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DIVULGAÇÃO DOS RESULTADOS DO 1º SEMESTRE DE 2013

INTERIM RESULTS 1ST HALF 2013

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 1st Half 2013 (vs. 1st Half 2012):

- Group distinguished as best European company in 2012 – "European Business of the Year 2012"
- Turnover up 1.8% to € 756.1 million
- Exports of € 602.7 million to more than 100 countries
- EBITDA of € 175.1 million
- Net income of € 97.7 million
- Interest-bearing net debt cut by € 221 million
- Net debt / EBITDA ratio of 1.0

Leading Indicators – IFRS

Million euros	1st Half 2013	1st Half 2012	Variation (4)
Total Sales	756.1	742.7	1.8%
EBITDA (1)	175.1	187.1	-6.4%
Operating profits (EBIT):	124.7	141.2	-11.7%
Financial Results	- 7.8	- 8.8	-11.2%
Net income	97.7	105.7	-7.6%
Cash Flow (2)	148.0	151.6	-2.4%
Capital Expenditure	5.5	11.9	-6.4
Interest Bearing Net Debt	358.3	579.3	-221.0
EBITDA / Sales	23.2%	25.2%	-2.0 pp
ROS	12.9%	14.2%	-1.3 pp
ROE	13.3%	14.8%	-1.5 pp
ROCE	13.6%	14.5%	-0.9 pp
Financial Autonomy	51.0%	50.3%	+0.7 pp
Net Debt / EBITDA (3	1.0	1.6	

Million euros	2nd Quarter 2013	1st Quarter 2013	Variation (4)
Total Sales	399.2	356.9	11.9%
EBITDA (1)	89.7	85.3	5.2%
Operating profits (EBIT):	66.5	58.3	14.1%
Financial Results	- 4.7	- 3.1	52.0%
Net Income	53.0	44.7	18.7%
Cash Flow (2)	76.3	71.7	6.3%
Capital Expenditure	2.7	2.8	-0.1
Interest Bearing Net Debt	358.3	341.1	17.1
EBITDA / Sales	22.5%	23.9%	-1.4 pp
ROS	13.3%	12.5%	+0.8 pp

(1) Operating profits + depreciation + provisions
(2) Net profits + depreciation + provisions
(3) EBITDA corresponding to last 12 months
(4) Percentage variation corresponds to figures not rounded up/down

1. ANALYSIS OF RESULTS

1st Half of 2013 vs. 1st Half of 2012

The turnover generated by the Portucel Group in the first half of 2013 was up by 1.8% on the first half of 2012, at € 756.1 million. Despite the difficult economic environment, successful performance in pulp and energy business made for growth in the total value of sales. Energy business was positively influenced by the consolidation of Soporgen, the company operating the natural gas cogeneration plant at the Figueira da Foz industrial site, in which the Group acquired from EDP the remaining 82% share capital, at the start of 2013.

In the uncoated woodfree (UWF) printing and writing paper business, after a yoy drop in sales registered in the first quarter, an improvement was recorded in the second quarter. The volume of paper sales in the first half was nonetheless down by around 2% on the previous year, with the Group's average sales price recording an equivalent reduction. The drop in the average price is explained by the deterioration in the benchmark price on the European market (the PIX Copy B index fell by 1% in relation to the same period in the previous year), by exchange rate trends and also by the fact that overseas markets have accounted for a larger proportion of the sales mix. With UWF paper consumption highly correlated with economic activity and unemployment level, this evolution is largely due to the current high level of unemployment in Europe, which affects over 26 million in the active population.

Despite the great uncertainty initially surrounding expectations for the bleached eucalyptus pulp (BEKP) market in 2013, the first half proved to be fairly positive, with the Group recording positive performance in terms of both sales volumes and prices. Due to the excellent production performance and the BEKP inventory reduction, the Group sales volume grew by approximately 16%, whilst the average price rose by around 3%. The combination of these factors led to a value for pulp sales in the first half up by 19% on the value recorded in the first half of 2012.

In the energy business, gross power output stood at 1,154 GWh, representing an increase of 23%. However, this figure is not comparable with the previous year, insofar as it includes output from Soporgen. Power generation, excluding Soporgen, recorded a slight decrease, due to an accident involving the steam turbine at the natural gas combined cycle cogeneration plant in Setúbal. Power sales stood at around € 116 million, and sales excluding Soporgen were lower than in the 1st half of 2012, reflecting in part the application of the new legal framework for cogeneration, which has negatively affected the sales price for power generated at the Cacia plant.

Costs worsened in relation to the 1st half of 2012, due essentially to the inclusion of Soporgen in the Group's accounts, with an impact principally on natural gas costs, and also due to higher wood costs.

In this context, consolidated EBITDA stood at € 175.1 million, which represents a reduction of 6.4% and results in an EBITDA / Sales margin of 23.2%, down 2.0 percentage points on the margin recorded in the previous year.

Operating income stood at € 124.7 million, down by 11.7% on the previous year. It should be noted that operating income in the first half of 2012 was positively influenced by the reversal of provisions in the amount of approximately € 6.5 million.

The Group recorded a financial loss, but at € 7.7 million euros it compares favourably with the loss of 8.8 million euros recorded in 2012. This improvement was due essentially to the substantial reduction in net debt in relation to the end of the 1st half of 2012.

Consolidated net income for the period stood at € 97.7 million, down by 7.6% on the same period in the previous year.

2nd Quarter 2013 vs. 1st Quarter 2013

Turnover in the second quarter compares very favourably with that recorded in the first quarter, up by almost 12%. This increase was due essentially to to significant growth in the volume of paper sales, as well as in the sales volume and sales price for pulp.

Despite the retraction in paper consumption recorded in the European market and increased competition in other markets, the Group significantly increased its sales volume in the second quarter. The impact of this increase was however partially offset by deterioration in the average sales price. As a result, the value of paper sales in the 2nd quarter stood at approximately 14% higher than in the previous quarter.

BEKP pulp business continued the positive evolution recorded in the first quarter, with prices rising again, reflected by an increase of 4.7% in the Foex BHKP index in euros in the second quarter. Growth in the sales volume, combined with an increase in pulp prices, resulted in growth of over 38% in the value of the Group's BEKP sales.

In the energy sector, figures for the quarter reflect the accident involving the cogeneration turbine mentioned above, which essentially affected sales in the second quarter, as well as planned maintenance work on the Soporgen turbine carried out between April and June. The value of energy sales was accordingly down by around 9% on the figure recorded in the 1st quarter.

EBITDA totalled € 89.7 million, up by 5.2% on the first quarter. The EBITDA / Sales margin stood at 22.5%, representing a decline of approximately 1.3 pp.

The Group recorded operating income of € 66.5 million, corresponding to an increase of 14.1% in relation to the previous quarter, due in part to a reduction in the value of depreciation recorded in the quarter.

Net income for the period was also influenced positively by the low level of tax, benefiting form a fiscal credit attributed to investment and research & development from 2012 (but only calculated in May 2013) and from 2013 (estimated) , resulting in net profits of € 53.0 million, which in turn represents growth of 18.7%.

2. MARKET ANALYSIS

2.1 UWF Paper

The second quarter of 2013 witnessed further deterioration of the economic situation in Europe, which is the main destination for the Group's sales, with unemployment remaining at worryingly high levels. UWF consumption in this region decreased by approximately 3%, a lower drop that what was initially anticipated.

There was, however, an increase in imported paper from outside Europe, which has negative consequences in terms of the market mix and consequently on average prices, given the quality gap towards the average of European producers.

The printing segment, and folio products in particular, is one of the segments to which the Group is particularly exposed, due it its leadership position and large market share. This was also the segment recording the largest year-on-year retraction, with demand dropping almost 10%. Despite this, the capacity utilization rate in the industry remained high, standing at an average of approximately 92% for the first half (around 2 percentage points lower yoy), despite falling to 84% in June. As in previous periods, consumption of office paper displayed the highest levels of resilience to the crisis of the entire printing and writing paper sector, dropping by just 1.5% in relation to the same period in 2012.

Figures for the US also point to a year-on-year drop in UWF consumption of 3.5%, despite a degree of economic recovery during the period. As in Europe, office paper presented stronger performance, with growth of 2% over the same period in the previous year.

The overseas markets, key countries for the Group's business, in North Africa and the Middle East, experienced a worsening of political and economic instability which, combined with aggressive marketing by manufacturers from other regions, has made it more difficult to compete.

These factors weighted heavily on the Group's performance, with the value of paper sales dropping by approximately 4%, as a result of a 2% percentage drop in both sales volumes and average sales prices. The reduction in sales volumes was due essentially to the need to renew stocks along the logistical chain after they had fallen to minimal levels in late 2012. It should nonetheless be noted that at the end of the first half the Portucel Group's stocks remained at a very low level, more than 40% lower than the average for the industry in Europe. As previously mentioned, the drop in the average price was due essentially to erosion of the benchmark price on the European market, exchange rate evolution and to the fact that overseas markets have accounted for a larger proportion of the Group's sales mix.

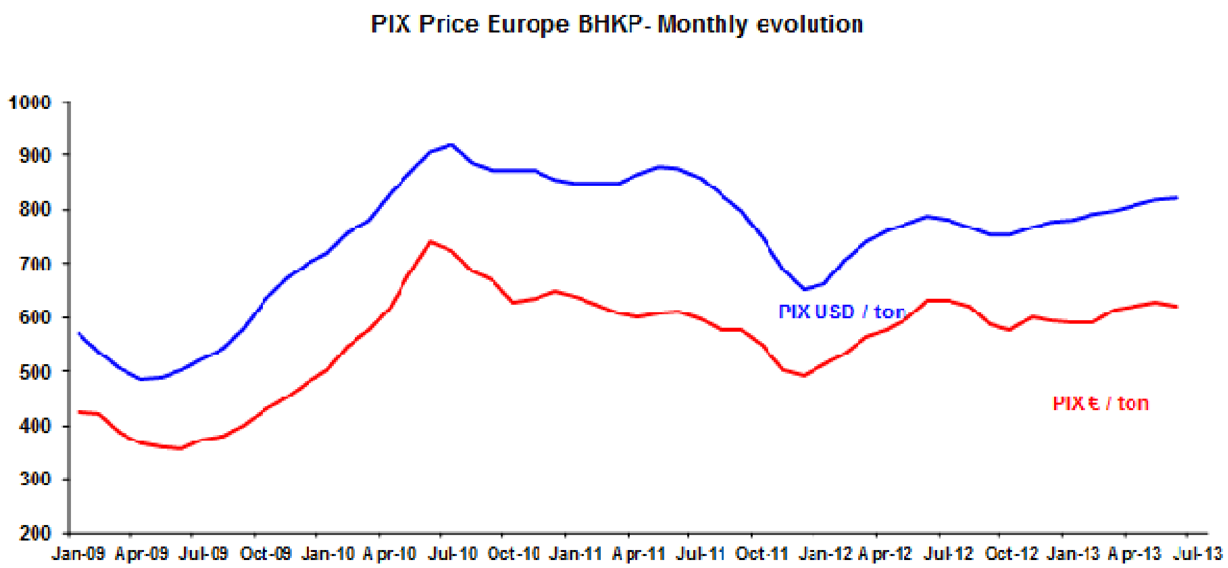
Despite this very difficult context, the Group placed approximately 60% of its output in premium products, both in Europe and in its total sales. Significantly, the Group's own brands grew further as a proportion of its total sales of sheeted products. Mill brands accounted in the first half for 65% of sales of these products, which are the cornerstone of the Group's stability and profitability. In particular, the Navigator brand, the best-selling premium office stationery brand in the world, recorded 4% growth in its European sales, once again demonstrating the strength of the brand and its resilience in the face of troubled market conditions.

2.2 PULP

Despite growth in the supply of eucalyptus pulp, due to the start-up in December 2012 of a new large-capacity production unit in Brazil, and the slowdown in purchases by the Chinese market, the pulp market continued in the first half of 2013 to follow the positive trend first observed in the final quarter of 2012.

In contrast with recent tendencies, the main driving force behind demand was not the Chinese market, but rather the western markets, and namely the US market, which recorded an annual growth of 8% over the first five months of the year.

As a result, three price rises were announced for eucalyptus pulp in Europe over the first half, the last of which brought the price up to USD 850 / ton. As shown in the graph below, this increase in USD prices has not been fully achieved, and was not wholly reflected in the price in Euros, due to foreign exchange trends.



The difficult economic situation worldwide has led certain emerging countries, with export-led economies, to adopt a policy of currency devaluation, in order to keep their products competitive. This has included a number of leading pulp manufacturers, such as Brazil, Indonesia, Russia and South Africa, where local producers will therefore feel less pressure from the level of USD prices.

In this context, the Group's BEKP pulp sales for the first half of 2013 improved by 16% on sales recorded in the same period in 2012.

A breakdown of BEKP pulp sales by paper segment shows that the Group has maintained its leadership position in supplying the special papers segment, which clearly offers the highest value added. Sales to this segment accounted for 60% of pulp turnover.

An analysis of sales by destinations shows that, as in the past, practically all of the Group's 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 eucalyptus globulus pulp are more properly valued.

3. DEVELOPMENT

In the Group's integrated development project for forestry, pulp and energy in Mozambique, extremely encouraging results have been obtained in the first phase, especially in the field trials for determining the plant materials with the best potential and for testing forestry models. The Group made preparations during the first half to speed up the pace of its forestry operation, in particular with the groundwork for its project for a cloning facility and nurseries, set to play a key role in expanding the scale of plantations.

At the same time, in the field of logistics, studies have continued to determine the feasibility of the different alternatives for supplying raw materials and other factors of production to the mill, and for dispatching eucalyptus pulp; these studies will make it possible to reach a conclusion during the second half on the relative merits of the different scenarios considered.

In the field of woodlands protection, the Group will this year invest more than € 3 million in preventing and helping to fight forest fires, in a strategy which puts prevention in first place. This will include managing and sharing know-how acquired through scientific research. The amount invested in the programme for preventing and helping to fight forest fires continues to position the Group as Portugal's leading private-sector contributor to the country's efforts to reduce fire risks.

The strategy implemented has meant that the Group's woodlands present a much lower rate of forest fires than the national average and, significantly, the overwhelming majority of incidents to which our resources respond occur on the property of third parties, which amounts to a public service in support of the national forest fire protection system

4. FINANCIAL

At the end of the first half, interest bearing net debt totalled € 358.3 million, down by € 6.5 million on year-end 2012. Dividends of € 115.2 were paid out during the period in relation to the financial year of 2012. In early May, Portucel repaid a bond issue in the amount of € 200 million.

Also in May, Portucel issued 7-year bonds with a value of € 350 million on the international markets, at a rate of 5.375 %. This issue, initially planned with a value of € 250 million, attracted strong interest from investors, and the initial amount was accordingly increased by € 100 million. This operation has increased the Group's liquidity, improved its financial flexibility and significantly extended the average maturity of the Group's debt.

At the end of June 2013, gross long term debt stood at € 789.5 million, and debt with maturities of less than one year totalled only € 59.7 million (as compared with 219 million at year-end 2012). With excellent capability for cash flow generation, liquid assets of 484.5 million euros and credit facilities contracted of approximately € 70 million, the Group enjoys a strong level of liquidity which will allow it to face its future commitments.

The financial autonomy ratio at the end of June stood at 50.9 % and the Net Debt / EBITDA ratio was 1.0, remaining at conservative levels.

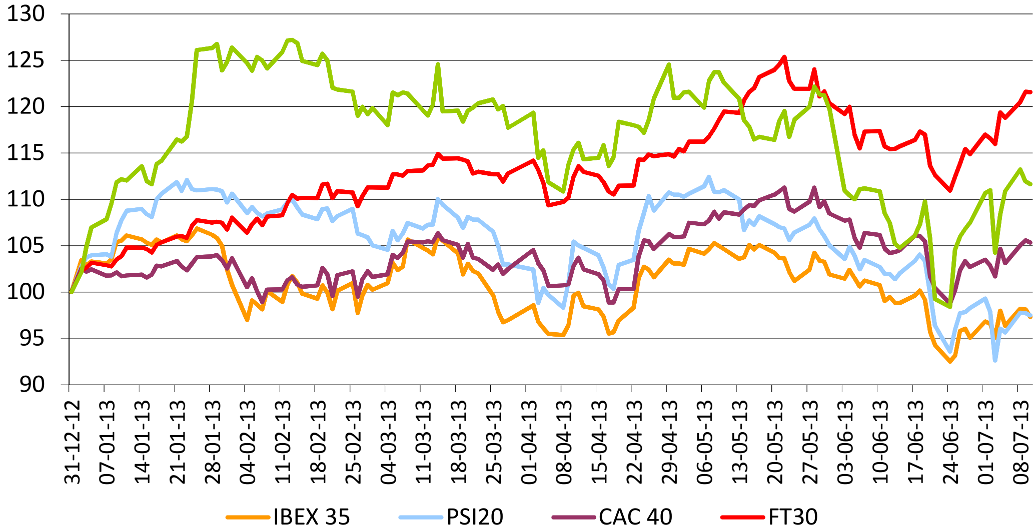
5. CAPITAL MARKETS

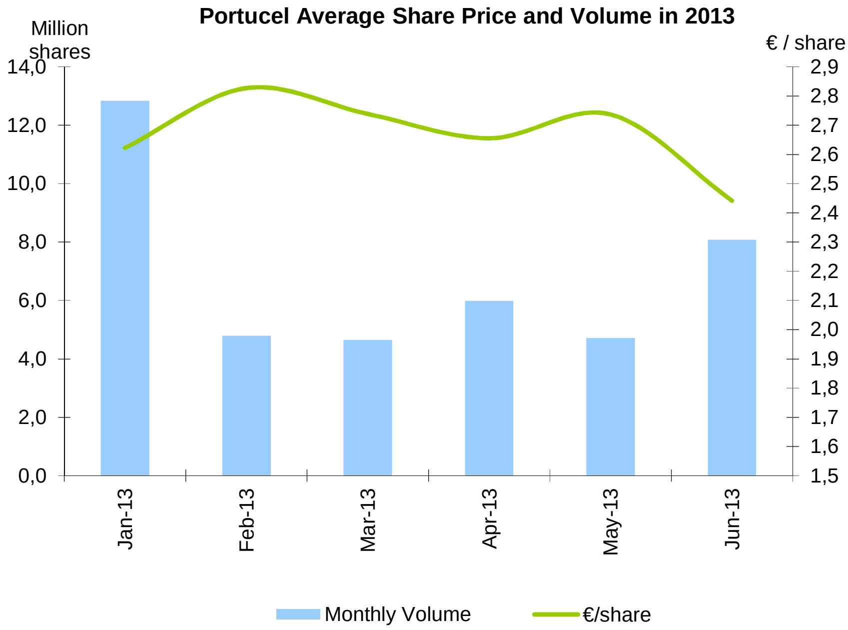
The markets fell prey to severe instability towards the end of the first half, reducing and in some cases wiping out gains accrued through to the end of May. Of the European indexes, the PSI20 and the Ibex fared worst over the period, down respectively by 1.7% and 5%. The largest gains were on the London and New York stock indexes.

The shares of the leading companies in the sector recorded positive overall performance in the 1st half of 2013, with some manufacturers, and pulp manufacturers in particular, recording significant gains.

Portucel shares performed well during the first 5 months of 2013, gaining approximately 20% through to the end of May, when they stood at € 2.73. Prices then fell back in June, rallying a little at the end of the month. The shares accordingly closed the first half at € 2.45, representing an accrued gain of 7.5% for the period.

Portucel vs. European Indexes in 2013
(31/12/2012= 100)





6. AWARD FOR EUROPEAN BUSINESS OF THE YEAR 2012

During the second quarter, the Portucel Soporcel group was awarded the prize of Business of the Year 2012, by the European Business Awards (EBA). In the words of the EBA organizers, "…this award goes to the outstanding company that has best demonstrated exceptional financial returns, strong growth and innovation strategies, and market leadership in its sector". The Portucel Group was distinguished in the category "Busines of the Year" with turnover above €150 million, from a field of hundreds of European companies from all sectors of the economy. The European Business Awards are considered one of the most prestigious awards in this field and are designed to reward and promote excellence, good practice and innovation in Europe's business community. The 2012 event involved more than 15 thousand organizations from across the business spectrum in 30 countries.

7. OUTLOOK

World economy remains characterized by great unbalances and uncertainty. High levels of unemployment persist in Europe and in the US, although some reduction has been registered in the latter in recent months.

The US economy is expected to present improved performance, with recovery in internal demand, sustained by a tentative improvement in the labour market and increased demand in the real estate sector. In the Euro zone, recent economic indicators have shown signs of improvement, and a degree of stabilization is expected in the second half, albeit with a recovery that is set to remain very slow. In the emerging markets, the main indicators of growth fell short of expectations, and forecasts for the rest of the year have been revised downwards.

In this context of poor economic growth and uncertainty, the prospects for the sector over the coming months are unavoidably cautious. Despite the resilience displayed by BEKP pulp business in the first half, the impact of new capacity due to come on line at the end of the year has already started to cause a degree of instability in pulp prices. Given that for several years the Chinese market has been one of the main driving forces behind demand in pulp business, a recovery in this market is essential in the short term to assure a balance between supply and demand.

In the paper market, the downward trend in apparent consumption in Europe continued throughout the first half, although the decline became less steep over the course of the period. The return to production of a European paper mill in early June, with annual capacity of 300 thousand tons of UWF, has added an additional factor of uncertainty and disruption, in view of the surplus capacity in the market.

As stated above, in key countries for the Group's exports, in particular in North Africa and the Middle East, increased political and economic instability, together with seasonal factors in Europe and the United States and overcapacity in Asia, as well as the increased volatility in the pulp market which started to be felt towards the end of the first half and which has since intensified, have combined to delay purchasing decisions which will have a significant impact on the evolution of international UWF paper prices over the course of the second half.

Conditions in the paper market are therefore expected to be particularly difficulty in the near future.

In the face of these challenges, the Group will press ahead with its efforts to expand its markets and to reposition the product mix in its traditional markets, taking advantage of the excellent penetration and awareness enjoyed by its own brands and a broad perception of the quality of its value proposition. Ongoing efforts will also continue to increase productivity and improve efficiency, which are key factors for boosting its ability to compete.

Setúbal, 19 July 2013