

**ENCE ENERGÍA Y CELULOSA, S.A.** (the “**Company**”), in accordance with article 82 of the Securities Market Law, communicates the following:

### **RELEVANT EVENT**

The Company has entrusted to certain financial institutions the commencement of a bookbuilding process for the purposes of issuing senior unsecured notes for an initial approximate amount of EUR 250 million, due 2022, with interest payable semi-annually and targeted at national and international qualified investors, in order to refinance the issuance of notes made by the Company in February 2013.

The terms and conditions of the issuance, which will be subject to the laws of the State of New York, will be finalized upon completion of the book building process.

The notes are expected to be irrevocably and personally guaranteed by the following subsidiaries of the Company: Celulosas de Asturias, S.A.U., Norte Forestal, S.A.U., Silvasur Agroforestal, S.A.U., Ibersilva, S.A.U. and Iberflorestal – Comércio e Serviços Florestais S.A.

An application for the listing of the notes on the Luxembourg Stock Exchange's Euro MTF Market has been made.

The purpose of the issue is to finance the redemption of the senior secured notes issued by the Company in February 2013 and still outstanding following the exercise by the Company of its right of redemption with respect to 10% of the notes, as announced by means of notice of relevant event dated 28 April 2015 (with number 221,888 of the official records). The funds obtained through the issuance will be also used to cover fees and expenses incurred in connection with the transaction.

As background for the numbers below, these figures have been adjusted to reflect the closure of our pulp production facility in Huelva, which took place in October 2014 because the facility was no longer profitable<sup>1</sup>, which in turn implies a reduction in the volume of pulp production but an important improvement of adjusted EBITDA over the last twelve months as compared to the full year of 2014 for the rest of the group.

Please be advised that based on management’s review of preliminary consolidated management accounts for the third quarter, our third quarter results are expected to

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<sup>1</sup> This closure was announced by means of a notice of relevant event dated 4 September 2014, with 210,450 of official records.

show a continuation of the trends in revenue and EBITDA growth (in each case, as adjusted to exclude the contribution of the Huelva pulp production facility in 2014, which was shut down in October 2014) observed during the first half of 2015, largely driven by the pulp prices conditions, the favourable U.S. dollar/euro exchange rate and our continuing efficiency and optimisation of production initiatives. Based on management's review of preliminary consolidated management accounts for the nine months ended 30 September 2015, we expect that consolidated group revenue will increase by 23% to 28% as compared to the corresponding period in the previous year (as adjusted to exclude the contribution of the Huelva pulp production facility in 2014, which was shut down in October 2014).

On the other hand, the revenue of the "Pulp" operating segment<sup>2</sup> will increase by between 16% to 21%, as compared to the corresponding period in the previous year (as adjusted to exclude the contribution of the Huelva pulp production facility, which was shut down in October 2014). As a result of the foregoing factors, we expect that the "Pulp" operating segment pro forma adjusted EBITDA will increase by 98% to 103% as compared to the corresponding period in the previous year.

Finally, please be informed that as of to date, we have completed sales or received formal offers or signed promissory contracts with respect to approximately 21% out of the total EUR 75.9 million book value of assets held for sale on our balance sheet as at 30 June 2015 in conjunction with our extraordinary asset divestiture program of certain of our non-core forestry, real estate and industrial assets (a significant percentage of which are associated with our former pulp production activities at Huelva). We expect such sales (the abovementioned 21%) to be made for amounts in excess of the book value of most of the relevant assets and to close during the fourth quarter of 2015. However, the aforementioned formal offers and promissory contracts are subject to closing conditions and no assurance can be given that they will close. We anticipate that the remaining assets will be sold during 2016.

Notwithstanding the foregoing, the preceding preliminary indications of our results of operations for the nine months ended 30 September 2015 are estimates based on initial management review of our consolidated management accounts which have not been audited or reviewed by our independent auditors or by any other audit firm and will be subject to approval by the Board of Directors of the Company. Our actual nine-month results, when officially communicated to the market, may differ from these estimates in ways that could be material. In addition, interim results are not necessarily indicative of the results that may be expected for any other period or for the full year.

In Madrid, on 20 October 2015

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<sup>2</sup> As defined in note number 9 of the Company's financial statements for the period ended 30 June 2015. Ence Energía y Celulosa, S.A. R.M.M, H. 14.837 F. 33 T. 2.363 general y 1.720, secc. 3ª libro sociedades. N.I.F.: A-28212264

## **IMPORTANT INFORMATION**

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This communication contains forward-looking information and statements about ENCE ENERGÍA Y CELULOSA, S.A., including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, capital expenditures, synergies, products and services, and statements regarding future performance. Forward-looking statements are statements that are not historical facts and are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates" and similar expressions.

Although ENCE ENERGÍA Y CELULOSA, S.A. believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of ENCE ENERGÍA Y CELULOSA, S.A. shares are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of ENCE ENERGÍA Y CELULOSA, S.A., that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the public documents sent by ENCE ENERGÍA Y CELULOSA, S.A. to the Comisión Nacional del Mercado de Valores.

Forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of ENCE ENERGÍA Y CELULOSA, S.A. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All oral or written forward-looking statements hereby made or otherwise attributable to ENCE ENERGÍA Y CELULOSA, S.A. or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified on its entirety by the cautionary statement above. All the forward-looking statements included herein are based on information available to ENCE ENERGÍA Y CELULOSA, S.A. on the date hereof.

Except as required by applicable law, ENCE ENERGÍA Y CELULOSA, S.A. does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.