PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF

THE ANDHRA PRADESH PAPER MILLS LIMITED

Registered Office: Rajahmundry - 533 105, East Godavari District, Andhra Pradesh, India

This Public Announcement ("PA" or "Public Announcement") is being issued by Lazard India Private Limited ("LIPL" or the "Manager to the Offer"), on behalf of IP Holding Asia Singapore PTE. LTD. ("IPSING" or "Acquirer") along with International Paper Company ("IPCO") being "Person Acting in Concert" and referred to as "PAC", to the equity shareholders of The Andhra Pradesh Paper Mills Limited ("APPM" or the "Target Company") pursuant to and in compliance with Regulation 10, Regulation 12 and other applicable provisions of the Securities And Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereto ("SEBI (SAST) Regulations" or "Regulations"). Except for the Person Acting in Concert, no other person/ individual/ entity is acting in concert with the Acquirer for the purposes of this Offer. The purchase of Shares by the Acquirer and the PAC is subject to obtaining the required approvals from the Reserve Bank of India ("RBI") and if applicable, Competition Commission of India ("CCI"), under applicable laws as described in Section V.

I. Background to the Offer

1. This offer (the "Offer") is being made by IPSING, a company incorporated under the laws of Singapore having its registered office at 1 Robinson Rd, #17-00, AIA Tower, Singapore 048542 along with IPCO, a company presently incorporated under Section 807 of the Business Corporation Law of the State of New York, USA, having its principal executive office at 6400 Poplar Avenue, Memphis, Tennessee – 38197, USA, to the equity shareholders of APPM in compliance with Regulation 10 and Regulation 12 and other applicable provisions of the Regulations.
2. IPCO is a global paper and packaging company with manufacturing operations in North America, Europe, Latin America, Russia, Asia and North Africa. Its businesses include uncoated papers and industrial and consumer packaging, complemented by xpedx, the company's North American distribution company. Headquartered in Memphis, Tennessee, the company employs about 59,500 people in more than 24 countries and serves customers worldwide. 2010 Net sales were more than USD 25 billion. It is listed on the New York Stock Exchange.
3. IPSING is a private unlisted company incorporated in Singapore whose ultimate holding company is IPCO.
4. On March 29th, 2011 ("SPA Date") the Acquirer and PAC entered into a Share Purchase Agreement ("SPA") with the promoter group of APPM ("Promoter Group Sellers"), to acquire 21,260,008 fully paid up shares ("Promoter Sale Shares") forming 53.46% of the fully diluted equity share capital of APPM (the "SPA Acquisition") at a price of INR 523.00 per share ("SPA Price") aggregating INR 11,118,984,184 (the "Promoter Sale Consideration"), subject to receipt of requisite approvals and subject to fulfillment by the parties of agreed conditions precedent to closing.

The Salient Features of the SPA are as follows:

a. The SPA entails acquisition of 21,260,008 fully paid up shares inclusive of 1,499,330 pledged shares from the Promoter Group Sellers; the title to the pledged shares would be transferred to the Acquirer upon release of the pledge;
b. The obligation of the Acquirer and PAC to complete the SPA Acquisition is subject to fulfillment of certain conditions precedent, including but not limited to (i) The Manager to the Offer issuing a certificate confirming fulfillment of all Offer obligations under the SEBI (SAST) Regulations and (ii) Acquirer and PAC having obtained prior statutory approvals including approval of the RBI and, if applicable, the CCI;
c. Covenants for the Promoter Group Sellers under the SPA include (i) to procure that the business of the Target Company is operated, until completion of the SPA Acquisition, in the ordinary course and in the same manner as prior to SPA Date, except with the prior approval of the Acquirer and (ii) to use all reasonable endeavors to procure that Acquirer's nominee director Mr. Paul Brown, be appointed as director of the Target Company within 45 days from the SPA date; and
d. The Promoter Group Sellers have provided customary representations, warranties and indemnities intended to protect the rights of the Acquirer and PAC under the SPA.

5. The Promoter Group Sellers have been the controlling shareholders and have had extensive participation in the management and operations of the Target Company for a substantial period of time, and have gained deep knowledge of and experience in the business and affairs of the Target Company. By virtue of their association with the Target Company and knowledge of its business, the Promoter Group Sellers are capable of offering competition to the Business of the Target Company, which could cause irreparable harm to the Target Company, its continuing shareholders and the Purchaser.

In light of the above, the Acquirer has entered into a Non Compete Agreement with the Promoter Group Sellers, under the terms of which, the Promoter Group Sellers and their affiliates shall not, for a period of 3 years post completion of the Transaction, compete with the business of the Target Company in the manufacturing, sale and trading of pulp and paper. In consideration for the non compete covenants of the Promoter Group Sellers the Acquirer has agreed to pay INR 27,795.3 lakhs payable in cash ("Non Compete Consideration") to the Promoter Group Sellers. The Non Compete Consideration is in line with the SEBI (SAST) Regulations and is not in excess of 25% of the Offer Price as set out in paragraph 7 below.

6. The SPA Acquisition by Acquirer could be regarded as a direct acquisition of shares in the Target Company. The SPA Acquisition results in the Acquirer directly and indirectly having greater than 15% of the issued and paid-up equity share capital of the Target Company. Accordingly, this Offer is being made in terms of Regulation 10 of SEBI (SAST) Regulations. Pursuant to the proposed acquisition, the Acquirer together with the PAC would acquire control over the management and policy decisions of the Target Company and as a result this Offer is also being made under Regulation 12 of the SEBI (SAST) Regulations.

In view of the above, this Offer is being made in terms of Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations to acquire up to 8,567,521 fully paid up equity shares ("Offer Shares") of the face value of INR 10 each, representing in aggregate 21.54% of the Emerging Voting Capital of the Target Company (as defined in Paragraph 19 below).

The transaction contemplated under the proposed SPA, and this Offer are together referred to as the "Transaction"

II. The Offer

7. This Offer is being made by the Acquirer and PAC as a result of the acquisition of more than 15% in the issued and paid-up share capital of the Target Company and the Acquirer acquiring an ability to influence 53.46% of the voting rights in the Target Company in terms of Regulation 10, and as a result of acquisition of control by the Acquirer in the Target Company under the provisions of the SPA in terms of Regulation 12 of the SEBI (SAST) Regulations.
8. The Acquirer along with PAC is making this Offer to acquire Offer Shares, representing in aggregate 21.54% of the Emerging Voting Capital of the Target Company in terms of Regulation 21(1) of the SEBI (SAST) Regulations, at a price of INR 544.20 per fully paid up share ("Offer Price") payable in cash subject to the terms and conditions mentioned herein.
9. IPCO is a PAC, in terms of Regulation 2(1)(e)(1) of the SEBI (SAST) Regulations, along with the Acquirer. Due to the applicability of Regulation 2(1)(e)(2) there could be certain entities deemed to be persons acting in concert with the Acquirer and the PAC. However, for the purposes of this Offer, other than IPCO no other person is acting in concert with the Acquirer.
10. The Offer is not conditional upon any minimum level of acceptance. The Acquirer and PAC will acquire all the shares of the Target Company that are validly tendered as per terms of the Offer up to a maximum of 8,567,521 Shares.
11. There are no outstanding partly paid up equity shares or any other instruments convertible into equity shares at a future date, in the books of the Target Company.
12. This is not a competitive bid.
13. IPCO and IPSING do not hold any shares in the Target Company as of the date of this Public Announcement.
14. Neither the Acquirer nor the PAC or any of their respective directors has acquired any shares of the Target Company during the 12 months period prior to the date of this Public Announcement.
15. The shares of the Target Company are listed on the Bombay Stock Exchange ("BSE") and on the National Stock Exchange ("NSE"). Based on the information available, the shares of the Target Company are frequently traded on BSE and NSE (Source: www.bseindia.com and www.nseindia.com) within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations. The pricing under Regulation 20(4) and Regulation 20(12) is based on NSE prices, where the shares are most frequently traded.
16. The Offer Price of INR 544.20 (Rupees Five hundred and Forty Four and Twenty paisa only) per Share is justified in terms of Regulation 20(4) and Regulation 20(12) of the SEBI (SAST) Regulations being the highest of the following:

(a)	The negotiated price per share under the SPA	523.00
(b)	The negotiated price per share including pro rata exclusivity fee ^	544.20
(c)	The highest price paid by the Acquirer and PAC for acquisition of equity shares of the Target Company during the 26-week period prior to the date of the PA	NA
(d)	The average of the weekly high and low of closing prices of the shares of the Target Company on NSE for the 26 weeks preceding the date of the PA	160.63
(e)	The average of the daily high and low prices of the shares of the Target Company on NSE for the 2 weeks preceding the date of the PA	189.46

^ Note: The Promoter Group Sellers received an exclusivity fee of INR 450.7 Mn pursuant to an exclusivity agreement with the PAC (equivalent to INR 21.2 per Promoter Sale Share). As a matter of prudence, the Manager to the Offer believes that this pro rata exclusivity fee should also be paid to public shareholders and hence, the addition in (b) above.

III. Information on the Acquirer and PAC

17. IP Holding Asia Singapore Pte. Ltd. ("IPSING" or "Acquirer")

The Acquirer is an unlisted company incorporated on 15th September, 2010 under the laws of Singapore, with its registered office at 1 Robinson Rd, #17-00, AIA Tower, Singapore 048542. The company is a private company limited by shares. All shares in the Acquirer are held by IP International Holdings Inc., a subsidiary of the PAC.

The PAC is the ultimate parent company of the Acquirer and ultimately holds 100% of the share capital of the Acquirer. For the purposes of the Offer, Acquirer and PAC are acting in concert with each other to fulfill the obligations under the Offer.

In USD Mn and Rs Lakhs except per share data (USD/Rs)	Dec-08		Dec-09		Dec-10	
	USD Mn	Rs Lakhs	USD Mn	Rs Lakhs	USD Mn	Rs Lakhs
Revenues	NA	NA	NA	NA	0	0
Net Profit	NA	NA	NA	NA	(3.5)	(1,559)
Share Capital	NA	NA	NA	NA	10.1	4,501
Reserves (Shareholders Equity less Common stock)	NA	NA	NA	NA	(3.5)	(1,560)
Total Shareholders Equity (Net worth)	NA	NA	NA	NA	6.6	2,941

Assumes 1 USD = 44.77 INR, based on RBI reference rate as of March 30th, 2011

Source: Audited Financials

As of the date of last audited financials, EPS, return on net worth, Book Value per share and P/E are not ascertainable.

The Acquirer is an investment holding company that has been incorporated among other things, to invest in one or more companies in the South Asia region, as the board of directors of the Acquirer may decide from time to time.

18. International Paper Company ("IPCO" or "PAC")

IPCO is a global paper and packaging company that is complemented by an extensive North American merchant distribution system, with primary markets and manufacturing operations in North America, Europe, Latin America, Russia, Asia and North Africa. IPCO is a New York corporation, incorporated in 1941 as the successor to the New York corporation of the same name organized in 1898. Further details on IPCO are available on its home page on the Internet: www.internationalpaper.com.

In the United States, at December 31st, 2010, IPCO operated 20 pulp, paper and packaging mills, 144 converting and packaging plants, 19 recycling plants and 3 bag facilities. Production facilities at December 31st, 2010 in Europe, Asia, Latin America and South America included 8 pulp, paper and packaging mills, 67 converting and packaging plants, and 2 recycling plants. IPCO distributes printing, packaging, graphic arts, maintenance and industrial products principally through over 224 distribution branches in the United States and 38 distribution branches located in Canada, Mexico and Asia. As on December 31st, 2010, IPCO owned or managed approximately 250,000 acres of forestland in Brazil and had, through licenses and forest management agreements, harvesting rights on government owned forestlands in Russia.

The principal executive office of IPCO is located at 6400 Poplar Avenue, Memphis, Tennessee - 38197, USA.

IPCO is a widely held listed company on the NYSE with Institutional/Mutual Fund ownership of 85 % as of December 31st, 2010. Top 10 Institutions/Mutual Funds hold 37.6 % as of December 31st, 2010. No single shareholder holds more than a 10% stake. There is no identifiable promoter group controlling IPCO.

IPCO has no shareholding in the Target Company as on the date of this Public Announcement. The Acquirer is a 100% indirect subsidiary of IPCO, which is the ultimate holding company of the Acquirer.

The financial details of IPCO, based on its audited accounts, are as follows:

In USD Mn and Rs Lakhs except per share data (USD/Rs)	Dec-08		Dec-09		Dec-10	
	USD Mn	Rs Lakhs	USD Mn	Rs Lakhs	USD Mn	Rs Lakhs
Revenues	24,829	11,115,943	23,366	10,460,958	25,179	11,272,638
Net Profit	(1,282)	(573,951)	663	296,825	644	288,319
Share Capital	434	194,302	437	195,645	439	196,540
Reserves (Shareholders Equity less Common stock)	3,735	1,672,160	5,586	2,500,852	6,395	2,863,042
Total Shareholders Equity (Net worth)	4,169	1,866,461	6,023	2,696,497	6,834	3,059,582
Earnings Per Share (Net Profit After Tax Divided By Number Of Shares Issued) – Basic	(3.05)	(136.5)	1.56	69.8	1.50	67.2
Earnings Per Share (Net Profit After Tax Divided By Number Of Shares Issued) – Diluted	(3.05)	(136.9)	1.55	69.4	1.48	66.3
Return On Net Worth (Net Profit Attributable to IPCO divided by Average Shareholders' Equity, computed monthly)	(14.9)%		13.6%		10.6%	
Book Value Per Share	9.9	4,432	14.2	6,357	15.9	7,118
P/E Multiple	NA		17.3		18.4	

Assumes 1 USD = 44.77 INR, based on RBI reference rate as of March 30th, 2011

Source: SEC 10-K filings

19. Information on the Target Company ("APPM")

APPM is one of the largest, integrated pulp and paper manufacturers in India and has done pioneering work in several areas in the pulp and paper industry. It produces a wide variety of products ranging from writing & printing papers, Kraft paper and newsprint thereby catering to different segments of the market.

APPM was incorporated on June 29th, 1964 as a joint venture between the Government of Andhra Pradesh and Somani Group, to take over Andhra Paper Mills, a concern run by the Government of Andhra Pradesh. In 1966, the Somani group transferred its ownership rights to West Coast Paper Mills Limited. In the year 1981, West Coast Paper Mills Limited transferred its ownership rights to Digvijay Investments Limited, a Company controlled by Shri L.N. Bangur and his associates. In the year 2000, Government of Andhra Pradesh transferred its entire shareholding to Digvijay Investments Limited. APPM is now the flagship company of the L. N. Bangur group.

APPM owns and operates 2 units – Rajahmundry and Kadam. The unit based at Rajahmundry is an integrated wood based paper mill with a rated capacity to produce 174,000 MTPA of finished paper and 181,500 MTPA of bleached pulp production. The unit manufactures uncoated writing and printing paper mainly copiers, industrial papers and posters using Casuarina and Subadul as main source of pulpwoods.

The unit based at Kadiam (Unit CP), has a rated capacity to produce 67,000 MTPA of finished paper such as creamwove, azurelaid, coloured copiers, kraft liner and newsprint using agri-residue, recycled fibers and purchased pulp as base raw materials.

The registered office of APPM is located at Rajahmundry – 533 105, East Godavari District, Andhra Pradesh, India. The corporate office is located at 501/509, 5th Floor, Swapnalok Complex, 92, 93 Sarojini Devi Road, Secunderabad 500 003.

APPM is promoted by the Kolkata based L.N. Bangur Group which held 21,260,158 Shares in APPM comprising 53.46% of its issued and paid up equity share capital as of December 31st , 2010.

The issued and paid up share capital of APPM comprises of 3,97,70,039 equity shares of INR10/- each fully paid-up aggregating INR 397,700,390. There are no partly paid up shares of APPM as at the date of the Public Announcement. The shares of APPM are listed on BSE and NSE. The last traded price of APPM as on March 31st, 2011 was INR 283.35 on BSE and INR 284.35 on NSE (Source: www.bseindia.com and www.nseindia.com).

The financial details of APPM, based on its audited accounts, are as follows:

In Rs Lakhs except per share data (Rs)	Mar-08	Mar-09	Mar-10
Revenues	62,824	65,733	66,934
Net Profit	1,654	1,895	5,419
Share Capital	2,573	2,573	3,275
Reserves	39,069	39,224	47,019
Total Shareholders Equity (Net worth)	41,642	41,797	50,294
Earnings Per Share (Net Profit After Tax Divided By Number Of Shares Issued)	6.44	7.37	21.03
Return On Net Worth	4.0%	4.5%	10.8%
Book Value Per Share	162	162	155

Source: Annual Reports 2009-10, 2008-09 and 2007-08

Fully diluted capital for the Target Company as on the date of the Public Announcement is calculated as below:

Particulars	No. of equity shares
Issued and paid up equity shares outstanding as on the date of PA ("Emerging Voting Capital")	39,770,039

There are no outstanding partly paid up equity shares or any other instruments convertible into equity shares at a future date, in the books of the Target Company.

IV. Reasons for the Offer and Future Plans

20. As detailed in Paragraph 6 above, this Offer is being made pursuant to the SPA, whereby the Acquirer intends to acquire 53.46% of the equity share capital and voting rights in the Target Company and control of the Target Company, in accordance with and in compliance of Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations. Acquirer intends to appoint Mr. Paul Brown as a nominee director on the Board of Directors of the Target Company in accordance with Regulation 22(7) of the SEBI (SAST) Regulations and the Promoter Group Sellers have agreed to use reasonable efforts to facilitate the above appointment.
21. The Acquirer and PAC do not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next 2 years, except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities or otherwise of the Target Company.
22. The Acquirer and PAC wish to grow in the Indian paper and packaging markets and believe that the Target Company is a good platform for entry into the Indian market. Post completion of the SPA Acquisition, the acquirer plans to explore various opportunities to grow the business of the Target Company.
23. It will be the responsibility of the Board of Directors of the Target Company to make appropriate decisions in these matters in accordance with the requirements of the business. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws or legislation at the relevant time. Further, the Acquirer and PAC undertake that they shall not sell, dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of the shareholders of the Target Company.

V. Statutory Approvals for the Offer

24. The Offer is subject to the Acquirer and the PAC obtaining approval for the same from the RBI, under the Foreign Exchange Management Act, 1999.
25. Section 6 of the Competition Act 2002 ("CA02") is to come into effect on June 1st, 2011 and CCI is in the process of framing regulations for the purpose of implementing the provisions of Section 6. Pursuant to Section 6 and the said regulations coming into effect, the Acquirer will, if required, notify the CCI and obtain its approval in respect of the Transaction and the Offer will become subject to such approval.
26. Applications for the aforesaid statutory approvals will be made in due course.
27. To the best of the knowledge of the Acquirer and PAC, as on the date of this Public Announcement, there are no other statutory approvals required to implement the Offer, other than those indicated above. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals.
28. The Acquirer and PAC, in terms of Regulation 27 of SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event any of the statutory approvals indicated above are refused.
29. In case of delay in receipt of the above statutory approvals, SEBI has the power to grant extension of time to the Acquirer and PAC for payment of consideration to the shareholders of the Target Company, subject to the Acquirer and PAC agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of wilful default by the Acquirer and PAC in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.
30. The Acquirer and PAC do not require any approvals from financial institutions or banks for the Offer.

VI. Disclosure under Regulation 21(2) of the SEBI (SAST) Regulations

31. As per Clause 40A of the listing agreement with the BSE and NSE ("Listing Agreement"), the Target Company is required to maintain at least 25 % public shareholding on a continuous basis. In the current transaction, post the Offer, the public shareholding will not go below 25 % and hence the same will meet the requirements under Clause 40A of the listing agreements with BSE and NSE.

VII. Financial Arrangements

32. The total fund requirement for implementation of the Offer at INR 544.2 per fully paid up share is INR 46,624.5 lakhs assuming that full acceptance for the Offer is received ("Offer Consideration").
33. IPSING has made a cash deposit of INR 46,857.6 lakhs in an escrow bank account in the name of "Citibank Escrow Account – APPM Open Offer" with Citibank N.A., a scheduled commercial bank having its bank branch office at Dr D.N. Road, Fort, Mumbai 400001 ("Cash Deposit") in accordance with Regulation 28(10) of the SEBI (SAST) Regulations. The said Cash Deposit is in excess of 100% of the Offer Consideration and satisfies Regulation 28(2) of the SEBI (SAST) Regulations. LIPL has been duly authorized to realize the value of the aforesaid escrow account in terms of the SEBI (SAST) Regulations. Acquirer intends to appoint Mr. Paul Brown as a nominee director on the Board of Directors of the Target Company in accordance with Regulation 22(7) of the SEBI (SAST) Regulations and the Promoter Group Sellers have agreed to use reasonable efforts to facilitate the above appointment.
34. IPCO has a sum of USD 2.1 Bn (equivalent to INR 940,170 lakhs) in form of bank balance as of March 29th, 2011 in deposit with multiple banks in the United States and abroad. IPCO also has USD 2.5 Bn (equivalent to INR 1,119,250 lakhs) of backup credit available in the following two committed and undrawn credit facilities: (i) a USD 1.5 Bn (equivalent to INR 671,550 lakhs) revolving credit facility, and (ii) a USD 1.0 Billion (equivalent to INR 447,700 lakhs) accounts receivable securitization program. Further, SunGard Institutional Brokerage Inc., 377 East Butterfield Road, Suite 800, Lombard, Illinois, 60148 has issued a letter dated March 29th, 2011 confirming that IPCO has USD 270.2 Million (equivalent to INR 120,971 lakhs) invested in money market funds with UBS Financial Services that is available to the company to meet any payment obligations. The above amount is more than Offer size of Rs 46,624.5 lakhs and is sufficient to fulfill the financial obligations under the Offer.
35. Deloitte & Touche LLP, Chartered Accountants located at 6 Shenton Way, #32-00, DBS Building Tower Two, Singapore 068809, who are the statutory auditors for IPSING, have vide their letter dated March 30th, 2011 certified that the Acquirer has sufficient funds to fulfill its obligations under the Offer. This is based on the issue of a Promissory Note dated March 10th, 2011 from IPCO for USD 500 Million (equivalent to INR 223,850 lakhs).
36. The Acquirer and the PAC have vide certifications dated March 29th, 2011 respectively given an undertaking to the Manager to the Offer to meet their financial obligations under the offer.
37. Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer and PAC to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

VIII. Other Terms of the Offer

38. A Letter of Offer specifying the detailed terms and conditions of the Offer, together with a Form of Acceptance-cum-Acknowledgement will be mailed on or before May 11th, 2011 to the shareholders of the Target Company (other than the Acquirer and the PAC), whose names appear on the Register of Members of the Target Company and to the owner of the shares whose names appear as beneficiaries on the records of the respective depositories at the close of business hours on April 8th , 2011 (the "Specified Date").
39. Shareholders who wish to tender their Shares, held in physical form, will be required to send the Form of Acceptance cum Acknowledgement, original Share Certificate(s) and transfer deed(s) duly signed and witnessed to the Registrar to the Offer, Karvy Computershare Private Limited, either by hand delivery on weekdays or by Registered Post, at their sole risk, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., no later than June 14th, 2011 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgement. In case of registered shareholders, non-receipt of the aforesaid documents but receipt of the original certificates and valid transfer deed shall be deemed to be a valid acceptance.
40. The Registrar to the Offer, Karvy Computershare Private Limited, has opened a special depository account with National Securities Depository Limited ("NSDL") called, **"KCPL Escrow A/c – APPM Ltd Open Offer"**. Beneficial owners are requested to fill in the following details in the delivery instructions for the purpose of crediting their equity shares in the special depository account:

Depository Participant ("DP") Name	KARVY STOCK BROKING LTD
DP ID	IN300394
Client ID	18133243
Account Name	KCPL Escrow A/c – APPM Ltd Open Offer
Depository	National Securities Depository Limited

Shareholders having their beneficiary account in Central Depository Services (India) Limited ("CDSL") have to use inter-depository delivery instruction slips for crediting their shares in favour of the special depository account with NSDL.

41. Beneficial owners (holders of Shares in dematerialized form) who wish to tender their Shares will be required to send their Form of Acceptance cum Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account to the Registrar to the Offer, either by hand delivery on weekdays or by Registered Post, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., no later than June 14th, 2011, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgement. The credit for the delivered shares should be received in the special depository account on or before close of the Offer, i.e., no later than June 14th, 2011. In case of non-receipt of aforesaid documents, but receipt of shares in the special depository account, the offer shall be deemed to be accepted.
42. In addition to the above-mentioned address, the shareholders of the Target Company, who wish to avail of and accept the Offer, can also deliver the Acceptance Form along with all the relevant documents at the collection centre below in accordance with the procedure as set out in the Letter of Offer. The centre mentioned herein below would be open as follows:

Sr. No	Collection Centre	Address of Collection Centres	Contact Person	Phone No.	Fax	Mode of delivery
1	Mumbai (Fort)	Karvy Computershare. Pvt Ltd. 24, Maharashtra Chamber. of Commerce. Lane, Opp. MSC Bank, Nr Kalaghoda, Behind Rythm House, Fort, Mumbai - 400 023	Ms.Nutan Shirke	022-66381747 & 66382666	022-66331135	Hand Delivery
2	New Delhi	Karvy Computershare. Pvt Ltd. 305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi -110 001	Mr. Rakesh Kr Jamwal / Vinod Singh Negi / John Mathew	011-43681700/ 1798	011-41036370	Hand Delivery
3	Ahmedabad	Karvy Computershare. Pvt Ltd. 201-203,Shail,Opp: Madhusudhan House, Behind Girish Cold Drinks Off C G Road, Ahmedabad - 380 006	Mr.Aditya Gupta/ Robert Joeboy	079- 66614772/ 9374491873	079-26565551	Hand Delivery
4	Chennai	Karvy Computershare. Pvt Ltd. No. 33/1, Venkatraman Street, T. Nagar, Chennai - 600017	Ms. Janaki	044-45900900/ 902	044-28153181	Hand Delivery
5	Hyderabad	Karvy Computershare. Pvt Ltd. Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081	Ms. Rinki Sareen	040-44655000/ 23420815-23	040-23431551	Hand Delivery/ Regd Post
6	Kolkata	Karvy Computershare. Pvt Ltd. 49, Jatin Das Road, Nr.Deshpriya Park, Kolkatta 700 029	Mr. Sujit Kundu/ Mr. Debnath	033-24644891	033-24644866	Hand Delivery
7	Bengaluru	Karvy Computershare. Pvt Ltd. No.59, Skanda, Putana Road, Basavanagudi Bengaluru 560 004	Mr. Kumaraswamy/ Ms.V Sudha	080-26621192	080-26621169	Hand Delivery

All the collection centers herein above will be open during following business hours:

Monday to Friday: 10 am to 4 pm , Saturday: 10 am to 1 pm (Closed on Sundays & public holidays)

43. All owners (registered or unregistered) of equity shares of the Target Company, except the Acquirer, and the PAC, are eligible to participate in the Offer anytime before the closure of the Offer. This Offer is made to the public shareholders of the Target Company; accordingly the Promoter Group Sellers are ineligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, distinctive numbers, folio number, together with the original share certificate(s), the original contract notes issued by the broker through whom they had acquired their shares, valid transfer deeds as received from market duly stamped and signed as the proposed transferee along with another transfer deed duly signed as the transferor by the proposed transferee. The details of transferee should be left blank & will be filled in by the Acquirer upon verification of Form of Acceptance and the same found valid. All other requirements for valid transfer will be precondition for acceptance. No indemnity is required from the unregistered owners.
44. In case of non-receipt of the Letter of Offer, the eligible persons may (i) download the same from the SEBI website (http:// www.sebi.gov.in) (ii) obtain a copy of the same by writing to the Registrar to the Offer (iii) send their consent to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, distinctive numbers, folio number, number of shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the Close of the Offer, i.e., no later than June 14th , 2011 or in case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., no later than June 14th, 2011.
45. **Duly executed Form(s) of Acceptance along with share certificate(s) and share transfer form(s) should be sent only to the Registrar to the Offer and not to the Manager to the Offer or the Acquirer, the PAC or their advisors.**
46. In terms of Regulation 22 (5A) of the SEBI (SAST) Regulations, equity shareholders of the Target Company desirous of withdrawing the acceptance tendered by them in the Offer, may do so upto 3 (three) working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before June 9th, 2011.

a. The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer.
b. In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details:
- In case of physical shares: name, address, distinctive numbers, folio number, number of shares tendered, original acknowledgement copy of Form of Acceptance ("FOA") or if sent by Registered Post, acknowledgement copy of FOA; and
- In case of dematerialized shares: name, address, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account and original copy of the acknowledgement of FOA and copy of Delivery instructions slip.

47. Payment to those Public Shareholders whose Share certificates and/or other documents are found valid and in order and are approved by the Acquirer / PAC, will be by way of bankers' cheque / demand draft / National Electronic Funds Transfer ("NEFT")/ Real Time Gross Settlement ("RTGS"). Public Shareholders who opt for receiving consideration through NEFT/RTGS are requested to give the authorization for the same in the Form of Acceptance and enclose a photocopy of cheque along with the FOA (only for shareholders holding shares in physical format). For shareholders holding shares in electronic format, the bank details will be taken from their demat account.
48. The decision regarding the acquisition (in part or full), or rejection of, the Shares tendered pursuant to the Offer and (i) any corresponding payment for the acquired Shares and/or (ii) Share certificates for any rejected Shares or Shares withdrawn, will be dispatched to the Public Shareholders by registered post or by ordinary post as the case may be, at the shareholder's sole risk. Shares held in dematerialized form to the extent not acquired or Shares withdrawn will be credited back to the respective beneficiary account with their respective DPs as per the details furnished by the beneficial owners in the FOA.
49. For Public Shareholders, who do not opt for electronic mode of transfer and whose payment consideration is rejected/ not credited through ECS/Direct Credit/RTGS/NEFT, due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through registered post or speed post. It is advised that Public Shareholders provide bank details in the FOA so that the same can be incorporated in the cheque / demand draft / pay order. It will be the responsibility of the shareholder to ensure that correct bank account details are mentioned with their depositories and in the FOA. Dispatches involving payment of a value in excess of Indian Rupees One Thousand Five Hundred (INR 1,500/-) will be made by registered post at the shareholder's sole risk. All other dispatches will be made by ordinary post at the shareholder's sole risk.
50. The Registrar to the Offer will hold in trust the shares/share certificates, shares lying in credit of the special depository account, FOA cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of Target Company who have accepted the Offer, till the cheques/drafts for the consideration and/or the unaccepted shares/share certificates are dispatched/returned.
51. If the aggregate of the valid responses to the Offer exceeds the Offer size of 8,567,521 Shares, then the Acquirer and PAC shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. As the equity shares of the Target Company are compulsorily traded in demat form, the minimum marketable lot being one (1) Share, minimum acceptance will be one Share.
52. Shares that are subject to any charge, lien or encumbrance are liable to be rejected.
53. Application in respect of Equity Shares of the Target Company that are subject matter of litigation wherein the shareholder of the Target Company may be prohibited from transferring the Equity Shares during the pendency of the said litigation are liable to be rejected if a direction/ order regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities
54. Unaccepted share certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Unaccepted Shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant, from which the shares were credited to special depository account, as per the details furnished by the beneficial owner in the FOA cum Acknowledgement.
55. Shareholders, who have sent their shares for dematerialization, need to ensure that the process of getting their shares dematerialized is completed well in time so that the credit in the special depository account is received on or before the date of closure of the Offer, i.e., no later than June 14th , 2011, else their application would be rejected.
56. Compliance with tax and other regulatory requirements:

a. While tendering the equity shares under the Offer, NRIs / OCBs / foreign shareholders will be required to submit any previous RBI Approvals (specific or general) that they may have been required to obtain prior to acquiring the equity shares of the Target Company. In case the previous RBI approvals are not submitted, Acquirer reserves the right to reject such equity shares tendered
b. While tendering their equity shares under the Offer, NRIs, OCBs and other non-resident shareholders will be required to submit a No Objection Certificate or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from the Income-Tax authorities under the Income-Tax Act, 1961 indicating the amount of tax to be deducted by the Acquirer and PAC before remitting the consideration, failing which the Acquirer and PAC will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs on the entire consideration amount payable to such shareholder.
c. As per the provisions of section 196D(2) of the Income-tax Act, 1961 no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor ("FII") as defined in section 115AD of the Income-tax Act, 1961 , provided that the FII provide the Acquirer and PAC with a certificate that the income from sale of shares in the Target Company is in the nature of capital gain. . In the absence such certificate, the Acquirer and PAC will deduct tax at the maximum rate applicable to the category to which such FII belongs on the entire consideration payable to such FII

However, the interest payment for delay in payment of consideration if any, will not be governed by this provision. For interest payments, if any, NRIs / OCBs / other non-resident shareholders will be required to submit a NOC or TCC or Certificate for Deduction of Tax at Lower Rate from the income tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by Acquirer and PAC before remitting the consideration, failing which Acquirer and PAC will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder. In case of resident shareholders, tax will be deducted on the interest component exceeding INR 5,000 at the applicable current prevailing rates.

If the resident shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such shareholders will be required to submit a NOC or TCC or Certificate for Deduction of Tax at Lower Rate from the Income tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by Acquirer and PAC or a self-declaration in Form 15G or Form 15H as may be applicable. Shareholders eligible to receive interest component exceeding INR 5,000 would be required to submit their Permanent Account Number for Income Tax purposes. Clauses relating to payment of interest will become applicable only if the Acquirer becomes liable to pay interest for delay in release of purchase consideration.

d. Securities transaction tax will not be applicable to the equity shares accepted in the Offer.

57. A schedule of the activities pertaining to the Offer is given below:-

Activity	Date	Day
Specified Date *	April 8th, 2011	Friday
Last date for a competitive bid	April 22nd, 2011	Friday
Date by which Letter of Offer to be dispatched to shareholders	May 11th, 2011	Wednesday
Date of opening of the Offer	May 26th, 2011	Thursday
Last date for revising the Offer Price	June 3rd, 2011	Friday
Last date for withdrawing acceptance from the Offer	June 9th, 2011	Thursday
Last date of closing of the Offer	June 14th, 2011	Tuesday
Last date of communicating rejection/ acceptance and payment of consideration for accepted tenders	June 29th, 2011	Wednesday

** Specified date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. This Offer is made to the public shareholders of the Target Company; accordingly the promoters of the Target Company are ineligible to participate in the Offer.*

IX. General

58. ***Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the PA / Letter of Offer shall have the option to withdraw acceptance tendered by them upto 3 (three) working days prior to the date of closure of the Offer, in terms of Regulations 22 (5A) of the SEBI (SAST) Regulations.***
59. If there is any upward revision in the Offer Price by Acquirer and PAC till the last date of revision viz. June 3rd, 2011 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the original PA appears. Acquirer and PAC would pay such revised price for all the Shares validly tendered any time during the Offer and accepted under the Offer.
60. **If there is a competitive bid:**

a. The public offer under all the subsisting bids shall close on the same date.

b. As the Offer Price cannot be revised during 7 (seven) working days prior to the Closing date of the Offers / bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.

61. The Acquirer and PAC have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B or any other regulations made under the SEBI Act.
62. Pursuant to Regulation 13 of the SEBI (SAST) Regulations, the Acquirer and PAC have appointed LIPL as Manager to the Offer. LIPL does not hold any shares of the Target Company as on the date of this PA.
63. Information provided on the Target Company is from publicly available sources. The board of directors of the Acquirer and the PAC and Manager to the Offer have not independently verified information provided on the Target Company and the Acquirer and PAC, in accordance with Regulation 22(6) of the Takeover Regulations, the directors of the Acquirer and PAC and the Manager to the Offer exempt themselves from and do not accept responsibility for the information in relation to the Target Company.
64. Subject to Paragraph 63, the Acquirer and PAC accept the responsibility for the information contained in this PA. The Acquirer and PAC are responsible for the fulfillment of their obligations under the SEBI (SAST) Regulations.
65. **Registrar to the Offer – Karvy Computershare Private Limited, Karvy House, 46, Avenue 4, Street No 1, Banjara Hills, Hyderabad - 500 034, Tel: 040 - 44655000/23420815-23, Fax: 040- 23431551, E-mail: murali@karvy.com, Contact Person: Mr. M. Murali Krishna / Mr. Williams.**
66. Certain financial details contained in this PA are denominated in USD (United States Dollar). The Rupee equivalent quoted in each case is calculated in accordance with the RBI Reference rate as on March 30th, 2011 namely USD/INR = 44.77.

This Public Announcement would also be available on the SEBI's website (www.sebi.gov.in). For applying in this Offer, eligible persons to the Offer may also download a copy of the Form of Acceptance cum Acknowledgement which will be available on SEBI's website at (www.sebi.gov.in) from the Offer Opening Date, i.e. May 26th, 2011

Issued by the Manager to the Offer	*On behalf of*
LAZARD **Lazard India Private Limited** 20th Floor, Express Towers, Nariman Point, Mumbai-400 021. Tel No: 022 6752 6000; Fax No: 022 6752 6060. Email: openoffer.india@lazard.com Contact Person: Ashish Ambwani	**IP Holding Asia Singapore PTE. LTD.** ("Acquirer") and **International Paper Company** ("PAC") Sd/-

Place: Mumbai

Date : 1st April , 2011