3Q09 QUARTERLY REPORT

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"Make the forest grow and grow along with it"

HIGHLIGHTS OF 3Q09

ACCOUNTING OF CORPORATE OPERATIONS

On 17 May 2009, the company reached an agreement with paper groups Stora Enso Oy and Celulosa Arauco y Constitución S.A for the sale in cash of 100% of the shares and interests of Grupo Empresarial ENCE, S.A in the Uruguayan companies Eufores, S.A., Celulosa y Energía Punta Pereira, S.A. and Zona Franca Punta Pereira, S.A. for an amount of $US 340Mn. The transaction was closed on 16 October 2009

The operation includes the transmission of approximately 140,000 ha of forest in Uruguay and the industrial project for the construction of a cellulose plant in Punta Pereira.

ENCE keeps in its property 30,000 ha of plantations in the Atlantic region, as well as the industrial facilities for chipping and export of wood in Peñarol (Montevideo).

Following the agreement for the sale of the Uruguayan companies, ENCE entered a €77Mn loss, after taxes on 30 September 2009 to account for the lower value of assets. This amount is registered under the item "Result of the valuation of non-current activities classed as available for sale and not included in the interrupted activities" and does not involve a cash payment.

Due to this operation and in accordance with the current accounting regulations, the accounting items corresponding to the business in Uruguay have been reclassified registering one single amount as the net result after taxes corresponding to the sold line of business. The same reclassification was also carried out in the balance sheet of the company.

For comparative purposes the figures in this report were updated applying the mentioned reclassification of the results published by the company in the same period of 2008.

DEVELOPMENT OF THE BUSINESS

3Q09 **results** are still **affected by the weakness in the pulp market** – although this is starting to show **signs of recovery** – and the **reduction of operating margins due to lower production** following the capacity increases and **extraordinary shutdowns** carried out over the year, and the consumption of wood with a higher accumulated cost in stocks in 2008 in advance of the start-up of the Group's expansion projects this year. In this regard, the Navia plant has produced at a rate close to 55% of its nominal capacity in the first nine months of the year, in line with the sector standard for learning curves in the start-up of new facilities and coinciding with the lowest price period of the cycle. The plant is expected to stabilise in 4Q09, with average production rates of 85%-95% from the month of November.

It is important to note the **recovery in production and sales levels of both cellulose pulp and energy over the course of the year**, showing the company's capacity to execute its key expansion projects on time (start-up of Navia at the end of March, and operation of the new energy scheme in Huelva from September on) and take advantage of the context of improving sales prices. In a context of sales prices in euros rising over 10% since the floor in April (€345/tn in September), **cellulose pulp and energy sales in the third quarter were up 12% and 30% against the levels reached in 1Q09**, respectively. As a result, 3Q09 revenues amounted to close to €135Mn, **20% higher** than the figure recorded in 1Q09.
Along with the recovery in sales, the company has continued with its efforts to improve efficiency, and by this means has managed to **return to positive adjusted EBITDA** (net of hedging, depreciation and provisions) in this last quarter, thereby halting the negative trend seen in previous quarters.

The **stabilisation of production in Navia, which has reached rates close to nominal capacity in the first two weeks of November**, the **reduction in wood costs** following the prices and stocks management measures applied since the end of 2008, the optimisation of the **electrical generation schemes in industrial complexes**, in particular in Navia and Huelva, and the set-up of optimisation programs with a special focus on chemicals and logistics, are **enabling the company to reduce its costs structure** and therefore adapt quickly to the current market setting, taking advantage of the expected rise in cellulose pulp prices.

In this regard, although Navia is not expected to operate at its highest level of efficiency in the last quarter, the company is standing by its forecast of closing 4Q09 with a production cost (cash-cost) of around €300/tn.

The quarterly performance is summarised in the following main items:

- ✓ **Market recovery, reflected** in the higher sales volume in the third isolated quarter **(+0.6% vs 3Q08 up to 263.8 ktons and +12% vs 1Q09)**, with a positive impact on cellulose pulp sales revenues, where the **fall slows to levels of -30% compared to 3Q08 and improves by 13% vs 1Q09**.

  Net sales volume of €361.7Mn over the January-September 2009 period, 27% lower than the figure recorded in the same period of 2008, with cellulose pulp sales of €241.2Mn in 9M09, 35% lower than those recorded over the 9M08 period, arising from the negative evolution of average sale price in 9M09 (31% lower than the average recorded price in 9M08), and lower sales in volume (-5.8% vs 9M08).

- ✓ **Energy sales amounted to €35.5Mn in 3Q09, a 17.5% increase against the same quarter of the preceding year**, underpinned by the optimisation of the electrical schemes in the plants and the stronger weight of biomass-fuelled generation, factors which are able to offset the below-capacity operation of the Navia plant, in a period of start-up and adjustment of production and equipment.

  In aggregate terms, electricity sale revenues increased by 7% to €90.2Mn between January and September.

- ✓ **The sustained efforts to reduce costs** with a special focus on the management of supplies, wood stocks and the supply chain, have led to **operating expenses being cut by 10% in isolated 3Q09 vs 3Q08**, thus putting the aggregate reduction in operating expenses at 7% vs 9M08.

  Operating expenses in 3Q09 fell by 19% vs 1Q09 and, in particular, **wood costs per ton of cellulose pulp produced fell by over 25% from the highest level reported in 1Q09**.

- ✓ Negative EBITDA amounted to only -€3.7Mn in 3Q09. **The company has recorded positive adjusted EBITDA (net of hedging and extraordinary items) once again in the third isolated quarter to +€2.4Mn**, thanks to the execution of the programs for containing and optimising costs.

- ✓ **By means of active management of working capital, particularly the reduction of wood and finished product stocks, and the contraction in the average collection period through factoring, the company has been able to reduce its working capital by over €71.2Mn over the first nine months of the year.**

- ✓ **Net losses accounted in 9M09 amounted to €139.1Mn**. This result was affected by the allocation of a **loss net of tax of €77Mn** arising from the deterioration of the estimated value of assets to be sold in Uruguay.

MARKET DEVELOPMENT

PULP

The sharp fall seen in the cellulose market over the first months of 2009 has prompted the series of extraordinary shutdowns and capacity closures in the older less efficient plants, concentrated in Northern Europe, Scandinavia, Canada and in the US, thereby causing an **adjustment in the supply of the bleached pulp market** of around 10% of global installed capacity.

Because of this fall in supply, it has been possible to gradually reduce pulp inventories; this fall has been particularly significant between May and September, partly due to the traditional seasonal nature of the industry.

Pulp manufacturers stocks in September stood at 25 days, a 24-day fall against January 2009 levels, when this stood at 49 days; **this fall has put pulp inventories below the normal range of supply days**, and at the lowest level for over 9 years.

Furthermore, the strong rise in demand in China, the weakening of the dollar and the **greater balance between demand and available supply** are proving conducive to a **recovery in cellulose prices** in $US.

In this context of recovery, cellulose pulp prices are seeing **widespread increases in all markets;** the eucalyptus pulp price in **Europe has recovered 35%**, up from the floor of $US480/t reached in April to $650/ton since 1 October 2009. Short Fiber **in China** and **Long Fiber prices in the rest of the world have seen similar recoveries**, depending on the kind of cellulose.

A fresh rise in Eucalyptus fibre prices to $US700/t has been announced from 1 November, **and we may thus expect some degree of stability in the recovery started** in the sector; its sustainability shall depend on the evolution of demand in China and the expected recovery in the US economy and in the leading European economies, and the potential reactivation of production halted for market reasons, which could trigger a temporary increase in stocks, in line with events seen in previous cycles.

Changes in the €/$US exchange rate could affect the impact of potential price increases in the company's income statement.

WOOD

During the 2009 summer months, the **Eucalyptus wood** market in the Iberian Peninsula has continued to show a lower degree of tension, thus **continuing with the gradual fall in prices which started in late 2008**.

Increase in wood consumption for cellulose pulp that will arise from capacity increases in Portugal and Spain and a setting of recovering cellulose pulp prices are two factors restricting fresh falls and which help to consolidate stable price levels since September.

In this setting, **ENCE is actively managing its supply chain**, applying price cuts in a **context of lower market purchases**, and this has enabled it to **reduce wood stocks by around 390,000 m^3** since December 2008.

Furthermore, the company follows a long-term investments policy in order to maximise self-supply through the expansion of its forest assets in the Iberian Peninsula, by reinforcing **R&D&I programs and by applying advanced silviculture techniques**. Over the first 9 months of 2009, the company has invested €29.8Mn in managing its forest assets. This investment has meant **planting 5,718 ha, contracting 3,496 ha, acquiring 51 ha and converting 1,252 ha of plantations into clonal masses**, with increases of around 15% in productivity.

Furthermore, over these first nine months of 2009 the company has **planted approximately 842 ha, and has contracted a further 813 ha, approximately, to be used for the production of energy crops** for the company's biomass energy generation plants, in line with the execution of a strategy geared towards assuring volumes are kept with competitive and sustainable costs.

In this regard, on 14 October 2009, ENCE published the **cooperation agreement signed with the Autonomous Government of Andalusia (*Junta de Andalucía*)** to adopt a series of institutional and business initiatives which are necessary in the field of forest management, wood and biomass production and fostering of renewable energies.

The execution of this agreement will help to consolidate and expand forest employment in the province through promoting the local production of wood as a base for the cellulose pulp sector, and also an **increase in the local supply of wood and biomass** for producing cellulose pulp and energy, thereby reducing its dependence on imported wood and reinforcing the **supply of biomass for potential future energy projects**.

COMMENTS 9M09

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

Main Items of Balance Sheet and Results of ENCE Group (000eur)

(Data in thousands of euros) (Quarterly figures not audited)	3Q 2008	3Q 2009	VAR in % 3Q09 / 3Q 08	9M 2008	9M 2009	VAR in % 9M09 / 9M 08
SALES	**161,632**	**134,895**	-16.5%	**493,719**	**361,700**	-26.7%
EBITDA sg IAS*	**27,438**	**(3,694)**	-113.5%	**86,465**	**(33,552)**	-138.8%
EBIT sg IAS*	**19,706**	**(18,247)**	-192,.6%	**56,501**	**(70,176)**	-224.2%
% of sales	12.2%	-13.5%		11.4%	-19.4%	
% of net assets	6.4%	-7.0%		6.1%	-8.9%	
Exchange rate differences	6,307	608	-90.4%	1,740	229	-86.8%
Other financial assets	(941)	(3,293)	249.8%	(17,308)	(21,380)	23.5%
FINANCIAL RESULT	5,365	(2,684)	-150.0%	(15,568)	(21,151)	35.9%
Income from non-current assets kept for sale	(13,082)	(2,341)	-82.1%	(1,025)	(77,020)	7413.8%
TAX	(3,095)	7,791	-351.8%	(10,889)	29,204	-368.2%
NET PROFIT/LOSS AFTER TAX	**8,894**	**(15,481)**	-274.1%	**29,019**	**(139,143)**	-579.5%
% of Shareholders' Equity	4.7%	-10.6%		5.1%	-31.8%	
RESULTS PER SHARE (in euros)**	0.05	(0.09)	-274.1%	0.17	(0.80)	-579.5%
Dividend paid per share (in euros)**	0.14	0.00		0.14	0.00	
INVESTMENT	73,219	18,912	-74.2%	209,330	139,569	-33.3%

(Data in thousands of euros) (Quarterly figures not audited)	3Q 2008	3Q 2009	VAR in % 3Q09 / 3Q 08
FIXED ASSETS	777,259	957,347	23.2%
AVAILABLE	14,008	5,274	-62.3%
NET ASSETS AVAILABLE FOR SALE	276,356	32,310	-88.3%
OTHER CURRENT ASSETS	159,661	53,785	-66.3%
NET ASSETS	1,227,284	1,048,753	-14.5%
SHAREHOLDERS' EQUITY	755,257	583,283	-22.8%
No. of shares end of period (in thousands)*	174,900	174,900	0.0%
SUBSIDIES	6,446	6,675	3.5%
% Shareholders Equity+Subsidies on fixed assets	98.0%	62.9%	
DEFERRED TAX LIABILITIES	23,583	29,678	25.8%
PROVISIONS	25,302	19,041	-24.7%
LONG TERM DEBT	204,838	169,901	-17.1%
SHORT TERM DEBT	209,821	198,113	-5.6%
Net financial debt	400,651	362,739	-9.5%
% Net financial debt/Shareholdes Equity	53.0%	62.2%	

Sales by Business Lines

(Data in thousands of euros) (Quarterly figures not audited)	3Q 2008	3Q 2009	VAR in % 3Q09/3Q08	9M 2008	9M 2009	VAR in % 9M09/9M08
Cellulose pulp sales	124,672	86,871	-30.3%	370,537	241,237	-34.9%
Electricity sales	30,220	35,523	17.5%	84,500	90,164	6.7%
Forest sales and others	6,740	12,500	85.5%	38,681	30,298	-21.7%
SALES	161,632	134,895	-16.5%	493,719	361,700	-26.7%
% cellulose pulp / total	77.1%	64.4%		75.1%	66.7%	

The net total sales of the ENCE Group for the first nine months of 2009 amounted to €361.7M, 27% lower than the figure recorded in the same period of the preceding year, mainly due to the lower production and sale of pulp in an adverse market setting, where the average price has fallen almost 36% against 9M08 ($US818.8/t in 9M08 vs. $US525.6/t in 9M09).

Revenues from pulp sales have accounted for 67% of consolidated turnover, **amounting to €241.2Mn, a 35% fall** against the same period of 2008. In addition to the weakness of the international commodities markets, we also have to take into account the lower production volume (-14%) over the first nine months of the year, particularly following the shutdown caused by the expansion of the Navia plant. Furthermore, the company decided to stagger the technical maintenance shutdowns in its plants during the first half of the year, in order to limit wood consumption in the framework of active price management and stock reduction, and to adjust production levels to the lower market demand.

It is important to underline the recovery in total sales by quarters, with the company reporting €135Mn in 3Q09, 20% higher than the figure registered in 1Q09. The rise in cellulose pulp sales volumes by 12% to 264k tonnes and the gradual improvement in prices from April's floor are the two main factors behind this **recovery, which has enabled the company to curb the fall in cellulose revenues by 7% from 1Q09** until bringing the fall in sales to -30%, fully due to lower prices.

We may highlight the fact that **the Navia plant reached an average monthly production in October equivalent to 74% of its nominal design capacity**, following the start-up in March, **and it is expected to reach its peak daily production level in the fourth quarter, in line with the best practices in the sector.** This installation has a production capacity of 500,000 annual tons of pulp at a cost of lower than €280/t, together with the generation of 550.000 MWh of renewable energy with biomass, an amount tantamount to **doubling the plant's energy capacity** prior to the expansion works.

Energy sales amounted to €35.5Mn in 3Q09, 17.5% higher than the same quarter of the preceding year, thanks to the optimisation of the plants' electrical schematics and the higher weight of biomass-fuelled generation, which make up for the below-capacity operation of the Navia plant, in a period of start-up and adjustment of production and equipment. In this regard, together **the three plants have sold around 322,000MWh of renewable energy in 3Q09, 22% and 34% higher** than the levels reached in 3Q08 and 1Q09, respectively.

Electricity sales amounted to €90.2M in 9M09, 7% above the figure recorded in the same period of 2008, despite the lower electrical generation as a result of the extraordinary shutdowns for the extension and maintenance of the plants against their nominal capacity. The company has sold 857,300 MWh of renewable energy over the period from January-September 2009, 9.7% higher than the figure for the same period of 2008, reporting recovery against the lower production and sales in the first quarter of the year, 5.3% and 5.7% lower than in the first quarter of 2008 respectively.

We may highlight the operation of the new energy scheme in the Huelva plant during September; with it, the company managed to increase the plant's energy sale capacity by 18% to 816,000 MWh year.

Revenues from the sale of forest products and services amounted to €30.3Mn in 9M09, a 22% fall against 9M08 as a result of the lower shipments of wood chips from Uruguay, due to the reduction in cellulose pulp production in recent months, and the deterioration in forest consulting activity caused by the current economic setting.

As far as the operating expenses structure is concerned, operating expenses (procurement, personnel and other operating expenses) **amounted to €144Mn in 3Q09, 10% down in year-on-year terms.** Operating expenses **came to €414Mn** over the first nine months of the year, tantamount to a **year-on-year fall of 7%.** This performance is caused by two factors: the fall in procurement costs as a result of the Group's lower activity, caused by the plant shutdowns, and the improvement in energy efficiency.

The company has also established a series of management measures for its wood supply chain, whose market price inertia shows an imbalance against the rate of the fall in cellulose pulp prices. In this regard, the cost of wood per ton of cellulose pulp has fallen by around 25% from its highs in 1Q09, and if this is maintained **it will continue to have a positive impact on results in the forthcoming months**.

Lastly, due to the efforts made to manage costs, **the other operating expenses have fallen 15%** in both the isolated quarters and also against the same period of 2008, a reduction caused by the execution of the optimisation programs applied.

EBITDA for 9M09 amounted to **-€33.6Mn**, due to the contraction in cellulose pulp activity in the current economic setting, the low market prices and the lower production of pulp and energy in plants owing to the technical shutdowns for expansion and maintenance purposes – factors which have reduced the margin by tonne of pulp produced. The company is already reversing this trend in 3Q09 due to the improvement in prices and the positive impact of the cost containment measures, and has brought negative EBITDA to only -€2.7Mn. Without considering hedging and extraordinary items, EBITDA for isolated 3Q09 **was already a positive amount of +€2.4Mn**.

Net of financial results and tax, the company reported **net losses of €139.1Mn in 9M09.** Excluding provisions for the write-down of assets arising from the Uruguay sale agreement, the net result would have been -€62Mn.

Investments reached €120.7Mn in 9M09, 42% lower than those reported in the same period of 2008. **75%** of expenditure refers to **industrial investments** as a result of the Navia plant extension and modernisation project. Meanwhile, **investments in forests amounted to €29.8Mn** from the planting, acquisition and/or contracting of new hectares of forest and the **conversion of 1,252 ha of plantations into clonal masses**, leading to increases of around 15% in productivity.

By means of active management of working capital, particularly the reduction of wood and finished product stocks, and the contraction in the average collection period through factoring, **the company has been able to reduce its working capital by over €71.2Mn over the first nine months of the year.** In particular, by reducing wood and cellulose stocks by over 390,000 m3 and 55,000 tons of pulp respectively**, the company has obtained financing of €43Mn.**

In terms of debt, at 30/09/09, and after the conclusion of the transaction for the sale of assets in Uruguay, **net financial debt stood at €362.7Mn.**

COMMENTS BY LINES OF BUSINESS

Activities Data

(Data in thousands of euros)	3Q 2008	3Q 2009	VAR in % 3Q09/3Q08	9M 2008	9M 2009	VAR in % 9M09/9M08
CELLULOSE PULP SOLD (000 t.)	262.18	263.78	0.6%	792.28	745.96	-5.8%
CELLULOSE PULP PRODUCED (000 t.	293.04	263.33	-10.1%	806.51	691.49	-14.3%
ELECTRICITY PRODUC. (000 Mw.h)	324.9	351.9	8.3%	951.1	1,000.4	5.2%
ELECTRICITY SALES (000 Mw.h)	263.1	321.5	22.2%	781.4	857.3	9.7%
% sales / production	81.0%	91.4%		82.2%	85.7%	
INDUSTRIAL INVESTMENT	54,006	13,200	-75.6%	152,710	90,818	-40.5%
FINAL NUMBER OF EMPLOYEES (pers.)	863	837		863	837	
WOOD SALES (000 m ^{3})	864.4	789.5	-8.7%	2,671.3	2,196.7	-17.8%
% by Latin American subsidiaries	24,6%	11,9%		24,6%	10,3%	
BIOMASS SALES (000 t)	24.1	89.0	269.3%	67.4	203.2	201.5%
FORESTED HECTARES (ha)						
- For pulp	7,085	1,115	-84.3%	16,855	5,718	-66.1%
% by Latin American subsidiaries	96.8%	73.0%		88.2%	78.1%	
- For energy crops	167	345	106.6%	2,560	842	-67.1%
FOREST INVESTMENT	19,213	5,713	-70.3%	56,620	29,839	-47.3%
FINAL NUMBER OF FOREST EMPLOYEES (pers.)	1,062	862		1,062	862	

As far as **pulp production and commercialisation is concerned**, 9M09 sales were 46,000 tons lower than those made in 9M08, due to the reduction of available tonnage following the shutdowns for the extension of the Navia plant and the maintenance and production adjustment in the Pontevedra plant, and in the Huelva plant in particular. Stocks of finished products fell by 54,647 tons against the cumulative annual figure. In terms of production, **the company has produced 691,490 tons** of pulp, 14.3% down against the equivalent period for 2008:

- ✓ In the **Huelva plant, production came to 223,788 tons**, 21% lower than in 9M08, due to the maintenance shutdown and the adjustment of production levels to market demand from May. The plant has been running at half capacity in 3Q09, reducing its production by 38% to 67,000 tonnes compared to 3Q08.
- ✓ The **Pontevedra plant produced 303,152 tons**, up 3% given that the maintenance shutdown carried out in March 2008 was longer than expected as a result of the improvements implemented in the installations.

- ✓ In the Navia plant, production came to 164,544 tons, 28% down on the equivalent production figure for 2008, reflecting the lower production due to the shutdown and start-up after the expansion. There has been a sustained improvement in the execution of the plant's learning curve in recent months, which now shows reasonable stability - and the plant is now producing close to its nominal design capacity. Indeed, production in 3Q09 amounted to 85,000 tons, which for the first time was higher than the level recorded in the same quarter of 2008.

With regard to **energy activity**, the company has produced 1 million MWh, a 5% rise against the same period of the previous year.

Turning now to **forest activity**, during the first nine months of 2009 the company has commercialised 2,196,700 m^3 of wood, over 90% of this being supply to cellulose pulp plants. Over the same period, it has also **planted 5,718 ha**, **contracted 3,496 ha, acquired 51 ha and converted 1,252 ha of plantations into clonal masses**, with increases in productivity of around 15%.

Furthermore, **with regard to energy crops**, in 3Q09 the company planted approximately **345 ha** and has contracted a further **813 ha** to be used for **producing energy crops**. It has also commercialised **89,000 tons of forest biomass**, 99% of which is to supply the group's energy production.

ANNEX 1

FINANCIAL STATEMENT OF ACCOUNTS ACCORDING TO I.F.R.S.

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

ASSETS (thousands of euros)	30/09/2009	30/09/2008
I Tangible Fixed Assets	**723,278**	**606,987**
Land and Buildings	287,268	264,764
Plant and Machinery	890,758	677,829
Other Fixed Assets	26,418	24,377
Advances and Tangible Fixed Assets in Progress	129,276	218,730
Provisions and Depreciation	(610,442)	(578,713)
II Property Investments	**3,441**	**3,561**
III Issue rights	**1,053**	**0**
IV Intangible assets	**3,821**	**4,092**
1 Intangible rights and goods	24,734	24,052
2 Provisions and amortisations	(20,913)	(19,960)
V Non-current Financial Assets	**2,159**	**5,155**
Long-Term Portfolio	1,042	1,142
Other Long-Term Credits	1,757	1,682
Provisions	(639)	(639)
Derivative financial instruments	0	2,970
Long-term hedging	0	0
VI Biological Assets	**152,887**	**147,512**
Forest cover	224,874	210,998
Forest reserve depletion	(71,987)	(63,486)
VII Deferred Tax Assets	**70,707**	**9,921**
VIII Other non-current Assets	**0**	**30**
NON-CURRENT ASSETS	**957,347**	**777,259**
I Stocks	**97,153**	**142,405**
II Trade debtors and other accounts receivable	**78,086**	**140,396**
Clients by Sales and Services	78,804	132,522
Other Debtors	1,617	9,872
Provisions	(2,335)	(1,999)
III Financial Investments by Short-Term Hedging	**2,663**	**0**
IV Assets from tax on current earnings	**13,347**	**21,009**
V Other current assets	**3,280**	**2,995**
VI Temporary Financial investments	**6,444**	**10,984**
VII Cash and Banks	**2,753**	**3,024**
Sub-total Current Assets	**203,726**	**320,813**
Non-current Assets classified as kept for sale and discontinued activities	**252,996**	**318,564**
CURRENT ASSETS	**456,722**	**639,377**
T O T A L A S S E T S	**1,414,069**	**1,416,636**

LIABILITIES (thousands of euros)	**30/09/2009**	**30/09/2008**
I Subscribed Capital	157,410	157,410
II Share Premium	199,058	199,058
III Other Reserves	220,593	230,341
Distributable Reserves	152,391	153,614
Non-distributable Reserves	30,270	31,482
Adjustments to net worth by valuation (hedging and floors)	37,933	45,245
IV Reserves calculated by Global or Proportional Method	149,131	138,866
V Results of previous years pending distribution	(3,766)	560
VI Consolidated Profit and losses	(139,143)	29,019
VII Interim Dividend	0	0
VIII Conversion differences	0	0
IX Own Shares	(0)	0
NET WORTH ALLOCATED TO PARENT COMPANY NET WORTH INSTRUMENT HOLDERS	**583,283**	**755,254**
X Minority interests	0	3
NET WORTH	**583,283**	**755,257**
I Bond and other issues	0	0
II Debts to Credit Entities	154,975	204,838
III Financial instruments for Long-Term Hedging	42,062	266
IV Other Financial Liabilities	14,925	1,770
V Deferred tax liabilities	29,678	23,583
VI Provisions for risks and expenses	19,041	25,302
VII Income to be distributed over several years	6,675	6,446
VIII Other non-current Liabilities	0	0
NON-CURRENT LIABILITIES	**267,357**	**262,205**
I Bond and other issues	0	0
II Debts to Credit Entities	198,113	209,821
III Trade Creditors	116,556	92,115
IV Other non-Trade Debts	30,317	13,351
V Financial instruments for Short-Term Hedging	(0)	11,602
VI Short-term provisions	241	6,780
VII Liabilities for taxes on current earnings	0	26,704
VIII Other current liabilities	(2,484)	(3,408)
Subtotal Current Liabilities	**342,743**	**356,966**
IX Liabilities classed as kept for sale and interrupted activities	**220,686**	**42,208**
CURRENT LIABILITIES	**563,429**	**399,173**
T O T A L L I A B I L I T I E S	**1,414,069**	**1,416,636**

PROFIT AND LOSS STATEMENT (Thousands of euros)	**30/09/2009**	**30/09/2008**
REVENUE		
Total Net Turnover	361,700	493,719
Increase in stocks of finished products	(15,817)	10,545
Works performed by the Group on fixed assets	29,800	24,542
Other operating revenue	1,691	13,232
Earnings from hedge transactions	4,692	(12,316)
Capital Subsidies Transf. to Result for the Year	224	1,408
Capital Subsidies Transf. to Result for Year-EMISSION RIGHTS	5,968	3,828
EXPENDITURE		
Supplies	(253,292)	(274,253)
Payroll costs	(65,470)	(59,129)
Depreciation of fixed assets	(36,625)	(29,964)
Change in trading provisions	(1,057)	397
Other Operating Expenses	(95,807)	(111,679)
Other Operating Expenses-EMISSION RIGHTS	(5,021)	(3,828)
Change in provisions for fixed assets	(1,165)	0
I. OPERATING RESULT	**(70,176)**	**56,501**
Revenue from equity interests	0	83
Other Financial revenue	3,757	6,102
Financial expenses	(25,137)	(23,493)
Exchange rate differences (net)	229	1,740
I. FINANCIAL RESULTS	**(21,151)**	**(15,568)**
III. PRE- TAX RESULTS FROM CONTINUING ACTIVITIES	**(91,327)**	**40,933**
Corporation Tax	29,204	(10,889)
IV. RESULT FOR THE FINANCIAL YEAR FROM CONTINUING ACTIVITIES	**(62,123)**	**30,044**
Result of valuation of non-current assets classified as kept for sale not included in discontinued activities (net)	(77,020)	(1,025)
V. RESULT FOR THE YEAR	**(139,143)**	**29,019**
Result attributable to external partners		
VI. RESULT ALLOCATED TO SHAREHOLDERS OF THE PARENT COMPANY OF THE CONTINUED ACTIVITIES	**(139,143)**	**29,019**

ANNEX 2
MAIN SIGNIFICANT FACTS FOR THE YEAR

15/10/2009

- ✓ The Company submitted an announcement regarding a new industrial project to be built in its Huelva Industrial Complex for a biomass electrical generation plant, with installed power of 50MW.

16/10/2009

- ✓ The Company informed that on 16 September 2009, it closed a transaction for the cash sale of 100% of the shares and shareholdings held by ENCE in the Uruguayan companies Eufores, S.A., Celulosa y Energía Punta Pereira, S.A. and Zona Franca Punta Pereira, S.A. to the paper groups Stora Enso Oyj and Celulosa Arauco y Constitución S.A..

30/07/2009

- ✓ The Company submitted information on the 1H09 results.

29/06/2009

- ✓ The Company submitted the resolutions adopted in the Shareholders' Meeting held in Madrid on 29 June 2009.

27/05/2009

- ✓ The Company submitted the order of the day and additional information relating to the holding of the Shareholders' Meeting, including the full text of the proposed resolutions.

18/05/2009

- ✓ The Company submitted the Quarterly Results report for the first quarter of 2009.

18/05/2009

- ✓ The Company provided information on the agreement reached with Stora Enso Oyj and Celulosa Arauco y Constitución S.A. for the cash sale of 100% of the shares and shareholdings which ENCE has in Eufores, S.A., Celulosa y Energía Punta Pereira, S.A. and Zona Franca Punta Pereira S.A..

27/02/2009

- ✓ The Company submitted the 2008 Annual Corporate Governance Report.

27/02/2009

- ✓ The Company submitted information on the 2H08 results.

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 of €350Mn used for the execution of the industrial investments in Spain and the Company's working capital requirements.

20/01/2009

- ✓ The company announced that it has decided to analyse different strategic alternatives for executing its Uruguay project.

End of ENCE 9M09 Quarterly Report