

Press-release – November 13th 2007

Countdown 2010 Declaration

Portucel Soporcel group joins international initiative to halt biodiversity loss

- **The Portucel Soporcel group voluntarily undertakes to control the activities it develops in order to prevent the loss of biodiversity, and encourages all its partners to cooperate in this mission**

The Portucel Soporcel group signs today the Countdown 2010 Declaration concerning a voluntary programme involving major political commitments assumed by heads of state worldwide with the aim of halting or significantly reducing the current rate of biodiversity loss by 2010. By joining this initiative, the Group is set on achieving specific objectives, which start with the control of the impacts of its own activity, and undertakes to support and encourage public and private initiatives.

The Group will subscribe to Countdown 2010 during the High-Level International Conference on Business & Biodiversity, an event that brings to Lisbon business leaders, biodiversity experts, NGOs and policy makers who at world level share with the Portucel Soporcel group the same environmental concerns. Mr. José Honório, Chairman of the Executive Committee of the Portucel Soporcel group, will speak in a business roundtable on "*Business perspectives on biodiversity challenges - What Can European Business do?*". Through this high-level participation in a Conference promoted by the Portuguese Presidency of the European Union, the Group will discuss with EU representatives and leading international organisations how companies can effectively integrate biodiversity considerations into their business and how can the EU union support the business community to integrate biodiversity in the current decision-making process.

The underlying principles of Countdown 2010 are the autonomous action of the subscribing entities, a scientific base, the transparency of the partners' activities and practices and subsidiarity, i.e., the guarantee that the Secretariat will work at the most appropriate level (local, national, regional, multiregional) and will only undertake those activities that partners are unable to undertake.

With its activity centred in ecologically sensitive areas, The Group believes that this voluntary commitment addresses its long-standing concerns in this area, which have been tackled in the light of a Business & Biodiversity philosophy. Indeed, the Group recently stepped up its commitment to this philosophy when it entered a Protocol of

Understanding with the Institute for Nature and Biodiversity Conservation, and also through the publication of its Biodiversity Statement.

The Portucel Soporcel group formally assumes as from today the joint responsibility to educate, communicate and increase public awareness to the environment viewing the conservation or improvement of the state of ecosystems, and to maintain or increase biological diversity through its own example in the production and management of a sustainable forest within the scope of the Business & Biodiversity philosophy, while conveying the value acquired through this management philosophy to shareholders, consumers and all other stakeholders.

The Group's economic importance and its environmental concerns

"Because our activity begins in the forest, it is in the forest that we root our commitment to sustainability", said Pedro Queiroz Pereira, the Chairman of the Board of Directors of the Portucel Soporcel group, in a recent publication about Biodiversity in the Group.

The value of the Portucel Soporcel group for the national economy is unequivocal. The Group adds value to a renewable natural resource, the forest, transforming it into high quality paper for office uses and for the graphic industry. It manages more than 125,000 hectares of forest, of which 74% are dedicated to the culture of the eucalyptus and the remainder produce, among others, wine, honey and cork. The Group is responsible for 3% of the Portuguese exports of goods and for 2% of the industrial GDP; it sells 92% of its production to 80 countries, and is one of the largest European players in the sector, with annual turnover in excess of EUR 1.1 billion.

In the industrial sector, the Group has ongoing investments of EUR 900 million until 2009, of which the most significant concerns a new paper mill in the Setúbal complex, worth EUR 550 million. Recognised as the most modern plant in the world, the new paper mill will produce 500 thousand tonnes of paper per year and create highly skilled jobs.

In the field of Research and Development, RAIZ – Instituto da Investigação da Floresta e Papel (Forest and Paper Research Institute), where the Group has a 94% holding, works on genetic improvements to eucalyptus, the prime raw material for the manufacture of high quality papers, and on improving forestry management practices.

The Group plays also a critical role in preventing and supporting the combat to the fires that periodically affect the Portuguese forest.

Specific actions underway in the field of biodiversity

The Group's focus on sustainability has been particularly strong in the area of the forest. Under a partnership with the WWF – World Wide Fund for Nature, 48,000 hectares of forest managed by the Group have already been classified as High Conservation Value Areas (HCVAs) at landscape level, an achievement that naturally contributes towards the process of Forest Certification by the Forest Stewardship Council (FSC). With the Centre for Studies of Iberian Avifauna, the Group cooperates in a LIFE-Nature project for the conservation of the Bonelli's Eagle in the South of Portugal, thus conciliating forest management with the preservation of the habitat of this endangered species. Finally, the Group also participates in the Cansino project, which aims to recover streams affected by human activities in the southeast of the Alentejo.

In its industrial activities, the Portucel Soporcel group emphasises a win-win relationship with Nature that has delivered very positive results in terms of carbon retention; moreover, the Group strongly invests in renewable energies and is the largest national producer of energy from biomass.