

3RD QUARTER RESULTS FOR 2011

EUROPAC'S NET PROFIT UP BY 136%

- The net profit posted was €38.99M versus €16.54M obtained in the same period the previous year
- Consolidated EBITDA in 3Q2011 was €96.19M, 44% more than a year ago
- Aggregate sales grew by 21% to €715.26M, while EBIT was up by 68% to €62.59M

Units (millions of €)	3Q2011	3Q2010	% 3Q2011 / 3Q2010
Aggregate sales	715.26	589.42	21%
Consolidated EBITDA	96.19	66.68	44%
Recurring EBITDA	82.62	67.99	22%
EBIT	62.59	37.33	68%
Net Profit	38.99	16.54	136%

Madrid, 27 October 2011.- This morning Europac's (Papeles y Cartones de Europa, SA) Board of Directors approved the financial accounts for 3Q2011. Net profit amounted to €38.99M and consolidated EBITDA stood at €96.19M, representing growth of 136% and 44% respectively over the same period last year.

If we exclude the adjustments caused by the incorporation of Europac Cartonnerie Val de Seine (ECVdS) to the group's structure on 1 January 2011, the net profit would be €23.38M, 41% more than last year, while recurring EBITDA would be €82.62M, 22% more than for the same period the previous year.

With regard to turnover, between 1 January and 30 September the company posted a 21% increase in both aggregate and consolidated sales, which totalled €715.26M and €544.44M respectively. Meanwhile EBIT stood at €62.59M, representing a 68% rise over the previous year.

Enrique Isidro, Europac Group's CEO, remarked that *"our third quarter results continue in line with the improvement seen over the previous year in a scenario of economic instability and financial turbulence characterised by poor visibility"*.

Global waste management

In 3Q2011, we would highlight a 34% growth in total volume compared with the previous year due to the incorporation of Recicla Valladolid in November 2010 and increased volume in all units. EBITDA for the business line grew over 19% on the back of the above mentioned factors.

Kraftliner and recycled paper

With regard to the paper business, maintenance shutdowns and the production capacity increases carried out in April and May at the Viana do Castelo (Portugal) and Rouen (France) plants, respectively, have led to a 3.5% drop in production versus 2010.

In this context, aggregate sales of kraftliner and recycled paper are up by 2% and 17%, respectively, due to sale price rises in 3Q2011 over the previous year.

At the end of the period, European stocks of kraftliner paper had recovered their operating levels while the pressure caused by growing European recycled paper stocks, which we consider to be seasonal, caused sale prices of paper to slip. The recovery process of the margin of this product is being aided by the significant decline in the price of recycled paper.

Energy

With regard to energy, the yield from 153MW of installed power between January and September 2011 and the efficiency of the facilities has brought about an increase in production of over 29%. This production increase, together with the rise in the sale price of electrical energy linked to rising oil prices, has led to a 50% plus EBITDA growth.

Cardboard

Finally, the corrugated cardboard business line continues the slow process of passing on to the market the cost of rising paper prices, which has been a contributory factor in the deterioration of the product's margin, in spite of the higher turnover in the period (13.2%). It should also be remembered that Europac Cartonnerie Val de Seine (ECVdS) joined the group's consolidation perimeter on January 1, 2011.

Further information:

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