

grupo Portucel Soporcel

GROUP'S NEW PAPER MILL COMES TO LIFE IN SETÚBAL

LAUNCH PLANNED FOR AUGUST 2009



GROUP'S EXPORTS INCREASE TO 1,280 MILLION EUROS



EUROPEAN LEADERSHIP ON THE HORIZON



< On March 4, the Prime Minister, José Sócrates, laid the cornerstone that marks the beginning of the construction of the Portucel Soporcel group's new Paper Mill, in Setúbal. With the start of production expected for August 2009, this mill will house the world's largest and most sophisticated machine for the manufacture of uncoated woodfree paper. Involving an investment of 550 million euros, the new unit will allow the Group to increase its exports by 350 million euros and make a bid for the position of European market leader in high quality office papers.

During the ceremony, in an act symbolizing the enhancement of the forestry sector, which is the basis of this industry investment, the Prime Minister was given the opportunity to plant a eucalyptus tree. >

THE FIRST STEP TOWARDS BECOMING EUROPEAN LEADER



"I would like to highlight the attitude of a group which has confidence in the country and an enterprising spirit", Prime Minister José Sócrates emphasized, during the cornerstone



ceremony of the new Paper Mill of the Portucel Soporcel group, in Setúbal, on March 4. The Premier also stressed, "This project is important due to the investment of 550 million euros and because of exports and employment, in addition to research and development. It will strengthen the confidence of the country and of the Portuguese."

Besides laying the cornerstone of the new Paper Mill, the Prime Minister also had the opportunity to plant a eucalyptus tree - a symbolic act aimed at enhancing the forestry sector which forms the basis of this important industrial investment and which constitutes a structuring sector for the Portuguese economy.

The core equipment of the Portucel Soporcel group's new mill in Setúbal, which is due to begin production in August 2009, will be the largest and most sophisticated machine in the world in the manufacture of uncoated woodfree paper. 11.1 m in width,

the new machine will produce approximately 500,000 tonnes annually, thus allowing all the pulp produced in the Setúbal complex to be converted into paper.

"The idea is to convert the pulp we produce today in a process of greater added value for the export of paper, thus creating greater wealth which remains in Portugal", summarized José Honório, Chief Executive Officer of the Portucel Soporcel group.

In compliance with the very strict environmental standards required in Portugal and the European Union, the new mill will allow the Group to increase its production capacity to 1.5 million tonnes per year and to make a bid for the position of European market leader in high quality office papers, a segment in which the Portucel Soporcel group is already a worldwide reference. With an annual turnover of over 1,100 million euros, representing roughly 3% of all Portuguese exports, the Group exports 92% of its production.

The new Paper Mill in Setúbal will allow the Portucel Soporcel group to increase its exports by 350 million euros to around 1,280 million euros. The contribution of this unit will be decisive in strengthening the Group's competitiveness in the international market for

uncoated woodfree paper, and in allowing the company to attain an even more important position in Europe and the United States - to where 91% of its high added value products are exported.

Pedro Queiroz Pereira, the Chairman of the Board of Directors, stressed the importance of the new Paper Mill project in Setúbal by affirming the Group's position internationally, and also the trust that the Portuguese Government has put in the project.



Particularly important for the Setúbal region, the new Paper Mill will significantly revitalize the local economy, as was emphasized by the Mayor of Setúbal, Maria das Dores Meira, in the cornerstone ceremony.



< The construction of the Portucel Soporcel group's new Paper Mill in Setúbal is already in progress. It will allow a Portuguese group to become the European market leader in high quality office paper segment >



NEW PULP MILL UNDER STUDY

Pedro Queiroz Pereira, Chairman of the Portucel Soporcel group, referred the possibility of moving forward with a new industrial project in Portugal if there is sufficient raw material to guarantee its supply. "We don't even need more eucalyptus trees", the Chairman pointed out. "We just need to be able to plant them in more productive areas and reduce the gap that exists between the productivity of the Portuguese forests and those that exist, for example, in South America - where the

productivity is, on average, 45 cubic metres per hectare, whereas in Portugal it is 9."

This project of the Portucel Soporcel group corresponds to an investment of approximately 1,000 millions euros in a new pulp mill, which will allow the Group's exports to increase by 525 million euros. Portugal is a possible location for this new mill, although alternatives in South America and Africa are also being studied.



< This project will strengthen the confidence of the country and of the Portuguese". >

: JOSÉ SÓCRATES Prime Minister :

innovation leadership

exports

excellence

value

sustainability future

PAPER WITH ADDED VALUE

- With the new Paper Mill in Setúbal, the Portucel Soporcel group's capacity for producing printing and writing paper will increase to 1.5 million tonnes per year.
- The Group's exports will increase by 350 million euros, to 1,280 million.
- Investment in the industry of 550 million euros will directly create 350 highly qualified jobs.
- The new machine will produce 500,000 tonnes annually, allowing for all the pulp produced in the Setúbal industrial complex to be converted into paper.
- With a width of 11.1 metres, this machine is the largest and most sophisticated in the world for the manufacture of high quality office paper.
- The Portucel Soporcel group will make a bid for the position of European leader in the European market for uncoated woodfree paper.



CREATION OF HIGHLY QUALIFIED EMPLOYMENT

With the Portucel Soporcel group's new Paper Mill in Setúbal, which cornerstone was laid on March 4, 350 highly qualified jobs will be directly created. The positive impact of this new production unit on the national economy, and in particular on the region, will also be felt expressly with regard to indirect employment.

At the peak phase in the construction of the mill, which is due to begin production in August 2009, around 1,200 workers will be mobilized.



ENERGY FOR THE NEW MILL

The Portucel Soporcel group's new Paper Mill is safeguarding the very strict environmental standards legally established in Portugal and in the European Union. Associated to this unit is a project for the installation of a combined cycle co-generation power station with natural gas turbines of 80 Megawatts. The objective of this power station is to allow not only for the needs of electrical energy and steam of the new mill to be satisfied, but also to supply excess energy to the national electricity network.

It should be remembered that the Portucel Soporcel group is a known leader in the production of energy from forestry biomass, which corresponded, in 2007, to roughly 55% of the total energy produced in Portugal from this renewable source.



grupo Portucel Soporcel

www.portucelsoporcel.com

- Publishing and Coordination:
> *Corporate Communication Department*
> dic@portucelsoporcel.com
- Design and production:
> *Pomar da Cor-Soluções Gráficas*
> pomardacor@sapo.pt
- Portuguese edition printed on:
> 190 g/m² Inaset Plus Offset paper
(from the Portucel Soporcel group)