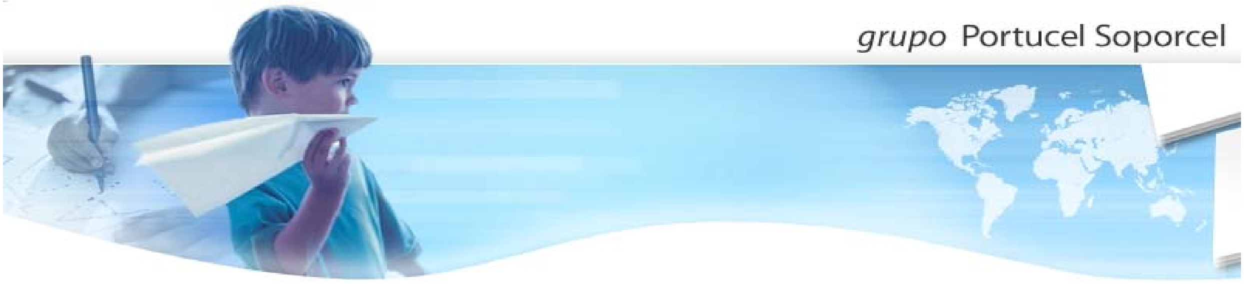


Portucel

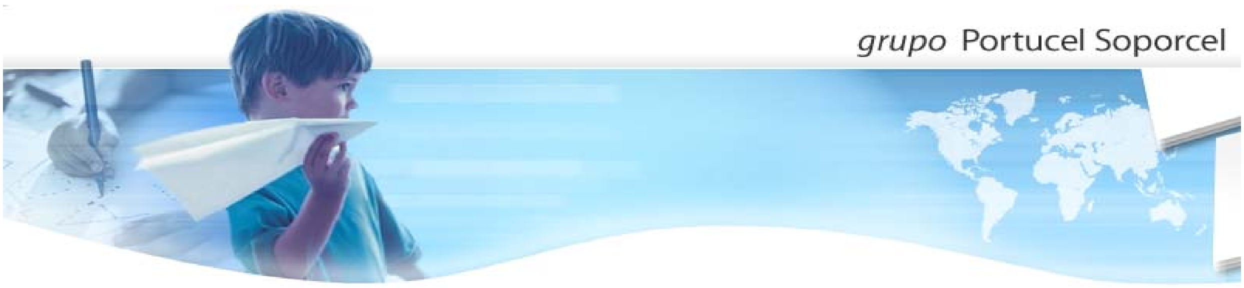
Empresa Produtora de Pasta e Papel, S.A.

Sociedade Aberta

Matriculada sob o nº. 05888/20001204 na Conservatória do Registo Comercial de Setúbal
Capital Social: € 767 500 000
N.I.P.C. 503 025 798

2007 Consolidated Annual Results

Portucel decided to bring forward the announcement of its 2007 consolidated results to 13th February 2007. The announcement had previously been scheduled for the 22nd of February.



In 2007:

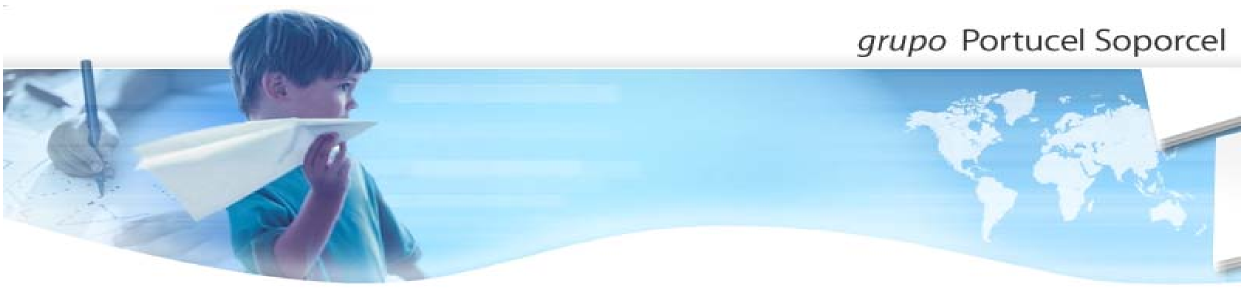
- Turnover reached € 1,147.4 million (+6.2%)
- EBITDA was € 340.7 million (+9.0%)
- EBITDA margin increased by 0.8 of a percentage point (from 28.9% to 29.7%)
- Operating results totalled € 260.3 million (+24.4%)
- Net profit rises to € 154.0 million (+23.5%)
- Debt was reduced by € 112.4 million (-23.4%)

Summary of Main Indicators – IFRS

(10^3 tonnes)	**2007**	**2006**	**Change 07/06**
Production			
Eucalyptus bleached pulp	1 321	1 314	+ 0.6%
Uncoated woodfree papers (UWF)	1 029	1 024	+ 0.5%
Sales			
Eucalyptus bleached pulp	544	559	- 2.6%
Uncoated woodfree papers (UWF)	1 031	1 004	+ 2.7%
Average selling prices (2006=100)			
Pulp	99.9	100.0	- 0.1%
Paper	105.4	100.0	+ 5.4%

(10^6 Euros)	**2007**	**2006**	**Change 07/06**
Total sales	1 147.4	1 080.7	+ 6.2%
EBITDA (1)	340.7	312.5	+ 9.0%
EBITDA / Sales	29.7%	28.9%	+ 0.8 pp
Operating results	260.3	209.3	+ 24.4%
Financial results	- 27.5	- 26.5	+ 3.8%
Net earnings	154.0	124.7	+ 23.5%
Cash Flow (2)	234.4	227.9	+ 2.9%
Capex	52.8	18.8	+ 180.9%
Net Debt	367.7	480.1	- 23.4%
Net Debt / EBITDA	1.1	1.5	

(1) Operating results + depreciation and amortisation + provisions
(2) Net earnings + depreciation and amortisation + provisions



Results

The Group’s consolidated turnover reached € 1,147.4 million in 2007, up by € 66.7 million on 2006. Paper sales accounted for nearly 71% of the total, with pulp sales accounting for 21% and the remaining 8% corresponding essentially to energy sales and other services. Once again more than 92% of the paper and pulp produced was sold in the international markets, in more than 80 countries.

Paper production reached 1,029 thousand tonnes, having increased by 0.5% when compared to the previous year. Paper sales totalled 1,031 thousand tonnes, corresponding to a year-on-year increase of 2.7%. This growth was mainly concentrated in the European countries, where a 6% increase in the Group’s sales led to new market share gains in a region where total demand grew by just over 1% and demand for sheeted paper by roughly 2%.

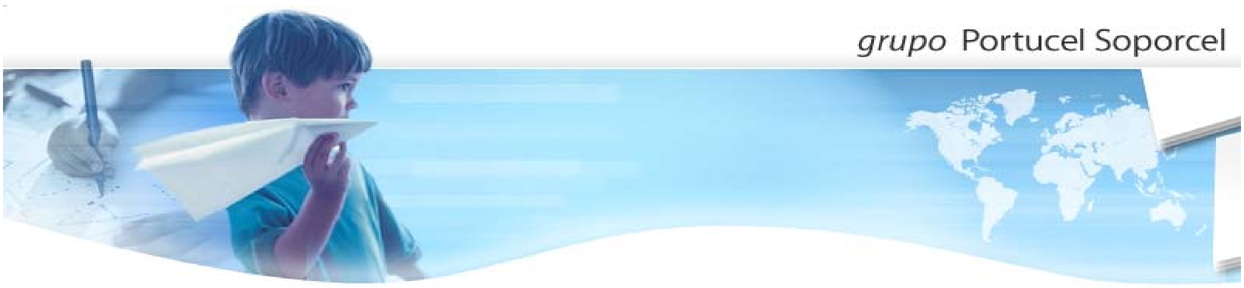
In Europe, the UWF paper reference selling prices maintained a rising trend, with the PIX A4 B-copy Index going up by 4.7%. The Group’s average selling price of paper increased by 5.4% in 2007.

Underpinned by these positive trends in both volume and average price, the Group’s paper sales in value grew by 8.3% in the reporting year.

Production of bleached eucalyptus kraft pulp (BEKP) reached 1,321 thousand tonnes in 2007, up by 0.6% on 2006, thus sustaining the Group’s position as the largest European producer of BEKP.

In 2007 the Group placed 544 thousand tonnes of pulp in the market. This small reduction when compared to 2006 is explained by the increase in pulp integration into paper, thus reducing the volume available for sale in the market

As with paper, the reference prices of eucalyptus pulp, in US dollars, maintained an upward trend in 2007, the listed price rising by USD 100 between January and December. However, the US dollar’s strong devaluation versus the EUR during the year



meant that the Group’s average net selling price in euro remained stable when compared to 2006, in line with the evolution of the reference market prices in this currency.

Combined with flat prices in euro, the referred small reduction in volume resulted in a 2.7% decline in paper sales.

Despite continued efforts to raise efficiency and boost productivity in the Group’s operations, which essentially resulted in greater energy efficiency and the reduction of certain specific consumptions, the results were negatively affected by sharp increases in the cost of a number of production factors, namely eucalyptus wood, chemical products and transports.

In the particular case of wood, the increase in prices in the domestic market added on to the need to import this raw material, with transport prices further penalising its final cost.

Under these circumstances, the Group generated consolidated EBITDA of € 340.7 million, which translates a year-on-year increase of 9.0%. Despite the referred increase in costs, the good performance of sales allowed the EBITDA/sales margin to reach 29.7%, corresponding to an increase of 0.8 of a percentage point versus 2006.

Operating results were favourably influenced by a lower provision charge than in 2006, totalling € 260,3 million, which corresponds to a year-on-year increase of 24,4%.

Financial results were adversely affected by the recognition of interest paid in the amount of € 10.4 million mainly relating to tax contingencies occurred prior to 2004.

Excluding this extraordinary effect, financial results would have shown a very positive evolution due to the strong reduction of the net debt and the positive results of several opportunely contracted foreign exchange and interest rate risk hedging operations

Net consolidated earnings thus reached € 154.0 million in 2007, corresponding to a year-on-year increase of 23.5%.

Investment

Investment in fixed assets amounted to € 52.8 million in 2007, a considerable part of which already concerned expenditures in the new paper mill under contracts awarded after October 2007.

This sizeable amount marks the beginning of a cycle of strong investment by the Group, of which the largest component will be the new paper mill, as has been disclosed in due time.

Debt

In 2007 the Group's net debt was reduced by € 112.4 million. This was achieved through the generation of good cash flows, in so far as the Group paid € 60.6 million in dividends on the 2006 results, another € 53.7 million in December concerning dividends on the 2007 results (which were paid in advance in order to allow small shareholders to take advantage of a tax benefit that expired at the end of the year), and also started to make disbursements for the investments in the new paper mill in Setúbal.

With its current level of debt and available liquidity, the Group is in a solid financial position that will allow it to carry out its investment and strategic development plans.

Certification

In 2007 the Group obtained forest certification from the Forest Stewardship Council (FSC), being awarded a SA-FM/COC-001785 certificate, in a process conducted by the Soil Association Woodmark certification scheme.

As the natural outcome of the internal measures adopted during the certification process, the Group adhered to the Business & Biodiversity initiative promoted within the scope of the Portuguese Presidency of the European Union, and joined Countdown 2010, which proposes to halt biodiversity loss in ecosystems on a global scale until 2010.

Outlook

2008 will be marked by great uncertainty concerning the real impact which the crisis currently affecting the financial markets will have on the global economy, and for the Group in particular, on the main destination markets for its products.

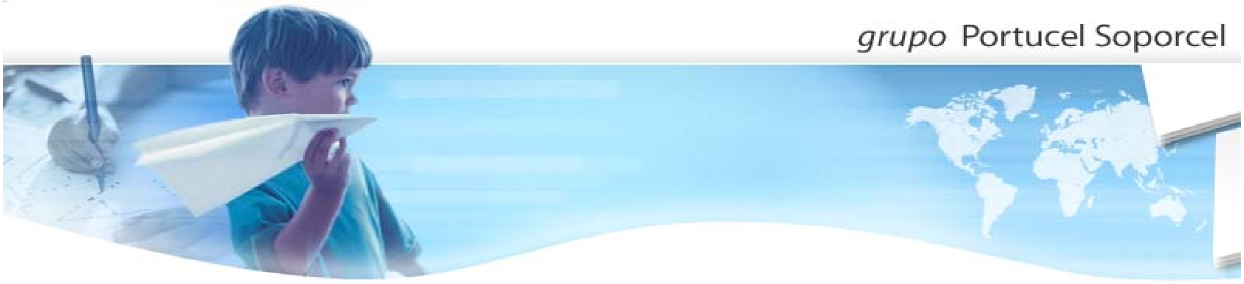
The North-American economy is expected to pursue the trend of a sharp cooling down registered since 2006, and could even enter into recession in the course of the current year. The European economy is also set to slow down, though maintaining positive growth. This points to a deceleration of the global economy in 2008, although the emerging economies should maintain some vigour.

Against this background, a slight improvement is expected in demand for uncoated woodfree papers from Europe, the main destination for the Group's products. This behaviour of demand, combined with the restructuring processes initiated by some competitors, which led to a certain reduction in installed capacity, should sustain the European industry's capacity utilisation rate at good levels.

In turn, demand for eucalyptus pulp should remain strong throughout 2008, backed by the persistently strong growth pace of the Chinese market, as well as growing consumption of tissue paper and the increased use of virgin fibre in its manufacture.

However, the weakness of the dollar and the risk that it may further depreciate against the euro threaten to negatively affect the selling prices of pulp and to a certain extent those of paper as well, leading to an intensification of competition in the European market, either from producers located in areas where the North-American currency has a dominant influence, or through the repatriation of European exports.

The high cost of wood is a factor for major concern as it may have a negative impact on the Group's annual results, and the difficult situation lived at the moment in this market is not expected to change for the better in the near future.



Moreover, the prevailing situation in the markets of the main chemical products consumed by the Group is also likely to translate into an increase in operating costs

Against this difficult scenario, the Group will continue to direct all its efforts to improve operating efficiency so as to preserve its full competitive capacity in the demanding international markets where year after year it has increasingly asserted its presence.

The Group will pursue in 2008 a phase of strong investments, which will be specifically directed to the new paper mill that is being installed at its Setúbal industrial complex. The new mill, which is scheduled to come on stream in August 2009, will increase by 500,000 tonnes per year the Group’s production capacity of uncoated fine printing papers. Representing a total investment of around € 550 million, it will permit to integrate into paper Setúbal’s entire pulp production, lifting the group into a new platform amongst the largest world producers of uncoated writing and printing papers.

Setúbal, 13 February 2008