

Forest, Paper & Packaging

Global Forest, Paper & Packaging Industry Survey

2008 Edition – Survey of 2007 Results



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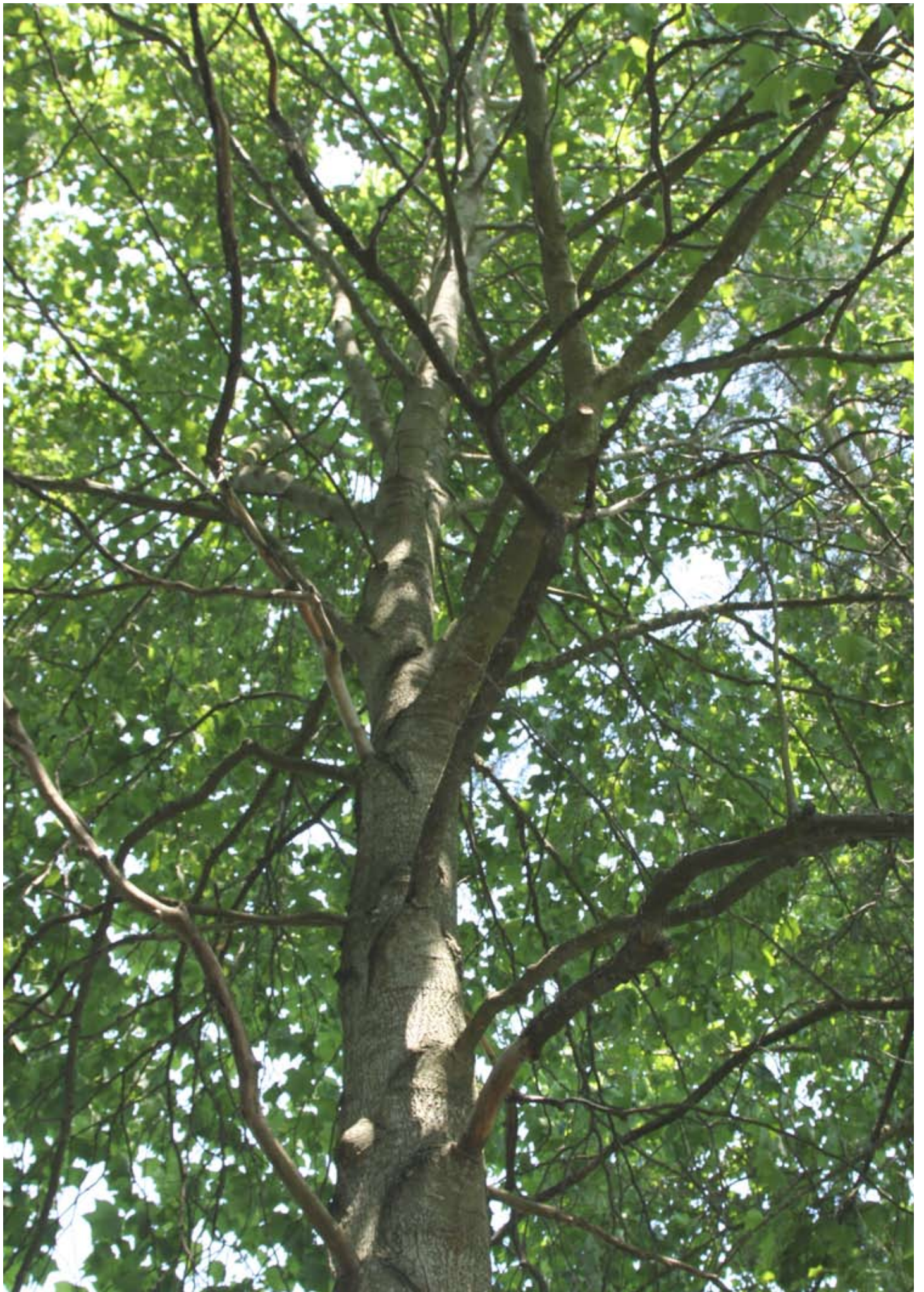
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Leaders' Message

Welcome to the PricewaterhouseCoopers Global Forest, Paper & Packaging[†] Industry Survey – 2008 Edition. The goal of the Survey, now in its 11th year, is to provide insight into the major companies and an overview of the issues and events shaping the industry. This year's Survey summarizes the 2007 publicly available year-over-year financial information of the PwC Top 100, the 100 largest forest, paper and packaging (FPP) companies in the world, ranked by sales revenue.

Recent PwC thought leadership – the 2008 editions of *CEO Perspectives* and *Branching Out* respectively – highlighted how the world in which FPP companies operate is changing dramatically. As we have sought to stress, these changes are bringing new opportunities to the industry. In the meantime, the downsides from these changes are compounding the industry's weak financial performance, as this Survey shows.

The Survey also includes a summary of our 21st Annual Global Forest & Paper Industry Conference held in May 2008 in Vancouver, Canada. The conference drew more than 500 executives from around the globe, engaging them in dialogue about the challenges and opportunities facing the industry. More details can be found starting on page 28, and

on our website: www.pwc.com/forestconf08. We look forward to hosting the 22nd Annual Conference in Vancouver on 14 May, 2009.

PricewaterhouseCoopers' thought leadership and depth of industry knowledge have enabled us to not only satisfy our clients' business needs but to surpass their expectations by offering proactive solutions to help them identify and capitalize on trends. For more information about the services offered by the PricewaterhouseCoopers' Global Forest, Paper & Packaging Industry Practice, please contact one of the PwC professionals in your region listed inside the back cover of this Survey. We hope you enjoy the 2008 edition of the PricewaterhouseCoopers Global Forest, Paper & Packaging Industry Survey.

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Table 1. PwC Top 100 Companies
(US \$ billions¹)

	2007	2006	2005	2004	2003
Turnover	\$343.3	\$317.3	\$335.9	\$328.2	\$304.3
Operating profit	24.7	23.5	21.7	24.5	19.5
Net income	13.5	11.9	9.2	13.7	7.8
Return on equity (%)	7.9%	6.5%	6.2%	9.4%	7.2%
Return on capital employed ² (%)	4.8%	4.6%	4.9%	5.3%	4.2%
Capital expenditures	25.1	21.9	20.6	19.3	16.0
Depreciation	20.3	20.6	21.4	21.9	20.5
Cash flow from operations	30.6	34.8	29.9	35.7	28.7

[†] Inclusive of paper packaging only

Source: PricewaterhouseCoopers LLP

1. Throughout the Survey all currency references are in US dollars unless otherwise noted.
2. Refer to the Methodology section on page 26 for the definition of return on capital employed.

Highlights PwC Top 100

The performance of the PwC Top 100 is strongly influenced by the general global economic environment. While the first half of 2007 showed strong global economic growth led by the emerging markets, the global economy slowed in the second half, triggered by the credit crisis in the US. Moving into 2008, global growth predictions are being revised down as the turmoil in financial markets spills over into the broader economy.

Real GDP growth rates for the full year in the US, Western Europe and Japan were down on 2006 (2.2%, 2.8% and 2.1% in 2007, respectively). Emerging markets were more resilient and continued to expand strongly led by China and India. In 2007, strong GDP growth continued in China (11.4%), India (9.2%), Russia (8.1%), and Latin America (5.6%). These markets have benefited from robust domestic demand.

Of the many economic factors which have affected the industry, those with the highest impact are continued depreciation of the US dollar and increasing energy, transportation and raw material costs (particularly fibre). In addition to the macro-economic factors, climate change is another key factor starting to shape the industry.

Emerging markets continue to attract significant investment in new capacity, at the same time that capacity in traditional regions adjusts down. Deal activity remained buoyant in 2007 (and even into early 2008), with North America continuing to take the lead in industry restructuring transactions.

Private equity, again with a dominant focus on North America, continued to play a lead in this restructuring. New entrants, notably Brookfield Asset Management in North America and New Zealander Graeme Hart's Rank Group, have been actively involved in the deals transacted during 2007.

In this Survey, we comment on the impact of these global factors on the PwC Top 100.

Fibre Supply (Virgin and Recovered)

With increased oil prices, fast emerging market growth, and rising concerns about climate change set to continue, there is expected to be increasing pressure on fibre resources. Regions with fibre deficits such as Asia are seeking fibre, both virgin and recovered from regions in surplus. Competing demands for these same resources are beginning to arise from providers of renewable energy and fuels, often as a result of government policy designed to stimulate alternatives to fossil fuels. On the one hand, this is leading to the global trading of fibre at unprecedented levels; on the other, it is leading to localised fibre supply problems and more widespread increases in fibre costs.

As economic growth and the drive to harness renewable resources continues, the forest, paper and packaging (FPP) industry can expect to face challenges securing sustainable and reasonably priced fibre. Whilst clearly a threat, this situation also provides opportunity for the FPP companies, such as those with secure access to fibre.

Figure 1: Recovered Fibre Trends – UK Domestic (£ per tonne)

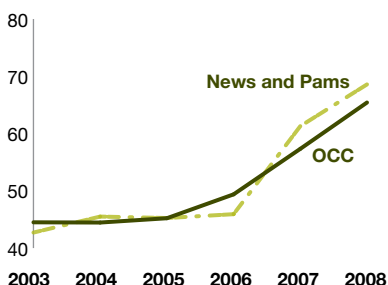
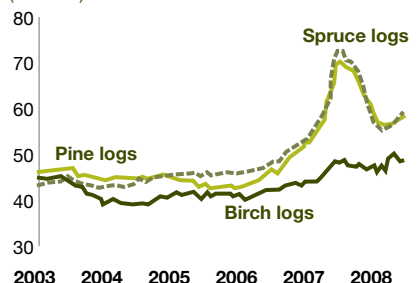
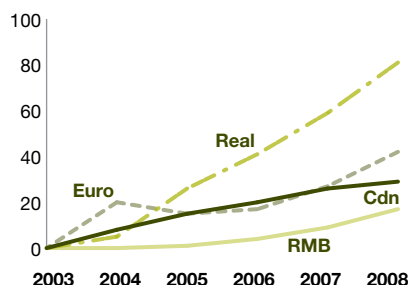


Figure 2: Logs Stumpage Prices in Finland 2003–2008, (four week sliding average) (Euro/m³)



Source: Finnish Forest Industries Federation

Figure 3: Other Currency Appreciations vs US Dollar (%)



Foreign Exchange Impacts

FPP producers are subject to fluctuations in foreign exchange rates, often incurring the costs of production in one currency and selling in another. Trade in most FPP products is commonly denominated in US dollars. Due to the weakness of the US dollar over the past few years, foreign exchange rate movements have significantly impacted financial results. The strength of the Euro relative to the US dollar is reducing margins to such an extent that some countries are no longer viable manufacturing locations. Conversely, some US companies have seen profits rise on the back of the weak dollar. Strength in other currencies such as the Canadian dollar and Brazilian real are also factors in the overall global currency mix.

In 2007, the US dollar weakened against major world currencies throughout most of the year, dropping 10% against the Euro, 6% against the Canadian dollar, and 12% against the Brazilian real.

Energy Costs

Energy prices continued their upward trend and rose ever more abruptly in early 2008. Rapid economic expansion in China and other newly developing countries has contributed to rapid growth in energy demand, leading to significant increases in the price of oil, coal and other fuels. The price of oil, as measured by the average world crude price, increased by more than 15%, year-over-year, in US dollar terms and prices have spiralled into 2008. As high energy users, FPP companies continue to be hit, although the impact is uneven. The industry is already a significant user of renewable energy sources, notably forest biomass, and has continued to switch into renewables, as well as reduce energy consumption as primary energy costs have risen. These moves have helped mitigate the impact of rising energy costs to some extent, with modern pulp and integrated paper makers generally in relatively favoured positions.

Transportation Costs

Rising oil prices have increased the cost of transportation around the globe, increasing the pressure on the FPP industry, which is heavily reliant upon road, rail and shipping for inbound and outbound logistics. This problem has been compounded by capacity shortages in the world's ports. Manufacturers in North America have seen their costs of shipping increase significantly over the past five years. This cost is expected to continue to increase with the soaring oil prices, causing transportation costs to be a major headache for planners. Companies are looking at their operational configurations and transport costs will impact upon current trade flows in forest products.

Figure 4: Crude Oil Prices (Texas light sweet) (US \$/barrel)

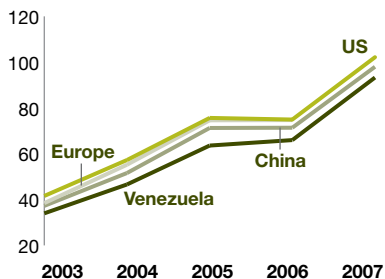
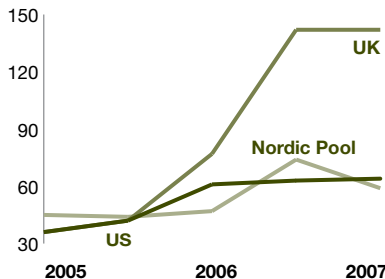


Figure 5: Electricity Prices Index (Dayahead) (US \$/mwh)



Emerging Market Impacts

The emerging markets remain the growth driver in the FPP sector. With the suboptimal returns realised by traditional regions (North America, Western Europe, and Japan) for several years, capital continues to migrate to the higher growth and higher return regions of the emerging markets. This influences capital allocation decisions by producers, and equity investment decisions by portfolio managers. The key emerging markets for FPP are Asia, notably China, Latin America and Russia. On the supply side, competitive advantage continues to shift towards South America, even though the strength

of local currencies has eroded some of their cost advantages, and to a lesser extent other low-cost fibre producing regions. On the demand side, growth in the industry continues to be driven by the emerging markets, especially China.

The number of companies from the emerging markets in the PwC Top 100 continues to increase. In 2007, Chinese companies (Sino Forest Corporation, Shandong Huatai and Lee & Mann Paper) and the first Indian company (Ballarpur Industries) joined the PwC Top 100. With the rapid growth in Asia, an increasing number will be joining the list in the coming years.



Climate Change

Climate change has become the great environmental challenge for the 21st century. The global debate on climate change is focusing on energy and forests. When managed sustainably, forests can reduce atmospheric CO₂ levels, soil degradation and deforestation which all contribute to climate change.

Governments around the world have started to impose rules and regulations to reduce carbon emissions. Regulation of carbon emissions and future cost implications will directly affect the global competitiveness and development of this sector.

While governments are looking for the best mechanism to curb greenhouse gas emissions by implementing carbon levies, via regulatory and fiscal measures, FPP producers are searching for the best options to reduce their soaring energy costs. Many FPP manufacturers are finding that wood fuels are the cheapest alternative to reduce both production costs and carbon emissions.

Sales and Income

The total sales of the PwC Top 100 were US \$343.3 billion in 2007, up from \$317.3 billion in 2006. The 20 largest companies accounted for nearly 60% of total sales. Operating income of \$24.7 billion represented a modest increase of 5% compared to prior year. Net income increased from \$11.9 billion to \$13.5 billion in 2007. In addition to some improvement in operating earnings, net income received a boost from gains on asset disposals, notably from Temple-Inland's \$2 billion gain on the sale of its timberlands. Cash flow from operations totaled \$30.6 billion in 2007, down from \$34.8 billion in 2006.

Figure 6: Sales
(US \$ billions)

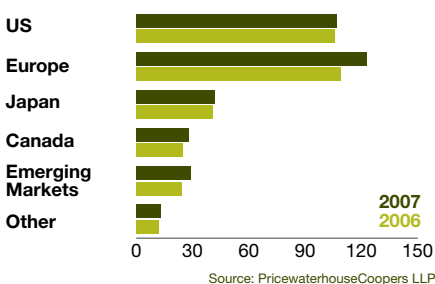
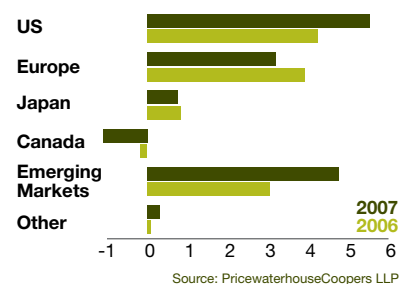


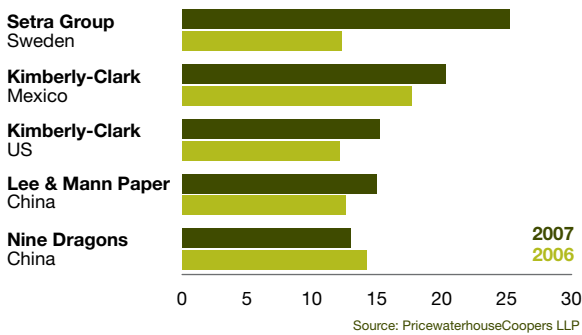
Figure 7: Net Income
(US \$ billions)



Return on Capital Employed

The average ROCE (return on capital employed) of the PwC Top 100 stayed flat moving from 4.6% to 4.8% in 2007. Thirteen companies earned a return of 10% or more in 2007 (2006: 19 companies). Although the PwC Top 100 continues to be dominated by companies from the traditional regions, six of the top 13 producers, based on ROCE, are from the emerging markets – three in Latin America and three in China.

Figure 8: Highest Return on Capital Employed (%)



Despite some slippage in 2007, the ROCEs for Latin American companies at 7.8% (2006: 9.3%) continue to be the highest as a region. However, emerging Asia's ROCE excluding companies from Taiwan and Korea would be the highest with ROCE at 9.9% (2006: 10.1%).

Figure 9: Highest Earnings (US \$ millions)

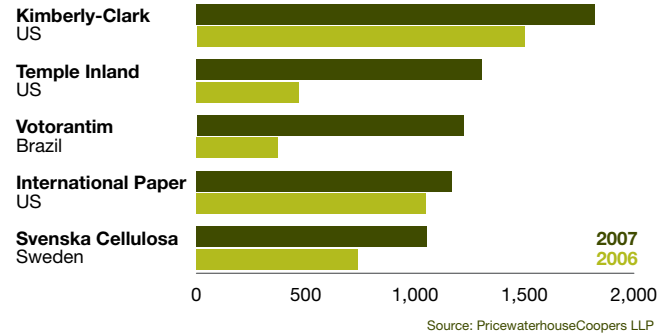


Figure 10: Largest Losses (US \$ millions)

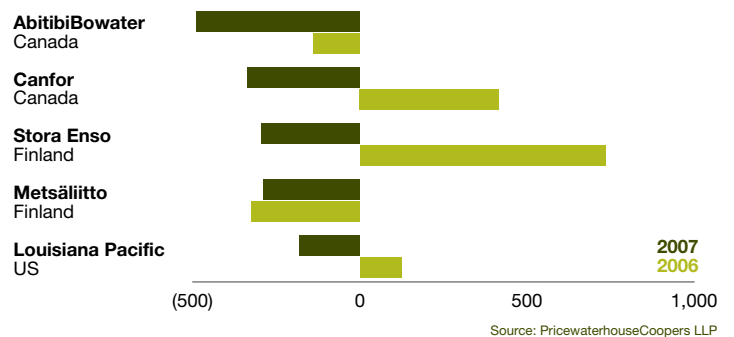


Table 2: ROCE Leaders – Greater than 10%

Company Name	Country	ROCE	
		2007	2006
Setra Group ¹	Sweden	25.2%	12.3%
Kimberly-Clark Mexico	Mexico	20.3%	17.7%
Kimberly-Clark	US	15.2%	12.1%
Lee & Mann Paper Mfg ¹	China	15.0%	12.6%
Nine Dragons Paper Holdings	China	13.0%	14.2%
Sino Forest Corporation ^{1,2}	China (Canada)	12.6%	12.4%
Arauco	Chile	11.9%	11.2%
Rayonier	US	11.4%	12.5%
The Pack	Japan	11.0%	10.4%
Votorantim Cellulose	Brazil	10.9%	11.9%
Sonoco	US	10.5%	9.8%
Packaging Corp of America	US	10.4%	8.5%
Portucel	Portugal	10.2%	7.4%

Notes:

Source: PricewaterhouseCoopers LLP

1. New entrant to Top 100

2. Sino Forest is incorporated and listed in Canada, but its operations are based in China

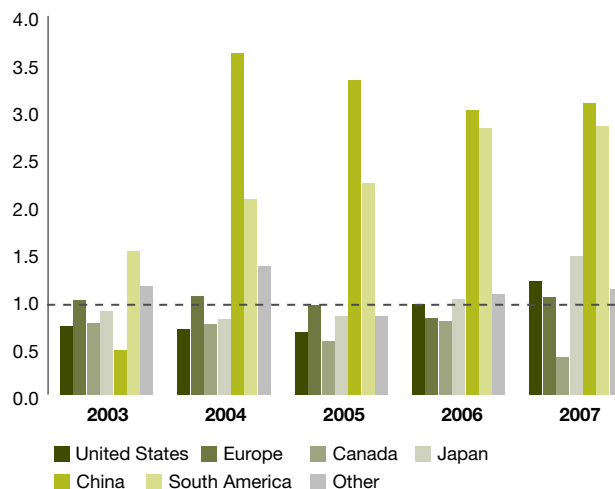


Reinvestment Ratio

Reinvestment ratio, calculated as capital investment as a percentage of depreciation, measures the extent that capital investment is replacing aging assets. In broad terms, when the ratio is in excess of 1.0, it indicates an expansion of capacity. For the PwC Top 100 as a whole, the reinvestment ratio has been less than 1.0 for many years.

However, in 2007, with the ratio at 1.2, this trend was bucked mainly due to the increasing weight of Chinese and Latin American companies in the PwC Top 100, where the ratios were 3.08 and 2.84 respectively. This demonstrates the high investment taking place in the emerging markets. At the other extreme, Canada's reinvestment ratio was only 0.4 in 2007.

Figure 11: Reinvestment ratio



Source: PricewaterhouseCoopers LLP



PwC Top 100

Table 3: Top 100 Global Forest, Paper & Packaging Industry Companies

(US \$ millions)

Rank '07	Rank '06	Company Name ¹	Country ¹⁰	Sales		Net Income		ROCE ²	
				2007	2006	2007	2006	2007	2006
1	1	International Paper	US	\$21,890	\$21,995	\$1,168	\$1,050	5.7%	5.3%
2	3	Stora Enso ³	Finland	18,322	16,274	(291)	734	3.5%	7.0%
3	4	Kimberly-Clark	US	18,266	16,746	1,822	1,500	15.2%	12.1%
4	5	Svenska Cellulosa	Sweden	15,675	13,796	1,056	739	5.7%	6.0%
5	2	Weyerhaeuser ^{3,4}	US	13,949	15,336	462	142	2.5%	1.9%
6	6	UPM	Finland	13,748	12,588	111	427	3.5%	3.8%
7	9	Oji Paper	Japan	10,758	10,439	146	181	2.3%	3.2%
8	8	Metsaliitto ³	Finland	10,507	10,362	(12)	(31)	1.4%	0.7%
9	10	Nippon Unipac	Japan	9,990	9,908	195	148	2.1%	1.7%
10	11	Smurfit Kappa	Ireland	9,963	8,833	202	(213)	8.0%	4.0%
11	12	Mondi Group ¹⁰	UK/South Africa	8,589	7,223	319	98	5.6%	3.2%
12	13	Smurfit-Stone	US	7,420	7,157	(103)	(59)	2.0%	2.1%
13	14	MeadWestvaco	US	6,906	6,530	285	93	4.8%	3.7%
14	16	PaperlinX	Australia	6,551	5,574	67	49	5.0%	3.8%
15	26	Domtar ³	Canada	5,947	3,306	70	(609)	4.5%	3.5%
16	19	Sequana Capital	France	5,928	4,998	195	1,203	4.3%	0.9%
17	15	Boise Cascade	US	5,413	5,780	128	72	8.2%	6.3%
18	20	Sappi	South Africa	5,304	4,941	202	(4)	6.1%	2.9%
19	21	Norske Skog	Norway	4,637	4,495	(106)	(438)	7.1%	2.1%
20	29	Sumitomo Forestry ⁵	Japan	4,257	3,403	45	19	2.2%	1.2%
21	24	Sonoco	US	4,040	3,657	214	182	10.5%	9.8%
22	17	Temple-Inland ^{3,6}	US	3,926	4,185	1,305	468	0.7%	1.5%
23	23	AbitibiBowater	Canada	3,876	3,530	(490)	(138)	-4.0%	1.9%
24	32	Cascades	Canada	3,674	3,001	89	3	4.6%	3.5%
25	36	Arauco	Chile	3,576	2,850	697	622	11.9%	11.3%
26	31	DS Smith	UK	3,534	3,046	121	8	6.8%	10.2%
27	27	Daio Paper	Japan	3,520	3,460	90	80	3.2%	3.2%
28	28	Rengo	Japan	3,500	3,459	80	112	2.5%	3.6%
29	33	Cartiere Burgo	Italy	3,263	2,991	18	27	0.5%	2.1%
30	41	CMPC	Chile	3,227	2,260	502	205	8.3%	4.3%
31	35	West Fraser Timber	Canada	3,100	2,933	(32)	351	-0.4%	4.3%
32	30	Canfor	Canada	3,063	3,389	(337)	416	-3.0%	-0.1%
33	38	Holmen	Sweden	2,836	2,529	223	198	9.9%	6.4%
34	47	Sonae Industria	Portugal	2,830	2,134	108	40	8.6%	1.9%
35	44	Sodra	Sweden	2,634	2,161	202	172	9.8%	10.5%
36	34	Tembec ³	Canada	2,571	2,660	(46)	(258)	-0.1%	-2.7%
37	40	Unicharm	Japan	2,566	2,325	128	131	8.8%	10.5%
38	37	Universal Forest Products	US	2,513	2,665	21	70	4.9%	11.2%
39	55	Pfleiderer	Germany	2,467	1,778	79	105	8.2%	7.8%
40	39	Graphic Packaging ³	US	2,421	2,321	(75)	(101)	3.1%	1.1%
41	49	Ahlstrom	Finland	2,413	2,009	1	72	1.3%	5.1%
42	52	Mayr-Melnhof Karton	Austria	2,380	1,900	160	133	8.6%	9.2%
43	43	Packaging Corp of America	US	2,317	2,187	170	125	10.4%	8.5%
44	46	Rock-Tenn	US	2,316	2,138	82	29	7.8%	4.8%
45	48	NewPage Corporation	US	2,168	2,038	(22)	(32)	3.1%	4.8%
46	54	The Lecta Group	UK	2,082	1,810	(42)	22	0.8%	3.2%
47	50	Mitsubishi Paper	Japan	2,076	1,965	62	62	1.8%	3.8%
48	64	Shandong Chenming	China	2,001	1,477	128	75	6.3%	6.5%
49	51	Mylykoski	Finland	1,980	1,925	1	(48)	1.6%	4.6%
50	53	Kimberly-Clark Mexico	Mexico	1,976	1,848	343	325	20.3%	17.7%

Notes

- All companies have December 31, 2007 year ends except those listed below:
March 31, 2007: All Japanese Companies
April 30, 2007: DS Smith
June 30, 2007: Buckeye Technologies, PaperlinX, Nine Dragons Paper, Ballarpur Industries
September 30, 2007: Rock-Tenn, Sappi, Tembec
- Return on Capital Employed is calculated as net income before unusual items, minority interest, and interest expense, on an after tax basis, divided by average total assets less average non-interest bearing current liabilities.
- 2006 sales have been restated by the companies.
- Weyerhaeuser and Plum Creek results exclude the Real Estate Divisions.
- Results are reported for identifiable forest segment only. Estimates have been made to allocate company-wide expenses as required.
- Temple Inland results includes \$2.01 billion from sales of timberland.
- New addition this year.
- Weyerhaeuser results include income from discontinued operations.
- Votorantim Cellulose results include \$989 million gains on exchange of assets.
- Country's head office is used for grouping (i.e. Mondi has dual listings and head offices in the UK and South Africa, and Sino Forest's head office is in Canada, while all its operations are based in China).

Rank '07	Rank '06	Company Name ¹	Country ¹⁰	Sales		Net Income		ROCE ²	
				2007	2006	2007	2006	2007	2006
51	58	Aracruz	Brazil	1,884	1,681	422	455	9.5%	15.8%
52	56	Hansol-Paper	Korea	1,762	1,706	(4)	(119)	1.6%	-3.4%
53	66	Suzano	Brazil	1,760	1,429	278	205	6.0%	5.8%
54	42	Louisiana-Pacific	US	1,705	2,187	(180)	124	-2.9%	5.1%
55	62	Potlatch ³	US	1,654	1,599	56	139	7.8%	9.8%
56	-	Verso ⁷	US	1,629	1,611	(81)	11	0.4%	3.6%
57	59	Catalyst	Canada	1,604	1,660	(30)	(14)	2.5%	0.0%
58	67	Portucel	Portugal	1,572	1,357	211	157	10.2%	7.4%
59	72	Klabin	Brazil	1,443	1,251	321	218	9.2%	13.4%
60	65	Daiken	Japan	1,431	1,430	(37)	21	-0.5%	4.1%
61	76	Siam Pulp & Paper	Thailand	1,404	1,109	75	93	8.0%	11.5%
62	74	Yuen Foong Yu Paper	Taiwan	1,352	1,219	34	35	-0.1%	2.9%
63	68	Hokuetsu Paper	Japan	1,351	1,322	38	28	2.8%	2.0%
64	69	Votorantim Cellulose ⁹	Brazil	1,333	1,317	1,221	372	10.9%	11.9%
65	82	Nine Dragons Paper	China	1,298	988	264	172	13.0%	14.2%
66	61	Plum Creek Timber ^{3,4}	US	1,273	1,319	52	161	3.8%	8.7%
67	70	Tomoku	Japan	1,263	1,271	6	20	2.2%	2.6%
68	75	Wausau-Mosinee Paper	US	1,240	1,188	(2)	18	1.4%	3.7%
69	73	Rayonier	US	1,225	1,230	174	193	11.4%	12.5%
70	80	P H Glatfelter	US	1,157	997	63	(12)	2.6%	-0.8%
71	79	Billerud	Sweden	1,148	999	50	42	5.5%	5.7%
72	88	Kinnevik (Korsnas)	Sweden	1,136	858	94	78	1.6%	2.1%
73	78	Nampak	South Africa	1,117	1,047	39	47	5.4%	8.1%
74	71	Norbord (Nexfor)	Canada	1,104	1,252	(45)	97	-1.4%	11.4%
75	90	Sveaskog	Sweden	1,075	820	210	291	3.3%	4.6%
76	85	Cheng Loong	Taiwan	1,028	901	19	24	3.6%	3.2%
77	87	Masisa SA	Chile	966	887	41	30	2.5%	2.4%
78	92	Mercer International	Canada	964	784	30	80	5.7%	5.4%
79	77	Appleton Papers ³	US	963	974	(6)	11	3.4%	6.6%
80	83	Chuetsu Pulp & Paper	Japan	960	955	(15)	3	0.1%	0.6%
81	86	Grupo Industrial Durango ³	Mexico	911	861	(28)	(6)	0.5%	2.4%
82	-	Setra Group ⁷	Sweden	897	794	78	30	25.2%	12.3%
83	91	ENCE	Spain	888	812	80	63	6.5%	5.4%
84	93	Groupe Gascogne	France	867	758	17	13	4.6%	3.6%
85	81	Caraustar Industries ³	US	854	933	(25)	47	0.2%	1.7%
86	92	Western Forest Products	Canada	832	790	(52)	30	-6.1%	-2.1%
87	-	Shandong Huatai Paper ⁷	China	796	530	66	53	8.4%	9.1%
88	95	Buckeye Technologies	US	769	728	30	2	6.5%	-4.9%
89	-	Heinzel Holding ⁷	Austria	760	579	48	(9)	9.2%	4.7%
90	99	Schweitzer-Mauduit	US	715	655	3	(1)	5.5%	3.4%
91	97	Fraser Papers ³	Canada	714	796	(44)	(114)	-11.9%	-6.8%
92	-	Sino Forest Corporation ^{7,10}	China/Canada	713	555	152	113	12.8%	12.4%
93	98	The Pack	Japan	710	695	26	24	11.0%	10.4%
94	100	Shan Dong Sun Paper ³	China	671	676	50	45	9.2%	10.6%
95	-	Lee & Mann ⁷	China	660	484	129	77	15.0%	12.6%
96	-	Corticierra Amorin ⁷	Portugal	621	555	32	25	5.4%	7.7%
97	-	Otor ⁷	France	604	510	36	(29)	7.2%	-4.5%
98	96	Interfor	Canada	571	727	(12)	84	-2.4%	6.7%
99	-	Ballarpur Industries ⁷	India	556	423	61	47	8.3%	8.1%
100	94	Ainsworth	Canada	509	730	(202)	(95)	-5.1%	-2.5%
Total				\$343,285	\$317,254	\$13,483	\$11,935	4.8%	4.6%

Source: PricewaterhouseCoopers LLP

Results by Country/Region

United States

Economic and market overview

US GDP growth slowed markedly in 2007 to 2.1% from 3.2% in 2006, due to the subprime mortgage lending crisis, which spread into the broader financial markets and economy. As a result, the US economy is forecast to tip into a mild recession in 2008 before starting a modest recovery in 2009. The US dollar continued to slide and closed out lower against other major FPP producing currencies. This decrease encouraged exports and eased the adverse impact of the economic slowdown for some producers.

US housing starts decreased by 35%, from an average of 1.8 million units in 2006 to 1.3 million units in 2007. The housing market is undergoing a major correction, with house prices dropping by up to 10% during 2007, and house starts dropping over 50% from their peak by early 2008.

On the wood products side, the distressed housing market resulted in a weaker demand for lumber. Lumber prices averaged about 6% less in 2007 than in 2006. Sawmill operators struggled to cut their costs, which resulted in more and more mills reducing production or shutting down. The reduced lumber production also impacted the availability of wood fibre to the pulp industry.

The downward trend in newspaper readership and advertising, and the substitution by alternative media, has led to consumption falling 10% from 2006.

Despite capacity reduction, prices trended down, finishing the year 11% below 2006 prices. Additional capacity closures in 2008 led by AbitibiBowater are projected to improve operating rates.

Profitability and returns were generally better than average in the packaging and industrial paper sector. Despite increases in input costs, ahead of sales prices, this improvement has been attributed to export opportunities and operational efficiencies, with the direct or indirect beneficial influence of Private Equity (PE) ownership also being cited as a factor.

By 2007 year end, pulp prices were close to their historic peak in 1995. NBSK Pulp prices were up 17% year-over-year. This price gain reflected global trends and restricted domestic supplies as a result of a decrease in supply of fibre from lumber producers and notably the closure of Pope & Talbot's West Coast pulp mills, with 820,000 tonnes of capacity.

On the M&A front, deal activity was up in 2007, with Private Equity once again being active. Inevitably, if International Paper's acquisition of Weyerhaeuser's packaging assets is excluded, deal activity has trended down in 2008. However, PE investable funds remain substantial and with asset prices falling in 2008, PE can be expected to be seeking deals again.

Financial performance

There were 24 US-based companies in the PwC Top 100 in 2007. Gone from the list are Bowater (consolidated with Abitibi), Longview Fiber (acquired by Brookfield Asset Management), Pope & Talbot (in creditor protection) and Procter & Gamble (less than 50% FPP). This year, private equity-owned Verso Paper, which acquired the coated and super-calendared papers division of International Paper in August 2006, joined the list in 56th place.

The listed companies reported aggregate sales of \$106.7 billion, or 31% of the total sales of the PwC Top 100. Sales remained flat compared to last year. Without M&A activity, 2007 sales would have been down from the previous year.

Net income increased from \$4.2 billion to \$5.5 billion. Although there were ups and downs amongst US companies, the net income line was dominated by Temple Inland's \$2 billion gain from the disposal of its 1.55 million acres of timberlands to Campbell Group. Weyerhaeuser's net gain of \$700 million on the sale of its fine paper business to Domtar was also notable. The incidence of losses increased with eight companies

Table 4: Top US Forest, Paper & Packaging Companies
(US \$ millions)

Company Name	Sales		Net Income		ROCE	
	2007	2006	2007	2006	2007	2006
International Paper	\$21,890	\$21,995	\$1,168	\$1,050	5.7%	5.3%
Kimberly-Clark	18,266	16,746	1,822	1,500	15.2%	12.1%
Weyerhaeuser	13,949	15,336	462	142	2.5%	1.9%
Smurfit-Stone	7,420	7,157	(103)	(59)	2.0%	2.1%
MeadWestvaco	6,906	6,530	285	93	4.8%	3.7%
Boise Cascade	5,413	5,780	128	72	8.2%	6.3%
Sonoco	4,040	3,657	214	182	10.5%	9.8%
Temple-Inland	3,926	4,185	1,305	468	0.7%	5.2%
Universal Forest Products	2,513	2,665	21	70	4.9%	11.2%
Graphic Packaging	2,421	2,321	(75)	(101)	3.1%	1.1%
Packaging Corp of America	2,317	2,187	170	125	10.4%	8.5%
Rock-Tenn	2,316	2,138	82	29	7.8%	4.8%
NewPage Corporation	2,168	2,038	(22)	(32)	3.1%	4.8%
Louisiana-Pacific	1,705	2,187	(180)	124	-2.9%	5.1%
Potlatch	1,654	1,599	56	139	7.8%	9.8%
Verso	1,629	1,611	(81)	11	0.4%	3.6%
Plum Creek Timber Co.	1,273	1,319	52	161	3.8%	8.7%
Wausau-Mosinee Paper	1,240	1,188	(2)	18	1.4%	3.7%
Rayonier	1,225	1,230	174	193	11.4%	12.5%
P H Glatfelter	1,157	997	63	(12)	2.6%	-0.8%
Appleton Papers	963	974	(6)	11	3.4%	6.6%
Caraustar Industries	854	933	(25)	47	0.2%	1.7%
Buckeye Technologies	769	728	30	2	6.5%	-4.9%
Schweitzer-Mauduit	715	655	3	(1)	5.5%	3.4%
Total	\$106,729	\$106,156	\$5,541	\$4,232	5.5%	5.2%

Source: PricewaterhouseCoopers LLP

reporting losses totaling \$500 million in 2007 compared with five and \$205 million in 2006. ROCE increased from 5.2% in 2006 to 5.5% in 2007, a return still well below the average cost of capital which is near 10%. Return on equity amounted to 10.5%, compared with 9% in 2006. Kimberly-Clark produced the strongest all round performance, with net income of \$1.8 billion in 2007 (2006: \$1.5 billion) and ROCE of 15.2% (2006: 12.1%). Rayonier, a timberland owner and specialty fibre producer, was the next highest performer with ROCE of 11.4% (2006: 12.5%).

Western Europe

Economic and market overview

GDP growth in Western Europe was reasonably strong at 2.8% in 2007. Over the course of the year, growth was driven mainly by domestic demand with both consumer spending and business investment performing well in most markets. However, the subprime mortgage crisis in the US played a role in tightening monetary conditions in the Western Europe towards the end of 2007.

Total paper consumption in Western Europe was up slightly in 2007. According to the Confederation of European Paper Industries (CEPI), paper production reached 102.5 million tonnes in 2007, up 0.4% from 2006. The picture on price movements was uneven across grades, although the common feature was an unrelenting increase in input costs. Increases were achieved in paperboard and uncoated fine paper, but in magazine grades, increases remained elusive. Capacity reductions in magazine grades brought better prospects going into 2008 for price increases; however in newsprint, sluggish demand, over capacity and North American imports caused prices to fall in 2007.

Overall, the need to adjust supply to a mature demand environment remains vital if stronger pricing fundamentals are to be achieved; this requires consolidation to start the process. Meantime, the one constant seems to be an increase in input costs (fibre, energy and chemicals), all directly or indirectly influenced by energy (policy and prices) or special factors, such as the Russian log export duties.

The weak US dollar has put further pressure on the European paper industry. The US dollar declined 10% against the Euro during 2007 and has continued to fall in 2008. For the European pulp and paper industry, the weaker dollar has caused exports to decrease, and imports, such as newsprint, to become more attractive.

Deal activity picked up in 2007; however, discounting the acquisition of SIG Holding (Switzerland) by Graham Hart's Rank Group for \$2.3 billion, deal values remained low. The main story remains the lack of consolidation deals and the lack of any decisive moves by private equity.

Turmoil in the global financial markets is expected to have broad negative implications on the region. GDP growth in Western Europe in 2008 is forecast to slow to well below trend to 1.5 % as the stresses in financial markets spread to affect consumer spending and investment growth and the outlook for 2009 is also subdued. This is already making for tough conditions for European FPP producers in 2008.

Financial performance

There were 28 European companies in the PwC Top 100 in 2007, including four new entrants: Setra Group (Sweden) in wood products, Heinzl Holding (Austria) in pulp, Corticierra Amorin (Portugal) in cork and Otor (France) in packaging. Sales of the European companies increased from \$109 billion to \$123 billion. For the first time, the aggregate sales of European companies were higher than US companies. This mainly reflected Euro appreciation (10%) against the US dollar.

The net income of the European companies was \$3.2 billion, down by 18%. Several factors were at work but the two largest negative turnarounds were at Stora Enso and Sequana Capital (Antalis and Arjowiggins). Stora Enso had a net loss of \$291 million, down \$1.0 billion on 2006, due to the impact of higher energy and fibre costs as well as restructuring costs. Sequana Capital's net income was also down \$1 billion to \$195 million as there was no repetition of the \$1.2 billion in gains on asset disposals in 2006.

Svenska Cellulosa (SCA) had the highest profits with net income at \$1.1 billion (2006: \$739 million). Income benefited from an increase in the net value of its forestland assets.

ROCE averaged 4.9% in 2007, a modest increase from 4.6% in 2006. Setra Group had the highest ROCE in 2007 at 25.2%, up from 12.3%, with much of this attributable to strong sawn timber prices during the most part of 2007. Portucel was in second place with a ROCE of 10.2%, up from 7.4% in 2006.

Table 5: Top West European Forest, Paper & Packaging Companies
(US \$/€ millions)

Company Name	Country	Sales USD		Net Income USD		ROCE		Sales €		Net Income €	
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Stora Enso	Finland	\$18,322	\$16,274	\$(291)	\$734	3.5%	7.0%	€ 13,375	€ 12,970	€ (215)	€ 585
Svenska Cellulosa	Sweden	15,675	13,796	1,056	739	5.7%	6.0%	11,443	10,995	771	589
UPM	Finland	13,748	12,588	111	427	3.5%	3.8%	10,036	10,033	81	340
Metsaliitto	Finland	10,507	10,362	(12)	(31)	1.4%	0.7%	7,670	8,260	(9)	(25)
Smurfit Kappa	Ireland	9,963	8,833	202	(213)	8.0%	4.0%	7,273	7,040	147	(169)
Mondi Group	UK/South Africa	8,589	7,223	319	98	5.6%	3.2%	6,270	5,757	233	79
Sequana Capital	France	5,928	4,998	195	1,203	4.3%	0.9%	4,327	3,983	142	959
Norske Skog	Norway	4,637	4,495	(106)	(438)	7.1%	2.1%	3,385	3,583	(77)	(349)
DS Smith	UK	3,534	3,046	121	8	6.8%	10.2%	2,580	2,427	88	6
Cartiere Burgo	Italy	3,263	2,991	18	27	0.5%	2.1%	2,382	2,382	13	22
Holmen	Sweden	2,836	2,529	223	198	9.9%	6.4%	2,070	2,016	163	158
Sonae Industria	Portugal	2,830	2,134	108	40	8.6%	1.9%	2,066	1,700	79	32
Sodra	Sweden	2,634	2,161	202	172	9.8%	10.5%	1,922	1,722	147	137
Pfleiderer	Austria	2,467	1,778	79	105	8.2%	7.8%	1,801	1,417	58	84
Ahlstrom	Finland	2,413	2,009	1	72	1.3%	5.1%	1,761	1,601	1	57
Mayr-Melnhof Karton	Austria	2,380	1,900	160	133	8.6%	9.2%	1,737	1,515	117	106
The Lecta Group	UK	2,082	1,810	(42)	22	0.8%	3.2%	1,520	1,443	(31)	18
Myllykoski	Finland	1,980	1,925	1	(48)	1.6%	4.6%	1,445	1,534	1	(38)
Portucel	Portugal	1,572	1,357	211	157	10.2%	7.4%	1,148	1,082	154	125
Billerud	Sweden	1,148	999	50	42	5.5%	5.7%	838	796	36	33
Kinnevik (Korsnas)	Sweden	1,136	858	94	78	1.6%	2.1%	829	684	69	63
Sveaskog	Sweden	1,075	820	210	291	3.3%	4.6%	785	654	153	232
Setra Group	Sweden	897	794	78	30	25.2%	12.3%	655	633	57	24
ENCE	Spain	888	812	80	63	6.5%	5.4%	648	647	58	50
Groupe Gascogne	France	867	758	17	13	4.6%	3.6%	633	604	12	10
Heinzel Holding	Austria	760	579	48	(9)	9.2%	4.7%	555	461	35	(7)
Corticierra Amorin	Portugal	621	555	32	25	5.4%	7.7%	453	442	23	20
Otor	France	604	510	36	(29)	7.2%	-4.5%	441	406	26	(23)
Total		\$123,356	\$108,894	\$3,201	\$3,909	4.9%	4.6%	€ 90,048	€ 86,787	€ 2,335	€ 3,118

Source: PricewaterhouseCoopers LLP

Canada

2007 was a challenging year for Canadian FPP companies. The total sales of the 13 Canadian companies included in the Top 100 grew from \$26 billion in 2006 to \$29 billion in 2007 and accounted for 9% of the total sales of the Top 100. This increase reflects acquisitions, notably the Domtar Weyerhaeuser transaction.

Net losses climbed to \$1.1 billion from \$166 million in 2006. Ten of the 13 companies reported losses in 2007, up from six in 2006. The heaviest losses were at AbitibiBowater and Canfor totaling \$827 million. The AbitibiBowater losses were heavily impacted by facility closures. Canfor's loss is the result of asset write downs related to lumber and panel

operations. For the 13, ROCE dropped to negative 0.1% from 2.0% in 2006, which reflects the extent of the crisis in the Canadian industry. Unsurprisingly, capital investment as a percentage of depreciation reached a record low of 0.4%.

One high spot was NBSK pulp where producers enjoyed good profits, due to the tightening of supply through closures and increasing Asian demand.

The dire financial performance of the industry contrasts with the state of the Canadian economy. GDP grew at 2.7% down from 2.8% in 2006, due in part to slower growth in the US which accounts for more than 80% of Canadian exports. The Canadian dollar increased from US \$0.86

in January 2007 to a record high US \$1.01 in December 2007. The strong dollar and US housing market slump have combined to hammer operating margins of Canadian producers, leading to many capacity closures.

Slower GDP growth of 1.3%–2.3% is forecast for 2008. High commodity and energy prices are projected to translate to the Canadian dollar remaining near parity with the US dollar. Hence the immediate outlook for the Canadian forest products industry remains poor, as it waits the turning point in US markets. Looking forward, the accelerated impact of mountain pine beetle infestation in British Columbia on harvest levels could tighten wood supplies, and hence prices, sooner than had been predicted.

Table 6: Top Canadian Forest, Paper & Packaging Companies
(US \$ millions)

Company Name	Sales		Net Income		ROCE	
	2007	2006	2007	2006	2007	2006
Domtar	\$5,947	\$3,306	\$70	\$(609)	4.5%	3.5%
AbitibiBowater	3,876	3,530	(490)	(138)	-4.0%	1.9%
Cascades	3,674	3,001	89	3	4.6%	3.5%
West Fraser Timber	3,100	2,933	(32)	351	-0.4%	4.3%
Canfor	3,063	3,389	(337)	416	-3.0%	-0.1%
Tembec	2,571	2,660	(46)	(258)	-0.1%	-2.7%
Catalyst	1,604	1,660	(30)	(14)	2.5%	0.0%
Norbord	1,104	1,252	(45)	97	-1.4%	11.4%
Mercer International	964	784	30	80	5.7%	5.4%
Western Forest Products	832	790	(52)	30	-6.1%	-2.1%
Fraser Papers	714	796	(44)	(114)	-11.9%	-6.8%
Interfor	571	727	(12)	84	-2.4%	6.7%
Ainsworth	509	730	(202)	(95)	-5.1%	-2.5%
Total	\$28,529	\$25,558	\$(1,101)	\$(167)	-0.1%	2.0%

Source: PricewaterhouseCoopers LLP

Japan

The top Japanese FPP companies experienced little change in performance from 2006, with a small drop in net income from the prior year and a decrease in ROCE from 3.6% to 2.5%.

Japan's GDP grew by 2.1% in 2007, compared to 2.4% in 2006. Forecasts for 2008 project a slow down to 1.4%.

In order to survive in this mature, low-growth environment, the largest Japanese companies are optimizing their manufacturing structure by investing in new equipment and technologies with a view to reducing costs while searching for investment opportunities in the Chinese and adjacent Asian markets. To date, Japanese attempts to achieve further consolidation amongst the major players in order to achieve better returns on investment have not succeeded.

Table 7: Top Japanese Forest, Paper & Packaging Companies
(US \$ millions)

Company Name	Sales		Net Income		ROCE	
	2007	2006	2007	2006	2007	2006
Oji Paper	\$10,758	\$10,439	\$146	\$181	2.3%	3.2%
Nippon Unipac	9,990	9,908	195	148	2.1%	1.7%
Daio Paper	4,257	3,403	45	19	2.2%	1.2%
Rengo	3,500	3,459	80	112	2.5%	3.6%
Sumitomo Forestry	3,520	3,460	90	80	3.2%	3.2%
Unicharm	2,566	2,325	128	131	8.8%	10.5%
Mitsubishi Paper	2,076	1,965	62	62	1.8%	3.8%
Daiken	1,431	1,430	(37)	21	-0.5%	4.1%
Hokuetsu Paper	1,351	1,322	38	28	2.8%	2.0%
Tomoku	1,263	1,271	6	20	2.2%	2.6%
Chuetsu Pulp	960	955	(15)	3	0.1%	0.6%
The Pack	710	695	26	24	11.0%	10.4%
Total	\$42,382	\$40,632	\$764	\$829	2.5%	3.6%

Source: PricewaterhouseCoopers LLP



Latin America

Economic and market overview

Growth in South American countries has surpassed that in traditional economies. South American and Mexican GDP growth averaged 5.6% during 2007. The outlook for Latin America remains good with forecast GDP growth of 4.3% in 2008 and 3.6% in 2009. Consumer spending growth decelerated slightly in Brazil but remained a key contributor to growth. The Brazilian Central Bank started to cut interest rates to their lowest point in many years at 11.25% at the end of 2007, a trend that has continued into 2008. The impact of the credit crisis in the Northern Hemisphere is having an effect, but so far at a more muted level.

Latin America's FPP sector experienced continued growth during 2007 due to the high supply of fibre and short harvest cycles. South America has seen significant investment by both local and international companies and is quickly becoming the world's fibre basket, notably for Europe and Asia. New capacity continues to be built, with Brazil continuing as the largest destination for major investment in plantation-based forestry concentrated in the pulp sector.

Table 8: Top Latin American Forest, Paper & Packaging Companies
(US \$ millions)

Company Name	Country	Sales		Net Income		ROCE	
		2007	2006	2007	2006	2007	2006
Arauco	Chile	\$3,576	\$2,850	\$697	\$622	11.9%	11.3%
CMPC	Chile	3,227	2,260	502	205	8.3%	4.3%
Kimberly-Clark Mexico	Mexico	1,976	1,848	343	325	20.3%	17.7%
Aracruz	Brazil	1,884	1,681	422	455	9.5%	15.8%
Suzano	Brazil	1,760	1,429	278	205	6.0%	5.8%
Klabin	Brazil	1,443	1,251	321	218	9.2%	13.4%
Votorantim Cellulose	Brazil	1,333	1,317	1,221	372	10.9%	11.9%
Masisa SA	Chile	966	887	41	30	2.5%	2.4%
Grupo Industrial Durango	Mexico	911	861	(28)	(6)	0.5%	2.4%
Total		\$17,076	\$14,384	\$3,797	\$2,426	7.8%	9.3%

Source: PricewaterhouseCoopers LLP

Financial performance

Sales of the nine Latin American producers in the PwC Top 100 rose by 18% to \$17.1 billion in 2007 from \$14.4 billion in 2006. This increase reflects growth and the appreciation of domestic currencies against the US dollar.

Net earnings for the nine companies were substantially higher at \$3.8 billion in 2007 versus \$2.4 billion in 2006. Votorantim Cellulose e Papel (VCP) recorded the highest net income at \$1.2 billion compared to \$372 million in 2006, with earnings boosted by net gains of \$955 million from an asset swap with International Paper.

Although ROCE decreased by 1.5% from 9.3% to 7.8% in 2007, Latin America remained the best performing region compared to prior year. Kimberly-Clark Mexico had the highest ROCE in 2007 at 20.3%, up from 2006's 17.7%. Arauco was in second place with 2007 ROCE of 11.9%, up from 11.3% in 2006. However, Aracruz's ROCE fell to 9.5% from 15.8% in 2006, as a sharply increased

deferred income tax charge caused net income to fall combined with a near doubling of the company's capital expenditure during the year.

The strongest improvement came from Chile's CMPC, where sales increased by 40% and with net income more than doubling, and ROCE almost doubling in 2007 compared to prior year. The main driver for this increase has been the robust growth in its pulp division after the major increases in its market pulp capacity.

The appreciation of the Brazilian real has narrowed Brazil's cost advantage, and reduced the operating margins of Brazilian producers since most of their production is exported. Nevertheless, with the country's strong forest base, favorable climate, and land availability it is expected to retain its position as a major supplier of fibre. With average pulp prices reaching record highs, and the increasing demand from Asia, Europe and elsewhere, Latin American countries are expected to continue to set the pace in market pulp.





Emerging Asia

Economic and market overview

Growth in emerging Asia remained strong in 2007. China's GDP grew at 11%, India's by 9%. This economic performance has made the Asia-Pacific region the strongest growth market for FPP products in the world. China continues to account for the largest share of demand for these products. Growing demand for low-cost wood products manufactured in China has increased the demand for imported foreign timber in that country.

The shortage of domestic virgin and recovered fibre in Asia, especially in China and India, is driving activities to secure long-term fibre sources. China's own industrial plantations are being rapidly expanded as are those in neighbouring countries like Vietnam. To ensure a steady stream of fibre supply, Asian producers are also looking towards Latin and North America. Asia Pulp and Paper (APP) China acquired its first Canadian pulp mill in Meadow Lake, Saskatchewan. In early 2008,

Table 9: Top Forest, Paper & Packaging Companies in Non-Japan Asia
(US \$ millions)

Company Name	Country	Sales		Net Income		ROCE	
		2007	2006	2007	2006	2007	2006
Shandong Chenming Hlgs.	China	\$2,001	\$1,477	\$128	\$75	6.3%	6.5%
Hansol-Paper	Korea	1,762	1,706	(4)	(119)	1.6%	-3.4%
Siam Pulp & Paper	Thailand	1,404	1,109	75	93	8.0%	11.5%
Yuen Foong Yu Paper	Taiwan	1,352	1,219	34	35	-0.1%	2.9%
Nine Dragons Paper	China	1,298	988	264	172	13.0%	14.2%
Cheng Loong	Taiwan	1,028	901	19	24	3.6%	3.2%
Shandong Huatai Paper	China	796	530	66	53	8.4%	9.1%
Sino Forest Corporation	China (Canada)	713	555	152	113	12.8%	12.4%
Shan Dong Sun Paper	China	671	676	50	45	9.2%	10.6%
Lee & Mann Paper Mfg	China	660	484	129	77	15.0%	12.6%
Ballarpur Industries	India	556	423	61	47	8.3%	8.1%
Total		\$12,241	\$10,068	\$974	\$615	7.3%	7.4%

Source: PricewaterhouseCoopers LLP

APP announced it was adding Pope & Talbot's three western North American pulp mills (this deal subsequently fell through). Nine Dragons announced it is looking to acquire a stake in an overseas pulp processor to secure its fibre sources. At the same time, steps are being taken to enhance recovery from domestic waste paper sources to reduce dependence on imported waste paper from North America and Europe.

Exchange rate movements against the US dollar have been less marked in Asia. In China, the renminbi's rate of appreciation against the dollar has increased appreciably since August, but its movement has been more modest in effective terms (5.6%) and the currency is judged by many economists to be substantially undervalued.

Moving forward, the strength of domestic demand in the region, combined with rising food and energy prices are contributing to a buildup of inflation pressures in those markets. Therefore, growth prospects are dependant on how resilient the region's financial systems and economies will be to the slowdown in traditional economies.

Financial performance

Three new companies from the Emerging Asia region joined the PwC Top 100. Sino Forest Corporation joined at 92, Lee & Mann Paper at 95, and Ballarpur Industries at 99. Sino is a Canadian-listed company with substantially all of its operations and plantations in China. Lee & Mann is becoming one of the major players in the containerboard industry, and Ballarpur is a large paper producer in India.

Sales of the 11 Emerging Asian companies in the PwC Top 100 rose by nearly 22% to \$12.2 billion in 2007 from \$10.1 billion in 2006. Non-Japanese Asian companies in general and Chinese companies in particular are benefiting from the economic growth and the capital expenditures that occurred in prior years. The collective sales of Shandong Chenming, Nine Dragons, Shandong Huatai and Lee & Mann rose by over 30%, reflecting higher prices and an improvement in operating rates and tonnage produced. The net earnings of the 11 companies were substantially higher at \$974 million in 2007 versus \$615 million in 2006 due mainly to higher net income from the Chinese companies.

Emerging Asia's ROCE, at 7.3% in 2007, remained steady with 2006, and as a region was second only to Latin America's 7.8%. However, it should be noted that the Emerging Asia list includes three from the more developed economies of Korea and Taiwan – Hansol, Yuen Foong Yu Paper and Cheng Loong. The returns of these three companies have been consistently low. Had these three companies been excluded from the Emerging Asia list, ROCE at 9.9% for 2007 (2006: 10.1) would have exceeded Latin America.

Russia

Russia has one of the fastest growing large economies in the world. Demand for paper products is being propelled by strongly growing domestic consumption. An active construction sector (new build and repair) is driving good demand for wood products. Russia has the largest untapped wood resources in the world. Accordingly, there are strong fundamentals.

However, the dominant forest and paper development for the outside world is Russia's plan to impose stringent tariffs on unprocessed wood exports, at a time when it has risen to be the world's largest log exporter. Prior to 1 July 2007, the duty level was 6.5% (subject to a minimum of 4 €/m³). For softwood logs, these duties were escalated to 20% and 25% from 1 July 2007 and 1 April 2008 respectively and with plans to raise to 80% (subject to a minimum of 50 €/m³) from the beginning of 2009. For birch pulpwood, the tax is delayed until 2011 when it rises from zero to 80%. The increases to date and future plans have unsettled both Russia's neighbours that have relied on these log exports as well markets further afield.

This program of log export taxes has been driven by Russia's desire to develop a strong domestic value added forest products industry to supply domestic and export markets. The impact, if and when fully implemented, will likely be that harvesting timber in Russia will only be economic if the logs can be processed locally.

It is too early to judge the effectiveness of these taxes in addressing their objectives. There has been some step up in investment in wood processing, but in pulp, although announcements abound, major projects have yet to be implemented. Accordingly, in the short term at least, Russian harvest levels may be reduced with a potentially serious disruptive impact on global wood supplies.

Potential foreign investors remain cautious about significant investment into Russia, despite the rapid growth in domestic demand and the export potential given factors such as infrastructure limitations, illegal logging and political concerns.

In the 2006 survey, Ilim Pulp was included in the Top 100 as the sole Russian representative, but has been omitted this year. At the time of publishing this report, financial information was not available and with the change in its operations and ownership – now 50% owned by International Paper and with its wood products business spun out – we have not made an estimate.

Table 10: Financial Summary Information by Country/Region

(US \$ millions)

Company Name	Sales			Net Income			ROCE		Cash Flow from Ops		Debt to Equity		Return on Sales		Return on Equity	
	2007	2006	Change	2007	2006	Change	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
US	\$106,729	\$106,156	1%	\$5,541	\$4,232	31%	5.5%	5.2%	\$9,913	\$10,427	1.2	1.1	3.8%	3.2%	10.5%	9.0%
Europe																
Finland	46,969	43,158	9%	(190)	1,154	-117%	3.3%	4.6%	3,752	4,465	0.7	0.7	2.2%	2.9%	4.2%	5.8%
Sweden	25,402	21,957	16%	1,913	1,551	23%	5.6%	5.2%	2,902	2,107	0.3	0.5	6.9%	6.6%	7.7%	6.6%
Other	50,985	43,779	16%	1,478	1,204	23%	6.5%	4.8%	3,350	4,099	1.0	1.1	4.3%	3.6%	10.3%	9.1%
Total Europe	123,356	108,894	13%	3,201	3,909	-18%	4.9%	4.6%	10,004	10,671	0.7	0.7	4.0%	3.9%	7.2%	7.1%
Japan	42,382	40,632	4%	764	829	-8%	2.5%	3.6%	3,247	3,503	1.2	0.8	2.2%	2.4%	5.5%	5.9%
Canada	28,529	25,558	13%	(1,101)	(167)	1,159%	-0.1%	2.0%	718	3,231	1.1	1.0	-1.4%	0.5%	-3.0%	0.2%
Australia/New Zealand	6,551	5,574	18%	67	49	37%	5.0%	3.8%	766	1,221	0.5	0.9	2.9%	2.7%	7.7%	7.5%
South Africa	6,421	5,988	7%	241	43	460%	5.8%	5.2%	682	549	0.7	1.3	3.8%	0.7%	11.5%	2.3%
Emerging Markets																
Emerging Asia	12,241	10,068	22%	974	615	58%	7.3%	7.4%	887	912	0.6	0.6	6.8%	4.8%	12.3%	7.3%
Latin America	17,076	14,384	19%	3,797	2,426	57%	7.8%	9.3%	4,424	4,354	0.6	0.7	18.2%	17.0%	13.1%	12.5%
Total	\$343,285	\$317,254	5%	\$13,483	\$11,935	14%	4.8%	4.6%	\$30,641	\$34,868	0.8	0.9	4.0%	3.7%	7.9%	6.5%

Source: PricewaterhouseCoopers LLP

Survey Methodology

The PricewaterhouseCoopers Global Forest, Paper & Packaging Industry Survey examines the 100 largest forest, paper and packaging products companies in the world — whether state, private, publicly owned, or a division of a larger entity — ranked by sales, provided there is sufficient public disclosure to allow meaningful analysis.

The data reported is drawn from a number of sources including annual reports, websites, press releases and the companies. Information may be unaudited.

For some companies, such as privately-owned entities, no or limited financial information is available. For those where sales data is available we have listed separately the 17 largest companies on page 27. Had sufficient data been available, these companies would have been included in the PwC Top 100. This list does not purport to be complete. Most notably, the list is topped by Koch Industries which incorporates Georgia-Pacific acquired in 2005.

Two of Emerging Asia's largest companies, Asia Pulp & Paper (APP) and Asia Pacific Resources International (APRIL), no longer publish their financial information. However, these two companies are too large to ignore. In recent years, we have ranked both of these companies in the PwC Top 100 based on estimated sales data being extrapolations we have made using data that is in the public domain about their operations. We have now concluded it is more appropriate to include these two companies in the list of other major companies, to avoid distorting the PwC Top 100 analyses. Sales of APP and APRIL continue to be estimates as described.

A further notable omission from the PwC Top 100 is New Zealand entrepreneur Graeme Hart's Rank Group. The Rank Group has spent over \$5 billion since 2005 on FPP acquisitions and a further \$2.7 billion on Alcoa's (non-fibre) packaging and consumer businesses. Rank started with the purchase of Carter Holt Harvey, a broad-based forest products group in Australasia, previously controlled by International Paper but with a strong focus on paper packaging. This was followed by the acquisition of SIG Holding, a Swiss company and the second largest food and drink carton packaging company in the world and the separate acquisitions of International Paper's drinks carton packaging business and Blue

Ridge Paper Products of North Carolina, US, which focuses on cartonboard, food and drink cartons. The two latter businesses are being merged to form Evergreen Packaging, headquartered in Arkansas. Financial data is not available for the Rank Group, but based on the annual sales of the businesses acquired by the Rank Group, we estimate that the annualized sales of its FPP (fibre only) businesses would exceed \$5 billion and therefore places the group amongst the top 20 FPP companies by sales.

The PwC Top 100 results include only companies whose forest, paper and fibre packaging products business comprise more than 50% of total sales. Companies are grouped based on the location of their head offices.

For 2007, Procter & Gamble is not on the PwC Top 100 as it does not meet the 50% threshold for forest products.

The 2006 comparative corporate data included in this Survey depends upon the data reported in the companies' 2007 annual reports PwC takes no responsibility for the correctness of the extrapolated figures. The 2007 Japanese data is for their fiscal year ended March 31, 2007.

Return on Capital Employed (ROCE) is calculated as net income before unusual items, minority interest and interest expense, on an after-tax basis, divided by average total assets less average non-interest bearing current liabilities.

Foreign exchange fluctuations can have a significant impact on the data presented. This Survey has directly adopted the results of companies that report in US dollars; otherwise we have translated income statement items at the 2007 and 2006 average rates for the calendar years (irrespective of year-ends within 2007). Balance sheet items have been translated at the rates as of December 31, 2007 and 2006 respectively.

Table 11: Exchange Rates

Currency Type	Year End	USD @Dec 31	USD Average
Australian Dollar	2007	0.876	0.838
Australian Dollar	2006	0.789	0.754
Brazilian Real	2007	0.565	0.516
Brazilian Real	2006	0.469	0.461
British Pound	2007	1.997	2.001
British Pound	2006	1.959	1.843
Canadian Dollar	2007	1.019	0.935
Canadian Dollar	2006	0.858	0.882
Chilean Peso (000s)	2007	2.010	1.920
Chilean Peso (000s)	2006	1.920	1.880
Chinese Renminbi	2007	0.137	0.132
Chinese Renminbi	2006	0.128	0.125
Euro	2007	1.473	1.370
Euro	2006	1.320	1.256
Japanese Yen (000s)	2007	8.910	8.500
Japanese Yen (000s)	2006	8.410	8.600
Korean Won (000s)	2007	1.070	1.080
Korean Won (000s)	2006	1.090	1.060
Mexican Peso	2007	0.092	0.092
Mexican Peso	2006	0.093	0.092
N Zealand Dollar	2007	0.775	0.736
N Zealand Dollar	2006	0.705	0.649
Norwegian Krone	2007	0.185	0.171
Norwegian Krone	2006	0.161	0.156
Singapore Dollar	2007	0.692	0.664
Singapore Dollar	2006	0.652	0.629
S African Rand	2007	0.156	0.142
S African Rand	2006	0.144	0.149
Swedish Krona	2007	0.156	0.148
Swedish Krona	2006	0.146	0.136
Swiss Franc	2007	0.888	0.834
Swiss Franc	2006	0.820	0.798
Taiwan Dollar	2007	0.031	0.031
Taiwan Dollar	2006	0.031	0.031
Thai Baht	2007	0.034	0.032
Thai Baht	2006	0.028	0.026

Table 12: Other Major Companies

Company Name	Country	2007 Estimated Sales	2006 Estimated Sales
Koch Industries	US	\$20,000	\$19,656
Rank Group	New Zealand	5,000	N/A
Asia Pulp and Paper (APP)	Singapore	4,500	4,400
Visy Industries	Australia	2,514	2,367
Kruger	Canada	2,337	1,850
APRIL	Singapore	2,200	1,550
SAICA	Spain	2,192	1,900
Fritz Egger	Austria	2,015	2,324
Tolko	Canada	1,650	1,900
North Pacific Lumber Group	US	1,200	1,500
Papierfabrik Palm	Germany	950	848
Elopak	Norway	935	781
Koehler Paper Group	Germany	875	753
Menasha	US	870	850
Klausner	Germany	750	720
Cenibra	Brazil	598	576
Fedrigoni Group	Italy	568	482

Source: PricewaterhouseCoopers LLP

PricewaterhouseCoopers 21st Annual Global Forest & Paper Industry Conference

PricewaterhouseCoopers hosted the 21st Annual Global Forest & Paper Industry conference on May 8, 2008 in Vancouver, British Columbia. This year's conference theme, "Challenging Times, Winning Strategies", acknowledged the significant financial challenges currently facing the industry, while also taking a forward look at new strategic directions and future opportunities.

Macroeconomic, Sector Background and Impact

That the industry is facing "challenging times" came as no surprise to our panelists or conference attendees. Patricia Croft said the World Bank has declared this the worst credit crisis since the Great Depression; the US sub-prime crisis has created a tangled web of economic issues in the US that had been building over the past 10 years. This crisis born in the US has fanned across other regions of the world exposing the inter-connectivity and often fragility of macroeconomic issues and systems.

The credit crisis, collapse in US housing starts, Russian log export tax, excess lumber capacity, and the beginning of the end of the British Columbia mountain pine beetle epidemic are all factors having a particularly strong impact on the global lumber industry. Many of the same factors are impacting the

pulp and paper sector, which is faced with serious challenges around securing fibre. A number of our speakers took a detailed look at what the impact of these macroeconomic factors on the forest and paper industry is likely to be.

Russ Taylor stressed that US housing starts will be a key demand factor for the entire global industry; however, he opened that the situation should start improving soon. He detailed a number of supply issues, such as the dramatic impact the Russian log export tax is likely to have on supply in Europe (especially Finland), Japan, and China, and speculated that an increase in the log floor price may be coming. Russ argued that lumber and panel capacity will remain excessive, despite a likely decrease in mountain pine beetle wood coming out of Canada, and currency fluctuations may have a substantial impact. His bottom line – the low cost producer wins, or, more pessimistically, loses less.



Tom Wright argued that the fundamentals of the paper industry have changed, with flat demand, rising costs, and falling prices a trend rather than a cyclical low point. The paper industry is responding by divesting non core businesses and closing capacity. The pulp market is shifting from long fibre (softwood) to short fibre (hardwood), but demand will need to grow substantially to keep pace with planned capacity increases. Demand in China, while likely to remain strong, may slow somewhat, so the industry may face some overcapacity in short fibre over the next several years.

Gail Glazerman pointed out that the paper industry has actually worked aggressively to reduce costs in recent years, although the benefits are obscured by inflation. She argued that relative cost position is essential to maintaining competitiveness, with access to lower cost fibre increasingly important, and high transport prices impacting decisions to serve certain markets.

Does Canada have a future in the forest products industry?

The current situation: in one presenter's words, a "train wreck". Low commodity prices, a weak US dollar and 19 million houses for sale in the US have happened all at once to create financial results that are the worst in recent decades.

Should we declare the Canadian forest industry dead-on-arrival? Some of our panelists think not.

Avrim Lazar provided an optimistic outlook for the forest and paper industry, noting that the 'horizon is golden', especially in Canada where the boreal forest is not as impacted by the inter-dependency of fibre, fuel and food.

Ken Shields also saw a number of reasons for optimism in the future. Ken asserted that developments in the US will determine the future prospects of the Canadian softwood lumber industry. Lumber is a commodity industry, and the Canadian lumber market is heavily dependent upon US homebuilding. While the US economy and capital markets are currently facing a crisis, Ken argued that over the long-term housing starts will increase again, with a recovery likely in late 2008 or early 2009 and a higher rate of starts over the long term. In his view, the US economy and capital markets are resilient and will soon weather the current downturn.

Further, current levels of over-supply will slow down as harvests from mountain pine beetle infested wood decreases. In recent years, harvest levels have been maximized to salvage as much of the dead wood as possible and slow the spread of infestation. As dead pine ages, it becomes less suitable as lumber, so unit costs will increase and future harvest levels will be reduced. Ken predicted that lumber production in the British Columbia interior is likely to drop 30-40%. The return of housing starts to the historic trend line and the predicted decrease in production are likely to coincide, raising the question of who will fill the resultant supply gap in North America. Ken argued that this is unlikely to be eastern Canada or the US, so European producers will need to fill the gap. Given the current cost environment, this will inevitably drive prices up substantially – ultimately benefiting the remaining sawmillers in British Columbia. Ken commented that share prices of many Canadian companies are currently below the economic value of their business, so over the long-term, there is much cause for optimism.

Mark your calendar

PricewaterhouseCoopers 22nd Annual Global Forest & Paper Industry Conference

May 14, 2009 – Vancouver, Canada | Westin Bayshore Resort & Marina

Promising Directions for Investment

Which regions are best positioned? In Gail's view, the consolidation which has recently taken place in the US markets, as well as the reduced competitiveness of imports due to US dollar weakness and high transport costs, add up to a solid position for US companies. The picture in Europe looks somewhat bleaker, given pressures from rising costs, limited pricing power, and currency issues. Duncan Davies, Interfor, supported Gail's analysis of the desirability of the US market. He described part of Interfor's success as attributable to its diversification from Canada into the US.

Craig Campbell detailed the competitive position of the Latin American industry, based on its high comparative forest yields. Despite the strong investment in pulp capacity in Brazil, Tom Wright signaled a cautionary note on future investment given the relative strength of the Brazilian real, which has reduced regional industry's competitive advantage.

Leo Hambro, Russian Timber Group, advocated strongly for investment in the Russian forest industry. He sees the Russian industry as poised for a period of sustained economic growth. Russia is the most underdeveloped, underutilized timber supply and is next to the largest global market – China. Given the sharp increases in Russian export taxes, he argues that it makes good economic sense to invest in processing within Russia; in fact if timber cannot be processed locally, it will not be economic to harvest it.

Jukka Tiitinen, Metso Paper, explained that in these difficult times, diversified investment in geographic and product terms can enable companies to weather an industry downturn. This view is the antithesis of many strategies pursued in recent years which have aimed for selectivity and focus.



Looking Towards a Sustainable Future

The forest and paper industry is at the heart of the drive to a more sustainable future, and a number of issues around sustainability were topics of discussion. Forest certification remains an important issue, as highlighted by one of our speakers, but the debate is also moving in several other directions. Teresa Presas described how the European paper industry sees addressing climate change as a top concern. European paper-makers are subject to the EU-Emissions Trading Scheme (EU-ETS) and may face higher costs when the next phase of the scheme takes effect. At the same time, competition for fibre is increasing sharply as countries look for ways to meet the EU's targets for renewable energy production. The use of forest biomass as a renewable energy source does not only mean facing competition for fibre, though. It also provides excellent opportunities for the industry, which were discussed in some detail by two of our speakers.

Although many may think certification has become the norm for the industry, Kenneth Strassner pointed out that access to timber is constrained because only 10% of the world's forests are certified. His company, Kimberly-Clark, sees a competitive advantage in sourcing and consuming certified fibre. Kenneth urged the industry to work closer with NGOs, native populations and government to improve the access to and certification of fibre, as well as helping small landowners in the US obtain certification.

What's the best way to use forest biomass? Niel Barnard reviewed some of the options for biomass energy projects, include burning for heat or power, or bio-refining. The pulp and paper industry has a unique opportunity to capture value as a result of its access to fibre and existing ability to generate energy, however bio-refining may actually provide the best long-term opportunities. He noted that

there will likely be a significant first-mover advantage and that choosing the right technology and the right product will be critical. Niel detailed steps for success focused around improving EBITDA via the elimination of fossil energy purchases and deriving more products (energy, chemicals) from existing feedstock supply and growing revenue by means of product development, with outside energy and chemical product sales and with the selection of product mix and supply chain partners being critical success factors.

If forest products companies begin developing biomass energy projects, will there be a market for the electricity produced? According to Bev Van Ruyven, in British Columbia (BC) the answer is a resounding yes. BC Hydro, a BC utility, has identified a substantial gap between the demand and supply of electricity emerging over the near-term. Part of their strategy to fill the gap includes buying clean energy such as that produced from biomass. In February 08, BC Hydro issued a Bioenergy Call – Phase 1, soliciting potential projects to provide energy generated from forest biomass. A wide range of companies responded with proposals, including both well-known Canadian forest products producers and smaller players.

In PwC's recent report on mergers and acquisitions activity in the industry, *Branching Out*, available for download at pwc.com/fpp, we highlighted some key emerging investment trends which relate to sustainability issues. We anticipate an increased interest by institutional investors in sustainable timber assets, including a fast rising trend towards "timber-plus investment strategies", which reference not only the timber value of the forestland, but also its potential for carbon sequestration and other ecosystem benefits. Biomass-based energy and using waste as a fibre and energy source will also drive investment in the future.

Understanding Your Customer

PwC's first edition of *CEO Perspectives*, our report detailing the views of CEOs from across the industry (available for download at pwc.com/fpp), identified "understand your customer, know your markets", as one of the key strategies employed by industry executives. Several of our presenters echoed this advice, which remains critical for the industry. Mikael Selling stressed the importance to producers of understanding their customer's situation; strategic challenges and helping their customers to create competitive advantages. However, he implored

producers to change their business models so that instead of giving away value for free, they are compensated for developed services such as logistics solutions, product consulting and printing techniques. Mark Suwyn discussed the paradigm shift in advertising and the resulting increase in catalogues and direct mailings. His company, NewPage, focuses on this growing market. Boise Cascade's Tom Stephens explained how his company's recent restructuring aims to differentiate the company through a better understanding of customers' needs and a "never stop learning" attitude.

Panelists

Niel Barnard, CEO
Ceres Ventures Limited, *Surrey, UK*

Craig Campbell, Partner,
PricewaterhouseCoopers,
Vancouver, Canada

Patricia Croft, Chief Economist,
Philips, Hager and North,
Toronto, Canada

Duncan Davies, President and CEO,
International Forest Products
(Interfor), *Vancouver, Canada*

Gail Glazerman, Director,
US and Global Paper Analyst,
UBS, *New York, USA*

Leo Hambro, Chief Executive,
Russian Timber Group,
Jersey, Channel Islands

Avrim Lazar, President and CEO,
Forest Products Association
of Canada, *Ottawa, Canada*

Teresa Presas, President,
International Council of
Forest & Paper Associations;

Director General, Confederation of
European Paper Industries,
Brussels, Belgium

Mikael Selling, Co-founder,
Opticom International Research AB,
Stockholm, Sweden

Ken Shields, Chairman of the Board,
Raymond James Ltd,
Vancouver, Canada

Kenneth A. Strassner,
Vice President Environment, Energy,
Safety, Quality and Consumer
Services, Kimberly-Clark,
Roswell, USA

W. Thomas Stephens, Chairman and
CEO, Boise Cascade LLC,
Boise, USA

Mark Suwyn, Chairman and CEO,
NewPage Corporation,
Miamisburg, USA

Russell E. Taylor, President,
International WOOD Markets
Group Inc, *Vancouver, Canada*

Jukka Tiitinen, President,
Metso Paper North America

Bev Van Ruyven, Executive VP
Customer Care and Conservation,
BC Hydro and Power Authority,
Vancouver, Canada

Tom Wright, Director, Hawkins
Wright, *London, UK*

Luncheon Guest Speaker

Linda Coady, VP Sustainability for
the 2010 Winter Olympics

Forest, Paper & Packaging Executive Briefing

Conversion to IFRS in Canada and the US

Following our Forest & Paper Conference, PwC hosted a briefing for FPP executives on how to prepare for conversion to International Financial Reporting Standards (IFRS). All listed companies, and other publically accountable enterprises in Canada, are required to prepare their financial statements under IFRS for years ended on or after 31 December 2011.

First hand insights into the transition process were provided by Nicolas Adlercreutz, the Group Chief Accountant from Svenska Cellulosa (SCA) of Sweden. Nicolas' key messages were to start the process early, and that the larger benefits of conversion may come from unexpected places such as improved quality of reporting and better integration of finance within the business.

Bo Lagerström of PwC Sweden provided details of other commonly faced transition issues within the industry in Europe as well as the key lessons learned from the process. His overview included remarks on a number of industry-specific concerns,

including the evaluation of growing trees according to IAS 41, a number of issues around property, plant and equipment, asset retirement obligations, and contracts/rights to use land for growing trees or to harvest growing trees. He also flagged a host of general issues related to conversion projects. In Bo's view, IFRS conversion is not primarily a finance exercise – companies should take a holistic view on the reporting systems and its governing documents/policies. Senior management need to be actively involved and show a commitment to the project by allocating sufficient, skilled resources.

Kevin Bromley from PwC Canada provided an overview of critical deadlines for Canadian companies, which include MD&A disclosure about IFRS transition issues and possible impacts in 2009 and 2010, collection of data in 2010 that will be needed for 2011 IFRS reporting, and full transition to IFRS in 2011. Ed Matley from PwC Canada also gave an overview of what an IFRS

transition project plan might look like, including three key phases. In each phase, its critical not only to change the numbers, but also to change the business, in terms of people, processes and systems.

Todd Stroup from PwC US provided details of recent developments in the US. He urged companies to begin the process of readiness for conversion, including keeping abreast of current developments, embedding IFRS into operations and existing systems, and exploring change management systems. Todd stressed the importance of people to the process, and encouraged companies both to add IFRS talent to their organisation, and begin educating investors and other stakeholders on how IFRS impacts financial reporting.

More information on key developments in IFRS accounting standards is available at www.pwc.com/ifrs. Our territory websites, www.pwc.com/ca and www.pwc.com/us, also provide more specific information for companies located in the US and Canada.

Branching out – Global deals activity in the forest, paper & packaging industry (2008)

Reviews the recent deals activity in the forestry, paper and fibre packaging sectors, examines the last twelve months' activity in detail, exploring the key drivers behind transactions in the industry, including the key role of non-traditional investors, in particular private equity. The publication also focuses on deal activity by key regions, the success of deals and considers the future transactions outlook.

CEO Perspectives – Viewpoints of CEOs in forest, paper & packaging companies worldwide (2008)

Our second edition of *CEO Perspectives* summarises the thoughts of 26 CEOs, or equivalent, from the forest, paper & non-paper packaging sectors around the world on key issues facing the industry. The thoughts of CEOs of companies based in North America; South America; the Middle East, Europe & Africa (EMEA); and Asia, were drawn from face-to-face and telephone interviews by conducted between August and December 2007. The combined sales revenue of the companies interviewed was over US\$120 billion. Questions were focused, but not exclusively, on the following topics: cost structure, customers, supply chain and sustainability.

IFRS in FPP – Applying IFRS in the forest, paper & packaging industry (2007)

This publication and corresponding website (www.pwc.com/fpp/ifrs) contain our solutions so far to help our clients in understanding the implications of IFRS on the forest, paper & packaging industry.

Risks & Rewards – Forest, paper & packaging in South America (2007)

Addresses the state of the industry in South America – a series of interesting growth markets for forest, paper and packaging products – and reflects on key considerations for potential investors. With the lowest wood costs of any leading producer region, South America looks set to become a dominant producer of market pulp globally. The publication includes a major focus on Brazil as well as sections on other key South American markets – Argentina, Chile, Colombia & Uruguay.

Risks & Rewards – Forest, paper & packaging in Russia (2006)

Addresses the state of the industry in Russia and reflects on the key considerations anyone thinking of investing in the sector there should make. Sets the scene on the background of the Russian marketplace, the regulatory environment and its “forest wars”; provides analysis sector by sector (forestry and logging; processed wood products; pulp, paper and paperboard; paper/non-paper packaging); and explores the risks and rewards of doing business in Russia.

Risks & Rewards – Paper & packaging industry in China (2005)

Presents an overview of the impact of China on the paper and packaging sectors including an in-depth look at some key issues of particular importance to companies operating – or looking to invest – in the Chinese marketplace.

PricewaterhouseCoopers Global Forest, Paper & Packaging practice comprises a network of industry professionals located in over 35 countries around the world.

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