

Unipapel







First Half 2011 Results

(January – June)

Madrid, 29 July 2011



Highlights of 1H2011

-  • Groups Net Profit of €41.5 million.
-  • Good performance in sales (+ 6.2%) with double digit growth in France, Germany, Italy and Portugal.
-  • Consolidation of leadership position in all markets where we have a presence.
-  • EBITDA affected by lower margins in the second quarter of 2011
-  • Capital gains from the sale of Unipapel's 50% stake in Ofiservice recorded as "other profit": € 53 million.
-  • Sound financial position. Net Financial Debt/EBITDA10 = 1,0x

Profit and Loss Account, Unipapel Group

Net Profit of €41.5 million

PROFIT AND LOSS ACCOUNT thousand €	January - June		
	2011	2010	Var%
Net turnover	443,106	416,679	6,3%
Other revenue	4,692	4,971	-5,6%
Total Revenue	447,798	421,650	6,2%
Purchases	-396,223	-371,664	6,6%
Personnel expenses	-20,406	-19,634	3,9%
Other operating expenses	-19,333	-18,139	6,6%
Total operating costs	-435,962	-409,437	6,5%
EBITDA	11,836	12,213	-3,1%
Amortisation	-2,332	-2,315	0,7%
Provisions	-0,582	-0,362	60,8%
EBIT	8,922	9,536	-6,4%
Financial result	-3,276	-2,428	34,9%
- financial expenses	-4,223	-2,681	57,5%
- financial income	0,947	0,253	274,3%
Associates	-0,059	0,056	n.a.
Other profit/losses	53,133	0,019	n.a.
Profit before taxes	58,720	7,183	n.a.
Taxes	-17,847	-2,033	n.a.
Net Profit	40,873	5,150	n.a.
Profit (Loss) after tax discontinued	0,617	2,279	n.a.
Minorities	-0,007	-0,004	75,0%
Net Profit after minorities	41,483	7,425	n.a.

Good performance in revenue with Adimpo sales growing at double digit in international sales.

Spain: slowdown in consolidated sales in the second quarter 2011.

EBITDA/Sales margin down to 2.6% (vs. 2.9%):

- . Purchases increase with higher sales
- . Other operating expenses include slightly higher IT and logistic costs.
- . Personnel costs increase due to inflation-linked review of wages.

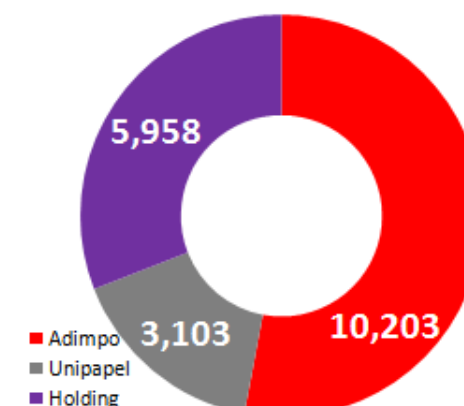
“Other profits” include the capital gains from the sale of our 50% stake in Ofiservice to Lyreco.

P&L, Unipapel Group by business units

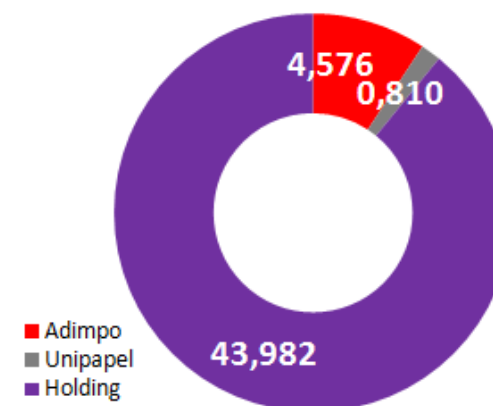
Adimpo contributes with more than 80% to EBITDA*

PROFIT AND LOSS ACCOUNT JANUARY-JUNE 2011					ADJUST.
thousand €	ADIMPO	UNIPAPEL	HOLDING	CONSOLID	OFISERVICE
Net turnover	382,162	68,032	7,817	-14,905	
Other revenue	3,329	1,371	0,000	-0,008	
Total Revenue	385,491	69,403	7,817	-14,913	
Purchases	-360,862	-42,134	-0,310	7,083	
Personnel expenses	-5,997	-13,849	-0,573	0,013	
Other operating expenses	-8,429	-10,317	-0,976	0,389	
Total operating costs	-375,288	-66,300	-1,859	7,485	
EBITDA	10,203	3,103	5,958	-7,428	
Amortisation	-0,542	-1,772	-0,018	-0,018	
Provisions	-0,415	-0,167	0,000	0,000	
EBIT	9,246	1,164	5,940	-7,446	
Financial result	-3,003	0,157	-0,430	0,000	
- financial expenses	-3,133	-0,083	-1,068	0,061	
- financial income	0,130	0,240	0,638	-0,061	
Associates	0,000	-0,059	0,000	0,000	
Other profit/losses	0,191	-0,012	54,028	-1,074	
Profit before taxes	6,434	1,250	59,538	-8,502	
Taxes	-1,858	-0,433	-15,556	0,000	
Net Profit	4,576	0,817	43,982	-8,502	
Profit (Loss) aft. tax discount.operations	0,000	0,000	0,000	0,000	0,617
Minorities	0,000	-0,007	0,000	0,000	
Net Profit after minorities	4,576	0,810	43,982	-8,502	0,617

EBITDA**



Net Profit**



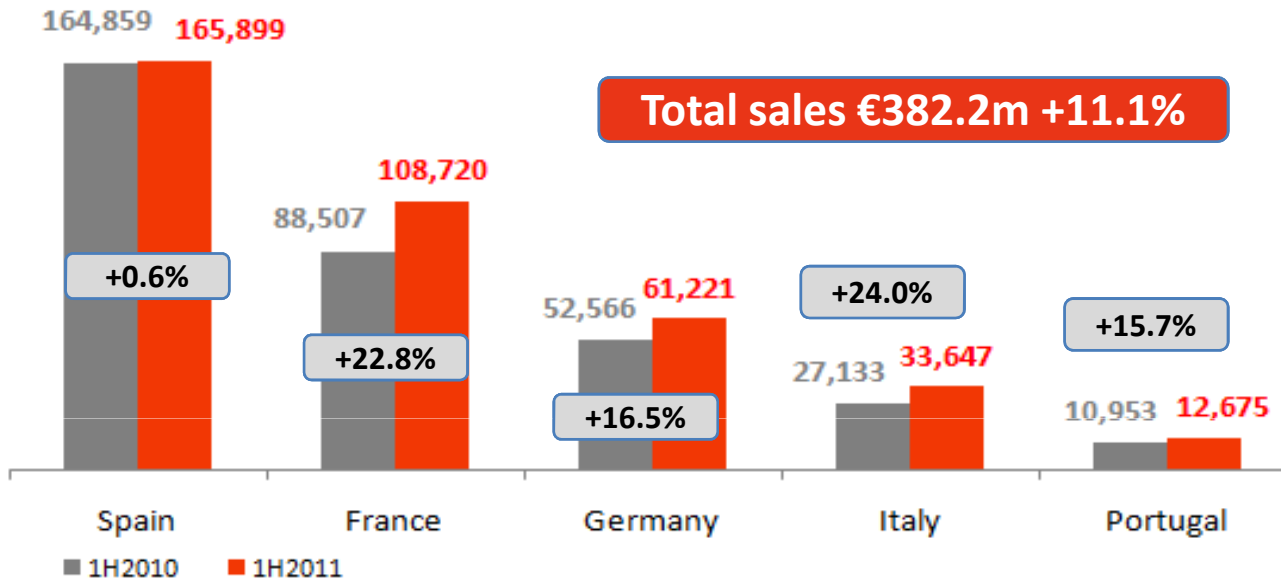
* Including EBITDA from the Holding company as its revenue includes €6.7M dividend from Adimpo.

**before consolidation adjustments

Sales in 1H2011: Adimpo

Double digit growth in international markets

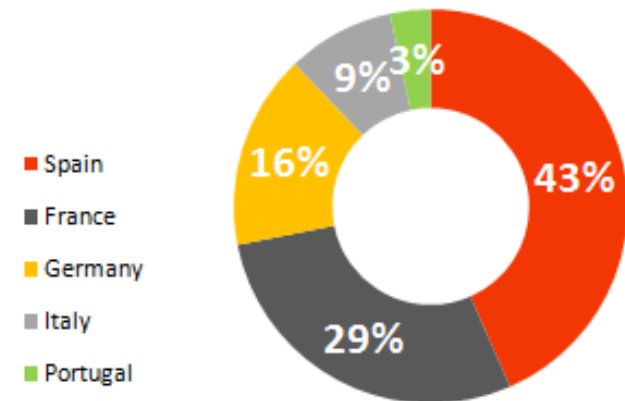
Sales Adimpo by country, thousand €



Sales with double digit growth in consumables of HP, OKI, Canon, Brother and Kyocera. Double digit growth also in hardware from HP, Brother, Canon, Samsung and Plantronics.

Sales growing in all customer types, with outstanding performance in Top Accounts: +20% while SMEs +7% and Retail +8%.

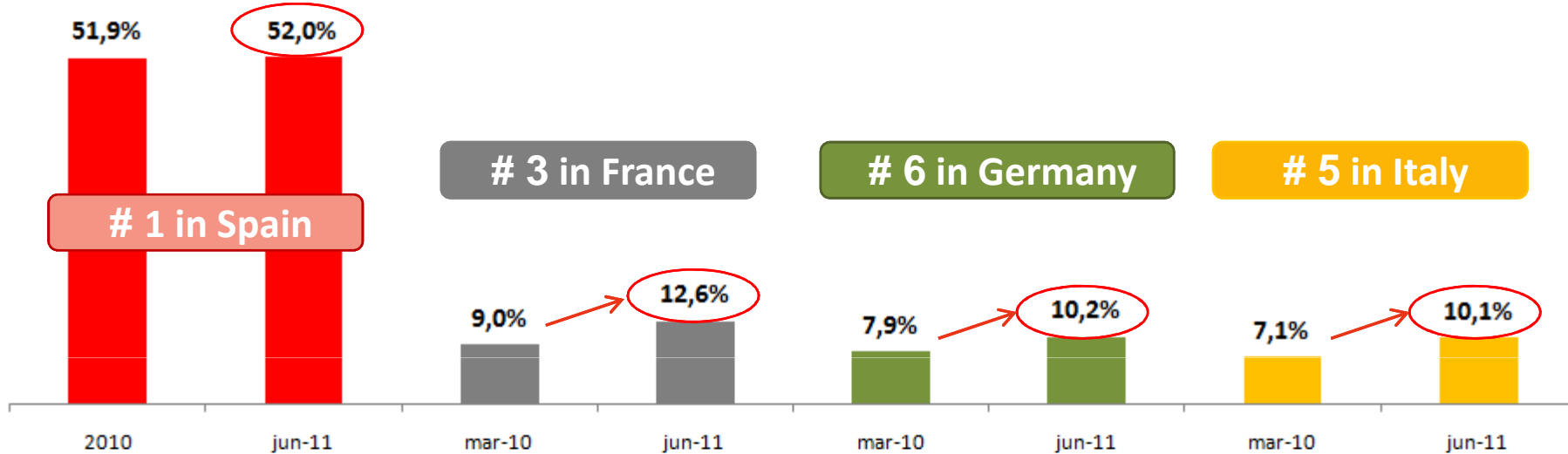
Adimpo Sales by country 1H2011



Adimpo in 1H2011, market share

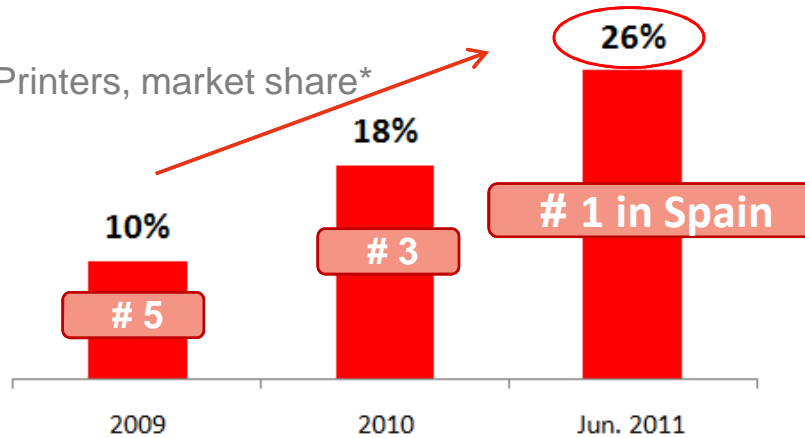
Consolidation of leadership

IT Consumables, market share*



* in-house estimates

Printers, market share*



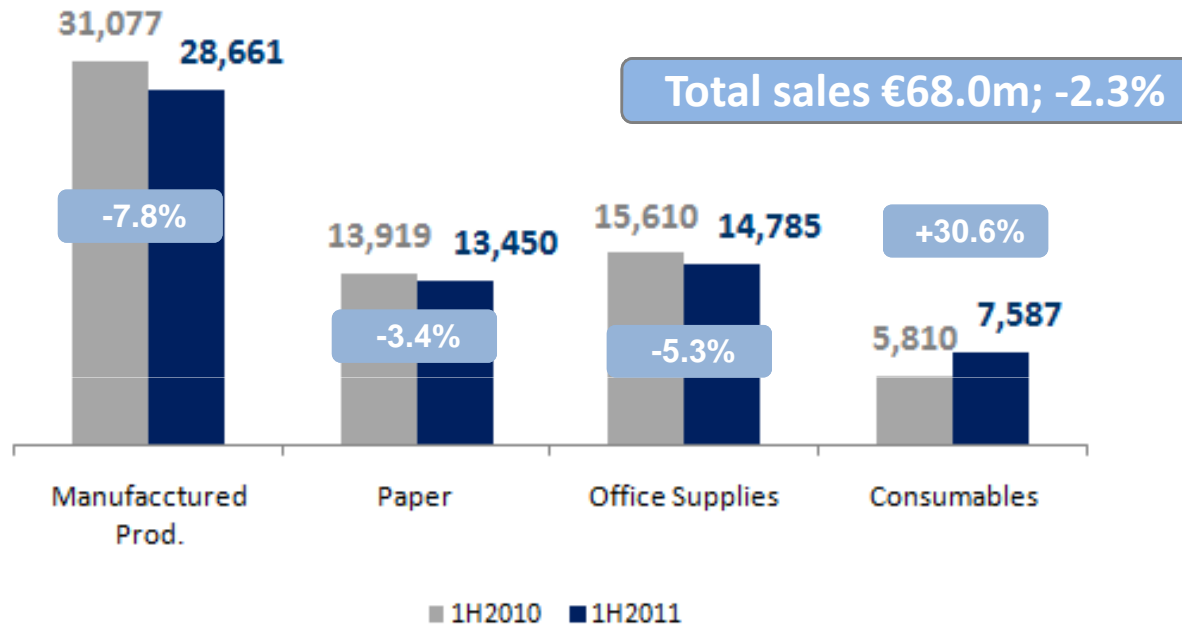
IT consumables: # 1 in Spain as distributor of HP, Epson, Canon, OKI, Samsung, Lexmark, etc.

Hardware: # 1 in Spain as distributor of HP, Brother and Samsung

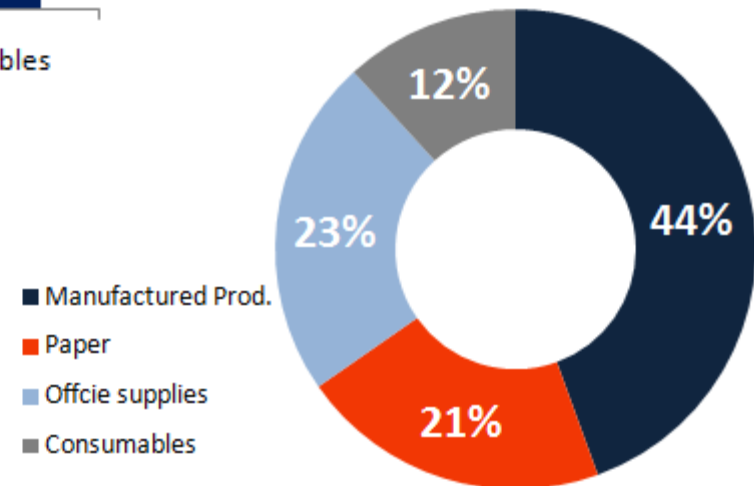
Sales in 1H2011: Unipapel

TOS market conditions remain difficult

Sales Unipapel by product type, thousand €



Unipapel
Sales by product 1H2011



Difficult market conditions for all manufactured products, specially for filing (-20%). Sales in envelopes and pads decrease by 2,7% and 5,6% respectively.

Results Unipapel Group 1H2011, quarterly evolution

A slower second quarter

PROFIT AND LOSS ACCOUNT thousand €	2011 by quarter	
	1Q2011	2Q2011
Net turnover	231,578	211,528
Other revenue	1,943	2,749
Total Revenue	233,521	214,277
Purchases	-206,757	-189,466
Personnel expenses	-10,056	-10,350
Other operating expenses	-9,610	-9,723
Total operating costs	-226,423	-209,539
EBITDA	7,098	4,738
Amortisation	-1,168	-1,164
Provisions	-0,293	-0,289
EBIT	5,637	3,285
Financial result	-1,299	-1,977
- financial expenses	-1,713	-2,510
- financial income	0,414	0,533
Associates	-0,033	-0,026
Other profit/losses	53,157	-0,024
Profit before taxes	57,462	1,258
Taxes	-17,470	-0,377
Net Profit	39,992	0,881
Profit (Loss) after tax discontinued operations	0,617	0,000
Minorities	-0,003	-0,004
Net Profit after minorities	40,606	0,877

Lower sales in the second half in Adimpo (seasonality), while improvement in Unipapel due to envelope sales (elections) and “back to school” campaign

Lower operating expenses due to reduced purchases while IT and logistic costs slightly higher in 2Q11

EBITDA /sales margin 2.2% in 2Q vs. 3.0% in 1Q, with margin decline in Adimpo and Unipapel.

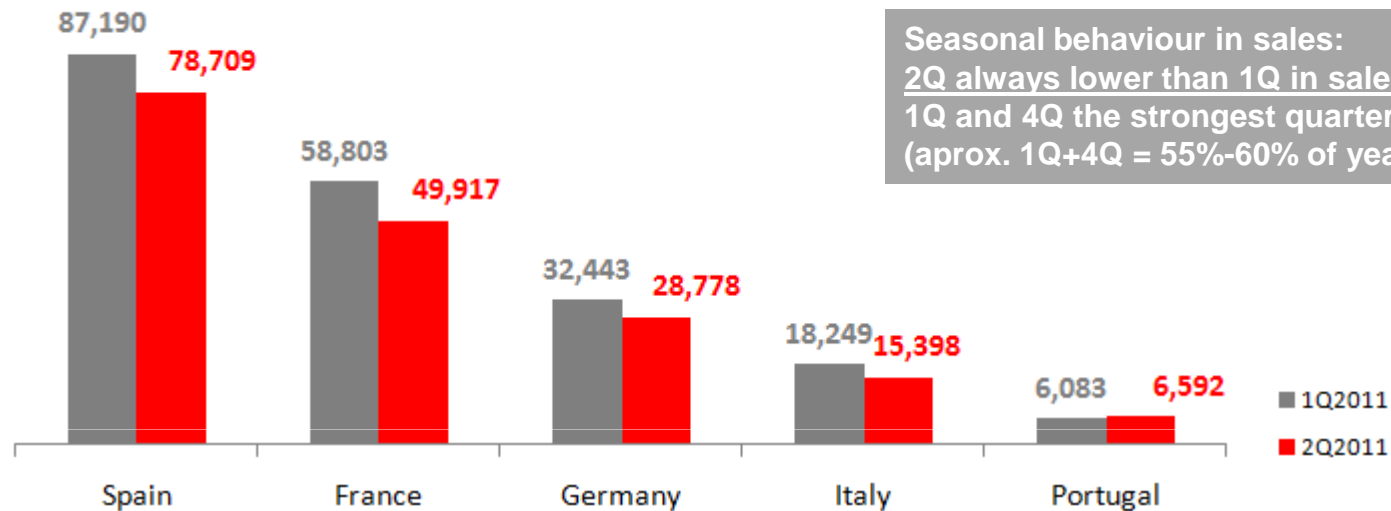
Increased financial costs as the 2nd quarter includes the costs related to the cancellation of the syndicated loan in April 2011 of €0.891 M.

Other profits from the sale of Ofiservice recorded in the first quarter 2011.

Sales 1H2011; Adimpo, quarterly evolution

International sales growing at double digit in 2Q

Sales Adimpo by country, thousand €



Seasonal behaviour in sales:
2Q always lower than 1Q in sales
 1Q and 4Q the strongest quarters of the year
 (aprox. 1Q+4Q = 55%-60% of yearly sales)

Sales ADIMPO by country

thousand €	2Q2011	2Q2010	Var %
Spain	78,709	81,214	-3,1%
France	49,917	43,418	15,0%
Germany	28,778	25,479	13,0%
Italy	15,398	13,008	18,4%
Portugal	6,592	6,574	0,3%
Total	179,394	169,692	5,7%

Outstanding performance in international markets:

- Increased sales in double digit
- Increased client base, specially SMEs

Spain: lower sales, specially in the month of May in the leading brands. Challenging market conditions: Large manufacturers maintain high sales targets while demand remains gloomy putting pressure on margins.

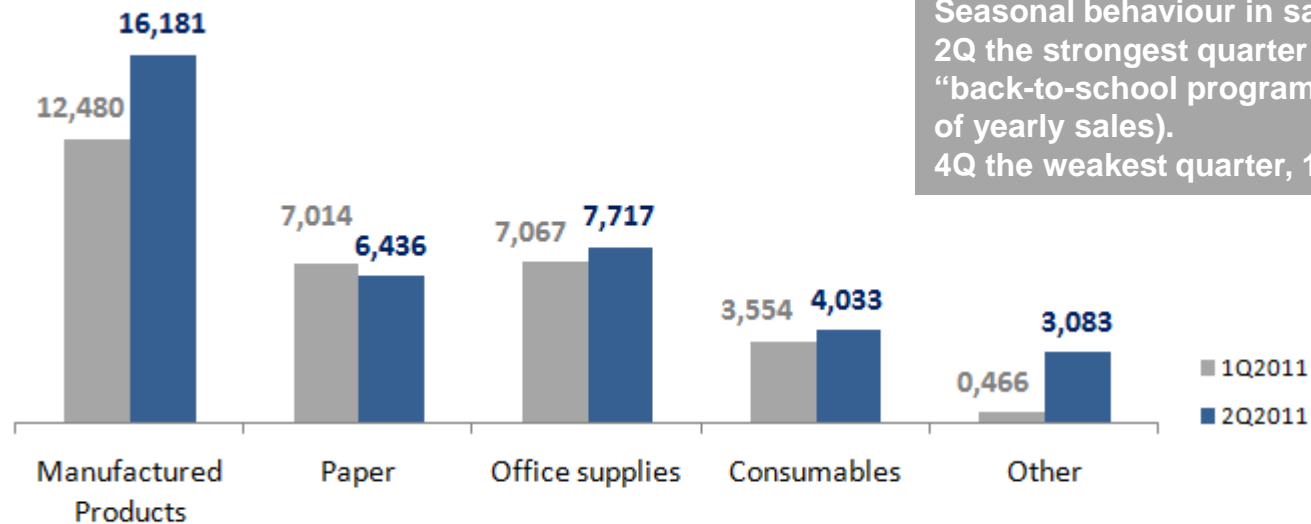


Adimpo, commercial highlights

- Adimpo signs an agreement with XEROX and becomes wholesale distributor for all printing and multifunctional A4 devices for Spain and Portugal.
- Adimpo, as wholesale distributor of EPSON IT consumables in Spain and Portugal, becomes wholesale distributor for EPSON hardware and “large format printers” Epson Stylus Pro.
- Adimpo becomes distributor of Trust IT consumables and accessories in Spain.
- Agreement with Canon for distribution of “imaging products” in Spain.
- Agreement with Panasonic for wholesale distribution of printers in Spain.
- Adimpo is negotiating wholesale distribution agreements with the leading manufactures to strengthen its competitive positioning in France.

Sales 1H2011; Unipapel, quarterly evolution

Second half benefiting from “Back to school” campaign



Seasonal behaviour in sales:
2Q the strongest quarter in the year due to “back-to-school programme” (about 28%-30% of yearly sales).
4Q the weakest quarter, 1Q similar to 3Q

Sales UNIPAPEL thousand €	2Q2011	2Q2010	Var.%
Manufactured Products	16,181	17,580	-8,0%
Paper	6,436	6,659	-3,4%
Office supplies	7,717	8,378	-7,9%
Consumables	4,033	3,041	32,6%
Other	3,083	2,864	7,6%
Total sales	37,450	38,522	-2,8%

Good performance in 2n quarter compared to the first quarter of the year:
In manufactured goods outstanding performance of:
-Envelopes +12% (regional elections)
-Filing +4%
-Notebooks, pads +176%! due to “back to school-Campaign”.

2Q11 lower than in 2Q10 with sales of consumables growing > 30% partially offsetting the decline.

Improvement in operating cost ratios

	UNIPAPEL		ADIMPO		GROUP	
	2010	1S2011	2010	1S2011	2010	1S2011
Nr. Lines served / order	5,4	5,5	11,8	12,5	8,8	9,2
Average revenue per order	216 €	283 €	1.525 €	1.527 €	939 €	936 €
Average revenue per line served	40 €	52 €	129 €	122 €	107 €	102 €
% orders delivered on time	99,7%	99,6%	99,9%	99,9%	99,8%	99,8%
% Lines in back order	3,01%	2,40%				
% Transport costs/sales	5,31%	4,95%	0,62%	0,62%	1,31%	1,24%
% Logistic costs/sales	10,07%	9,77%	1,47%	1,50%	2,74%	2,68%

Increased number of lines per order with higher average revenue per order in Adimpo and Unipapel.

Best-in-class quality of service.

Lines in back order have been showing a steady falling trend.

Lower transport costs and cost rat as % of sales.

Logistic costs as % of sales increase due to lower revenue.

Balance Sheet

High quality Inventory with high turnover

BALANCE SHEET

thousand €	30 jun 2011	31 dic 2010	thousand €	30 jun 2011	31 dic 2010
Non-current assets	59,391	69,411	Equity	183,621	146,201
Property, plant and equipment	49,932	58,445	Share capital and reserves	183,566	146,599
Other tangible assets	3,930	3,984	Minority interest and other	0,055	-0,398
Other non-current assets	5,529	6,982	Non-current liabilities	8,056	27,349
			Bank borrowings	6,530	25,083
Current assets	351,713	285,911	Provisions and other non-current	1,526	2,266
Inventory	124,183	96,711	Current liabilities	219,428	181,772
Trade and other receivables	121,712	114,084	Trade payables	65,565	78,919
Cash and Cash equivalents	105,818	75,116	Bank borrowings	126,940	91,512
			Other current liabilities	26,923	11,341
TOTAL ASSETS	411,105	355,322	Total liabilities	227,484	209,121
			TOTAL EQUITY AND LIABILITIES	411,105	355,322

Working capital	30 jun 2011	31 dic 2010
Current assets (a)	351,713	285,911
Inventory	124,183	96,711
Trade and other receivables	121,712	114,084
Cash and Cash equivalents	105,818	75,116
Current liabilities (b)	219,428	181,772
Trade payables	65,565	78,919
Bank borrowings and other	153,863	102,853
Working capital (a - b)	132,285	104,139

Non-recourse sales of accounts receivable to third parties/financial institutions "factoring"

- ⇒ Reduction in trade receivables
- ⇒ Increase in cash

Sound financial position

Net Financial Debt / EBITDA = 1.0x

Net financial debt of € 27.7 million, lower by 33% due to increased cash position with the proceeds from the sale of Ofiservice and non-recourse factoring, among other.

	Leverage, thousand €	
	30 jun 2011	31 dic 2010
Bank borrowings	133,470	116,595
Cash and cash equivalents	105,818	75,116
Net financial debt	27,652	41,479
NFD / Equity	15%	28%
EBITDA	11,836	26,543
Net Financial Debt / EBITDA 2010	1,0	1,6
Financial expense	-4,223	-6,022
EBITDA 2010 / Financial expense	2,8	4,4

+ 41%



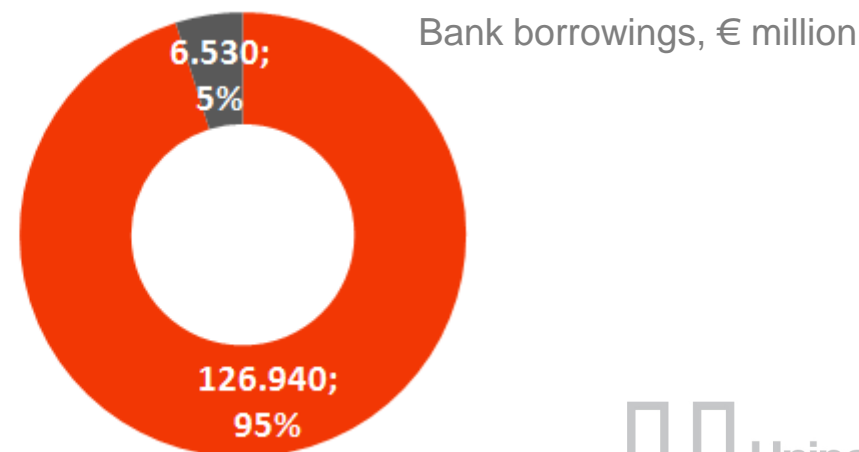
- 33%



Long-term financial debt of €6.5 million related mostly to working capital financing.

Average cost of bank borrowings: 3.2%

- Short-term bank borrowings
- Long-term bank borrowings



Conclusions

- Groups Net Profit 1H2011: €41.5 million.
- Sales growth +6.2% with double digit growth and increased market share in international markets.
- Consolidation of leadership in Spain, where market share in hardware is growing fast supported by intense commercial activity.
- 2Q normally a weaker quarter in Adimpo sales (seasonality) with lower margins.
- Operational efficiency.
- Comfortable financial position.



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