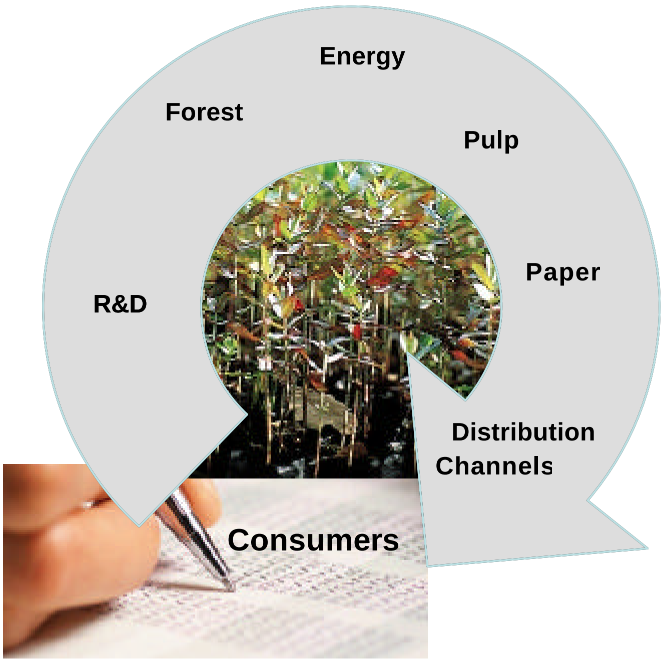
Portucel

Empresa Produtora de Pasta e Papel, S.A.

Public Company

Registered under no. 05888/20001204 in the Commercial Registry Office of Setúbal
Share Capital: € 767 500 000
Corporate ID No. 503 025 798

Interim Information
3rd Quarter 2008
(unaudited)



In the 9 Months 2008 (vs. 9M 2007):

- Turnover of € 856.5 million (+1.8%)
- EBITDA of € 218.8 million (-10.6%)
- Operating Results (EBIT) of € 159.7 million (-9.0%)
- Net Profit of € 117.3 million (+1.2%)

Summary of the main Indicators – IFRS

	9M 2008	9M 2007	Var. 08/07
(10^3 tonnes)			
Production			
Uncoated woodfree papers	783,0	766,2	2,2%
Eucalyptus bleached pulp	1.035,6	972,3	6,5%
Sales			
Uncoated woodfree papers	758,4	767,2	-1,1%
Eucalyptus bleached pulp	395,2	394,2	0,3%
Average sales prices (2007=100)			
Paper	101,4	100,0	1,4%
Pulp	105,2	100,0	5,2%

	9M 2008	9M 2007	Var. 08/07 (3)
(10^6 Euros)			
Total Sales	856,5	841,7	1,8%
EBITDA (1)	218,8	244,7	-10,6%
EBITDA / Sales (in %)	25,5%	29,1%	- 3,6 pp
Operating Results (EBIT)	159,7	175,4	-9,0%
Financial Results	- 12,3	- 17,8	30,8%
Net Profit	117,3	115,9	1,2%
Cash Flow (2)	176,5	185,2	-4,7%
Net Debt	457,4	366,0	25,0%
Capex (4)	186,2	18,1	+ 168,1

(1) Operating Results + depreciation + provisions
(2) Net Profit + depreciation + provisions
(3) The percentage variation corresponds to unrounded amounts
(4) Variation between 2007 and 2008 in absolute value

ACTIVITY IN THE 3rd QUARTER

The 3rd quarter 2008 was hit by a global slowdown in economic activity and by major instability in the markets, a context which had a negative impact on the Group's performance.

There was a downturn in the consumption of paper over the previous quarter, essentially in Europe and the United States of America, partly mitigated by the reduction in installed capacity. Within this context, the Group's paper sales suffered a slight reduction in volume in the 3rd quarter compared with the previous quarter, in line with the seasonal fluctuation in sales at this time of year. Average sales prices remained stable.

Throughout the 3rd quarter there was a progressive weakening in pulp demand which led to a drop in the PIX index in USD already in September. However, the appreciation of the USD against the Euro, which began in August, helped to compensate this evolution in prices. The Group's average price in Euros therefore remained slightly above the average price of the previous quarter, although there was a reduction, in line with the market, in the quantities of pulp sold in relation to the previous quarter.

ACTIVITY UP TO THE END OF THE 3rd QUARTER

Results

In the first 9 months of 2008 turnover was € 856.5 million, representing an increase of 1.8% over the same period of the previous year. Paper represented 70% of turnover, pulp 22%, with the remaining 8% being largely attributable to the sale of energy.

EBITDA recorded a decrease of 10.6% in relation to the equivalent period of the previous year, with the EBITDA / Sales margin coming in at 25.5%.

The EBITDA margin was affected by the cost of some production factors, which remain at very high levels, notwithstanding a degree of stabilization noted in the 3rd quarter. One of the main cost factors was wood, including the cost of imported wood, which was significantly aggravated by logistical costs, even though price at origin is lower. The cost of chemical products and of transport, influenced by the higher price of petrol compared with the same period of the previous year, also suffered from the macro environment.

Operating Results reached € 159.7 million, which is 9.0% below the value for the same period in 2007.

Financial Results were € 12.3 million negative, an improvement of 30.8% over the previous year, largely explained by the positive result of a number of exchange and interest rate hedging operations, taken out in due course.

Within this context, the Consolidated Net Profit of the year amounted to € 117.3 million, which is 1.2% higher

than the amount for the previous year. The increase in net profit was positively influenced by a reduction in tax provisions, which were overestimated in previous years.

In line with the established plan, the value of investments in fixed assets grew considerably with the construction of the new paper mill in Setúbal, and the new energy production plants, specifically a natural gas cogeneration plant, two biomass plants and a biomass cogeneration turbine. The total value of the investment in 2008 was € 186.2 million, of which € 80.7 million was made in the 3rd quarter.

This major increase in investment naturally had a negative impact on the net indebtedness of the Group, which was € 457.4 million at the end of September 2008, an increase of € 89.7 million over the end of 2007. The current level of indebtedness continues to testify to the Group's capacity for self-financing, which, in spite of the investment made in the period, maintains a solid financial situation.

Sales

Sales of paper in the nine months of 2008 dropped by 1.1% year on year, totalling 758.4 thousand tonnes. The Group's average sales price for the same period grew by around 1.4%. This positive evolution in the sales price helped to bring about a slight increase of 0.2% in paper sales in terms of value over the first 9 months of 2007.

In turn, the production of pulp rose to 1,035.6 thousand tonnes, which represents a growth of 6.5%. This increase in production, besides reflecting the good operating performance of the pulp mills, is also influenced by the fact that, in 2008, the maintenance downtime for the Setúbal mill occurred after the close of the quarter, contrary to the situation in 2007.

Bearing in mind that a large part of the pulp produced is integrated into the production of paper, the Group placed 395.2 thousand tonnes of pulp on the market, a value slightly above that of 2007.

The homologous variation in this period of the BHKP PIX index in USD was 19.4%. This evolution, however, was not reflected on to the price of pulp in Euros due to the depreciation of the USD against the Euro during most of the year.

The Group's average sale price of pulp behaved in line with the market, with an increase of 5.2% in relation to the same period in 2007. Within this background, pulp sales turnover in the first 9 months of 2008 grew by 5.4% over the same period in 2007.

OUTLOOK FOR THE FUTURE

The serious world financial crisis we are currently going through means that expectations for the next quarters concerning the economies of the countries which make up the Group's main markets are for a major slowdown, if not even recession.

The process of a cooling off in demand in the uncoated woodfree paper markets should continue, which may in part be attenuated by a net reduction in installed production capacity and by the greater competitivity of producers in Europe, allowed by the recent revaluation of the North American Dollar in relation to the Euro.

The major reorganization which is being implemented by paper manufacturers, with the shutdown of capacity and the reduction in production, will have negative repercussions on the consumption of pulp. This, associated with the effective increase in the global production capacity of pulp, resulting from the coming on stream of new projects in Latin America and Asia, may lead to an unfavourable balance between supply and demand.

In terms of costs, the persistence of excessive levels in the cost of the main production factors is looked on with concern, although one may expect that the cooling off of the economies may cause a reversal of the trends witnessed so far.

The Group presses on with the implementation of its investment plan, with particular note for the increase in the production capacity of energy and for the construction of the new paper mill in the Setúbal industrial complex, which is running according to schedule. The operational start-up of the new paper mill is planned for the 3rd quarter of 2009.

As has already been made known, the Group maintains its decision to grow in Portugal and overseas and has been analysing diverse investment opportunities, specifically in Latin America and in Africa, regions where the natural environment favours the indispensable conditions of forest productivity. In order to improve this analysis the Group has signed agreements with the Governments of the Oriental Republic of Uruguay and the Republic of Mozambique, the scope and content of which were opportunely communicated to the market.

Setúbal, 30 October 2008