QUARTERLY REPORT 3Q10

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"Growing from our roots"

BUSINESS GROWTH AND MARKET OUTLOOK

The quarterly performance can be summarised with the following main figures:

✓ **Strong operating results, at highs for recent years**

EBITDA amounted to +€61.5Mn in 3Q10, underpinned by price increases implemented until July, the capacity increases carried out last year, the fact that there were no maintenance shutdowns and discipline in costs. **Adjusted EBITDA (net of hedging and extraordinary items) amounted to +€64.4Mn, all-time quarterly highs for the last 10 years. Accumulated 9M EBITDA stands at €149.7Mn, and net profit for the period at €54.5Mn.**

✓ **Stability in pulp prices, which remain at high levels**

The pulp price has kept stable at $870/t at the end of the quarter following correction in August from highs of $920/t. (4% above average market prices for 9M10). The recovery in Chilean production and lower demand from China, have prompted recovery in inventories, putting some pressure on prices. Nevertheless, **the capacity shutdowns seen in recent years and the gradual recovery in global demand, are shoring up price levels.** The higher seasonal consumption in 4Q10 will limit the possible corrections looking towards the end of the year.

✓ **Strong pulp sales, in terms of both prices and volumes**

Sales in 3Q10 came to €230Mn, 70% higher than in 3Q09. This performance stems from growth in pulp production and recovery in demand, apparent in the **higher pulp sales volume (+19% against 3Q09 up to 313 metric kt) and** in the **recovery of pulp market prices in euros of 63% compared to 3Q09, having obtained a mean pulp sales price of €494/t**. **These two improvements led to pulp sales income of €185Mn,** which is **+113%** up on the 3Q09 figure (€87Mn).

✓ **Healthy energy sales**

Energy sales amounted to €36Mn in 3Q10, flat against the same quarter of the previous year, given that the comparison is with the first quarter in which the plants' power scheme were optimised and also because the CENER maintenance shutdown took place in October.

✓ **Sustained efforts in controlling wood costs**

Cash-cost for the last 9 months remains below the €384/t reported in the first nine months of 2009, showing a fall of 3% to €371/t in 2010. **The company has successfully continued with its policy of avoiding wood price increases which could compromise the company's mid term results, while also stepping up imports, largely from its plantations in Uruguay, and has adjusted the mix of the species used in the production process.**

- ✓ **Greater reduction in net financial debt**

  The constant improvement in its operations has enabled the company to continue reducing net debt based on the positive cash generated over the quarter. **At the end of September, net debt stood at €204Mn, 8% down on June 2010 levels** and 62% from the highs reached in June 2009. After this reduction, **the net financial debt EBITDA ratio for the annualised 9M was 1.02x**, showing the company's financial strength following the financial discipline and profitability improvement.

- ✓ **Improved financial structure, with a longer term and reduction of maturities**

  On 14 October, Ence agreed on a new financing agreement which replaces the syndicated loan and available short term lines. With the new conditions, all debt tranches are extended to 3.25 years, with an 18-month grace period, while future quarterly maturities are reduced to 6 million euros. **By virtue of this agreement, Ence is able to reinforce its financial stability, eliminating debt renewals until 2014 and increasing flexibility in order to address the biomass investment plan by reducing repayment commitments during the life of the new syndicated loans.** Furthermore**,** it includes two revolving tranches amounting to a total of 60Mn euros for financing biomass projects and covering potential increases in working capital associated with recurrent operating activity.

KEY CORPORATE ASPECTS IN 9M10

New organisation in order to adapt to the objectives of the Strategic Plan

The company has announced a new organisation which it has given the slogan of 'Growing from our Roots', with the aim of adapting its structure and organisation to the targets and demands of the 2010-2013 Strategic Plan. This Plan has been designed to make Ence a touchstone in efficient and clean pulp manufacture and green biomass-fuelled energy generation, by using its position and knowledge as an expert forest manager intelligently and innovatively.

Consequently, the new organisation revolves around the Group's three business divisions: Pulp, Forestry and Energy. The principles behind this new organisation, set out in the 'Growing from our Roots' Plan are transversality and the exchange of the best management practices, the rise in capacity for executing projects, greater focus on customers and results and the implementation of efficient decision-taking processes.

Negotiation of a new debt structure

On 14 October 2010, Ence concluded an agreement for a new debt structure with a view to reducing its short term commitments and improving its flexibility to comply with its business plan. The previous structure was replaced with two syndicated loans maturing in January 2014, with an 18-month grace period and the subsequent maturities being reduced to €6Mn a quarter. The syndicated loans include credit lines for financing biomass plants and the plants' operating requirements. Financial expenses were negotiated at 300bp over Euribor, with less restrictive covenants than those of the previous syndicated loan.

Capital increase

On 4 March, the company announced the Board's approval of a capital increase with a par value of €74,801,601, through the issue and circulation of 83,112,890 new common shares each with a par value of €0.9 and an issue premium of €0.665 per new share. The aim of the capital increase was to reduce indebtedness and strengthen the Company's equity and financial structure, and also to carry out various investment projects.

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

Expansion of biomass-based generation plants

For the capital increase, Ence showed the market the projects that are being developed for the company's diversification towards biomass-fuelled generation plants and mainly into energy crops. The aforesaid projects will enable the construction of plants up to a total of 210 MW and with self-supply levels above 50%, taking advantage of the company's enviable position in the management of forestry resources and reducing the cyclical nature of profits in the future.

Entry into Ibex Medium Cap and RSC index

On 11 June, the Ibex technical committee decided to admit Ence into the Ibex Medium Cap and remove it from the Ibex Small Cap, following the increased market cap and greater liquidity shown by the company in recent months.

Furthermore, from 22 March, Ence shares have formed 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 the company complies with all the requirements established for this purpose.

MARKET PERFORMANCE

PULP

The pulp market has remained stable over 3Q10. In this quarter there has been a widespread increase in pulp demand from all global regions, in September in particular (+2.9%), despite the lower volume of imports reported in China. However, purchases by the Asian giant in September rebounded for the first time in 13 months, 7 p.p. up against the same month of the previous year.

The offer of market pulp has remained at low levels due to the capacity reductions taking place in 2009, and also the lower availability of wood due to adverse weather conditions during the first months of 2010, production shutdowns in Chile following the earthquake and the subsequent start-up of activity in the Chilean plants, a process which will not be completed until the end of the year.

The slow start-up of shutdown capacities in Scandinavian countries and in Canada was offset by the combination of different temporary factors in spring and the maintenance shutdowns in the summer months in Brazil. At the same time, September figure confirm the trend of recovery in pulp demand seen in the leading world markets, with significant growth in the aggregate yearly figure in Europe (+10.5%), Eastern Europe (+13.9%), North America (+7.1%), Japan (+9.3%) and Latin America (+13.9%) (source PPPC).

Consequently, at September 2010, and despite the recovery seen from low levels, manufacturers' stocks of market pulp have remained at a stable level of 32 days of supply, within the standard range in the sector despite the expected rebound (source: PPPC).

In this setting, pulp prices have continued at highs, despite the reduction of US$50/ton announced in August, with a stable price of US$870/t since then. The mean Eucalyptus pulp listed price in Europe stood at $US891/t in 3Q10, tantamount to recovery of 86% from the floor of $US480/t seen in April 2009.

However, the increasing weakness of the US$ favours a greater adjustment in local prices in Europe and other non-dollar markets, a factor which partially offsets the aforesaid pressure on prices in dollars.

WOOD

For 2010, Ence has implemented a strategy geared towards containing wood prices in a very intense increase in collection scenario, mobilising more wood without distorting the market. Over the first nine months, Ence has mobilised 470,000 m³ more wood in the Peninsula than over the same period of 2009. Efforts have also been made vis-à-vis importing a greater amount of wood from outside the Iberian Peninsula by pulp manufacturers in the Peninsula.

Ence has stepped up its commitment towards Forest Certification and Sustainable Forest Management by obtaining the FSC Certification for 3,699 hectares of the forests managed in Galicia and Asturias, and is the first company to introduce this certification in these two autonomous communities. Similarly, with the aim of increasing wood collection with Forest Certification on the market, an agreement has been signed with PROMAGAL (*Federación de Asociaciones de Productores de Madera de Galicia*). Through this agreement and specific measures geared towards promoting Forest Certification, a further 150,000 m³ of certified wood were collected in Northern Spain in 3Q, while at the same time Ence is also pursuing its object of promoting the set-up of associations amongst small landowners in the North.

Ence is also continuing with its long-term investment policy geared towards maximising self-supply by expanding its forestry assets in the Iberian Peninsula, strengthening its R&D&I programmes, and applying advanced silvicultural techniques. Over 9M10, €4.8Mn was invested in managing the company's forestry assets, through the planting of 1,722 ha and the procurement of 207 ha.

In addition, so far in 2010, 1,004 ha have been planted and an additional 1,454 procured for the production of energy crops to be used for the company's biomass power stations, in keeping with the strategy for ensuring volumes at competitive and sustainable costs.

COMMENTS 3Q10

MAIN BALANCE SHEET FIGURES AND RESULTS FOR ENCE GROUP ACCORDING TO IFRS.

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	1Q 2010	2Q 2010	3Q 2010	Change % 3Q10/09	AC 3Q 2009	AC 3Q 2010	Change % 9M10/09
SALES	**109,816**	**116,989**	**134,895**	**170,155**	**207,903**	**229,721**	70.3%	**361,700**	**607,779**	68.0%
EBITDA sg IAS	**(19,292)**	**(10,287)**	**(2,809)**	**33,678**	**54,479**	**61,511**	n.s.	**(32,387)**	**149,669**	n.s.
EBIT sg IAS	**(28,481)**	**(23,449)**	**(18,247)**	**20,137**	**36,472**	**45,943**	n.s.	**(70,176)**	**102,552**	n.s.
% of sales	-25.9%	-20.0%	-13.5%	11.8%	17.5%	20.0%		-19.4%	16.9%	
% of net assets	-9.1%	-7.6%	-7.0%	6.8%	12.3%	15.0%		-8.9%	11.1%	
Exchange rate differences	(14)	(365)	608	(104)	1,704	(3,259)	n.s.	229	(1,659)	n.s.
Other financial results	(12,386)	(5,701)	(3,293)	(8,997)	(8,347)	(5,202)	58.0%	(21,380)	(22,546)	5.5%
FINANCIAL RESULT	(12,400)	(6,066)	(2,684)	(9,102)	(6,643)	(8,460)	215.2%	(21,151)	(24,205)	14.4%
Income from discontinued activities net of taxes	(65,533)	(9,146)	(2,341)	0	0	0	n.s.	(77,020)	0	n.s.
TAX	12,546	8,868	7,791	(4,325)	(9,996)	(9,561)	n.s.	29,204	(23,881)	n.s.
NET PROFIT/LOSS AFTER TAX	**(93,869)**	**(29,793)**	**(15,481)**	**6,711**	**19,833**	**27,922**	n.s.	**(139,143)**	**54,466**	n.s.
% of Shareholder´s Equity	-59.5%	-19.8%	-10.6%	3.8%	11.0%	14.7%		-31.8%	9.5%	
RESULTS PER SHARE (in euros)**	(0.54)	(0.17)	(0.09)	0.04	0.08	0.11	n.s.	(0.80)	0.25	n.s.
INVESTMENT	47,417	54,327	18,912	9,035	32,125	14,545	-23.1%	120,656	55,705	-53.8%

(Data in thousands of euros) (Quarterly figures not audited)	1Q 2009	2Q 2009	3Q 2009	1Q 2010	2Q 2010	3Q 2010	Change % 3Q10/09	AC 3Q 2009	AC 3Q 2010	Change % 9M10/09
FIX ASSETS	882,626	906,023	957,347	981,993	986,155	979,348	2.3%	957,347	979,348	2.3%
AVAILABLE CASH	2,897	6,889	9,197	144,222	140,930	159,769	1637.1%	9,197	159,769	1637.1%
NET ASSETS AVAILABLE FOR SALE	238,219	231,994	32,310	0	0	0	n.s.	32,310	0	n.s.
OTHER CURRENT ASSETS	126,977	93,331	49,898	54,113	57,602	88,682	77.7%	49,898	88,682	77.7%
NET ASSETS	1,250,718	1,238,236	1,048,753	1,180,327	1,184,686	1,227,798	17.1%	1,048,753	1,227,798	17.1%
SHAREHOLDERS´ EQUITY	630,822	601,116	583,283	710,166	723,680	761,962	30.6%	583,283	761,962	30.6%
Nº of shares end of period (in thousands)*	174,900	174,900	174,900	258,013	258,013	258,013	47.5%	174,900	258,013	47.5%
SUBSIDIES	10,643	8,491	6,675	15,255	13,516	11,792	76.7%	6,675	11,792	76.7%
% Shareholders' Equity+Subsidies on fixed assets	72.7%	67.3%	61.6%	73.9%	74.8%	79.0%		61.6%	79.0%	
DEFERRED TAX LIABILITIES	24,999	24,980	29,678	23,823	24,250	29,654	-0.1%	29,678	29,654	-0.1%
PROVISIONS	23,185	16,699	19,041	22,389	17,481	19,380	1.8%	19,041	19,380	1.8%
LONG TERM DEBT	396,936	377,482	169,901	160,083	149,353	143,595	-15.5%	169,901	143,595	-15.5%
SHORT TERM DEBT	120,788	165,162	198,113	204,902	212,711	220,523	11.3%	198,113	220,523	11.3%
Net financial debt	514,827	535,756	358,816	220,762	221,135	204,349	-43.0%	358,816	204,349	-43.0%
% Net financial debt/Shareholder's Equity	81.6%	89.1%	61.5%	31.1%	30.6%	26.8%		61.5%	26.8%	

Sales by Business Lines

(Data in thousands of euros) (Quarterly figures not audited)	1Q 2009	2Q 2009	3Q 2009	1Q 2010	2Q 2010	3Q 2010	Change % 3Q10/09	AC 3Q 2009	AC 3Q 2010	Change % 9M10/09
Pulp sales	77,607	76,759	86,871	122,218	161,221	184,559	112.5%	241,237	467,998	94.0%
Electricity sales	27,242	27,399	35,523	33,597	32,205	35,527	0.0%	90,164	101,328	12.4%
Forest sales and others	4,967	12,831	12,500	14,341	14,477	9,635	-22.9%	30,298	38,453	26.9%
SALES	109,816	116,989	134,895	170,155	207,903	229,721	70.3%	361,700	607,779	68.0%
% pulp / total	70.7%	65.6%	64.4%	71.8%	77.5%	80.3%		66.7%	77.0%	

Total 3Q10 sales amounted to €230Mn, +70% and +11% up on 3Q09 and 2Q10 respectively, due to increased prices and pulp production (+63% and +15% respectively compared with 3Q09). This growth has had a positive impact on sales of both pulp and the energy from the industrial process.

Pulp sales in 3Q10 came to €185Mn, 112% higher than the figure for 3Q09. Sales volumes grew by 19% against the same period of 2009 following the capacity increase carried out in Navia. Sales prices increased 79% due to the rise in market prices and the appreciation of the dollar.

Energy sales amounted to €35.5Mn in 3Q10, in line with the same quarter of the previous year because of the CENER shutdown being delayed from the second to the third quarter of 2010. In this regard, **the three plants have together sold 263,176MWh of renewable energy (excluding gas) in 3Q10, 3% above** those reached in 3Q09.

Revenues from the sale of forest products and services fell to €9.7Mn in 3Q10, 23% below the same quarter of the previous year, due to lower wood sales to third parties.

Operating expenses (supplies, personnel, and other running costs) **amounted to €171Mn in 3Q10, a 17% year-on-year increase,** based on the Group's increased business activities due to the recovery in demand and completed capacity expansions and containment of the rise in wood costs.

As a result, **the cash-cost level stood at about $371/t over the year, 3% down against the €384/mt high reached in 9M09**. The company has successfully continued with its policy of avoiding wood price increases which could compromise the company's mid term results, while also stepping up imports, largely from its plantations in Uruguay, and adjusting the mix of the species used in the production process.

Consequently, **EBITDA for 3Q10 amounted to €61.5Mn, 251% and 13% higher respectively than the figures reported in 4Q09 and 2Q10**. Excluding hedging and extraordinary items, **adjusted EBITDA in 3Q10 came to +€64.4Mn**, levels not reached since 2000 (when we saw pulp price highs together with a very favourable exchange rate). This is a result of the high pulp prices, capacity increases and efficiency improvements achieved during the previous year.

Not including amortisations, provisions, financial income, and taxes, the company obtained a **net profit of €27.9Mn in 3Q10, compared with losses of €15.5Mn in 3Q09, which included €3Mn of losses related to the sale of assets in Uruguay.**

Industrial investments in 3Q10 amounted to €9.7M, 26% below those recorded in the same period of 2009, as the previous year included the investment in the Navia capacity expansion. Forestry investments amounted to €4.8Mn as a result of planting 1,772 ha and procuring 207 ha. The surface area of energy crops planted over the year was 1,004 ha, with a total of 1,454 ha procured.

There was a slight increase of €8.5Mn in working capital over the quarter **due to the impact of the higher prices and volumes** on the clients' account.

In terms of debt, at the end of the quarter **net financial debt amounted to €204Mn,** in line with the financial leverage target, underpinned by the positive cash generation over the quarter.

COMMENTS ON BUSINESS ACTIVITIES

Activities Data (Data in thousands of euros)	1Q 2009	2Q 2009	3Q 2009	1Q 2010	2Q 2010	3Q 2010	Change % 3Q10/09	AC 3Q 2009	AC 3Q 2010	Change % 9M10/09
PULP SOLD (000 t.)	235.42	246.76	263.78	263.40	278.60	312.76	18.6%	745.96	854.76	14.6%
PULP PRODUCED (000 t.)	191.60	236.56	263.33	254.94	288.29	301.59	14.5%	691.49	844.83	22.2%
ELECTRICITY PRODUC. (000 Mwh)	298.6	349.9	351.9	344.9	314.9	330.9	-6.0%	1,000.4	990.7	-1.0%
ELECTRICITY SOLD (000 Mwh)	241.0	294.7	321.5	332.5	314.7	328.9	2.3%	857.3	976.0	13.9%
% sales / production	80.7%	84.2%	91.4%	96.4%	100.0%	99.4%		85.7%	98.5%	
INDUSTRIAL INVESTMENT	35,787	41,831	13,200	5,012	25,583	9,748	-26.1%	90,818	40,343	-55.6%
INDUSTRIAL EMPLOYEES (YEAR END)	848	848	837	805	825	766	-8.5%	837	766	-8.5%
WOOD SALES (000 m^3)	729.5	677.7	789.5	905.4	1,165.9	864.5	9.5%	2,196.7	2,935.8	33.6%
% by Latin American subsidiaries	17.1%	14.9%	11.9%	36.1%	18.3%	22.6%		10.28%	25.0%	
BIOMASS SALES (000 t)	48.3	65.9	89.0	99.5	79.5	58.7	-34.0%	203.2	237.7	17.0%
FORESTED HECTARES (ha)										
- For pulp	3,297	1,306	1,115	681	650	391	-64.9%	5,718	1,722	-69.9%
FOREST INVESTMENT	11,630	12,496	5,713	4,023	6,541	4,797	-16.0%	29,839	15,361	-48.5%
FOREST EMPLOYEES (YEAR END)	983	882	862	767	741	721	-16.4%	862	721	-16.4%

In relation to **pulp production and marketing**, sales achieved in 3Q10 were 48,982 tonnes higher than in the same period of 2009. **301,593 tonnes** of pulp were produced, which represents a 15% increase on 2009 thanks to the increased capacity at the Navia mill. As a result, finished product stocks fell by 11,166 tonnes over the quarter:

- ✓ In the **Huelva plant, production amounted to 84,887 tonnes**, 26% higher than 3Q09, this favourable comparison being due to the shutdowns carried out last year given the weak demand and prices.
- ✓ Production in the **Pontevedra plant amounted to 105,286 tonnes**, 5% down on 3Q09 due to the impact which the change in the wood mix had on production.
- ✓ Production at the **Navia plant came to 111,420 tonnes**, 31% up on the production figure for 3Q09, reflecting the improved utilisation levels at the plant following the capacity increase.

As far as the energy business is concerned, 330,896 MWh were produced in 3Q10, which is a fall of 6% on 3Q09. Energy sales reported growth of 2%, reaching a figure of 328,906 MWh, given that the percentage of electricity sold to the grid was around 100% vs. 91% in 3Q09 as a result of the improved energy system in Huelva.

In relation to the forestry business, 864,523 m^3 of wood was marketed in 3Q10, most of it being supplied to pulp plants. During the same period, 1,722 ha were planted and 207 ha were procured for the pulp business. Furthermore, over the year 1,004 ha were planted and an additional 1,454 ha were procured for the production of energy crops. 58,717 tonnes of forest biomass have been marketed mostly for the supply of the group's energy production.

ANNEX 1

CONSOLIDATED FINANCIAL STATEMENTS ACCORDING TO IFRS

BALANCE SHEETS AND PROFIT AND LOSS ACCOUNTS

ASSETS (thousands of euros)	30/09/2010	31/12/2009
I Tangible Fixed Assets	**743,463**	**737,807**
Land and Buildings	304,186	301,825
Plant and Machinery	951,382	940,470
Other Fixed Assets	27,281	26,821
Advances and Tangible Fixed Assets in Progress	122,776	98,407
Provisions and Depreciation	(662,162)	(629,716)
II Property Investments	**2,663**	**3,413**
III Issue Rights	**2,544**	**1,053**
IV Intangible Assets	**3,606**	**3,919**
Intangible Rights and Goods	25,530	25,274
Provisions and Amortizations	(21,924)	(21,355)
V Non-current Financial Assets	**10,422**	**5,494**
Long-Term Portfolio	1,016	1,036
Other Long-Term Credits	10,039	5,091
Provisions	(633)	(633)
Derivative Financial Instruments	0	0
Long-Term Hedging	0	0
VI Biological Assets	**161,426**	**155,238**
Forest Cover	243,847	227,412
Forest Reserve Depletion	(82,421)	(72,173)
VII Deferred Tax Assets	**55,223**	**73,230**
VIII Other Non-Current Assets	**0**	**0**
NON-CURRENT ASSETS	**979,348**	**980,155**
I Stocks	**146,722**	**88,844**
II Trade Debtors and other Accounts Receivable	**132,061**	**102,805**
Clients by Sales and Services	5,413	81,289
Other Debtors	12,328	24,355
Provisions	(3,079)	(2,839)
III Financial Investments by Short-Term Hedging	**4,881**	**0**
IV Assets from Tax on Current Earnings	**0**	**0**
V Other Current Assets	**6,238**	**1,377**
VI Temporary Financial Investments	**13,017**	**1,913**
VII Cash and Banks	**169,642**	**49,132**
Sub-total Current Assets	**447,234**	**244,071**
Non-Current Assets Classified as Kept for Sale and Discontinued Activities	**0**	**0**
CURRENT ASSETS	**447,234**	**244,071**
TOTAL ASSETS	**1,426,581**	**1,224,226**

LIABILITIES (thousands of euros)	30/09/2010	31/12/2009
I Subscribed Capital	232,212	157,410
II Share Premium	254,328	199,058
III Other Reserves	232,488	230,070
Distributable Reserves	148,754	152,352
Non-distributable Reserves	30,808	30,270
Adjustments to net worth by valuation (hedging and floors)	52,926	47,448
IV Reserves Calculated by Global or Proportional Method	121,536	149,131
V Results of Previous Years Pending Distribution	(131,155)	(3,766)
VI Consolidated Profit and Losses	54,466	(154,571)
VII Interim Dividend	0	0
VIII Conversion Differences	0	0
IX Own Shares	(1,913)	(435)
NET WORTH ALLOCATED TO PARENT COMPANY NET WORTH INSTRUMENT SHAREHOLDERS	**761,962**	**576,897**
X Minority Interest	0	0
NET WORTH	**761,962**	**576,897**
I Bond and Other Issues	0	0
II Debts to Credit Entities	135,173	155,755
III Financial Instruments for Long-Term Hedging	40,894	42,952
IV Other Financial Liabilities	8,422	8,791
V Deferred Tax Liabilities	29,654	23,467
VI Provisions for risks and expenses	19,380	20,381
VII Income to be distributed over several years	11,792	7,076
VIII Other non-Current Liabilities	0	0
NON-CURRENT LIABILITIES	**245,314**	**258,421**
I Bond and other Issues	0	0
II Debts to Credit Entities	220,523	186,240
III Trade Creditors	168,496	168,535
IV Other non-Trade Debts	18,948	26,431
V Financial Instruments for Short-Term Hedging	0	(0)
VI Short-Term Provisions	4,593	4,468
VII Liabilities for Taxes on Current Earnings	3,173	2,809
VIII Other Current Liabilities	229	424
IX Public Administrations	3,344	
Subtotal Current Liabilities	**419,306**	**388,908**
X Liabilities classed as kept for sale and discontinued activities	**0**	**0**
CURRENT LIABILITIES	**419,306**	**388,908**
TOTAL LIABILITIES	**1,426,581**	**1,224,226**

PROFIT AND LOSS STATEMENT (Thousands of euros)	30/09/2010	31/12/2009
REVENUE		
Total Net Turnover	607,779	535,551
Increase in Stocks of Finished Products	448	(17,422)
Works Performed by the Group on Fixed Assets	19,057	34,438
Other Operating Revenue	1,737	3,006
Earnings from Hedge Transactions	(8,626)	3,808
Capital Subsidies Transf. To Result for the Year	616	474
Capital Subsidies Transf. To Result for the Year - Emission Rights	4,774	7,764
GASTOS		
Supplies	(256,324)	(348,163)
Payroll Costs	(62,146)	(88,730)
Depreciation of Fixed Assets	(47,138)	(46,812)
Change in Trading Provisions	(805)	(763)
Other Operating Expenses	(151,350)	(138,614)
Other Operating Expenses - Emissions Rights	(5,492)	(6,194)
Change in Provisions for Fixed Assets	21	(10,845)
I. OPERATING RESULT	**102,552**	**(72,501)**
Revenue from Equity Interest	6	0
Other Financial Revenue	1,620	3,875
Financial Expenses	(24,171)	(48,664)
Exchange Rate Differences (net)	(1,659)	456
II. FINANCIAL RESULTS	**(24,205)**	**(44,333)**
Income from non-current assets kept for sale		
III. PRE-TAX RESULTS FROM CONTINUING ACTIVITIES	**78,347**	**(116,834)**
Corporation Tax	(23,881)	39,283
IV. RESULT FOR THE FINANCIAL YEAR FROM CONTINUING ACTIVITIES	**54,466**	**(77,551)**
Result of Valuation of non-Current Assets Classified as kept for Sale not included in Discontinued Activities (net)	0	(77,020)
V. RESULT FOR THE YEAR	**54,466**	**(154,571)**
Result Attributable to External Partners		
VI. RESULT ALLOCATED TO SHAREHOLDERS OF THE PARENT COMPANY OF THE CONTINUED ACTIVITIES	**54,466**	**(154,571)**

ANNEX 2

MAIN RELEVANT FACTS FROM THE FINANCIAL YEAR

15/10/2010

- ✓ Ence concluded a €298Mn financing agreement with 21 banks.

22/06/2010

- ✓ Ence estimated EBITDA of over 50 million euros in the second quarter.

22/06/2010

- ✓ The Company submitted the resolutions adopted in the Shareholders' Meeting of 2010.

30/03/2010

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

18/03/2010

- ✓ The Company announced that the leading shareholders had issued an instruction to subscribe to the new shares at 52.66% of the amount of the capital increase, as part of the capital increase.

05/03/2010

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

04/03/2010

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

End of ENCE 3Q10 Quarterly Report