TODOS OS DIAS DEMONSTRAMOS DE QUE É FEITA A NOSSA FIBRA. **ESTE É O NOSSO PAPEL.**

EVERY DAY WE SHOW THE FIBRE WE ARE MADE FROM.
OUR PAPER, OUR AMBITION.

DIVULGAÇÃO RESULTADOS DO 1º SEMESTRE 2014
INTERIM RESULTS 1ST HALF 2014

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

Leading Indicators – IFRS

(unaudited figures)

Million euros	H1 2014	H1 2013	% Change [5] H1 14/H1 13
Total sales	747,2	756,1	-1,2%
EBITDA [1]	158,2	175,1	-9,6%
Operating profits	112,3	124,7	-10,0%
Financial results	- 16,1	- 7,8	106,4%
Net earnings	90,6	97,7	-7,3%
Free Cash Flow [2]	119,2	124,0	-3,9%
Capex	4,8	5,5	-0,8
Net debt [3]	391,0	358,3	32,8
EBITDA / Sales (%)	21,2%	23,2%	-2,0 pp
ROS	12,1%	12,9%	- 0,8 pp
ROE	12,7%	13,3%	-0,6 pp
ROCE	12,7%	13,6%	- 0,9 pp
Equity ratio	51,4%	50,9%	+0,5 pp
Net Debt / EBITDA [4]	1,2	1,0	

million euros	Q2 2014	Q1 2014	% Change [5] Q2 14/Q1 14
Total sales	381,8	365,4	4,5%
EBITDA [1]	80,2	78,0	2,9%
Operating profits	60,4	51,9	16,3%
Financial results	- 8,8	- 7,3	21,1%
Net earnings	49,7	40,8	21,8%
Free Cash Flow (2)	61,5	57,8	6,4%
Capex	3,5	1,3	2,2
Net debt [3]	391,0	251,6	139,4
EBITDA / Sales (%)	21,0%	21,3%	-0,3 pp
ROS	13,0%	11,2%	+ 1,9 pp

(1) Operating profits + depreciation + provision
(2) Var. Net debt + dividends + purchase of own shares
(3) Interest-bearing net debt – cash and cash equivalents
(4) EBITDA corresponding to last 12 months
(5) Percentage variation corresponds to figures not rounded up/down

"Our leadership in the European uncoated woodfree market was again reaffirmed this semester: we increased our sales volume, improved our product mix, while our sales price evolved better than the average of the market. We feel confident that we are well positioned to face any toughening of market conditions" said Diogo da Silveira, Portucel Chief Executive Officer.

Main Highlight for the First Half of 2014:

- Portucel Group increased the volume of paper sales by 0.7%
- Turnover totalled € 747.2 million, down by 1.2% on H1 2013, reflecting lower pulp and paper prices
- Paper sales to Europe represent larger share of total and improved product mix.
- Group generates free cash flow of € 119.2 million
- Net debt held at very conservative levels

Main Highlight for the Second Quarter of 2014:

- Strong pulp sales volume increase on previous quarter (+25%)
- Paper price increase in Europe starting in April
- Paper sales grow by more than 3% from first to second quarter
- Group's average sales price up 0.4%, despite drop in market index
- Energy sales down around 1%
- Turnover up 4.5% to € 381.8million
- Free cash flow up by approximately € 3.7 million

1. Analysis of Results

First Half 2014 vs first half 2013

The Portucel Group recorded total turnover for the first half of 2014 of € 747.2 million, down 1.2% on the 1st half of 2012. This reflected essentially the drop in pulp and paper prices, as well as in the average sales price for electricity.

In UWF (uncoated woodfree) paper business, despite growth of 0.7% in the Group's sales volume, lower prices held down the value of paper sales, which fell by approximately 1%. But although the average market price was lower than in the 1st half of 2013, with the A4 B-copy index down by 2.8%, the Group recorded a reduction of only 1.6% in its average sales price, thanks to improvement of its product mix, and price rises implemented from April onwards.

As expected, the first half proved difficult for the pulp sector, with new production capacity coming online, in a market where supply already exceeded demand. Although the impact was less severe than initially feared, the benchmark price, Pix BHKP, in euros, slumped by 9.1%. In this adverse market environment, the Group succeeded in maintaining its sales volume at the same level as in the 1st half of 2013, despite recording a drop in the value of its pulp sales.

In power generation, output was up by 1.4% from the 1st half of 2013, totalling 1,170 GWh for the first six months of 2014. Sales progressed in line with output, standing at 1 068 GWh. However, the sales price fell by around 3%, due essentially to the reduction in the ALBm index (mean Arabian Light Breakeven), and this held down turnover from power sales, which stood at € 114 million.

A number of planned stoppages took place over the course of the first half, at the Cacia pulp mill, on the paper machines and at the cogeneration plants for the three industrial sites, in Cacia, Figueira da Foz and Setúbal. Maintenance stoppages also took place at the two biomass power stations in Cacia and Setúbal. However, these stoppages had no significant impact on output of pulp, paper and power over the period.

On the cost side, the Group recorded an improvement in personnel expenditure (due fundamentally to a correction in the estimated cost of vacation and vacation subsidy), as well as a reduction in the cost of chemicals and logistic operations for pulp and paper. Lower power prices were also reflected in the price paid for electricity purchased, resulting in an overall positive balance on these operations. However, these gains were practically wiped out by rising timber costs over the first half, due fundamentally to the extremely rainy weather over the period, which hampered forestry operations.

In this environment of falling prices, the Group recorded EBITDA of € 158.2 million, down by around 9.6%, with the EBITDA / Sales margin standing at 21.2%.

Operating income totalled € 112.3 million, as compared with approximately 124.7 million recorded in the previous year.

The Group recorded net financial loss of € 16.1 million, up by € 8.3 million on the first half of 2013, due essentially to increased borrowing costs, as a result of renegotiation of its debt in 2013. In May 2013, Portucel issued bonds on the international markets with a value of € 350 million, extending the maturity of its debt and improving its liquidity, but at the same time increasing the associated costs. The worsening in financial results was also due to a substantial reduction in returns from the investment of cash surpluses.

Net income stood at € 90.6 million, down by 7.3% on the first half of 2013. As for the first quarter, the effective tax rate for the first half was significantly lower than the rate of tax for the same period in 2013, standing at 6.2%, thanks to the release of provisions which proved not to be necessary.

Second quarter 2014 vs first quarter 2014

Portucel closed the second quarter with turnover up 4.5% on the first quarter. This growth is explained essentially by growth in paper sales, although pulp business also made a positive, but smaller, contribution.

The volume of paper sales grew by around 3%, which combined with increases in the Group's sales prices from April onwards resulted in growth in the value of sales. Although the benchmark index (FOEX – A4 B copy) averaged 0.7%, down from the first quarter average, the Group's average sales price improved.

In pulp, the sales volume was substantially higher than in the first quarter, growing by 25%. However, the drop in pulp prices meant that this was not translated into growth in the value of sales.

Business in the power sector was down on the first half, falling around 3% as a result of the reduction in the average sales price for electricity, as reported above.

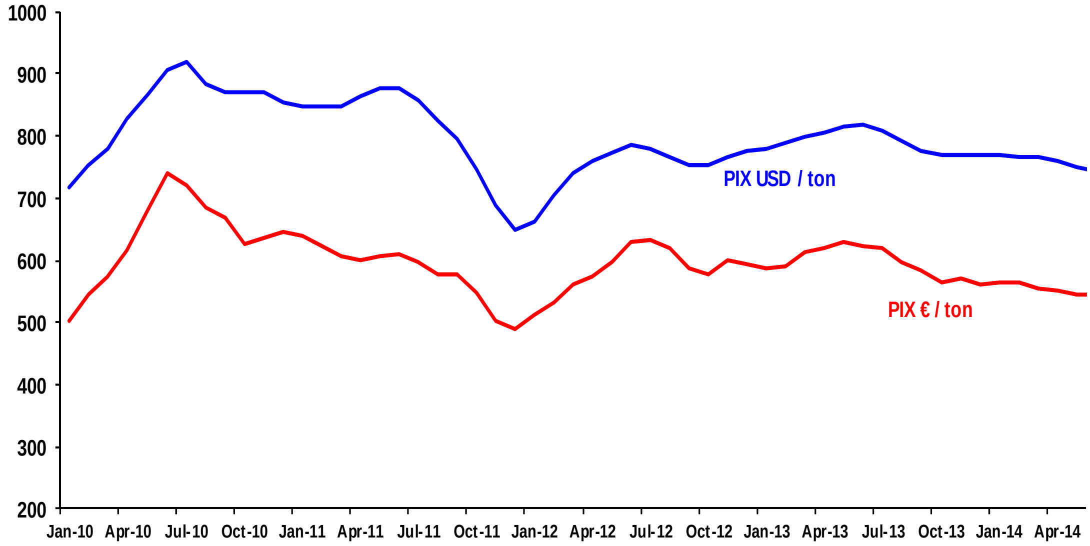
2. Market analysis

a) Pulp business

The stability in the eucalyptus pulp market observed over the 1st quarter of 2014 gave way to worsening conditions in the 2nd quarter, caused by new capacity coming online as a result of recent large-scale capital projects in South America.

This gradually pushed down market prices over the period, with the quarterly average for the benchmark PIX index for Europe standing at USD 751, as compared to USD 768 in the first quarter, and USD 814 in the second quarter of 2013. As a result of USD/euros exchange rate trends, the drop in prices was also reflected in the price in euros, with the PIX index dropping USD 27.4, as compared to € 18.9 over the first half of 2014.

PIX Price Europe BHKP- Monthly evolution



The Chinese market, which remains the principal driver of demand, has continued to record a degree of growth in its pulp imports. According to figures from PPPC W-100, this growth stood at 2.5% (from the start of the year through to May) and has contributed decisively to maintaining a balance in the eucalyptus pulp market, compensating for other markets where performance has been poorer.

As reported above, the Group's BEKP sales in the first half of 2014 was slightly up from the same period in 2013. About 60% of the pulp sold was directed at high quality demanding and profitable segments (décor & specialities), offering a premium for quality differentiation and commercial positioning.

b) Paper business

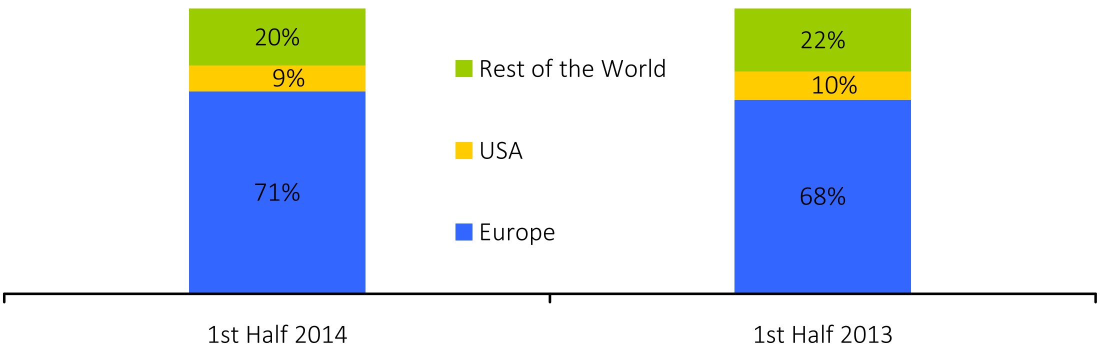
The upturn in demand for uncoated woodfree paper in Europe, first observed in the final quarter of 2013, was confirmed in the first half of 2014, with estimated year-on-year growth of 1%. This growing demand was met by European manufacturers, more than offsetting the reduction in imports. Special attention should be drawn to the performance of UWF printing paper, where the sales volume was up after several years of declining figures.

The European industry recorded a capacity utilization rate of approximately 93%, one percentage point up from the same period in 2013. For the entire first half, and in the second quarter in particular, order books for UWF manufacturers comfortably outperformed both the levels recorded in 2013 and the long term historical average, reaching the highest levels since the first quarter of 2012, only comparable in recent history with the boom years of 2007 and 2010.

In this context, the leading price index for UWF in Europe (PIX Copy b) started to recover, gaining 1.4% from the low point for the year, at the end of the first quarter, through to end of the first half.

In the US, the sharp reduction in local UWF production capacity, although partially absorbed by the drop in demand and rising imports, paved the way for an increase in market prices, and the leading benchmark index for the sector (Risi 20lb cut-size, 92 bright) was up by 1% from January to June 2014.

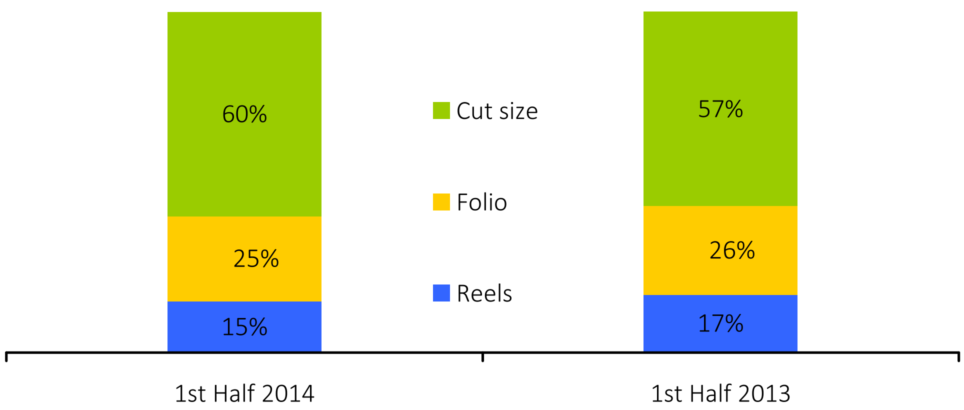
In this context, the Group dispatched record quantities of paper from its mills for a first half, sustained by year-on-year growth of 5% in the sales volume in European markets. Accounting for 71% of total paper sales, Europe remains the main destination for the Group's sales, although efforts continued to expand sales to other geographical regions, resulting in increased penetration in other regions of the World.



Strengthening its position as the leading European UWF manufacturer, premium products have continued to account for around 60% of the Group's sales, both in Europe and globally. The Group's own brands again recorded growth of 2% worldwide, and 5% in Europe. Navigator achieved growth of 3% around the world and 6% in Europe, once again with levels of growth, penetration and brand recognition unrivalled in the industry.

The Group's own brands therefore consolidated their importance as anchors for the Group's stability and profits, accounting for around two thirds of its volume of paper sales.

In addition to the increase of premium volume and own brand, the improvement in the product mix also meant that cut size products represented a larger proportion of total Group sales.



Summary of Operating figures

Pulp and paper

(in 000 tons)	2Q 2014	1Q 2014	%	1H 2014	1H 2013	%
BEKP Production	358	345	3,6%	703	706	-0,5%
BEKP Sales	75	60	24,5%	135	135	0,1%
UWF Production	378	388	-2,6%	765	759	0,9%
UWF Sales	377	365	3,1%	742	737	0,7%
Foex – BHKP Euros /ton	548	561	-2,3%	554	610	-9,1%
Foex – A4-B copy Euros / ton	827	832	-0,7%	829	853	-2,8%

Energy

	2Q 2014	1Q 2014	%	1H 2014	1H 2013	%
Production (GWh)	583	588	-0,9%	1.170	1.154	1,4%
Sales (GWh)	531	537	-1,1%	1.068	1.054	1,3%

3. Capital Expenditure

The integrated forestry, cellulose pulp and energy project that Portucel has been developing in Mozambique has continued to make progress and is embarking on a phase of rapid expansion of forestry operations.

To support the development of its forestry project, construction work is under way, in Zambézia province, on the Group's first large scale nursery facility in Mozambique, designed to the highest international standards, in order to produce the plants selected during the trials conducted over recent years.

The preliminary Environmental and Social Impact Assessment reports have been completed, and followed up by the public consultation process and formal approval.

The sustainability of the forestry operations will be assured by planning and developing projects to include local communities, implementing the respective investments and helping to grow the business fabric associated with the project. To this end, Portucel Moçambique is working closely with IFC (International Finance Corporation), a World Bank institution, with which it signed a cooperation agreement in October 2013.

In this context of inclusive development, Portucel Moçambique has in this farming season already created 300 hectares of demonstration fields with crops essential for food security and generating income, such as corn, soya and beans.

The Group is also working on a project to expand the capacity of its pulp mill in Cacia, and has concluded an investment contract with the Portuguese Investment and Trade Agency (AICEP), envisaging total investment of 56.3 million euros. AICEP has approved a set of financial and fiscal incentives, including a repayable financial incentive of 11.3 million euros and a fiscal incentive of 6.8 million euros. The contract includes a completion premium, corresponding to conversion of up to 75% of the repayable incentive into a non-repayable grant, in line with attainment of the contractual objectives. The Group expects the project to be implemented at the end of the first half of 2015.

4. Debt

At 30 June 2014, the Group's net debt totalled € 391.0 million, up by € 84 million on year-end 2013. Strong generation of free cash flow, which stood at € 119.2 million for the period, meant it was possible to pay € 200.8 million in dividends and reserves to shareholders, and also to acquire own shares, with a value of € 2.5 million, without any significant impact on the Group's financial situation. At the end of the first half, the Net Debt / Ebitda ratio stood at 1.2, slightly up from that recorded in the previous year, and still significantly lower than the average for the companies in the sector.

Gross debt totalled € 782.2 million and cash assets and equivalents stood at € 391.2 million. Non-current debt totalled € 602.5 million (compared with € 771.6 million at year-end 2013). The financial autonomy ratio at the end of the first half stood at 51.4%.

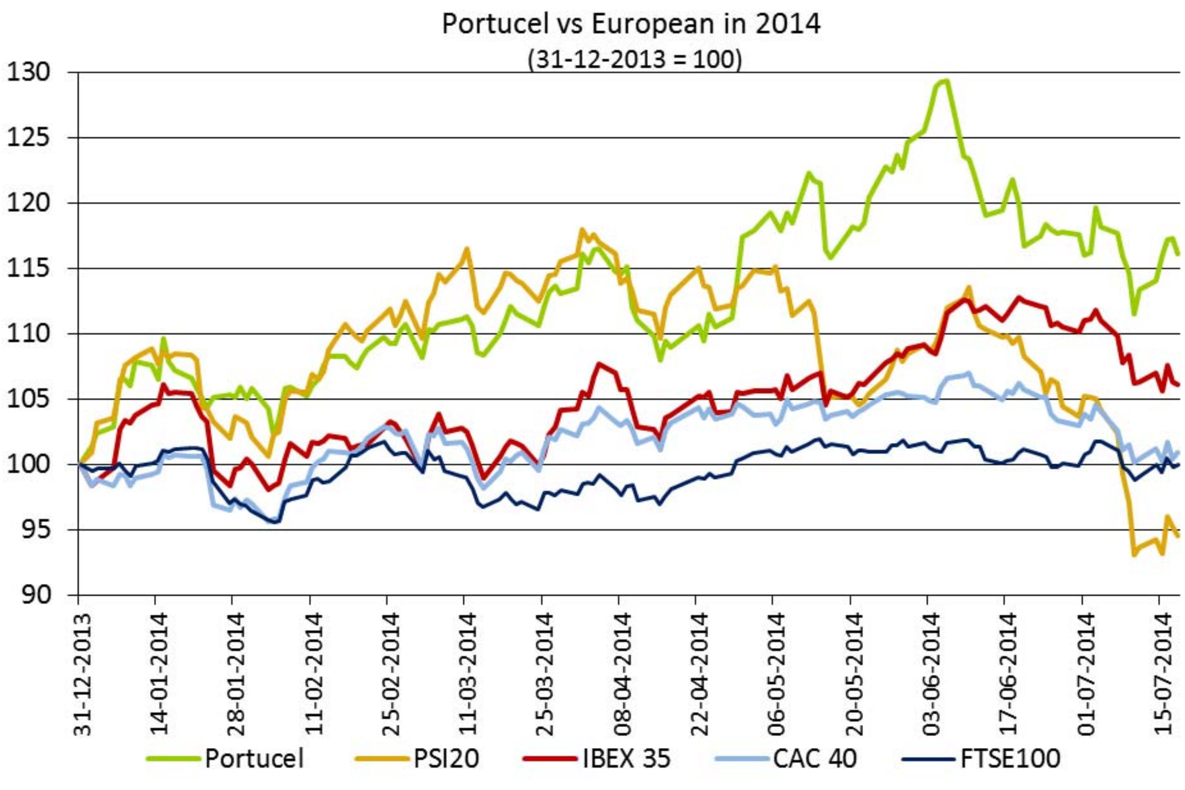
5. Capital Markets

Most stock exchanges closed the first half in positive territory, and the top performer in Europe was the Madrid stock exchange, with the Ibex index up 10.15%. After excellent performance over the first half, with a gain of 16%, the Portuguese stock exchange was hit in late June by significant adjustments in the share prices for a number of banks and financial sector companies, resulting in an overall gain of only 3.7%.

Shares in the pulp and paper sector fared badly over the quarter, with some major pulp manufacturers recording significant reductions in their share price. With new pulp capacity reaching the market and seasonal factors affecting consumption in the summer months, shares in the sector came under increased pressure.

In contrast with this wider trend, Portucel recorded excellent share price performance over the year, with a gain of more than 17% and closing the first half with a price of 3.421 €/share. The Company saw its shares rise to new record prices, the last of which was achieved on 6 June, when shares traded at 3.762 €. Daily trading since the start of the year has also been higher than the average figure for 2013.

On 12 June, Portucel paid the dividend for 2013 and also distributed reserves, as approved at the Annual General Meeting, totalling 0.28 € / share (before tax).



6. Outlook

As may be expected, developments in the pulp and paper markets will continue to be decisively influenced by the performance of the world's leading economies, and increasingly by that of emerging countries.

Despite the continued gradual easing of some of the main concerns and sources of uncertainty, related in particular to the over-indebtedness of outlying countries in the Euro zone, and of the United States, the world economy has yet to present the clear improvement needed to create an investment-friendly environment, and thereby reduce unemployment and generate sustained growth.

Despite a slight deterioration observed in the 2nd quarter of the year, the BEKP pulp market has continued to display significant resilience. The healthy level of demand from the Chinese market is expected to rise further in the coming months and to remain relatively strong through to the end of the year, which could make a positive contribution to balancing the market. Likewise, the price spread between long fibre and short fibre pulp, which reached an all-time high, may in the medium term lead to short fibre being substituted for long fibre.

At the same time, the tissue paper segment is expected to continuing growing at a moderate pace, especially in the emerging economies such as China, Turkey and Latin America, which should contribute to maintaining a dynamic market.

However, a degree of uncertainty as to the future of the Chinese economy and the paper market in general, the start-up of new pulp capacity planned for 2015 and 2016 and the evolution of exchange rates between the real, the Uruguayan peso, the euro and the dollar, are all factors which may have an impact on the balance of supply and demand in BEKP pulp.

In the UWF market, the Group's order books remain healthy, at the second best level ever recorded, despite signs that the growth observed since the start of year may be slowing. In the months ahead, market conditions are expected to worsen slightly, due to season factors.

Setúbal, July 21st 2014

7. Financial statements

Consolidated Income Statement

Amounts in Euro	June 2014	June 2013	2nd Quarter 2014	2nd Quarter 2013
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
Revenues				
Sales	745.028.347	754.312.248	381.797.252	398.389.541
Services rendered	2.141.622	1.765.712	37.364	823.694
Other operating income				
Gains on the sale of non-current assets	49.331	-	1.406.553	(3.356.974)
Other operating income	2.979.381	8.480.574	1.467.189	7.171.189
Change in the fair value of biological assets	1.205.774	3.152.709	4.223	1.163.980
Change in the fair value of financial investments			-	-
Costs				
Cost of inventories sold and consumed	(341.476.713)	(332.568.598)	(162.217.759)	(176.972.807)
Variation in production	10.732.703	5.821.958	(4.406.794)	425.100
Cost of materials and services consumed	(198.033.926)	(202.124.708)	(106.748.225)	(106.973.110)
Payroll costs	(59.905.731)	(61.259.498)	(29.808.150)	(29.668.062)
Other costs and losses	(4.534.623)	(2.522.770)	(1.298.720)	(1.263.186)
Provisions	5.997.482	204.130	6.051.627	242.950
Depreciation, amortization and impairment losses	(51.927.193)	(50.520.044)	(25.917.539)	(23.502.086)
Operational results	**112.256.454**	**124.741.713**	**60.367.021**	**66.480.230**
Group share of (loss) / gains of associated companies and JV	-	-	-	-
Net financial results	(16.059.531)	(7.779.891)	(8.795.157)	(4.693.015)
Profit before tax	**96.196.923**	**116.961.823**	**51.571.864**	**61.787.215**
Income tax	(5.610.295)	(19.283.200)	(1.826.176)	(8.789.400)
Net Income	**90.586.628**	**97.678.623**	**49.745.688**	**52.997.815**
Non-controlling interests	(4.179)	(5.530)	(810)	4.816
Net profit for the period	**90.582.449**	**97.673.093**	**49.744.878**	**53.002.630**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in Euro	30-jun-14	31-Dec-2013	30-jun-13
	Unaudited		**Unaudited**
ASSETS			
Non-Current Assets			
Goodwill	376.756.383	376.756.383	376.756.383
Other intangible assets	4.832.418	3.350.257	3.319.672
Plant, property and equipment	1.269.798.081	1.316.186.000	1.356.021.618
Biological assets	112.545.079	111.339.306	112.208.634
Financial assets available for sale	229.136	229.136	126.032
Investment in associates	-	-	-
Other assets	-	-	-
Deferred tax assets	24.507.579	30.726.594	35.846.353
	1.788.668.677	**1.838.587.676**	**1.884.278.691**
Ccurrent Assets			
Inventories	209.071.490	202.925.486	218.626.211
Receivable and other current assets	208.360.368	200.812.149	210.436.544
State and other public entities	55.115.863	53.050.496	70.495.333
Cash and cash equivalents	391.200.263	524.293.683	484.536.999
	863.747.984	**981.081.814**	**984.095.087**
Total Assets	**2.652.416.661**	**2.819.669.491**	**2.868.373.778**
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	767.500.000	767.500.000	767.500.000
Treasury shares	(96.772.971)	(94.305.175)	(92.400.846)
Fair value reserves	39.347	213.354	(636.076)
Legal reserves	83.644.527	75.265.842	75.265.842
Translation reserves	(1.017.288)	(1.296.817)	(749.166)
Other reserves	520.260.425	522.172.435	611.255.961
Net profit for the period	90.582.449	210.037.752	97.673.093
	1.364.236.489	**1.479.587.391**	**1.457.908.808**
Non-controlling interests	249.342	238.543	240.768
	1.364.485.831	**1.479.825.935**	**1.458.149.576**
Non-current liabilities			
Deferred taxes liabilities	105.114.091	99.279.735	166.804.216
Pensions and other post-employment benefits	-	-	3.873.068
Provisions	45.062.884	49.317.391	28.416.345
Interest-bearing liabilities	602.537.596	771.632.455	783.119.690
Other non-current liabilities	44.174.945	46.259.136	49.004.201
	796.889.516	**966.488.718**	**1.031.217.520**
Current liabilities			
Interest-bearing liabilities	179.702.381	59.702.381	59.702.381
Payables and other current liabilities	226.066.631	201.052.536	232.124.638
State and other public entities	85.272.303	112.599.923	87.179.662
	491.041.315	373.354.839	379.006.682
Total liabilities	**1.287.930.830**	**1.339.843.557**	**1.410.224.202**
Total equity and liabilities	**2.652.416.661**	**2.819.669.491**	**2.868.373.778**