



Dear Sirs,

The Navigator Company, as a leading player in the Portuguese forestry sector, is closely following the wave of especially fierce forest fires which are severely affecting mainland Portugal, and is actively involved in the fire-fighting efforts. As the country looks on in shock and consternation, our first word is to the victims of the fire in Pedrógão Grande and their families, and to all those who, in appalling conditions and at the risk of their own lives, have thrown themselves into the task of fighting the fires.

Navigator has its own teams on the ground, in particular those belonging to the fire-fighting brigade system (Afofelca), and it is still too early to make an accurate assessment of the areas burned on our own forests in its own holdings and/or those of our suppliers.

In view of the geographical diversity of our sources of raw material, we have no risk of wood supply disruption to any of our sites. We are continuously monitoring the situation and we also do not anticipate any risk of disruption in supplying any of our products to the market.

Preliminary investigations by the official authorities indicate that the likely cause of this series of fires in central Portugal was a rare combination of extremely adverse meteorological conditions, consisting of persistent temperatures of over 40 degrees, lightning storms without rainfall and sudden and intense winds.

The immediate priority is to succeed in the unequal struggle against what is already the fiercest forest fire in living memory in Portugal. However, Navigator, well acquainted with Portugal's forests, wishes to stress the need for rigorous care in managing forests, in order to mitigate the risks and effects of calamities of this kind.

According to official figures, between 2000 and 2015, most of the area burned in Portugal consisted of scrubland and pasture, accounting for 49% of the total. Eucalyptus, our essential raw material, represented 13% of occurrences over the same period, this relatively low figure is due, to a large extent, to plantations being managed in accordance with best forestry practices.

The Navigator Company is firmly committed to the success of the fire-fighting operations and continues to operate at full capacity, resolutely determined to maintain the high quality standards characteristic of all its dealings with its customer base.