



ALTRI, SGPS, S.A.
Open Capital Company

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



BUSINESS EVOLUTION FOR THE YEAR 2006

Incorporated as of March 2005, Altri, S.G.P.S., S.A. is currently one of the most dynamic groups in Portugal, with participations in the Pulp and in the Steel and Warehousing markets.

Following the acquisition in 2005 of 95% of the share capital of Celtejo – Empresa de Celulose do Tejo, S.A., the year 2006 was highlighted by relevant investments in the pulp and paper business area:

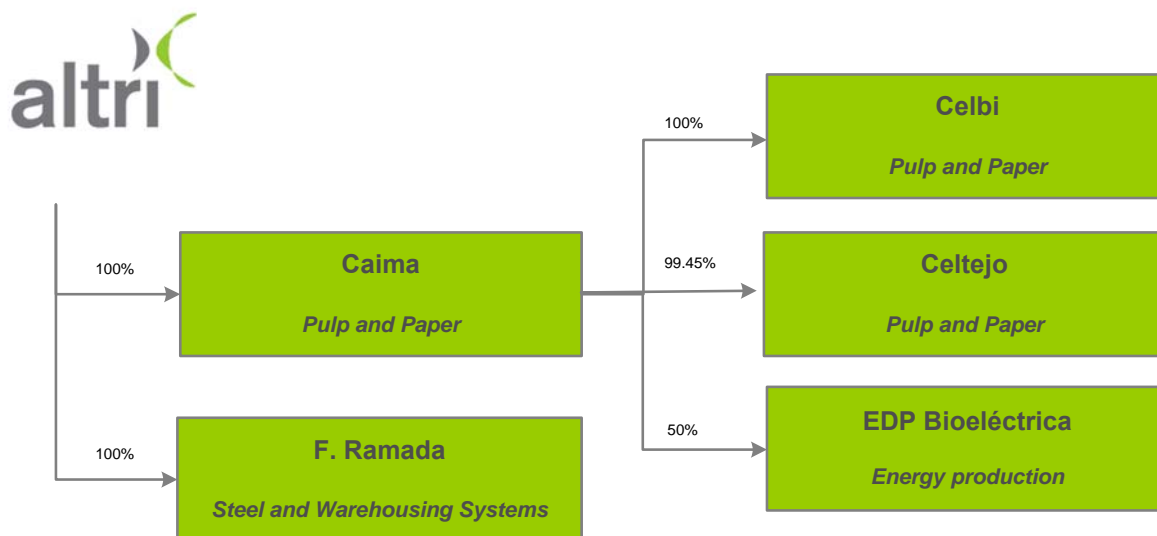
- in August 2006 Altri acquired 100% of the voting rights of Celbi – Celulose da Beira Industrial, S.A. to Stora Enso, a transaction amounting to approximately 430 million euro. This investment is considered by the Group to be strategic, taking into consideration that Celbi is one of the most relevant players in the pulp market in Portugal and also regarding the synergies with the remaining pulp business assets previously held by the Company. Celbi's operating cash-flow for the year 2005 amounted to 41 million euro and the operating income to 141 million euro. The Company's total net assets as of December 31, 2005 amounted to 216 million euro, generating a net profit during the year then ended of 20 million euro;

- in January 2006 the Group invested 7.5 million euro in the acquisition of 50% of the share capital of EDP Bioelétrica, a strategic and high potential investment focused on biomass power production;

- during the first year of 2006, Altri also acquired an additional 4.45% of the share capital of Celtejo – Empresa de Celulose do Tejo, S.A., thus holding at year end most of the Company's capital – 99.45%.

In the Steel sector (F. Ramada Group) the year 2006 was featured by the reorganization of the relations between the group companies, by the reinforcement of the commercial effort in the Benelux market through the incorporation of a commercial company for that area, and the enlargement of the Group's position in the Spanish market.

Following these changes, the Groups current structure is as follows:



Altri's non-consolidated financial statements as of December 31, 2006 were prepared in accordance with generally accepted accounting principles in Portugal. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards.



CONSOLIDATED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2006

The consolidated financial information of the Group for the year ended December 31, 2006, prepared in accordance with the International Financial Reporting Standards (IFRS), and the comparative figures, may be presented as follows:

	Dec/2006 IFRS	Dec/2005 IFRS (b)	Δ 06/05	Dec/2006 IFRS (c)
Operating income	295,535	151,534	95%	399,111
Operating profit	43,662	18,027	142%	63,740
Net profit (a)	21,109	10,567	100%	n.a.
EBITDA	63,160	28,417	122%	90,955

(amounts in thousand Euro)

EBITDA = Operating profit + Amortisation and depreciation

(a) - including net profit attributable to minority interests

(b) - including only 10 months of operations, since the company was incorporated as of March 1, 2005

(c) - pro-forma, including 12 months of operations of Celbi

The comparableness of the consolidated financial information is affected by the following facts:

- Altri was incorporated as of March 1, 2005 as a result of the demerger process of the industrial assets previously held by Cofina. Consequently, the consolidated financial statements for the year 2005 only include the activity of 10 months;
- Celtejo Group, acquired in July 2005, contributes for the 2005 consolidated performance with its operations from September to December;
- the figures presented for the year 2006 include 4 months of Celbi's activity, given its acquisition date – August 2006.

During the year December 31, 2006 Altri's consolidated net profit amounted to 21 million euro and the operating cash-flow (operating profit + amortisation and depreciation) to 63 million euro, achieving 296 million euro of operating income. The net profit attributable to the parent company's shareholders amounted to 20.8 million euro.

Despite adversely affected by the programmed maintenance periods during which the units of Celbi and Caima stopped the production, in the 4th quarter of 2006 the Group managed to achieve operating income of 98.5 million euro. During this period the operating profit amounted to 16.7 million euro and the operating cash-flow to 22.5 million euro.

Had Altri's consolidated financial statements incorporated Celbi's activity during the full year of 2006, the operating income would amount to 399 million euro, with operating cash-flow and operating profit amounting to 91 million euro and 64 million euro, respectively.

The Group's nominal total debt as of December 31, 2006 amounted to 580 million euro, corresponding to a nominal net debt of 555 million euro (including the investments held for trading). The variance towards the levels of indebtedness as of December 31, 2005 is mainly due to the acquisition of Celbi .



SUB-HOLDING INFORMATION

Pulp and Paper – Celbi/Caima/Celtejo Group

	Dec/2006 IFRS	Dec/2005 IFRS	Δ 06/05	Dec/2006 IFRS (b)
Sales and services rendered	187,690	79,984	135%	291,040
Operating income	196,274	84,391	133%	299,850
Operating profit	33,804	10,419	224%	53,882
Net profit (a)	19,582	7,477	162%	n.a.
EBITDA	51,053	19,963	156%	78,848

(amounts in thousand Euro)

EBITDA = Operating profit + Amortisation and depreciation

(a) - including net profit attributable to minority interests

(b) - pro-forma, including 12 months of operations of Celbi

As mentioned, the performance figures presented above are not directly comparable between periods, given the acquisition of 95% of Celtejo's share capital in the beginning of the second half-year of 2005, and the acquisition of Celbi in the 3rd quarter of 2006.

Despite initially considered with restrained pessimism, 2006 turned to be quite positive for the pulp markets, with demand slightly above the offer, allowing for a sustained growth of prices throughout the year. Total global demand overcame 50 million tons, an increase of 1.5 million tons towards the preceding year, focussed mainly in China and Western Europe.

Likewise, the evolution of pulp prices also contributed to the markets general performance. The bleached eucalyptus kraft pulp (BEKP) average price, fixed in euro, grew, on average, 10.2% facing 2005 – from 463 euro to 510 euros. The prices of long fibre pulp (NBSK), fixed in USD, also undergone an average yearly increase of 12.1%, from 604 USD to 677 USD. Kraft paper prices in the year 2006 were, in average, 6.6% above the preceding year.

In 2006, Altri Group achieved production records in all its industrial units (Celbi, Celtejo, Caima and CPK), overcoming a consolidated production of 609 thousand tons, a 5% increase facing the year 2005. To emphasize is the growth recorded in Celtejo and CPK (ex-Portucel Tejo's industrial units), acquired to the Portuguese Government in 2005, with an increase in production of 9.5% and 12.4% respectively, reflecting the current management's ability in the rationalization and optimization of the available resources.

For the near future, Altri expects to enhance its capacity in the production units of Celbi and Celtejo, anticipating to achieve, respectively, 550,000 tons and 195,000 tons in these two units. The estimated investment for Celbi's unit amounts to 320 million euro, and will be subject to an incentive contract with Agência Portuguesa para o Investimento and with the Portuguese Government.

Sales and Services rendered during the year 2006 amounted to 188 million euro, with operating income, including the sales of electric energy to EDP – Distribuição de Energia, S.A., reaching 196 million euro. The net profit for the year ended December 31, 2006 amounted to nearly 20 million euro, and the operating cash-flow (operating profit + amortization and depreciation) to 51 million euro.



Steel and Warehousing Systems –F. Ramada Group

	Dec/2006 IFRS	Dec/2005 IFRS	Δ 06/05
Operating income	103,971	93,585	11%
Operating profit	11,157	11,530	-3%
Net profit (a)	7,639	7,700	-1%
EBITDA	13,103	13,462	-3%

(amounts in thousand Euro)

EBITDA = Operating profit + Amortisation and depreciation

The year 2006 was highlighted by the maintenance of high prices in the international steel markets, with an average growth of 24% in the European market. However, given the forceful competition of international groups, the Company has been facing some trouble in reflecting the price increase directly over its final customers.

The high density warehousing systems also presented a remarkable growth during the year, motivated by the investments performed by the Group in this segment.

The consolidated operating income amounted to 104 million euro, 11% above 2005, despite the adverse factors faced by the Company in 2006 and that lead to the reduction of 3% in the operating profit to 11.2 million euro. The operating cash-flow amounted to 13.1 million euro during the year ended December 31, 2006. The variation of the net profit towards the preceding year was under 100 thousand euro, benefiting from a positive financial performance.

NON CONSOLIDATED FINANCIAL INFORMATION

Altri's non consolidated financial information, prepared in accordance with Portuguese generally accepted accounting principles (Portuguese GAAP), can be summarized as follows:

	Dec/2006 Portuguese GAAP	Dec/2005 Portuguese GAAP
Net assets	127,901	96,783
Total shareholder's equity	86,032	61,697
Net profit	26,899	3,652

(amounts in thousand Euro)

The comparison of the shareholder's equity between periods is affected by the net profit for the year and by the distribution of dividends amounting to 2.6 million euro approved in the General Shareholder's meeting which took place in March 31, 2006.

The net profit for the year ended December 31, 2006, includes approximately 4 million euro of dividends received from the subsidiary F. Ramada – Aços e Indústrias, S.A. and around 28 million euro of dividends from Celulose do Caima, SGPS, S.A.

Porto, March 7, 2007

João Borges de Oliveira
Director

Alfredo Portocarrero
Controller