International Paper & Ilim Group celebrate 10-year partnership in Russia

October 27, 2017 (New York) – During a recent U.S.-Russia Business Council (USRBC) in New York, Mark Sutton, Chairman of the Board of USRBC and Chairman and CEO of International Paper, with Zakhar Smushkin, Chairman of the Board of ILIM, reflected on the results of their successful 10-year strategic partnership in Russia.

The Joint Venture has successfully carried out what represents the largest foreign investment program to date in Russia’s pulp and paper industry. Over $3.2 billion dollars has been invested in modernizing existing facilities, and building state of the art infrastructure including the world’s largest bleached softwood kraft pulp mill in Siberia using innovative equipment as well as a state-of-the-art paper machine in Arkhangelsk region producing premium class products.

The secret to success has been underpinned by both parties’ commitment to commercial and operational excellence while at the same time contributing to the sustainable development of Russia’s forestry industry. All six million hectares of forestland leased by the Group are certified in accordance with Forest Stewardship Council (FSC) standards, and the Group’s mills are among the country’s largest and most efficient forestry enterprises.

Over the decade, ILIM Group have remained dedicated to supporting the development of the local communities where they operate. During this time, the Group has invested over $65 million dollars in supporting educational, medical and cultural programs, and has created thousands of jobs.

Zakhar Smushkin noted:

“Thanks to our synergy, ideology and common strategic vision, we were able to establish a successful long-term partnership. I am confident that the Group will further develop, as it aimed to innovations. Today we are considering various scenarios for future growth. We continue to explore potential opportunities to invest in our own assets as well as possible M&A opportunities. We look forward to continuing to move forward together with International Paper.”

Mark Sutton commented:

“We are extremely proud of our partnership with the ILIM Group. This is a strategically important partnership for us in a strategically important market. Our joint success over the decade is reflected in our steadfast commitment to cooperate together and provide an unrivalled product and experience for our customers.”

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ABOUT JSC ILIM GROUP
JSC Ilim Group is Russia’s pulp and paper industry leader, with biggest recorded market share, production volumes and size of investments, and one of the largest industry players on the global scale. International Paper, the world’s largest pulp and paper manufacturer, is Ilim Group’s strategic partner. Ilim Group has its production sites in Arkhangelsk, Irkutsk, Leningrad and Moscow areas, accounting for 75% of all domestically produced market pulp, 20% of board and 10% of paper. The Company's total annual pulp and paper output exceeds 3.2 million tons.

ABOUT INTERNATIONAL PAPER
International Paper (NYSE: IP) is a leading global producer of renewable fiber-based packaging, pulp and paper products. The company employs approximately 55,000 colleagues located in more than 24 countries. International Paper started its operations in Russia in 1998. The company focuses on the production and marketing of office and offset papers, liquid packaging board and bleached chemical thermo-mechanical pulp at its Svetogorsk, which in 2017 celebrates the 130th anniversary of its launch. The company’s Russian footprint also includes a 50:50 joint venture with the Ilim Group, the largest integrated paper and pulp manufacturer in Russia. International Paper’s most well-known brands in Russia are Ballet and SvetoCopy. International Paper is a responsible investor focused on sustainable forest management, as well as other environmental and social projects benefitting the Russian community.