398	12,030	12,030	10,528	10,528	-12.5%
OTHER CURRENT ASSETS	134,865	136,925	178,686	139,872	139,872	160,360	160,360	14.6%
NET ASSETS	1,113,256	1,161,104	1,250,144	1,282,846	1,282,846	1,275,244	1,275,244	-0.6%
SHAREHOLDERS' EQUITY (+ outside shareholders)	753,361	740,810	755,257	729,564	729,564	630,822	630,822	-13.5%
No. of shares at period-end (thousands)	174,900	174,900	174,900	174,900	174,900	174,900	174,900	0.0%
SUBSIDIES	19,111	7,000	6,446	3,160	3,160	10,643	10,643	236.8%
% shareholders' equity + subsidies on fixed assets	80.7%	75.4%	72.6%	64.6%	64.6%	58.1%	58.1%	
DEFERRED TAX LIABILITIES	22,024	19,194	23,587	23,569	23,569	25,101	25,101	6.5%
PROVISIONS	19,397	25,117	25,313	22,061	22,061	23,150	23,150	4.9%
LONG-TERM DEBT	50,342	164,302	204,838	250,610	250,610	385,246	385,246	53.7%
SHORT-TERM DEBT	233,277	194,784	232,667	215,140	215,140	145,247	145,247	-32.5%
Net financial debt	262,058	326,430	415,106	453,720	453,720	519,000	519,000	14.4%
% Net financial debt / shareholders' equity	34.8%	44.1%	55.0%	62.2%	62.2%	82.4%	82.4%	

(*) EBIT and EBITDA according to IAS already include exchange rate differences from the hedging program.
(**) Includes the debt of 11,299,000 euros ENCE has with CDTI.

(Figures in thousands of euros) (Unaudited quarterly figures)	IAS 1Q08	IAS 2Q08	IAS 3Q08	IAS 4Q08	YEAR 2008	IAS 1Q09	var acum 1Q09/08
Pulp sales	122,716	123,149	124,672	114,190	**484,727**	77,607	-36.8%
Electricity sales	26,100	28,180	30,220	32,394	**116,894**	27,242	4.4%
Forest sales	16,010	19,132	19,949	19,157	**74,248**	7,189	-55.1%
SALES	**164,826**	**170,461**	**174,841**	**165,741**	**675,869**	**112,038**	-32.0%
% pulp out of total	**74.5%**	**72.2%**	**71.3%**	**68.9%**	**71.7%**	**69.3%**	

ENCE Group's net turnover amounted to €112.0M. in the first quarter of the year, 32.0% down on the figure posted in the same period of the previous year, mainly due to lower pulp sales in an unfavourable market environment in which the average pulp selling price fell by 28.8% in euros compared to 1Q8.

Pulp sales, which accounted for 69% of consolidated turnover, **came to €77.6m**, **36.8% down** on the first quarter of 2008. The weakness of the international commodity markets was combined with lower production volumes (-23.9%) in the first three months of the year, particularly following the technical shutdown due to the expansion of the Navia mill during this first quarter, which was partially offset by the reduction of stocks. The Group has decided to bring forward its technical maintenance shutdowns to 1Q09, with the exception of the Huelva mill, with the aim of reducing wood consumption within the framework of an active price management and cutting down stocks, adapting itself to the current market environment.

After the star-up of the Navia mill in March, **it was operating at 70% of its capacity in April, planning to reach its nominal production capacity in June**. The production target of this facility are 500,000 tonnes per year of cellulose pulp at costs below €300/tn and 550,000 MWh of energy, which means **doubling the previous energy production**.

In terms of commercial activity, **235,730 tonnes of pulp** were sold during this first quarter, 11.5% below the tonnage sold in 1Q08, in the context of a 33% drop in BEKP prices in US$. The appreciation of the dollar by over 13% compared to 1Q08 has limited this fall in the average selling price **in euros to -23%**.

Energy sales amounted to €27.2M. in 1Q09, 4.4% higher than the figure posted during the same period of 2008, as a result of the higher selling prices deriving from the optimization of the energy supply mix. The company sold close to 241,000 MWh of renewable energy during the period January-March 2009, 5.7% down on the equivalent figure in 1Q08, as a result of the technical shutdowns carried out in this first quarter of the year. With homogeneous technical shutdowns, electricity production would have exceeded 315,000 MWh.

Revenues from sales of forestry products and services came to €7.2M. during the period, 55.1% down on 1Q08, owing to the reduced shipments of chip from Uruguay due to the reduction in pulp production of the last months, as well as the deterioration of forestry consultancy services.

With regard to the structure of operating costs, operating expenses (supplies, personnel and other operating expenses) **amounted to €141.0M.** in the first three months of the financial year, equivalent to **an annual fall of 3.0%.** The drop of over 13% in the supply costs owing to the Group's reduced activities as a result of the stoppages in Navia and Pontevedra, and the improved efficiency of the mills are the two reasons that explain this performance. In addition, the company is focusing on the active management of its wood supply chain, with the aim of reflecting gradually the fall in pulp prices in wood costs in the coming quarters.

Finally, and in line with the cost cutting efforts carried out, personnel costs fell by more than 5% compared to the first quarter of 2008, as a result of the implementation of the optimization programmes.

Owing to the pulp price decrease, the Group has charged a provision of €12.3M. for the Net Realizable Value of raw material and finished products.
The Group has also charged an impairment provision for an amount of €80.2M as a result of the loss of value of the Uruguayan assets sold.

The **EBITDA** for 1Q09 **(eliminating the extraordinary effects of the hedging programme, as well as provisions and indemnities)** amounted to **-€5.9M.**, as a result of the contraction of pulp activities in the current economic climate and the reduced pulp and energy production owing to the Navia and Pontevedra shutdowns as well as lower pulp prices.

In the same terms, the **EBIT** for the first quarter of the year (eliminating the extraordinary effects of the hedging programme, provisions and indemnities) amounted to **-€15.3M.**

After financial results and taxes, the company obtained **net losses of €93.9M**. Excluding Net Realizable Value provisions of raw material and finished products, as well as the impairment provision of the Uruguayan assets the company agreed to sale, the Group´s net result would have ended the quarter at €-21.9M.

The committed investments of previous years amounted to €47.4M., 26.7% down on those posted in the first quarter of 2008. **75%** of the investment corresponds to **industrial investments** resulting from the expansion and modernization of the Navia mill. **Forestry investments** amounted to €11.6M. as a result of contracting over 600 hectares, as well as the execution of forestry plantation and transformation programmes. The investment in net operating working capital has dropped by €19.6M from 1Q08 and €26.4M from the end of 2008 fiscal year.

In terms of borrowing, **net financial debt stood at €519.0M.** at 31/03/09.

COMMENTS BY ACTIVITIES

Figures by Business

Figures in thousands of euros)	IAS 1Q08	IAS 2Q08	IAS 3Q08	IAS 4Q08	YEAR 2008	IAS 1Q09	VAR 08/09
PULP SOLD (000 t.)	266.3	263.8	262.2	274.3	1,066.6	235.7	-11.5%
PULP PRODUCED (000 t.)	251.9	261.6	293.0	282.5	1,089.0	191.6	-23.9%
ELECTRICITY PRODUCTION (000 MWh)	315.1	311.1	324.9	329.4	1,280.6	298.6	-5.3%
ELECTRICITY SALES (000 MWh)	255.6	262.7	263.1	268.1	1,049.5	241.0	-5.7%
% sales over production	0.8	0.8	0.8	0.8	0.8	0.8	
INDUSTRIAL INVESTMENT	45,279.0	53,425.0	54,006.0	80,439.2	233,149.2	35,787.0	-21.0%
FINAL NUMBER OF EMPLOYEES (persons)	835.0	852.0	863.0	842.0	842.0	848.0	
WOOD SALES (000 m^3)	852.8	954.1	864.4	890.3	3,561.6	729.5	-14.5%
% by Latin American subsidiaries	0.3	0.2	0.2	0.3	0.2	0.2	
BIOMASS SALES (000 t)	20.6	22.7	24.1	32.7	100.1	48.3	
FORESTED HECTARES							
- For pulp	5,760.0	4,010.0	7,085.0	10,515.0	27,370.0	3,297.0	-42.8%
% by Latin American subsidiaries	0.8	0.9	1.0	0.5	0.7	0.8	
- For energy crops	876.0	1,517.0	167.0	772.0	3,332.0	257.0	
FOREST INVESTMENT	19,399.0	18,008.0	19,213.0	10,898.9	67,518.9	11,630.0	-40.0%
FINAL NUMBER OF FOREST EMPLOYEES (persons)	967.0	1,000.0	1,062.0	963.0	991.0	983.0	

With regard to **pulp production and marketing**, sales in 1Q09 were down by more than 30,000 tonnes compared to 1Q08, due to the lower tonnage available following the temporary stop for the Navia mill expansion and the halt for maintenance for the Pontevedra facility. Stocks of finished products have fallen by 44,214 tonnes in the first three months of the year. In terms of capacity, **the company produced 191,600 tonnes** of pulp, 23.9% down on the equivalent period:

- ✓ At the Huelva mill, production amounted to 93,440 tonnes, 6% down on 1Q08, due to some recovery boiler repairs.
- ✓ At the Pontevedra mill, production amounted to 81,261 tonnes, equivalent to a 7% increase due to the fact that last year maintenance stoppage, carried out in March, lasted longer than normal owing to the improvements made to some of the facilities.
- ✓ Production at the Navia mill amounted to 16,899 tonnes, 78% down on the production in 1Q08 due to the shutdown made this quarter to carry out the mill expansions and modernization where it is aimed to **increase capacity by 200,000 tonnes and 400,000 MWh**.

With regard to **energy activities**, electricity production was down by 5.3% compared to 1Q08, due to the shutdown of the Navia and Pontevedra generating turbines during their respective stoppages.

With regard to **forestry activities**, the forested area in the first quarter of 2009 amounted to 3,297 ha, 42.8% down on the forested area in 2008. During the first quarter of 2009, 729,500 m^3 sc of wood were sold, 94% of which were supplied to the pulp mills.

Regarding **biomass**, the forested area in the first quarter of 2009 amounted to 257 ha. During the first three months of the year, 48,300 tonnes of biomass were sold, 99% of which were supplied for own electricity production.

ANNEX 1

CONSOLIDATED FINANCIAL STATEMENTS ACCORDING TO I.F.R.S.

BALANCE SHEETS AND PROFIT AND LOSS ACCOUNTS

ASSETS (thousands of euros)	**31/03/2009**	**30/12/2008**
I Tangible fixed assets	**799,044**	**834,642**
Land and Buildings	430,245	421,669
Plant and Machinery	780,488	692,141
Other Fixed Assets	28,828	28,554
Advances and Tangible Fixed Assets in Progress	236,556	299,916
Provisions and depreciation	(677,073)	(607,637)
II Property Investments	**3,497**	**3,525**
III Issue rights	**9,705**	**0**
IV Intangible assets	**4,145**	**21,110**
1 Intangible goods and rights	43,953	42,064
2 Provisions and amortisation	(39,809)	(20,954)
V Non-current financial assets	**1,532**	**1,559**
Long-term portfolio	1,022.0	1,022.0
Other long-term credits	1,149.7	1,176.7
Provisions	(639.3)	(639.3)
Derivative financial instruments	0	0
Long-term hedges	0.0	0.0
VI Biological assets	**264,787**	**255,481**
Forest cover	358,980	347,632
Forest reserve depletion	(94,193)	(92,151)
VII Deferred tax assets	**21,645**	**17,272**
VIII Other non-current assets	**0**	**0**
NON-CURRENT ASSETS	**1,104,356**	**1,133,590**
I Stocks	**139,568**	**158,504**
II Trade debtors and other accounts receivable	**90,100**	**120,286**
Sales and Services Clients	78,544.5	103,941.1
Other Debtors	14,712.7	19,404.4
Provisions	(3,157.1)	(3,059.2)
III Financial Investments for Short-Term Hedging	**4,831**	**4,949**
IV Assets for taxes on current earnings	**57,768**	**28,334**
V Other current assets	**3,020**	**2,644**
VI Temporary Financial Investments	**7,237**	**6,768**
VII Cash	**4,256**	**5,262**
Subtotal Current Assets	**306,781**	**326,748**
VIII Non-current assets classified as held for sale and from interrupted activities	**3,856**	**1,554**
CURRENT ASSETS	**310,637**	**328,302**
T O T A L A S S E T S	**1,414,993**	**1,461,892**

LIABILITIES (thousands of euros)	31/03/2009	30/12/2008
I Subscribed Capital	157,410	157,410
II Share Premium	199,058	199,058
III Other Reserves	221,911	229,740
Distributable Reserves	152,135	152,180
Non-Distributable Reserves	30,270	31,482
Adjustments to net worth by valuation (hedges and floors)	39,506	46,078
IV Reserves calculated by Global or Proportional Method	149,131	138,794
V Results from previous years pending distribution	(3,766)	560
VI Consolidated Profits and Losses	(93,869)	4,742
VII Interim Dividend	0	0
VIII Conversion Differences	1,198	(740)
IX Own shares	(251)	0
NET WORTH ALLOCATED TO PARENT COMPANY NET WORTH INSTRUMENT HOLDERS	**630,822**	**729,564**
X Minority Interests	0	0
NET WORTH	**630,822**	**729,564**
I Bond and other issues	0	0
II Debts to Credit Entities	385,246	250,610
III Financial Instruments for Long-Term Hedging	43,345	27,427
IV Other Financial Liabilities	11,690	11,314
V Deferred Tax Liabilities	25,101	23,569
VI Provisions for risks and expenses	23,150	22,061
VII Income to be distributed over several years	10,643	3,160
VIII Other non-current liabilities	0	0
NON-CURRENT LIABILITIES	**499,175**	**338,142**
I Bond and other issues	0	0
II Debts to Credit Entities	145,247	215,140
III Trade Creditors	104,810	126,130
IV Other Non-Trade Debts	31,060	45,279
V Financial Instruments for Short-Term Hedging	1,380	1,380
VI Short-term provisions	99	(0)
VII Liabilities for taxes on current earnings	4,470	5,822
VIII Other current liabilities	(2,072)	434
CURRENT LIABILITIES	**284,995**	**394,186**
TOTAL LIABILITIES	**1,414,993**	**1,461,892**

PROFIT AND LOSS STATEMENT (Thousands of euros)	31/03/2009	30/12/2008
REVENUE		
Total Net Turnover	112,038	675,869
Increase in stocks of finished products	(10,560)	7,124
Work performed by the Group on fixed assets	17,623	60,256
Other operating revenue	902	16,775
Earnings from hedge transactions	1,414	(14,550)
Capital subsidy transferred to results for the year	69	4,691
Capital subsidy transferred to results for the year-ISSUE RIGHTS	2,126	15,133
EXPENDITURE		
Supplies	(68,650)	(357,879)
Payroll costs	(18,400)	(86,637)
Depreciation of fixed assets	(9,384)	(40,563)
Change in trading provisions	(12,536)	715
Other operating expenses	(39,645)	(213,277)
Other operating expenses-ISSUE RIGHTS	(1,304)	(9,099)
Change in provisions for fixed assets	(80,682)	(3,037)
I. OPERATING RESULT	**(106,990)**	**55,521**
Revenue from equity interests	0	83
Other financial revenue	141	1,204
Financial expenses	(13,689)	(59,341)
Exchange rate differences (net)	(191)	1,234
II. FINANCIAL RESULTS	**(13,739)**	**(56,820)**
Income from the valuation of non-current assets classified as held for sale not included within uninterrupted activities (net)	**0**	**6,429**
III. PRE-TAX RESULT FROM CONTINUING ACTIVITIES	**(120,728)**	**5,131**
Corporation Tax	26,860	(389)
IV. RESULT FOR THE FINANCIAL YEAR FROM CONTINUING ACTIVITIES	**(93,869)**	**4,742**
Result allocated to outside shareholders		
VI. RESULT ALLOCATED TO PARENT COMPANY SHAREHOLDERS FROM CONTINUING ACTIVITIES	**(93,869)**	**4,742**

ANNEX 2
MAIN RELEVANT FACTS

20/01/2009

- ✓ The company announced its **decision to analyze the different strategic alternatives for the implementation of its Uruguay project.**

5/02/2009

- ✓ The Group **signed an agreement for the novation of the corporate financing contracts** signed on 2 April 2008, closing **a corporate financing structure for an amount of €350M** intended for the implementation of the industrial investments in Spain and the Company's working capital requirements.

18/05/2009

- ✓ On May, 17th The Group **reached an agreement with** paper companies Stora Enso Oy y Celulosa Arauco y Constitución S.A. **for the cash sale of its 100% participation in the Uruguayan companies EUFORES, S.A., CELULOSA Y ENERGÍA PUNTA PEREIRA, S.A. and ZONA FRANCA PUNTA PEREIRA, S.A.**

  The agreement implies the transfer by ENCE of around **140,000 forestry hectares** in Uruguay, as well as the **total transfer of the industrial project** consisting on the construction of a pulp mill in Punta Pereira **for an amount of US$340M.**

  The company **will retain the property of around 30,000 hectares** of Eucaliptus located in the Uruguay Atlantic Region, **as well as the chipping mill and wood export located in Peñarol (Montevideo), in order to secure the supply of wood to its Spanish mills**, particularly to the mill factory located in Huelva.

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