DIVULGAÇÃO DOS RESULTADOS DO ANO 2012

CONSOLIDATED ANNUAL RESULTS FOR 2012

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PORTUCEL, S.A.
SOCIEDADE ABERTA
PUBLIC LIMITED COMPANY

SEDE: MITRENA, APARTADO 55, 2901-861 SETÚBAL | N.I.P.C. 503 025 798 - CAPITAL SOCIAL € 767 500 000
MATRICULADA NA CONSERVATÓRIA DO REGISTO COMERCIAL DE SETÚBAL
HEADQUARTERS: MITRENA, APARTADO 55, 2901-861 SETÚBAL | CORPORATE ENTITY 503 025 798 - SHARE CAPITAL € 767,500,000
REGISTERED AT THE COMMERCIAL REGISTER OF SETÚBAL

Highlights for the year 2012 (compared to 2011):

- Exports of € 1 249 million representing 95% of pulp and paper sales
- EBITDA of € 385.4 million
- Net profit grows 7.6% to € 211.2 million
- Increased share of European paper market
- Net debt cut by almost € 100 million
- Net Debt / EBITDA ratio of 0.9

Leading indicators – IFRS (unaudited)

Million euros	FY 2012	FY 2011	% Change (5) 2012/ 2011
Total sales	1 501,6	1 487,9	0,9%
EBITDA (1)	385,4	385,1	0,1%
Operating profits	286,2	266,2	7,5%
Financial results	- 16,3	- 16,3	-0,3%
Net earnings	211,2	196,3	7,6%
Cash Flow (2)	310,4	315,2	-1,5%
Capex	30,1	33,0	-2,9
Net debt (3)	363,6	463,5	-99,8
EBITDA / Sales (%)	25,7%	25,9%	
ROS	14,1%	13,2%	
ROE	14,3%	14,1%	
ROCE	15,1%	13,5%	
Equity ratio	54,4%	52,4%	
Net Debt / EBITDA (4)	0,9	1,1	

	Q4 2012	Q3 2012	% Change (5) Q4 12 / Q3 12
Total sales	392,1	366,8	6,9%
EBITDA (1)	102,6	95,7	7,2%
Operating profits	72,8	72,2	0,9%
Financial results	- 3,4	- 4,1	-15,8%
Net earnings	51,0	54,5	-6,4%
Cash Flow (2)	80,8	78,0	3,6%
Capex	12,1	6,1	5,9
Net debt (3)	363,6	489,4	-125,8
EBITDA / Sales (%)	26,2%	26,1%	
ROS	13,0%	14,9%	

(1) Operating results + depreciation + provisions
(2) Net profits + depreciation + provisions
(3) Interest-bearing liabilities – Cash and cash equivalents
(4) EBITDA corresponds to the last 12 months
(5) Percentage variation corresponds to figures before rounding up/down

1. ANALYSIS OF RESULTS

Financial Year of 2012 vs Financial Year of 2011

With turnover totalling 1.5 billion euros, the Portucel group recorded in 2012 its highest ever figures for output and paper sales, consolidating its position as Europe's leading manufacturer of uncoated woodfree (UWF) printing and writing paper. The Group's growing turnover has been achieved thanks to strong performance in paper operations, and also to positive returns from the energy sector.

Despite the difficult climate in the world economy and the high level of unemployment recorded throughout the year, with a negative impact on paper consumption, the Group was once again able to increase the quantity of paper sold, breaking through the barrier of 1.5 million tons. This growth, combined with an increase in the average sales price, contributed positively to the excellent performance achieved in paper business. The Group's average sales price performed better than the benchmark index in the paper market, the PIX Copy B, down by around 1%, due essentially to changes in the geographical sales mix, combined with more favourable exchange rate trends.

In bleached eucalyptus pulp (BEKP) business, turnover was down by approximately 11%, due in part to the maintenance stoppage at the Setúbal industrial complex in September and also to the smaller volume of pulp available for sale on the market, as a result of increased paper output, incorporating larger quantities of pulp. Prices moved upwards over the year, with the PIX BHKP index (in euros) gaining 0.6%, in line with the Group's average price. This helped to offset the impact of the diminishing volume of pulp sales. As a result, the value of pulp sales in 2012 was down by approximately 10% in comparison with 2011.

The energy business area performed well over the course of 2012, with sales up by around 8% in value, thanks to increased output and rising sale prices; however, business in this sector was badly hit by steep rises in costs.

Trends in certain production costs were positive throughout 2012, in particular in the costs of some of the raw materials and chemicals used. This was nonetheless not enough to offset the sharp hike in power and natural gas, up by around 36 million euros, meaning that the Group recorded an overall increase in its production costs.

Logistical costs also worsened, due to wider dispersal of points of sale, rising fuel prices, reduced availability of means of transport (due to changes in import and export flows) and exchange rate variations, which were negative for this item. The increase in logistical costs was significantly exacerbated by the dock workers' strikes that disrupted operations at the ports of Lisbon, Setúbal, Figueira da Foz and Aveiro over the last five months of the year. We should point out that Portucel is the largest exporter of containerized cargo in the Iberian peninsula, accounting for some 10% of all containerized and conventional cargo exported through Portuguese ports.

In this context, consolidated EBITDA stood at € 385.4 million, close to the figure recorded in 2011 and resulting in an EBITDA / Sales margin of 25.7%, down 0.2 percentage points on the margin recorded in the previous year.

Operating results stood at € 286.2 million, up by 7.5% on 2011, having been favourably influenced by the reversal of provisions of approximately € 15 million, as well as by a reduction in the value of depreciation over the period, due to the normal life cycle of industrial assets.

The Group recorded a financial loss of € 16.3 million, in line with that recorded in 2011. This was due essentially to a significant reduction in deposit interest rates over the year, which to a certain extent countered the effect of the reduction in the Group's net debt, and to the negative result from currency hedges.

As a result, the Group closed the financial year of 2012 with a consolidated net profit of € 211.2 million, representing an improvement of 7.6% in relation to the previous year.

4th quarter 2012 vs 3rd quarter 2012

As in previous years, the Group's performance in the 4th quarter was significantly stronger than in the 3rd quarter, as business recovered from the seasonal downturn typical of the summer months. This improvement took the form of a 6.9% increase in turnover.

A crucial factor in this growth was an increase of approximately 8% in the volume of paper sales. However,

seasonal factors in the main European and US markets, leading to increased geographical diversification, combined with deteriorating exchange rates at the end of the year, had the effect of eroding average sales prices. As a result, growth in the value of paper sales stood at approximately 6%.

Pulp business also improved significantly, with sales in quantity up by 32% on the 3rd quarter, due in part to production stoppages in the 3rd quarter, which limited the availability of pulp for sale on the market in this period. In terms of value, pulp sales grew by around 28%, in view of a small downwards adjustment in average sales prices between the 3rd and 4th quarters.

In this context, 4th quarter EBITDA totalled € 102.6 million, up on the previous quarter by 7.2%. The EBITDA / Sales margin stood at 26.2%, slightly higher than in the 3rd quarter.

Operating results totalled € 72.8 million and the Group recorded a net profit for the quarter of € 51.0 million.

2. MARKET ANALYSIS

2.1 UWF Paper

The European and North American markets account for 45% of the total volume of the world market for uncoated woodfree paper. Consequently, sluggish economic growth in the US and recession in Europe has lowered the overall demand for UWF paper, with consumption estimated to be down by around 3.5% on 2011.

Despite this gloomy economic climate in Europe, reflected in rising levels of unemployment, which is a crucial factor for the consumption of office paper, demand for this product continued to prove resilient, as in previous years, down by an estimated 1.5% on 2011, outperforming all other types of printing paper.

In 2012, the European paper industry felt the beneficial impact of the capacity closures effected in the previous year by some producers. These closures improved the market balance and allowed the industry to operate at 93% of its total capacity, up by 3 percentage points on 2011. In the US, the capacity utilization rate in the industry improved by one percentage point, to 91%.

On average, the US dollar was 8% stronger against the euro in relation to 2011, although it ended the year 9% down from its highest point against the euro, recorded during the summer.

The combination of the exchange rate situation and trends in demand in different geographical regions resulted in a reduction in UWF imports into the European market and stabilization in the quantities exported, despite the reduction of 7% in the industry's production capacity. Markets in Africa and the Middle East strengthened their position as a prime destination for European exports.

The Portucel group recorded its all-time highest figures for output and sales in 2012, as well as for quantities sold on the European markets, which grew by 4% in relation to 2011. The Group's average sale price for paper rose by approximately 1%, in contrast to a reduction of nearly 1% in the benchmark index for the sector, Copy B, published by FOEX. The Group succeeded to outperform the industry trend thanks to a better geographical mix in its sales and the positive exchange rate effect.

As a result, the Group continued to expand its penetration in the European market and increased its market share by a further 85 thousand tons, giving it a total share in UWF of 17%, rising to over 20% for sheeted products (office paper and paper for the printing industry).

The Group's prime focus in sales is on premium segments, in view of the perceived quality of its products and the positioning of its brands. The economic and financial situation, particularly in southern Europe, where the Group enjoys a strong position in the UWF market, has resulted in a degree of downgrading in the quality sought by consumers, and a reduction in total consumption.

Mill brands are another key element of the Group's sales strategy, and trends in this area were also positive in relation to 2011. These brands continue to dominate the business mix, to an extent unmatched by other manufacturers of this size. In particular, the Group's top premium brand, Navigator, achieved new sales records around the world, growing by 4% in relation to 2011.

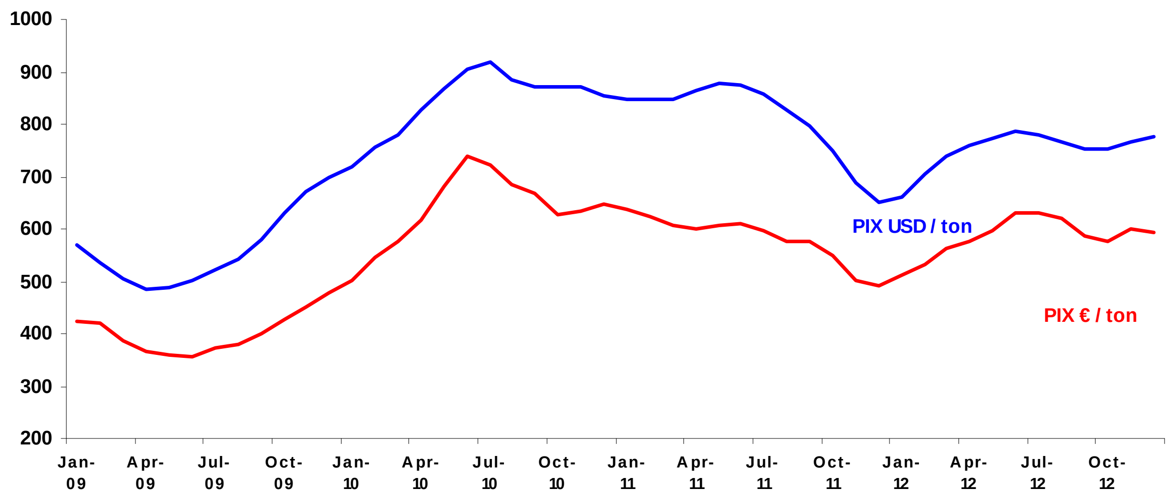
Changes in the geographical mix and strong inflationary pressures in the logistical sector resulted in sharply rising transport costs.

Lastly, in a context of tight restrictions on access to credit throughout paper distribution channels, the Portucel group recorded successful performance in the management of credit risks.

2.2 BEKP Pulp

After the contraction of the pulp market observed in the 3rd quarter of 2012, caused primarily by the traditional summer slowdown in European markets and the high levels of stocks existing at this time in China, the market recovered again in the 4th quarter, with increases in the PIX price in USD, reflecting a rush of price adjustments announced in October, for both long and short fibre. Due to trends on the foreign exchanges, this increase in USD prices failed to be felt in full in prices in Euros, as the following table shows.

PIX - BHKP Prices



The Chinese market continued to be the single most important driver of demand in the world pulp market. Despite slacker demand in the summer months, this market remained robust throughout 2012, with pulp imports at high levels, higher than in 2011: up by 15.4% overall through to November, at 17% for short fibre and 13.9% for long fibre.

At the same time, the difficult economic situation experienced in certain Euro Zone countries, combined with a still tentative recovery in the US and poor performance in the Japanese economy, has resulted in a global

economic slowdown, with repercussions for the paper industry, as well as a degree of instability on the foreign exchanges, as emerging countries, principally geared to exports, devalued their currencies to keep their products competitive. This is the case of major pulp producers such as Brazil, Indonesia and Russia, where manufacturers are not in a situation so favourable to rising prices in USD, as in the recent past.

The Group's BEKP pulp sales in the 4th quarter of 2012 stood at a fairly high level, and sales for the year as a whole were in line with expectations, considering that the Group incorporates an ever greater proportion of its pulp output into paper products.

A breakdown of BEKP pulp sales by paper segment shows that the Group strengthened its position in the special papers segment, which offers the greatest value added, with sales to this segment rising from 57% of total in 2011 to 63% in 2012.

An analysis of sales by destinations shows that almost all pulp sales went to European markets, home to manufacturers of higher quality paper where technical demands are more stringent and where the intrinsic qualities of the globulus pulp produced by the Group are more properly valued.

3. DEVELOPMENT

The Group has continued to advance with the first phase of its investment project in Mozambique consisting, as mentioned in previous reports, of developing a forestry operation and constructing a pulp mill and power generation facility. Early results have been highly encouraging, especially from the field trials for selecting the plant materials with the best potential and for testing forestry models. This should make it possible to expand the scale of the forestry operation sooner than originally anticipated.

In the field of logistics, studies are being conducted to determine the feasibility of the different alternatives for bringing in raw materials and other factors of production, and for dispatching eucalyptus pulp. This phase is expected to continue through to next year.

In Portugal, the Group has followed up its investment in modernizing and doubling the capacity of its Espirra nurseries by successfully concluding its first production season for cloned eucalyptus saplings since the completion of the project, which will allow the Group, for the first time in its history, to produce around six million cloned plants. This will make it possible to make better use of the Group's plantations and to provide high-quality, certified genetic materials for Portuguese forestry producers, with significant benefits for the sector's yields and the returns enjoyed by forestry operators.

With the conclusion of this capital project, the Group now owns the largest nurseries for certified forest plants in Europe, with annual production capacity of 12 million plants.

Another important area in the Group's strategy is centred on certification of forestry management, which it pioneered in Portugal. In 2012, the Group successfully renewed its forest management certification under the strict FSC® (FSC C010852) and PEFC systems, bearing witness to its efforts and investment in implementing best forestry practise, biodiversity management plans and its plans for preventing and fighting forest fires. In its continued efforts to help other forestry producers and land owners to achieve certification, the Group again took part in local initiatives to promote these certification schemes and gave its support to leading organizations in the sector.

The Group pressed ahead with its forestation plan in 2012, as well as a range of maintenance activities to protect its forestry holdings. In terms of protection against forest fires, the 2012 season was closed with positive results overall. The resources mobilized to prevent and fight forest fires proved effective, and despite the adverse meteorological conditions experienced, the area of woodland lost to fire was relatively small, and in line with that recorded in recent years. We should stress that the overwhelming majority of the incidents – 85% - to which our resources responded occurred on the property of third parties, illustrating the support provided to the national forest fire protection system.

This summer season once again proved that professional and certified forest management is the best defence against the scourge of wildfires.

In the field of forest fire prevention, we should also draw attention to the Group's participation in the program organized by MIT (Massachusetts Institute of Technology) - Portugal, with work continuing in 2012 on the Fire-Engine project (Flexible Design of Forest Fire Management Systems). The models for supporting public policy making and management of fire protection systems produced through this partnership between Portucel and

MIT will be available for adoption by Portuguese institutions.

4. FINANCIAL

Interest-bearing net debt stood at € 363.6 million at year-end 2012, down by € 99.8 million from the end of 2011. This significant reduction in net debt reflects the Group's excellent capacity to generate cash flow, in a year when cash generation was affected by efforts to step up support to raw material suppliers, by disbursement of the final payments on capital projects from previous periods and the adoption of supplier payment practices which take into account the current difficulties they face in obtaining bank credit.

Financial autonomy stood at 54.4 % at the end of December and the ratio of Net Debt to EBITDA improved to 0.9.

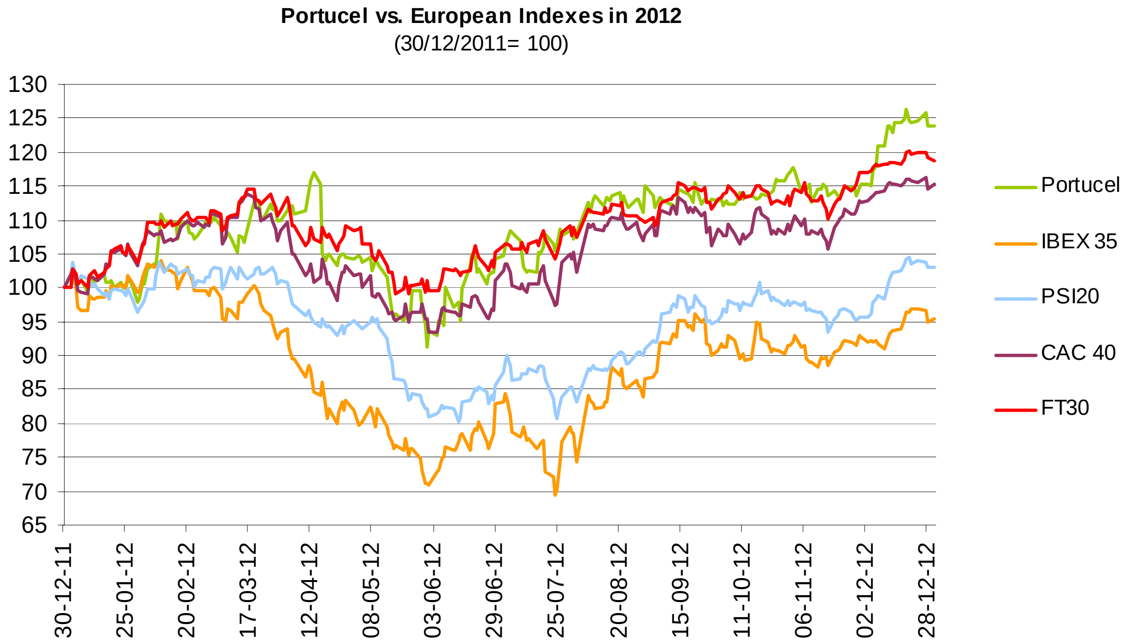
At 31 December 2012, the Group’s gross long term debt stood at € 473.3 million, and its debt maturing in less than one year at € 219.7 million. This short-term borrowing includes the Portucel 2005/2013 bond issue, with a value of € 200 million, due to be repaid in May 2013. The Group enjoys a comfortable level of liquidity, which will allow it to meet its commitments.

5. CAPITAL MARKETS

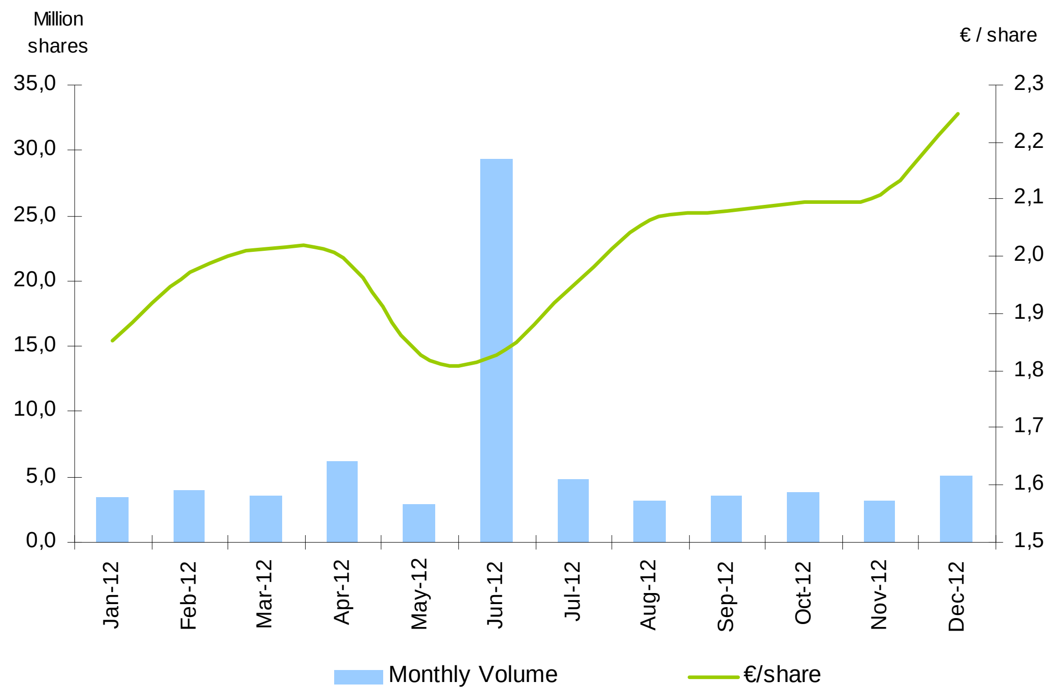
After the financial year of 2011, which was particularly difficult for most markets, 2012 proved to be a year of recovery, with investors returning to the equity markets. The main European markets recorded significant gains, most notably in Frankfurt (up 29.1%), but also in the FTSE (up by 18.7%) and the CAC40 (up by 15.2%). Performance in the Portuguese index fell short of the level recorded by other European markets, although it managed to outshine the Madrid market index, which ended the year down by 4.7%. After losing almost 15% over the first half of the year, the PSI20 rallied significantly in the second half, and ended the year up by 2.9%.

Despite uncertainty as to the prospects for the pulp and paper sector in 2012, the year provided good news for the industry, with pulp prices rising almost 18% and paper prices holding out against the gloomy economic environment. As a result, the shares of leading companies in the sector performed well and all recorded significant gains, partially recovering from the losses suffered in 2011. Most pulp manufacturers recorded strong gains in their share price.

Up in value by 24%, Portucel shares clearly outperformed the Portuguese market index, and also compared favourably with most of the other indexes considered. The shares enjoyed excellent performance in the second half of the year, and especially in December, when Portucel shares gained around 7.5%. Average monthly trading stood at approximately 4 million shares, well down on the level of trading recorded in 2011. As duly disclosed to the market at the time, Portucel acquired approximately 24.85 million own shares at the end of the June, giving it a total of 47.4 million shares, representing 6.17% of its share capital.



Portucel Average Share Price and Volume in 2012



6. OUTLOOK

Most indicators point to modest global economic growth in 2013, although with significant differences between regions and countries. A number of structural issues persist with the potential to restrict growth, including the uncertainty surrounding the debt crisis in the Euro Zone, the management of the "fiscal cliff" in the US and the need for deleveraging of the public and private sectors in a number of economies.

In the Euro Zone, signs of an economic slowdown can still be seen, and are expected to continue throughout the year. Despite the recent boost to confidence in financial markets, economic growth is expected to remain constrained by severe measures to consolidate state spending in most European countries, by the high level of national, corporate and household debt and by the continued fragility of the financial system.

Despite a number of positive signs in the US, in particular the recovery of the real estate sector and improved competitiveness in energy costs, uncertainties remain as to the severity and pace of policies to be implemented over coming years to consolidate the budget, with a possible impact on economic growth.

Some emerging markets, and China in particular, have also begun to cool, and growth in these economies is expected to decrease in the next few years as a result of slacker demand from the developed economies and the transition from a model of growth sustained almost entirely by exports and public spending to one based on internal demand. In any case, the Chinese market is expected to remain one of the main driving forces in global demand, especially in some of the main markets in which the Group operates.

Accordingly, expectations point to the BEKP pulp market continuing to be sustained by strong demand from Asian markets, and particularly from China, thanks to investment in the manufacture of tissue papers and the policy pursued by the Chinese government of closing down obsolete plants. Demand will be further bolstered by the foreseeable growth in internal demand, with a sharp impact on consumption of tissue papers, despite the fact that estimates point in the short term to a temporary dip in the pace of paper production, due to the high levels of existing stocks.

This positive performance in the Chinese market has offset the more recessionary environment in Europe and the US. The recent closure of a plant in Brazil with annual production capacity of more than 400 thousand tons, the cost inflation experienced in the main BEKP pulp producing countries, combined with the high level of indebtedness of certain producers and the strong pressure on them to maximize returns from sizeable capital projects currently under way, are all factors which could help sustain prices in the near future.

However, the 4th quarter of 2012 saw the production start-up of the Eldorado project, in Mato Grosso do Sul, in Brazil, with annual capacity of 1.5 million tons, which impact will be felt by the market in 2013. Also during 2013, a further new unit in Uruguay and another in Brazil are set to come online, with total capacity of 2.8 million tons/year. The start-up of these new pulp mills will test the capacity of the market to absorb an appreciable increase in the supply of BEKP pulp, and could have a negative impact on the market in the second half of 2013.

At the same time, the expected persistence of the economic downturn, with its inevitable impact on employment levels, will continue to drive down consumption of uncoated woodfree paper in the more developed economies, in particular in Europe and the United States, the Group's main markets. It should be noted that apparent consumption in Europe, the Group's main market, fell by almost 4% in 2012, and that this trend is set to continue.

Accordingly, despite the resilience shown by the cut-size paper market, where consumption fell by only 1.5%, and the positive impact of capacity closures in 2011, as well as the positive evolution in the USD/Euro exchange rate, factors which together helped to provide some support for the market over the past year, the outlook for the near future remains extremely uncertain.

Insofar as the rally in pulp prices in 2012 was one of the factors that helped sustain paper prices, by maintaining strong pressure on non-integrated producers, the evolution of this market will also be an important factor in the Group's future performance.

In this difficult environment, the Group has striven consistently to expand its markets and to reposition its product mix on its traditional markets, capitalizing on the excellent penetration and awareness levels enjoyed by its own brands and wide perception of the quality of its value proposition. As a result, the Group has expanded its share in its traditional markets and significantly increased its presence in new markets, in particular in Eastern Europe, North Africa and the Middle East.

This has allowed the Group to keep its order books at very comfortable levels and to operate continuously at 100% capacity, placing nearly all its output on foreign markets.

Ongoing efforts have been made in all areas of the Portucel group to streamline operations, improve efficiency and increase productivity, so as to draw maximum advantage from its competitive advantages. The tireless and ongoing pursuit of these aims has been one of the main factors behind the consistently excellent results presented by Portucel, year after year.

Setúbal, 29 January 2013