

Press Release – 2 June 2009

International Seminar “The Forest, Sustainability and Prosperity”
organized by the Portucel Soporcel Group

A higher profile for a sector which accounts for 9% of Portuguese exports

“We want to raise the profile of the forestry industry and its three sub-sectors – pine, eucalyptus and cork oak”. These were the words chosen by José Honório, CEO of the Portucel Soporcel Group, to start his address to the international seminar on “The Forest, Sustainability and Prosperity”, held on 2 June in Lisbon, introducing some of leading Portuguese and international specialists in forestry issues. He also drew attention to the threats to the sustainability of eucalyptus forestry, which include the size and sustainability of eucalyptus woodlands, their low levels of productivity, forestry certification, territorial planning, forest fires and the logistics of transport.

Pedro Queiroz Pereira, chairman of the Board of Directors of the Portucel Soporcel Group, argued that the interest generated by the seminar and its proceedings reflected the importance of the forestry sector for the country as a whole. **“We cannot allow that the efforts of those who believe in the future of Portugal’s forestry sector be wasted. What is more, we cannot allow that the efforts are wasted of all those who have invested in its future.”**

The seminar was organized as a forum for debate on forestry issues, exploring the main challenges and opportunities facing the sector and the paper industry in Portugal and around the world. This is a sector that is **“worth more than Quimonda and Autoeuropa”** put together, as pointed out by Luís Medeiros Vieira, Secretary of State for Agriculture, Rural Development and Fisheries, at the opening session.

The seminar provided a platform for over twenty speakers who debated issues as varied as good practice in land use planning, the organization and mobilization of the main players in the sector, application of good forestry practices which assure sustainability, nature conservation and preservation of biodiversity, forestry certification, fire protection and insurance for covering risks.

The speakers at the event included James Griffiths (World Business Council for Sustainable Development), Duncan Pollard (WWF International), Pedro Ochoa (European Investment Bank), Nuno Santos (McKinsey), Mark Beighley (Beighley Consulting LLC, former director of the Office of Wildland Fire Coordination, Department of the Interior, USA Government), Ricardo Vélez (former director of fire protection for the Spanish Ministry of the Environment, now retired), representatives of forestry sub-sectors in Portugal - Carlos Bianchi de Aguiar (Sonae Indústria), António Amorim (Corticeira Amorim), José Honório (Portucel Soporcel Group) and João Ferreira do Amaral (Association for Competitiveness in the Forestry Industry) -, together with a large number of researchers involved in forestry and environmental studies.

A book will be published to showcase the contributions to this seminar, which demonstrated that serious and objective debate can help to clarify the value of the country's woodlands as a natural resource capable of generating wealth, employment and quality of life, so as to assure a sustainable future.

The forestry sector is strategic for the wider economy

Woodlands currently occupy approximately 38.4% of mainland Portugal. Despite the sector's low profile, sustainable forestry makes an undeniable contribution to our quality of life and is increasingly a strategic area for the Portuguese economy.

Forest-based industries already have a highly significant impact on the Portuguese economy, accounting for exports worth 3,498 million euros (equivalent to 9.4% of total exports), with the paper and pulp industry representing nearly half of these exports. These industries provide direct employment for a workforce of 190,000, as well as involving 400,000 land owners and generating gross value added of 4.2 million euros.

Investment in woodlands and in sustainable forestry management will necessarily lead to expansion in employment and exports, to wealth creation, local development, increased social and territorial cohesion and wildlife protection. It is therefore essential to increase the value of the forestry industry as a natural resource generating wealth, employment and quality of life, in order to assure a sustainable future and Portugal's competitiveness.

About the Portucel Soporcel Group

The Portucel Soporcel Group is one of Portugal's strongest players on the international stage, operating in one of the countries core sectors and occupying a highly prominent position in the international paper and pulp market.

The Group is a major European producer of UWF (Uncoated Woodfree Paper), and also the largest producer in Europe, and one of the largest in the world, of bleached eucalyptus kraft pulp (BEKP).

With production capacity of 1.05 million tons of paper and 1.35 million tons of pulp (of which approximately 765 thousand tons is incorporated into paper), the Group has annual turnover in excess of € 1,100 million, sending exports worth more than 950 million euros to more than 90 countries, which represents approximately 93% of its paper and pulp sales. It therefore accounts for approximately 3% of Portuguese exports of goods which, in conjunction with sales on the home market, correspond to 0.7% of the country's GDP.

With a leading position in the eucalyptus forestry sector, the Portucel Soporcel Group is responsible for management of around 120 thousand hectares of woodlands, of which 85% is certified by the FSC (Forest Stewardship Council), representing 54% of certified forests in Portugal.

The Group's plans for future development are currently centred on the construction of a new paper mill at its industrial complex in Setúbal, some 50 kilometres from Lisbon, which will boast the world's largest and most sophisticated machine for production of UWF paper, with a width of 11.1 metres and annual production capacity of 500,000 tons.

Due to start up in August 2009, the new plant represents investment of € 550 million and brings the Group's paper production capacity up to a total of around 1.5 million tons a year. This will allow it to lead the European UWF market and to build further on its already impressive position in the North American market.