



RUSSIA FOREST PRODUCTS

Amursk Advanced Timber Processing Center

November 2016

RFP is the largest non-pulp forestry company of Russian Far East and one of the largest in Russia

Key facts

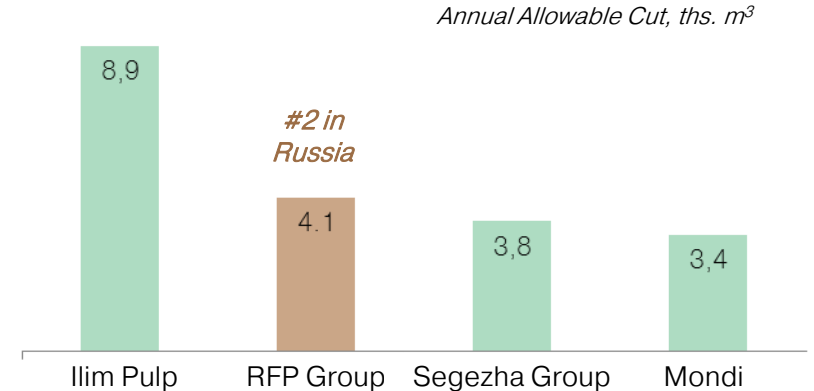
Strategic positioning and scale of the business

- **Largest forest operator in the region** (approx. 30% of overall harvesting volume at Far East)
- **#1 timber supplier into China** (more than 2 mln. m³ p.a, more than 15% of Russian export volume)
- **The largest wood processing project at Far East** (\$300 mln. investment, 1.5 mln. m³ input wood)
- **Lead transportation company by river and by sea** (subsidiary OJSC «Amur Shipping Company»)

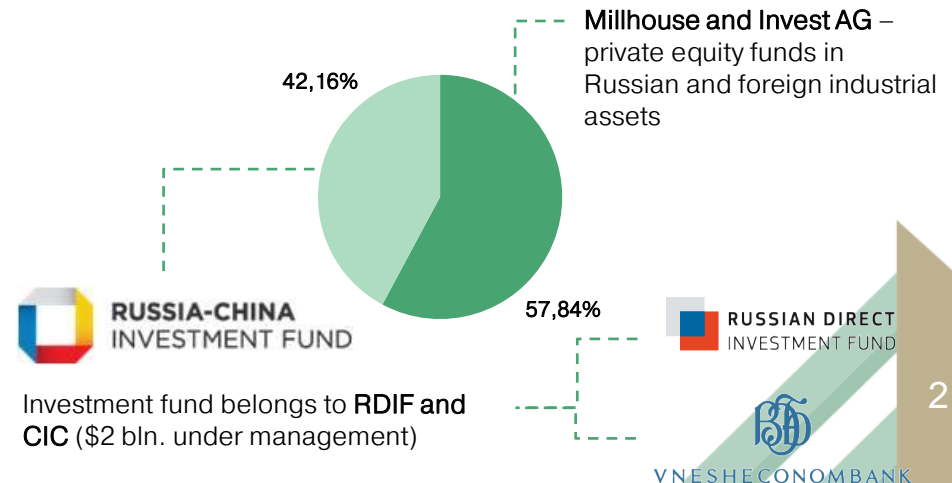
Unique resource base

- RFP is one of the largest worlds companies by timberland area (4.5 mln. ha)
- Annual allowable cut is 4.1 mln. m³ (#2 in Russia), annual harvesting volumes exceed 2.4 mln. m³
- Optimal composition and high quality of timberland, 63% of forest resource certified according to FSC™ standards

Largest holders of timberlands in Russia



Shareholders



AMURSK SITE INFRASTRUCTURE



Site

- RFP's major processing facilities are located in the territory of **200 hectares** (RFP owns the land plot), the site of the former plant "Amurmash» and «Amursky DOK”

Logistics

- **There is a railroad on the site** with the current path to the train station with the possibility of loading all types of freight-cars and containers (the nearest seaport ~ 500 km)
- There is also **asphalt road** on the territory

Energetics

- There is a double-circuit 110 kV transmission line from the Amursk cogeneration station, located 3.5 km from the site (**CHP power – 266 MW, load of less than 5%**)
- Accessible and affordable electricity (**tariff – ~3 rubles per KWh**)

Labor resources

- The production facility is **fully ensured with manpower** due to the good location close to two cities – Amursk in 1 km (with population about **41 ths. people**) and Komsomolsk-on-Amur in 45 km (with population about **250 ths. people**)




Access to ports

- **5 km from the site** there is a river port with existing river terminal, which is under RFP long-term lease
- With the help of transportation by river it's possible both **to supply the raw materials** (roundwood) and **to export the end products**
- The terminal is equipped with two gantry cranes and able **to handle ships with deadweight of 2.5 ths. tons**

Forestry

- **2,4 mln. m³** of roundwood from own leases and harvesting operations to supply existing and planned capacities.
- After supply of existing processing facilities – **1,4 mln m³** of roundwood for potential projects of pulpwood and firewood processing (bioenergy, wood based panels, etc)

DEEP PROCESSING PROJECT STAGES

Plant	Product and market	Current status	Capex
STAGE 1			
Site and infrastructure	<ul style="list-style-type: none"> Land acquisition Infrastructure development 	Completed at 2012	\$ 40 mln
Veneer	 <ul style="list-style-type: none"> 300 th. m³ of veneer – Japan, USA, Oceania 	Manufacturing Launched 4Q2012	\$ 166 mln
Sawnwood	 <ul style="list-style-type: none"> 400 th. m³ of sawnwood – China and Japan 	Installation Launch 4Q2016	\$ 102 mln
Wood pellets	 <ul style="list-style-type: none"> 150 th.tones of pellets – Europe, South East Asia 	Engineering 2017-18	\$ 30 mln
TOTAL STAGE 1			\$338 mln
STAGE 2 (STRATEGIC PARTNERS)			
Sawnwood deep processing	<ul style="list-style-type: none"> 100-150 th.m³ planing, stress grading, preasure treated, etc. – Japan, Europe, China 	2020	\$ 30 mln
Engineered wood products	<ul style="list-style-type: none"> 50-100 th.m³ CLT, gluelam, other – Japan, USA, Oceania 	2020	\$ 50-80 mln
Wooden house kits	<ul style="list-style-type: none"> 50-100 th.m³ – Japan 	2020	\$ 10-15 mln
Wood polymer composites	<ul style="list-style-type: none"> 50 th.tones – China, domestic 	2020	\$ 15-20 mln
TOTAL STAGE 2			\$105-145 mln
STAGE 3			
Pulp mill	<ul style="list-style-type: none"> 500-800 th. tones of market pulp – China, Japan 	2025	\$ 1000-1200 mln

WE WELCOME INVESTORS FROM ACROSS THE GLOBE!



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