

€ 500 thousand investment

Portucel Soporcel group signs Biodiversity Protocol with the Institute of Nature and Biodiversity Conservation (ICNB)

This protocol reflects the commitment assumed by Portucel Soporcel group in the defence of biodiversity, as well as the practices already followed by the Company in what regards environment and its contribution to the European target of halting biodiversity loss.

The Executive Committee of Portucel Soporcel group, represented by its Chairman, Mr. José Honório, and the Portuguese Institute of Nature and Biodiversity Conservation (ICNB), represented by its Chairman, Mr. João Menezes, signed a Biodiversity Protocol whereby the two entities undertake to contribute towards the European target of halting biodiversity loss by 2010.

This Protocol incorporates the Group's Biodiversity Statement, which stands for a set of principles and practices already followed by Portucel Soporcel group in the area of environment, namely in what concerns the renewal of natural resources. The Protocol thus reflects the Group's assumption of a clear commitment to sustainability within the scope of the European Business & Biodiversity (B&B) initiative.

The Group's Biodiversity Project, developed under a partnership with the World Wide Fund for Nature (WWF) within the scope of the forest certification process, represents an investment of around € 500 thousand, including the initiatives contemplated under the Biodiversity Protocol. We reinforce that the analysis made by the WWF within the framework of the Biodiversity Project concluded that roughly 48% of the more than 100 thousand hectares of forest under a certification process promoted by Portucel Soporcel group presents attributes consistent with the classification of High Conservation Value Areas at landscape level.

Environmentally responsible production and sustainable forest management are an integral part of Portucel Soporcel group's management philosophy, to be shared with shareholders, consumers and all other stakeholders, namely the local communities where the Group develops its industrial and forestry activities.

The commitment assumed with the ICNB contributes to the social recognition of the worthiness of Portucel Soporcel group's management of its natural assets associated to the eucalyptus forest. The environmental richness of the eucalyptus plantations is a reality and as such is part of the relevant natural values and environmental valences that must be preserved in our country.

The joint initiatives that will be taken under this partnership aim to:

- assess the impacts of Group's activities on biodiversity and the land;
- include biodiversity and climate change issues within the framework of the Group's management model;
- set and interpret technical and scientific indicators reporting on the sustainable development status of the activities;
- adopt management measures to minimise and compensate negative impacts on the environment (no net loss) and promote positive impacts (net positive gain);
- support initiatives with short, medium and long term objectives in what regards improving natural values, the landscape and the living conditions of local communities
- develop internal and external communication strategies that will ensure that the employees and other stakeholders are aware of, adopt and take part in the implementation and development of the Business and Biodiversity philosophy;
- contribute to the debate on the basis of a "National Strategy for Nature and Biodiversity Conservation" and to the "Convention on Biological Diversity".

"Business & Biodiversity" consolidates the environmental values of Portucel Soporcel group

The Business & Biodiversity strategy will both mirror and consolidate the endorsement by the Group of natural values and biodiversity as inseparable aspects of today's management and business development practices. A sustainable management of the forest, backed by the best available techniques in the environmental area and applied research, allow us to produce superior quality paper based on a rationale of eco-efficiency and renovation.

Portucel Soporcel group will continue to invest on partnerships with entities that promote the valorisation of natural resources at a global scale, as is the case of the WWF- World Wide Fund for Nature, the WBCSD – World Business Council for Sustainable Development, the BCSD Portugal - Conselho Empresarial para o Desenvolvimento Sustentável and the Countdown 2010 – Global Action for Biodiversity.

RAIZ, Instituto de Investigação da Floresta e Papel (Forest and Paper Research Institute), which is responsible for R&D within the Group, will also adopt the B&B philosophy guidelines in its works. Partnerships for application to national and community co-funding sources within the scope of the National Strategic Reference Framework – NSRF and the LIFE+ Programme will be extended to public and private entities.

The Protocol signed on October 18, coinciding with the disclosure of the Group's Biodiversity Statement, publicly translates the mission and values commitment long undertaken by Portucel Soporcel group, and reinforces its consistent involvement in biodiversity conservation and sustainable development at world level, paving the way for global ecologic balance through its contribution to the preservation of a vast range of ecosystems that deserve to be respected.

Lisbon, 18 October 2007