# Quarterly Report
# 2nd Quarter 2013

June 30th, 2013

# CONTENTS


1. EXECUTIVE SUMMARY 1H13 .......... 3
2. PULP BUSINESS .......... 4
3. ENERGY BUSINESS .......... 5
4. FOREST ACTIVITY .......... 7
5. COMMENT ON THE RESULTS OF 1H13 .......... 7
6. LIQUIDITY AND CAPITAL RESOURCES .......... 9
7. FINANCIAL RESULT AND DEBT .......... 11
8. ENCE ON THE STOCK MARKET .......... 14
9. HIGHLIGHTS OF 2013 .......... 15
10. FINANCIAL STATEMENTS .......... 17

## 1. EXECUTIVE SUMMARY 1H13

| figures in €M | 2Q13 | 1Q13 | Δ% | 2Q12 | Δ% | 1H13 | 1H12 | Δ% |
|---|---|---|---|---|---|---|---|---|
| Pulp sales | 158.9 | 150.6 | 6% | 137.4 | 16% | 309.5 | 280.5 | 10% |
| Electricity sales [(a)] | 60.7 | 64.7 | (6%) | 46.6 | 30% | 125.4 | 96.7 | 30% |
| Forestry sales and others | 2.1 | 2.1 | (0%) | 7.2 | (70%) | 4.3 | 15.5 | (72%) |
| **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% |
| **Net profit** | **17.2** | **13.1** | 31% | **9.4** | 83% | **30.3** | **16.0** | 90% |
| **Net financial debt [(b)]** | **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 pulp sale price (€/ton)** | **502** | **479** | 5% | **492** | 2% | **491** | **467** | 5% |
| **Average electricity sale price (€/MWh) [(c)]** | **133** | **131** | 1% | **128** | 4% | **132** | **127** | 4% |
| **Cash cost (€/t) [(d)]** | **355** | **359** | (1%) | **343** | 4% | **357** | **340** | 5% |

(a) includes € 5M capitalized in 1Q13 for the sale of electricity produced at the new 50MW plant in Huelva before its reception
(b) additionally, existed €103 M of non-recourse debt linked to the "project finance" of the 50MW Huelva and 20MW Mérida biomass plants as of 30/06/13
(c) includes the operational of the new 50MW plant in Huelva before its reception
(d) excludes impact on Huelva 50MW plant as it is not linked to pulp production activity

- ✓ **Net profit stands at €30M in 1H13,** doubling the figure obtained in 1H12**.**
- ✓ **Reduction of the net corporate financial debt by -47% since June 2012 to €88M,** as a consequence of the strong operating cash flow generation (€120M) and disposals made. Leverage ratio ex-project finance stood at 0.6x.
- ✓ **Adjusted EBITDA grew by +25% in 1H13 vs 1H12 to €98M,** thanks to pulp price rises, enhanced production and the contribution of the new 50MW biomass plant from its reception in February, compensating the impact of the new energy taxes since the beginning of the year. Cash cost stood at €355/t in 2Q13, +4% above 2Q12 affected by the negative impact of the electricity tax, but -1% below 1Q13.
- ✓ **Pulp sales rose by +10% in 1H13 vs 1H12,** thanks to increases in pulp prices and sales volumes. The strength of the market led to **price rises to $821/t in the first half of the year**, and the 1S13 average was +9% above the 1S12 average.
- ✓ **Electricity sales grew by +30% in 1H13 vs 1H12** as a result of +23% higher volumes due to the contribution of the new biomass plant in Huelva, and prices +4% higher due to an enhanced generation mix following the inclusion of this facility.
- ✓ **Huelva 50MW plant, which has been consolidated since February, generated approximately 187,000 MWh in the first half of the year. The plant is producing +30% above 2013 guidance**, accelerating its learning curve thanks to the increased system availability and lower self consumption.
- ✓ **In January, Ence issued senior secured notes amounting to €250M, at 7.25%, maturing in 2020.**
- ✓ **In March, the General Shareholders' Meeting approved the distribution in cash of €0.07 per share and a dividend in kind of one treasury share for every 25 held in the company,** a return of 7% at the time of approval.

## 2. PULP BUSINESS

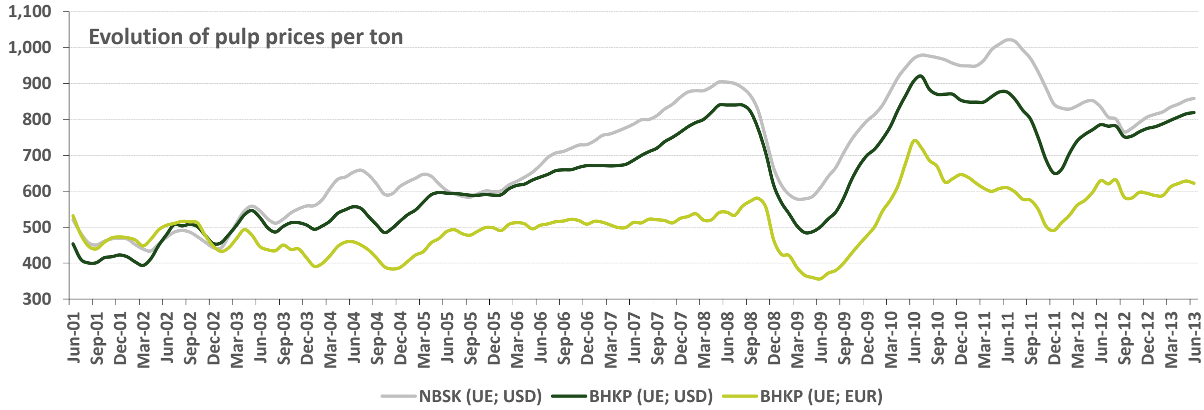
| | 2Q13 | 1Q13 | Δ% | 2Q12 | Δ% | 1H13 | 1H12 | Δ% |
|---|---|---|---|---|---|---|---|---|
| Huelva | 83,436 | 97,084 | (14%) | 64,266 | 30% | 180,520 | 163,515 | 10% |
| Pontevedra | 111,542 | 96,352 | 16% | 108,731 | 3% | 207,893 | 200,326 | 4% |
| Navia | 106,690 | 125,486 | (15%) | 109,342 | (2%) | 232,176 | 234,408 | (1%) |
| **Pulp production (tons)** | **301,668** | **318,921** | (5%) | **282,339** | 7% | **620,589** | **598,248** | 4% |
| Huelva | 83,306 | 103,650 | (20%) | 70,091 | 19% | 186,956 | 166,024 | 13% |
| Pontevedra | 115,901 | 92,867 | 25% | 104,388 | 11% | 208,768 | 198,454 | 5% |
| Navia | 116,361 | 115,963 | 0% | 105,333 | 10% | 232,323 | 236,298 | (2%) |
| **Pulp sales (tons)** | **315,568** | **312,480** | 1% | **279,812** | 13% | **628,048** | **600,775** | 5% |
| **BHKP ($/t)** | **814** | **789** | 3% | **772** | 5% | **801** | **735** | 9% |
| **Average exchange rate ($/€)** | **1.31** | **1.32** | (1%) | **1.28** | 2% | **1.31** | **1.30** | 1% |
| **Net sale price (€/t)** | **502** | **479** | 5% | **492** | 2% | **491** | **467** | 5% |
| **Pulp sales (€M)** | **158.9** | **150.6** | 6% | **137.4** | 16% | **309.5** | **280.5** | 10% |

Pulp production rose by +4% in 1H13 vs 1H12 in a good semester at the operating level which resulted in a capacity usage ratio of nearly 93%, below 1Q13 figure due to the impact of maintenance shut-downs. The Pontevedra, Huelva and Navia plants performed their shut-downs in March, May and June respectively, which explains the lower production levels in 2Q13 vs 1Q13. Sales increased by +5% vs 1H12 in a climate of prices +9% above those of the previous year.

With respect to the average income per ton, the average net sale price was €491/t for the year, +5% higher than in 1H12 due to the rise in pulp prices, partly offset by the depreciation of the Dollar.

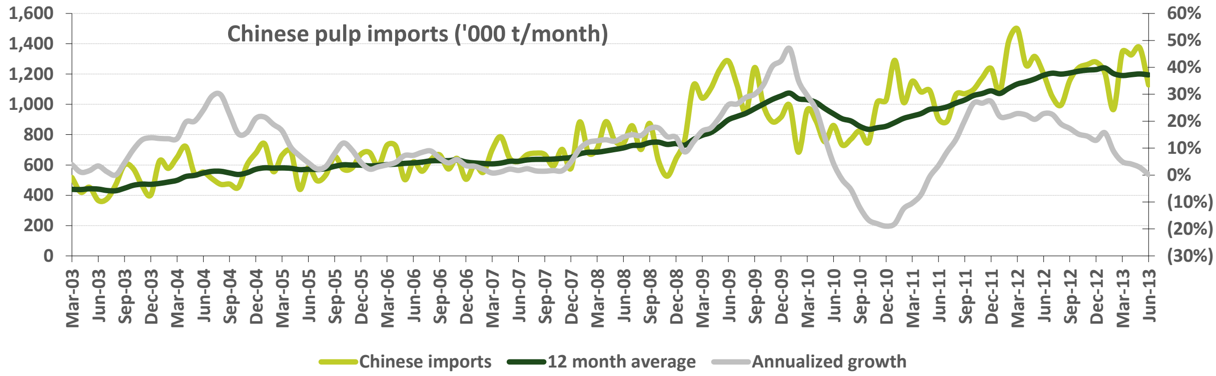
### OVERVIEW ON PULP MARKET

Despite the uncertainty generated by the start-up of new capacity in Brazil (the 1.5 million tons capacity Eldorado plant started operations in November 2012), prices maintained in the first half of the year the upward trend which began last September, standing at $821/t at the end of June. This rise was eased in Europe due to the depreciation of the Dollar, which weakened the rise in €/t.



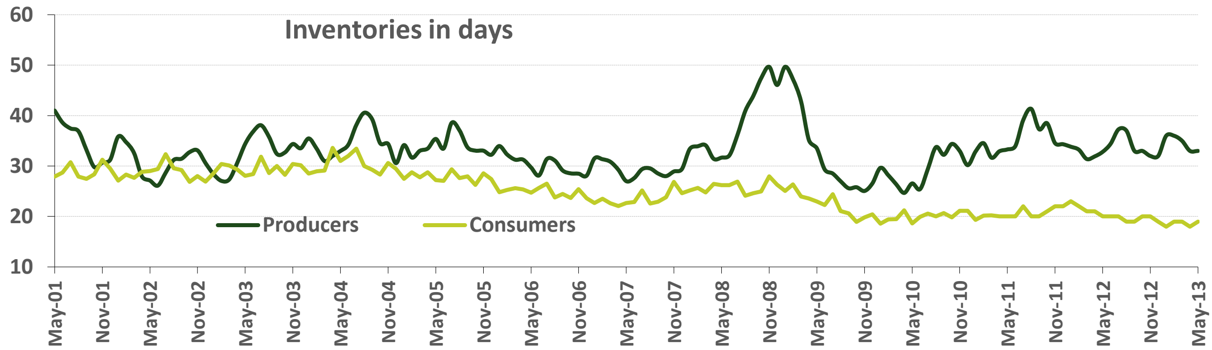

Source: FOEX

The closure of the Jari plant in Brazil in February (0.4 million tons), together with a recovery in demand in mature countries, maintained the tight balance between supply and demand. Demand globally showed an accumulated recovery of +2% up to May. By area, the developed economies reported increases in demand in the year, with a rise of +2% in Europe and +8% in the United States (PPPC). However, Chinese demand was down -0.9% on 2012, due to the fact that the high prices of 1H13 led to lower speculative demand by traders compared with the previous year. It is expected that the upward trend in Chinese demand will continue, backed by the growth of its economy, low levels of consumption per capita and the new capacity additions both in terms of tissue and printing and writing paper.




Source: Hawkins Wright

Total inventories hold by producers remained at average cycle levels of 33 days, while consumer inventories have continued maintaining historical minimum levels of 19 days at the end of May (PPPC). The situation is just as positive in Europe, where consumer inventories are holding at historical minimums of 19 days (Utipulp), whereas port inventories were down -3% on those reported in the previous year (Europulp).




Source: PPPC (W20 statistics)

These favourable market conditions enabled a rise to $821/t. Prices underwent a slight adjustment in July of $10/t, coinciding with lower seasonal demand arising from increased maintenance shut-downs of paper plants in 3Q13. However, the low levels of inventories at global level, together with lower trading demand in 1H13, will limit the adjustment of demand in the next quarter and, accordingly, of prices. While Montes del Plata (1.3 million tons) and Maranhão (1.5 million tons) projects have announced their start-up in the fourth quarter, the standard implementation of their learning curves will delay the arrival of pulp to the market to the first half of 2014.

## 3. ENERGY BUSINESS

The progress of the energy business in 1H13 was mainly affected by regulatory changes, effective from 1 January, and the reception of the Huelva plant in February. With regard to regulation, the impact was focused mainly on costs, due to the 7% generation tax and the green cent for fossil fuels, which led to an increase in the Company's cash-cost. In terms of income, the main effect was to maintain prices stable in 2013 due to the change in the CPI used for their update. The loss of the sales option at market prices plus premium did not have an impact on the first half of the year, since the low pool prices make it more worthwhile to sell at fixed-rate prices. However, income from energy on the other hand reported growth of +30% following the start-up of the Huelva plant in September of last year, and its contribution to earnings since the beginning of February following its delivery by the contractor.

## ENERGY PRODUCTION AT PULP MILLS

| | 2Q13 | 1Q13 | Δ% | 2Q12 | Δ% | 1H13 | 1H12 | Δ% |
|---|---|---|---|---|---|---|---|---|
| Huelva | 189,085 | 213,040 | (11%) | 190,048 | (1%) | 402,126 | 403,862 | (0%) |
| Pontevedra | 59,645 | 52,816 | 13% | 59,509 | 0% | 112,461 | 111,200 | 1% |
| Navia | 113,049 | 128,646 | (12%) | 119,058 | (5%) | 241,696 | 253,416 | (5%) |
| **Electricity production (MWh)** | **361,780** | **394,502** | (8%) | **368,616** | (2%) | **756,283** | **768,477** | (2%) |
| Biomass generation | 110,078 | 122,459 | (10%) | 124,704 | (12%) | 232,537 | 256,302 | (9%) |
| Biomass co-generation | 157,661 | 166,542 | (5%) | 151,617 | 4% | 324,203 | 319,028 | 2% |
| Gas natural co-generation | 91,425 | 97,325 | (6%) | 87,983 | 4% | 188,750 | 185,288 | 2% |
| **Electricity sales (MWh)** [(a)] | **359,164** | **386,326** | (7%) | **364,304** | (1%) | **745,490** | **760,618** | (2%) |
| **Electricity consumption (MWh)** | **178,048** | **185,586** | (4%) | **166,658** | 7% | **363,634** | **353,999** | 3% |
| **Average pool price (€/MWh)** | **34** | **40** | (15%) | **46** | (26%) | **37** | **48** | (23%) |
| **Average sale price (€/MWh)** | **128** | **128** | (0%) | **128** | (0%) | **128** | **127** | 1% |
| **Electricity sales (€M)** [(b)] | **46.4** | **51.3** | (10%) | **46.6** | (0%) | **97.6** | **96.7** | 1% |

(a) adjusted by unbalances
(b) excludes sales from the new 50MW plant in Huelva

Energy sales tied to installed capacity at the pulp plants rose to €98M in 1H13, up +1% on 1H12. Lower volumes (-1%, adjusted by the number of days of the first half since 2012 was a leap year) due to problems already resolved in Navia's co-generation turbine were offset by a slightly higher MWh price (in July daily production has stood +5% above 1Q13). Pool prices were -23% down on 2012 prices, due to the high rainfall in the period. This fall did not have an impact on sales prices, since all the turbines were sold at a fixed rate, following the elimination of the variable option; although has supported a cost reduction on the energy consumption on the mills.

## ENERGY PRODUCTION AT INDEPENDENT ENERGY MILL

| figures in €M | 2Q13 | 1Q13 | Δ% | 2Q12 | Δ% | 1H13 | 1H12 | Δ% |
|---|---|---|---|---|---|---|---|---|
| **Electricity sales (MWh)** | **94,754** | **91,806** | 3% | **-** | n.s. | **186,560** | **-** | n.s. |
| **Average selling price (€/MWh)** | **151.6** | **146.0** | 4% | **-** | n.s. | **148.8** | **-** | n.s. |
| Sales [(a)] | 14.4 | 13.4 | 7% | - | n.s. | 27.8 | - | n.s. |
| EBITDA | 5.9 | 4.3 | 37% | - | n.s. | 10.2 | 2.0 | 400% |
| Forest depletion (energy crops) | (1.3) | (1.4) | (10%) | - | n.s. | (2.7) | 12.2 | n.s. |
| EBITDA excluding forest depletion [(b)] | 4.6 | 2.9 | 61% | - | n.s. | 7.5 | 1.5 | 400% |
| Industrial depreciation | (2.7) | (1.7) | 62% | - | n.s. | (4.4) | 9.0 | n.s. |
| EBIT | 1.9 | 1.2 | 59% | - | n.s. | 3.1 | - | n.s. |
| Net profit | (0.4) | 0.3 | n.s. | - | n.s. | (0.1) | - | n.s. |

(a) includes € 4.6M of capitalized sales in January previous the reception of the plant
(b) EBITDA ex-forestry depletion is in line with the criteria that was used to communicate EBITDA guidance for the plants

The 50MW Huelva biomass plant was delivered in February. As in 4Q12, operations for January were capitalised, including the sale figure of €4.6M relating to this month, which was capitalised as work for fixed assets with an equivalent negative amount. EBITDA therefore comprises the operating results of the plant from February to June, both inclusive. Electricity sales in the first half amounted to 187 GWh, placing annual sales above the 287 GWh initially estimated for 2013, as a result of reduced self-consumption of electricity (approximately 10% of installed power capacity vs the 13% originally estimated) and higher utilization rates (over 90%).

At the EBITDA level, current margins will led to €18M annualized figure, in line with initial forecasts despite regulatory changes, thanks to improvements in both industrial operation and management of supply costs.

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## 4. FOREST ACTIVITY

| | 2Q13 | 1Q13 | Δ% | 2Q12 | Δ% | 1H13 | 1H12 | Δ% |
|---|---|---|---|---|---|---|---|---|
| **Supply to the industrial process ($m^3$)** | **897,877** | **953,054** | (6%) | **819,680** | 10% | **1,850,931** | **1,733,475** | 7% |
| **Cost €/$m^3$** | **70.1** | **69.6** | 1% | **68.5** | 2% | **69.9** | **70.2** | (1%) |
| **Wood purchases per source** | | | | | | | | |
| Own wood | 6% | 7% | | 3% | | 7% | 3% | |
| Direct acquisitions from land owners | 25% | 22% | | 29% | | 23% | 29% | |
| Suppliers | 56% | 56% | | 57% | | 56% | 54% | |
| Imported timber | 14% | 15% | | 11% | | 14% | 14% | |
| Own hectares | 51,703 | 51,918 | (0%) | 77,669 | (33%) | 51,703 | 77,669 | (33%) |
| Third party hectares (consortia) | 36,820 | 37,055 | (1%) | 37,653 | (2%) | 36,820 | 37,653 | (2%) |
| **Hectares managed by ownership (Ha)** | **88,523** | **88,973** | (1%) | **115,322** | (23%) | **88,523** | **115,322** | (23%) |
| Hectares for pulp | 70,616 | 71,085 | (1%) | 97,305 | (27%) | 70,616 | 97,305 | (27%) |
| Hectares for energy crops | 17,907 | 17,888 | 0% | 18,017 | (1%) | 17,907 | 18,017 | (1%) |
| **Hectares managed by use (Ha)** | **88,523** | **88,973** | (1%) | **115,322** | (23%) | **88,523** | **115,322** | (23%) |

Wood consumption rose +7% in 1H13 due to the growth in pulp production and a slight increase in consumption per ton. This effect was offset by a reduction in the average cost of -1% following the price reductions implemented in the last twelve months. With regard to the origin of supply, the high rainfall in the first half of the year limited wood harvesting, and led to a high volume of imports compared with 2H12 which represented 9%.

There has not been a significant change in the number of hectares under management as Company's efforts have been focused on reducing the cost of biomass both from third parties supplies and from the Company´s managed energy crops in order to maintain the profitability of the projects following the latest regulatory changes.

## 5. COMMENT ON THE RESULTS OF 1H13

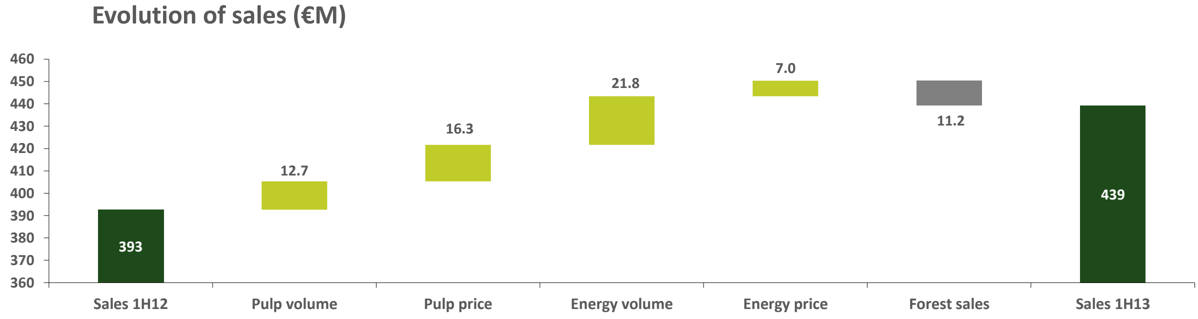
| figures in €M | 2Q13 | 1Q13 | Δ% | 2Q12 | Δ% | 1H13 | 1H12 | Δ% |
|---|---|---|---|---|---|---|---|---|
| Pulp sales | 158.9 | 150.6 | 6% | 137.4 | 16% | 309.5 | 280.5 | 10% |
| Electricity sales [(a)] | 60.7 | 64.7 | (6%) | 46.6 | 30% | 125.4 | 96.7 | 30% |
| Forestry sales and others | 2.1 | 2.1 | (0%) | 7.2 | (70%) | 4.3 | 15.5 | (72%) |
| **Total net sales** | **221.7** | **217.4** | 2% | **191.2** | 16% | **439.2** | **392.6** | 12% |
| Cost of goods sold [(b)] | (107.7) | (105.9) | 2% | (95.4) | 13% | (213.6) | (199.4) | 7% |
| Personnel expenses | (23.1) | (18.6) | 24% | (19.9) | 16% | (41.6) | (38.8) | 7% |
| Other operating expenses | (42.7) | (49.4) | (14%) | (42.2) | 1% | (92.1) | (90.1) | 2% |
| **EBITDA** | **48.3** | **43.5** | 11% | **33.7** | 43% | **91.8** | **64.4** | 43% |
| Forest depletion | (5.7) | (8.9) | (36%) | (1.2) | 388% | (14.6) | (3.0) | 392% |
| Rest of depreciations | (12.9) | (10.7) | 21% | (13.4) | (4%) | (23.6) | (27.1) | (13%) |
| Provisions | 0.5 | (0.1) | n.s. | 0.8 | (34%) | 0.4 | 1.3 | (66%) |
| **EBIT** | **30.1** | **23.9** | 26% | **19.9** | 51% | **54.1** | **35.7** | 52% |
| Financial result | (5.8) | (5.3) | 10% | (6.0) | (3%) | (11.0) | (11.7) | (6%) |
| **Profit before taxes** | **24.3** | **18.7** | 30% | **13.9** | 75% | **43.0** | **23.9** | 80% |
| Taxes | (7.1) | (5.6) | 28% | (4.5) | 57% | (12.7) | (8.0) | 59% |
| **Net profit** | **17.2** | **13.1** | 31% | **9.4** | 83% | **30.3** | **16.0** | 90% |
| **Adjusted EBITDA** | **54.0** | **44.2** | 22% | **42.8** | 26% | **98.2** | **78.3** | 25% |
| **Cash cost (€/t)[(c)]** | **355.2** | **359.1** | (1%) | **342.7** | 4% | **356.6** | **340.2** | 5% |

(a) includes € 4.6M of capitalized sales in January previous the reception of the plant
(b) supplies +/- change in stocks
(c) excludes impact on Huelva 50MW plant as it is not linked to pulp production activity

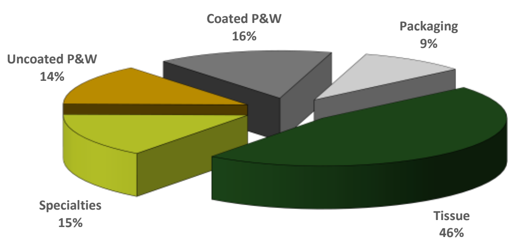
1H13 sales stood at €439M, up +12% on those of 1H12. Pulp sales in the period rose by €309M; +10% higher than in 1H12 due to a price increase of +5% and an increase in sales volumes of +5%.

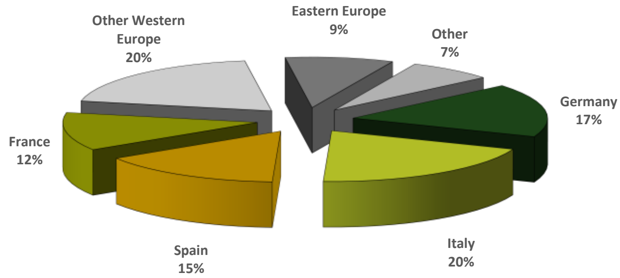
Energy sales rose to €125M in 1H13, up +30% on 1H12, due both to production strength (+23% as compared with 1S12), and to an increase in the average sales price (+4%), a result of incorporation of the 50MW Huelva biomass plant, which pushed production of MWh up and improved selling price due to a better production mix.

Forestry sales amounted to €4M (-72% less than in 1H12) due to the fall in sales of consultancy and forestry services, coupled with fewer wood sales to third parties. This was in line with the reduction of imports and activity in the international wood markets as part of the change in the Company's wood supply strategy, focused on guaranteeing supply from local, more economical sources.

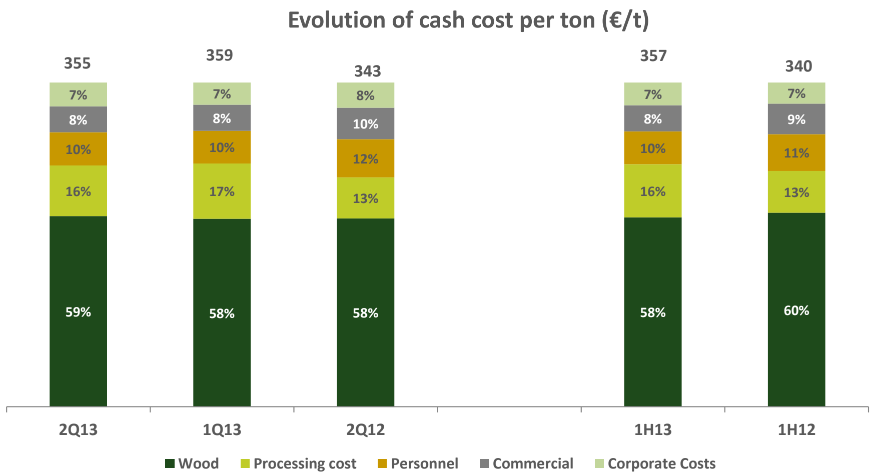



The distribution of sales by segment was in line with previous quarters, with tissue being the main paper segment. At geographical level, there was an increase of sales in Spain to 15% (from 13%) due to the significant exports of our Spanish paper customers, with a reduction of exports outside Europe, which stood at 7% (vs 10%), in line with the increased strength of European demand in 1H13 (+2%; PPPC).




The cash-cost grew +5% in 1H13 vs 1H12 to €357/t due to the impact of electricity regulation, although the 2Q13 figure evidenced a fall of -1% vs. 1Q13, in line with 4Q12 levels.




The impact of the regulatory reform was €13/t, €11/t for the production tax and €2/t for the green cent (without including the impact of higher rates due to the change of CPI used as bechmark). Having made adjustments for this impact, costs stood at €344/t, an increase of +2% on those of 1H12 and -3% below those of 4Q12.

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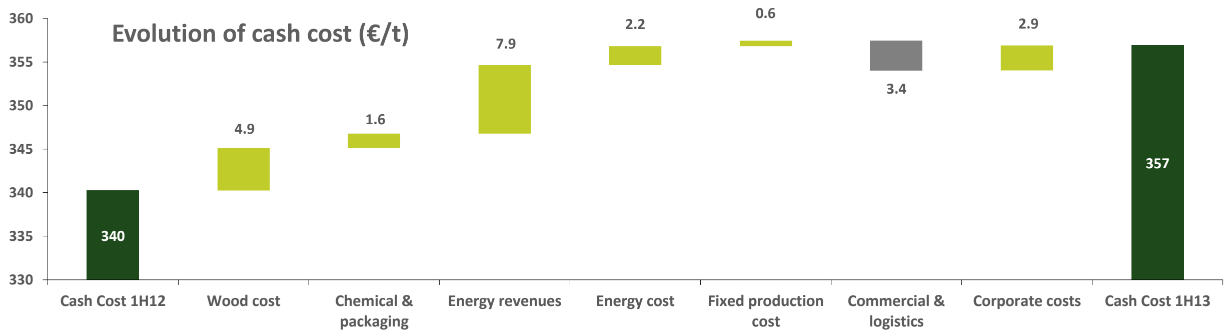



Note. The increase in energy costs of +€2.2/t related to a reduction of €-10.5/t due to the increased production of pulp vs electricity and an increase of +€12.7/t as a result of new taxes.

As a result of increased prices and volumes, and despite the regulatory impact, the adjusted EBITDA in 1H13 stood at €98M, up +25% on that reported in 1H12. Including the impact of hedging, severance payments and provisions, the EBITDA in 1H13 amounted to €92M, +43% above that obtained in 1H12. Exchange rate hedging had a positive impact in 1H13 and a negative impact in 1H12, favoring the comparison between periods. 2Q13 adjustments include a provision of €5M after the labor agreement reached in order to improve the efficiency of the mills, which will materialized between 2013 and 2014, leading to annual savings close to €6M, once implemented.

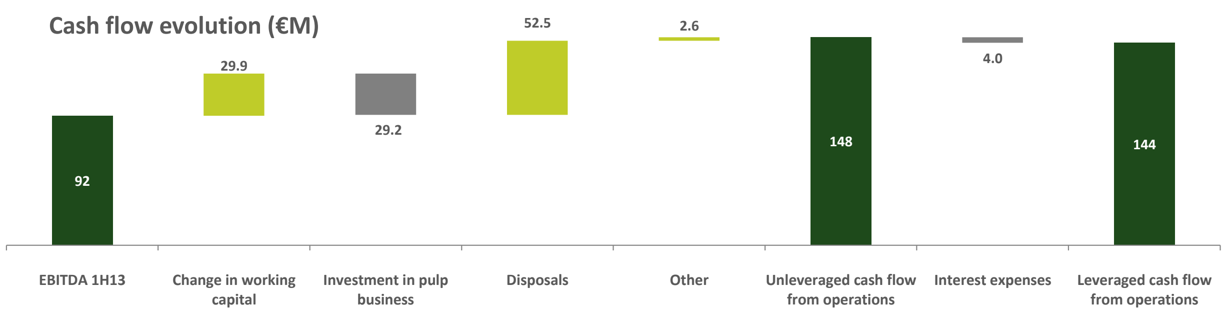
| figures in €M | 2Q13 | 1Q13 | Δ% | 2Q12 | Δ% | 1H13 | 1H12 | Δ% |
|---|---|---|---|---|---|---|---|---|
| **EBITDA** | **48.3** | **43.5** | 11% | **33.7** | 43% | **91.8** | **64.4** | 43% |
| Hedging instruments: pulp and exchange rate | (2.9) | (3.4) | (15%) | 7.5 | n.s. | (6.3) | 12.6 | n.s. |
| Severance payments | 5.4 | 0.4 | n.s. | 0.7 | n.s. | 5.8 | 1.2 | 371% |
| Provisions and others | 0.5 | 0.0 | n.s. | (0.4) | n.s. | 0.6 | (1.5) | n.s. |
| Other non-recurrent | 2.7 | 3.6 | (25%) | 1.2 | 123% | 6.2 | 1.6 | 278% |
| **Adjusted EBITDA** | **54.0** | **44.2** | 22% | **42.8** | 26% | **98.2** | **78.3** | 25% |

Excluding depreciation and amortisation, provisions, financial results and taxes, the Company reported net profit of €+30M in 1H13, doubling that obtained in 1H12.

## 6. LIQUIDITY AND CAPITAL RESOURCES

### CASH FLOW

The cash flow generated by the Company's operations in 1H13, including the maintenance investments, was €+148M, including the conclusion of the sale of Uruguayan assets. This significant generation of liquidity enables the Company to meet dividend payments and finance its expansion investments envisaged in the year, while reducing the levels of net financial debt obtained at the end of last year.




Note: the variation in working capital includes €6.2M relating to inventory reductions tied to the Uruguayan sale.

Net cash flows from operating activities amounted to €+120M in 1H13, more than double the figure obtained in 1H12, as a result of increased pulp prices, growth in electricity production following the reception of the Huelva biomass plant and the positive impact of the variation in working capital as a result of the reduction of inventories and the increase in the financing from suppliers.

| figures in €M | 2Q13 | 1Q13 | Δ% | 2Q12 | Δ% | 1H13 | 1H12 | Δ% |
|---|---|---|---|---|---|---|---|---|
| **Consolidated profit for the year before tax** | **24.3** | **18.7** | **30%** | **13.9** | **75%** | **43.0** | **23.9** | **80%** |
| Depreciation and amortisation charge | 18.7 | 19.5 | (4%) | 14.6 | 28% | 38.2 | 30.0 | 27% |
| Finance income/costs | 5.9 | 5.9 | (1%) | 6.4 | (9%) | 11.8 | 11.6 | 1% |
| Increase / decrease other deferred income/costs | 1.9 | 4.3 | (56%) | (7.1) | n.s. | 6.2 | (8.2) | n.s. |
| **Adjustments of profit for the year-** | **26.4** | **29.8** | **(11%)** | **13.9** | **91%** | **56.2** | **33.4** | **68%** |
| Trade and other receivables | 7.1 | 18.0 | (60%) | 25.8 | (72%) | 25.1 | 21.7 | 16% |
| Current financial and other assets | 0.9 | (3.8) | n.s. | (5.1) | n.s. | (2.8) | 2.7 | n.s. |
| Current liabilities | (2.8) | (2.7) | 1% | (6.8) | (59%) | (5.5) | (24.8) | (78%) |
| Inventories | 5.9 | 7.3 | (19%) | 2.8 | 108% | 13.2 | 4.3 | 204% |
| **Changes in working capital-** | **11.2** | **18.8** | **(40%)** | **16.7** | **(33%)** | **29.9** | **4.0** | **n.s.** |
| Interest paid / received | (1.7) | (1.4) | 23% | (5.9) | (72%) | (3.1) | (10.7) | (71%) |
| Income tax recovered (paid) | (5.7) | - | n.s. | (1.1) | 445% | (5.7) | (1.1) | 445% |
| **Other cash flows from operating activities-** | **(7.4)** | **(1.4)** | **442%** | **(7.0)** | **7%** | **(8.8)** | **(11.7)** | **(25%)** |
| **NET CASH FLOWS FROM OPERTATING ACTIVITIES** | **54.5** | **65.9** | **(17%)** | **37.5** | **45%** | **120.4** | **49.6** | **143%** |

Cash flows from investing activities amounted to €-1.1M in 1H13 vs €-36.1M in the same period last year, since the sale of Uruguayan assets was concluded in March. Investments were up +48% on those of 1H12 due to greater investments in biomass projects.

| figures in €M | 2Q13 | 1Q13 | Δ% | 2Q12 | Δ% | 1H13 | 1H12 | Δ% |
|---|---|---|---|---|---|---|---|---|
| Property, plant and equipment | (26.1) | (26.6) | (2%) | (19.1) | 36% | (52.7) | (36.3) | 45% |
| Intangible assets | (2.2) | - | n.s. | - | n.s. | (2.2) | - | n.s. |
| Other financial assets | 1.6 | (0.3) | n.s. | 0.1 | n.s. | 1.2 | (0.0) | n.s. |
| **Investments** | **(26.7)** | **(27.0)** | **(1%)** | **(19.0)** | **40%** | **(53.6)** | **(36.3)** | **48%** |
| **Disposals** | **0.0** | **52.5** | **(100%)** | **0.2** | **(93%)** | **52.5** | **0.2** | **n.s.** |
| **NET CASH FLOWS FROM INVESTING ACTIVITIES** | **(26.7)** | **25.5** | **n.s.** | **(18.9)** | **41%** | **(1.1)** | **(36.1)** | **(97%)** |

Cash flows from financing activities stood at €-43M in 1H13, with the increase in the drawdown of project debt being offset by dividend payments in March, and after placing part of the Company's cash in deposits at over three months to optimize financial income.  The placement of a bond of €250M in January was used in the repayment of existing debt, maintaining the gross corporate financial debt at similar levels.

| figures in €M | 2Q13 | 1Q13 | Δ% | 2Q12 | Δ% | 1H13 | 1H12 | Δ% |
|---|---|---|---|---|---|---|---|---|
| **Proceeds and payments relating to equity instruments** | **24.2** | **(3.6)** | **n.s.** | **(3.3)** | **n.s.** | **20.7** | **(6.9)** | **n.s.** |
| Debt instruments and held-for-trading liabilities (net) | (2.5) | 243.8 | n.s. | 3.7 | n.s. | 241.3 | 3.7 | n.s. |
| Increase/(decrease) in bank borrowings (net) | (0.5) | (230.5) | (100%) | (0.3) | 81% | (231.0) | 0.0 | n.s. |
| Other financial liabilities | (0.4) | (12.0) | (97%) | - | n.s. | (12.3) | - | n.s. |
| **Proceeds and payments relating to financial liability** | **(3.3)** | **1.3** | **n.s.** | **3.4** | **n.s.** | **(2.0)** | **3.7** | **n.s.** |
| **Dividends and returns on other equity instruments paid** | **(16.2)** | **(0.0)** | **n.s.** | **(16.5)** | **(2%)** | **(16.2)** | **(16.5)** | **(2%)** |
| **Translation differences** | **(0.0)** | **0.0** | **n.s.** | **0.3** | **n.s.** | **0.0** | **0.1** | **(91%)** |
| Fixed-term deposit | (45.0) | - | n.s. | - | n.s. | (45.0) | - | n.s. |
| **Other proceeds and payments from financing activities** | **(45.0)** | **-** | **n.s.** | **-** | **n.s.** | **(45.0)** | **-** | **n.s.** |
| **NET CASH FLOWS FROM FINANCING ACTIVITIES** | **(40.3)** | **(2.2)** | **n.s.** | **(16.1)** | **151%** | **(42.5)** | **(19.7)** | **116%** |

As a result, in 1H13, the Company's cash levels rose by €+77M to €117M, increasing to €173M if we take into account financial investments.

| figures in €M | 2Q13 | 1Q13 | Δ% | 2Q12 | Δ% | 1H13 | 1H12 | Δ% |
|---|---|---|---|---|---|---|---|---|
| **INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS** | **(12.5)** | **89.2** | **n.s.** | **2.5** | **n.s.** | **76.7** | **(6.2)** | **n.s.** |

## WORKING CAPITAL

Working capital was €37M in 1H13, €-40M below that of 1H12, as a result of the reduction in inventories and the increase in trade payables.

| figures in €M | 2Q13 | 1Q13 | Δ% | 2Q12 | Δ% | 1H13 | 1H12 | Δ% |
|---|---|---|---|---|---|---|---|---|
| Inventories | 76.8 | 86.4 | (11%) | 101.9 | (25%) | 76.8 | 101.9 | (25%) |
| Trade and other receivables | 120.1 | 128.8 | (7%) | 105.7 | 14% | 120.1 | 105.7 | 14% |
| Other current financial assets (a) | 10.8 | 11.7 | (8%) | 22.4 | (52%) | 10.8 | 22.4 | (52%) |
| Other accounts receivables from public authorities | 20.0 | 20.5 | (2%) | 16.3 | 23% | 20.0 | 16.3 | 23% |
| Other current assets | 8.2 | 1.6 | 396% | 6.8 | 20% | 8.2 | 6.8 | 20% |
| Trade and other payables | (179.1) | (192.0) | (7%) | (166.6) | 8% | (179.1) | (166.6) | 8% |
| Corporate income tax payables | (7.8) | (5.6) | 40% | (3.8) | 107% | (7.8) | (3.8) | 107% |
| Other accounts payable to public authorities | (11.4) | (11.6) | (2%) | (5.4) | 110% | (11.4) | (5.4) | 110% |
| Other current liabilities | (0.5) | (0.7) | (30%) | (0.3) | 56% | (0.5) | (0.3) | 56% |
| **Working capital** | **37.2** | **39.2** | (5%) | **76.9** | (52%) | **37.2** | **76.9** | (52%) |
| **Change in WC as per cash flow statement** | **11.2** | **18.8** | (40%) | **16.7** | (33%) | **29.9** | **4.0** | n.s. |

(a) figure in 2Q13 is adjusted by €45M of fixed-term deposit

## CAPEX

Investments in the pulp business (industrial and forestry) in 1H13 stood at €27M, €+13M above those of 1H12, mainly due to investments related with environmental improvements to the plants. The investments related with the expansion in biomass production stood at €26M, tied mostly to the construction of biomass generation plants. Following the connection of the 50MW Huelva plant in February, the payment schedule linked to the industrial project was completed.

| figures in €M | 2Q13 | 1Q13 | Δ% | 2Q12 | Δ% | 1H13 | 1H12 | Δ% |
|---|---|---|---|---|---|---|---|---|
| Maintenance | 2.2 | 2.2 | 2% | 3.2 | (31%) | 4.4 | 6.4 | (32%) |
| Improvements in efficiency/production | 2.1 | 1.4 | 49% | 1.1 | 92% | 3.5 | 1.1 | 220% |
| Environmental | 10.3 | 3.0 | 241% | 0.1 | n.s. | 13.4 | 0.5 | n.s. |
| **Industrial investment in pulp** | **14.6** | **6.6** | 122% | **4.5** | 229% | **21.3** | **8.0** | 166% |
| Plantation and maintenance activity | 3.1 | 2.3 | 31% | 3.5 | (13%) | 5.4 | 5.8 | (6%) |
| Financial expenses | 0.4 | 0.4 | (0%) | 0.3 | 12% | 0.7 | 0.7 | (4%) |
| **Forest investment in pulp** | **3.4** | **2.7** | 27% | **3.8** | (11%) | **6.1** | **6.5** | (6%) |
| **Industrial investment in biomass** | **5.9** | **18.5** | (68%) | **8.9** | (34%) | **24.4** | **12.3** | 99% |
| **Forest investment in biomass** | **0.0** | **1.9** | (99%) | **5.3** | (100%) | **1.9** | **8.4** | (78%) |
| **Total investment** | **24.0** | **29.7** | (19%) | **22.4** | 7% | **53.7** | **35.2** | 52% |

# 7. FINANCIAL RESULT AND DEBT

## FINANCIAL RESULT

The finance costs amounted to approximately €10M following the allocation in the first half of 2013 of the arrangement expenses (previously paid) of the syndicated loan, once the bond had been issued and this syndicated loan repaid. With regard to the results of the hedges, the cancellation of the IRS tied to the syndicated loan led to the future disappearance of the payments linked to this instrument, and to the allocation of the results of the changes in the valuation thereof. The impacts of the interest rate hedges in the year will be reduced to the settlement of the Project Finance IRSs, without impacts arising from the changes in their measurements since they are considered to be hedge instruments.

| figures in €M | 2Q13 | 1Q13 | Δ% | 2Q12 | Δ% | 1H13 | 1H12 | Δ% |
|---|---|---|---|---|---|---|---|---|
| Interest on bond | (4.5) | (3.0) | 50% | - | n.s. | (7.6) | - | n.s. |
| Interest on loans | (1.6) | (2.0) | (20%) | (3.5) | (54%) | (3.6) | (8.1) | (55%) |
| Interests on factoring and confirming | (0.6) | (0.4) | 47% | (0.4) | 53% | (0.9) | (0.7) | 29% |
| Capitalization of financial expenses | 1.3 | 1.2 | 10% | 1.8 | (27%) | 2.5 | 3.1 | (20%) |
| **Financial expenses** | **(5.4)** | **(4.3)** | 28% | **(2.1)** | 157% | **(9.7)** | **(5.7)** | 69% |
| IRS settlement interest | (1.3) | - | n.s. | (3.2) | (59%) | (1.3) | (5.8) | (77%) |
| IRS adjustment in fair value | - | (1.0) | (100%) | 1.6 | (100%) | (1.0) | 2.9 | n.s. |
| Financial expenses for equity swap | 1.1 | 0.4 | 175% | (2.6) | n.s. | 1.4 | (2.2) | n.s. |
| **Result of hedging (IRS and equity swap)** | **(0.3)** | **(0.6)** | (52%) | **(4.3)** | (93%) | **(0.9)** | **(5.1)** | (83%) |
| **Net exchange differences** | **(0.1)** | **1.9** | n.s. | **0.5** | n.s. | **1.8** | **(0.8)** | n.s. |
| **Other financial expenses** | **(0.7)** | **(2.5)** | (73%) | **(0.2)** | 173% | **(3.2)** | **(0.5)** | n.s. |
| **Financial income** | **0.7** | **0.2** | 256% | **0.2** | 330% | **0.9** | **0.4** | 123% |
| **Financial result** | **(5.8)** | **(5.3)** | 10% | **(6.0)** | (3%) | **(11.0)** | **(11.7)** | (6%) |
| Interests on non recourse debt | (2.0) | (0.6) | 239% | (0.0) | n.s. | (2.5) | (0.0) | n.s. |
| **Financial result excluding project finance** | **(3.8)** | **(4.7)** | (18%) | **(6.0)** | (36%) | **(8.5)** | **(11.7)** | (27%) |

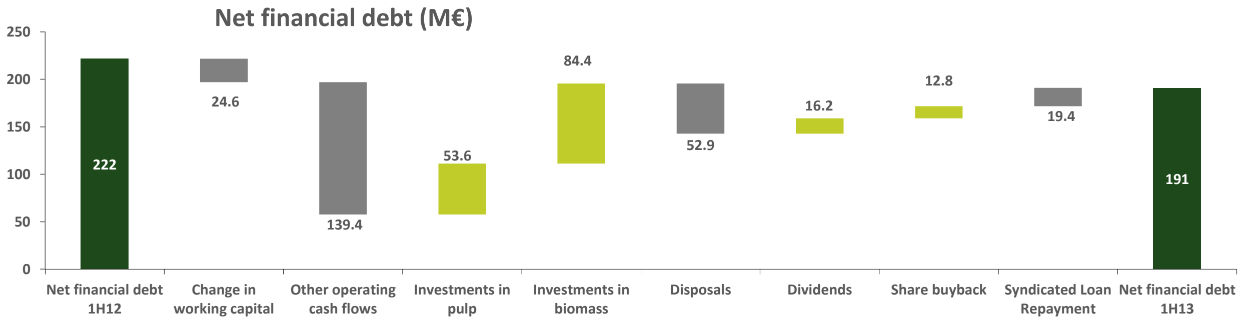
## FINANCIAL DEBT

In terms of debt, at the end of 1H13, the net financial debt with recourse was €88M, down -47% on that registered in 1H12. Total net financial debt was €191M, down -14% on that registered at the end of 1H12 following the construction of the Mérida Plant and the completion of the 50MW Huelva biomass project.

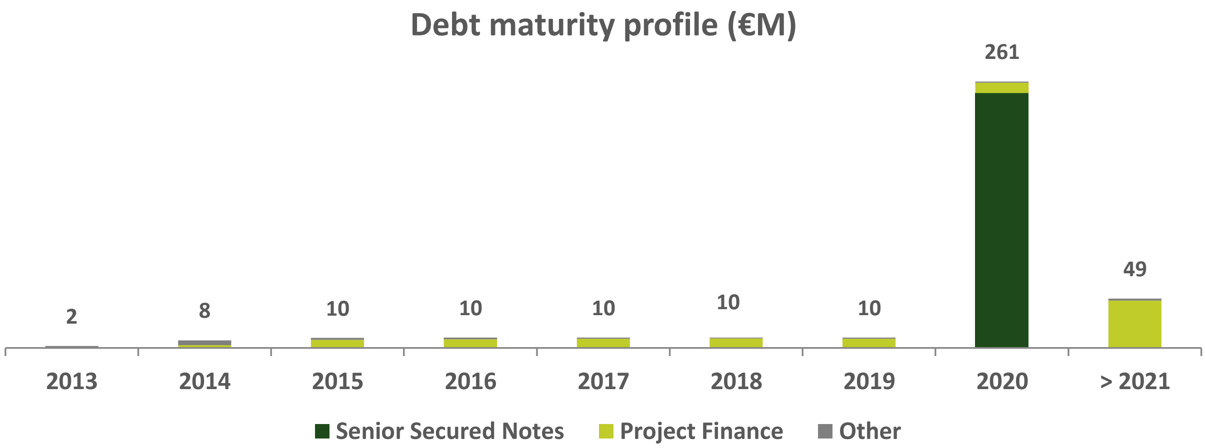
| figures in €M | 2Q13 | 1Q13 | Δ% | 2Q12 | Δ% | 1H13 | 1H12 | Δ% |
|---|---|---|---|---|---|---|---|---|
| Bond | 250.0 | 250.0 | - | - | n.s. | 250.0 | - | n.s. |
| Bond - unamortized transaction costs | (9.4) | (9.7) | (3%) | - | n.s. | (9.4) | - | n.s. |
| Loans | 0.9 | 1.0 | (10%) | 218.8 | (100%) | 0.9 | 218.8 | (100%) |
| Loans - unamortized transaction costs | - | - | n.s. | - | n.s. | - | - | n.s. |
| Other financial liabilities | 10.4 | 10.5 | (1%) | 9.1 | 14% | 10.4 | 9.1 | 14% |
| Other financial liabilities - grant | (1.1) | (1.2) | (7%) | - | n.s. | (1.1) | - | n.s. |
| **Long-term debt** | **250.8** | **250.6** | 0% | **228.0** | 10% | **250.8** | **228.0** | 10% |
| Bond - accrued interest | 7.8 | 3.2 | 144% | - | n.s. | 7.8 | - | n.s. |
| Loans | 0.4 | 0.4 | - | 26.2 | (98%) | 0.4 | 26.2 | (98%) |
| Loans - unamortized transaction costs | - | - | n.s. | - | n.s. | - | - | n.s. |
| Loans - accrued interest | 0.1 | 0.1 | 29% | - | n.s. | 0.1 | - | n.s. |
| Other financial liabilities | 1.5 | 1.6 | (8%) | 0.5 | 202% | 1.5 | 0.5 | 202% |
| **Short-term debt** | **9.8** | **5.3** | 85% | **26.7** | (63%) | **9.8** | **26.7** | (63%) |
| **Total gross financial debt** | **260.5** | **255.9** | 2% | **254.6** | 2% | **260.5** | **254.6** | 2% |
| Cash | 116.9 | 129.4 | (10%) | 65.5 | 79% | 116.9 | 65.5 | 79% |
| Short-term financial investments | 55.8 | 11.7 | 375% | 22.4 | 149% | 55.8 | 22.4 | 149% |
| **Total net financial debt with recourse** | **87.8** | **114.8** | (23%) | **166.8** | (47%) | **87.8** | **166.8** | (47%) |
| Non recourse debt Long-term | 103.7 | 106.3 | (2%) | 54.9 | 89% | 103.7 | 54.9 | 89% |
| Non recourse debt LT - unamortized transaction costs | (3.5) | (3.6) | (4%) | - | n.s. | (3.5) | - | n.s. |
| Non recourse debt Short-term | 3.4 | 1.5 | 130% | 0.1 | n.s. | 3.4 | 0.1 | n.s. |
| Non recourse debt ST - unamortized transaction costs | (0.5) | (0.5) | 2% | - | n.s. | (0.5) | - | n.s. |
| Non recourse debt ST - accrued interest | 0.1 | 1.1 | (90%) | - | n.s. | 0.1 | - | n.s. |
| **Total net financial debt** | **191.1** | **219.5** | (13%) | **221.7** | (14%) | **191.1** | **221.7** | (14%) |

This reduction was obtained as a result of significant cash generation from the pulp business and divestments, offset to a large extent by investments in biomass projects and shareholder remuneration. In March, the sale of assets in Uruguay was concluded after having obtained the approval of the Uruguayan authorities, leading to a €59M cash increase.

In addition, the Company has factoring lines with a limit of €70M, of which €36M had been drawn down at the end of the first half of the year. In terms of liquidity resources additional to the cash position, the Company has access to a revolving credit facility with a limit of €90M against which is fully un-drawn at the end of the first half of the year.

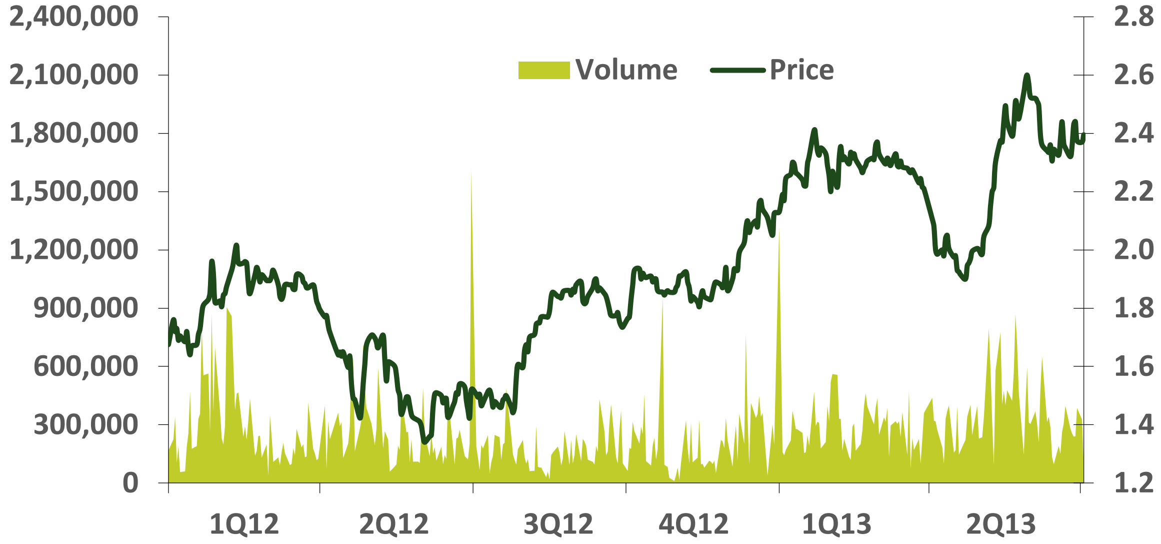



Following the issuance of a bond amounting to €250M and the repayment of the existing debt (with the exception of €11M, mainly relating to public entity loans with reduced interest rates), no significant debt maturities will occur until 2020.



## 8. ENCE ON THE STOCK MARKET

The share performance was positive in 1H13, up +23% and +21% on the Spanish and European market performances, respectively.




Source: Thomson Reuters

| | 1Q12 | 2Q11 | 3Q11 | 4Q12 | 1Q13 | 2Q13 |
|---|---|---|---|---|---|---|
| **Average daily volume (shares)** | 283,924 | 270,690 | 190,820 | 226,282 | 283,963 | 347,171 |
| **Ence performance** | 7% | (15%) | 14% | 23% | 1% | 14% |
| **Ibex 35 performance** | (7%) | (11%) | 9% | 6% | (6%) | (2%) |
| **Eurostoxx performance** | 7% | (9%) | 8% | 7% | (3%) | (3%) |

Note: the performance of Ence's share price has been adjusted by the dividend of €0.07/share paid on 3 April 2013; no adjustment was made for the dividend in kind paid on 11 April 2013, which entails an additional return of 4%.

Ence shares are listed on the IBEX Medium Cap, IBEX Top Dividend and FTSE4Good Ibex indexes.

Aside from its presence in markets through listed shares, in January 2013, the Company issued bonds totalling €250M with a return of 7.25% over seven years. Occasionally, Ence may re-purchase these bonds on the secondary market. Any purchase may be made after considering relevant factors, including the listing price of the bonds and our liquidity position, and must comply will all the applicable legal requirements.

## 9. HIGHLIGHTS OF 2013

**Issuing of senior debt amounting to €250M**

On January 25, Ence successfully issued senior secured notes for €250M aimed at qualified international investors, with 7.25% annual fixed interest, semi-annual coupon and maturing in 2020. Additionally, it contracted a senior loan facility with a limit of €90M, maturing in 2018. This issue made it possible to repay the existing corporate bank financing, expand the debt maturity profile, optimise the structure of its funds and increase its financial flexibility, at the same time as diversifying and internationalising the company's funding sources.

**Acceptance of the Huelva biomass plant by the Electricity Grid**

Transfer of ownership of the Huelva biomass plant was carried out on February 7, 2013 by OHL, the project contractor. Prior to this, on September 10, the connection of the 50 MW Huelva plant was completed, making it the largest biomass generating plant to provide power to the Spanish electricity grid, with a forecast annual production of the 337 million kWh. The start up of this plant represents an increase of nearly +30% in the company's installed power capacity for biomass energy production, to 230 MW.

**Dividend of €0.07/share and one treasury share for every 25 held**

On February 19, the board of directors approved the proposal to the general shareholders' meeting of a dividend payment of €0.07 per share against the 2012 operating results, as well as a stock dividend in treasury shares drawn down from the issue premium in the proportion of one treasury share for each 25 shares that the shareholder currently owns. The dividend was approved at the General Shareholders' Meeting held on 21 March 2013. At the date of approval, the two dividends amounted to a dividend yield of 7%.

**Completion of the sale of assets in Uruguay**

On December 15, 2012 Ence agreed to sell its assets in Uruguay to a North American institutional fund for $77.3M, allowing it to improve its financial strength. The assets consisted of 27,780 hectares of forestry land with eucalyptus plantations in south-eastern Uruguay, along with wood-chip and saw mill facilities. The sale of these assets took place after the implementation of a disintermediation strategy in the company's wood purchasing, replacing imported wood with wood from Northern Spain. The operation was completed on March 7, 2013 once authorisation was received from the Uruguayan forestry authorities.

**Approval of the new Costs Law**

On 9 May, the Spanish parliament approved the new Coasts Law, which enables the existing concessions on the coast to be extended and which affects, among others, Ence's Pontevedra plant. The maximum extension period will be 75 years. Based on use, the State may grant successive extensions until reaching the maximum period. It is foreseen that the regulation that will enact the new law, which must be approved by the Ministry of Agriculture, Food and Environment, will be approved in a period of six months. In order to grant an extension, a preliminary environmental report is required from the regional governments, although this will not be binding for the State.

**Treasury share sale**

On 13 June, 12,513,625 treasury shares were sold, representing 5% of share capital, for a total amount of €27,404,838.75, at a price of 2.19 Euros per share. The shares were acquired with a view to long-term permanence and stability in the Company's shareholder structure, purchased equally by Asúa Inversiones, S.L. and Fuente Salada, S.L.

**Energy reform**

On 12 July, Royal Decree-Law 9/2013 was approved, whereby urgent measures were adopted to guarantee the stability of the Spanish Electricity System, change the Electricity Industry Law and modify the remuneration system of the special system facilities. Among other measures, Royal Decree-Law 661/2007, which regulated the electricity production activity under the special system, and art. 4 of the Royal Decree-Law 6/2009, which created the pre-assignment register, were revoked.  A new economic system was announced, which has yet to be implemented, whose objective is to guarantee that the renewable energy facilities obtain profitability of 7.5%, calculated before taxes, with reference to the costs and investment of a standard facility, during the whole of its regulatory useful life. With immediate impact, the efficiency and reactive Premium were eliminated until the approval of the new remuneration framework.

**Personnel agreement to improve efficiency**

The Group has reached an agreement with unions at the three mills in order to reduce by 67 people the number of employees through early retirements and redundancies. The Program, whose cost has been fully provisioned in 2Q13, will reduce the company personnel expenses by close to €6M, once fully implemented.

# 10. FINANCIAL STATEMENTS

## Profit and Loss Account

| figures in €M | 1Q12 | 2Q12 | 3Q12 | 4Q12 | 2012 | 1Q13 | 2Q13 |
|---|---|---|---|---|---|---|---|
| **Total Net Turnover** | **201.5** | **191.2** | **210.8** | **224.1** | **827.6** | **217.4** | **221.7** |
| Supplies | (100.9) | (96.1) | (105.4) | (105.7) | (408.0) | (106.4) | (103.5) |
| Change in stocks of finished products | (3.1) | 0.7 | 5.1 | (1.8) | 0.8 | 0.5 | (4.2) |
| **Gross Margin** | **97.5** | **95.7** | **110.5** | **116.6** | **420.4** | **111.5** | **114.0** |
| Works performed by the group on fixed assets | 7.0 | 7.1 | 9.0 | 1.1 | 24.2 | 1.3 | 4.4 |
| Other income | 1.7 | 1.4 | 1.9 | 1.6 | 6.5 | 3.2 | 2.0 |
| Result from hedging operations | (5.0) | (7.5) | (9.4) | (5.6) | (27.6) | 3.4 | 2.9 |
| Personnel | (18.9) | (19.9) | (20.8) | (22.6) | (82.1) | (18.6) | (23.1) |
| Other operating expenses | (51.5) | (43.1) | (53.1) | (54.4) | (202.1) | (57.3) | (52.0) |
| **EBITDA** | **30.7** | **33.7** | **38.3** | **36.7** | **139.3** | **43.5** | **48.3** |
| **EBITDA margin** | **15.2%** | **17.6%** | **18.1%** | **16.4%** | **16.8%** | **20.0%** | **21.8%** |
| Depreciation of fixed assets | (15.5) | (14.6) | (15.6) | (17.8) | (63.4) | (19.5) | (18.7) |
| Impairment and result from sales of fixed assets | 0.5 | 0.8 | 1.1 | 3.9 | 6.3 | (0.1) | 0.5 |
| **EBIT** | **15.8** | **19.9** | **23.8** | **22.8** | **82.3** | **23.9** | **30.1** |
| **EBIT margin** | **7.8%** | **10.4%** | **11.3%** | **10.2%** | **9.9%** | **11.0%** | **13.6%** |
| Financial income | 0.2 | 0.2 | 0.2 | 0.2 | 0.7 | 0.2 | 0.7 |
| Financial expenses | (6.0) | (6.1) | (4.7) | (2.5) | (19.4) | (5.5) | (6.5) |
| **Profit before tax** | **10.0** | **13.9** | **19.2** | **20.5** | **63.6** | **18.7** | **24.3** |
| Corporate tax | (3.4) | (4.5) | (6.3) | (5.6) | (19.9) | (5.6) | (7.1) |
| Non-Current Assets Classified as kept for Sale (net) | - | - | - | (0.7) | (0.7) | - | - |
| **Net profit** | **6.6** | **9.4** | **12.8** | **14.2** | **43.0** | **13.1** | **17.2** |

## Balance Sheet

| figures in €M | 1Q12 | 2Q12 | 3Q12 | 4Q12 | 2012 | 1Q13 | 2Q13 |
|---|---|---|---|---|---|---|---|
| Tangible fixed assets | 951.6 | 906.4 | 931.8 | 947.2 | 947.2 | 956.6 | 960.1 |
| Intangible fixed assets | 12.0 | 5.9 | 5.7 | 21.6 | 21.6 | 21.4 | 20.3 |
| Long- term financial assets | 4.1 | 4.1 | 3.6 | 4.1 | 4.1 | 4.5 | 2.9 |
| Other non-current assets | 37.6 | 38.7 | 35.1 | 30.6 | 30.6 | 31.7 | 28.5 |
| **Total fixed assets** | **1,005.4** | **955.2** | **976.2** | **1,003.5** | **1,003.5** | **1,014.2** | **1,011.8** |
| Inventories | 111.4 | 101.9 | 93.4 | 87.6 | 87.6 | 86.4 | 76.8 |
| Trade debtors and other accounts receivable | 135.9 | 121.9 | 139.3 | 168.2 | 168.2 | 149.3 | 140.2 |
| Cash and other short-term financial assets | 77.1 | 87.9 | 85.8 | 47.8 | 47.8 | 141.1 | 172.7 |
| Financial investments for short-term hedging | 0.0 | 0.0 | 1.9 | 10.7 | 10.7 | 4.0 | 3.8 |
| Other current assets | 1.5 | 6.8 | 4.7 | 0.9 | 0.9 | 1.6 | 8.2 |
| Non-Current Assets Classified as kept for Sale | 19.8 | 68.4 | 68.3 | 59.3 | 59.3 | 0.7 | 0.7 |
| **Total current assets** | **345.7** | **386.9** | **393.5** | **374.6** | **374.6** | **383.1** | **402.3** |
| **Total assets** | **1,351.1** | **1,342.0** | **1,369.7** | **1,378.0** | **1,378.0** | **1,397.3** | **1,414.2** |
| **Equity** | **729.0** | **717.8** | **735.2** | **724.7** | **724.7** | **715.0** | **758.8** |
| Long- term financial debt | 277.9 | 282.1 | 276.4 | 318.9 | 318.9 | 353.3 | 351.0 |
| Long-term provisions | 20.8 | 13.8 | 12.4 | 13.3 | 13.3 | 13.6 | 12.8 |
| Financial instruments for long-term hedging | 24.4 | 32.0 | 32.5 | 16.6 | 16.6 | 13.9 | 9.1 |
| Other non-current liabilities | 51.9 | 50.9 | 49.9 | 51.8 | 51.8 | 50.9 | 46.3 |
| **Total non-current liabilities** | **375.0** | **378.7** | **371.3** | **400.6** | **400.6** | **431.7** | **419.2** |
| Short-term financial debt | 27.6 | 27.5 | 27.6 | 25.7 | 25.7 | 7.3 | 12.8 |
| Trade creditors | 163.1 | 166.6 | 198.0 | 184.7 | 184.7 | 192.0 | 179.1 |
| Short-term provisions | 8.2 | 10.9 | 8.9 | 8.5 | 8.5 | 8.1 | 8.6 |
| Financial Instruments for short-term hedging | 21.2 | 22.1 | 2.5 | 14.9 | 14.9 | 4.7 | 4.3 |
| Other current liabilities | 12.9 | 16.4 | 23.8 | 19.0 | 19.0 | 38.4 | 31.3 |
| Non-Current liabilities classified as kept for Sale | 14.0 | 2.2 | 2.4 | - | - | - | - |
| **Total current liabilities** | **247.1** | **245.6** | **263.2** | **252.7** | **252.7** | **250.6** | **236.1** |
| **Total liabilities** | **1,351.1** | **1,342.0** | **1,369.7** | **1,378.0** | **1,378.0** | **1,397.3** | **1,414.2** |

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ENERGÍA & CELULOSA

## Cash Flow Statement

| figures in €M | 1Q12 | 2Q12 | 3Q12 | 4Q12 | 2012 | 1Q13 | 2Q13 |
|---|---|---|---|---|---|---|---|
| **Consolidated profit for the year before tax** | **10.0** | **13.9** | **19.2** | **19.9** | **63.0** | **18.7** | **24.3** |
| Depreciation and amortisation charge | 13.4 | 13.1 | 14.2 | 12.7 | 53.3 | 14.2 | 15.0 |
| Exhaustion of forestry reserve | 1.8 | 1.3 | 1.2 | 4.9 | 9.1 | 5.2 | 3.1 |
| Amortisation of intangible assets | 0.2 | 0.2 | 0.3 | 0.2 | 1.0 | 0.2 | 0.5 |
| Gains/Losses on disposal of non-current assets | (0.7) | (0.8) | (1.1) | (0.3) | (3.0) | 0.1 | 0.2 |
| Finance costs | (0.4) | 12.4 | 3.8 | 2.2 | 18.0 | 0.1 | 12.5 |
| Finance income | 5.6 | (6.0) | (0.2) | (0.2) | (0.7) | 5.8 | (6.7) |
| Grants and subsidies transferred to profit and loss | (0.3) | (4.7) | 1.8 | 1.9 | (1.2) | (0.3) | (0.3) |
| Changes in provisions and other deferred expenses (net) | (0.1) | (1.6) | 1.4 | 4.0 | 3.7 | 4.6 | 2.0 |
| **Adjustments of profit for the year-** | **19.6** | **13.9** | **21.4** | **25.3** | **80.1** | **29.8** | **26.4** |
| Trade and other receivables | (4.0) | 25.8 | (17.5) | (28.3) | (24.0) | 18.0 | 7.1 |
| Current financial and other assets | 7.9 | (5.1) | 10.9 | 4.6 | 18.2 | (3.8) | 0.9 |
| Current liabilities | (18.0) | (6.8) | 10.9 | 0.1 | (13.8) | (2.7) | (2.8) |
| Inventories | 1.5 | 2.8 | 8.3 | 5.7 | 18.3 | 7.3 | 5.9 |
| **Changes in working capital-** | **(12.7)** | **16.7** | **12.5** | **(17.9)** | **(1.3)** | **18.8** | **11.2** |
| Interest paid | (5.0) | (6.1) | (4.6) | (5.8) | (21.5) | (1.6) | (2.4) |
| Interest received | 0.3 | 0.2 | 0.1 | 0.2 | 0.7 | 0.2 | 0.7 |
| Income tax recovered (paid) | - | (1.1) | - | (8.4) | (9.4) | - | (5.7) |
| **Other cash flows from operating activities** | **(4.8)** | **(7.0)** | **(4.5)** | **(14.0)** | **(30.2)** | **(1.4)** | **(7.4)** |
| **NET CASH FLOWS FROM OPERATING ACTIVITIES** | **12.2** | **37.5** | **48.6** | **13.4** | **111.6** | **65.9** | **54.5** |
| Property, plant and equipment | (17.2) | (19.1) | (24.0) | (44.1) | (104.4) | (26.6) | (26.1) |
| Intangible assets | - | - | - | (16.1) | (16.1) | - | (2.2) |
| Other financial assets | (0.1) | 0.1 | (0.3) | 0.2 | (0.2) | (0.3) | 1.6 |
| **Investments** | **(17.3)** | **(19.0)** | **(24.3)** | **(60.0)** | **(120.6)** | **(27.0)** | **(26.7)** |
| Property, plant and equipment | - | 0.2 | 0.2 | - | 0.4 | 52.5 | 0.0 |
| Other financial assets | - | - | 0.9 | (0.8) | 0.2 | - | - |
| **Disposals** | **-** | **0.2** | **1.1** | **(0.8)** | **0.5** | **52.5** | **0.0** |
| **NET CASH FLOWS FROM INVESTING ACTIVITIES** | **(17.3)** | **(18.9)** | **(23.2)** | **(60.8)** | **(120.1)** | **25.5** | **(26.7)** |
| Purchase of treasury shares | (3.7) | (4.0) | (4.3) | (29.7) | (41.7) | (3.7) | (3.4) |
| Disposal of treasury shares | 0.0 | 0.8 | (0.0) | 0.6 | 1.3 | 0.2 | 27.6 |
| **Proceeds and payments relating to equity instruments** | **(3.7)** | **(3.3)** | **(4.3)** | **(29.1)** | **(40.4)** | **(3.6)** | **24.2** |
| Debt instruments and other held-for-trading liabilities (net) | - | 3.7 | (3.7) | - | - | 243.8 | (2.5) |
| Increase / (decrease) in bank borrowings (net) | 0.3 | (0.3) | (3.2) | 40.6 | 37.4 | (230.5) | (0.5) |
| Grants and subsidies received | - | - | - | - | - | - | (0.4) |
| Other financial liabilities | - | - | (3.3) | 0.0 | (3.3) | (12.0) | 0.0 |
| **Proceeds and payments relating to financial liability instruments** | **0.3** | **3.4** | **(10.1)** | **40.6** | **34.2** | **1.3** | **(3.3)** |
| Dividends | - | (16.5) | - | - | (16.5) | - | (16.2) |
| **Dividends and returns on other equity instruments paid** | **-** | **(16.5)** | **(0.0)** | **-** | **(16.5)** | **(0.0)** | **(16.2)** |
| **Translation differences** | **(0.2)** | **0.3** | **(0.1)** | **(0.2)** | **(0.2)** | **0.0** | **(0.0)** |
| Fixed-term deposit | - | - | - | - | - | - | (45.0) |
| **Other proceeds and payments from financing activities** | **-** | **-** | **-** | **-** | **-** | **-** | **(45.0)** |
| **NET CASH FLOWS FROM FINANCING ACTIVITIES** | **(3.6)** | **(16.1)** | **(14.6)** | **11.3** | **(22.9)** | **(2.2)** | **(40.3)** |
| **NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS** | **(8.7)** | **2.5** | **10.8** | **(36.1)** | **(31.4)** | **89.2** | **(12.5)** |

# Quarterly Report
# 2nd Quarter 2013