

ENCE ENERGÍA Y CELULOSA, S.A. (the “Company”), in accordance with article 82 of the Securities Market Act, sends the press release distributed in the day of the date, with regard to its half year results of year 2013.

In Madrid, on 29 July 2013.

Strong international growth in demand drives up the price of pulp

Ence saw its profits rise by 90% in the first half thanks to the strong performance of the pulp business

- Ence has taken advantage of the demand in the pulp market, in which it continues to improve its market share, to increase its net profit to €30 million between January and June.
- The growth of demand in the USA (+7.7%), Europe (+2.2%) and Japan (+4.4%) has driven up the average price of pulp to 820 dollars, 9% higher than the average for the same period in the previous year.
- Pulp sales grew by 10% compared to the first half of 2012, to €309 million.
- Ence has closed the first six months of the financial year with a share of 15.9% in the European market, 130 base points higher than in the first half of 2012.
- Despite the difficulties of the exercise, Ence adjusts their costs and improve its efficiency thanks to the cost-cutting efforts and the progress made by the company in the implementation of its management model.
- The addition of the Huelva biomass plant has allowed Ence to increase its income from electricity sales by 30%, to reach €125.4 million. Total sales of electricity stood at 932 million kWh.
- Ence has reduced its net financial debt by 47% since June 2012, to reach €88 million, thanks to the sale of the assets in Uruguay, the good operating result and the reduction in working capital.

29 July 2013. Ence has ended the first half of 2013 with a net profit of €30.3 million, 90% higher than in the same period in 2012. The company has taken advantage of the strong performance of the international pulp market, in which it has continued to increase its market share, and it has also benefited from the contribution made by the new Huelva biomass power plant.

The strong performance of the group's accounts, with an increase of 12% in total income to €439.2 million, has also allowed for a significant reduction in net financial debt with recourse, by 47%, from €166.8 million in June 2012 to €87.8 million at the close of the first half of the current financial year. As a result, and also thanks to the issuing of senior secured notes for €250 million in January, Ence has reinforced its position as the most financially healthy and solvent company in its sector.

EBITDA during the period increased by 43% compared to the first half of 2012 to reach €91.8 million. The cash-cost stood at €357/t (+5%) due to the impact of the electricity regulations, although this improved by 1% compared to the previous quarter thanks to the active management of costs, improvement of efficiency and the progress made by the company in implementing its business model.

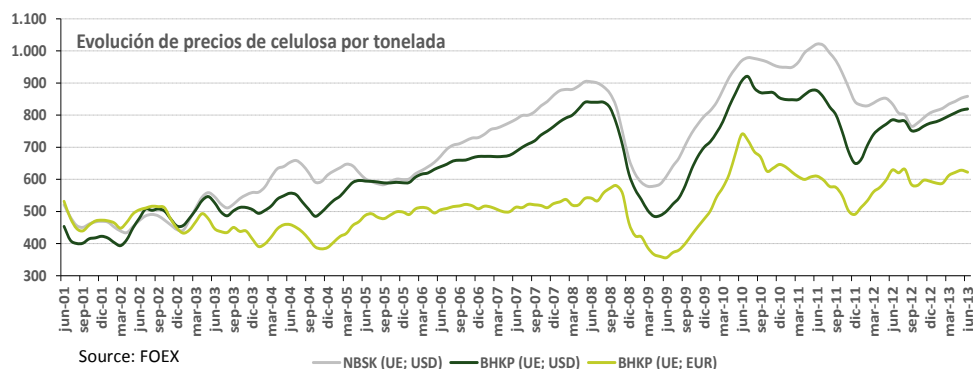
Figures in € million	2Q13	1Q13	%	2Q12	%	1S13	1S12	%
Total sales	221.7	217.4	2%	191.2	16%	439.2	392.6	12%
Adjusted EBITDA	54.0	44.2	22%	42.8	26%	98.2	78.3	25%
EBITDA	48.3	43.5	11%	33.7	43%	91.8	64.4	43%
EBIT	30.1	23.9	26%	19.9	51%	54.1	35.7	52%
Profit / (loss) for the year	17.2	13.1	31%	9.4	83%	30.3	16.0	90%
Net financial corporate debt	87.8	114.8	(23%)	166.8	(47%)	87.8	166.8	(47%)
Pulp sales (tons)	315,568	312,480	1%	279,812	13%	628,048	600,775	5%
Electricity sales (MWh)	453,919	478,132	(5%)	364,304	25%	932,051	760,618	23%
Net price of pulp sales (€/ton)	502	479	5%	492	2%	491	467	5%
Average price of electricity sales (€/MWh)	133	131	1%	128	4%	132	127	4%
Cash cost (€/t)	355	359	(1%)	343	4%	357	340	5%

Ence, European leader in the pulp sector

Ence has increased its volume of sales of pulp in the first half by 5%, from 600,775 tons in 2012 to 628,048 in the current year. This increase is largely due to the growth in production at the plants in Huelva (+10%) and Navia (+4%). Of this total volume, Ence sent 584,000 tons to the European market, giving it a market share of 15.9%. This was an increase of 130 basis points compared to the close of the first half of 2012, with an increase in the number of customers in Europe of almost 9%, to 149.

In the first half of the year Ence took advantage of the strong growth in the price of pulp in the international markets, which has been driven up by the international growth in demand for pulp, with significant growth in the USA (+7.7%), Europe (+2.2%) and Japan (+4.4%). The strength of the market allowed the average price for the sales of pulp to rise to \$820/t, an increase of 9% compared to the average for the first half of the last financial year.

The slight correction in pulp prices in July, largely caused by the seasonal effect of the stoppages for maintenance in many international paper plants, will be limited by the low inventory levels globally, particularly in Europe, the main market for Ence. European customer inventories are at an historic low of 19 days.



[Graph reads: Development of the price of pulp (per ton)]

The increase in the volume of sales, also made at a higher price, led to an increase in the income from the pulp business in the first half of 2013, rising to €309.5 million, 10% higher than in the first half of 2012.

Huelva has boosted the energy business

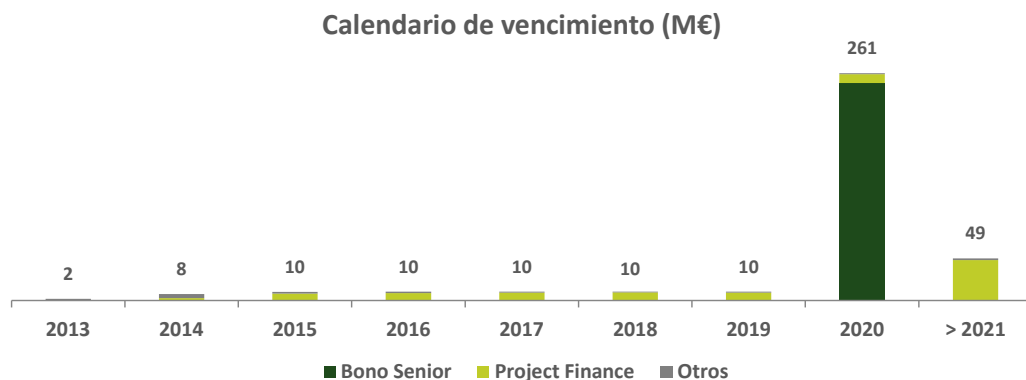
Ence increased its sales of electricity to June by 30%, to reach €125.4 million. This was due in part to the increase in the sale price, by 4%, but mostly to the activity of the Huelva biomass plant, which helped to increase the volume of electricity sales by 23%, after reaching 932 million kWh.

The sale of electricity from Huelva 50MW reached 186 million kWh, a rate that, if it were to continue to the end of the financial year, would lead to annual sales exceeding the 287 million kWh initially forecast for the financial year. The main motives are the lower own-consumption (10% compared to the initial forecast of 13%) and the higher utilisation ratios, over 90%.

The most financially healthy and solvent company in the sector

Ence closed the first half of 2013 with a net financial debt with recourse of €88 million. This was a reduction of 47% compared to the close of June 2012 and of 23% compared to the close of the first quarter of 2013. The main drivers of this reduction were the strong cash generation in the pulp business and the disinvestments, particularly the sale of the assets in Uruguay, leading to income of €59 million. Total net financial debt, including project finance, fell by 14% to €191 million.

With these figures, Ence has reinforced its position as the most financially healthy and solvent company in its sector internationally, with a net financial debt with recourse/EBITDA ratio for the last 12 months of 0.5 times. This position was partly due to the issuing of long-term secured notes in January of this financial year, which allowed it to repay the existing bank debt and extend the maturity profile of the debt. As a result of this issue, and the repayment of the existing debt (with the exception of €11 million in loans from public entities at reduced interest), there are no significant maturities until the 2020 financial year.



[Maturity schedule (€m)]

Senior Bond

Project Finance

Other]