RELATÓRIO DO 3º TRIMESTRE 2011

INTERIM REPORT 3rd QUARTER 2011

PORTUCEL

EMPRESA PRODUTORA DE PASTA E PAPEL 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

DIRECTORS´ REPORT

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Highlights for first 9 months of 2011:

- Group turnover grows by 9.2%
- EBITDA of € 288.0 million
- Net profit of € 144.1 million
- Net debt cut by € 94.2 million
- Net Debt / EBITDA ratio of 1,3
- Increased share of the European paper market

Financial Highlights – IFRS

Million euros	9 Months 2011	9 Months 2010	% Change [5] 9M 11/ 9M 10
Total sales	1 095.9	1 003.7	9.2%
EBITDA [1]	288.0	288.7	-0.3%
Operating profits	190.6	212.3	-10.2%
Financial results	- 15.3	- 17.1	-10.5%
Net earnings	144.1	154.3	-6.6%
Cash Flow [2]	241.5	230.7	4.7%
Capex	17.0	66.7	-49.7
Net debt [3]	509.7	603.9	-94.2
EBITDA / Sales (%)	26.3%	28.8%	
ROS	13.1%	15.4%	
Equity ratio	52.3%	51.6%	
Net Debt / EBITDA [4]	1.3	1.7	

	Q3 2011	Q2 2011	% Change [5] Q3 11 / Q2 11
Total sales	356.3	370.3	-3.8%
EBITDA [1]	88.8	95.4	-7.0%
Operating profits	65.3	58.5	11.6%
Financial results	- 5.8	- 3.0	97.0%
Net earnings	46.5	46.2	0.6%
Cash Flow [2]	69.9	83.0	-15.8%
Capex	7.1	5.3	1.8
Net debt [3]	509.7	548.2	-38.5
EBITDA / Sales (%)	24.9%	25.8%	
ROS	13.0%	12.5%	

(1) Operating results + depreciation + provisions
(2) Net profits + depreciation + provisions
(3) Includes market value of treasury stock
(4) EBITDA corresponds to the last 12 months
(5) Percentage variation corresponds to figures before rounding up/down

1. ANALYSIS OF RESULTS

9 Months of 2011 vs 9 Months of 2010

The Portucel Group recorded consolidated sales in the first nine months of 2011 of € 1 095.9 million, representing growth of 9.2% over the same period in 2010. This growth resulted from positive performance in the Group's UWF paper business (uncoated woodfree printing and writing paper), in terms of both quantities sold and sales prices, and also from growth in energy sales.

Output of UWF paper from the new paper mill in Setúbal has continued to rise as anticipated, resulting in an increase in the quantities placed on the market. This growth in sales of UWF paper combined with a recovery in sales prices – the benchmark index for the European market, PIX Copy B, published by Foex, was up by an average of 8.6% on the same period in 2010 – resulted in an increase of approximately 12% in the value of paper sales in relation to the first nine months of 2010.

With increased integration of bleached eucalyptus kraft pulp (BEKP) into production at the new UWF paper mill in Setúbal, the Group recorded a slight reduction in pulp sales in relation to the first nine months of the previous year. The drop in sales, combined with lower pulp prices during the period, resulted in a reduction of approximately 12% in the value of pulp sales.

In the energy segment, sales grew in value thanks to the conclusion, in the second half of 2010, of a series of capital projects in this area, with the new facilities now fully operational.

On the costs side, evolution was unfavourable in relation to the same period in 2010, due to rising costs factors, in particular chemicals and timber, although there was a certain downward adjustment in these costs in the third quarter.

Consolidated EBITDA stood at € 288.0 million, practically unchanged from the same period in 2010, resulting in an EBITDA / Sales margin of 26.3%, down by 2.5 percentage points on the first nine months of 2010, reflecting the increased costs referred to above. Operating results were down by 10.2%, a decrease also influenced by the fact that results in 2010 were positively impacted by the reversal of provisions which occurred in that period.

The Group recorded a negative financial result of € 15.3 million, comparing favourably with a similarly negative result of € 17.1 million. Despite the significant reduction in net debt in relation to the same period in the previous years, the results of financing operations remained at the same level as for the first nine months of 2010, due to higher interest rates. The improvement in financial results is explained by a loss on an interest rate hedge which brought down financial income in 2010.

Net consolidated income for the period accordingly totalled € 144.1 million, down by 6.6% on the same period in the previous year.

3rd quarter 2011 vs 2nd quarter 2011

The sharp deterioration in some of the world's leading economies was reflected in slower demand for UWF paper. In the European market, the reduction in demand, which had been observed since the start of the year, intensified significantly during the 3rd quarter. Combined with other seasonal factors, this had a negative impact on the Group's paper sales. At the same time, sales outside Europe grew in relation to the previous quarter. These contrasting dynamics in sales to different geographical regions had negative implications for the Group's average sale price, and although the benchmark price for paper in Europe has held relatively steady, the Group's average sale price was slightly down on the quarter. The value of sales in the third quarter fell slightly in relation to the previous quarter.

Performance in sales of BEKP pulp was in line with expectations, with a reduction in sales quantities, due to increased paper production and consequently greater internal consumption of pulp. The drop in sales quantities, combined with the lower prices recorded in the 3rd quarter, brought down the value of pulp sales by approximately 19%.

In the energy field, the Group continued to record positive performance, in terms of both output and sales, which increased over the previous quarter.

As a result of these combined factors, overall sales value in the quarter decreased by 3.8%.

In this context, EBITDA was down by 7.0% on the previous quarter, standing at € 88.8 million. Operating results, however, rose by approximately 11.6%, to € 65.3 million, helped partly by a reduction in depreciation during this quarter, resulting from the end of the useful life of a certain number of industrial assets.

The net profit for the period consequently stood at appreciably the same level as in the 2nd quarter, at € 46.5 million.

2. MARKET ANALYSIS

2.1 UWF Paper

The third quarter of the year was marked by a deterioration in the recessive state of UWF paper consumption in the Group's main markets, initially in Europe and the United States, but eventually also in the Group's overseas markets. Consumption of this type of paper in the first nine months of the year dropped by 5% in Europe, where the cut-size segment continued to prove the most resilient, with an accrued reduction of less than 1%. The drop in demand in the USA was of the same magnitude as in Europe, and also grew steeper during the third quarter. The main overseas markets also suffered a drop in demand and in prices in USD.

The European paper industry felt the effects of these developments, with order books decreasing approximately one week's capacity as from the start of the year and a reduction of 2 percentage points in the occupancy rate, to an average over the nine months of 90%.

As a result of the deterioration in levels of demand and in order books, and due to continued pressure on the profitability of certain European mills in the sector, the sustainability of some of these units is increasingly uncertain. In the course of the quarter, one major manufacturer in northern Europe announced the closure of two of its UWF mills – one in Germany, with annual production capacity of 120,000 tons, and another in France, with annual capacity in excess of 300,000 tons.

The price rises which occurred in the second half of 2010 and in April 2011 led to a hike of 8.6% in PIX Copy B, the European Cut-size index, which steadied at the end of the period at levels close to 874 €/t.

In this negative environment, the Portucel Group continued to place all its output on the market, resulting in a very significant increase in the overall value of paper sales. A significant portion of these increased sales were placed on European markets, despite the sharp drop in the levels of apparent demand, allowing it to record a substantial increase in its share of these markets, in the first nine months of 2011, estimated at more than 43 thousand tons of sheeted products.

The product mix was also favourable, with sales of premium products representing more than 60% of all sales in Europe. The 20% increase in sale quantities of mill brands, which in the period accounted for 65% of all sheeted product sales, also permitted the Portucel Soporcel group to record its best-ever ratio of mill brand sales over total sales.

The Group has continued to extend its sales into new markets around the world, and now regularly sells its products to 108 different countries. Thanks to this performance, the Group accounted for 49% of total exports by European UWF manufacturers and 62% of sheeted products exports. In strategic markets, the Group achieved very high export shares, representing 76% and 64% of European UWF exports to the USA and to Africa, respectively.

2.2 BEKP Pulp

The BEKP pulp market confirmed what many analysts had predicted: market conditions worsened, with prices dropping to USD 850 / ton CIF Europe early on in the quarter and then to USD 820 over the course of the period. By early October the PIX index fell to 750 USD, illustrating the sharpness of the price adjustment.

One of the fundamental factors sustaining pulp prices in USD over the first two quarters had been the evolution of exchange rates. This situation changed, with the currencies of the main pulp exporting companies, and notably the South American countries, the main BEKP producers, falling significantly against the US dollar at the end of the quarter.

The pulp market also felt the effects of the worsening economic situation in the US and Euro Zone countries, which are important paper markets, and also of the sharp slowdown in June and July in demand in the Chinese market, which has been one of the main supports of the world market.

As a result of deteriorating market conditions, stock levels at European manufacturers, consumers and ports increased substantially over the quarter.

Despite the worsening of the market in the third quarter, the Group's pulp sales, in quantity, in the first nine months of the year stood at practically the same level as in the same period in 2010, down by only 1%, despite increased integration into paper output. This performance was possible because of the increase in BEKP output achieved by the Group.

A breakdown of sales by paper manufacturer segments shows that the Group continues to enjoy success in focussing on segments with greater value added – special papers – where the Group recorded the majority of its sales, accounting for approximately 60%.

Sales figures by destination also show that nearly all sales were made on European markets, which is home to manufacturers of higher quality papers with more exacting technical requirements, where the intrinsic qualities of the *globulus* pulp manufactured by the Group offers significant gains in value.

3. DEVELOPMENT

Although it remains committed to going ahead with integrated forestry, pulp and energy projects in the southern hemisphere, the Group has been confronted with a number of difficulties which have held back the investment alternatives announced in previous periods. Of the different projects in question, progress has only been made in Mozambique, whilst the projects in Brazil and Uruguay have failed to record any advances.

In Mozambique, the Group has pressed ahead with fieldwork and forestry plantation trials, split between different homogeneous forest zones included in the project. This is a crucial stage for selection of the best plant materials and adaptation to each of the different locations. It is also a large-scale project, consisting of various phases, to be implemented over the time frame normal for undertakings of this kind.

4. FINANCIAL

At 30 September 2011, interest bearing net debt stood at € 509.7 million, down by € 143.0 million from year-end 2010 and by € 38.5 million from the end of the first half of 2011. This reduction in debt reflects the combined effect of capacity for generating cash flow and also a sharp reduction in the level of capital expenditure, after the conclusion of the Group´s major expansion and modernization projects. Generation of free cash flow in the third quarter of 2011 was nonetheless hampered by a seasonal increase in working capital, relating specifically to the value of stocks.

Financial autonomy stood at 52.3% at the end of September and the Net Debt / EBITDA ratio at 1.3, representing an improvement in relation to year-end 2010 (1.6), and staying within conservative levels.

The Group's gross long term debt, on 30 September 2011, stood at € 723.1 million, whilst debt maturing at less than 1 year totalled € 19.5 million. With its excellent capacity to generate cash flow, as reported above, with a cash position of almost € 200 million and credit facilities contracted of approximately € 80 million, the Group enjoys a good level of liquidity, allowing it satisfy its existing liabilities without significant recourse to the debt market in the next few years.

In addition, this financial situation gives the Group the flexibility needed to move on to a new cycle of development, if its current opportunities materialize, meaning it is well placed amongst the leading companies in this sector worldwide.

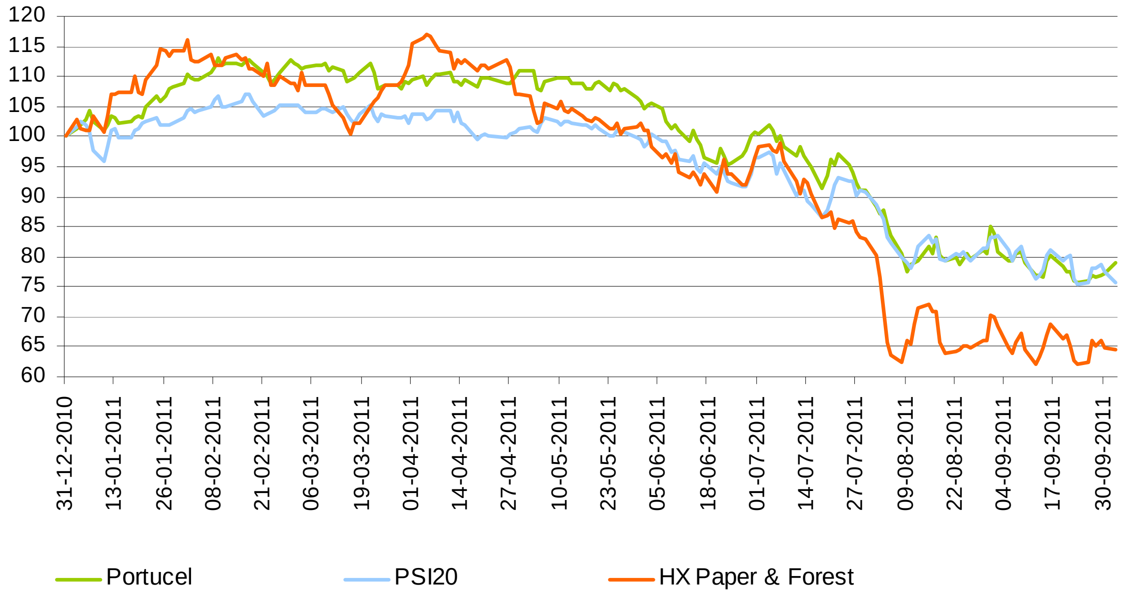
5. CAPITAL MARKETS

The downward tendency in European share prices observed at the end of the first half of 2011 intensified significantly in the third quarter, with most European indexes recording significant accrued losses at the end of September.

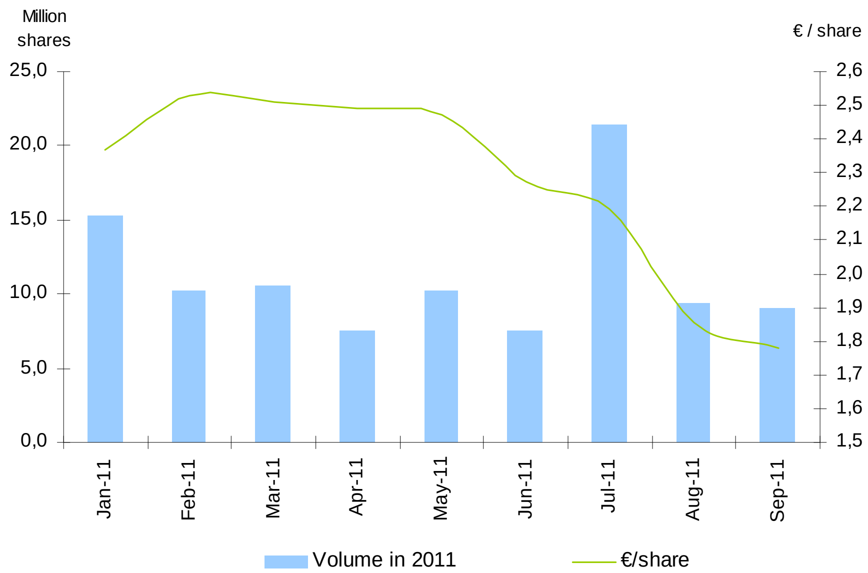
Reflecting the difficult period being experienced by the capital markets, the PSI20 index continued on the downward course recorded since the start of the year, ending the period with a loss of approximately 22.4%, whilst the indexes for the Paris, Frankfurt, Madrid and London exchanges accrued a number of gains over the first half, only for the positive trend recorded up to June to turn into sizeable losses over the course of the 3rd quarter.

The shares of European pulp and paper manufacturers also performed extremely poorly, with the HX Paper & Forest index recording a 35% fall since the start of the year. Portucel saw its own share price drop to 1.755 €/share in late September, representing an accrued loss of 22.9% which, albeit negative, is considerably better than the sector as a whole and in line with the PSI20. Average monthly trading in Portucel shares stood at 11.3 million, with this figure being influenced in July by a transaction in Portucel's treasury stock. Own shares totalled 20 million at the end of September, corresponding to 2.6% of the share capital.

Portucel vs. PSI20 vs. HX in 2011
(31/12/2010= 100)



Portucel Average Share Price and Volume in 2011



6. OUTLOOK

Short term expectations for the world economy took a sharp turn for the worse during the third quarter of 2011. The alteration is most significant in the developed economies, where domestic demand has remained depressed and there are significant factors of uncertainty.

In the Euro Zone, the financial crisis in the peripheral countries, which has become significantly more acute in recent months, spreading to other countries, in particular Spain and Italy and also threatening France, has led to significant measures to consolidate budgets in most European countries. Given that the banks are the main holders of sovereign debt, the financial system has been under severe strain, leading to serious difficulties in the funding of the banking sector and a sharp contraction in lending to consumers and businesses. In this environment, expectations for economic growth in the region have worsened progressively, with forecasts revised downwards on successive occasions.

The US economy has also slowed substantially in 2011. Consumer spending has failed to take the place of expansionist fiscal policies as the engine of economic growth, whilst external demand has failed to offset the weakness of internal demand, with serious doubts remaining as to the budgetary consolidation measures which will have to be implemented in the long term due to growth in public borrowing, resulting from the persistence of foreign and budget deficits.

At the same time, the Euro/USD Exchange rate, which has a major impact on Group business, remains highly unpredictable. The economic imbalances in the USA referred to above have caused the dollar to lose ground systematically against other currencies, including the Euro, despite the strong pressure on the single currency generated by the financial crisis in Europe. These factors continue to be reflected in a high level of volatility in the currencies of the main economic blocs.

The prospects for the Group’s UWF business reflect this environment. In Europe, the current economic situation, aggravated by difficulties experienced by our main clients in financing their working capital, has resulted in a drop in consumption, expected to continue for the rest of the year, which might put UWF prices under a degree of pressure in the months ahead.

At the same time, the significant cooling of the US economy and the severely unstable climate in markets in

Northern Africa and the Middle East, which account for a growing proportion of the Group's sales, could

potentially have a negative impact on business

However, we should stress that, despite this difficult context, the Group continues to operate at full production capacity, which has been made possible by efforts to extend the range of countries to which it sells its products and to strengthen its position in markets with the potential for growth in sales. Nevertheless, the significant custom fees that European producers are faced with in potential markets, such as 30% in India and other relevant Asian markets like the Philippines, Thailand, Malaysia and Vietnam, 15% in Brazil and other countries in Latin America, and 20% in Mozambique, make it more difficult for the Group to increase sales in these markets.

The BEKP pulp market is also expected to be hit by the wider economic situation, and consequently by the negative outlook for the paper market in Europe. The pulp market is also still feeling the effect of the drop in the exchange rate against the US dollar of the currencies of the main BEKP producing countries, inverting the upwards trend observed in recent years, which was a major factor in sustaining prices. The evolution of the Chinese market will continue to be fundamental to the sustainability of the world market, and there were signs of an upturn at the end of the quarter, after a clear slowdown in June and July this year. Nevertheless, there has been increasing signs of a predictable slow down in economic growth and the surge of inflationary tensions, which, if confirmed, will have world wide repercussions.

The international economic and financial situation, which has so severely constrained the profitability of the pulp and paper sector, makes it even more urgent for Portugal to adopt the policies needed to reduce the local costs which encumber the Group's business activities. Priority needs to be given to measures to increase the availability of Portuguese wood, avoiding the need for imports, and others to assure that the logistical chain, namely ports and rail roads, operates to the highest international standards.

As detailed above, the Group is continuing to analyze possibilities for international expansion in the southern hemisphere, seeking to overcome the difficulties encountered in certain geographical regions and to take the relevant decisions with the necessary degree of security.

Setúbal, 20 October 2011

CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

CONSOLIDATED SEPARATE INCOME STATEMENT
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011 AND 2010

Amounts in Euro	Notes	9 months 30-Sep-2011	9 months 30-Sep-2010	3rd Quarter 2011	3rd Quarter 2010
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues	3				
Sales		1.094.452.067	1.001.475.128	355.347.805	345.772.260
Services rendered		1.458.814	2.189.789	991.112	823.760
Other operating income					
Gains on the sale of non-current assets		58.558	2.948.075	58.558	341.873
Other operating income		15.462.149	14.313.043	5.686.644	3.584.147
Change in the fair value of biological assets	10	(734.579)	(7.887.664)	255.694	(3.226.058)
Costs					
Cost of inventories sold and consumed		(421.637.216)	(365.256.437)	(143.647.257)	(114.509.974)
Variation in production		(30.902.722)	(4.460.073)	(2.966.381)	(1.419.462)
Cost of materials and services consumed		(258.497.174)	(245.957.450)	(90.516.524)	(84.166.091)
Payroll costs		(101.612.587)	(94.877.120)	(33.454.614)	(29.599.347)
Other costs and charges		(10.087.445)	(13.797.687)	(2.994.208)	(7.133.930)
Provisions (net)	17	(4.443.178)	20.891.869	2.461.723	180.000
Depreciation, amortization and impairment losses		(92.929.132)	(97.296.528)	(25.915.687)	(24.133.413)
Operating results		**190.587.558**	**212.284.945**	**65.306.864**	**86.513.765**
Group share of (loss) / gains of associated companies and joint ventures	11	890.489	-	505.672	-
Financial results (net)	4	(15.269.672)	(17.068.250)	(5.842.620)	(4.990.272)
Profit before tax		**176.208.375**	**195.216.695**	**59.969.917**	**81.523.493**
Income tax	5	(32.134.113)	(41.048.337)	(13.503.136)	(17.667.750)
Net Income		**144.074.262**	**154.168.358**	**46.466.781**	**63.855.743**
Non-controlling interests		26.005	99.104	8.467	42.952
Net profit for the period		**144.100.267**	**154.267.462**	**46.475.248**	**63.898.695**
Earnings per share					
Basic earnings per share, Eur	6	0,192	0,205	0,062	0,085
Diluted earnings per share, Eur	6	0,192	0,205	0,062	0,085

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2011 AND DECEMBER 31, 2010

Amounts in Euro	Notes	Sep-11	Dec-10
		(unaudited)	
ASSETS			
Non-Current Assets			
Goodwill		376,756,383	376,756,383
Other intangible assets	8	5,773,842	94,487
Plant, property and equipment	9	1,531,778,639	1,604,129,728
Biological assets	10	109,768,038	110,502,616
Available-for-sale financial assets	11	126,074	126,074
Investment in associates	11	2,075,396	516,173
Deferred tax assets	15	41,369,784	22,963,945
		2,067,648,154	**2,115,089,406**
Current Assets			
Inventories		209,696,202	172,899,680
Receivables and other current assets	12	216,882,826	212,839,536
State and other public entities	13	51,586,643	32,228,030
Cash and cash equivalents	18	197,876,769	133,958,910
		676,042,438	**551,926,157**
Total Assets		**2,743,690,592**	**2,667,015,563**
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	14	767,500,000	767,500,000
Treasury shares	14	(38,372,724)	(26,787,706)
Fair value reserves		1,706,449	78,040
Legal reserves		57,546,582	47,005,845
Currency translation reserve		(1,705,604)	881,575
Retained earnings		498,293,550	304,020,378
Net profit for the period		144,100,267	210,588,080
		1,429,068,519	**1,303,286,212**
Non-controlling interests		186,028	216,755
		1,429,254,548	**1,303,502,967**
Non-current liabilities			
Deferred tax liabilities	15	184,247,589	164,998,958
Pensions and other post-employment benefits	16	21,470,786	13,713,756
Provisions	17	29,656,556	25,213,377
Interest-bearing liabilities	18	723,123,934	729,696,907
Other non-current liabilities	18	22,415,501	24,471,153
		980,914,367	**958,094,151**
Current liabilities			
Interest-bearing liabilities	18	19,529,922	91,250,000
Payables and other current liabilities	19	260,608,570	264,839,433
State and other public entities	13	53,383,186	49,329,012
		333,521,678	405,418,445
Total liabilities		**1,314,436,045**	**1,363,512,596**
Total equity and liabilities		**2,743,690,592**	**2,667,015,563**

STATEMENT OF COMPREHENSIVE CONSOLIDATED INCOME
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011 AND 2010

Amounts in Euro	9 months 30-Sep-2011	9 months 30-Sep-2010	3rd Quarter 2011 (unaudited)	3rd Quarter 2010 (unaudited)
Retained earnings for the period without non-controlling interests	**144.074.262**	**154.168.358**	**46.466.781**	**63.855.743**
Changes in fair value of derivative financial instruments	2.285.486	3.897.199	(196.073)	4.392.540
Currency translation differences	(2.587.179)	(1.613.448)	784.572	(3.911.506)
Actuarial gains / (losses)	(7.172.491)	813.529	(3.997.180)	1.510.230
Tax on items above when applicable	736.518	(1.073.140)	(441.168)	(1.264.034)
Income /losses recognized directly in equity	**(6.737.666)**	**2.024.140**	**(3.849.849)**	**727.230**
Total recognized income and expense for the period	**137.336.596**	**156.192.498**	**42.616.933**	**64.582.973**
Attributable to:				
Portucel's shareholders	137.367.323	156.293.820	42.630.121	64.626.954
Non-controlling interests	(30.727)	(101.322)	(13.188)	(43.981)
	137.336.596	**156.192.498**	**42.616.933**	**64.582.973**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FROM DECEMBER 31, 2010 TO SEPTEMBER 30, 2011 AND FROM DECEMBER 31, 2009 TO SEPTEMBER 31, 2010

Amounts in Euro	**31 December 2010**	Gains/losses recognized in the period	Dividends paid and distributed reserves	Acquisition of treasury shares	Application of prior year's net profit	**30 September 2011**
Share capital	767,500,000	-	-	-	-	767,500,000
Treasury shares	(26,787,706)	-	-	(11,585,018)	-	(38,372,724)
Fair value reserve	78,040	1,628,409	-	-	-	1,706,449
Other reserves	47,005,845	-	-	-	10,540,737	57,546,582
Currency translation reserve	881,575	(2,587,179)	-	-	-	(1,705,604)
Retained earnings	304,020,383	(5,774,174)	-	-	200,047,341	498,293,550
Net profit for the period	210,588,078	144,100,267	-	-	(210,588,078)	144,100,267
Total	**1,303,286,214**	**137,367,323**	**-**	**(11,585,018)**	**-**	**1,429,068,519**
Non-controlling interests	216,755	(30,727)	-	-	-	186,028
Total	**1,303,502,969**	**137,336,596**	**-**	**(11,585,018)**	**-**	**1,429,254,548**

Amounts in Euro	**31 December 2009**	Gains/losses recognized in the period	Dividends paid and distributed reserves	Acquisition of treasury shares	Application of prior year's net profit	**30 September 2010**
Share capital	767,500,000	-	-	-	-	767,500,000
Treasury shares	(26,787,706)	-	-	-	-	(26,787,706)
Fair value reserve	(1,456,243)	2,821,333	-	-	-	1,365,090
Other reserves	42,330,224	-	-	-	4,675,621	47,005,845
Currency translation reserve	241,567	(1,613,448)	-	-	-	(1,371,881)
Retained earnings	383,418,964	818,473	(62,076,765)	-	100,403,939	422,564,611
Net profit for the period	105,079,560	154,267,462	-	-	(105,079,560)	154,267,462
Total	**1,270,326,366**	**156,293,820**	**(62,076,765)**	**-**	**-**	**1,364,543,421**
Non-controlling interests	230,003	(101,322)	-	-	-	128,681
Total	**1,270,556,369**	**156,192,498**	**(62,076,765)**	**-**	**-**	**1,364,672,102**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011 AND 2010

Amounts in Euro	Notes	9 months 30-Sep-2011	9 months 30-Sep-2010	3rd Quarter 2011	3rd Quarter 2010
				(unaudited)	(unaudited)
OPERATING ACTIVITIES					
Amounts received from customers		1.158.873.422	1.082.951.004	388.363.709	391.220.177
Payments made to suppliers		931.354.880	865.253.157	313.904.088	296.952.011
Payments made to personnel		55.024.131	62.138.042	17.163.745	16.707.310
Cash flow from operations		172.494.411	155.559.805	57.295.875	77.560.856
Income tax received / (paid)		(28.513.180)	(14.141.555)	(13.378.751)	(10.143.130)
Other receipts / (payments) relating to operating activities		37.036.373	40.405.727	6.624.732	16.312.686
Cash flow from operating activities (1)		**181.017.604**	**181.823.977**	**50.541.857**	**83.730.412**
INVESTING ACTIVITIES					
Inflows					
Financial investments		-	-	-	-
Tangible fixed assets		-	-	-	-
Intangible assets (CO2 emission rights)		-	4.552.360	-	-
Investment grants		5.498.195	-	5.498.195	-
Interest and similar income		3.008.645	6.496.625	605.673	135.623
Dividends		-	-	-	-
Inflows from investment activities (A)		8.506.840	11.048.985	6.103.868	135.623
Outflows					
Financial investments		755.378	-	-	-
Tangible fixed assets		20.559.154	50.535.227	3.541.010	2.492.080
Intangible assets		-	-	-	-
Outflows from investment activities (B)		21.314.532	50.535.227	3.541.010	2.492.080
Cash flows from investment activities (2 = A - B)		**(12.807.692)**	**(39.486.241)**	**2.562.858**	**(2.356.457)**
FINANCING ACTIVITIES					
Inflows					
Borrowings		-	315.000.000	-	-
Interest and similar costs		-	-	-	-
Inflows from financing activities (C)		-	315.000.000	-	-
Pagamentos respeitantes a:					
Borrowings		79.200.140	303.125.000	(8.924.860)	3.125.000
Leases		-	-	-	-
Interest and similar costs		13.506.896	15.240.786	3.952.150	2.816.300
Acquisition of treasury shares		11.585.018	-	1.469.839	-
Dividends paid and distributed reserves		-	62.076.765	-	-
Outflows from financing activities (D)		104.292.054	380.442.551	(3.502.871)	5.941.300
Cash flows from financing activities (3 = C - D)		**(104.292.054)**	**(65.442.551)**	**3.502.871**	**(5.941.300)**
CHANGES IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)		63.917.858	76.895.184	56.607.586	75.432.655
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		133.958.910	52.549.252	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**197.876.768**	**129.444.436**	**56.607.586**	**75.432.655**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2011

(In these notes, unless indicated otherwise, all amounts are expressed in euro)

The Portucel Group ("Group") comprises Portucel – Empresa Produtora de Pasta e Papel, S.A. (hereafter referred to as the Company or Portucel) and its subsidiaries. Portucel is a public company with the capital represented by shares and was incorporated on 31 May 1993, in accordance with Decree-Law no. 39/93, 13 February, following the restructuring of Portucel – Empresa de Celulose e Papel de Portugal, SA.

Head Office:	Mitrena, 2901-861 Setúbal
Share Capital:	Euros 767,500,000
Registration No:	503 025 798

The Group's main business is the production and sale of writing and printing paper and related products, and it is present in all of the value chain from research and development of forestry and agricultural production, the purchase of wood and the production and sale of bleached eucalyptus kraft pulp – BEKP and electric and thermal energy.

These consolidated interim financial statements were approved by the Board of Directors on 26 October 2011.

The Group's senior management, that is the members of the Board of Directors who sign this report, declare that, to the best of their knowledge, the information contained herein was prepared in conformity with the applicable accounting standards, providing a true and fair view of the assets and liabilities, the financial position and results of the companies included in the Group's consolidation scope.

1. Basis of preparation

The consolidated interim financial statements for the nine month period ended September 30, 2011 were prepared in accordance with the International Accounting Standard 34 – Interim Financial Reporting.

The accompanying consolidated financial statements were prepared on a going concern basis, from the accounting books and records of the companies included in the consolidation (Note 24), and under the historic cost convention, except for derivative financial instruments and biological assets which are recorded at fair value (Notes 20 and 10).

2. Main Accounting policies

The accounting policies applied in the preparation of these consolidated interim financial statements are consistent to those used in the preparation of the financial statements as of December 31, 2010 and stated in the respective attached notes.

3. Segment information

Segment information is presented for identified business segments, namely Forestry, Pulp, Paper and Energy. Revenue, assets and liabilities of each segment correspond to those directly allocated to them, as well as to those that can be reasonably attributed to those segments.

The financial data by operating segment for the nine month period ended September 30, 2011 and 2010 is shown as follows:

9 months 30-Sep-2011	FORESTRY	PULP STAND ALONE	PULP AND PAPER INTEGRATED	ENERGY	ELIMINATIONS / UNALLOCATED	TOTAL
REVENUE						
Sales and services - external	2.503.545	110.199.674	860.839.895	121.547.910	819.858	1.095.910.881
Sales and services - intersegment	136.691.947			36.177.671	(172.869.618)	-
Total revenue	**139.195.492**	**110.199.674**	**860.839.895**	**157.725.582**	**(172.049.760)**	**1.095.910.881**
RESULTS						
Segmental profit	2.014.575	33.636.177	151.240.199	13.202.095	(9.505.488)	**190.587.558**
Operating profit	-	-	-	-	-	**190.587.558**
Financial costs - net	-	-	890.489	-	(15.269.672)	(14.379.183)
Income tax	-	-	-	-	(32.134.113)	(32.134.113)
Net profit before non-controlling interests	-	-	-	-	-	**144.074.262**
Non-controlling interests	-	-	-	-	26.005	26.005
Net profit	-	-	-	-	-	**144.100.267**
OTHER INFORMATION						
Segment assets	191.282.307	158.860.897	1.832.964.789	553.227.968	5.153.162	2.741.489.123
Financial investments	-	-	2.075.396	-	126.074	2.201.469
Total assets	**191.282.307**	**158.860.897**	**1.835.040.184**	**553.227.968**	**5.279.235**	**2.743.690.592**
Segment liabilities	8.297.250	275.192.448	829.941.027	189.547.505	11.457.814	1.314.436.045
Total liabilities	**8.297.250**	**275.192.448**	**829.941.027**	**189.547.505**	**11.457.814**	**1.314.436.045**
Capital expenditure	2.099.134	11.966.905	11.436.307	69.848	37.244	25.609.438
Depreciation	171.333	5.281.579	78.218.454	9.275.100	(17.334)	92.929.132
Provisions	-	-	-	-	(4.443.178)	(4.443.178)

9 months 30-Sep-2010	FORESTRY	PULP STAND ALONE	PULP AND PAPER INTEGRATED	ENERGY	ELIMINATIONS / UNALLOCATED	TOTAL
REVENUE						
Sales and services - external	6.973.081	122.667.032	767.514.368	100.060.565	6.449.869	1.003.664.915
Sales and services - intersegment	151.716.819	407.307.005	-	47.911.839	(606.935.663)	-
Total revenue	**158.689.900**	**529.974.037**	**767.514.368**	**147.972.404**	**(600.485.794)**	**1.003.664.915**
RESULTS						
Segmental profit	7.209.678	41.581.086	142.696.529	2.353.697	18.443.954	**212.284.945**
Operating profit	-	-	-	-	-	**212.284.945**
Financial costs - net	-	-	-	-	(17.068.250)	(17.068.250)
Income tax	-	-	-	-	(41.048.337)	(41.048.337)
Net profit before non-controlling interests	-	-	-	-	-	**154.168.358**
Non-controlling interests	-	-	-	-	99.104	99.104
Net profit	-	-	-	-	-	**154.267.462**
OTHER INFORMATION						
Segment assets	188.585.712	638.849.864	1.296.025.174	383.882.464	148.043.379	2.655.386.593
Financial investments	-	-	-	-	130.074	130.074
Total assets	**188.585.712**	**638.849.864**	**1.296.025.174**	**383.882.464**	**148.173.453**	**2.655.516.667**
Segment liabilities	7.215.021	313.391.583	689.747.733	212.671.979	67.818.249	1.290.844.565
Total liabilities	**7.215.021**	**313.391.583**	**689.747.733**	**212.671.979**	**67.818.249**	**1.290.844.565**
Capital expenditure	33.682	9.575.129	14.171.673	47.629.168	-	71.409.652
Depreciation	398.001	8.584.568	71.377.897	16.936.062	-	97.296.528
Provisions	-	-	-	-	(20.891.869)	(20.891.869)

4. Net financial costs

Financial costs are detailed as follows for the nine month periods ended 30 September 2011 and 2010:

Amounts in Euro	9 months 30-Sep-2011	9 months 30-Sep-2010
Interest paid on borrowings	(16.858.301)	(14.495.621)
Interest earned on investments	2.940.327	687.134
Foreign exchange differences	5.483.260	(4.312.011)
Gains / (losses) on financial instruments - trading (Note 20)	(2.067.575)	4.476.351
Gains / (losses) on financial instruments - hedging (Note 20)	(3.875.823)	(2.289.882)
Compensatory interest	130.907	46.099
Other financial costs	(1.022.467)	(1.180.320)
	(15.269.672)	**(17.068.250)**

5. Income Tax

Income tax is detailed as follows for the nine month periods ended 30 September 2011 and 2010:

Amounts in Euro	9 months 30-Sep-2011	9 months 30-Sep-2010
Current tax (Note 22)	35.747.140	47.320.714
Provision for current tax	(3.757.257)	(3.903.768)
Deferred tax (Note 26)	144.230	(2.368.609)
	32.134.113	**41.048.337**

The provision for current tax is detailed as follows:

Amounts in Euro	9 months 30-Sep-2011	9 months 30-Sep-2010
(Excess)/understatement in the provision for the income tax estimate	(3.240.528)	(3.591.099)
Withholding Tax ENCE (reimbursement)	(516.729)	-
Change in the estimate for additional payments	-	(1.072.671)
Coporate Income Tax 2007 (settlement)	-	841.466
Coporate Income Tax 2003 (settlement)	-	24.315
Coporate Income Tax 2002 (reimbursement) - Soporcel	-	(108.682)
Others	-	2.904
	(3.757.257)	**(3.903.768)**

In the nine month periods ended September 30, 2011 and 2010, the reconciliation of the effective income tax rate was as follows:

Amounts in Euro	9 months 30-Sep-2011		9 months 30-Sep-2010	
Profit before tax		176.208.375		195.216.695
Expected tax rate	25,00%	44.052.094	25,00%	48.804.174
Municipal surcharge	1,50%	2.643.126	1,50%	2.928.250
State Surcharge	2,50%	4.405.209	2,20%	4.293.911
Differences (a)	(3,19%)	(5.618.777)	(4,01%)	(7.830.822)
Recoggnition / (reversal) of provisions	(2,13%)	(3.757.257)	(2,00%)	(3.903.768)
Tax benefits	(5,44%)	(9.590.282)	(1,66%)	(3.243.408)
	18,24%	**32.134.113**	**21,03%**	**41.048.337**

(a) This amount is made up essentially of :

	9 months 30-Sep-2011	9 months 30-Sep-2010
Capital gains / (losses) for tax purposes	(22.027.797)	35.802
Capital gains / (losses) for accounting purposes	(9.652.089)	(86.437)
Taxable provisions	(5.953.044)	(20.724.091)
Tax benefits	(1.011.864)	(454.457)
Compensatory interest	2.102.268	3.585.624
Others	17.167.434	(11.906.713)
	(19.375.091)	(29.550.271)
Tax Effect (29% / 26,5%)	(5.618.777)	(7.830.822)

In Portugal, the annual tax returns are subject to review and potential adjustment by the tax authorities for a period of up to 4 years. However, if tax losses are utilized, these may be subject to review by the tax authorities for a period of up to 6 years. In other countries where the Group operates, these periods are different and, in most cases, higher.

The Board of Directors believes that any reviews/ inspections by tax authorities will not have a material impact on the consolidated financial statements as of 30 September 2011. The income tax returns up to 2008 have already been reviewed and the inspection of Portucel, Soporcel, ATF and some of the subsidiaries of minor relevance for 2009 is currently underway.

6. Earnings per share

Amounts in Euro	9 months 30-Sep-2011	9 months 30-Sep-2010
Profit attributable to the Company's shareholders	144.100.267	154.267.462
Total number of issued shares	767.500.000	767.500.000
Treasury shares - period average (Note 14)	(18.279.091)	(15.054.358)
	749.220.909	**752.445.642**
Basic earnings per share	0,192	0,205
Diluted earnings per share	0,192	0,205

Since there are no convertible financial instruments over Group shares, its earnings are undiluted.

7. Appropriation of previous years' profits and Retained earnings

The appropriations made in 2011 and 2010 over the 2010 and 2009 net profits were as follows:

Amounts in Euro	2011	2010
Distribution of dividends (excluding treasury shares)	-	62,076,765
Legal reserves	10,540,737	4,675,621
Net income from prior years	200,047,341	38,327,174
	210,588,078	**105,079,560**

The resolution for the appropriation of the 2010 net profit, passed at Portucel's General Meeting held on 15 March 2011, was based on the net profit for the year as defined by the accounting principles generally accepted in Portugal (Portuguese GAAP). The difference in net profit between the two standards, amounting to Euro 226,653 (2009: Euro 33,623,766), was transferred to retained earnings.

On 27 December 2010, considering the Group's liquidity and the level of accumulated distributable reserves, the General Assembly decided on the distribution of reserves amounting to Euro 120,037,000 (EUR 0.1564 per share). This includes Euro 2,354,502 attributable to shares held by subsidiaries of the Portucel Group.

8. Other intangible assets

Over the nine months period ended 30 September 2011 and the year ended 31 December 2010, the changes in other intangible assets were as follows:

Amounts in Euro	Industrial property and other rights	CO2 emission rights	Total
Acquisition costs			
Amount as of January 1, 2010	**1,896,278**	**1,856,237**	**3,752,515**
Acquisitions	-	12,808,388	12,808,388
Disposals	-	(9,367,575)	(9,367,575)
Adjustments, transfers and w rite-off's	-	-	-
Amount as of September 30, 2010	**1,896,278**	**5,297,050**	**7,193,328**
Acquisitions	-	-	-
Disposals	-	(5,223,798)	(5,223,798)
Adjustments, transfers and w rite-off's	-	-	-
Amount as of December 31, 2010	**1,896,278**	**73,252**	**1,969,530**
Acquisitions	-	12,630,673	12,630,673
Disposals	-	-	-
Adjustments, transfers and w rite-off's	-	(6,944,456)	(6,944,456)
Amount as of September 30, 2011	**1,896,278**	**5,759,469**	**7,655,747**
Accumulated depreciation and impairment losses			
Amount as of January 1, 2010	**(1,411,377)**	**-**	**(1,411,377)**
Amortization and impairment losses	(348,315)	-	(348,315)
Disposals	-	-	-
Adjustments, transfers and w rite-off's	-	-	-
Amount as of September 30, 2010	**(1,759,692)**	**-**	**(1,759,692)**
Amortization and impairment losses	(117,416)	-	(117,416)
Disposals	-	-	-
Adjustments, transfers and w rite-off's	2,064	-	2,064
Amount as of December 31, 2010	**(1,875,044)**	**-**	**(1,875,044)**
Amortization and impairment losses	(6,861)	-	(6,861)
Disposals	-	-	-
Adjustments, transfers and w rite-off's	-	-	-
Amount as of September 30, 2011	**(1,881,905)**	**-**	**(1,881,905)**
Net book value as of January 1, 2010	484,901	1,856,237	2,341,138
Net book value as of September 30, 2010	**136,586**	**5,297,050**	**5,433,636**
Net book value as of December 31, 2010	21,234	73,252	94,486
Net book value as of September 30, 2011	**14,372**	**5,759,469**	**5,773,841**

The acquisitions in the nine months periods ended September 30, 2011 and 2010 are related to the free allocation of CO2 allowances, valued at their market value at the grant date, under the National Plan for the Allocation of CO2 Emission Rights (PNALE).

9. Property, plant and equipment

Over the nine months period ended 30 September 2011 and the year ended 31 December 2010, the changes in Property, plant and equipment, as well as the respective depreciation and impairment losses, were as follows:

Amounts in Euro	Land	Buildings and other constructions	Equipment and other tangibles	Construction in progress	Total
Acquisition costs					
Amount as of January 1, 2010	**111.574.524**	**477.978.351**	**2.860.846.834**	**175.172.049**	**3.625.571.758**
Acquisitions	64.380	3.217.056	31.105.237	37.022.979	71.409.652
Disposals	(54.503)	-	(767.696)	-	(822.199)
Adjustments, transfers and write-off's	(7.713)	11.752.678	168.510.959	(180.283.329)	(27.405)
Amount as of September 30, 2010	**111.576.688**	**492.948.085**	**3.059.695.334**	**31.911.699**	**3.696.131.806**
Acquisitions	336.173	19.362.270	27.569.998	(22.780.012)	24.488.429
Disposals	54.503	-	(479.801)	-	(425.298)
Adjustments, transfers and write-off's	308.846	(14.027.072)	(4.394.659)	17.447.671	(665.214)
Amount as of December 31, 2010	**112.276.210**	**498.283.283**	**3.082.390.872**	**26.579.358**	**3.719.529.723**
Acquisitions	-	669.913	8.501.011	16.438.514	25.609.438
Disposals	(6.441)	-	(98.323.243)	-	(98.329.684)
Adjustments, transfers and write-off's	182.405	-	17.091.766	(17.385.500)	(111.329)
Amount as of September 30, 2011	**112.452.174**	**498.953.196**	**3.009.660.406**	**25.632.372**	**3.646.698.148**
Accumulated depreciation and impairment losses					
Amount as of January 1, 2010	**-**	**(231.814.162)**	**(1.767.366.126)**	**-**	**(1.999.180.288)**
Amortization and impairment losses	-	(2.737.757)	(87.615.870)	-	(90.353.627)
Disposals	-	-	767.696	-	767.696
Adjustments, transfers and write-off's	-	-	(568)	-	(568)
Amount as of September 30, 2010	**-**	**(234.551.919)**	**(1.854.214.868)**	**-**	**(2.088.766.787)**
Amortization and impairment losses	-	(20.294.247)	(6.818.720)	-	(27.112.967)
Disposals	-	-	479.801	-	479.801
Adjustments, transfers and write-off's	-	-	(42)	-	(42)
Amount as of December 31, 2010	**-**	**(254.846.166)**	**(1.860.553.829)**	**-**	**(2.115.399.995)**
Amortization and impairment losses	-	(7.413.286)	(87.817.825)	-	(95.231.111)
Disposals	-	9.539	95.590.729	-	95.600.267
Adjustments, transfers and write-off's	-	-	111.329	-	111.329
Amount as of September 30, 2011	**-**	**(262.249.913)**	**(1.852.669.596)**	**-**	**(2.114.919.510)**
Net book value as of January 1, 2010	111.574.524	246.164.189	1.093.480.708	175.172.049	1.626.391.470
Net book value as of September 30, 2010	**111.576.688**	**258.396.166**	**1.205.480.466**	**31.911.699**	**1.607.365.019**
Net book value as of December 31, 2010	112.276.210	243.437.117	1.221.837.043	26.579.358	1.604.129.728
Net book value as of September 30, 2011	**112.452.174**	**236.703.282**	**1.156.990.810**	**25.632.372**	**1.531.778.639**

The figures above have been restated to adjust the values of cost and accumulated depreciation and impairment losses, without any impact on the net book value shown in the statement of financial position.

The Group holds a stake of 18% on Soporgen – Sociedade Portuguesa de Geração de Electricidade e Calor, S.A., whose main activity is the production of steam and electric power, exclusively sold to Soporcel.

In 2010, with the start of operations in the new paper mill, the Group recognized as a finance lease contract the cost of the Precipitated Calcium Carbonate production unit, installed by Omya, S.A. at the industry site in Setúbal for the exclusive use of the new factory. This contract foresees the transfer of the ownership of the assets upon the end of the contract.

Following the above-mentioned agreements, the Group applies “IFRIC 4 – Determining whether an arrangement contains a lease”. By following this interpretation Property, plant and equipment – equipment and other tangibles was increased by Euro 58,003,950, from which the respective accumulated depreciation of Euro 37,718,809 (31 December 2010: Euros 34,161,456), was deducted as of 30 September 2011. As of 30 September 2011, the net book value of these equipments was 20,285,141 (31 December 2010: Euro 23,842,494).

As of 30 September 2011“Assets under construction” included Euro 3,381,931 (31 December 2010: Euro 485,321), related to advance payments and supplies of Property Plant and Equipment, under the scope of the investment projects being developed by the Group. These amounts are fully guaranteed by first demand bank guarantees, handed by the respective suppliers that are promoting the investments of the Group companies, in accordance with the implemented policies for the mitigation of credit risk.

10. Biological Assets

Over the nine months period ended 30 September 2011 and 2010, changes in biological assets were as follows:

Amounts in Euro	2011	2010
Amount as of January 1	**110,502,616**	**118,289,970**
Changes in fair value		
Logging in the period	(12,557,888)	(22,718,147)
Growth	8,296,320	6,950,100
New plantations	2,481,165	1,930,031
Other changes in fair value	1,045,824	5,950,352
Total changes in fair value	**(734,579)**	**(7,887,664)**
Amount as of September 30	**109,768,038**	**110,402,307**
Other quarters		100,310
Amount as of December 31		**110,502,616**

The amounts shown as other changes in fair value correspond to changes (positive or negative) in the estimated volume of future wood harvests due to new plantations, increase or decrease in the forest management efficiency, write-downs as result of fires and price changes.

11. Available-for-sale financial assets and investments in associates

11.1. Available-for-sale financial assets

As at 30 September 2011 and 31 December 2010, this heading was detailed as follows:

Affiliates	% held	30-Sep-2011	31-Dec-2010
Liaison Technologies	2%	126,074	126,074
		126,074	**126,074**

The participation in Liaison Technologies is recorded at cost, as the difference (gain) to its fair value is not material as at 30 September 2011.

11.2. Investments in associates

In the years ended 30 September 2011 and 31 December 2010, the movements in Investments in associates were as follows

Amounts in Euro	2011	2010
Amount as of 1 January	**516,173**	**4,000**
Acquisitions	755,378	-
Appropriated result under the equity method	890,489	-
Other changes in subsidiaries' equity	(86,644)	-
Amount as of 30 September	**2,075,396**	**4,000**
Remaining quarters		512,173
Amount as of 31 December		**516,173**

This caption includes the 18% stake in Soporgen – Sociedade Portuguesa de Geração de Electricidade e Calor, S.A. This company holds a gas power plant at the Figueira da Foz site that the Group, as mentioned in note 21, considers to be a finance lease and recognizes as such in the consolidated financial statements.

Although the share represents only 18% of the company's equity and respective voting rights, the Group recognizes this as an associated company as it can influence Soporgen's management decisions:

1 Two of the five directors of the company are nominated in representation of the Group.

2 A significant part of Soporgen's sales is made to the Group (at least 10% of the associate's revenues), and the rest, corresponding to electric energy, is sold to the EDP Group.

3 The Group, as well as the remaining shareholders, is responsible for Soporgen's contracted bank loan, in the same proportion as its share.

On 30 September 2011 and 31 December 2010, the key accounting indicators of this associated company were detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Total Assets	27,553,784	28,826,117
Net profit for the period	6,522,812	1,277,022
Net equity	2,197,870	7,729,202
Total liabilities	18,833,102	21,096,915

12. Receivables and other current assets

As of 30 September 2011 and 31 December 2010, Receivables and other current assets were detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Accounts receivable	172,497,156	164,102,453
Other receivables	40,362,941	45,450,689
Derivative financial instruments (Note 20)	137,000	240,379
Accrued income	749,889	1,752,337
Deferred costs	3,135,839	1,293,677
	216,882,826	**212,839,536**

As of 30 September 2011, the receivables are net of impairment losses, of Euro 2,029,339 (31 December 2010: Euro 1,999,809).

As of 30 September 2011 and 31 December 2010, "Other receivables" were detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Advances made to employees	620,880	127,051
AICEP - Financial incentives to receive	32,725,181	38,199,792
Other	7,016,881	7,123,845
	40,362,941	**45,450,689**

During the three months period ended 31 March 2011, the group companies that concluded their AICEP co-financed investment projects (Portucel SA and Soporcel SA), completed the procedures for submission of the eligible expenses, for the effect of receiving the amounts contracted.

The validation procedures performed by AICEP that will allow the conclusion of the process and the receivable of the amounts contracted will follow. During the nine months period ended 30 September 2011, about Euro 5,000,000 were received, regarding projects located in the Setúbal industrial complex.

As of 30 September 2011 and 31 December 2010, accrued income and deferred costs, were detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Accrued income		
Discounts in purchases	116,863	118,550
Interest receivable	215,967	882,643
Other	417,059	751,144
	749,889	**1,752,337**
Deferred costs		
Repairs and maintenance	124,126	58,276
Prepayment of insurance policies	1,835,871	1,721
Other	1,175,842	1,233,681
	3,135,838	**1,293,677**
	3,885,728	**3,046,014**

13. State and other public entities

As of 30 September 2011 and 31 December 2010, there were no overdue debts to the State and other public entities. The balances relating to these entities were as follows:

Current Assets

Amounts in Euro	30-Sep-2011	31-Dec-2010
State and other public entities		
Value added tax - reimbursement requested	47,937,248	29,994,482
Value added tax - carried forward	3,649,394	2,233,548
	51,586,643	**32,228,030**

As of 30 September 2011, the outstanding VAT refunds requested comprised the following, by month and by company:

Amounts in Euro	Jul/2011	Aug/2011	Sep/2011	Total
Enerpulp	1,419,873	1,289,834	-	2,709,707
Viveiros Aliança	-	-	179,290	179,290
Portucel Paper Setúbal	-	-	4,300,000	4,300,000
PortucelSoporcel Fine Paper	11,518,985	12,256,461	15,059,431	38,834,877
Bosques do Atlântico	-	-	1,913,374	1,913,374
	12,938,858	**13,546,295**	**21,452,095**	**47,937,248**

Up to the date of completion of this report, Euro 14,253,123 of these amounts had already been received.

As of 31 December 2010, the outstanding VAT refunds requested comprised the following, by month and by company:

Amounts in Euro	Oct/2010	Nov/2010	Dec/2010	Total
Enerpulp	1,048,382	1,008,966	1,751,737	3,809,084
Portucel	3,404,917	6,443,233	1,412,015	11,260,166
Soporcel	-	4,258,429	6,749,682	11,008,111
About The Future	-	-	3,056,878	3,056,878
PortucelSoporcel Cogeração de Energia	-	436,733	-	436,733
Bosques do Atlântico	-	-	423,510	423,510
	4,453,299	**12,147,362**	**13,393,822**	**29,994,482**

Current Liabilities

Amounts in Euro	30-Sep-2011	31-Dec-2010
State and other public entities		
Corporate income tax	10.957.180	10.929.870
Personal income tax - Withheld on salaries	1.129.346	5.526.025
Value added tax	13.990.492	7.475.820
Social Security	2.048.756	1.983.113
Additional tax assessments	25.175.465	21.198.495
Other	81.948	2.215.690
	53.383.186	**49.329.012**

As of 30 September 2011 and 31 December 2010, the value added tax payable was detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
PortucelSoporcel Logistica de Papel, ACE	3.907.460	2.609.219
About the Future, S.A	2.527.334	1.283.724
PortucelSoporcel Fine Paper	2.310.688	-
Bosques do Atlantico, SL	2.138.162	-
Portucel Papel Setúbal	-	1.032.934
Portucel, SA	1.210.551	462.625
Others	1.896.296	2.087.318
	13.990.492	**7.475.820**

The changes in the provisions for additional tax assessments during the nine month periods ended 30 September 2011 and 2010 were as follows:

Amounts in Euro	2011	2010
Amount as of January 1	21,198,495	23,369,528
Increase	3,976,970	-
Decrease	-	(1,072,671)
Amount as of September 30	**25,175,465**	**22,296,857**
Remaining quarters		(1,098,362)
Amount as of December 31		**21,198,495**

The reduction in 2010 is related to the repayment by the Spanish state of the tax withheld on the payment by ENCE of the dividends due to Portucel in 2001 and 2004, following the decision of the Administrative Court.

As of 30 September 2011 and 31 December 2010 the additional tax assessments were detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Additional assessment 2005- Portucel - IRC (RETGS)	11.467.446	11.467.446
Additional assessment 2006- Portucel - IRC (RETGS)	9.279.414	9.279.414
Additional assessment 2010 - Portucel - IRC (RETGS)	3.976.970	-
Other	451.634	451.634
	25.175.465	**21.198.495**

14. Share capital and treasury shares

Portucel is a public company with its shares quoted on the Euronext Lisbon.

As of 30 September 2011, Portucel's share capital was fully subscribed and paid for; it is represented by 767,500,000 shares with nominal value of 1 Euro each, of which 19,979,112 are held as treasury shares.

These shares were mainly acquired during 2008, and the changes were as follows:

	2011		2010	
Amounts in Euro	Quant	Amount	Quant	Amount
Treasury shares held in January	15,054,358	26,787,706	15,054,358	26,787,706
Acquisitions				
January	-	-	-	-
February	188,000	469,490	-	-
March	979,612	2,454,020	-	-
April	297,906	737,907	-	-
May	1,773,671	4,380,142	-	-
June	883,067	2,073,620	-	-
July	62,200	151,437	-	-
August	446,298	808,679	-	-
September	294,000	509,723	-	-
	4,924,754	**11,585,018**	**-**	**-**
Treasury shares held in 30 September	**19,979,112**	**38,372,724**	**-**	**-**
Remaining months			15,054,358	26,787,706
Treasury shares held in 31 December			**15,054,358**	**26,787,706**

As of 30 September 2011, according to notifications received and the attendance at the General Assembly, the shareholders with significant positions in the Company's capital were as follows:

	30-Sep-2011	
Entities	**Nº of Shares**	**% Equity**
Seinpar Investments, BV	241,583,015	31.48%
Seinpart - Participações, SGPS, S.A.	230,839,400	30.08%
Semapa, SGPS, S.A.	109,731,992	14.30%
Other entities from the Semapa Group	18,000	0.00%
Bestinver Gestión, SA SGIIC	15,407,418	2.01%
Zoom Investment, SGPS, S.A.	12,128,852	1.58%
Extrasearch, SGPS, S.A.	10,206,535	1.33%
Treasury shares	19,979,112	2.60%
Free float	127,605,676	16.63%
Total	**767,500,000**	**100.00%**

As of 31 December 2010, the shareholders with significant positions in the Company's capital were as follows:

	31-Dec-2010	
Entities	**Nº of Shares**	**% Equity**
Seinpar Investments, BV	241,583,015	31.48%
Seinpart - Participações, SGPS, S.A.	230,839,400	30.08%
Semapa, SGPS, S.A.	105,522,241	13.75%
Other entities from the Semapa Group	1,179,800	0.15%
Bestinver Gestión, SA SGIIC	15,443,547	2.01%
Zoom Investment, SGPS, S.A.	10,298,855	1.34%
Extrasearch, SGPS, S.A.	10,206,535	1.33%
Treasury shares	15,054,358	1.96%
Free float	137,372,249	17.90%
Total	**767,500,000**	**100.00%**

The Group's market capitalization as of 30 September 2011 amounted to Euro 1,346,962,500, corresponding to a value per share of Euro 1.755.

15. Deferred Taxes

Over the nine months period ended September 30, 2011 and the year ended December 31, 2010, changes in assets and liabilities as a result of deferred taxes were as follows:

Amounts in Euro	As of 1 January 2011	Income Statement Increases	Income Statement Decreases	Equity	As of 30 September 2011
Temporary differences originating deferred tax assets					
Tax losses carried forw ard	408,173	-	-	-	408,173
Taxed provisions	1,333,951	11,936,307	(4,459)	-	13,265,799
Adjustments in tangible fixed assets	52,478,380	58,663,212	-	-	111,141,592
Post employment benefits	3,171,633	119,310	-	-	3,290,943
Derivative financial Instruments	-	-	-	1,678,967	1,678,967
Deferred accounting gains on inter-group transactions	10,692,933	-	(99,332)	-	10,593,601
Valuation of biological assets	8,157,968	-	(4,774,159)	-	3,383,809
Depreciation of assets recognized under IFRIC 4	3,631,551	-	(3,631,552)	-	-
	79,874,589	**70,718,829**	**(8,509,501)**	**1,678,967**	**143,762,884**
Temporary differences originating deferred tax liabilities					
Revaluation of tangible fixed assets	(19,973,300)	-	1,138,787	-	(18,834,513)
Post employment benefits	(994,026)	-	4,052,326	(3,992,299)	(933,998)
Derivative financial Instruments	(109,529)	-	-	109,529	(0)
Tax adjustments in the conversion of Local GAAP	(29,745,883)	-	9,089,513	-	(20,656,370)
Fair value of tangible fixed assets	-	(7,466,842)	-	-	(7,466,842)
Government grants	-	-	-	(357,996)	(357,996)
Tax Benefits	(62,087,932)	-	62,087,932	-	-
Extension of the useful life of tangible fixed assets	(356,185,011)	(43,261,739)	-	-	(399,446,750)
Deferred accounting losses on inter-group transactions	(104,813,742)	(88,350,971)	-	-	(193,164,713)
	(573,909,422)	**(139,079,552)**	**76,368,559**	**(4,240,766)**	**(640,861,181)**
Amounts presented on the balance sheet					
Deferred tax assets	22,963,945	20,331,663	(2,446,482)	482,703	41,331,830
Deferred tax liabilities	(164,998,958)	(39,985,371)	21,955,961	(1,219,221)	(184,247,589)

In 2011, deferred tax assets relating to tax losses of Euro 408,173 generated by RAIZ – Instituto de Investigação da Floresta e Papel were recognized.

Amounts in Euro	As of 1 January 2010	Income Statement Increases	Income Statement Decreases	Equity	As of 30 September 2010	Income Statement Increases	Income Statement Decreases	Equity	As of 30 December 2010
Temporary differences originating deferred tax assets									
Tax losses carried forw ard	218,900	-	-	-	218,900	189,273	-	-	408,173
Taxed provisions	6,228,018	2,020,000	(1,710,882)	-	6,537,136	(2,020,000)	(3,183,185)	-	1,333,951
Adjustments in tangible fixed assets	36,986,656	19,533,503	-	-	56,520,159	(4,041,779)	-	-	52,478,380
Post employment benefits	2,778,500	-	-	-	2,778,500	451,688	(58,557)	-	3,171,632
Derivative financial Instruments	1,981,284	-	-	(1,981,284)	-	-	-	-	-
Deferred accounting gains on inter-group transactions	4,725,573	9,841,439	-	-	14,567,011	(3,874,078)	-	-	10,692,933
Valuation of biological assets	10,127,671	-	(1,664,792)	-	8,462,879	-	(304,911)	-	8,157,968
Depreciation of assets recognized under IFRIC 4	3,983,424	342,178	(286,236)	-	4,039,367	(342,178)	(65,638)	-	3,631,551
	67,030,027	**31,737,120**	**(3,661,910)**	**(1,981,284)**	**93,123,953**	**(9,637,074)**	**(3,612,291)**	**-**	**79,874,588**
Temporary differences originating deferred tax liabilities									
Revaluation of tangible fixed assets	(23,336,634)	-	2,035,093	-	(21,301,540)	-	1,328,241	-	(19,973,300)
Post employment benefits	(1,000,187)	(21,642)	-	17,453	(1,004,376)	(42,105)	-	52,455	(994,026)
Derivative financial Instruments	-	-	-	(1,915,915)	(1,915,915)	-	-	1,806,386	(109,529)
Tax adjustments in the conversion of Local GAAP	-	-	-	-	-	(29,745,883)	-	-	(29,745,883)
Fair value of tangible fixed assets	(232,991,369)	-	13,011,318	-	(219,980,052)	-	219,980,052	-	-
Tax Benefits	(89,442,118)	-	24,262,250	-	(65,179,868)	-	3,091,935	-	(62,087,933)
Extension of the useful life of tangible fixed assets	(147,045,954)	(30,167,514)	-	-	(177,213,469)	(178,971,542)	-	-	(356,185,011)
Deferred accounting losses on inter-group transactions	(28,603,983)	-	6,830,230	-	(21,773,753)	(76,209,759)	(6,830,230)	-	(104,813,742)
	(522,420,245)	**(30,189,156)**	**46,138,891**	**(1,898,462)**	**(508,368,973)**	**(284,969,289)**	**217,569,997**	**1,858,841**	**(573,909,424)**
Amounts presented on the balance sheet									
Deferred tax assets	17,762,957	9,124,422	(1,052,799)	(569,618)	25,264,962	(2,770,659)	(1,038,535)	-	21,455,769
Effect of the change in tax rate	-	1,463,597	-	44,579	1,508,176	-	-	-	1,508,176
	17,762,957	**10,588,019**	**(1,052,799)**	**(525,039)**	**26,773,137**	**(2,770,659)**	**(1,038,535)**	**-**	**22,963,944**
Deferred tax liabilities	(138,441,365)	(8,679,382)	13,264,931	(545,808)	(134,401,624)	(81,928,671)	62,551,374	534,418	(153,244,503)
Effect of the change in tax rate	-	(11,752,160)	-	(2,295)	(11,754,456)	(62,470)	-	62,470	(11,754,456)
	(138,441,365)	**(20,431,543)**	**13,264,931**	**(548,103)**	**(146,156,080)**	**(81,991,141)**	**62,551,374**	**596,888**	**(164,998,958)**

16. Pensions and other postemployment benefits

16.1. Introduction

There are currently several retirement and survival pension supplement plans, and retirement bonus, in place in the companies included in the consolidation scope. For some categories of employees there are plans in addition to the ones described below, for which independent funds were also set up to cover these additional liabilities.

Under the prevailing Social Benefits Regulation, permanent employees of Portucel and its main subsidiaries with more than 5 years in the Company (10 years for Soporcel, Portucel Soporcel Florestal and RAÍZ) that opted not to move to the Defined Contribution plan as well as the retired employees at the date of transition (1 January 2009) are entitled, after retirement or if put on disability leave, to a retirement or disability supplement pay. This is calculated according to a formula, which considers the beneficiary's gross monthly remuneration updated to the work category at the date of retirement and the number of years of service, up to a limit of 30 (limit of 25 to Soporcel, Portucel Soporcel Florestal and RAIZ), including survivor pensions to the spouse and direct descendants.

To cover this liability, externally managed pension funds were set up, and the funds' assets are apportioned between each of the companies.

Furthermore, some Group companies assumed the liability of a retirement bonus, which is equal to 6 months of salary, if the employee retires on the regular retirement age (65 years).

As of 30 September 2011 and 31 December 2010, the coverage of the companies' liabilities by the assets of the funds was as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Past services liabilities		
- Active employees	69,004,907	69,670,296
- Retired employees	48,284,405	43,784,857
Market value of the pension funds	(99,050,939)	(102,854,501)
	18,238,373	**10,600,652**
Retirement bonuses' liabilities	3,232,413	3,113,104
Unfunded liabilities	**21,470,786**	**13,713,756**

On 30 September 2011, the liability related with post employment benefit plans for five members of Portucel's Board was Euro 4,636,162 (31 December 2010: Euro 4,571,507).

16.2. Assumptions used in the valuation of liabilities

The actuarial studies carried out by an independent entity for the purpose of determining the accumulated liabilities as of 30 September 2011 and 31 December 2010, were based on the following assumptions:

	30-Sep-2011	31-Dec-2010
Disability table	EKV 80	EKV 80
Mortality table	TV 88/90	TV 88/90
Wage grow th rate	2.00%	2.00%
Technical interest rate	5.00%	5.00%
Pensions grow th rate	1.50%	1.50%

The discount rates used in this study were selected over the return rates of a bonds' portfolio, namely Markit iBoxx Eur. Corporates *AA 10+*. From the portfolio, bonds with adequate maturity and rating were selected according to the amount and period cash outflows that will occur in connection to the payment of the benefits to the employees.

For the year ended 31 December 2010 the Group used a technical rate of 5.50% to calculate the costs related to current services. However, due to the behavior of the capital markets in this year and its future expectations, liabilities with pensions were measured using a technical rate of 5.00%, rate that was used during the nine month period ended 30 September 2011.

The expected return on assets was determined based on the historical monthly returns over the last 20 years for the different types of assets integrating the strategic allocation of the pension's fund.

The following table presents five-year historical information on the present value of liabilities, funds' market value, non financed liabilities and net actuarial gains/ (losses Information related to the last five periods is as follows:

Amounts in Euro	2007	2008	2009	2010	Sep-2011
Present value of liabilities	141,020,542	143,268,871	149,262,005	116,568,257	120,521,725
Plan assets' fair value	124,711,410	118,768,323	129,743,758	102,854,501	99,050,939
Surplus / (deficit)	(16,309,132)	(24,500,548)	(19,518,247)	(13,713,756)	(21,470,786)
Net actuarial gains/ (losses)	14,755,422	(9,849,636)	7,327,298	(128,931)	(5,774,174)

During the year ended 31 December 2010, Portucel S.A., presented their employees a proposal to reshape the defined benefit pension plan to a defined contribution plan.

Most of the employees accepted this proposal.

This amendment took effect as of 1 November 2010, backdated to 1 January 2010 for the purpose of determining the liability to be transferred.

16.3. Retirement and pension supplements

The movements in liabilities with retirement and pension plans in the nine months period ended 30 September 2011 and the year ended 31 December 2010, were as follows:

Amounts in Euro	2011	2010
Opening balance	113,455,153	146,483,533
Contributions made in the period	226,000	-
Costs recognized in the Income Statement	6,351,547	9,111,922
Pensions paid	(2,442,142)	(2,322,154)
Actuarial (Gains) / Losses	(301,246)	(2,055,587)
Closing balance	**117,289,312**	**151,217,714**
Remaining quarters		(37,762,561)
Closing balance on 31 December		**113,455,153**

The funds set up to cover the above mentioned liabilities had the following movement in the nine months period ended September 30, 2011 and the year ended December 31, 2010:

Amounts in Euro	2011	2010
Opening balance	102,854,501	129,743,758
Contributions made in the period	226,000	689,000
Expected return in the period	3,728,658	5,291,049
Actuarial gains/(losses) (difference betw een actual and expected returns)	(5,316,078)	(1,242,056)
Pensions paid	(2,442,142)	(2,322,155)
Closing balance	**99,050,939**	**132,159,596**
Remaining quarters		(29,305,095)
Closing balance on 31 December		**102,854,501**

The contributions made in the period considered the information received from the actuaries with whom the Group manages the funding needs of its several plans. A deficit recovery plan of the funding levels to the mandatory minimum defined by the applicable regulations is being carried out as applicable.

In the nine months period ended 30 September 2011 and the year ended 31 December 2010 the effect in the income statement of these plans was as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Defined Benefit Plans		
Current service costs	2,475,077	2,972,565
Interest expenses	4,270,707	6,139,357
Return on the plan's assets	(3,728,658)	(5,291,049)
Transfers and adjustments	119,309	-
Other changes	7,667	-
	3,144,102	**3,820,873**
Defined Contribution Plans		
Contribution to the plan	255,383	224,639
	255,383	**224,639**
Costs for the period	**3,399,485**	**4,045,512**

Current service costs include Euro 44,945 related with three members of the Board (30 September 2010: Euro 50,301).

16.4. Retirement bonuses

Some of the Group's companies assumed the liability of the payment of a retirement bonus, equal to 6 months of salary, if the employee retires at the regular age of retirement (65 years). The movements in this liability were as follows:

Amounts in Euro	2011	2010
Opening balance	3,113,104	2,778,472
Costs recognized in the Income Statement	119,309	-
Closing balance	**3,232,413**	**2,778,472**
Remaining quarters		334,632
Closing balance on 31 December		**3,113,104**

17. Provisions

In the nine months period ended 30 September 2011 and year ended 31 December 2010, the changes in provisions were as follows:

Amounts in Euro	Legal Claims	Tax Claims	Other	Total
As of 1 January 2010	**2,096,956**	**-**	**22,063,494**	**24,160,449**
Increases	-	-	20,000	20,000
Reversals	(249)	-	(20,911,620)	(20,911,869)
Direct utilisations	-	-	(320,239)	(320,239)
As of 1 September 2010	**2,096,707**	**-**	**851,635**	**2,948,341**
Increases	2,361	10,966,340	11,755,562	22,724,263
Reversals	(667,361)	-	-	(667,361)
Direct utilisations	-	-	208,134	208,134
As of 1 January 2011	**1,431,707**	**10,966,340**	**12,815,331**	**25,213,377**
Increases	687,627	-	24,524,715	25,212,342
Reversals	(378,966)	-	(20,390,198)	(20,769,164)
Direct utilisations	-	-	-	-
As of 30 September 2011	**1,740,367**	**10,966,340**	**16,949,848**	**29,656,555**

18. Interest-bearing liabilities

As of 30 September 2011 and 31 December 2010, non-current interest-bearing debt comprised the following:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Non-current		
Bond loans	550,000,000	550,000,000
Bank Loans	175,644,938	183,125,000
	725,644,938	**733,125,000**
Expenses with the issue of bond loans	(2,515,289)	(3,392,308)
Expenses with the issue of other loans	(5,714)	(35,786)
	(2,521,004)	**(3,428,093)**
	723,123,934	**729,696,907**

As of 30 September 2011 and 31 December 2010, current interest-bearing debt was detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Current		
Bank loans - short term	19,529,922	91,250,000
	19,529,922	**91,250,000**

As of 30 September 2011 and 31 December 2010, the Group's net debt was as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Interest-bearing liabilities		
Non-current	723,123,934	729,696,907
Current	19,529,922	91,250,000
	742,653,856	**820,946,907**
Cash and cash equivalents		
Cash on hand	38,252	45,562
Short term bank deposits	12,258,517	9,463,348
Other	185,580,000	124,450,000
	197,876,769	**133,958,910**
Treasury shares at their market value	**35,063,342**	**34,263,719**
Interest-bearing net debt	**509,713,746**	**652,724,278**

As of 30 September 2011 and 31 December 2010, the interest-bearing liabilities of the Group comprised the following:

	30-Sep-2011		
Amounts in Euro	Non-current	Current	Total
Interest-bearing liabilities			
Bond loans	547,484,711	-	547,484,711
Bank Loans	175,639,223	19,529,922	195,169,145
	723,123,934	**19,529,922**	**742,653,856**

	31-Dec-2011		
Amounts in Euro	Non-current	Current	Total
Interest-bearing liabilities			
Bond loans	546,607,692	-	546,607,692
Bank Loans	183,089,214	91,250,000	274,339,214
	729,696,907	**91,250,000**	**820,946,907**

The evolution of the Group's net debt in the nine months period ended 30 September 2011 and year ended 31 December 2010 was as follows:

Amounts in Euro	30-Sep-2011	30-Sep-2010	Remaining quarters	31-Dec-2010
	652,724,278	669,954,905	-	669,954,905
Changes in value of treasury shares held and accumulated currency translation effects	11,692,485	(1,043,149)	(6,652,820)	(7,695,968)
				-
Interest paid	13,506,896	15,240,786	7,017,954	22,258,740
Dividens paid and reserves distributed	-	62,076,765	117,682,498	179,759,263
				-
Receipts related to investment activities	(5,498,195)	(4,552,360)	(6,082,130)	(10,634,490)
Interest received	(3,008,645)	(6,496,625)	(545,582)	(7,042,208)
Payments related to investment activities	21,314,532	50,535,227	-	50,535,227
Net receipts of operating activities	(181,017,604)	(181,823,977)	(62,587,214)	(244,411,191)
	(143,010,532)	(66,063,333)	48,832,706	(17,230,627)
	509,713,746	**603,891,572**		**652,724,278**

In the nine months period ended 30 September 2011 and year end 31 December 2010, the changes in Group's net debt were as follows:

Amounts in Euro	30-Sep-2011	31-Sep-2010	Remaining quarters	31-Dec-2010
Net Income	144,074,262	154,168,358	56,411,867	210,580,225
Depreciation, amortization and impairment losses	92,929,132	97,296,528	23,888,256	121,184,784
Net provisions	4,443,178	(20,891,869)	22,056,901	1,165,032
	241,446,571	**230,573,017**	**102,357,024**	**332,930,041**
Change in w orking capital	(60,375,111)	(30,857,357)	(34,112,783)	(64,970,140)
Acquisitions of tangible fixed assets	(25,609,438)	(71,409,652)	(24,488,429)	(95,898,081)
Dividends paid and reserves distributed	-	(62,076,765)	(117,682,498)	(179,759,263)
Other changes in equity	(6,732,944)	2,026,358	104,671	2,131,029
Other	(5,718,547)	(2,192,269)	24,989,309	22,797,040
Change in net debt (Free CashFlow)	**143,010,532**	**66,063,332**	**(48,832,706)**	**17,230,626**

Bond loans

During 2005, the Group issued five bond loans totaling Euro 700,000,000, of which there is still repaying the loan "Portucel 2005/2012", Euro 150,000,000, maturing in October 2012 and the loan of "Portucel 2005/2013", of Euro 200,000,000, maturing in May 2013.

In December 2009, Portucel contracted a bond loan designated "Obrigações Portucel 2010/2015" that was only used on February 2010 amounting to Euro 100,000,000. The loan is indexed to the 3-month Euribor, with a designed 40% repayment at the end of the fourth year, and the remaining 60% at maturity date. A spread is added to the market interest rate according to the level of the Net Debt/EBITDA ratio.

In February 2010, Portucel contracted an additional bond loan designated "Obrigações Portucel - 2010 /2015 - 2ª Emission" with an amount of Euro 100,000,000 indexed to the 6-month Euribor with a single reimbursement upon maturity, in February 2015.

The loans outstanding as of 30 September 2011 were as follows:

Amounts in Euro	Amount	Maturity	Reference interest rate
Bond loans			
Portucel 2005 / 2012	150,000,000	Oct 2012	Euribor 6m
Portucel 2005 / 2013	200,000,000	May 2013	Euribor 6m
Portucel 2010 / 2015 - 2nd emission	100,000,000	Feb 2015	Euribor 6m
Portucel 2010 / 2015	100,000,000	Mar 2015	Euribor 3m
	550,000,000		

The loan amounting to Euro 150,000,000 is listed in the Euronext Lisbon under the heading "Obrigações Portucel 2005/2012". As of 30 September 2011 the unit value of this bond was Euro 99.78 (31 December 2010: Euro 99.40).

Non-current bank loans

Portucel contracted a bank loan of Euro 25,000,000 in January 2005 for a period of seven years. The loan will be repaid in 8 semi-annual installments of Euro 3,125,000 each, the first of which was paid in July 2008. So far seven semi-annual installments were paid. The loan bears interest at a rate indexed to the Euribor for six months.

In April 2009, Portucel has received Euro 65,000,000 related to a credit facility which had been contracted during 2008 with the European Investment Bank (EIB) designated Portucel – Ambiente Tranche A. In March 2010, Portucel used two contracted credit facilities with the European Investment Bank (EIB) of Euro 30,000,000 and Euro 85,000,000 designated BEI – Ambiente Tranche B and BEI – Energy, respectively.

The loan designated BEI – Ambiente Tranche A has a 10 year maturity and will be repaid in 14 semi-annual installments, the first of which will be due 3 years after the loan date, on June 15, 2012, amounting to Euro 4,642,857. The loan bears interest at a rate corresponding to the Euribor for six months plus a variable spread associated to financial ratios.

The loan designated BEI – Ambiente Tranche B has a 11 year maturity and it will be repaid in 18 semi-annual installments, the first of which will be due on December 2012 and the last one on June 15, 2021, each of them amounting to Euro 1,666,667. This loan bears interest at a rate corresponding to the Euribor for six months plus a spread.

The loan designated BEI – Energy has a 14 year maturity and it will be repaid in 24 semi-annual installments, the first of which will be due on June 15, 2013 and the last one on December 15, 2024, each of them amounting to Euro 3,541,667. This loan bears interest at a rate corresponding to the Euribor for six months plus a spread.

These two loans are guaranteed by two banks.

The repayment terms related to non-current loans show the following maturity profile:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Non-current		
1 to 2 years	366,448,509	164,077,381
2 to 3 years	59,702,381	219,702,381
3 to 4 years	179,702,381	59,702,381
4 to 5 years	19,702,381	179,702,381
Over 5 years	100,089,286	109,940,476
	725,644,938	**733,125,000**

On September 30, 2011, Group had contracted a commercial paper program of Euros 50,000,000 and credit lines of Euro 32,500,000 (31 December 2010: EUR 32,500,000), both of which were available and unused.

IFRIC 4 – Finance Leases

As of 30 September 2011 and 2010, in accordance with IFRIC 4, the Group has the following equipments under finance lease Plans (Note 9):

	30-Sep-2011		
Amounts in Euro	Acquisition value	Acumulated depreciation	Net book value
Equipment			
Equipment - Soporgen	44,003,950	35,249,905	8,754,045
Equipment - PCC	14,000,000	2,468,904	11,531,096
	58,003,950	**37,718,809**	**20,285,141**

	31-Dec-2010		
Amounts in Euro	Acquisition value	Acumulated depreciation	Net book value
Equipment			
Equipment - Soporgen	44,003,950	32,269,564	11,734,386
Equipment - PCC	14,000,000	1,891,892	12,108,108
	58,003,950	**34,161,456**	**23,842,494**

The non-current and current liabilities related to those equipments are recorded under "Other liabilities" and "Payables and other current liabilities", respectively, and are detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
	(unaudited)	
Non-current	22,415,501	24,471,152
Current	3,882,464	2,115,500
	26,297,965	**26,586,652**

The Group holds a 18% stake on Soporgen – Sociedade Portuguesa de Geração de Electricidade e Calor, S.A., whose main activity is the production of steam and electric power, exclusively sold to Soporcel.

Soporcel has a call option for the remaining share capital of Soporgen until the end of the agreement to supply electric and steam power, signed between Soporgen and Soporcel. The settlement date of this option is on January 1st of each year between 2010 and 2015, by pre-determined amounts.

In 2010, with the launch of the new paper mill, the Group recognized as a finance lease contract the cost of the Precipitated Calcium Carbonate production unit, installed by Omya, S.A. at the industry site in Setúbal for the exclusive use of the new mill. This contract foresees the transfer of the assets' ownership to About The Future, S.A., upon its termination.

19. Payables and other current liabilities

As of 30 September 2011 and 31 December 2010, Payables and other current liabilities were detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Accounts payable to suppliers	108,249,305	119,182,565
Accounts payable to fixed assets suppliers	26,334,255	38,107,662
Accounts payable to fixed assets suppliers - Leases	3,882,464	2,115,500
Accounts payable - related parties	143,086	143,086
Derivative financial instruments (Note 20)	3,887,034	189,617
Other creditors - CO2 Emission allowances	4,304,097	6,316,312
Sales comissions	124,453	403,551
Other creditors	2,861,842	2,581,605
Accrued costs	51,650,068	33,856,509
Deferred income	59,171,965	61,943,025
	260,608,570	**264,839,433**

As of 30 September 2011 and 31 December 2010, accrued costs and deferred income were detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Accrued costs		
Payroll expenses	31,858,445	18,539,655
Interests payable, including compensatory interest	7,039,880	4,057,165
Energy, Gas and maintenance	4,932,378	5,656,207
Others	7,819,365	5,603,482
	51,650,068	**33,856,509**
Deferred income		
Government grants	54,936,213	60,694,725
Grants - CO2 allowances	3,367,588	-
Others	868,165	1,248,300
	59,171,965	**61,943,025**

As of 30 September 2011 and 31 December 2010, "Deferred income" on government grants was detailed per company as follows:

Amounts in Euro	30-09-2011	31-12-2010
Under AICEP contracts		
Portucel, S.A.	32,301,264	34,954,669
SoporcelPulp, S.A.	16,967,094	18,061,207
Soporcel, S.A.	5,381,035	7,154,495
	54,649,393	60,170,371
Others		
Portucel, S.A.	58,488	66,966
Raiz	228,332	388,393
Enerforest, S.A.	-	58,558
Cofotrans, S.A.	-	10,437
	286,820	524,354
	54,936,213	**60,694,725**

In the nine months period ended 30 September 2011 and the year ended 31 December 2010, Grants – CO2 emission allowances had the following movements:

Amounts in Euro	2011	2010
Grants - CO2 Emission allowances		
Opening balance	-	-
Increase	12,630,672	12,808,389
Utilisation	(9,263,084)	(7,017,354)
Amount as of 30 September	**3,367,588**	**5,791,035**
Remaining quarters	-	(5,791,035)
Amount as of 31 December	**-**	**-**

As of 30 September 2011, a licence for a ton of CO2 emissions was quoted at Euro 10.69 (USA), (31 December 2010: Euro 13.75). The market value of the allowances consumed in the nine months period ended 30 September 2011 was therefore Euro 1,936,054.

20. Derivative financial instruments

As of 30 September 2011 and 31 December 2009, fair value of derivative financial instruments was as follows:

	30-Sep-2011				31-Dec-2010
Amounts in Euro	Notional	Positive	Negative	Net	Net
Hedging instruments					
Hedging	23.481.589	-	(1.623.693)	(1.623.693)	109.529
	23.481.589	**-**	**(1.623.693)**	**(1.623.693)**	**109.529**

	30-Sep-2011				31-Dec-2010
Amounts in Euro	Notional	Positive	Negative	Net	Net
Trading instruments					
Foreign exchange forwards	57.607.301	-	(2.126.341)	(2.126.341)	(58.767)
	57.607.301	**-**	**(2.126.341)**	**(2.126.341)**	**(58.767)**

The fair value of derivative financial instruments is included in Payables and other current liabilities (Note 19).

The movement in the balances recognized in the statement financial position (Notes 12 and 19) relating to financial instruments was as follows:

	Change in fair value (Trading)	Change in fair value (Hedging)	Total
Balance as of 1 January 2010	(1,379,160)	(1,981,284)	(3,360,444)
Maturity	4,476,351	(873,238)	3,603,113
Decreases in Fair Value	-	4,770,437	4,770,437
Balance as of 30 September 2010	**3,097,191**	**1,915,915**	**5,013,106**
Maturity	(3,155,958)	3,060,153	(95,805)
Decreases in Fair Value	-	(4,866,539)	(4,866,539)
Balance as of 1 January 2011	**(58,767)**	**109,529**	**50,762**
Maturity	(2,067,574)	(3,875,823)	(5,943,397)
Decreases in Fair Value		2,142,601	2,142,601
Balance as of 30 September 2011	**(2,126,341)**	**(1,623,693)**	**(3,750,034)**

As at 30 September 2011 and 31 December 2010, the derivative financial instruments previously summarized had the following maturities:

					30-Sep-2011	31-Dec-2010
		Notional	Maturity	Type	Fair Value	Fair Value
Foreign exchange forwards	USD	28,922,000	25-Dec-2012	Trading	(1,005,705)	123,396
	GBP	1,974,000	13-Oct-2011	Trading	(17,353)	7,455
	USD	29,528,000	10-Jan-2012	Trading	(1,012,307)	-
	GBP	8,826,000	12-Dec-2011	Trading	(82,737)	-
	USD	2,510,000	25-Oct-2011	Trading	(6,239)	(268,405)
	GBP			Trading	-	78,787
					(2,124,341)	**(58,767)**
Foreign exchange hedging - Subsidiaries investments	USD	25,050,000	30-Nov-2011	Hedging	(1,044,304)	109,529
Options on foreign exchange	USD	50,000,000	30-Sep-2012	Hedging	(422,197)	-
Options on foreign exchange	USD	17,000,000	31-Dec-2011	Hedging	28,043	-
Options on foreign exchange	CHF	6,000,000	31-Dec-2011	Hedging	(185,235)	-
					(1,623,693)	**109,529**
					(3,748,034)	**50,762**

21. Commitments

21.1. Commitments in favour of third-parties

As of 30 September 2011 and 31 December 2010, the commitments assumed by the Group were as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Guarantees in favour of associated companies		
Soporgen, S.A.	111,111	333,333
	111,111	333,333
Guarantees in favour of third parties		
Portuguese Tax Authorities	31,081,576	27,917,200
Duties with wood imports	3,596,378	3,531,019
Simria	327,775	340,005
Others	221,582	792,590
	35,227,311	32,580,814
	35,338,422	**32,914,147**

On 3 May 2000, Soporcel, entered into a guarantee with a bank under which it guarantees the full and timely compliance with all financial and monetary obligations to that bank assumed by Soporgen – Sociedade Portuguesa de Geração de Electricidade e Calor, S.A. Accordingly, the bank can claim repayment of up to 8% of Soporgen's debt under that guarantee whenever it is enforced.

As of 30 September 2011 the amount to settle of this loan was Euro 1,388,889, and the amount guaranted by Soporcel was Euro 111,111, having been reduced in the period as a result of the reduction in the underlying loan.

Under the agreement to acquire an additional 10% share in Soporgen, Soporcel committed itself to the seller to ensure the bank guarantee presented by Soporgen as a collateral of its share in the referred loan, as of the date of the loan.

The guarantees granted to the Portuguese Tax Authorities are detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Income Tax 2005 - Additional Tax assessments	14,656,907	14,656,907
Income Tax 2006 - Additional Tax assessments	11,831,696	11,831,696
Income Tax 2010 - Additional Tax assessments	4,017,104	-
Income Tax 2007 - Municipal surcharge	-	852,727
Stamp duty 2004	575,870	575,870
	31,081,577	**27,917,200**

Guarantees granted to Custom authorities are detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Beneficiaries		
Tax Authorities (DGA) - Custom duties	2,434,250	2,434,250
Setubal Custom Authorities	780,000	780,000
Tax Authorities (DGCA) - Custom duties	110,000	110,000
Swiss Tax Authorities	272,128	206,769
	3,596,378	**3,531,019**

21.2. Purchase commitments

In addition to the commitments described in the preceding Note, purchase commitments assumed with suppliers at 30 September 2011 amounted to Euro 32,904,829 and referred to capital expenditure on Property, plant and equipment (total commitments at 31 December 2010: Euro 14,501,506).

As of 30 September 2011 and 31 December 2010, the commitments relating to operating lease contracts were as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
Due date		
2011	878,799	1,533,053
2012	2,185,597	1,549,391
2013	1,688,719	898,107
2014	1,193,175	600,959
2015	518,218	325,786
	6,464,508	**4,907,296**

As of 30 September 2011 and 31 December 2010, the commitments to forest land rents were detailed as follows:

Amounts in Euro	30-Sep-2011	31-Dec-2010
2011	1,205,671	2,196,627
2012	3,416,957	1,990,593
2013	3,169,932	1,876,164
2014	2,822,682	1,690,656
2015	2,692,611	1,544,779
Subsequent years	29,132,227	18,103,905
	42,440,080	**27,402,724**

22. Contingent assets

22.1. Tax matters

22.1.1. Public Debt Settlement Fund

According to Decree-Law no. 36/93 of 13 February, the tax debts of privatized companies relating to periods prior to the privatization date (in the case of Portucel, 25 November 2006) are responsibility of the Public Debt Settlement Fund. Portucel submitted an application to the Public Debt Settlement Fund on 16 April 2008 requesting the payment by the State of the tax debts raised by the tax authorities for periods before that date. On 13 December 2010, Portucel presented a new application requesting the payment of debts settled by the tax authorities regarding years 2006 and 2003. This claim was supplemented on 13 October 2011, with the amounts already paid and uncontested regarding these debts, as well as with expenses directly related to them, pursuant to judgment dated 24 May 2011 (Case No. 0993A/02), which confirmed the company's position regarding the enforceability of such expenses.

In this context, it shall be the responsibility of the referred Fund the amount of Euro 33,861,034 detailed as follows:

Amounts in Euro	Year	Amount requested	1st reimbursement	Open amount
Portucel				
VAT Germany	1998-2004	5,850,000	(5,850,000)	-
Corporate tax	2001	314,340	-	314,340
Corporate tax	2002	625,033	(625,033)	-
VAT	2002	2,697	(2,697)	-
Corporate tax	2003	1,573,165	(1,573,165)	-
Corporate tax	2003	197,395	(157,915)	39,480
Corporate tax (withholding)	2004	3,324	-	3,324
Corporate tax	2004	766,395	-	766,395
Corporate tax (withholding)	2005	1,736	(1,736)	-
Corporate tax	2005	11,754,680	-	11,754,680
Corporate tax	2006	11,890,071	-	11,890,071
Expenses		190,984	-	190,984
		33,169,820	**(8,210,546)**	**24,959,274**
Soporcel				
Corporate tax	2002	169,219	-	169,219
Corporate tax (withholding)	2003	5,725,771	-	5,725,771
VAT	2003	2,509,101	-	2,509,101
Stamp duty	2004	497,669	-	497,669
		8,901,760	**-**	**8,901,760**
		42,071,580	**(8,210,546)**	**33,861,034**

22.1.2. Municipal surcharge (RETGS) 2008 / 2010 – Euro 3,891,421

In 2008 and 2010 Portucel presented the Income Tax form with a Municipal surcharge corresponding to the sum of the individual municipal surcharge of the companies included in the special tax regime applicable to groups of companies (RETGS) in accordance with the tax authorities understanding, (Circular Letter No. 20132 as of 14 April 2008). Nevertheless, Portucel believes this municipal surcharge should correspond to 1.5% of the Group's taxable income, as stated by the Law nº 2/2007 (Local Finance Law).

Due to this, Portucel presented a tax claim in order to collect the refund of the excess amounts paid amounting to Euro 173,868 and Euro 888,200, respectively.

Following the initial rejection of the claim, Portucel appealed to the Court on 14 May 2010 and 6 January 2011.

On 2 February 2011 the Supreme Administrative Court decided in favour of Portucel's views, in a similar case. Therefore, a successful outcome is expected for this claim.

For 2010, the amount to be paid in excess of Portucel's calculations amounted to Euro 2,829,353. The Group decided not to pay this amount and presented the corresponding administrative appeal on the amount resulting from the excess of the liquidation and requested the establishment of bank guarantee for the amount not settled.

22.1.3. State surcharge – Euro 1,147,617.46

In 2010 income tax form presented by Portucel, a state surcharge of Euro 1,147,617.46 was determined regarding About The Future – Empresa Produtora de Papel, S.A., which are considered undue by the Group as it should have been deducted to tax benefits granted to the company.

Due to this, Portucel presented a tax claim in order to collect the refund of this excess income tax amount payed in 2010.

22.1.4. Investment contract - AICEP

Regarding the contracts signed with AICEP and up to 30 September 2011 a total amount of Euro 29,608,792 of tax incentives is yet to be recognized.

22.1.5. Fiscal Scheme of Investment Support (RFAI) 2009 and 2010

In 2009 and 2010, the Group benefited from the tax benefit regime for relevant investments as set by Law No. 10/2009 of 10 March. Under this regime, the Group has unused benefits, which will be used in 2015.

22.2. Non-tax matters

22.2.1. Public Debt Settlement Fund

In addition to the tax matters described above, a second request to the Public Debt Settlement Fund was submitted on 2 June 2010, which called for the reimbursement of various amounts, totaling Euro 136,243,939. These amounts related to adjustments in the financial statements of the group after its privatization, that had not been considered in formulating the price of such privatization as they were not included in the documentation made available for consultation by the bidders.

23. Subsequent events

Through stock market operations from 3 to 21 October Portucel acquired several lots of treasury shares, totaling 635,481 titles, which are detailed as follows:

	2011	
	Quant.	**Euro**
3 October	30,000	52,173
4 October	45,000	78,577
5 October	37,530	65,795
7 October	185,000	328,917
10 October	159,000	283,683
11 October	121,789	222,491
12 October	53,682	99,306
21 October	3,480	6,436
	635,481	**1,137,377**

Following these acquisitions, Portucel now holds directly and indirectly through its subsidiaries, 20,320,593 shares representing 2.65% of its share capital.

24. Companies included in the consolidation

Company	Head office	Percentage of capital held by Group companies		
		Directly	Indirectly	Total
Parent Company:				
Portucel – Empresa Produtora de Pasta e Papel, SA	Setúbal	-	-	-
Subsidiaries:				
Soporcel - Sociedade Portuguesa de Papel, SA	Figueira da Foz	100.00	-	100.00
PortucelSoporcel Floresta, SGPS, SA	Figueira da Foz	50.00	50.00	100.00
Soporcel Pulp - Sociedade Portuguesa de Celulose, SA*	Figueira da Foz	100.00	-	100.00
Portucel Florestal – Empresa de Desenvolvimento Agro-Florestal, SA	Setúbal	-	100.00	100.00
CountryTarget SGPS SA*	Setúbal	100.00	-	100.00
Sociedade de Vinhos da Herdade de Espirra - Produção e Comercialização de Vinhos, SA	Setúbal	-	100.00	100.00
PortucelSoporcel Florestal – Sociedade para o Desenvolvimento Agro-Florestal, SA	Setúbal	-	100.00	100.00
Afocelca - Agrupamento complementar de empresas para protecção contra incêndios ACE	Portugal	-	64.80	64.80
Enerforest - Empresa de Biomassa para Energia, SA	Setúbal	-	100.00	100.00
Atlantic Forests, SA	Setúbal	-	100.00	100.00
Viveiros Aliança - Empresa Produtora de Plantas, SA	Palmela	-	100.00	100.00
Aflomec - Empresa de Exploração Florestal, SA	Setúbal	-	100.00	100.00
Cofotrans - Empresa de Exploração Florestal, SA	Figueira da Foz	-	100.00	100.00
Raiz - Instituto de Investigação da Floresta e Papel	Aveiro	-	94.00	94.00
Bosques do Atlantico, SL	Spain	-	100.00	100.00
PortucelSoporcel Pulp SGPS, S.A.	Setúbal	100.00	-	100.00
CELSET - Celulose de Setúbal, S.A.	Setúbal	-	100.00	100.00
CELCACIA - Celulose de Cacia, S.A.	Aveiro	-	100.00	100.00
Portucel International GmbH	Germany	-	100.00	100.00
PortucelSoporcel Papel, SGPS SA	Setúbal	100.00	-	100.00
Portucel Soporcel North America Inc.	USA	-	100.00	100.00
About the Future - Empresa Produtora de Papel, SA	Setúbal	-	100.00	100.00
Portucel Papel Setúbal, S.A.	Setúbal	-	100.00	100.00
PortucelSoporcel Sales & Marketing NV	Belgium	25.00	75.00	100.00
PortucelSoporcel Fine Paper , S.A.	Setúbal	-	100.00	100.00
PortucelSoporcel España, SA	Spain	-	100.00	100.00
PortucelSoporcel International, BV	Netherlands	-	100.00	100.00
PortucelSoporcel France, EURL	France	-	100.00	100.00
PortucelSoporcel United Kingdom, Ltd	United Kingdom	-	100.00	100.00
PortucelSoporcel Italia, SRL	Italy	-	100.00	100.00
Soporcel 2000 - Serviços Comerciais de Papel, Soc. Unipessoal, Lda	Figueira da Foz	-	100.00	100.00
PortucelSoporcel Deutschland, GmbH	Germany	-	100.00	100.00
PortucelSoporcel Handels, GmbH	Austria	-	100.00	100.00
PortucelSoporcel Afrique du Nord	Morocco	-	100.00	100.00
PortucelSoporcel Poland SP Z O *	Poland	-	100.00	100.00
PortucelSoporcel Energia, SGPS SA	Setúbal	100.00	-	100.00
SPCG – Sociedade Portuguesa de Co-Geração Eléctrica, SA	Setúbal	-	100.00	100.00
Enerpulp – Cogeração Energética de Pasta, SA	Setúbal	-	100.00	100.00
PortucelSoporcel Cogeração de Energia, SA	Setúbal	-	100.00	100.00
PortucelSoporcel Participações, SGPS SA	Setúbal	100.00	-	100.00
Arboser – Serviços Agro-Industriais, SA	Setúbal	-	100.00	100.00
Empremédia - Corretores de Seguros, Lda	Lisbon	-	100.00	100.00
Socortel - Sociedade de Corte de Papel, SA	Figueira da Foz	-	100.00	100.00
Cutpaper - Transformação, Corte e Embalagem de Papel, ACE	Figueira da Foz	-	50.00	50.00
Headbox - Operação e Contolo Industrial, SA	Setúbal	-	100.00	100.00
EMA21 - Engenharia e Manutenção Industrial Século XXI, SA	Setúbal	-	100.00	100.00
Ema Cacia - Engenharia e Manutenção Industrial, ACE	Aveiro	-	91.15	91.15
Ema Setúbal - Engenharia e Manutenção Industrial, ACE	Setúbal	-	92.56	92.56
Ema Figueira da Foz- Engenharia e Manutenção Industrial, ACE	Figueira da Foz	-	91.47	91.47
EucaliptusLand, SA *		-	100.00	100.00
PortucelSoporcel Serviços Partilhados, SA	Figueira da Foz	-	100.00	100.00
PortucelSoporcel Internacional SGPS SA	Setúbal	100.00	-	100.00
Portucel Moçambique - Sociedade de Desenvolvimento Florestal e Industrial, Lda	Mozambique	25.00	75.00	100.00
Portucel Florestal Brasil - Gestão de Participações, Ltda	Brazil	25.00	75.00	100.00
PortucelSoporcel Logistica de Papel, ACE	Figueira da Foz	33.33	66.67	100.00

* Companies incorporated in 2010

25. Companies excluded from the consolidation

Company	Head office	Percentage of capital held by Group companies		
		Directly	Indirectly	Total
Tecnipapel – Sociedade de Transformação e Distribuição de Papel, Lda	Setúbal	56.00	44.00	100.00
PortucelSoporcel Papel - Sales e Marketing, ACE	Figueira da Foz	50.00	50.00	100.00
Naturfungi, ACE	Setúbal	-	50.00	50.00

The entities presented above were excluded from the consolidation due to their dissolution and liquidation in the period.

BOARD OF DIRECTORS

Pedro Mendonça de Queiroz Pereira
Presidente

José Alfredo de Almeida Honório

Manuel Soares Ferreira Regalado

Adriano Augusto da Silva Silveira

António José Pereira Redondo

José Fernando Morais Carreira de Araújo

Luís Alberto Caldeira Deslandes

Manuel Maria Pimenta Gil Mata

Francisco José Melo e Castro Guedes

José Miguel Pereira Gens Paredes

Paulo Miguel Garces Ventura