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Ence confirms the initial conversion price of the EUR 160 million offering of senior unsecured convertible bonds due 2023

Madrid, Spain, 22 February 2018 – Earlier today, Ence Energía y Celulosa, S.A. (the “Company” or “Ence”) announced the conclusion of the offering (the “Offering”) of €160 million in aggregate principal amount of senior unsecured convertible bonds due 2023 (the “Bonds”) convertible into ordinary shares of the Company (the “Shares”).

The Bonds will be convertible at the option of bondholders into Shares at an initial conversion price of €7.2635, representing a premium of 40 per cent. above the volume-weighted average price (VWAP) of the Shares on the Spanish Stock Exchanges between opening and closing of trading today.

For more information on the Bonds, reference is made to the press releases that were issued earlier today.

BNP PARIBAS is acting as Sole Global Coordinator and Sole Bookrunner in respect of the Offering.

About Ence

Ence is one of Europe's largest short-fibre pulp (BHKP) producers, with installed capacity of 1,070,000 tonnes between the two mills in Galicia and Asturias, in the north of Spain, and as the biggest generator of biomass-fuelled renewable energy, with installed capacity of 112 MW integrated within the pulp plants and another 170 MW distributed between six standalone plants located in the south of Spain. Moreover, Ence is Spanish leader in the end-to-end and responsible management of forest land and crops.

Ence has articulated its activities around two core businesses: the production of pulp, which represented 79% of Group EBITDA in 2017, and the generation of renewable energy with biomass at standalone power plants, which accounted for the remaining 21%.

In the pulp business, Ence has two eucalyptus pulp mills in Spain which produce bleached eucalyptus kraft pulp (BEKP) by means of elementary chlorine free (ECF) and totally chlorine free (TCF) bleaching sequences: a 605,000-tonne-capacity facility in the town of Navia, Asturias, and a 465,000-tonne-capacity complex in Pontevedra, Galicia.

As an integral part of its kraft pulp production process, Ence uses the lignin and forest waste derived from its manufacturing to generate the energy needed for the process. To this end, it operates a 34.6-MW CHP plant, integrated within the Pontevedra mill, and a 40.3-MW CHP plant and a 36.7-MW biomass generation plant, both of which are integrated within the pulp production process at the Navia facility. The energy produced at these power plants is sold to the grid and subsequently repurchased.

The pulp business therefore includes both the production and sale of pulp and the generation and co-generation of energy at the plants involved in the productive process, as well as the supply of timber to third parties from the plantations managed by the company.

The energy business, meanwhile, encompasses the generation of power from renewable sources - forestry and agricultural biomass - at plants that have no relation to the pulp production process. Ence currently has six such power plants: two located in Huelva, with installed capacity of 50 MW and 41 MW, respectively, one in Merida (20 MW), one in Ciudad Real (16 MW), one in Jaen (16 MW) and another facility in Cordoba (27 MW).

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