

ECONOMIC AND FINANCIAL PERFORMANCE

- Turnover reached euro 1,147.4 million, up by euro 66.7 million on 2006
- Net profit amounted to 154 million, rising by 23.5 % year-on-year
- Operating results grew by 24.4 %, to euro 260.3 million
- Consolidated EBITDA was up by 9 %, to euro 340.7 million
- Debt was reduced by euro 112.4 million, or 23.4 % versus 2006

PAPER BUSINESS/BRANDING

- Group brands consolidated their leading position in the European market, with sales of premium paper brands growing by 11 %
- The Group advances two percentage points in the «Customer Satisfaction Survey 2007»
- Launch of Navigator Hybrid, a brand with clear ecological benefits that uses a combination of recycled and raw fibre
- Paper brands obtain Forest Stewardship Council (FSC) certification, namely Navigator Eco-Logical, Navigator Hybrid and Discovery which offer specific environmental benefits
- Navigator, the world's best selling premium office paper, elected by consumers as having the best perceived quality (Brand Equity Tracking Survey 2007)
- The process of reduction of installed capacity for UWF paper production in Europe – a net estimated cut of 650 thousand tonnes between 2005 and 2007 – was pursued during the year

PULP BUSINESS

- Production of bleached eucalyptus kraft pulp reached by 1.3 million tonnes, featuring greater integration into paper
- World production capacity grew by 1.8 million tonnes through the start-up of new production lines in Latin America, being offset by growing demand, particularly from China
- USD sharply devaluates against the currencies of the main pulp producing countries
- Restrictions to available fibre at various levels and in several regions cause disruptions in pulp supply to the market

FOREST

- Certification obtained for more than 102 thousand hectares of forest managed by the Group, under the programme of the Forest Stewardship Council (FSC)
- Pursuance of works for forest certification under the Programme for the Endorsement of Forest Certification Schemes (PEFC)
- Reinforcement of partnership with the World Wildlife Fund for Nature (WWF) within the scope of biodiversity management led to the classification of 48 % of the forest areas managed by the Group as high conservation value areas at landscape level
- Group integrates the FSC Portugal initiative (Association for Responsible Forest Management), which is set on developing a Portuguese certification standard
- Adoption of "Business and Biodiversity" management philosophy, as conveyed in the protocol established with the Institute for Nature and Biodiversity Conservation (ICNB), and subscription to the Countdown 2010 initiative of the World Conservation Union (IUCN)



ENVIRONMENTAL PERFORMANCE

- At the end of 2007 the Group's forests had retained 26 times more carbon dioxide (equivalent CO₂) than the overall volume of CO₂ emissions of all its industrial and energy generation facilities during the whole year
- Start-up of the Cacia mill's new recovery boiler permitted to reduce fossil SO₂ and CO₂ emissions
- Start-up in the first half of 2007 of a new wood debarber in the Figueira da Foz mill permitted to reduce energy consumption
- Reduction of water consumption in all the Group's mills

ENERGY

- The Group produced 992 GWh in 2007, corresponding to 2 % of Portugal's total electricity consumption; all the energy was produced by cogeneration, and 92 % in biomass cogeneration plants
- The Group was responsible for 55 % of all the energy produced in Portugal from forest biomass
- Specific electricity consumption in paper production was reduced by 1.5 %
- 40 % reduction in CO₂ emissions from 2002 to 2007

SOCIAL RESPONSIBILITY

- 250 donations of paper to cultural, sports, educational and social projects, in a total of 35 tonnes
- Support to the Espaço Aberto ("Open Space" project) - Setúbal, addressed to children and young people suffering from social exclusion, to the Banco Alimentar Contra a Fome (Food Bank Against Hunger) - Aveiro, and to the purchase of school equipment (Figueira da Foz)
- Donation to social projects of the sum usually allocated for Christmas gifts, in line with the practice initiated in 2001
- Active and committed participation in national and international organisations that promote socially responsible practices, namely the BCSD Portugal, RSE Portugal, the United Nations Global Compact, the WBCSD and the Millennium Development Goals

HUMAN RESOURCES

- Introduction of a new career development and management model for executive staff and reformulation of the respective salary scale
- Organisation of 1,374 training initiatives for a total of 122,568 hours (3.7 % of workable hours) during the year, attended by 1,494 trainees
- Reinforcement of safety and hygiene training sessions, which totaled 21,995 hours during the year

INNOVATION

- Portuguese Agency for Investment approved three applications made by the Group to the SIME R&TD programme concerning the development of new products in its three industrial units

- Creation of the new Navigator Hybrid paper targeting a segment of consumers with environmental concerns – it is produced according to a unique formula that combines recycled and raw fibres and more than 80 % of the energy used to manufacture it comes from renewable resources
- Award of several prizes, namely to Navigator Kids, which was elected "Product of the Year 2007" in the "Innovation Marketing Grand Prix organized by TNS Euroteste and Peres & Partners

