

Presentation of new plant production bleached sulphate pulp in Republic of Belarus, Svetlogorsk.

Start-up in 4th quarter 2015.

JSC “Svetlogorsk pulp & board plant”

2014

1. Factory building overview project



Plan of new plant

Pulp is a basis for production of the vast majority of products from paper and cardboard. As raw materials for such production is wood which for Republic of Belarus is so rich. On the assumption of tendency of the world markets, based on own needs and possibility of export, the President of Republic of Belarus took decision on construction of new plant on bleached sulphate pulp production.

In August 30, 2012 was written the Decree by the President of the Republic of Belarus *No. 391 "About building plant of manufacturing bleached sulphate pulp"*. Decree is read: to foundation aims of modern deep chemical processing wood, is decree:

1. to realize the investment project "Building plant of bleached sulphate pulp at foundation JSC "Svetlogorsk pulp & board plant" with output 400 thousands tone pro year in 2012 - 2023, "turnkey" (waiter - investment project) including:

1.1. Complex building, integration and exit to project output in 2015 of bleached sulphate pulp plant capacity 400 thousands tone pro year according to contract of construction work of 11. October, 2010, written by JSC "Svetlogorsk pulp and board plant and China CAMC Engineering Co., Ltd.

China Exim Bank acts as the investor of the project.
The State represented by National Bank and the Government of Republic of Belarus is the guarantor of construction and return of investments.

This is the largest project realized across Belarus,
the second after construction of the Belarusian nuclear power plant.

Project cost is 700 million US dollars.

All equipment applied at the new plant is producing
by Andritz Group (Austria).

Andritz is leading company in the world as supplier
of equipment for pulp-and-paper enterprises.

It will be the first new enterprise realizing similar
products in Europe for last 20 years.



2. New plant producing description. Bleached sulphate pulp



**Full name products & international abbreviator.
General world market data of BSP**

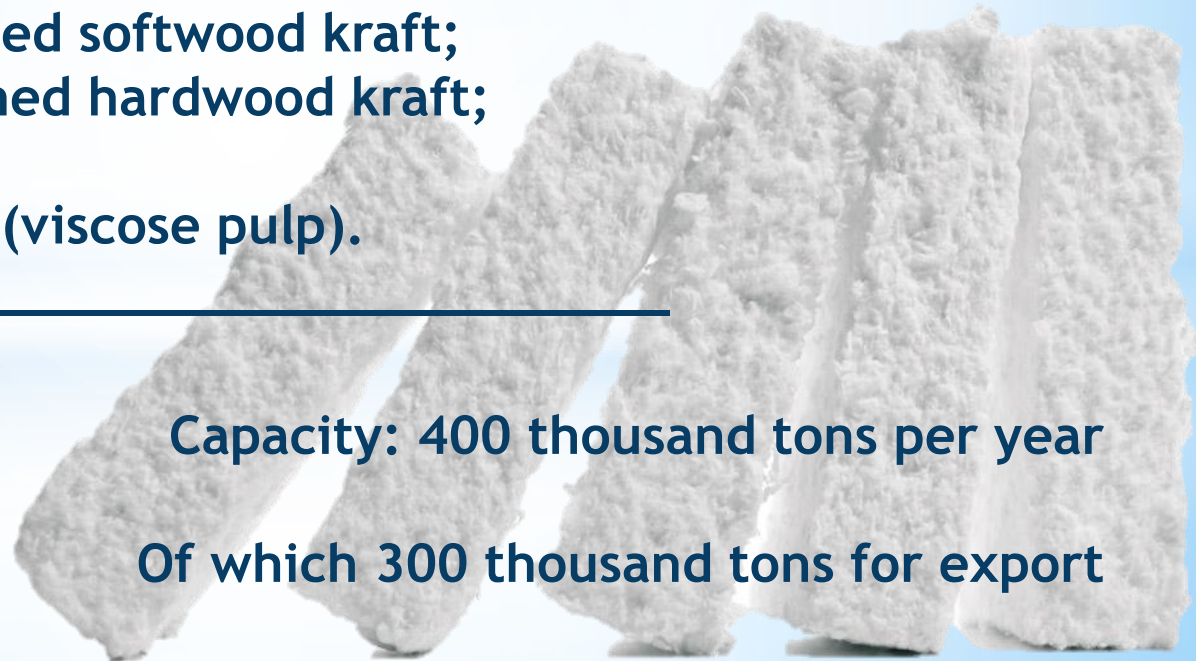
✓ Bleached sulphate pulp:

NBSK - Northern bleached softwood kraft;
NBHK - Northern bleached hardwood kraft;

✓ Sulphate rayon pulp (viscose pulp).

Capacity: 400 thousand tons per year

Of which 300 thousand tons for export



3. Intended use & application area of product

Aim of product:

Bleached sulphate pulp is used as primary material for different sorts of paper and board:

- ✓ Office paper
- ✓ Art paper
- ✓ Newspaper
- ✓ Post paper
- ✓ Wallpapers and other.
- ✓ Tissue
- ✓ Hygienic products
- ✓ Pumpers, etc.

Sulphate rayon pulp is used as raw material for producing:

- ✓ for chemical processing. After bleaching of pulp is produced on such a viscose rayon factories for the production of silk and staple tissue.



4. Enterprise location in relation to raw & the main sales markets. Possible logistic solutions

As mentioned above, Belarus is rich in woods. Significantly, pulp production from wood will not affect industrial wood. Will be employed only not usable parts of wood in production of construction materials, in furniture industry, etc.
30% of pulp will be made from conifer (spruce, pine),



70% - from hardwoods (birch, aspen). Thanks to low delivery price of raw wood for new plant, we have opportunity to cut production costs. End product will be packed by the bales. Possibilities of its loading: sea containers, cars, motor transport.

Svetlogorsk is well placed as geographically and as expressed in logistical terms of end products too. Svetlogorsk is situated at the borderland between main cargos from North to South, from West to East.



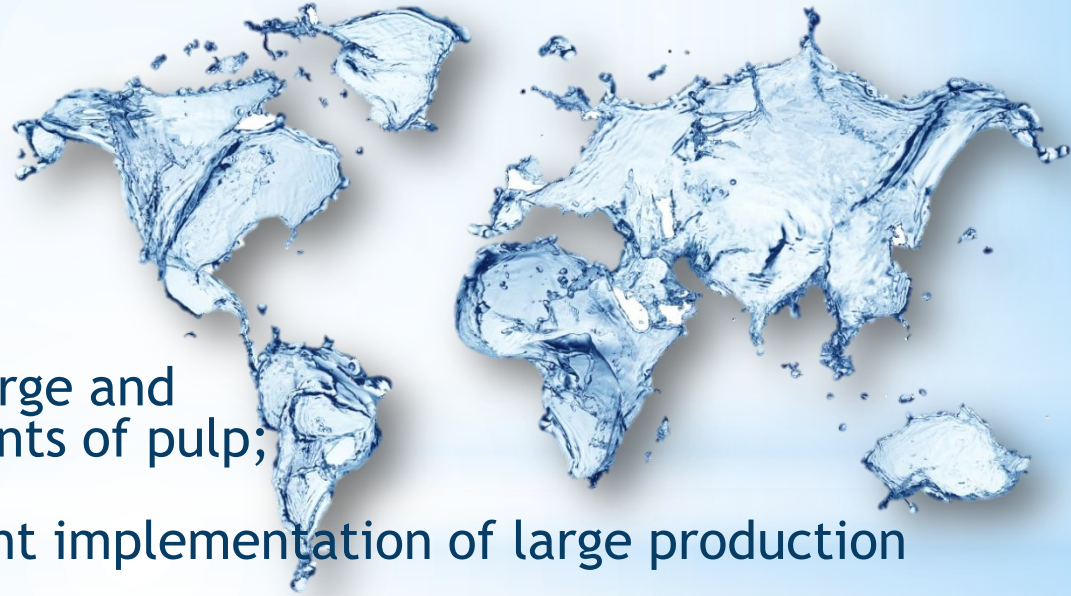
The main transport and logistics knots are from Svetlogorsk at distance:



5. Business choice of foreign target clients group: direct deliveries, business through special exporters or through the Belarusian Commodity Exchange

We consider the companies meeting the following requirements, as a target group of clients:

- ✓ Possibility purchasing of large and especially large consignments of pulp;
- ✓ Possibility advance payment implementation of large production consignments;
- ✓ The developed logistic structure available for the company, own transport or the acquired logistic schemes at the specialized companies;
- ✓ Possibility of business according to FCA terms - Svetlogorsk.



6. Competitive edge of Start-up Company. Profit and interest for business

It's ought to consider working on pulp supplying through:

- ✓ the special exporter authorized by the State (for example, the “Bellesexport” company);
- ✓ the Belarusian Commodity Exchange;
- ✓ direct supply to conditions FCA -Svetlogorsk.



7. Invitation of interested parties to cooperation

We invite all interested companies to dialogue about deliveries of new plant production which will produce bleached sulphate pulp.

