

Press Release – 17 December 2013

**Portuguese products on show at world's largest office supplies trade fair**

## **Portucel Soporcel group steps up export drive**

- **World's largest trade fair for paper and office supplies**
- **Navigator set to unveil new features for savvy consumers**
- **Group exports to more than 110 countries over five continents**

The Portucel Soporcel group, the leading European manufacturer of uncoated woodfree printing and writing paper, will be showing its products at Paperworld, the world's largest trade fair for the sector, running from 25 to 28 January in Frankfurt. The Portuguese group will present its own brands at the event, as part of its strategy of finding new opportunities and consolidating business partnerships around the world.

*"We are confident that 2014 will continue to be a year in which we expand our market share in the main geographical regions in which we operate. As an exporter, the Group pays careful attention to the markets and is constantly on the look-out for new opportunities to expand its business. This ongoing investment has allowed us to keep a healthy order book and to operate continuously at full capacity, placing nearly all our output on foreign markets,"* said Hermano Mendonça, marketing manager at the Portucel Soporcel group.

The Portucel Soporcel stand, in Hall 3, will display its leading paper brands - Pioneer, Inacopia, Explorer, Target and Discovery - as well as Navigator, the world leader in the premium office stationery segment. Marketed to more than 90 countries, Navigator is an international bestseller and was identified as the most valuable mill brand of office paper in Europe, in the Brand Equity Tracking Survey conducted by Opticom International Research.

Navigator is due to unveil a series of innovative features, designed to develop new consumer segments and to offer fresh solutions for more sophisticated paper consumers.

According to Hermano Mendonça, *"as Europe's leading manufacturer, it is fundamental for us to be represented at the world's largest trade fair for paper and office supplies, which last year attracted more than 80 thousand visitors"*.

*“This is an opportunity for us to bolster our position as world leader and to consolidate our successful strategy for our own brands, which are today market leaders, outstanding for their innovative features and environmental sustainability, and exported to more than 110 countries, over five continents, with Europe and the US as the main destinations,”* he explained.

The strategy of innovation and development pursued by the Group has meant that, over the first nine months of 2013, its sales of own brands were up by one percentage point in relation to the Group's total business, and four percentage points in Europe. In particular, the Navigator brand recorded 4% growth in its European sales, once again demonstrating the strength of the brand and its resilience in the face of troubled market conditions.

The Group has striven consistently to expand its markets and to reposition its product mix on its traditional markets, capitalizing on the excellent penetration and awareness levels enjoyed by its own brands and wide perception of the quality of its value proposition. As a result, the Group has expanded its share in its traditional markets and significantly increased its presence in new markets, in particular in Eastern Europe, North Africa and the Middle East.

### **Portucel Soporcel Group increases market share in Europe...**

The Group recorded turnover of 1 137.2 million euros in the first nine months of 2013, representing growth of 2.5% in relation to 2012, with exports totalling 902 million euros.

In a particularly harsh business environment, the Group's performance in the third quarter of the year reflected growth in the sales volume of around 2% in relation to the same period in the previous year, resulting in its largest ever sales volume for the third quarter.

The Group has continued to expand its penetration in the European market and increased its market share by a further 85 thousand tons, giving it a total share in UWF of 17%, rising to over 20% for sheeted products (office paper and paper for the printing industry).

### **...and increases exports to markets outside the European Union**

In 2012, markets outside the European Union accounted for 33% of exports. The Group was responsible in 2012 for 88% of European exports of UWF printing and writing paper to North America, 52% of these exports to Africa, 32% to the Middle East, 45% to Latin America and 3% to Asia. These figures clearly underline the Group's strong international presence. Sales to North America and the Middle East accounted for 7% and 13% of all Portuguese exports to these markets.

## **Certified and eco-efficient products at Paperworld**

It is also significant that, in addition to offering full quality credentials, the Group's brands are certified by the FSC (*Forest Stewardship Council*) and the PEFC (*Programme for the Endorsement of Forest Certification schemes*), as well as carrying the EU Ecolabel. These certifications reflect a commitment to responsible forest management, in keeping with international standards, designed to assure that the social, economic and environmental needs of current and future generations will all be met. Certification offers an additional guarantee in markets where increasingly stringent demands are made as to the source of raw materials, and these systems are widely recognized around the world.

## **About the Portucel Soporcel group**

The Portucel Group is one of Portugal's strongest players on the international stage.

The new paper mill has had a significant impact on the Portuguese economy, positioning the Group as the leading European manufacturer of uncoated woodfree (UWF) printing and writing paper and the 6th largest producer in the world. The Group is also Europe's leading manufacturer of bleached eucalyptus kraft pulp (BEKP), and the fifth largest in the world.

The Portucel group is one of Portugal's three leading exporters, and possibly that generating the highest level of national value added. The Group accounts around 1% of Portugal's GDP, approximately 3% of the country's exports and also accounts for 8% of total containerized and conventional cargo exported through Portuguese ports.

Its position as an international frontrunner in its sector, its contribution to the Portuguese economy and the strategy of growth and innovation it has pursued, together with its credentials for business ethics and sustainability, led to the Group being named, in June 2013, as European Business of the Year, in the European Business Awards.

As a vertically integrated forestry group with its own forestry research institute, it leads the world in the genetic improvement of the *Eucalyptus globulus*. It manages vast tracts of forest in Portugal certified under the FSC® (license nº C010852) and PEFC™ (PEFC/13-23-001) systems, and boasts annual production capacity for 1.6 million tons of paper, 1.4 million tons of pulp (of which 1.1 million is integrated into paper) and power generation of 2.5 TWh, adding up to annual turnover approximately of approximately 1.5 billion euros.

Thanks to recent investment in doubling the production capacity of its nurseries, the Group now operates one of Europe's largest nurseries for forestry plants, with annual production capacity of approximately 12 million certified plants of various species, ready for use in renewing Portugal's woodlands.

The Group has successfully pursued a strategy of innovation and development of its own brands, which today account for more than 60% of sales of manufactured products. Special mention should be made of the Navigator brand, the world's best-selling product in the premium office paper segment.

The Group's sales are made to more than 110 countries over five continents, with Europe and the United States as the two main destinations.

The Group works hard to improve and protect Portugal's woodlands, running its own research programme and managing forestry holdings of approximately 120 thousand hectares.

The Portucel Group is currently a leading force in this sector and the country's top producer of "green energy" from biomass, a renewable energy source, accounting for approximately 50% of the country's output.

## *grupo* Portucel Soporcel

In keeping with its strategy of international expansion, the Group is currently investing in a major vertically integrated forestry project in Mozambique, set to culminate in the construction of a cellulose pulp mill with annual capacity of 1.3 million tons.

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