

PORTUCEL - EMPRESA PRODUTORA DE PASTA E PAPEL, SA

Public Company

Headquarters: Mitrena, Apartado 55, 2901-861 Setúbal

Registered under #05888 at the Commercial Register of Setúbal

Share capital: €767,500,000; Corporate Entity 503 025 798

Information

Portucel group signed a contract with METSO Paper Oy, one of the world leading suppliers of paper machines for the production of high quality printing and writing papers, for the acquisition of a new paper machine to be installed in its Setúbal industrial site. Representing the core equipment of the new paper mill, it has a wire width of 11.1 meters and will produce 500,000 tonnes annually, making it the biggest and more sophisticated machine in the world for the production of uncoated woodfree paper (UWF). The new machine is scheduled to come on stream on August 2009.

Built with state-of-the-art technology, the new machine will produce high-quality office papers, segment where the Group is today a worldwide reference.

Representing a total investment of € 550 million, the new paper mill will allow the integration of the entire pulp production of the Setúbal industrial site into paper.

Portucel group total paper production capacity will thus increase to some 1.5 million tonnes/year, maintaining the 1.3 million tonnes/year of eucalyptus pulp production. This increase will significantly reinforce the Group's competitiveness in the global paper market, allowing the leadership in the European UWF market and further expand the relevant position already achieved in the North-American market.

The project and the new paper mill operation will be deployed respecting the demanding environmental standards established for this project in accordance with the standards applied in Portugal and at European Community level.

Setúbal, October 26th, 2007

The Board