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*EVERY DAY WE SHOW
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**DIVULGAÇÃO RESULTADOS
DO 3º TRIMESTRE 2014**
3RD QUARTER RESULTS 2014



PORTUCEL, S.A.
SOCIEDADE ABERTA
PUBLIC LIMITED COMPANY

Sede: Mitrena, Apartado 55, 2901-861 Setúbal
N.º 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



**DIVULGAÇÃO RESULTADOS
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3RD QUARTER RESULTS 2014

Leading Indicators – IFRS (unaudited)

	9 Months	9 Months	Variation ⁽⁵⁾
	2014	2013	9M14 / 9M13
Million euros			
Total Sales	1 138,0	1 137,2	0.1%
EBITDA ⁽¹⁾	238.7	260.1	-8.2%
Operating profits (EBIT)	164.0	183.7	-10.7%
Financial Results	- 24.6	- 15.7	57.2%
Net Income	133.1	149.7	-11.1%
Free Cash Flow ⁽²⁾	200.3	220.6	-9.1%
Capital Expenditure	12.3	13.1	-0.8
Interest-bearing Net Debt ⁽³⁾	309.9	263.7	46.3
EBITDA / Sales	21.0%	22.9%	
ROS	11.7%	13.2%	
ROE	12.3%	13.4%	
ROCE	12.5%	13.5%	
Financial Autonomy	52.2%	51.7%	
Net Debt / EBITDA ⁽⁴⁾	0.9	0.7	
	3rd Quarter	2nd Quarter	Variation ⁽⁵⁾
	2014	2014	Q3 14 / Q2 14
Million euros			
Total Sales	390.8	381.8	2.4%
EBITDA ⁽¹⁾	80.5	80.2	0.3%
Operating profits (EBIT)	51.8	60.4	-14.2%
Financial Results	- 8.6	- 8.8	-2.4%
Net Income	42.5	49.7	-14.5%
Capital Expenditure	7.5	3.5	4.1
Free Cash Flow ⁽²⁾	81.1	61.5	31.9%
Interest -Bearing Net Debt	309.9	391.0	-81.1
EBITDA / Sales	20.6%	21.0%	
ROS	10.9%	13.0%	

(1) Operating profits + depreciation + provisions

(2) Var. Net debt + dividends + purchase of own shares

(3) Interest-bearing debt – cash and cash equivalents

(4) EBITDA corresponding to last 12 months

(5) Percentage variation corresponds to figures not rounded up/down

Highlights 9M 2014

- Group reaches record paper output and increases sales volume by 3.3%, to 1.147 million tons
- Despite drop in benchmark prices for pulp and paper, turnover held steady in relation to the same period last year, totalling 1,138 million euros
- With free cash flow of € 200.3 million, the Group continues to demonstrate excellent cash generation capacity
- Net debt remains at very conservative levels, with a Net Debt / Ebitda ratio of 0.9.

Highlights 3rd Quarter 2014

- Paper sales reach new high and grow 7.5%
- Turnover up 2.4% to € 390.8 million
- Strong performance in power generation and sales
- Pulp prices stable, but paper prices evolved negatively
- Excellent Q3 cash flow generation to €81.1 million

1. Analysis of Results

9 Months 2014 vs. 9 Months 2013

Against a background of falling pulp and paper prices, the Portucel Group has maintained stable turnover, at € 1,138 million. The robust volume of paper sales recorded over the first 9 months of the year offset the negative impact of falling pulp and paper prices.

In uncoated woodfree (UWF) paper business, despite negative price trends, strong growth in the sale volume resulted in an increase in the value of sales of 1.3%. Paper sales were up by 3.3%, whilst the average price dipped 1.9%. In terms of cut-size, the Group's price declined 1.4%, performing better than the A4 B-Copy index, which fell by 2.4%, as a result of the price increase implemented during the second quarter and maintained throughout the third.

As was to be expected, considering the scale of the new capacity coming on to the market, eucalyptus pulp prices in the first nine months of 2014 compare unfavourably with the same period last year, and the PIX BHKP benchmark price in euros was down by 9%. Prices slipped downwards for the entire first half of 2014, with a reversal in this trend in the last two months, as a result of USD rising against the euro, reflected in a 2.9% rise in the PIX BHKP index from August to September. The Group's sales volume was also down by 6.6%, as a result of increased incorporation of pulp in paper and the planned production stoppage at the Setúbal pulp mill. In this environment, the reduction in the sales volume combined with lower prices resulted in a drop of around 18% in the value of pulp sales.

In energy, output performed well, growing by 2.2% and standing at 1,783 GWh for the first nine months of 2014. Sales progressed in line with output, standing at 1,627 GWh. However, sales prices fell by around 2.2%, due essentially to the drop in the ALBm (Arabian Light Breakeven mean) over the period. This overturned the effect of growth in volume, and the Group recorded power sales of approximately € 174 million.

On the cost side, the Group recorded an improvement in personnel expenditure (due fundamentally to adjustment of the estimate for holiday pay and allowances), as well as lower costs for chemicals, in line with developments over the first half. Noteworthy, although wood prices over this period compare poorly with those in the same period in 2013, market conditions have picked up slightly in the last few months, and this trend is expected to continue throughout the end of the year.

In this context, the Group recorded EBITDA of € 238.7 million, down by around 8%, generating an EBITDA / Sales margin of 21%.

Operating income totalled € 164 million, as compared with approximately 183.7 million recorded in the same period last year.

The Group recorded net financial loss of € 24.6 million, up by € 9 million, 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 € 133.1 million, representing a reduction of 11.1%. As recorded in the first half, the effective tax rate for the first half was significantly lower than the rate of tax for the first nine months of 2013, thanks to the release of provisions which proved not to be necessary.

3rd Quarter vs 2nd Quarter 2014

Portucel closed the 3rd quarter with growth of 2.4% in turnover, a positive result in view of seasonal factors affecting this period. This growth is explained essentially by a significant increase in paper sales, although energy sales also made a positive contribution to this strong performance.

UWF sales totalled 405 thousand tons, a figure which compares extremely favourably with equivalent quarters, and represents growth of 7.5% over the previous quarter. The increase in sales volume made it possible to offset the drop in average paper prices, and sales grew in value by 3%.

In pulp, after a fairly positive second quarter, the sales volume dropped by 12.3%, although the Group's sales price performed well. This was due in part to an improvement in market prices (the PIX index rose by 0.3% thanks to the positive impact of the EUR/USD exchange rate towards the end of the quarter) and also to an increase in sales on traditional markets in Europe, with more demanding quality standards but also higher returns.

As already mentioned, power business performed well, in terms of both volume and the sales price. Expanding sales were due to increased power generation by the co-generation units at the Figueira da Foz site during the 3rd quarter, whilst output in the 2nd quarter had been hit by a series of production stoppages. These production stoppages also had a negative effect on the sales price in the 2nd quarter. Over the subsequent months, energy prices improved, benefiting from upward movement in the benchmark index, and from the strength of the dollar against the euro during September. As a result, sales to the national grid grew by 5.1% and the average sales price rose by 2.9%, meaning that the value of power sales was up by more than 8%.

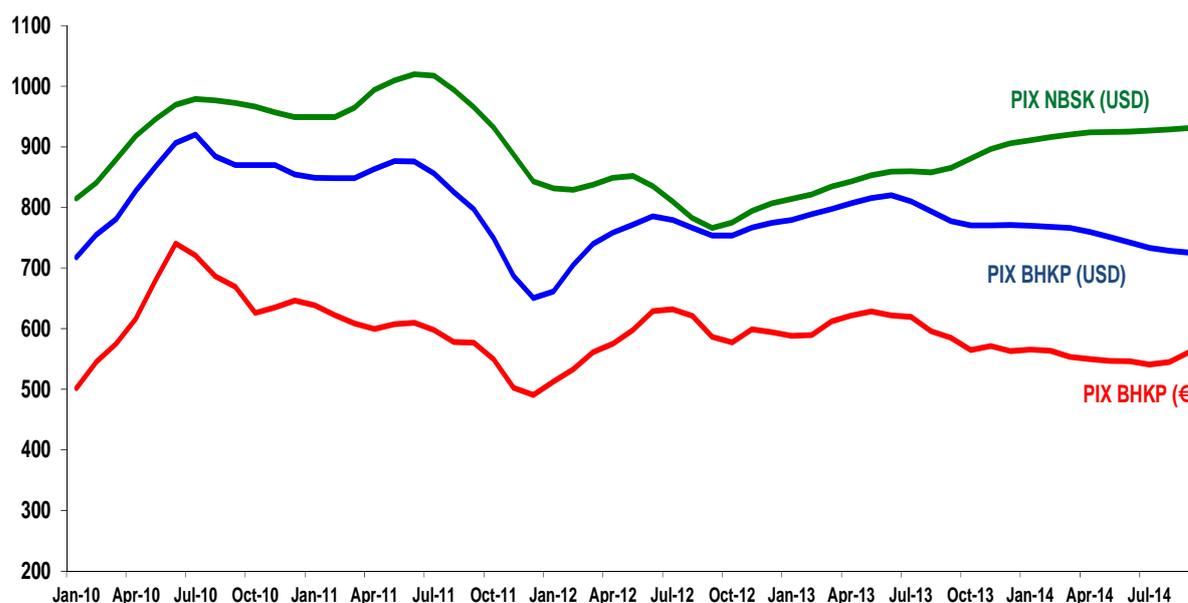
2. Market Analysis

a) Pulp business

The soft landing observed in the eucalyptus pulp market as from mid-2013 continued into the 3rd quarter of 2014. As reported above, the supply of eucalyptus pulp has grown systematically during 2014, with new capacity coming on to the market as a series of large scale projects in South America move into production, at a faster rate than market demand is able to absorb.

This gradually pushed down market prices over the period, with the quarterly average for the benchmark PIX index for Europe standing at USD 729, as compared to USD 751 in the second quarter, and USD 794 in the third quarter last year. However, especially over the course of September, this trend was countered by the strength of the dollar against the euro, leading to higher prices in euros, as shown in the following graph.

PIX Prices Europe - Monthly evolution



Another significant development was that, at the end of the 3rd quarter, the price difference between the two fibres in the PIX index - NBSK long fibre and BHKP short fibre - widened to a maximum level of USD 206. This differential is expected to accelerate the effect of fibre substitution, with a positive impact on the price of hardwood pulp.

The Chinese market remains the crucial factor on the demand side. According to PPPC W-100 data, total demand from this market (figures through to August 2014) stood at 10.2 million tons, up by 380 thousand tons (3.9%) in relation to the same period last year. This growth in demand for pulp has been concentrated essentially in eucalyptus fibre pulp, up by 470 thousand tons, to the detriment of demand for other pulp types, in particular long fibre pulp. Rising consumption in the Chinese market (+0.9%) has been decisive, offsetting poorer performance in other markets, such as North America (-0.7%) and Western Europe (-1.5%).

The Group's BEKP pulp sales in the 3rd quarter of 2014 stood at 66 thousand tons, down from the figure recorded in the same period in 2013, but at the level which was expected, considering the schedule of maintenance stoppages at its mills.

BEKP pulp sales by paper segment show that the Group has continued to lead the special and decor paper segment (60% of turnover), where value added is higher.

As indicated above, an analysis of sales by geographical destination shows that the Portucel Group has been able to stick to its policy of selling primarily to European markets, home to manufacturers of higher quality paper where technical demands are more stringent and where the intrinsic qualities of the eucalyptus globulus pulp generate substantial added value.

b) Paper business

Overall, apparent UWF consumption in Europe grew by approximately 1% over the first 9 months of 2014. This growth in apparent demand was sustained by supply from 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.

However, over the course of the third quarter, and after four quarters of consistent growth, consumption cooled off slightly, and this was particularly visible in the slower pace of new orders from European customers.

The European industry recorded a capacity utilization rate of approximately 91%, one percentage point up from the same period in 2013. Throughout the period, order books in the UWF industry were stronger than in 2013, although they fell off towards the end of the third quarter, as a result of the reduction in new orders already mentioned.

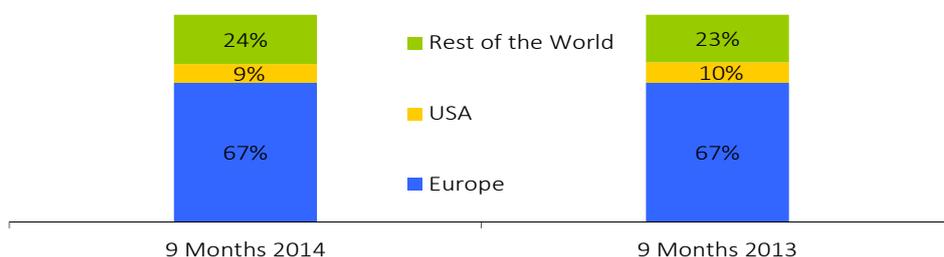
In this context, the main market index for UWF prices in Europe (PIX Copy B), which had been on a downwards course since 2012, enjoyed a period of recovery with prices rising in April 2014.

In the US, the sharp reduction in local UWF production capacity failed to offset the drop in demand and booming imports from Asia in down-market segments, with imports rising from 13% to 17% of total North American consumption. As a result, the expected upwards movement in prices never materialised, and the main benchmark index for the sector (Risi 20lb cut-size, 92 bright) stagnated in relation to the same period in 2013.

In this environment, the Group was able to set a new record for paper sales in the first nine months of the year, boosted by growth of 3% in the sales volume on European markets in

relation to the same period in 2013, by reaching out to new markets and by expanding its customer networks in the markets where it traditionally operates.

Paper sales by market



The main engine of growth in volumes sold was once again the Group's premium product range, strengthening its position as the leading European manufacturer of UWF paper, most especially in product segments offering higher value added. The Group's own brands again recorded growth of 3% worldwide and in Europe. Navigator continued to record impressive growth, up 5% around the world and 6% in Europe, once again achieving levels of penetration and brand recognition unrivalled in the industry.

This momentum in European sales allowed the Group to further expand its share in European markets.

Thanks to the quality of its products and the success of its brands, the Group's prices outperformed the market by up to 3 percentage points in Europe, and 5 percentage points in the United States.

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Summary of operating indicators

Pulp and paper

(in 000 tons)	3 rd Quarter 2014	2 nd Quarter 2014	%	9 Months 2014	9 Months 2013	%
BEKP Output	361	358	0.8%	1,063	1,057	0.6%
BEKP Sales	66	75	-12.3%	201	215	-6.6%
UWF Output	404	378	6.9%	1,169	1,130	3.4%
UWF Sales	405	377	7.5 %	1,147	1,111	3.3%
Foex – BHKP Euros /ton	549	548	0.3%	552	607	-9.0%
Foex – A4-B copy Euros / ton	830	826	0.4%	829	850	-2.4%

Energy

	3 rd Quarter 2014	2 nd Quarter 2014	%	9 Months 2014	9 Months 2013	%
Output (GWh)	613	583	5.1%	1,783	1,744	2.2%
Sales (GWh)	558	531	5.1%	1,627	1,592	2.2%

3. Development

The integrated forestry, cellulose pulp and energy project which Portucel has been developing in Mozambique continues to make progress, and is currently at the stage of stepping up forestry operations and strengthening its operational base in the country.

As previously reported, IFC (International Finance Corporation), a World Bank group company, is currently providing the Group with consultancy services, under the cooperation agreement signed in October 2013. This support has been important, as the improved 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.

IFC's involvement in the forestry project may also move to a new level, with its participation of approximately 20% in the capital of Portucel Moçambique. This process is currently at the stage of negotiations between the parties.

During the month of August, the Social and Environmental Impact Study was completed, an important step for accelerating the forestation process, in line with the high quality standards to which the Group aspires. Work also proceeded on building the first large-capacity nursery facility in Zambézia Province, which will be crucial for expanding the plantation areas.

In Portugal, as previously announced, the Group is 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 September 2014, the Group's net debt totalled € 309.9 million, practically unchanged from year-end 2013 (+0.9%). Considering the distribution of € 200.8 million in dividends and reserves, these debt figures once again point to Portucel's excellent capability for cash flow generation. In the first nine months of 2014, free cash flow totalled € 200.3 million, with a particularly strong figure in the third quarter of € 81.1 million. Moderate growth in working capital and a low level of capital expenditure have helped sustain this performance. At the end of the period, the Net Debt / Ebitda ratio stood at 0.9, in line with that recorded in the previous year, and significantly lower than the average for companies in the sector.

Gross debt stood at € 782.8 million, corresponding to € 179.7 million in short term debt and € 603.1 in medium and long term debt. With cash and other liquid assets of € 472.9 million, the company continues to enjoy a comfortable level of liquidity. The financial autonomy ratio at the end of the period stood at 52.2%.

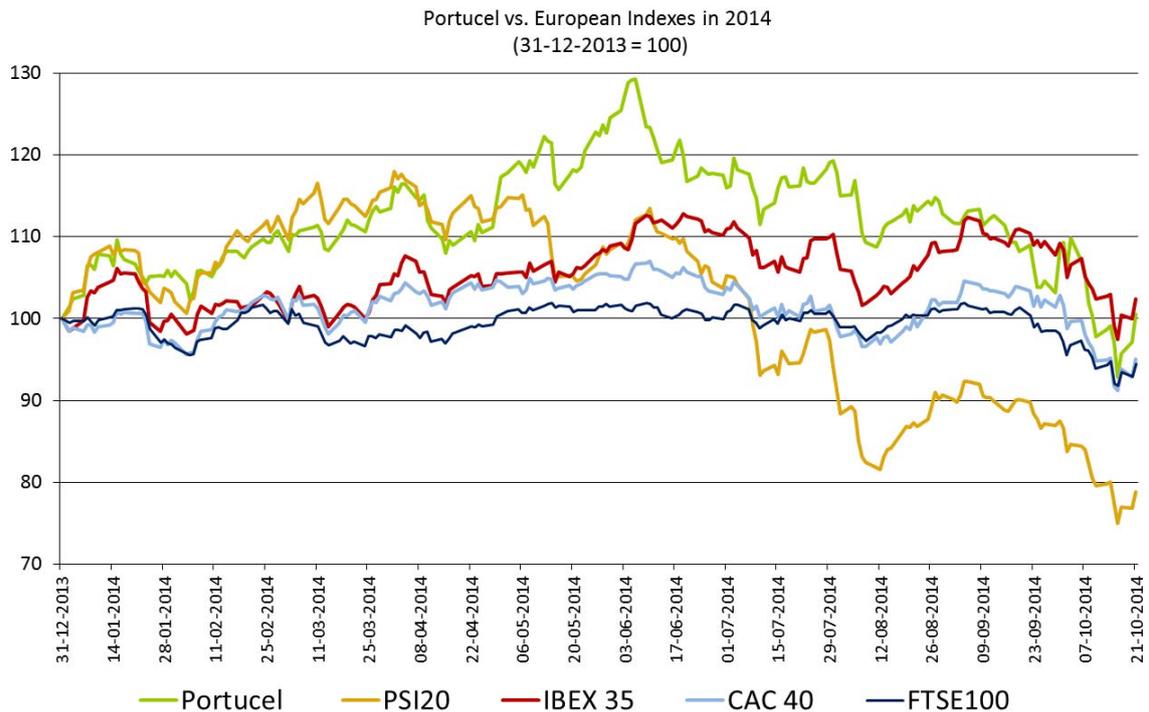
5. Capital Markets

The third quarter of 2014 witnessed severe volatility in most capital markets, with heavy losses through to mid-August followed by upwards adjustment over the course of September. In Europe, the top performer was the Madrid stock exchange, where the Ibex 35 has recorded an accrued gain of 9.2% since the start of the year, with the PSI20 showing the weakest performance, ending September with an accrued loss of 12.5%. The first few weeks of October saw a return to severe instability in the markets, with significant losses being recorded by the main European indexes, in particular the Portuguese index, which fell to its lowest levels for the last two years.

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Shares in the pulp and paper sector were again hit hard over the 3rd quarter, with continued downward pressure on the shares of these companies, in line with the market in general and aggravated by uncertainty as to the impact of new production capacity.

One of the few exceptions in this negative environment was the performance displayed by Portucel shares. Although not entirely immune to wider trends, Portucel shares ended September at 3.154 €/share, representing an accrued gain of 8.4% in 2014. Over the course of the year, 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 €. In October, however, as in the main European exchanges, Portucel shares suffered severe losses and were traded at below 2.9 €/share.



6. Outlook

The performance of the world's main economies, and increasingly that of the emerging economies, remains the crucial factor in determining trends on the pulp and paper markets. The absence of growth in Europe, the fragility of the recovery in the US economy and the economic and political challenges facing the emerging countries contribute to a scenario of uncertainty and volatility in the markets.

The US economy has yet to show clear signs of a solid recovery, and the recently increased strength of the US dollar could hamper the country's growth. A less strong euro may be expected to have a positive impact on European growth which, combined with the retention of recent monetary stimuli, might bring new momentum to this area, serving to counter the growing risks of deflation. In the emerging markets, and especially in China, no strong signs of growth are expected, a situation aggravated by the political and social instability affecting various globe areas, and particularly those where fossil fuels are produced.

Therefore, signs of uncertainty persist around the world, with an inevitable impact on the pulp and paper sector. However, the BEKP pulp market is expected to continue to demonstrate a degree of resilience, not only because of the robust demand in the Chinese market, but also due to the recent evolution of the euro/dollar exchange rate, which has caused pulp prices in euros to rise. Likewise, the historically high spread between long and short fibre public prices will continue to result in substitution by short fibre in certain paper sectors.

At the same time, expectations of the tissue paper segment remain positive, with interesting levels of growth in the emerging economies such as China, Turkey and Latin America, which should help to maintain a dynamic pulp market.

In the UWF paper market, despite the market cooling off over the quarter, the Group succeeded in maintaining a strong sales volume. Over the months ahead, order books are expected to stay in line with the same period in 2013, albeit with a slight slowdown in paper demand in the Group's traditional markets.

In this context, the Group will continue to operate at full production capacity, thanks to the perception of the excellent quality of its value proposition, strong penetration and awareness ratings for its own brands, as well as ongoing efforts to expand its markets, as the Group continues to search out new development opportunities consistent with its strict criteria for returns and risk.

Setúbal, 22 October 2014

7. Financial statements

Consolidated Income Statement

Amounts in Euro	September 2014	September 2013	3rd Quarter 2014	3rd Quarter 2014
	Unaudited	Unaudited	Unaudited	Unaudited
Revenues				
Sales	1.134.687.434	1.134.302.368	389.659.087	379.990.120
Services rendered	3.267.482	2.861.617	1.125.860	1.095.905
Other operating income				
Gains on the sale of non-current assets	137.751	643.159	88.420	643.159
Other operating income	5.366.709	12.048.970	2.387.328	3.568.396
Change in the fair value of biological assets	(47.815)	2.294.057	(1.253.589)	(858.652)
Change in the fair value of financial investments		144.728	-	144.728
Costs				
Cost of inventories sold and consumed	(507.473.183)	(495.127.793)	(165.996.471)	(162.559.195)
Variation in production	12.410.859	8.247.955	1.678.156	2.425.996
Cost of materials and services consumed	(316.368.557)	(305.170.889)	(113.212.194)	(103.046.181)
Payroll costs	(87.688.488)	(90.552.465)	(27.782.757)	(29.292.968)
Other costs and losses	(10.734.487)	(9.581.733)	(6.199.864)	(7.058.963)
Provisions	6.859.737	201.808	862.255	(2.323)
Depreciation, amortization and impairment losses	(81.500.573)	(76.642.796)	(29.573.380)	(26.122.752)
Operational results	164.039.305	183.668.985	51.782.851	58.927.271
Group share of (loss) / gains of associated companies and JV	-	-	-	-
Net financial results	(24.645.694)	(15.678.622)	(8.586.163)	(7.898.731)
Profit before tax	139.393.611	167.990.363	43.196.688	51.028.540
Income tax	(6.277.796)	(18.266.689)	(667.501)	1.016.510
Net Income	133.115.815	149.723.674	42.529.187	52.045.051
Non-controlling interests	(9.667)	(2.393)	(5.488)	3.137
Net profit for the period	133.106.148	149.721.280	42.523.699	52.048.187

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in Euro	30-set-14	30-set-13	31-Dec-2013
	Unaudited	Unaudited	
ASSETS			
Non-Current Assets			
Goodwill	376.756.383	376.756.383	376.756.383
Other intangible assets	3.558.393	3.482.927	3.350.257
Plant, property and equipment	1.246.829.281	1.337.613.513	1.316.186.000
Biological assets	111.291.490	111.349.982	111.339.306
Financial assets available for sale	229.136	229.136	229.136
Investment in associates	-	-	-
Other assets	-	-	-
Deferred tax assets	24.517.824	31.600.715	30.726.594
	1.763.182.508	1.861.032.657	1.838.587.676
Ccurrent Assets			
Inventories	217.153.093	223.165.228	202.925.486
Receivable and other current assets	191.067.560	186.466.148	200.812.149
State and other public entities	53.837.875	50.407.598	53.050.496
Cash and cash equivalents	472.856.549	593.673.264	524.293.683
	934.915.077	1.053.712.239	981.081.814
Total Assets	2.698.097.585	2.914.744.896	2.819.669.491
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)	(94.305.175)
Fair value reserves	(1.146.424)	(24.565)	213.354
Legal reserves	83.644.527	75.265.842	75.265.842
Translation reserves	235.561	(1.102.470)	(1.296.817)
Other reserves	521.829.682	609.549.489	522.172.435
Net profit for the period	133.106.148	149.721.280	210.037.752
	1.408.396.522	1.506.604.401	1.479.587.391
Non-controlling interests	250.538	233.708	238.543
	1.408.647.061	1.506.838.110	1.479.825.935

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Amounts in Euro	30-set-14	30-set-13	31-Dec-2013
	Unaudited	Unaudited	
Non-current liabilities			
Deferred taxes liabilities	103.204.502	157.810.349	99.279.735
Pensions and other post-employment benefits	-	5.631.795	-
Provisions	37.806.586	28.418.668	49.317.391
Interest-bearing liabilities	603.098.032	783.051.908	771.632.455
Other non-current liabilities	44.148.772	9.297.172	46.259.136
	788.257.891	984.209.891	966.488.718
Current liabilities			
Interest-bearing liabilities	179.702.381	74.293.760	59.702.381
Payables and other current liabilities	242.970.696	265.811.745	201.052.536
State and other public entities	78.519.556	83.591.391	112.599.923
	501.192.633	423.696.896	373.354.839
Total liabilities	1.289.450.524	1.407.906.786	1.339.843.557
Total equity and liabilities	2.698.097.585	2.914.744.896	2.819.669.491