







Unipapel

**Third Quarter 2011
Results**
(January – September)
Madrid, 14 November 2011



Highlights of 9M2011

-  • Groups Net Profit of €43.0 million.
-  • Good performance in sales (+ 4.6%); Adimpo grows at 6.5% with double digit growth in France (+19%), Italy (+24%) and Portugal (+28.6%). Germany +9.7%.
-  • Pro-active commercial initiatives support further consolidation of leadership position in EOS and growth in printing solutions.
-  • EBITDA benefits from higher margins in the third quarter vs. 2Q2011 thanks to cost control measures.
-  • Capital gains from the sale of Unipapel's 50% stake in Ofiservice recorded as "other profit": € 53 million.
-  • Sound financial position. Net Financial Debt/EBITDA = 1.7x.

Profit and Loss Account, Unipapel Group

Net Profit of €43.0 million

PROFIT AND LOSS ACCOUNT thousand €	January - September		
	2011	2010	Var%
Net turnover	640,565	612,111	4,6%
Other revenue	8,954	9,056	-1,1%
Total Revenue	649,519	621,167	4,6%
Purchases	-572,849	-545,094	5,1%
Personnel expenses	-30,801	-29,422	4,7%
Other operating expenses	-28,615	-28,333	1,0%
Total operating costs	-632,265	-602,849	4,9%
EBITDA	17,254	18,318	-5,8%
Amortisation	-3,457	-3,459	-0,1%
Provisions	-0,864	-0,667	29,5%
EBIT	12,933	14,192	-8,9%
Financial result	-4,985	-3,875	28,6%
- financial expenses	-6,443	-4,216	52,8%
- financial income	1,458	0,341	327,6%
Associates	-0,064	0,054	n.a.
Other profit/losses	53,117	0,127	n.a.
Profit before taxes	61,001	10,498	n.a.
Taxes	-18,562	-2,851	n.a.
Net Profit	42,439	7,647	n.a.
Profit (Loss) after tax discontinued	0,617	2,489	n.a.
Minorities	-0,008	-0,005	60,0%
Net Profit after minorities	43,048	10,131	n.a.

Revenue growth 4.6%:

- Adimpo +6.5% with sales growing at double digit in most of the international markets.
- Unipapel sales -1.4%.

EBITDA/Sales margin down to 2.7% (vs. 2.9%):

. Purchases increase with higher sales.

- Personnel costs and “other operating expenses” meeting cost control target (growth=inflation):

Other operating expenses include slightly higher logistic costs.

Personnel costs increase due to inflation-linked review of wages and increased hours worked in the distribution centers.

Financial expenses include costs due to cancelation of syndicated loan in April and grow with higher debt and higher interest rates.

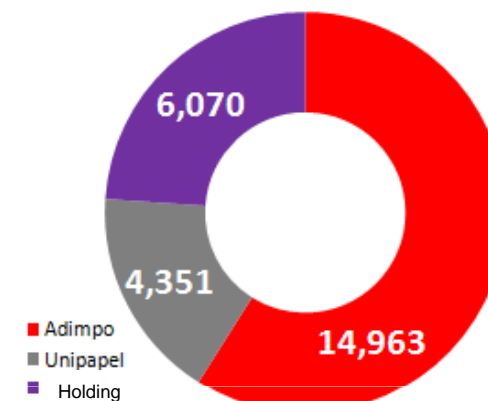
“Other profits” include the capital gains from the sale of the 50% stake in Ofiservice to Lyreco.

P&L, Unipapel Group by business units

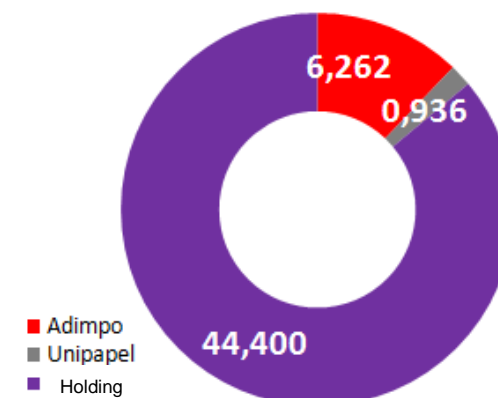
Adimpo contributes with more than 80% to EBITDA*

PROFIT AND LOSS ACCOUNT JANUARY-JUNE 2011	ADJUST.				
thousand €	ADIMPO	UNIPAPEL	HOLDING	CONSOLID	OFISERVICE
Net turnover	551,625	99,218	8,687	-18,965	
Other revenue	5,883	3,085	0,000	-0,014	
Total Revenue	557,508	102,303	8,687	-18,979	
Purchases	-520,774	-61,821	-0,537	10,283	
Personnel expenses	-9,070	-20,877	-0,854	0,000	
Other operating expenses	-12,701	-15,254	-1,226	0,566	
Total operating costs	-542,545	-97,952	-2,617	10,849	
EBITDA	14,963	4,351	6,070	-8,130	
Amortisation	-0,747	-2,683	-0,028	0,001	
Provisions	-0,603	-0,261	0,000	0,000	
EBIT	13,613	1,407	6,042	-8,129	
Financial result	-5,103	0,133	-0,165	0,150	
- financial expenses	-5,261	-0,177	-1,178	0,173	
- financial income	0,158	0,310	1,013	-0,023	
Associates	0,000	-0,064	0,000	0,000	
Other profit/losses	0,288	-0,011	54,028	-1,188	
Profit before taxes	8,798	1,465	59,905	-9,167	
Taxes	-2,536	-0,521	-15,505	0,000	
Net Profit	6,262	0,944	44,400	-9,167	
Profit (Loss) aft. tax discount operations	0,000	0,000	0,000	0,000	0,617
Minorities	0,000	-0,008	0,000	0,000	
Net Profit after minorities	6,262	0,936	44,400	-9,167	0,617

EBITDA**



Net Profit**



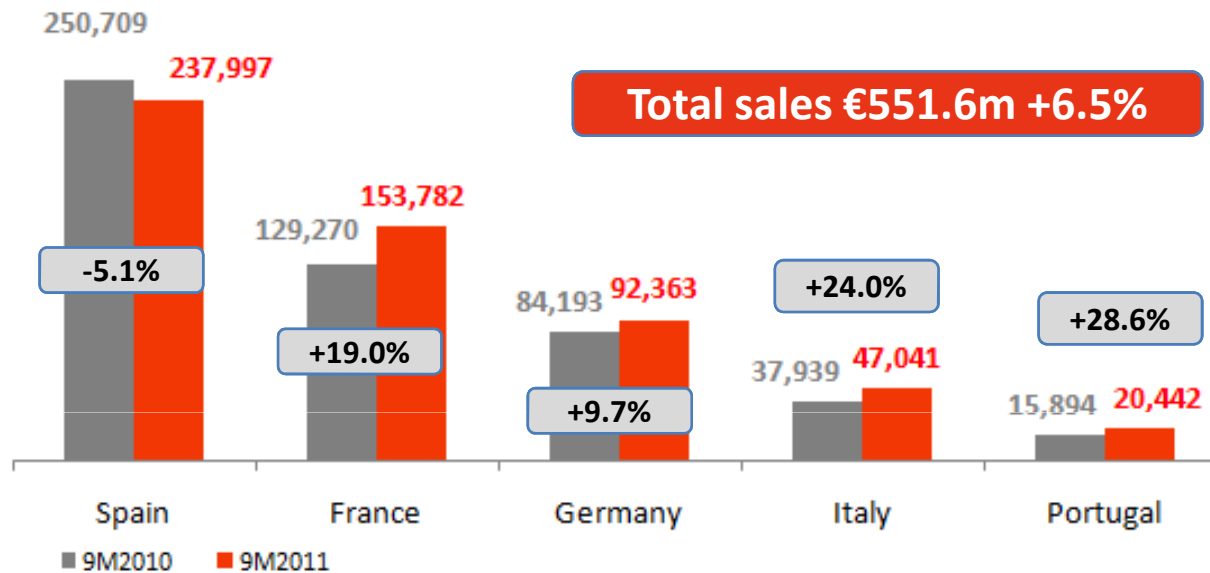
* Including EBITDA from the Holding company as its revenue includes €6.7M dividend from Adimpo.

**before consolidation adjustments

Sales in 9M2011: Adimpo

Double digit growth in most international markets

Sales Adimpo by country, thousand €

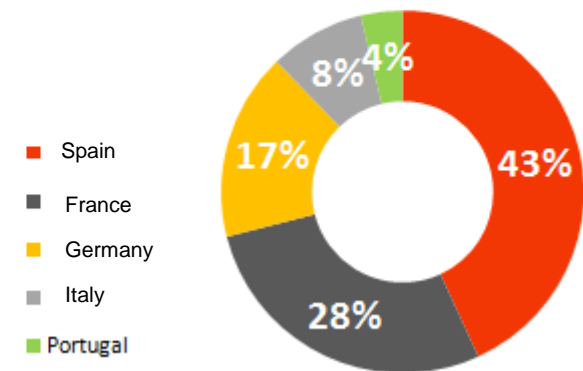


Sales with double digit growth in consumables of HP, OKI, Brother and Kyocera. Double digit growth also in hardware from HP, Brother, Canon, Samsung and Plantronics.

Sales growing in all customer types, with good performance in Retail +6%, SMEs +5% and Top Accounts +4%.

International sales: 57% of total revenue.

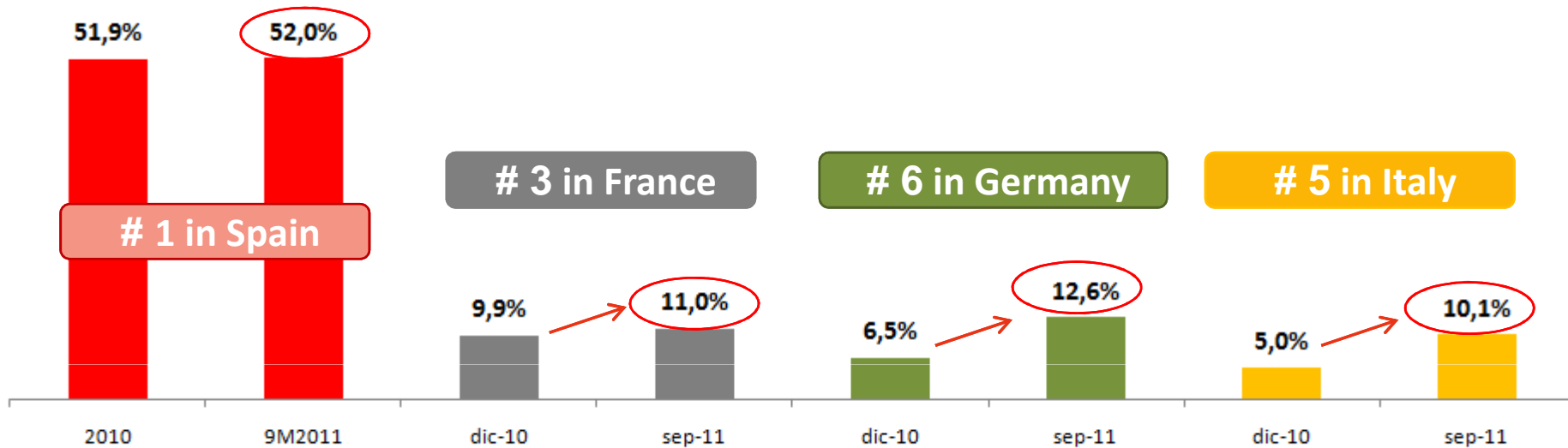
Adimpo Sales by country 9M2011



Adimpo in 9M2011, market share

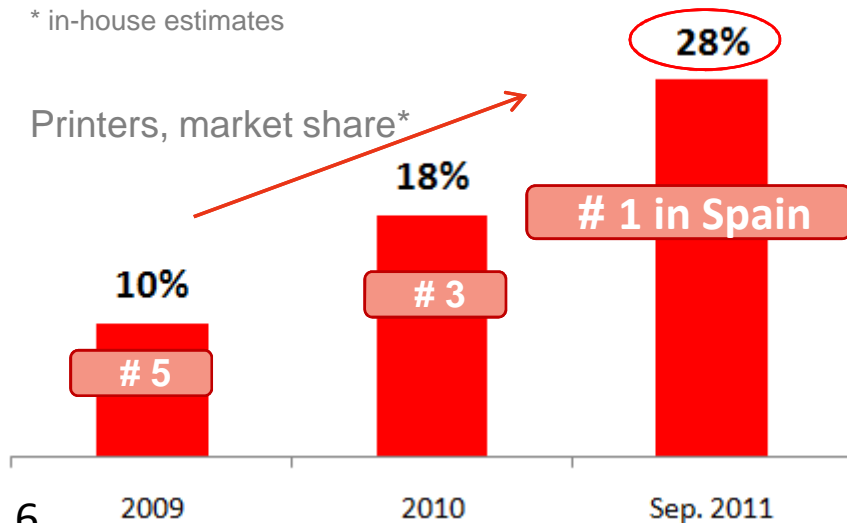
Consolidation of leadership

IT Consumables, market share*



* in-house estimates

Printers, market share*



* in-house estimates for HP, Brother and Samsung

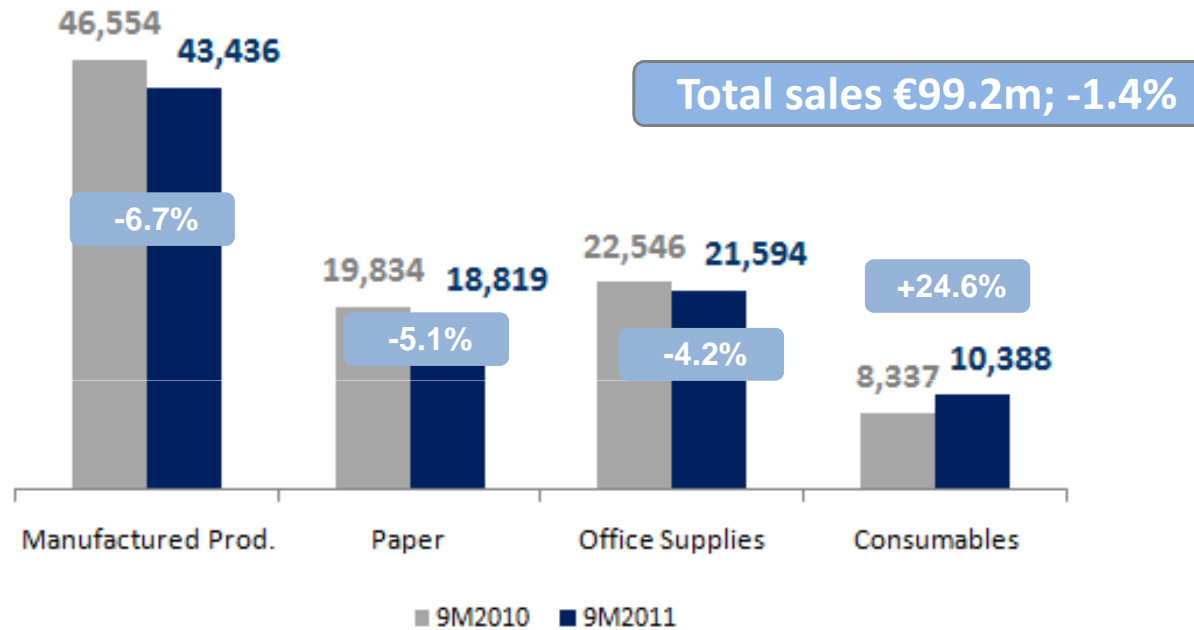
IT consumables: # 1 in Spain as distributor of HP, Epson, Canon, OKI, Samsung, Lexmark, etc.

Hardware: # 1 in Spain as distributor of HP, Brother and Samsung
Market share in Spain grew from 26% up to 28% in the third quarter.

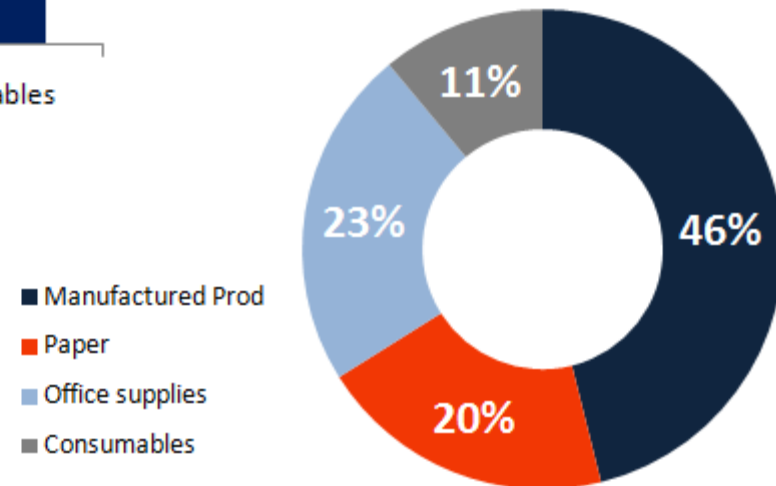
Sales in 9M2011: Unipapel

TOS market conditions remain difficult

Sales Unipapel by product type, thousand €



Unipapel
Sales by product 9M2011



Difficult market conditions for all manufactured products, specially for filing (-13.1%), envelopes (-4.8%) and notepads (-3.9%).

Decline in TOS sales partially offset by higher revenue from consumables and "other" (logistic services, catalogs, etc).

Results Unipapel Group 9M2011, quarterly evolution

Margin improvement in 3Q vs. 2Q

PROFIT AND LOSS ACCOUNT thousand €	2011 by quarter		
	1Q2011	2Q2011	3Q2011
Net turnover	231,578	211,528	197,459
Other revenue	1,943	2,749	4,262
Total Revenue	233,521	214,277	201,721
Purchases	-206,757	-189,466	-176,626
Personnel expenses	-10,056	-10,350	-10,395
Other operating expenses	-9,610	-9,723	-9,282
Total operating costs	-226,423	-209,539	-196,303
EBITDA	7,098	4,738	5,418
Amortisation	-1,168	-1,164	-1,125
Provisions	-0,293	-0,289	-0,282
EBIT	5,637	3,285	4,011
Financial result	-1,299	-1,977	-1,709
- financial expenses	-1,713	-2,510	-2,220
- financial income	0,414	0,533	0,511
Associates	-0,033	-0,026	-0,005
Other profit/losses	53,157	-0,024	-0,016
Profit before taxes	57,462	1,258	2,281
Taxes	-17,470	-0,377	-0,715
Net Profit	39,992	0,881	1,566
Profit (Loss) after tax discontinued operations	0,617	0,000	0,000
Minorities	-0,003	-0,004	-0,001
Net Profit after minorities	40,606	0,877	1,565

Lower sales in the third quarter in Adimpo (seasonality), while total sales in Unipapel TyD stable in 3Q.

Lower operating expenses due to progressive reduction in purchases and “other expenses”.

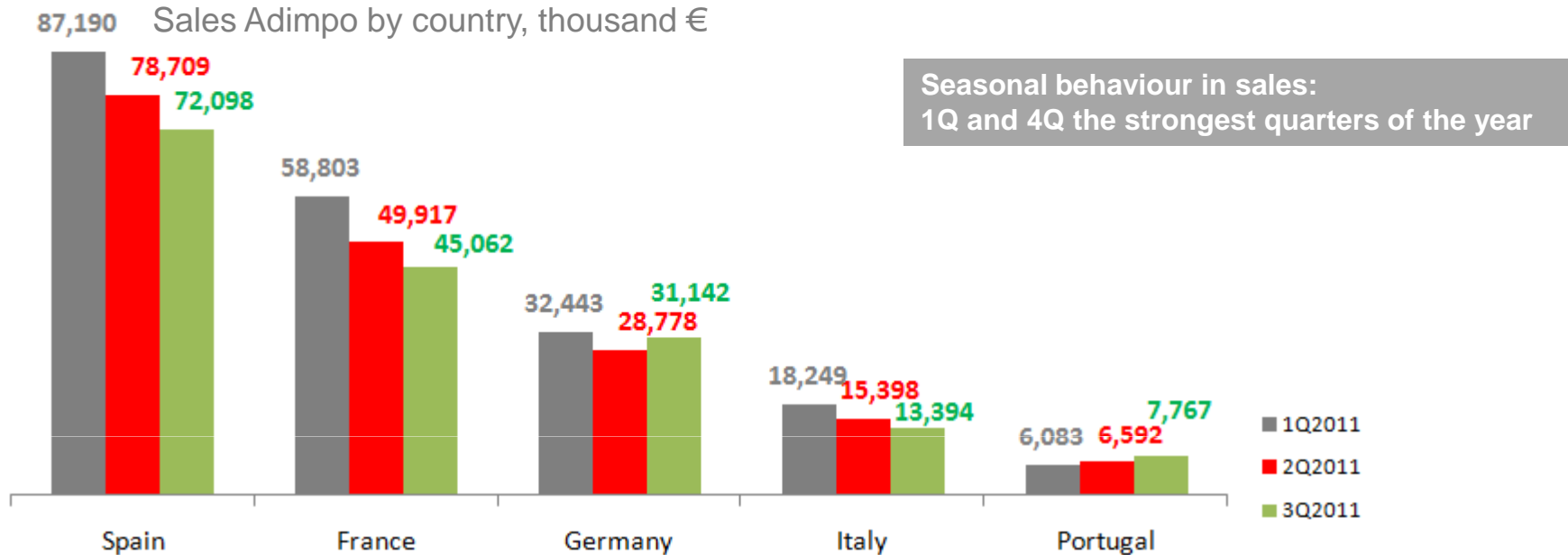
EBITDA /sales margin 2.7% in 3Q vs. 2.2% in 2Q and 3.0% in 1Q, with margin improvement in 3Q for Adimpo and Unipapel vs. 2Q.

Higher financial costs in the 2nd quarter as it 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 9M2011; Adimpo, quarterly evolution

International sales growing at double digit



Sales in 3Q2011 -2.6% vs. 3Q2010, due to lower sales in Spain.

Spain: September the worst month of the 3Q2011 with 5% decline vs. Sept10. The market conditions remain challenging: Pressure on margins remains as large manufacturers maintain high sales targets despite depressed demand.

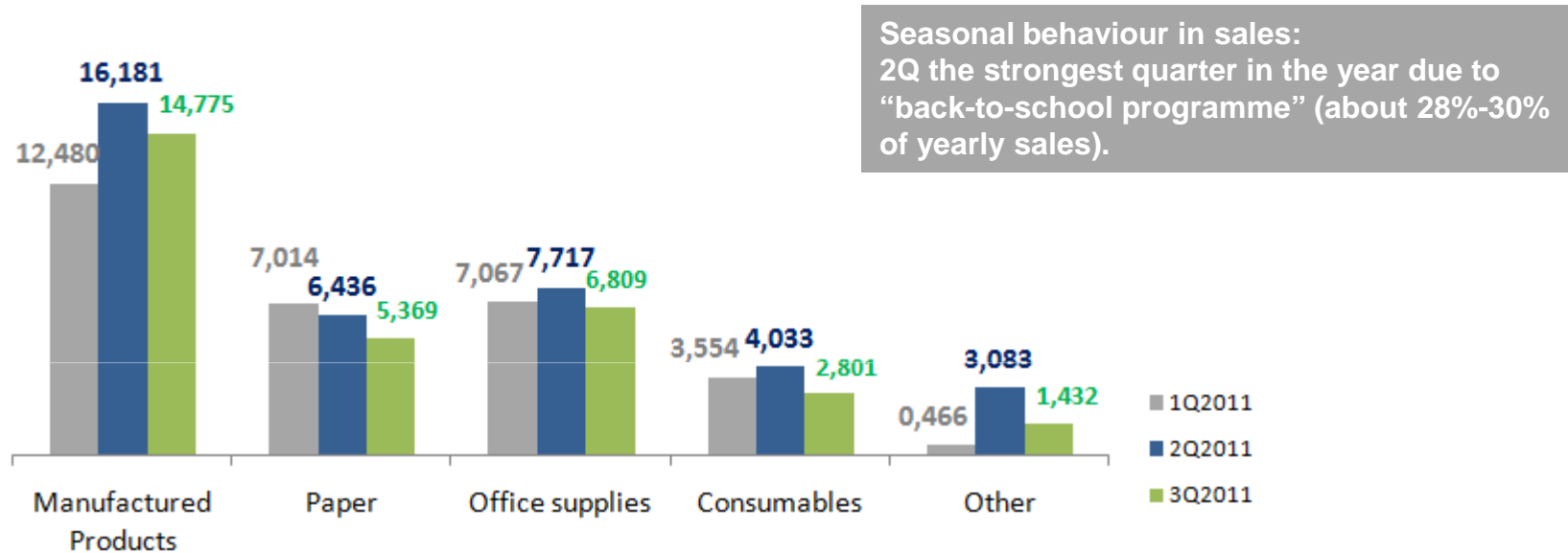
Increased client base, specially SMEs (amount to 6,647 customers vs. 385 Top Accounts and 531 retail customers).

Adimpo, commercial highlights for 9M2011

- 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.
- **Agreement with Sony VAIO for the distribution of laptops in Spain.**
- **Agreements with Epson, Brother, OKI, Ricoh, Samsung and Lexmark for the wholesale distribution of printers in France.**

Sales 9M2011; Unipapel, quarterly evolution

Sales in 3Q2011 +0.8% vs. 3Q2010



Sales in 3Q2011 +0.8% vs. 3Q2010 due to higher sales in consumables and stable performance in office supplies, while sales in manufactured products decline.

Improvement in operating cost ratios

Efficiency targets met for the 9M2011

	UNIPAPEL		ADIMPO		GROUP	
	2010	9M2011	2010	9M2011	2010	9M2011
Nr. Lines served / order	5,36	5,53	11,79	12,46	8,77	9,20
Average revenue per order	216 €	291 €	1.525 €	1.525 €	939 €	945 €
Average revenue per line served	40 €	53 €	129 €	122 €	107 €	103 €
% orders delivered on time	99,7%	98,8%	99,9%	99,9%	99,8%	99,9%
% Lines in back order	3,01%	2,31%				
% Transport costs/sales	5,31%	4,97%	0,62%	0,62%	1,31%	1,25%
% Logistic costs/sales	10,07%	9,97%	1,47%	1,51%	2,74%	2,74%

Increased number of lines per order with higher average revenue per order.
Best-in-class quality of service; close to 100% orders delivered on time.
Lines in back order continue showing a steady falling trend.

Lower transport costs as % of sales due to transport cost reduction after a new tender procedure for transport services.
Logistic costs as % of sales stable for the group.

New Warehouse Management System in Tres Cantos since August will allow further efficiency improvements. The System will be gradually implemented in the remaining distribution centres, allowing further efficiency gains in the near future.

Balance Sheet

High quality Inventory with high turnover

BALANCE SHEET

thousand €	30 sept 2011	31 dic 2010	thousand €	30 sept 2011	31 dic 2010
Non-current assets	61,049	69,411	Equity	184,480	146,201
Property, plant and equipment	49,540	58,445	Share capital and reserves	184,424	146,599
Other tangible assets	3,901	3,984	Minority interest and other	0,056	-0,398
Other non-current assets	7,608	6,982	Non-current liabilities	8,009	27,349
Current assets	308,626	285,911	Bank borrowings	6,510	25,083
Inventory	108,586	96,711	Provisions and other non-current	1,499	2,266
Trade and other receivables	119,107	110,908	Current liabilities	177,185	181,772
Cash and Cash equivalents	74,117	75,116	Trade payables	36,323	78,919
Other current assets	6,816	3,176	Bank borrowings	113,281	91,512
TOTAL ASSETS	369,675	355,322	Other current liabilities	27,581	11,341
			Total liabilities	185,195	209,121
			TOTAL EQUITY AND LIABILITIES	369,675	355,322

Working capital	30 sept 2011	31 dic 2010
Current assets (a)	301,810	285,911
Inventory	108,586	96,711
Trade and other receivables	119,107	114,084
Cash and Cash equivalents	74,117	75,116
Current liabilities (b)	177,185	181,772
Trade payables	36,323	78,919
Bank borrowings and other	140,862	102,853
Working capital (a - b)	124,625	104,139

Cash and cash equivalents include the proceeds from both, the sale of UPLs stake in Ofiservice and the non-recourse sale of accounts receivable to third parties/financial institutions (factoring).

Trade payables decline with lower purchases in 3Q11.

Other current liabilities include €16.5 million of income tax liabilities.

Sound financial position

Net Financial Debt / EBITDA = 1.7x

Net financial debt of € 45.7 million, slightly higher due mostly to increased debt .
Cash position includes the proceeds from the sale of Ofiservice.

- 1.3%



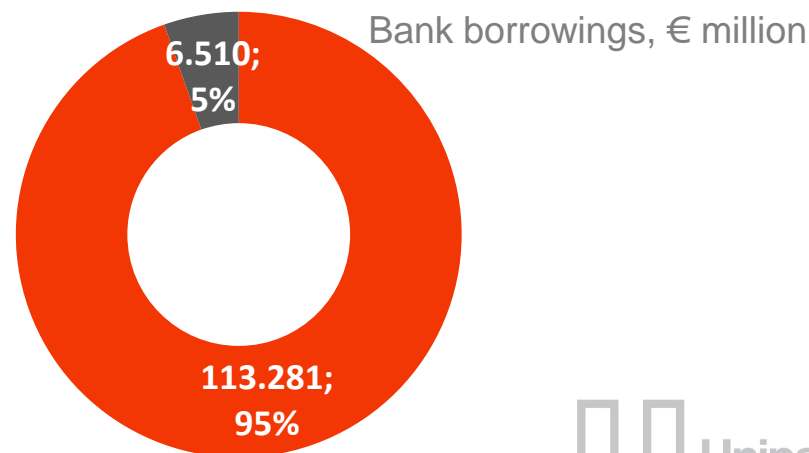
Leverage, thousand €	30 sept 2011	31 dic 2010
Bank borrowings	119,791	116,595
Cash and cash equivalents	74,117	75,116
Net financial debt	45,674	41,479
NFD / Equity	25%	28%
EBITDA 2010	17,254	26,543
Net Financial Debt / EBITDA 2010	1,7	1,6
Financial expense	-6,443	-6,022
EBITDA 2010 / Financial expense	2,7	4,4

+ 10.1%



The entire financial debt (with the exception of about €1 million) is related to financing working capital, mostly stock with high turnover.

Average cost of bank borrowings: 3.4%



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

Spicers Acquisition

Key milestones

- 6th July 2011: **Signing of the binding offer to acquire Spicers under a co-investment agreement with BECAP SPV Limited:**
 - ✓ Unipapel acquires 100% of Spicers to DS Smith for £ 200mn and sales Spicers UK & Ireland business unit to BECAP SPV Limited for £ 32mn.
- Month of July: Consultation meetings and clearance by Spicers work councils
- July - August: Back to Back and reorganization agreement with BECAP SPV
- August - Sept.: Reasoned submission for the consultation and approval of the transaction by the European Commission.
- 7th Sept. 2011: **Signing of the Sale Purchase Agreement for the acquisition of Spicers under the framework of the binding offer of July 6th.**
- October: Official filing at the European Commission
- **Next steps:**
- December 2011: Approval by the European Commission after consultation of the competition entities in the countries affected by the transaction.
 - Transfer of the businesses and completion statements/adjustments (Net debt, working capital, account payable and receivables, etc).
 - Signing of the syndicated loan for 145 m€ after last due diligence.
 - Deal closing.

Conclusions

- Unipapel Group Net Profit 9M2011: €43.0 million.
- Sales growth +4.6%. Adimpo + 6.5% with double digit growth and increased market share in international markets. Unipapel with a slight decline of -1.4%.
- 3Q11 EBITDA increases vs. 2Q11 on lower operating expenses.
- Operational efficiency improving due to lower transport costs and increased average revenue per order.
- Intense EOS commercial activity to improve market shares abroad and diversify product mix.
- Comfortable financial position, with a high solvency ratio NFD/EBITDA of 1.7x.



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