

Press Release

International Paper Inaugurates India's Largest Casuarina Clonal Propagation Center

~ Established on 5.4 acres, the cloning center has a capacity of providing 1 Crore superior quality saplings per annum~

Hyderabad (India) April 16, 2014, 2014 – International Paper APPM Limited (IP-APPM), a group company of International Paper in India, today announced the inauguration of India's largest Casuarina Clonal Propagation Center (CPC) in Mulugapudi village in Vishakapatnam district of Andhra Pradesh. This is the company's 5th CPC in the country and is equipped with state of the art technology to develop superior clonal saplings which can double the productivity of pulpwood as compared to conventional seedling methods. The productivity through the clonal saplings will increase to 65 – 70 MT pulpwood per acre during 4 year plantation cycle from existing 30 – 35 MT per acre of the conventional seedling plantations.

This new cloning centre is spread across a vast area of 5.4 acres and has 20 low cost poly houses which will enable the farmers (tree growers) to maximize not only the bio-productivity of their per unit land mass but will also enhance their socio-economic status. The centre also has 2 hardening chambers with a capacity of 8 lakh rooted clones. These superior quality saplings are then provided to farmers from the center's open nursery for further cultivation and thereafter pulpwood is sourced from these farmers for use in paper manufacturing process.

The new CPC which follows a semi-mechanized system of clonal propagation is strategically located in the region where Casuarina is cultivated providing easy access of superior quality saplings to farmers in all weather conditions. The distribution system is managed by the IP-APPM's farm forestry team. Local communities, particularly women's groups are being trained to produce these low cost Casuarina clones, positively impacting their livelihood. The center will generate employment of 35,000 man hours per annum.

Key points

- IP-APPM's latest cloning center is largest Casuarina Clonal Production Center in India - The company has 4 other cloning centers at Devipuram, Theeda (Vishakapatnam Distt.); Diwancheruvu (EG distt.) and Jhargumalli (Prakasam distt.)
- Spread on 5.4 acres with a charging capacity of 20 lakh cuttings per cycle and 1 Crore clonal production capacity per annum
- Situated in the Casuarina plantation region, easy availability for farmers in all weather conditions

While inaugurating the new CPC, **Mr. Rampraveen Swaminathan, Managing Director & CEO, IP-APPM** said, *"This clonal centre is an extension of International Paper's ongoing commitment to Farm Forestry. Over the past 2 years, we have adopted a decentralized delivery model for clonal production, which enables easier access for farmers and increased technical engagement. We have planted over 1 billion saplings in India. Besides providing superior quality saplings, this centre will additionally act as an information and technology center for farmers and will help them understand productivity enhancing techniques. We continue to strengthen our pioneering Farm Forestry initiative which has been the largest in India since its inception over 3 decades ago and the latest centre will further enable us to maintain our leadership in the industry."*

The farm forestry initiative was established by IP-APPM in the early 1980s when it recognized the growing deficiency of fibrous raw material for the paper industry. The company embarked upon the ambitious program of self sustenance by generating the requisite fibrous raw material in collaboration and cooperation with farmers by utilizing their marginal and degraded lands, which were lying barren and unutilized. This integrated pulpwood-based farm forestry project operates in nine coastal districts of Andhra Pradesh. The research and development department of the company has developed superior clones of Casuarina and Eucalyptus. These clones can significantly increase the farmers' productivity as well as provide better revenue generation on their lands.

About International Paper APPM Limited

International Paper APPM Limited (IPAPPM), a group company of International Paper in India, is a leading manufacturer of pulp and paper products and caters to both domestic and foreign markets. IPAPPM produces writing, printing and copier papers at its two manufacturing units in Andhra Pradesh, which have a total paper production capacity of 240,000 metric tons per year. The company is becoming a driving force in sustainability in the paper manufacturing arena in the world economy with sales of approximately Rs.1230.50 crores as on 31st March, 2013 focused social and community programs including its own pioneering work in raw material generation through social farm forestry and a very strong strategic growth focus. International Paper owns a majority interest in IPAPPM and the remaining shares are publicly traded on the BSE Ltd. and National Stock Exchange of India Ltd.. For more information on IPAPPM, please visit please visit www.ipappm.com.

About International Paper

International Paper (NYSE: IP) is a global leader in packaging and paper with manufacturing operations in North America, Europe, Latin America, Russia, Asia and North Africa. Its businesses include industrial and consumer packaging and uncoated papers, complemented by xpedx, the company's North American distribution company. Headquartered in Memphis, Tenn., the company employs approximately 70,000 people and is strategically located in more than 24 countries serving customers worldwide. International Paper net sales for 2013 were \$29 billion. For more information about International Paper, its products and stewardship efforts, visit internationalpaper.com.

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