



**ALTRI, SGPS, S.A.**  
Public Company

Head Office: Rua do General Norton de Matos, 68, r/c – Porto  
Fiscal Number 507 172 086  
Share Capital: 25,641,459 Euro

**Financial information – 3<sup>rd</sup> Quarter of 2015  
(Unaudited)**

This document is a translation of a document originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards and with accordance with the International Accounting Standard 34 – Interim Financial Reporting, some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

## Financial Information 3Q 2015

### **Key indicators: nine months of 2015 (vs. nine months of 2014)**

- Total revenue: 494.3 million Euro (+22%)
- EBITDA: 163.2 million Euro (+98%)
- EBIT: 123.9 million Euro (+178%)
- Net profit: 84.7 million Euro (+271%)
  
- Free cash flow<sup>1</sup> of 86.2 million Euro in the end of September 2015
  - 46.4 million Euro of free cash flow generated in the 3<sup>rd</sup> quarter of 2015
- Net Debt: 444.9 million Euro
  
- EBITDA for the third quarter of 2015 reaches a record: 63.1 million Euro
  
- 754.3 thousand tons of pulp produced (+2%)
- 758.3 thousand tons of pulp sold (+2%)

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<sup>1</sup> Dividends paid and net debt variation

## Financial Information 3Q 2015

The financial information was prepared in accordance with the international financial Reporting Standards (IFRS).

### Income Statement - 3Q 2015 - a quarter of records

thousand euros	3Q 2014	3Q 2015	3Q15/3Q14 Var%	2Q 2015	3Q15/2Q15 Var%
<b>Total Revenues</b>	<b>142,985</b>	<b>181,492</b>	<b>26.9%</b>	<b>158,709</b>	<b>14.4%</b>
Costs of sales	65,063	63,244	-2.8%	57,468	10.1%
External supplies and services	39,516	42,383	7.3%	38,268	10.8%
Payroll expenses	7,254	8,818	21.6%	7,922	11.3%
Others expenses	936	1,892	102.0%	1,600	18.2%
Provisions and impairment losses	128	2,031	ss	-19	ss
<b>Total expenses (a)</b>	<b>112,898</b>	<b>118,369</b>	<b>4.8%</b>	<b>105,240</b>	<b>12.5%</b>
<b>EBITDA (b)</b>	<b>30,088</b>	<b>63,124</b>	<b>109.8%</b>	<b>53,469</b>	<b>18.1%</b>
<b>Margin</b>	<b>21.0%</b>	<b>34.8%</b>	<b>+13,7 pp</b>	<b>33.7%</b>	<b>+1,1 pp</b>
Amortisation and depreciation	12,595	13,111	4.1%	12,991	0.9%
<b>EBIT (c)</b>	<b>17,493</b>	<b>50,013</b>	<b>185.9%</b>	<b>40,478</b>	<b>23.6%</b>
<b>Margin</b>	<b>12.2%</b>	<b>27.6%</b>	<b>+15,3 pp</b>	<b>25.5%</b>	<b>+2,1 pp</b>
Financial profit	-6,728	-4,450	-33.8%	-5,391	-17.5%
Profit before income tax	10,765	45,563	323.2%	35,087	29.9%
Income tax	-608	-11,134	ss	-6,961	60.0%
Minority interests	3	0	ss	10	-100.0%
<b>Profit for the period attributable to parent company's shareholders</b>	<b>10,154</b>	<b>34,428</b>	<b>239.1%</b>	<b>28,115</b>	<b>22.5%</b>

(a) Operating costs excluding amortisation, financial expenses and income tax  
 (b) EBITDA = Earnings before interests, taxes, depreciation and amortisation  
 (c) EBIT = Earnings before interest and taxes

The third quarter of 2015 was Altri's best quarter ever, both in operational terms and in financial terms. Thus, total revenues amounted to 181.5 million Euro, which led to an EBITDA of 63.1 million Euro and an EBITDA margin of 34.8%. The net profit was 34.4 million Euro.

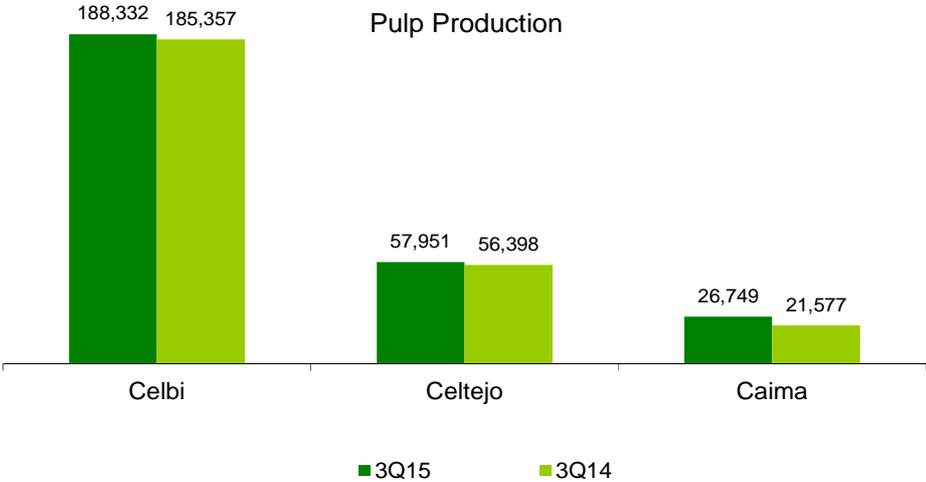
In detail, as referred, the total revenue of the third quarter of 2015 amounted 181.5 million Euro, an increase of 14% compared to the amount recorded in the previous quarter and an increase of 27% comparing to the third quarter of 2014.

The revenues from sales of pulp amounted to 156.1 million Euro, corresponding to an increase of 36% comparing to the 114.5 million Euro of pulp sales in the third quarter of 2014.

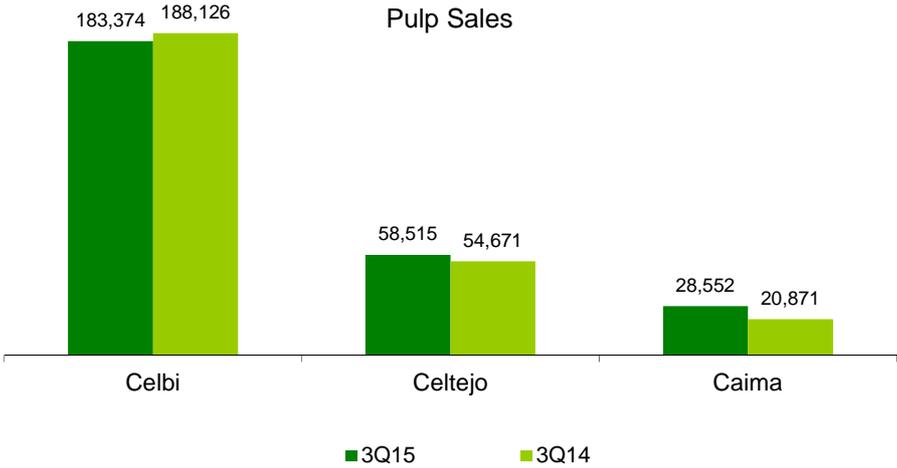
# Financial Information 3Q 2015

During the third quarter, the three industrial units of Altri produced around 273.0 thousand tons of pulp (+4% comparing to the same period of 2014 and +21.4% comparing to the production of the second quarter of 2015), and were sold 270.4 thousand tons of pulp (+3% comparing to the third quarter of 2014 and +13% comparing to the second quarter of 2015). Both values - tons produced and sold - correspond to an absolute record.

Evolution of pulp production between 3Q 2015 and 3Q 2014 by industrial unit (tons)



Evolution of pulp sales between 3Q 2015 and 3Q 2014 by industrial unit (tons)



Regarding to the type of pulp produced, during the third quarter of 2015, it was produced 246.3 thousand tons of BEKP pulp and 26.7 tons of VSF dissolving pulp.

## Financial Information 3Q 2015

In terms of exports, during the third quarter of 2015, Altri exported 252.3 thousand tons of pulp (+3%), corresponding to an amount of 146.4 million Euro (+37%).

### **Quarterly EBITDA reaches record: 63.1 million Euro. 34.8% margin.**

The evolution of production level and sales prices complemented with a reduction of production unit costs led to an EBITDA in the quarter of 63.1 million Euro, corresponding to a growth of 110% over EBITDA of the same period of the previous year and to an increase of 18% over the second quarter of 2015. EBITDA margin reached 34.8% which corresponds to a 1.1 pp increase compared to the EBITDA margin recorded in the previous quarter.

Total costs, excluding depreciation, interest and taxes, on the third quarter of 2015, amounted to approximately 118.4 million Euro, which represents an increase of 4.8% compared to the same period of 2014 and about 12.5% compared to the second quarter of 2015. The evolution of costs is closely related to the production evolution, since (as referred) the production increased 4% over the same quarter of 2014 and 21% over the 2<sup>nd</sup> quarter of 2015.

It should be remarked that the third quarter records a seasonal effect which results in a lower cost of wood, motivated by the reduction of imports from South America and by the lower specific consumption of wood in the production of one ton of pulp, due to the lower humidity level.

The operational income (EBIT) of the third quarter of 2015 reached 50.0 million Euro, an increase of 186% comparing to the EBIT recorded in the same period of 2014 and an increase of 24% compared to the previous quarter.

Altri's net profit reached 34.4 million Euro in the third quarter of 2015, recording an increase of more than three times the amount recorded in the same period of 2014. Comparing to the net profit recorded in the second quarter of 2015 the increase was of 23%.

## Financial Information 3Q 2015

### Income Statement for the nine months period ended on September 2015

thousand euros	9M 2014	9M 2015	9M15/9M14 Var%
<b>Total Revenues</b>	<b>406,687</b>	<b>494,279</b>	<b>21.5%</b>
Costs of sales	189,508	179,258	-5.4%
External supplies and services	111,036	121,141	9.1%
Payroll expenses	21,175	24,475	15.6%
Other xpenses	2,491	4,509	81.0%
Provisions and impairment losses	180	1,724	ss
<b>Total expenses (a)</b>	<b>324,391</b>	<b>331,107</b>	<b>2.1%</b>
<b>EBITDA (b)</b>	<b>82,296</b>	<b>163,172</b>	<b>98.3%</b>
<b>Margin</b>	<b>20.2%</b>	<b>33.0%</b>	<b>+12,8 pp</b>
Amortisation and depreciation	37,751	39,257	4.0%
<b>EBIT (c)</b>	<b>44,545</b>	<b>123,916</b>	<b>178.2%</b>
<b>Margin</b>	<b>11.0%</b>	<b>25.1%</b>	<b>+14,1 pp</b>
Financial profit	-20,078	-15,589	-22.4%
<b>Profit before income tax</b>	<b>24,467</b>	<b>108,327</b>	<b>342.7%</b>
Income tax	-1,610	-23,609	ss
Minority interest	3	17	ss
<b>Profit for the period attributable to parent company's shareholders</b>	<b>22,854</b>	<b>84,701</b>	<b>270.6%</b>

(a) Operating costs excluding amortisation, financial expenses and income tax

(b) EBITDA = Earnings before interests, taxes, depreciation and amortisation

(c) EBIT = Earnings before interest and taxes

In cumulative terms, in the first nine months of 2015 it was achieved a record amount of EBITDA, which amounted to about 163.2 million euros, close to the double of the EBITDA for the same period of 2014.

The net profit amounted to 84.7 million Euro, compared with a net profit of 22.9 million Euro reached in the same period of the previous year.

## Financial Information 3Q 2015

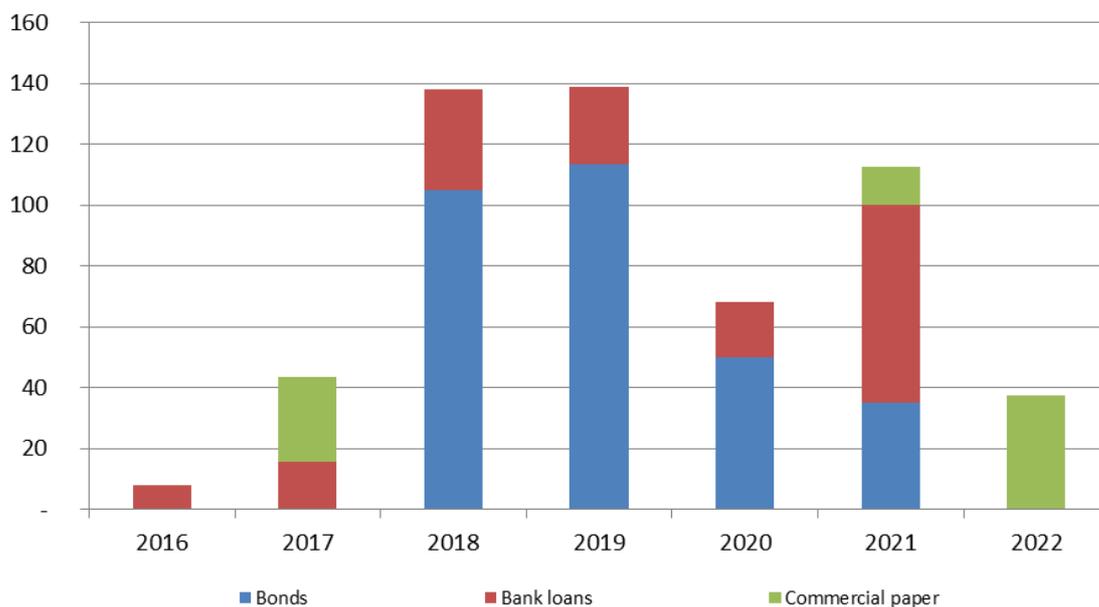
### Quarterly Cash Flow of 46.4 M€ net debt of 445 M€

The total net investment (CAPEX) made in the first nine months of 2015 by the industrial units of the Group, amounted to 29.5 million Euro, which corresponds to a quarterly investment of 1.9 million Euro.

Altri's nominal remunerated debt net of cash and cash equivalents and investments available for sale on September 30, 2015 amounted to 444.9 million Euro, corresponding to a decrease of 46.4 million Euro comparing to the net debt of 491.3 million Euro, recorded in the end of June 2015.

The weighted average cost of Altri's net debt with maturity greater than one year is currently below 3%.

The scheduling of Altri's remunerated gross debt maturity is as follows:



## Financial Information 3Q 2015

### Key balance sheet indicators

thousand euro	2014	9M 2015	Var%
Biological assets	105,158.8	102,195.7	-3%
Tangible assets	384,285.5	377,030.9	-2%
Goodwill	265,531.4	265,531.4	0%
Investments available for sale	10,691.2	10,691.2	0%
Others	43,226.9	45,132.8	4%
<b>Total non current assets</b>	<b>808,893.7</b>	<b>800,582.0</b>	<b>-1%</b>
Inventories	54,725.4	65,662.6	20%
Customers	88,868.1	102,426.7	15%
Cash and cash equivalents	260,855.0	201,958.2	-23%
Others	25,913.7	18,754.5	-28%
<b>Total current assets</b>	<b>430,362.3</b>	<b>388,802.0</b>	<b>-10%</b>
<b>Total assets</b>	<b>1,239,256.0</b>	<b>1,189,384.0</b>	<b>-4%</b>
<b>Shareholder's equity and non controlling interests</b>	<b>272,264.0</b>	<b>340,781.8</b>	<b>25%</b>
Bank loans	103,837.5	156,531.3	51%
Other loans	278,276.9	380,070.1	37%
Reimbursable incentives	11,723.8	17,750.8	51%
Others	48,330.3	45,462.0	-6%
<b>Total non current liabilities</b>	<b>442,168.5</b>	<b>599,814.2</b>	<b>36%</b>
Bank loans	77.2	7,775.0	9968%
Other current loans	398,648.0	110,765.0	-72%
Reimbursable incentives	9,082.8	558.9	-94%
Suppliers	61,686.4	53,346.4	-14%
Others	55,329.1	76,342.7	38%
<b>Total current liabilities</b>	<b>524,823.5</b>	<b>248,788.0</b>	<b>-53%</b>

## Pulp market: price evolution

At the end of the third quarter of 2015, the price of bleached pulp hardwood type, according to market index FOEX reached 810 USD, which results in 724 EUR. During the third quarter the average price reached 804 USD (724 EUR), which corresponds to an increase of 3% in USD and an increase of about 2% in EUR compared to the second quarter of the year.

## Market price evolution in BEKP pulp in Europe since 2003 to the end of September 2015 (EUR)

Source: FOEX



## Future events – dividend of 0.25€ per share

Taking into consideration the favorable evolution of net profit during the first months of 2015 and the liquidity available which are compatible with an advance on profits, the Board of Directors of Altri started a process aiming the approval of an advance on profits of 2015 in the maximum amount of 51,282,918 Euro, which corresponds to a dividend of 0.25 Euro per share.

Once all legal requirements are fulfilled, the Board of Directors will be able to decide upon the advance on profits, in a meeting to be held probably in the first quarter of November.

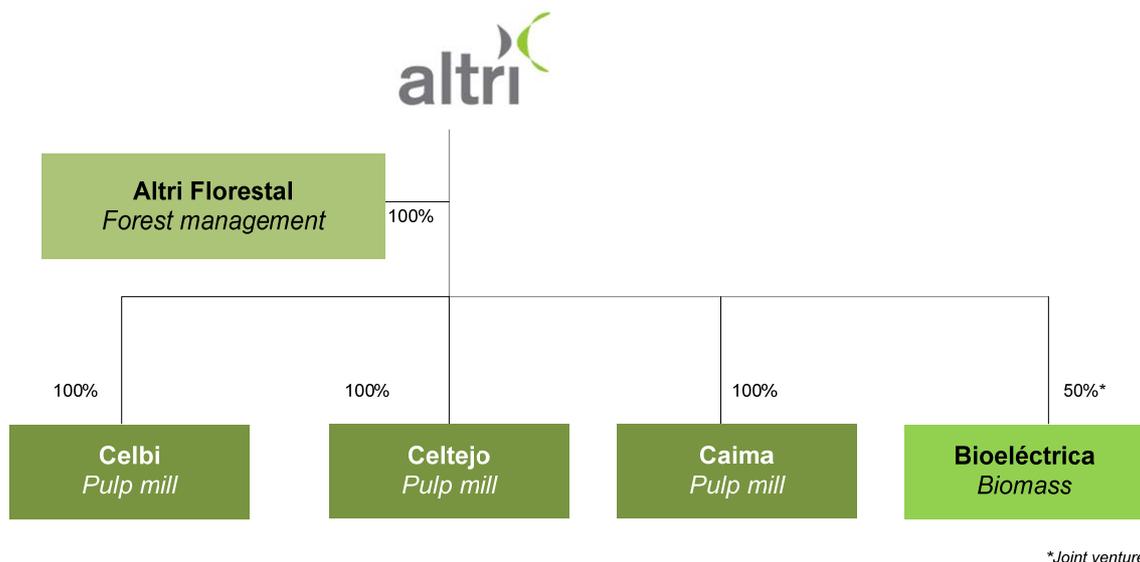
## Altri – business profile

Altri is a reference in European eucalyptus pulp producers. In addition to pulp production, the Company is also present in the renewable power production business from forest base sources namely industrial cogeneration through black liquor and biomass. The forestry strategy is based on the full use of all the components provided by the forest: pulp, black liquor and forest wastes.

Currently, Altri manages over 84 thousand hectares of forest in Portugal entirely certified by Forest Stewardship Council® (FSC®)<sup>2</sup> and by the Program for the Endorsement of Forest Certification (PEFC), two of the most worldwide acknowledged certification entities.

Currently, Altri has three pulp mills in Portugal with an installed capacity that reached in 2014 990 thousand tons/year of bleached eucalyptus pulp. The Group concluded a series of ongoing small projects for optimizing operating efficiency which will allow, in the medium term, to increase the production capacity and diversify the client basis.

Altri's organic structure is as follows:



<sup>2</sup> FSC-C004615

# Financial Information 3Q 2015

## ALTRI, SGPS, S.A.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015 AND 31 DECEMBER 2014

(Amounts expressed in Euro)

<b>ASSETS</b>	<b>30.09.2015</b>	<b>31.12.2014</b>
<b>NON CURRENT ASSETS:</b>		
Biological assets	102,195,682	105,158,777
Tangible fixed assets	377,030,942	384,285,503
Investment property	113,310	456,936
Goodwill	265,531,404	265,531,404
Intangible assets	85,643	139,448
Investments in associated companies and joint ventures	11,143,438	9,058,140
Investments available for sale	10,691,197	10,691,197
Other non current assets	6,189,815	6,031,139
Deferred tax assets	27,600,546	27,541,201
<b>Total non current assets</b>	<b>800,581,977</b>	<b>808,893,745</b>
<b>CURRENT ASSETS:</b>		
Inventories	65,662,564	54,725,440
Customers	102,426,724	88,868,133
Other debtors	8,061,740	7,776,064
State and other public entities	7,201,977	15,629,003
Other current assets	3,482,214	2,508,606
Derivatives	8,558	-
Cash and cash equivalents	201,958,247	260,855,007
<b>Total current assets</b>	<b>388,802,024</b>	<b>430,362,253</b>
<b>Total assets</b>	<b>1,189,384,001</b>	<b>1,239,255,998</b>
<b>SHAREHOLDERS' FUNDS AND LIABILITIES</b>		
<b>SHAREHOLDERS' FUNDS:</b>		
Share capital	25,641,459	25,641,459
Legal reserve	4,336,498	3,405,143
Other reserves	226,103,322	205,680,587
Consolidated net profit / (loss)	84,700,554	37,381,548
Total shareholders' funds attributable to the parent company's shareholders	340,781,833	272,108,737
Non controlling interests	-	155,240
<b>Total Shareholders' funds</b>	<b>340,781,833</b>	<b>272,263,977</b>
<b>LIABILITIES:</b>		
<b>NON CURRENT LIABILITIES:</b>		
Bank loans	156,531,250	103,837,500
Other loans	380,070,137	278,276,931
Reimbursable incentives	17,750,759	11,723,809
Other non current creditors	404,350	404,350
Other non current liabilities	24,711,719	27,568,617
Deferred tax liabilities	15,283,443	15,283,810
Provisions	5,062,519	5,073,481
<b>Total non current liabilities</b>	<b>599,814,177</b>	<b>442,168,498</b>
<b>CURRENT LIABILITIES:</b>		
Bank loans	7,775,000	77,228
Other loans	110,765,034	398,648,024
Reimbursable incentives	558,872	9,082,810
Suppliers	53,346,355	61,686,358
Other current creditors	16,553,521	14,170,871
State and other public entities	17,926,181	4,351,443
Other current liabilities	41,863,028	34,904,492
Derivatives	-	1,902,297
<b>Total current liabilities</b>	<b>248,787,991</b>	<b>524,823,523</b>
<b>Total shareholders' funds and liabilities</b>	<b>1,189,384,001</b>	<b>1,239,255,998</b>

**ALTRI, SGPS, S.A.**

**CONSOLIDATED STATEMENTS OF PROFIT AND LOSS**

(Amounts expressed in Euro)

	<b>30.09.2015</b>	<b>3Q2015</b>	<b>30.09.2014</b>	<b>3Q2014</b>
Sales	481,148,805	177,348,409	392,803,346	137,879,499
Services rendered	6,872,042	2,429,795	6,681,022	2,310,645
Other income	6,258,604	1,714,132	7,202,664	2,795,344
Cost of sales	(179,257,768)	(63,244,456)	(189,507,863)	(65,063,243)
External supplies and services	(121,141,133)	(42,383,125)	(111,036,322)	(39,516,254)
Payroll expenses	(24,475,244)	(8,818,386)	(21,175,213)	(7,254,174)
Amortisation and depreciation	(39,256,638)	(13,110,647)	(37,750,801)	(12,594,991)
Provisions and other impairment losses	(1,724,099)	(2,031,140)	(180,479)	(127,576)
Other expenses	(4,508,909)	(1,891,543)	(2,491,421)	(936,267)
Gains and losses in associated companies and joint ventures	2,128,639	1,423,273	2,039,005	786,040
Financial expenses	(24,164,547)	(7,355,165)	(27,316,958)	(9,517,475)
Financial income	6,446,966	1,481,448	5,199,863	2,003,925
	<b>Profit before income tax</b>	<b>108,326,718</b>	<b>45,562,595</b>	<b>24,466,843</b>
Income tax	(23,609,376)	(11,134,460)	(1,609,649)	(608,130)
	<b>Net profit</b>	<b>84,717,342</b>	<b>34,428,135</b>	<b>22,857,194</b>
Attributable to:				
Parent company's shareholders	84,700,554	34,428,135	22,853,965	10,154,549
Non controlling interests	16,788	-	3,229	2,793
<b>Consolidated net profit</b>	<b>84,717,342</b>	<b>34,428,135</b>	<b>22,857,194</b>	<b>10,157,343</b>

Porto, October 30 2015

The Board of Directors