

## **PORTUCEL - EMPRESA PRODUTORA DE PASTA E PAPEL, SA**

Public Limited Company

Headquarters: Península da Mitrena, Freguesia do Sado, Apartado 55, 2901-861 Setúbal

Corporate Entity nº 503,025,798 – Share capital: €767,500,000

Registered at the Setúbal Registry of Companies under nº 05888

### **SHAREHOLDER INFORMATION**

Portucel – Empresa Produtora de Pasta e Papel, S.A. learned today, from a European Commission press-release, that the Commission has authorised the incentives which the Portuguese Government plans to give to the investment programme of Portucel’s subsidiary “About the Future”, which will materialize in the construction of a new industrial plant for paper production, located in Setúbal.

The incentives which have now been approved by the Commission have a nominal value of 52.4 million Euros, the present value of which is 38 million Euros.

The new paper factory to be established in Setúbal will have a nominal capacity of 500,000 tons and corresponds to an investment of nearly 500 million Euros. In addition, the project will involve investment in support facilities, namely in energy production, which may or may not be developed directly by the Group. Should these investments be considered, the total investment will rise to more than 540 million Euros.

Portucel S.A. can report that it is already in the process of selecting equipment suppliers, and expects to begin constructing the new unit in the 3<sup>rd</sup> quarter of this year. According to this timeframe, production is expected to begin in the 2<sup>nd</sup> quarter of 2009.

The new paper factory will create about 355 jobs, 180 of which will join the Group’s staff directly. Additionally there will also be substantial indirect employment creation. The new paper factory’s sales in the global market will be, on average, more than 350 million Euros.

Portucel S.A. also reports that the Commission is still analysing the incentives awarded by the Portuguese Government to the investments in the technological updating of other Group sites. These incentives, on which the Commission has not yet expressed a position, are valued at 67 million Euros.

Lisbon, 4th April 2007